Penn National Gaming, Inc.

Third Quarter 2021
Earnings Presentation

November 4, 2021

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Non-GAAP Financial Measures

In addition to GAAP financial measures, management uses Adjusted EBITDA, Adjusted EBITDAR, Adjusted EBITDAR margin, Combined Revenues, Combined Adjusted EBITDA, Combined Adjusted EBITDAR and Combined Net Income 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; 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. ("Barstool Sports") 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. ("GLPI") and the triple net master lease assumed in connection with our acquisition of Pinnacle Entertainment, Inc. (primarily land), 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. ("VICI") for the real estate assets used in the operations of Margaritaville Casino Resort and Greektown Casino-Hotel. 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. 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 nonoperational 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 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. Adjusted EBITDAR is 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 (as defined above) 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.

The Company defines Combined Revenues, as revenues of Penn National, Greektown Casino-Hotel ("Greektown"), Hollywood Casino Perryville ("Perryville"), and Sam Houston Race Park and Valley Race Park ("Sam Houston"), assuming that Greektown, Perryville, and Sam Houston (collectively, the "Acquired Properties") were a part of Penn National during the historical periods beginning on January 1, 2019, but excluding revenues of Resorts Casino Tunica ("Tunica") as if was not a part of Penn National during the historical periods beginning on January 1, 2019. The Company defines Combined Adjusted EBITDA as Adjusted EBITDA (as defined above) of Penn National and the Acquired Properties, assuming that the Acquired Properties were a part of Penn National during the historical periods beginning on January 1, 2019, but excluding Adjusted EBITDA of Tunica as if was not a part of Penn National during the historical periods beginning on January 1, 2019. The Company defines Combined Adjusted EBITDAR as Adjusted EBITDAR (as defined above) of Penn National and the Acquired Properties, assuming that the Acquired Properties were a part of Penn National during the historical periods beginning on January 1, 2019, but excluding Adjusted EBITDAR of Tunica as if was not a part of Penn National during the historical periods beginning on January 1, 2019. The Company defines Combined Net Income as net income of Penn National the Acquired Properties, assuming that the Acquired Properties were a part of Penn National during the historical periods beginning on January 1, 2019, but excluding net income of Tunica as if net income was not a part of Penn National during the historical periods beginning on January 1, 2019. Management believes that presenting Combined Revenues, Combined Adjusted EBITDA, Combined Adjusted EBITDAR and Combined Net Income for the three and nine month period ended September 30, 2019 is useful for investors to evaluate the Company's performance for the three and nine month period ended September 30, 2021. These results do not reflect any cost savings from potential operating efficiencies or associated costs to achieve such savings or synergies that are expected to result from these transactions. The Company does not provide reconciliations of Combined Adjusted EBITDA and Combined Adjusted EBITDAR to net income (loss) on a forward-looking basis because the Company is unable to forecast the amount or significance of certain items required to develop meaningful comparable GAAP financial measures without unreasonable efforts. These items include gains or losses on sale or consolidation transactions, accelerated depreciation, impairment charges, gains or losses on retirement of debt, which are difficult to predict and estimate and are primarily dependent on future events, but which are excluded from the Company's calculations of Adjusted EBITDA and Adjusted EBITDAR.

In addition, this presentation includes property level results within our reportable segments for the current period and estimated operating trends within our reportable segments of the Company compared to the same periods in 2019 using monthly property level financials and internally generated daily operating reports. These results and trends are based on management estimates only using currently available information, which has not been reviewed by the Company's auditors, is not subject to the Company's normal control procedures and has not been prepared in accordance with GAAP. The Company does not prepare monthly or intra-month property level financials.

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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 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: COVID-19; continued demand for the gaming properties that have reopened and the possibility that the Company's gaming properties may be required to close again in the future due to COVID-19; the impact of COVID-19 on general economic conditions, capital markets, unemployment, and the Company's liquidity, operations, supply chain and personnel; the potential benefits of the Company's Score Media & Gaming, Inc. ("theScore") acquisition; the Company's estimated cash burn and future liquidity, future revenue and Adjusted EBITDAR, including from the Company's investment in Barstool sports and its ongoing launch of its iGaming products and online sports betting products, including the Barstool Sportsbook mobile app; the Company's expectations of future results of operations and financial condition, including margins; the Company's expectations for its properties and the potential benefits of the cashless, cardless and contactless ("3Cs") technology; the Company's development projects; the timing, cost and expected impact of planned capital expenditures on the Company's results of operations; the anticipated opening dates of the Company's retail sportsbooks in future states; the Company's expectations with regard to acquisitions, potential divestitures and development opportunities, as well as the integration of and synergies related to any companies the Company have acquired or may acquire; the outcome and financial impact of the litigation in which the Company is or will be periodically involved; the actions of regulatory, legislative, executive or judicial decisions at the federal, state or local level with regard to our business and the impact of any such actions; the Company's ability to maintain regulatory approvals for its existing businesses and to receive regulatory approvals for its new business partners; the Company's expectations with regard to the impact of competition in online sports betting, iGaming and retail/mobile sportsbooks as well as the potential impact of this business line on the Company's existing businesses; and the performance of the Company's partners in online sports betting, iGaming and retail/mobile sportsbooks, including the risks associated with any new business, the actions of regulatory, legislative, executive or judicial decisions with regard to online sports betting, iGaming and retail/mobile sportsbooks 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, but are not limited to: (a) the magnitude and duration of the impact of the COVID-19 pandemic on general economic conditions, capital markets, unemployment, consumer spending and the Company's liquidity, financial condition, supply chain, operations and personnel; (b) industry, market, economic, political, regulatory and health conditions; (c) disruptions in operations from data protection breaches, cyberattacks, extreme weather conditions, medical epidemics or pandemics such as the COVID-19, and other natural or man-made disasters or catastrophic events; (d) the Company's ability to access additional capital on favorable terms or at all; (e) the Company's ability to remain in compliance with the financial covenants of its debt obligations; (f) actions to reduce costs and improve efficiencies to mitigate losses as a result of the COVID-19 pandemic that could negatively impact guest loyalty and the Company's ability to attract and retain employees; (g) the outcome of any legal proceedings that may be instituted against the Company or its directors, officers or employees; (h) the impact of new or changes in current laws, regulations, rules or other industry standards; (i) the ability of the Company's operating teams to drive revenue and margins; (j) the impact of significant competition from other gaming and entertainment operations; (k) the Company's ability to obtain timely regulatory approvals required to own, develop and/or operate its properties, or other delays, approvals or impediments to completing its planned acquisitions or projects, construction factors, including delays, and increased costs; (l) the passage of state, federal or local legislation that would expand, restrict, further tax, prevent or negatively impact operations in or adjacent to the jurisdictions in which the Company does or seek to do business; (m) 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; (n) 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 and municipalities for such transactions; (o) 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; (p) 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); (q) with respect to new casinos, risks relating to construction, and its ability to achieve its expected budgets, timelines and investment returns; (r) the Company may not be able to achieve the anticipated financial returns from the acquisition of theScore, including due to fees, costs and taxes in connection with the integration of theScore and expansion of its betting and content platform; (s) there is significant competition in the interactive gaming market; (v) potential adverse reactions or changes to business or regulatory relationships resulting from the acquisition of theScore; (t) the ability of the Company to retain and hire key personnel; and (u) other factors as discussed in the Company's Annual Report on Form 10-K for the year ended December 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 presentation may not occur.

