

ADT  LEM

GLOBAL EDUCATION

Fourth Quarter & Full Year 2022
Earnings Presentation

August 11, 2022

Safe Harbor

Forward-Looking Statements

Certain statements contained in this release 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, the efficacy and distribution of the vaccines, and the expected synergies from the Walden acquisition. 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”). 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 as seen through the eyes of management and are useful for period-over-period comparisons. Adtalem uses 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. 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.

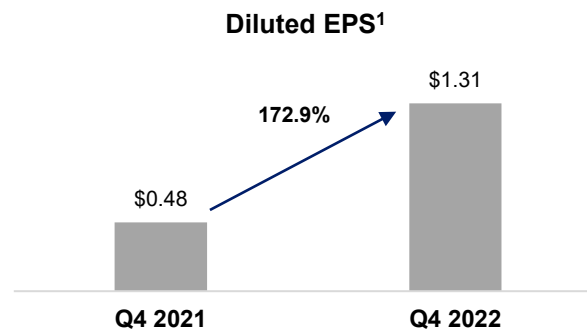
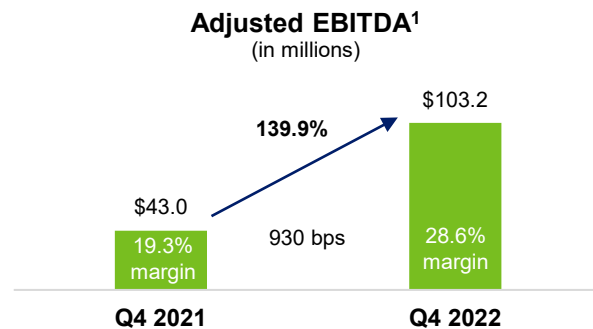
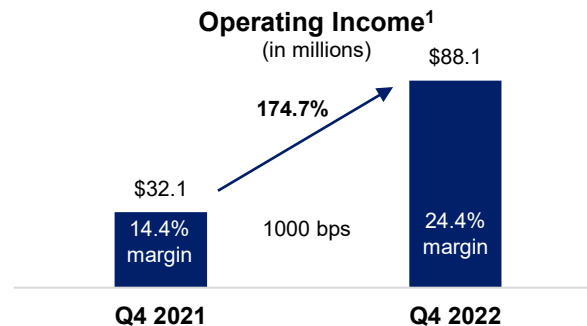
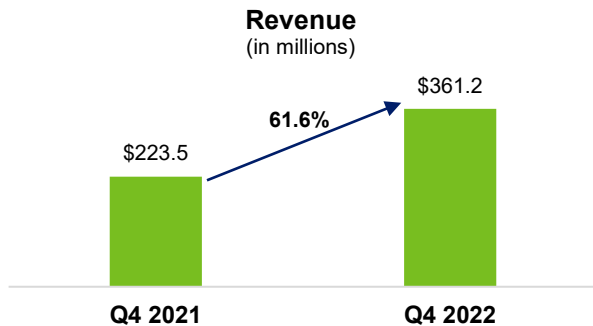
Q4 2022 Highlights

| Q4 2022 |
|---|
| Revenue |
| \$361.2 million |
| Operating Income¹ |
| \$88.1 million |
| Adjusted EBITDA¹ |
| \$103.2 million |
| Diluted Earnings Per Share¹ |
| \$1.31 |

- Continued progress on the integration of Walden, delivering targeted \$30 million in run-rate cost synergies
- Successful divestiture of Financial Services segment, significantly reducing net leverage
- \$150 million accelerated share repurchase program with the goal of returning capital to shareholders using existing cash
- Revenue up 62% vs. same period in the prior year due to Walden
- Operating income¹ and Adjusted EBITDA¹ up 175% and 140% respectively vs. prior year
- Operating margin¹ and Adjusted EBITDA margin¹ up 1,000 and 930 basis points respectively vs. prior year
- Diluted earnings per share¹ up 173% to \$1.31

