



Gaming and Leisure Properties, Inc. Reports Record Fourth Quarter Results, Establishes 2023 Guidance and Announces 2023 First Quarter Dividend of \$0.72 per Share and Special Dividend of \$0.25 per Share

February 23, 2023

WYOMISSING, Pa., Feb. 23, 2023 (GLOBE NEWSWIRE) -- Gaming and Leisure Properties, Inc. (NASDAQ: GLPI) ("GLPI" or the "Company") today announced record results for the fourth quarter and year-ended December 31, 2022.

Financial Highlights

(in millions, except per share data)	Three Months Ended December 31,		Year Ended December 31,	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Total Revenue	\$ 336.4	\$ 298.3	\$ 1,311.7	\$ 1,216.4
Income From Operations	\$ 275.5	\$ 204.4	\$ 1,029.9	\$ 841.8
Net income	\$ 199.6	\$ 119.6	\$ 703.3	\$ 534.1
FFO ⁽¹⁾ (4)	\$ 258.8	\$ 178.0	\$ 887.3	\$ 765.7
AFFO ⁽²⁾ (4)	\$ 239.1	\$ 205.3	\$ 924.4	\$ 812.0
Adjusted EBITDA ⁽³⁾ (4)	\$ 312.0	\$ 277.2	\$ 1,221.7	\$ 1,096.6
Net income, per diluted common share and OP units ⁽⁴⁾	\$ 0.75	\$ 0.50	\$ 2.70	\$ 2.26
FFO, per diluted common share and OP units ⁽⁴⁾	\$ 0.97	\$ 0.74	\$ 3.40	\$ 3.24
AFFO, per diluted common share and OP units ⁽⁴⁾	\$ 0.89	\$ 0.85	\$ 3.55	\$ 3.44

(1) Funds from operations ("FFO") is net income, excluding (gains) or losses from dispositions of property, net of tax and real estate depreciation as defined by NAREIT.

(2) Adjusted Funds from Operations ("AFFO") is FFO, excluding, as applicable to the particular period, stock based compensation expense; the amortization of debt issuance costs, bond premiums and original issuance discounts; other depreciation; amortization of land rights; accretion on investment in leases, financing receivables; non-cash adjustments to financing lease liabilities; impairment charges; straight-line rent adjustments; losses or (gains) on sales of operations, net of tax; losses on debt extinguishment; and provision for credit losses, net, reduced by capital maintenance expenditures.

(3) Adjusted EBITDA is net income, excluding, as applicable to the particular period, interest, net; income tax expense; real estate depreciation; other depreciation; (gains) or losses from dispositions of property, net of tax; (gains) or losses on sales of operations, net of tax; stock based compensation expense; straight-line rent adjustments; amortization of land rights; accretion on investment in leases, financing receivables; non-cash adjustments to financing lease liabilities; impairment charges; losses on debt extinguishment; and provision for credit losses, net.

(4) Metrics are presented assuming full conversion of limited partnership units to common shares and therefore before the income statement impact of non-controlling interests.

Peter Carlino, Chairman and Chief Executive Officer of GLPI, commented, "We ended 2022 with record fourth quarter results and increased dividends as our deep, long-term knowledge of the gaming sector has allowed us to continually expand and diversify our tenant base, geographic footprint and rental streams. Reflecting this ongoing expansion, since our establishment as the gaming industry's first REIT, GLPI has grown from being a landlord with one tenant and 19 properties to become a landlord with six premiere tenants and 57 properties across 17 states as of December 31, 2022. Fourth quarter results again highlight the durability of our rental streams, including the completion of previously announced agreements in late 2021 and in 2022 with The Cordish Companies and Bally's Corporation, combined with our initiatives to position the Company for further growth through the active management of all aspects of our business and capital structure.

"During the fourth quarter, we continued to successfully and aggressively execute on our long-term strategy to grow rental cash flows while prudently funding our ongoing growth and dividend increases. Early in the quarter we announced an agreement to establish a new master lease for seven PENN Entertainment ("PENN") properties, including a funding option to allow PENN to pursue attractive growth opportunities in several of its existing markets including Illinois, Ohio and Nevada. The relocation of PENN's Aurora and Joliet properties in Illinois to new land-based locations with expanded amenities will deliver a superior guest experience at sites with proximity to major thoroughfares and highly trafficked areas. In Ohio, PENN's proposed hotel at Hollywood Casino Columbus is expected to strengthen the property's already impressive performance and transform it into a regional destination. Consistent with the leases in our portfolio, this new master lease includes attractive rent and financing terms for both parties under a proven structure that offers GLPI downside protection, while positioning us to benefit from PENN's long-term growth. Our active support of our leading regional gaming operator tenants through innovative transaction structures has proven to be mutually beneficial and we are confident that this new master lease with PENN will extend our record of success on this front.

"Our ongoing pursuit of growth continues in 2023, as earlier this quarter we completed our previously announced acquisition from Bally's of the real property assets of Bally's Tiverton Casino & Hotel in Rhode Island ("Bally's Tiverton") and Bally's Hard Rock Hotel & Casino Biloxi in Mississippi ("Bally's Biloxi") for \$635 million, inclusive of \$15 million in the form of OP units, both of which were added to GLPI's existing master lease with Bally's. The initial rent for the lease was increased by \$48.5 million on an annualized basis. GLPI is positioned to benefit from Bally's long-term growth as we have the option, subject to receipt by Bally's of required consents, to acquire the real property assets of Bally's Twin River Lincoln Casino Resort in Lincoln, RI ("Bally's Lincoln") prior to December 31, 2024 for a purchase price of \$771 million and additional rent of \$58.8 million.

"Looking forward, we believe GLPI is well positioned to deliver long-term growth based on our gaming operator relationships, our rights and options to participate in select tenants' future growth and expansion initiatives, and our ability to structure and fund innovative transactions at competitive rates. Our tenants' strength, combined with GLPI's balance sheet and liquidity, position the Company to consistently grow its cash flows and build value for shareholders in 2023 and beyond."

