



Nevada Gold & Casinos Reports Second Quarter 2018 Results

December 14, 2017

LAS VEGAS, Dec. 14, 2017 (GLOBE NEWSWIRE) -- Nevada Gold & Casinos, Inc. (NYSE MKT:UWN) today announced financial results for the second quarter ended October 31, 2017.

For the second quarter of fiscal 2018, the Company reported net revenues of \$19.5 million compared to \$18.5 million in the second quarter of fiscal 2017. Operating expenses were \$18.5 million compared to \$18.2 million in the prior year period. Operating income increased to \$1.0 million compared to \$0.3 million, and net income was \$0.6 million, or \$0.04 per share, compared to net income of \$0.2 million, or \$0.01 per share, in the prior year period.

Net revenues from the Washington state gaming operations increased to \$13.9 million, from \$13.2 million in the prior year period, and adjusted EBITDA increased to \$1.7 million compared to \$1.5 million in the prior year. Although general business volumes were stable, a higher table games hold percentage, although in the normal range, was responsible for the majority of the revenue gain. Operating cost increases were primarily attributable to the increased minimum wage.

Club Fortune revenues increased to \$3.4 million from \$3.1 million in the prior year period, and adjusted EBITDA increased to \$0.4 million compared to \$0.1 million in the prior year.

South Dakota slot route operations net revenue was relatively steady at \$2.2 million in the current and prior-year period and adjusted EBITDA was \$0.2 million for both periods, as well.

On a consolidated basis, adjusted EBITDA was \$1.7 million, compared to \$1.2 million in the prior-year period. The Company paid down \$1.7 million in debt during the quarter. The unrestricted cash balance at October 31, 2017 was \$9.6 million, and total outstanding borrowing was \$10.6 million.

During the quarter the Company acquired 32,657 shares for \$76,963 including commissions, an average cost of \$2.32. Approximately \$1.7 million remains available under the share repurchase authorization.

"Our Washington operations benefited from a higher table games hold and despite the challenge of a higher minimum wage, adjusted EBITDA increased, while Club Fortune recovered nicely from prior year construction disruptions," stated Michael P. Shaunnassy, President and CEO. "We continue to pay down debt and repurchase shares with our free cash flow."

For the six month period, net revenues were \$38.0 million compared to \$36.7 million in fiscal year 2017. Operating expenses were \$36.6 million compared to \$36.4 million in the prior year. Operating income was \$1.3 million compared to \$0.4 million in fiscal 2017. Net income was \$0.8 million, or \$0.04 per share, compared to \$0.1 million, or \$0.00 per share, in the prior year.

Conference Call

The Company will host a conference call at 4:30 PM ET (1:30 PM PT) today to discuss the financial results and provide a corporate update. The call can be accessed live by dialing (800) 281-7973. International callers can access the call by dialing (323) 794-2093.

A telephone replay of the conference call will be available after 7:30 PM ET and can be accessed by dialing (844) 512-2921. International callers can access the replay by dialing (412) 317-6671; the pin number is 4365185. The replay will be available through December 21, 2017.

Non-GAAP Information

The term "adjusted EBITDA" is used by us in presentations, quarterly earnings calls, and other instances as appropriate. Adjusted EBITDA is defined as net income before interest, change in swap fair value, income taxes, depreciation and amortization, goodwill and other long-lived asset impairment charges, write-offs of project development costs and acquisition expenses, litigation charges, non-cash stock grants, non-cash employee stock purchase plan discounts, amortization of deferred rent, and net losses/gains from asset dispositions. Adjusted EBITDA does not take into account greater or less than expected hold percentages in the gaming operations. Adjusted EBITDA is presented because it is a required component of financial ratios reported by us to our lenders, and it is also frequently used by securities analysts, investors, and other interested parties, in addition to and not in lieu of, U.S. Generally Accepted Accounting Principles ("GAAP") results to compare to the performance of other companies that also publicize this information. Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered as an alternative to net income as an indicator of our operating performance or any other measure of performance derived in accordance with GAAP.

Adjusted EBITDA reconciliations for the three months and six months ended October 31, 2017 and October 31, 2016 are shown below:

Net income reconciliation to Adjusted EBITDA:

	For the three months ended	
	October 31, 2017	October 31, 2016
Net income	\$ 638,977	\$ 150,022
Adjustments:		
Net interest expense and change in swap fair value	104,187	64,103

Income tax expense	260,303	70,842
Depreciation and amortization	598,148	773,510
Stock compensation	69,138	85,143
Loss on sale of assets	5,465	5,546
Amortization of deferred rent	(2,675)) 9,455
Adjusted EBITDA	\$ 1,673,543	\$ 1,158,621

	For the six months ended	
	October 31, 2017	October 31, 2016
Net income	\$ 762,978	\$ 50,450
Adjustments:		
Net interest expense and change in swap fair value	256,202	281,833
Income tax expense	320,635	22,854
Depreciation and amortization	1,309,584	1,550,022
Acquisition expenses	-	113,900
Stock compensation	74,678	119,128
Loss on sale of assets	5,465	13,916
Amortization of deferred rent	(1,952)) 21,955
Adjusted EBITDA	\$ 2,727,590	\$ 2,174,058

Forward-Looking Statements

This release contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We use words such as "anticipate," "believe," "expect," "future," "intend," "plan," and similar expressions to identify forward-looking statements. Forward-looking statements include, without limitation, our ability to increase income streams, to grow revenue and earnings, and to obtain additional gaming and other projects. These statements are only predictions and are subject to certain risks, uncertainties and assumptions, which are identified and described in the Company's public filings with the Securities and Exchange Commission.

