

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): August 7, 2019

GAMING & LEISURE PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or Other Jurisdiction of
Incorporation or Organization)

001-36124
(Commission File Number)

46-2116489
(IRS Employer Identification No.)

845 Berkshire Blvd., Suite 200
Wyomissing, PA 19610
(Address of principal executive offices)

610-401-2900
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01 per share	GLPI	Nasdaq

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 7, 2019, Gaming & Leisure Properties, Inc. issued a press release announcing its financial results for the three and six months ended June 30, 2019. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information in this Current Report on Form 8-K, including Exhibit 99.1, is being furnished pursuant to Item 2.02 and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section and shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

Exhibit Number	Description
99.1	Gaming & Leisure Properties, Inc. Earnings Press Release, dated August 7, 2019.
104	The cover page from the Company's Current Report on Form 8-K, dated August 7, 2019, formatted in Inline XBRL.

* * *

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 9, 2019

GAMING AND LEISURE PROPERTIES, INC.

By: /s/ Steven T. Snyder
Name: Steven T. Snyder
Title: Chief Financial Officer



GAMING AND LEISURE PROPERTIES, INC. REPORTS RECORD SECOND QUARTER 2019 RESULTS

- Establishes 2019 Third Quarter Guidance and Updates Full Year Guidance -

WYOMISSING, PA — August 7, 2019 — Gaming and Leisure Properties, Inc. (NASDAQ: GLPI) (“GLPI” or the “Company”), North America's first gaming-focused real estate investment trust (“REIT”), today announced results for the quarter ended June 30, 2019. Second quarter total revenue grew 13.7%, net income grew by 1.1%, Adjusted EBITDA increased 15.9% and FFO and AFFO rose 35.7% and 9.3%, respectively. The year-over-year financial growth primarily reflects GLPI’s October 2018 acquisitions of real property assets operated by Boyd Gaming Corporation (“BYD”), Eldorado Resorts, Inc. (“ERI”) and Penn National Gaming, Inc. (“PENN”).

Chief Executive Officer, Peter M. Carlino, commented “Our solid second quarter results reflect the stability and durability of GLPI’s diversified rental stream as the leading owner of regional gaming real estate. As the M&A and transaction environment remains active across the gaming industry, we continue to invest in existing and new tenant relationships with a dedication to sourcing portfolio enhancing accretive growth opportunities. The GLPI team remains deeply focused on delivering results, prudently managing the balance sheet, and positioning the Company to extend its long track record of value creation for shareholders.”

The second quarter operating results include the acceleration of depreciation and land rights amortization of \$16.6 million due to the previously announced closure of the Resorts Casino Tunica property by our tenant, which does not alter the amount of rent due from the tenant under its master lease. During the 2019 second quarter, shareholders received a quarterly cash dividend of \$0.68 per share, which marks a 7.9% increase over the comparable period in 2018. This \$2.72 annualized dividend amount represents a 5.24% increase on a compound annual basis since the Company’s formation.

Financial Highlights

(in millions, except per share data)	Three Months Ended June 30,	
	2019 Actual	2018 Actual
Total Revenue	\$ 289.0	\$ 254.2
Net Income	\$ 93.0	\$ 92.0
Funds From Operations ⁽¹⁾	\$ 158.6	\$ 116.9
Adjusted Funds From Operations ⁽²⁾	\$ 185.0	\$ 169.2
Adjusted EBITDA ⁽³⁾	\$ 260.9	\$ 225.1
Net income, per diluted common share	\$ 0.43	\$ 0.43
FFO, per diluted common share	\$ 0.74	\$ 0.54
AFFO, per diluted common share	\$ 0.86	\$ 0.79

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

⁽²⁾ Adjusted funds from operations (“AFFO”) is FFO, excluding stock based compensation expense, the amortization of debt issuance costs, bond premiums and original issuance discounts, other depreciation, the amortization of land rights, straight-line rent adjustments, direct financing lease adjustments, losses on debt extinguishment, retirement costs and goodwill and loan impairment charges, reduced by capital maintenance expenditures.