Recent Developments

- On January 13, 2023, the Company called for redemption all of the \$500 million, 5.375% Senior Notes (the "Notes") due in 2023. GLPI redeemed all of the Notes on February 12, 2023 (the "Redemption Date") for \$507.5 million which represented 100% of the principal amount of the Notes plus accrued interest through the Redemption Date. GLPI funded the redemption of the Notes primarily from cash on hand.
- On January 3, 2023, the Company completed its previously announced acquisition from Bally's Corporation (NYSE: BALY) ("Bally's") of the real property assets of Bally's Tiverton and Bally's Biloxi for consideration of \$635 million, inclusive of \$15 million in the form of OP units. These properties were added to the Company's existing Master Lease with Bally's. The initial rent for the lease was increased by \$48.5 million on an annualized basis, subject to contractual escalations based on the Consumer Price Index ("CPI"), with a 1% floor and a 2% ceiling, subject to CPI meeting a 0.5% threshold.

In connection with the closing, a \$200 million deposit funded by GLPI in September 2022 was returned to the Company along with a \$9.0 million transaction fee that will be accounted for as a reduction of the purchase price of the assets acquired with no earnings impact. Concurrent with the closing, GLPI borrowed \$600 million under its previously structured delayed draw term loan.

GLPI continues to have the option, subject to receipt by Bally's of required consents to acquire the real property assets of Bally's Lincoln prior to December 31, 2024, for a purchase price of \$771 million and additional initial rent of \$58.8 million.

- In December 2022, the Company entered into a new continuous equity offering under which the Company may sell up to \$1 billion of its common stock from time to time through a sales agent in "at the market" ("ATM") offerings. The Company continues to have the full \$1 billion capacity as of the date of this release.

Other Significant Developments

- On October 10, 2022, the Company announced that it agreed to create a new master lease with PENN for seven of PENN's current properties. The Company and PENN also agreed to a funding mechanism to support PENN's pursuit of relocation and development opportunities at several of the properties included in the new master lease. The transaction, including the creation of the new master lease became effective as of January 1, 2023.

Pursuant to the terms agreed upon by the parties, the current PENN master lease was amended to remove PENN's properties in Aurora and Joliet, Illinois, Columbus and Toledo, Ohio, and Henderson, Nevada. Those properties were added to the new master lease. In addition, the existing leases for the Hollywood Casino at The Meadows in Pennsylvania and Hollywood Casino Perryville in Maryland were terminated and these properties were transferred to the new master lease. GLPI agreed to fund up to \$225 million for the relocation of PENN's riverboat casino in Aurora at a 7.75% cap rate. GLPI also agreed to fund, at PENN's election, up to an additional \$350 million for the relocation of the Hollywood Casino Joliet as well as the construction of hotels at Hollywood Casino Columbus and a second hotel tower at the M Resort Spa Casino at then current market rates.

The terms of the new master lease and the amended PENN master lease are substantially similar to the current PENN master lease with the following key differences:

- The new master lease is cross-defaulted and co-terminus with the existing PENN master lease.
- The initial term of the new master lease expires on October 31, 2033, with three 5-year extensions at PENN's option.
- All rent in the new master lease is fixed with annual escalation of 1.50%, with the first escalation occurring for the lease year beginning on November 1, 2023.
- The rent for the new lease is \$232.2 million in base rent. The rent for the original PENN master lease is \$284.1 million, consisting of \$208.2 million of building base rent, \$43.0 million of land base rent, and \$32.9 million of percentage rent.

- On September 26, 2022, the Company closed on its previously announced transaction whereby Bally's acquired both GLPI's non-land real estate assets and PENN's outstanding equity interests in Tropicana Las Vegas Hotel and Casino, Inc. ("Tropicana Las Vegas") for an aggregate cash acquisition price, net of fees and expenses, of approximately \$145 million, which resulted in a pre-tax gain of \$67.4 million. GLPI retained ownership of the land and concurrently entered into a 50-year ground lease with Bally's for an initial annual cash rent of \$10.5 million. The ground lease is supported by a Bally's corporate guarantee and cross-defaulted with the Bally's Master Lease.

- On August 19, 2022, the Company entered into a forward sale agreement (the "August 2022 Forward Sale Agreement"), for up to \$105 million. No amounts have been or will be recorded on the Company's balance sheet with respect to the August 2022 Forward Sale Agreement until settlement. The Company settled the August 2022 Forward Sale Agreement in February 2023, utilizing the proceeds of \$64.6 million to partially fund the redemption of the Notes that were redeemed as described above.

