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**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): July 13, 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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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.

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**ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

On July 13-14, 2022, we will be talking to investors in a series of meetings arranged by Granite Research. A copy of the presentation slides that may be used in whole or in part at those meetings is furnished with this current report as Exhibit 99.1.

**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 99.1 included herewith.

The information in this current report on Form 8-K, including Exhibit 99.1, 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	<a href="#">Presentation Slides - Investor Presentation</a>
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: July 13, 2022

By: /s/ Eric Langan  
Eric Langan  
President and Chief Executive Officer



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



NASDAQ: RICK  
Granite Conference Series  
July 13-14, 2022  
[www.rcihospitality.com](http://www.rcihospitality.com)

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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 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. (RCIHH) 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) gains or losses on sale of businesses and assets, (c) gains or losses on insurance, and (d) 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) gains or losses on sale of businesses and assets, (d) gains or losses on insurance, (e) unrealized gains or losses on equity securities, (f) settlement of lawsuits, (g) gain on debt extinguishment, and (h) 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 21.8% and 24.2% effective tax rate of the pre-tax non-GAAP income before taxes for the six months ended March 31, 2022 and 2021, 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 our unleveraged performance return on our investments. Adjusted EBITDA is also the 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 2Q22 10-Q and our May 9, 2022 earnings news release and financial tables contain additional details and reconciliation of non-GAAP financial measures for the quarter ended March 31, 2022, and are posted on our website at [www.rcihospitality.com](http://www.rcihospitality.com) and filed with the US Securities and Exchange Commission.

## Strong Portfolio of Hospitality Venues

### Overview

- Own and franchise 61 nightclubs and restaurants
- Founded in 1983
- IPO on Nasdaq in 1995

### Nightclubs

- 74% of revenue for TTM ended 3/31/22
- 49 clubs in 13 states, many in top 20 US markets
- Well-known brands with restaurants

### Bombshells

- 25% of revenue for TTM ended 3/31/22
- Fast-growing, sports bar restaurant chain launched in 2013
- 11 company-owned and 1 franchised location (all in Texas)

### Growth Drivers

- Consumer demand for an entertaining experience
- Four decades of deep expertise in hospitality, real estate, property development, finance
- Strong focus on generating free cash flow

Stock Symbol	TTM Ended 3/31/22					As of 3/31/22	
	Revenues	EPS*	Net Cash Provided by Operating Activities	Free Cash Flow	Cash Dividends/Share	Common Stock Outstanding	Insider Ownership
Nasdaq: RICK	\$238M	\$3.90 (GAAP) \$5.22 (Non-GAAP)	\$52.6M	\$47.8M	\$0.17	9.454M	7.72%



\* The amounts are sums of GAAP EPS and Non-GAAP EPS for the last four quarters ended 3/31/22



# Great Business Model

## Strong Cash Generation (TTM ended 3/31/22)

- High gross profit margin (85.4%)
- Fast cash conversion cycle
- Low maintenance capex (\$4.8M)

## Nightclubs

- High barriers to entry
- Few municipalities issue new licenses

## Bombshells

- Ultimate experience for casual dining, sports viewing, music, food, and fun
- Enables us to grow free cash flow organically

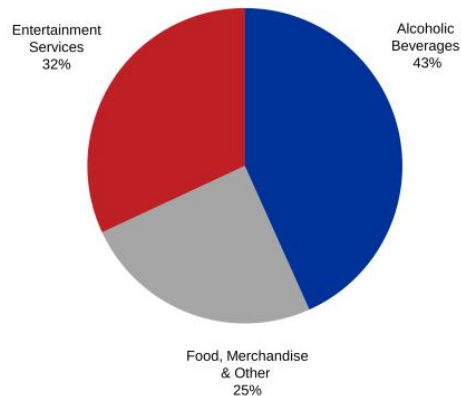
## Real Estate Ownership

- Own most of our locations
- Low occupancy cost relative to peers
- Not beholden to landlords

## Growth Funded through Debt

- Access to bank and seller financing

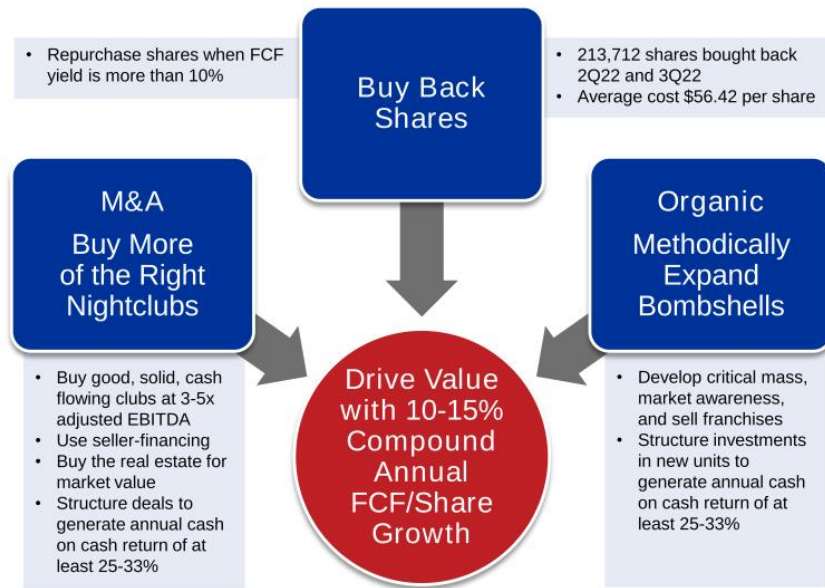
Total Revenues (TTM ended 3/31/22)