⁽³⁾ Adjusted EBITDA is net income, excluding interest, taxes on income, depreciation, (gains) or losses from sales of property, stock based compensation expense, straight-line rent adjustments, direct financing lease adjustments, the amortization of land rights, losses on debt extinguishment, retirement costs and goodwill and loan impairment charges.

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 June 30, 2019, GLPI's portfolio consisted of interests in 46 gaming and related facilities, including Hollywood Casino Baton Rouge and Hollywood Casino Perryville, which are referred to as the "TRS Properties", the real property associated with 33 gaming and related facilities operated by PENN, the real property associated with 6 gaming and related facilities operated by ERI (including one mortgaged facility), the real property associated with 4 gaming and related facilities operated by BYD (including one mortgaged facility) and the real property associated with the Casino Queen in East St. Louis, Illinois. These facilities are geographically diversified across 16 states and contain approximately 23.5 million square feet.

Guidance

The table below sets forth current guidance targets for financial results for the 2019 third quarter and full year, based on the following assumptions:

- Includes the full year impact of the transaction closed on October 1, 2018, with ERI and the impact of the transactions closed on October 15, 2018 with PENN, Pinnacle Entertainment, Inc. ("PNK") and BYD;
- Reported range of revenue from real estate of approximately \$1,024.0 to \$1,024.9 million for the year and \$256.3 million for the third quarter consisting of:

(in millions)	Three Months		Full Year Ending December	
	Ended September	30, 2019	31, 2019	
	Third Quarter		Full Year Range	
<u>Cash Revenue from Real Estate</u>				
PENN	\$	202.5	\$ 810.2	\$ 811.1
ERI		27.5	110.3	110.3
BYD		26.3	104.2	104.2
Casino Queen		3.6	14.5	14.5
PENN non-assigned land lease		(0.7)	(2.8)	(2.8)
Total Cash Revenue from Real Estate	\$	259.2	\$ 1,036.4	\$ 1,037.3
<u>Non-Cash Adjustments</u>				
Straight-line rent	\$	(8.6)	\$ (34.6)	\$ (34.6)
Land leases paid by tenants		5.7	22.2	22.2
Total Revenue from Real Estate as Reported	\$	256.3	\$ 1,024.0	\$ 1,024.9

- Cash rent from PENN excludes the 2019 escalation related to the PNK master lease, as PENN has reported coverage on this lease of 1.75 times for the trailing twelve months ended June 30, 2019, the calculation as of the anniversary date of this lease is currently under review by GLPI;
- Adjusted EBITDA from the TRS Properties of approximately \$29.0 million for the year and \$6.7 million for the third quarter and reflects the impact of the Maryland state budget process which revoked the previously approved tax relief granted by the Maryland Lottery Commission;
- Blended income tax rate at the TRS Properties of 33%;
- LIBOR is based on the forward yield curve; and
- The basic share count is approximately 214.6 million shares for the year and the third quarter and the fully diluted share count is approximately 215.5 million shares for the year and for the third quarter.

(in millions, except per share data)	Three Months Ended September 30,		Full Year Ending December 31,			
	2019 Guidance	2018 Actual	2019 Guidance Range		2018 Actual	
Total Revenue	\$ 288.0	\$ 254.1	\$ 1,151.5	\$ 1,152.4	\$ 1,055.7	
Net Income	\$ 107.6	\$ 104.8	\$ 401.4	\$ 404.3	\$ 339.5	
Losses from dispositions of property	—	0.2	—	—	0.3	
Real estate depreciation	55.1	24.4	230.9	230.9	125.6	
Funds From Operations ⁽¹⁾	\$ 162.7	\$ 129.4	\$ 632.3	\$ 635.2	\$ 465.4	
Straight-line rent adjustments	8.6	15.9	34.6	34.6	61.9	
Direct financing lease adjustments	—	8.0	—	—	38.4	
Other depreciation	2.3	2.8	9.8	9.8	11.4	
Amortization of land rights	3.1	2.7	18.7	18.7	11.3	
Amortization of debt issuance costs, bond premiums and original issuance discounts	2.9	3.0	11.6	11.6	12.2	
Stock based compensation	4.0	3.3	16.4	16.4	11.2	
Losses on debt extinguishment	—	—	—	—	3.5	
Retirement costs	—	—	—	—	13.1	
Goodwill impairment charges	—	—	—	—	59.5	
Loan impairment charges	—	—	13.0	13.0	—	
Capital maintenance expenditures	(1.0)	(1.0)	(3.5)	(3.5)	(4.3)	
Adjusted Funds From Operations ⁽²⁾	\$ 182.6	\$ 164.1	\$ 732.9	\$ 735.8	\$ 683.6	
Interest, net	76.4	58.9	305.9	305.9	245.9	
Income tax expense	1.0	1.1	4.3	4.3	5.0	
Capital maintenance expenditures	1.0	1.0	3.5	3.5	4.3	
Amortization of debt issuance costs, bond premiums and original issuance discounts	(2.9)	(2.9)	(11.6)	(11.6)	(12.2)	
Adjusted EBITDA ⁽³⁾	\$ 258.1	\$ 222.2	\$ 1,035.0	\$ 1,037.9	\$ 926.6	
Net income, per diluted common share	\$ 0.50	\$ 0.49	\$ 1.86	\$ 1.88	\$ 1.58	
FFO, per diluted common share	\$ 0.75	\$ 0.60	\$ 2.93	\$ 2.95	\$ 2.17	
AFFO, per diluted common share	\$ 0.85	\$ 0.76	\$ 3.40	\$ 3.41	\$ 3.18	

