Penn National Gaming, Inc.

Fourth Quarter 2020 Earnings Presentation

February 4, 2021

Non-GAAP Financial Measures

The Non-GAAP Financial Measures used in this presentation include Adjusted EBITDA, Adjusted EBITDAR, and Adjusted EBITDAR margin. 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. The Company defines 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 and deductible charges; changes in the estimated fair value of the Company's 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 and acquisition costs; and other income or expenses. Adjusted EBITDA is inclusive of income or loss from unconsolidated affiliates, with the Company's 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 and our Kansas Entertainment joint venture. Adjusted EBITDA is inclusive of rent expense associated with the Company's triple net operating leases (the operating lease components contained within the Penn Master Lease and Pinnacle Master Lease (primarily land), the Meadows Lease, the Margaritaville Lease, the Greektown Lease and the Tropicana Lease). Although Adjusted EBITDA includes rent expense associated with the Company's triple net operating leases, the Company believes Adjusted EBITDA is useful as a supplemental measure in evaluating the performance of the Company's consolidated results of operations. Adjusted EBITDA has economic substance because it is used by management as a performance measure to analyze the performance of the Company's 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. The Company presents Adjusted EBITDA because it is used by some investors and creditors as an indicator of the strength and performance of ongoing business operations, including the Company's 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 the industry in which the Company operates. 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.

The Company defines 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 the Company's 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) the Company believes 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 the Company's business. The Company believes 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 the Company's 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.

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 in this presentation for reconciliations of these measures to the GAAP equivalent financial measures.

