February 2, 2015

Dave & Buster's Entertainment, Inc. Announces Preliminary Financial Results for the Fourth Quarter and Fiscal Year Ended February 1, 2015

DALLAS, Feb. 2, 2015 (GLOBE NEWSWIRE) -- Dave & Buster's Entertainment, Inc., (Nasdaq:PLAY), the parent company of Dave & Buster's, Inc. ("Dave & Buster's" or the "Company"), an owner and operator of dining and entertainment venues, today announced preliminary financial results for its fourth quarter and fiscal year ended February 1, 2015.

Financial results for the fourth quarter and fiscal year ended February 1, 2015 are not yet available. The Company has, however, provided certain preliminary estimates of the results of operations that it expects to report for the fourth quarter and full fiscal year. Actual results may differ materially from these estimates due to the completion of financial closing procedures, final adjustments and other developments that may arise between now and the time the financial results for the fourth quarter are finalized.

Total revenues are estimated to range between $203.8 million and $204.8 million and between $743.5 million and $744.5 million for the thirteen weeks and fiscal year ended February 1, 2015, respectively. This represents sales growth of 19.2% for the thirteen weeks and 17.1% for the full year over the same periods in fiscal 2013, assuming the mid-point of the estimated ranges. Comparable store sales growth is estimated to range between 10.0% and 10.2% and between 7.1% and 7.2% for the thirteen weeks and fiscal year ended February 1, 2015, respectively.

Adjusted EBITDA is estimated to range between $48.4 million and $49.4 million and between $162.0 million and $163.0 million for the thirteen weeks and fiscal year ended February 1, 2015, respectively. This represents Adjusted EBITDA growth of 21.7% for the thirteen weeks and 20.6% for the full year over the same periods in fiscal 2013, assuming the mid-point of the estimated ranges.

Dave & Buster's estimates that operating income will range between $25.2 million and $26.2 million and between $71.0 million and $72.0 million for the thirteen weeks and fiscal year ended February 1, 2015, respectively. Based on these estimations, Adjusted EBITDA Margin is expected to range between 23.7% and 24.1% and between 21.8% and 21.9% for the thirteen weeks and fiscal year ended February 1, 2015, respectively. Assuming the mid-point of the range, this represents a 50 basis point improvement and 60 basis point improvement over the same periods of the prior year, respectively.

The Company opened three stores during the fourth quarter, bringing the total number of stores to 73 as of January 29, 2015. One store was opened using the large store format and the other two were opened using the small store format. These three stores marked Dave & Buster's initial entry into three additional states and collectively added 36 store weeks to operating results.

Included in the year-end 2014 store count is the Company's location in Farmingdale (Long Island), New York which it expects to close in mid-February 2015 due to the expiration of its lease. With past store closures, the Company has experienced customer migration to stores within the same market and currently has two other stores in the Long Island market.

The preliminary financial data presented here has been prepared by, and is the responsibility of management. Neither Dave & Buster's independent registered public accounting firm nor any other independent registered public accounting firm has audited, reviewed or compiled, examined or performed any procedures with respect to the estimated results, nor have they expressed any opinion or any other form of assurance on the preliminary estimated financial results. This preliminary information reflects management's estimates based solely upon information available as of the date hereof and is not a comprehensive statement of the Company's financial results for the thirteen weeks or fiscal year ended February 1, 2015. The information presented herein should not be considered a substitute for the full unaudited fourth quarter financial statements or the audited financial statements for the fiscal year ended February 1, 2015 once they become available.

The ranges for the preliminary estimated financial results described above constitute forward-looking statements. Dave & Buster's has provided a range for the preliminary estimated financial results described above primarily because its financial closing procedures for the thirteen weeks and fiscal year ended February 1, 2015 are not yet complete and will not be publicly available until approximately mid-April 2015. There is a possibility that actual results will vary materially from these preliminary *estimates. Accordingly, one should not place undue reliance upon these preliminary financial results. Please refer to "Forward-Looking Statements" below. These preliminary results should be read in conjunction with "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes thereto included in the periodic reports filed with the SEC including the Company's Quarterly Report on Form 10-Q for the period ending November 2, 2014.*

Adjusted EBITDA and Adjusted EBITDA Margin Description and Reconciliation

"Adjusted EBITDA" is calculated as net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, depreciation and amortization expense, loss on asset disposal, share-based compensation, currency transaction (gain) loss, preopening costs, reimbursement of affiliate and other expenses, change in deferred amusement revenue and ticket liability estimations, transaction and other costs.

Adjusted EBITDA is presented because Dave & Buster's believes that it provides useful information to investors regarding its operating performance and capacity to incur and service debt and fund capital expenditures. The Company believes that Adjusted EBITDA is used by many investors, analysts and rating agencies as a measure of performance. In addition, Adjusted EBITDA is approximately equal to "EBITDA" as defined in Dave & Buster's senior secured credit facility and the presentation of Adjusted EBITDA is consistent with that reported to its lenders to allow for leverage-based assessments. By reporting Adjusted EBITDA, the Company provides a basis for comparison of its business operations between current, past and future periods by excluding items that it does not believe are indicative of its core operating performance. Adjusted EBITDA is a metric utilized to measure performance-based bonuses paid to Dave & Buster's executive officers and certain managers.

