



RCI HOSPITALITY HOLDINGS INC

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

Today's Speakers



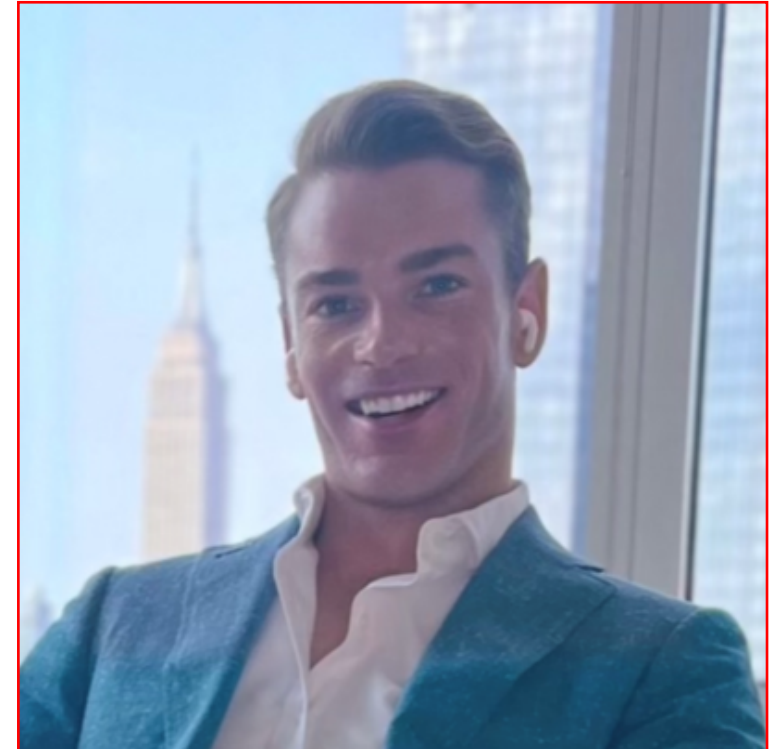
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President & CEO
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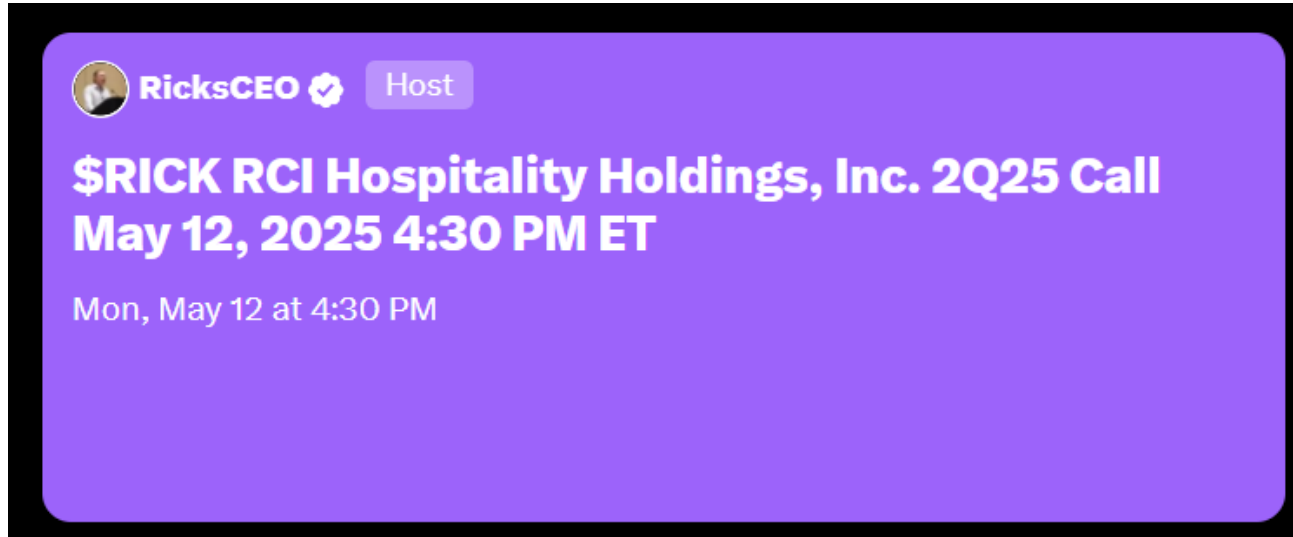


Mark Moran
CEO
Equity Animal

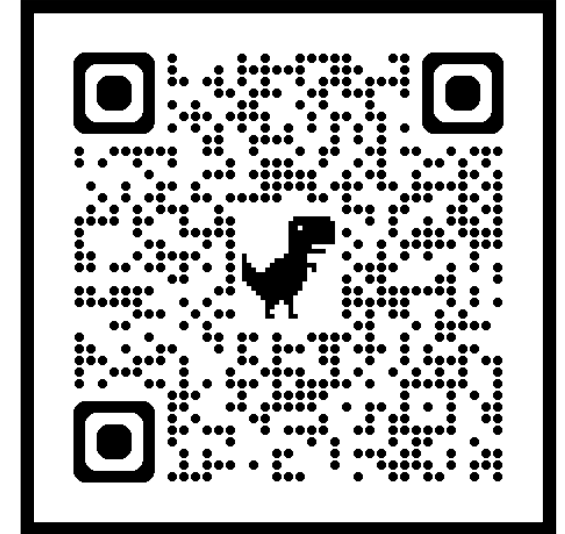
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Forward-Looking Statements

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) impairment of assets, (c) settlement of lawsuits, (d) gains or losses on sale of businesses and assets, (e) gains or losses on insurance, and (f) 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) impairment of assets, (c) settlement of lawsuits, (d) gains or losses on sale of businesses and assets, (e) gains or losses on insurance, (f) stock-based compensation, (g) gains or losses on lease termination, 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 18.1% and 18.4% effective tax rate of the pre-tax non-GAAP income before taxes for the six months ended March 31, 2025, and 2024, 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) impairment of assets, (c) income tax expense, (d) net interest expense, (e) settlement of lawsuits, (f) gains or losses on sale of businesses and assets, (g) gains or losses on insurance, (h) stock-based compensation, and (i) 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

2Q25 Results (YoY)

- Revenues: Primarily reflected sale/divestiture of five underperforming Bombshells segment locations and effect of severe January-February weather on SSS, partially offset improving trends in March
- Profitability: Primarily reflected lower SSS, lower costs from sale/divestiture of the Bombshells-related locations, and lower Nightclub impairments