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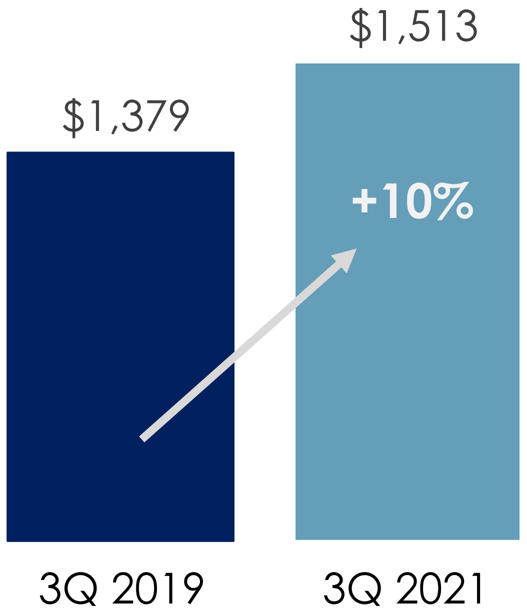
Third Quarter Financial Highlights

Third quarter results surpassed 2019 pre-COVID levels despite the impact of Hurricane Ida and the Delta variant, as well as expenses related to the California sports betting ballot initiative and Barstool Sportsbook launches.

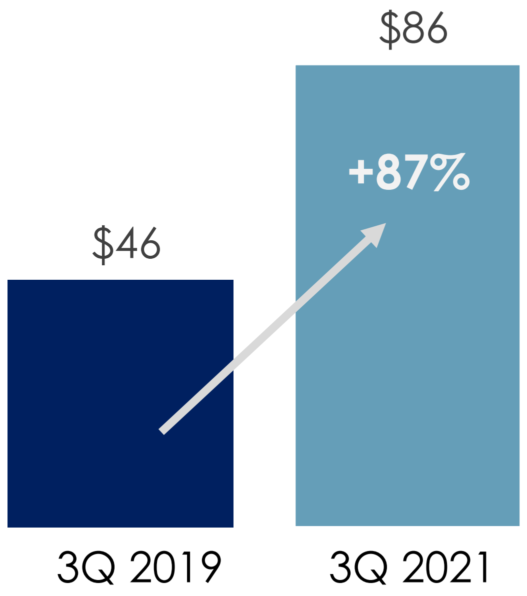
Revenues

($ in millions)



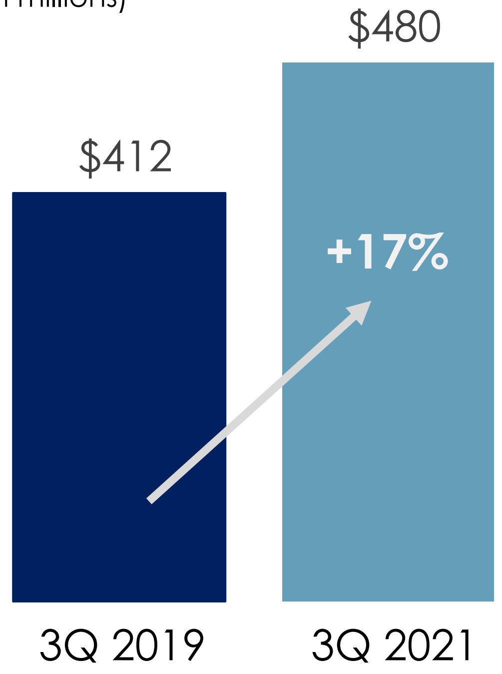
Net Income

($ in millions)



Adjusted EBITDAR[1]

($ in millions)



[1] 3Q 2021 Adjusted EBITDA was $364 million compared to 3Q 2019 Adjusted EBITDA of $316 million

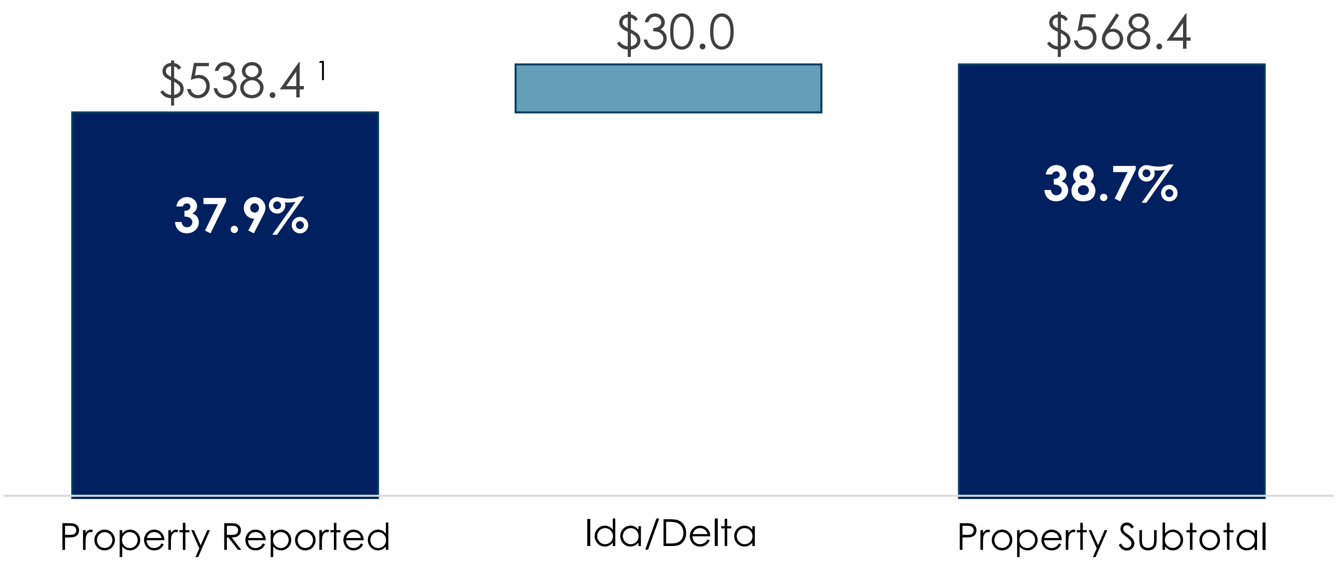
Note: Q3 2019 Revenues, Net Income, Adjusted EBITDA, and Adjusted EBITDAR include proforma adjustments for Hollywood Casino Perryville ("Perryville") and Sam Houston Race Park and Valley Race Park ("Sam Houston"). Q3 2021 Revenues, Net Income, Adjusted EBITDAR and Adjusted EBITDA include pro forma adjustments for Sam Houston. The operating results of Perryville and Sam Houston were derived from historical financial information. The operating results were adjusted to conform to Penn's methodology of allocating certain corporate expenses to properties. Q3 2019 and Q3 2021 metrics are referred to as "Combined Revenues," "Combined Net Income," "Combined Adjusted EBITDA," and "Combined Adjusted EBITDAR." 3Q 2021 results reflect a gross-up of licensing revenue and expenses with respect to reimbursement revenue derived from market access skin arrangements, of which $44.0 million was related to gaming taxes. There is no P&L impact as a result of the aforementioned gross-up related to gaming taxes.

