



Gaming and Leisure Properties Reports First Quarter 2024 Results and Updates 2024 Full Year Guidance

Apr 25, 2024

WYOMISSING, Pa., April 25, 2024 (GLOBE NEWSWIRE) -- Gaming and Leisure Properties, Inc. (NASDAQ: GLPI) ("GLPI" or the "Company") today announced financial results for the quarter ended March 31, 2024.

Financial Highlights

(in millions, except per share data)	Three Months Ended March 31,	
	2024	2023
Total Revenue	\$ 376.0	\$ 355.2
Income from Operations	\$ 257.6	\$ 266.8
Net Income	\$ 179.5	\$ 188.7
FFO (1) (4)	\$ 244.4	\$ 253.8
AFFO (2) (4)	\$ 258.6	\$ 248.6
Adjusted EBITDA (3) (4)	\$ 333.4	\$ 323.1
Net income, per diluted common share and OP units (4)	\$ 0.64	\$ 0.70
FFO, per diluted common share and OP units (4)	\$ 0.87	\$ 0.94
AFFO, per diluted common share and OP units (4)	\$ 0.92	\$ 0.92

(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; property transfer tax recoveries and impairment charges; straight-line rent adjustments; losses on debt extinguishment; and provision (benefit) 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; 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; property transfer tax recoveries and impairment charges; losses on debt extinguishment and provision (benefit) 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, "GLPI's consistent cash flow generation, based on our work with the industry's leading operators, led to record first quarter results across key financial metrics when excluding the non-cash impact of a nearly \$29 million year-over-year change in our reserve for credit losses, net. On an operating basis, first quarter total revenue rose 5.8% year over year to \$376.0 million and AFFO grew 4.0%. Our first quarter growth reflects GLPI's stable portfolio of gaming operator tenants combined with our liquidity and capital markets discipline. Collectively, our strategies have set the stage for continued growth and dividend increases as highlighted by the March 2024 dividend payment of \$0.76 per share, which when annualized, results in a yield of approximately 7% based on yesterday's closing share price. With our opportunistic approach to portfolio expansion, the proven long-term resiliency of our tenants' revenue streams, and comfortable rent coverage ratios across our portfolio, we expect to continue to deliver strong capital returns and yields for our shareholders.

"Consistent with our focus on working with the nation's best gaming operators and strict adherence to risk management policies, we further expanded our footprint and portfolio in the first quarter through the acquisition of the real estate assets of Tioga Downs Casino Resort in Nichols, NY from American Racing & Entertainment, LLC. Tioga Downs is a high-quality, recently expanded asset with significant geographic protection from competition. Simultaneous with the acquisition, GLPI and American Racing entered into a triple-net lease agreement for an initial 30-year term. The initial annual rent for the new lease represents an 8.3% capitalization rate and the rent coverage ratio is expected to be over 2.3x. Tioga Downs further diversifies our portfolio, expanding it to 62 properties across 19 states with eight tenants. As with our other tenant relationships, we look forward to a long-term partnership with American Racing and our initiatives to further expand our portfolio remain active in the current environment as our reputation as the gaming landlord of choice is strengthened, reflecting our deep, long-term knowledge of the sector.

"In 2023 we completed over \$1.1 billion of transactions, including over \$760.0 million of traditional real estate acquisitions and \$337.5 million of loan funding commitments. The overall 2023 transaction value – despite a still challenged market environment – reflects our creativity in crafting comprehensive financing solutions for our tenant partners. Our 2023 portfolio additions and recently completed transactions combined with contractual rent escalators and a strong balance sheet, set the stage for continued financial growth in the balance of 2024 and beyond. Our disciplined capital investment approach, combined with our focus on stable and resilient regional gaming markets, supports our confidence that the Company is well

positioned to further grow our cash dividend and drive long-term shareholder value."

