

Regis Announces Transaction With Empire Education Group

MINNEAPOLIS - Regis Corporation (NYSE: RGS), a leader in the haircare industry, whose primary business is franchising, owning, and operating technology enabled hair salons, today announced a transaction with Empire Education Group (EEG), an operator of accredited cosmetology schools. Regis currently has an approximate 55% ownership interest in EEG. Regis and EEG entered into an agreement pursuant to which Regis will sell its interest in EEG in exchange for de minimis cash compensation, an exclusive private label supply agreement, and an employer of choice arrangement.

Coincident with this transaction, Regis and EEG are announcing a strategic "Employer of Choice" agreement. This agreement designates Regis franchised and company-owned salons as the favored employers for students graduating from Empire cosmetology schools. Although Regis and EEG have always had a close partnership, this agreement differentiates Regis in the salon industry. The agreement includes EEG's promotion of Regis franchised and company-owned locations as a "preferred" employer to students, allows Regis to host exclusive national hiring events at EEG locations, gives Regis greater access to Empire students through multiple channels, and continues combined efforts to maximize the placement of students within Regis' franchised and company-owned salons. "We have enjoyed a strong partnership with Empire and this agreement strengthens and solidifies that relationship. We expect this evolution of our partnership will provide an advantage to our franchise and company-owned salons in our efforts to recruit the stylist talent needed to support our future growth," said Shawn Moren, Executive Vice President & Chief Talent Officer of Regis Corporation.

The transaction is subject to customary closing conditions, including regulatory approval, and is expected to be completed in Regis' fourth quarter of fiscal 2020.

"These agreements de-complicate and de-risk our business enabling us to focus on our ongoing strategic transformation while preserving and enhancing the essential value we derive from our relationship with Empire Education," commented Amanda Rusin, Senior Vice President & General Counsel.

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.

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 consummation of the transactions with EEG as scheduled or at all and the Company's ability to maintain its relationships with EEG as contemplated by the transaction agreements and realize the expected benefits. 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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