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; the expected benefits of the agreement with Choice Hotels; the ability of the Company to implement cashless, cardless and contactless technology at the Company's casinos; the expected results of operations for the first quarter of 2021; the length of time the Company's gaming property (Zia Park) will remain closed, the expected opening date, and the impact of this closure on the Company and its stakeholders; demand for gaming once this gaming property reopens as well as the impact of post-opening restrictions; continued demand for the gaming properties that have opened 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 and expected timing of the Perryville transaction with Gaming and Leisure Properties, Inc.; the Company's estimated cash burn and future liquidity, future revenue and Adjusted EBITDAR, including from the Company's iCasino business in Pennsylvania; the continued success of Barstool Sports in Pennsylvania, Michigan and in additional states in the future; the expected benefits and potential challenges of the investment in Barstool Sports, including the anticipated benefits for the Company's online and retail sports betting, iCasino and social casino products; the expected financial returns from the transaction with Barstool Sports; the expected launch of the Barstool-branded mobile sports betting product in future states and its future revenue and profit contributions; the impact of shortened or cancelled sports seasons on the Company's results; the Company's expectations of future results of operations and financial condition, including margins; the Company's expectations for its properties, the Company's development projects or its iGaming initiatives; the timing, cost and expected impact of planned capital expenditures on the Company's results of operations; the Company's expectations with regard to the impact of competition; the anticipated opening dates of the Company's retail sportsbooks in future states and its proposed Pennsylvania Category 4 casinos in York and Berks counties; 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 we 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 the Company's business and the impact of any such actions; the Company's ability to maintain regulatory approvals for the Company's 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 its existing businesses; 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 at the federal, state or local level with regard to online sports betting, iGaming and retail/mobile sportsbooks and the impact of any such actions; and the Company's expectations regarding economic and consumer conditions. 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 reoccurrences), and other natural or man-made disasters or catastrophic events; (d) the reopening of the Company's gaming property (Zia Park) is subject to various conditions, including numerous regulatory approvals and potential delays and operational restrictions; (e) the Company's ability to access additional capital on favorable terms or at all; (f) the Company's ability to remain in compliance with the financial covenants of its debt obligations; (g) the consummation of the Perryville transaction with GLPI is subject to various conditions, including third-party agreements and approvals, and accordingly may be delayed or may not occur at all; (h) 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; (i) the outcome of any legal proceedings that may be instituted against the Company or its directors, officers or employees; (j) the impact of new or changes in current laws, regulations, rules or other industry standards; (k) the ability of the Company's operating teams to drive revenue and margins; (l) the impact of significant competition from other gaming and entertainment operations (including from Native American casinos, historic racing machines, state sponsored i-lottery products and VGTs in or adjacent to states in which the Company's operate); (m) 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 the Company's planned acquisitions or projects, construction factors, including delays, and increased costs; (n) the passage of state, federal or local legislation (including referenda) that would expand, restrict, further tax, prevent or negatively impact operations in or adjacent to the jurisdictions in which we do or seek to do business (such as a smoking ban at any of the Company's properties or the award of additional gaming licenses proximate to its properties, as recently occurred with legislation in Illinois and Pennsylvania); (o) 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; (p) the activities of the Company's competitors (commercial and tribal) and the rapid emergence of new competitors (traditional, internet, social, sweepstakes based and VGTs in bars and truck stops); (q) increases in the effective rate of taxation for any of the Company's operations or at the corporate level; (r) the Company's 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; (s) the costs and risks involved in the pursuit of such opportunities and the Company's ability to complete the acquisition or development of, and achieve the expected returns from, such opportunities; (t) the impact of weather, including flooding, hurricanes and tornadoes; (u) changes in accounting standards; (v) the risk of failing to maintain the integrity of the Company's information technology infrastructure and safeguard its business, employee and customer data (particularly as its iGaming division grows); (w) with respect to the Company's iGaming and sports betting endeavors, the impact of significant competition from other companies for online sports betting, iGaming and sportsbooks, the Company's ability to achieve the expected financial returns related to its investment in Barstool Sports, the Company's ability to obtain timely regulatory approvals required to own, develop and/or operate sportsbooks may be delayed and there may be impediments and increased costs to launching the online betting, iGaming and sportsbooks, including delays, and increased costs, intellectual property and legal and regulatory challenges, as well as the Company's ability to successfully develop innovative products that attract and retain a significant number of players in order to grow its revenues and earnings, the Company's ability to establish key partnerships, the Company's ability to generate meaningful returns and the risks inherent in any new business; (x) with respect to the Company's proposed Pennsylvania Category 4 casinos in York and Berks counties, risks relating to construction, and the Company's ability to achieve its expected budgets, timelines and investment returns, including the ultimate location of other gaming properties in the Commonwealth of Pennsylvania; and (y) other factors as discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, 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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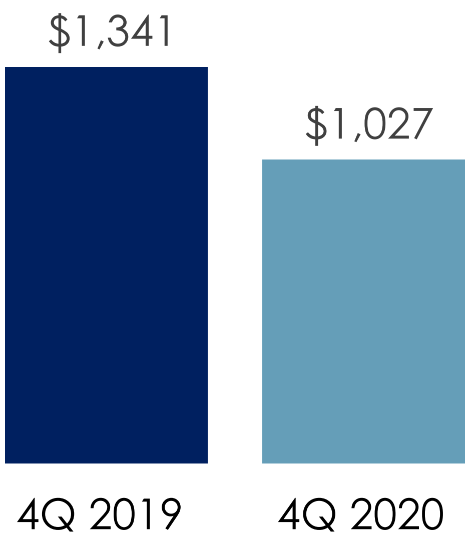
Fourth Quarter Financial Highlights

Although COVID related closures and increased restrictions impacted 4Q performance, the Company has seen meaningful adjusted EBITDAR margin improvement, including 720 basis points in the South segment (which was least impacted by restrictions)