Impacts to Adjusted EBITDAR and Margins

Based on actual performance across our reportable segments, we estimate Hurricane Ida and the Delta variant reduced Adjusted EBITDAR and margins for the quarter by approximately $30M and 85bps, respectively, within those segments. Other Segment results reflect expenses related to the California sports betting ballot initiative and Barstool sportsbook launches.

3Q Impacts to Property Adjusted EBITDAR and Margins

($ in millions)



Other Segment Impacts

Adjusted EBITDAR for the Other Segment was $(58.1) million, inclusive of the following:

- Corporate overhead expense of $27.8 million
- Estimated expenses related to the California sports betting ballot initiative of approximately $12.5 million and Barstool Sportsbook state launches of $7.5 million

1 Inclusive of Adjusted EBITDAR and Adjusted EBITDAR margin for the Northeast, South, West and Midwest segments. Results exclude the Other Segment, which reconciles Adjusted EBITDAR and Adjusted EBITDAR margin on a consolidated basis to net income (loss).

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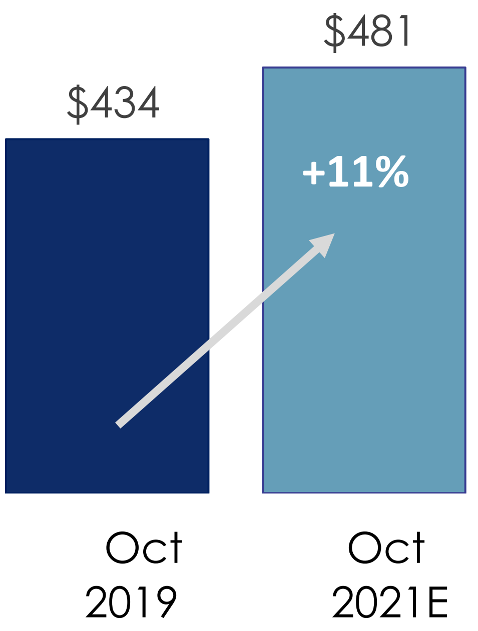
October Operating Trends

We regained operating momentum as we entered the fourth quarter, with estimated October property-level results in our reportable segments showing improved performance.

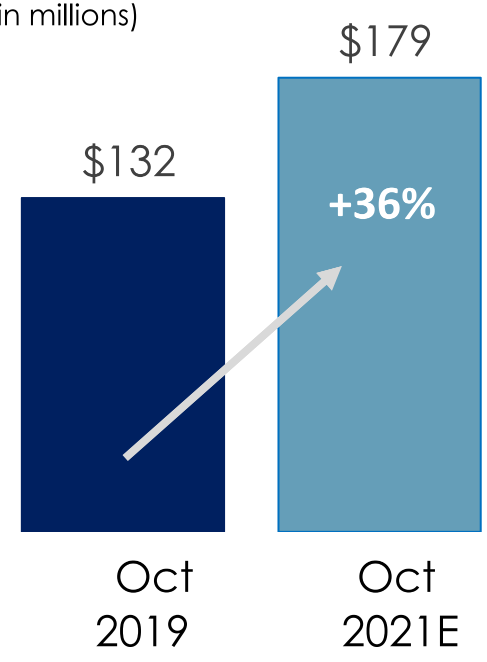
Revenues

($ in millions)

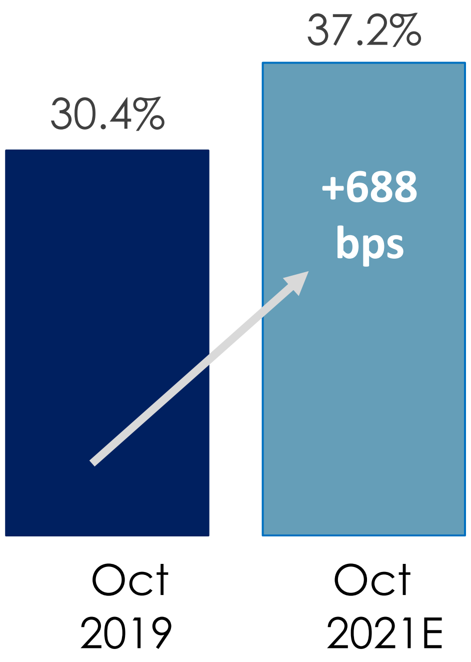


Adjusted EBITDAR

($ in millions)



Adjusted EBITDAR Margin



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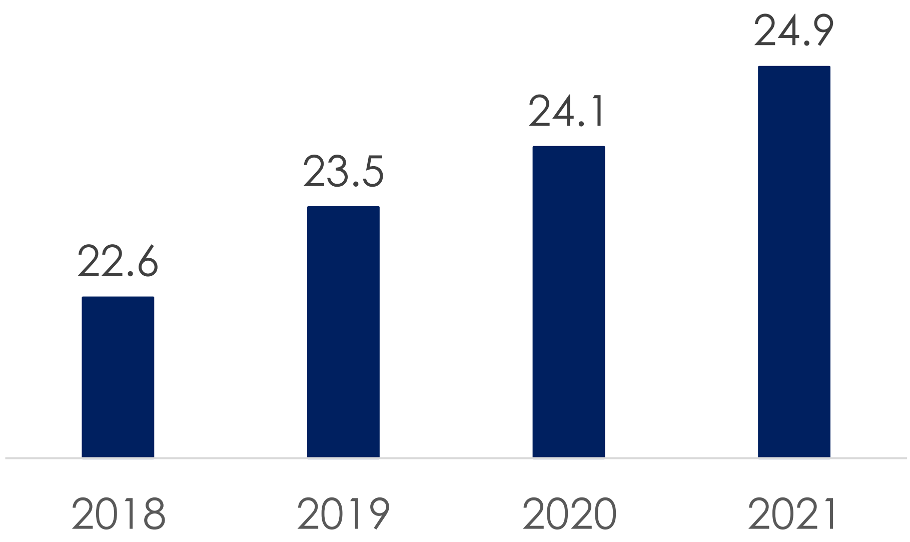
Note: Inclusive of Adjusted EBITDAR for the Northeast, South, West and Midwest segments. Results exclude the Other Segment.