- In addition to the ATM shares sold pursuant to the forward agreement, during the fourth quarter and third quarter of 2022, the Company sold 3,171,776 shares and 2,034,723 shares of its common stock, respectively, under its regular way ATM program raising net proceeds of \$156.4 million and \$104.4 million, respectively.
- On July 1, 2022, the Company issued 7,935,000 shares of its common stock, generating proceeds of approximately \$350.8 million.
- On May 13, 2022, GLP Capital terminated its credit facility that was scheduled to mature on May 21, 2023 that was guaranteed by the Company and entered into a new credit agreement that provides for a \$1.75 billion revolving credit facility with a maturity of four years, subject to two six-month extensions at GLP Capital's option, and that is guaranteed by the Company. The Company recorded a debt extinguishment charge of \$2.2 million in connection with this transaction.
- On April 1, 2022, GLPI completed its previously announced acquisition from Bally's of the land and real estate assets of Bally's three casinos in Black Hawk, Colorado, and Bally's Quad Cities Casino & Hotel in Rock Island, Illinois, for total consideration of \$150 million. These properties were added to the Bally's Master Lease, with the rent for the Bally's Master Lease increased by \$12.0 million on an annual basis. The rent is subject to contractual escalations based on the CPI, with a 1% floor and a 2% ceiling, subject to the CPI meeting a 0.5% threshold.
- On March 1, 2022, GLPI completed the acquisition of the land and real estate assets of Live! Casino & Hotel Philadelphia ("Live! Philadelphia") and Live! Casino Pittsburgh ("Live! Pittsburgh") from The Cordish Companies ("Cordish") for total consideration of approximately \$689 million (inclusive of transaction costs). The Company funded the acquisition by assuming approximately \$423 million in debt (which the Company repaid) and issuing approximately \$137 million of operating partnership units (approximately 3.0 million total units), with the balance paid from cash on hand, which was in part generated by its December 2021 issuance of senior unsecured notes and common stock.
- Simultaneous with the March 1, 2022 closing of the above transaction, the Company entered into a master lease with Cordish (the "Pennsylvania Live! Master Lease"), pursuant to which Cordish will continue its ownership, control and management of the operations of Live! Philadelphia and Live! Pittsburgh. The Pennsylvania Live! Master Lease has an initial annual rent of \$50.0 million and an initial term of 39 years, with a maximum term of 60 years, inclusive of tenant renewal options, as well as a fixed annual lease escalation of 1.75% on the entirety of rent commencing on the lease's second anniversary.
- On December 29, 2021, the Company completed the acquisition of the land and real estate assets of Live! Casino & Hotel Maryland ("Live! Maryland") from Cordish for total consideration of \$1.16 billion (inclusive of transaction costs). Cordish and the Company entered into a lease with Cordish (the "Maryland Live! Lease"), pursuant to which Cordish will continue its ownership, control and management of the operations of Live! Maryland. The Maryland Live! Lease has an initial annual rent of \$75 million and an initial term of 39 years, with a maximum term of 60 years, inclusive of tenant renewal options, as well as a fixed annual lease escalation of 1.75% on the entirety of rent commencing on the lease's second anniversary. The transaction also includes a partnership on future Cordish casino developments, as well as potential financing partnerships between GLPI and Cordish in other areas of Cordish's portfolio of real estate and operating businesses. GLPI funded the transaction by assuming \$363 million in debt, which was repaid, and issuing \$205 million of operating partnership units (4.35 million total units), with the balance of the consideration from cash on hand, which in part was generated by GLPI's December 2021 issuance of senior unsecured notes and common stock.

Dividends

On November 23, 2022, the Company's Board of Directors declared a fourth quarter dividend of \$0.705 per share on the Company's common stock. The dividend was paid on December 23, 2022 to shareholders of record on December 9, 2022.

On February 22, 2023, the Company's Board of Directors declared a first quarter dividend of \$0.72 per share on the Company's common stock as well as a special earnings and profit dividend of \$0.25 per share related to the sale of the Tropicana Las Vegas building. These dividends will be payable on March 24, 2023 to shareholders of record on March 10, 2023.

2023 Guidance

Reflecting the current operating and competitive environment, the Company is providing AFFO guidance for the full year 2023 based on the following assumptions and other factors:

- The guidance does not include the impact on operating results from any pending or possible future acquisitions or dispositions, future capital markets activity, or other future non-recurring transactions.
- The guidance assumes there will be no material changes in applicable legislation, regulatory environment, world events, including another COVID-19 or other new pandemic outbreak, weather, recent consumer trends, economic conditions, oil prices, competitive landscape or other circumstances beyond our control that may adversely affect the Company's results of operations.

The Company estimates AFFO for the year ending December 31, 2023 will be between \$980 million and \$997 million, or between \$3.61 and \$3.67 per diluted share and OP units.

The Company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis, including the information above, where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and/or amounts of various items that would impact net income, which is the most directly comparable forward-looking GAAP financial measure. This includes, for example, provision for credit losses, net, acquisition costs and other non-core items that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted. For the same reasons, the Company is unable to address the probable significance of the unavailable information. In particular, the Company is unable to predict with reasonable certainty the amount of the change in the provision for credit losses, net, under ASU No. 2016-13 - Financial Instruments - Credit Losses ("ASC 326") in future periods. The non-cash change in the provision for credit losses under ASC 326 with respect to future periods is dependent upon future events that are entirely outside of the Company's control and may not be reliably predicted, including the performance and future outlook of our tenant's operations for our leases that are accounted for as investment in leases, financing receivables, as well as broader macroeconomic factors and future predictions of such factors. As a result, forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

Portfolio Update

GLPI's primary business consists of acquiring, financing, and owning real estate property to be leased to gaming operators in triple-net lease arrangements. As of December 31, 2022, GLPI's portfolio consisted of interests in 57 gaming and related facilities, the real property associated with 34 gaming and related facilities operated by PENN, the real property associated with 7 gaming and related facilities operated by Caesars Entertainment, Inc. (NASDAQ: CZR), the real property associated with 4 gaming and related facilities operated by Boyd Gaming Corporation (NYSE: BYD), the real property associated with 7 gaming and related facilities operated by Bally's, the real property associated with 3 gaming and related facilities operated by Cordish and the real property associated with 2 gaming and related facilities operated by Casino Queen. These facilities are geographically diversified across 17 states and contain approximately 27.8 million square feet of improvements. The figures above do not reflect the January 3, 2023 acquisition of the real property assets of Bally's Biloxi and Bally's Tiverton, which added 2.4 million of property square footage and diversified the Company into Rhode Island.

Conference Call Details

The Company will hold a conference call on February 24, 2023 at 10:00 a.m. (Eastern Time) to discuss its financial results, current business trends and market conditions.

To Participate in the Telephone Conference Call:

Dial in at least five minutes prior to start time.

Domestic: 1-877/407-0784

International: 1-201/689-8560

Conference Call Playback:

Domestic: 1-844/512-2921

International: 1-412/317-6671

Passcode: 13735382

The playback can be accessed through Friday, March 3, 2023.

Webcast

The conference call will be available in the Investor Relations section of the Company's website at www.glpinc.com. To listen to a live broadcast, go to the site at least 15 minutes prior to the scheduled start time in order to register, download and install any necessary software. A replay of the call will also be available for 90 days thereafter on the Company's website.

GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES

Consolidated Statements of Operations
(in thousands, except per share data) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenues				
Rental income	\$ 299,246	\$ 285,461	\$ 1,173,376	\$ 1,106,658
Income from investment in leases, financing receivables	37,142	—	138,309	—
Total income from real estate	336,388	285,461	1,311,685	1,106,658
Gaming, food, beverage and other	—	12,874	—	109,693
Total revenues	336,388	298,335	1,311,685	1,216,351
Operating expenses				
Gaming, food, beverage and other	—	4,965	—	53,039
Land rights and ground lease expense	11,870	13,052	49,048	37,390
General and administrative	11,315	15,276	51,319	61,245
Gains from dispositions	—	(7,029)	(67,481)	(21,751)
Impairment charge on land	—	—	3,298	—
Depreciation	59,708	59,401	238,688	236,434
Provision for credit losses, net	(21,961)	8,226	6,898	8,226
Total operating expenses	60,932	93,891	281,770	374,583
Income from operations	275,456	204,444	1,029,915	841,768
Other income (expenses)				

Interest expense	(76,538)	(71,779)	(309,291)	(283,037)
Interest income	1,293	13	1,905	197
Insurance gain	—	3,500	—	3,500
Losses on debt extinguishment	—	—	(2,189)	—
Total other expenses	(75,245)	(68,265)	(309,575)	(279,340)
Income before income taxes	200,211	136,178	720,340	562,428
Income tax provision	624	16,551	17,055	28,342
Net income	\$ 199,587	\$ 119,627	\$ 703,285	\$ 534,086
Less: Net income attributable to non-controlling interest in Operating Partnership	(5,470)	(39)	(18,632)	(39)
Net income attributable to common shareholders	\$ 194,117	\$ 119,588	\$ 684,653	\$ 534,047
Earnings per common share:				
Basic earnings attributable to common shareholders	\$ 0.75	\$ 0.50	\$ 2.71	\$ 2.27
Diluted earnings attributable to common shareholders	\$ 0.75	\$ 0.50	\$ 2.70	\$ 2.26

GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES

Current Year Revenue Detail
(in thousands) (unaudited)

	Building base rent	Land base rent	Percentage rent	Total cash income	Straight line rent	Ground rent in revenue	Accretion on financing leases	Other rental revenue	Total rental income
Three Months Ended December 31, 2022									
PENN Master Lease	\$ 72,198	\$ 23,492	\$ 23,934	\$ 119,624	\$ (3,394)	\$ 572	\$ —	\$ —	\$ 116,802
Amended Pinnacle Master Lease	59,095	17,814	7,164	84,073	1,858	2,204	—	—	88,135
PENN Meadows Lease	3,953	—	2,040	5,993	572	—	—	183	6,748
PENN Morgantown Lease	—	762	—	762	—	—	—	—	762
PENN Perryville Lease	1,479	486	—	1,965	38	—	—	—	2,003
Caesars Master Lease	15,823	5,933	—	21,756	2,394	378	—	—	24,528
Horseshoe St. Louis Lease	5,844	—	—	5,844	472	—	—	—	6,316
Boyd Master Lease	19,674	2,946	2,566	25,186	574	432	—	—	26,192
Boyd Bellerra Lease	696	474	472	1,642	151	—	—	—	1,793
Bally's Master Lease	13,260	—	—	13,260	—	2,537	—	—	15,797
Maryland Live! Lease	18,750	—	—	18,750	—	2,155	3,227	—	24,132
Pennsylvania Live! Master Lease	12,500	—	—	12,500	—	302	2,112	—	14,914
Casino Queen Master Lease	5,534	—	—	5,534	107	—	—	—	5,641
Tropicana Las Vegas Lease	—	2,625	—	2,625	—	—	—	—	2,625
Total	\$ 228,806	\$ 54,532	\$ 36,176	\$ 319,514	\$ 2,772	\$ 8,580	\$ 5,339	\$ 183	\$ 336,388

	Building base rent	Land base rent	Percentage rent	Total cash income	Straight line rent	Ground rent in revenue	Accretion on financing leases	Other rental revenue	Total rental income
Year Ended December 31, 2022									
PENN Master Lease	\$ 285,944	\$ 93,969	\$ 97,423	\$ 477,336	\$ (11,700)	\$ 2,495	\$ —	\$ —	\$ 468,131
Amended Pinnacle Master Lease	234,835	71,256	28,030	334,121	(1,494)	8,173	—	—	340,800
PENN Meadows Lease	15,811	—	8,824	24,635	2,289	—	—	589	27,513
PENN Morgantown Lease	—	3,047	—	3,047	—	—	—	—	3,047
PENN Perryville Lease	5,871	1,943	—	7,814	196	—	—	—	8,010
Caesars Master Lease	62,709	23,729	—	86,438	10,162	1,512	—	—	98,112
Horseshoe St. Louis Lease	23,161	—	—	23,161	2,103	—	—	—	25,264
Boyd Master Lease	78,184	11,785	10,124	100,093	2,296	1,729	—	—	104,118
Boyd Bellerra Lease	2,764	1,894	1,865	6,523	—	—	—	—	6,523
Bally's Master Lease	49,598	—	—	49,598	—	9,603	—	—	59,201
Maryland Live! Lease	75,000	—	—	75,000	—	8,521	12,569	—	96,090
Pennsylvania Live! Master Lease	41,667	—	—	41,667	—	1,001	6,873	—	49,541
Casino Queen Master Lease	22,122	—	—	22,122	442	—	—	—	22,564
Tropicana Las Vegas Lease	—	2,771	—	2,771	—	—	—	—	2,771
Total	\$ 897,666	\$ 210,394	\$ 146,266	\$ 1,254,326	\$ 4,294	\$ 33,034	\$ 19,442	\$ 589	\$ 1,311,685

