



**Rick's Cabaret International Inc.  
(NASDAQ: RICK)**

**Q1 2013 EARNINGS CALL**

February 2013

## Safe Harbor

Certain statements contained in this presentation regarding Rick's Cabaret 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, and (vii) laws governing the operation of adult entertainment businesses. 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.ricksinvestor.com](http://www.ricksinvestor.com) or on the SEC's internet website at [www.sec.gov](http://www.sec.gov). Unless required by law, Rick's Cabaret does not undertake any obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

## Conference Call Overview

- **Summary of Q1 /13**
- **Chief Drivers of Revenue, Earnings, EBITDA & Cash Flow**
- **Status of New Projects – Vee Lounge, Bombshells, Ricky-Bobby, NYC #2**
- **Unlocking shareholder value strategies**
- **Outlook for Remainder of 2013**
- **Q&A**

## Snapshot: Q1 '13

- **Consolidated Q1 '13 Revenue up 23.3% to \$27.1M**
- **Q1 '13 Net Income Rose 21.1% to \$2.6M**
- **Clubs Acquired in '11 & '12 Contributed \$4.7M in Revenue**
- **Q1 '13 Operating Margins Improved to 21.9% vs. 19.8% Last Year**

## **Snapshot: Q1 '13 (continued)**

- **Adjusted Q1 '13 EBITDA \$7.3M, up 32.2%**
- **Q1 '13 Cash Flow of \$6.2M, up 19.3%**
- **Interest & Rent Expense Combined Are Just 8.2% of Total Revenues**
- **Q1 '13 Legal Down to 2.4% of Revenues**
- **Positive Working Capital of \$1.1M Excluding Disputed Texas Patron Tax Liability**

## Debt Update

- **Long Term Debt 12/31/12 at \$70.1M, of Which \$35.9M is Real Estate**
- **Interest Expense for Q1 '13 Was \$1.6M, or 6% of Revenues**
- **Additional Principal Payments Have Reduced Tootsie's Debt to \$7.2M**
- **Puts Are Now at Zero (as of January)**

## Progress On New Projects

- **Vee Lounge Has Opened Successfully in Ft. Worth**
- **Bombshells Will Open in Dallas in a Matter of Days**
- **Ricky-Bobby Sports Saloon in Ft. Worth Should be Open in June Quarter**
- **We Expect to Close on and Start Construction on the 2nd NYC Location Shortly, With September Opening Planned**
- **Construction Near Completion for Joint Venture Rick's Cabaret in Los Angeles**

## Forward Growth Strategy

- **Continue Emphasis on Organic Growth & Cash Generation**
- **Work to Assure Smooth Launch of New Concepts**
- **Continue to Explore Accretive Acquisitions That Build Shareholder Value**

## Outlook

- **We Are Focused on Our Goal of 30% Growth Rate for Next 3 Years**
- **Will Leverage Our Strong Cash Flow & Favorable Debt-to-EBITDA Ratios**
- **Continue to Explore Best Uses of Our Real Estate Holdings to Maximize Shareholder Value**

## Due Diligence Ball

- **For Those of You in the New York Area Tonight, Please Attend the Due Diligence Ball**

### **Rick's Cabaret**

50 West 33rd Street  
New York, NY 10001

- **6pm-8pm Discounted Drinks**
- **Behind the Scenes Tour**
- **Visit with Eric Langan**

- **For More Information**

Visit: [www.ricksinvestor.com](http://www.ricksinvestor.com)

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## Explanation of Adjusted EBITDA

Adjusted EBITDA. We exclude from Adjusted EBITDA depreciation expense, amortization of intangibles, income tax, interest expense, interest income, stock-based compensation, gains and losses from asset sales, acquisition costs, litigation and other one-time legal settlements 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.

## Explanation of Non-GAAP

In addition to our financial information presented in accordance with U.S. 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. The Company’s Form 10K contains additional details relative to each of the non-GAAP financial measures and posted on our website at [www.ricksinvestor.com](http://www.ricksinvestor.com).