



Annual Stockholder Meeting Presentation



Atlantis Casino Resort Spa in Reno, NV



Monarch Casino in Black Hawk, CO

June 2016

Forward-Looking Information

This presentation contains certain forward-looking information that generally can be identified by the context of the statement or the use of forward-looking terminology, such as “believes,” “estimates,” “anticipates,” “intends,” “expects,” “plans,” “is confident that,” “should” or words of similar meaning, with reference to Monarch Casino & Resort or our management. Similarly, statements that describe our future plans, objectives, strategies, financial results or position, operational expectations, or goals are forward-looking statements. It is possible that our expectations may not be met due to various factors, many of which are beyond our control, and we therefore cannot give any assurance that such expectations will prove to be correct. For a discussion of relevant factors, risks, and uncertainties that could materially affect our future results, attention is directed to Risk Factors and Management’s Discussion and Analysis of Financial Condition and Results of Operations in our latest 10-Q and other filings under the Securities and Exchange Act of 1934.

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Company Overview

Summary

- **Excellent economic fundamentals in both Reno and Black Hawk markets**
 - Significant influx of business to Reno led by Tesla's \$5 billion battery factory
 - Denver economy remains among the nation's strongest
- **Monarch's properties have the premier locations in both the Reno and Black Hawk markets**
- **Hands-on, results-oriented management with strong operating track record**
 - Increased adjusted EBITDA 55% at Black Hawk in first year of ownership
- **Strong balance sheet with current leverage of 0.7x**
- **Financial overview: 2016 Q1 LTM**
 - All-time high net revenue of \$204.8 million
 - All-time high adjusted EBITDA of \$50.2 million

Company Overview

Regional Summary

Reno, NV

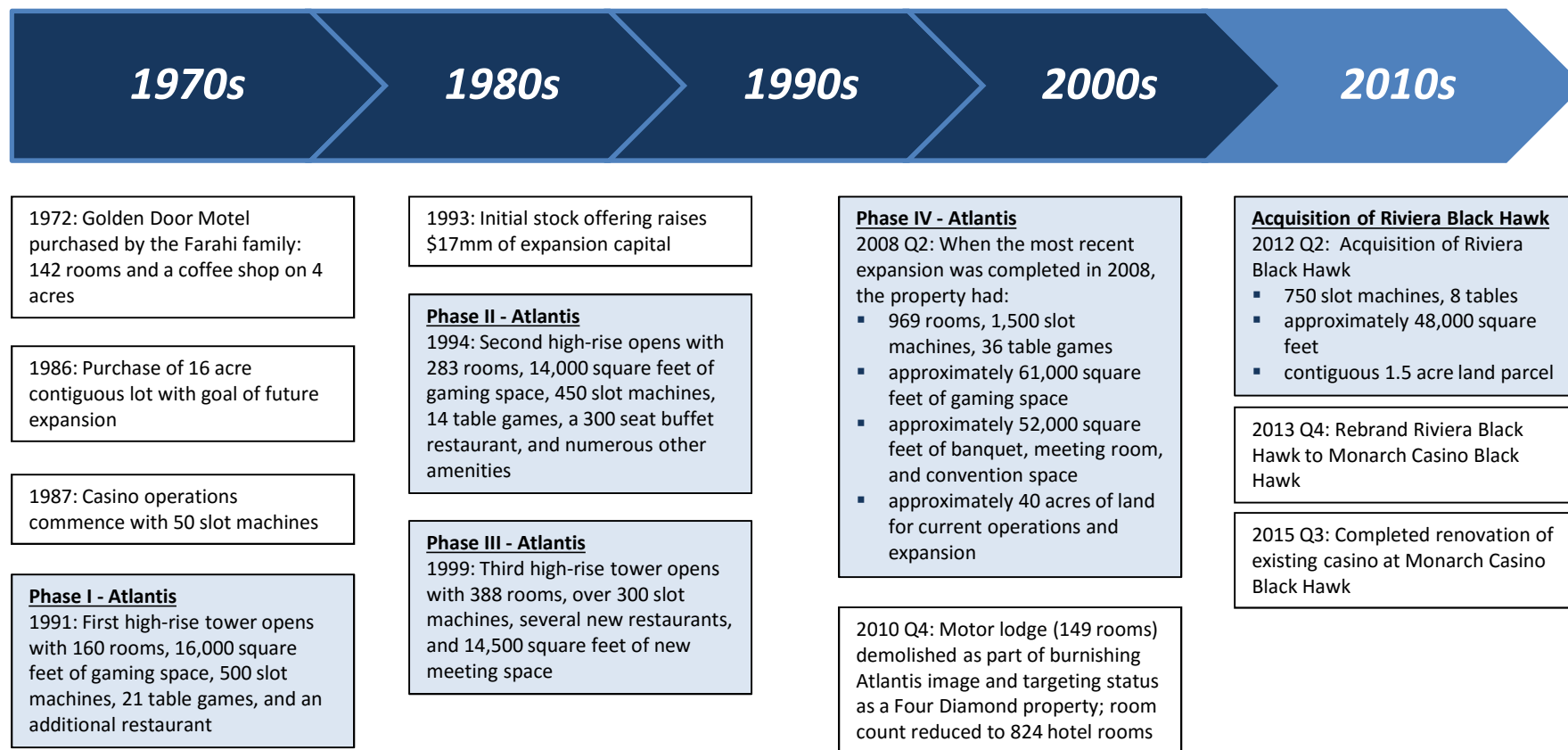
- Atlantis has been upgraded and expanded in recent years
 - Investment of over \$95 million completed in 2009
 - Recently completed redesign and upgrade of Toucan Charlie's Buffet
 - Additional 300 surface parking spaces opened
 - Minimal forward maintenance capex requirements