Period	Alcoholic Beverages	Entertainment Services	Food, Merchandise & Other
FY19	41%	38%	21%
FY20	45%	31%	24%
FY21	44%	28%	28%



# Capital Allocation Strategy Is Key\*



# Impressive Track Record

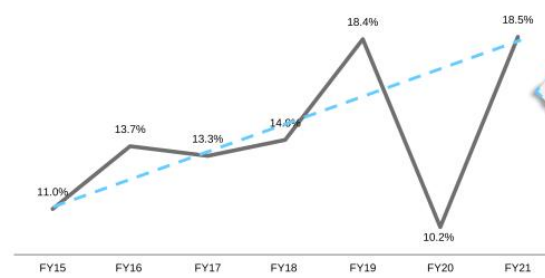
Free Cash Flow (\$M)<sup>1</sup>

+16%  
CAGR



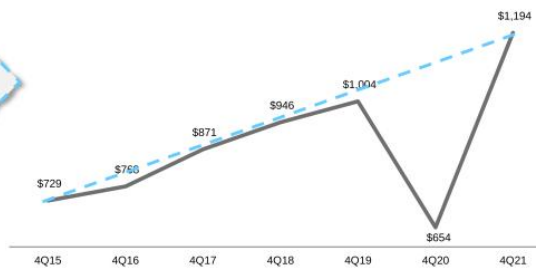
FCF as % of Revenues<sup>1</sup>

+750  
BPS



4Q Sales / Location (\$K)<sup>2</sup>

+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

# Nightclubs: Significant Acquisition Opportunities

## Market







- 2,200 clubs / ~500 meet our acquisition criteria
- We are one of the largest, but our market share is minimal
- Long-term owners interested in selling
- We are the acquirer of choice

## Financial Dynamics

- Buy earnings accretive clubs at 3-5x adjusted EBITDA
- Purchase related real estate at market value
- Strong record paying off seller financing from acquisition cash flow

## Acquisitions

- FY22 To Date: 13 clubs in 8 states
- FY23 Target: Buy clubs that can add \$20M of Adjusted EBITDA in FY23

Our Top Club Brands	
	Elegant clubs with restaurants
	High-end, high-energy party club
	Nation's mega club with 74,000 square feet
	High-end clubs for African-American professionals
	Lively BYOB clubs for blue collar patrons and the college crowd
	Lively BYOB clubs for blue collar patrons and the college crowd

# 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

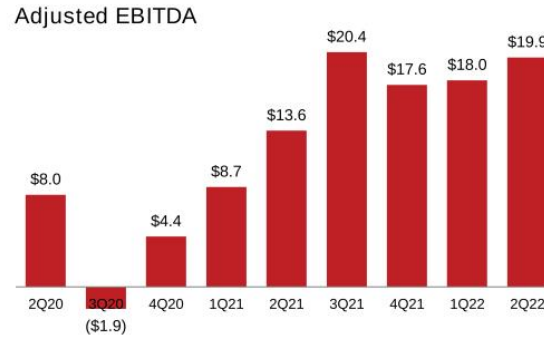
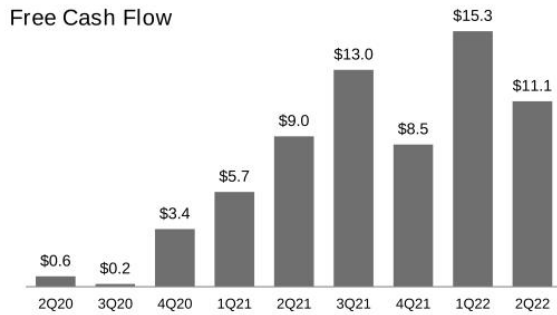
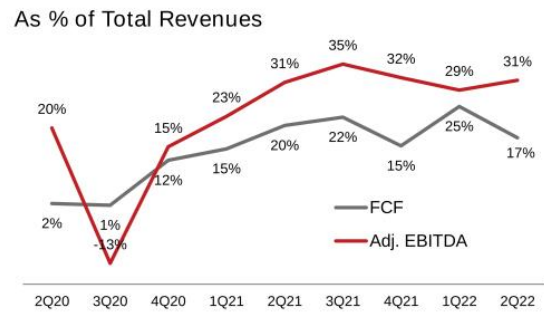
## High Impact Branding

- 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



In Development: 3 new company locations (Rowlett, Lubbock & Stafford in Texas), 2<sup>nd</sup> franchised location (Huntsville, AL)

# Recent Cash, FCF & Adjusted EBITDA Performance (\$M)



## Progress Continues (3Q & 9M Ended 6/30/22)

(\$ in Millions)	3Q22 Total Sales	Total Sales vs. 3Q21	Same-Store Sales vs. 3Q21*
Combined	\$70.1	+23.7%	-0.1%
Nightclubs	\$54.3	+33.8%	+4.8%
Bombshells	\$15.8	-1.9%	-12.3%

(\$ in Millions)	9M22 Total Sales	Total Sales vs. 9Q21	Same-Store Sales vs. 9M21*
Combined	\$194.3	+40.7%	+8.4%
Nightclubs	\$148.4	+54.9%	+13.2%
Bombshells	\$45.9	+8.7%	-1.6%

	3Q22 Buybacks	9M22 Buybacks	FY16 to 3Q22 Buybacks
Repurchased Shares	168,069	213,712	1,769,279
Total Cash Used for Repurchase (\$M)	\$9.2	\$12.1	\$34.6
Average Price Per Share	\$54.81	\$56.42	\$19.58



## Contact Information

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