RCI HOSPITALITY HOLDINGS INC

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

Today's Speakers

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RCI HOSPITALITY HOLDINGS INC

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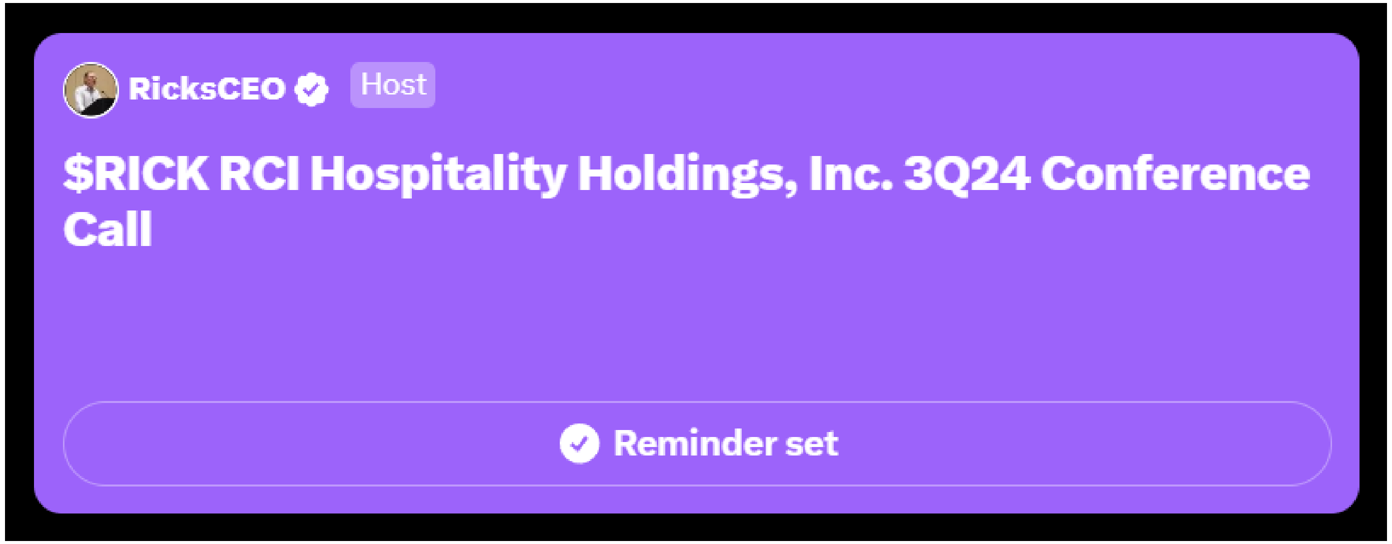

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Forward-Looking Statements

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.

These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this presentation and those discussed in other documents we file with the U.S. Securities and Exchange Commission (“SEC”).

This presentation 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) the impact of the COVID-19 pandemic, and (vii) numerous other factors such as laws governing the operation of adult entertainment or restaurant businesses, competition and dependence on key personnel.

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, 2023, 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.

The novel coronavirus (COVID-19) pandemic has disrupted and may continue to disrupt our business, which has and could continue to materially affect our operations, financial condition, and results of operations for an extended period of time.

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, (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, (d) gains or losses on sale of businesses and assets, (e) gains or losses on insurance, (f) stock-based compensation, and (g) 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 11.7% and 21.6% effective tax rate of the pre-tax non-GAAP income before taxes for the nine months ended June 30, 2024 and 2023, 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) impairment of assets, (c) income tax expense (benefit), (d) net interest expense, (e) settlement of lawsuits, (f) gains or losses on sale of businesses and assets, (g) gains or losses on insurance, and (h) stock-based compensation. 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.

Our 3Q24 10-Q and our August 8, 2024 earnings news release and financial tables contain additional details and reconciliation of non-GAAP financial measures for the quarter ended June 30, 2024, and are posted on our website at www.rcihospitality.com and filed with the US Securities and Exchange Commission.

Key Takeaways

3Q24 Results	• Nightclubs same store sales increased – first time since 2Q23 • Bombshells revenues improved second quarter in a row • Core margins (excluding impairments) improved from last quarter
New Project Development	• Continued to open more locations • Efforts focused on developing new locations and upgrading existing ones • Formally withdrew Colorado casino license applications
Capital Allocation Strategy	• First full quarter of our Back to Basics focus on business and capital allocation strategy • Added to our war chest with $20 million bank real estate loan • New $25 million share buyback authorization • Buybacks reduced shares outstanding to 8,996,546 as of August 5, 2024

Strategic Share Buybacks & Issuance

Fiscal Year	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 as of 8/5/24	401,093	$46.75	2,484,211			

- 700,000 shares valued at $46.0 million (average $65.71 per share) were used in our big October 2021 and March 2023 acquisitions
- Subsequently, we bought back the same number of shares in the open market for $35.9 million (average $51.31)
- This represents a discount of $10.1 million or 22% of the value of shares used in the two acquisitions
- Currently, we have $22.9 million in remaining stock repurchase authorization

Working on 5-Year Strategic Plan

Back to Basics

- Make sure all our locations are running as efficiently and profitably as possible
- Our priorities
  - Grow SSS
  - Improve margins
  - Rebrand and reformat underperforming locations

Capital Allocation

- +$200-250M of free cash flow to deploy over the next 5 years, assuming no growth
- Our priorities
  - Stable and growing dividend (<10% of FCF) – maintain and modestly grow the dividend
  - Selective M&A (targeting ~50% of FCF) – base hits and occasional home runs, capture synergies at acquired clubs
  - Regular buybacks (targeting ~40%) – excess cash not used for M&A and dividends will be used for buybacks

