



PENN Entertainment, Inc. Reports Third Quarter Results and Announces Realignment of Digital Focus Following Termination of ESPN Alliance

November 6, 2025

WYOMISSING, Pa.--(BUSINESS WIRE)--Nov. 6, 2025-- PENN Entertainment, Inc. ("PENN" or the "Company") (Nasdaq: PENN) today reported financial results for the three and nine months ended September 30, 2025, and announced a realignment of its digital focus following the mutual decision for an early termination (the "Termination Agreement") of its U.S. online sports betting ("OSB") agreement with ESPN, Inc. ("ESPN").

Pursuant to the agreed termination, the Company's OSB marketing exclusivity with ESPN will end on December 1, 2025. Other key terms of the Termination Agreement are as follows:

- Cash payments to ESPN terminate at the end of the fourth quarter in 2025;
- ESPN will retain vested warrants to purchase 7,957,210 shares with a weighted strike price of \$28.95¹;
- All unvested warrants and performance warrants will be forfeited by ESPN; and
- PENN to rebrand OSB offering in the U.S. to theScore Bet, with a target date of December 1, 2025, subject to regulatory approvals.

As stated in the joint release issued this morning by PENN and ESPN, Jay Snowden, Chief Executive Officer and President, said: "When we first announced our partnership with ESPN, both sides made it clear that we expected to compete for a podium position in the space. Although we made significant progress in improving our product offering and building a cohesive ecosystem with ESPN, we have mutually and amicably agreed to wind down our collaboration.

Snowden added, "PENN's unique omnichannel strategy is anchored in a diverse portfolio of market-leading regional casinos and a complementary digital business. We are realigning our digital focus to leverage the strength of our U.S. iCasino and Canadian operations, while continuing to use OSB to drive both the acquisition of customers with significant lifetime value and unique cross-sell opportunities across PENN's retail and digital assets.

Realignment of Digital Focus: Leverage Strength in U.S. iCasino and Canadian Operations with Emphasis on Omnichannel Benefits

"PENN's iCasino forward approach has clear long-term alignment to our core business, which will focus on cross-sell opportunities across our ecosystem and enhanced connectivity to our 33 million member PENN Play™ loyalty program. Our OSB offerings will continue to provide top of funnel acquisition and cross-sell opportunities for our Hollywood-branded iCasino, which will remain integrated into our OSB product in states where legal, in addition to serving as a standalone iCasino app. We will operate with a more efficient cost structure, including replacing fixed media spending with performance based and regionally targeted marketing that complement our casino footprint. The realignment will free up resources to strategically invest in the North American markets with strong return potential which we expect will drive enhanced unit economics and profitability."

¹ The warrants are subject to net settlement in stock or cash at PENN's option. At an assumed exercise price of \$28.95, the vested warrants would represent potential dilution of 319,952 shares.

OSB Strategy Highlights:

- theScore Bet, which is delivering strong results in Ontario, will be the Company's unified OSB brand across the U.S. and Canada, and will be deeply integrated into our digital sports media app, theScore;
- theScore has approximately 4 million monthly active users ("MAUs") across North America; and
- PENN retains a database of 2.9 million digital users acquired during the ESPN relationship, including 300 thousand acquired this football season.

Third Quarter Retail Property Level Highlights²:

- Revenues of \$1.4 billion;
- Segment Adjusted EBITDAR of \$465.8 million; and
- Segment Adjusted EBITDAR margins of 32.8%.

Mr. Snowden continued: "Demand was generally stable in our core business across gaming and non-gaming amenities during the quarter, particularly at our properties not impacted by new supply or increased competitor promotional activity. Our third-quarter performance was driven by strong results at our properties in our West segment, as well as in Ohio, St. Louis, and Illinois. We also saw increases in theoretical revenue across all rated worth segments of our retail portfolio, along with overall growth in visitation and spend per visit. The fourth quarter is off to a solid start and we are encouraged by early trends at our new Hollywood Casino in Joliet, which is driving both gaming and non-gaming volumes and database growth through its best-in-market offering. As previously disclosed, the second hotel tower at M Resort Spa Casino Las Vegas is scheduled to open on December 1, subject to regulatory approvals, and we are pleased to announce the upcoming openings of the new Hollywood Casino in Aurora and new hotel tower at Hollywood Columbus late in the second quarter of 2026.

