

VICI

GREEKTOWN CASINO-HOTEL TRANSACTION OVERVIEW NOVEMBER 14, 2018



**INVEST IN THE
EXPERIENCE**

DISCLAIMERS

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This presentation contains forward-looking statements within the meaning of the federal securities laws. You can identify these statements by the use of the words “assumes,” “believes,” “estimates,” “expects,” “guidance,” “intends,” “plans,” “projects,” and similar expressions that do not relate to historical matters. All statements other than statements of historical fact are forward-looking statements. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties, and other factors which are, in some cases, beyond the control of VICI Properties Inc. and its subsidiaries (collectively, the “Company”) and could materially affect actual results, performance, or achievements. Among those risks, uncertainties and other factors are risks that the acquisition of the Greektown Casino-Hotel may not be consummated on the terms or timeframe described herein, or at all; the ability of the parties to satisfy the conditions set forth in the definitive transaction documents, including the ability to receive, or delays in obtaining, the regulatory approvals required to consummate the transactions; the terms on which the Company finances the transaction, including the source of funds used to finance such transaction; disruptions to the real property and operations of the Greektown Casino-Hotel during the pendency of the closing; risks that the Company may not achieve the benefits contemplated by the acquisition of the real estate assets (including any expected accretion or the amount of any future rent payments); and risks that not all potential risks and liabilities have been identified in the due diligence. Additional important factors that may affect the Company’s business, results of operations and financial position are described from time to time in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017, Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2018, June 30, 2018, and September 30, 2018, and the Company’s other filings with the Securities and Exchange Commission (the “SEC”). The Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as may be required by applicable law.

Market and Industry Data

This presentation contains estimates and information concerning the Company’s industry and certain relevant markets, including macroeconomic data and gross gaming revenue, that are based on industry publications, reports and public filings. This information involves a number of assumptions and limitations, and you are cautioned not to rely on or give undue weight to this information. The Company has not independently verified the accuracy or completeness of the data contained in these industry publications, reports or filings. The industry in which the Company operates is subject to a high degree of uncertainty and risk due to variety of factors, including those described in the “Risk Factors” section of the Company’s public filings with the SEC.

Non-GAAP Financial Measures

This presentation includes references to EBITDAM and Adjusted EBITDAM, as they relate to the Greektown Casino-Hotel, which are not required by, or presented in accordance with, generally accepted accounting principles in the United States (“GAAP”). These are non-GAAP financial measures and should not be construed as an alternative to net income or as an indicator of operating performance (as determined in accordance with GAAP).

Adjusted EBITDAM, as it relates to the Greektown Casino-Hotel, is defined as net income before interest expense, net of interest capitalized, amortization of finance fees and accretion of discount, management fees, stock based compensation and severance expense, non-recurring balance sheet reconciliation adjustment, depreciation and amortization, executive and professional services fees, market close adjustment and snowfall adjustment. We use Adjusted EBITDAM to evaluate the capacity of the tenant under the lease agreement for the Greektown Casino-Hotel to meet its obligations thereunder.

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 measures of liquidity, nor do they measure our ability to fund all of our cash needs, including our ability to make cash distributions to our stockholders, to fund capital improvements, or to make interest payments on our indebtedness. Investors are also cautioned that EBITDAM and Adjusted EBITDAM, 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. The presentation of these measures does not replace the presentation of financial results in accordance with GAAP.

Financial Data

Financial information provided herein is as of September 30, 2018 unless otherwise noted. Published November 14, 2018.

GREEKTOWN CASINO-HOTEL: ACQUISITION STRATEGIC RATIONALE



Key Asset

Strong Asset Well-Positioned for Growth

- ✓ High quality urban asset with significant capital investments in recent years
- ✓ Potential upside from embedded organic growth opportunities and diversified national operator
- ✓ Located in downtown Detroit, a major regional urban gaming market with significant Gross Gaming Revenue (“GGR”)
- ✓ Positioned near many popular attractions and amenities
- ✓ Limited competition and favorable regulatory environment



Transaction Highlights

Strategic Transaction

- ✓ Attractive acquisition cap rate of 7.9%
- ✓ Maintain leverage within stated goal of 5.0x – 5.5x
- ✓ Increase to rental revenue and NOI
- ✓ Continues to diversify tenant base and further strengthens relationship with Penn National
- ✓ Penn National will provide a corporate-level parent guarantee