Back to Basics 5-Year Capital Allocation Plan

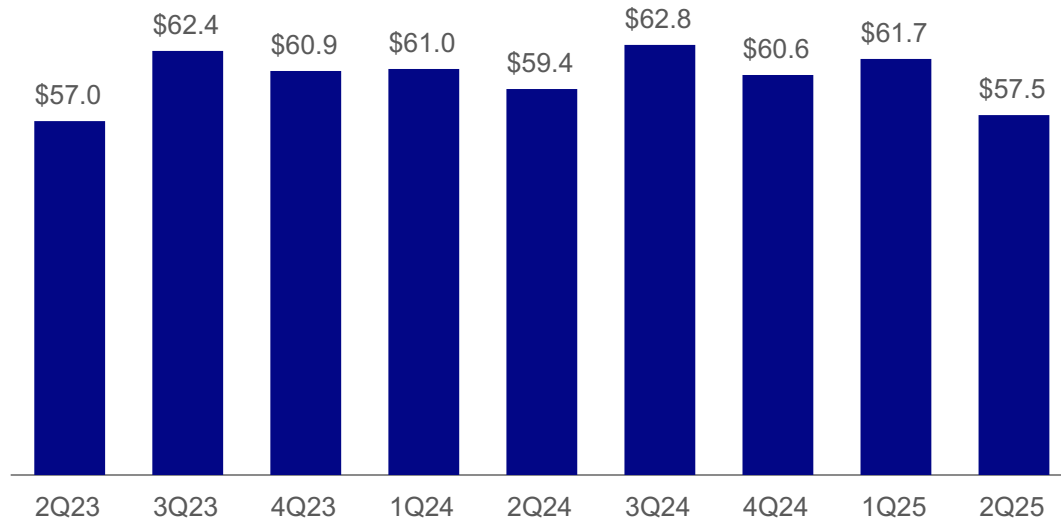
- 2Q25: Acquired Flight Club, premier gentlemen's club in Detroit (\$8.0M for the club, \$3.0M for the real estate)
- 2Q25: Opened Bombshells in Denver, CO, and Chicas Locas in El Paso, TX
- 2Q25: Repurchased 56,875 common shares for \$2.9M, with 8.8M shares outstanding at March 31, 2025
- 3Q25: Acquired Platinum West, only upscale adult nightclub in central part of South Carolina (\$6.25M for the club, \$1.75M for the real estate)

Summary Results

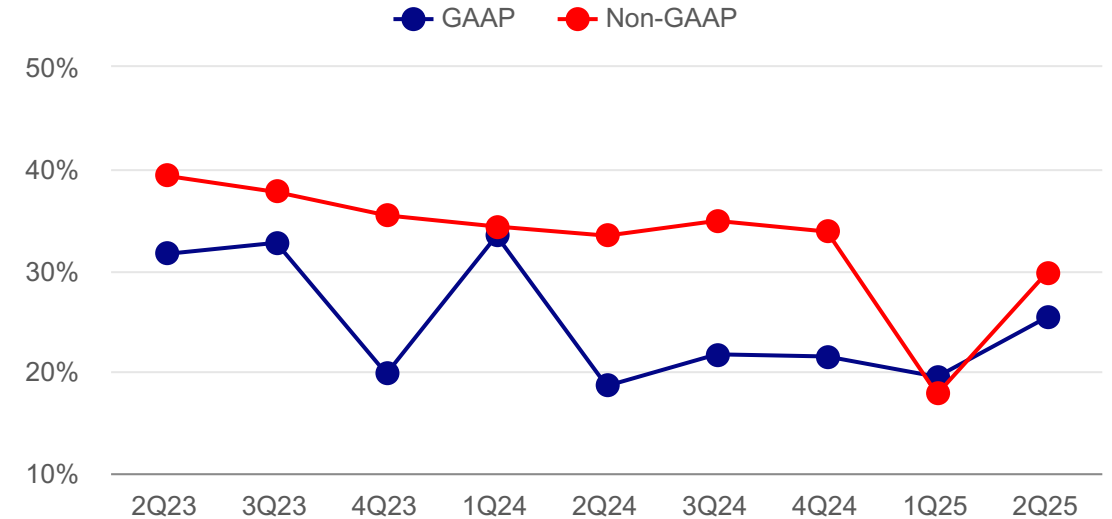
In Millions, Except EPS	2Q25	2Q24	6M25	6M24
Total revenues	\$65.9	\$72.3	\$137.4	\$146.2
EPS	\$0.36	\$0.08	\$1.38	\$0.85
Non-GAAP EPS ¹	\$0.65	\$0.90	\$1.46	\$1.76
Impairments and other charges (gains), net	\$2.1	\$8.2	\$(0.1)	\$8.2
Net cash provided by operating activities	\$8.5	\$10.8	\$21.9	\$24.5
Free cash flow ¹	\$6.9	\$8.8	\$19.0	\$21.5
Net income attributable to RCIHH common stockholders	\$3.2	\$0.8	\$12.3	\$8.0
Adjusted EBITDA ¹	\$14.2	\$17.2	\$29.9	\$34.7
Weighted average shares used in computing EPS – basic and diluted	8.86	9.35	8.89	9.36

Nightclubs Segment

Total Revenues (\$M)



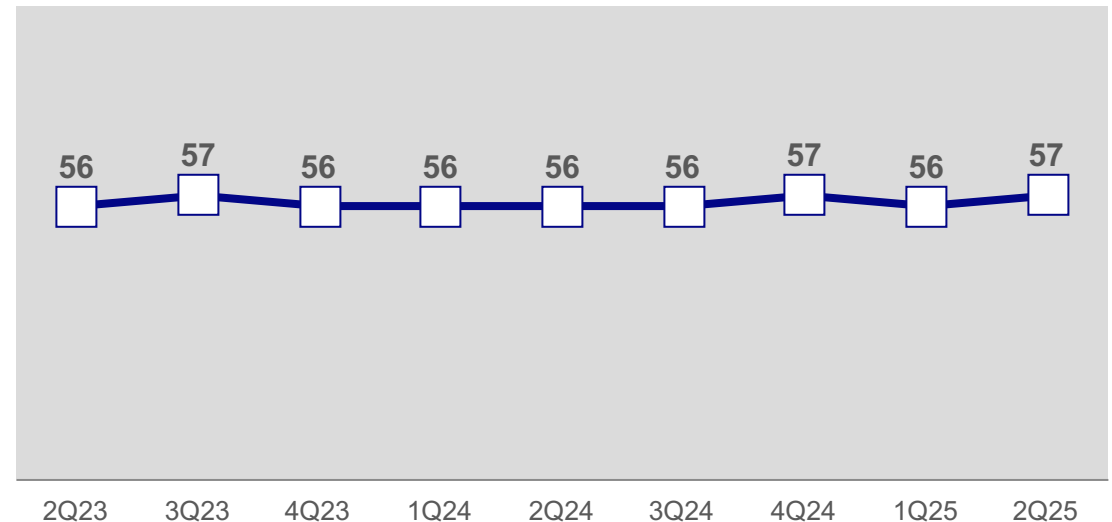
Operating Margin *As % of Segment Revenues*



2Q25 vs. 2Q24 (\$M)

