
**United States
Securities and Exchange Commission
Washington, D.C. 20549**

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of

The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 11, 2022

RCI HOSPITALITY HOLDINGS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Texas
(State or Other Jurisdiction
of Incorporation)

001-13992
(Commission
File Number)

76-0458229
(IRS Employer
Identification No.)

10737 Cutten Road
Houston, Texas 77066
(Address of Principal Executive Offices, Including Zip Code)

(281) 397-6730
(Issuer's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, \$0.01 par value	RICK	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On January 10, 2022, we issued a press release announcing sales at nightclubs and restaurants for the first fiscal quarter ended December 31, 2021. In the last column in the table in the press release (which column is labeled “vs. 1Q20”), which compares same-store sales for the quarter ended December 31, 2021 to the quarter ended December 31, 2019, the row items for Combined, Nightclubs, and Bombshells had incorrect numbers. On January 11, 2022, we issued a press release correcting those numbers. A copy of the complete, corrected press release is furnished as Exhibit 99.1 to this current report on Form 8-K.

As previously announced, we are presenting and holding one-on-one meetings virtually with institutional investors at the 24th Annual ICR Conference on January 10-12, 2022. The current report on Form 8-K that we filed on January 10, 2022 furnished with it the presentation slides that may be used in meetings with investors and analysts at the conference. Page number 13 of those slides included the same incorrect numbers from the January 10, 2022 press release described above. A copy of the complete, corrected presentation slides is furnished with this current report as Exhibit 99.2. The corrected presentation slides may be used in whole or in part in meetings with investors and analysts.

ITEM 7.01 REGULATION FD DISCLOSURE

The disclosure in Item 2.02 above is incorporated herein by reference.

The furnishing of the attached presentation slides is not an admission as to the materiality of any information therein. The information contained in the slides is summary information that is intended to be considered in the context of more complete information included in our filings with the U.S. Securities and Exchange Commission (the “SEC”) and other public announcements that we have made and may make from time to time by press release or otherwise. We undertake no duty or obligation to update or revise the information contained in this report, although we may do so from time to time as management believes is appropriate. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosures. For important information about forward looking statements, see the slide titled “Forward-Looking Statements” in Exhibit 99.2 included herewith.

The information in this current report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2, is being furnished and will not be treated as “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Corrected press release of RCI Hospitality Holdings, Inc. dated January 11, 2022
99.2	Corrected Presentation Slides - Investor Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RCI HOSPITALITY HOLDINGS, INC.

Date: January 11, 2022

By: /s/ Eric Langan

Eric Langan

President and Chief Executive Officer



In the news release that RCI Hospitality Holdings, Inc. issued January 10, 2022 on PRNewswire, the last column of the table, which compares 1Q22 same-store sales to 1Q20, the row items for Combined, Nightclubs, and Bombshells have been corrected to +11.0%, +8.1%, and +21.1%, respectively. The complete, corrected release follows:

RCI Reports Club and Restaurant Sales of \$61.1 Million in 1Q22

HOUSTON—January 11, 2022—RCI Hospitality Holdings, Inc. (Nasdaq: RICK) reported sales for its Nightclubs and Bombshells restaurants for the fiscal 2022 first quarter ended December 31, 2021.

Eric Langan, President and CEO of RCI Hospitality Holdings, Inc., said, “We had a strong first quarter as we benefited from legacy as well as new locations, namely our 11th Bombshells in Arlington, TX, which opened December 6, and the 12 clubs we acquired mid-October and early November. We didn’t experience any noticeable impact from Omicron until late 1Q22 and hope it will cycle through our markets quickly. We look forward to our first Bombshells franchisee opening its San Antonio location in our March quarter. Full financial results for 1Q22 are expected to be reported by February 9th.”

(\$ in Millions)	Total Sales			Same-Store Sales	
	1Q22 Sales	vs. 1Q21	vs. 1Q20	vs. 1Q21	vs. 1Q20
Combined	\$ 61.1	+61.6%	+27.9%	+21.8%	+11.0%
Nightclubs	\$ 46.3	+86.6%	+23.8%	+30.6%	+8.1%
Bombshells	\$ 14.8	+13.8%	+42.7%	+7.6%	+21.1%

- RCI is providing comparisons to its pre-COVID 1Q20 (ended December 31, 2019) for illustrative purposes.
- Sales do not include non-core operations and are preliminary and subject to final closing.
- The COVID pandemic first impacted sales in RCI’s 2Q20 when all locations were required to close mid-March 2020. Bombshells and some Nightclubs began to reopen May 2020 in RCI’s 3Q20. All Nightclubs were not fully reopened to their full operating hours until 4Q21.
- All references to “RCI Hospitality Holdings, Inc.,” “company,” “we,” “our,” and similar terms refer to RCI and/or its subsidiaries, unless the context indicates otherwise.