GREEKTOWN CASINO-HOTEL: TRANSACTION OVERVIEW

| Greektown Acquisition | |
|---|------------------------|
| Real Estate Purchase Price | \$700.0 million |
| LTM 9/30/2018 EBITDAM ¹ | \$96.6 million |
| Pre-Synergy Rent Coverage ¹ Year 1 Total Rent | 1.7x \$55.6 million |
| Real Estate Purchase Multiple Implied Real Estate Cap Rate | 12.6x 7.9% |
| Consideration | Cash |

| Penn National Partnership | |
|--|---|
| Tenant | Certain subsidiaries of Penn National |
| Guarantor | Penn National |
| Triple-Net Lease Terms | Initial term of 15 years; Followed by four 5-year renewal options |
| Escalator Summary | Building component up to 2% annually; Land component is fixed; Variable component based on periodic lookback to property net revenues ² |
| Tenant Capex Requirements ¹ | At least 1% net revenues |



GREEKTOWN CASINO-HOTEL: URBAN ASSET WITH GROWTH POTENTIAL

Property Overview

- 1 Opened in November 2000 in downtown Detroit's historic entertainment district
- 2 \$134 million of capital invested since 2014
- 3 Full-service casino, hotel and entertainment venue centrally located within walking distance to major downtown attractions
- 4 Recent enhancements include new table games and slot machines, new F&B offerings, and comprehensive interior renovations

Investment Highlights

- ✓ One of the three commercial casinos currently permitted to operate in Detroit¹
- ✓ 3rd largest casino in Michigan and 6th largest regional casino in the Midwest
- ✓ Centrally located in Downtown Detroit, an established gaming market
- ✓ Awarded AAA Four Diamond in 2016, 2017, and 2018

Greektown Casino-Hotel

~100,000

Sq. ft. of gaming floor

2,705 / 75

Slot machines and tables

400

Hotel rooms

8

Acres of property

14,000

Sq. ft. of catering and event space

9

Restaurants and bars

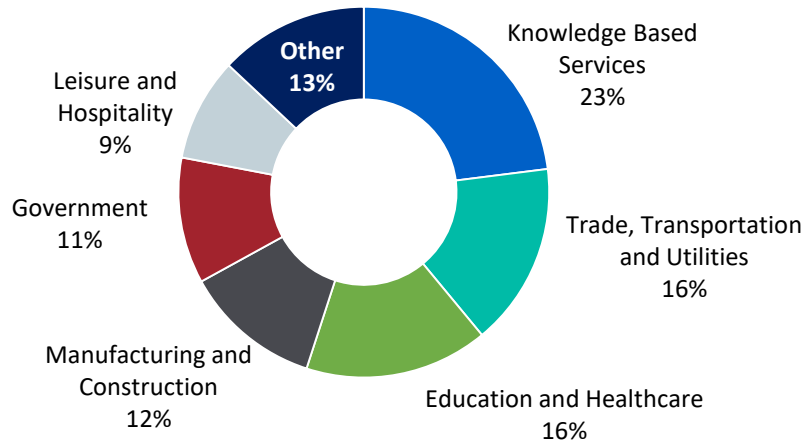


DETROIT: STABLE MARKET WITH ROOM FOR GROWTH

Detroit Market Highlights

- ✓ Limited competition with no additional commercial casinos permitted¹
- ✓ The Central Business District offers many nearby attractions, such as Comerica Park, Ford Field, Little Caesars Arena, the city's theater district, GM's Renaissance Center and the Cobo Conference Center
- ✓ Meaningful downtown investment (multiple large scale developments and infrastructure initiatives) expected over the near-term
- ✓ Strong job market with employees serving a range of industries