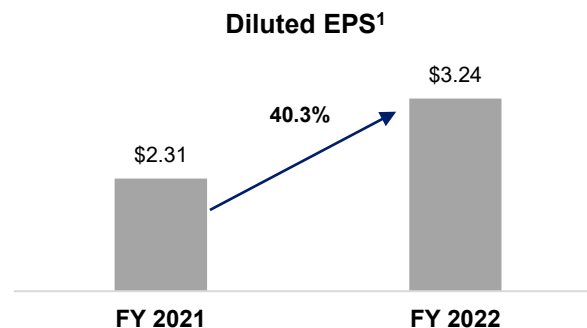
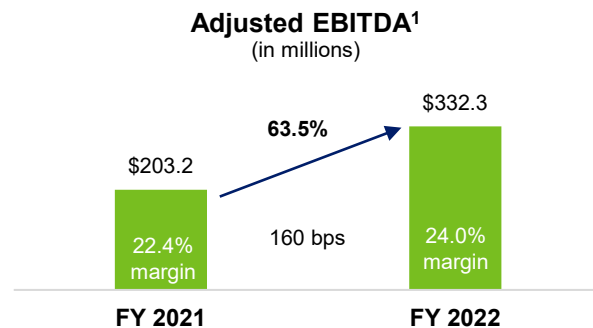
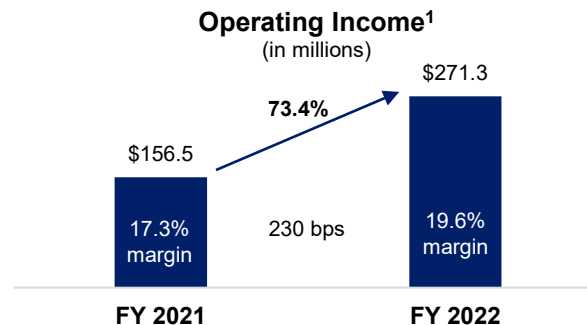
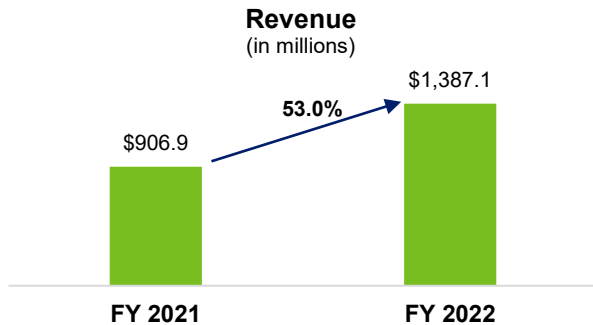
1. Non-GAAP Financial Measures. See reconciliations from GAAP Financial Measures in the Appendix

Q4 2022 P&L Highlights



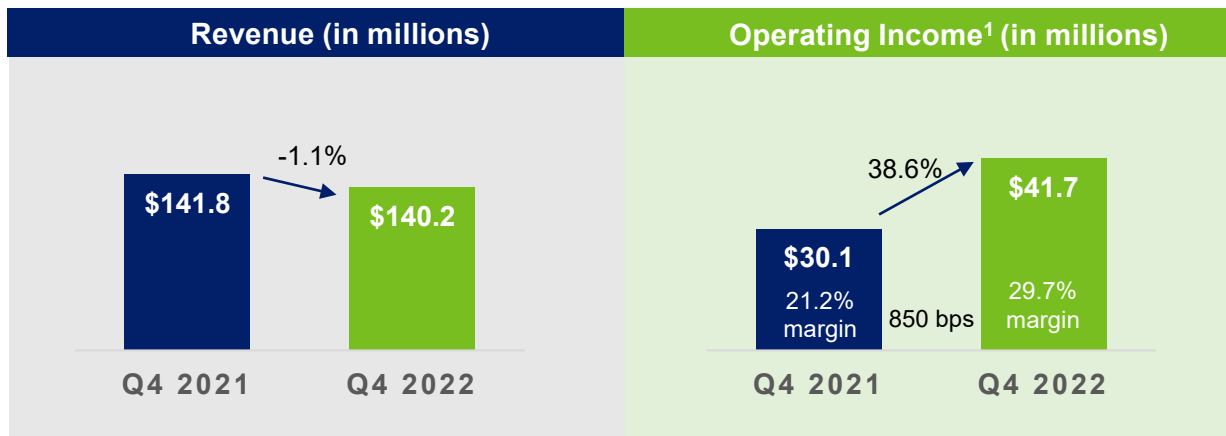
1. Non-GAAP Financial Measures. See reconciliations from GAAP Financial Measures in the Appendix