Third Quarter Interactive Segment Highlights:

- Revenues of \$297.7 million (including tax gross up of \$139.5 million); and
- Adjusted EBITDA loss of \$76.6 million.

"Gaming revenues and Adjusted EBITDA in the quarter came in below expectations due to customer-friendly hold across our digital operations and lower than anticipated OSB volumes. Meanwhile, our North America iCasino business achieved its highest quarterly gaming revenue to date, an improvement of nearly 40% year-over-year, driven by record cross-sell from OSB of 62% and growth from our standalone Hollywood and theScore Bet iCasino apps. The momentum in our iCasino business continues to benefit from growing average MAUs, which experienced the third consecutive quarter of year-over-year and quarter-over-quarter increases," concluded Mr. Snowden.

² Property level consists of retail operating segments which are composed of our Northeast, South, West, and Midwest reportable segments.

Share Repurchase Authorization Update

During the three months ended September 30, 2025, the Company repurchased 7,965,282 shares of its common stock in open market transactions for \$154.1 million at an average price of \$19.34 per share. During the nine months ended September 30, 2025, the Company repurchased 15,214,631 shares of its common stock in open market transactions for \$269.4 million at an average price of \$17.70 per share.

Through November 5, 2025, PENN has repurchased \$354.4 million of shares in connection with its previously stated goal to repurchase at least \$350 million of shares this year.

As of November 5, 2025, the remaining availability under our December 2022 Authorization was \$395.4 million.

On October 30, 2025, the Company's Board of Directors authorized a new \$750 million share repurchase program, which begins on January 1, 2026, and expires on December 31, 2028. This program is incremental to the December 2022 authorization, which expires on December 31, 2025.

Liquidity and Financial Position

Total liquidity as of September 30, 2025 was \$1.1 billion inclusive of \$660.1 million in Cash and cash equivalents. Traditional net debt as of the end of the quarter was \$2.2 billion. On November 3, 2025, PENN received \$150 million in funding from Gaming and Leisure Properties, Inc. at a 7.79% capitalization rate in connection with the second hotel tower construction at the M Resort Las Vegas.

Summary of Third Quarter Results

	For the three months ended September 30,	
	2025	2024
<i>(in millions, except per share data, unaudited)</i>		
Revenues	\$ 1,717.3	\$ 1,639.2
Net loss	\$ (865.1)	\$ (37.5)
Consolidated Adjusted EBITDA ⁽¹⁾	\$ 194.9	\$ 193.5
Rent expense associated with triple net operating leases ⁽²⁾	158.1	154.9
Cash payments to our REIT Landlords under Triple Net Leases ⁽³⁾	\$ 241.9	\$ 238.0
Diluted loss per common share	\$ (6.03)	\$ (0.24)

(1) For more information, definitions, and reconciliations see the "Non-GAAP Financial Measures" section below.

(2) Consists of the operating lease components contained within our triple net master lease dated November 1, 2013 with Gaming and Leisure Properties, Inc. (Nasdaq: GLPI) ("GLPI"), that was amended and restated effective January 1, 2023 (referred to as the AR PENN Master Lease); our triple net master lease entered in conjunction with and coterminous to the AR PENN Master Lease (referred to as the 2023 Master Lease); as well as our individual triple net leases with VICI Properties Inc. (NYSE: VICI) ("VICI") for the real estate assets used in the operations of Margaritaville Resort Casino (referred to as the Margaritaville Lease) and Hollywood Casino at Greentown (referred to as the Greentown Lease) and referred to collectively as our "triple net operating leases." The expense related to operating lease components contained within our triple net operating leases are recorded as "General and administrative" within the unaudited Consolidated Statements of Operations.

(3) Consists of total cash payments made to GLPI and VICI (referred to collectively as our "REIT Landlords") under our triple net operating leases (as defined above), the Pinnacle Master Lease, and the Morgantown Lease and collectively referred to as our "Triple Net Leases."

Adjusted EPS

The following table reconciles diluted loss per share ("EPS") to Adjusted EPS (approximate EPS impact shown, per share; positive adjustments represent charges to income):

	For the three months ended September 30,	
	2025	2024
Diluted loss per share	\$ (6.03)	\$ (0.24)
Impairment loss ⁽¹⁾	5.75	—

Gain on disposal of assets	(0.01)	—
Transaction related expenses	0.01	0.01
Pre-opening expenses	0.07	—
Legal matters inclusive of litigation settlements	0.04	—
Non-operating items:		
Gain on REIT transaction, net	(0.02)	—
Gain related to debt and equity investments	—	(0.02)
Income tax impact on adjustments ⁽²⁾	(0.03)	—
Adjusted EPS	\$ (0.22)	\$ (0.25)

(1) The impairment loss related to the PENN Interactive reporting unit does not generate a tax benefit because goodwill impairment is a non-deductible permanent item under Canadian tax law.