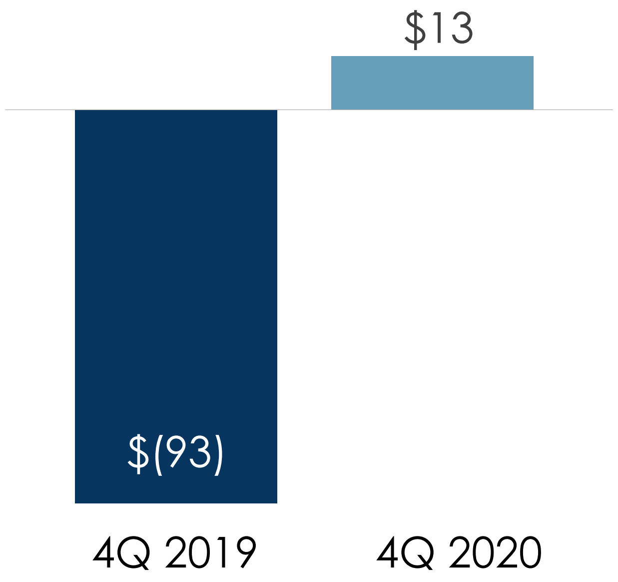
Revenues

($ in millions)



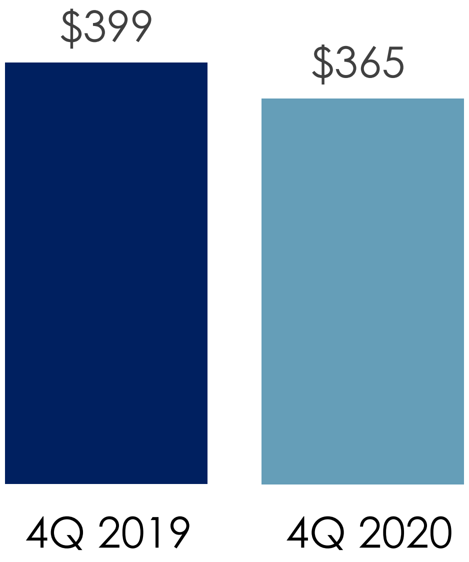
Net Income

($ in millions)



Adj. EBITDAR[1]

($ in millions)



Adjusted EBITDAR declined by 9% versus the prior year period despite revenues declining 23%

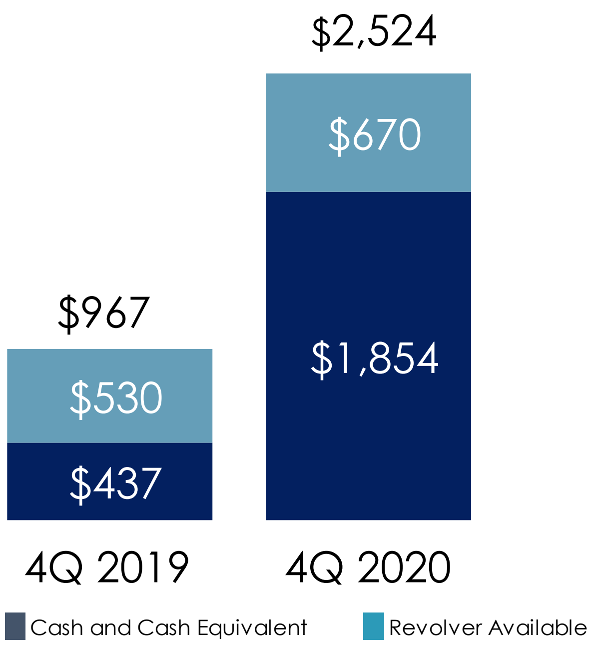
[1] 4Q 2020 Adjusted EBITDA was $256m compared to 4Q 2019 Adjusted EBITDA of $304m

Improved Balance Sheet and Liquidity

Despite the impact of COVID throughout the year, the Company has been able to significantly improve its balance sheet and liquidity position

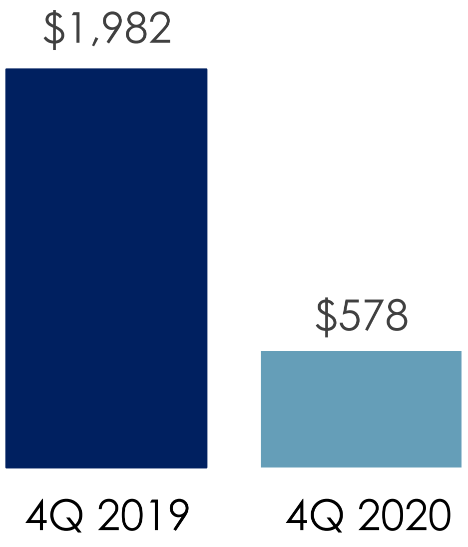
Total Liquidity

($ in millions)