Recent Developments

- On February 6, 2024, the Company acquired the real estate assets of Tioga Downs Casino Resort ("Tioga Downs") in Nichols, NY from American Racing & Entertainment, LLC ("American Racing") for \$175.0 million. Simultaneous with the acquisition, GLPI and American Racing entered into a triple-net lease agreement for an initial 30-year term. The initial rent is \$14.5 million and is subject to annual fixed escalations of 1.75% beginning with the first anniversary which increases to 2% beginning in year fifteen of the lease through the remainder of the initial term.
- During the first quarter of 2024, an additional \$14 million was drawn on the \$150 million delayed draw term loan commitment for a development project in Rockford, Illinois that is expected to be completed in September 2024. At March 31, 2024, \$54 million of the \$150 million commitment has been funded which accrues interest at 10%.

Dividends

On February 26, 2024, the Company's Board of Directors declared a first quarter dividend of \$0.76 per share on the Company's common stock that was paid on March 29, 2024 to shareholders of record on March 15, 2024.

2024 Guidance

Reflecting the current operating and competitive environment, the Company is updating its AFFO guidance for the full year 2024 based on the following assumptions and other factors:

- The guidance does not include the impact on operating results from any 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 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, 2024 will be between \$1,042 million and \$1,051 million, or between \$3.71 and \$3.74 per diluted share and OP units. GLPI's prior guidance contemplated AFFO for the year ending December 31, 2024 of between \$1,041 million and \$1,050 million, or between \$3.70 and \$3.74 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, 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 March 31, 2024, GLPI's portfolio consisted of interests in 62 gaming and related facilities, including, the real property associated with 34 gaming and related facilities operated by PENN Entertainment (NASDAQ: PENN) ("PENN"), the real property associated with 6 gaming and related facilities operated by Caesars Entertainment, Inc. (NASDAQ: CZR) ("Caesars"), the real property associated with 4 gaming and related facilities operated by Boyd Gaming Corporation (NYSE: BYD) ("Boyd"), the real property associated with 9 gaming and related facilities operated by Bally's Corporation (NYSE: BALY) ("Bally's"), the real property associated with 3 gaming and related facilities operated by The Cordish Companies, the real property associated with 4 gaming and related facilities operated by Casino Queen, 1 gaming and related facility operated by American Racing and 1 facility under development that is intended to be managed by a subsidiary of Hard Rock International ("Hard Rock"). These facilities are geographically diversified across 19 states and contain approximately 29.0 million square feet of improvements.

Conference Call Details

The Company will hold a conference call on April 26, 2024, 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: 13745861

The playback can be accessed through Friday, May 3, 2024.

Webcast

The conference call will be available in the Investor Relations section of the Company's website at www.glpropinc.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 March 31,	
	2024	2023
Revenues		
Rental income	\$ 330,582	\$ 317,968
Income from investment in leases, financing receivables	44,305	37,246
Interest income from real estate loans	1,077	—
Total income from real estate	<u>375,964</u>	<u>355,214</u>
Operating expenses		
Land rights and ground lease expense	11,818	12,014
General and administrative	17,886	16,450
Depreciation	65,360	65,554
Provision (benefit) for credit losses, net	23,294	(5,653)
Total operating expenses	<u>118,358</u>	<u>88,365</u>
Income from operations	<u>257,606</u>	<u>266,849</u>
Other income (expenses)		
Interest expense	(86,675)	(81,360)
Interest income	9,232	4,255
Losses on debt extinguishment	—	(556)
Total other expenses	<u>(77,443)</u>	<u>(77,661)</u>
Income before income taxes	180,163	189,188
Income tax expense	637	518
Net income	<u>\$ 179,526</u>	<u>\$ 188,670</u>
Net income attributable to non-controlling interest in the Operating Partnership	(5,062)	(5,319)
Net income attributable to common shareholders	<u>\$ 174,464</u>	<u>\$ 183,351</u>
Earnings per common share:		
Basic earnings attributable to common shareholders	\$ 0.64	\$ 0.70
Diluted earnings attributable to common shareholders	\$ 0.64	\$ 0.70

GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES

Current Year Revenue Detail

(in thousands) (unaudited)