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

⁽²⁾ AFFO is FFO, excluding stock based compensation expense, amortization of debt issuance costs, bond premiums and original issuance discounts, other depreciation, amortization of land rights, straight-line rent adjustments, direct financing lease adjustments, losses on debt extinguishment, retirement costs, goodwill impairment charges and loan impairment charges, reduced by capital maintenance expenditures.

⁽³⁾ Adjusted EBITDA is net income, excluding interest, taxes on income, depreciation, (gains) or losses from sales of property, stock based compensation expense, straight-line rent adjustments, direct financing lease adjustments, the amortization of land rights, losses on debt extinguishment, retirement costs, goodwill impairment charges and loan impairment charges.

Conference Call Details

The Company will hold a conference call on August 8, 2019 at 9:00 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: 13692174

The playback can be accessed through August 15, 2019.

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 June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues				
Rental income	\$ 248,563	\$ 169,865	\$ 496,241	\$ 339,270
Income from direct financing lease	—	26,984	—	45,605
Interest income from mortgaged real estate	7,201	—	14,394	—
Real estate taxes paid by tenants	—	21,483	—	42,761
Total income from real estate	255,764	218,332	510,635	427,636
Gaming, food, beverage and other	33,249	35,889	66,242	70,635
Total revenues	289,013	254,221	576,877	498,271
Operating expenses				
Gaming, food, beverage and other	19,168	20,407	38,190	40,065
Real estate taxes	—	21,800	—	43,395
Land rights and ground lease expense	15,229	6,444	24,478	12,976
General and administrative	15,984	24,806	33,224	41,266
Depreciation	67,865	27,523	126,443	55,477
Loan impairment charges	—	—	13,000	—
Total operating expenses	118,246	100,980	235,335	193,179
Income from operations	170,767	153,241	341,542	305,092
Other income (expenses)				
Interest expense	(76,523)	(57,055)	(153,251)	(111,123)
Interest income	248	891	337	1,372
Losses on debt extinguishment	—	(3,473)	—	(3,473)
Total other expenses	(76,275)	(59,637)	(152,914)	(113,224)
Income from operations before income taxes	94,492	93,604	188,628	191,868
Income tax expense	1,459	1,606	2,585	3,098
Net income	<u>\$ 93,033</u>	<u>\$ 91,998</u>	<u>\$ 186,043</u>	<u>\$ 188,770</u>
Earnings per common share:				
Basic earnings per common share	\$ 0.43	\$ 0.43	\$ 0.87	\$ 0.88
Diluted earnings per common share	\$ 0.43	\$ 0.43	\$ 0.86	\$ 0.88

GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES

Operations
(in thousands) (unaudited)