Black Hawk, CO

- Recently completed redesign of existing casino floor and buffet
- Company is moving forward with the expansion project which will convert Monarch Black Hawk into a full-scale casino resort with approximately 500 hotel rooms
 - New 1,350 space parking structure expected to open in 3Q16

Company Overview

Historic Milestones



Management has established track record of success in executing phased development projects with focus on generating attractive returns; four major projects completed on time and on budget

Company Overview

Positive Market Characteristics for the Reno Market

Reno

Yahoo Finance – **“\$1B Switch Data Center Near Reno Will be World’s Biggest”** – January 16, 2015

Departures Magazine – **“Reno-Vation: The Biggest Little City in the World is proving that America is ready to start making things again”**

“According to the local economic-development office, Reno has attracted about 30 advanced manufacturing companies in the past three years and is working with 20 more.” – March 5, 2015

Bloomberg – **“Nevada Bets \$1.3 Billion on Tesla to Push Beyond Gambling”**

“The state and cities and counties in the Reno area, near the plant, will benefit from its construction and spending by new employees, Moody’s said Sept. 8. Sales taxes are Nevada’s largest revenue source, accounting for 28 percent, Moody’s said. ” – September 10, 2014

New York Times – **“Reno Rolls the Dice on High-Tech: Reno now boasts of e-commerce ventures, an Apple data center, and testing ground for drones.”** – July 6, 2014

Wall Street Journal – **“Reno Sees Future, and It Isn’t Casinos. Unlike Las Vegas, city embraces manufacturing as economic driver”**

“Since 2011, the “Biggest Little City in the World” has recruited about 100 companies to locate or expand here with more than 10,000 new jobs—many cajoled by a former West Point cadet who instilled military discipline into Reno’s economic-development office.” – October 24, 2015

Company Overview

Positive Market Characteristics for the Denver Market

Denver

Denver OED – “In 2014, Downtown Denver received over \$1 billion of development investment, including 482 hotel rooms, 1,148 residences, 275,000 sq. ft. of office space and 170,000 sq. ft. of retail. Looking forward, 20 projects are under construction in 2015, with 15 more planned for development, representing over \$1.9 billion worth of investment.”

The Business Journals – **“Colorado No. 1 for Wind-Energy Manufacturing Jobs”** – April 16, 2015

Investopedia – **“Best U.S. Cities to Become an Entrepreneur”**

“Business costs are below the national average and the city enjoys a young population and low unemployment. Denver currently maintains 172 small businesses per 10,000 people.” – February 20, 2015

The Business Journals – **“Denver’s Economic Growth Rate is Highest in Nation in Q3”**

“Home prices in Denver stood only 3.2 percent below their pre-recession peak by the end of the quarter — the fourth smallest gap among metro areas nationally.” – January 13, 2015

Business Insider – **“The 25 Best Neighborhoods For Young People”**

“Speer is a revitalizing neighborhood in Denver that is dominated by mid- and high-rise apartments and commercial buildings. There are also highly rated bars and breweries. The median rent in Speer is \$902, with residents averaging a median income of \$32,422. 15% of residents are 25 to 34 years old.” – April 18, 2014

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Atlantis Casino Resort Spa

Property Overview

- Opened in 1991
- Facility is very fresh (\$95 million upgrade completed in 2009)
- Identified in March 2015 by USA Today Travel as the #1 casino outside Las Vegas
- Awarded AAA's "Four Diamond Rating" in August 2012 (received by fewer than 5% of AAA's rated properties)
- Forbes 2016 Four-Star Award for Spa Atlantis (only venue in Northern Nevada with this rating)
- Consistently rated #1 Reno resort by TripAdvisor, as well as boasting the #1 and #2 Reno restaurants for Atlantis Steakhouse and Bistro Napa, respectively

Casino

- ~61,000 square foot casino floor
- 1,450 slot and video poker machines and 37 tables
- Race and sports book, 24-hour live keno lounge, poker room

Other Amenities

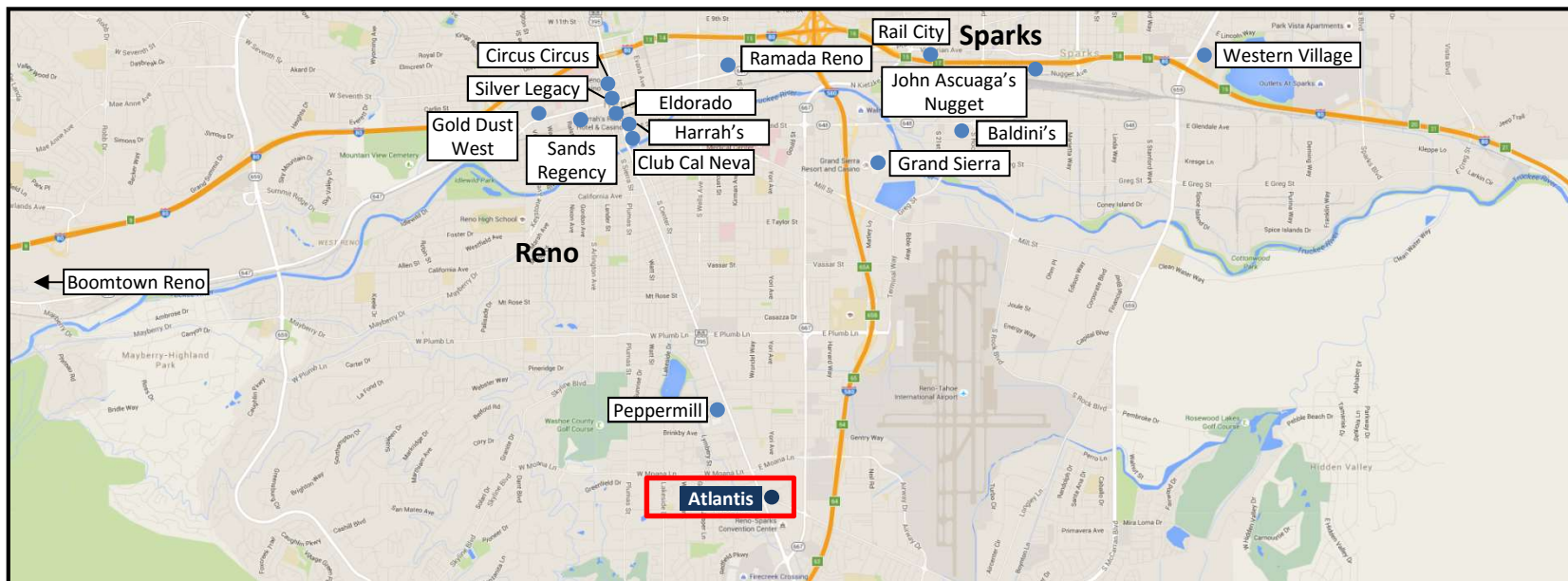
- 3 hotel towers with a total of 824 rooms and suites
- 8 restaurants, 2 coffee bars and 1 snack bar
- ~52,000 square feet of banquet, convention and meeting space



