

ADT<sup>^</sup>LEM

GLOBAL EDUCATION

**Baird Global Consumer,  
Technology and Services  
Conference**

**June 7, 2022**



# Safe Harbor

## Forward-Looking Statements

Certain statements contained in this presentation are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact, which includes statements regarding the future impacts of the COVID-19 pandemic and the integration of Walden into the portfolio. Forward-looking statements can also be identified by words such as “future,” “believe,” “expect,” “anticipate,” “estimate,” “plan,” “intend,” “may,” “will,” “would,” “could,” “can,” “continue,” “preliminary,” “range,” and similar terms. These forward-looking statements are subject to risk and uncertainties that could cause actual results to differ materially from those described in the statements. These risk and uncertainties include the risk factors described in Item 1A. “Risk Factors” of our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) and our other filings with the SEC. These forward-looking statements are based on information available to us as of the date any such statements are made, and we do not undertake any obligation to update any forward-looking statement, except as required by law.

## Non-GAAP Financial Measures

This presentation includes references to certain financial measures that are not calculated in accordance with generally accepted accounting principles in the United States (“GAAP”). Management believes that the non-GAAP disclosures provide investors with useful supplemental information regarding the underlying business trends and performance of Adtalem’s ongoing operations and are useful for period-over-period comparisons of such operations. Adtalem uses these supplemental non-GAAP financial measures internally in our assessment of performance and budgeting process. These non-GAAP financial measures have important limitations and should not be considered as a substitute for measures of Adtalem’s financial performance prepared in accordance with GAAP. For how we define the non-GAAP financial measures, and a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP measure, please refer to the reconciliation at the end of this presentation.



# Agenda

- 1 Company Overview
- 2 Target Market Outlook
- 3 The Adtalem Advantage
- 4 Performance and Earnings Review
- 5 Investment Thesis



**Steve W. Beard**  
President & CEO



**Robert J. Phelan**  
Senior Vice President & CFO

# Adtalem Global Education Overview

A leading healthcare educator that offers a wide array of programs across healthcare and behavioral sciences, which provide aspiring physicians, nurses, veterinarians, and other healthcare professionals access to the academic degrees and programs necessary to build their careers and advance healthcare

- **5 medical and healthcare-focused institutions** with unmatched depth and breadth of online, on-campus, and hybrid educational offerings
- **~100 degrees and programs offered** along with the flexibility to begin courses multiple times a year
- **1,500+ clinical relationships** with healthcare systems and nursing organizations
- **275,000+ alumni** located in all 50 US states addressing nursing and physician shortages, particularly in underserved communities

## Adtalem Business Segments

### Chamberlain



### Walden



### Medical & Veterinary



**ROSS UNIVERSITY**  
SCHOOL OF MEDICINE



American University  
of the Caribbean  
School of Medicine



**ROSS UNIVERSITY**  
SCHOOL OF VETERINARY MEDICINE

# Adtalem is a Leading Healthcare Educator

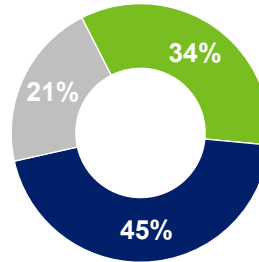
## Scale & Breadth

**>80,000**  
Enrollment<sup>1</sup>

**\$1.37B**  
Revenue<sup>2</sup>

**~80%**  
Online Modality

## Degree Mix



■ Bachelors ■ Masters ■ Doctoral

## Rankings

**#1**  
Undergraduate and Graduate Nursing  
Enrollment in the US

**#1**  
Provider of US Licensed Physicians

**#1**  
Provider of MDs, PhDs and Nursing  
degrees to African Americans

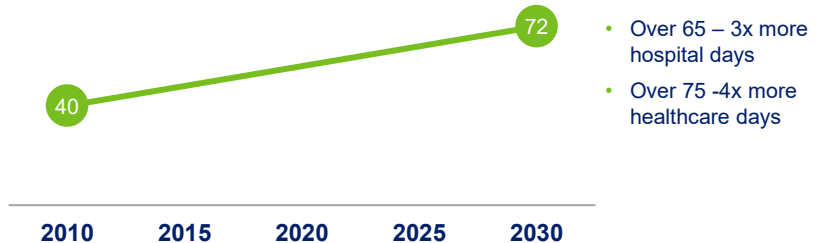


# Changing Landscape of Healthcare Utilization and Professionals

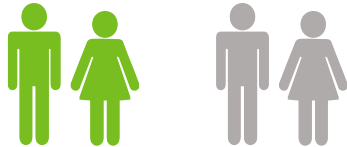
## Faster Aging Population and Healthcare Utilization

- Nearly 10,000 people turn 65 every day in the U.S. and will represent over 20% of the population by 2050<sup>1</sup>
- Increasingly aging population expected to create severe shortage of physicians, that was exposed by COVID-19<sup>2</sup>
- The pandemic revealed wide gaps within the already fragmented and overburdened U.S. healthcare and public health systems