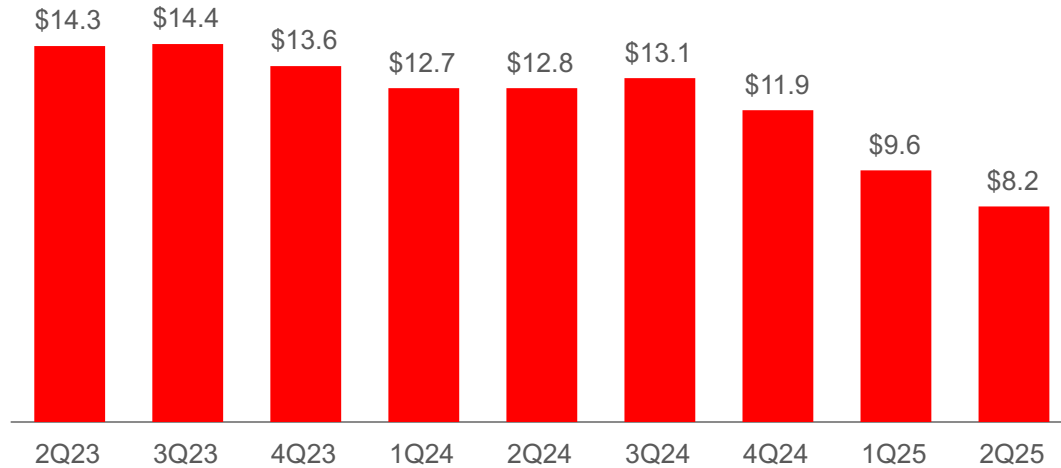
- Revenues: -\$1.8 or -3.1%
 - SSS -3.5%, bad weather, and absence of club due to fire, partially offset by \$1.0 from newly acquired and rebranded clubs
 - Alcoholic beverages -5.3%, service -2.9%, and food, merch & other +2.4%
- Impairments and other charges, net: \$2.0 vs. \$8.2
- Operating Income
 - GAAP: \$14.6 vs. \$11.0 (25.4% of revenues vs. 18.6%)
 - Non-GAAP: \$17.1 vs. \$19.8 (29.8% of segment revenues vs. 33.4%)

Locations Contributing to Revenues

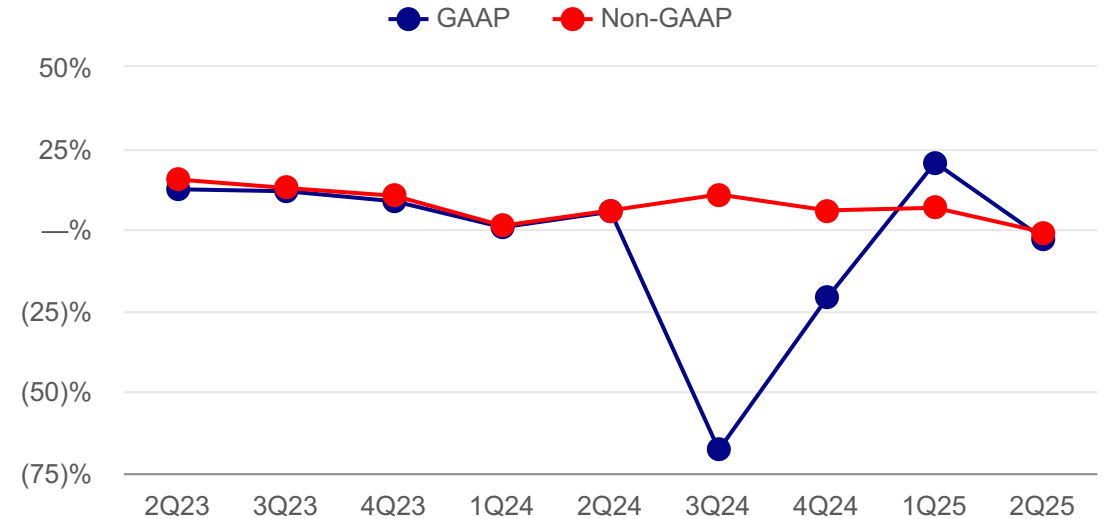


Bombshells Segment

Total Revenues (\$M)



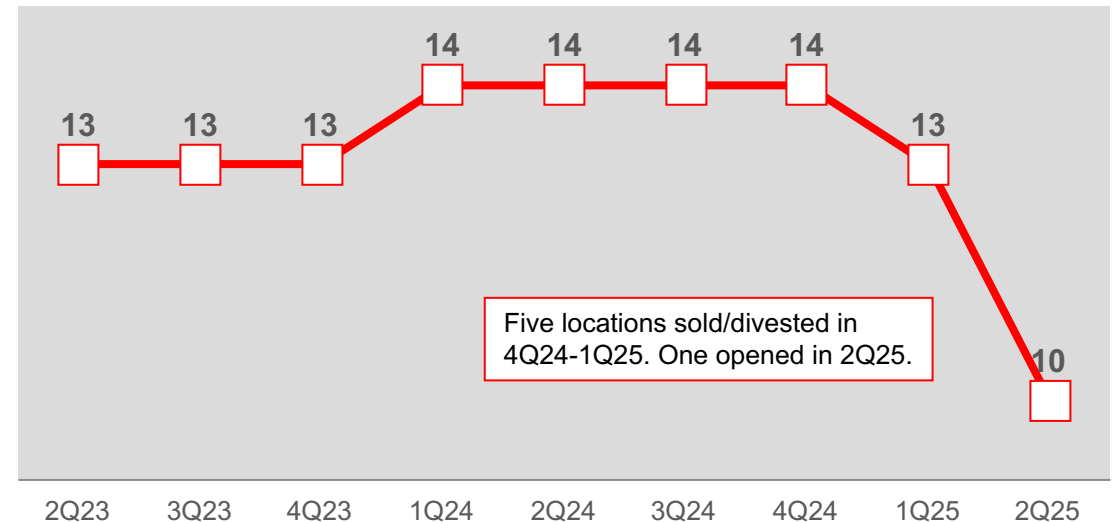
Operating Margin As % of Segment Revenues



2Q25 vs. 2Q24 (\$M)

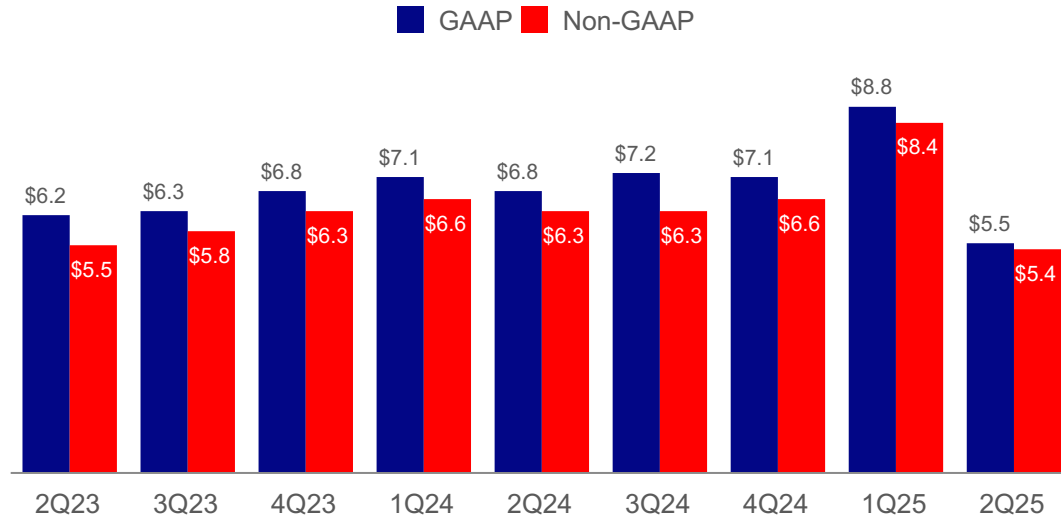
- Revenues: -\$4.5 or -35.6%
 - Sale/divestiture of five underperforming locations 4Q24-1Q25, SSS 13.4%, and bad weather, partially offset by full quarter of the Stafford, TX location (opened mid-1Q24) and partial quarter of the Denver, CO location (opened late January 2025)
- Operating Results
 - GAAP: loss of \$0.2 vs. income of \$0.7 (-2.8% of segment revenues vs. 5.5%)
 - Non-GAAP: loss of \$0.1 vs. income of \$0.8 (-0.8% of segment revenues vs. 5.9%)
 - Results primarily reflected the sales decline from open locations and Bombshells Denver pre-opening costs, most of which were offset by the sale/divestiture of non-performing locations

