

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 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, 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 months ended September 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:

- CEO transition
- Distribution center wind down fees ("Distribution center fees")
- Professional fees
- Severance
- 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

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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 September 30,	
		2021	2020
U.S. GAAP revenue		\$ 77,756	\$ 111,396
U.S. GAAP operating loss		\$ (5,801)	\$ (31,591)
Non-GAAP operating expense adjustments (1)			
CEO transition	General and administrative	—	(1,294)
Distribution center fees	General and administrative	229	—
Professional fees	General and administrative	99	1,727
Severance	General and administrative	176	369
Lease liability benefit	Rent	(2,431)	(6,061)
Lease termination fees	Rent	1,340	5,554
Real estate fees	Rent	40	—
Asset retirement obligation	Depreciation and amortization	287	1,289
Long-lived asset impairment	Long-lived asset impairment	163	5,824
Total non-GAAP operating expense adjustments		(97)	7,408
Non-GAAP operating loss (1)		\$ (5,898)	\$ (24,183)
U.S. GAAP net loss		\$ (10,378)	\$ (35,266)
Non-GAAP net income adjustments:			
Non-GAAP operating expense adjustments		(97)	7,408
Income tax impact on Non-GAAP adjustments (2)	Income taxes	1	(74)
Total non-GAAP net income adjustments		(96)	7,334
Non-GAAP net loss		\$ (10,474)	\$ (27,932)

- (1) Adjusted operating margins for the three months ended September 30, 2021 and 2020 were (7.6)% and (21.7)%, 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 months ended September 30, 2021 and 2020 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 per diluted share			
	Three Months Ended September 30,		
	2021	2020	
U.S. GAAP net loss per diluted share	\$ (0.282)	\$ (0.982)	
CEO Transition (1)	—	(0.036)	
Distribution center fees (1)	0.006	—	
Professional fees (1)	0.003	0.048	
Severance (1)	0.005	0.010	
Lease liability benefit (1)	(0.065)	(0.167)	
Lease termination fees (1)	0.036	0.153	
Real estate fees (1)	0.001	—	
Asset retirement obligation (1)	0.008	0.035	
Long-lived asset impairment (1)	0.004	0.161	
Non-GAAP net loss per diluted share (2)	\$ (0.284)	\$ (0.778)	
U.S. GAAP Weighted average shares - basic and diluted	36,850	35,908	
Non-GAAP Weighted average shares - diluted	36,850	35,908	

- (1) Based on projected statutory effective tax rate analyses, the non-GAAP tax provision was calculated to be approximately 1% for the three months ended September 30, 2021 and 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.

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

Adjusted EBITDA

EBITDA represents U.S. GAAP net 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 months ended September 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 loss to EBITDA reconciliation, therefore there is no adjustment needed for the reconciliation from EBITDA to adjusted EBITDA.

Three Months Ended September 30, 2021			
	Franchise	Company-owned	Consolidated (1)
Consolidated reported net loss, as reported (U.S. GAAP)	\$ (9,357)	\$ (1,021)	\$ (10,378)
Interest expense, as reported	3,306	—	3,306
Income taxes, as reported	(48)	—	(48)
Depreciation and amortization, as reported	1,623	246	1,869
Long-lived asset impairment, as reported	—	163	163
EBITDA (as defined above)	\$ (4,476)	\$ (612)	\$ (5,088)
Distribution center fees	229	—	229
Professional fees	99	—	99
Severance	176	—	176
Lease liability benefit	(86)	(2,345)	(2,431)
Lease termination fees	(21)	1,361	1,340
Real estate fees	—	40	40
Adjusted EBITDA, non-GAAP financial measure	\$ (4,079)	\$ (1,556)	\$ (5,635)

Three Months Ended September 30, 2020			
	Franchise	Company-owned	Consolidated (1)
Consolidated reported net loss, as reported (U.S. GAAP)	\$ (14,519)	\$ (20,747)	\$ (35,266)
Interest expense, as reported	3,762	—	3,762
Income taxes, as reported	(635)	—	(635)
Depreciation and amortization, as reported	2,294	5,082	7,376
Long-lived asset impairment, as reported	610	5,214	5,824
EBITDA (as defined above)	\$ (8,488)	\$ (10,451)	\$ (18,939)
CEO transition	(1,294)	—	(1,294)
Professional fees	1,727	—	1,727
Severance	369	—	369
Lease liability benefit	(267)	(5,794)	(6,061)
Lease termination fees	—	5,554	5,554
Adjusted EBITDA, non-GAAP financial measure	\$ (7,953)	\$ (10,691)	\$ (18,644)

- (1) Consolidated EBITDA margins for the three months ended September 30, 2021 and 2020 were (6.5)% and (17.0)%, 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 September 30, 2021 and 2020 were (7.2)% and (16.7)%, respectively, and are calculated as adjusted EBITDA divided by 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 September 30,	
	2021	2020
As adjusted EBITDA	\$ (4,079)	\$ (7,953)
U.S. GAAP revenue	69,751	63,981
<i>As adjusted EBITDA as a % of U.S. GAAP revenue (1)</i>	<i>(5.8)%</i>	<i>(12.4)%</i>
Non-margin revenue adjustments:		
Franchise rental income	(33,762)	(32,283)
Advertising fund contributions	(8,114)	(4,509)
Adjusted revenue	\$ 27,875	\$ 27,189
<i>As adjusted EBITDA as a percent of adjusted revenue (1)</i>	<i>(14.6)%</i>	<i>(29.3)%</i>

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

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