FY 2022 P&L Highlights



1. Non-GAAP Financial Measures. See reconciliations from GAAP Financial Measures in the Appendix

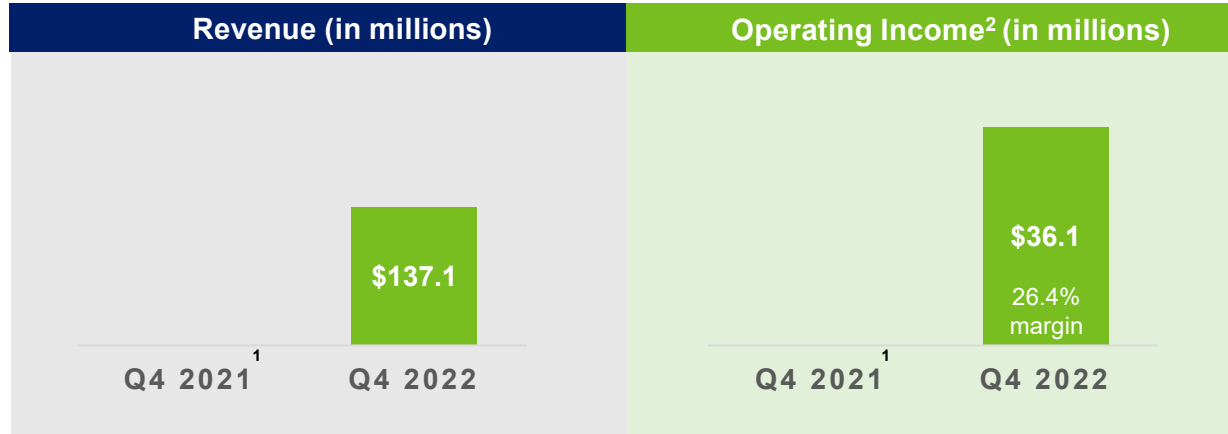
Q4 2022 Chamberlain Performance



- Q4 2022 revenue decreased 1.1% to \$140.2 million
- Operating income¹ increased 38.6% to \$41.7 million, due to lower marketing and continued benefit from cost synergies
- Operating margin¹ increased 850 basis points to 29.7%

1. Non-GAAP Financial Measures. See reconciliations from GAAP Financial Measures in the Appendix

Q4 2022 Walden Performance

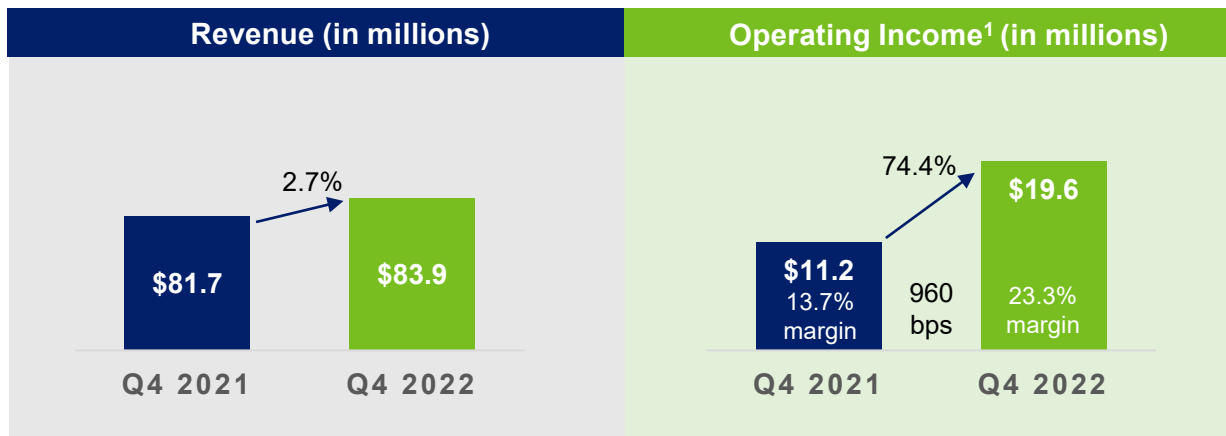


- Revenue was \$137.1 million this quarter
- Operating income² was \$36.1 million
- Operating margin² was 26.4%