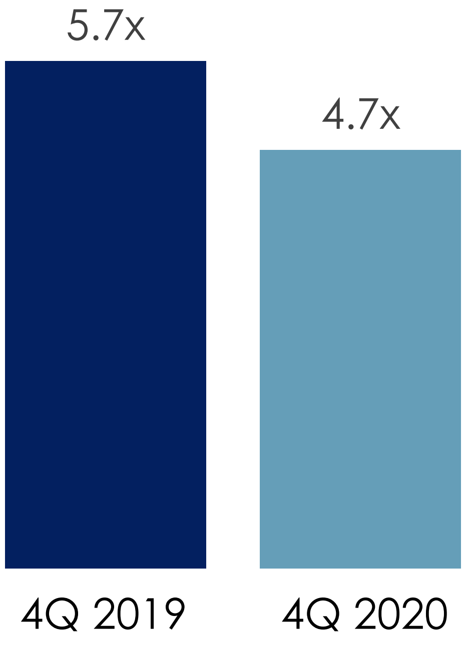


Traditional Net Debt

($ in millions)



Lease-Adjusted Net Leverage[1]

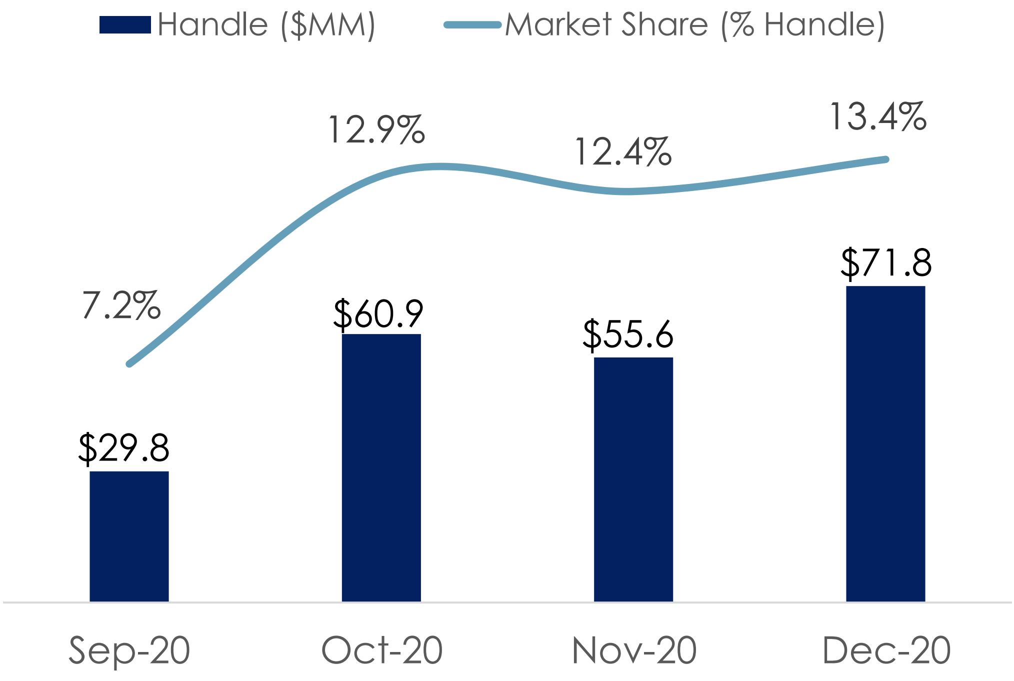


[1] Lease-Adjusted Net Leverage based on 2019 Adj. EBITDAR

Continued Momentum in Pennsylvania

Strong retention and creative promotions have led to increased handle and market share for the Barstool Sportsbook app since launching in Pennsylvania last September, despite limited external marketing spend

