

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): November 30, 2015

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.)

10959 Cutten Road
Houston, Texas 77066
(Address of principal executive offices, including zip code)

(281) 397-6730
(Registrant's telephone number, including area code)

ITEM 7.01 REGULATION FD DISCLOSURE

On December 3, 2015, Eric Langan, our President and Chief Executive Officer, will present at the LD Micro Investor Conference at the Luxe Sunset Boulevard Hotel, located at 11461 Sunset Boulevard, Los Angeles, California 90049. A copy of the presentation slides is included with this current report as Exhibit 99.1.

The furnishing of the attached presentation 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 Item 7.01 “Regulation FD Disclosure” of the 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.

No.	Exhibit
99.1	Presentation Slides - LD Micro Investor Conference

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

RCI HOSPITALITY HOLDINGS, INC.

Date: November 30, 2015

By: /s/ Eric Langan

Eric Langan

President and Chief Executive Officer



2015 – 20th Anniversary of RCI's IPO

Two decades of innovation in the adult club segment of the hospitality industry



NASDAQ: RICK
LD Micro Investor Conference
December 3, 2015
www.rcihospitality.com

Forward Looking Statements

Certain statements contained in this presentation regarding RCI Hospitality future operating results or performance or business plans or prospects and any other statements not constituting historical fact are "forward-looking statements" subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. Where possible, the words "believe," "expect," "anticipate," "intent," "would," "will," "planned," "estimated," "potential," "goal," "outlook," and similar expressions, as they relate to the company or its management have been used to identify such forward-looking statements.

All forward-looking statements reflect only current beliefs and assumptions with respect to future business plans, prospects, decisions and results, and are based on information currently available to the company.

Accordingly, the statements are subject to significant risks, uncertainties and contingencies, which could cause the company's actual operating results, performance or business plans or prospects to differ materially from those expressed in, or implied by, these statements.

Such risks, uncertainties and contingencies include, but are not limited to, risks and uncertainties associated with (i) operating and managing an adult business, (ii) the business climates in cities where the company operates, (iii) the success or lack thereof in launching and building the company's businesses, (iv) the operational and financial results of the company's adult nightclubs, (v) conditions relevant to real estate transactions, (vi) the loss of key personnel, (vii) laws governing the operation of adult entertainment businesses, and (viii) the inability to open and operate our restaurants at a profit.

Additional factors that could cause the company's results to differ materially from those described in the forward-looking statements are described in forms filed with the SEC from time to time and available at www.rcihospitality.com or on the SEC's internet website at www.sec.gov.

Unless required by law, RCI Hospitality does not undertake any obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

Leader in Gentlemen's Clubs and Sports Bars/Restaurants

- Pioneered elegant gentlemen's clubs
- Powerful brands, quality environments, beautiful entertainers, excellent restaurants
- Since IPO, transformed RCI into a leading hospitality company
- Subsidiaries own/operate 43 adult clubs and restaurant/bars
- Larger units in major cities: New York, Miami, Philadelphia, Dallas/Ft. Worth, Minneapolis
- Smaller units through South/Southwest
- High gross margin, low cap-ex, high cash flow business that often requires real estate ownership

Founded	1983
IPO (NASDAQ)	1995
Total Revenues (TTM*)	\$143 million
GAAP EPS (TTM*)	\$1.27
Non-GAAP EPS (TTM*)	\$1.48
Shares Out (6/30/15)	10.245 million
Market Cap (11/1/15)	\$102 million

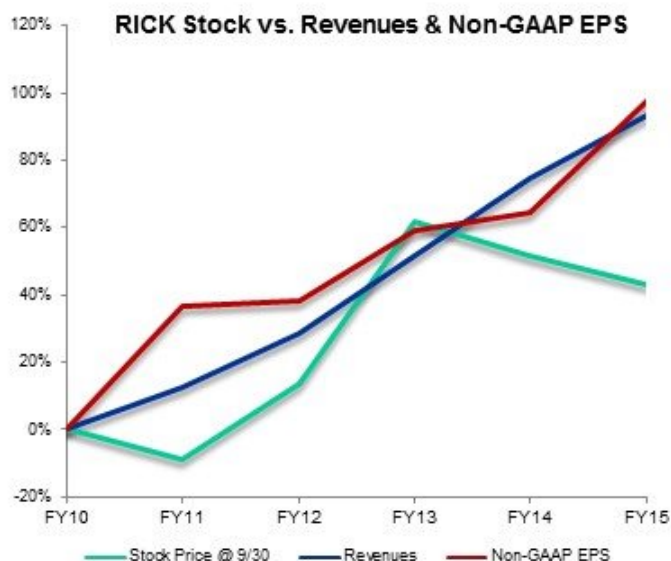
Major Brands / Variety of Formats



* 12 months ended 6/30/15

RICK Investment Catalysts

1. **EPS to benefit in FY16** and beyond from expanding margins
2. **Cash flow expected to grow** due to increased earnings and access to lower cost bank financing
3. **Lengthy litigation ending**, which will contribute to improved results in FY16 and beyond
4. **Tighter share structure and stepped up buybacks** until our stock is more appropriately valued
5. **Significant hidden value in real estate** holdings enhances our financial strength



Since end of FY10 (9/30/10), stock has increased 43% vs. 93% for revenues and 97% for Non-GAAP EPS. Stock price measured at FY year end. TTM* data used for FY15 revenues and non-GAAP EPS.

