

REGIS CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

We believe our presentation of non-GAAP operating loss, net (loss), net (loss) 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 the 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 in that 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 both 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, 2021. 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 twelve months ended June 30, 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
- Marketing impairment
- CEO transition
- Professional fees
- Severance expense
- 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 obligation
- 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)

| Reconciliation of U.S. GAAP operating loss and net loss to equivalent non-GAAP measures | | | | |
|---|---|--------------------|---------------------------------|---------------------|
| U.S. GAAP financial line item | Three Months Ended June 30, | | Twelve Months Ended June 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| U.S. GAAP revenue | \$ 99,130 | \$ 60,143 | \$ 415,113 | \$ 669,729 |
| U.S. GAAP operating loss | \$ (27,265) | \$ (68,567) | \$ (104,152) | \$ (145,338) |
| Non-GAAP operating expense adjustments (1) | | | | |
| Employee litigation reserve | Site operating expenses | — | — | (600) |
| Marketing impairment | Site operating expenses | — | 1,653 | 1,653 |
| CEO transition | General and administrative | — | (694) | — |
| Professional fees | General and administrative | 3,603 | 460 | 681 |
| Severance | General and administrative | 1,606 | 1,534 | 9,588 |
| Corporate office transition | Rent | — | 100 | 1,019 |
| Lease liability benefit | Rent | (8,727) | — | (20,022) |
| Lease termination fees | Rent | 7,020 | — | 13,544 |
| Real estate fees | Rent | 49 | — | 583 |
| Asset retirement obligation | Depreciation and amortization | 1,280 | — | 4,726 |
| Long-lived asset impairment | Long-lived asset impairment | 3,205 | 22,560 | 13,023 |
| TBG restructuring | TBG restructuring | — | (35) | 2,333 |
| Goodwill impairment | Goodwill impairment | — | — | 40,164 |
| Total non-GAAP operating expense adjustments | | 8,036 | 26,272 | 22,731 |
| Non-GAAP operating loss (1) | | \$ (19,229) | \$ (42,295) | \$ (81,421) |
| U.S. GAAP net loss | | \$ (34,339) | \$ (73,575) | \$ (113,331) |
| Non-GAAP net loss adjustments: | | | | |
| Non-GAAP operating expense adjustments | | 8,036 | 26,272 | 22,731 |
| Corporate office transition | Interest income and other, net | — | — | (2,513) |
| Gain on distribution centers | Interest income and other, net | (120) | — | (14,997) |
| Goodwill derecognition | Interest income and other, net | — | — | 76,966 |
| Income tax impact on Non-GAAP adjustments (2) | Income taxes | (77) | 11,171 | (75) |
| TBG discontinued operations, net of income tax | Loss from discontinued operations, net of tax | — | (79) | — |
| Total non-GAAP net loss adjustments | | 7,839 | 37,364 | 7,659 |
| Non-GAAP net loss | | \$ (26,500) | \$ (36,211) | \$ (105,672) |

- (1) Adjusted operating margins for the three months ended June 30, 2021 and 2020, were (19.4)% and (70.3)%, respectively, and were (19.6)% and (10.1)% for the twelve months ended June 30, 2021 and 2020, respectively, and are calculated as non-GAAP operating loss divided by non-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 twelve months ended June 30, 2021 and 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)

| Reconciliation of U.S. GAAP net loss per diluted share to non-GAAP net loss per diluted share | | | | |
|---|--------------------------------|-------------------|---------------------------------|-------------------|
| | Three Months Ended June 30, | | Twelve Months Ended June 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| U.S. GAAP net loss per diluted share | \$ (0.953) | \$ (2.051) | \$ (3.152) | \$ (4.769) |
| Employee litigation reserve (1) | — | — | — | (0.013) |
| Marketing impairment (1) | — | 0.036 | — | 0.036 |
| CEO transition (1) | — | — | (0.019) | — |
| Professional fees (1) | 0.100 | 0.010 | 0.192 | 0.015 |
| Severance (1) | 0.044 | 0.034 | 0.125 | 0.208 |
| Corporate office transition (1) | — | — | — | (0.033) |
| Lease liability benefit (1) | (0.240) | — | (0.550) | — |
| Lease termination fees (1) | 0.193 | — | 0.373 | — |
| Real estate fees (1) | 0.001 | — | 0.016 | — |
| Asset retirement obligation (1) | 0.035 | — | 0.130 | — |
| Long-lived asset impairment (1) | 0.088 | 0.492 | 0.359 | 0.490 |
| TBG restructuring (1) | — | (0.001) | — | 0.050 |
| Goodwill impairment (1) | — | — | — | 0.872 |
| Goodwill derecognition (1) | — | — | — | 1.671 |
| Gain on distribution centers (1) | (0.003) | — | (0.413) | — |
| TBG discontinued operations, net of tax | — | (0.002) | — | (0.023) |
| CARES Act | — | — | — | 0.408 |
| Tax asset valuation | — | 0.473 | — | 0.484 |
| Impact of change in weighted average shares (3) | — | — | — | — |
| Non-GAAP net loss per diluted share (2) (3) | \$ (0.735) | \$ (1.009) | \$ (2.939) | \$ (0.604) |
| U.S. GAAP Weighted average share - basic and diluted | 36,038 | 35,871 | 35,956 | 35,936 |
| Non-GAAP Weighted average shares - diluted (2) | 36,038 | 35,871 | 35,956 | 35,936 |