	TOTAL REVENUES		ADJUSTED EBITDA	
	Three Months Ended June 30,		Three Months Ended June 30,	
	2019	2018	2019	2018
Real estate	\$ 255,764	\$ 218,332	\$ 252,368	\$ 215,435
GLP Holdings, LLC (TRS)	33,249	35,889	8,502	9,693
Total	\$ 289,013	\$ 254,221	\$ 260,870	\$ 225,128

	TOTAL REVENUES		ADJUSTED EBITDA	
	Six Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Real Estate	\$ 510,635	\$ 427,636	\$ 502,478	\$ 427,464
GLP Holdings, LLC (TRS)	66,242	70,635	16,811	19,009
Total	\$ 576,877	\$ 498,271	\$ 519,289	\$ 446,473

GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES

Current Year Revenue Detail
(in thousands) (unaudited)

Three Months Ended June 30, 2019	PENN Master Lease	Amended Pinnacle Master Lease	ERI Master Lease and Mortgage	BYD Master Lease and Mortgage	PENN - Meadows Lease	Casino Queen Lease	Total
Building base rent	\$ 68,482	\$ 56,297	\$ 15,229	\$ 18,702	\$ 3,284	\$ 2,276	\$ 164,270
Land base rent	23,492	17,778	3,340	2,933	—	—	47,543
Percentage rent	21,873	7,905	3,340	2,796	2,792	1,356	40,062
Total cash rental income	\$ 113,847	\$ 81,980	\$ 21,909	\$ 24,431	\$ 6,076	\$ 3,632	\$ 251,875
Straight-line rent adjustments	2,232	(6,319)	(2,894)	(2,235)	573	—	(8,643)
Ground rent in revenue	926	1,729	2,115	418	—	—	5,188
Other rental revenue	—	—	—	—	143	—	143
Total rental income	\$ 117,005	\$ 77,390	\$ 21,130	\$ 22,614	\$ 6,792	\$ 3,632	\$ 248,563
Interest income from mortgaged real estate	—	—	5,590	1,611	—	—	7,201
Total income from real estate	\$ 117,005	\$ 77,390	\$ 26,720	\$ 24,225	\$ 6,792	\$ 3,632	\$ 255,764

Six Months Ended June 30, 2019	PENN Master Lease	Amended Pinnacle Master Lease	ERI Master Lease and Mortgage	BYD Master Lease and Mortgage	PENN - Meadows Lease	Casino Queen Lease	Total
Building base rent	\$ 136,964	\$ 112,078	\$ 30,459	\$ 36,988	\$ 6,567	\$ 4,551	\$ 327,607
Land base rent	46,984	35,481	6,680	5,839	—	—	94,984
Percentage rent	43,558	15,738	6,680	5,566	5,584	2,712	79,838
Total cash rental income	\$ 227,506	\$ 163,297	\$ 43,819	\$ 48,393	\$ 12,151	\$ 7,263	\$ 502,429
Straight-line rent adjustments	4,463	(12,637)	(5,789)	(4,469)	1,145	—	(17,287)
Ground rent in revenue	1,888	3,510	4,501	852	—	—	10,751
Other rental revenue	—	—	—	—	348	—	348
Total rental income	\$ 233,857	\$ 154,170	\$ 42,531	\$ 44,776	\$ 13,644	\$ 7,263	\$ 496,241
Interest income from mortgaged real estate	—	—	11,181	3,213	—	—	14,394
Total income from real estate	\$ 233,857	\$ 154,170	\$ 53,712	\$ 47,989	\$ 13,644	\$ 7,263	\$ 510,635

GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES
General and Administrative Expense
(in thousands) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Real estate general and administrative expenses ⁽¹⁾	\$ 10,400	\$ 19,082	\$ 21,978	\$ 30,068
GLP Holdings, LLC (TRS) general and administrative expenses ⁽¹⁾	5,584	5,724	11,246	11,198
Total reported general and administrative expenses	\$ 15,984	\$ 24,806	\$ 33,224	\$ 41,266

⁽¹⁾ General and administrative expenses include payroll related expenses, insurance, utilities, professional fees and other administrative costs.

