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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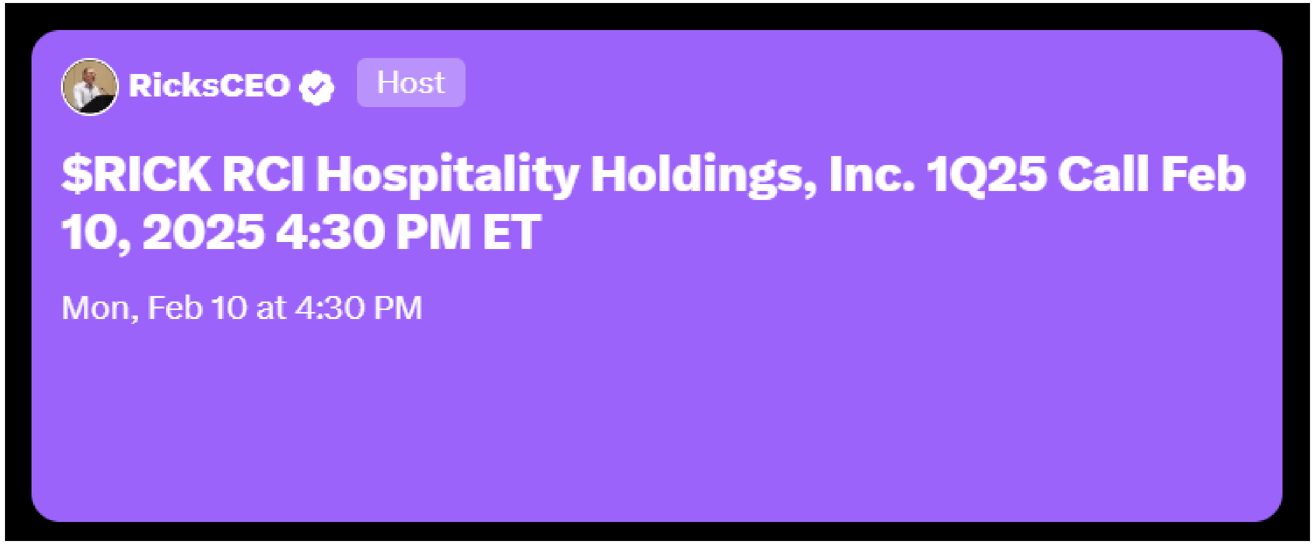

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Forward-Looking Statements

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, and (vi) 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, 2024, 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) settlement of lawsuits, (c) gains or losses on sale of businesses and assets, (d) gains or losses on insurance, and (e) 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) settlement of lawsuits, (c) gains or losses on sale of businesses and assets, (d) gains or losses on insurance, (e) stock-based compensation, (f) gains or losses on lease termination, 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 17.7% and 19.9% effective tax rate of the pre-tax non-GAAP income before taxes for the three months ended December 31, 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) income tax expense, (c) net interest expense, (d) settlement of lawsuits, (e) gains or losses on sale of businesses and assets, (f) gains or losses on insurance, (g) stock-based compensation, and (h) 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

1Q25 Results (YoY)

- Nightclubs: Total and same-store sales increased, while GAAP and non-GAAP segment operating profit were approximately level with 1Q24, despite absence of a club due to fire in July
- Bombshells: Total sales declined as expected with sale/closure of underperformers, but GAAP and non-GAAP segment operating profit and margin improved
- Company net cash provided by operating activities and free cash flow nearly matched year-ago levels

Back to Basics 5-Year Capital Allocation Plan

- 1Q25: Bombshells: Sale/closure of four underperforming locations (five since 9/24)
- 1Q25: Share Buyback: 66,000 for $3.2M ($48.76 average); 8,889,000 shares outstanding at 12/31/24
- 2Q25: Acquired Flight Club, premier Detroit area gentlemen's club ($8.0M for club, $3M for real estate)
- 2Q25: Opened Bombshells Denver

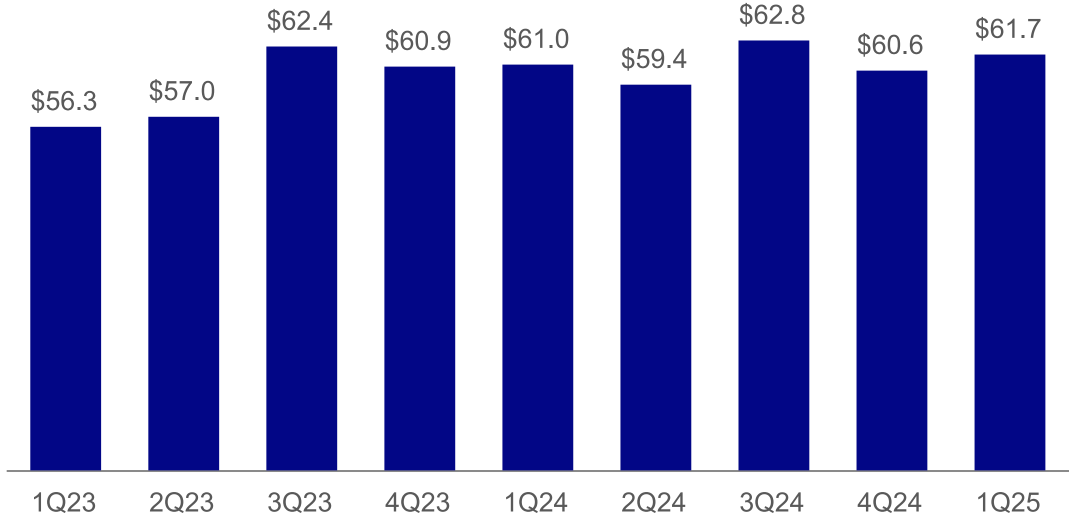
Summary Results

In Millions, Except EPS	1Q25	1Q24
Total revenues	$71.5	$73.9
EPS	$1.01	$0.77
Non-GAAP EPS*	$0.80	$0.87
Other gains, net	$(2.2)	$0.0
Net cash provided by operating activities	$13.3	$13.6
Free cash flow*	$12.1	$12.7
Net income attributable to RCIHH common stockholders	$9.0	$7.2
Adjusted EBITDA*	$15.7	$17.5
Weighted average shares used in computing EPS – basic and diluted	8.92	9.37

