RCI HOSPITALITY HOLDINGS INC

Building a portfolio of well-managed, high cash-flowing nightclubs and sports-bar restaurants

NASDAQ: RICK | 1Q26 Conference Call | May 7, 2026 | www.rcihospitality.com | @RCIHHinc

Today's Speakers

Travis Reese
Interim President & CEO
RCI Hospitality Holdings, Inc.

Albert Molina
Interim CFO
RCI Hospitality Holdings, Inc.

X Spaces Instructions

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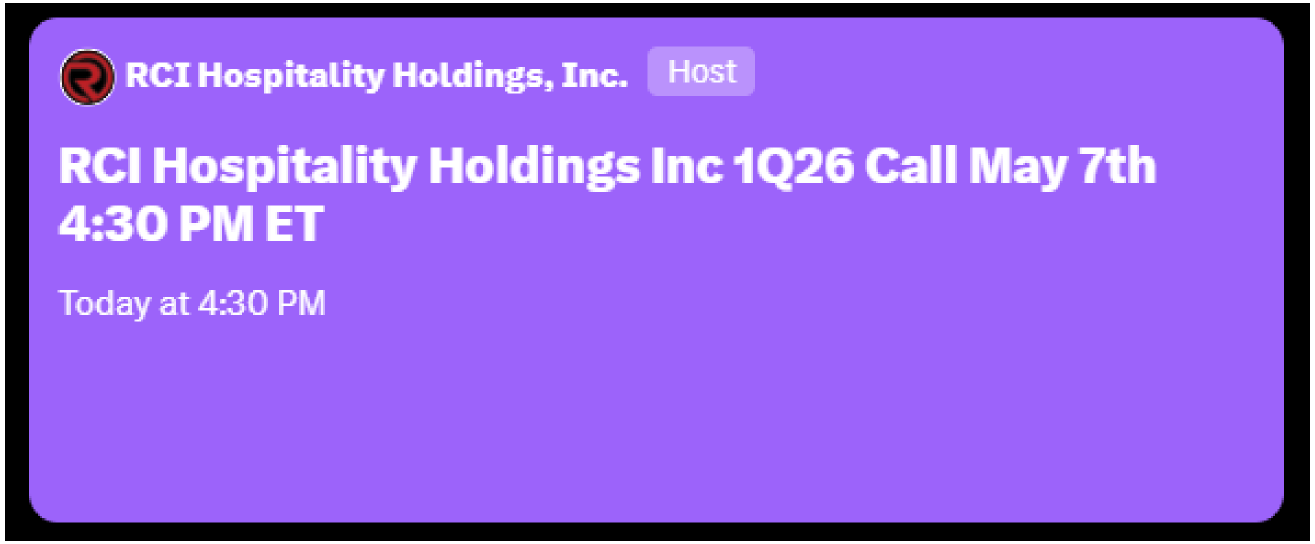

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This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, among other things, statements regarding plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements, which are other than statements of historical facts. Forward-looking statements generally can be identified by words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “will be,” “will continue,” “will likely result,” and similar expressions.

This presentation also may contain forward-looking statements that involve a number of risks and uncertainties that could cause the Company’s actual results to differ materially from those indicated in this presentation, including, but not limited to, the risks and uncertainties associated with (i) operating and managing an adult entertainment or restaurant business, (ii) the business climates in cities where we operate, (iii) the success or lack thereof in launching and building our businesses, (iv) cyber security, (v) conditions relevant to real estate transactions, (vi) numerous other factors such as laws governing the operation of adult entertainment or restaurant businesses, competition and dependence on key personnel, and (vii) our ability to regain and maintain compliance with the filing requirements of the SEC and the Nasdaq Stock Market.

For more detailed discussion of such factors and certain risks and uncertainties, see RCI’s annual report on Form 10-K for the year ended September 30, 2025, as well as its other filings with the U.S. Securities and Exchange Commission. The Company has no obligation to update or revise the forward-looking statements to reflect the occurrence of future events or circumstances.

As used herein, the “Company,” “we,” “our,” and similar terms include RCI Hospitality Holdings, Inc. (RCIHH) and its subsidiaries, unless the context indicates otherwise.

Trademarks

Except as otherwise indicated, all trademarks, service marks, logos, and trade names in this presentation are property of RCI Hospitality Holdings, Inc., its subsidiaries or affiliates.

Non-GAAP Financial Measures

In addition to our financial information presented in accordance with GAAP, management uses certain non-GAAP financial measures, within the meaning of the SEC Regulation G, to clarify and enhance understanding of past performance and prospects for the future. Generally, a non-GAAP financial measure is a numerical measure of a company's operating performance, financial position or cash flows that excludes or includes amounts that are included in or excluded from the most directly comparable measure calculated and presented in accordance with GAAP. We monitor non-GAAP financial measures because it describes the operating performance of the Company and helps management and investors gauge our ability to generate cash flow, excluding (or including) some items that management believes are not representative of the ongoing business operations of the Company, but are included in (or excluded from) the most directly comparable measures calculated and presented in accordance with GAAP. Relative to each of the non-GAAP financial measures, we further set forth our rationale as follows:

Non-GAAP Operating Income and Non-GAAP Operating Margin. We calculate non-GAAP operating income and non-GAAP operating margin by excluding the following items from income from operations and operating margin: (a) amortization of intangibles, (b) impairment of assets, (c) settlement of lawsuits, net of recoveries, (d) gains or losses on sale of businesses and assets, (e) gains or losses on insurance, and (f) stock-based compensation. We believe that excluding these items assists investors in evaluating period-over-period changes in our operating income and operating margin without the impact of items that are not a result of our day-to-day business and operations.

Non-GAAP Net Income and Non-GAAP Net Income per Diluted Share. We calculate non-GAAP net income and non-GAAP net income per diluted share by excluding or including certain items to net income or loss attributable to RCIHH common stockholders and diluted earnings per share. Adjustment items are: (a) amortization of intangibles, (b) impairment of assets, (c) settlement of lawsuits, net of recoveries, (d) gains or losses on sale of businesses and assets, (e) gains or losses on insurance, (f) stock-based compensation, (g) premium on stock repurchase, (h) gains or losses on lease termination, and (i) the income tax effect of the above-described adjustments. Included in the income tax effect of the above adjustments is the net effect of the non-GAAP provision for income taxes, calculated at approximately 22.8% and 17.7% effective tax rate of the pre-tax non-GAAP income before taxes for the three months ended December 31, 2025, and 2024, respectively, and the GAAP income tax expense (benefit). We believe that excluding and including such items help management and investors better understand our operating activities.

Adjusted EBITDA. We calculate adjusted EBITDA by excluding the following items from net income or loss attributable to RCIHH common stockholders: (a) depreciation and amortization, (b) income tax expense, (c) net interest expense, (d) impairment of assets, (e) settlement of lawsuits, net of recoveries, (f) gains or losses on sale of businesses and assets, (g) gains or losses on insurance, (h) stock-based compensation, (i) premium on stock repurchase, and (j) gains or losses on lease termination. We believe that adjusting for such items helps management and investors better understand our operating activities. Adjusted EBITDA provides a core operational performance measurement that compares results without the need to adjust for federal, state and local taxes which have considerable variation between domestic jurisdictions. The results are, therefore, without consideration of financing alternatives of capital employed. We use adjusted EBITDA as one guideline to assess our unleveraged performance return on our investments. Adjusted EBITDA is also the target benchmark for our acquisitions of nightclubs.

We also use certain non-GAAP cash flow measures such as free cash flow. Free cash flow is derived from net cash provided by operating activities less maintenance capital expenditures. We use free cash flow as the baseline for the implementation of our capital allocation strategy.