U.S. Population Aged 65+  
in millions



## Aging Healthcare Professionals



~50% of RNs and physicians are age 50+  
~38% of active physicians are age 56 & older

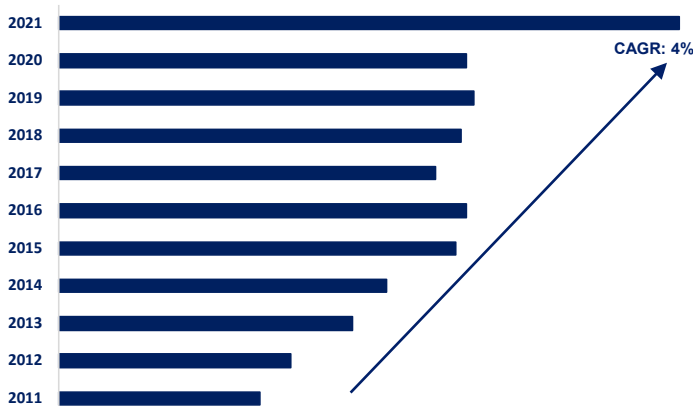
- Aging workforce of physicians nearing retirement and those seeking early retirement is a key driver of the acute shortage of doctors according to the AAMC
- Growth in the number of advanced practice registered nurses is expected to fill some of the gap
- More than 1 million registered nurses will leave the workforce by 2030 due to retirement<sup>3</sup>

Sources: US National Library of Medicine, National Institutes of Health; U.S. Department of Health and Human Services

# Rising Demand for Healthcare Professionals

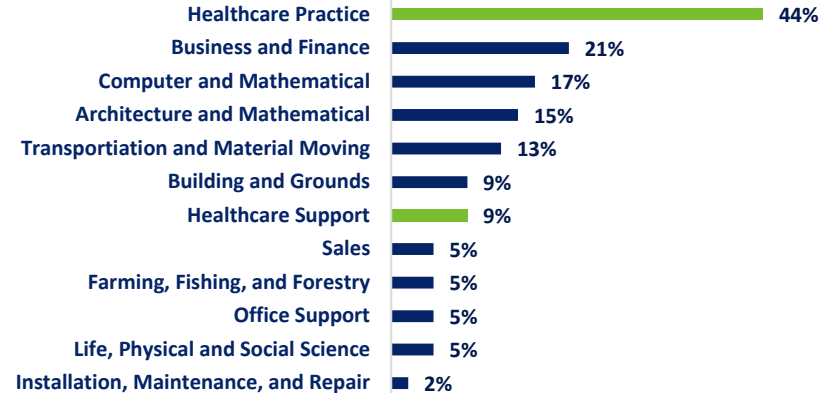
- The Institute of Medicine<sup>1</sup> calls for increasing the number of pre-licensure nurses by 16% and doubling the nurses with doctoral degrees
- Demand for healthcare practice and healthcare support professionals currently exceeds supply by 44% and 9%, respectively
- Applications to medical school grew at a CAGR of 4% from 2011 to 2021 according to the AAMC

## Medical School Applicants 2011-2021



Source: AAMC

## Occupations in which Demand exceeds Supply



Source: Burning Glass Technologies

1. Future of Nursing: 2017 nursing workforce had only 64% pre-licensure nurses

# Market Leading Positions in Several Nursing Programs

- Chamberlain and Walden dominate enrollment in MSN programs with ~3x more enrollment on a combined basis than the next largest provider
- Chamberlain enjoys a significant enrollment advantage over its competitors in its BSN and MSN-FNP programs
- Chamberlain and Walden combined have ~5x the enrollment of the next largest provider in their MSN-FNP programs





**Adtalem  
Advantage**



**Market-Leading  
Institutions**



**Strong  
Academic  
Outcomes**



**Integrated  
Operating  
Model**



**Innovative  
Workforce  
Partnerships**

# Unmatched Presence and Scale

Large footprint and presence allow for a seamless undergraduate to graduate degree journey

Adtalem's **medical schools graduate more physicians than any U.S. medical school** on an annual basis

**Chamberlain is the largest nursing school** in the U.S.

Chamberlain is also the **leading grantor of BSN nursing degrees to under-represented minority students**

**Walden University** is the leading grantor of **advanced degrees in nursing**

**Strong clinical relationships with healthcare systems** and nursing organizations through market-leading scale

**Mission driven and delivers real social value** by broadening access to training for skilled and in-demand careers in healthcare