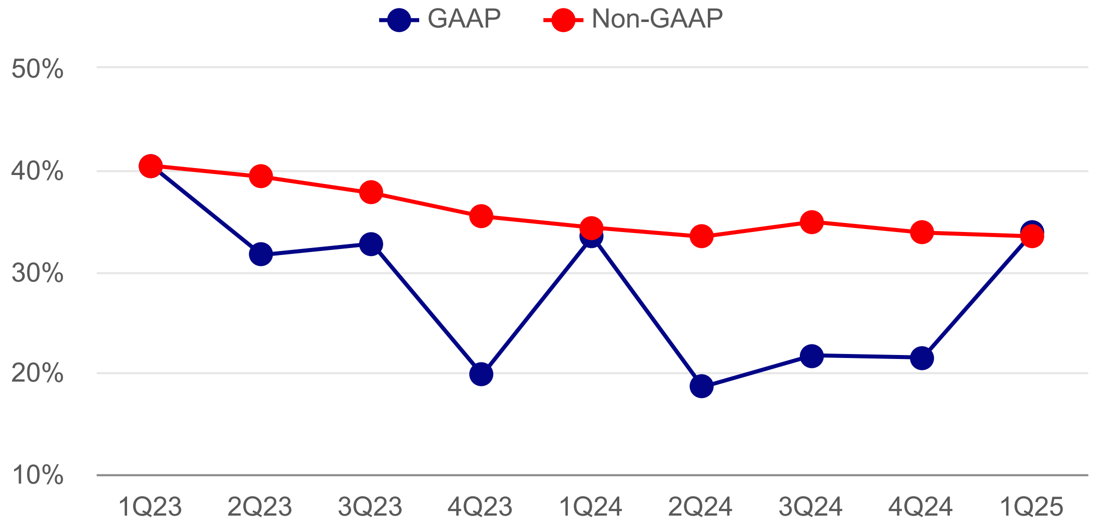
* See “Non-GAAP Financial Measures” on page 5 and the Appendix for “Reconciliation of Non-GAAP Measures”

Nightclubs Segment

Total Revenues ($M)



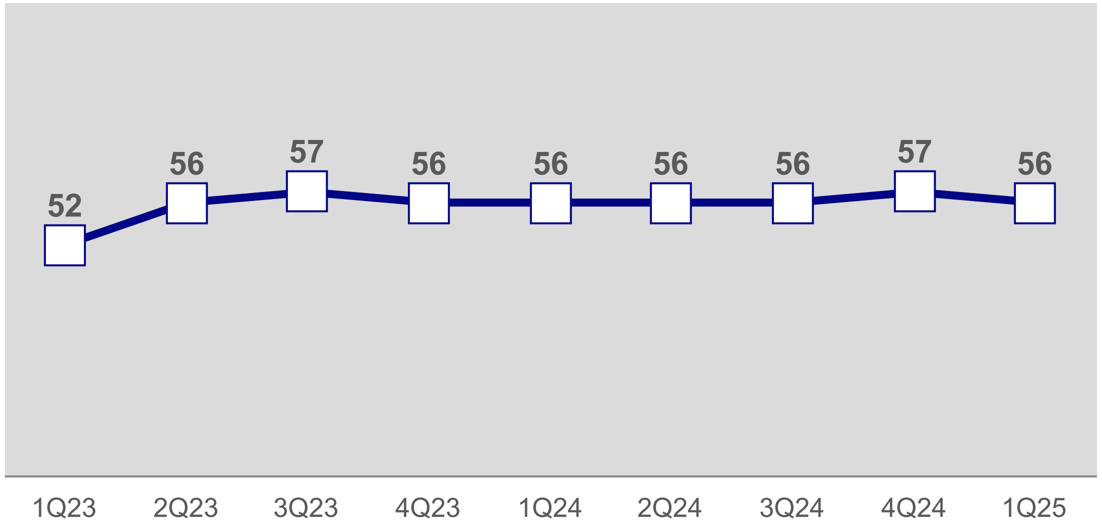
Operating Margin *As % of Segment Revenues*



1Q25 vs. 1Q24 ($M)

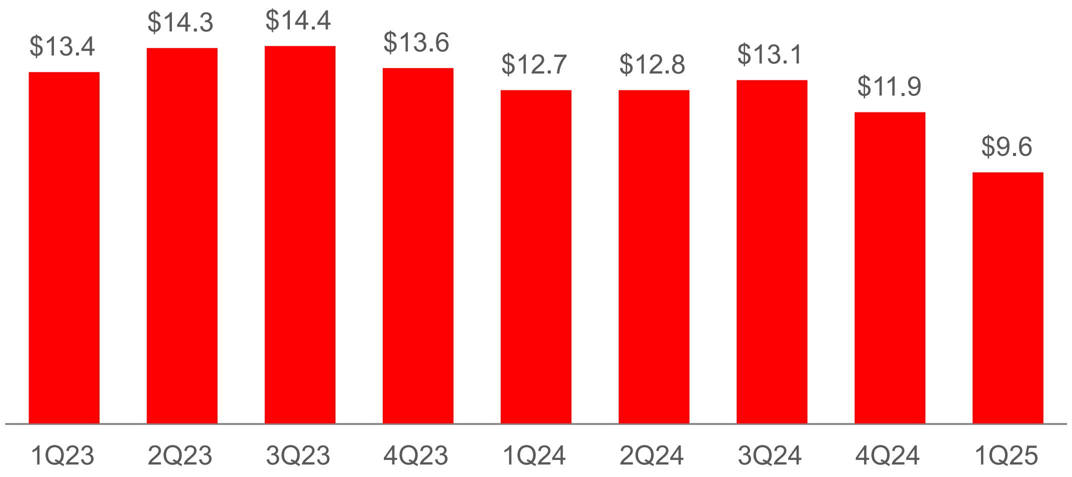
- Revenues: +$0.7 or +1.1%
  - SSS +3.7%
  - Three new/reformatted clubs
  - Absence of a club due to fire
  - Food, merch & other +8.6%; alcohol +3.0%; service -3.7%
- Other net gains: $0.8 vs. $0.0
- Operating Income
  - GAAP: $20.9 vs. $20.4 (33.8% of revenues vs. 33.4%)
  - Non-GAAP: $20.6 vs. $21.0 (33.4% of segment revenues vs. 34.3%)