Key Takeaways

1Q26 Results (YoY)

- **Nightclubs:** Revenues continued to be fairly stable, with contributions from new venues offsetting same-store performance and the closure of underperforming locations, despite government shutdown
- **Bombshells:** Revenues from newly opened locations mostly offset the same-store decline
- **Results:** Decline in net income primarily reflects pre-tax operating and non-operating items of $10.1 million in net charges compared to $3.2 million in net gains

FY26 to Date

Back to Basics 5-Year Capital Allocation Plan

- **Initial progress** improving Nightclubs sales and margins
- **Revitalized Bombshells concept** working well in test location w/SSS up in 2Q26
- **Bought back** more than one million shares as of May 1, 2026

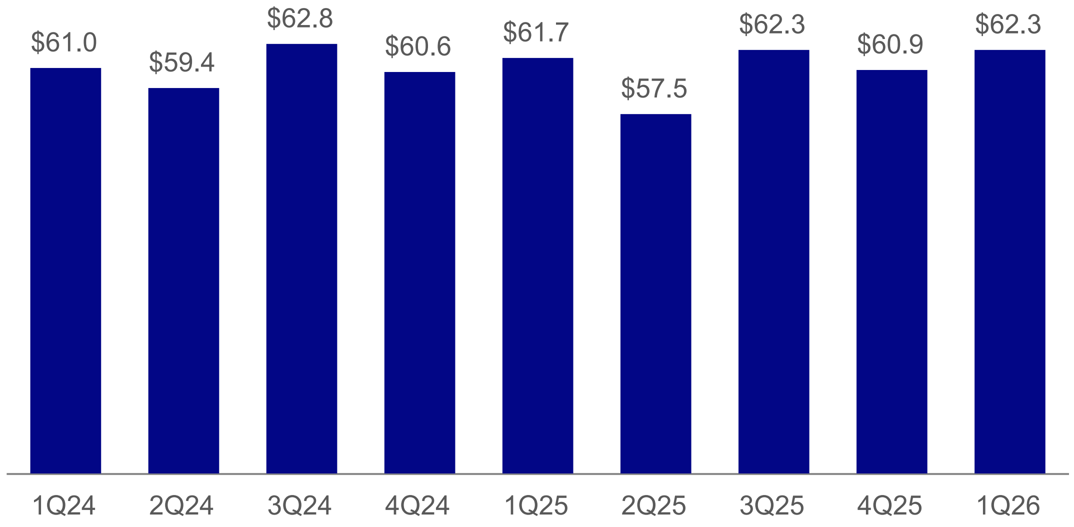
Summary Results

Summary Financials (in millions, except EPS)	1Q26	1Q25
Total revenues	$70.8	$71.5
EPS	$(0.57)	$1.01
Non-GAAP EPS*	$0.74	$0.80
Net cash provided by operating activities	$7.8	$13.3
Free cash flow*	$6.7	$12.1
Net income (loss) attributable to RCIHH common stockholders	$(4.7)	$9.0
Adjusted EBITDA*	$15.7	$15.7
Weighted average shares used in computing EPS – basic and diluted	8.30	8.92

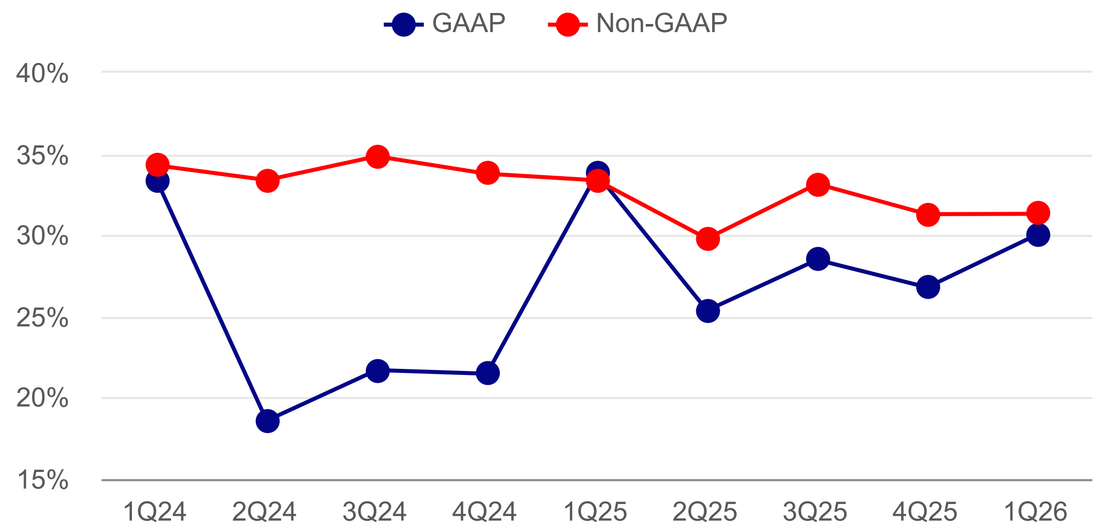
*See “Non-GAAP Financial Measures” on page 5 and the Appendix for “Reconciliation of Non-GAAP Measures.”

Nightclubs Segment

Total Revenues ($M)



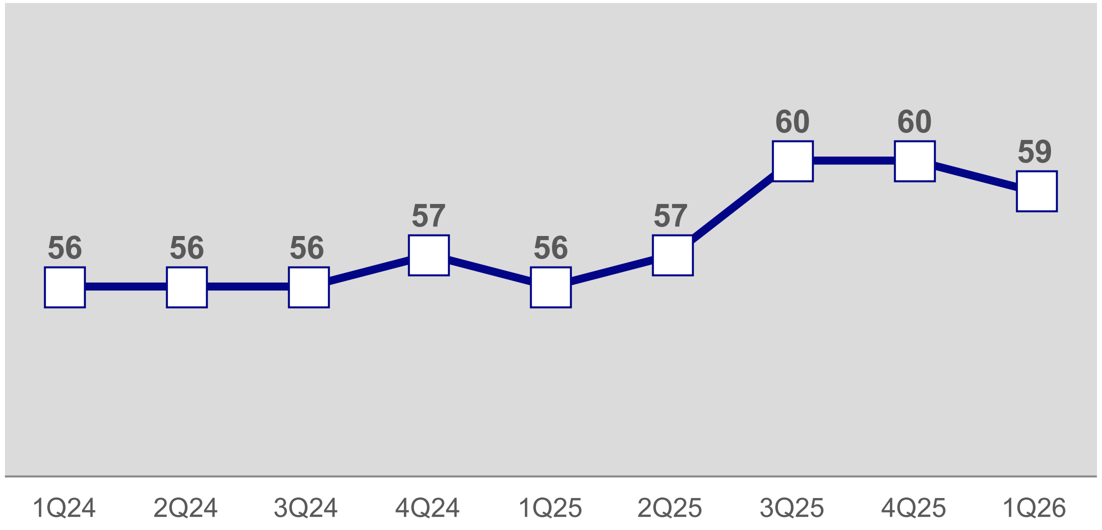
Operating Margin *As % of Segment Revenues*



1Q26 vs. 1Q25 ($M)

- Revenues: +$0.6
  - $4.9 from five newly acquired and reopened clubs
  - $56.9 from the 52 same-store clubs
  - Two small Texas clubs closed
  - Service +6.7%; food, merchandise and other +1.8%; and alcoholic beverages -4.6%.
- Other net charges (gains): $0.2 vs. $(0.8)
- Operating income
  - GAAP: $18.7 vs. $20.9 (30.0% of segment revenues vs. 33.8%)
  - Non-GAAP: $19.5 vs. $20.6 (31.3% of segment revenues vs. 33.4%)

