



GAMING & LEISURE
PROPERTIES, INC



Twin River Master Lease Transaction
October 27th, 2020

Forward Looking Statements

Certain statements contained in this presentation may constitute “forward-looking statements” within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include information concerning the Company’s business strategy, plans, goals and objectives. Forward-looking statements contained in this presentation include, but are not limited to, information and statements regarding the Company’s ability to successfully consummate the transactions with Caesars and Twin River, including the ability of the parties to satisfy various closing conditions, the receipt of required regulatory approvals, or other delays or impediments to completing the proposed transactions; the Company’s ability to realize the expected benefits from the transactions with Caesars and Twin River, if such transactions are consummated; the impact of the novel coronavirus (COVID-19) pandemic on the Company’s financial results; and the Company’s ability to grow and optimize its portfolio of gaming facilities.

Statements preceded by, followed by or that otherwise include the words “believes,” “expects,” “anticipates,” “intends,” “projects,” “estimates,” “plans,” “may increase,” “may fluctuate” and similar expressions or future or conditional verbs such as “will,” “should,” “would,” “may” and “could” are generally forward-looking in nature and not historical facts. You should understand that the following important factors could affect future results and could cause actual results to differ materially from those expressed in such forward-looking statements: (1) the availability of, and the ability to identify, suitable and attractive acquisition and development opportunities and the ability to acquire and lease the respective properties on favorable terms; (2) the degree and nature of the Company’s competition; (3) the Company’s increased reliance on Penn as its largest tenant; (4) the ability to maintain the regulatory approvals required to own and/or operate the Company’s properties; (5) the Company’s ability to maintain its status as a real estate investment trust (“REIT”), given the highly technical and complex Internal Revenue Code provisions for which only limited judicial and administrative authorities exist, where even a technical or inadvertent violation could jeopardize REIT qualification and where requirements may depend in part on the actions of third parties over which the Company has no control or only limited influence; and (6) additional factors discussed in the sections entitled “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2019, and in the Company’s Quarterly Reports on Forms 10-Q, which you should read in conjunction with this presentation.

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GLPI to Acquire Assets in Accretive Transaction with Twin River

New Master Lease Provides 5th Tenant and 17th State Overall

Properties in Twin River Master Lease

TROPICANA
EVANSVILLE



**Tropicana
Evansville**
Evansville, IN

Come Play!
DOVER DOWNS
HOTEL & CASINO



**Dover Downs Hotel &
Casino**
Dover, DE

Combined Valuation Metrics

\$484M
Real Estate
Purchase Price

8.3%
Cap Rate

2.1x
Four Wall Coverage¹

35-Year
Master Lease²

Investment Highlights

- ✓ **Transaction Accretive to Earnings and Features Embedded Rent Growth**
- ✓ **Conservative Structure with Well-Covered Rent and Corporate Guaranty**
- ✓ **New Master Lease with High-Quality Operator Twin River**
- ✓ **Enhanced Portfolio Diversification with Entrance to a New State**

Source: Company Filings and Earnings Releases. 1. Calculated as summation of Evansville 2019 Adjusted EBITDAR of \$60M and Dover Downs 2019 run-rate EBITDAR of \$23M per Twin River management guidance (February 2020 earnings call) divided by initial annual rent of \$40M. 2. An abstract of the Master Lease can be found on page 8.

Strategic Rationale: Acquisition Assets & Twin River Master Lease

Compelling Opportunity to Drive Long-Term Shareholder Value

Accretive Transaction with Embedded Rent Growth

- **8.3% Cap Rate / 12.1x Multiple:** Strong in-place yield with growth through contractual rent escalations over a 35-year term¹
- **Contractual Rent Growth:** Greater of 1.00% or the percentage change in CPI (not to exceed 2.00%); if change in CPI is less than 0.50%, the annual escalator will be 0% for that period

Conservative Structure with Strong Rent Coverage and Downside Protection

- **Above-Market Rent Coverage:** Four-wall rent coverage of 2.1x provides material downside protection²
- **NNN Master Lease with a Corporate Guaranty:** TRWH's Master Lease provides significant protection

Further Enhancement and Diversification of High-Quality Tenant Roster

- **Relationship with Best-in-Class Operator:** TRWH boasts a strong management team with 150+ collective years experience
- **5th Master Lease for GLPI:** Further tenant diversification amid an improving overall tenant outlook following pre-released earnings from PENN, CZR and Twin River as well as \$3.0B+ of equity issued by largest tenants in the last month

Establishes New Avenues for Growth

- **Expands GLPI into Attractive New State:** Dover Downs will be GLPI's 1st asset in Delaware, its 17th U.S. state overall
- **High-Growth Operator:** TRWH has a successful track record of development and M&A and stated EBITDAR target of \$500M

"Twin River looks forward to collaborating with GLPI in our efforts to grow and diversify our high quality portfolio of regional gaming assets."