Locations Contributing to Revenues

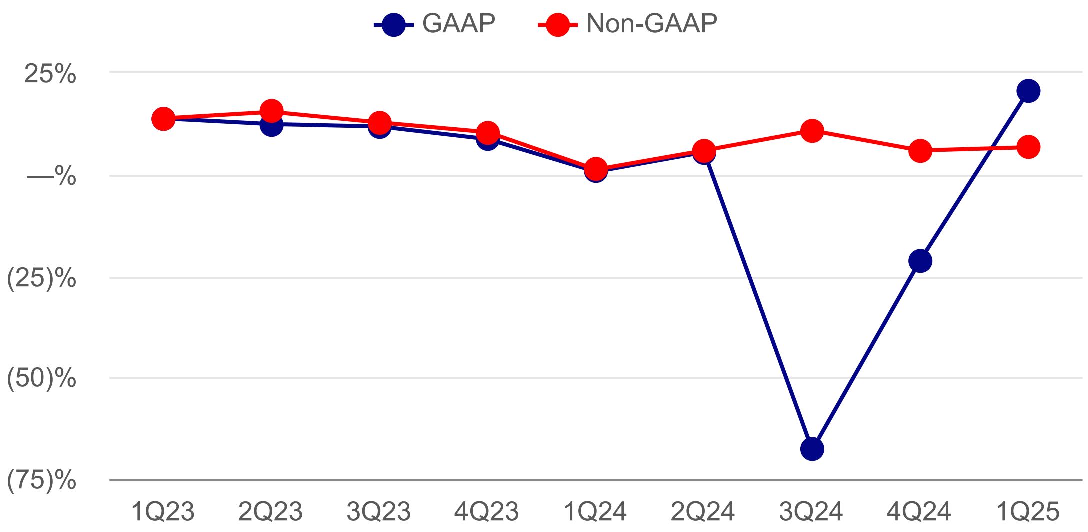


Bombshells Segment

Total Revenues ($M)



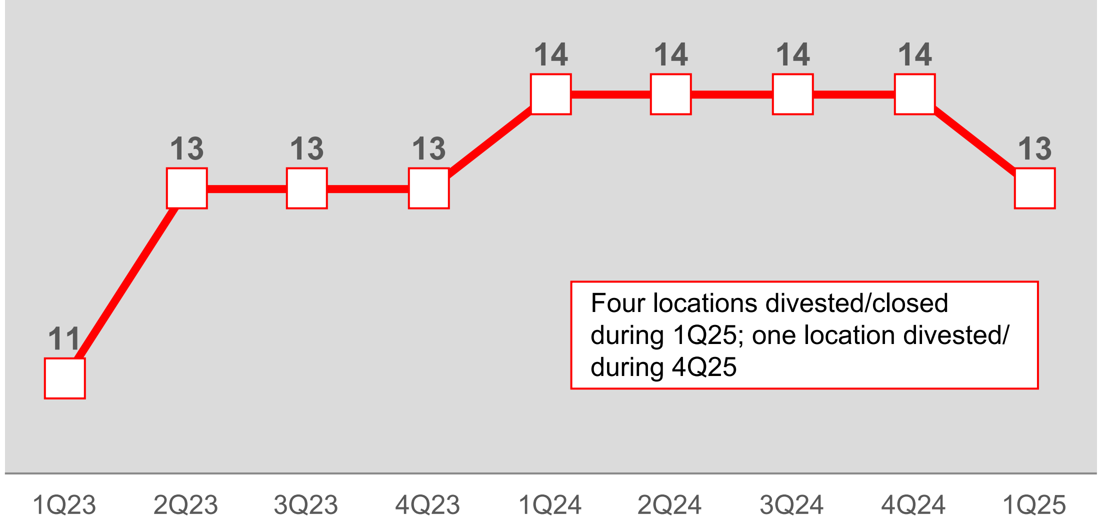
Operating Margin *As % of Segment Revenues*



1Q25 vs. 1Q24 ($M)

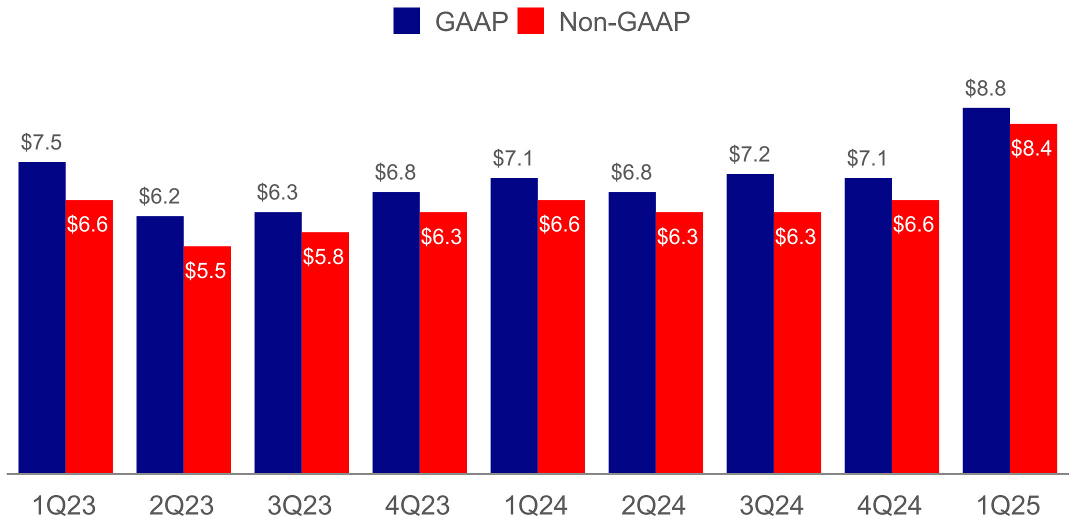
- Revenues: -$3.1 or -24.7%
  - Sale/closure of five underperforming locations 4Q24-1Q25
  - SSS -7.5%
  - Full quarter of the Stafford, TX location (opened mid-1Q24)
- Other net gains: $1.3 vs. $0.0
- Operating Income
  - GAAP: $2.0 vs. $0.1 (20.6% of segment revenues vs.0.7%)
  - Non-GAAP: $0.6 vs. $0.1 (6.7% of segment revenues vs.1.2%)

Locations Contributing to Revenues

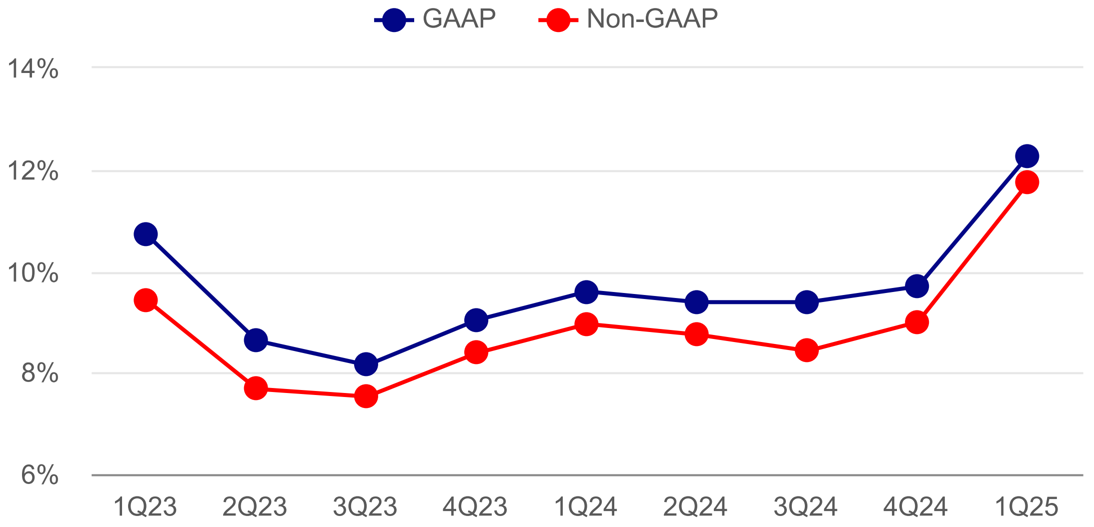


Corporate Segment

Expense ($M)



