PENN ENTERTAINMENT

THIRD QUARTER 2023 EARNINGS PRESENTATION

November 2, 2023

FORWARD-LOOKING STATEMENTS

PENN ENTERTAINMENT

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the use of forward-looking terminology such as “expects,” “believes,” “estimates,” “projects,” “intends,” “plans,” “goal,” “seeks,” “may,” “will,” “should,” or “anticipates” or the negative or other variations of these or similar words, or by discussions of future events, strategies or risks and uncertainties. Specifically, forward-looking statements include, but are not limited to, statements regarding: future revenue and Adjusted EBITDAR; the Company’s expectations of future results of operations and financial condition, 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 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 the ESPN BET and theScore Bet Sportsbook and Casino apps and the expected timing of the rebrand of the Barstool Sportsbook as ESPN BET on our proprietary player account management system and risk and trading platforms; the Company’s expectations regarding its Sportsbook Agreement with ESPN and the future success of its products; the Company’s expectations with respect to the integration and synergies related to the Company’s integration of theScore and the continued growth and monetization of the Company’s media business; the Company’s expectations with respect to the ongoing introduction and the potential benefits of the cashless, cardless and contactless (3C’s) technology; the Company’s development projects, including the prospective development projects at Hollywood Casinos Aurora, Joliet, Columbus, and the M Resort Spa Casino; our ability to obtain financing for our development projects on attractive terms; and the timing, cost and expected impact of planned capital expenditures on the Company’s results of operations; the actions of regulatory, legislative, executive or judicial decisions at the federal, state, provincial or local level with regard to our business and the impact of any such actions.

Such statements are all subject to risks, uncertainties and changes in circumstances that could significantly affect the Company’s future financial results and business. Accordingly, the Company cautions that the forward-looking statements contained herein are qualified by important factors that could cause actual results to differ materially from those reflected by such statements. Such factors include: the effects of economic and market conditions in the markets in which the Company operates; competition with other entertainment, sports content, and casino gaming experiences; the timing, cost and expected impact of product and technology investments; risks relating to international operations, permits, licenses, financings, approvals and other contingencies in connection with growth in new or existing jurisdictions; collective bargaining activity and strikes; and additional risks and uncertainties described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, 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 presentation may not occur.

NON-GAAP FINANCIAL MEASURES

The Non-GAAP Financial Measures used in this presentation include Adjusted EBITDA, Adjusted EBITDAR, Traditional Net Debt, Lease-Adjusted Net Leverage and Retail Free Cash Flow. 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 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; non-cash gains/losses associated with partial and step acquisitions as measured in accordance with ASC 805 "Business Combinations"; 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 (prior to our acquisition of Barstool on February 17, 2023) and our Kansas Entertainment, LLC joint venture. Adjusted EBITDA is inclusive of rent expense associated with our triple net operating leases with our REIT landlords. 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 non-operational depreciation charges and financing costs of such projects. We present Adjusted EBITDA because it is used by some investors and creditors as an indicator of the strength and performance of ongoing business operations, including our ability to service debt, and to fund capital expenditures, acquisitions and operations. These calculations are commonly used as a basis for investors, analysts and credit rating agencies to evaluate and compare operating performance and value companies within our industry. In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including us, have historically excluded from their Adjusted EBITDA calculations certain corporate expenses that do not relate to the management of specific casino properties. However, Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with GAAP. Adjusted EBITDA information is presented as a supplemental disclosure, as management believes that it is a commonly used measure of performance in the gaming industry and that it is considered by many to be a key indicator of the Company's operating results.

We define Adjusted EBITDAR as Adjusted EBITDA (as defined above) plus rent expense associated with triple net operating leases (which is a normal, recurring cash operating expense necessary to operate our business). Adjusted EBITDAR is presented on a consolidated basis outside the financial statements solely as a valuation metric. Management believes that Adjusted EBITDAR is an additional metric traditionally used by analysts in valuing gaming companies subject to triple net leases since it eliminates the effects of variability in leasing methods and capital structures. This metric is included as a 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.

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 Lease-adjusted net leverage ratio's numerator is calculated as cash rent payments to REIT landlords for the trailing twelve moths capitalized at 8 times plus Total traditional debt (as defined above), less Cash and cash equivalents. The Company's Lease-adjusted net leverage ratio's denominator is Adjusted EBITDAR (as defined above) 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.