Locations Contributing to Revenues



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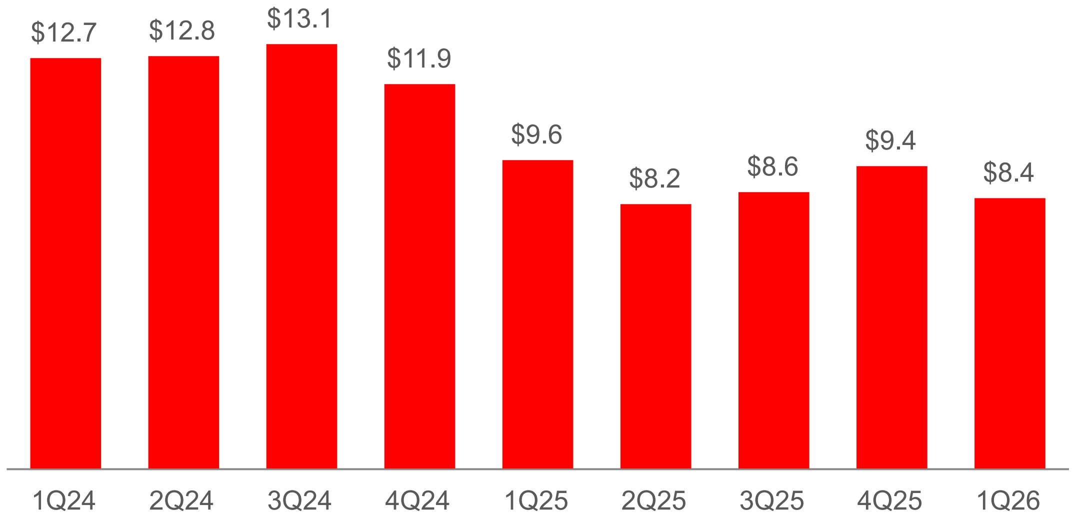
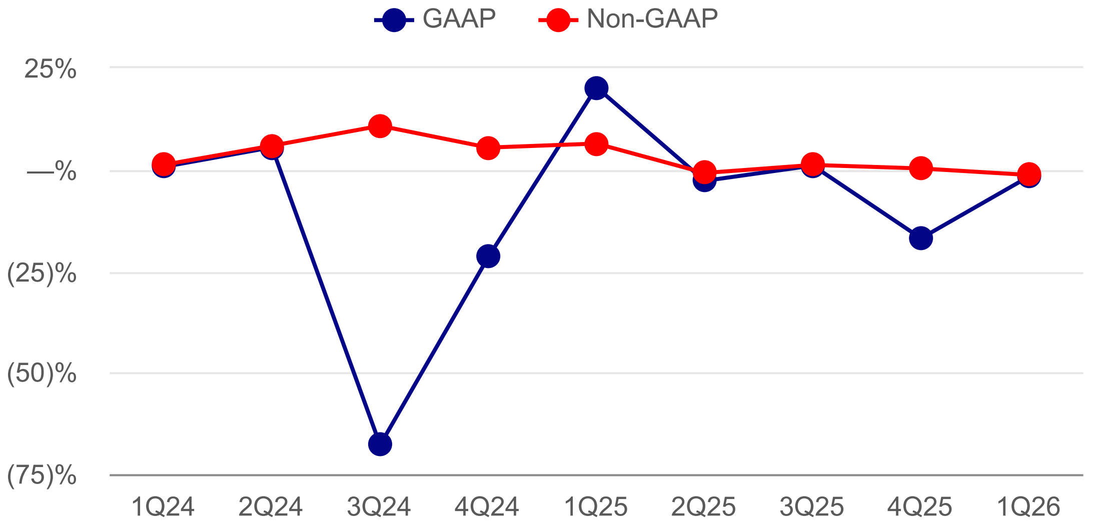
Bombshells Segment

Total Revenues ($M)



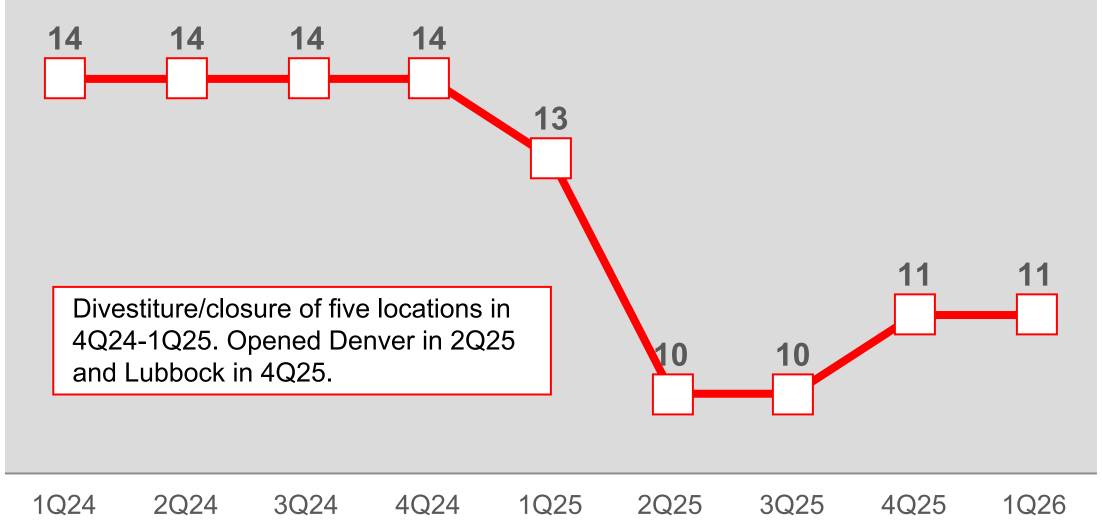
Operating Margin *As % of Segment Revenues*



1Q26 vs. 1Q25 ($M)

- Revenues: -$1.2
  - $1.8 from two newly opened locations
  - $6.6 from the nine same-store locations
  - Absence of $1.2 from four underperforming locations divested/closed in 1Q25
- Other net charges (gains): $— vs. $(1.3)
- Operating Results
  - GAAP: loss of $0.1 vs. income of $1.9 (-1.7% of segment revenues vs. 20.3%)
  - Non-GAAP: loss of $0.1 vs. income of $0.6 (-1.3% of segment revenues vs. 6.4%)

Locations Contributing to Revenues



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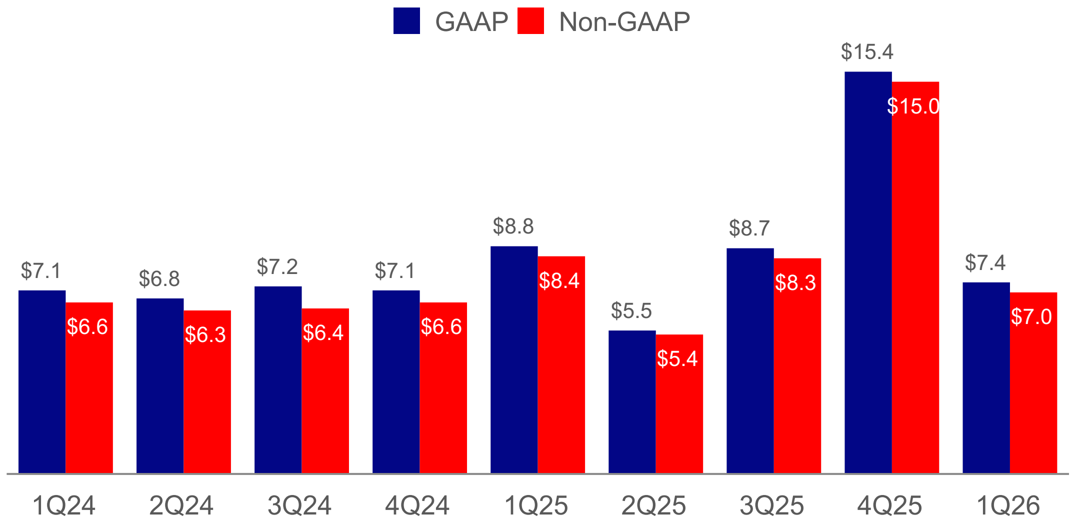
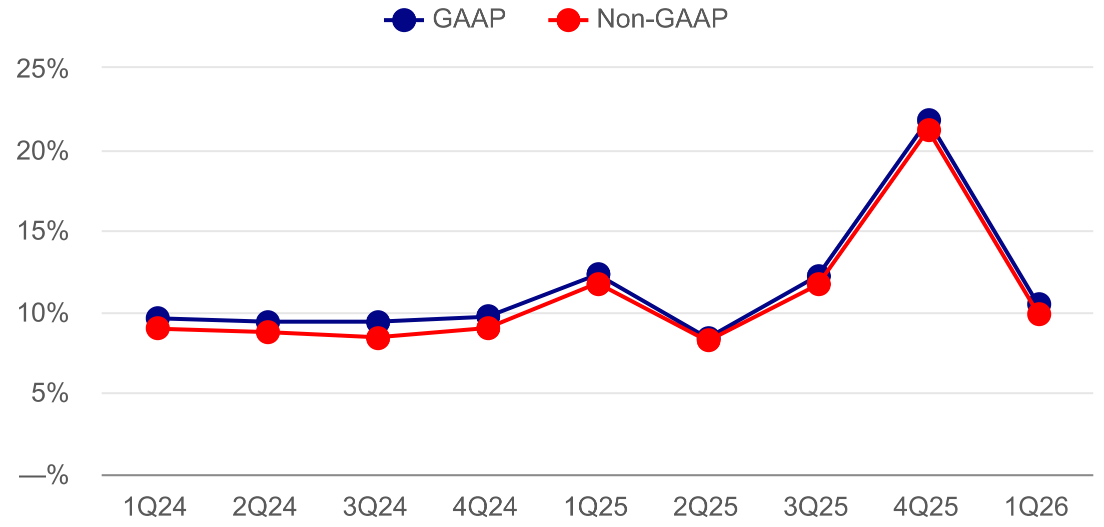
Corporate Segment

