



September 14, 2016

Nevada Gold & Casinos Reports First Quarter 2017 Financial Results

LAS VEGAS, Sept. 14, 2016 (GLOBE NEWSWIRE) -- Nevada Gold & Casinos, Inc. (NYSE MKT:UWN) today announced financial results for the first quarter ended July 31, 2016.

For the first quarter of fiscal 2017, the company reported net revenues of \$18.3 million compared to \$15.9 million in the first quarter of fiscal 2016. Operating expenses were \$18.2 million compared to \$15.2 million in the prior year period. Operating income was \$0.1 million compared to \$0.8 million and net loss was \$0.1 million, or \$0.01 loss per share, compared to net income of \$0.5 million, or \$0.03 per share, in the prior year period.

Net revenues from the Washington state gaming operations decreased to \$13.1 million, from \$13.8 million in the prior year period and adjusted EBITDA decreased to \$1.4 million compared to \$1.7 million in the prior year. The prior year period includes two months of revenues from the Golden Nugget facility which was sold. On a same store basis, revenues were down \$0.3 million. Although business volumes were fairly stable, a lower table games hold percentage was responsible for approximately \$0.4 million in both the revenue and EBITDA shortfalls.

Club Fortune revenues were \$3.3 million and EBITDA was \$0.1 million. Ongoing road construction and the normally soft summer had a negative revenue impact. The company took advantage of these challenges, closing the restaurant for 10 days and one bar for three weeks for remodeling.

South Dakota route revenues decreased to \$1.9 million compared to \$2.2 million in the prior year period, and adjusted EBITDA decreased by \$63,000. Corporate expenses increased \$47,000 compared to the prior year. On a consolidated basis, adjusted EBITDA decreased to \$1.0 million from \$1.4 million in the prior year quarter.

"Our Washington operations struggled with a low hold percentage for the quarter but overall business levels remain strong," said Michael P. Shaunnessy, President and CEO. "We continue to make progress on integrating Club Fortune and taking advantage of both revenue and cost opportunities to enhance EBITDA."

The company's outstanding bank debt was \$16.5 million as of July 31, 2016, and unrestricted cash on hand was \$8.8 million.

In Washington, the November election ballot will include a proposal to increase the state minimum wage to \$11.00 per hour effective January 1, 2017. The company expects that passage of this proposal would increase its payroll expense by approximately \$1.2 million annually. The company is addressing ways to mitigate the overall financial impact of this potential change.

Conference Call and Webcast

The company will host a conference call at 4:30 PM ET (1:30 PM PT), today, September 14, 2016 to discuss the financial results and to provide a corporate update. The call can be accessed live by dialing (888) 599-8693. International callers can access the call by dialing (913) 312-0966. A simultaneous webcast of the call will be available by visiting <http://www.nevadagold.com>.

A telephone replay of the conference call will be available after 7:30 PM ET and can be accessed by dialing (877) 870-5176. International callers can access the replay by dialing (858) 384-5517; the pin number is 8987278. The replay will be available through September 21, 2016. The archived webcast will also be available on the company's website at <http://ir.nevadagold.com/events.cfm>.

(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, income taxes, depreciation and amortization, non-cash goodwill and other long-lived asset impairment charges, write-offs of project development costs, litigation charges, non-cash stock grants, non-cash employee stock purchase plan discounts, and net losses/gains from asset dispositions. Adjusted EBITDA

excludes the impact of slot and table games hold percentages compared to the prior period. Adjusted EBITDA is presented because it is a required component of financial ratios reported by us to our lender, 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.