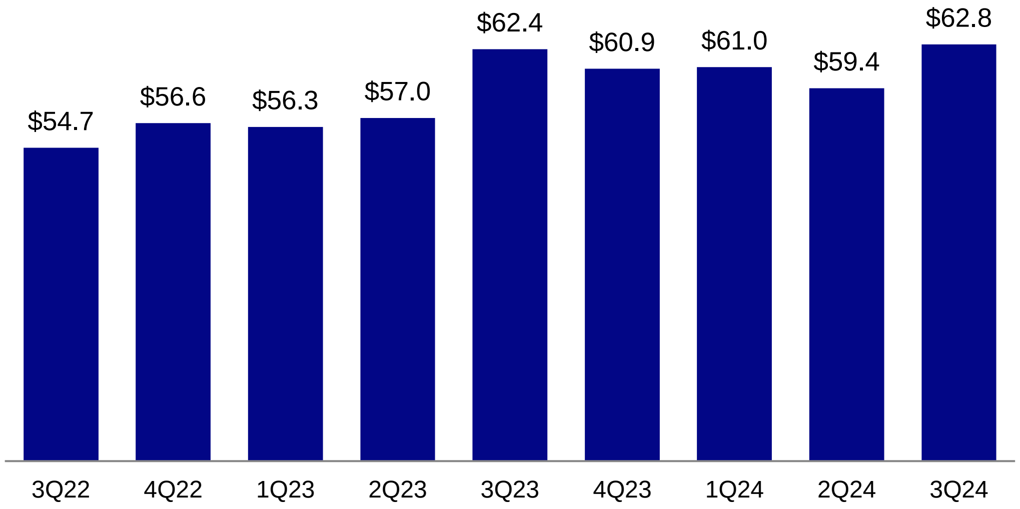
Summary Results

In Millions Except EPS	3Q24	3Q23	9M24	9M23
Total revenues	$76.2	$77.1	$222.4	$218.5
EPS	$(0.56)	$0.96	$0.30	$2.91
Non-GAAP EPS*	$1.35	$1.30	$3.11	$3.80
Other charges, net	$18.3	$2.6	$26.5	$5.7
Net cash provided by operating activities	$15.8	$15.3	$40.2	$47.0
Free cash flow*	$13.8	$14.3	$35.3	$42.1
Net income (loss) attributable to RCIHH common shareholders	$(5.2)	$9.1	$2.8	$27.1
Adjusted EBITDA*	$20.1	$22.7	$54.8	$64.8
Weighted average shares used in computing EPS – basic and diluted	9.28	9.43	9.33	9.31

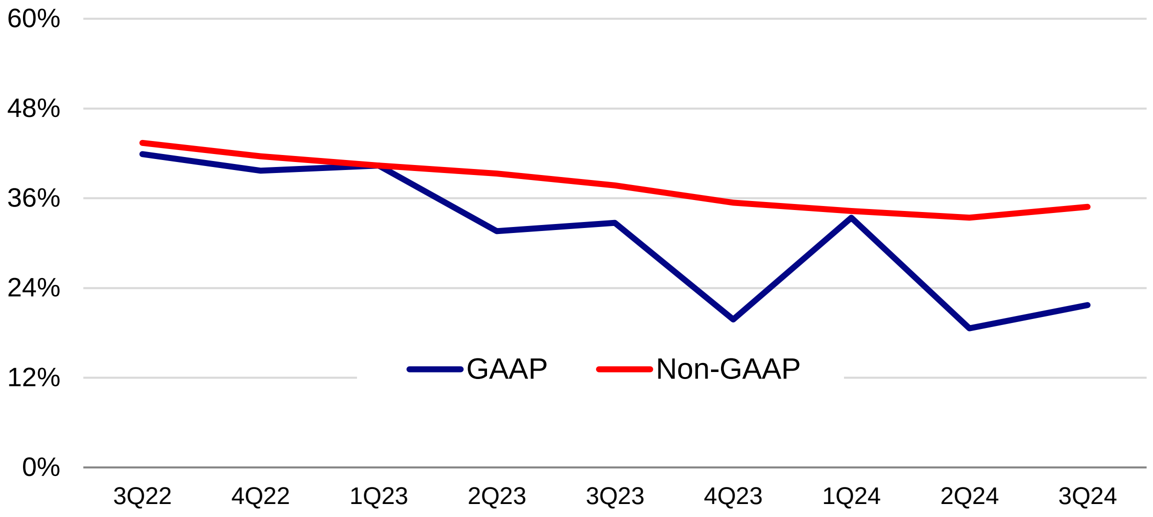
* See “Non-GAAP Financial Measures” on page 5 and the Appendix for “Reconciliation of Non-GAAP Measures”

Nightclubs Segment

Total Revenues ($M)



Operating Margin *As % of Segment Revenues*



3Q24 vs. 3Q23 ($M)

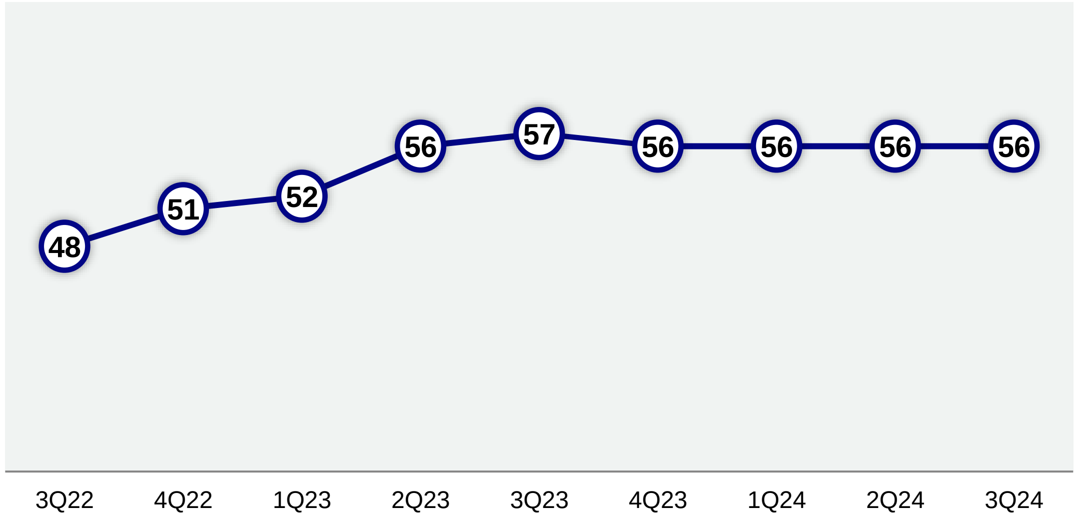
- Revenues: +$0.4 from +1.7% SSS growth and two new and reformatted clubs, partially offset by temporary closures due to reformatting and severe weather

Sales	3Q24	Δ $	Δ%
Alcohol	$27.4	$1.3	+4.9%
Service	25.1	(1.4)	-5.3
Food	5.9	0.6	+11.6
Other	4.4	-0.1	-2.6

Club Vintage	3Q24	Δ $	Δ%
Legacy	$38.4	$(1.0)	-2.6%
Acquired in FY22	14.9	(0.6)	-3.6
Acquired in FY23	9.5	1.9	+25.6