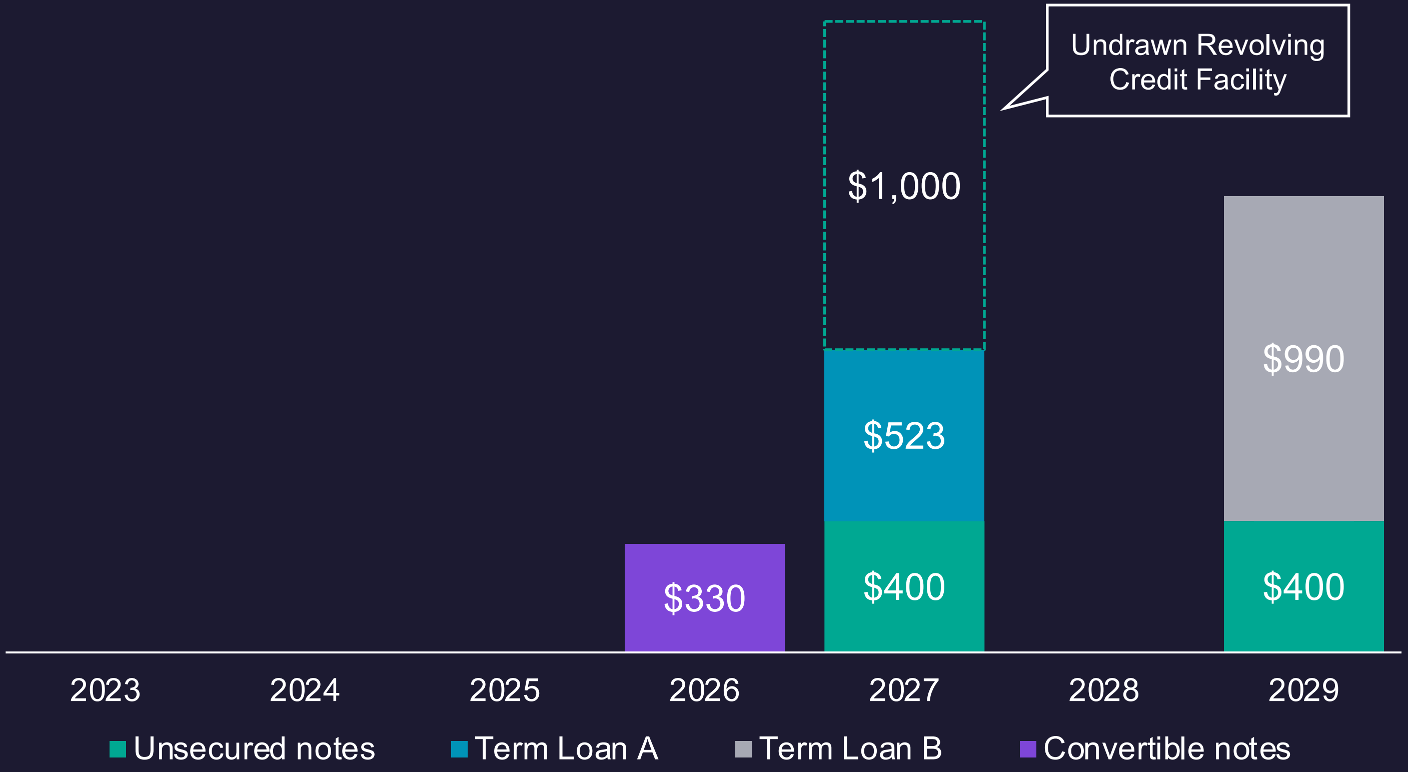
We calculate Retail Free Cash Flow as Net Cash Provided by Operating Activities (a GAAP measure) less maintenance capital expenditures and less the Free Cash Flows specific to the Company's Interactive segment. Maintenance capital expenditures exclude projects such as our retail sportsbooks, our cardless, cashless and contactless technology, and hotel renovations. Retail Free Cash Flow is a non-GAAP measure and is presented solely as a supplemental disclosure to reported GAAP measures because management believes this liquidity measure is useful in evaluating the ability of the Company's operations to generate cash for uses other than capital expenditures. Retail Free Cash Flow should not be construed as an alternative to Net Cash Provided by Operating Activities as a measure of liquidity. The Company's definition of Retail Free Cash Flow is limited in that it does not represent residual cash flows for discretionary expenditures because it does not deduct payments for debt service or other obligations, does not include the operating cash flows of the Company's Interactive segment, and does not reflect the total movement of cash as detailed in our consolidated statements of cash flows. In addition, Retail Free Cash Flow may not be defined in the same manner by all companies and, as a result, may not be comparable to similarly titled non-GAAP measures of other companies. A reconciliation of GAAP net cash provided by operating activities to Retail Free Cash Flow is included in the financial schedules in this investor deck.

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.

BALANCE SHEET & LIQUIDITY POSITION

As of 09/30/2023	($M)
Cash Balance	$1,318
Liquidity[2]	$2,296
Total Traditional Debt	$2,662
Traditional Net Debt[3,4]	$1,344
Lease-Adjusted Net Leverage[5]	4.7x
Traditional Net Leverage[6,7]	1.4x
% of Fixed Rate Debt[8]	85%

DEBT MATURITIES[1]



(1) Amounts shown exclude $172.6 million of other-long-term obligations.
(2) Liquidity is calculated as unrestricted cash plus revolver availability, net of Letters of Credit outstanding.
(3) Traditional net debt is calculated as "Total Traditional Debt" which is the principal amount of debt outstanding (and excludes the financing obligation associated with cash proceeds and non-cash interest on certain claims of which the principal repayment is Contingent) less "Cash and cash equivalents".
(4) 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.
(5) Numerator is cash rent payments to REIT landlords capitalized at 8x plus Total traditional debt, less Cash and cash equivalents; denominator is Adjusted EBITDAR for the trailing 12 months ended September 30, 2023.
(6) Numerator is calculated as "Total traditional debt" which is the principal amount of debt outstanding (and excludes the financing obligation associated with cash proceeds and non-cash interest on certain claims of which the principal repayment is Contingent) less "Cash and cash equivalents"; denominator is Adjusted EBITDAR for the trailing 12 months ended September 30, 2023 less cash rent payments to REIT landlords.
(7) 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) as well as evaluating the Company's ability to sustain given debt levels (including leases) with the cash generated from Company operations.
(8) Fixed rate debt is based on total traditional debt plus the cash rent payments to REIT landlords capitalized at 8x.