(2) The income tax impact reflects current and deferred tax effects based on the nature of each adjustment and the applicable tax jurisdiction.

PENN ENTERTAINMENT, INC. AND SUBSIDIARIES

Supplemental Information

The Company aggregates its operations into five reportable segments: Northeast, South, West, Midwest, and Interactive.

<i>(in millions, unaudited)</i>	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Revenues:				
Northeast segment ⁽¹⁾	\$ 690.5	\$ 684.8	\$ 2,083.0	\$ 2,065.8
South segment ⁽²⁾	291.0	288.1	881.5	884.8
West segment ⁽³⁾	138.3	131.8	405.7	395.9
Midwest segment ⁽⁴⁾	298.3	292.2	878.2	881.5
Interactive ⁽⁵⁾	297.7	244.6	903.9	684.9
Other ⁽⁶⁾	4.1	4.0	15.1	15.9
Intersegment eliminations ⁽⁷⁾	(2.6)	(6.3)	(12.6)	(19.7)
Total revenues	\$ 1,717.3	\$ 1,639.2	\$ 5,154.8	\$ 4,909.1
Segment Adjusted EBITDAR ⁽⁸⁾:				
Northeast segment ⁽¹⁾	\$ 197.9	\$ 199.3	\$ 601.6	\$ 606.6
South segment ⁽²⁾	97.7	106.4	305.8	331.3
West segment ⁽³⁾	51.1	47.5	150.3	144.0
Midwest segment ⁽⁴⁾	119.1	118.5	354.7	365.4
Interactive ⁽⁵⁾	(76.6)	(90.9)	(227.6)	(389.7)
Other ⁽⁶⁾	(36.2)	(32.4)	(110.5)	(86.0)
Rent expense associated with triple net operating leases	(158.1)	(154.9)	(470.0)	(464.6)
Consolidated Adjusted EBITDA ⁽⁹⁾	\$ 194.9	\$ 193.5	\$ 604.3	\$ 507.0

(1) The Northeast segment consists of the following properties: Ameristar East Chicago, Hollywood Casino at Greektown, Hollywood Casino Bangor, Hollywood Casino at Charles Town Races, Hollywood Casino Columbus, Hollywood Casino Lawrenceburg, Hollywood Casino Morgantown, Hollywood Casino at PENN National Race Course, Hollywood Casino Perryville, Hollywood Casino Toledo, Hollywood Casino York, Hollywood Gaming at Dayton Raceway, Hollywood Gaming at Mahoning Valley Race Course, Marquee by PENN, Hollywood Casino at The Meadows, and Plainridge Park Casino.

(2) The South segment consists of the following properties: 1st Jackpot Casino, Ameristar Vicksburg, Boomtown Biloxi, Boomtown Bossier City, Boomtown New Orleans, Hollywood Casino Gulf Coast, Hollywood Casino Tunica, L'Auberge Baton Rouge, L'Auberge Lake Charles, and Margaritaville Resort Casino.

(3) The West segment consists of the following properties: Ameristar Black Hawk, Cactus Petes and Horseshu, M Resort Spa Casino, and Zia Park Casino.

(4) The Midwest segment consists of the following properties: Ameristar Council Bluffs, Argosy Casino Alton, Argosy Casino Riverside, Hollywood Casino Aurora, Hollywood Casino Joliet, our 50% investment in Kansas Entertainment, LLC, which owns Hollywood Casino at Kansas Speedway, Hollywood Casino St. Louis, Prairie State Gaming, and River City Casino.

(5) The Interactive segment includes all of our online sports betting, online casino/iCasino and social gaming operations, management of retail sports betting, and media. Interactive revenues are inclusive of a tax gross-up of \$139.5 million and \$104.1 million for the three months ended September 30, 2025 and 2024, respectively, and \$405.6 million and \$302.8 million for the nine months ended September 30, 2025 and 2024, respectively.