About RCI Hospitality Holdings, Inc. (Nasdaq: RICK) www.rcihospitality.com

With more than 50 units, RCI Hospitality Holdings, Inc., through its subsidiaries, is the country’s leading company in gentlemen’s clubs and sports bars/restaurants. Clubs in New York City, Chicago, Dallas-Fort Worth, Houston, Miami, Minneapolis, Denver, St. Louis, Charlotte, Pittsburgh, Raleigh, Louisville, and other markets operate under brand names such as Rick’s Cabaret, XTC, Club Onyx, Vivid Cabaret, Jaguars Club, Tootsie’s Cabaret, and Scarlett’s Cabaret. Sports bars/restaurants operate under the brand name Bombshells Restaurant & Bar.

Forward-Looking Statements

This press release 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, including, but not limited to, the risks and uncertainties associated with (i) operating and managing an adult business, (ii) the business climates in cities where it operates, (iii) the success or lack thereof in launching and building the company’s 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 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, 2021, 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.

Media and Investor Contacts

Gary Fishman and Steven Anreder at 212-532-3232 or gary.fishman@anreder.com and steven.anreder@anreder.com



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



NASDAQ: RICK
ICR Conference
January 10-12, 2022
www.rcihospitality.com

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 Securities and Exchange Commission ("SEC").

This press release 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 press release, including, but not limited to, the risks and uncertainties associated with (i) operating and managing an adult business, (ii) the business climates in cities where it operates, (iii) the success or lack thereof in launching and building the company's 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 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, 2021, 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 of the release of this report, we do not know the future extent and duration of the COVID-19 pandemic on our businesses. Lower sales caused by social distancing guidelines could lead to adverse financial results. We are continually monitoring and evaluating the situation and will determine any further measures to be instituted, which could include refinancing several of our debt obligations.

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



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) gains or losses on sale of businesses and assets, (d) gains or losses on insurance, and (e) settlement of lawsuits. 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 attributable to RCIHH common stockholders and diluted earnings per share. Adjustment items are: (a) amortization of intangibles, (b) impairment of assets, (c) costs and charges related to debt refinancing, (d) gains or losses on sale of businesses and assets, (e) gains or losses on insurance, (f) unrealized loss on equity securities, (g) settlement of lawsuits, (h) gain on debt extinguishment, (i) the income tax effect of the above-described adjustments, and (j) change in deferred tax asset valuation allowance. Included in the income tax effect of the above adjustments is the net effect of the non-GAAP provision for income taxes, calculated at 13.5%, 26.0%, and 15.5% effective tax rate of the pre-tax non-GAAP income before taxes for the 2021, 2020, and 2019, 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 attributable to RCIHH common stockholders: (a) depreciation and amortization, (b) income tax expense (benefit), (c) net interest expense, (d) gains or losses on sale of businesses and assets, (e) gains or losses on insurance (f) unrealized gains or losses on equity securities, (g) impairment of assets, (h) settlement of lawsuits, and (i) gain on debt extinguishment. 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 the unleveraged performance return on our investments. Adjusted EBITDA multiple is also used as a target benchmark for our acquisitions of nightclubs.
- *Management also uses 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 December 14, 2021, news release and financial tables contain additional details and reconciliation of non-GAAP financial measures for the quarter and year ended September 30, 2021, and are posted on our website at www.rchospitality.com. Our FY 10-K contains additional details and reconciliation of non-GAAP financial measures for the year ended September 30, 2021, and is similarly posted on our website.