Atlantis Casino Resort Spa

Positioned Near More Affluent South Reno Communities

- Located ~3 miles south of downtown in the generally more affluent area of Reno and ~3 miles from Reno-Tahoe International Airport
 - ~40 acres covering both sides of S. Virginia St. provides opportunity for future development
 - Close to Highway 395 entrance, the main north/south artery in Reno
 - Ideal location in the heart of south Reno's restaurant, shopping and convention district
- 500,000 square foot Reno-Sparks Convention Center located across the street from Atlantis
 - Only resort physically connected to the facility via skywalk
- 40 minute drive from Tahoe's ski resorts and minutes from area golf courses



Source: Monarch Casino & Resort analysis

Atlantis Casino Resort Spa

Reno Growth Drivers

- Reno's economy was historically centered on gaming and entertainment but has recently diversified to a broader base including the healthcare, manufacturing and technology industries as well as a variety of entrepreneurial startups
- Tesla Motors announced the construction of a \$5 billion, 10 million square foot "Gigafactory" which it expects to complete by 2018
 - Tesla's facility has created a halo effect for Reno, spiking interest among other companies looking to either relocate to or establish ancillary offices in Reno
- Significant redevelopment efforts have been made to re-establish the city as a flourishing commercial, cultural and recreational hub

"Since 2011, the "Biggest Little City in the World" has recruited about 100 companies to locate or expand here with more than 10,000 new jobs."

- Wall Street Journal (10/24/15)

"According to the local economic-development office, Reno has attracted about 30 advanced manufacturing companies in the past three years and is working with 20 more."

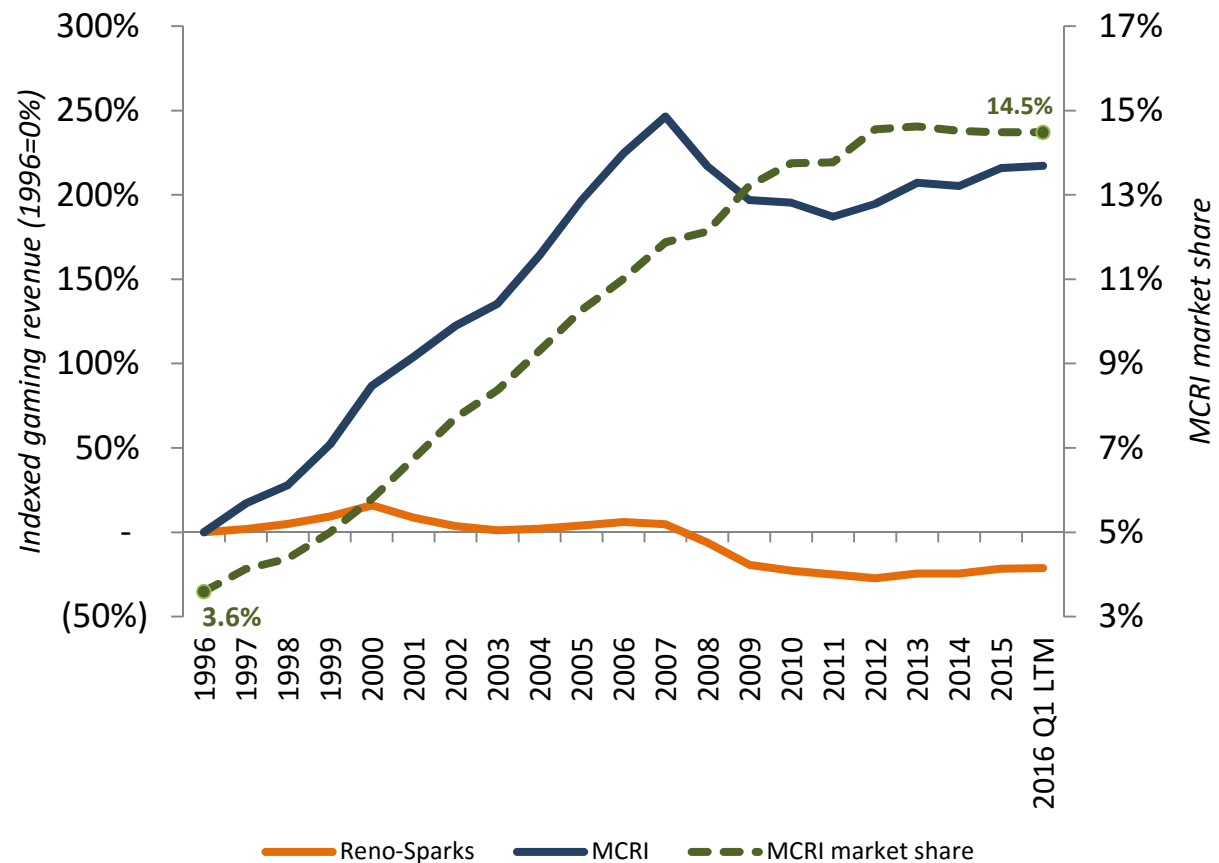
- Departures Magazine (3/5/15)