- (6) The Other category, included in the tables to reconcile the segment information to the consolidated information, consists of the Company's stand-alone racing operations, namely Sanford-Orlando Kennel Club, Sam Houston and Valley Race Park, the Company's joint venture interests in Freehold Raceway (which ceased operations on December 28, 2024) and our management contract for Retama Park Racetrack. The Other category also includes corporate overhead, which consist of certain expenses, such as: payroll, professional fees, travel expenses, and other general and administrative expenses that do not directly relate to or have not otherwise been allocated. Corporate overhead was \$34.0 million and \$29.1 million for the three months ended September 30, 2025 and 2024, respectively, and \$108.7 million and \$78.5 million for the nine months ended September 30, 2025 and 2024, respectively. Corporate overhead for the three and nine months ended September 30, 2025, include \$3.9 million and \$21.0 million, respectively, of legal and advisory costs related to activist activity in connection with our 2025 annual meeting of shareholders.
- (7) Primarily represents the elimination of intersegment revenues associated with our retail sportsbooks, which are operated by PENN Interactive.
- (8) See definition of Segment Adjusted EBITDAR within the "Reportable Segment Measures" section below.
- (9) See definition of Consolidated Adjusted EBITDA within the "Non-GAAP Financial Measures" section below.

PENN ENTERTAINMENT, INC. AND SUBSIDIARIES

Reconciliation of Net Loss to Consolidated Adjusted EBITDA

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
<i>(in millions, unaudited)</i>				
Net loss	\$ (865.1)	\$ (37.5)	\$ (771.9)	\$ (179.5)
Income tax (benefit) expense	5.3	2.8	59.4	(13.0)
Interest expense, net	97.2	118.4	303.9	356.9
Interest income	(2.3)	(6.3)	(7.6)	(19.2)
Income from unconsolidated affiliates	(8.2)	(7.1)	(29.1)	(22.1)
Gain on REIT transaction, net ⁽¹⁾	(3.3)	—	(3.3)	—
Gain on financing arrangement	—	—	(215.1)	—
Loss on early extinguishment of debt	—	—	11.8	—
Other income	—	(2.8)	(4.2)	(2.5)
Operating income (loss)	(776.4)	67.5	(656.1)	120.6
Stock-based compensation	16.8	12.9	48.5	39.0
Cash-settled stock-based awards variance ⁽²⁾	(2.9)	(3.8)	(9.2)	(14.9)
Loss (gain) on disposal of assets	(1.5)	(0.1)	(1.2)	8.8
Pre-opening expenses	9.6	—	14.5	—
Depreciation and amortization	114.2	108.7	332.7	326.5
Impairment losses ⁽³⁾	825.0	—	840.0	—
Income from unconsolidated affiliates	8.2	7.1	29.1	22.1
Non-operating items of equity method investments ⁽⁴⁾	1.1	1.1	3.3	3.2
Other expenses	0.8	0.1	2.7	1.7
Consolidated Adjusted EBITDA	\$ 194.9	\$ 193.5	\$ 604.3	\$ 507.0

(1) Relates to lease modification events associated with our development projects.

(2) 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.

(3) Includes impairment charges of \$15.0 million in the Midwest segment and \$825.0 million in the Interactive segment.

(4) Consists primarily of depreciation expense associated with our Kansas Entertainment joint venture.

PENN ENTERTAINMENT, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
<i>(in millions, except per share data, unaudited)</i>				
Revenues				
Gaming	\$ 1,325.2	\$ 1,288.0	\$ 3,991.2	\$ 3,878.6
Food, beverage, hotel, and other	392.1	351.2	1,163.6	1,030.5
Total revenues	1,717.3	1,639.2	5,154.8	4,909.1
Operating expenses				
Gaming	852.4	826.1	2,575.9	2,576.7
Food, beverage, hotel, and other	284.2	244.4	831.1	715.2