Locations Contributing to Revenues



Corporate Segment

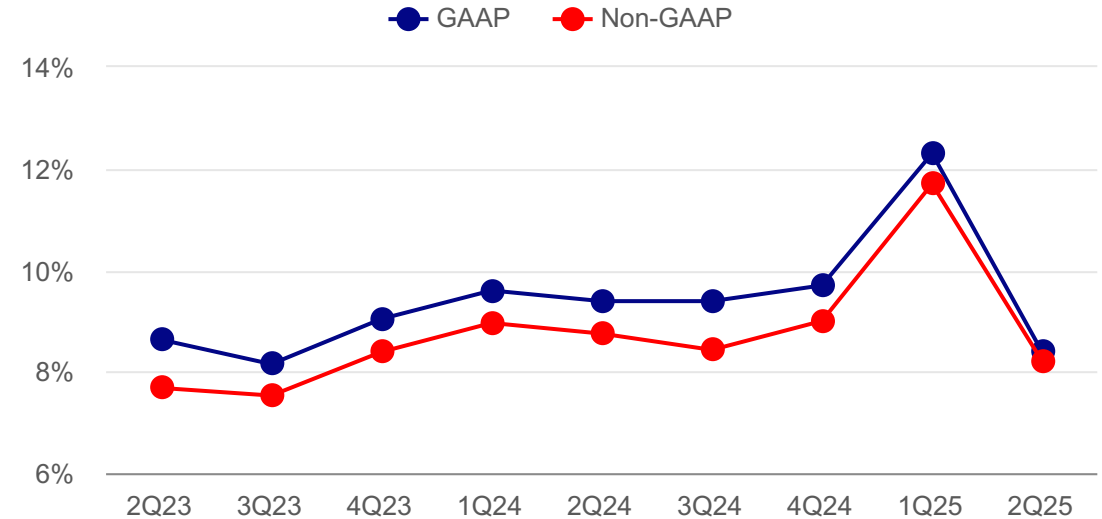
Expense (\$M)



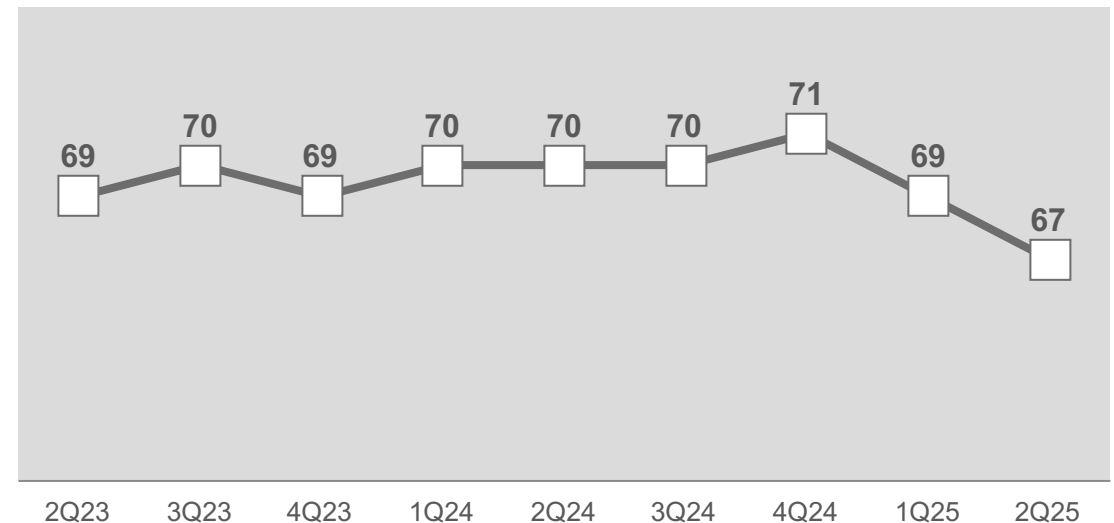
2Q25 vs. 2Q24 (\$M)

- GAAP Expenses: -\$1.3
- Non-GAAP Expenses: -\$0.9
- GAAP Expense Margin: 8.4% vs. 9.4%
- Non-GAAP Expense Margin: 8.2% vs. 8.8%
- The decline primarily reflects lower overhead from fewer locations

Expense Margin As % of Total Revenues



Total Locations Contributing to Revenues



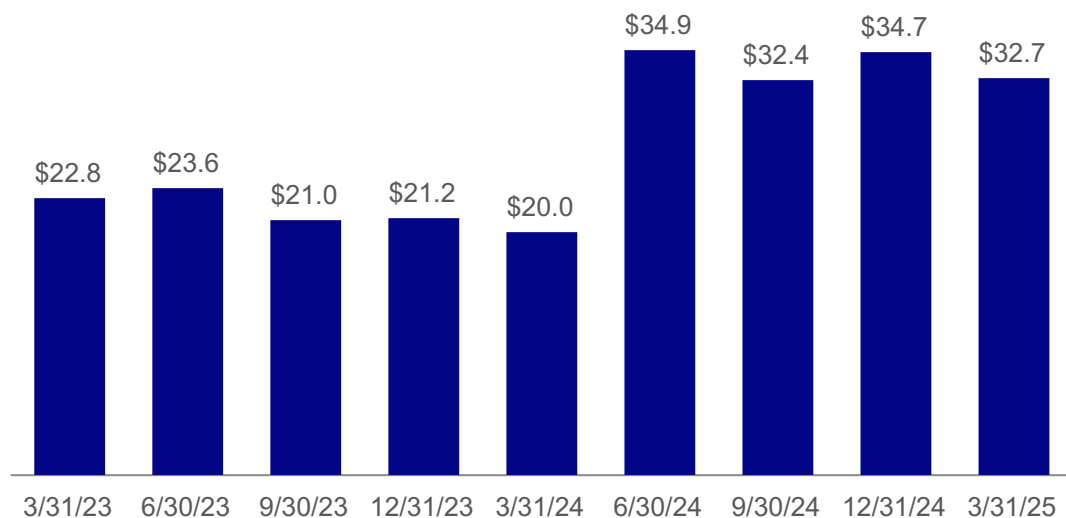
GAAP Disclosure (\$M)