- (1) Based on projected statutory effective tax rate analyses, the non-GAAP tax provision was calculated to be approximately 1% for the three and 12 months June 30, 2021, and 22% for the three and twelve months ended June 30, 2020, 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 per share reflects the weighted average shares associated with non-GAAP net loss, which includes the dilutive effect of common stock equivalents. The impact of the adjustments described above result in the impact of the common stock equivalents to be dilutive to the non-GAAP net loss per share. For the three months and twelve months ended June 30, 2021 and 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 income (loss) 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 twelve months ended June 30, 2021 and 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 income (loss) to EBITDA reconciliation, therefore there is no adjustment needed for the reconciliation from EBITDA to adjusted EBITDA.

| Three Months Ended June 30, 2021 | | | | |
|---|------------------|----------------------|--------------------|-------------------------|
| | Franchise | Company-owned | Corporate | Consolidated (1) |
| Consolidated reported net income (loss), as reported (U.S. GAAP) | \$ 11,917 | \$ (19,292) | \$ (26,964) | \$ (34,339) |
| Interest expense, as reported | — | — | 3,187 | 3,187 |
| Income taxes, as reported | — | — | (4,060) | (4,060) |
| Depreciation and amortization, as reported | 153 | 3,651 | 1,526 | 5,330 |
| Long-lived asset impairment, as reported | — | 3,205 | — | 3,205 |
| EBITDA (as defined above) | \$ 12,070 | \$ (12,436) | \$ (26,311) | \$ (26,677) |
| Professional fees | — | — | 3,603 | 3,603 |
| Severance | — | — | 1,606 | 1,606 |
| Lease liability benefit | (716) | (8,011) | — | (8,727) |
| Lease termination fees | (103) | 7,123 | — | 7,020 |
| Real estate fees | 21 | 28 | — | 49 |
| Gain on distribution centers | — | — | (120) | (120) |
| Adjusted EBITDA, non-GAAP financial measure | \$ 11,272 | \$ (13,296) | \$ (21,222) | \$ (23,246) |

| Three Months Ended June 30, 2020 | | | | |
|--|------------------|----------------------|--------------------|-------------------------|
| | Franchise | Company-owned | Corporate | Consolidated (1) |
| Consolidated reported net loss, as reported (U.S. GAAP) | \$ (531) | \$ (49,763) | \$ (23,281) | \$ (73,575) |
| Interest expense, as reported | — | — | 2,907 | 2,907 |
| Income taxes, as reported | — | — | 1,164 | 1,164 |
| Depreciation and amortization, as reported | 260 | 7,269 | 1,937 | 9,466 |
| Long-lived asset impairment, as reported | 1,712 | 20,848 | — | 22,560 |
| EBITDA (as defined above) | \$ 1,441 | \$ (21,646) | \$ (17,273) | \$ (37,478) |
| Professional fees | — | — | 460 | 460 |
| Severance | — | — | 1,534 | 1,534 |
| Corporate office transition | — | — | 100 | 100 |
| TBG restructuring | (35) | — | — | (35) |
| Marketing impairment | — | — | 1,653 | 1,653 |
| TBG discontinued operations, net of tax | — | — | (79) | (79) |
| Adjusted EBITDA, non-GAAP financial measure | \$ 1,406 | \$ (21,646) | \$ (13,605) | \$ (33,845) |

- (1) Consolidated EBITDA margins for the three months ended June 30, 2021 and 2020 were (26.9)% and (62.3)%, respectively, and are calculated as EBITDA (as defined above) divided by U.S. GAAP revenue for each respective period. Consolidated adjusted EBITDA margin for the three months ended June 30, 2021 and 2020 were (23.5)% and (56.3)%, respectively, and are calculated as consolidated adjusted EBITDA (as defined above) divided by consolidated adjusted revenue for each respective period.