Database Highlights

We continue to see significant growth in our mychoice database as we execute on our omni-channel strategy. Engagement among our younger demographic continues to be strong and more than offset the decline this quarter in our older segment due to the Delta variant.

mychoice Database Members

($ in millions)



Core Business Change in Theo By Age[1]

21 to 34	35 to 44	45 to 54	55 to 64	65 and older
+57%	+49%	+26%	+8%	-17%

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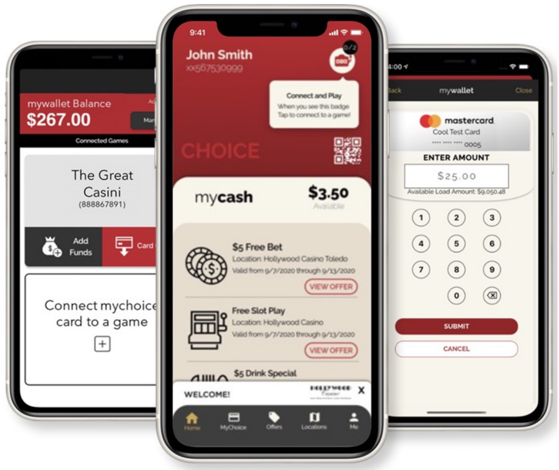
[1] Represents change in average daily theoretical win by segment v. 3Q 2019. Results exclude Hollywood Perryville and Hollywood York.

3Cs Technology Update

We have introduced cardless, cashless and contactless technology (3Cs) at seven properties in Pennsylvania and Ohio, with plans to add additional properties by year end.

Customer Benefits

- **Skip the Lines - Frictionless**
  - Perform transactions in the app, without waiting in line
- **One Stop Shopping**
  - App contains players card, bankroll, comps, free slot play, free bet, cashback and marketing offers
- **More Time Being Entertained**



- ✓ Single wallet
- ✓ Intuitive and easy to use
- ✓ Highly secure
- ✓ Flexible funding sources
- ✓ Responsible Gaming features

Penn Benefits

- **Improved Efficiencies**
- **Real Time Engagement**
  - Reward customers in the moment
  - Improved marketing
- **Information and Analytics**
  - Advanced analytics and data science
  - Customized experience

Retail Sportsbook Performance

Our market-leading retail sportsbooks continue to drive increased visitation from younger demographics while generating incremental gaming and non-gaming revenues.

Lawrenceburg - Indiana

#1	33%
Operator	Market Share

Council Bluffs - Iowa

#1	29%
Operator	Market Share

Charles Town - West Virginia

#1	67%
Operator	Market Share

Greektown - Michigan

#1	36%
Operator	Market Share

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Note: Reflects YTD performance. All handle and revenue data sourced from Eilers & Krejcik Gaming.

Barstool Sportsbook Launches

As we gain scale through new state launches, we are continuing to leverage the Barstool media assets to efficiently acquire customers through creative promotions and marketing.

2021 State Launches

- Iowa – November 2
- **Arizona – September 9**
- **Tennessee – September 8**
- **New Jersey – August 24**
- **Virginia – August 10**
- **Colorado - August 9**
- Indiana – May 18
- Illinois – March 11
- Michigan – January 22

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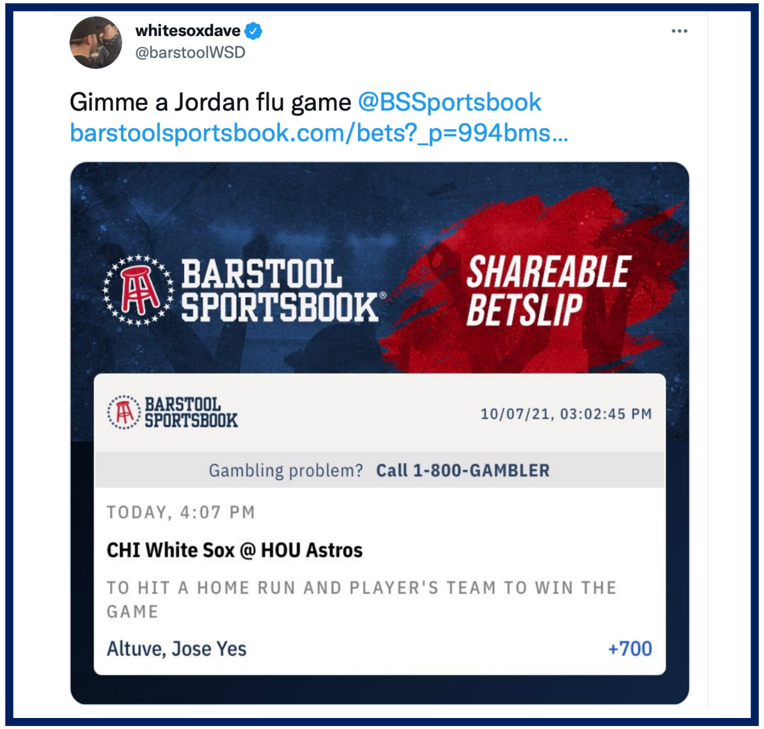
Note: Bolded states launched in 3Q 2021. Pennsylvania launched on September 18, 2020.

Barstool Sportsbook Upgrades

We recently introduced several new features to the Barstool Sportsbook app, which is now tied for first among all mobile sports betting apps in the Apple App Store user ratings.

Parlay+

Shareable Bet Slip



Highly Rated App

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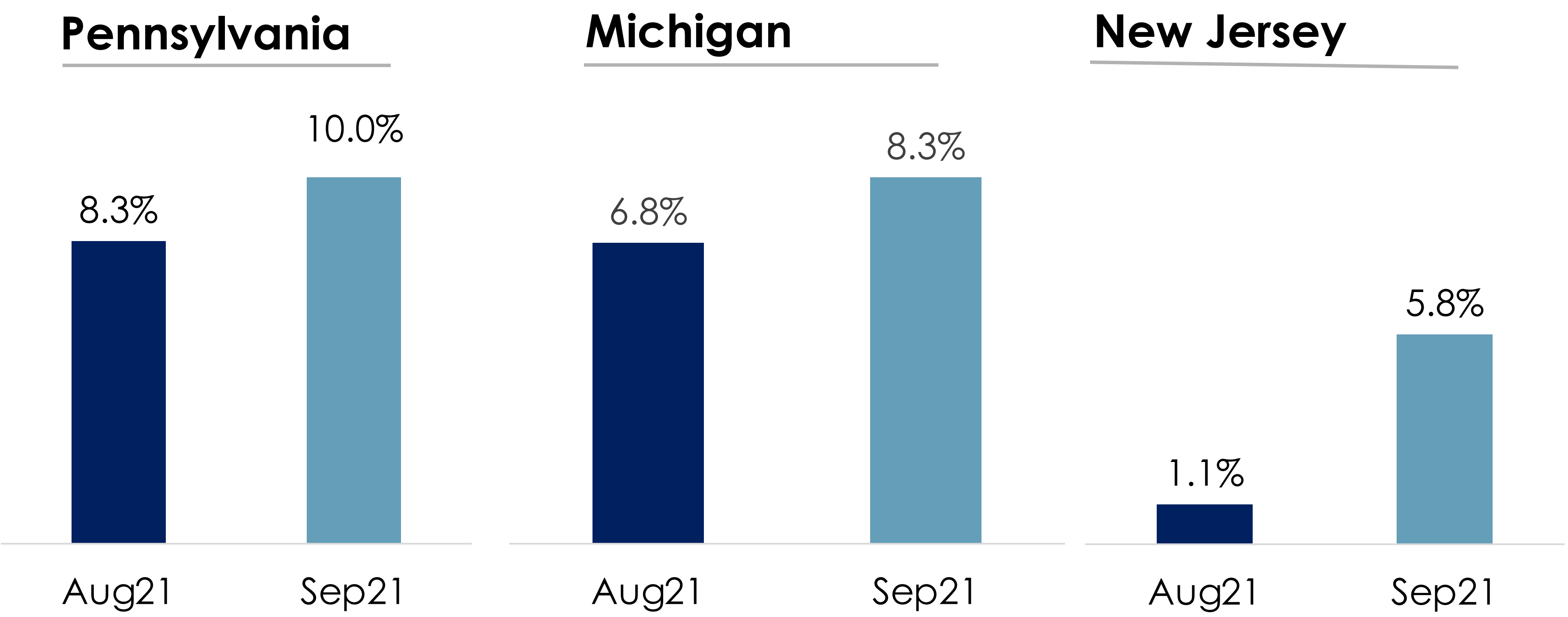
Barstool Sportsbook Momentum