Expense ($M)



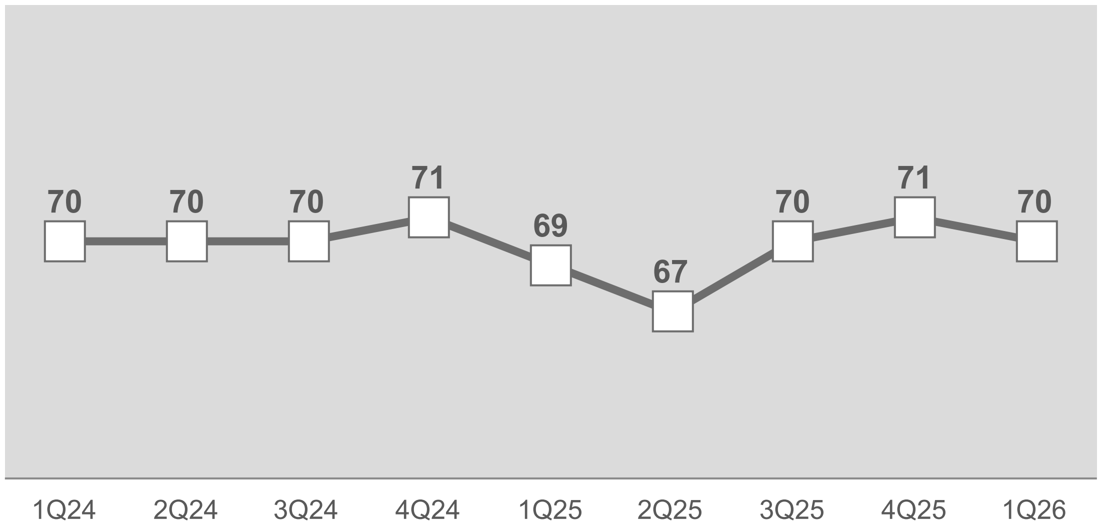
Expense Margin *As % of Total Revenues*



1Q26 vs. 1Q25 ($M)

- GAAP Expenses: -$1.4
- Non-GAAP Expenses: -$1.4
- GAAP Expense Margin: 10.4% vs 12.3%
- Non-GAAP Expense Margin: 9.9% vs. 11.8%
- Most of the GAAP and non-GAAP year over year change reflected lower insurance costs partially offset by higher accounting/professional fees

Total Locations Contributing to Revenues



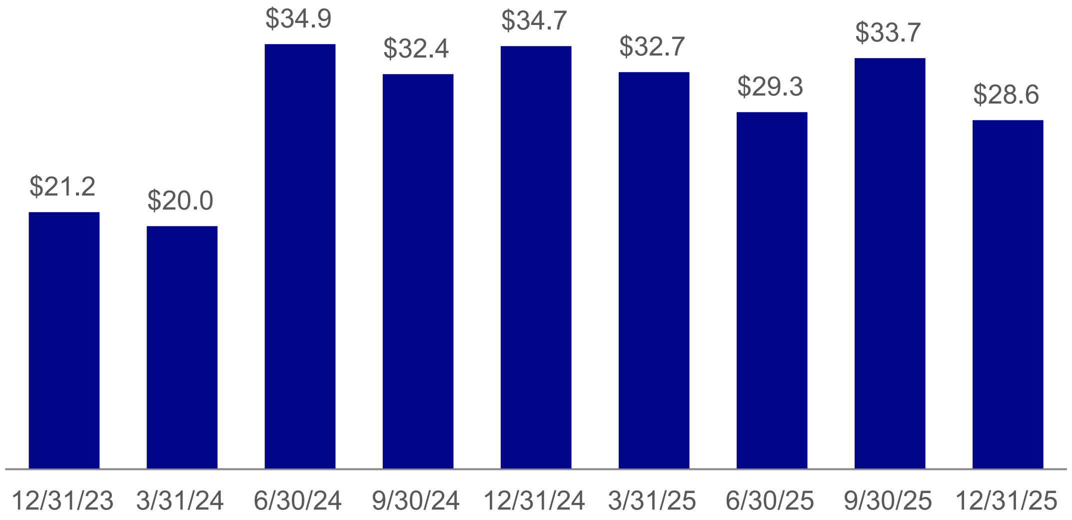
GAAP Disclosure ($M)

Quarter	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
Operating income (loss)	$13.2	$4.7	$(2.5)	$3.5	$13.9	$8.2	$8.7	$(0.5)	$11.0
Net cash provided by operating activities	$13.6	$10.8	$15.8	$15.7	$13.3	$8.5	$13.8	$13.7	$7.8
Net income (loss)	$7.2	$0.8	$(5.2)	$0.2	$9.1	$3.2	$4.1	$(5.5)	$(4.7)

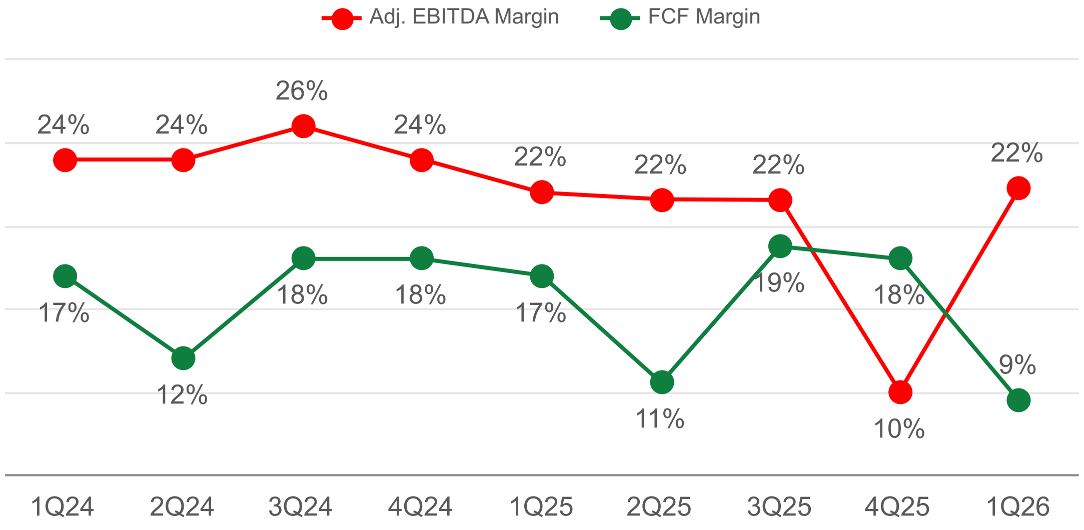
Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total revenues	$134.9	$144.9	$165.7	$181.1	$132.3	$195.3	$267.6	$293.8	$295.6	$279.4
Operating income	$20.7	$23.1	$27.6	$34.7	$2.7	$38.5	$71.5	$51.5	$18.8	$30.3
% of revenues	*15.3%*	*16.0%*	*16.6%*	*19.2%*	*2.1%*	*19.7%*	*26.7%*	*17.5%*	*6.4%*	*10.8 %*
Net income (loss)	$11.2	$8.3	$20.9	$20.3	$(6.1)	$30.3	$46.0	$29.1	$3.0	$10.8
% of revenues	*8.3%*	*5.7%*	*12.6%*	*11.2%*	*(4.6)%*	*15.5%*	*17.2%*	*9.9 %*	*1.0%*	*3.9 %*