STRONG RETAIL FREE CASH FLOW

Our geographically diversified portfolio of best-in-class properties generates significant free-cash flow

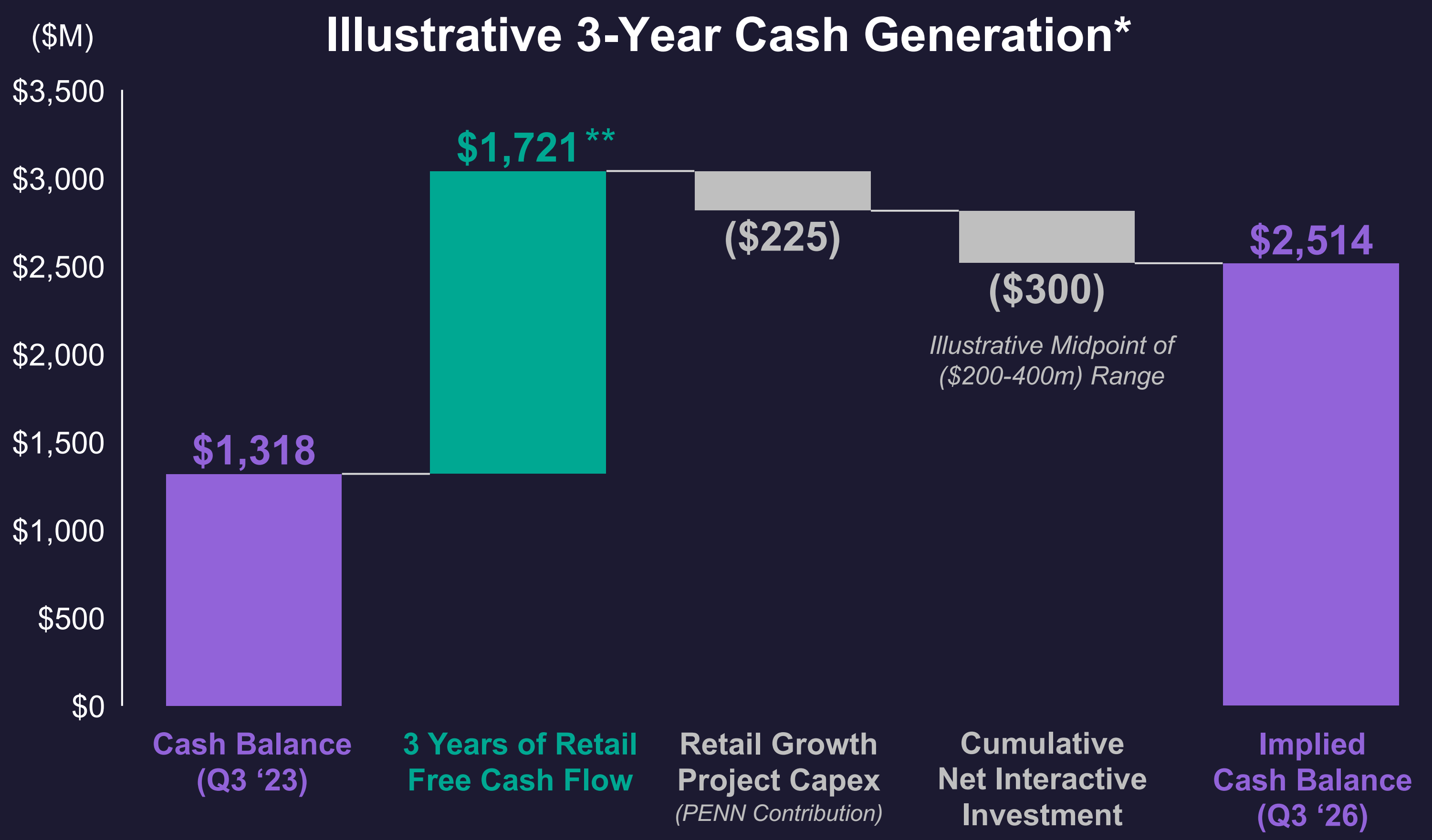
Retail Free Cash Flow *($M)*	
	LTM
Cash from Operations	**$659**
(+) Cash Outflow from Interactive Segment*	$239
Cash from Operations ***(excl. Interactive)***	**$898**
(-) Maintenance Capex**	$181
Retail Free Cash Flow	**$717**
EBITDAR (excl. Interactive) *in the same LTM period, for reference*	**$1,932**

* Cash Outflow from Interactive Segment includes EBITDA loss of $63 million, $80 million from a change in accounts receivable that is timing related in nature, $25 million of costs related to Barstool Sports during our ownership, and $22 million of transaction costs inclusive of termination fees related to our migration to our proprietary technology platform.

** Maintenance capital expenditures exclude projects such as our retail sportsbooks, our cardless, cashless, and contactless technology and hotel renovations.

ILLUSTRATIVE 3-YEAR CASH GENERATION

Our strong retail free cash flow generation enables us to accumulate cash, invest in our exciting growth initiatives, return capital to shareholders and de-lever over time



3-Year Cash Generation

in the scenario of extrapolating a discounted level of our LTM Retail Free Cash Flow for 3 years

$1b+

* For illustrative purposes, the analysis excludes any incremental cash flow from our Retail Growth Projects.