* 12 months ended 6/30/15

Disciplined Capital Allocation Strategy

- Higher after tax yield buying back stock vs. paying down debt until stock price is higher
- Buying back stock and paying down debt is a risk free return vs. acquiring a club/opening a restaurant, which is a risk adjusted return
- Thus, we do not plan to buy a club / open a restaurant unless the risk adjusted return rivals buying our own assets in the market or there is a compelling strategic rationale
- At this point, our own assets represent a highly attractive acquisition via stock purchases
- We currently have no stock options outstanding and no intention of issuing any new options until our stock is more appropriately valued

After Tax Free Cash Flow Yield of Buying Back Shares*					
Annual Free Cash Flow (mm)	\$15.0	\$15.0	\$15.0	\$15.0	\$15.0
Stock Price	\$10.00	\$11.00	\$12.00	\$13.00	\$14.00
FD Shares at 6/30/15 with expected dilution from convertible securities as stock price rises (mm)**	10.320	10.513	10.513	10.767	10.767
Market Capitalization (mm)	\$103.2	\$115.6	\$126.2	\$140.0	\$150.7
After Tax Yield (FCF/Market Cap)	14.5%	13.0%	11.9%	10.7%	10.0%

After Tax Free Cash Flow Yield of Paying Down Debt					
Interest Rate on Debt (interest is tax deductible)	13.0%	12.0%	11.0%	10.0%	9.0%
After Tax Yield (assuming 35% tax rate)	8.5%	7.8%	7.2%	6.5%	5.9%

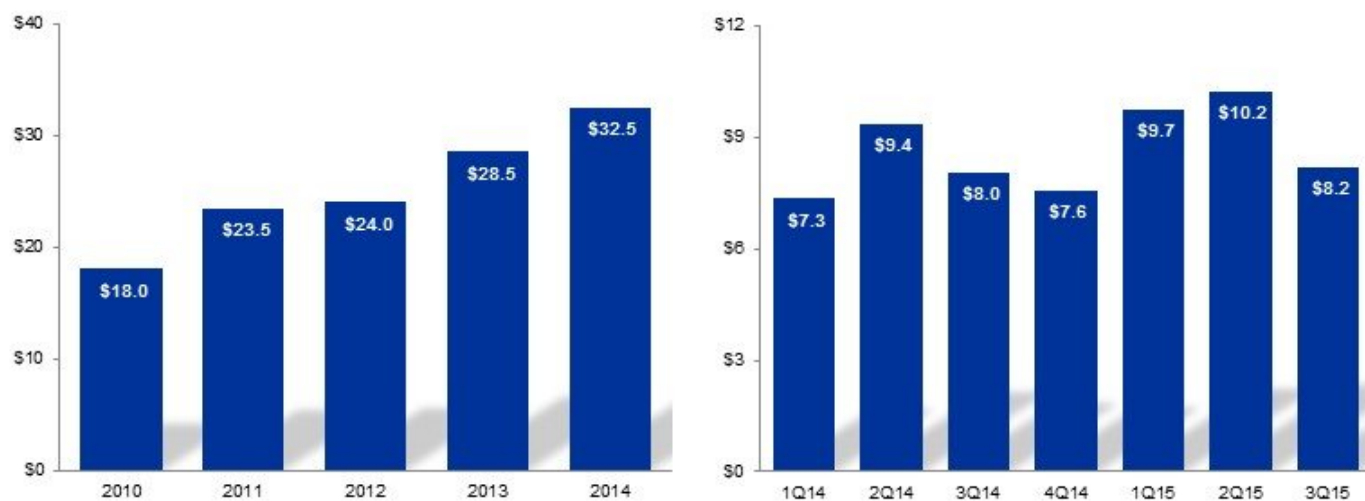
Summary

- 9.9%-14.5% after tax yield on FCF buying back shares in \$10-\$14 range
- Only at ~\$17 does it make sense to start paying down 13% debt at an accelerated rate (assuming no pre-payment penalty)

* For purposes of this model, free cash flow is defined as free cash flow less debt payments

** Conversion of these securities would result in \$4.6M reduction of debt

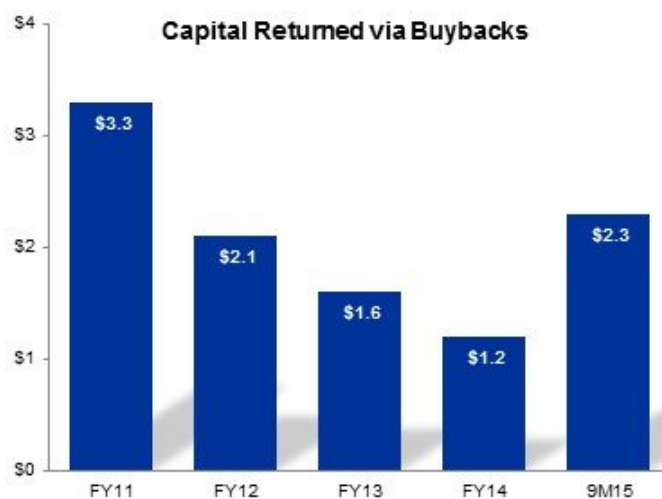
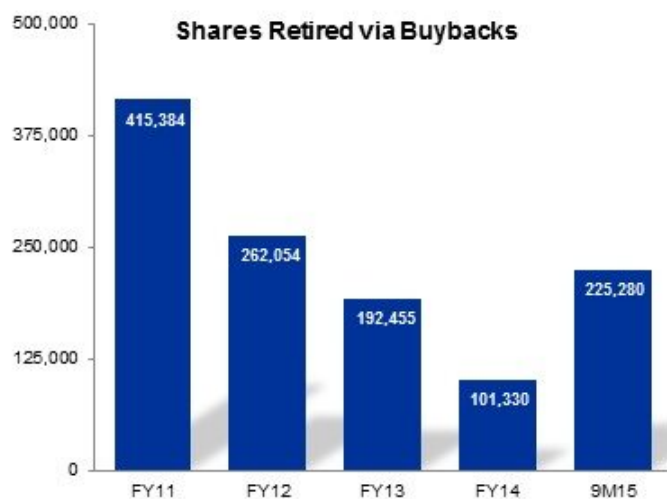
Adjusted EBITDA* Growth (\$ in millions)