-George Papanier, Twin River President and CEO

Twin River Relationship

Best-In-Class Gaming Operator with Track Record of Growth

TRWH

- **Company Overview:** Twin River is a geographically diversified and skilled regional gaming operator
- **Growth Trajectory:** The company has grown from a single-property operator in 2013 to the operator of 15 properties across 10 U.S. states¹

Seasoned Management

- **Seasoned Management:** Founded in 2004 and led by a team with 150+ years of collective experience in gaming and 60+ years of collective experience at Twin River

Successful Track Record

- **Successful Track Record:** Twin River boasts a successful track record of strategic initiatives and M&A concentrated in the gaming sector, including its merger with Dover Downs Gaming & Entertainment, Inc. which led it to commence public trading in 2019

Conservative Capitalization

- **Conservative Capitalization:** Has maintained one of the most conservative balance sheets in the industry while pursuing disciplined growth through bolt-on acquisitions and mitigating increased competition in key markets

Limited Near-Term Maturities

- **Limited Loan Maturities:** No major debt maturities before 2024
- **Ample Existing Liquidity Provides Backstop for Pending M&A:** TRWH secured \$950M in new bank and bond financing in May 2019, \$275M in May 2020, \$125M in October and has total available liquidity of ~\$360M as of 9/30/2020²

Sources: Company Filings and Earnings Releases. 1. Includes pending acquisitions. 2. Liquidity inclusive of availability under the TRWH's revolving credit facility; liquidity is pro forma for Casino KC and Casino Vicksburg acquisition that closed 7/1/2020 but has not been further adjusted for the October 2020 \$125M Senior Notes add-on or the pending acquisitions of Bally's Atlantic City (est. Q4 2020), MontBleu and Eldorado Shreveport (est. 1H 2020), Jumer's (est. Q2 2021) or Evansville (mid-2021).

Twin River Relationship: Portfolio Summary

Growing Footprint of High Quality Regional Casino Assets



Source: Company Filings and Earnings Releases.

Tropicana Evansville: Regional Gaming Hub with Limited Competition

Competition-Resilient Asset Re-Acquired in GLPI's Portfolio

Tropicana Evansville ^{1 2}



46,265 Casino SF

1,145 Slots

41 Table Games

338 Hotel Rooms

47k SF Meeting Area

Sportsbook / VIP

Real Estate Acquisition

Purchase Proceeds	\$340M
Initial Rent	\$28M
Cap Rate	8.2%
Purchase Multiple	12.1x

High-Quality, Historic Former Riverboat Casino

- First casino in IN to move from boat to land in 2017
- ~20 acres along the Ohio river in Vanderburgh County, IN
- Evansville is the 3rd largest city in the state of Indiana with a population of ~680,000
 - Gaming in Evansville draws customers from local southern IN, southeastern IL, southwestern KY and central TN
 - Limited competition Tropicana Evansville is the only full-scale casino within 60 miles and >60% of revenue is generated from customers within a 50-mile radius

Inherent Locational Advantages

- **Conducive Regulatory Environment:** Indiana provides stable state gaming tax environment with no increases since the establishment of dockside gaming in 2002, and allows casinos to operate 24 hours per day with complementary alcoholic beverages as part of a limited promotion
- **Proximity to Social Infrastructure:** The City of Evansville recently built an 11,000-seat arena for Evansville University and minor league hockey teams located just six blocks from Tropicana Evansville

Source: Company Filings, Earnings Releases and Indiana Gaming Commission. 1. The property re-opened on 6/15/2020 under Phase One guidelines, which limits the number of available gaming positions with implemented physical distancing plus 50%, or 50% of capacity, whichever is less. 2. Currently, the property is operating at approximately 60% capacity, with about 60% of slots and 45% of table games, with a three player table games limit, and all hotel rooms available to guests.

