REGIS CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

We believe our presentation of non-GAAP operating loss, net (loss) income, net (loss) income per diluted share, and other non-GAAP financial measures provides meaningful insight into our ongoing operating performance and an alternative perspective of our results of operations. Presentation of the non-GAAP measures allows investors to review our core ongoing operating performance from the same perspective as management and the Board of Directors. These non-GAAP financial measures provide investors an enhanced understanding of our operations, facilitate investors' analyses and comparisons of our current and past results of operations and provide insight into the prospects of our future performance. We also believe the non-GAAP measures are useful to investors because they provide supplemental information research analysts frequently use to analyze financial performance.

The method we use to produce non-GAAP results is not in accordance with U.S. GAAP and may differ from methods used by other companies. These non-GAAP results should not be regarded as a substitute for corresponding U.S. GAAP measures but instead should be utilized as a supplemental measure of operating performance in evaluating our business. Non-GAAP measures do have limitations as they do not reflect certain items that may have a material impact upon our reported financial results. As such, these non-GAAP measures should be viewed in conjunction with our financial statements prepared in accordance with U.S. GAAP and the reconciliation of the selected U.S. GAAP to non-GAAP financial measures, which are included below.

Information concerning potential factors that could affect future financial results is set forth in the Company's Annual Report on Form 10-K for the year ended June 30, 2020. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. However, your attention is directed to any further disclosures made in our subsequent annual and periodic reports filed or furnished with the SEC on Forms 10-K, 10-Q and 8-K and Proxy Statements on Schedule 14A.

Non-GAAP Reconciliations:

We believe our presentation of non-GAAP operating loss, net (loss) income, net (loss) income per diluted share, and other non-GAAP financial measures provides meaningful insight into our ongoing operating performance and an alternative perspective of our results of operations. Presentation of the non-GAAP measures allows investors to review our core ongoing operating performance from the same perspective as management and the Board of Directors. These non-GAAP financial measures provide investors an enhanced understanding of our operations, facilitate investors' analyses and comparisons of our current and past results of operations and provide insight into the prospects of our future performance. We also believe the non-GAAP measures are useful to investors because they provide supplemental information that research analysts frequently use to analyze financial performance.

The method we use to produce non-GAAP results is not in accordance with U.S. GAAP and may differ from methods used by other companies. These non-GAAP results should not be regarded as a substitute for corresponding U.S. GAAP measures, but instead should be utilized as a supplemental measure of operating performance in evaluating our business. Non-GAAP measures do have limitations as they do not reflect certain items that may have a material impact upon our reported financial results. As such, these non-GAAP measures should be viewed in conjunction with our financial statements prepared in accordance with U.S. GAAP.

Non-GAAP reconciling items for the three and six months ended December 31, 2020 and 2019:

The following information is provided to give qualitative and quantitative information related to items impacting comparability. Items impacting comparability are not defined terms within U.S. GAAP. Therefore, our non-GAAP financial information may not be comparable to similarly titled measures reported by other companies. We determine which items to consider as "items impacting comparability" based on how management views our business, makes financial, operating and planning decisions and evaluates the Company's ongoing performance. The following items have been excluded from our non-GAAP results:

- Employee litigation reserve
- Professional fees
- Severance expense
- CEO transition
- Corporate office transition
- Benefit from lease liability decrease in excess of previously impaired ROUA ("Lease Liability Benefit")
- Lease termination fees
- Real estate fees
- Asset retirement obligations
- Long-lived asset impairment
- TBG restructuring
- Goodwill derecognition
- TBG discontinued operations

– more –

REGIS CORPORATION
Reconciliation Of Selected U.S. GAAP To Non-GAAP Financial Measures
(Dollars in thousands, except per share data)
(Unaudited)

Reconciliation of U.S. GAAP operating loss and U.S. GAAP net loss to equivalent non-GAAP measures