With the return of football, we have seen meaningful increases in market share across all states, including the ultra competitive New Jersey market, while maintaining our disciplined approach to marketing.

Handle Market Share in Key States



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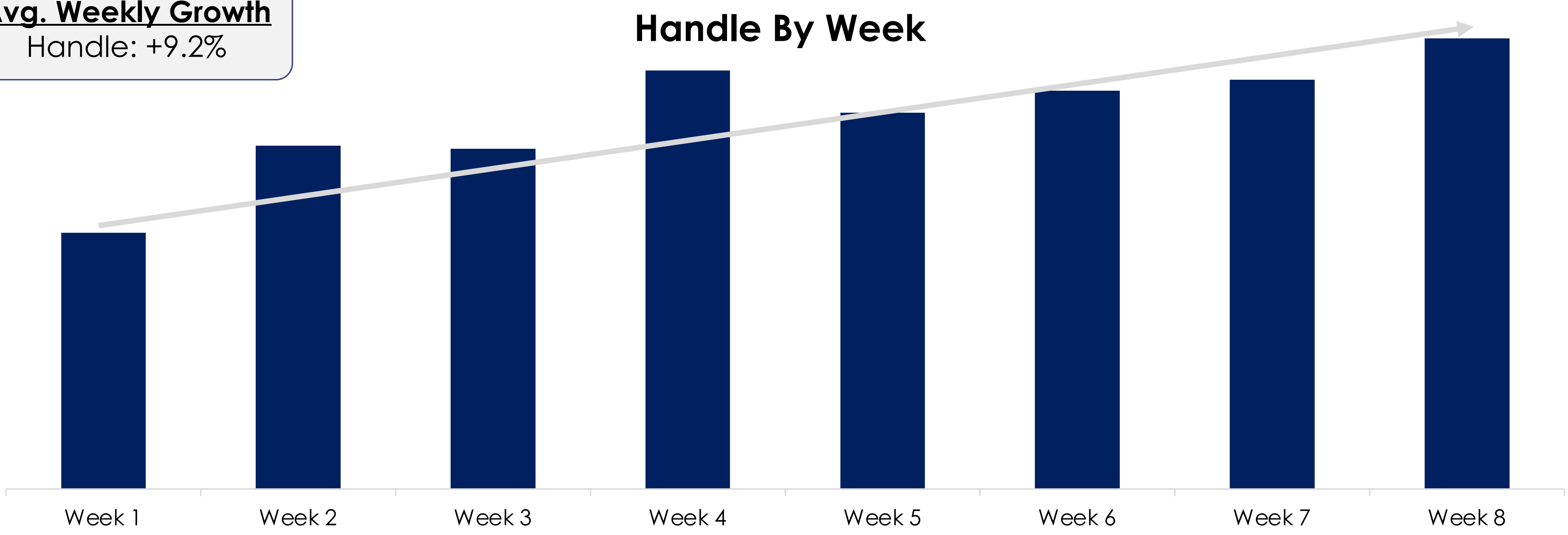
Note: Market share based on state reported information.

Weekly Performance

The Barstool Sportsbook has seen steady weekly growth throughout the NFL season as we continue to grow handle.