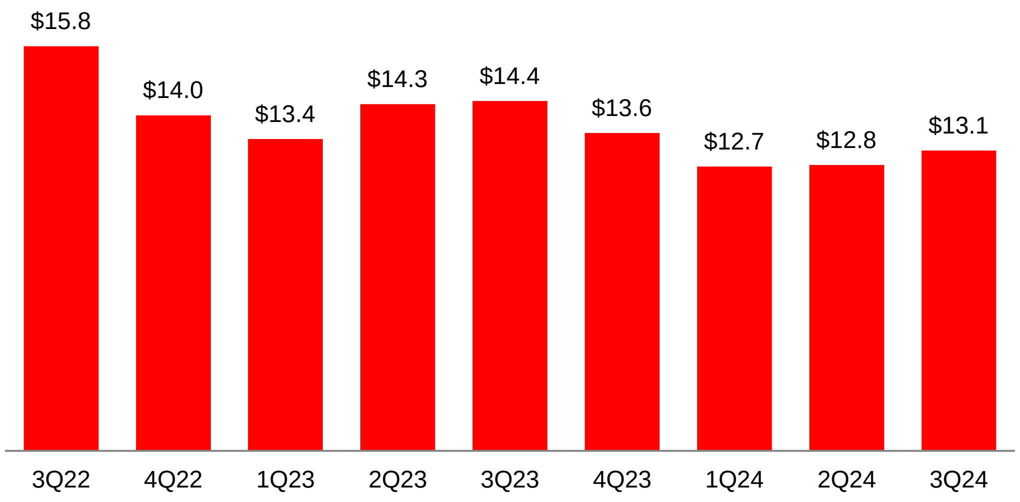
- GAAP Operating Income: $13.6 vs. $20.4 (21.7% of revenues vs. 32.7%)
- Non-GAAP Operating Income: $21.9 vs. $23.6 (34.9% of revenues vs. 37.7%)
- 3Q24 vs. 2Q24: Sales +5.8% and both GAAP and Non-GAAP operating margin improved

Locations Contributing to Revenues

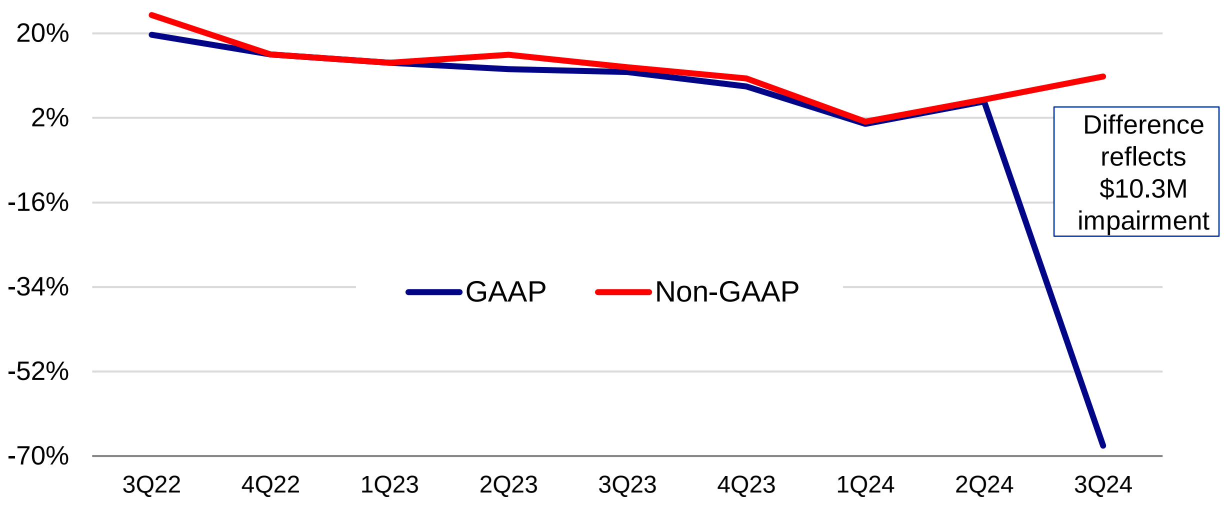


Bombshells Segment

Total Revenues ($M)



Operating Margin *As % of Segment Revenues*



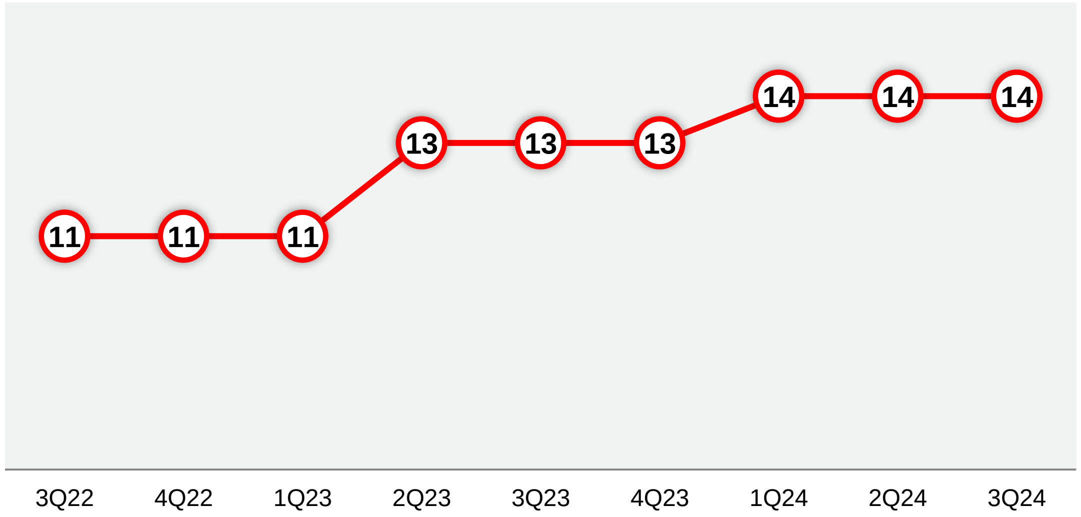
3Q24 vs. 3Q23 ($M)

- Revenues: -8.7% due to SSS decline, partially offset by 3 locations not in SSS
- GAAP Operating Income: $(8.9) vs. $1.7 (-67.8% of revenues vs.11.8%)
- Non-GAAP Operating Income: $1.4 vs. $1.8 (10.8% of revenues vs.12.8%)
- Profitability primarily reflects lower SSS

3Q24 vs. 2Q24 ($M)

- Revenues: +2.9%
- GAAP Operating Margin: -67.8% vs. 5.5%
- Non-GAAP Operating Margin: 10.8% vs. 5.9%
- Profitability primarily reflects changes implemented mid-February