Adjusted EBITDA, however, is not defined by GAAP and should not be considered in isolation or as an alternative to other financial data prepared in accordance with GAAP or as an indicator of the Company's operating performance. Adjusted EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined in accordance with GAAP, and the calculations thereof may not be comparable to similarly entitled measures reported by other companies. Although the Company uses Adjusted EBITDA as a measure to assess the operating performance of its business, Adjusted EBITDA has significant limitations as an analytical tool because it excludes certain material costs. For example, Adjusted EBITDA and Adjusted EBITDA margin do not take into account a number of significant items, including interest expense and depreciation and amortization expense. Because Adjusted EBITDA does not account for these expenses, its utility as a measure of Dave & Buster's operating performance has material limitations. In addition, Adjusted EBITDA excludes pre-opening costs and adjustments for changes in the accruals for deferred amusement revenue and ticket liability, which the Company expects customers to redeem in future periods and which may be important in analyzing the GAAP results. Calculations of Adjusted EBITDA adjust for these amounts because they vary from period to period and do not directly relate to the ongoing operations of the current underlying business of the stores and therefore complicate comparisons of the underlying business between periods. Nevertheless, because of the limitations described above management does not view Adjusted EBITDA in isolation and also uses other measures, such as net sales, gross margin, operating income and net income (loss), to measure operating performance.

Adjusted EBITDA margin represents Adjusted EBITDA divided by total revenues. Adjusted EBITDA margin allows Dave & Buster's to evaluate its overall operating performance over time by excluding items that it does not believe are indicative of the Company's core operating performance.

The following table sets forth a reconciliation of Dave & Buster's estimated fourth quarter and fiscal year 2014 Adjusted EBITDA to estimated fourth quarter and fiscal year 2014 income before provision for income taxes:

(in millions)	***THIRTEEN WEEKS ENDED FEBRUARY 1, 2015 (Unaudited)***	***FISCAL YEAR ENDED FEBRUARY 1, 2015 (Unaudited)***
Estimated income before provision for income taxes	*$20.2 - $21.2*	*$8.6 - $9.6*
Interest expense, net	*5.0*	*34.8*
Loss on debt retirement	*—*	*27.6*
Estimated operating income	*$25.2 - $26.2*	*$71.0 - $72.0*
Depreciation and amortization expense	*18.4*	*70.8*
Loss on asset disposal (1)	*0.5*	*1.7*
Share-based compensation (2)	*0.3*	*2.2*

Currency transaction loss (gain) [3]	*0.1*	*0.1*
Pre-opening costs [4]	*1.9*	*9.8*
Reimbursement of affiliate and other expenses [5]	*—*	*0.5*
Change in deferred amusement revenue and ticket liability [6]	*1.4*	*3.8*
Transaction and other costs [7]	*0.6*	*2.1*
Estimated Adjusted EBITDA	*$48.4 - $49.4*	*$162.0 - $163.0*

(1) Represents the estimated net book value (less proceeds received) of assets disposed of during the year. Primarily relates to assets replaced in ongoing operation of business.

(2) Represents estimated stock compensation expense under the Company's 2010 Stock Incentive Plan and its 2014 Stock Incentive Plan.

(3) Represents the estimated effect of foreign currency transaction (gains) or losses related to a Dave & Buster's store in Canada.

(4) Represents estimated costs incurred prior to the opening of the Company's new stores.

(5) Represents estimated fees and expenses paid directly to the Board of Directors and certain non-recurring payments to management and compensation consultants. It also includes the reimbursement of expenses made to Oak Hill Capital Management, LLC.

(6) Represents estimated quarterly increases or decreases to accrued liabilities established for future amusement game play and the fulfillment of tickets won by customers on Dave & Buster's redemption games.

(7) Primarily represents estimated costs related to store closures and capital market transactions, including approximately $0.6 million and $0.9 million of non-capitalized costs related to the Company's IPO and a proposed secondary offering, in the thirteen weeks and fiscal year ended February 1, 2015, respectively.

About Dave & Buster's Entertainment, Inc.

Founded in 1982 and headquartered in Dallas, Texas, Dave & Buster's Entertainment, Inc., is the parent company of Dave & Buster's, Inc., an owner and operator of 73 venues in North America that combine dining and entertainment and offer customers the opportunity to "Eat Drink Play and Watch," all in one location. Dave & Buster's offers a full menu of "Fun American New Gourmet" entrées and appetizers, a full selection of alcoholic and non-alcoholic beverages, and an extensive assortment of entertainment attractions centered around playing games and watching live sports and other televised events. Dave & Buster's currently has stores in 30 states and Canada.

Forward-Looking Statements

The statements contained in this release that are not historical facts are forward-looking statements. These forward-looking statements involve risks and uncertainties and, consequently, could be affected by the Company's level of indebtedness, general business, market and economic conditions, the impact of competition, the seasonality of the Company's business, adverse weather conditions, future commodity prices, guest and employee complaints and litigation, fuel and utility costs, labor costs and availability, changes in consumer and corporate spending, changes in demographic trends, changes in governmental regulations, unfavorable publicity, the Company's ability to open new stores, and acts of God. Accordingly, actual results may differ materially from the forward-looking statements, and the Company therefore cautions you against relying on such forward-looking statements. Dave & Buster's intends these forward-looking statements to speak only as of the time of this release and does not undertake to update or revise them as more appropriate information becomes available, except as required by law.

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