Cash, FCF & Adjusted EBITDA ($M)

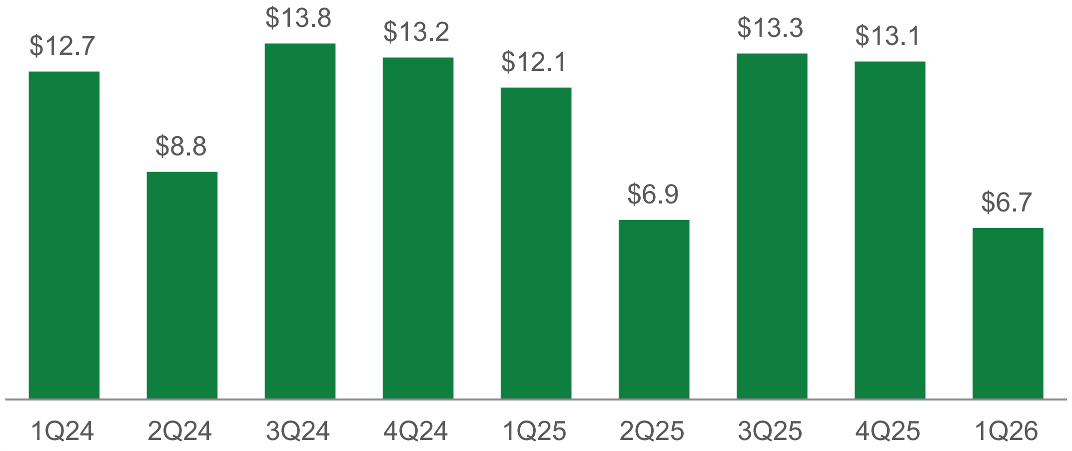
Cash



As % of Total Revenues



Free Cash Flow



Adjusted EBITDA

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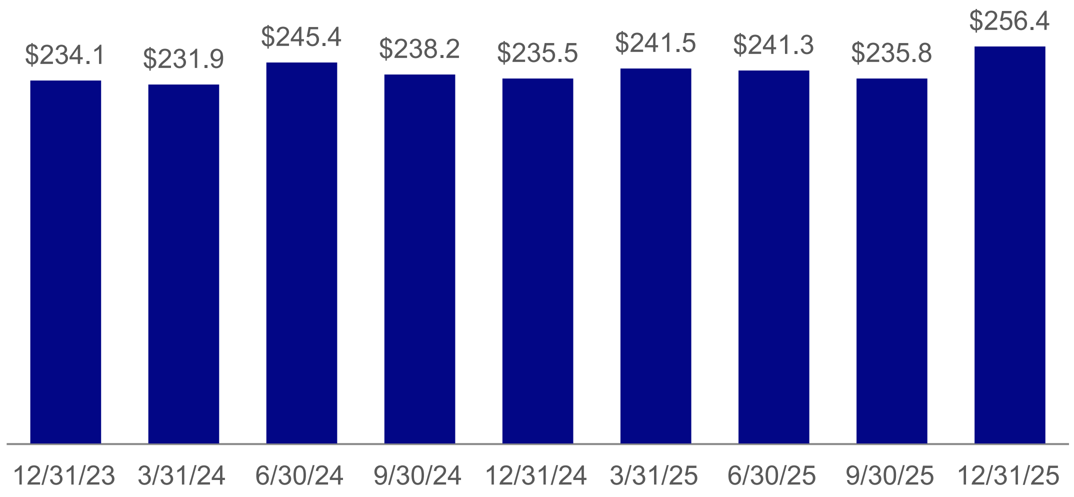
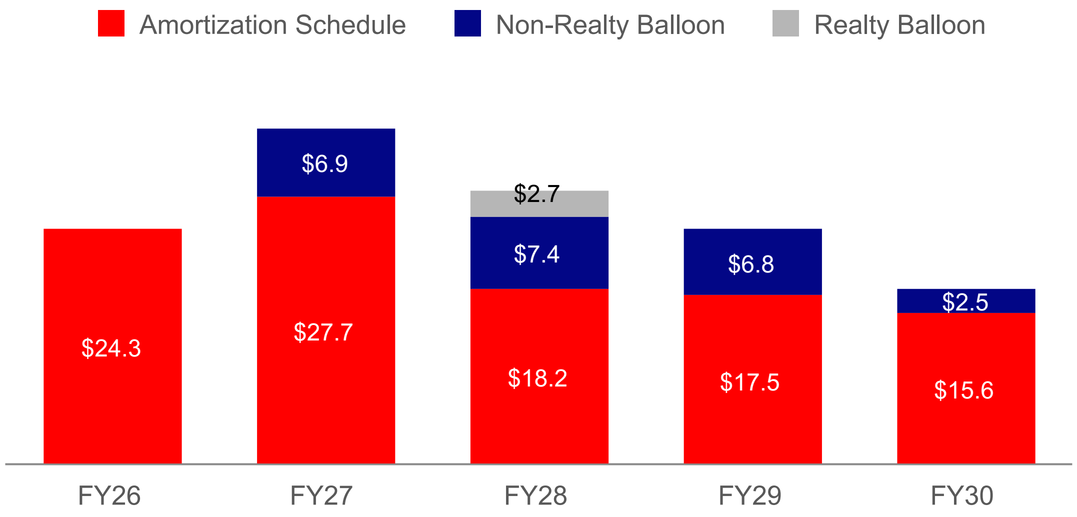
Debt Metrics

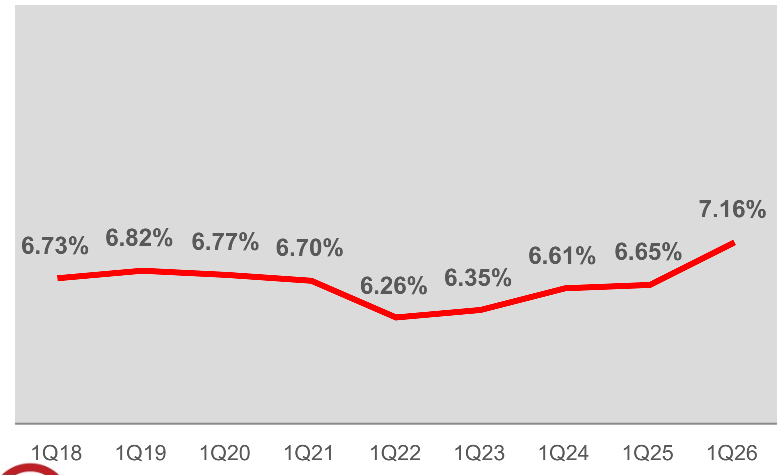
Debt, Net of Loan Costs ($M)



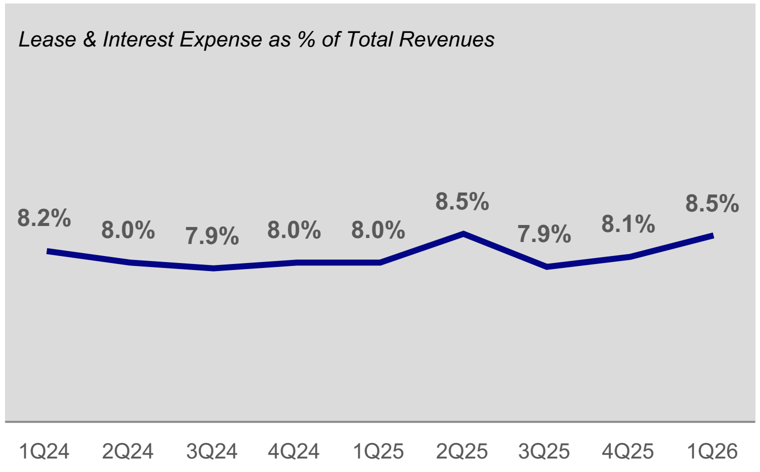
Debt Maturities at 12/31/25 ($M)