Locations Contributing to Revenues



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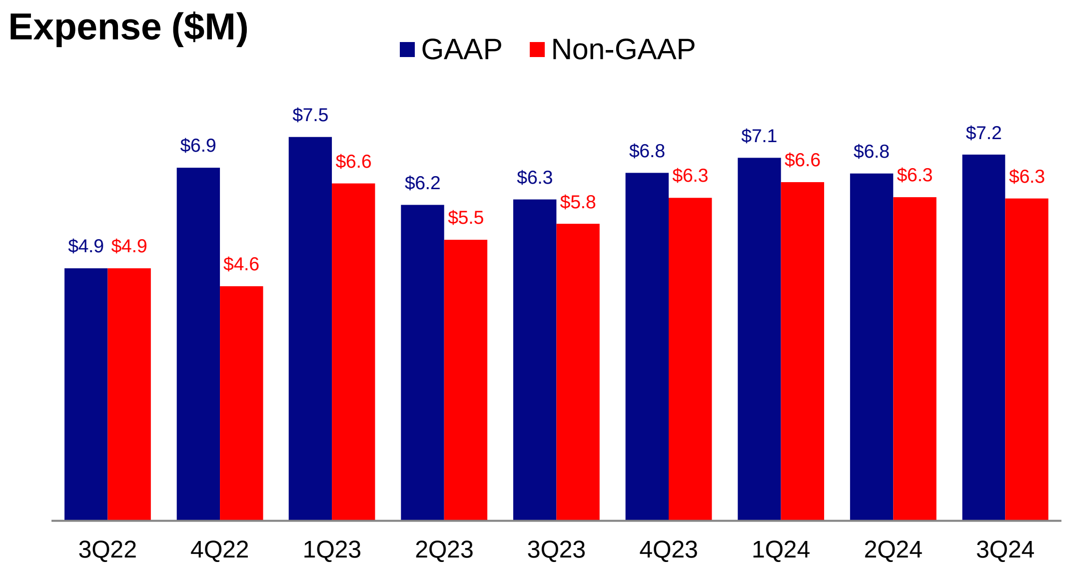
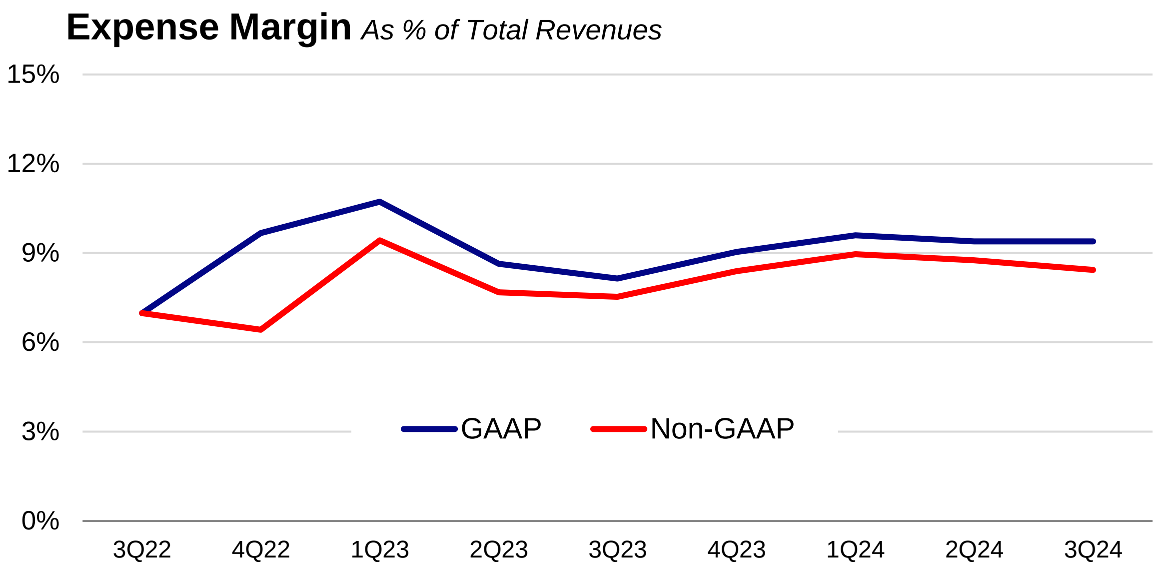
Corporate Segment





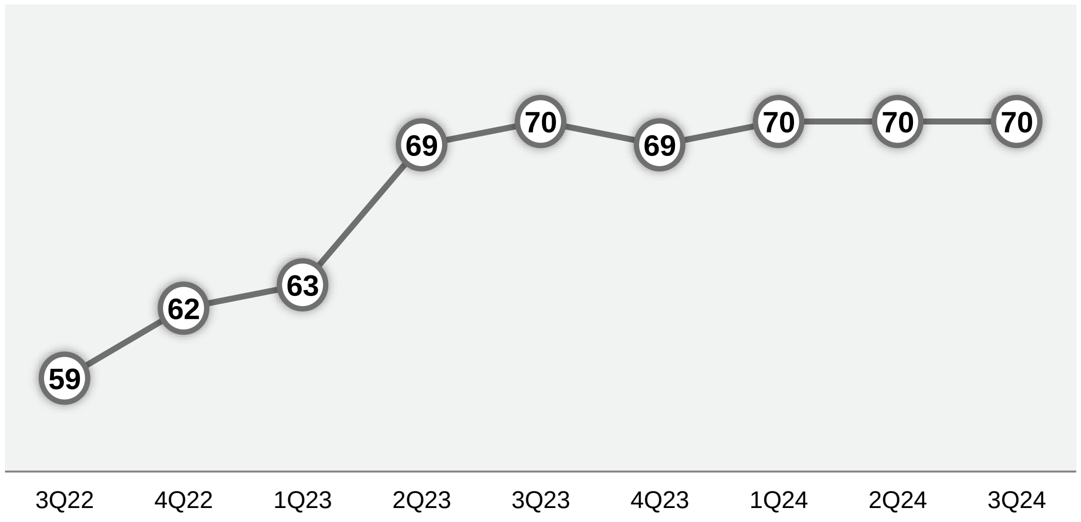
3Q24 vs. 3Q23 ($M)

- Expenses: +$0.9 GAAP, +$0.6 Non-GAAP
- GAAP Expense Margin: 9.4% vs. 8.1%
- Non-GAAP Expense Margin: 8.4% vs. 7.5%
- Increase reflected more corporate level management from the Duncan Burch acquisition, accounting and professional services due to recently acquired clubs, and new projects

3Q24 vs. 2Q24 ($M)

- Expenses: +$0.4 GAAP, +$0.1 Non-GAAP
- GAAP Expense Margin: 9.4% vs. 9.4%
- Non-GAAP Expense Margin: 8.4% vs. 8.8%

Total Locations Contributing to Revenues



Consolidated Operating Income 3Q24 vs. 2Q24

$M*	3Q24	2Q24	Change
Revenues			
Nightclubs	$62.8	$59.4	$3.4
Bombshells	13.1	12.8	0.3
Other	0.2	0.1	0.1
	76.2	**72.3**	**3.9**
GAAP Income (loss) from operations			
Nightclubs	13.6	11.0	2.6
Bombshells	(8.9)	0.7	(9.6)
Other	(0.1)	(0.3)	0.2
Corporate	(7.2)	(6.8)	(0.4)
	(2.5)	**4.6**	**(7.1)**
Non-GAAP Income (loss) from operations			
Nightclubs	21.9	19.8	2.1
Bombshells	1.4	0.8	0.6
Other	(0.1)	(0.3)	0.2
Corporate	(6.4)	(6.3)	0.1
	$16.8	**$14.0**	**$2.8**