- Reflects RCI's cash generating power to buy back stock and finance growth
- 9M15: Up ~\$4M YoY
- FY10-14: Up 80%
- We also have at least ~\$50M in off balance sheet, unencumbered real estate value, based on conservative estimates

* See Appendix for reconciliation to GAAP

Undervaluation Spurs Share Buybacks (\$ in millions)



- 9M15 buyback spend exceeds FY12
- \$6.6M of remaining Board authorization at 6/30/15
- FY16's buyback spend will likely exceed FY11's

Major Legal Issues Behind Us

Item	Resolution (\$ in millions)
NYS FLSA Lawsuit	<ul style="list-style-type: none">• Possible \$20M or more judgement• Settled for a maximum of \$15M in FY15; established \$10.3M accrual• All contracts since 2011 contain no class action participation/arbitration clauses
Texas Patron Tax	<ul style="list-style-type: none">• Possible \$17M payment• Settled for \$10M in FY15 to be paid over 84 months• Resulted in \$8.2M FY15 pre-tax gain• No additional tax increase

Margins & Cash Flow Expected to Grow in FY16 & Beyond

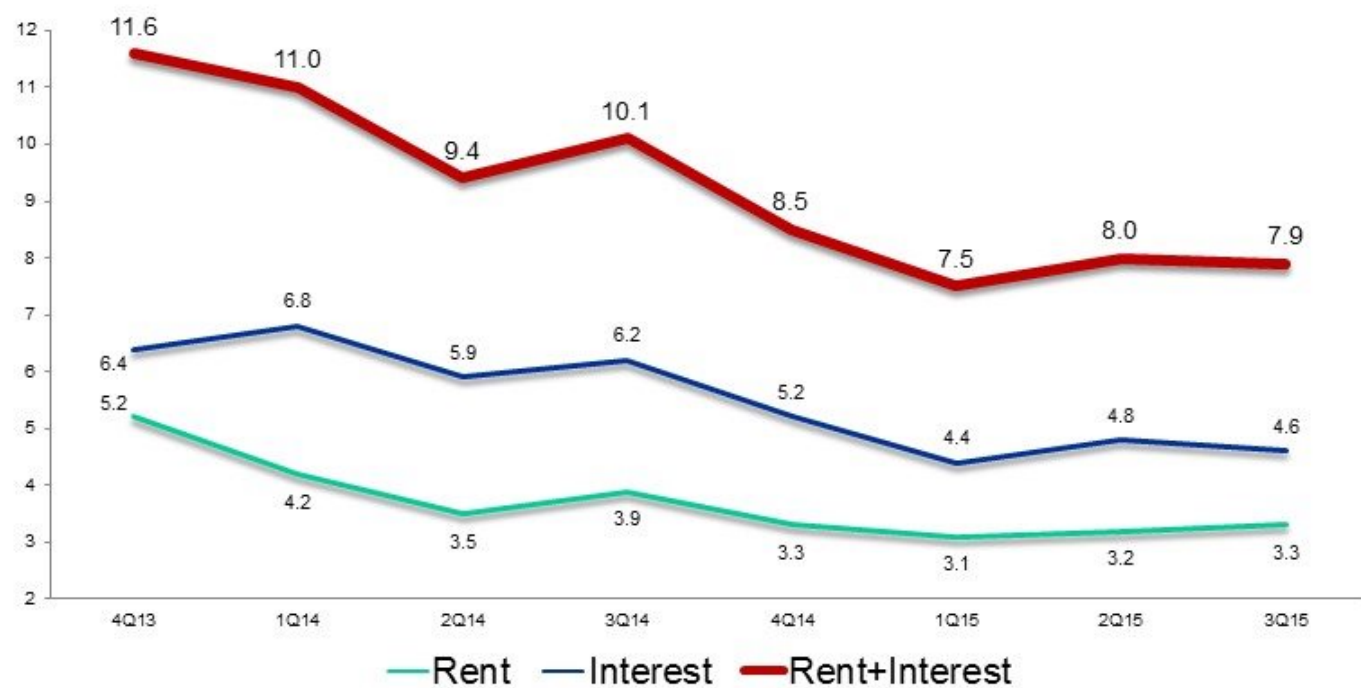
Item	Details (\$ in millions, % of revenues)
Legal Costs	<ul style="list-style-type: none"> • 2.6% of revenues in FY14 and 2.7% in 9M15 • Settlements plus new insurance reduces need for outside counsel • Cost expected to decline starting in FY16
Insurance Costs	<ul style="list-style-type: none"> • Also beginning to decline • Cost fell to 2.3% in 9M15 vs 3.1% in FY14
Cost of Debt	<ul style="list-style-type: none"> • Growing cash flow has enabled us to pay down high cost debt • New access to bank financing reducing costs, extending amortizations • Reversed upward trend in occupancy cost (rent+interest) • Fallen to 7.9% in 3Q15 from 11.6% in 4Q13 • Expect further decline in FY16 • New amortization schedules will expand free cash flow by ~\$2.3M in FY16
Non-Performing Clubs	<ul style="list-style-type: none"> • Eliminated 6 clubs over the last 24 months that were not meeting expectations • Cost us a total of \$2.2M in operating profit the last year each were in operation
Restaurants	<ul style="list-style-type: none"> • Initial five Bombshells off to a great start and profitable • Concept has created excitement, balanced out revenues, improved RCI's image • Late FY15 initiated franchising program, which should expand margins in FY17