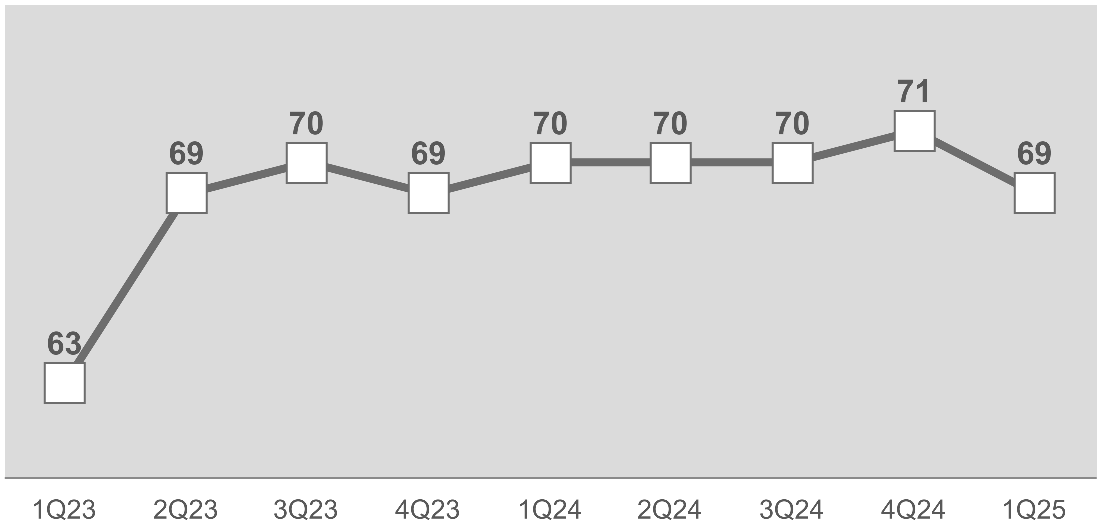
Expense Margin *As % of Total Revenues*



1Q25 vs. 1Q24 ($M)

- GAAP and Non-GAAP Expenses: +$1.7
- GAAP Expense Margin: 12.3% vs. 9.6%
- Non-GAAP Expense Margin: 11.7% vs. 9.0%
- The increase reflected a $1.7 expense to establish a self-insurance reserve

Total Locations Contributing to Revenues



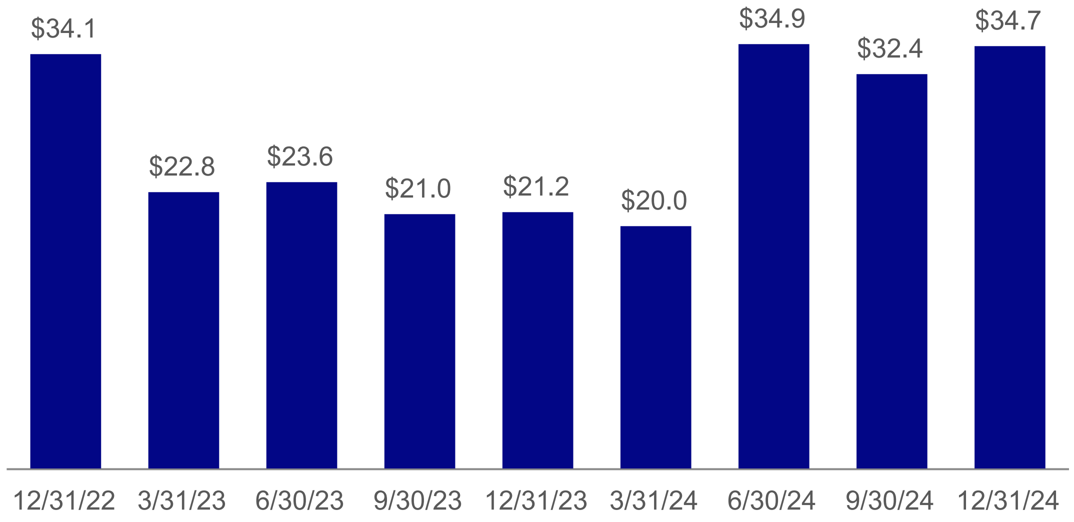
GAAP Disclosure ($M)

Quarter	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
Operating income (loss)	$16.9	$13.4	$15.5	$5.6	$13.2	$4.7	$(2.5)	$3.5	$13.9
Net cash provided by operating activities	$14.9	$16.8	$15.3	$12.1	$13.6	$10.8	$15.8	$15.7	$13.3
Net income (loss)	$10.2	$7.7	$9.1	$2.2	$7.2	$0.8	$(5.2)	$0.2	$9.0