Reconciliation of Net income (GAAP) to FFO, FFO to AFFO, and AFFO to Adjusted EBITDA
Gaming and Leisure Properties, Inc. and Subsidiaries
CONSOLIDATED
(in thousands, except per share and share data) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net income	\$ 199,587	\$ 119,627	\$ 703,285	\$ 534,086
(Gains) losses from dispositions of property, net of tax	—	(206)	(52,844)	711
Real estate depreciation	59,240	58,564	236,809	230,941
Funds from operations	\$ 258,827	\$ 177,985	\$ 887,250	\$ 765,738
Straight-line rent adjustments	(2,772)	(1,449)	(4,294)	(3,993)
Other depreciation ⁽¹⁾	468	837	1,879	5,493
Amortization of land rights	3,289	6,445	15,859	15,616
Amortization of debt issuance costs, bond premiums and original issuance discounts	2,377	2,519	9,975	9,929
Accretion on investment in leases, financing receivables	(5,339)	—	(19,442)	—
Non-cash adjustment to financing lease liabilities	123	—	483	—
Stock based compensation	4,183	3,645	20,427	16,831
Loss (gain) on sale of operations, net of tax	—	7,730	—	(3,560)
Losses on debt extinguishment	—	—	2,189	—
Impairment charge on land	—	—	3,298	—
Provision for credit losses, net	(21,961)	8,226	6,898	8,226
Capital maintenance expenditures ⁽²⁾	(57)	(615)	(159)	(2,270)
Adjusted funds from operations	\$ 239,138	\$ 205,323	\$ 924,363	\$ 812,010
Interest, net ⁽³⁾	74,570	71,766	304,703	282,840
Income tax expense	624	1,998	2,418	9,440
Capital maintenance expenditures ⁽²⁾	57	615	159	2,270
Amortization of debt issuance costs, bond premiums and original issuance discounts	(2,377)	(2,519)	(9,975)	(9,929)
Adjusted EBITDA	\$ 312,012	\$ 277,183	\$ 1,221,668	\$ 1,096,631
Net income, per diluted common shares and OP units	\$ 0.75	\$ 0.50	\$ 2.70	\$ 2.26
FFO, per diluted common share and OP units	\$ 0.97	\$ 0.74	\$ 3.40	\$ 3.24
AFFO, per diluted common share and OP units	\$ 0.89	\$ 0.85	\$ 3.55	\$ 3.44
Weighted average number of common shares and OP units outstanding				
Diluted common shares	260,365,257	241,369,486	253,846,475	236,230,630
OP units	7,366,683	141,808	6,878,857	35,743
Diluted common shares and OP units	267,731,940	241,511,294	260,725,332	236,266,373

- (1) Other depreciation includes both real estate and equipment depreciation from the Company's taxable REIT subsidiaries.
- (2) Capital maintenance expenditures are expenditures to replace existing fixed assets with a useful life greater than one year that are obsolete, worn out or no longer cost effective to repair.
- (3) Current year amounts excludes non-cash interest expense gross up related to the ground lease for the Live! Maryland property.

Reconciliation of Cash Net Operating Income
Gaming and Leisure Properties, Inc. and Subsidiaries
CONSOLIDATED
(in thousands, except per share and share data) (unaudited)

	Three Months Ended December 31, 2022	Year Ended December 31, 2022
Adjusted EBITDA	\$ 312,012	\$ 1,221,668
General and administrative expenses	11,315	51,319
Stock based compensation	(4,183)	(20,427)
Cash net operating income⁽¹⁾	319,144	1,252,560

(1) Cash net operating income is rental and other property income less cash property level expenses.

Gaming and Leisure Properties, Inc. and Subsidiaries
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2022	December 31, 2021
Assets		
Real estate investments, net	\$ 7,707,935	\$ 7,777,551
Investment in leases, financing receivables, net	1,903,195	1,201,670
Assets held for sale	—	77,728
Right-of-use assets and land rights, net	834,067	851,819
Cash and cash equivalents	239,083	724,595
Other assets	246,106	57,086
Total assets	\$ 10,930,386	\$ 10,690,449
Liabilities		
Accounts payable, dividend payable and accrued expenses	\$ 6,561	\$ 63,543
Accrued interest	82,297	71,810
Accrued salaries and wages	6,742	6,798
Operating lease liabilities	181,965	183,945
Financing lease liabilities	53,792	53,309
Long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts	6,128,468	6,552,372
Deferred rental revenue	324,774	329,068
Other liabilities	27,691	39,464
Total liabilities	6,812,290	7,300,309
Equity		
Preferred stock (\$.01 par value, 50,000,000 shares authorized, no shares issued or outstanding at December 31, 2022 and December 31, 2021)	—	—
Common stock (\$.01 par value, 500,000,000 shares authorized, 260,727,030 shares and 247,206,937 shares issued and outstanding at December 31, 2022 and December 31, 2021, respectively)	2,607	2,472
Additional paid-in capital	5,573,567	4,953,943
Retained deficit	(1,798,216)	(1,771,402)
Total equity attributable to Gaming and Leisure Properties	3,777,958	3,185,013
Noncontrolling interests in GLPI's Operating Partnership (7,366,683 units and 4,348,774 units outstanding at December 31, 2022 and December 31, 2021, respectively)	340,138	205,127
Total equity	4,118,096	3,390,140
Total liabilities and equity	\$ 10,930,386	\$ 10,690,449

Debt Capitalization

The Company's debt structure as of December 31, 2022 was as follows:

	Years to Maturity	Interest Rate	Balance (in thousands)
Unsecured \$1,750 Million Revolver Due May 2026	3.4	—%	—
Term Loan Credit Facility	4.7	—%	—
Senior Unsecured Notes Due November 2023	0.8	5.375%	500,000
Senior Unsecured Notes Due September 2024	1.7	3.350%	400,000
Senior Unsecured Notes Due June 2025	2.4	5.250%	850,000
Senior Unsecured Notes Due April 2026	3.3	5.375%	975,000
Senior Unsecured Notes Due June 2028	5.4	5.750%	500,000
Senior Unsecured Notes Due January 2029	6.0	5.300%	750,000
Senior Unsecured Notes Due January 2030	7.0	4.000%	700,000
Senior Unsecured Notes Due January 2031	8.0	4.000%	700,000
Senior Unsecured Notes due January 2032	9.0	3.250%	800,000
Other	3.7	4.780%	583
Total long-term debt			6,175,583
Less: unamortized debt issuance costs, bond premiums and original issuance discounts			(47,115)
Total long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts			\$ 6,128,468
Weighted average	5.1	4.660%	

