

Regis® Announces Agreement to Franchise the Holiday Hair Brand and Sell an Additional 133 Company-Owned Salons to the Alline Salon Group

MINNEAPOLIS - Regis Corporation (NYSE: RGS), a leader in the haircare industry, whose primary business is franchising, owning, and operating technology enabled hair salons, announced today they have entered into an agreement for the sale and conversion of an additional 133 company-owned salons located in the state of Pennsylvania and surrounding areas to the Alline Salon Group, formerly known as Super C Group. The salons being acquired are currently branded as Holiday Hair®, Famous Hair®, Best Cuts®, CityLooks®, Style America® and BoRics Hair Care®. One hundred and five of the salons will be under the Holiday Hair® banner and the balance will be converted to the Regis Cost Cutters® brand. The transition and conversion began early December and will continue into early 2020.

"We are pleased to expand our relationship with the Alline Salon Group. Our partnership now covers Michigan, Ohio and Pennsylvania and three brands: Supercuts, Cost Cutters and Holiday Hair. The Alline Salon Group has created an excellent culture and built a team of proven leaders. We are optimistic about our future together," commented Eric Bakken, Executive Vice President, President - Franchise of Regis Corporation.

In late 2018, the Alline Salon Group purchased and converted 66 stores to Supercuts in Michigan. In early 2019, they purchased and successfully converted 190 salons in Ohio to Cost Cutters and Supercuts making them the largest Supercuts and Cost Cutters franchisee for Regis. With this sale, Alline will also be the Company's largest franchisee and the sole Holiday Hair franchisee.

"The Pennsylvania transaction marks the culmination of an 18-month process that resulted in the conversion or purchase of 389 salons which will operate under the Supercuts, Cost Cutters and Holiday Hair brands. The brand diversity offers Alline the opportunity to play in every segment of the hair industry with enough scale and size to offer competitive pay packages and career paths for stylist with different techniques and skill sets. As the largest franchisee in the Regis family of salons, we are positioned to become the employer brand of choice in the hair care industry," said Michael Sarafa, Managing Partner, Alline Salon Group. "The focus in these salons will continue to be the relationships with long-standing clientele. Our aim is to build a culture of service that will transform the industry and capture more market share," Mr. Sarafa added.

Hugh Sawyer, President and Chief Executive Officer of Regis Corporation commented, "Growing with competent multi-unit operators, like the Alline Salon Group, strengthens our franchise portfolio and further accelerates our strategy to convert to a capital-light, technology enabled franchise business." Mr. Sawyer added, "Regis has a pipeline of 970 salons to be transitioned to franchisees in various stages of negotiation. Although the process is inherently dynamic, our pipeline represents approximately 50% of our remaining company-owned salon portfolio when taking into account expected closures of approximately 380 under-performing locations."

About Regis Corporation

Regis Corporation (NYSE:RGS) is a leader in beauty salons and cosmetology education. As of September 30, 2019, the Company franchised, owned or held ownership interests in 7,092 worldwide locations. Regis' franchised and corporate locations operate under concepts such as Supercuts®, SmartStyle®, Cost Cutters®, Roosters® and First Choice Haircutters®. Regis maintains an ownership interest in Empire Education Group in the U.S. For additional information about the Company, including a reconciliation of certain non-GAAP financial information and certain supplemental financial information, please visit the Investor Information section of the corporate website at www.regiscorp.com.

About the Alline Salon Group

Alline Salon Group, LLC is a Bloomfield Hills, Michigan headquartered company with salon locations in six states representing three unique brands. Alline operates Supercuts, Cost Cutters and Holiday Hair salon businesses. Alline's ownership team includes highly seasoned professionals from the banking, hospitality, wireless and other service-oriented retail industries. Alline strives to become the employer brand of choice for successful and dedicated stylists who want the opportunity to pursue a career in the hair care space.

Safe Harbor Statement

This press release contains or may contain "forward-looking statements" within the meaning of the federal securities laws, including statements concerning anticipated future events and expectations that are not historical facts. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this document reflect management's best judgment at the time they are made, but all such statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those expressed in or implied by the statements herein. Such forward-looking statements are often identified herein by use of words including, but not limited to, "may," "believe," "project," "forecast," "expect," "estimate," "anticipate," and "plan." In addition, the following factors could affect the Company's actual results and cause such results to differ materially from those expressed in forward-looking statements. These factors include the continued ability of the Company to implement its strategy, priorities and initiatives; our and our franchisee's ability to attract, train and retain talented stylists; financial performance of our franchisees; acceleration of sale of salons to franchisees; if our capital investments in improving technology do not achieve appropriate returns; our ability to manage cyber threats and protect the security of potentially sensitive information about our guests, employees, vendors or Company information; The Beautiful Group's inability to operate its salons successfully, as well as maintain adequate working capital; the ability of the Company to maintain a satisfactory relationship with Walmart; marketing efforts to drive traffic; changes in regulatory and statutory laws including increases in minimum wages; our ability to maintain and enhance the value of our brands; premature termination of agreements with our franchisees; reliance on information technology systems; reliance on external vendors; consumer shopping trends and changes in manufacturer distribution channels; competition within the personal hair care industry; changes in tax exposure; changes in healthcare; changes in interest rates and foreign currency exchange rates; failure to standardize operating processes across brands; financial performance of Empire Education Group; the continued ability of the Company to implement cost reduction initiatives; compliance with debt covenants; changes in economic conditions; changes in consumer tastes and fashion trends; exposure to uninsured or unidentified risks; reliance on our management team and other key personnel or other factors not listed above. Additional information concerning potential factors that could affect future financial results is set forth under Item 1A on Form 10-K. 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.

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