Pennsylvania Key Metrics



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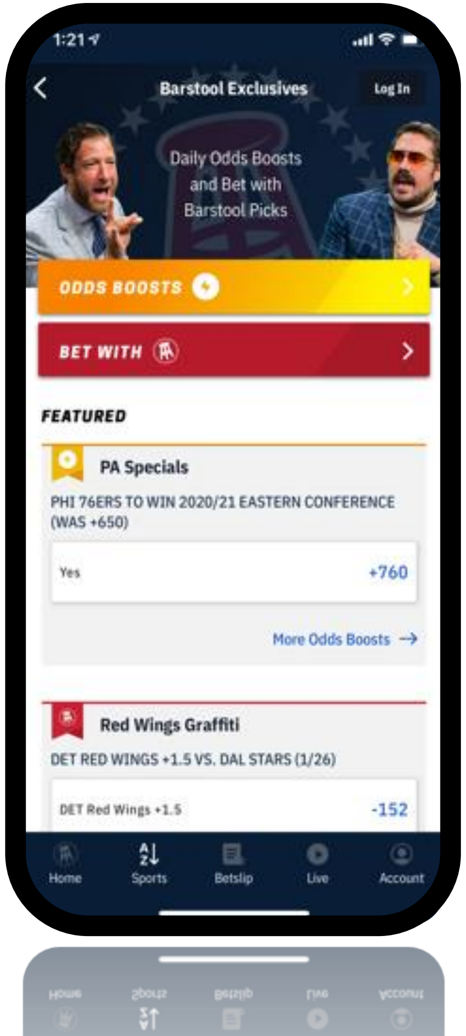
Successful Launch in Michigan

On January 22, we introduced our Barstool Sportsbook mobile app in Michigan to very strong demand



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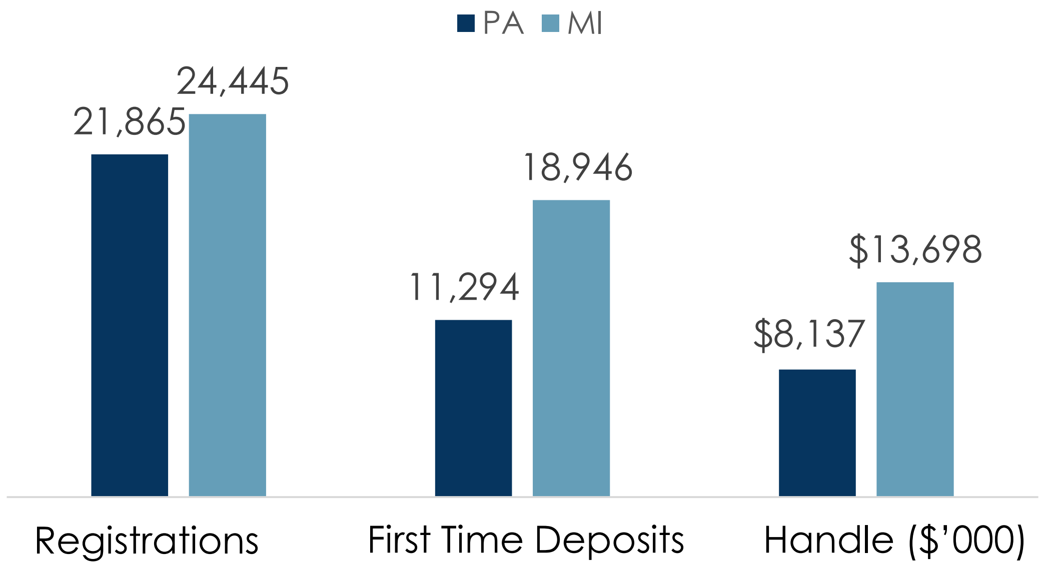
Key Metrics through January 31 (first 10 days of operation)

48.4k Registrations	**26.2k** First Time Depositors
$27.5m Handle	**$3.3m** Gross Gaming Revenue

