

REGIS CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

We believe our presentation of non-GAAP operating income (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 and six months ended December 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:

- CEO transition
- Distribution center wind down fees ("Distribution center fees")
- Professional fees and settlements
- 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
- Non-recurring, non-operating income

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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 December 31,		Six Months Ended December 31,		
	2021	2020	2021	2020	
U.S. GAAP revenue	\$ 70,256	\$ 104,320	\$ 148,012	\$ 215,716	
U.S. GAAP operating loss	\$ (1,127)	\$ (26,755)	\$ (6,929)	\$ (58,345)	
Non-GAAP operating expense adjustments (1)					
CEO transition	General and administrative	(516)	—	(516)	(1,294)
Distribution center fees	General and administrative	56	—	285	—
Professional fees and settlements	General and administrative	1,061	1,216	1,160	2,943
Severance	General and administrative	1,735	2,022	1,911	2,391
Lease liability benefit	Rent	(496)	(2,226)	(2,927)	(8,286)
Lease termination fees	Rent	238	1,117	1,578	6,670
Real estate fees	Rent	—	375	40	375
Asset retirement obligation	Depreciation and amortization	278	1,383	565	2,672
Long-lived asset impairment	Long-lived asset impairment	52	3,160	215	8,984
Total non-GAAP operating expense adjustments		2,408	7,047	2,311	14,455
Non-GAAP operating income (loss) (1)		\$ 1,281	\$ (19,708)	\$ (4,618)	\$ (43,890)
U.S. GAAP net loss		\$ (4,928)	\$ (32,879)	\$ (15,306)	\$ (68,144)
Non-GAAP net loss adjustments:					
Non-GAAP operating expense adjustments		2,408	7,047	2,311	14,455
Non-recurring, non-operating income	Interest income and other, net	(100)	—	(100)	—
Income tax impact on Non-GAAP adjustments (2)	Income taxes	(23)	(70)	(22)	(144)
Total non-GAAP net loss adjustments		2,285	6,977	2,189	14,311
Non-GAAP net loss		\$ (2,643)	\$ (25,902)	\$ (13,117)	\$ (53,833)

- (1) Adjusted operating margins for the three months ended December 31, 2021 and 2020 were 1.8% and (18.9)%, and were (3.1)% and (20.3)% for the six months ended December 31, 2021 and 2020, respectively, and are calculated as non-GAAP operating income (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 six months ended December 31, 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 December 31,		Six Months Ended December 31,	
	2021	2020	2021	2020
U.S. GAAP net loss per diluted share	\$ (0.108)	\$ (0.915)	\$ (0.371)	\$ (1.899)
CEO Transition (1)	(0.011)	—	(0.013)	(0.036)
Distribution center fees (1)	0.001	—	0.007	—
Professional fees and settlements (1)	0.023	0.034	0.028	0.081
Severance (1)	0.038	0.055	0.045	0.067
Lease liability benefit (1)	(0.011)	(0.061)	(0.070)	(0.229)
Lease termination fees (1)	0.005	0.031	0.038	0.184
Real estate fees (1)	—	0.010	0.001	0.010
Asset retirement obligation (1)	0.006	0.038	0.014	0.074
Long-lived asset impairment (1)	0.001	0.087	0.005	0.248
Non-recurring, non-operating income (1)	(0.002)	—	(0.002)	—
Non-GAAP net loss per diluted share (2)	\$ (0.058)	\$ (0.721)	\$ (0.318)	\$ (1.500)
U.S. GAAP Weighted average shares - basic and diluted	45,721	35,931	41,274	35,889
Non-GAAP Weighted average shares - diluted	45,721	35,931	41,274	35,889

- (1) Based on projected statutory effective tax rate analyses, the non-GAAP tax provision was calculated to be approximately 1% for the three and six months ended December 31, 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 and six months ended December 31, 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 December 31, 2021			
	Franchise	Company-owned	Consolidated (1)
Consolidated reported net loss, as reported (U.S. GAAP)	\$ (1,708)	\$ (3,220)	\$ (4,928)
Interest expense, as reported	3,449	—	3,449
Income taxes, as reported	(164)	—	(164)
Depreciation and amortization, as reported	1,503	477	1,980
Long-lived asset impairment, as reported	128	(76)	52
EBITDA (as defined above)	\$ 3,208	\$ (2,819)	\$ 389
CEO transition	(516)	—	(516)
Distribution center fees	56	—	56
Professional fees and settlements	1,061	—	1,061
Severance	1,735	—	1,735
Lease liability benefit	(60)	(436)	(496)
Lease termination fees	116	122	238
Non-recurring, non-operating income	(100)	—	(100)
Adjusted EBITDA, non-GAAP financial measure	\$ 5,500	\$ (3,133)	\$ 2,367