Every 1% of revenues trimmed from costs = ~\$1.4M pre-tax or \$0.09 per share net of tax

Recent & Pending Bank Financings (\$ in millions)

Item	Details
Miami Gardens Square Mall Acquisition	<ul style="list-style-type: none"> Tootsie's Cabaret is the largest tenant Paid \$15.3M (\$4.0M cash, \$11.3M bank loan at 5.45%) 100% occupied, income producing, good management, 2nd largest tenant re-upped Expect annual \$0.6M pre-tax profit for 15% cash on cash return
Rick's Cabaret NY RE Acquisition	<ul style="list-style-type: none"> Paying \$1.2M in rent Expect to finance acquisition with \$10M bank loan at 5% Reduces effective rate paid from 13.15% Reduces expenses by more than \$0.7M annually over the term of the loan Closing scheduled in January
Re-Financed Select DFW Properties	<ul style="list-style-type: none"> Had \$2.5M balance at 8% Refinanced with \$4.5M at 5% Pulled \$2M in equity out of these properties
The Future	<ul style="list-style-type: none"> Continuing to look for other opportunities to refinance higher priced debt Expect to finance future acquisitions with cash and debt

Rent+Interest Falling (as % of total revenues)



RCI views Rent+Interest as our cost of occupancy

Nightclubs: Best in the Business

- Our subsidiaries own 38 of the best, most well run gentlemen's clubs in the country
- 27 (71%) in Texas, with different formats and customer bases
- 11 (29%) mostly larger clubs outside of Texas, many of them with national reputations
- Tootsies Cabaret Miami: The nation's largest adult club, with 74,000 square feet
- Rick's Cabaret New York and Vivid Cabaret New York: The top two clubs in Manhattan
- FY10-14: ~80% new clubs acquired, 20% developed in house
- Due to licensing, more opportunities for acquiring clubs than opening new ones



Why Are Our Clubs So Successful?

- Constant innovation
- Applying hospitality industry best practices to adult clubs
- Friendly, elegant atmosphere for customers and entertainers
- Recruiting highly skilled, highly motivated managers/staff
- Las Vegas style cash/credit card systems/security

Nightclubs Segment Results

\$ in millions	9M15	9M14	Change
Revenues	\$93.6	\$91.0	2.8%
Units (at 6/30/15 and 6/30/14)	39	39	--
Adjusted Operating Income*	\$29.8	\$29.5	1.0%
Adjusted Operating Margin*	31.8%	32.3%	(55 bps)



* See Appendix for reconciliation to GAAP



Nightclubs Future

- Universe of ~500 clubs we would consider owning out of total ~3,500 US clubs
- Many owners plan to retire in the years ahead
- With increasing access to bank financing, we can consolidate the industry
- Focus on club groups with market presence or “fill-in” acquisitions to leverage resources—no “one offs” unless unique
- RCI has developed proven methods to analyze potential acquisitions and then expand revenue and margins under our ownership
- Selective opportunities to continue to develop clubs in-house

Recent Acquisitions

Down in Texas Saloon (Austin)
January 2015

- Country-themed club
- Near existing Rick's and Bombshells
- \$6.8M for club, building and RE



The Seville Club (Minneapolis)
May 2015

- Elegant atmosphere
- Near existing Rick's and Downtown Cabaret
- \$8.5M for club, building and RE



Bombshells: We've Proven the Concept

- First military-themed franchise in the sports bar/casual dining segment
- Theme comes alive through design strategy and Bombshell Girls
- Feature local bands, DJs, large outdoor patios, and +75 flat screen TVs, complete bar and menu
- Attracts families, singles and couples, for lunch, dinner and late night
- First unit in Dallas in 2013, now 5 in Texas, 2015 first full year of operation
- Approximately 50% liquor
- Typical units: 7,500-10,000 square feet
- Initial investment: \$1.75M-\$3.1M, depending on size and type of space
- Launched nationwide franchising in October (royalty is 5.5% of gross sales)



Investment Highlights

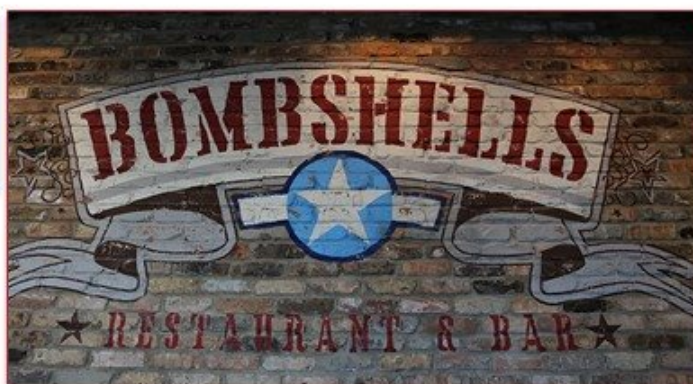
- Leverages core hospitality expertise
- Requires less cash investment than nightclubs
- Can lease, not own; less rigorous licensing
- With proven concept, new unit success depends on right location and staff

