

**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:**

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**Non-GAAP reconciling items for the three and nine months ended March 31, 2021 and 2020:**

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 the 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 impairment
- Gain on distribution centers
- Goodwill derecognition
- TBG discontinued operations

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**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				
U.S. GAAP financial line item	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
<b>U.S. GAAP revenue</b>	<b>\$ 100,267</b>	<b>\$ 153,783</b>	<b>\$ 315,983</b>	<b>\$ 609,586</b>
<b>U.S. GAAP operating loss</b>	<b>\$ (18,541)</b>	<b>\$ (59,399)</b>	<b>\$ (76,886)</b>	<b>\$ (76,771)</b>
<b>Non-GAAP operating expense adjustments (1)</b>				
Employee litigation reserve	Site operating expenses	—	—	(600)
Professional fees	General and administrative	480	(138)	223
Severance	General and administrative	848	5,136	8,053
CEO transition	General and administrative	300	—	(994)
Corporate office transition	Rent	—	515	919
Lease liability benefit	Rent	(3,009)	—	(11,295)
Lease termination fees	Rent	(147)	—	6,523
Real estate fees	Rent	158	—	534
Asset retirement obligation	Depreciation and amortization	774	—	3,447
Long-lived asset impairment	Long-lived asset impairment	833	—	9,817
TBG restructuring	TBG restructuring	—	146	2,368
Goodwill impairment	Goodwill impairment	—	40,164	40,164
Total non-GAAP operating expense adjustments		237	45,823	14,693
<b>Non-GAAP operating loss (1)</b>		<b>\$ (18,304)</b>	<b>\$ (13,576)</b>	<b>\$ (62,193)</b>
<b>U.S. GAAP net loss</b>		<b>\$ (10,847)</b>	<b>\$ (67,541)</b>	<b>\$ (78,991)</b>
<b>Non-GAAP net income adjustments:</b>				
Non-GAAP revenue adjustments		—	—	—
Non-GAAP operating expense adjustments		237	45,823	14,693
Gain on distribution centers	Interest income and other, net	(14,878)	—	(14,878)
Corporate office transition	Interest income and other, net	—	—	(2,513)
Goodwill derecognition	Interest income and other, net	—	17,486	76,966
Income tax impact on Non-GAAP adjustments (2)	Income taxes	148	509	4
TBG discontinued operations, net of income tax	Loss from discontinued operations, net of tax	—	(301)	(753)
Total non-GAAP net income adjustments		(14,493)	63,517	(181)
<b>Non-GAAP net (loss) income</b>		<b>\$ (25,340)</b>	<b>\$ (4,024)</b>	<b>\$ (79,172)</b>

- (1) Adjusted operating margins for the three months ended March 31, 2021 and 2020 were (18.3)% and (8.8)%, and were (19.7)% and (4.2)% for the nine months ended March 31, 2021 and 2020, 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% for the three and nine months ended March 31, 2021, respectively, and 22% for the three and nine months ended March 31, 2020, respectively, for all non-GAAP operating expense adjustments.

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**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 March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
<b>U.S. GAAP net loss per diluted share</b>	<b>\$ (0.301)</b>	<b>\$ (1.884)</b>	<b>\$ (2.199)</b>	<b>\$ (2.719)</b>
Employee litigation reserve (1)	—	—	—	(0.013)
Professional fees (1)	0.014	(0.003)	0.094	0.005
Severance (1)	0.023	0.112	0.089	0.169
CEO Transition (1)	0.008	—	(0.027)	—
Corporate office transition (1)	—	0.011	—	(0.034)
Lease liability benefit (1)	(0.083)	—	(0.311)	—
Lease termination fees (1)	(0.004)	—	0.180	—
Real estate fees (1)	0.004	—	0.015	—
Asset retirement obligation (1)	0.021	—	0.095	—
Long-lived asset impairment (1)	0.023	—	0.270	—
TBG restructuring (1)	—	0.003	—	0.050
Goodwill impairment (1)	—	0.863	—	0.833
Goodwill derecognition (1)	—	0.373	—	1.629
Gain on distribution centers (1)	(0.409)	—	(0.410)	—
TBG discontinued operations, net of tax	—	(0.008)	—	(0.020)
CARES Act	—	0.409	—	0.395
Tax asset valuation	—	0.012	—	0.012
<b>Impact of change in weighted average shares (3)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.084</b>
<b>Non-GAAP net (loss) income per diluted share (2)</b>	<b>\$ (0.704)</b>	<b>\$ (0.112)</b>	<b>\$ (2.204)</b>	<b>\$ 0.391</b>
U.S. GAAP Weighted average shares - basic	<b>36,011</b>	<b>35,815</b>	<b>35,929</b>	<b>35,958</b>
U.S. GAAP Weighted average shares - diluted	<b>36,011</b>	<b>35,815</b>	<b>35,929</b>	<b>35,958</b>
Non-GAAP Weighted average shares - diluted (3)	<b>36,011</b>	<b>35,815</b>	<b>35,929</b>	<b>37,103</b>