Launch Comparison

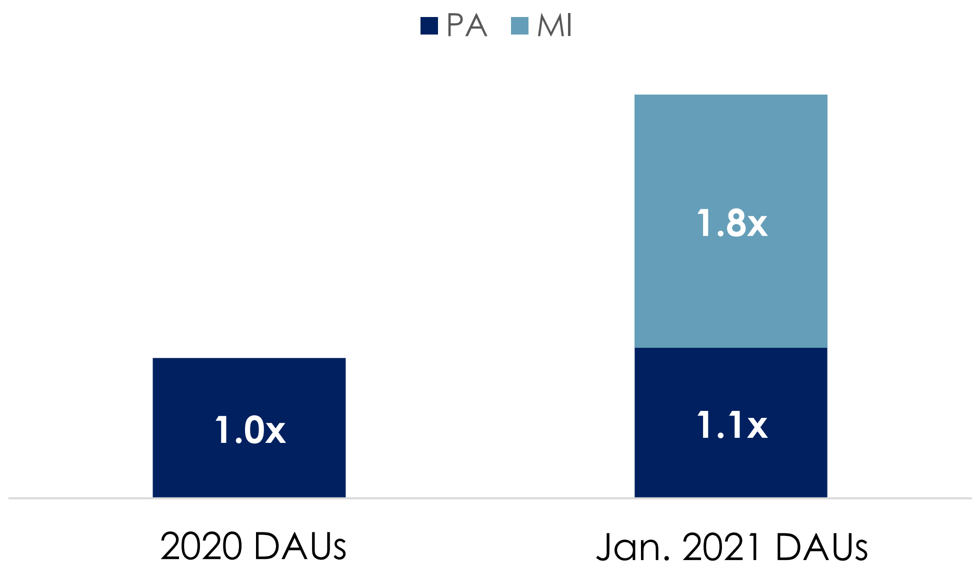
Our launch in Michigan compared very favorably to our launch in Pennsylvania – while also helping to boost engagement in Pennsylvania

Launch Weekend Performance (Fri-Sun)



Michigan's launch weekend had **68%** more FTDs than Pennsylvania's initial weekend

Relative Daily Active Users (DAUs)



Michigan DAUs were **1.8x higher** than average DAUs in Pennsylvania, while publicity from the Michigan launch helped boost registrations in Pennsylvania by **99%** (week over week)

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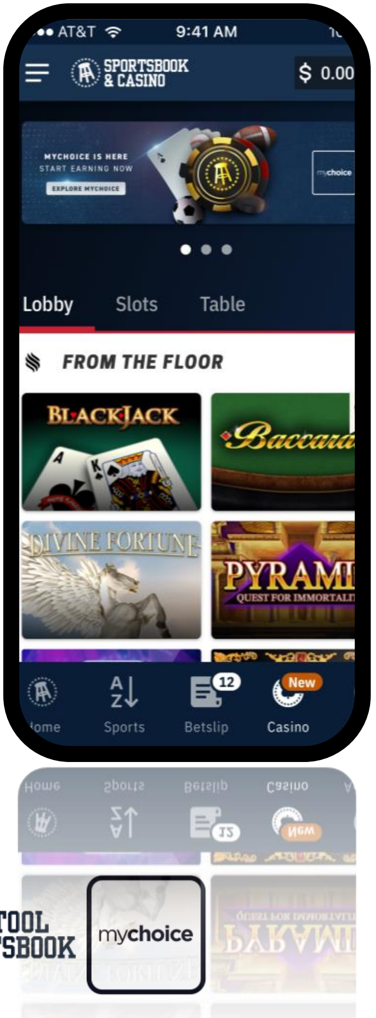
Omnichannel Focus

The launch of the Barstool Sportsbook app in Michigan included live content from the new Barstool-branded retail sportsbook at Greektown Casino, highlighting the ability of Barstool to create awareness of our land-based properties

Key Milestones

We recently integrated my**choice** into the Barstool Sportsbook app and introduced our new iCasino product to Michigan on February 1



Our new Barstool-branded iCasino product is positioned to capture meaningful cross-sell from the Barstool Sportsbook as well as from our 20m+ my**choice** database