Bombshells Segment Results

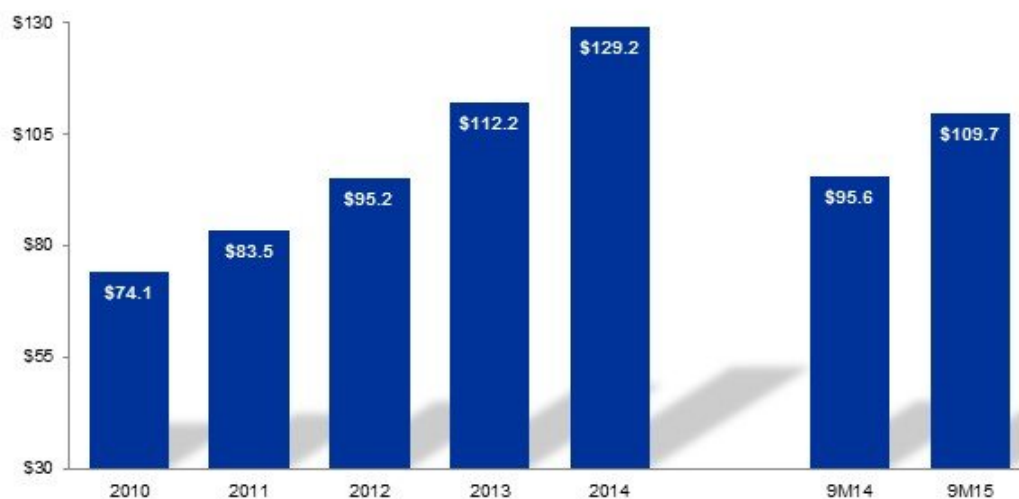
\$ in millions	9M15	9M14	Change
Revenues	\$14.5	\$3.7	4.0x
Units	5	2	2.5x
Operating Income	\$1.5	(\$0.268)	+\$1.75
Operating Margin	10.2%	(7.3%)	+1751 bps

Bombshells Future

- Gradually roll out new units
- Sell first franchises in FY16
- FY17 should see significantly higher sales and margins

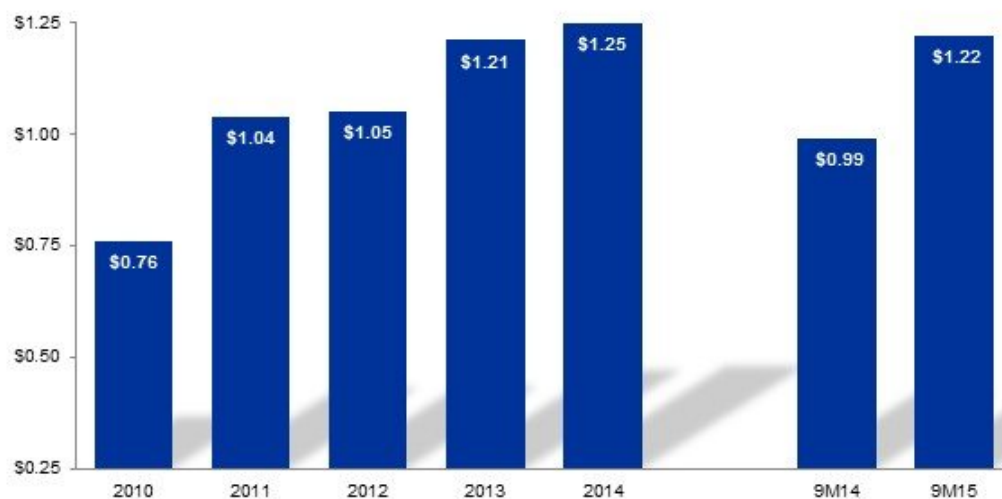


Steady Total Revenue Growth (\$ in millions)



- 9M15: Up 14.7% YoY
- FY10-14: 14.9% CAGR

Continued Non-GAAP EPS* Growth

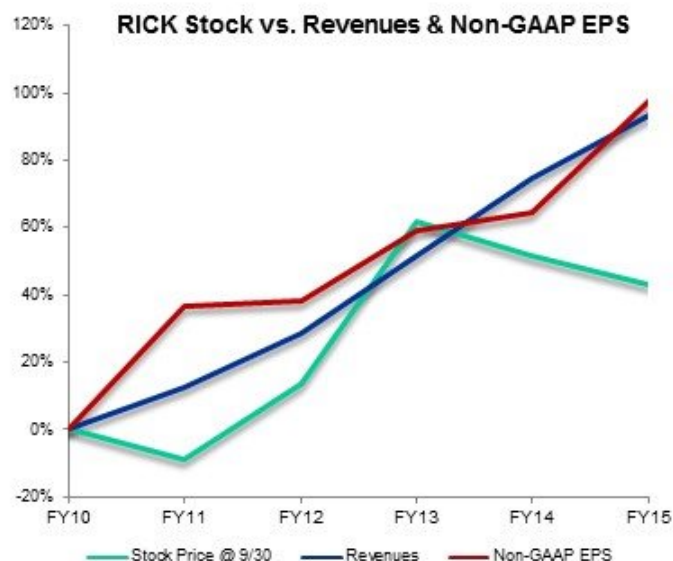


- As of 9M15, we have earned nearly as much as all of FY14
- 9M15: Up 23.2% YoY
- FY10-14: 13.3% CAGR

* See Appendix for reconciliation to GAAP

Summary: Why Invest in RICK?