Avg. Weekly Growth
Handle: +9.2%



**Week 1 is 9/6-9/12*

**Weekly data is Mon-Sun*

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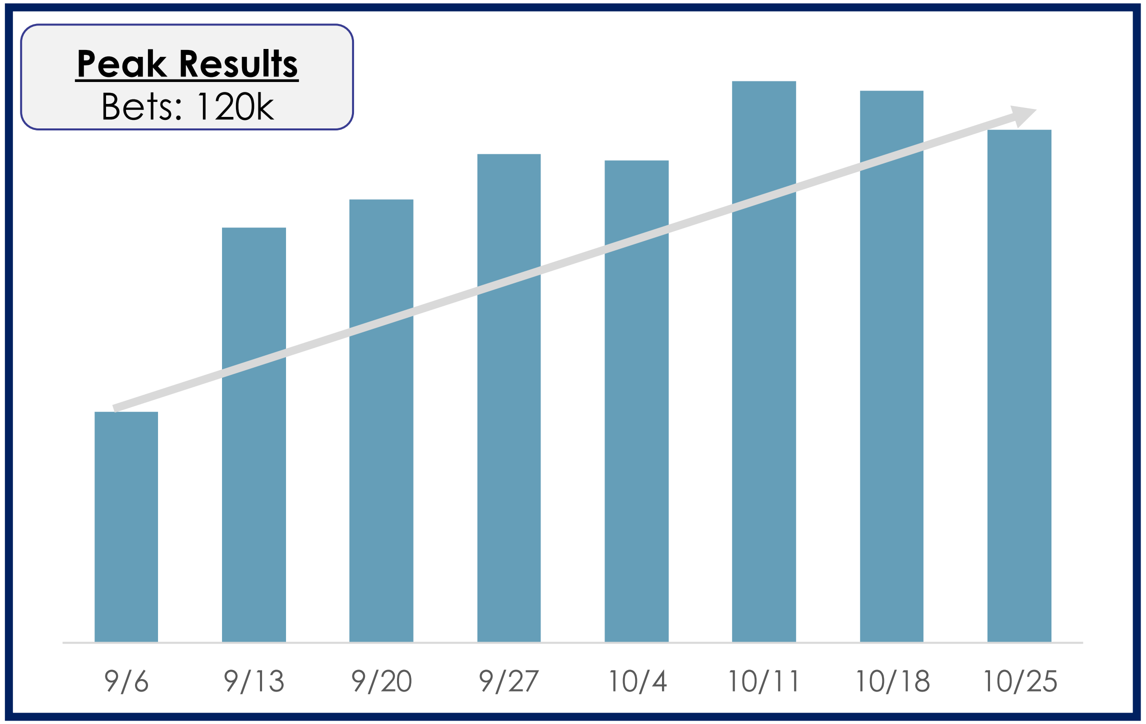
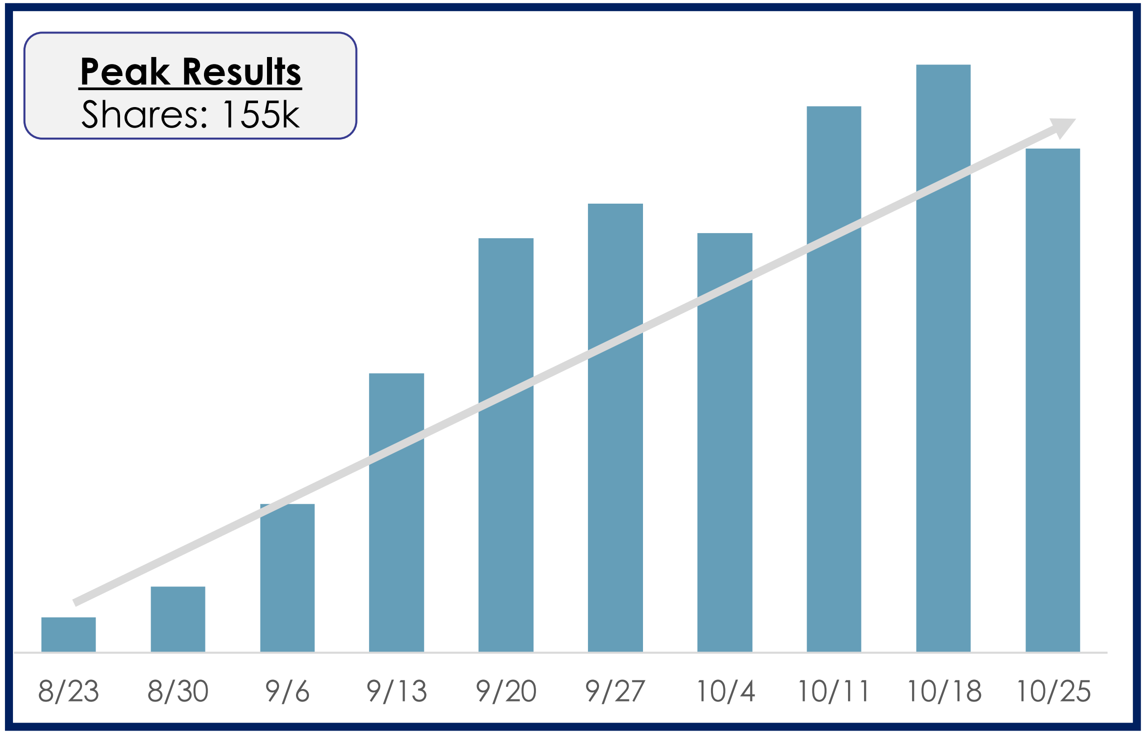
Product Updates - Performance

Since releasing the Parlay+ and Shareable Betslip product features, the Barstool Sportsbook has seen strong weekly engagement growth.

Parlay+ (# of Bets)



Shareable Betslip (# of Shares)



Focused on Profitable Growth

The Barstool Sportsbook has been a top performer in Pennsylvania and Michigan (two states that publicly report promotional expense) while employing a differentiated marketing approach, setting the stage for what we believe will be best in class profitability.

Net Gaming Revenue

	PA	MI
Handle	11.5% #3	10.0% #4
GGR	12.5% #3	10.7% #4
NGR	**11.0% #3**	**16.7% #3**

Organic Customer Acquisition

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Market Access

- Gaming licenses in 20 states provide market leading access
- Recurring skin revenue from leading operators
- In-house operated retail sportsbooks are highly profitable

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Note: PA market shares range from Oct20-Sep21 and MI market shares range from Jan21-Sep21

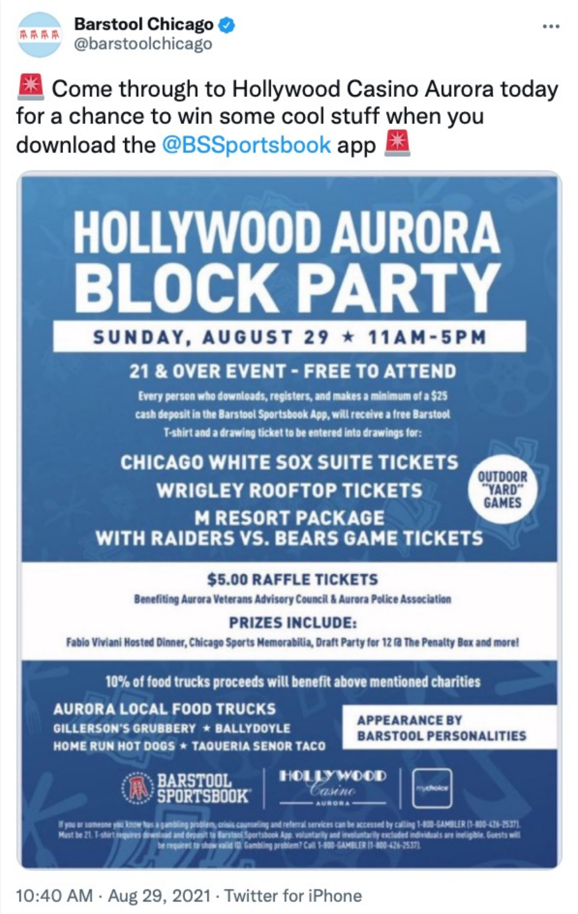
Case Study: Hollywood Casino Aurora

In Illinois, in-person registration is currently required for mobile sports betting. Our special promotion and block party with Barstool talent at Hollywood Casino Aurora highlights the benefits of our omni-channel and media strategy, as we drove significant registrations for the Barstool Sportsbook app while attracting a new audience to our land-based offering.

Key Metrics

9,738
First Time Depositors

Minimal
External Marketing Spend



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Barstool's New Growth Channels

Barstool Sports continues to leverage its growing and loyal audience to pursue opportunities outside of traditional sports media or betting, unlocking new channels for future growth.

One Bite frozen pizzas were recently introduced at Walmart stores across the country, with initial sales far exceeding expectations

Over 135,000 collegiate athletes have signed with Barstool's platform for pursuing name, image and likeness deals

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Barstool-Branded iCasino Games

We recently launched a Barstool-branded live dealer studio in New Jersey and our first in-house developed digital iCasino game (Barstool Blackjack). We expect these products to drive additional cross-sell from the Barstool audience, with further iCasino upgrades on the horizon.