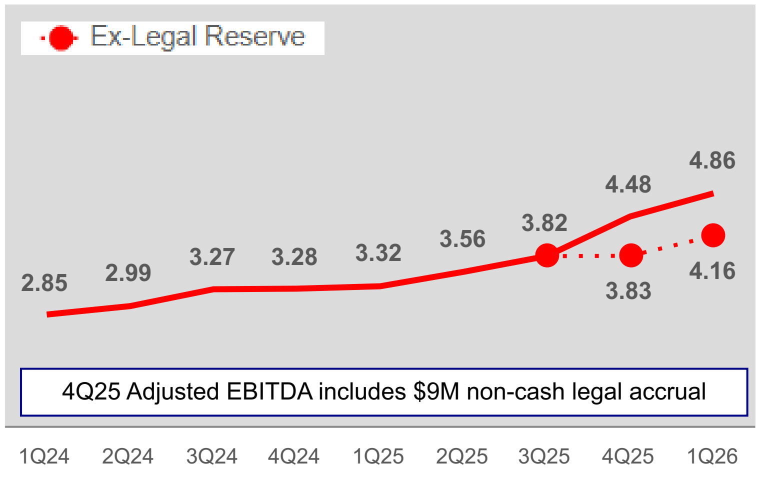
Weighted Average Interest Rate on Debt



Total Occupancy Costs



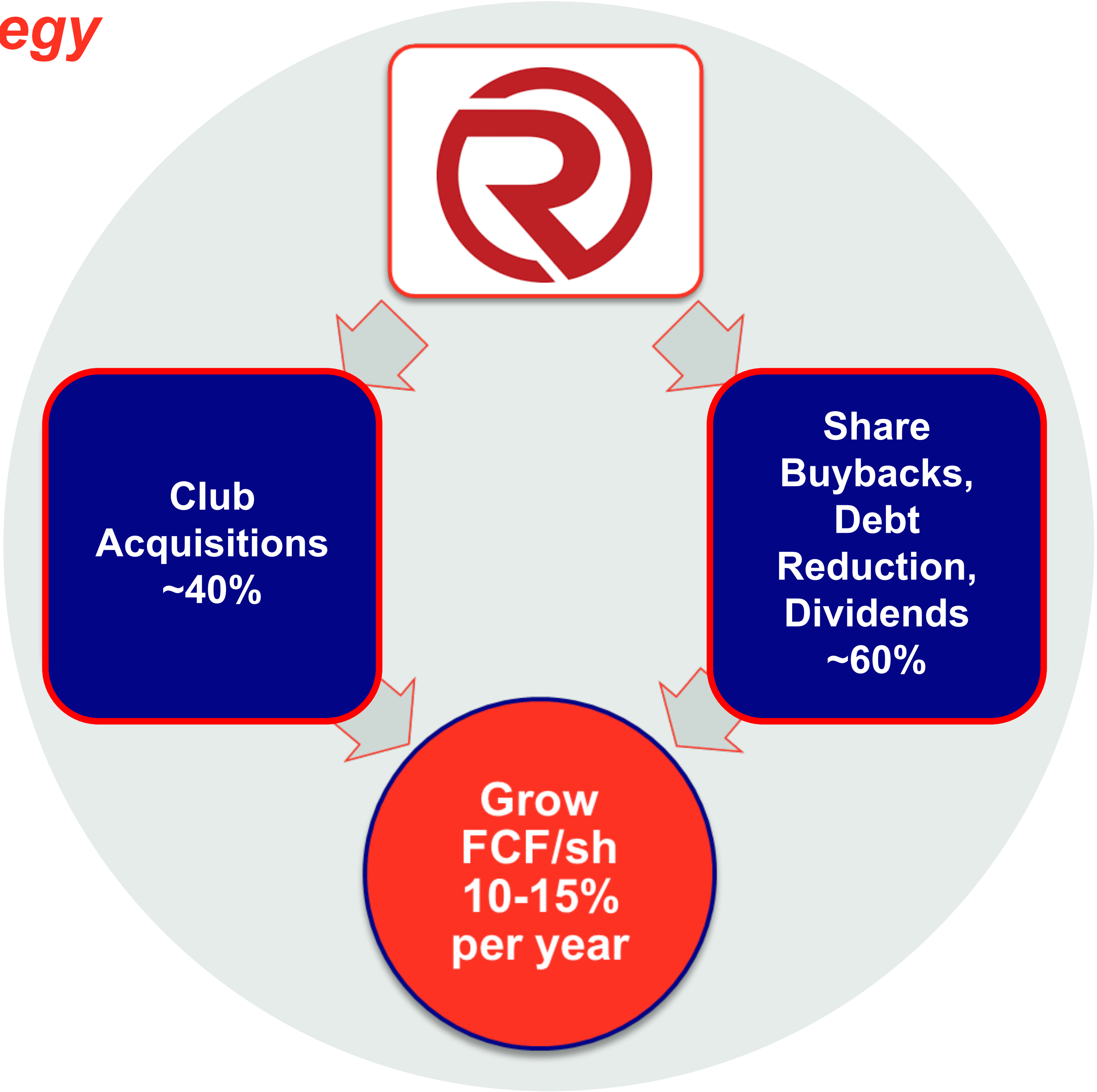
Debt / Adjusted EBITDA (TTM)*



Capital Allocation Strategy

Notes

- Targeted % annual use of FCF FY25-29
- Strategy excludes completion of club and restaurant projects already in development
- We may deviate from this strategy if other strategic rationale warrants



Back to Basics 5-Year Plan (FY25-29) Summary*

Operations	• Nightclubs – focus on core business operations and new acquisitions • Bombshells – improve performance and finish the remaining unit under development
Capital Allocation	• We expect to generate $250M+ of cumulative FCF over the next 5 years – 40% of FCF allocated to club acquisitions – 60% of FCF allocated to buybacks, debt reduction, and dividends
FY29 Financial Targets	• Goal: Double FCF/sh by FY29 year end • Targeting – $400M in revenue – $75M in FCF – 7.5M shares outstanding

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* We may deviate from this strategy if other strategic rationales warrant.

Plan Update

Nightclubs

- Total sales picked up from 1Q26 to 2Q26 with sequential improvement in SSS
- Working to expand margins at newly acquired and opened locations

Bombshells

- "Pre-Game & Party All in One" sports bar concept revitalized 2Q26 SSS at test location in Houston
- Rolling out the concept to other locations

Free Cash Flow

- 1Q26 impacted by paying off year-end legal fees, increased fees related to delayed filings, and insurance costs
- Working to drive down SG&A expenses

Share Buybacks

- Bought back 895,061 in 1Q26 and 137,500 in 2Q26-3Q26 as of May 1, 2026
- Shares outstanding reduced 14.6% (September 30, 2024 to May 1, 2026)
- Increased amount available under the repurchase program by $20 million (announced April 6, 2026)