1. **EPS to benefit in FY16** and beyond from expanding margins
2. **Cash flow expected to grow** due to increased earnings and access to lower cost bank financing
3. **Lengthy litigation ending**, which will contribute to improved results in FY16 and beyond
4. **Tighter share structure and stepped up buybacks** until our stock is more appropriately valued
5. **Significant hidden value in real estate** holdings enhances our financial strength



Since end of FY10 (9/30/10), stock has increased 43% vs. 93% for revenues and 97% for Non-GAAP EPS. Stock price measured at FY year end. TTM* data used for FY15 revenues and non-GAAP EPS.

* 12 months ended 6/30/15



2015 – 20th Anniversary of RCI's IPO

Two decades of innovation in the adult club segment of the hospitality industry



APPENDIX

Explanation of Non-GAAP Terms

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 some recurring charges that are included in 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 exclude from non-GAAP operating income and non-GAAP operating margin amortization of intangibles, gain on settlement of patron tax case, pre-opening costs, gains and losses from asset sales, stock-based compensation charges, litigation and other one-time legal settlements and acquisition costs. 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. While we were in litigation in the patron tax case, we also included patron taxes as an exclusion, but after settlement of the case, we no longer exclude patron taxes from operating income.
- *Non-GAAP Net Income and Non-GAAP Net Income per Basic Share and per Diluted Share.* We exclude from non-GAAP net income and non-GAAP net income per diluted share and per basic share amortization of intangibles, gain on settlement of patron tax case, pre-opening costs, income tax expense, impairment charges, gains and losses from asset sales, stock-based compensation, litigation and other one-time legal settlements and acquisition costs, and include the Non-GAAP provision for income taxes, calculated as the tax-effect at 35% effective tax rate of the pre-tax non-GAAP income before taxes less stock-based compensation, because we believe that excluding such measures helps management and investors better understand our operating activities. While we were in litigation in the patron tax case, we also included patron taxes as an exclusion, but after settlement of the case, we no longer exclude patron taxes from net income.
- *Adjusted EBITDA.* We exclude from Adjusted EBITDA depreciation expense, amortization of intangibles, income tax, interest expense, interest income, gains and losses from asset sales, acquisition costs, litigation and other one-time legal settlements, gain on settlement of patron tax case and impairment charges because we believe that adjusting for such items helps management and investors better understand 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. Also, we exclude interest cost in our calculation of Adjusted EBITDA. 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.

Our Form 10-Q for the fiscal third quarter ended June 30, 2015 and our August 10, 2015 news release contain additional details relative to the non-GAAP financial measures and are posted on our website at www.rchospitality.com.

Annual Non-GAAP Reconciliation Data

(in thousands, except per share data)

	2010	2011	2012	2013	2014
Reconciliation of GAAP net income to Adjusted EBITDA					
GAAP net income	\$ (7,938)	\$ 7,846	\$ 7,378	\$ 9,191	\$ 11,240
Income tax expense	2,988	3,403	4,292	3,414	3,916
Interest expense and income and gain on derivative	4,504	4,042	4,177	7,067	7,752
Litigation and other one-time settlements	-	-	2,533	707	3,696
Impairment of assets	3,374	-	-	-	2,294
Pre-opening costs	-	-	-	660	800
Acquisition costs	88	119	462	166	124
Depreciation and amortization	3,225	3,904	4,963	3,337	6,316
Loss from discontinued operations	11,603	2,193	-	-	-
Gain on contractual debt reduction	-	-	-	-	(3,642)
Adjusted EBITDA	\$ 18,034	\$ 23,509	\$ 24,007	\$ 28,542	\$ 32,496
Reconciliation of GAAP net income (loss) to non-GAAP net income					
GAAP net income	\$ (7,938)	\$ 7,846	\$ 7,378	\$ 9,191	\$ 11,240
Amortization of intangibles	434	439	463	409	336
(Gain) loss on change in fair value of derivative instruments	31	(128)	(117)	(1)	-
Stock-based compensation	405	8	315	847	282
Litigation and other one-time settlements	-	-	2,533	707	3,696
Income tax expense	2,988	3,403	4,292	3,414	3,916
Impairment of assets	3,374	-	-	-	2,294
Pre-opening costs	-	-	-	660	800
Acquisition costs	88	100	462	166	124
Loss from discontinued operations, net of income taxes	11,603	2,193	-	-	-
Gain on contractual debt reduction	-	-	-	-	(3,642)
Non-GAAP provision for income taxes	(3,768)	(3,336)	(3,324)	(3,791)	(6,367)
Non-GAAP net income	\$ 7,398	\$ 10,326	\$ 10,202	\$ 11,602	\$ 12,479