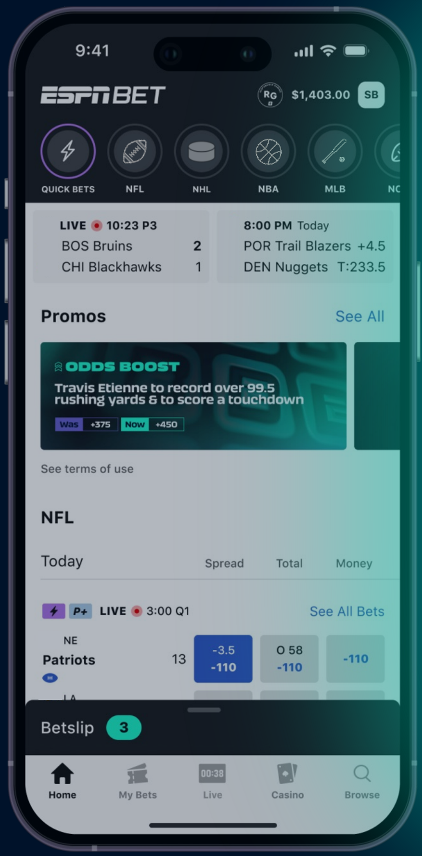
** For illustrative purposes, the annual Retail Free Cash Flow used in the analysis is discounted to be 80% of our LTM Retail Free Cash Flow shown previously on Slide 5, extrapolated for 3 years.

IMPLIED COMPANY VALUATION

PENN ENTERTAINMENT

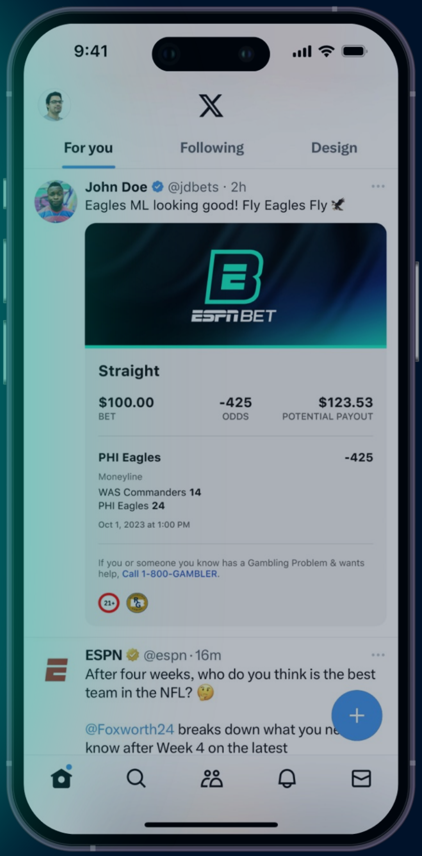
Our stock is trading well below historical trading multiples, and our strong balance sheet and cash flow generation provide the ability to opportunistically repurchase shares under our existing $750 million share repurchase authorization

Implied PENN Entertainment Valuation ($M)	
Share Price as of: 11/01/2023	$19.60
(x) Basic Shares Outstanding	151
Market Capitalization	**$2,958**
(/) LTM Retail Free Cash Flow	$717
Implied Free Cash Flow Yield to Equity	**24.2%**



NOVEMBER 14TH*

Download Now

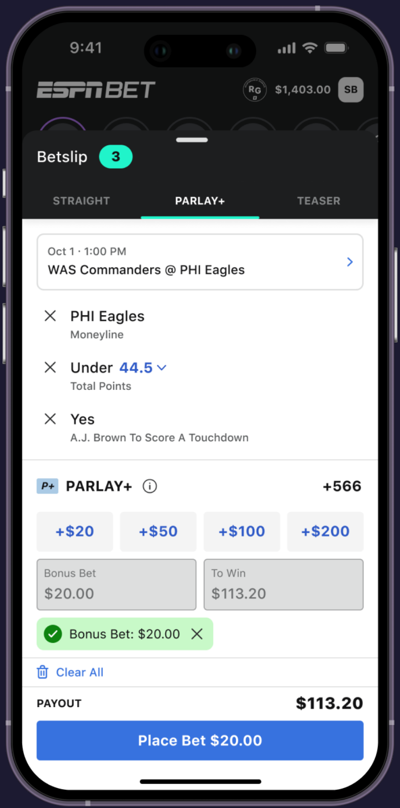


* Subject to final approvals

ESPN BET – PRODUCT FEATURES

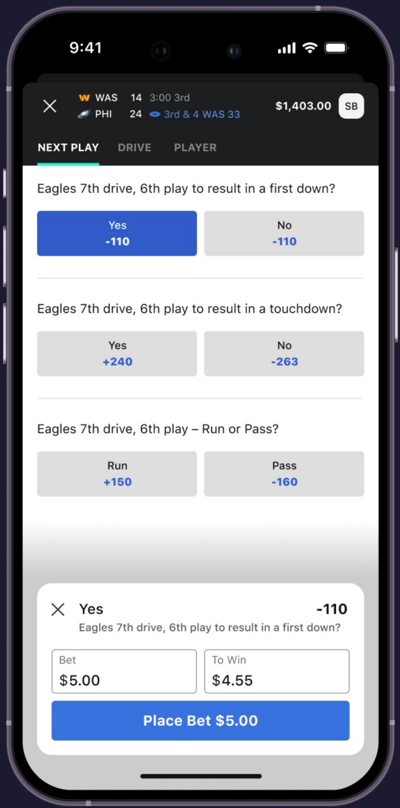
PENN ENTERTAINMENT

Parlay+



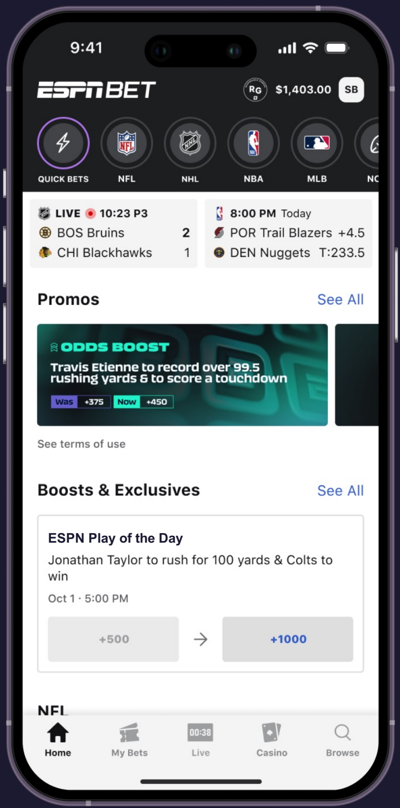
Product offers wide range of same-game parlays via Parlay+, comparable to industry-leading competitors