	Three Months Ended March 31, 2024	Building base rent	Land base rent	Percentage rent and other rental revenue	Interest income on real estate loans	Total cash income	Straight-line rent adjustments (1)	Ground rent in revenue	Accretion on financing leases	Total income from real estate
Amended PENN Master Lease	\$ 53,090	\$ 10,759	\$ 6,519	\$ —	\$ 70,368	\$ 4,952	\$ 569	\$ —	\$ 75,889	
PENN 2023 Master Lease	58,913	—	(107)	—	58,806	5,622	—	—	64,428	
Amended Pinnacle Master Lease	60,277	17,814	7,164	—	85,255	1,858	2,063	—	89,176	
PENN Morgantown Lease	—	784	—	—	784	—	—	—	784	
Caesars Master Lease	16,022	5,932	—	—	21,954	2,196	330	—	24,480	

Horseshoe St. Louis Lease	5,918	—	—	—	5,918	399	—	—	6,317
Boyd Master Lease	20,068	2,946	2,566	—	25,580	574	432	—	26,586
Boyd Belterra Lease	709	473	472	—	1,654	151	—	—	1,805
Bally's Master Lease	25,893	—	—	—	25,893	—	2,689	—	28,582
Maryland Live! Lease	19,078	—	—	—	19,078	—	2,160	4,529	25,767
Pennsylvania Live! Master Lease	12,573	—	—	—	12,573	—	311	2,273	15,157
Casino Queen Master Lease	7,905	—	—	—	7,905	38	—	—	7,943
Tropicana Las Vegas Lease	—	2,678	—	—	2,678	—	—	—	2,678
Rockford Lease	—	2,000	—	—	2,000	—	—	498	2,498
Rockford Loan	—	—	—	1,077	1,077	—	—	—	1,077
Tioga Lease	2,212	—	—	—	2,212	—	1	584	2,797
Total	\$ 282,658	\$ 43,386	\$ 16,614	\$ 1,077	\$ 343,735	\$ 15,790	\$ 8,555	\$ 7,884	\$ 375,964

(1) Includes \$0.1 million of tenant improvement allowance amortization.

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 March 31,	
	2024	2023
Net income	\$ 179,526	\$ 188,670
Gains from dispositions of property, net of tax	—	—
Real estate depreciation	64,877	65,084
Funds from operations	\$ 244,403	\$ 253,754
Straight-line rent adjustments ⁽¹⁾	(15,790)	(8,752)
Other depreciation	483	470
Provision (benefit) for credit losses, net	23,294	(5,653)
Amortization of land rights	3,276	3,290
Amortization of debt issuance costs, bond premiums and original issuance discounts	2,684	2,501
Stock based compensation	8,122	7,807
Losses on debt extinguishment	—	556
Accretion on investment in leases, financing receivables	(7,884)	(5,444)
Non-cash adjustment to financing lease liabilities	117	109
Capital maintenance expenditures ⁽²⁾	(90)	(8)
Adjusted funds from operations	\$ 258,615	\$ 248,630
Interest, net ⁽³⁾	76,768	76,444
Income tax expense	637	518
Capital maintenance expenditures ⁽²⁾	90	8
Amortization of debt issuance costs, bond premiums and original issuance discounts	(2,684)	(2,501)
Adjusted EBITDA	\$ 333,426	\$ 323,099
Net income, per diluted common share and OP units	\$ 0.64	\$ 0.70
FFO, per diluted common share and OP units	\$ 0.87	\$ 0.94
AFFO, per diluted common share and OP units	\$ 0.92	\$ 0.92
Weighted average number of common shares and OP units outstanding		
Diluted common shares	272,026,480	262,671,762
OP units	7,915,817	7,646,956
Diluted common shares and OP units	279,942,297	270,318,718

(1) Current year amount includes \$0.1 million of tenant improvement allowance amortization.

(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) Excludes a 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 March 31, 2024	
Adjusted EBITDA	\$	333,426
General and administrative expenses		17,886
Stock based compensation		(8,122)
Cash net operating income (1)	\$	343,190

(1) Cash net operating income is cash rental income and interest on real estate loans less cash property level expenses.