About Nevada Gold & Casinos

Nevada Gold & Casinos, Inc. (NYSE MKT:UWN) of Las Vegas, Nevada is a developer, owner and operator of 9 gaming operations in Washington (wagoldcasinos.com), a locals casino in Henderson, Nevada (clubfortunecasino.com) and a slot route operation in Deadwood, South Dakota (dakotaplayersclub.com). For more information, visit www.nevadagold.com.

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Nevada Gold & Casinos, Inc.

Consolidated Statements of Operations (unaudited)

	Three Months Ended		Six Months Ended	
	October 31, 2017	October 31, 2016	October 31, 2017	October 31, 2016
Revenues:				
Casino	\$ 17,366,692	\$ 16,346,495	\$ 33,773,298	\$ 32,516,998
Food and beverage	3,258,684	3,329,915	6,417,908	6,631,308
Other	488,360	547,545	1,003,765	1,088,260
Gross revenues	21,113,736	20,223,955	41,194,971	40,236,566
Less promotional allowances	(1,633,513)	(1,747,069)	(3,226,224)	(3,529,902)
Net revenues	19,480,223	18,476,886	37,968,747	36,706,664
Expenses:				
Casino	9,650,614	9,442,917	19,065,548	18,630,015
Food and beverage	1,664,613	1,482,778	3,245,061	3,015,120

Other	51,922	51,786	105,359	106,724
Marketing and administrative	5,295,763	5,163,876	10,582,485	10,434,156
Facility	518,255	547,370	984,069	1,080,705
Corporate	691,976	724,136	1,331,361	1,520,869
Depreciation and amortization	598,148	773,510	1,309,584	1,550,022
Loss on disposal of assets	5,465	5,546	5,465	13,916
Total operating expenses	18,476,756	18,191,919	36,628,932	36,351,527
Operating income	1,003,467	284,967	1,339,815	355,137
Non-operating income (expenses):				
Interest income	14,211	23,124	26,675	46,092
Interest expense and amortization of loan issue costs	(163,820)	(184,403)	(324,335)	(374,387)
Change in swap fair value	45,422	97,176	41,458	46,462
Income before income tax expense	899,280	220,864	1,083,613	73,304
Income tax expense	(260,303)	(70,842)	(320,635)	(22,854)
Net income	\$ 638,977	\$ 150,022	\$ 762,978	\$ 50,450
Per share information:				
Net income per common share - basic and diluted	\$ 0.04	\$ 0.01	\$ 0.04	\$ 0.00

Nevada Gold & Casinos, Inc.
Consolidated Balance Sheets

	October 31, 2017	April 30, 2017
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,559,370	\$ 10,631,903
Restricted cash	2,043,806	1,994,312
Accounts receivable, net of allowances	398,102	808,484
Prepaid expenses	1,614,893	1,209,507
Notes receivable, current portion	191,757	383,093
Inventory and other current assets	437,951	423,113
Total current assets	14,245,879	15,450,412
Real estate held for sale	750,000	750,000
Goodwill	16,923,588	16,923,588
Intangible assets, net of accumulated amortization	3,801,074	4,107,328
Property and equipment, net of accumulated depreciation	13,513,526	13,958,715
Deferred tax asset	1,236,835	1,557,470
Other assets	75,111	70,000
Total assets	\$ 50,546,013	\$ 52,817,513
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,432,529	\$ 1,303,571
Accrued payroll and related	2,196,353	1,925,592
Accrued player's club points and progressive jackpots	2,246,233	2,348,068
Total current liabilities	5,875,115	5,577,231
Long-term debt	10,410,310	12,061,411
Other long-term liabilities	625,312	667,110
Total liabilities	16,910,737	18,305,752
Stockholders' equity:		
Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 18,693,175 and 18,627,167 shares issued and 16,825,372 and 17,547,665 shares outstanding at October 31, 2017, and April 30, 2017, respectively	2,243,189	2,235,269
Additional paid-in capital	27,502,227	27,449,319

Retained earnings	13,083,792	12,320,814
Treasury stock, 1,867,803 and 1,079,502 shares at October 31, 2017 and April 30, 2017, respectively, at cost	(9,193,932)	(7,493,641)
Total stockholders' equity	33,635,276	34,511,761
Total liabilities and stockholders' equity	\$ 50,546,013	\$ 52,817,513

Source: Nevada Gold & Casinos, Inc.