1. Walden was not owned by Adtalem Global Education in Q4 2021

2. Non-GAAP Financial Measures. See reconciliations from GAAP Financial Measures in the Appendix.

Q4 2022 Med & Vet Performance



- Q4 2022 revenue increased 2.7% to \$83.9 million
- Operating income¹ increased 74.4% to \$19.6 million driven by the revenue increase coupled with the benefit from cost synergies
- Operating margin¹ increased 960 basis points to 23.3%

1. Non-GAAP Financial Measures. See reconciliations from GAAP Financial Measures in the Appendix

Free Cash Flow

| Three Months Ended (in millions) | | |
|----------------------------------|---------|----------|
| | Q4 2022 | Q4 2021 |
| Operating Cash Flow | \$105.4 | \$43.1 |
| Capital Expenditures | \$(8.8) | \$(11.3) |
| Free Cash Flow ¹ | \$96.6 | \$31.8 |

| Twelve Months Ended (in millions) | | | | |
|-----------------------------------|----------|----------|----------|----------|
| Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 |
| \$163.8 | \$101.5 | \$91.8 | \$124.7 | \$168.8 |
| \$(31.0) | \$(33.5) | \$(34.9) | \$(34.3) | \$(39.9) |
| \$132.8 | \$67.9 | \$56.9 | \$90.5 | \$128.9 |

1. Free Cash Flow is Defined as net cash provided by operating activities-continuing operations less capital expenditures

Outlook

Establishing FY 2023 revenue and diluted EPS¹ guidance:

| REVENUE (in millions) | ADJUSTED EARNINGS PER SHARE ¹ |
|-----------------------|--|
| \$1,380 - \$1,450 | \$3.95 - \$4.20 |

1. Non-GAAP Financial Measures. See reconciliations from GAAP Financial Measures in the Appendix

Appendix

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 as seen through the eyes of management 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, write-off of debt discount and issuance costs, gain on extinguishment of debt, 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, write-off of debt discount and issuance costs, gain on extinguishment of debt, 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, provision for (benefit from) 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 intangible amortization expense on acquired intangible assets.
- Pre-acquisition interest expense, write-off of debt discount and issuance costs, and gain on extinguishment of debt 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, and EduPristine, including the after-tax gain on the sale of these businesses, in addition to costs related to DeVry University.