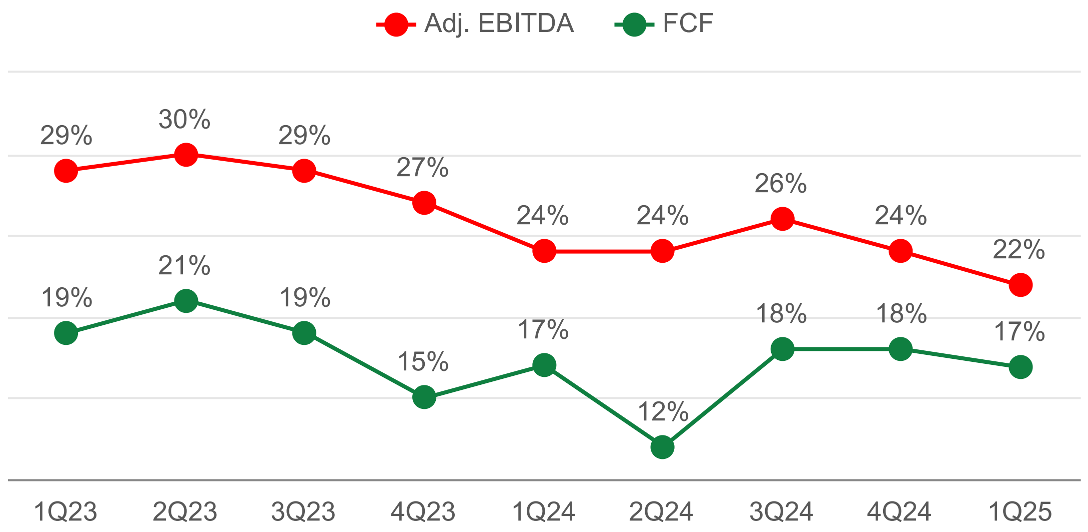
Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total revenues	$135.4	$134.9	$144.9	$165.7	$181.1	$132.3	$195.3	$267.6	$293.8	$295.6
Operating income	$20.7	$20.7	$23.1	$27.6	$34.7	$2.7	$38.5	$71.5	$51.5	$18.8
% of revenues	*15.3%*	*15.3%*	*16.0%*	*16.6%*	*19.2%*	*2.1%*	*19.7%*	*26.7%*	*17.5%*	6.4%
Net income	$9.2	$11.2	$8.3	$20.9	$20.3	$(6.1)	$30.3	$46.0	$29.2	$3.0
% of revenues	*6.8%*	*8.3%*	*5.7%*	*12.6%*	*11.2%*	*(4.6)%*	*15.5%*	*17.2%*	*10.0%*	1.0%

Cash, FCF & Adjusted EBITDA ($M)