In its first two days of operation, the Barstool iCasino converted **nearly 15%** of Michigan sportsbook customers

Retail Sportsbook Case Study

- Following rebranding as the Barstool Sportsbook on December 23, 2020, handle at Ameristar East Chicago increased **35%** through the first four weeks as compared to the prior six weeks
- In addition, table games and slots volumes in the Barstool themed gaming areas increased **27%** and **26%**, respectively, over the same period

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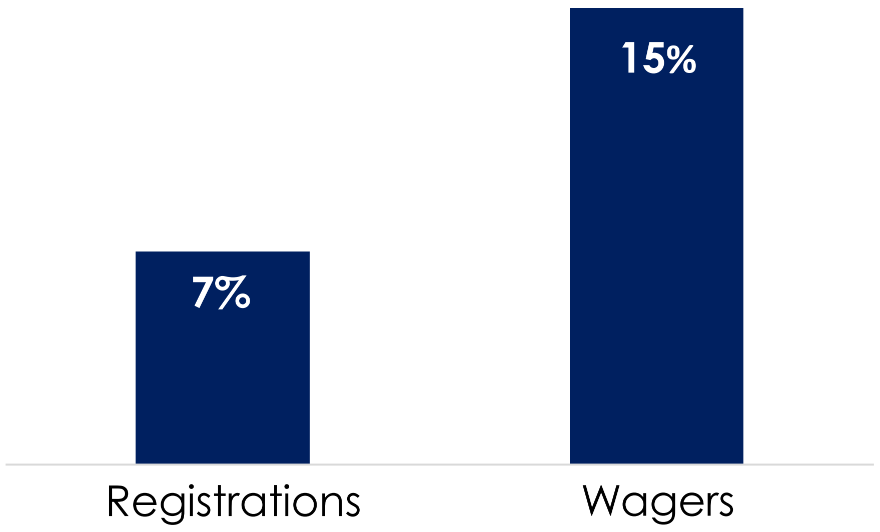
Power of Multi-Platform Play

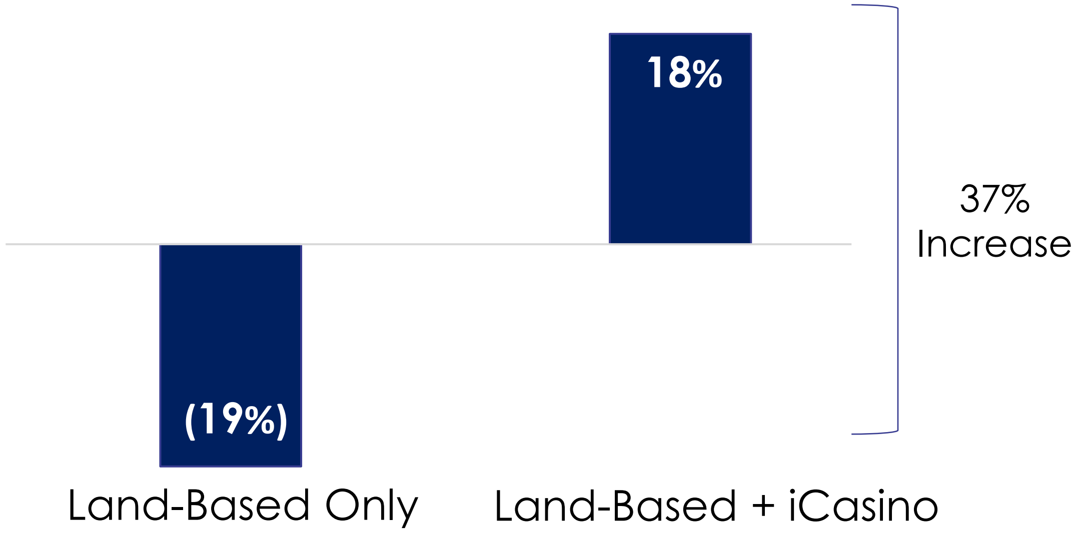
Our experience in Pennsylvania continues to show that customers who play on multiple platforms are more valuable than those who play on one channel

mychoice Customer Percentages



my**choice** customers have represented 7% of Barstool Sportsbook app registrations but have contributed **15%** of total retail and online wagers