Rating Agency Update - Issue Rating

Rating Agency	Rating
Standard & Poor's	BBB-
Fitch	BBB-
Moody's	Ba1

Properties (1)

Description	Location	Date Acquired	Tenant/Operator
PENN Master Lease (19 Properties)			

Hollywood Casino Lawrenceburg	Lawrenceburg, IN	11/1/2013	PENN
Hollywood Casino Aurora	Aurora, IL	11/1/2013	PENN
Hollywood Casino Joliet	Joliet, IL	11/1/2013	PENN
Argosy Casino Alton	Alton, IL	11/1/2013	PENN
Hollywood Casino Toledo	Toledo, OH	11/1/2013	PENN
Hollywood Casino Columbus	Columbus, OH	11/1/2013	PENN
Hollywood Casino at Charles Town Races	Charles Town, WV	11/1/2013	PENN
Hollywood Casino at Penn National Race Course	Grantville, PA	11/1/2013	PENN
M Resort	Henderson, NV	11/1/2013	PENN
Hollywood Casino Bangor	Bangor, ME	11/1/2013	PENN
Zia Park Casino	Hobbs, NM	11/1/2013	PENN
Hollywood Casino Gulf Coast	Bay St. Louis, MS	11/1/2013	PENN
Argosy Casino Riverside	Riverside, MO	11/1/2013	PENN
Hollywood Casino Tunica	Tunica, MS	11/1/2013	PENN
Boomtown Biloxi	Biloxi, MS	11/1/2013	PENN
Hollywood Casino St. Louis	Maryland Heights, MO	11/1/2013	PENN
Hollywood Gaming Casino at Dayton Raceway	Dayton, OH	11/1/2013	PENN
Hollywood Gaming Casino at Mahoning Valley Race Track	Youngstown, OH	11/1/2013	PENN
1st Jackpot Casino	Tunica, MS	5/1/2017	PENN
Amended Pinnacle Master Lease (12 Properties)			
Ameristar Black Hawk	Black Hawk, CO	4/28/2016	PENN
Ameristar East Chicago	East Chicago, IN	4/28/2016	PENN
Ameristar Council Bluffs	Council Bluffs, IA	4/28/2016	PENN
L'Auberge Baton Rouge	Baton Rouge, LA	4/28/2016	PENN
Boomtown Bossier City	Bossier City, LA	4/28/2016	PENN
L'Auberge Lake Charles	Lake Charles, LA	4/28/2016	PENN
Boomtown New Orleans	New Orleans, LA	4/28/2016	PENN
Ameristar Vicksburg	Vicksburg, MS	4/28/2016	PENN
River City Casino & Hotel	St. Louis, MO	4/28/2016	PENN
Jackpot Properties (Cactus Petes and Horseshu)	Jackpot, NV	4/28/2016	PENN
Plainridge Park Casino	Plainridge, MA	10/15/2018	PENN
Caesars Master Lease (6 Properties)			
Tropicana Atlantic City	Atlantic City, NJ	10/1/2018	CZR
Tropicana Laughlin	Laughlin, NV	10/1/2018	CZR
Trop Casino Greenville	Greenville, MS	10/1/2018	CZR
Belle of Baton Rouge	Baton Rouge, LA	10/1/2018	CZR
Isle Casino Hotel Bettendorf	Bettendorf, IA	12/18/2020	CZR
Isle Casino Hotel Waterloo	Waterloo, IA	12/18/2020	CZR
Boyd Master Lease (3 Properties)			
Belterra Casino Resort	Florence, IN	4/28/2016	BYD
Ameristar Kansas City	Kansas City, MO	4/28/2016	BYD
Ameristar St. Charles	St. Charles, MO	4/28/2016	BYD
Bally's Master Lease (6 Properties)			
Tropicana Evansville	Evansville, IN	06/03/2021	BALY
Dover Downs	Dover, DE	06/03/2021	BALY
Black Hawk (Black Hawk North, West and East casinos)	Black Hawk, CO	4/1/2022	BALY
Quad Cities Casino & Hotel	Rock Island, IL	4/01/2022	BALY
Casino Queen Master Lease (2 Properties)			
Casino Queen	East St. Louis, IL	1/23/2014	Casino Queen
Hollywood Casino Baton Rouge	Baton Rouge, LA	12/17/2021	Casino Queen
Pennsylvania Live! Master Lease (2 Properties)			
Live! Casino & Hotel Philadelphia	Philadelphia, PA	3/01/2022	Cordish
Live! Casino Pittsburgh	Greensburg, PA	3/01/2022	Cordish
Single Asset Leases			
Belterra Park Gaming & Entertainment Center	Cincinnati, OH	10/15/2018	BYD
Horseshoe St. Louis	St. Louis, MO	10/1/2018	CZR
Hollywood Casino at the Meadows	Washington, PA	9/9/2016	PENN
Hollywood Casino Morgantown	Morgantown, PA	10/1/2020	PENN
Hollywood Casino Perryville	Perryville, MD	7/1/2021	PENN
Live! Casino & Hotel Maryland	Hanover, MD	12/29/2021	Cordish
Tropicana Las Vegas	Las Vegas, NV	4/16/2020	BALY

(1) Table above represents properties owned as of December 31, 2022 and therefore excludes the January 3, 2023 acquisition of Bally's Tiverton and Bally's Biloxi which were added to the Bally's Master Lease.