Quarter	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Operating income (loss)	\$13.4	\$15.5	\$5.6	\$13.2	\$4.7	\$(2.5)	\$3.5	\$13.9	\$8.2
Net cash provided by operating activities	\$16.8	\$15.3	\$12.1	\$13.6	\$10.8	\$15.8	\$15.7	\$13.3	\$8.5
Net income (loss)	\$7.7	\$9.1	\$2.2	\$7.2	\$0.8	\$(5.2)	\$0.2	\$9.0	\$3.2

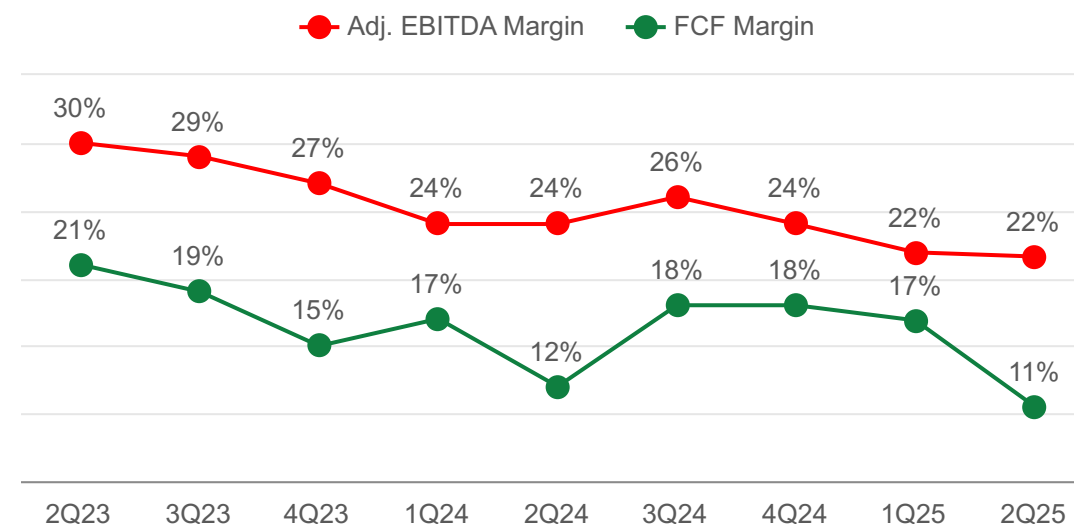
Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total revenues	\$135.4	\$134.9	\$144.9	\$165.7	\$181.1	\$132.3	\$195.3	\$267.6	\$293.8	\$295.6
Operating income	\$20.7	\$20.7	\$23.1	\$27.6	\$34.7	\$2.7	\$38.5	\$71.5	\$51.5	\$18.8
% of revenues	15.3%	15.3%	16.0%	16.6%	19.2%	2.1%	19.7%	26.7%	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)