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) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income	\$ 93,033	\$ 91,998	\$ 186,043	\$ 188,770
Losses from dispositions of property	6	225	13	225
Real estate depreciation	65,568	24,651	121,243	49,749
Funds from operations	\$ 158,607	\$ 116,874	\$ 307,299	\$ 238,744
Straight-line rent adjustments	8,643	16,616	17,287	33,233
Direct financing lease adjustments	—	11,030	—	29,239
Other depreciation ⁽¹⁾	2,297	2,872	5,200	5,728
Amortization of land rights	9,406	2,728	12,496	5,455
Amortization of debt issuance costs, bond premiums and original issuance discounts	2,899	3,039	5,790	6,296
Stock based compensation	4,183	616	8,508	4,603
Losses on debt extinguishment	—	3,473	—	3,473
Retirement costs	—	13,149	—	13,149
Loan impairment charges	—	—	13,000	—
Capital maintenance expenditures ⁽²⁾	(1,017)	(1,162)	(1,547)	(1,984)
Adjusted funds from operations	\$ 185,018	\$ 169,235	\$ 368,033	\$ 337,936
Interest, net	76,275	56,164	152,914	109,751
Income tax expense	1,459	1,606	2,585	3,098
Capital maintenance expenditures ⁽²⁾	1,017	1,162	1,547	1,984
Amortization of debt issuance costs, bond premiums and original issuance discounts	(2,899)	(3,039)	(5,790)	(6,296)
Adjusted EBITDA	\$ 260,870	\$ 225,128	\$ 519,289	\$ 446,473
Net income, per diluted common share	\$ 0.43	\$ 0.43	\$ 0.86	\$ 0.88
FFO, per diluted common share	\$ 0.74	\$ 0.54	\$ 1.43	\$ 1.11
AFFO, per diluted common share	\$ 0.86	\$ 0.79	\$ 1.71	\$ 1.58
Weighted average number of common shares outstanding				
Diluted	215,604,907	214,560,099	215,520,316	214,506,117

⁽¹⁾ Other depreciation includes both real estate and equipment depreciation from the Company's taxable REIT subsidiaries, as well as equipment depreciation from the 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.

Reconciliation of Net income (GAAP) to FFO, FFO to AFFO, AFFO to Adjusted EBITDA and
Adjusted EBITDA to Cash Net Operating Income
Gaming and Leisure Properties, Inc. and Subsidiaries
REAL ESTATE and CORPORATE (REIT)
(in thousands) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income	\$ 90,197	\$ 88,870	\$ 180,960	\$ 182,586
Losses (gains) from dispositions of property	1	(9)	8	(9)
Real estate depreciation	65,568	24,651	121,243	49,749
Funds from operations	\$ 155,766	\$ 113,512	\$ 302,211	\$ 232,326
Straight-line rent adjustments	8,643	16,616	17,287	33,233
Direct financing lease adjustments	—	11,030	—	29,239
Other depreciation ⁽¹⁾	499	521	999	1,038
Amortization of land rights	9,406	2,728	12,496	5,455
Amortization of debt issuance costs, bond premiums and original issuance discounts	2,899	3,039	5,790	6,296
Stock based compensation	4,183	616	8,508	4,603
Losses on debt extinguishment	—	3,473	—	3,473
Retirement costs	—	13,149	—	13,149
Loan impairment charges	—	—	13,000	—
Capital maintenance expenditures ⁽²⁾	(2)	(3)	(4)	(51)
Adjusted funds from operations	\$ 181,394	\$ 164,681	\$ 360,287	\$ 328,761
Interest, net ⁽³⁾	73,674	53,562	147,712	104,549
Income tax expense	197	228	265	399
Capital maintenance expenditures ⁽²⁾	2	3	4	51
Amortization of debt issuance costs, bond premiums and original issuance discounts	(2,899)	(3,039)	(5,790)	(6,296)
Adjusted EBITDA	\$ 252,368	\$ 215,435	\$ 502,478	\$ 427,464

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2019	2019	2019
Adjusted EBITDA	\$ 252,368	\$ 502,478	\$ 502,478	\$ 502,478
Real estate general and administrative expenses	10,400	21,978	21,978	21,978
Stock based compensation	(4,183)	(8,508)	(8,508)	(8,508)
Losses from dispositions of property	(1)	(8)	(8)	(8)
Cash net operating income⁽⁴⁾	\$ 258,584	\$ 515,940	\$ 515,940	\$ 515,940

⁽¹⁾ Other depreciation includes both real estate and equipment depreciation from the Company's taxable REIT subsidiaries, as well as equipment depreciation from the 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⁾ Interest expense, net is net of intercompany interest eliminations of \$2.6 million and \$5.2 million for the three and six months ended June 30, 2019 and 2018, respectively.