Lease Information

	Master Leases						
	PENN Master Lease	PENN Amended Pinnacle Master Lease	Caesars Amended and Restated Master Lease	Boyd Master Lease	Bally's Master Lease	Casino Queen Master Lease	Pennsylvania Live! Master Lease operated by Cordish
Property Count	19	12	6	3	6	2	2
Number of States Represented	10	8	5	2	4	2	1
Commencement Date	11/1/2013	4/28/2016	10/1/2018	10/15/2018	6/3/2021	12/17/2021	3/1/2022
Lease Expiration Date	10/31/2033	4/30/2031	9/30/2038	04/30/2026	06/02/2036	12/17/2036	2/28/2061 21 (1 X 11 years, 1 X 10 years)
Remaining Renewal Terms	15 (3x5 years)	20 (4x5 years)	20 (4x5 years)	25 (5x5 years)	20 (4x5 years)	20 (4x5 years)	
Corporate Guarantee	Yes	Yes	Yes	No	Yes	Yes	No
Master Lease with Cross Collateralization	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical Default Landlord Protection	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Default Adjusted Revenue to Rent Coverage	1.1	1.2	1.2	1.4	1.35 ⁽¹⁾	1.4	1.4
Competitive Radius Landlord Protection	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Escalator Details							
Yearly Base Rent Escalator Maximum	2%	2%	(3)	2%	(4)	(5)	1.75 (6)
Coverage ratio at September 30, 2022 ⁽²⁾	2.21	2.23	2.48	2.81	2.52	2.76	N/A
Minimum Escalator Coverage Governor	1.8	1.8	N/A	1.8	N/A	N/A	N/A
Yearly Anniversary for Realization	November	May	October	May	June	December	March 2024
Percentage Rent Reset Details							
Reset Frequency	5 years	2 years	N/A	2 years	N/A	N/A	N/A
Next Reset	November 2023	May 2024	N/A	May 2024	N/A	N/A	N/A

(1) The Bally's Master Lease ratio declines to 1.20 once annual rent reaches \$60 million.

(2) Information with respect to our tenants' rent coverage over the trailing twelve months was provided by our tenants as of September 30, 2022. The Casino Queen Master Lease is calculated on a proforma basis for the addition of Hollywood Casino Baton Rouge which occurred in December 2021. GLPI has not independently verified the accuracy of the tenants' information and therefore makes no representation as to its accuracy.

(3) Building base rent shall be increased by 1.25% annually in the 5th and 6th lease year, 1.75% in the 7th and 8th lease year, and 2% in the 9th lease year and each year thereafter.

(4) If the CPI increase is at least 0.5% for any lease year, then the rent shall increase by the greater of 1% of the rent as of the immediately preceding lease year and the CPI increase capped at 2%. If the CPI is less than 0.5% for such lease year, then the rent shall not increase for such lease year.

⁽⁵⁾ Rent increases by 0.5% for the first six years. Beginning in the seventh lease year through the remainder of the lease term, if the CPI increases by at least 0.25% for any lease year then annual rent shall be increased by 1.25%, and if the CPI is less than 0.25% then rent will remain unchanged for such lease year.

⁽⁶⁾ Effective on the second anniversary of the commencement date of the lease.

Lease Information

	Single Property Leases						
	Beltterra Park Lease operated by Boyd	Meadows Lease operated by PENN	Horseshoe St. Louis Lease operated by CZR	Morgantown Ground Lease operated by PENN	Perryville Lease operated by PENN	Live! Casino & Hotel-Maryland operated by Cordish	Tropicana Las Vegas Ground Lease operated by BALY
Commencement Date	10/15/2018	9/9/2016	9/29/2020	10/1/2020	7/1/2021	12/29/2021	9/26/2022
Lease Expiration Date	04/30/2026	9/30/2026	10/31/2033	10/31/2040	6/30/2041	12/31/2060	9/25/2072
Remaining Renewal Terms	25 (5x5 years)	19 (3x5 years, 1x4 years)	20 (4x5 years)	30 (6x5 years)	15 (3x5 years)	21 (1x11 years, 1x10 years)	49 (1 x 24 years, 1 x 25 years)
Corporate Guarantee	No	Yes	Yes	Yes	Yes	Yes	Yes
Technical Default Landlord Protection	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Default Adjusted Revenue to Rent Coverage	1.4	1.2	1.2	N/A	1.2	1.4	1.4
Competitive Radius Landlord Protection	Yes	Yes	Yes	N/A	Yes	Yes	Yes
Escalator Details							
Yearly Base Rent Escalator Maximum	2%	5% ⁽¹⁾	1.25% ⁽²⁾	1.5% ⁽³⁾	1.5% ⁽⁴⁾	1.75% ⁽⁵⁾	(6)
Coverage ratio at September 30, 2022 ⁽⁷⁾	4.31	1.85	2.30	N/A	3.19	N/A	N/A
Minimum Escalator Coverage Governor	1.8	2.0	N/A	N/A	N/A	N/A	N/A
Yearly Anniversary for Realization	May	October	October	December	July	January 2024	October
Percentage Rent Reset Details							
Reset Frequency	2 years	2 years	N/A	N/A	N/A	N/A	N/A
Next Reset	May 2024	October 2024	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ Meadows contains an annual escalator for up to 5% of the base rent, if certain rent coverage ratio thresholds are met, which remains at 5% until the earlier of 10 years or the year in which total rent is \$31 million, at which point the escalator is reduced to 2%.

⁽²⁾ For the second through fifth lease years, after which time the annual escalation becomes 1.75% for the 6th and 7th lease years and then 2% for the remaining term of the lease.

⁽³⁾ Increases by 1.5% on the opening date (which occurred on December 22, 2021) and for the first three lease years. Commencing on the fourth anniversary of the opening date and for each anniversary thereafter, if the CPI increase is at least 0.5% for any lease year, the rent for such lease year shall increase by 1.25% of rent as of the immediately preceding lease year, and if the CPI increase is less than 0.5% for such lease year, then the rent shall not increase for such lease year.

⁽⁴⁾ Building base rent increases for the second through fourth lease years, after which time the annual escalation becomes 1.25% to the extent CPI for the preceding lease year is at least 0.5%.

⁽⁵⁾ Effective on the second anniversary of the commencement date of the lease.

⁽⁶⁾ If the CPI increase is at least 0.5% for any lease year, then the rent shall increase by the greater of 1% of the rent as of the immediately preceding lease year and the CPI increase capped at 2%. If the CPI is less than 0.5% for such lease year, then the rent shall not increase for such lease year.