Location Weather Closure Days	3Q24	4Q24**
Clubs	1	10
Bombshells	12	26
Total		

* Amounts may not foot due to rounding ** As of 8/2/24

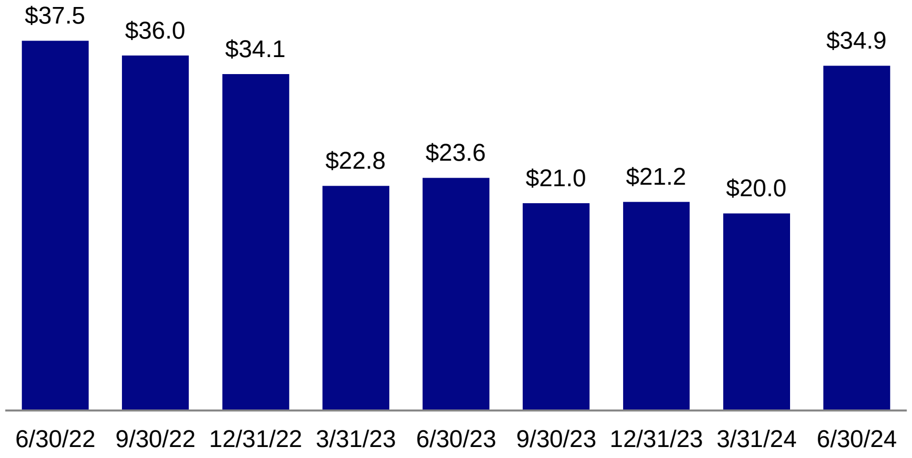
GAAP Disclosure ($M)

Quarter	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Operating income	$20.5	$18.0	$16.9	$13.4	$15.5	$5.6	$13.2	$4.7	($2.5)
Net cash provided by operating activities	$18.9	$17.8	$14.9	$16.8	$15.3	$12.1	$13.6	$10.8	$15.8
Net income	$13.9	$10.6	$10.2	$7.7	$9.1	$2.2	$7.2	$0.8	($5.2)

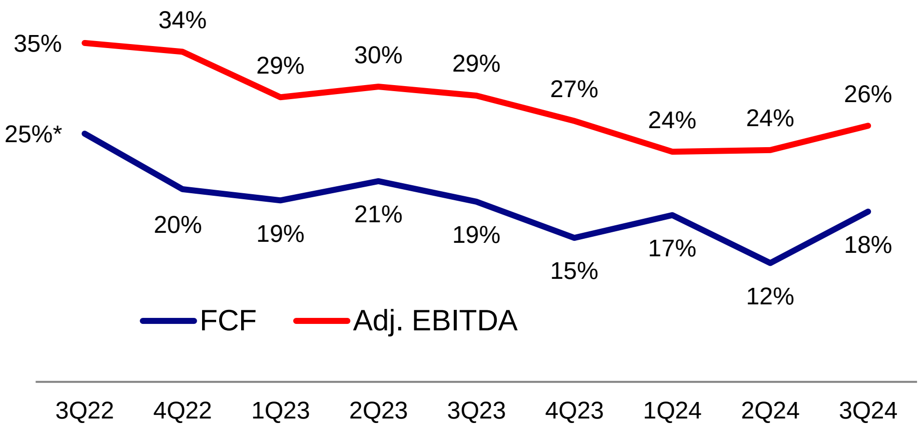
Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total revenues	$135.4	$134.9	$144.9	$165.7	$181.1	$132.3	$195.3	$267.6	$293.8
Operating income	$20.7	$20.7	$23.1	$27.6	$34.7	$2.7	$38.5	$71.5	$51.5
% of revenues	*15.3%*	*15.3%*	*16.0%*	*16.6%*	*19.2%*	*2.1%*	*19.7%*	*26.7%*	*17.5%*
Net cash provided by operating activities	$16.4	$23.0	$21.1	$25.8	$37.2	$15.6	$42.0	$64.5	$59.1
Net income	$9.2	$11.2	$8.3	$20.9	$20.3	$(6.1)	$30.3	$46.0	$29.2
% of revenues	*6.8%*	*8.3%*	*5.7%*	*12.6%*	*11.2%*	*(4.6)%*	*15.5%*	*17.2%*	*10.0%*

Cash, FCF & Adjusted EBITDA ($M)