Strong Portfolio of Hospitality Venues

Overview

- 60 well-managed, high cash-flowing bars and restaurants
- Founded in 1983
- IPO and Nasdaq listing in 1995

Nightclubs

- Original business – 70% of FY21 sales
- 49 locations in 13 states, many in top 20 US markets
- Many are well-known gentlemen's club brands with restaurants

Bombshells

- Up and coming new business – 29% of FY21 sales
- Fast-growing, sports bar restaurant chain launched in 2013
- 11 locations in Texas (Houston-8, Dallas-2, Austin-1), licensed to sell franchises in all states

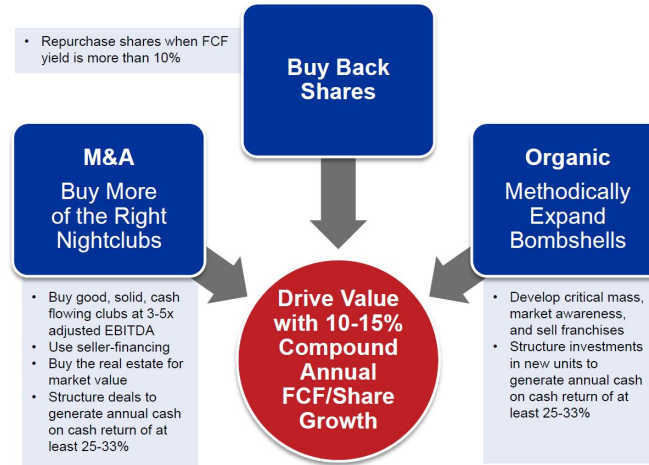
Growth Drivers

- Deep expertise from four decades in the hospitality industry
- Strong focus on generating free cash flow
- Significant experience in real estate, property development and finance

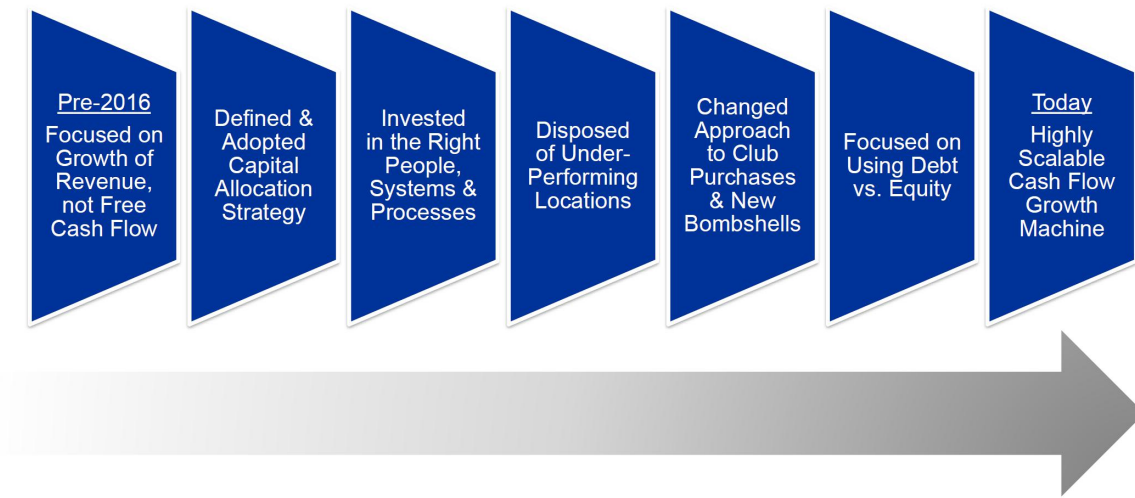
Stock Symbol	FY21 Ended 9/30/21					As of Last Week		
	Revenues	EPS	Net Cash Provided by Operating Activities	Free Cash Flow	Cash Dividends/Share	Market Cap	Common Stock Outstanding	Insider Ownership
Nasdaq: RICK	\$195M	\$3.37 (GAAP) \$4.08 (Non-GAAP)	\$42.0M	\$36.1M	\$0.16	~\$860M	9.49M	7.67%