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Appendix

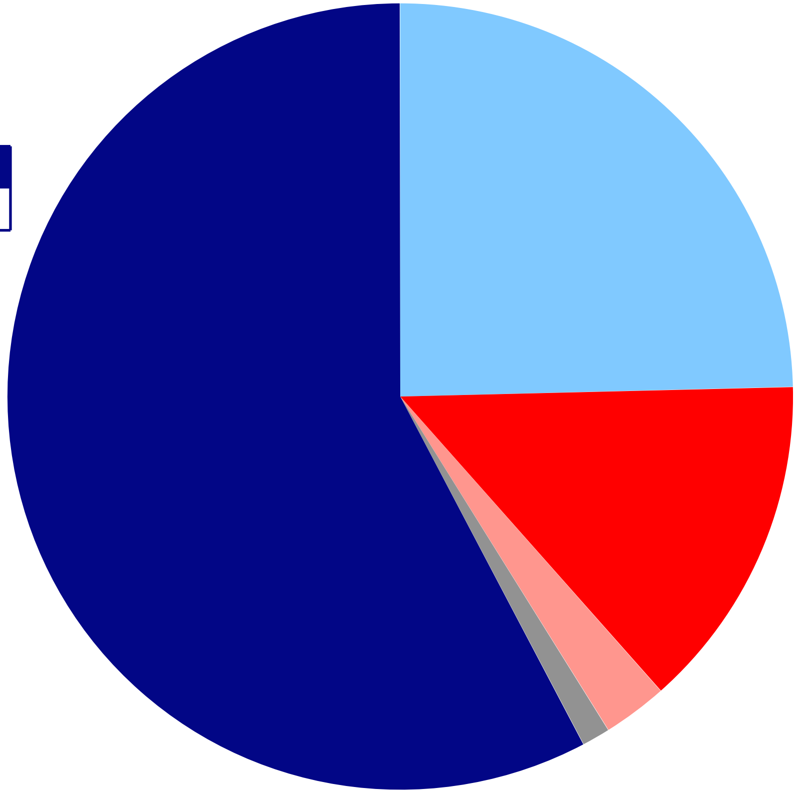
Long-Term Performance

Fiscal Year ($M)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	*10-Yr CAGR*
Total revenues	$135.4	$134.9	$144.9	$165.7	$181.1	$132.3	$195.3	$267.6	$293.8	$295.6	$279.4	***7.5 %***
Adjusted EBITDA	$34.1	$34.5	$37.3	$44.4	$46.2	$22.4	$60.2	$86.7	$85.0	$72.6	$52.6	***4.4 %***
% of revenues	*25.2%*	*25.6%*	*25.8%*	*26.8%*	*25.5%*	*16.9%*	*30.9%*	*32.4%*	*28.9%*	*24.6%*	*18.8 %*	
Free cash flow	$14.9	$20.5	$19.3	$23.2	$33.3	$13.5	$36.1	$58.9	$53.2	$48.4	$45.4	***11.8 %***
% of revenues	*11.0%*	*15.2%*	*13.3%*	*14.0%*	*18.4%*	*10.2%*	*18.5%*	*22.0%*	*18.1%*	*16.4%*	*16.2 %*	
Share count (FD)	10.29	9.81	9.72	9.72	9.59	9.13	9.00	9.23	9.40	8.96	8.68	***(1.6)%***

- FY16 free cash flow benefited from $2.0M tax credits
- FY20 reflects Covid pandemic, FY21 beginning of comeback, FY22 post-Covid bounce plus big October 2021 acquisition
- FY22 free cash flow benefited from $2.2M tax refund
- 4Q23 retained earnings exceeded $200M ($201.1M) for the first time; 2Q19 retained earnings exceeded $100M ($101.6M) for the first time
- Despite challenging FY23-25, we achieved strong performance since year-end FY15 initiation of Capital Allocation Strategy

Debt Analysis *(at 12/31/25, $M)*

Total of $258.7*
Weighted Average Interest Rate (WAIR): 7.16%



$149.3 Secured by Real Estate (57.7% of total)
6.00% WAIR

$63.7 Seller Financing (24.6% of total)			
Secured by the respective clubs and real estate to which it applies			
5 Baby Dolls-Chicas Locas	$16.2	@	7.0 %
11 Clubs	$15.3	@	6.0 %
Scarlett's	$9.1	@	8.0 %
Playmates	$7.7	@	11.0 %
Cheetah	$7.2	@	6.0 %
Flight Club	$4.6	@	8.0 %
2 Platinum Clubs	$2.7	@	7.0 %
Other	$0.9	@	5.0 %

$35.8 Unsecured Debt (13.9%of total)			
ADW Capital	$21.2	@	12.0 %
Various Investors	$10.8	@	12.0 %
Other	$3.9	@	12.0 %

$6.9 Secured by Other Assets (2.7% of total)
5.56% WAIR

$5.0 Bank Line of Credit (1.2% of total)
Secured by business and assets of a subsidiary
$3.0 balance @ 7.75% WAIR

* Gross, including loan costs.

Strategic Share Buybacks & Issuance

Fiscal Year or Quarter	Repurchased Shares	Average Price Per Share	Cumulative Shares Repurchased	Shares Used for Acquisitions	Value Per Share	Value of Shares Used for Acquisitions
2015	225,280	$10.19	225,280			
2016	747,081	$9.79	972,361			
2017	89,685	$12.25	1,062,046			
2018	--	--				
2019	128,040	$22.66	1,190,086			
2020	516,102	$18.38	1,706,188			
2021	74,659	$24.03	1,780,847	500,000	$60.00	$30,000,000
2022	268,185	$56.29	2,049,032			
2023	34,086	$65.22	2,083,118	200,000	$80.00	$16,000,000
2024	442,639	$46.55	2,525,757			
2025	270,939	$43.77	2,796,696			
1Q26 (pursuant to repurchase plans)	74,061	$24.72	2,870,757			
1Q26 (privately negotiated transaction)	821,000	$36.54	3,691,757			

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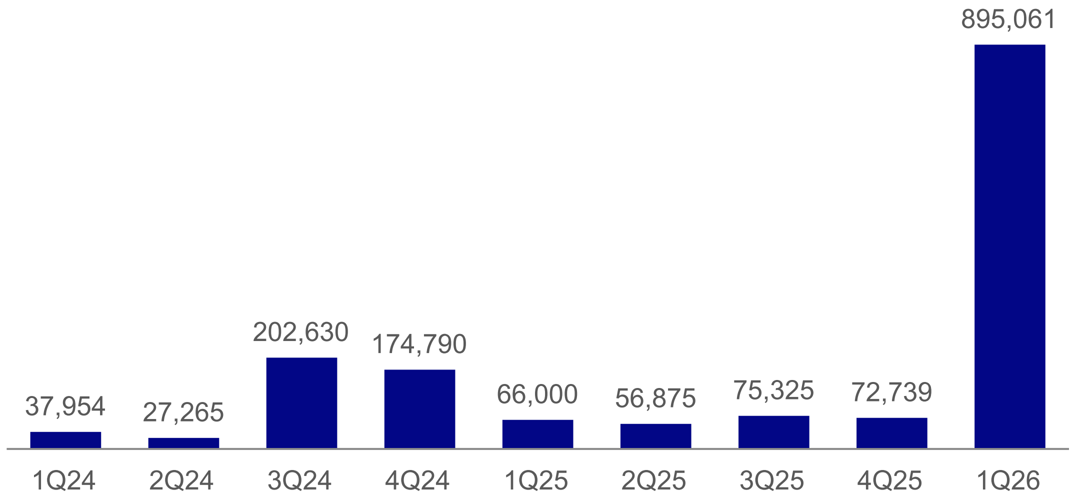
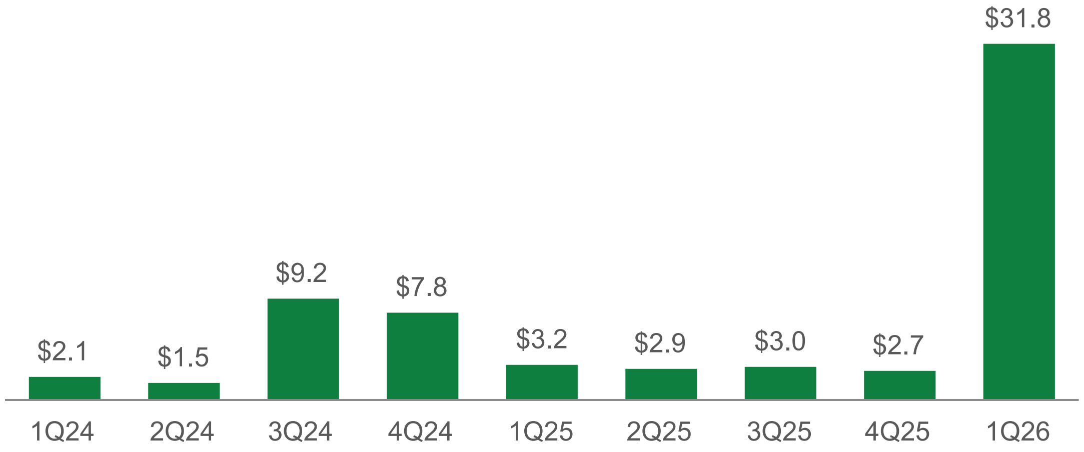
Capital Returned to Shareholders