## CHAMBERLAIN + MEDICAL / VETERINARY CAMPUS LOCATIONS



**WALDEN = 100% ONLINE**



**WALDEN UNIVERSITY**  
EDUCATION FOR GOOD™



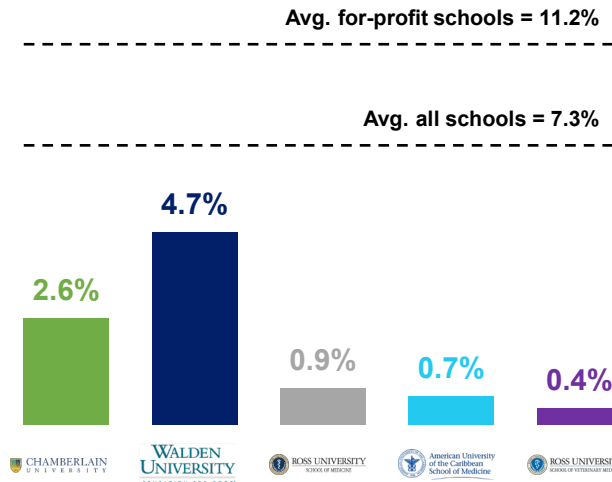
# Focus on Student Success

## FIRST-TIME RESIDENCY ATTAINMENT RATES



First-time residency rate includes current and former graduates entering US residency programs in 2022

## COHORT DEFAULT RATES



Note: 2018 CDRs





# FY 2022 Q3 Takeaways

Expansion in operating margins<sup>1</sup> for the second consecutive quarter  
Updating FY 2022 EPS<sup>1</sup> guidance

**\$366 million**

Q3 Revenue

**\$93 million**

Q3 Adj. EBITDA<sup>1</sup>

25% margin

230 bps margin expansion y-o-y

**\$70 million**

Q3 Free Cash Flow

Committed to disciplined  
capital allocation priorities

**Evidence of our strategy and  
execution to expand access to  
healthcare education** for

our students,  
our communities,  
our colleagues,  
our debtholders and  
our shareholders



**Strengthened balance sheet  
and capital allocation drive  
increased FY'22 EPS<sup>1</sup> guidance**

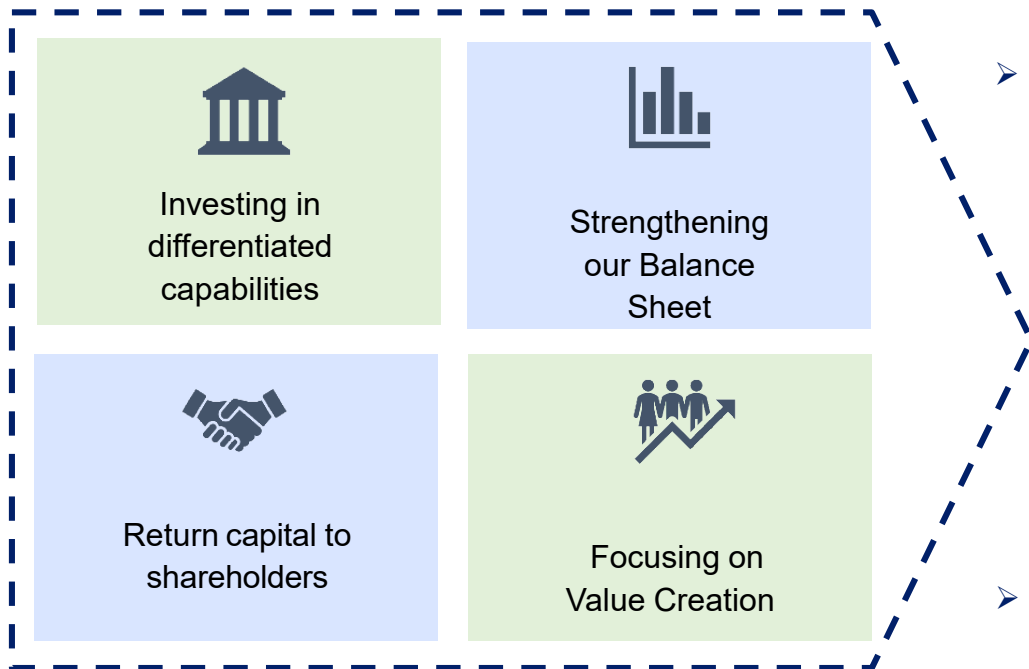
Revenue guidance maintained at

**\$1,350 million – \$1,390 million**

Diluted EPS<sup>1</sup> updated in excess of 8%

**\$3.15 – \$3.35**

# Committed to Creating Significant Value for Shareholders



- Focus on core assets / Successful divestiture of Financial Services for \$1 billion
- Deployed \$770 million in net proceeds towards debt repayment, significantly reducing net leverage<sup>1</sup>
- Initiated \$150 million accelerated share repurchase program using existing cash
- Authorized open market share repurchases of up to \$300 million over the next 36 months



# Building a Resilient Foundation for Future Growth

## Balance Sheet

*As of March 31, 2022*

- Repaid \$397 million of Term Loan B in Q3, **reducing debt by 24%**
- **Repurchased \$373 million** of the 2028 Senior Secured Notes in April
- **Lowered interest expenses by ~\$40 million** on an annual run-rate basis due to significantly lower debt levels
- **Enhanced net leverage<sup>1</sup> profile of 1.7x** as we continue to strengthen our balance sheet