Atlantis Casino Resort Spa



Atlantis Casino Market Share

- Over the last 18 years, Atlantis has continued to outperform the Reno-Sparks market by focusing on providing best-in-class experiences, amenities, and service for the greater Reno market
- Since the first quarter of 2013, Monarch has actively managed non-profitable “advantage players” out of the business



Monarch has grown revenue through steady and significant market share increases, with a recent focus on profitability over market share

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Monarch Casino Black Hawk

Property Overview

- Acquired in April 2012
- Existing facility redesigned and upgraded from June 2012 to August 2015
- Zoning approval received for master plan of expansion and conversion to resort

Property Amenities

- 32,000 square foot casino with ~719 slots and 14 tables
- Buffet restaurant and snack bar
- Parking structure with ~500 spaces
- Currently no hotel at the property



2012 Acquisition Overview of Black Hawk

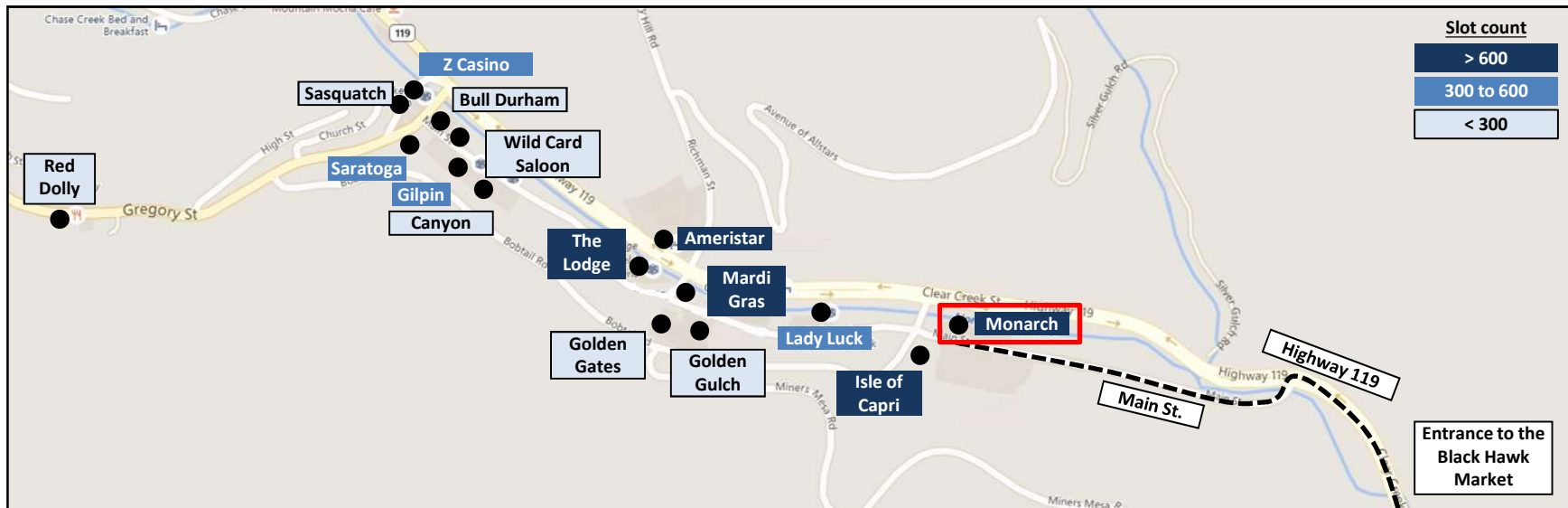
- Transaction purchase price of \$76.0 million cash (\$69.2 million net of \$2.1 million of cash and \$4.7 million of NOLs)
- LTM Adjusted EBITDA of \$10.3 million at time of announcement
- Acquired at 6.7x multiple (4.9x after first year of ownership¹)
- Contiguous 1.5 acre land parcels acquired for \$10 million that received gaming zoning approval

1) Adjusted EBITDA based on LTM Adjusted EBITDA through March 31, 2013. That period includes 26 days in April 2012 prior to Monarch's April 26, 2012 acquisition.

Monarch Casino Black Hawk

Property Location

- Black Hawk, CO is located ~35 miles west of Denver (3.0 million people), ~35 miles southwest of Boulder, ~20 miles west of Golden and ~77 miles east of Vail
- Monarch Black Hawk is strategically located at the entrance to Main Street, Black Hawk's primary access road and casino district
- The property is the first encountered by visitors arriving from Denver and other population centers to the east
- Easily accessible location and attached parking garage provide significant advantages over many of the market's freestanding casinos given the limited amount of convenient and/or covered parking in the area



Monarch Casino Black Hawk

Black Hawk Gaming Market



- 17 casinos
 - 7,865 slot machines
 - 152 table games
 - Only five casinos offer more than 600 slot machines
 - 988 hotel rooms spread across four gaming facilities

- Monarch Casino Black Hawk is the fourth largest property by slot positions

Property Level Detail

Property	Location	Slots ¹	Tables ¹	Rooms ²
Ameristar (PNK)	Black Hawk	1,290	40	536
Isle of Capri (ISLE)	Black Hawk	1,075	25	238
The Lodge (JACENT)	Black Hawk	976	24	50
Monarch Black Hawk	Black Hawk	719	14	-
Mardi Gras (Affinity)	Black Hawk	602	9	-
Lady Luck (ISLE)	Black Hawk	454	10	164
Saratoga Black Hawk	Black Hawk	453	8	-
Z Casino	Black Hawk	425	4	-
Gilpin Casino (JACENT)	Black Hawk	360	6	-
Canyon Casino	Black Hawk	296	5	-
Sasquatch Casino	Black Hawk	275	-	-
Golden Gates (Affinity)	Black Hawk	237	7	-
Wild Card Saloon	Black Hawk	223	-	-
Bull Durham	Black Hawk	186	-	-
Red Dolly Casino	Black Hawk	128	-	-
Grand Plateau	Black Hawk	92	-	-
Golden Gulch (Affinity)	Black Hawk	74	-	-
Black Hawk total	Black Hawk	7,865	152	988

Source: Monarch Casino & Resort analysis, Macquarie, Colorado Department of Revenue, City of Black Hawk

1) Per Colorado Division of Gaming; table counts exclude player banked poker.