- (1) Based on projected statutory effective tax rate analyses, the non-GAAP tax provision was calculated to be approximately 1% for the three and nine months ended March 31, 2021, respectively, and 22% for the three and nine months ended March 31, 2020, 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 nine months ended March 31, 2020 included additional shares for common stock equivalents of 1.1 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 nine months ended March 31, 2021 and the three months ended March 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.

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**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 nine months ended March 31, 2021, 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 March 31, 2021				
	Franchise	Company-owned	Corporate	Consolidated (1)
<b>Consolidated reported net income (loss), as reported (U.S. GAAP)</b>	<b>\$ 11,960</b>	<b>\$ (12,623)</b>	<b>\$ (10,184)</b>	<b>\$ (10,847)</b>
Interest expense, as reported	—	—	3,163	3,163
Income taxes, as reported	—	—	(333)	(333)
Depreciation and amortization, as reported	333	1,687	1,600	3,620
Long-lived asset impairment, as reported	22	811	—	833
<b>EBITDA (as defined above)</b>	<b>\$ 12,315</b>	<b>\$ (10,125)</b>	<b>\$ (5,754)</b>	<b>\$ (3,564)</b>
Professional fees	—	—	480	480
Severance	—	—	848	848
CEO transition	—	—	300	300
Lease liability benefit	(308)	(2,701)	—	(3,009)
Lease termination fees	—	(147)	—	(147)
Real estate fees	—	158	—	158
Gain on distribution centers	—	—	(14,878)	(14,878)
<b>Adjusted EBITDA, non-GAAP financial measure</b>	<b>\$ 12,007</b>	<b>\$ (12,815)</b>	<b>\$ (19,004)</b>	<b>\$ (19,812)</b>

Three Months Ended March 31, 2020				
	Franchise	Company-owned	Corporate	Consolidated (1)
<b>Consolidated reported net income (loss), as reported (U.S. GAAP)</b>	<b>\$ 11,082</b>	<b>\$ (50,661)</b>	<b>\$ (27,962)</b>	<b>\$ (67,541)</b>
Interest expense, as reported	—	—	1,712	1,712
Income taxes, as reported	—	—	(979)	(979)
Depreciation and amortization, as reported	292	9,799	268	10,359
<b>EBITDA (as defined above)</b>	<b>\$ 11,374</b>	<b>\$ (40,862)</b>	<b>\$ (26,961)</b>	<b>\$ (56,449)</b>
Professional fees	—	—	(138)	(138)
Severance	—	—	5,136	5,136
Corporate office transition	—	—	515	515
TBG restructuring	146	—	—	146
Goodwill impairment, as reported	—	40,164	—	40,164
Goodwill derecognition	—	—	17,486	17,486
TBG discontinued operations, net of income tax	—	—	(301)	(301)
<b>Adjusted EBITDA, non-GAAP financial measure</b>	<b>\$ 11,520</b>	<b>\$ (698)</b>	<b>\$ (4,263)</b>	<b>\$ 6,559</b>

- (1) Consolidated EBITDA margins for the three months ended March 31, 2021 and 2020 were (3.6)% and (36.7)%, 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 March 31, 2021 and 2020 were (19.8)% and 4.3%, respectively, and are calculated as adjusted EBITDA divided by U.S. GAAP revenue for each respective period.