## Operational Execution

- **Deployment of a more efficient operating model** to support long-term growth
- **Cost discipline** measures across the organization leading to great progress
- Continued momentum in **operational efficiency and realization of cost synergies** associated with the Walden integration
- **230 bps Adjusted EBITDA margin<sup>1</sup> expansion** in Q3 2022, versus the same period in the prior year

# Enterprise Performance

Top line, earnings and margin growth primarily driven by the accretive Walden acquisition



In millions, except EPS	Q3 2022	Q3 2021	Change %
Revenue	365.6	230.2	58.8%
Operating Income <sup>1</sup>	76.5	40.8	87.4%
% Margin	20.9%	17.7%	320 bps
<b>Adj. EBITDA<sup>1</sup></b>	<b>92.5</b>	<b>52.9</b>	<b>75.0%</b>
% Margin	25.3%	23.0%	230 bps
<b>Diluted EPS<sup>1</sup></b>	<b>0.87</b>	<b>0.60</b>	<b>45%</b>

**Revenue up 58.8%** reflects the Walden acquisition partially offset by COVID-related headwinds

**Operating margin expansion to 21%** or up 320 bps year-over-year and 200 bps sequentially

**Adj. EBITDA up 75.0%** driven by the synergies from Walden and operating efficiencies across the business despite the pandemic's adverse impact on organic revenue growth

# Chamberlain Performance

Margin expansion despite COVID-related headwinds negatively impacting post-licensure nursing programs



In millions	Q3 2022	Q3 2021	Change %
Revenue	142.6	146.3	-2.6%
Operating Income <sup>1</sup>	38.9	36.1	7.8%
% Margin	27.3%	24.7%	260 bps
<b>Adj. EBITDA<sup>1</sup></b>	<b>45.5</b>	<b>41.5</b>	<b>9.7%</b>
% Margin	31.9%	28.4%	350 bps

**Total Enrollment down 4.3% and Revenue down 2.6%** reflects COVID-related headwinds in Chamberlain's post-licensure programs partially offset by improved enrollment and persistence in on-campus pre-licensure programs

**Adj. EBITDA up 9.7%** reflects margin expansion driven by lower labor and other expenses



# Walden Performance

COVID-related headwinds negatively impacted total enrollment

In millions	Q3 2022 <sup>1</sup>
Revenue	139.1
Operating Income <sup>2</sup>	26.2
<i>% Margin</i>	18.8%
<b>Adj. EBITDA<sup>2</sup></b>	<b>29.6</b>
<i>% Margin</i>	21.3%



**Total Enrollment decline** reflects COVID-related headwinds in Walden's post-licensure nursing programs and decline in the management and technology programs

**No prior year financial comparables** with the acquisition closing on August 12, 2021

# Medical & Veterinary Performance

Significant margin expansion despite COVID-related headwinds

In millions	Q3 2022	Q3 2021	Change %
Revenue	84.0	83.9	0.1%
Operating Income <sup>1</sup>	19.5	15.0	30.1%
% Margin	23.2%	17.9%	530 bps
<b>Adj. EBITDA<sup>1</sup></b>	<b>24.0</b>	<b>19.5</b>	<b>23.1%</b>
% Margin	28.5%	23.2%	530 bps



ROSS UNIVERSITY  
SCHOOL OF MEDICINE



ROSS UNIVERSITY  
SCHOOL OF VETERINARY MEDICINE



American University  
of the Caribbean  
School of Medicine

**Total Enrollment down 1.2% and Revenue essentially flat at 0.1%** reflects uncertainties caused by COVID-19 impacting the enrollment decisions of potential and current students

**Adj. EBITDA up 23.1%** reflects significant margin expansion driven cost reductions across the segment



# Investment Thesis

- Attractive positioning in long-term growth market
- Focused portfolio with market-leading brands and institutions with strong academic outcomes
- Unmatched scale with competitive advantage to engage healthcare systems and employer partners
- Experienced leadership team focused on operational execution
- Sustainable operational and financial improvements driven by sharpened focus on execution and strengthened balance sheet
- Well-positioned for viable long-term value creation for all our stakeholders

# Appendix

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# Non-GAAP Financial Measures and Reconciliations

We believe that certain non-GAAP financial measures provide investors with useful supplemental information regarding the underlying business trends and performance of Adtalem's ongoing operations and are useful for period-over-period comparisons. We use these supplemental non-GAAP financial measures internally in our assessment of performance and budgeting process. However, these non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. The following are non-GAAP financial measures used in the subsequent GAAP to non-GAAP reconciliation tables:

*Net income from continuing operations excluding special items (most comparable GAAP measure: net income attributable to Adtalem)* – Measure of Adtalem's net income attributable to Adtalem adjusted for deferred revenue adjustment, CEO transition costs, restructuring expense, business acquisition and integration expense, Walden intangible amortization expense, pre-acquisition interest expense and write-off of debt discount and issuance costs, and net income from discontinued operations attributable to Adtalem

*Earnings per share from continuing operations excluding special items (most comparable GAAP measure: earnings per share)* – Measure of Adtalem's diluted earnings per share adjusted for deferred revenue adjustment, CEO transition costs, restructuring expense, business acquisition and integration expense, Walden intangible amortization expense, pre-acquisition interest expense and write-off of debt discount and issuance costs, and net income from discontinued operations attributable to Adtalem.