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| | Twelve Months Ended June 30, 2021 | | | |
|---|-----------------------------------|--------------------|--------------------|---------------------|
| | Franchise | Company-owned | Corporate | Consolidated (1) |
| Consolidated reported net income (loss), as reported (U.S. GAAP) | \$ 40,652 | \$ (70,032) | \$ (83,951) | \$ (113,331) |
| Interest expense, as reported | — | — | 13,813 | 13,813 |
| Income taxes, as reported | — | — | (5,428) | (5,428) |
| Depreciation and amortization, as reported | 1,049 | 14,730 | 6,934 | 22,713 |
| Long-lived asset impairment, as reported | 726 | 12,297 | — | 13,023 |
| EBITDA (as defined above) | \$ 42,427 | \$ (43,005) | \$ (68,632) | \$ (69,210) |
| CEO transition | — | — | (694) | (694) |
| Professional fees | — | — | 7,026 | 7,026 |
| Severance | — | — | 4,545 | 4,545 |
| Lease liability benefit | (1,322) | (18,700) | — | (20,022) |
| Lease termination fees | (103) | 13,647 | — | 13,544 |
| Real estate fees | 22 | 561 | — | 583 |
| Gain on distribution centers | — | — | (14,997) | (14,997) |
| Adjusted EBITDA, non-GAAP financial measure | \$ 41,024 | \$ (47,497) | \$ (72,752) | \$ (79,225) |

| | Twelve Months Ended June 30, 2020 | | | |
|---|-----------------------------------|--------------------|---------------------|---------------------|
| | Franchise | Company-owned | Corporate | Consolidated (1) |
| Consolidated reported net income (loss), as reported (U.S. GAAP) | \$ 32,886 | \$ (96,128) | \$ (108,120) | \$ (171,362) |
| Interest expense, as reported | — | — | 7,522 | 7,522 |
| Income taxes, as reported | — | — | (4,619) | (4,619) |
| Depreciation and amortization, as reported | 922 | 29,113 | 6,917 | 36,952 |
| Long-lived asset impairment, as reported | 1,712 | 20,848 | — | 22,560 |
| EBITDA (as defined above) | \$ 35,520 | \$ (46,167) | \$ (98,300) | \$ (108,947) |
| Employee litigation reserve | — | (600) | — | (600) |
| Marketing impairment | — | — | 1,653 | 1,653 |
| Professional fees | — | — | 681 | 681 |
| Severance | — | — | 9,588 | 9,588 |
| Corporate office transition | — | — | (1,494) | (1,494) |
| TBG restructuring | 2,333 | — | — | 2,333 |
| Goodwill impairment, as reported | — | 40,164 | — | 40,164 |
| Goodwill derecognition | — | — | 76,966 | 76,966 |
| TBG discontinued operations, net of tax | — | — | (832) | (832) |
| Adjusted EBITDA, non-GAAP financial measure | \$ 37,853 | \$ (6,603) | \$ (11,738) | \$ 19,512 |

- (1) Consolidated EBITDA margins for the twelve months ended June 30, 2021, and 2020, were (16.7)% and (16.3)%, respectively, and are calculated as EBITDA (as defined above) divided by U.S. GAAP revenue for each respective period. Consolidated adjusted EBITDA margin for the twelve months ended June 30, 2021, and 2020, were (19.1)% and 2.9%, respectively, and are calculated as consolidated adjusted EBITDA (as defined above) divided by consolidated adjusted 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)

| | Three Months Ended June 30, | |
|--|------------------------------------|--------------|
| | 2021 | 2020 |
| As Adjusted EBITDA | \$ 11,272 | \$ 1,406 |
| U.S. GAAP revenue | 73,813 | 44,802 |
| <i>As Adjusted EBITDA as a % of U.S. GAAP revenue</i> | <i>15.3 %</i> | <i>3.1 %</i> |
| Non-margin revenue adjustments: | | |
| Franchise rental income | (31,507) | (30,328) |
| Ad fund revenue | (7,218) | — |
| Adjusted revenue | \$ 35,088 | \$ 14,474 |
| <i>As Adjusted EBITDA as a percent of adjusted revenue (1)</i> | <i>32.1 %</i> | <i>9.7 %</i> |

| | Twelve Months Ended June 30, | |
|--|-------------------------------------|---------------|
| | 2021 | 2020 |
| As Adjusted EBITDA | \$ 41,024 | \$ 37,853 |
| U.S. GAAP revenue | 272,148 | 253,026 |
| <i>As Adjusted EBITDA as a % of U.S. GAAP revenue</i> | <i>15.1 %</i> | <i>15.0 %</i> |
| Non-margin revenue adjustments: | | |
| Franchise rental income | (127,392) | (127,203) |
| Ad fund revenue | (22,023) | (13,341) |
| TBG product sales | — | (2,010) |
| Adjusted revenue | \$ 122,733 | \$ 110,472 |
| <i>As Adjusted EBITDA as a percent of adjusted revenue (1)</i> | <i>33.4 %</i> | <i>34.3 %</i> |

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

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