		Three Months Ended December 31,		Six Months Ended December 31,	
	U.S. GAAP financial line item	**2020**	**2019**	**2020**	**2019**
U.S. GAAP revenue		**$ 104,320**	**$ 208,765**	**$ 215,716**	**$ 455,803**
U.S. GAAP operating loss		**$ (26,755)**	**$ (7,466)**	**$ (58,345)**	**$ (17,372)**
Non-GAAP operating expense adjustments (1)					
Employee litigation reserve	Site operating expenses	—	(600)	—	(600)
Professional fees	General and administrative	1,216	115	2,943	115
Severance	General and administrative	2,022	497	2,391	2,917
CEO Transition	General and administrative	—	—	(1,294)	—
Corporate office transition	Rent	—	404	—	404
Lease liability benefit	Rent	(2,226)	—	(8,286)	—
Lease termination fees	Rent	1,117	—	6,670	—
Real estate fees	Rent	375	—	375	—
Asset retirement obligation	Depreciation and amortization	1,383	—	2,672	—
Long-lived asset impairment	Long-lived asset impairment	3,160	—	8,984	—
TBG restructuring	TBG restructuring	—	968	—	2,468
Total non-GAAP operating expense adjustments		7,047	1,384	14,455	5,304
Non-GAAP operating loss (1)		**$ (19,708)**	**$ (6,082)**	**$ (43,890)**	**$ (12,068)**
U.S. GAAP net loss		**$ (32,879)**	**$ (16,441)**	**$ (68,144)**	**$ (30,246)**
Non-GAAP net income adjustments:					
Non-GAAP revenue adjustments		—	—	—	—
Non-GAAP operating expense adjustments		7,047	1,384	14,455	5,304
Corporate office transition	Interest income and other, net	—	(2,513)	—	(2,513)
Goodwill derecognition	Interest income and other, net	—	27,400	—	59,480
Income tax impact on Non-GAAP adjustments (2)	Income taxes	(70)	(5,129)	(144)	(13,051)
TBG discontinued operations, net of income tax	Loss from discontinued operations, net of tax	—	(79)	—	(452)
Total non-GAAP net income adjustments		6,977	21,063	14,311	48,768
Non-GAAP net (loss) income		**$ (25,902)**	**$ 4,622**	**$ (53,833)**	**$ 18,522**

(1) Adjusted operating margins for the three months ended December 31, 2020 and 2019 were 18.9% and 2.9%, and were 20.3% and 2.6% for the six months ended December 31, 2020 and 2019, respectively, and are calculated as non-GAAP operating loss divided by U.S. GAAP revenue for each respective period.

(2) Based on projected statutory effective tax rate analyses, the non-GAAP tax provision was calculated to be approximately 1% and 22% for the three and six months ended December 31, 2020 and 2019, respectively, for all non-GAAP operating expense adjustments.

– more –

REGIS CORPORATION
Reconciliation Of Selected U.S. GAAP To Non-GAAP Financial Measures
(Dollars in thousands, except per share data)
(Unaudited)

Reconciliation of U.S. GAAP net loss per diluted share to non-GAAP net (loss) income per diluted share

	Three Months Ended December 31,		Six Months Ended December 31,	
	2020	**2019**	**2020**	**2019**
U.S. GAAP net loss per diluted share	**$ (0.915)**	**$ (0.459)**	**$ (1.899)**	**$ (0.840)**
Employee litigation reserve (1)	—	(0.013)	—	(0.013)
Professional fees (1)	0.034	0.002	0.081	0.002
Severance (1)	0.055	0.010	0.067	0.061
CEO Transition (1)	—	—	(0.036)	—
Corporate office transition (1)	—	(0.044)	—	(0.044)
Lease liability benefit (1)	(0.061)	—	(0.229)	—
Lease termination fees (1)	0.031	—	0.184	—
Real estate fees (1)	0.010	—	0.010	—
Asset retirement obligation (1)	0.038	—	0.074	—
Long-lived asset impairment (1)	0.087	—	0.248	—
TBG restructuring (1)	—	0.020	—	0.052
Goodwill derecognition (1)	—	0.593	—	1.259
TBG discontinued operations, net of tax	—	(0.002)	—	(0.012)
Impact of change in weighted average shares (3)	—	0.018	—	0.031
Non-GAAP net (loss) income per diluted share (2)	**$ (0.721)**	**$ 0.125**	**$ (1.500)**	**$ 0.496**
U.S. GAAP Weighted average shares - basic	**35,931**	**35,798**	**35,889**	**36,028**
U.S. GAAP Weighted average shares - diluted	**35,931**	**35,798**	**35,889**	**36,028**
Non-GAAP Weighted average shares - diluted (3)	**35,931**	**37,120**	**35,889**	**37,366**

(1) Based on projected statutory effective tax rate analyses, the non-GAAP tax provision was calculated to be approximately 1% and 22% for the three and six months ended December 31, 2020 and 2019, respectively, for all non-GAAP operating expense adjustments.