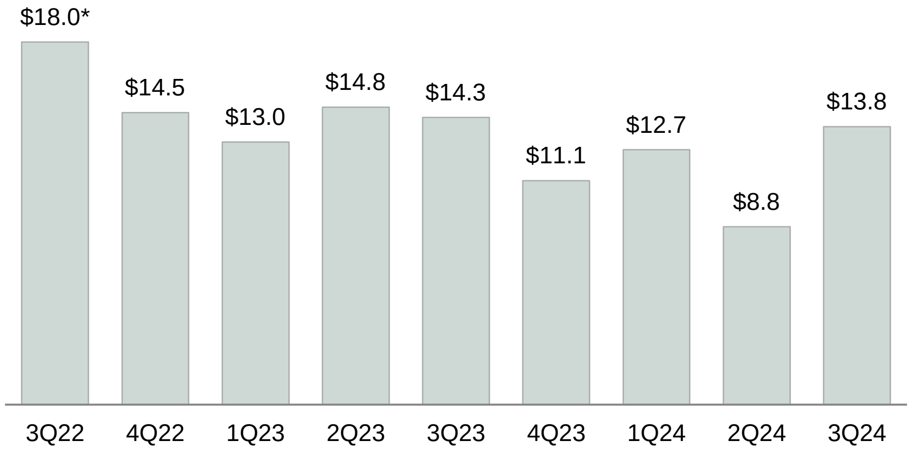
Cash



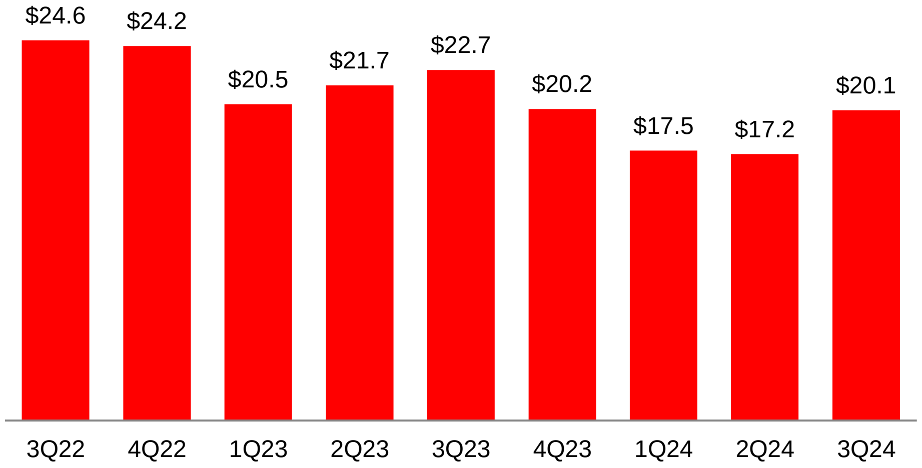
As % of Total Revenues



Free Cash Flow



Adjusted EBITDA



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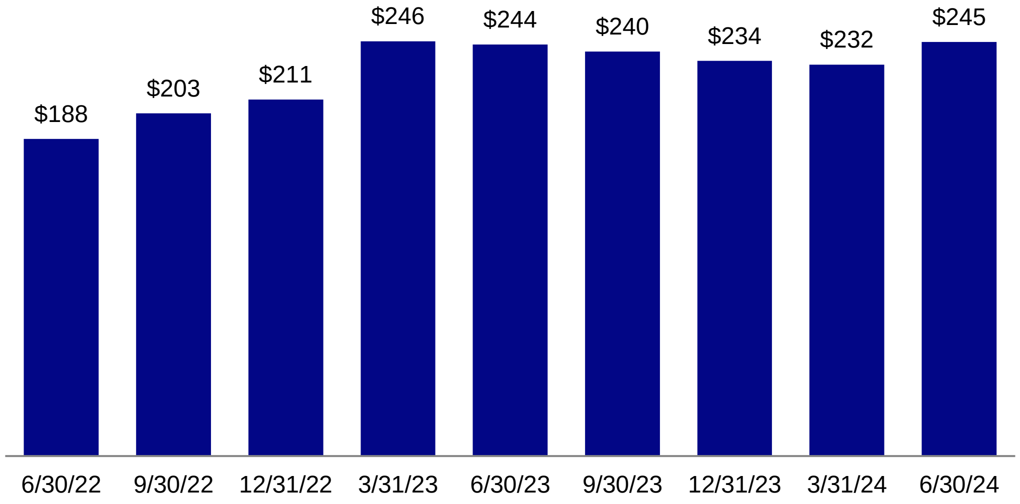
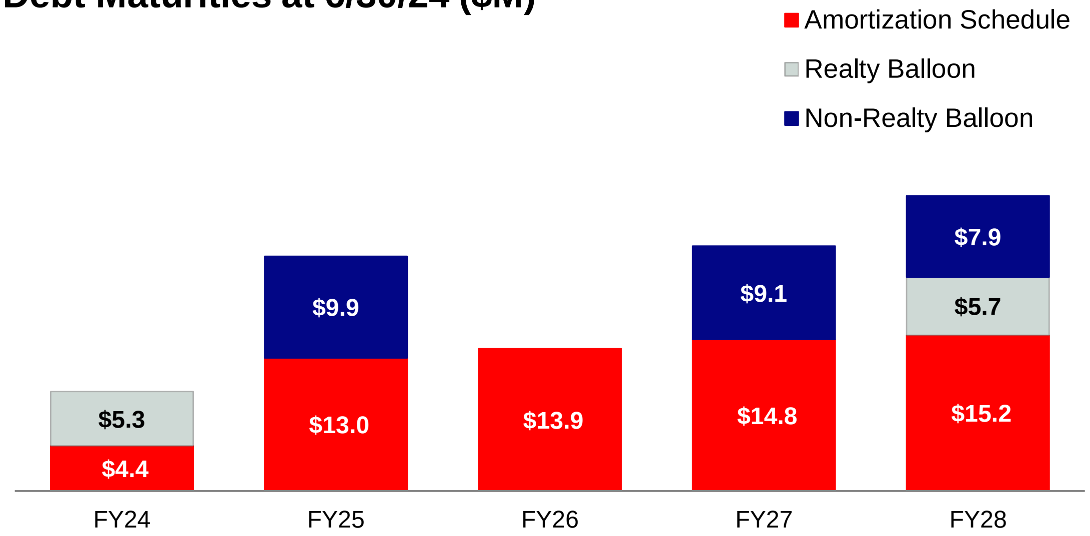
* 3Q22 FCF includes receipt of $2.2M previously discussed tax refund

Debt Metrics

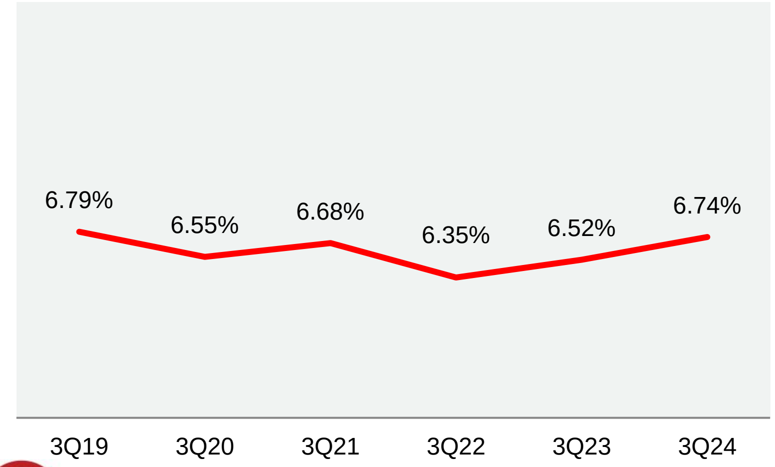
Debt, Net of Loan Costs ($M)



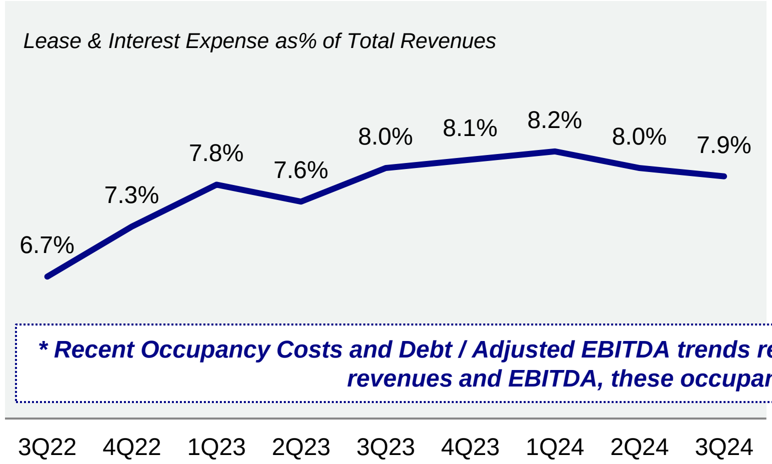
Debt Maturities at 6/30/24 ($M)