Dover Downs: Premier Regional Gaming Property on the Eastern Shore

GLPI's First Asset in Delaware and the Beginning of a New Master Lease Relationship

Dover Downs Casino ^{1 2}



165,000 Casino SF

2,188 VLTs

38 Table Games

500 Hotel Rooms

Racebook

Sportsbook

Real Estate Acquisition

Purchase Proceeds	\$144M
Initial Rent	\$12M
Cap Rate	8.3%
Purchase Multiple	12.0x

Regional Gaming & Entertainment Hub

- Well-situated on ~70 acres in Dover, the state capital
- Accessible from the Northeast Corridor and proximate to beach communities on the Eastern Shore
- Twin River operates the Casino, Dover Downs Hotel & Conference Center, and the horse racing at Dover Downs Raceway, which include:
 - A 500-room AAA Four Diamond hotel, full service spa / salon, conference center, banquet hall and concert hall facilities
 - A harness racing track with pari-mutuel wagering on live and simulcast horse races and sports betting

Significant Recent Capital Investment

- **Leveraging of Operational Synergies:** Since acquiring Dover Downs in March of 2019, TRWH has rolled out a pipeline of strategic initiatives designed to maximize potential cash flow, including enhancing customer outreach and expanding table games by leveraging TRWH expertise
- **Recent and upcoming growth initiatives include:**
 - Opened Michele's Steakhouse Lounge and VIP room (2019)
 - Expansion of entertainment venue (2019)
 - Opened Jerry Longo's Meatballs & Martinis (2019)
 - Construction of Dover Sugar Factory (Targeted opening Jan. 2021)
 - Construction of a new outdoor smoking area to include 3 tables and 125 VLTs (Targeted opening 2021)

Source: Company Filings, Earnings Releases and Delaware Lottery. 1. The property re-opened, at 30% capacity, on 6/1/2020, with 45% of VLTs; table games, with a two player limit, became available to guests on 6/17/2020 and the hotel, at 60% room capacity, became available on 6/18/2020. 2. Currently, the property is operating at approximately 60% capacity, with about half of VLTs, and all table games, with a three player limit, and all hotel rooms available to guests.

TRWH Master Lease Abstract

Summary of Key Lease Terms

Assets Included	Tropicana Evansville and Dover Downs Hotel & Casino
Parent Guarantor	Twin River Worldwide Holdings, LLC
Initial Annual Rent	\$40 million
Term	35-year lease with a 15-year initial term and four 5-year renewals at the tenant's option
Fixed Rent	100% of the rent will be fixed rent
Annual Escalator	The annual rent escalator will be the greater of 1.00% or the percentage change in CPI (not to exceed 2.00%), however if the change in CPI is less than 0.50% the annual escalator will be 0% for that period
Financial Covenant	The tenant shall maintain a rent coverage ratio of at least 1.35x to remain in compliance, however the ratio is reduced to 1.2x once the pro forma annual master lease rent is at least \$60M

Exchange Agreement with CZR Enabled the Transaction

The June 2020 Caesars Lease Amendment Laid the Groundwork for the Successful Asset Exchange and the Sales Process that led to GLPI's Acquisition

June 2020 Caesars Lease Amendment

- As a condition to closing the Eldorado merger, Caesars was required to divest of its operations in at least 3 properties in Indiana
- Terms of the Caesars Master Lease were renegotiated to allow for Tropicana Evansville's sale and replacement with real estate selected by GLPI, backstopped with equivalent replacement rent determined on a coverage neutral basis, and any excess purchased by GLPI at an accretive cap rate

Replacement Properties

**Isle Casino
Waterloo**
#1 Casino in
Waterloo



**Isle Casino
Bettendorf**
2019 GGR: \$63M



- Isle of Capri Bettendorf and Waterloo were selected by Caesars from the agreed upon candidates, increasing annual rent by ~\$520K in exchange for a ~\$5.7M cash consideration at close
- Lease was amended to eliminate further escalation volatility due to rent coverage or variable rent resets while also extending term

Net Positive Impacts to GLPI



Shifts to Fixed Escalation Schedule with Removal of % Rent



Diversifies CZR Master Lease with Two Replacement Assets



Sets the Stage for Successful Evansville Re-Purchase

Key Terms of Caesars Lease Amendment

Removes Variable Rent

Removes the Variable Rent component in its entirety commencing in lease year 3 (Oct. 2020 and thereafter)

Extends Lease Term From 15 to 20 Years

Initial term extended from 15 years to 20 years with first renewal option in 2038, subsequent resets four 5-year renewal terms (tenant's option)

Annual Escalation

1.25% in 2022 and 2023
1.75% in 2024 and 2025
2.00% in 2026 and thereafter

Removal of Escalation Governor

Escalation no longer subject to 1.80x Adjusted Revenue governor for remainder of lease term



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