General and administrative	417.9	392.5	1,231.2	1,170.1
Depreciation and amortization	114.2	108.7	332.7	326.5
Impairment losses	825.0	—	840.0	—
Total operating expenses	2,493.7	1,571.7	5,810.9	4,788.5
Operating income (loss)	(776.4)	67.5	(656.1)	120.6
Other income (expenses)				
Interest expense, net	(97.2)	(118.4)	(303.9)	(356.9)
Interest income	2.3	6.3	7.6	19.2
Income from unconsolidated affiliates	8.2	7.1	29.1	22.1
Gain on REIT transaction, net	3.3	—	3.3	—
Gain on financing arrangement	—	—	215.1	—
Loss on early extinguishment of debt	—	—	(11.8)	—
Other	—	2.8	4.2	2.5
Total other expenses	(83.4)	(102.2)	(56.4)	(313.1)
Loss before income taxes	(859.8)	(34.7)	(712.5)	(192.5)
Income tax benefit (expense)	(5.3)	(2.8)	(59.4)	13.0
Net loss	(865.1)	(37.5)	(771.9)	(179.5)
Net loss attributable to non-controlling interest	0.5	0.8	1.7	1.3
Net loss attributable to PENN Entertainment, Inc.	\$ (864.6)	\$ (36.7)	\$ (770.2)	\$ (178.2)

Loss per share:

Basic loss per share	\$ (6.03)	\$ (0.24)	\$ (5.20)	\$ (1.17)
Diluted loss per share	\$ (6.03)	\$ (0.24)	\$ (5.20)	\$ (1.17)

Weighted-average common shares outstanding—basic	143.5	152.2	148.2	152.1
Weighted-average common shares outstanding—diluted	143.5	152.2	148.2	152.1

Selected Financial Information and GAAP to Non-GAAP Reconciliations

<i>(in millions, unaudited)</i>	September 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 660.1	\$ 706.6
Total traditional debt	\$ 2,853.4	\$ 2,596.1
Cash and cash equivalents	(660.1)	(706.6)
Traditional net debt ⁽¹⁾	\$ 2,193.3	\$ 1,889.5
Amended Revolving Credit Facility due 2027	\$ 510.0	\$ —
Amended Term Loan A Facility due 2027	460.6	481.3
Amended Term Loan B Facility due 2029	967.5	975.0
5.625% Notes due 2027	400.0	400.0
4.125% Notes due 2029	400.0	400.0
2.75% Convertible Notes due 2026	106.7	330.5
Other long-term obligations	8.6	9.3
Total traditional debt	2,853.4	2,596.1
Financing obligation ⁽²⁾	—	201.2
Debt discounts and debt issuance costs	(18.9)	(26.6)
	\$ 2,834.5	\$ 2,770.7
Total traditional debt	\$ 2,853.4	\$ 2,596.1
Cash and cash equivalents	(660.1)	(706.6)
Cash rent payments to REIT landlords ⁽³⁾	7,690.4	7,603.2
	\$ 9,883.7	\$ 9,492.7
Consolidated Adjusted EBITDA ⁽⁴⁾	\$ 769.5	\$ 672.2
Rent expense associated with triple net operating leases ⁽⁴⁾	\$ 625.5	\$ 620.1
Lease-adjusted net leverage ratio ⁽¹⁾	7.1x	7.3x
Traditional net leverage ⁽¹⁾	5.1x	5.5x

- (1) See “Non-GAAP Financial Measures” section below for more information as well as the definitions of Traditional net debt, Lease-adjusted net leverage ratio, and Traditional net leverage.
- (2) Represented cash proceeds received and non-cash interest on certain claims of which the principal repayment was contingent and classified as a financing obligation under Accounting Standards Codification Topic 470, “Debt” in the prior year.
- (3) Amount equals 8 times the total cash rent payments to REIT landlords for the trailing twelve months.
- (4) Balance is presented on a trailing twelve months basis.

Cash Flow Data

The table below summarizes certain cash expenditures incurred by the Company.

<i>(in millions, unaudited)</i>	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Cash payments to our REIT Landlords under Triple Net Leases	\$ 241.9	\$ 238.0	\$ 721.9	\$ 711.0
Cash payments (refunds) related to income taxes, net	\$ —	\$ (2.0)	\$ 6.0	\$ (1.1)
Cash paid for interest on traditional debt	\$ 39.6	\$ 46.5	\$ 97.4	\$ 128.7
Capital expenditures	\$ 172.7	\$ 132.1	\$ 457.3	\$ 261.7

Reportable Segment Measures

Segment Adjusted EBITDAR is our measure of profit or loss for our reportable segments and underlying operating segments. We define Segment Adjusted EBITDAR 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, loss on disposal of a business, non-cash gains/losses associated with REIT transactions, and other. Segment Adjusted EBITDAR excludes rent expense associated with triple net operating leases (which is a normal, recurring cash operating expense necessary to operate our business). Segment Adjusted EBITDAR is inclusive of income or loss from unconsolidated affiliates, with our share of non-operating items (such as interest expense, net, and depreciation and amortization) added back for our Kansas Entertainment, LLC joint venture. Segment Adjusted EBITDAR margin is Segment Adjusted EBITDAR divided by related segment revenues.