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Nine Months Ended March 31, 2021				
	Franchise	Company-owned	Corporate	Consolidated (1)
<b>Consolidated reported net income (loss), as reported (U.S. GAAP)</b>	<b>\$ 28,735</b>	<b>\$ (50,739)</b>	<b>\$ (56,987)</b>	<b>\$ (78,991)</b>
Interest expense, as reported	—	—	10,626	10,626
Income taxes, as reported	—	—	(1,368)	(1,368)
Depreciation and amortization, as reported	896	11,080	5,408	17,384
Long-lived asset impairment, as reported	726	9,091	—	9,817
<b>EBITDA (as defined above)</b>	<b>\$ 30,357</b>	<b>\$ (30,568)</b>	<b>\$ (42,321)</b>	<b>\$ (42,532)</b>
Professional fees	—	—	3,422	3,422
Severance	—	—	3,239	3,239
CEO transition	—	—	(994)	(994)
Lease liability benefit	(606)	(10,689)	—	(11,295)
Lease termination fees	—	6,523	—	6,523
Real estate fees	—	534	—	534
Gain on distribution centers	—	—	(14,878)	(14,878)
<b>Adjusted EBITDA, non-GAAP financial measure</b>	<b>\$ 29,751</b>	<b>\$ (34,200)</b>	<b>\$ (51,532)</b>	<b>\$ (55,981)</b>

  

Nine Months Ended March 31, 2020				
	Franchise	Company-owned	Corporate	Consolidated (1)
<b>Consolidated reported net income (loss), as reported (U.S. GAAP)</b>	<b>\$ 33,417</b>	<b>\$ (46,365)</b>	<b>\$ (84,839)</b>	<b>\$ (97,787)</b>
Interest expense, as reported	—	—	4,615	4,615
Income taxes, as reported	—	—	(5,783)	(5,783)
Depreciation and amortization, as reported	662	21,844	4,980	27,486
<b>EBITDA (as defined above)</b>	<b>\$ 34,079</b>	<b>\$ (24,521)</b>	<b>\$ (81,027)</b>	<b>\$ (71,469)</b>
Employee litigation reserve	—	(600)	—	(600)
Professional fees	—	—	223	223
Severance	—	—	8,053	8,053
Corporate office transition	—	—	(1,594)	(1,594)
TBG restructuring	2,368	—	—	2,368
Goodwill impairment, as reported	—	40,164	—	40,164
Goodwill derecognition	—	—	76,966	76,966
TBG discontinued operations	—	—	(753)	(753)
<b>Adjusted EBITDA, non-GAAP financial measure</b>	<b>\$ 36,447</b>	<b>\$ 15,043</b>	<b>\$ 1,868</b>	<b>\$ 53,358</b>

- (1) Consolidated EBITDA margins for the nine months ended March 31, 2021 and 2020 were (13.5)% and (11.7)%, 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 nine months ended March 31, 2021 and 2020 were (17.7)% and 8.8%, respectively, and are calculated as adjusted EBITDA divided by adjusted U.S. GAAP revenue for each respective period.

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**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)**

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
As Adjusted EBITDA	\$ 12,007	\$ 11,520
U.S. GAAP revenue	67,931	55,837
<i>As Adjusted EBITDA as a % of U.S. GAAP revenue</i>	<i>17.7 %</i>	<i>20.6 %</i>
Non-margin revenue adjustments:		
Franchise rental income	(31,317)	(31,821)
Advertising fund (fee) refund	(5,580)	7,789
TBG product sales	—	—
Adjusted revenue	\$ 31,034	\$ 31,805
<i>As Adjusted EBITDA as a percent of adjusted revenue (1)</i>	<i>38.7 %</i>	<i>36.2 %</i>

	<b>Nine Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
As Adjusted EBITDA	\$ 29,751	\$ 36,447
U.S. GAAP revenue	198,335	208,224
<i>As Adjusted EBITDA as a % of U.S. GAAP revenue</i>	<i>15.0 %</i>	<i>17.5 %</i>
Non-margin revenue adjustments:		
Franchise rental income	(95,885)	(96,875)
Advertising fund fee	(14,804)	(13,341)
TBG product sales	—	(2,010)
Adjusted revenue	\$ 87,646	\$ 95,998
<i>As Adjusted EBITDA as a percent of adjusted revenue (1)</i>	<i>33.9 %</i>	<i>38.0 %</i>

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

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