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

	March 31, 2024	December 31, 2023
Assets		
Real estate investments, net	\$ 8,103,928	\$ 8,168,792
Investment in leases, financing receivables, net	2,185,707	2,023,606
Real estate loans, net	52,307	39,036
Right-of-use assets and land rights, net	831,922	835,524
Cash and cash equivalents	211,533	683,983
Held to maturity investment securities (1)	343,244	—
Other assets	55,380	55,717
Total assets	\$ 11,784,021	\$ 11,806,658
Liabilities		
Accounts payable and accrued expenses	\$ 4,692	\$ 7,011
Accrued interest	87,394	83,112
Accrued salaries and wages	1,760	7,452
Operating lease liabilities	196,496	196,853
Financing lease liabilities	54,378	54,261
Long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts	6,630,196	6,627,550
Deferred rental revenue	269,032	284,893
Other liabilities	42,256	36,572
Total liabilities	7,286,204	7,297,704
Equity		
Preferred stock (\$.01 par value, 50,000,000 shares authorized, no shares issued or outstanding at March 31, 2024 and December 31, 2023)	—	—
Common stock (\$.01 par value, 500,000,000 shares authorized, 271,500,584 and 270,922,719 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively)	2,715	2,709
Additional paid-in capital	6,054,530	6,052,109
Accumulated deficit	(1,930,027)	(1,897,913)
Total equity attributable to Gaming and Leisure Properties	4,127,218	4,156,905
Noncontrolling interests in GLPI's Operating Partnership (8,087,630 units and 7,653,326 units outstanding at March 31, 2024 and December 31, 2023, respectively)	370,599	352,049
Total equity	4,497,817	4,508,954
Total liabilities and equity	\$ 11,784,021	\$ 11,806,658

(1) Represents zero coupon treasury bill that at maturity in August 2024 will total \$350 million.

Debt Capitalization

The Company's debt structure as of March 31, 2024 was as follows:

	Years to Maturity	Interest Rate	Balance (in thousands)
Unsecured \$1,750 Million Revolver Due May 2026	2.1	—%	—
Term Loan Credit Facility due September 2027	3.4	6.719 %	600,000
Senior Unsecured Notes Due September 2024	0.4	3.350 %	400,000
Senior Unsecured Notes Due June 2025	1.2	5.250 %	850,000
Senior Unsecured Notes Due April 2026	2.0	5.375 %	975,000
Senior Unsecured Notes Due June 2028	4.2	5.750 %	500,000
Senior Unsecured Notes Due January 2029	4.8	5.300 %	750,000
Senior Unsecured Notes Due January 2030	5.8	4.000 %	700,000
Senior Unsecured Notes Due January 2031	6.8	4.000 %	700,000
Senior Unsecured Notes Due January 2032	7.8	3.250 %	800,000
Senior Unsecured Notes Due December 2033	9.7	6.750 %	400,000
Other	2.4	4.780 %	396
Total long-term debt			6,675,396
Less: unamortized debt issuance costs, bond premiums and original issuance discounts			(45,200)
Total long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts			6,630,196
Weighted average	4.5	4.917 %	

Rating Agency – Issue Rating

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

Properties

Description	Location	Date Acquired	Tenant/Operator
Amended PENN Master Lease (14 Properties)			
Hollywood Casino Lawrenceburg	Lawrenceburg, IN	11/1/2013	PENN
Argosy Casino Alton	Alton, IL	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
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
PENN 2023 Master Lease (7 Properties)			
Hollywood Casino Aurora	Aurora, IL	11/1/2013	PENN
Hollywood Casino Joliet	Joliet, IL	11/1/2013	PENN
Hollywood Casino Toledo	Toledo, OH	11/1/2013	PENN
Hollywood Casino Columbus	Columbus, OH	11/1/2013	PENN
M Resort	Henderson, NV	11/1/2013	PENN
Hollywood Casino at the Meadows	Washington, PA	9/9/2016	PENN
Hollywood Casino Perryville	Perryville, MD	7/1/2021	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

Default Adjusted Revenue to Rent Coverage	1.1	1.1	1.2	1.2	1.4	1.2	1.4	1.4
Competitive Radius Landlord Protection	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Escalator Details								
Yearly Base Rent Escalator Maximum	1.5% ⁽¹⁾	2%	2%	(2)	2%	(3)	(4)	1.75%
Coverage ratio at December 31, 2023 ⁽⁵⁾	1.98	2.25	1.98	2.12	2.71	2.10	2.23	2.33
Minimum Escalator Coverage Governor	N/A	1.8	1.8	N/A	1.8	N/A	N/A	N/A
Yearly Anniversary for Realization	November	November	May	October	May	June	December	March
Percentage Rent Reset Details								
Reset Frequency	N/A	5 years November	2 years	N/A	2 years	N/A	N/A	N/A
Next Reset	N/A	2028	May 2024	N/A	May 2024	N/A	N/A	N/A

(1) In addition to the annual escalation, a one-time annualized increase of \$1.4 million occurs on November 1, 2027.