Capital Allocation Strategy*



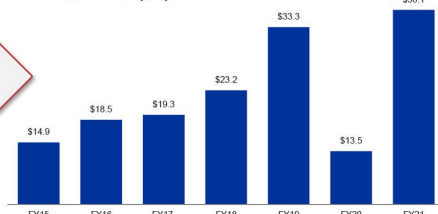
Major Transformation



Impressive Track Record & Covid Rebound

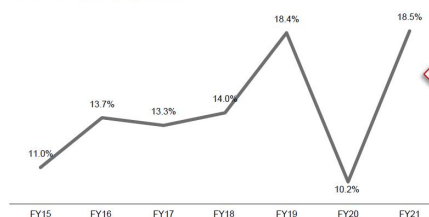
Free Cash Flow (\$M)¹

**+16%
CAGR**



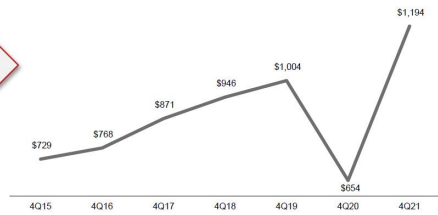
FCF as % of Revenues¹

**+750
BPS**



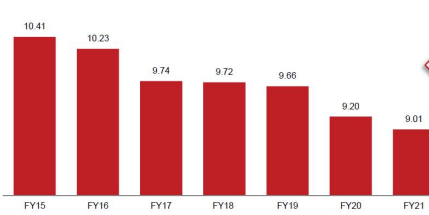
4Q Sales / Location (\$K)²

**+9%
CAGR**



Diluted Weighted Average Shares Outstanding (M)

**-2.4%
CAGR**



- 1) FY16 FCF of \$18.5M reflects FCF of \$20.5M less \$2.0M in tax credits
- 2) Based on unit count at quarter end

Bombshells: Next Generation Sports Bar Concept



More Upscale

- Better quality food, service and experience
- Big HDTVs, scratch kitchen, free Wi-Fi, USB charging stations, DJs
- 4 Dayparts: Lunch, happy hour, dinner, late night
- Late night drives high AUVs and industry-leading margins

High Impact Branding

- Immediately recognizable
- Signals fun, friendliness and comfort to all walks of life
- Appeals to men, women, families, friends, singles, couples, millennials
- Attracts customers without the need for major advertising-marketing dollars

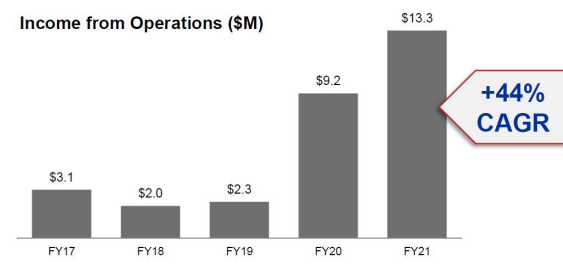
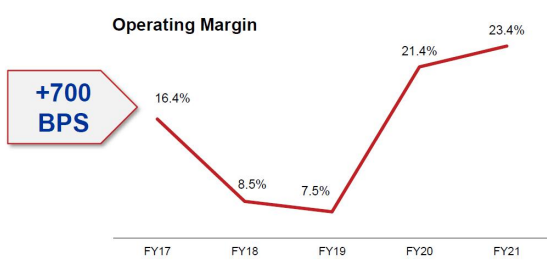
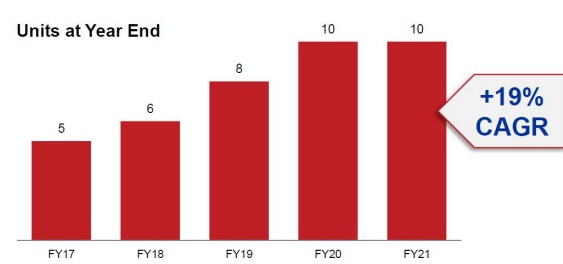
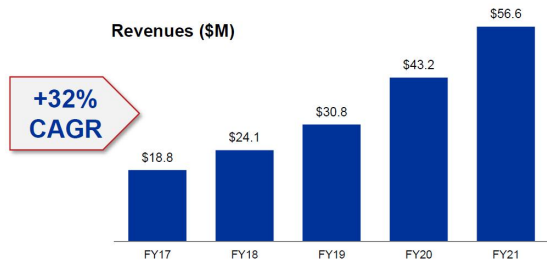
Top Tier Unit Economics¹

- Target Size (interior & patio) = 10K-12.5K sq. ft.
- Average Unit Volume = \$5.7M (FY21)
- Average Sales/Square Foot = \$461 (FY21)
- Cash Investment (owned real estate) = \$3.0M
- Cash-on-Cash Return (owned real estate) = 43%
- Sales/Cash Investment (owned real estate) = 2.2x



1) See slides 10 and 11 for additional detail

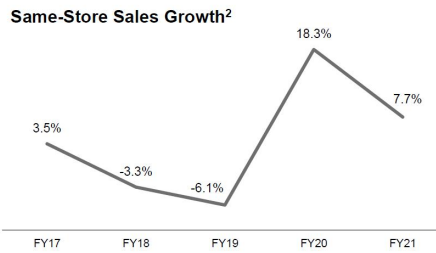
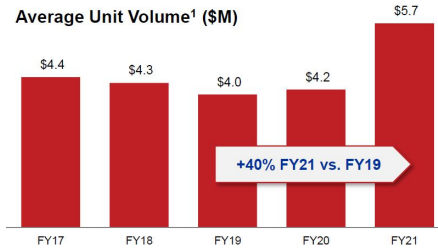
Bombshells: FY21 Record Year