Quick Bets



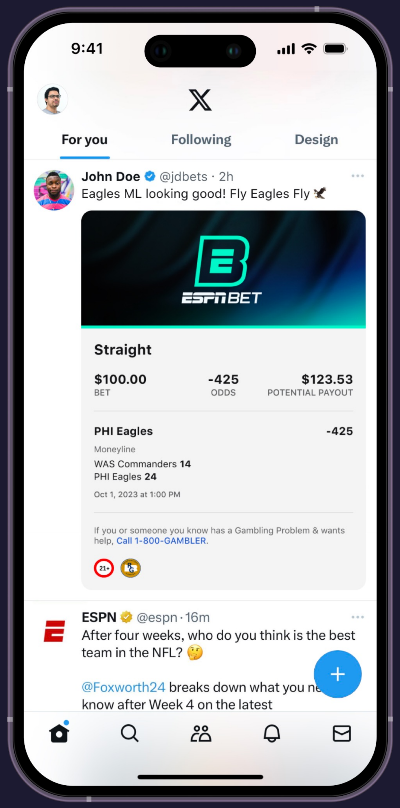
Seamless navigation to Quick Bets provides bettors with an enhanced Live Betting experience

Featured Bets



Featured Bets will consistently leverage the brand name benefits of ESPN and its Talent

Shareable Bet Slips



ESPN BET shareable bet slips will allow bettors to engage with the sports community on social media

ESPN BET – INTEGRATIONS

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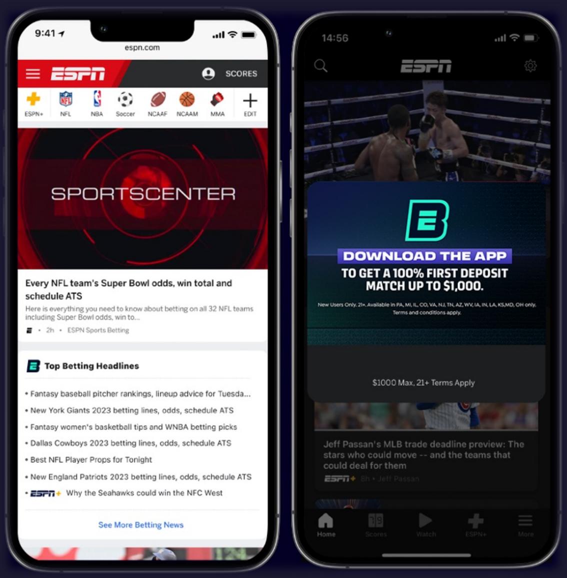
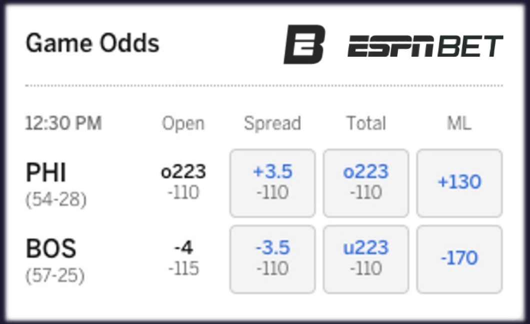
- ESPN BET presence across ESPN linear and digital platforms
- ESPN BET featured as exclusive odds provider
- ESPN BET branded, standalone 6-pack odds *(Spread, Total, Moneyline)* and other integrations into ESPN.com Web & Mobile Web will be introduced over the upcoming weeks





Game Odds — ESPN BET

12:30 PM	Open	Spread	Total	ML
PHI (54-28)	o223 -110	+3.5 -110	o223 -110	+130
BOS (57-25)	-4 -115	-3.5 -110	u223 -110	-170

WEB & MOBILE WEB ODDS INTEGRATION AT LAUNCH

Pre-Launch Teaser featuring Scott Van Pelt went live on Nov. 1st

Watch here at *ESPNBET.com*

(+) Coming Soon:

- **6-pack odds integration into ESPN Mobile App**
- **Personalized bet modules & content**
- **Deeper integrations with ESPN's leading fantasy product**
- **Customized notifications & bet tracking directly through ESPN Mobile App**
- **And more…**

ESPN BET – POWERFUL BRAND, WIDEST REACH

PENN ENTERTAINMENT

Exclusive Access to Industry's Widest Reach, Including the #1 Fantasy Sports App in the U.S.

