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For Immediate Release:

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Teton Advisors, Inc. Reports Fourth Quarter and Full Year Results

- **Fourth quarter AUM of \$3.4 billion, up 146% year-over-year**
- **Fourth quarter revenues of \$8.1 million, up 137% year-over-year**
- **Fourth quarter fully diluted EPS of \$0.83 compared with \$0.53 a year ago**
- **Full year fully diluted EPS of \$3.76 compared with \$2.39 a year ago**

Rye, New York, February 26, 2018 – Teton Advisors, Inc. (OTC PINK: TETAA) announced fourth quarter 2017 earnings which included the accretive impact of the February 28, 2017 acquisition of the assets of Keeley Asset Management Corp. (“KAMCO”).

Revenues for the quarter ended December 31, 2017 were \$8.1 million compared with \$3.4 million in the quarter ended December 31, 2016. Current quarter net income and fully diluted earnings per share were \$1.1 million and \$0.83, respectively, compared to \$0.6 million and \$0.53 for the same period a year ago. The quarterly results include recurring non-cash charges related to intangible asset and debt discount amortization. In addition, the company recognized two non-recurring, non-cash charges totaling \$267,000. The first such expense of \$65,000 was attributable to the passage of the Tax Cuts and Jobs Act (the “Tax Act”) in December 2017. The second expense was a \$202,000 impairment charge related to an annual assessment of the value of the company’s intangible assets. Excluding the recurring and non-recurring intangible asset and debt discount amortization non-cash items, cash earnings per share were \$1.31. On October 17, 2017, Teton redeemed 15,000 shares (\$1.5 million) of Series A Preferred stock which was issued in connection with the financing of the KAMCO acquisition.

The December 31, 2017 assets under management of \$3.4 billion represented an increase of \$2.0 billion, or 146% from December 31, 2016. Average AUM was \$3.4 billion for the fourth quarter of 2017 versus \$3.5 billion for the third quarter 2017 and \$1.4 billion for the fourth quarter of 2016.

Full-year revenues were \$30.0 million versus \$13.4 million for the 12-month period ended December 31, 2016. Full-year net income and fully diluted earnings per share were \$4.9 million and \$3.76, respectively, compared to \$2.6 million and \$2.39 for the 12-month period ended December 31, 2016. Excluding the impact of the items described above, cash earnings per share were \$4.94. These full-year results represent ten months of contribution from the KAMCO operations. The Company’s 2017 effective tax rate was 40.5%. As a result of the Tax Act, we anticipate our effective tax rate to be substantially lower going forward.

Further information regarding the KAMCO acquisition can be located on our website at www.tetonadv.com.

On February 23, 2018 Teton’s Board of Directors declared a regular quarterly dividend of \$0.05 per share on its common stock payable on March 27, 2018 to Class A and Class B shareholders of record on March 13, 2018. Teton Advisors also declared a quarterly dividend of \$0.75 per share on its Series A Preferred Stock payable on March 27, 2018 to its Series A Preferred shareholders of record on February 23, 2018.

TABLE I**TETON ADVISORS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

	For the Three Months Ended December 31,	
	2017	2016
Revenues		
Investment advisory fees - mutual funds	\$ 6,917,188	\$ 3,101,015
Investment advisory fees - separate accounts	1,130,631	287,936
Distribution fees and other income	76,933	48,303
Total revenues	<u>8,124,752</u>	<u>3,437,254</u>
Expenses		
Compensation	2,133,236	1,138,349
Marketing and administrative fees	516,344	443,217
Distribution costs and expense reimbursements	1,008,160	332,776
Advanced commissions	53,086	38,658
Sub-advisory fees	1,189,497	75,155
Other operating expenses	509,211	499,905
Total operating expenses	<u>5,409,534</u>	<u>2,528,060</u>
Income before interest, taxes, depreciation & amortization	<u>2,715,218</u>	<u>909,194</u>
Interest expense	272,700	-
Depreciation & amortization	413,601	1,746
Income before income taxes	<u>2,028,917</u>	<u>907,448</u>
Income taxes	926,965	327,081
Net income	<u>\$ 1,101,952</u>	<u>\$ 580,367</u>
Net income per share:		
Basic	<u>\$ 0.90</u>	<u>\$ 0.53</u>
Fully diluted	<u>\$ 0.83</u>	<u>\$ 0.53</u>
Weighted average shares outstanding:		
Basic	<u>1,165,501</u>	<u>1,096,151</u>
Fully diluted	<u>1,268,190</u>	<u>1,100,850</u>
Actual shares outstanding	<u>1,176,883</u>	<u>1,098,267</u>