*Operating income excluding special items (most comparable GAAP measure: operating income)* – Measure of Adtalem's operating income adjusted for deferred revenue adjustment, CEO transition costs, restructuring expense, business acquisition and integration expense, and Walden intangible amortization expense. This measure is applied on a consolidated and segment basis, depending on the context of the discussion.

*Adjusted EBITDA (most comparable GAAP measure: net income attributable to Adtalem)* – Measure of Adtalem's net income attributable to Adtalem adjusted for net income from discontinued operations attributable to Adtalem, net other expense, (benefit from) provision for income taxes, depreciation and amortization, stock-based compensation, deferred revenue adjustment, CEO transition costs, restructuring expense, and business acquisition and integration expense. This measure is applied on a consolidated and segment basis, depending on the context of the discussion. Income taxes and net other expense is not recorded at the reportable segments, and therefore, the segment adjusted EBITDA reconciliations begin with operating income.

*Free cash flow (most comparable GAAP measure: net cash provided by operating activities-continuing operations)* – Defined as net cash provided by operating activities-continuing operations less capital expenditures.

*Net debt* – Defined as long-term debt less cash and cash equivalents.

*Net leverage* – Defined as net debt divided by adjusted EBITDA.

A description of special items in our non-GAAP financial measures described above are as follows:

- Deferred revenue adjustment related to a revenue purchase accounting adjustment to record Walden's deferred revenue at fair value.
- CEO transition costs related to acceleration of stock-based compensation expense.
- Restructuring expense primarily related to plans to achieve synergies with the Walden acquisition and real estate consolidations at Medical and Veterinary and Adtalem's home office.
- Business acquisition and integration expense include expenses related to the Walden acquisition.
- Walden amortization expense on acquired intangible assets.
- Pre-acquisition interest expense and write-off of debt discount and issuance costs related to financing arrangements in connection with the Walden acquisition and prepayment of debt.
- Net income from discontinued operations attributable to Adtalem includes the operations of ACAMS, Becker, OCL, including the after-tax gain on the sale of these businesses, and EduPristine operations, in addition to costs related to DeVry University.

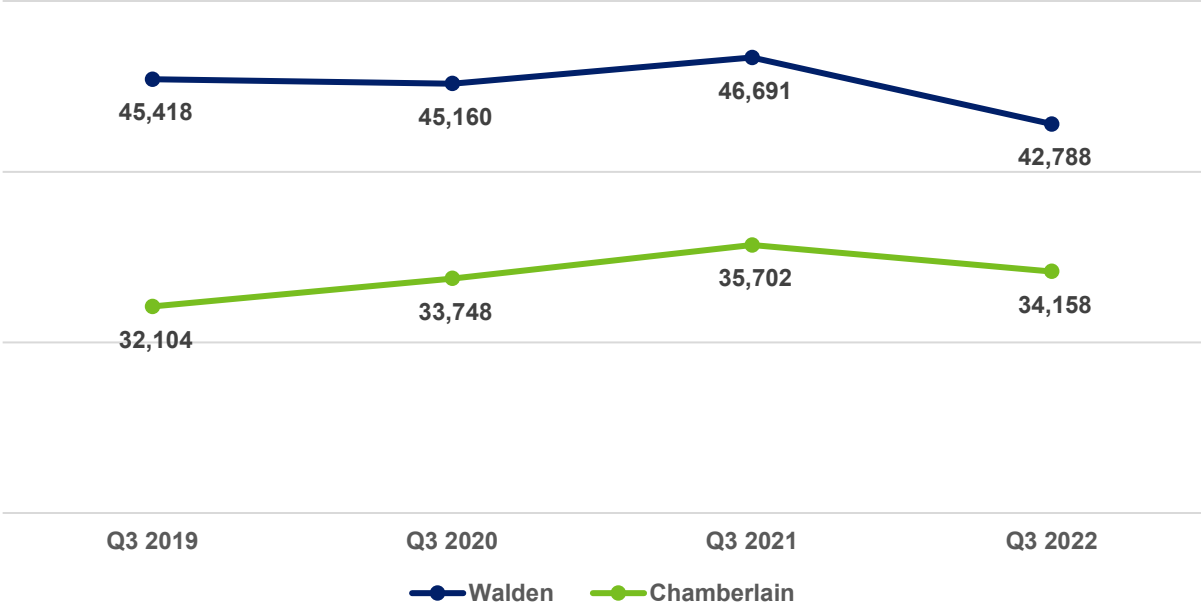
# Total Enrollment

	3Q 2022	3Q 2021	% Change
<b>Adtalem Global Education Student Enrollments</b>			
Total students <sup>(1)</sup>	82,174	87,685	-6.3%
<b>Chamberlain University</b>			
Total students	34,158	35,702	-4.3%
<b>Walden University<sup>(2)</sup></b>			
Total students	42,788	46,691	-8.4%
<b>Medical &amp; Veterinary</b>			
Total students	5,228	5,292	-1.2%