⁽⁷⁾ Information with respect to our tenants' rent coverage over the trailing twelve months was provided by our tenants as of September 30, 2022. GLPI has not independently verified the accuracy of the tenants' information and therefore makes no representation as to its accuracy.

Disclosure Regarding Non-GAAP Financial Measures

FFO, FFO per diluted common share and OP units, AFFO, AFFO per diluted common share and OP units, Adjusted EBITDA and Cash Net Operating Income ("Cash NOI"), which are detailed in the reconciliation tables that accompany this release, are used by the Company as performance measures for benchmarking against the Company's peers and as internal measures of business operating performance, which is used for a bonus metric. These metrics are presented assuming full conversion of limited partnership units to common shares and therefore before the income statement impact of non-controlling interests. The Company believes FFO, FFO per diluted common share and OP units, AFFO, AFFO per diluted common share and OP units, Adjusted EBITDA and Cash NOI provide a meaningful perspective of the underlying operating performance of the Company's current business. This is especially true since these measures exclude real estate depreciation and we believe that real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. Cash NOI is rental and other property income, less cash property level expenses. Cash NOI excludes depreciation, the amortization of land rights, real estate general and administrative expenses, other non-routine costs and the impact of certain generally accepted accounting principles ("GAAP") adjustments to rental revenue, such as straight-line rent adjustments and non-cash ground lease income and expense. It is management's view that Cash NOI is a performance measure used to evaluate the operating performance of the Company's real estate operations and provides investors relevant and useful information because it reflects only income and operating expense items that are incurred at the property level and presents them on an unleveraged basis.

FFO, FFO per diluted common share and OP units, AFFO, AFFO per diluted common share and OP units, Adjusted EBITDA and Cash NOI are non-GAAP financial measures that are considered supplemental measures for the real estate industry and a supplement to GAAP measures. NAREIT defines FFO as net income (computed in accordance with GAAP), excluding (gains) or losses from dispositions of property, net of tax and real estate depreciation. We have defined AFFO as FFO excluding, as applicable to the particular period, stock based compensation expense, the amortization of debt issuance costs, bond premiums and original issuance discounts, other depreciation, the amortization of land rights, accretion on investment in leases, financing receivables, non-cash adjustments to financing lease liabilities, impairment charges, straight-line rent adjustments, losses or (gains) on sales of operations, net of tax, losses on debt extinguishment, and provision for credit losses, net, reduced by capital maintenance expenditures. We have defined Adjusted EBITDA as net income excluding, as applicable to the particular period, interest, net, income tax expense, real estate depreciation, other depreciation, (gains) or losses from dispositions of property, net of tax, (gains) or losses on sales of operations, net of tax, stock based compensation expense, straight-line rent adjustments, the amortization of land rights, accretion on investment in leases, financing receivables, non-cash adjustments to financing lease liabilities, impairment charges, losses on debt extinguishment, and provision for credit losses, net. For financial reporting and debt covenant purposes, the Company includes the amounts of non-cash rents earned in FFO, AFFO, and Adjusted EBITDA. Finally, we have defined Cash NOI as Adjusted EBITDA excluding general and administrative expenses and including, as applicable to the particular period, stock based compensation expense and (gains) or losses from dispositions of property.

FFO, FFO per diluted common share and OP units, AFFO, AFFO per diluted common share and OP units, Adjusted EBITDA and Cash NOI are not recognized terms under GAAP. These non-GAAP financial measures: (i) do not represent cash flow from operations as defined by GAAP; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) are not alternatives to cash flow as a measure of liquidity. In addition, these measures should not be viewed as an indication of our ability to fund all of our cash needs, including to make cash distributions to our shareholders, to fund capital improvements, or to make interest payments on our indebtedness. Investors are also cautioned that FFO, FFO per diluted common share, AFFO, AFFO per diluted common share, Adjusted EBITDA and Cash NOI, as presented, may not be comparable to similarly titled measures reported by other real estate companies, including REITs, due to the fact that not all real estate companies use the same definitions. Our presentation of these measures does not replace the presentation of our financial results in accordance with GAAP.

About Gaming and Leisure Properties

GLPI is engaged in the business of acquiring, financing, and owning real estate property to be leased to gaming operators in triple-net lease arrangements, pursuant to which the tenant is responsible for all facility maintenance, insurance required in connection with the leased properties and the business conducted on the leased properties, taxes levied on or with respect to the leased properties and all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including our expectations regarding our 2023 AFFO guidance and the Company being positioned to deliver long-term growth through portfolio expansion and diversification and to benefit from Bally's and PENN's long-term growth. Forward-looking statements can be identified by the use of forward-looking terminology such as "expects," "believes," "estimates," "intends," "may," "will," "should" or "anticipates" or the negative or other variation of these or similar words, or by discussions of future events, strategies or risks and uncertainties. Such forward looking statements are inherently subject to risks, uncertainties and assumptions about GLPI and its subsidiaries, including risks related to the following: the effect of pandemics, such as COVID-19, on GLPI as a result of the impact such pandemics may have on the business operations of GLPI's tenants and their continued ability to pay rent in a timely manner or at all; the potential negative impact of recent high levels of inflation (which have been exacerbated by the armed conflict between Russia and Ukraine) on our tenants' operations; the availability of and the ability to identify suitable and attractive acquisition and development opportunities and the ability to acquire and lease those properties on favorable terms; the ability to receive, or delays in obtaining, the regulatory approvals required to own and/or operate its properties, or other delays or impediments to completing acquisitions or projects; GLPI's ability to maintain its status as a REIT; our ability to access capital through debt and equity markets in amounts and at rates and costs acceptable to GLPI; the impact of our substantial indebtedness on our future operations; changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs or to the gaming or lodging industries; and other factors described in GLPI's Annual Report on Form 10-K for the year ended December 31, 2022, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the Securities and Exchange Commission. All subsequent written and oral forward-looking statements attributable to GLPI or persons acting on GLPI's behalf are expressly qualified in their entirety by the cautionary statements included in this press release. GLPI undertakes no obligation to publicly update or revise any forward-looking statements contained or incorporated by reference herein, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this press release may not occur as presented or at all.

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