TABLE II**TETON ADVISORS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

	For the Years Ended December 31,	
	2017	2016
Revenues		
Investment advisory fees - mutual funds	\$ 24,684,739	\$ 11,744,005
Investment advisory fees - separate accounts	4,988,269	1,464,224
Distribution fees and other income	290,276	224,338
Total revenues	29,963,284	13,432,567
Expenses		
Compensation	8,571,309	4,796,860
Marketing and administrative fees	1,936,662	1,701,098
Distribution costs and expense reimbursements	3,363,672	1,066,585
Advanced commissions	197,419	146,566
Sub-advisory fees	3,734,300	303,013
Other operating expenses	2,213,927	1,259,745
Total operating expenses	20,017,289	9,273,867
Income before interest, taxes, depreciation & amortization	9,945,995	4,158,700
Interest expense	854,817	-
Depreciation & amortization	908,036	7,506
Income before income taxes	8,183,142	4,158,700
Income taxes	3,314,454	1,527,267
Net income	\$ 4,868,688	\$ 2,623,927
Net income per share:		
Basic	\$ 4.04	\$ 2.39
Fully diluted	\$ 3.76	\$ 2.39
Weighted average shares outstanding:		
Basic	1,157,272	1,095,994
Fully diluted	1,244,306	1,099,264
Actual shares outstanding	1,176,883	1,098,267

TABLE III

TETON ADVISORS, INC.
UNAUDITED CONDENSED STATEMENTS OF FINANCIAL CONDITION

	December 31, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	\$ 6,570,913	\$ 13,270,301
Investment advisory fees receivable	2,620,591	1,313,412
Deferred tax asset	-	97,091
Goodwill and other identifiable intangible assets	21,961,358	-
Other assets	769,098	392,788
Total assets	<u>\$ 31,921,960</u>	<u>\$ 15,073,592</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Payable to affiliates	\$ 732,491	\$ 502,239
Compensation payable	69,000	306,801
Deferred taxes payable, net	35,569	-
Distribution costs payable	456,863	159,186
Accrued expenses and other liabilities	1,372,025	1,084,521
Subtotal liabilities	<u>2,665,948</u>	<u>2,052,747</u>
Long-term debt	3,183,733	-
Total liabilities	<u>5,849,681</u>	<u>2,052,747</u>
Commitments and contingencies		
Series A redeemable preferred stock, \$0.001 par value 75,000 and zero shares authorized; 75,000 shares issued. 60,000 and zero shares outstanding (Liquidation preference of \$6,360,000), net of discount	5,155,088	-
Stockholders' equity		
Class A Common Stock, \$0.001 par value; 1,700,000 shares authorized; 985,825 and 975,403 shares issued, respectively; 845,966 and 766,928 shares outstanding, respectively	974	974
Class B Common Stock, \$0.001 par value; 800,000 shares authorized; 792,000 shares issued; 330,917 and 331,339 shares outstanding, respectively	339	339
Additional paid-in capital	5,005,224	644,628
Treasury stock, at cost	(1,837,826)	(2,308,830)
Retained earnings	17,748,480	14,683,734
Total stockholders' equity	<u>20,917,191</u>	<u>13,020,845</u>
Total liabilities and stockholders' equity	<u>\$ 31,921,960</u>	<u>\$ 15,073,592</u>

Supplemental Financial Information

As supplemental information, we provide a non-U.S. generally accepted accounting principles (“non-GAAP”) performance measure that we refer to as Cash Earnings. We provide this measure in addition to, but not as a substitute for, net income reported on a U.S. generally accepted accounting principles (“GAAP”) basis. Our management and the Board of Directors review Cash Earnings to evaluate our ongoing performance, allocate resources and review our dividend policy. We believe that this non-GAAP performance measure, while not a substitute for GAAP net income, is useful for management and investors when evaluating our underlying operating and financial performance and our available resources. We do not advocate that investors consider this non-GAAP measure without considering financial information prepared in accordance with GAAP.

In calculating Cash Earnings, we add back to net income the non-cash expense associated with the amortization of debt discount and intangible amortization expense incurred in connection with the KAMCO acquisition. Although depreciation on property & equipment and amortization of leaseholds are also non-cash expenses, we do not add it back when calculating Cash Earnings because those charges represent a decline in the value of the related assets that will ultimately require replacement.

The following table provides a reconciliation of net income to Cash Earnings for the periods presented:

	<u>For the Years Ended December 31,</u>		<u>For the Three Months Ended December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net income	\$ 4,868,688	\$ 2,623,927	\$ 1,101,952	\$ 580,367
Add: Debt discount amortization	586,193	-	197,700	-
Add: Intangible amortization	883,481	-	406,444	-
Cash Earnings	<u>\$ 6,338,362</u>	<u>\$ 2,623,927</u>	<u>\$ 1,706,096</u>	<u>\$ 580,367</u>
Cash Earnings Per Share	<u>\$ 4.94</u>	<u>\$ 2.39</u>	<u>\$ 1.31</u>	<u>\$ 0.53</u>

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SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Our disclosure and analysis in this press release contain some forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. Such statements are subject to contingencies and uncertainties, some or all of which may be material. We direct your attention to the cautionary statements regarding forward-looking information set forth in documents on Teton’s website. We do not undertake to update publicly any forward-looking statements if we subsequently learn that we are unlikely to achieve our expectations or if we receive any additional information relating to the subject matters of our forward-looking statements.