(2) Total is a recalculation; line items calculated individually may not sum to total due to rounding.

(3) Non-GAAP net (loss) income per share reflects the weighted average shares associated with non-GAAP net (loss) income, which includes the dilutive effect of common stock equivalents. The earnings per share impact of the adjustments for the three and six months ended December 31, 2019 included additional shares for common stock equivalents of 1.3 million. The impact of the adjustments described above result in the impact of the common stock equivalents to be dilutive to the non-GAAP net income per share. For the three and six months ended December 31, 2020, the impact of the adjustments described above resulted in a non-GAAP net loss, therefore, the impact of the common stock equivalents is not dilutive.

REGIS CORPORATION
Reconciliation Of Reported U.S. GAAP Net Income (Loss) To Adjusted EBITDA, A Non-GAAP Financial Measure
(Dollars in thousands)
(Unaudited)

Adjusted EBITDA

EBITDA represents U.S. GAAP net (loss) income for the respective period excluding interest expense, income taxes and depreciation and amortization expense. The Company defines adjusted EBITDA, as EBITDA excluding identified items impacting comparability for each respective period. For the three and six months ended December 31, 2020, the items impacting comparability consisted of the items identified in the non-GAAP reconciling items for the respective periods. The impacts of the income tax provision adjustments associated with the above items are already included in the U.S. GAAP reported net (loss) income to EBITDA reconciliation, therefore there is no adjustment needed for the reconciliation from EBITDA to adjusted EBITDA.

	Three Months Ended December 31, 2020			
	Franchise	Company-owned	Corporate	Consolidated (1)
Consolidated reported net income (loss), as reported (U.S. GAAP)	**$ 10,430**	**$ (17,370)**	**$ (25,939)**	**$ (32,879)**
Interest expense, as reported	—	—	3,701	3,701
Income taxes, as reported	—	—	(400)	(400)
Depreciation and amortization, as reported	289	4,311	1,788	6,388
Long-lived asset impairment	94	3,066	—	3,160
EBITDA (as defined above)	**$ 10,813**	**$ (9,993)**	**$ (20,850)**	**$ (20,030)**
Professional fees	—	—	1,216	1,216
Severance	—	—	2,022	2,022
Lease liability benefit	(34)	(2,192)	—	(2,226)
Lease termination fees	—	1,117	—	1,117
Real estate fees	—	375	—	375
Adjusted EBITDA, non-GAAP financial measure	**$ 10,779**	**$ (10,693)**	**$ (17,612)**	**$ (17,526)**

	Three Months Ended December 31, 2019			
	Franchise	Company-owned	Corporate	Consolidated (1)
Consolidated reported net income (loss), as reported (U.S. GAAP)	**$ 12,126**	**$ (1,105)**	**$ (27,462)**	**$ (16,441)**
Interest expense, as reported	—	—	1,464	1,464
Income taxes, as reported	—	—	(1,948)	(1,948)
Depreciation and amortization, as reported	210	5,938	1,599	7,747
EBITDA (as defined above)	**$ 12,336**	**$ 4,833**	**$ (26,347)**	**$ (9,178)**
Professional fees	—	—	115	115
Severance	—	—	497	497
Employee litigation reserve	—	(600)	—	(600)
TBG restructuring	722	—	246	968
Corporate office transition	—	—	(2,109)	(2,109)
Goodwill derecognition	—	—	27,400	27,400
TBG discontinued operations, net of income tax	—	—	(79)	(79)
Adjusted EBITDA, non-GAAP financial measure	**$ 13,058**	**$ 4,233**	**$ (277)**	**$ 17,014**

____

(1) Consolidated EBITDA margins for the three months ended December 31, 2020 and 2019 were (19.2)% and (4.4)%, respectively, and are calculated as EBITDA (as defined above) divided by U.S. GAAP revenue for each respective period. Consolidated adjusted EBITDA margins for the three months ended December 31, 2020 and 2019 were (16.8)% and 8.1%, respectively, and are calculated as adjusted EBITDA divided by U.S. GAAP revenue for each respective period.