Annual Non-GAAP Reconciliation Data

(in thousands, except per share data)	2010	2011	2012	2013	2014
Reconciliation of GAAP diluted net income per share to non-GAAP diluted net income per share					
GAAP diluted shares	9,697	9,932	9,697	9,615	10,637
GAAP net income	\$ (0.82)	\$ 0.79	\$ 0.78	\$ 0.96	\$ 1.13
Amortization of intangibles	0.04	0.05	0.05	0.04	0.03
(Gain) loss on change in fair value of derivative instruments	0.00	(0.01)	(0.01)	(0.00)	-
Stock-based compensation	0.04	0.00	0.03	0.08	0.03
Litigation and other one-time settlements	-	-	0.26	0.07	0.33
Impairment of assets	0.31	0.34	0.44	0.56	0.56
Income tax expense	0.37	-	-	-	0.22
Pre-opening costs	-	-	-	0.07	0.08
Acquisition costs	0.01	0.01	0.05	0.02	0.01
Loss from discontinued operations, net of income taxes	1.20	0.22	-	-	-
Gain on contractual debt reduction	-	-	-	-	(0.33)
Non-GAAP provision for income taxes	(0.39)	(0.36)	(0.33)	(0.60)	(0.62)
Non-GAAP diluted net income per share	\$ 0.76	\$ 1.04	\$ 1.05	\$ 1.21	\$ 1.23
Reconciliation of GAAP operating income to non-GAAP operating income					
GAAP operating income	\$ 11,388	\$ 18,794	\$ 16,513	\$ 21,883	\$ 18,875
Amortization of intangibles	414	439	463	409	336
Stock-based compensation	405	8	313	847	282
Litigation and other one-time settlements	-	-	2,333	707	3,896
Impairment of assets	3,374	-	-	-	2,284
Pre-opening costs	-	-	-	660	800
Acquisition costs	88	100	462	166	124
Non-GAAP operating income	\$ 15,669	\$ 19,361	\$ 20,286	\$ 24,672	\$ 26,407
Reconciliation of GAAP operating margin to non-GAAP operating margin					
GAAP operating income	13.4%	22.5%	17.3%	19.5%	14.6%
Amortization of intangibles	0.8%	0.5%	0.5%	0.4%	0.3%
Stock-based compensation	0.5%	0.0%	0.3%	0.8%	0.2%
Litigation and other one-time settlements	0.0%	0.0%	2.7%	0.8%	2.9%
Impairment of assets	4.8%	0.0%	0.0%	0.0%	1.8%
Pre-opening costs	0.0%	0.0%	0.0%	0.6%	0.6%
Acquisition costs	0.1%	0.1%	0.5%	0.2%	0.1%
Non-GAAP operating margin	21.5%	23.2%	21.5%	22.0%	20.5%

Quarterly Non-GAAP Reconciliation Data

(in thousands, except per share data)

	3Q 14	2Q 14	3Q 14	4Q 14	1Q15	2Q15	3Q15
Reconciliation of GAAP net income to Adjusted EBITDA							
GAAP net income (loss)	\$ 2,404	\$ 3,722	\$ 691	\$ 4,424	\$ 3,360	\$ (2,841)	\$ 8,267
Income tax expense	1,322	1,922	203	2,468	1,846	(1,263)	4,442
Interest expense and income and gain on derivative and Drink Robust investment	2,012	1,924	2,060	1,868	1,029	1,783	1,690
Litigation and other one-time settlements	120	150	3,233	193	247	10,303	10
Pre-opening costs	89	122	306	57	158	268	-
Acquisition costs	-	-	22	13	83	95	105
Impairment of assets	-	-	-	2,294	1,338	-	-
Depreciation and amortization	1,392	1,513	1,332	1,878	1,645	1,886	1,923
Gain on contractual debt reduction	-	-	-	(5,642)	-	-	-
Gain on settlement of Patron tax case	-	-	-	-	-	-	(8,267)
Adjusted EBITDA	\$ 7,339	\$ 9,353	\$ 8,047	\$ 7,553	\$ 9,726	\$ 10,229	\$ 8,210
Reconciliation of GAAP net income (loss) to non-GAAP net income							
GAAP net income (loss)	\$ 2,404	\$ 3,722	\$ 691	\$ 4,423	\$ 3,360	\$ (2,841)	\$ 8,267
Amortization of intangibles	89	82	82	82	244	336	312
Gain on derivative and Drink Robust investment	-	-	-	-	(577)	-	-
Stock-based compensation	3	151	2	126	120	120	120
Litigation and other one-time settlements	120	150	3,233	193	247	10,303	10
Pre-opening costs	89	122	306	57	158	268	-
Income tax expense	1,322	1,922	203	2,468	1,846	(1,263)	4,442
Acquisition costs	-	18	22	13	83	95	105
Impairment of assets	-	-	-	2,294	1,338	-	-
Gain on contractual debt reduction	-	-	-	(5,642)	-	-	-
Gain on settlement of Patron tax case	-	-	-	-	-	-	(8,267)
Non-GAAP provision for income taxes	(1,408)	(2,106)	(1,588)	(1,361)	(2,352)	(2,414)	(1,789)
Non-GAAP net income	\$ 2,619	\$ 4,061	\$ 2,951	\$ 2,653	\$ 4,487	\$ 4,602	\$ 3,290

Quarterly Non-GAAP Reconciliation Data

(In thousands, except per share data)