Y/Y Theoretical (July to Nov)



Prior to temporary casino closures in December 2020, theoretical revenue from multi-platform players exceeded land-based only players by **37%**

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Investments in Growth Projects on Track

The strength of our balance sheet provides us with financial flexibility to capitalize on high growth opportunities, including expanding our omnichannel platform and investing in cutting-edge technology to more effectively engage with customers

Exercised option to acquire Hollywood Casino Perryville in Maryland, our 20th state

Accelerated investments in technology to enhance customer experience

Resumed construction of Hollywood Casinos in both, York & Morgantown

Launched our highly regarded mychoice Rewards Loyalty App

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Supporting our Team and Lifting our Communities

We are proud to support our team members, communities and social justice efforts by:

- Contributing $3.7 million to our COVID Emergency Relief Fund for affected team members
- Providing $13 million in one-time holiday cash bonuses to our non-executive team members companywide to help with the financial impact to their families from the pandemic
- Donating $2.5 million to help our community and team members impacted by Hurricane Laura in the Gulf Coast and providing more than $6 million in full wages and benefits to our team members while L'Auberge Lake Charles was closed
- Contributing $4.6 million and counting to the Barstool Fund which helps save and sustain COVID-impacted small businesses across the country
- Forming a Diversity Committee and launching new equality and inclusion-related initiatives, including a scholarship program for disadvantage team members and their families

Appendix

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GAAP to Non-GAAP Reconciliation

($ in millions)	For the three months ended December 31, 2020	2019	For the year ended December 31, 2020	2019
Net income (loss)	**$12.7**	**($92.9)**	**($669.1)**	**$43.1**
Income tax expense (benefit)	7.1	(10.0)	(165.1)	43.0
Loss on early extinguishment of debt	1.2	0.0	1.2	0.0
Income from unconsolidated affiliates	(6.4)	(6.7)	(13.8)	(28.4)
Interest expense, net	136.1	133.7	543.2	534.2
Other income	(31.1)	(12.8)	(106.6)	(20.0)
Operating income (loss)	**$119.6**	**$11.3**	**($410.2)**	**$571.9**
Stock-based compensation	2.8	4.5	14.5	14.9
Cash-settled stock-based awards variance	20.5	7.2	67.2	0.8
(Gain) loss on disposal of assets	4.7	(2.8)	(29.2)	5.5
Contingent purchase price	0.3	0.0	(1.1)	7.0
Pre-opening and acquisition costs	0.3	6.8	11.8	22.3
Depreciation and amortization	91.4	97.8	366.7	414.2
Impairment losses	7.3	173.1	623.4	173.1
Insurance recoveries, net of deductible charges	0.0	(1.5)	(0.1)	(3.0)
Income from unconsolidated affiliates	6.4	6.7	13.8	28.4
Non-operating items of equity method investments (1)	1.5	0.9	4.7	3.7
Other expenses (2)	1.1	0.0	13.5	0.0
Adjusted EBITDA	**$255.9**	**$304.0**	**$675.0**	**$1,238.8**
Rent expense associated with triple net operating leases	109.5	95.4	419.8	366.4
Adjusted EBITDAR	**$365.4**	**$399.4**	**$1,094.8**	**$1,605.2**
Net income (loss) margin	1.2%	(6.9)%	(18.7)%	0.8%
Adjusted EBITDAR margin	35.6%	29.8%	30.6%	30.3%

(1) Consists principally of interest expense, net; income taxes; depreciation and amortization; and stock-based compensation expense associated with Barstool Sports and our Kansas Entertainment joint venture. We record our portion of Barstool Sports' net income or loss, including adjustments to arrive at Adjusted EBITDAR, one quarter in arrears. (2) Consists of 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; and (ii) improve the effectiveness and efficiency of our Corporate functional support areas.

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