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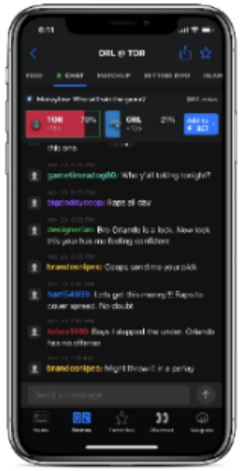
theScore: Bolstering Our Strategy

Our acquisition of theScore provides us with the technology, audience reach and additional resources to accelerate our media and sports betting strategy across North America.

Technology

- Fully-integrated media and betting technology solution provides path to a fully integrated tech stack
- Data driven analytics provide highly customized offerings
- Experienced engineering team with access to deep pool of talent in Toronto



Top Tier Sports Media Brand[1]

- Complementary sports media brand with highly engaged customer base across North America, particularly in Canada

	North America	Canada
1	ESPN	theScore
2	yahoo!sports	TSN
3	theScore	SPORTSNET

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(1) Source: Comscore; based on average of monthly unique visitors as of March 2021 LTM

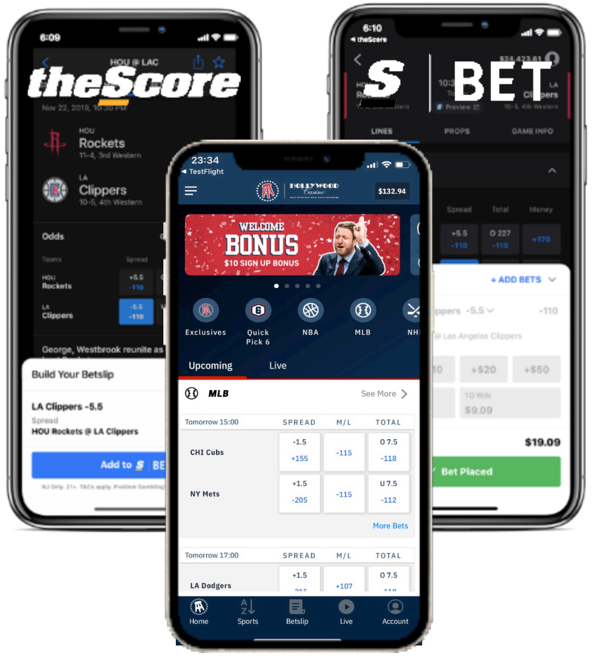
One-Stop Sports Destination

Barstool and theScore are highly complementary, combining to create a comprehensive sports and content ecosystem that keeps sports fans within our ecosystem.

1 → 2 → 3

1. *Personality driven entertainment*

2. *Real time news, scores and editorial*



3. **Complete Sports Platform**

- ✓ Statistics, scores, and news
- ✓ Social and community features
- ✓ Highly customizable
- ✓ Fully-integrated betting app
- ✓ More personalized bets and promotions

Expanding our Ecosystem

We are attracting new customers into our ecosystem, particularly in the Millennial and Gen Z segments, with the opportunity to capitalize on multiple new growth channels.

Creating North America's Leading Digital Sports Content and Entertainment Company

Leading Sports Entertainment Brands	Highly Engaging Content and Community	Modern In-House Technology	Focused on High-Growth North American Markets	Significant Monetization Opportunities

ESG Highlights

Community

- Proud to support the "No One Left Behind" organization, which is assisting resettled Afghan and Iraqi interpreters
- Helping to fund Concussion Legacy Foundation's CTE & PTSD research on veterans

Diversity

- Honoree at Women's Forum of New York's Breakfast of Champions on 11/10 for "Leading the Way to Gender Balance on Corporate Boards"
- Recognized as a "Champion of Board Diversity" by The Forum of Executive Women
- Proud sponsor of the National Minority Supplier Development Council (NMSDC) Conference

Team Members

- Hurricane Ida Relief Fund established for critical needs of impacted team members and the community
- Hollywood Gaming at Dayton Raceway and Penn Interactive received Best Workplace Awards

Responsible Gaming

- Supporting AGA's "Have a Game Plan. Bet Responsibly" initiative to educate on responsible sports betting

Sustainability

- 24% of properties have EV charging stations, with an additional 32% adding stations in next 12 months
- 75% of properties with hotels are utilizing bulk amenity dispensers for shampoo, conditioner & body wash
- Sustainable food production and supply chains are prioritized through our F&B procurement process

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Appendix

GAAP to Non-GAAP Reconciliation

The following table shows reconciliation of comparable GAAP financial measure to Combined Adjusted EBITDA and Combined Adjusted EBITDAR.

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions, unaudited)	2021	2019	2021	2019
Net income	**$86.1**	**$43.7**	**$375.7**	**$136.0**
Income tax expense	36.4	19.6	110.1	53.0
Income from unconsolidated affiliates	(9.1)	(9.8)	(27.8)	(21.7)
Interest expense, net	144.9	133.5	418.6	400.5
Other income	(19.2)	(7.2)	(43.1)	(7.2)
Operating income	**$239.1**	**$179.8**	**$833.5**	**$560.6**
Greektown Adjusted EBITDA, pre-acquisition	-	-	-	21.9
Resorts Casino Tunica	-	-	-	1.4
Perryville, Adjusted EBITDA, pre-acquisition	-	4.5	11.8	13.3
PM Texas, incremental EBITDA, pre-acquisition	-	-	0.8	0.3
Stock-based compensation	8.5	3.7	21.9	10.4
Cash-settled stock-based awards variance	5.2	(3.4)	14.3	(6.4)
Loss on disposal of assets	0.3	7.4	0.1	8.3
Contingent purchase price	0.6	1.2	1.9	7.0
Pre-opening expenses (1)	1.6	7.4	2.8	15.5
Depreciation and amortization	83.7	106.3	246.9	316.4
Insurance recoveries, net of deductible charges	-	(1.5)	-	(1.5)
Income from unconsolidated affiliates	9.1	9.8	27.8	21.7
Non-operating items of equity method investments (2)	3.0	0.9	6.0	2.8
Other expenses (1)(3)	13.2	-	15.8	-
Combined Adjusted EBITDA (4)	**$364.3**	**$316.1**	**$1,183.6**	**$971.7**
Rent expense associated with triple net operating leases	116.0	96.3	342.9	292.1
Combined Adjusted EBITDAR (4)	**$480.3**	**$412.4**	**$1,526.5**	**$1,263.8**

(1) During 2019 and 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, finance transformation costs associated with the implementation of our new Enterprise Resource Management system and non-recurring restructuring charges (primarily severance) associated with a company-wide initiative, triggered by the COVID-19 pandemic, designed to (i) improve the operational effectiveness across our property portfolio; (ii) improve the effectiveness and efficiency of our Corporate functional support area.
(4) See the "Non-GAAP Financial Measures" section above for more information, including the definition of Combined Adjusted EBITDA and Combined Adjusted EBITDAR.