⁽⁴⁾ Cash net operating income ("Cash NOI") is rental and other property income less cash property level expenses.

Reconciliation of Net income (GAAP) to FFO, FFO to AFFO, and AFFO to Adjusted EBITDA
Gaming and Leisure Properties, Inc. and Subsidiaries
GLP HOLDINGS, LLC (TRS)
(in thousands) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income	\$ 2,836	\$ 3,128	\$ 5,083	\$ 6,184
Losses from dispositions of property	5	234	5	234
Real estate depreciation	—	—	—	—
Funds from operations	\$ 2,841	\$ 3,362	\$ 5,088	\$ 6,418
Straight-line rent adjustments	—	—	—	—
Direct financing lease adjustments	—	—	—	—
Other depreciation ⁽¹⁾	1,798	2,351	4,201	4,690
Amortization of land rights	—	—	—	—
Amortization of debt issuance costs, bond premiums and original issuance discounts	—	—	—	—
Stock based compensation	—	—	—	—
Losses on debt extinguishment	—	—	—	—
Retirement costs	—	—	—	—
Loan impairment charges	—	—	—	—
Capital maintenance expenditures ⁽²⁾	(1,015)	(1,159)	(1,543)	(1,933)
Adjusted funds from operations	\$ 3,624	\$ 4,554	\$ 7,746	\$ 9,175
Interest, net	2,601	2,602	5,202	5,202
Income tax expense	1,262	1,378	2,320	2,699
Capital maintenance expenditures ⁽²⁾	1,015	1,159	1,543	1,933
Amortization of debt issuance costs, bond premiums and original issuance discounts	—	—	—	—
Adjusted EBITDA	\$ 8,502	\$ 9,693	\$ 16,811	\$ 19,009

⁽¹⁾ Other depreciation includes both real estate and equipment depreciation from the Company's taxable REIT subsidiaries, as well as equipment depreciation from the 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.

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

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Assets		
Real estate investments, net	\$ 7,210,028	\$ 7,331,460
Property and equipment, used in operations, net	97,219	100,884
Mortgage loans receivable	303,684	303,684
Right-of-use assets and land rights, net	862,927	673,207
Cash and cash equivalents	24,739	25,783
Prepaid expenses	2,943	30,967
Goodwill	16,067	16,067
Other intangible assets	9,577	9,577
Loan receivable	—	13,000
Deferred tax assets	5,721	5,178
Other assets	30,959	67,486
Total assets	<u>\$ 8,563,864</u>	<u>\$ 8,577,293</u>
Liabilities		
Accounts payable	\$ 171	\$ 2,511
Accrued expenses	6,778	30,297
Accrued interest	53,340	45,261
Accrued salaries and wages	8,120	17,010
Gaming, property, and other taxes	966	42,879
Lease liabilities	202,098	—
Long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts	5,796,990	5,853,497
Deferred rental revenue	311,198	293,911
Deferred tax liabilities	233	261
Other liabilities	25,283	26,059
Total liabilities	<u>6,405,177</u>	<u>6,311,686</u>
Shareholders' equity		
Preferred stock (\$.01 par value, 50,000,000 shares authorized, no shares issued or outstanding at June 30, 2019 and December 31, 2018)	—	—
Common stock (\$.01 par value, 500,000,000 shares authorized, 214,673,135 and 214,211,932 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively)	2,147	2,142
Additional paid-in capital	3,951,949	3,952,503
Accumulated deficit	(1,795,409)	(1,689,038)
Total shareholders' equity	<u>2,158,687</u>	<u>2,265,607</u>
Total liabilities and shareholders' equity	<u>\$ 8,563,864</u>	<u>\$ 8,577,293</u>

Debt Capitalization

The Company had \$24.7 million of unrestricted cash and \$5.8 billion in total debt at June 30, 2019. The Company's debt structure as of June 30, 2019 was as follows:

	As of June 30, 2019		
	Years to Maturity	Interest Rate	Balance
			(in thousands)
Unsecured \$1,175 Million Revolver Due May 2023 ⁽¹⁾	3.9	3.917%	\$ 340,000
Unsecured Term Loan A-1 Due April 2021 ⁽¹⁾	1.8	3.902%	525,000
Senior Unsecured Notes Due November 2020	1.3	4.875%	1,000,000
Senior Unsecured Notes Due April 2021	1.8	4.375%	400,000
Senior Unsecured Notes Due November 2023	4.3	5.375%	500,000
Senior Unsecured Notes Due June 2025	5.9	5.250%	850,000
Senior Unsecured Notes Due April 2026	6.8	5.375%	975,000
Senior Unsecured Notes Due June 2028	8.9	5.750%	500,000
Senior Unsecured Notes Due January 2029	9.6	5.300%	750,000
Finance lease liability	7.2	4.780%	1,052
Total long-term debt			\$ 5,841,052
Less: unamortized debt issuance costs, bond premiums and original issuance discounts			(44,062)
Total long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts			\$ 5,796,990
Weighted average	5.1	5.008%	

⁽¹⁾ The rate on the term loan facility and revolver is LIBOR plus 1.50%.

Rating Agency Update - Issue Rating

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

Dividends

On May 28, 2019, the Company's Board of Directors declared the second quarter 2019 dividend. Shareholders of record on June 14, 2019 received \$0.68 per common share, which was paid on June 28, 2019. The Company anticipates the following schedule regarding dividends to be paid in 2019:

Payment Dates
March 22, 2019 (paid)
June 28, 2019 (paid)
September 20, 2019
December 27, 2019

Properties

Description	Location	Date Acquired	Tenant/Operator
<u>PENN Master Lease (20 Properties)</u>			
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
Resorts Casino Tunica	Tunica, MS	5/1/2017	PENN
1st Jackpot Casino	Tunica, MS	5/1/2017	PENN
<u>Amended Pinnacle Master Lease (12 Properties)</u>			
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
<u>ERI Master Lease (5 Properties)</u>			
Tropicana Atlantic City	Atlantic City, NJ	10/1/2018	ERI
Tropicana Evansville	Evansville, IN	10/1/2018	ERI
Tropicana Laughlin	Laughlin, NV	10/1/2018	ERI
Trop Casino Greenville	Greenville, MS	10/1/2018	ERI
Belle of Baton Rouge	Baton Rouge, LA	10/1/2018	ERI
<u>BYD Master Lease (3 Properties)</u>			
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
<u>Single Asset Leases</u>			
The Meadows Racetrack and Casino	Washington, PA	9/9/2016	PENN
Casino Queen	East St. Louis, IL	1/23/2014	Casino Queen
<u>Mortgaged Properties</u>			
Belterra Park Gaming & Entertainment Center	Cincinnati, OH	N/A	BYD
Lumière Place	St. Louis, MO	N/A	ERI
<u>TRS Properties</u>			
Hollywood Casino Baton Rouge	Baton Rouge, LA	11/1/2013	GLPI
Hollywood Casino Perryville	Perryville, MD	11/1/2013	GLPI

Lease and Mortgage Information

	Master Leases				Single Asset Leases	
	PENN Master Lease	Amended Pinnacle Master Lease	ERI Master Lease	BYD Master Lease	PENN-Meadows Lease	Casino Queen Lease
Property Count	20	12	5	3	1	1
Number of States Represented	10	8	5	2	1	1
Commencement Date	11/1/2013	4/28/2016	10/1/2018	10/15/2018 (1)	9/9/2016	1/23/2014
Initial Term	15	10	15	10 (1)	10	15
Renewal Terms	20 (4x5 years)	25 (5x5 years)	20 (4x5 years)	25 (5x5 years)	19 (3x5years, 1x4 years)	20 (4x5 years)
Corporate Guarantee	Yes	Yes	Yes	No	Yes	No
Master Lease with Cross Collateralization	Yes	Yes	Yes	Yes	No	No
Technical Default Landlord Protection	Yes	Yes	Yes	Yes	Yes	Yes
Default Adjusted Rent to Revenue Coverage	1.1	1.2	1.2	1.4	1.2	1.4
Competitive Radius Landlord Protection	Yes	Yes	Yes	Yes	Yes	Yes
Escalator Details						
Yearly Base Rent Escalator Maximum	2%	2%	2%	2%	5% (2)	2%
Coverage as of Tenants' latest Earnings Report	1.89	1.75	1.93	1.92	1.92	1.20 (3)
Minimum Escalator Coverage Governor	1.8	1.8	1.2 (4)	1.8	2.0	1.8
Yearly Anniversary for Realization	November 2019	May 2020	October 2019	May 2020	October 2019	February 2020
Percentage Rent Reset Details						
Reset Frequency	5 years	2 years	2 years	2 years	2 years	5 years
Next Reset	November 2023	May 2020	October 2020	May 2020	October 2020	February 2024