	Six Months Ended December 31, 2020			
	Franchise	**Company-owned**	**Corporate**	**Consolidated (1)**
Consolidated reported net income (loss), as reported (U.S. GAAP)	**$ 16,776**	**$ (38,116)**	**$ (46,804)**	**$ (68,144)**
Interest expense, as reported	—	—	7,463	7,463
Income taxes, as reported	—	—	(1,035)	(1,035)
Depreciation and amortization, as reported	563	9,393	3,808	13,764
Long-lived asset impairment	704	8,280	—	8,984
EBITDA (as defined above)	**$ 18,043**	**$ (20,443)**	**$ (36,568)**	**$ (38,968)**
Professional fees	—	—	2,943	2,943
Severance	—	—	2,391	2,391
CEO Transition	—	—	(1,294)	(1,294)
Lease liability benefit	(298)	(7,988)	—	(8,286)
Lease termination fees	—	6,670	—	6,670
Real estate fees	—	375	—	375
Adjusted EBITDA, non-GAAP financial measure	**$ 17,745**	**$ (21,386)**	**$ (32,528)**	**$ (36,169)**

	Six Months Ended December 31, 2019			
	Franchise	**Company-owned**	**Corporate**	**Consolidated (1)**
Consolidated reported net income (loss), as reported (U.S. GAAP)	**$ 22,335**	**$ 4,296**	**$ (56,877)**	**$ (30,246)**
Interest expense, as reported	—	—	2,903	2,903
Income taxes, as reported	—	—	(4,804)	(4,804)
Depreciation and amortization, as reported	370	12,045	4,712	17,127
EBITDA (as defined above)	**$ 22,705**	**$ 16,341**	**$ (54,066)**	**$ (15,020)**
Professional fees	—	—	115	115
Severance	—	—	2,917	2,917
Employee litigation reserve	—	(600)	—	(600)
TBG restructuring	2,222	—	246	2,468
Corporate office transition	—	—	(2,109)	(2,109)
Goodwill derecognition	—	—	59,480	59,480
TBG discontinued operations	—	—	(452)	(452)
Adjusted EBITDA, non-GAAP financial measure	**$ 24,927**	**$ 15,741**	**$ 6,131**	**$ 46,799**

(1) Consolidated EBITDA margins for the six months ended December 31, 2020 and 2019 were (18.1)% and (3.3)%, respectively, and are calculated as EBITDA (as defined above) divided by U.S. GAAP revenue for each respective period. Consolidated adjusted EBITDA margins for the six months ended December 31, 2020 and 2019 were (16.8)% and 10.3%, respectively, and are calculated as adjusted EBITDA divided by adjusted U.S. GAAP revenue for each respective period.

REGIS CORPORATION
Reconciliation Of Reported Franchise EBITDA As A Percent Of U.S. GAAP Revenue
To EBITDA As A Percent Of Adjusted Revenue
(Dollars in thousands)
(Unaudited)

	Three Months Ended December 31,	
	2020	**2019**
As Adjusted EBITDA	$ 10,779	$ 13,058
U.S. GAAP revenue	66,423	79,841
As Adjusted EBITDA as a % of U.S. GAAP revenue	*16.2 %*	*16.4 %*
Non-margin revenue adjustments:		
Franchise rental income	(32,285)	(33,630)
Ad Fund revenue	(4,715)	(10,703)
TBG product sales	—	(744)
Adjusted revenue	$ 29,423	$ 34,764
As Adjusted EBITDA as a percent of adjusted revenue (1)	*36.6 %*	*37.6 %*

	Six Months Ended December 31,	
	2020	**2019**
As Adjusted EBITDA	$ 17,745	$ 24,927
U.S. GAAP revenue	130,404	152,387
As Adjusted EBITDA as a % of U.S. GAAP revenue	*13.6 %*	*16.4 %*
Non-margin revenue adjustments:		
Franchise rental income	(64,568)	(65,054)
Ad Fund revenue	(9,224)	(21,129)
TBG product sales	—	(2,010)
Adjusted revenue	$ 56,612	$ 64,194
As Adjusted EBITDA as a percent of adjusted revenue (1)	*31.3 %*	*38.8 %*

(1) Total is a recalculation; line items calculated individually may not sum to total due to rounding.

– end–