200m

Multiplatform Users

ESPN

- **#1 Sports App**
- **#1 Social Following in Sports**
- **Top DTC Sports Platform** *(28k Live Events, 25m+ Subs)*
- **Top Linear Sports Network** *(#1 Cable Network P18-49)*

Fantasy / Sportsbook Unique Users

	ESPN Fantasy	yahoo!	Sportsbook	DraftKings Sportsbook & Casino	F	DraftKings Fantasy			FanDuel Fantasy
SEP 2023	12.0m	7.1m	3.3m	2.9m	2.6m	1.6m	1.2m	1.0m	940k

Source: comScore Mobile Metrix, Sep 2023, P13+

Opportunity to Enhance Conversion of Existing Database with #1 Brand in Sports

2m

Total Digital Registrations*

27m+

Total Loyalty Members

PENN PLAY

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Launch of ESPN BET will allow us to re-engage with our existing database with a powerful brand supported by our new best-in-class technology

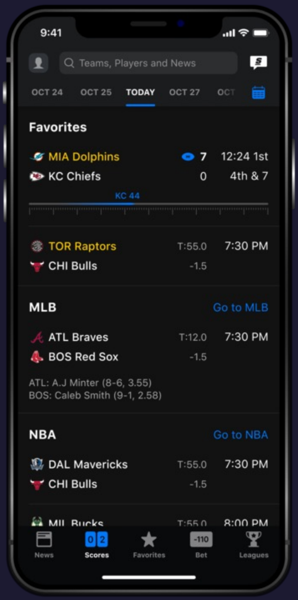
* Total registrations from all digital platforms, including the Barstool Sportsbook, Hollywood Casino, theScore Bet, and PENN Play apps.

ONTARIO: A CASE STUDY FOR SUCCESS (CONT.)

PENN ENTERTAINMENT

Our integrated media strategy with theScore and theScore Bet in Ontario is providing a blueprint for success that we intend to replicate in the U.S. with ESPN BET

Media

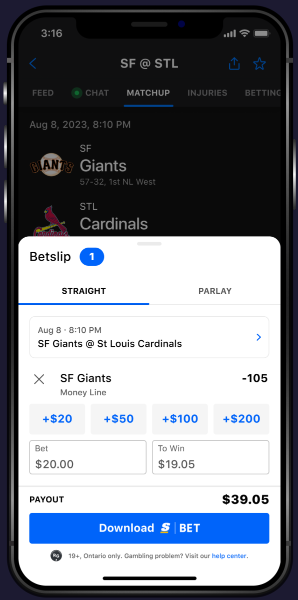


Media Ecosystem Conversion

73%

of Total Handle from Ecosystem Users

Sports Betting



theScore | BET
SPORTSBOOK & CASINO

Cross-Selling Strategy

>50%

Conversion of OSB Users to iCasino*

iCasino

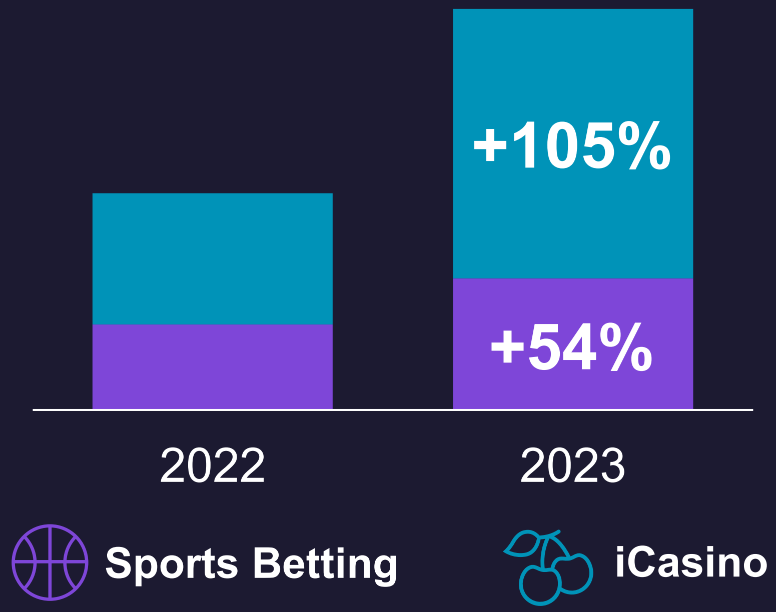
theScore | BET
SPORTSBOOK & CASINO

* Represents percentage of sports betting users who also played iCasino in Q3 2023

ONTARIO: A CASE STUDY FOR SUCCESS (CONT.)

Strong year-over-year performance in Ontario after launching on our proprietary technology stack demonstrates impressive retention from our improved, vertically-integrated product

Y/Y Q3 GGR



Y/Y Increase in Monthly Active Users

+21%

Sports Betting

+74%

iCasino

We are converting OSB Users to iCasino

+44%

better than a year ago

PENN GAME STUDIOS

Launched in Q3

RETAIL GROWTH PROJECTS

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We expect to break ground on all four exciting retail growth projects later this year, which we expect to deliver attractive returns upon opening in Q4 '25 / Q1 '26

Hollywood Aurora and Hollywood Joliet:

- Opportunity to relocate to far superior locations with significantly higher traffic counts, as well as proximity to third-party attractions
- Modern facilities will feature enhanced amenities
- The City of Aurora is funding $50m for the project

Hollywood Columbus and The M Resort:

- Expanding hotel offerings at two high performing properties
- Ability to capitalize on strong room demand to drive additional growth

