

CENTURY CASINOS INC /CO/  
Form 10-Q  
November 14, 2013  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2013

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-22900

CENTURY CASINOS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

84-1271317

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(State or other jurisdiction of (I.R.S. Employer Identification No.)  
incorporation or organization)

455 E Pikes Peak Ave, Suite 200, Colorado Springs, Colorado 80903

(Address of principal executive offices, including zip code)

(719) 527-8300

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
<input type="checkbox"/>		(Do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date:

24,377,761 shares of common stock, \$0.01 par value per share, were outstanding as of October 25, 2013.

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## PART I – FINANCIAL INFORMATION

## Item 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

## CENTURY CASINOS, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

Amounts in thousands, except for share and per share information	September 30, 2013	December 31, 2012
<b>ASSETS</b>		
Current assets:		
	\$	\$
Cash and cash equivalents	30,447	24,747
Receivables, net	847	700
Prepaid expenses	765	608
Inventories	490	311
Other current assets	96	86
Deferred income taxes	420	83
Restricted cash	268	0
Total current assets	33,333	26,535
Property and equipment, net	113,726	99,526
Goodwill	13,133	4,941
Equity investment	0	3,346
Deferred income taxes	3,197	2,145
Casino licenses	2,309	0
Trademark	2,059	104
Notes receivable	500	0
Security deposits	712	77
Other assets	373	401
Restricted cash	0	261
	\$	\$
Total assets	169,342	137,336
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
	\$	\$
Current portion of long-term debt	6,234	372
Accounts payable and accrued liabilities	6,628	6,379
Accrued payroll	4,291	2,806
Taxes payable	4,083	3,413
Contingent liability (Note 3)	5,868	0
Deferred income taxes	101	101
Total current liabilities	27,205	13,071
Long-term debt, less current portion	9,783	3,192

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Taxes payable	237	237
Deferred income taxes	3,571	2,680
	\$	\$
Total liabilities	40,796	19,180
Commitments and Contingencies		
See notes to condensed consolidated financial statements.		

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## CENTURY CASINOS, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

Amounts in thousands, except for share and per share information	September 30, 2013	December 31, 2012
Shareholders' equity:		
Preferred stock; \$0.01 par value; 20,000,000 shares authorized;	\$	\$
no shares issued or outstanding	0	0
Common stock; \$0.01 par value; 50,000,000 shares authorized; 24,377,761 and and 24,243,926 shares issued; 24,377,761 and 24,128,114 outstanding	244	243
Additional paid-in capital	75,116	75,388
Retained earnings	44,630	38,238
Accumulated other comprehensive earnings	2,859	4,569
Treasury stock - 0 and 115,812 shares at cost	0	(282)
Total Century Casinos shareholders' equity	122,849	118,156
Non-controlling interest	5,697	0
Total equity	128,546	118,156
	\$	\$
Total liabilities and shareholders' equity	169,342	137,336
See notes to condensed consolidated financial statements.		

## CENTURY CASINOS, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)

Amounts in thousands, except for per share information	For the three months ended September 30,		For the nine months ended September 30,	
	2013	2012	2013	2012
Operating revenue:				
Gaming	\$ 26,758	\$ 16,778	\$ 68,603	\$ 47,746
Hotel, bowling, food and beverage	3,141	3,189	9,554	9,645
Other	923	1,041	2,802	3,086
Gross revenue	30,822	21,008	80,959	60,477
Less: Promotional allowances	(1,996)	(2,285)	(5,795)	(6,395)
Net operating revenue	28,826	18,723	75,164	54,082
Operating costs and expenses:				
Gaming	13,959	7,954	34,401	22,645
Hotel, bowling, food and beverage	2,691	2,534	7,787	7,391
General and administrative	9,121	5,385	22,678	16,010
Depreciation and amortization	1,685	1,178	4,671	3,535
Total operating costs and expenses	27,456	17,051	69,537	49,581
(Losses) earnings from equity investment	0	(57)	(128)	381
Earnings from operations	1,370	1,615	5,499	4,882
Non-operating income (expense):				
Gain on business combination	0	0	2,074	0
Interest income	7	7	18	36
Interest expense	(206)	(57)	(550)	(600)
Gain (loss) on foreign currency transactions and other	66	(36)	234	(19)
Non-operating (expense) income, net	(133)	(86)	1,776	(583)
Earnings before income taxes and non-controlling interest	1,237	1,529	7,275	4,299



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Income tax provision	132	343	685	832
Net earnings	1,105	1,186	6,590	3,467
Less: Net earnings attributable to non-controlling interest	32	0	198	0
	\$	\$	\$	\$
Net earnings attributable to Century Casinos, Inc. shareholders	1,073	1,186	6,392	3,467
Earnings per share attributable to Century Casinos, Inc. shareholders - basic and diluted:				
	\$	\$	\$	\$
Basic	0.04	0.05	0.26	0.14
	\$	\$	\$	\$
Diluted	0.04	0.05	0.26	0.14
Weighted average shares outstanding - basic	24,249	24,117	24,334	24,117
Weighted average shares outstanding - diluted	24,413	24,140	24,464	24,318

See notes to condensed consolidated financial statements.

## CENTURY CASINOS, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS) (Unaudited)

Amounts in thousands	For the three months ended September 30, 2013		For the nine months ended September 30, 2012	
	2013	2012	2013	2012
Net earnings	\$ 1,105	\$ 1,186	\$ 6,590	\$ 3,467
Other comprehensive earnings (loss), net of tax:				
Foreign currency translation adjustments	2,025	2,041	(1,425)	1,751
Other comprehensive earnings (loss)	2,025	2,041	(1,425)	1,751
Comprehensive earnings	\$ 3,130	\$ 3,227	\$ 5,165	\$ 5,218
Less: Comprehensive earnings attributable to non-controlling interest	394	0	285	0
Comprehensive earnings attributable to Century Casinos shareholders	\$ 2,736	\$ 3,227	\$ 4,880	\$ 5,218

See notes to condensed consolidated financial statements.

## CENTURY CASINOS, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

## CENTURY CASINOS, INC.

## STATEMENTS OF SHAREHOLDERS' EQUITY

Amounts in thousands, except per share information	Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Treasury Stock	Total Century Casinos		Noncontrolling Interest	Total Equity
							Shareholders' Equity	Interest		
BALANCE AT		\$	\$	\$	\$		\$	\$	\$	\$
December 31, 2011	23,877,362	240	75,144	3,291	34,147	(\$282)	112,540	0	0	112,540
Net earnings		0	0	0	3,467	0	3,467	0	0	3,467
Foreign currency translation adjustment		0	0	1,751	0	0	1,751	0	0	1,751
Amortization of stock based compensation		0	0	0	0	0	-	0	0	0
Exercise of stock options	240,000	2	238	0	0	0	240	0	0	240
BALANCE AT		\$	\$	\$	\$		\$	\$	\$	\$
September 30, 2012	24,117,362	242	75,382	5,042	37,614	(\$282)	117,998	0	0	117,998
BALANCE AT		\$	\$	\$	\$		\$	\$	\$	\$
December 31, 2012	24,128,114	243	75,388	4,569	38,238	(\$282)	118,156	0	0	118,156
Net earnings		0	0	0	6,392	0	6,392	198	198	6,590
Foreign currency translation adjustment		0	0	(1,512)	0	0	(1,512)	87	87	(1,425)
Amortization of stock based compensation		0	8	0	0	0	0	0	0	8