Shares Purchased



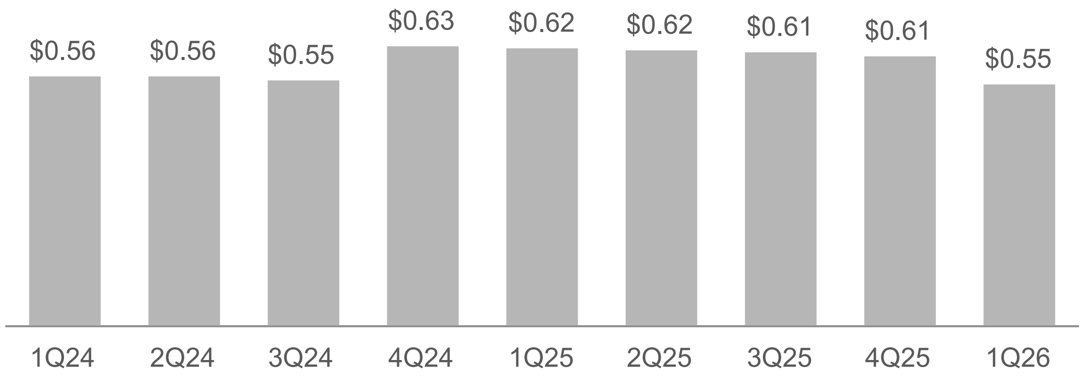
Total Cost of Shares ($M)



Comment

- With our Back to Basics 5-Year Capital Allocation Plan (FY25-29), focus is on repurchasing a steadier amount per quarter
- To encourage long-term ownership, plan is to continue to modestly increase annual dividends with cost partially offset by share reduction

Dividend Payments ($M)



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Reconciliation of Non-GAAP Measures

(in thousands)	Three Months Ended	
	December 31, 2025	December 31, 2024
Reconciliation of GAAP net income (loss) to Adjusted EBITDA		
Net income (loss) attributable to RCIHH common stockholders	$ (4,734)	$ 9,024
Income tax expense	1,549	1,847
Interest expense, net	4,251	3,973
Depreciation and amortization	4,187	3,569
Impairment of assets	1,163	—
Settlement of lawsuits	(802)	179
Loss (gain) on sale of businesses and assets	33	(1,406)
Gain on insurance	(177)	(1,017)
Stock-based compensation	392	470
Premium on stock repurchase	9,885	—
Gain on lease termination	—	(979)
Adjusted EBITDA	$ 15,747	$ 15,660
Reconciliation of GAAP net income (loss) to non-GAAP net income		
Net income (loss) attributable to RCIHH common stockholders	$ (4,734)	$ 9,024
Amortization of intangibles	615	580
Impairment of assets	1,163	—
Settlement of lawsuits	(802)	179
Stock-based compensation	392	470
Loss (gain) on sale of businesses and assets	33	(1,406)
Gain on insurance	(177)	(1,017)
Premium on stock repurchase	9,885	—
Gain on lease termination	—	(979)
Net income tax effect	(261)	310
Non-GAAP net income	$ 6,114	$ 7,161

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Reconciliation of Non-GAAP Measures

(in thousands, except per share and number of shares data)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024
Reconciliation of GAAP diluted earnings (loss) per share to non-GAAP diluted earnings per share		
Diluted shares	8,295,880	8,920,774
GAAP diluted earnings (loss) per share	$ (0.57)	$ 1.01
Amortization of intangibles	0.07	0.07
Impairment of assets	0.14	—
Settlement of lawsuits	(0.10)	0.02
Stock-based compensation	0.05	0.05
Loss (gain) on sale of businesses and assets	0.00	(0.16)
Gain on insurance	(0.02)	(0.11)
Premium on stock repurchase	1.19	—
Gain on lease termination	—	(0.11)
Net income tax effect	(0.03)	0.03
Non-GAAP diluted earnings per share	$ 0.74	$ 0.80
Reconciliation of GAAP operating income to non-GAAP operating income		
Income from operations	$ 11,036	$ 13,906
Amortization of intangibles	615	580
Impairment of assets	1,163	—
Settlement of lawsuits	(802)	179
Stock-based compensation	392	470
Loss (gain) on sale of businesses and assets	33	(1,406)
Gain on insurance	(177)	(1,017)
Non-GAAP operating income	$ 12,260	$ 12,712

Reconciliation of Non-GAAP Measures

(in thousands, except percentage data)	Three Months Ended	
	December 31, 2025	December 31, 2024
Reconciliation of GAAP operating margin to non-GAAP operating margin		
GAAP operating margin	15.6 %	19.5 %
Amortization of intangibles	0.9 %	0.8 %
Impairment of assets	1.6 %	— %
Settlement of lawsuits	(1.1)%	0.3 %
Stock-based compensation	0.6 %	0.7 %
Loss (gain) on sale of businesses and assets	0.0 %	(2.0)%
Gain on insurance	(0.2)%	(1.4)%
Non-GAAP operating margin	17.3 %	17.8 %
Reconciliation of net cash provided by operating activities to free cash flow		
Net cash provided by operating activities	$ 7,816	$ 13,344
Less: Maintenance capital expenditures	1,136	1,276
Free cash flow	$ 6,680	$ 12,068

Reconciliation of Non-GAAP Measures

($ in thousands)	Three Months Ended December 31, 2025				
	Nightclubs	Bombshells	Other	Corporate	Total
Income (loss) from operations	$ 18,722	$ (139)	$ (150)	$ (7,397)	$ 11,036
Amortization of intangibles	613	—	—	2	615
Impairment of assets	1,163	—	—	—	1,163
Settlement of lawsuits	(827)	25	—	—	(802)
Stock-based compensation	—	—	—	392	392
Loss (gain) on sale of businesses and assets	22	4	—	7	33
Gain on insurance	(177)	—	—	—	(177)
Non-GAAP operating income (loss)	$ 19,516	$ (110)	$ (150)	$ (6,996)	$ 12,260
GAAP operating margin	30.0 %	(1.7)%	(108.7)%	(10.4)%	15.6 %
Non-GAAP operating margin	31.3 %	(1.3)%	(108.7)%	(9.9)%	17.3 %

Reconciliation of Non-GAAP Measures*

($ in thousands)	Three Months Ended December 31, 2024				
	Nightclubs	Bombshells	Other	Corporate	Total
Income (loss) from operations	$ 20,853	$ 1,945	$ (103)	$ (8,789)	$ 13,906
Amortization of intangibles	574	1	—	5	580
Settlement of lawsuits	179	—	—	—	179
Stock-based compensation	—	—	—	470	470
Loss (gain) on sale of businesses and assets	16	(1,330)	—	(92)	(1,406)
Gain on insurance	(1,017)	—	—	—	(1,017)
Non-GAAP operating income (loss)	$ 20,605	$ 616	$ (103)	$ (8,406)	$ 12,712
GAAP operating margin	33.8 %	20.3 %	(59.9)%	(12.3)%	19.5 %
Non-GAAP operating margin	33.4 %	6.4 %	(59.9)%	(11.8)%	17.8 %

RCI HOSPITALITY HOLDINGS INC

*Recast upon adoption of ASU 2023-07.

Contact Information

Corporate Office
10737 Cutten Road
Houston, TX 77066
Phone: (281) 397-6730

Investor Relations
Gary Fishman (gfishman@pondel.com)
Michael Wichman (mwichman@pondel.com)
Phone: (212) 883-0655

IR Website
www.rcihospitality.com
Nasdaq: RICK