Non-GAAP Financial Measures

The Non-GAAP Financial Measures used in this press release include Consolidated Adjusted EBITDA, Adjusted EPS, Traditional net debt, Traditional net leverage ratio, and Lease-adjusted net leverage ratio. 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.

We define Consolidated 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, loss on disposal of a business, non-cash gains/losses associated with REIT transactions, and other. Consolidated Adjusted EBITDA is inclusive of income or loss from unconsolidated affiliates, with our share of non-operating items (such as interest expense, net, and depreciation and amortization) added back for our Kansas Entertainment, LLC joint venture. Consolidated Adjusted EBITDA is inclusive of rent expense associated with our triple net operating leases with our REIT landlords. Although Consolidated Adjusted EBITDA includes rent expense associated with our triple net operating leases, we believe Consolidated Adjusted EBITDA is useful as a supplemental measure in evaluating the performance of our consolidated results of operations.

Consolidated 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 Consolidated 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 Consolidated Adjusted EBITDA calculations certain corporate expenses that do not relate to the management of specific casino properties. However, Adjusted Consolidated EBITDA is not a measure of performance or liquidity calculated in accordance with GAAP. Consolidated 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.

Adjusted EPS is diluted earnings or loss per share adjusted to exclude gains/losses on the disposal of a business, non-cash gains/losses associated with REIT transactions, impairment losses, pre-opening expenses, debt extinguishment charges, gains/losses on the disposal of assets, foreign currency gains/losses, transaction related expenses, business interruption insurance proceeds, net gains/losses related to equity investments, and other.

Adjusted EPS is a non-GAAP measure and is presented solely as a supplemental disclosure to reported GAAP measures because management believes this measure is useful in providing period-to-period comparisons of the results of the Company's operations to assist investors in reviewing the Company's operating performance over time. Management believes it is useful to exclude certain items when comparing current performance to prior periods because these items can vary significantly depending on specific underlying transactions or events. Further, management believes certain excluded items may not relate specifically to current operating trends or be indicative of future results. Adjusted EPS should not be construed as an alternative to GAAP earnings per share as an indicator of the Company's performance.

We calculate Traditional net debt 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. Management believes that Traditional net debt is an important measure to monitor leverage and evaluate the balance sheet. With respect to Traditional net debt, Cash and cash equivalents are subtracted from the GAAP measure because they could be used to reduce the Company's debt obligations. A limitation associated with using Traditional net debt is that it subtracts Cash and cash equivalents and therefore may imply that there is less Company debt than the most comparable GAAP measure indicates. Management believes that investors may find it useful to monitor leverage and evaluate the balance sheet.

The Company's Traditional net leverage ratio is defined as Traditional net debt (as defined above) divided by (i) Consolidated Adjusted EBITDA (as defined above) for the trailing twelve months plus (ii) rent expense associated with triple net operating leases for the trailing twelve months less (iii) cash rent payments to REIT landlords for the trailing twelve months. Management believes this measure is useful as a supplemental measure and provides an indication of the results generated by the Company in relation to its level of indebtedness with the cash generated from Company operations.

The Company's Lease-adjusted net leverage ratio's numerator is calculated as cash rent payments to REIT landlords for the trailing twelve months capitalized at 8 times plus Traditional net debt (as defined above). The Company's Lease-adjusted net leverage ratio's denominator is Consolidated Adjusted EBITDA (as defined above) for the trailing twelve months plus rent expense associated with triple net operating leases for the trailing twelve months. Management believes this measure is useful as a supplemental measure and provides an indication of the results generated by the Company in relation to its level of indebtedness (including leases) with the cash generated from Company operations.

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. See the tables above, which present reconciliations of these measures to the GAAP equivalent financial measures.

Management Presentation, Conference Call, Webcast and Replay Details

PENN is hosting a conference call and simultaneous webcast at 9:00 a.m. E.T. today, both of which are open to the general public. During the call, management will review a presentation regarding the quarter and recent developments that can be accessed at <http://investors.pennentertainment.com/events-and-presentations/presentations>.