2) Per company website or hotel reservation line.

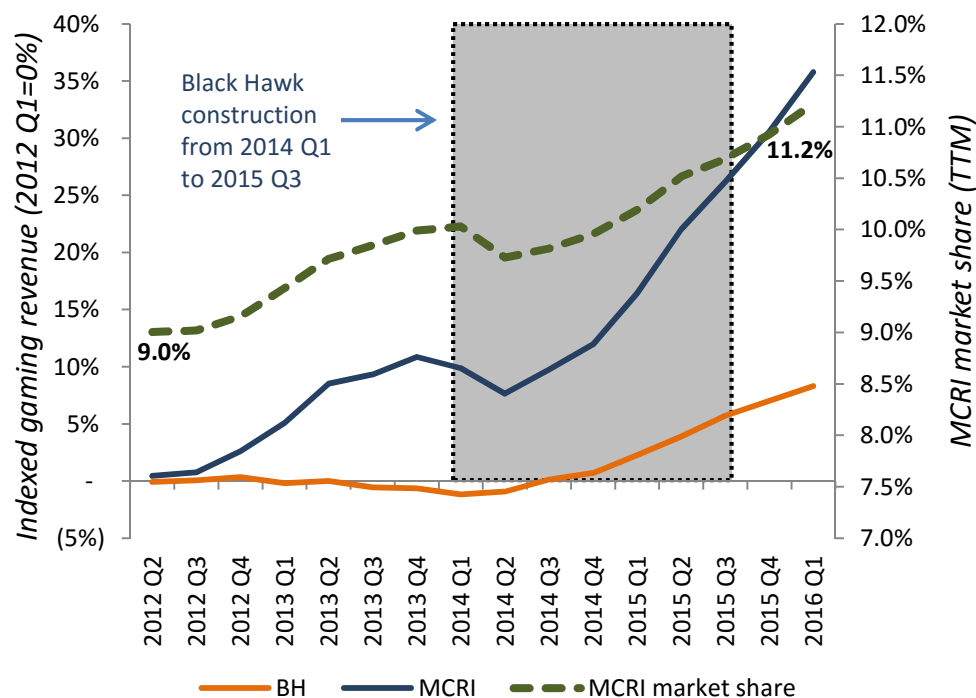
Monarch Casino Black Hawk



Monarch Black Hawk Market Share

- Monarch Casino Black Hawk market share (TTM) has increased since the acquisition
- Market share (TTM) increased 220 bps, or 24%, from 9.0% in Q1 2012 (acquired Q2 2012)
- Despite significant construction disruption and reduced gaming positions, Monarch Casino Black Hawk has grown market share consistently each quarter since Q2 of 2014

MCRI and Black Hawk Indexed Gaming Revenue Growth



Monarch Casino Black Hawk is proving its investment thesis even prior to the resort development, stimulating market growth and growing market share by attracting new guests to its superior product