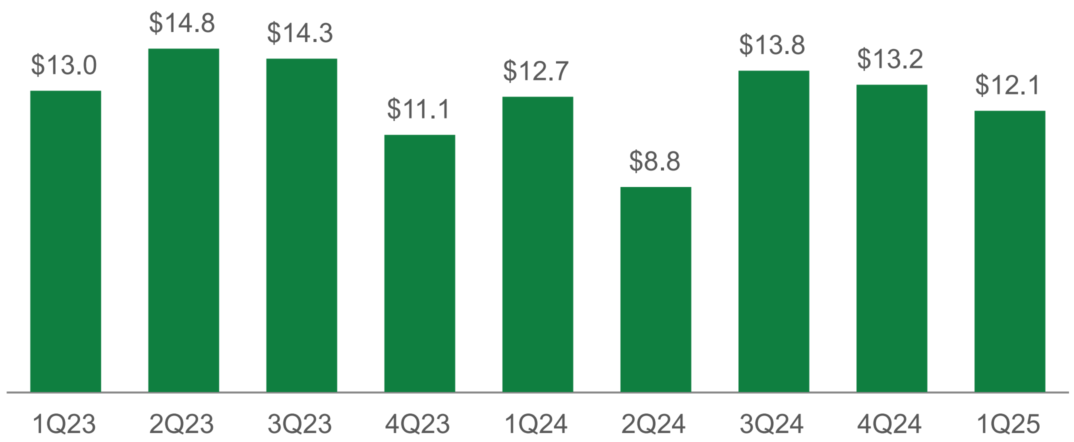
Cash



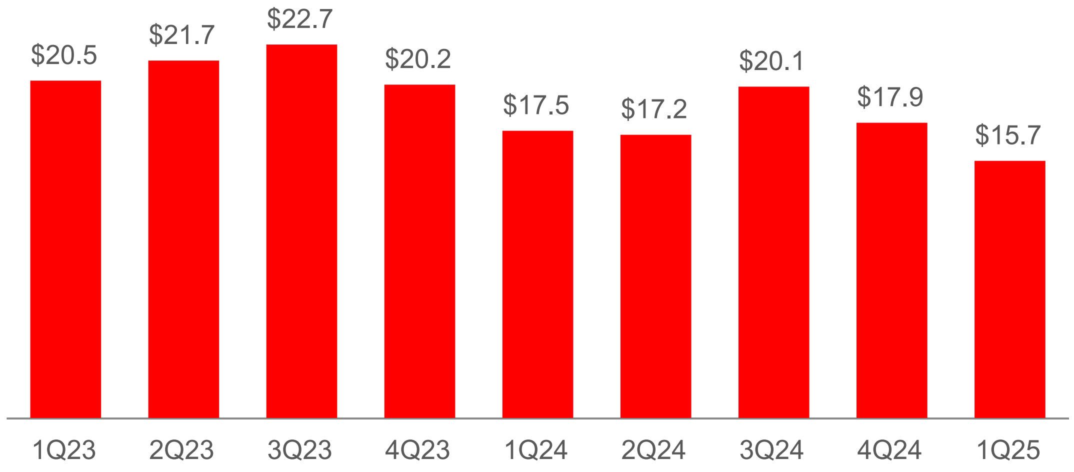
As % of Total Revenues



Free Cash Flow

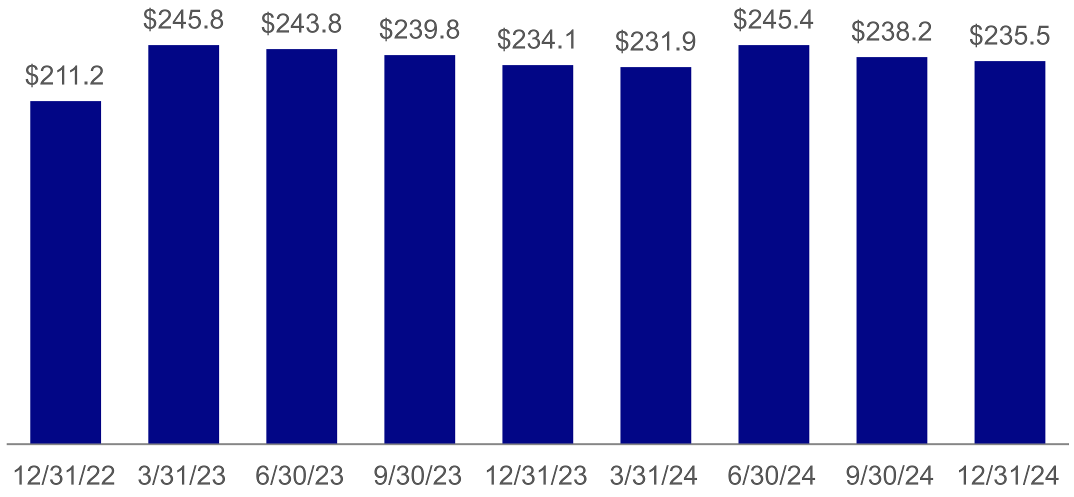


Adjusted EBITDA

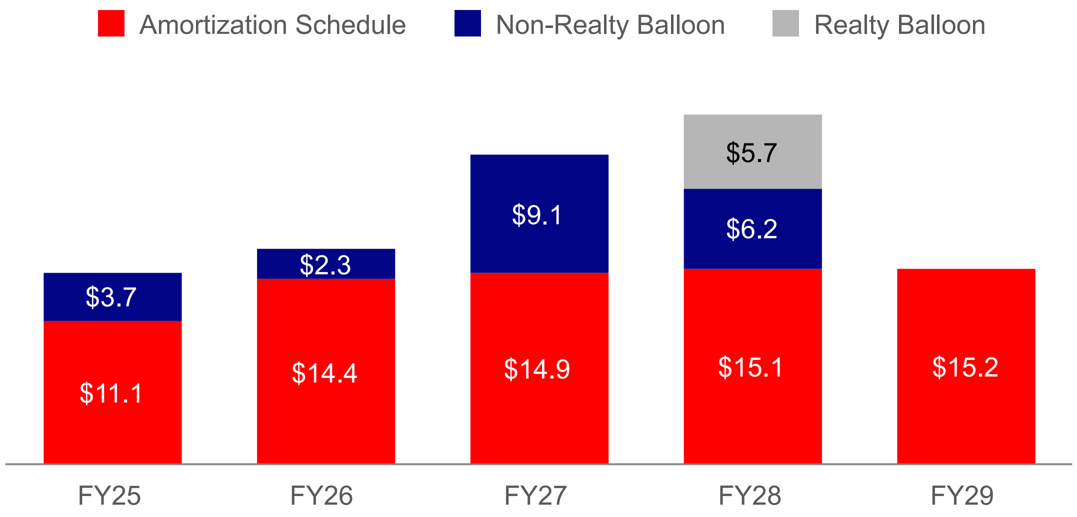


Debt Metrics

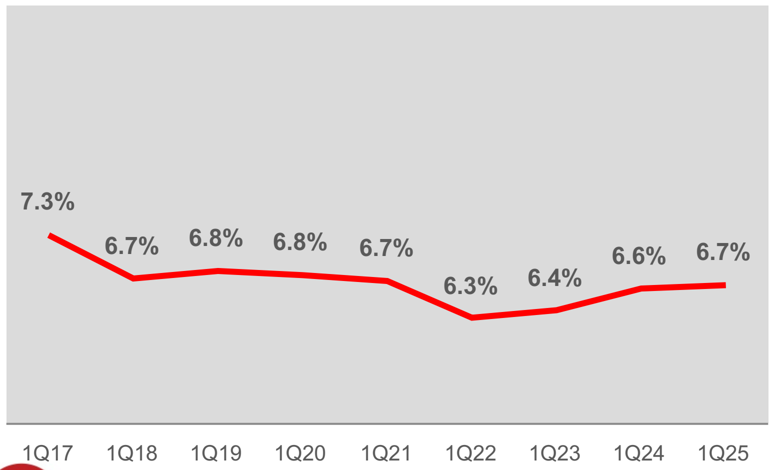
Debt, Net of Loan Costs ($M)



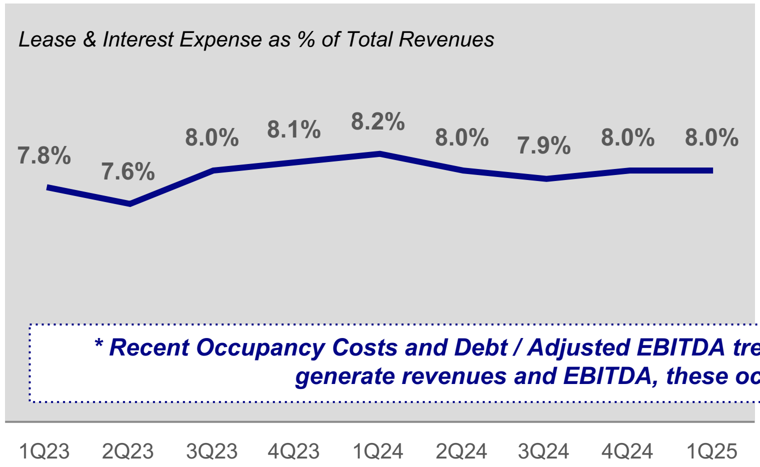
Debt Maturities at 12/31/24 ($M)