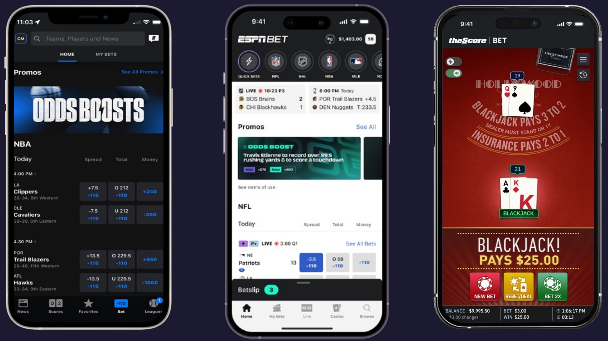
RECENT ESG HIGHLIGHTS

- Forbes has once again named us as one of “America’s Best Employers for Diversity 2023” and “America’s Best Large Employers 2023.”
- Newsweek added us to their list of “Greatest Workplaces for 2023” and Time Magazine named us one of the “World’s Best Companies.”
- On October 4th, we were once again honored by the Women’s Forum as a 2023 Champion of Board Diversity.
- On the environmental front, we updated our Scope 1 and 2 greenhouse gas emissions inventory for 2022 and are finalizing our 2022 Scope 3 inventory. The results of this will be included in our Corporate Social Responsibility Report in April.
- In addition to alignment with the Casino & Gaming industry standard of the SASB reporting framework, we are working toward alignment with TCFD. We also recently submitted our inaugural CDP climate-change disclosure.
- During the quarter, we also launched our new “PENN Women” initiative which is intended to increase inclusivity and provide allies & mentorship at all levels of our workforce.

APPENDICES

PENN ENTERTAINMENT

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



(Strategic Alliance)

ESPN BET

Strong Balance Sheet and Free Cash Flow

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

Cutting-Edge Tech and High Growth Digital Business

Our Interactive segment is growing rapidly, with a differentiated strategy that leverages our proprietary technology and leading North American sports brands' IP

Dynamic Media Integration

Our *ownership* of theScore media business and our strategic *alliance* with ESPN expand our ecosystem, driving our cross-selling growth capabilities

HISTORICAL REGIONAL RESILIENCY

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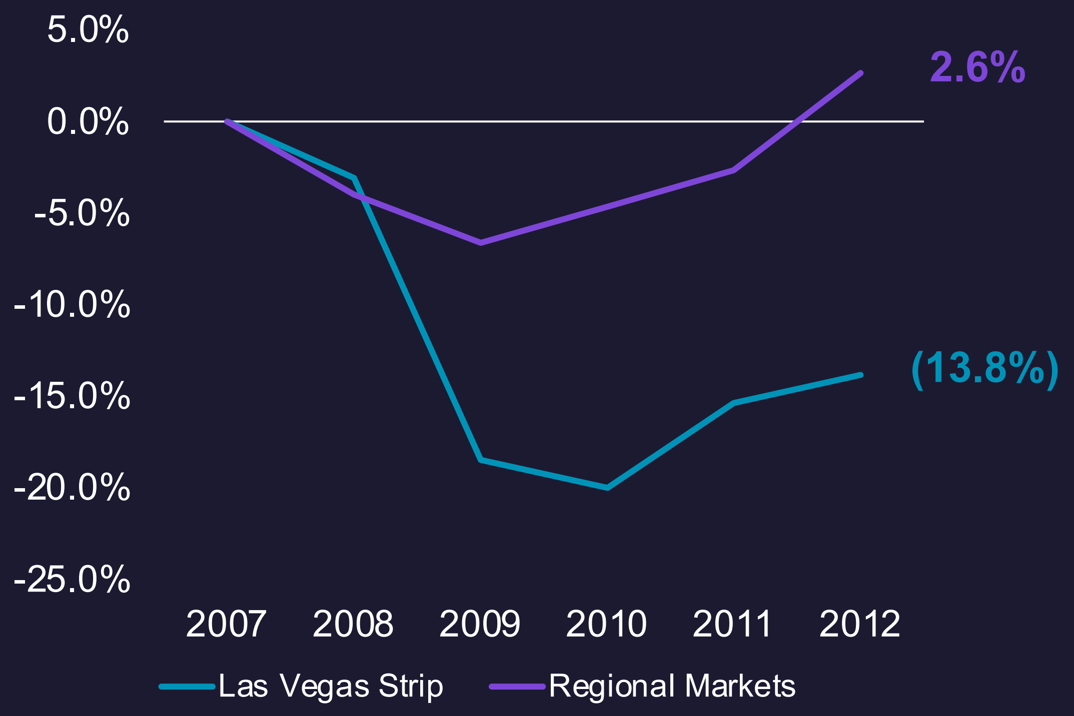
Regional markets performed far better than the Las Vegas Strip following the 2007-08 downturn, and the current operating environment is more favorable

Gross Gaming Revenue Growth (as %)*



Favorable Operating Environment

- Rational promotional and marketing reinvestment environment
- 2007-08 experience provides roadmap for adjusting to any reduction in volumes
- Post-COVID learnings have helped us optimize our business model
- Growth in younger demographic can offset declines in older demos

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

RETAIL GROWTH PROJECTS – DETAILS

Project	Type	Project Budget	GLPI Committed Funding	Timeline	Key Features
Hollywood Aurora	Relocation	$360m	$225m (GLPI) $50m (City of Aurora)	*Est. Opening:* Q1 2026	900 Slots; 60 Table Games 225 Hotel Rooms Events Center Adjacent to Chicago Premium Outlets
Hollywood Joliet	Relocation	$185m	Up to $130m	*Est. Opening:* Q4 2025	800 Slots; 45 Table Games Events Center Part of RockRun Collection Development
Hollywood Columbus	Hotel Expansion	$100m	Up to $70m	*Est. Opening:* Q4 2025	203 Hotel Rooms New F&B Meeting and Event Space
The M Resort	Tower Expansion	$205m	Up to $150m	*Est. Opening:* Q1 2026	380 Hotel Rooms Expanded F&B
Total		$850m	Up to $575m (GLPI) $50m (City of Aurora)		