Monarch Casino Black Hawk

Rationale for Further Investment in Black Hawk

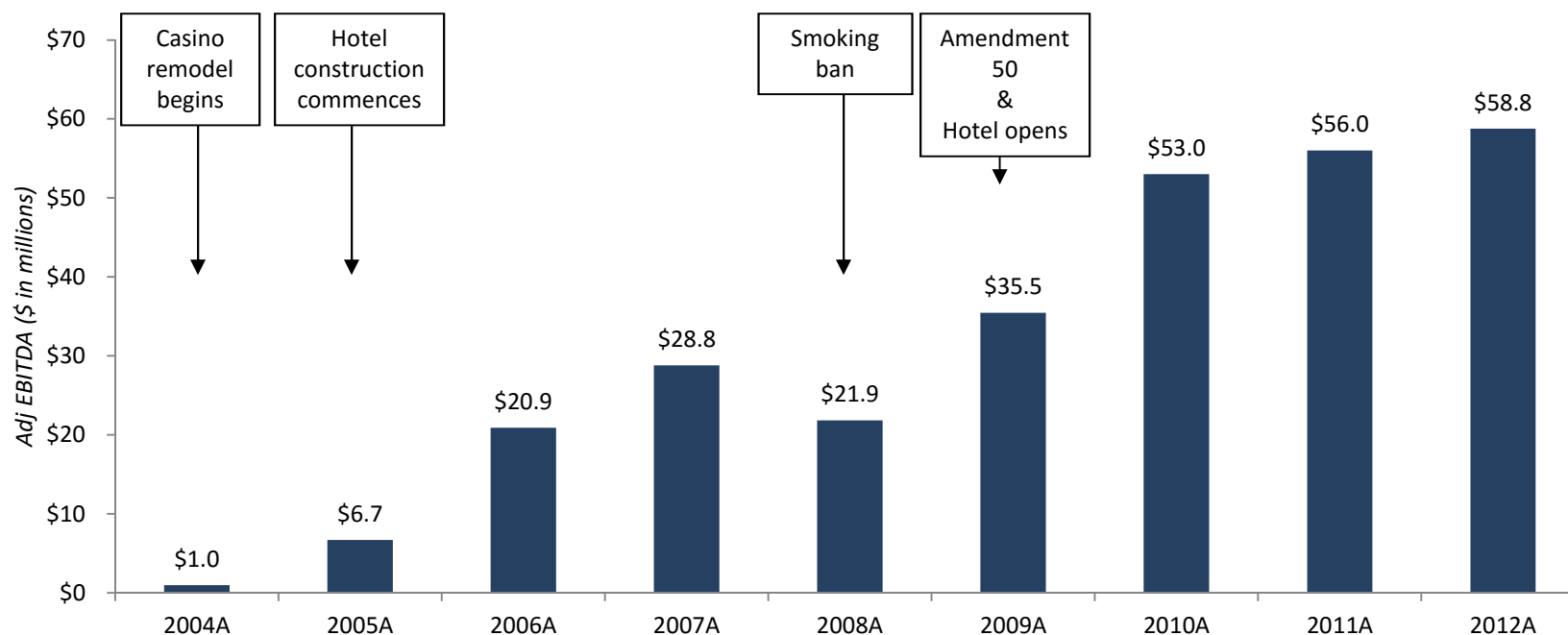
- Denver metro area is an attractive target market
 - Population of more than 3 million
 - Household income in Denver MSA of \$58,732 is 17% above national average
 - Top 20% of personal income growth among all MSAs in nation
 - Third largest supplier of air traffic to Las Vegas (originating passengers only), indicating potential to attract a portion of travelers to a well-appointed resort in Black Hawk
- Black Hawk market is significantly underserved by quality casino entertainment product and hotel rooms
 - Only true “resort quality” product in the market today is Ameristar
 - Reno, with more than 15,000 hotel rooms, has more than 15 times Black Hawk’s room inventory but generates about the same amount of gaming revenue as Black Hawk
 - Adding quality room product expected to grow market and generate attractive return
- Significant barriers to entry limit the threat of potential new competition
 - Scarcity of available and developable land in Black Hawk
 - Commercial gaming in Colorado is restricted to three mountain towns
- Relatively moderate gaming tax rate capped at 20%; any increase would require state-wide voter approval

Monarch Casino Black Hawk

Ameristar Black Hawk Case Study



Annual Adjusted EBITDA and Capital Spend for Ameristar Black Hawk¹



Purchase price	\$117.8							
Capex ²		57.2	48.3	29.1	102.5	74.7	1.6	
Cumulative spend	\$117.8	\$175.0	\$223.3	\$252.4	\$354.9	\$429.6	\$431.2	

Ameristar grew adjusted EBITDA from \$7mm to \$59mm EBITDA (last publicly reported number) driven by \$431mm of investment (\$118mm purchase price and \$313 capex, of which \$233mm was the hotel)

Source: Monarch Casino & Resort analysis, company filings

1) 2012 is the last calendar year available for Ameristar Black Hawk specifically due to the merger with PNK.

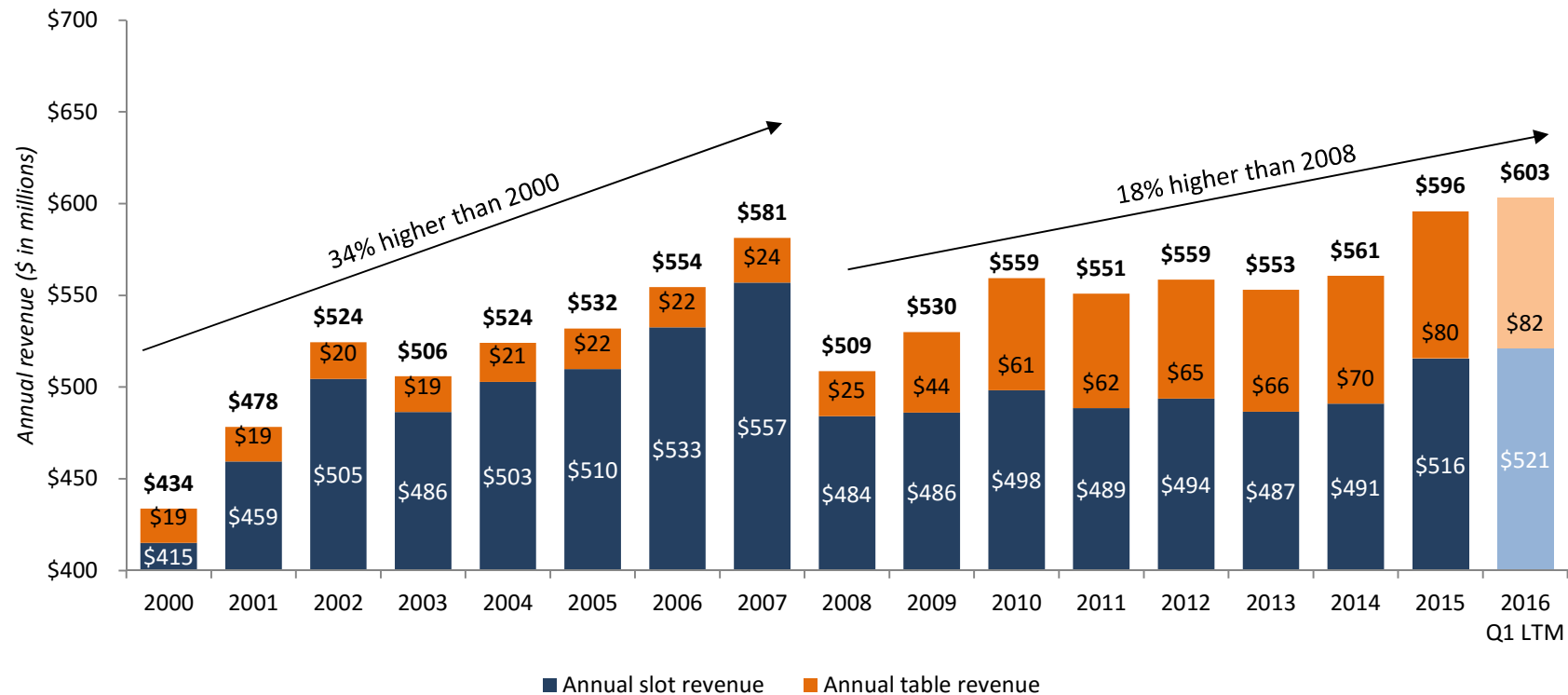
2) Capex numbers are from Ameristar's SEC filings.