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GAAP to Non-GAAP Reconciliation

($ in millions, unaudited)	For the three months ended September 30, 2021	2020	2019	For the nine months ended September 30, 2021	2020	2019
Net income (loss)	**$86.1**	**$141.2**	**$43.7**	**$375.7**	**($681.8)**	**$136.0**
Income tax expense (benefit)	36.4	(14.3)	19.6	110.1	(172.2)	53.0
Income from unconsolidated affiliates	(9.1)	(5.0)	(9.8)	(27.8)	(7.4)	(21.7)
Interest expense, net	144.9	142.3	133.5	418.6	407.1	400.5
Other income	(19.2)	(68.0)	(7.2)	(43.1)	(75.5)	(7.2)
Operating income (loss)	**$239.1**	**$196.2**	**$179.8**	**$833.5**	**($529.8)**	**$560.6**
Stock-based compensation	8.5	2.8	3.7	21.9	11.7	10.4
Cash-settled stock-based awards variance	5.2	39.5	(3.4)	14.3	46.7	(6.4)
Loss (gain) on disposal of assets	0.3	(6.0)	7.4	0.1	(33.9)	8.3
Contingent purchase price	0.6	-	1.2	1.9	(1.4)	7.0
Pre-opening expenses (1)	1.6	4.8	7.4	2.8	11.5	15.5
Depreciation and amortization	83.7	87.7	106.3	246.9	275.3	316.4
Impairment losses	-	-	-	-	616.1	-
Insurance recoveries, net of deductible charges	-	-	(1.5)	-	(0.1)	(1.5)
Income from unconsolidated affiliates	9.1	5.0	9.8	27.8	7.4	21.7
Non-operating items of equity method investments (2)	3.0	1.2	0.9	6.0	3.2	2.8
Other expenses (1)(3)	13.2	12.4	-	15.8	12.4	-
Adjusted EBITDA	**$364.3**	**$343.6**	**$311.6**	**$1,171.0**	**$419.1**	**$934.8**
Rent expense associated with triple net operating leases	116.0	109.0	96.3	342.9	310.3	271.0
Adjusted EBITDAR	**$480.3**	**$452.6**	**$407.9**	**$1,513.9**	**$729.4**	**$1,205.8**
Net income (loss) margin	5.7%	12.5%	3.2%	8.7%	(26.7)%	3.4%
Adjusted EBITDAR margin	31.8%	40.1%	30.1%	34.9%	28.6%	30.4%

(1) During 2019, 2020 and 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.
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GAAP to Non-GAAP Reconciliation

The following table shows Adjusted EBITDAR for each reportable segment and reconciles Adjusted EBITDAR on a consolidated basis to net income (loss).

	For the three months ended September 30,			For the nine months ended September 30,		
($ in millions, unaudited)	2021	2020	2019	2021	2020	2019
Adjusted EBITDAR						
Northeast segment	$221.1	$204.8	$189.1	$645.9	$325.7	$540.1
South segment	137.0	120.3	89.0	448.0	217.3	279.6
West segment	54.5	33.6	50.6	151.1	55.2	151.0
Midwest segment	125.8	108.5	104.3	374.0	173.4	301.3
Other	(58.1)	(14.6)	(25.0)	(105.1)	(42.2)	(66.1)
Intersegment eliminations	-	-	(0.1)	-	-	(0.1)
Total	**$480.3**	**$452.6**	**$407.9**	**$1,513.9**	**$729.4**	**$1,205.8**
Other operating benefits (costs) and other income (expenses):						
Rent expense associated with triple net operating leases	(116.0)	(109.0)	(96.3)	(342.9)	(310.3)	(271.0)
Stock-based compensation	(8.5)	(2.8)	(3.7)	(21.9)	(11.7)	(10.4)
Cash-settled stock-based awards variance	(5.2)	(39.5)	3.4	(14.3)	(46.7)	6.4
Gain (loss) on disposal of assets	(0.3)	6.0	(7.4)	(0.1)	33.9	(8.3)
Contingent purchase price	(0.6)	-	(1.2)	(1.9)	1.4	(7.0)
Pre-opening expenses [1]	(1.6)	(4.8)	(7.4)	(2.8)	(11.5)	(15.5)
Depreciation and amortization	(83.7)	(87.7)	(106.3)	(246.9)	(275.3)	(316.4)
Impairment losses	-	-	-	-	(616.1)	-
Insurance recoveries, net of deductible charges	-	-	1.5	-	0.1	1.5
Non-operating items of equity method investments [2]	(3.0)	(1.2)	(0.9)	(6.0)	(3.2)	(2.8)
Interest expense, net	(144.9)	(142.3)	(133.5)	(418.6)	(407.1)	(400.5)
Other [1][3]	6.0	55.6	7.2	27.3	63.1	7.2
Income (loss) before income taxes	**$122.5**	**$126.9**	**$63.3**	**$485.8**	**($854.0)**	**$189.0**
Income tax benefit (expense)	(36.4)	14.3	(19.6)	(110.1)	172.2	(53.0)
Net income (loss)	**$86.1**	**$141.2**	**$43.7**	**$375.7**	**($681.8)**	**$136.0**

(1) During 2019, 2020 and 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.
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GAAP to Non-GAAP Reconciliation

Reconciliation of Comparable GAAP Financial Measure to Combined Revenues and Combined Net Income

	Penn National, as Reported	Greektown Pre-Acquisition (1)	Resorts Casino Tunica (2)	Perryville (1)	Sam Houston (1)	Combined
(in millions, unaudited)	For the three months ended September 30, 2021					
Revenues	$1,511.8	-	-	-	1.1	$1,512.9
Net Income	$86.1	-	-	-	(0.1)	$86.0

	Penn National, as Reported	Greektown Pre-Acquisition (1)	Resorts Casino Tunica (2)	Perryville (1)	Sam Houston (1)	Combined
(in millions, unaudited)	For the nine months ended September 30, 2021					
Revenues	$4,332.5	-	-	47.4	9.8	$4,389.7
Net Income	$375.7	-	-	8.7	0.3	$384.7

	Penn National, as Reported	Greektown Pre-Acquisition (1)	Resorts Casino Tunica (2)	Perryville (1)	Sam Houston (1)	Combined
(in millions, unaudited)	For the three months ended September 30, 2019					
Revenues	$1,354.5	-	-	19.5	4.8	$1,378.8
Net Income	$43.7	-	-	2.5	(0.4)	$45.8

	Penn National, as Reported	Greektown Pre-Acquisition (1)	Resorts Casino Tunica (2)	Perryville (1)	Sam Houston (1)	Combined
(in millions, unaudited)	For the nine months ended September 30, 2019					
Revenues	$3,960.2	133.5	(9.8)	58.6	21.0	$4,163.5
Net Income	$136.0	18.1	-	7.5	(0.6)	$161.0

(1) The operating results of Greektown, Perryville and Sam Houston were derived from historical financial information. In addition, the operating results were adjusted to conform to Penn National's methodology of allocating certain corporate expenses to properties.

(2) The operating results were adjusted to assume that Resorts Casino Tunica was not a part of Penn National during the historical periods beginning on January 1, 2019, as Resorts Casino Tunica ceased operations on June 30, 2019.