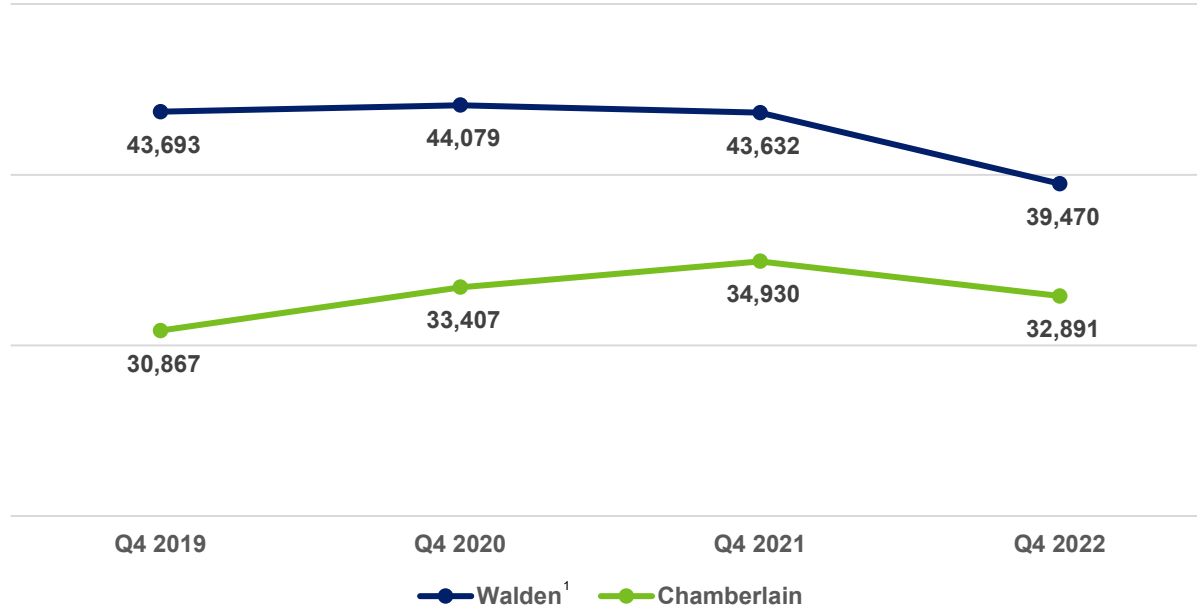
Total Enrollment

| | Q4 2022 | Q4 2021 | % Change |
|---|---------|---------|----------|
| Adtalem Global Education Student Enrollments | | | |
| Total students ⁽¹⁾ | 77,665 | 83,688 | -7.2% |
| Chamberlain University | | | |
| Total students | 32,891 | 34,930 | -5.8% |
| Walden University⁽²⁾ | | | |
| Total students | 39,470 | 43,632 | -9.5% |
| Medical & Veterinary | | | |
| Total students | 5,304 | 5,126 | 3.5% |

1. Represents total students attending sessions during each institution's most recent enrollment period in Q4 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 Q4 Total Enrollment Trends



1. 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 | | | | Year Ended | | | |
|---|--------------------|-------------------|---------------------|---------|--------------------|--------------------|---------------------|---------|
| | June 30, | | | | June 30, | | | |
| | 2022 | 2021 | Increase/(Decrease) | | 2022 | 2021 | Increase/(Decrease) | |
| | | \$ | % | \$ | \$ | \$ | % | |
| Chamberlain: | | | | | | | | |
| Operating income (GAAP) | \$ 41,124 | \$ 30,093 | \$ 11,031 | 36.7 % | \$ 124,414 | \$ 128,851 | \$ (4,437) | (3.4)% |
| Restructuring expense | 572 | — | 572 | | 2,838 | — | 2,838 | |
| Operating income excluding special items (non-GAAP) | <u>\$ 41,696</u> | <u>\$ 30,093</u> | <u>\$ 11,603</u> | 38.6 % | <u>\$ 127,252</u> | <u>\$ 128,851</u> | <u>\$ (1,599)</u> | (1.2)% |
| Walden: | | | | | | | | |
| Operating income (loss) (GAAP) | \$ 12,787 | \$ — | \$ 12,787 | NM | \$ (4,156) | \$ — | \$ (4,156) | NM |
| Deferred revenue adjustment | — | — | — | | 8,561 | — | 8,561 | |
| Restructuring expense | 37 | — | 37 | | 4,053 | — | 4,053 | |
| Walden intangible amortization expense | 23,307 | — | 23,307 | | 97,274 | — | 97,274 | |
| Operating income excluding special items (non-GAAP) | <u>\$ 36,131</u> | <u>\$ —</u> | <u>\$ 36,131</u> | NM | <u>\$ 105,732</u> | <u>\$ —</u> | <u>\$ 105,732</u> | NM |
| Medical and Veterinary: | | | | | | | | |
| Operating income (GAAP) | \$ 14,541 | \$ 11,226 | \$ 3,315 | 29.5 % | \$ 64,637 | \$ 67,852 | \$ (3,215) | (4.7)% |
| Restructuring expense | 5,034 | — | 5,034 | | 9,791 | — | 9,791 | |
| Operating income excluding special items (non-GAAP) | <u>\$ 19,575</u> | <u>\$ 11,226</u> | <u>\$ 8,349</u> | 74.4 % | <u>\$ 74,428</u> | <u>\$ 67,852</u> | <u>\$ 6,576</u> | 9.7 % |
| Home Office and Other: | | | | | | | | |
| Operating loss (GAAP) | \$ (23,923) | \$ (14,243) | \$ (9,680) | (68.0)% | \$ (104,431) | \$ (78,651) | \$ (25,780) | (32.8)% |
| CEO transition costs | — | — | — | | 6,195 | — | 6,195 | |
| Restructuring expense | 2,986 | 1,570 | 1,416 | | 8,946 | 6,869 | 2,077 | |
| Business acquisition and integration expense | 11,661 | 3,432 | 8,229 | | 53,198 | 31,593 | 21,605 | |
| Operating loss excluding special items (non-GAAP) | <u>\$ (9,276)</u> | <u>\$ (9,241)</u> | <u>\$ (35)</u> | (0.4)% | <u>\$ (36,092)</u> | <u>\$ (40,189)</u> | <u>\$ 4,097</u> | 10.2 % |
| Adtalem Global Education: | | | | | | | | |
| Operating income (GAAP) | \$ 44,529 | \$ 27,076 | \$ 17,453 | 64.5 % | \$ 80,464 | \$ 118,052 | \$ (37,588) | (31.8)% |
| Deferred revenue adjustment | — | — | — | | 8,561 | — | 8,561 | |
| CEO transition costs | — | — | — | | 6,195 | — | 6,195 | |
| Restructuring expense | 8,629 | 1,570 | 7,059 | | 25,628 | 6,869 | 18,759 | |
| Business acquisition and integration expense | 11,661 | 3,432 | 8,229 | | 53,198 | 31,593 | 21,605 | |
| Walden intangible amortization expense | 23,307 | — | 23,307 | | 97,274 | — | 97,274 | |
| Operating income excluding special items (non-GAAP) | <u>\$ 88,126</u> | <u>\$ 32,078</u> | <u>\$ 56,048</u> | 174.7 % | <u>\$ 271,320</u> | <u>\$ 156,514</u> | <u>\$ 114,806</u> | 73.4 % |