Monarch Casino Black Hawk



Black Hawk Total Gaming Revenue¹

Black Hawk Market Performance



*Although impacted by the 2008 smoking ban and the recession,
Black Hawk revenues have proven resilient*

Source: Monarch Casino & Resort analysis, Colorado Department of Revenue

1) Gaming revenue through March 2016.

Monarch Casino Black Hawk



Existing Facility Upgrade

- Interior upgrades completed
 - All aspects of the casino redesigned and upgraded
 - New buffet
 - New front entrance
 - New bar/cabaret lounge
 - New guest service area

- Work left to complete:
 - Exterior upgrade to match expansion

Monarch Casino Black Hawk

Existing Facility Upgrade

Original Cabaret Stage



Phase 1



Phase 2



Phase 3



Monarch Casino Black Hawk

New Parking Structure and Hotel Tower/Casino Expansion

New Parking Structure

- 9-story garage to increase on-site parking from ~500 spaces to ~1,500 spaces
- Remaining cost as of March 31, 2016 of approximately \$7-\$10 million
 - Company expects to fund remaining costs primarily from operating cash flow, and to a lesser extent, from its credit facility

Hotel Tower/Casino Expansion

- Project to include:
 - 23-story tower with approximately 500 hotel rooms
 - Nearly double the existing casino space
 - World-class spa and pool facility on the top floor of hotel tower
 - Three additional restaurants
 - Additional bars
- Total cost of approximately \$229-\$234 million
 - Cost expected to be financed through a combination of cash flow from operations and a planned expansion of credit facility

Monarch Casino Black Hawk



New Parking Structure and Hotel Tower/Casino Expansion

Current Parking Structure



New Parking Structure: Current Progress



Current Facility



Expansion Rendering



Monarch Casino Black Hawk

New Parking Structure and Hotel Tower/Casino Expansion

South View Rendering



Exterior Pool Rendering



Interior Pool Rendering

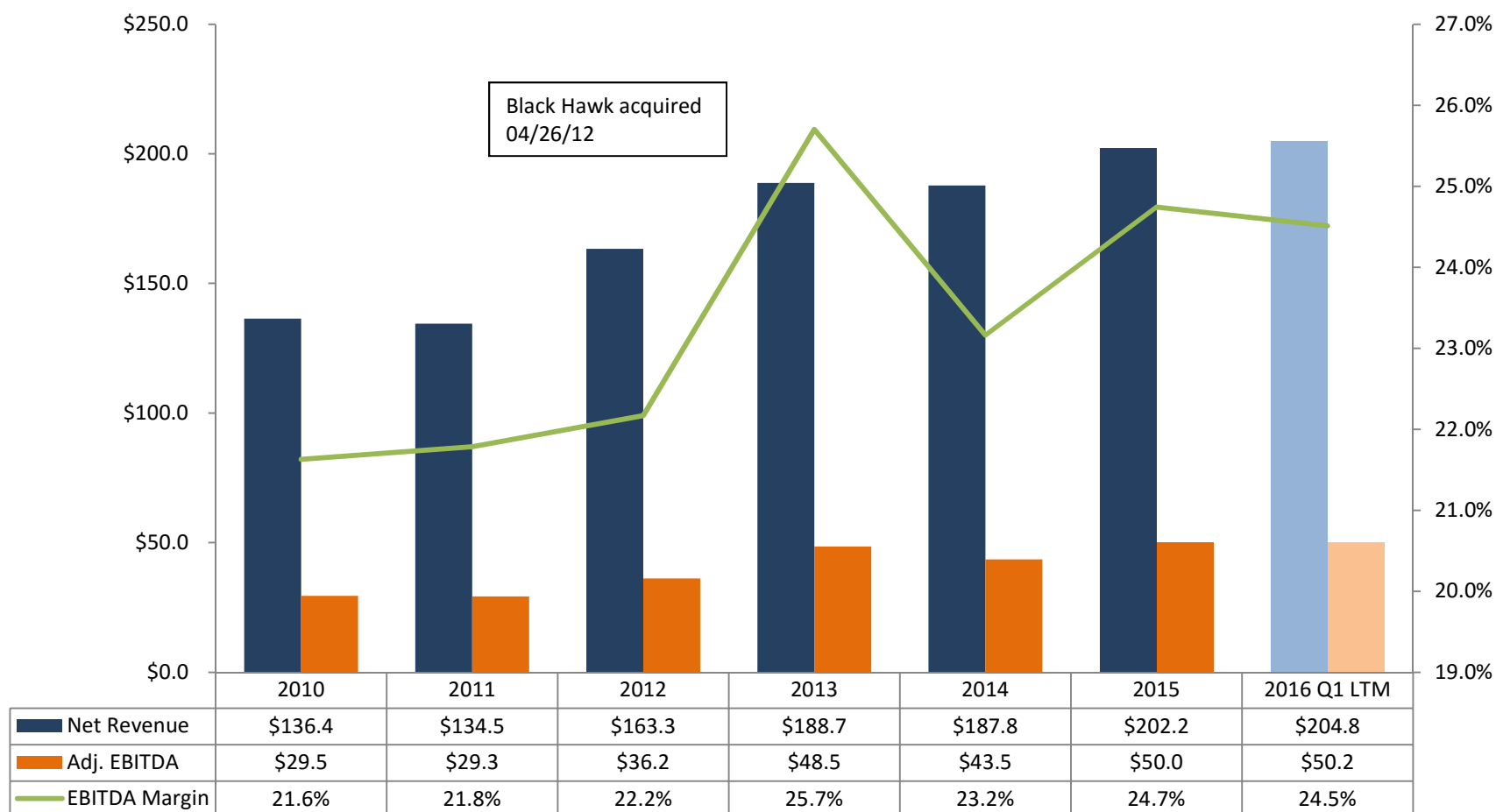


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Monarch Consolidated Results