1) Represents total students attending sessions during each institution's most recent enrollment period in 3Q FY 2022.

2) Prior year Walden enrollment figures are as calculated by Walden while controlled by Laureate Education, Inc., and are included here for comparative purposes only.

# Historical Q3 Total Enrollment Trends



Note: Prior year Walden enrollment figures are as calculated by Walden while owned and operated by Laureate Education, Inc., and are included here for comparative purposes only.

# Non-GAAP Operating Income by Segment

(unaudited)  
(in thousands)

	Three Months Ended			Nine Months Ended		
	March 31,			March 31,		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
<b>Chamberlain:</b>						
Operating income (GAAP)	\$ 36,979	\$ 36,107	2.4 %	\$ 83,290	\$ 98,758	(15.7)%
Restructuring expense	1,931	—		2,266	—	
Operating income excluding special items (non-GAAP)	<u>\$ 38,910</u>	<u>\$ 36,107</u>	7.8 %	<u>\$ 85,556</u>	<u>\$ 98,758</u>	(13.4)%
<b>Walden:</b>						
Operating loss (GAAP)	\$ (2,854)	\$ —	NM	\$ (16,943)	\$ —	NM
Deferred revenue adjustment	—	—		8,561	—	
Restructuring expense	2,225	—		4,016	—	
Walden intangible amortization expense	26,817	—		73,967	—	
Operating income excluding special items (non-GAAP)	<u>\$ 26,188</u>	<u>\$ —</u>	NM	<u>\$ 69,601</u>	<u>\$ —</u>	NM
<b>Medical and Veterinary:</b>						
Operating income (GAAP)	\$ 14,913	\$ 14,977	(0.4)%	\$ 50,096	\$ 56,626	(11.5)%
Restructuring expense	4,569	—		4,757	—	
Operating income excluding special items (non-GAAP)	<u>\$ 19,482</u>	<u>\$ 14,977</u>	30.1 %	<u>\$ 54,853</u>	<u>\$ 56,626</u>	(3.1)%
<b>Home Office and Other:</b>						
Operating loss (GAAP)	\$ (15,774)	\$ (15,123)	(4.3)%	\$ (80,508)	\$ (64,408)	(25.0)%
CEO transition costs	—	—		6,195	—	
Restructuring expense	1,793	1,217		5,960	5,299	
Business acquisition and integration expense	5,924	3,646		41,537	28,161	
Operating loss excluding special items (non-GAAP)	<u>\$ (8,057)</u>	<u>\$ (10,260)</u>	21.5 %	<u>\$ (26,816)</u>	<u>\$ (30,948)</u>	13.4 %
<b>Adtalem Global Education:</b>						
Operating income (GAAP)	\$ 33,264	\$ 35,961	(7.5)%	\$ 35,935	\$ 90,976	(60.5)%
Deferred revenue adjustment	—	—		8,561	—	
CEO transition costs	—	—		6,195	—	
Restructuring expense	10,518	1,217		16,999	5,299	
Business acquisition and integration expense	5,924	3,646		41,537	28,161	
Walden intangible amortization expense	26,817	—		73,967	—	
Operating income excluding special items (non-GAAP)	<u>\$ 76,523</u>	<u>\$ 40,824</u>	87.4 %	<u>\$ 183,194</u>	<u>\$ 124,436</u>	47.2 %

# Non-GAAP Adjusted EBITDA by Segment

(unaudited)  
(in thousands)