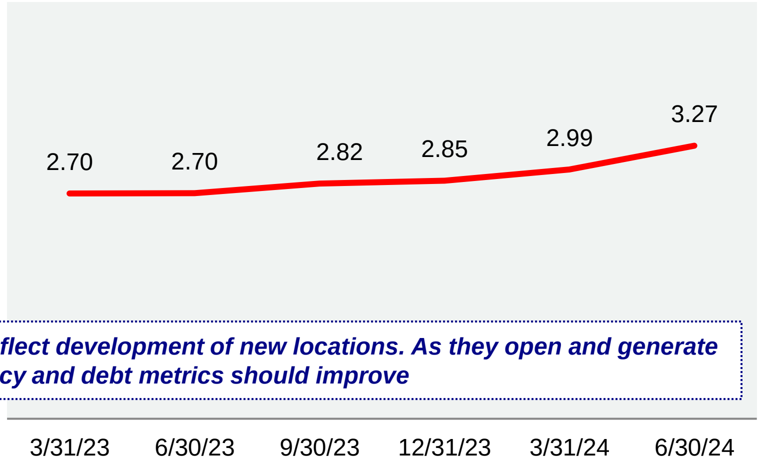
Weighted Average Interest Rate on Debt



Total Occupancy Costs*



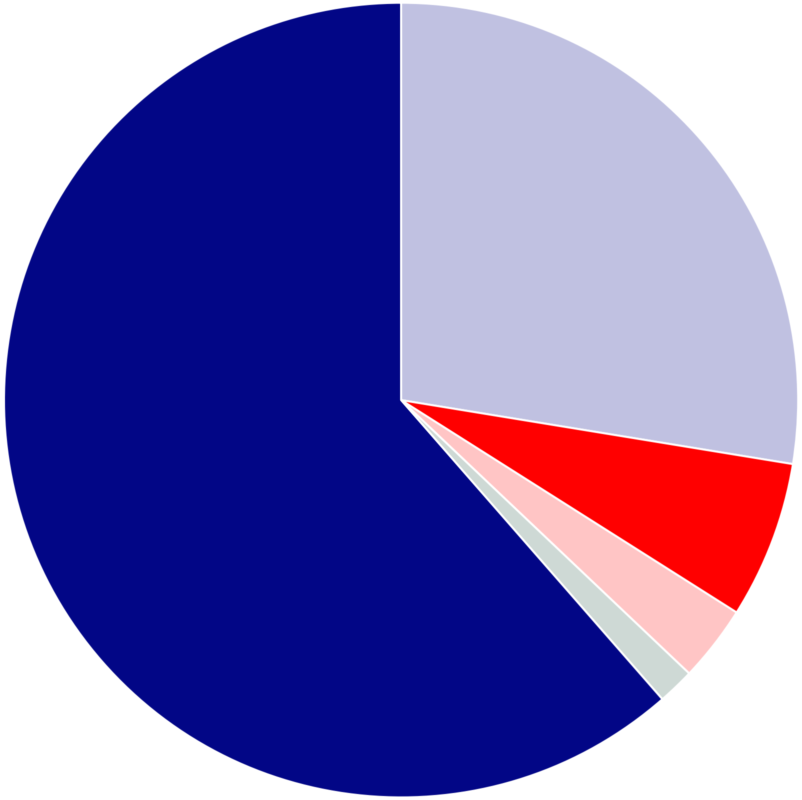
Debt / Adjusted EBITDA (TTM)*



***** Recent Occupancy Costs and Debt / Adjusted EBITDA trends reflect development of new locations. As they open and generate revenues and EBITDA, these occupancy and debt metrics should improve***

Debt Analysis *(at 6/30/24, $M)*

Total of $248.4*
Weighted Average Interest Rate (WAIR): 6.74%



$152.6 Secured by Real Estate (61.4% of total)
- 5.97% WAIR

$68.5 Seller Financing (27.6% of total)
- Secured by the respective clubs and real estate to which it applies
- 5 Baby Dolls-Chicas Locas: $18.6 @ 7.0% WAIR
- 11 Clubs: $17.2 @ 6.0% WAIR
- Scarlett's: $11.2 @ 8.0% WAIR
- Playmates: $10.2 @ 10.0% WAIR
- Cheetah: $8.5 @ 6.0% WAIR
- Other: $2.8 @ 6.1% WAIR

$15.9 Unsecured Debt (6.4% of total)
- 12.0% WAIR

$7.7 Secured by Other Assets (3.1% of total)
- 5.58% WAIR

$10.0 Bank Line of Credit (1.5% of total)
- Secured by business and assets of a subsidiary
- $3.7 balance @ 9.5% WAIR

*Long-Term Debt Net of Loan Costs: $245.4
- +$5.6 from 9/30/23
- +$13.5 from 3/31/24

Operating Lease Total Liabilities: $35.9
- Adoption of ASC 842, Leases, starting FY20

* See box titled "Long-Term Debt Net of Loan Costs" on this page

*Capital Allocation Strategy Guides Our Growth**

Share Buybacks

- Repurchase shares when FCF yield is more than 10%

Mergers & Acquisitions

- Buy good, solid, cash flowing clubs at 3-5x adjusted EBITDA
- Use seller-financing
- Buy the real estate for market value
- Structure deals to generate annual cash on cash return of at least 25-33%

Organic Growth

- Structure investments in new units to generate annual cash on cash return of at least 25-33%

Drive Value with 10-15% Compound Annual FCF/Share Growth

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* We may deviate from this strategy if other strategic rationale warrants

Development Update

Project	Location	Status
Bombshells	Stafford, TX	• Opened November 2023
PT's Centerfold	Lubbock, TX	• Opened March 2024 (BYOB)
Scarlett's Cabaret Denver	Glendale, CO	• 4 AM liquor license approved late March 2024
Baby Dolls (rebranded)	Tye, TX	• Opened April 2024 (liquor)
Dallas Showclub (rebranded)	Dallas, TX	• Opened June 2024 (liquor)
Chicas Locas (rebranded)	Harlingen, TX	• Opened June 2024 (liquor)
Chicas Locas	Dallas, TX	• Opened June 2024 in unused space (BYOB)
Chicas Locas (rebranded)	El Paso, TX	• Awaiting liquor license
Baby Dolls	West Fort Worth, TX	• Awaiting construction permits
Baby Dolls	Fort Worth, TX	• Plan to rebuild following fire July 2024
Rick's Cabaret & Steakhouse	Central City, CO	• 24-hour liquor licenses approved • Construction in process
Bombshells	Denver, CO	• Interior remodel well underway • Target opening October 2024
Bombshells	Lubbock, TX	• Framing and stucco underway
Bombshells	Rowlett, TX	• Steel going up, framing soon