Income Statement



Q1 2016 LTM net revenue is 8.1% higher and adjusted EBITDA is 13.8% higher than Q1 2015 LTM

Source: Monarch Casino & Resort analysis

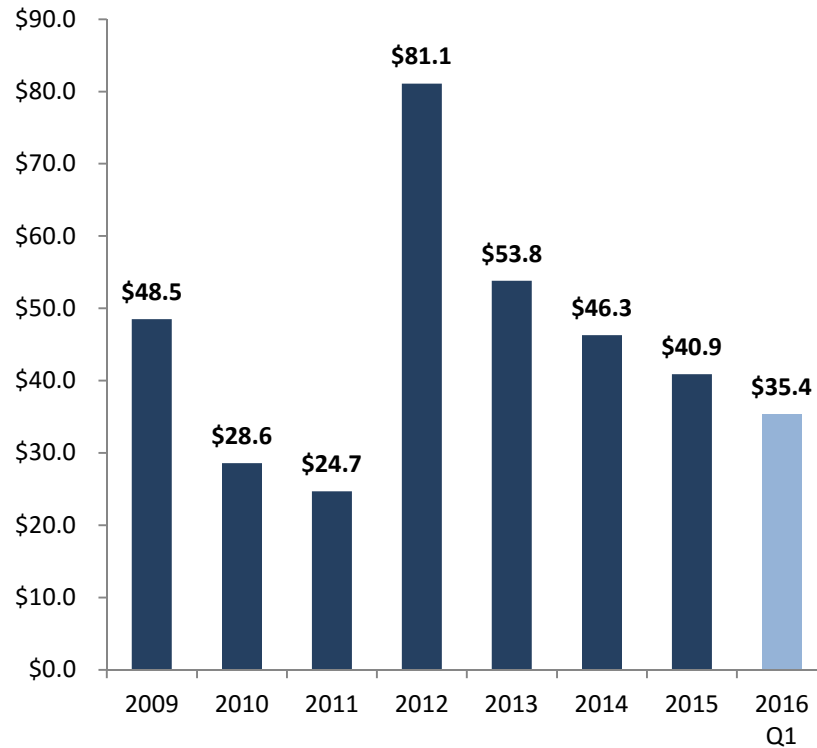
1) Adjusted for stock option expense and one-time charges.

Monarch Consolidated Results

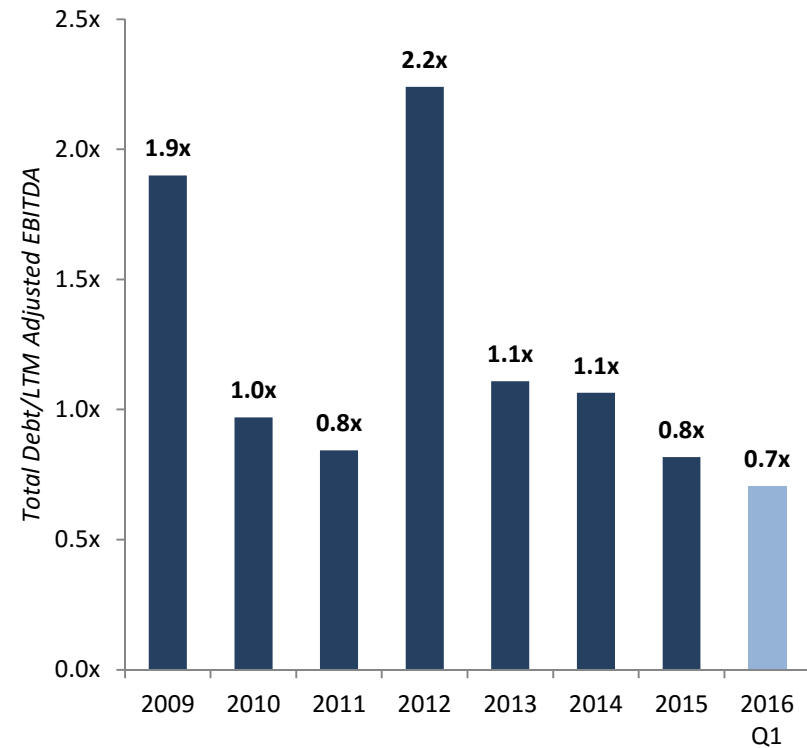
Strong Balance Sheet Position



Total Debt



Leverage Ratio



Leverage remains a low 0.7x

Source: Monarch Casino & Resort analysis

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Conclusion

Summary

- **Reno area attracting strong, diversified, long-term investment led by planned \$5 billion Tesla battery factory**
- Monarch has upgraded and expanded Atlantis through more than \$95 million of investment over the last few years
 - Property requires minimal forward maintenance capex
- Strong Black Hawk results despite construction disruption
 - Market share has improved 24% from 9.0% to 11.2% since acquisition
- Solid, conservative balance sheet with 0.7x leverage
 - Black Hawk expansion to be fully funded by syndicated bank facility
- **Monarch expects to grow shareholder value by capturing a disproportionate share of Reno growth and converting Monarch Black Hawk into a full-scale casino resort**