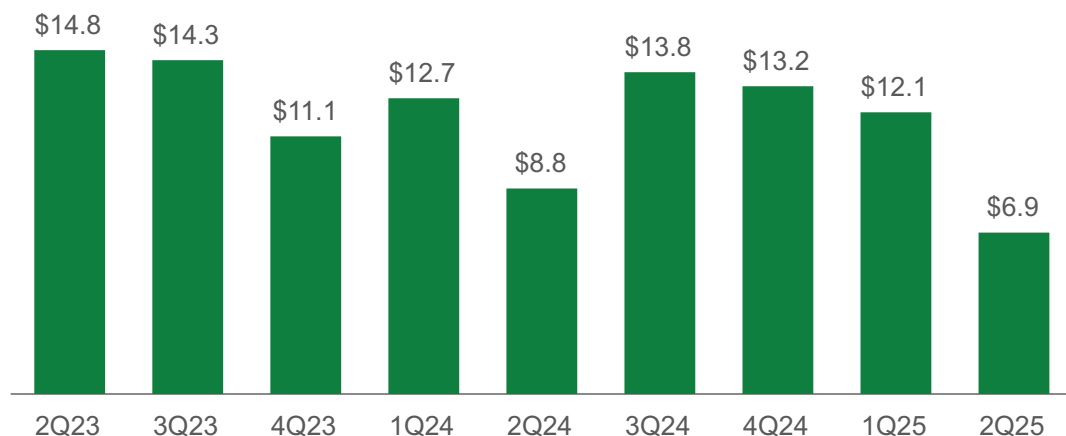
Cash



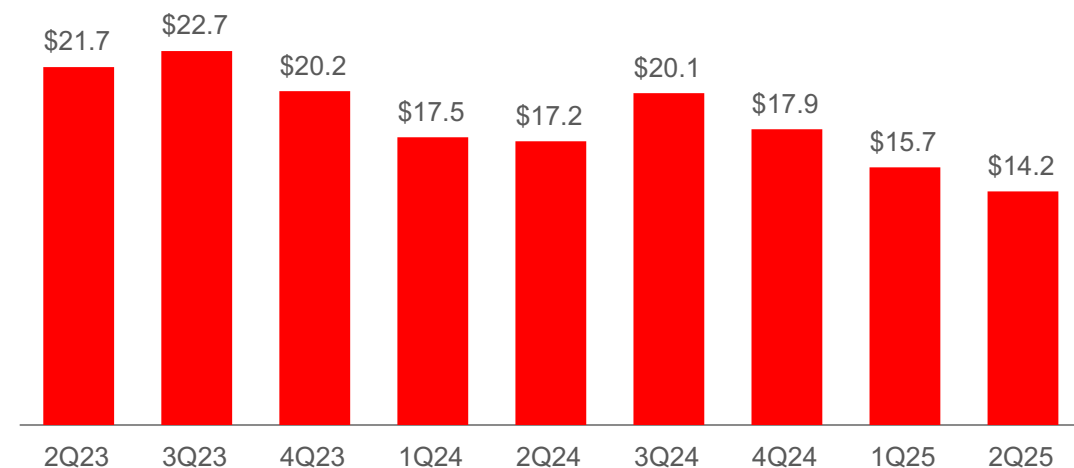
As % of Total Revenues



Free Cash Flow



Adjusted EBITDA

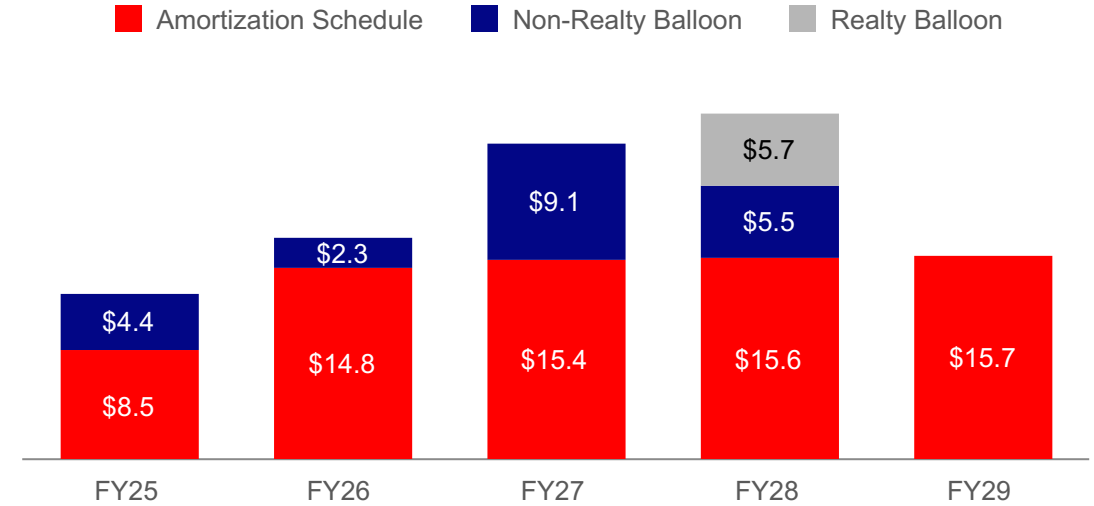


Debt Metrics

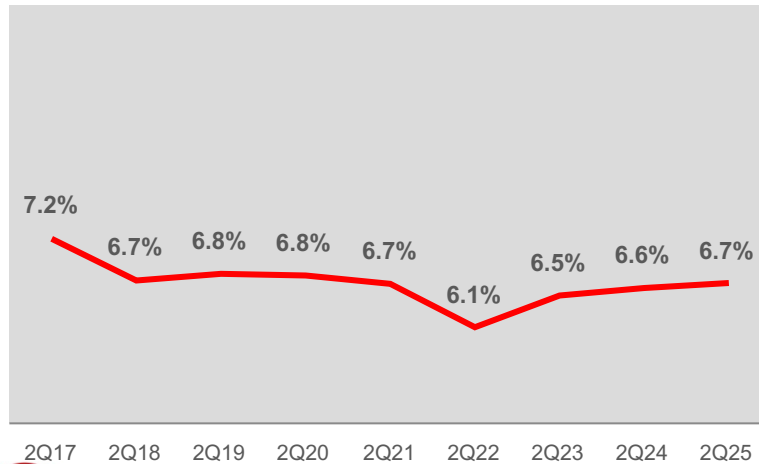
Debt, Net of Loan Costs (\$M)



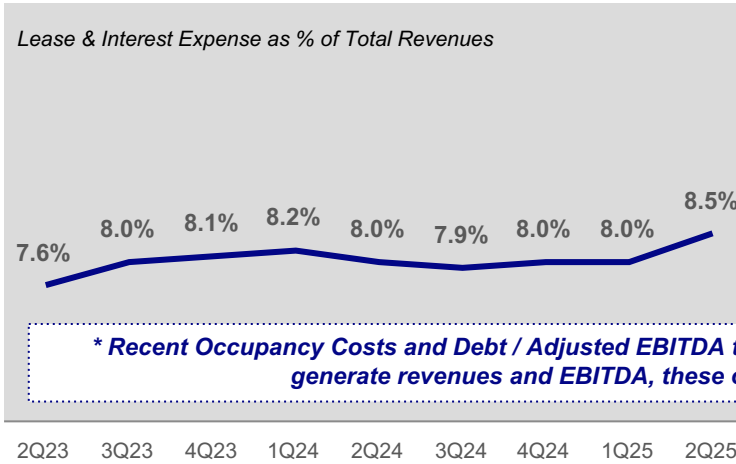
Debt Maturities at 3/31/25 (\$M)