Bombshells: Favorable Metrics



Metric	Bombshells
Revenue growth (last 5 years)	201%
AUV ¹ growth (last 5 years)	28%
Unit growth (last 5 years)	100%
Liquor / food sales (most recent year)	57% / 42%
Sales / square foot (most recent year)	\$461
Gross margin (most recent year)	76.2%
Operating margin (most recent year)	23.4%



- 1) Bombshells data excludes units opened in the year of opening and permanently closed units in the year of closure
- 2) Impact of pandemic excluded. With the impact, SSS was 24.8% in FY21 and 6.5% in FY20

Bombshells: Highly Profitable Target Return Models



Targeted results based on our experience developing Bombshells. Actual performance of individual locations will vary based on differences between each location's size, cost of real estate, lease terms, level of construction and/or retrofitting of the building.

Owned Building & Real Estate Using Leverage	Development Costs	Cash Investment	\$3.0 million
		<ul style="list-style-type: none"> • Down payment on land and building • 1st year interest payment on bank loan • 100% cash purchase of FF&E 	
	Performance	Bank Real Estate / Construction Loan	\$3.5 million
		First Year Revenues	\$6.5 million
Operating Profit at 20% minimum margin target		\$1.3 million	
	Cash on Cash Return	43%	
Franchised	Performance	First Year Revenues	\$6.5 million
		Royalty at 5%	\$325,000
		Cash on Cash Return	Uncapped
Leased	Minimum cash on cash return of 25-33% (unless strategic rationale to do otherwise) depending on lease and construction costs		

Bombshells: Targeting 15 More Locations Next 3 Years



- **History**

- Built 5 the first 5 years
- Then 5 more in 4 years

- **FY21 launched plan to develop the next 10 in 3 years**

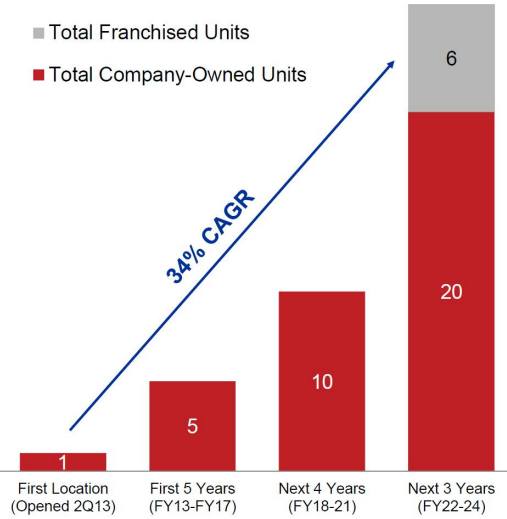
- Growth is self-funding
- Opened 2nd Dallas location in December 2021
- Contracted to buy: 2 more Dallas sites, 1 more Houston site
- Looking at sites in Austin, Phoenix and Florida (areas where we have local expertise)

- **Franchisee program (near-term)**

- Early FY21 signed first franchisee for 3 locations in San Antonio area – first unit to open soon
- Expect to sign franchisees for at least 3-6 more locations by end of FY24

- **Potential**

- 80-100 locations (owned and franchised)



1Q22 Sales: Growth Continues

\$ in Millions	1Q22 Sales	Total Sales		Same-Store Sales	
		vs. 1Q21	vs. 1Q20	vs. 1Q21	vs. 1Q20
Combined	\$61.1	+62%	+28%	+22%	+11%
Nightclubs	\$46.3	+87%	+24%	+31%	+ 8%
Bombshells	\$14.8	+14%	+43%	+8%	+21%

- Bombshells benefited from new Arlington, TX location opened early December
- Nightclubs benefited from 12 clubs acquired mid-October and early November
- No Omicron effect until late 1Q22
- Comparisons to pre-COVID 1Q20 (ended Dec. 31, 2019) provided for illustrative purposes



Bombshells Arlington (near Dallas) and its Bombshells Girls

Q&A



- Company Info: www.RCIHospitality.com
- Store Locations: www.4Bombshells.com
- Franchise Support: www.BombshellsFranchise.com

Contact Information

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