	Mortgages	
	BYD (Belterra) (5)	ERI (Lumière Place)
Property Count	1	1
Commencement Date	10/15/2018	10/1/2018
Current Interest Rate	11.20%	9.09%
Credit Enhancement	Guarantee from Master Lease Entity	Corporate Guarantee

(1) Boyd assumed Pinnacle's legacy lease initial term, which will end on April 30, 2026.

(2) Meadows yearly escalator is 5% until a breakpoint when it resets to 2%.

(3) Not a public reporting entity, number certified by tenant as of March 31, 2019.

(4) Eldorado escalator governor is 1.2x for the initial 5 years and then 1.8x in subsequent years.

(5) The Belterra Park mortgage is supported by the BYD Master Lease subsidiaries and its terms are consistent with the BYD Master Lease.

Disclosure Regarding Non-GAAP Financial Measures

Funds From Operations (“FFO”), Adjusted Funds From Operations (“AFFO”), Adjusted EBITDA and 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. The Company believes FFO, AFFO, 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. In addition, in order for the Company to qualify as a REIT, it must distribute 90% of its REIT taxable income annually. The Company adjusts AFFO accordingly to provide our investors an estimate of taxable income for this distribution requirement. Direct financing lease adjustments represent the portion of cash rent we received from tenants that was applied against our lease receivable and thus not recorded as revenue and the amortization of land rights represents the non-cash amortization of the value assigned to the Company’s assumed ground leases. 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 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, AFFO, 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 generally accepted accounting principles), excluding (gains) or losses from sales of property and real estate depreciation. We have defined AFFO as FFO excluding stock based compensation expense, the amortization of debt issuance costs, bond premiums and original issuance discounts, other depreciation, the amortization of land rights, straight-line rent adjustments, direct financing lease adjustments, losses on debt extinguishment, retirement costs and goodwill and loan impairment charges, reduced by capital maintenance expenditures. We have defined Adjusted EBITDA as net income excluding interest, taxes on income, depreciation, (gains) or losses from sales of property, stock based compensation expense, straight-line rent adjustments, direct financing lease adjustments, the amortization of land rights, losses on debt extinguishment, retirement costs, and goodwill and loan impairment charges. Finally, we have defined Cash NOI as Adjusted EBITDA for the REIT excluding real estate general and administrative expenses and including stock based compensation expense and (gains) or losses from sales of property.

FFO, AFFO, 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 share, AFFO, AFFO per 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. GLPI expects to grow its portfolio by pursuing opportunities to acquire additional gaming facilities to lease to gaming operators. GLPI also intends to diversify its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties. GLPI elected to be taxed as a REIT for United States federal income tax purposes commencing with the 2014 taxable year and is the first gaming-focused REIT in North America.

Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding our financial outlook for the third quarter of 2019 and the full 2019 fiscal year; our expectations regarding future acquisitions and expected 2019 dividend

payments. 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 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, 2018, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the Securities and Exchange Commission. In light of these risks, uncertainties and assumptions, the forward looking events discussed in this press release may not occur. 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.

Tenant Information

Information with respect to our tenants' rent coverage is derived from the public statements and filings of PENN, BYD and ERI and from certifications provided by Casino Queen, Inc. GLPI has not independently verified the accuracy of this information and therefore makes no representation as to the accuracy of such information.

Contact

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