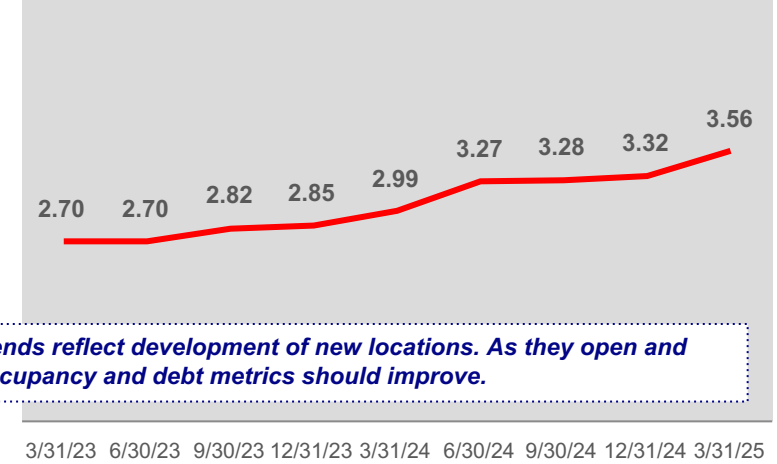
Weighted Average Interest Rate on Debt



Total Occupancy Costs*



Debt / Adjusted EBITDA (TTM)*

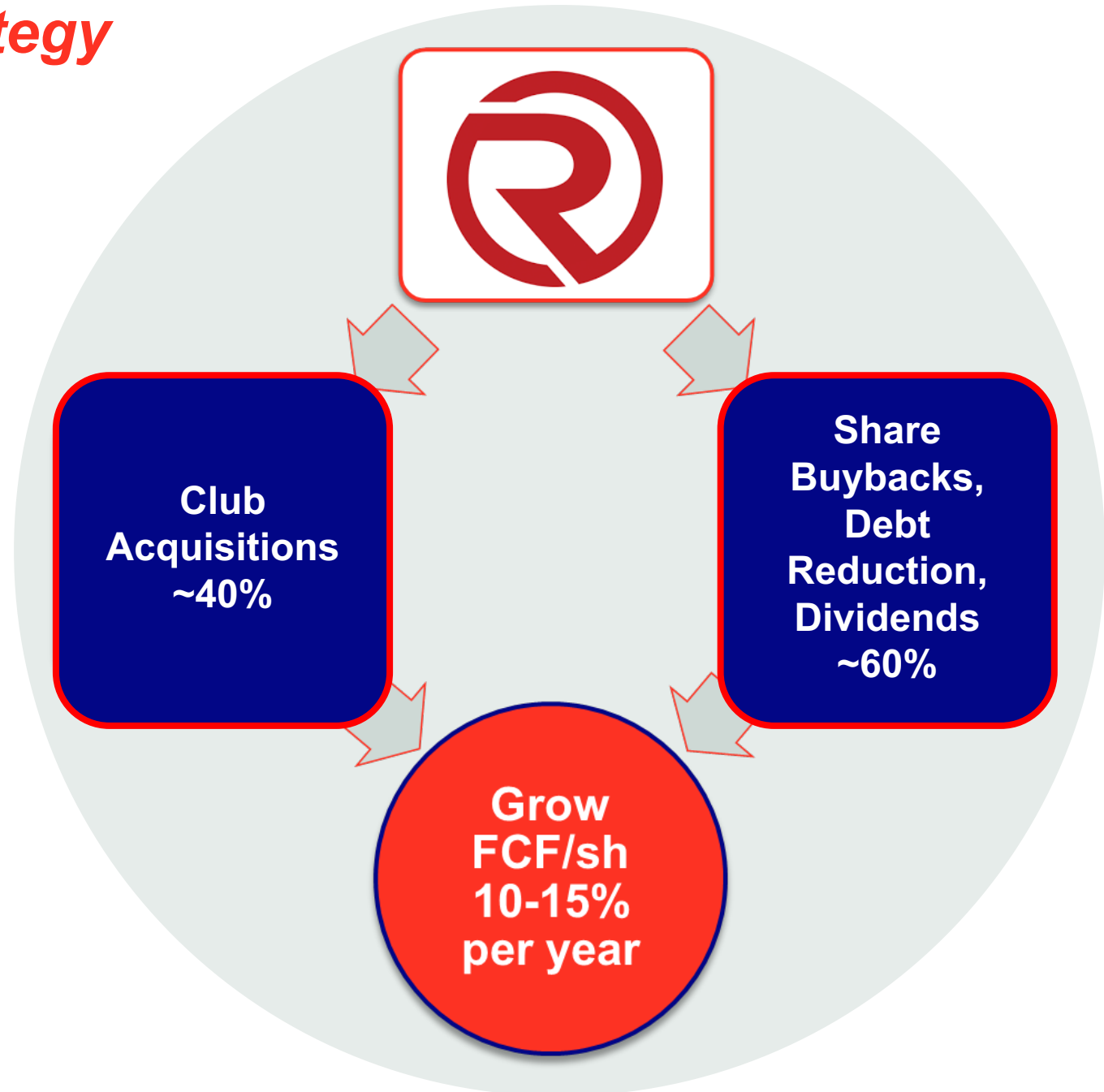


* Recent Occupancy Costs and Debt / Adjusted EBITDA trends reflect development of new locations. As they open and generate revenues and EBITDA, these occupancy and debt metrics should improve.

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

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			
6M25	122,875	\$49.76	2,648,632			

Development Update

Project	Location	Status
Bombshells (new)	Denver, CO	Opened January 2025
Chicas Locas (rebrand/reformat)	El Paso, TX	Opened March 2025
Bombshells (new)	Lubbock, TX	Target opening late May-early June 2025
Rick's Cabaret & Steakhouse (new)	Central City, CO	Target opening early June 2025
Bombshells (new)	Rowlett, TX	Target opening summer 2025
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



Appendix

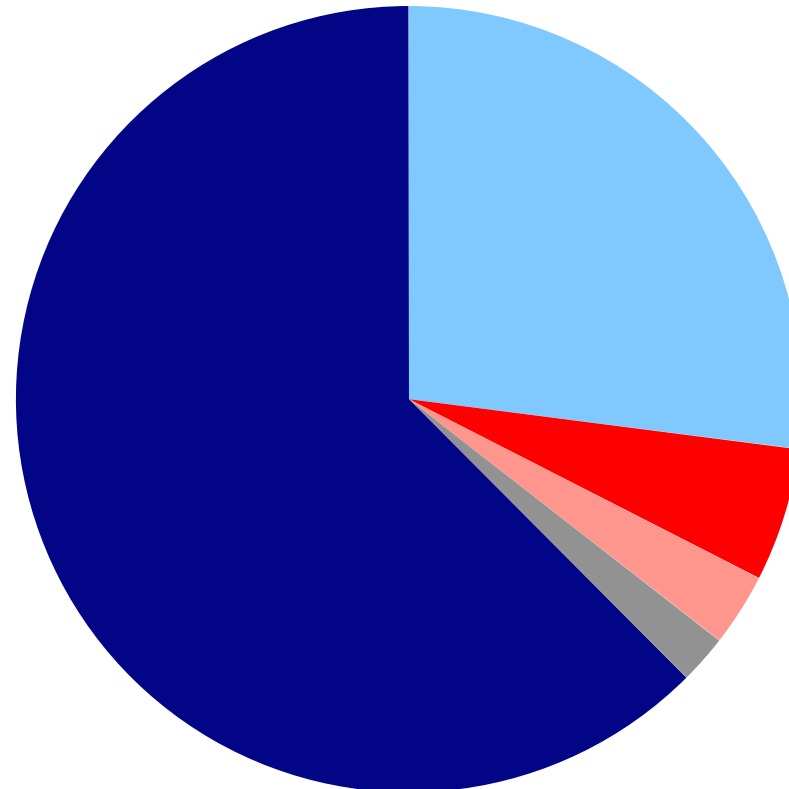
Long-Term Performance

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

Debt Analysis (at 3/31/25, \$M)

Total of \$244.1*
Weighted Average Interest Rate (WAIR): 6.67%



\$152.5 Secured by Real Estate (62.5% of total)

5.97% WAIR

\$66.0 Seller Financing (27.0% of total)

- Secured by the respective clubs and real estate to which it applies
- 5 Baby Dolls-Chicas Locas: \$17.5 @ 7% WAIR
- 11 Clubs: \$16.2 @ 6% WAIR
- Scarlett's: \$10.2 @ 8% WAIR
- Playmates: \$8.2 @ 10% WAIR
- Cheetah: \$7.9 @ 6% WAIR
- Flight Club: \$4.9 @ 8% WAIR
- Other: \$1.1 @ 5% WAIR

\$13.4 Unsecured Debt (5.5% of total)

- 12% WAIR

\$7.3 Secured by Other Assets (3.0% of total)

- 5.57% WAIR

\$5.0 Bank Line of Credit (2.0% of total)

- Secured by business and assets of a subsidiary
- \$4.9 balance @ 8.5% WAIR

Reconciliation of Non-GAAP Measures

(in thousands)

	For the Three Months Ended		For the Six Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Reconciliation of GAAP net income to Adjusted EBITDA				
Net income attributable to RCIHH common stockholders	\$ 3,231	\$ 774	\$ 12,255	\$ 8,000
Income tax expense	1,068	5	2,915	1,804
Interest expense, net	3,909	3,903	7,882	8,025
Depreciation and amortization	3,776	3,884	7,345	7,737
Impairment of assets	1,780	8,033	1,780	8,033
Settlement of lawsuits	127	167	306	167
Loss (gain) on sale of businesses and assets	220	(5)	(1,186)	(8)
Gain on insurance	—	—	(1,017)	—
Stock-based compensation	118	471	588	941
Gain on lease termination	—	—	(979)	—
Adjusted EBITDA	<u>\$ 14,229</u>	<u>\$ 17,232</u>	<u>\$ 29,889</u>	<u>\$ 34,699</u>
Reconciliation of GAAP net income to non-GAAP net income				
Net income attributable to RCIHH common stockholders	\$ 3,231	\$ 774	\$ 12,255	\$ 8,000
Amortization of intangibles	577	640	1,157	1,299
Impairment of assets	1,780	8,033	1,780	8,033
Settlement of lawsuits	127	167	306	167
Stock-based compensation	118	471	588	941
Loss (gain) on sale of businesses and assets	220	(5)	(1,186)	(8)
Gain on insurance	—	—	(1,017)	—
Gain on lease termination	—	—	(979)	—
Net income tax effect	(263)	(1,701)	47	(1,921)
Non-GAAP net income	<u>\$ 5,790</u>	<u>\$ 8,379</u>	<u>\$ 12,951</u>	<u>\$ 16,511</u>