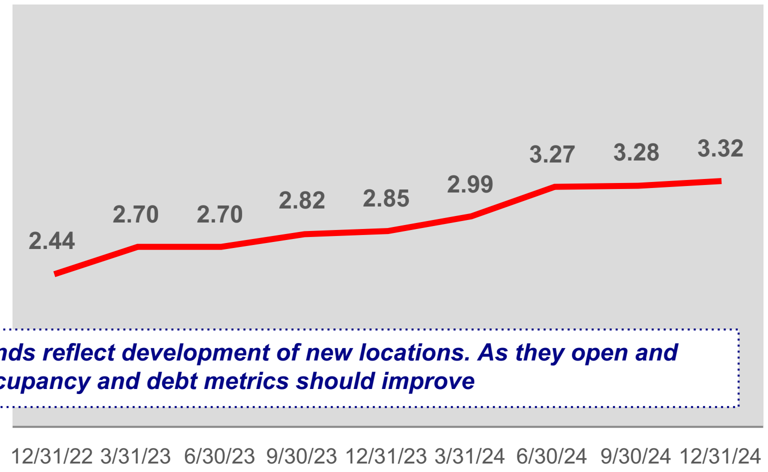
Weighted Average Interest Rate on Debt



Total Occupancy Costs*



Debt / Adjusted EBITDA (TTM)*

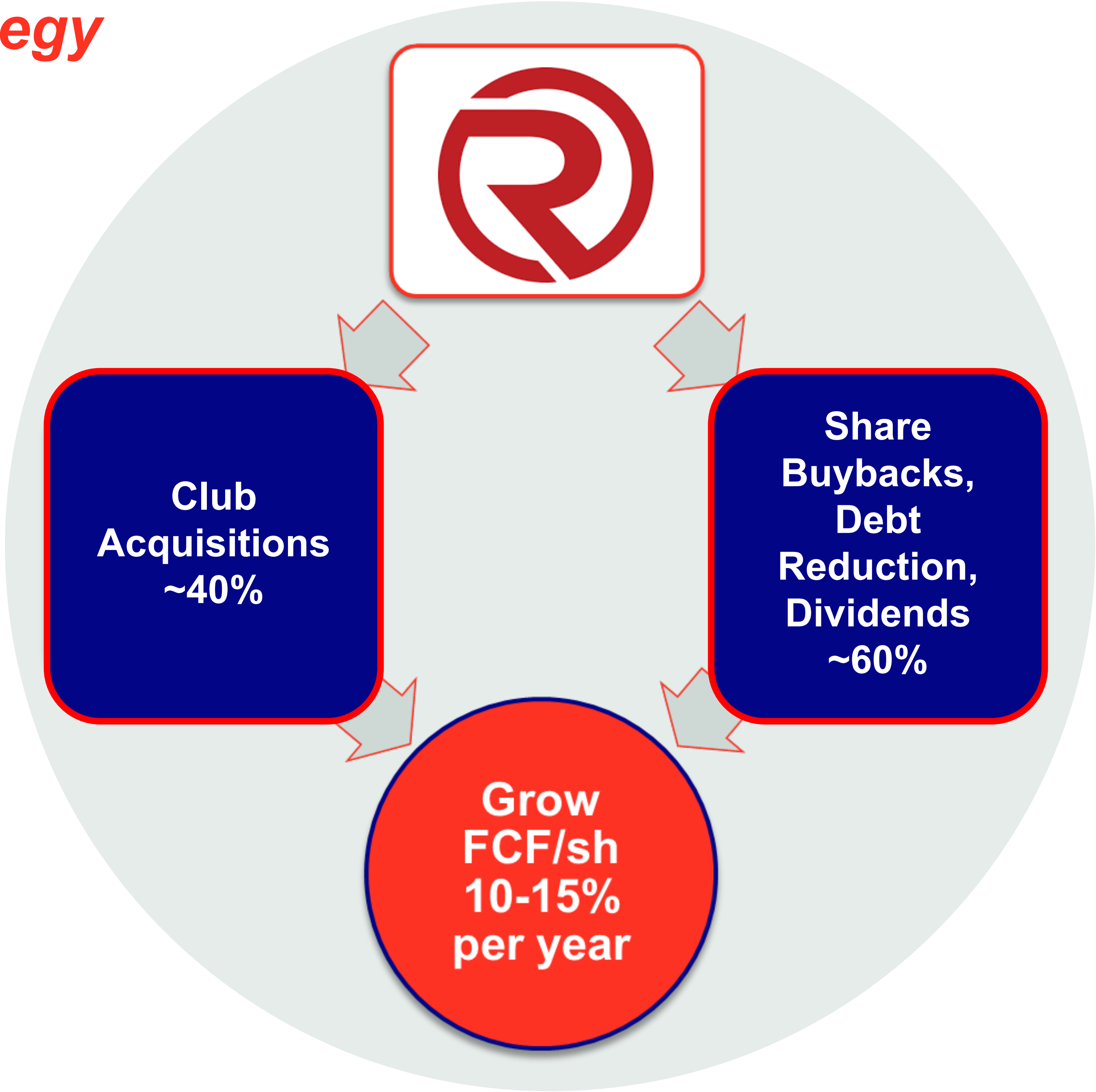


** Recent Occupancy Costs and Debt / Adjusted EBITDA trends reflect development of new locations. As they open and generate revenues and EBITDA, these occupancy and debt metrics should improve*

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



*Our 5-Year Plan Summary**

Operations	• Nightclubs – focus on core business operations and new acquisitions • Bombshells – improve performance and finish units currently 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 • 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

Development Update

Project	Location	Status
Bombshells (new)	Denver, CO	Opened January 2025
Chicas Locas (rebrand)	El Paso, TX	Targeting March 2025 open
Bombshells (new)	Lubbock, TX	Interior construction underway Target opening March 2025
Rick’s Cabaret & Steakhouse (new)	Central City, CO	Completing final finish outs Targeting April 2025 open
Bombshells (new)	Rowlett, TX	Framing and stucco underway Targeting May 2025 open
Baby Dolls (new)	West Fort Worth, TX	Awaiting construction permits
Baby Dolls (rebuild)	Fort Worth, TX	Plan to rebuild following July 2024 fire Awaiting engineering review of plans

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Appendix

Long-Term Performance

Fiscal Year ($M)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	*9-Year CAGR*
Total revenues	$135.4	$134.9	$144.9	$165.7	$181.1	$132.3	$195.3	$267.6	$293.8	$295.6	***9.1%***
Adjusted EBITDA	$34.1	$34.5	$37.3	$44.4	$46.2	$22.4	$60.2	$86.7	$85.0	$72.6	***8.8%***
% of revenues	*25.2%*	*25.6%*	*25.8%*	*26.8%*	*25.5%*	*16.9%*	*30.9%*	*32.4%*	*28.9%*	*24.6%*	
Free cash flow	$14.9	$20.5	$19.3	$23.2	$33.3	$13.5	$36.1	$58.9	$53.2	$48.4	***14.0%***
% of revenues	*11.0%*	*15.2%*	*13.3%*	*14.0%*	*18.4%*	*10.2%*	*18.5%*	*22.0%*	*18.1%*	*16.4%*	
Share count (FD)	10.29	9.81	9.72	9.72	9.59	9.13	9	9.23	9.4	8.96	***-1.5%***

- 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 FY23-24, we achieved strong performance since year-end FY15 initiation of Capital Allocation Strategy

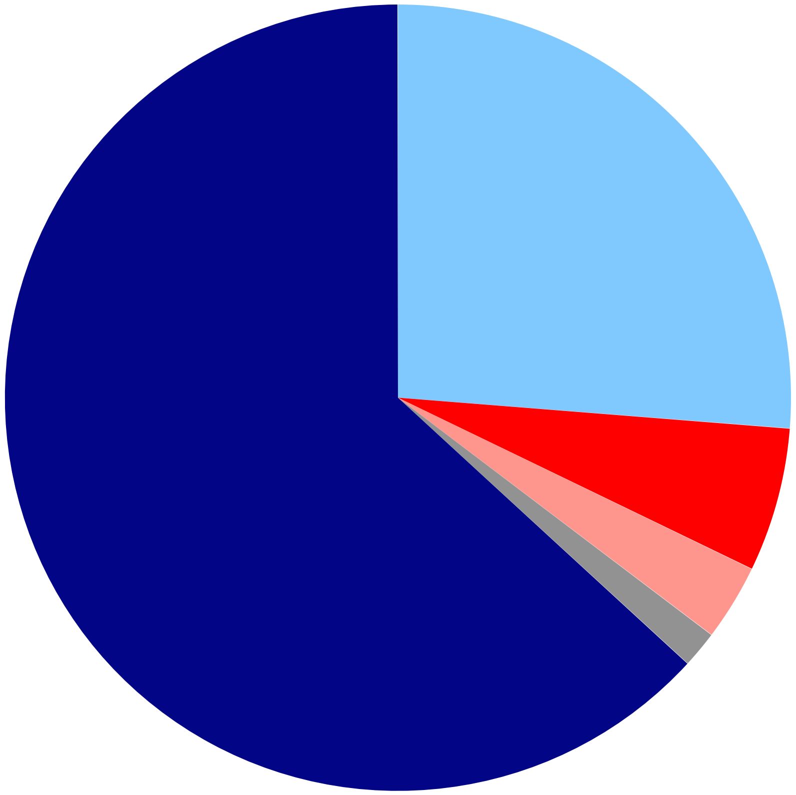
Strategic Share Buybacks & Issuance

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	442,639	$46.55	2,525,757			
1Q25	66,000	$48.76	2,591,757			