The conference call number is 203-518-9765 (conference ID: PENN); please call five minutes in advance to ensure that you are connected prior to the presentation. Interested parties may also access the live call at www.pennentertainment.com; allow 15 minutes to register, download, and install any necessary software. Questions and answers will be reserved for call-in analysts and investors. A replay of the call can be accessed for thirty days at <http://www.pennentertainment.com>.

This press release, which includes financial information to be discussed by management during the conference call and disclosure and reconciliation of non-GAAP financial measures, is available on the Company's web site, <http://www.pennentertainment.com/corp/investors> (select link for "Press Releases").

About PENN Entertainment, Inc.

PENN Entertainment, Inc., together with its subsidiaries ("PENN," or the "Company," "we," "our," or "us"), operates in 28 jurisdictions throughout North America, with a broadly diversified portfolio of casinos, racetracks, and online sports betting and iCasino offerings. PENN's focus is on organic cross-sell opportunities, reinforced by its market-leading retail casinos, sports media assets and technology, including a proprietary state-of-the-art, fully integrated digital sports betting and iCasino platform, and an in-house iCasino content studio. The Company's portfolio is further bolstered by its industry-leading PENN Play™ customer loyalty program, offering its over 33 million members a unique set of rewards and experiences.

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," "look forward to," 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 future results of operations and financial condition, including, but not limited to, projections of revenue, Segment Adjusted EBITDAR, Consolidated Adjusted EBITDA, and other financial measures; the assumptions provided regarding the guidance, including the scale and timing of the Company's product and technology investments; the Company's expectations regarding results and customer growth and the impact of competition in retail/mobile/online sportsbooks, iCasino, social gaming, 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 theScore Bet and Hollywood iCasino, and the further development of theScore Bet on our proprietary player account management system and risk and trading platforms; the Company's expectations regarding the rebranding of our U.S. OSB product to theScore Bet and the future success of theScore Bet, Hollywood iCasino and its other digital offerings; the Company's expectations with respect to share repurchases; the Company's expectations with respect to the integration and synergies related to the Company's integration of theScore and the continued growth and monetization of the Company's media business; the Company's expectations that its portfolio of assets provides a benefit of geographically-diversified cash flows from operations; management's plans and strategies for future operations, including statements relating to the Company's plan to expand gaming operations through the implementation and execution of a disciplined capital expenditure program at our existing properties, the pursuit of strategic acquisitions and investments, and the development of new gaming properties, including the development projects and the anticipated benefits; improvements, expansions, or relocations of our existing properties; entrance into new jurisdictions; expansion of gaming in existing jurisdictions; strategic investments and acquisitions; cross-sell opportunities between our retail gaming, online sports betting, and iCasino businesses; our ability to obtain financing for our development projects on attractive terms; the timing, cost and expected impact of planned capital expenditures on the Company's results of operations; and 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 or otherwise, including the impact of global supply chain disruptions, price inflation, changes in interest rates, economic downturns, changes in trade policies, and geopolitical and regulatory uncertainty; competition with other retail and online

gaming and sports betting, entertainment and sports content experiences; the timing, cost and expected impact of product and technology investments; risks relating to operations, permits, licenses, financings, approvals and other contingencies in connection with growth in new or existing jurisdictions; our ability to successfully acquire and integrate new properties and operations and achieve expected synergies from acquisitions; the availability of future borrowings under our Amended Credit Facilities or other sources of capital to enable us to service our indebtedness, make anticipated capital expenditures or pay off or refinance our indebtedness prior to maturity; the impact of indemnification obligations under the Barstool SPA; our ability to realize the anticipated benefits of our iCasino forward strategy and the rebranding of our U.S. online sports betting product to theScore Bet; our ability to attract and retain user adoption of theScore Bet and Hollywood iCasino apps in a rapidly evolving and highly competitive market; the impact of the termination of the Sportsbook Agreement; the outcome of any legal proceedings that may be instituted against the Company, or its respective directors, officers or employees; the ability of the Company to retain and hire key personnel; the impact of new or changes in current laws, regulations, rules or other industry standards; the impact of activist shareholders; adverse outcomes of litigation involving the Company, including litigation brought by activist shareholders; our ability to maintain our gaming licenses and concessions and comply with applicable gaming law, changes in current laws, regulations, rules or other industry standards, and additional factors described in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, 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.

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Mike Nieves
SVP, Finance & Treasurer
PENN Entertainment, Inc.
610-373-2400

Joseph N. Jaffoni
JCIR
212-835-8500 or penn@jcir.com

Source: PENN Entertainment, Inc.