Reconciliation of Non-GAAP Measures

(in thousands, except per share and number of shares data)

	For the Three Months Ended		For the Six Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Reconciliation of GAAP diluted earnings per share to non-GAAP diluted earnings per share				
Diluted shares	8,861,854	9,350,292	8,891,638	9,358,768
GAAP diluted earnings per share	\$ 0.36	\$ 0.08	\$ 1.38	\$ 0.85
Amortization of intangibles	0.07	0.07	0.13	0.14
Impairment of assets	0.20	0.86	0.20	0.86
Settlement of lawsuits	0.01	0.02	0.03	0.02
Stock-based compensation	0.01	0.05	0.07	0.10
Loss (gain) on sale of businesses and assets	0.02	0.00	(0.13)	0.00
Gain on insurance	0.00	0.00	(0.11)	0.00
Gain on lease termination	0.00	0.00	(0.11)	0.00
Net income tax effect	(0.03)	(0.18)	0.01	(0.21)
Non-GAAP diluted earnings per share	\$ 0.65	\$ 0.90	\$ 1.46	\$ 1.76
Reconciliation of GAAP operating income to non-GAAP operating income				
Income from operations	\$ 8,171	\$ 4,657	\$ 22,077	\$ 17,822
Amortization of intangibles	577	640	1,157	1,299
Impairment of assets	1,780	8,033	1,780	8,033
Settlement of lawsuits	127	167	306	167
Stock-based compensation	118	471	588	941
Loss (gain) on sale of businesses and assets	220	(5)	(1,186)	(8)
Gain on insurance	—	—	(1,017)	—
Non-GAAP operating income	\$ 10,993	\$ 13,963	\$ 23,705	\$ 28,254

Reconciliation of Non-GAAP Measures

(in thousands, except percentage data)

	For the Three Months Ended		For the Six Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Reconciliation of GAAP operating margin to non-GAAP operating margin				
GAAP operating margin	12.4 %	6.4 %	16.1 %	12.2 %
Amortization of intangibles	0.9 %	0.9 %	0.8 %	0.9 %
Impairment of assets	2.7 %	11.1 %	1.3 %	5.5 %
Settlement of lawsuits	0.2 %	0.2 %	0.2 %	0.1 %
Stock-based compensation	0.2 %	0.7 %	0.4 %	0.6 %
Loss (gain) on sale of businesses and assets	0.3 %	0.0 %	(0.9)%	0.0 %
Gain on insurance	0.0 %	0.0 %	(0.7)%	0.0 %
Non-GAAP operating margin	<u>16.7 %</u>	<u>19.3 %</u>	<u>17.3 %</u>	<u>19.3 %</u>
Reconciliation of net cash provided by operating activities to free cash flow				
Net cash provided by operating activities	\$ 8,547	\$ 10,836	\$ 21,891	\$ 24,469
Less: Maintenance capital expenditures	<u>1,611</u>	<u>2,011</u>	<u>2,887</u>	<u>2,994</u>
Free cash flow	<u>\$ 6,936</u>	<u>\$ 8,825</u>	<u>\$ 19,004</u>	<u>\$ 21,475</u>

Reconciliation of Non-GAAP Measures

(\$ in thousands)

For the Three Months Ended March 31, 2025					
	Nightclubs	Bombshells	Other	Corporate	Total
Income (loss) from operations	\$ 14,603	\$ (227)	\$ (680)	\$ (5,525)	\$ 8,171
Amortization of intangibles	572	1	—	4	577
Impairment of assets	1,780	—	—	—	1,780
Settlement of lawsuits	97	30	—	—	127
Stock-based compensation	—	—	—	118	118
Loss (gain) on sale of businesses and assets	93	129	—	(2)	220
Non-GAAP operating income (loss)	<u>\$ 17,145</u>	<u>\$ (67)</u>	<u>\$ (680)</u>	<u>\$ (5,405)</u>	<u>\$ 10,993</u>
GAAP operating margin	25.4 %	(2.8)%	(641.5)%	(8.4)%	12.4 %
Non-GAAP operating margin	29.8 %	(0.8)%	(641.5)%	(8.2)%	16.7 %

For the Six Months Ended March 31, 2025					
	Nightclubs	Bombshells	Other	Corporate	Total
Income (loss) from operations	\$ 35,485	\$ 1,744	\$ (851)	\$ (14,301)	\$ 22,077
Amortization of intangibles	1,146	2	—	9	1,157
Impairment of assets	1,780	—	—	—	1,780
Settlement of lawsuits	276	30	—	—	306
Stock-based compensation	—	—	—	588	588
Loss (gain) on sale of businesses and assets	109	(1,201)	—	(94)	(1,186)
Gain on insurance	(1,017)	—	—	—	(1,017)
Non-GAAP operating income (loss)	<u>\$ 37,779</u>	<u>\$ 575</u>	<u>\$ (851)</u>	<u>\$ (13,798)</u>	<u>\$ 23,705</u>
GAAP operating margin	29.8 %	9.8 %	(306.1)%	(10.4)%	16.1 %
Non-GAAP operating margin	31.7 %	3.2 %	(306.1)%	(10.0)%	17.3 %

Reconciliation of Non-GAAP Measures

(\$ in thousands)

	For the Three Months Ended March 31, 2024				
	Nightclubs	Bombshells	Other	Corporate	Total
Income (loss) from operations	\$ 11,021	\$ 699	\$ (277)	\$ (6,786)	\$ 4,657
Amortization of intangibles	589	47	—	4	640
Impairment of assets	8,033	—	—	—	8,033
Settlement of lawsuits	167	—	—	—	167
Stock-based compensation	—	—	—	471	471
Loss (gain) on sale of businesses and assets	7	4	—	(16)	(5)
Non-GAAP operating income (loss)	<u>\$ 19,817</u>	<u>\$ 750</u>	<u>\$ (277)</u>	<u>\$ (6,327)</u>	<u>\$ 13,963</u>
GAAP operating margin	18.6 %	5.5 %	(197.9)%	(9.4)%	6.4 %
Non-GAAP operating margin	33.4 %	5.9 %	(197.9)%	(8.8)%	19.3 %

	For the Six Months Ended March 31, 2024				
	Nightclubs	Bombshells	Other	Corporate	Total
Income (loss) from operations	\$ 31,390	\$ 785	\$ (473)	\$ (13,880)	\$ 17,822
Amortization of intangibles	1,180	110	—	9	1,299
Impairment of assets	8,033	—	—	—	8,033
Settlement of lawsuits	167	—	—	—	167
Stock-based compensation	—	—	—	941	941
Loss (gain) on sale of businesses and assets	6	4	—	(18)	(8)
Non-GAAP operating income (loss)	<u>\$ 40,776</u>	<u>\$ 899</u>	<u>\$ (473)</u>	<u>\$ (12,948)</u>	<u>\$ 28,254</u>
GAAP operating margin	26.1 %	3.1 %	(167.1)%	(9.5)%	12.2 %
Non-GAAP operating margin	33.9 %	3.5 %	(167.1)%	(8.9)%	19.3 %

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