Three Months Ended December 31, 2020			
	Franchise	Company-owned	Consolidated (1)
Consolidated reported net loss, as reported (U.S. GAAP)	\$ (15,509)	\$ (17,370)	\$ (32,879)
Interest expense, as reported	3,701	—	3,701
Income taxes, as reported	(400)	—	(400)
Depreciation and amortization, as reported	2,077	4,311	6,388
Long-lived asset impairment, as reported	94	3,066	3,160
EBITDA (as defined above)	\$ (10,037)	\$ (9,993)	\$ (20,030)
Professional fees and settlements	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	\$ (6,833)	\$ (10,693)	\$ (17,526)

- (1) Consolidated EBITDA margins for the three months ended December 31, 2021 and 2020 were 0.6% and (19.2)%, 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, 2021 and 2020 were 3.4% and (16.8)%, respectively, and are calculated as adjusted EBITDA divided by U.S. GAAP revenue for each respective period.

Six Months Ended December 31, 2021			
	Franchise	Company-owned	Consolidated (1)
Consolidated reported net loss, as reported (U.S. GAAP)	\$ (11,065)	\$ (4,241)	\$ (15,306)
Interest expense, as reported	6,755	—	6,755
Income taxes, as reported	(213)	—	(213)
Depreciation and amortization, as reported	3,125	724	3,849
Long-lived asset impairment, as reported	128	87	215
EBITDA (as defined above)	\$ (1,270)	\$ (3,430)	\$ (4,700)
CEO transition	(516)	—	(516)
Distribution center fees	285	—	285
Professional fees and settlements	1,160	—	1,160
Severance	1,911	—	1,911
Lease liability benefit	(146)	(2,781)	(2,927)
Lease termination fees	95	1,483	1,578
Real estate fees	—	40	40
Non-recurring, non-operating income	(100)	—	(100)
Adjusted EBITDA, non-GAAP financial measure	\$ 1,419	\$ (4,688)	\$ (3,269)

Six Months Ended December 31, 2020			
	Franchise	Company-owned	Consolidated (1)
Consolidated reported net loss, as reported (U.S. GAAP)	\$ (30,028)	\$ (38,116)	\$ (68,144)
Interest expense, as reported	7,463	—	7,463
Income taxes, as reported	(1,035)	—	(1,035)
Depreciation and amortization, as reported	4,371	9,393	13,764
Long-lived asset impairment, as reported	704	8,280	8,984
EBITDA (as defined above)	\$ (18,525)	\$ (20,443)	\$ (38,968)
CEO transition	(1,294)	—	(1,294)
Professional fees and settlements	2,943	—	2,943
Severance	2,391	—	2,391
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	\$ (14,783)	\$ (21,386)	\$ (36,169)

- (1) Consolidated EBITDA margins for the six months ended December 31, 2021 and 2020 were (3.2)% and (18.1)%, 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, 2021 and 2020 were (2.2)% and (16.8)%, respectively, and are calculated as adjusted EBITDA divided by 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)

	Three Months Ended December 31,	
	2021	2020
As adjusted EBITDA	\$ 5,500	\$ (6,833)
U.S. GAAP revenue	65,213	66,423
<i>As adjusted EBITDA as a % of U.S. GAAP revenue (1)</i>	8.4 %	(10.3)%
Non-margin revenue adjustments:		
Franchise rental income	(33,772)	(32,285)
Advertising fund contributions	(8,021)	(4,715)
Adjusted revenue	\$ 23,420	\$ 29,423
<i>As adjusted EBITDA as a percent of adjusted revenue (1)</i>	23.5 %	(23.2)%

	Six Months Ended December 31,	
	2021	2020
As adjusted EBITDA	\$ 1,419	\$ (14,783)
U.S. GAAP revenue	134,964	130,404
<i>As adjusted EBITDA as a % of U.S. GAAP revenue (1)</i>	1.1 %	(11.3)%
Non-margin revenue adjustments:		
Franchise rental income	(67,534)	(64,568)
Advertising fund contributions	(16,136)	(9,224)
Adjusted revenue	\$ 51,294	\$ 56,612
<i>As adjusted EBITDA as a percent of adjusted revenue (1)</i>	2.8 %	(26.1)%

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

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