(2) Building base rent will 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.

(3) 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.

(4) 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.

(5) Information with respect to our tenants' rent coverage over the trailing twelve months was provided by our tenants as of December 31, 2023. Due to the recent additions to the Casino Queen Master Lease the coverage ratio is calculated on a proforma basis. GLPI has not independently verified the accuracy of the tenants' information and therefore makes no representation as to its accuracy.

Lease Information

	Single Property Leases							
	Belterra Park Lease operated by BYD	Horseshoe St. Louis Lease operated by CZR	Morgantown Ground Lease operated by PENN	Live! Casino & Hotel Maryland operated by Cordish	Tropicana Las Vegas Ground Lease operated by BALY	Tioga Downs Lease operated by American Racing	Hard Rock Rockford Ground Lease managed by Hard Rock	
Commencement Date	10/15/2018	9/29/2020	10/1/2020	12/29/2021	9/26/2022	2/6/2024	8/29/2023	
Lease Expiration Date	04/30/2026	10/31/2033	10/31/2040	12/31/2060	9/25/2072	2/28/2054	8/31/2122	
Remaining Renewal Terms	25 (5x5 years)	20 (4x5 years)	30 (6x5 years)	21 (1 x 11 years, 1 x 10 years)	49 (1 x 24 years, 1 x 25 years)	32 years and 10 months (2 x 10 years, 1 x 12 years and 10 months)	None	
Corporate Guarantee	No	Yes	Yes	No	Yes	Yes	No	
Technical Default Landlord Protection	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Default Adjusted Revenue to Rent Coverage	1.4	1.2	N/A	1.4	1.4	1.4	1.4	
Competitive Radius Landlord Protection	Yes	Yes	N/A	Yes	Yes	Yes	Yes	
Escalator Details								
Yearly Base Rent Escalator Maximum	2%	1.25% ⁽¹⁾	1.5% ⁽²⁾	1.75%	(3)	1.75% ⁽⁴⁾	2%	
Coverage ratio at December 31, 2023 ⁽⁵⁾	3.77	2.28	N/A	3.52	N/A	N/A	N/A	
Minimum Escalator Coverage Governor	1.8	N/A	N/A	N/A	N/A	N/A	N/A	
Yearly Anniversary for Realization	May	October	December	January	October	March	September	
Percentage Rent Reset Details								
Reset Frequency	2 years	N/A	N/A	N/A	N/A	N/A	N/A	
Next Reset	May 2024	N/A	N/A	N/A	N/A	N/A	N/A	

- (1) 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.
- (2) 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.
- (3) 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.
- (4) Increases by 1.75% beginning with the first anniversary which increases to 2% beginning in year fifteen of the lease through the remainder of the initial term.
- (5) Information with respect to our tenants' rent coverage over the trailing twelve months was provided by our tenants as of December 31, 2023. 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, property transfer tax recoveries and impairment charges, straight-line rent adjustments, losses on debt extinguishment, and provision (benefit) 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, 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, property transfer tax recoveries and impairment charges, losses on debt extinguishment, and provision (benefit) for credit losses, net. 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 and OP units, AFFO, AFFO per diluted common share and OP units, 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 2024 AFFO guidance and the Company benefiting from recently completed transactions. 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: GLPI's expectations regarding continued growth and dividend increases, GLPI's expectation that it will continue to deliver strong capital returns and yields for its shareholders, GLPI's expectations regarding its partnership with American Racing, 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 ongoing high levels of inflation (which have been exacerbated by the armed conflict between Russia and Ukraine and may be further impacted by events in the Middle East) 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, 2023, 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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Source: Gaming and Leisure Properties, Inc.