	Three Months Ended			Nine Months Ended		
	March 31,		Increase (Decrease)	March 31,		Increase (Decrease)
	2022	2021		2022	2021	
<b>Chamberlain:</b>						
Operating income (GAAP)	\$ 36,979	\$ 36,107	2.4 %	\$ 83,290	\$ 98,758	(15.7)%
Restructuring expense	1,931	—		2,266	—	
Depreciation	4,738	4,091		14,048	11,998	
Stock-based compensation	1,869	1,296		5,104	4,195	
Adjusted EBITDA (non-GAAP)	<u>\$ 45,517</u>	<u>\$ 41,494</u>	9.7 %	<u>\$ 104,708</u>	<u>\$ 114,951</u>	(8.9)%
<b>Walden:</b>						
Operating loss (GAAP)	\$ (2,854)	\$ —	NM	\$ (16,943)	\$ —	NM
Deferred revenue adjustment	—	—		8,561	—	
Restructuring expense	2,225	—		4,016	—	
Walden intangible amortization expense	26,817	—		73,967	—	
Depreciation	2,573	—		6,801	—	
Stock-based compensation	841	—		2,308	—	
Adjusted EBITDA (non-GAAP)	<u>\$ 29,602</u>	<u>\$ —</u>	NM	<u>\$ 78,710</u>	<u>\$ —</u>	NM
<b>Medical and Veterinary:</b>						
Operating income (GAAP)	\$ 14,913	\$ 14,977	(0.4)%	\$ 50,096	\$ 56,626	(11.5)%
Restructuring expense	4,569	—		4,757	—	
Depreciation	3,397	3,646		10,497	10,802	
Stock-based compensation	1,075	831		2,974	2,689	
Adjusted EBITDA (non-GAAP)	<u>\$ 23,954</u>	<u>\$ 19,454</u>	23.1 %	<u>\$ 68,324</u>	<u>\$ 70,117</u>	(2.6)%
<b>Home Office and Other:</b>						
Operating loss (GAAP)	\$ (15,774)	\$ (15,123)	(4.3)%	\$ (80,508)	\$ (64,408)	(25.0)%
CEO transition costs	—	—		6,195	—	
Restructuring expense	1,793	1,217		5,960	5,299	
Business acquisition and integration expense	5,924	3,646		41,537	28,161	
Depreciation	633	866		2,125	2,525	
Stock-based compensation	888	1,335		2,023	3,545	
Adjusted EBITDA (non-GAAP)	<u>\$ (6,536)</u>	<u>\$ (8,059)</u>	18.9 %	<u>\$ (22,668)</u>	<u>\$ (24,878)</u>	8.9 %
<b>Adtalem Global Education:</b>						
Net income attributable to Adtalem (GAAP)	\$ 349,842	\$ 24,652	1,319.1 %	\$ 309,691	\$ 67,897	356.1 %
Net income from discontinued operations attributable to Adtalem	(343,985)	(414)		(341,982)	(132)	
Net other expense	35,540	7,166		107,123	10,848	
(Benefit from) provision for income taxes	(8,133)	4,557		(38,897)	12,363	
Operating income (GAAP)	33,264	35,961		35,935	90,976	
Depreciation and amortization	38,158	8,603		107,438	25,325	
Stock-based compensation	4,673	3,462		12,409	10,429	
Deferred revenue adjustment	—	—		8,561	—	
CEO transition costs	—	—		6,195	—	
Restructuring expense	10,518	1,217		16,999	5,299	
Business acquisition and integration expense	5,924	3,646		41,537	28,161	
Adjusted EBITDA (non-GAAP)	<u>\$ 92,537</u>	<u>\$ 52,889</u>	75.0 %	<u>\$ 229,074</u>	<u>\$ 160,190</u>	43.0 %

# Non-GAAP Earnings Disclosure

(unaudited)  
(in thousands, except per share data)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Net income attributable to Adtalem (GAAP)	\$ 349,842	\$ 24,652	\$ 309,691	\$ 67,897
Deferred revenue adjustment	—	—	8,561	—
CEO transition costs	—	—	6,195	—
Restructuring expense	10,518	1,217	16,999	5,299
Business acquisition and integration expense	5,924	3,646	41,537	28,161
Walden intangible amortization expense	26,817	—	73,967	—
Pre-acquisition interest expense and write-off of debt discount and issuance costs	12,471	4,951	44,105	4,996
Income tax impact on non-GAAP adjustments (1)	(18,769)	(3,365)	(60,871)	(10,972)
Net income from discontinued operations attributable to Adtalem	(343,985)	(414)	(341,982)	(132)
Net income from continuing operations excluding special items (non-GAAP)	\$ 42,818	\$ 30,687	\$ 98,202	\$ 95,249

(1) Represents the income tax impact of non-GAAP continuing operations adjustments that is recognized in our GAAP financial statements.

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Earnings per share, diluted (GAAP)	\$ 7.09	\$ 0.48	\$ 6.26	\$ 1.30
Effect on diluted earnings per share:				
Deferred revenue adjustment	-	-	0.17	-
CEO transition costs	-	-	0.12	-
Restructuring expense	0.21	0.02	0.34	0.10
Business acquisition and integration expense	0.12	0.07	0.83	0.54
Walden intangible amortization expense	0.54	-	1.48	-
Pre-acquisition interest expense and write-off of debt discount and issuance costs	0.25	0.10	0.88	0.10
Income tax impact on non-GAAP adjustments (1)	(0.38)	(0.07)	(1.22)	(0.21)
Net income from discontinued operations attributable to Adtalem	(6.97)	(0.01)	(6.91)	(0.00)
Earnings per share from continuing operations excluding special items, diluted (non-GAAP)	\$ 0.87	\$ 0.60	\$ 1.97	\$ 1.83
Diluted shares used in non-GAAP EPS calculation	49,377	51,111	49,872	52,101

Note: May not sum due to rounding.

