



Nevada Gold & Casinos Reports Third Quarter Results

March 19, 2018

LAS VEGAS, March 19, 2018 (GLOBE NEWSWIRE) -- Nevada Gold & Casinos, Inc. (NYSE MKT:UWN) today announced financial results for the third quarter ended January 31, 2018. The Company will host a conference call at 4:30 PM ET (1:30 PM PT) today to discuss these results and provide a corporate update.

For the third quarter of fiscal 2018, net revenue increased to \$18.1 million compared to \$17.9 million in the third quarter of fiscal 2017. This increase was primarily driven by a \$0.4 million increase in Washington, partially offset by a \$0.2 million decrease from Club Fortune Casino. Operating expenses were \$17.5 million compared to \$18.4 million in the prior year period, which included a \$1.1 million impairment loss. Operating income was \$0.6 million compared to an operating loss of \$0.5 million in the prior year period. The Company recorded a non-cash tax expense adjustment of \$0.3 million as a result of the new corporate tax rate. Net income was \$0.2 million compared to net loss of \$0.7 million in the prior year period.

Net revenues from the Washington state gaming operations were \$13.6 million compared to \$13.2 million in the prior year. This increase was primarily due to repositioning one location as a poker only operation. Poker revenues increased \$0.3 million while other gaming revenue was unchanged for the period, despite removing 10 tables as a result of the poker move. Marketing expenses increased \$0.2 million in the quarter related to the repositioning, and coupled with increased wages, caused Adjusted EBITDA to decrease to \$1.5 million compared to \$1.6 million in the prior year period.

Club Fortune net revenues were \$3.3 million compared to \$3.5 million in the prior year. A slot hold variance of approximately 50 basis points was the primary reason for both the revenue and EBITDA declines. Adjusted EBITDA was \$0.4 million compared to \$0.6 million in the prior year.

South Dakota revenues were \$1.2 million in both periods, and Adjusted EBITDA was unchanged at \$0.1 million.

Corporate expenses were \$0.6 million, comparable to the prior year. On a consolidated basis, adjusted EBITDA was \$1.2 million compared to \$1.4 million in the prior year period.

"Our strategic poker repositioning in Washington has performed well, and as we reduce our target marketing in support of this move, we expect increased EBITDA contributions from the Washington portfolio," stated President and CEO Michael Shaunnessy. "Club Fortune was up against a strong prior year comparable, and a lower slot hold hampered the current year's performance."

The Company paid down \$1.3 million in debt during the quarter. The unrestricted cash balance at January 31, 2018 was \$8.6 million, and total outstanding borrowing was \$9.3 million.

During the third quarter the Company did not purchase any shares. Since inception of the share repurchase program, approximately 1,085,000 shares have been acquired at a cost of approximately \$2.3 million.

For the nine month period of fiscal 2018, net revenues were \$56.1 million compared to \$54.6 million in fiscal year 2017. Operating expenses were \$54.1 million, compared to \$54.7 million in the prior period, which included the \$1.1 million impairment charge. Operating income was \$2.0 million compared to an operating loss of \$0.1 million in fiscal 2017. Net income was \$1.0 million compared to net loss of \$0.6 million in the prior year.

Conference Call and Webcast

The Company will host a conference call today at 4:30 PM ET (1:30 PM PT). 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 3589855. The replay will be available through March 26, 2018.

(1) 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 nine months ended January 31, 2018 and January 31, 2017 are shown below:

Reconciliation of net income (loss) to Adjusted EBITDA:

	For the three months ended	
	January 31, 2018	January 31, 2017
Net income (loss)	\$ 193,327	\$ (683,046)
Adjustments:		
Net interest expense and change in swap fair value	42,545	8,418
Income tax expense	397,861	189,738

Depreciation and amortization	538,907	756,606
Stock compensation	14,760	1,787
Loss on disposal of assets	308	42,574
Impairment of goodwill	-	1,101,471
Amortization of deferred rent	8,027	8,946
Adjusted EBITDA	\$ 1,195,735	\$ 1,426,494

Reconciliation of net income (loss) to Adjusted EBITDA:

	For the nine months ended January 31, 2018	January 31, 2017
Net income (loss)	\$ 956,305	\$ (636,596)
Adjustments:		
Net interest expense and change in swap fair value	298,747	290,253
Income tax expense	718,496	212,592
Depreciation and amortization	1,848,490	2,306,628
Acquisition expenses	-	113,900
Stock compensation	89,438	117,363
Loss on disposal of assets	5,773	56,490
Impairment of goodwill	-	1,101,471
Amortization of deferred rent	6,076	30,899
Adjusted EBITDA	\$ 3,923,325	\$ 3,597,030

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 local 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)**

	January 31, 2018 (unaudited)	April 30, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,598,633	\$ 10,631,903
Restricted cash	2,058,849	1,994,312
Accounts receivable, net of allowances	362,770	808,484
Prepaid expenses	1,669,377	1,209,507
Notes receivable, current portion	35,205	383,093
Inventory and other current assets	444,319	423,113
Total current assets	13,169,153	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	3,708,355	4,107,328

Property and equipment, net of accumulated depreciation	13,261,285	13,958,715
Deferred tax asset	838,974	1,557,470
Other assets	167,097	70,000
Total assets	\$ 48,818,452	\$ 52,817,513

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued liabilities	\$ 1,470,127	\$ 1,303,571
Accrued payroll and related	1,407,486	1,925,592
Accrued player's club points and progressive jackpots	2,301,566	2,348,068
Total current liabilities	5,179,179	5,577,231
Long-term debt	9,134,370	12,061,411
Other long-term liabilities	633,340	667,110
Total liabilities	14,946,889	18,305,752

Stockholders' equity:

Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 18,715,985 and 18,627,167 shares issued and 16,848,182 and 17,547,665 shares outstanding at January 31, 2018, and April 30, 2017, respectively	2,245,927	2,235,269
Additional paid-in capital	27,542,449	27,449,319
Retained earnings	13,277,119	12,320,814
Treasury stock, 1,867,803 and 1,079,502 shares at January 31, 2018, and April 30, 2017, respectively, at cost	(9,193,932)	(7,493,641)
Total stockholders' equity	33,871,563	34,511,761
Total liabilities and stockholders' equity	\$ 48,818,452	\$ 52,817,513

	Three Months Ended		Nine Months Ended	
	January 31, 2018	January 31, 2017	January 31, 2018	January 31, 2017
Revenues:				
Casino	\$ 15,822,508	\$ 15,714,538	\$ 49,595,806	\$ 48,231,536
Food and beverage	3,399,975	3,383,641	9,817,883	10,014,949
Other	480,802	534,011	1,484,566	1,622,271
Gross revenues	19,703,285	19,632,190	60,898,255	59,868,756
Less promotional allowances	(1,605,069)	(1,722,078)	(4,831,292)	(5,251,980)
Net revenues	18,098,216	17,910,112	56,066,963	54,616,776
Expenses:				
Casino	8,631,595	8,550,102	27,697,584	27,180,611
Food and beverage	1,766,663	1,573,445	5,011,269	4,588,060
Other	51,467	46,321	156,841	153,055
Marketing and administrative	5,378,939	5,149,807	15,961,424	15,583,962
Facility	518,234	547,123	1,502,303	1,627,828
Corporate	578,370	627,553	1,909,731	2,148,422
Depreciation and amortization	538,907	756,606	1,848,490	2,306,628
Loss on disposal of assets	308	42,574	5,773	56,490
Impairment of goodwill	-	1,101,471	-	1,101,471
Total operating expenses	17,464,483	18,395,002	54,093,415	54,746,527
Operating income (loss)	633,733	(484,890)	1,973,548	(129,751)
Non-operating income (expenses):				
Interest income	10,749	19,149	37,424	65,241
Interest expense and amortization of loan issue costs	(145,280)	(207,626)	(469,615)	(582,014)
Change in swap fair value	91,986	180,059	133,444	226,520
Income (loss) before income tax expense	591,188	(493,308)	1,674,801	(420,004)
Income tax expense	(397,861)	(189,738)	(718,496)	(212,592)
Net income (loss)	\$ 193,327	\$ (683,046)	\$ 956,305	\$ (632,596)
Per share information:				
Net income (loss) per common share - basic	\$ 0.01	\$ (0.04)	\$ 0.06	\$ (0.04)

Net income (loss) per common share - diluted	\$ 0.01	\$ (0.04)	\$ 0.05	\$ (0.04)
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Source: Nevada Gold & Casinos, Inc.