The following table reconciles Adjusted EBITDA to net (loss) income for the three months ended July 31, 2016 and 2015:

Adjusted EBITDA reconciliation to net (loss) income:

	For the three months ended	
	July 31, 2016	July 31, 2015
Net (loss) income	\$ (99,573)	\$ 457,996
Adjustments:		
Net interest expense and change in swap fair value	217,730	100,108
Income tax (benefit) expense	(47,988)	277,512
Depreciation and amortization	776,512	510,794
Acquisition expenses	113,900	180,120
Stock options amortization and employee stock purchases	28,675	30,195
Loss (gain) on sale of assets	8,371	(163,481)
Amortization of deferred rent	12,498	7,911
Adjusted EBITDA	<u>\$ 1,010,125</u>	<u>\$ 1,351,155</u>

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 nine gaming operations in Washington (wagoldcasinos.com), a local casino in Henderson, Nevada (clubfortune.com) and a slot route operation in Deadwood, South Dakota (dakotaplayersclub.com). For more information, visit www.nevadagold.com.

Nevada Gold & Casinos, Inc. Consolidated Balance Sheets

	July 31, 2016	April 30, 2016
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,826,030	\$ 11,583,107
Restricted cash	1,308,303	1,433,728
Accounts receivable, net of allowances	1,191,839	665,549
Prepaid expenses	1,856,917	1,206,825
Notes receivable, current portion	899,185	208,294
Inventory and other current assets	414,842	416,022
Total current assets	<u>14,497,116</u>	<u>15,513,525</u>
Real estate held for sale	750,000	750,000
Notes receivable, net of current portion	8,400	900,775
Goodwill	18,025,059	18,025,059
Intangible assets, net of accumulated amortization	4,758,387	5,003,981
Property and equipment, net of accumulated depreciation	15,248,396	15,147,061

Deferred tax asset	2,396,287	2,348,299
Other assets	70,000	70,000
Total assets	\$ 55,753,645	\$ 57,758,700

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued liabilities	\$ 1,493,021	\$ 1,702,366
Accrued payroll and related	1,036,438	2,094,250
Accrued player's club points and progressive jackpots	1,737,245	1,872,566
Total current liabilities	4,266,704	5,669,182
Long-term debt	16,231,215	16,839,148
Other long-term liabilities	944,640	881,426
Total liabilities	21,442,559	23,389,756

Stockholders' equity:

Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 18,581,193 and 18,571,693 shares issued and 17,798,356 and 17,788,856 shares outstanding at July 31, 2016, and April 30, 2016, respectively	2,229,752	2,228,612
Additional paid-in capital	27,356,093	27,315,517
Retained earnings	11,657,276	11,756,850
Treasury stock, 782,837 shares at July 31, 2016 and April 30, 2016, respectively, at cost	(6,932,035)	(6,932,035)
Total stockholders' equity	34,311,086	34,368,944
Total liabilities and stockholders' equity	\$ 55,753,645	\$ 57,758,700

Nevada Gold & Casinos, Inc.
Consolidated Statements of Operations
(unaudited)

	Three Months Ended	
	July 31, 2016	July 31, 2015
Revenues:		
Casino	\$ 16,237,702	\$ 14,098,696
Food and beverage	3,301,393	2,443,110
Other	540,716	452,671
Gross revenues	20,079,811	16,994,477
Less promotional allowances	(1,782,833)	(1,051,703)
Net revenues	18,296,978	15,942,774
Expenses:		
Casino	9,235,896	7,995,301
Food and beverage	1,531,837	1,313,369
Other	73,846	47,999
Marketing and administrative	5,270,278	4,210,555
Facility	533,336	493,154
Corporate	796,733	749,467
Depreciation and amortization	776,512	510,794
Loss (gain) on disposal of assets	8,371	(163,481)
Total operating expenses	18,226,809	15,157,158
Operating income	70,169	785,616
Non-operating income (expenses):		
Interest income	22,968	25,880
Interest expense and amortization of loan issue costs	(153,519)	(119,593)
Interest rate swap expense	(36,465)	(17,612)
Change in swap fair value	(50,714)	11,217
(Loss) income before income tax expense	(147,561)	685,508

Income tax benefit (expense)	47,988	(227,512)
Net (loss) income	<u>\$ (99,573)</u>	<u>\$ 457,996</u>
Per share information:		
Net (loss) income per common share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ 0.03</u>

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Source: Nevada Gold & Casinos, Inc.

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