Debt Analysis *(at 12/31/24, $M)*

Total of $238.3*
Weighted Average Interest Rate (WAIR): 6.65%

$150.6 Secured by Real Estate (63.2% of total)
5.94% WAIR



$62.6 Seller Financing (26.3% of total)
- Secured by the respective clubs and real estate to which it applies
- 5 Baby Dolls-Chicas Locas: $17.9 @ 7% WAIR
- 11 Clubs: $16.5 @ 6% WAIR
- Scarlett's: $10.5 @ 8% WAIR
- Playmates: $8.4 @ 10% WAIR
- Cheetah: $8.1 @ 6% WAIR
- Other: $1.2 @ 5% WAIR

$14.1 Unsecured Debt (5.9% of total)
- 12% WAIR

$7.5 Secured by Other Assets (3.1% of total)
- 5.57% WAIR

$5.0 Bank Line of Credit (1.5% of total)
- Secured by business and assets of a subsidiary
- $3.6 balance @ 9.0% WAIR

* Gross, including loan costs.

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Reconciliation of Non-GAAP Measures

In 000s	For the Three Months Ended December 31, 2024	For the Three Months Ended December 31, 2023
Reconciliation of GAAP net income to Adjusted EBITDA		
Net income attributable to RCIHH common stockholders	$ 9,024	$ 7,226
Income tax expense (benefit)	1,847	1,799
Interest expense, net	3,973	4,122
Depreciation and amortization	3,569	3,853
Settlement of lawsuits	179	—
Gain on sale of businesses and assets	(1,406)	(3)
Gain on insurance	(1,017)	—
Stock-based compensation	470	470
Gain on lease termination	(979)	—
Adjusted EBITDA	15,660	17,467

Reconciliation of Non-GAAP Measures

In 000s	For the Three Months Ended December 31, 2024		For the Three Months Ended December 31, 2023	
Reconciliation of GAAP net income to non-GAAP net income				
Net income attributable to RCIHH common stockholders	$	9,024	$	7,226
Amortization of intangibles		580		659
Settlement of lawsuits		179		—
Stock-based compensation		470		470
Gain on sale of businesses and assets		(1,406)		(3)
Gain on insurance		(1,017)		—
Gain on lease termination		(979)		—
Net income tax effect		310		(220)
Non-GAAP net income	**$**	**7,161**	**$**	**8,132**

Reconciliation of Non-GAAP Measures

	For the Three Months Ended	
	December 31, 2024	December 31, 2023
Reconciliation of GAAP diluted earnings per share to non-GAAP diluted earnings per share		
Diluted shares	8,920,774	9,367,151
GAAP diluted earnings per share	$ 1.01	$ 0.77
Amortization of intangibles	0.07	0.07
Settlement of lawsuits	0.02	0.00
Stock-based compensation	0.05	0.05
Gain on sale of businesses and assets	(0.16)	0.00
Gain on insurance	(0.11)	0.00
Gain on lease termination	(0.11)	—
Net income tax effect	0.03	(0.02)
Non-GAAP diluted earnings per share	**$ 0.80**	**$ 0.87**

Reconciliation of Non-GAAP Measures

In 000s	For the Three Months Ended December 31, 2024	For the Three Months Ended December 31, 2023
Reconciliation of GAAP operating income to non-GAAP operating income		
Income from operations	$ 13,906	$ 13,165
Amortization of intangibles	580	659
Settlement of lawsuits	179	—
Stock-based compensation	470	470
Gain on sale of businesses and assets	(1,406)	(3)
Gain on insurance	(1,017)	—
Non-GAAP operating income	**$ 12,712**	**$ 14,291**

Reconciliation of Non-GAAP Measures

% of Total Revenues	For the Three Months Ended December 31, 2024	For the Three Months Ended December 31, 2023
Reconciliation of GAAP operating margin to non-GAAP operating margin		
GAAP operating margin	19.5 %	17.8 %
Amortization of intangibles	0.8 %	0.9 %
Settlement of lawsuits	0.3 %	0.0 %
Stock-based compensation	0.7 %	0.6 %
Gain on sale of businesses and assets	(2.0)%	0.0 %
Gain on insurance	(1.4)%	0.0 %
Non-GAAP operating margin	**17.8 %**	**19.3 %**

Reconciliation of Non-GAAP Measures

In 000s	For the Three Months Ended December 31, 2024		For the Three Months Ended December 31, 2023	
Reconciliation of net cash provided by operating activities to free cash flow				
Net cash provided by operating activities	$	13,344	$	13,633
Less: Maintenance capital expenditures		1,276		983
Free cash flow	**$**	**12,068**	**$**	**12,650**

Reconciliation of Non-GAAP Measures

In 000s	For the Three Months Ended December 31, 2024 Nightclubs	Bombshells	Other	Corporate	Total
Income (loss) from operations	$ 20,882	$ 1,971	$ (171)	$ (8,776)	$ 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)	**$ 20,634**	**$ 642**	**$ (171)**	**$ (8,393)**	**$ 12,712**
GAAP operating margin	33.8 %	20.6 %	(99.4)%	(12.3)%	19.5 %
Non-GAAP operating margin	33.4 %	6.7 %	(99.4)%	(11.7)%	17.8 %

RCI HOSPITALITY HOLDINGS INC

Reconciliation of Non-GAAP Measures

in 000s	For the Three Months Ended December 31, 2023				
	Nightclubs	Bombshells	Other	Corporate	Total
Income (loss) from operations	$ 20,369	$ 86	$ (196)	$ (7,094)	$ 13,165
Amortization of intangibles	591	63	—	5	659
Stock-based compensation	—	—	—	470	470
Gain on sale of businesses and assets	(1)	—	—	(2)	(3)
Non-GAAP operating income (loss)	**$ 20,959**	**$ 149**	**$ (196)**	**$ (6,621)**	**$ 14,291**
GAAP operating margin	33.4 %	0.7 %	(137.1)%	(9.6)%	17.8 %
Non-GAAP operating margin	34.3 %	1.2 %	(137.1)%	(9.0)%	19.3 %

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