(1) Represents the income tax impact of non-GAAP continuing operations adjustments that is recognized in our GAAP financial statements.

# Non-GAAP Free Cash Flow Disclosure

(unaudited)  
(in thousands)

	Three Months Ended		Twelve Months Ended			
	FY22	FY21	FY22	FY22	FY22	FY21
	Q3	Q3	Q3	Q2	Q1	Q4
Net cash provided by operating activities-continuing operations (GAAP)	\$ 77,365	\$ 67,719	\$ 101,481	\$ 91,835	\$ 124,742	\$ 168,760
Capital expenditures	(7,477)	(8,887)	(33,539)	(34,949)	(34,256)	(39,881)
Free cash flow (non-GAAP)	<u>\$ 69,888</u>	<u>\$ 58,832</u>	<u>\$ 67,942</u>	<u>\$ 56,886</u>	<u>\$ 90,486</u>	<u>\$ 128,879</u>

# Non-GAAP Outlook Disclosure

(unaudited)  
(in millions, except per share data)

	<u>Year Ended June 30, 2022</u>
Expected earnings per share, diluted (GAAP)	\$ 6.76 to 6.96
Expected effects on diluted earnings per share:	
Purchase accounting adjustment - deferred revenue	0.18
CEO transition costs	0.13
Restructuring expense	0.35
Business acquisition and integration costs	0.85
Estimated purchase accounting adjustment - intangible amortization	1.99
Pre-acquisition interest expense and write-off of debt discount and issuance costs	0.90
Estimated incremental acquisition integration costs	0.14
Estimated income tax impact on non-GAAP adjustments(1)	(1.14)
Net income from discontinued operations attributable to Adtalem	<u>(7.01)</u>
Expected adjusted earnings per share from continuing operations excluding special items, diluted (non-GAAP)(2)	<u>\$ 3.15 to 3.35</u>
Diluted shares used in EPS calculation (in thousands)	48,800

(1) Represents the estimated income tax impact of non-GAAP continuing operations adjustments that is recognized in our GAAP financial statements.

(2) The outlook provided above does not reflect the potential impact of any business or asset acquisitions or dispositions that may occur during the remainder of fiscal year 2022. The expected effects on diluted earnings per share ("EPS") of (1) the estimated purchase accounting adjustment – intangible amortization, and (2) the estimated incremental acquisition integration costs are estimates related to the Walden University acquisition. The effects on diluted EPS of purchase accounting adjustment – deferred revenue, CEO transition costs, restructuring expense, business acquisition and integration costs, pre-acquisition interest expense and write-off of debt discount and issuance costs, and income from discontinued operations attributable to Adtalem includes the results realized through March 31, 2022. We are not able to further estimate certain special items for the full fiscal year. Additional charges to these special items, or additional special items not currently identified, which may occur during the remainder of fiscal year 2022, would impact the GAAP expected EPS provided above.

	<u>Year Ended June 30, 2022</u>
Expected revenue (GAAP)	\$ 1,341 to 1,381
Estimated incremental purchase accounting adjustment - deferred revenue	9
Expected revenue excluding special items (non-GAAP)(3)	<u>\$ 1,350 to 1,390</u>

(3) The outlook provided above does not reflect the potential impact of any business or asset acquisitions or dispositions that may occur during the remainder of fiscal year 2022. The expected effects on revenue of the item listed above is an estimate related to the Walden University acquisition.

# Non-GAAP Net Leverage Disclosure

(unaudited)  
(in thousands)

	<u>Three Months Ended June 30, 2021</u>	<u>Nine Months Ended March 31, 2022</u>	<u>Twelve Months Ended March 31, 2022</u>
<b>Adtalem Global Education:</b>			
Net income attributable to Adtalem (GAAP)	\$ 9,012	\$ 309,691	\$ 318,703
Net income from discontinued operations attributable to Adtalem	(6,447)	(341,982)	(348,429)
Net other expense	23,785	107,123	130,908
(Benefit from) provision for income taxes	726	(38,897)	(38,171)
Depreciation and amortization	8,563	107,438	116,001
Stock-based compensation	2,395	12,409	14,804
Deferred revenue adjustment	—	8,561	8,561
CEO transition costs	—	6,195	6,195
Restructuring expense	1,570	16,999	18,569
Business acquisition and integration expense	3,432	41,537	44,969
Adjusted EBITDA (non-GAAP)	<u>\$ 43,036</u>	<u>\$ 229,074</u>	<u>\$ 272,110</u>
			<b>March 31, 2022</b>
Long-term debt			\$ 1,253,333
Cash and cash equivalents			<u>788,729</u>
Net debt (non-GAAP)			<u>\$ 464,604</u>
Net leverage (non-GAAP)			1.7 x