	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
Reconciliation of GAAP diluted net income per share to non-GAAP diluted net income per share							
GAAP diluted net income	9,855	10,853	9,968	11,014	10,929	10,275	10,707
GAAP net income	\$ 0.14	\$ 0.37	\$ 0.07	\$ 0.42	\$ 0.32	\$ (0.28)	\$ 0.78
Amortization of intangibles	0.01	0.01	0.01	0.01	0.02	0.03	0.03
Gain on derivative and Drink Robust Investment	-	-	-	-	(0.05)	-	-
Stock-based compensation	0.00	0.01	0.00	0.01	0.01	0.01	0.01
Litigation and other one-time settlements	0.01	0.01	0.32	0.02	0.02	1.00	0.00
Pre-opening costs	0.01	0.01	0.03	0.01	0.01	0.03	-
Income tax expense	0.13	0.38	0.02	0.22	0.17	(0.12)	0.41
Acquisition costs	-	0.00	0.00	0.00	0.01	0.01	0.01
Impairment of assets	-	-	-	0.21	0.12	-	-
Gain on contractual debt reduction	-	-	-	(0.51)	-	-	-
Gain on settlement of Patron tax case	-	-	-	-	-	-	(0.76)
Non-GAAP provision for income taxes	(0.14)	(0.39)	(0.16)	(0.12)	(0.12)	(0.23)	(0.16)
Non-GAAP diluted net income per share	\$ 0.26	\$ 0.40	\$ 0.30	\$ 0.26	\$ 0.42	\$ 0.44	\$ 0.32
Reconciliation of GAAP operating income to non-GAAP operating income							
GAAP operating income	\$ 5,614	\$ 7,439	\$ 2,892	\$ 2,910	\$ 6,140	\$ (1,616)	\$ 14,152
Amortization of intangibles	89	82	82	82	244	336	312
Stock-based compensation	3	151	2	126	120	120	120
Impairment of assets	-	-	-	2,294	1,358	-	-
Litigation and other one-time settlements	120	130	3,233	193	247	10,903	10
Pre-opening costs	89	122	306	57	158	268	-
Acquisition costs	-	18	22	13	83	95	105
Gain on settlement of Patron tax case	-	-	-	-	-	-	(8,367)
Non-GAAP operating income	\$ 5,915	\$ 7,932	\$ 6,537	\$ 5,675	\$ 8,390	\$ 6,906	\$ 6,392
Reconciliation of GAAP operating margin to non-GAAP operating margin							
GAAP operating income	19.1%	22.7%	8.7%	8.7%	16.8%	-7.0%	39.6%
Amortization of intangibles	0.3%	0.2%	0.2%	0.2%	0.7%	0.9%	0.9%
Stock-based compensation	0.0%	0.5%	0.0%	0.4%	0.3%	0.3%	0.3%
Impairment of assets	0.0%	0.0%	0.0%	6.8%	3.7%	0.0%	0.0%
Litigation and other one-time settlements	0.4%	0.5%	9.7%	0.6%	0.7%	27.3%	0.0%
Pre-opening costs	0.3%	0.4%	0.9%	0.2%	0.4%	0.7%	0.0%
Acquisition costs	0.0%	0.1%	0.1%	0.0%	0.2%	0.3%	0.3%
Gain on settlement of Patron tax case	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-22.8%
Non-GAAP operating margin	20.1%	24.3%	19.6%	16.9%	22.9%	21.7%	18.3%

Non-GAAP Reconciliation Data for Nightclubs Segment

	For the Nine Months	
	Ended June 30,	
(In thousands)	2015	2014
Reconciliation of Nightclubs GAAP operating income to non-GAAP operating income		
Nightclubs operating income	\$ 26,000	\$ 25,947
Gain on settlement of Patron tax case	(8,387)	-
Litigation and other one-time settlements	10,560	3,503
Impairment of assets	1,358	-
Nightclubs non-GAAP operating income	\$ 29,751	\$ 29,450
Nightclubs non-GAAP operating margin	31.8%	32.3%

Strong Management Team

Executive	Background
Eric Langan Chairman, CEO, President	<ul style="list-style-type: none"> • President and CEO since 1999 • Involved in nightclub/restaurant business since 1989 • Acquired his first club at age 21 with proceeds from the sale of his baseball cards • Merged his XTC Cabaret chain with RCI in 1998
Ed Anakar Director of Operations	<ul style="list-style-type: none"> • Joined RCI 2003, Director of Operations since 2009 • Grew up in the hospitality industry – started at a young age as a waiter • Worked his way up to district manager for a large management company that operated hotels, restaurants and nightclubs across the US • Launched and operated numerous RCI venues, including Tootsie's Cabaret in Miami, Rick's Cabaret New York, Vivid Cabaret New York, and Bombshells
Phillip Marshall Chief Financial Officer	<ul style="list-style-type: none"> • Joined RCI 2007 as CFO • Began his public accounting career with KMG and became a partner in 1980 • Continued as a partner after merger with Peat Marwick • Partner in charge of the audit practice at Jackson & Rhodes 1992-2003 • Chief Financial Officer of CDT Systems, Inc. (publicly traded) 2003-2006
Travis Reese EVP & Director of Technology	<ul style="list-style-type: none"> • Joined RCI 1999 as VP-Director of Technology • VP with Digital Publishing Resources, Inc. 1995-1997 • Senior network administrator at St. Vincent's Hospital 1997-1999

Contact Information

Corporate Office

10959 Cutten Road
Houston, TX 77066
Phone: (281) 397-6730

Investor Relations

Gary Fishman
Steven Anreder
Phone: (212) 532-3232

IR Website

www.rcihospitality.com
NasdaqGM: RICK