GAAP TO NON-GAAP RECONCILIATION – LEVERAGE RATIOS

PENN ENTERTAINMENT

(in millions, unaudited)		September 30, 2023
Traditional Net Debt		
Amended Revolving Credit Facility due 2027	$	-
Amended Term Loan A Facility due 2027		515.6
Amended Term Loan B Facility due 2029		987.5
5.625% Notes due 2027		400.0
4.125% Notes due 2029		400.0
2.75% Convertible Notes due 2026		330.5
Other long-term obligations		28.4
Total traditional debt	$	2,662.0
Less: Cash and cash equivalents	$	(1,317.9)
Net Debt	**$**	**1,344.1**
Adjusted EBITDAR for the trailing twelve months ended September 30, 2023	$	1,868.4
Less: Cash rent payments to REIT landlords for the trailing twelve months ended September 30, 2023		(934.3)
Adjusted EBITDAR for the trailing twelve months ended September 30, 2023 less cash rent payments to REIT landlords	**$**	**934.1**
Traditional Net Leverage Ratio		**1.4x**
Total traditional debt	$	2,662.0
Less: Cash and cash equivalents		(1,317.9)
Plus: Cash rent payments to REIT landlords for the trailing twelve months ended September 30, 2023 (1)		7,474.4
	$	8,818.5
Adjusted EBITDAR for the trailing twelve months ended September 30, 2023	$	1,868.4
Lease-Adjusted Net Leverage Ratio		**4.7x**

(1) Amount equals 8 times the total cash rent payments to REIT landlords for the trailing twelve months ended September 30, 2023.

GAAP TO NON-GAAP RECONCILIATION

PENN ENTERTAINMENT

($ in millions, unaudited)	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022	For the three months ended December 31, 2022	For the last twelve months ended September 30, 2023
Net income (loss)	$ (725.1)	$ 123.2	$ (132.6)	$ 200.9	$ 20.8	$ (111.8)
Income tax (benefit) expense	(161.7)	(182.0)	40.9	(78.1)	31.7	72.6
Interest expense, net	117.5	198.5	346.1	554.7	203.5	549.6
Interest income	(10.2)	(5.2)	(30.5)	(7.0)	(11.3)	(41.8)
Income from unconsolidated affiliates	(7.2)	(6.6)	(17.0)	(17.1)	(6.6)	(23.6)
Gain on Barstool Acquisition, net (1)	-	-	(83.4)	-	-	(83.4)
Gain on REIT transactions, net (2)	-	-	(500.8)	-	-	(500.8)
Loss on early extinguishment of debt	-	-	-	10.4	-	-
Other (income) expenses	0.3	8.8	(4.5)	67.3	4.8	0.3
Operating income (loss)	**(786.4)**	**136.7**	**(381.8)**	**731.1**	**242.9**	**(138.9)**
Loss on disposal of Barstool (3)	923.2	-	923.2	-	-	923.2
Stock-based compensation	35.2	13.6	71.4	45.1	13.0	84.4
Cash-settled stock-based awards variance (4)	(2.9)	(3.8)	(12.0)	(16.2)	0.7	(11.3)
Loss (gain) on disposal of assets	-	(0.2)	-	7.0	0.9	0.9
Contingent purchase price	1.3	0.1	1.8	(0.9)	0.3	2.1
Pre-opening expenses	-	0.5	-	4.1	-	-
Depreciation and amortization	105.8	148.7	323.9	417.2	150.3	474.2
Impairment losses	-	104.6	-	104.6	13.6	13.6
Insurance recoveries, net of deductible charges	(0.3)	(1.9)	(13.9)	(10.7)	-	(13.9)
Income from unconsolidated affiliates	7.2	6.6	17.0	17.1	6.6	23.6
Non-operating items of equity method investments (5)	1.0	2.6	6.4	4.7	3.2	9.6
Other expenses	14.4	32.9	25.1	48.4	6.8	31.9
Adjusted EBITDA	**298.5**	**440.4**	**961.1**	**1,351.5**	**438.3**	**1,399.4**
Rent expense associated with triple net operating leases	146.6	31.5	439.0	119.6	30.0	469.0
Adjusted EBITDAR	**$ 445.1**	**$ 471.9**	**$ 1,400.1**	**$ 1,471.1**	**$ 468.3**	**$ 1,868.4**
Net income (loss) margin	(44.8)%	7.6%	(2.7)%	4.2%	1.3 %	(1.7)%
Adjusted EBITDAR margin	27.5%	29.0%	28.2%	30.5%	29.5%	28.5%

(1) Includes a gain of $66.5 million associated with Barstool related to remeasurement of the equity investment immediately prior to the acquisition date of February 17, 2023 and a gain of $16.9 million related to the acquisition of the remaining 64% of Barstool common stock.

(2) Upon the execution of the February 21, 2023 AR PENN Master Lease and the 2023 Master Lease, both effective January 1, 2023, we recognized a gain of $500.8 million as a result of the reclassification and remeasurement of lease components.

(3) Relates to the loss incurred on the sale of 100% of the outstanding shares of Barstool which was completed on August 8, 2023.

(4) 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.

(5) Consists principally of interest expense, net, income taxes, depreciation and amortization, and stock-based compensation expense associated with Barstool prior to us acquiring the remaining 64% of Barstool common stock and our Kansas Entertainment, LLC joint venture.

PENN

ENTERTAINMENT