Long-Term Performance

Fiscal Year ($M)	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	***8-Year CAGR***
Total revenues	$135.4	$134.9	$144.9	$165.7	$181.1	$132.3	$195.3	$267.6	$293.8	***10.2%***
Adjusted EBITDA	$34.1	$34.5	$37.3	$44.4	$46.2	$22.4	$60.2	$86.7	$85.0	***12.1%***
% of revenues	*25.2%*	*25.6%*	*25.8%*	*26.8%*	*25.5%*	*16.9%*	*30.9%*	*32.4%*	*28.9%*	
Free cash flow	$14.9	$20.5	$19.3	$23.2	$33.3	$13.5	$36.1	$58.9	$53.2	***17.2%***
% of revenues	*11.0%*	*15.2%*	*13.3%*	*14.0%*	*18.4%*	*10.2%*	*18.5%*	*22.0%*	*18.1%*	
Share count (FD)	10.41	10.23	9.74	9.72	9.66	9.20	9.00	9.38	9.34	

- FY20 reflects Covid pandemic, FY21 beginning of comeback, FY22 post-Covid bounce plus big October 2021 acquisition
- Despite challenging FY23 vs. FY22 comps, we achieved strong performance since year-end FY15 initiation of Capital Allocation Strategy
- FY16 free cash flow benefitted from $2.0M tax credits
- 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

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Appendix

Reconciliation of Non-GAAP Measures

In 000s	3Q24	3Q23	9M24	9M23
Reconciliation of GAAP net income (loss) to Adjusted EBITDA				
Net income (loss) attributable to RCIHH common stockholders	$(5,233)	$9,085	$2,767	$27,055
Income tax expense	(1,426)	2,269	378	7,447
Interest expense, net	4,110	4,229	12,135	11,412
Depreciation and amortization	3,901	4,041	11,638	11,108
Impairment of assets	17,931	2,631	25,964	3,293
Settlement of lawsuits	141	63	308	3,183
Loss (gain) on sale of businesses and assets	188	(105)	180	(692)
Gain on insurance	—	—	—	(91)
Stock-based compensation	471	470	1,412	2,117
Adjusted EBITDA	**$20,083**	**$22,683**	**$54,782**	**$64,832**

Reconciliation of Non-GAAP Measures

In 000s	3Q24	3Q23	9M24	9M23
Reconciliation of GAAP net income (loss) to non-GAAP net income*				
Net income (loss) attributable to RCIHH common stockholders	$(5,233)	$9,085	$2,767	$27,055
Amortization of intangibles	598	918	1,897	2,722
Impairment of assets	17,931	2,631	25,964	3,293
Settlement of lawsuits	141	63	308	3,183
Stock-based compensation	471	470	1,412	2,117
Loss (gain) on sale of businesses and assets	188	(105)	180	(692)
Gain on insurance	—	—	—	(91)
Net income tax effect	(1,554)	(812)	(3,475)	(2,258)
Non-GAAP net income	**$12,542**	**$12,250**	**$29,053**	**$35,329**

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* Adjustments to reconcile net income attributable to RCIHH common stockholders to non-GAAP net income exclude the impact of adjustments related to noncontrolling interests, which is immaterial.

Reconciliation of Non-GAAP Measures

	3Q24	3Q23	9M24	9M23
Reconciliation of GAAP diluted earnings per share to non-GAAP diluted earnings per share*				
Diluted shares	9,278,921	9,430,225	9,332,249	9,308,624
GAAP diluted earnings per share	$(0.56)	$0.96	$(0.30)	$2.91
Amortization of intangibles	0.06	0.10	0.20	0.29
Impairment of assets	1.93	0.28	2.78	0.35
Settlement of lawsuits	0.02	0.01	0.03	0.34
Stock-based compensation	0.05	0.05	0.15	0.23
Loss (gain) on sale of businesses and assets	0.02	(0.01)	0.02	(0.07)
Gain on insurance	0.00	0.00	0.00	(0.01)
Net income tax effect	(0.17)	(0.09)	(0.37)	(0.24)
Non-GAAP diluted earnings per share	**$1.35**	**$1.30**	**$3.11**	**$3.80**

* Amounts may not foot due to rounding

Reconciliation of Non-GAAP Measures

In 000s	3Q24	3Q23	9M24	9M23
Reconciliation of GAAP operating income to non-GAAP operating income				
Income (loss) from operations	$(2.536)	$15,515	$15,286	$45,840
Amortization of intangibles	598	918	1,897	2,722
Impairment of assets	17,931	2,631	25,964	3,293
Settlement of lawsuits	141	63	308	3,183
Loss (gain) on sale of businesses and assets	188	(105)	180	(692)
Gain on insurance	—	—	—	(91)
Stock-based compensation	471	470	1,412	2,117
Non-GAAP operating income	**$16,793**	**$19,492**	**$45,047**	**$56,372**

Reconciliation of Non-GAAP Measures

Percentage of Total Revenues	3Q24	3Q23	9M24	9M23
Reconciliation of GAAP operating margin to non-GAAP operating margin*				
Income from operations	(3.3)%	20.1%	6.9%	21.0%
Amortization of intangibles	0.8%	1.2%	0.9%	1.2%
Impairment of assets	23.5%	3.4%	11.7%	1.5%
Settlement of lawsuits	0.2%	0.1%	0.1%	1.5%
Loss (gain) on sale of businesses and assets	0.2%	(0.1)%	0.1%	(0.3)%
Gain on insurance	0.0%	0.0%	0.0%	0.0%
Stock-based compensation	0.6%	0.6%	0.6%	1.0%
Non-GAAP operating margin	**22.0%**	**25.3%**	**20.3%**	**25.8%**

* Amounts may not foot due to rounding

Reconciliation of Non-GAAP Measures

In 000s	3Q24	3Q23	9M24	9M23
Reconciliation of net cash provided by operating activities to free cash flow				
Net cash provided by operating activities	$15,764	$15,320	$40,233	$47,004
Less: Maintenance capital expenditures	1,986	1,064	4,980	4,949
Free cash flow	**$13,778**	**$14,256**	**$35,253**	**$42,055**

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Reconciliation of Non-GAAP Measures

$ in 000s	Nightclubs	Bombshells	Other	Corporate	Total
3Q24 Non-GAAP Segment Information					
Income (loss) from operations	$13,640	$(8,914)	$(108)	$(7,154)	$(2,596)
Amortization of intangibles	578	16	--	4	598
Impairment of assets	7,619	10,312	--	--	17,931
Settlement of lawsuits	141	--	--	--	141
Stock-based compensation	--	--	--	471	471
Loss (gain) on sale of businesses and assets	(76)	6	--	258	188
Non-GAAP operating income (loss)	**$21,902**	**$1,420**	**$(108)**	**$(6,421)**	**$16,793**
GAAP operating margin	21.7%	(67.8)%	(49.5)%	(9.4)%	(3.3)%
Non-GAAP operating margin	34.9%	10.8%	(49.5)%	(8.4)%	22.0%

RCI HOSPITALITY HOLDINGS INC

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