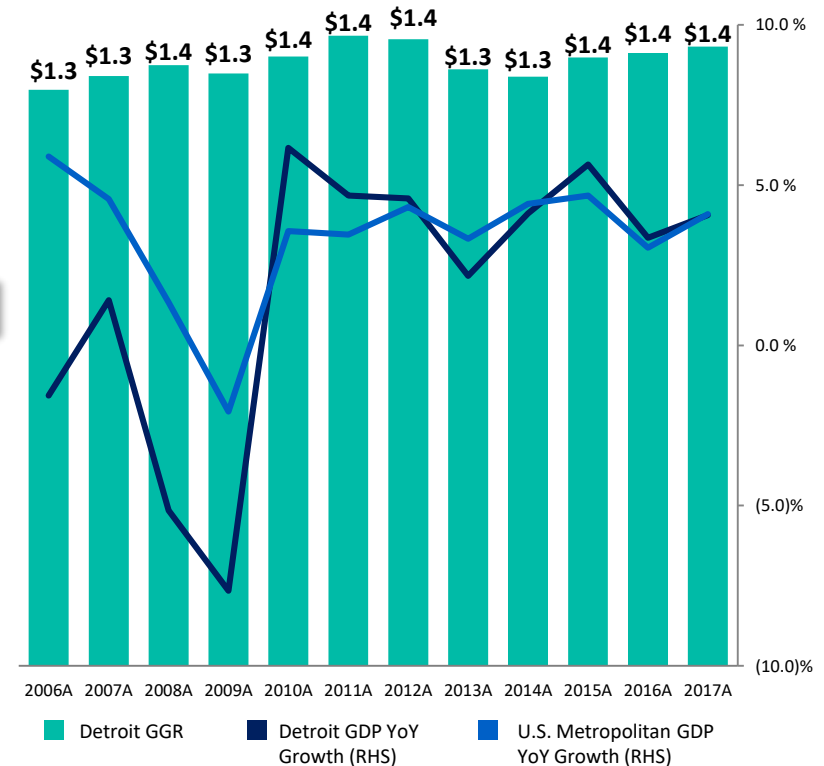
% of Employees Across Detroit Sectors



Stable Detroit GGR Through Market Cycles

(\$ in billions)

Detroit GGR Remains Consistent Through Economic Cycles and is Supported by Increasing GDP



GREEKTOWN CASINO-HOTEL: LEASE AGREEMENT STRUCTURE

| Greektown Rent Structure | | Other Key Terms |
|--------------------------|---------------------------|---|
| Components of Rent | Year 1 Annual Rent (\$mm) | Escalators and Resets |
| Land Base Rent | \$6.4 | <ul style="list-style-type: none"> Set at 2% of LTM net revenues¹ Fixed for the entire duration of the lease term |
| Building Base Rent | \$42.8 | <ul style="list-style-type: none"> Subject to annual escalator of up to 2% (based on minimum rent coverage of 1.85x)² |
| Percentage Rent | \$6.4 | <ul style="list-style-type: none"> Fixed for first two years at 2% of LTM net revenues Reset every 2 years to an amount equal to 4% multiplied by the difference of the average net revenues of trailing 2 year period and a threshold amount (defined as 50% of LTM net revenues prior to acquisition) |
| Year 1 Rent | \$55.6 | |

- Penn National will provide a parent guarantee
- Lease will be triple-net with initial 15-year term followed by 4 five-year renewal options
- Tenant CapEx Requirement: at least 1% of net revenues
- Structure to be consistent with the Margaritaville lease

RECONCILIATION FROM GAAP TO NON-GAAP FINANCIAL MEASURES

CALCULATION OF GREEKTOWN ADJUSTED EBITDAM

| (\$ in millions) | Twelve Months Ended September 30, 2018 |
|--|---|
| Net Income | \$17.5 |
| Interest Expense, Net of Interest Capitalized | 20.5 |
| Amortization of Finance Fees and Accretion of Discount | 0.4 |
| Management Fees | 10.2 |
| Stock Based Compensation and Severance Expense | 0.2 |
| Non-recurring Balance Sheet Reconciliation Adjustment | 1.8 |
| Depreciation and Amortization | 35.1 |
| EBITDAM | \$85.8 |
| Executive and Professional Services Fees ¹ | 6.1 |
| Market Closure ² | 2.9 |
| Snowfall Adjustment ³ | 1.8 |
| Adjusted EBITDAM | \$96.6 |
| Year 1 Annual Rent | \$ 55.6 |
| <i>Pro Forma Rent Coverage</i> | <i>1.7x</i> |



1. Represents the incremental executive and professional service fees billed by JACK Entertainment and its affiliates.
2. Greektown closed its Monroe Market food court and primary entrance to the casino for renovation in June 2017. JACK Entertainment has estimated that the closure reduced EBITDAM in 2017 by ~\$2.5 million (~\$0.4 million per month for 6 months). Monthly EBITDAM impact carried forward in 2018 for affected months (through April).
3. Adjustments estimated by JACK Entertainment due to abnormally heavy February snowfall that affected 15 of the 28 days, with 10 of the 15 weather-impacted days occurring on a Friday, Saturday, or Sunday.