Non-GAAP Adjusted EBITDA by Segment

(unaudited)
(in thousands)

| | Three Months Ended | | | | Year Ended | | | |
|---|--------------------|-------------------|---------------------|---------|--------------------|--------------------|---------------------|---------|
| | June 30, | | June 30, | | June 30, | | June 30, | |
| | 2022 | 2021 | Increase/(Decrease) | | 2022 | 2021 | Increase/(Decrease) | |
| | | \$ | % | \$ | \$ | \$ | % | |
| Chamberlain: | | | | | | | | |
| Operating income (GAAP) | \$ 41,124 | \$ 30,093 | \$ 11,031 | 36.7 % | \$ 124,414 | \$ 128,851 | \$ (4,437) | (3.4)% |
| Restructuring expense | 572 | — | 572 | | 2,838 | — | 2,838 | |
| Depreciation | 4,499 | 4,125 | 374 | | 18,547 | 16,123 | 2,424 | |
| Stock-based compensation | 1,603 | 986 | 617 | | 6,707 | 5,181 | 1,526 | |
| Adjusted EBITDA (non-GAAP) | <u>\$ 47,798</u> | <u>\$ 35,204</u> | <u>\$ 12,594</u> | 35.8 % | <u>\$ 152,506</u> | <u>\$ 150,155</u> | <u>\$ 2,351</u> | 1.6 % |
| Walden: | | | | | | | | |
| Operating income (loss) (GAAP) | \$ 12,787 | \$ — | \$ 12,787 | NM | \$ (4,156) | \$ — | \$ (4,156) | NM |
| Deferred revenue adjustment | — | — | — | | 8,561 | — | 8,561 | |
| Restructuring expense | 37 | — | 37 | | 4,053 | — | 4,053 | |
| Walden intangible amortization expense | 23,307 | — | 23,307 | | 97,274 | — | 97,274 | |
| Depreciation | 2,454 | — | 2,454 | | 9,255 | — | 9,255 | |
| Stock-based compensation | 721 | — | 721 | | 3,029 | — | 3,029 | |
| Adjusted EBITDA (non-GAAP) | <u>\$ 39,306</u> | <u>\$ —</u> | <u>\$ 39,306</u> | NM | <u>\$ 118,016</u> | <u>\$ —</u> | <u>\$ 118,016</u> | NM |
| Medical and Veterinary: | | | | | | | | |
| Operating income (GAAP) | \$ 14,541 | \$ 11,226 | \$ 3,315 | 29.5 % | \$ 64,637 | \$ 67,852 | \$ (3,215) | (4.7)% |
| Restructuring expense | 5,034 | — | 5,034 | | 9,791 | — | 9,791 | |
| Depreciation | 3,393 | 3,629 | (236) | | 13,890 | 14,431 | (541) | |
| Stock-based compensation | 922 | 632 | 290 | | 3,896 | 3,321 | 575 | |
| Adjusted EBITDA (non-GAAP) | <u>\$ 23,890</u> | <u>\$ 15,487</u> | <u>\$ 8,403</u> | 54.3 % | <u>\$ 92,214</u> | <u>\$ 85,604</u> | <u>\$ 6,610</u> | 7.7 % |
| Home Office and Other: | | | | | | | | |
| Operating loss (GAAP) | \$ (23,923) | \$ (14,243) | \$ (9,680) | (68.0)% | \$ (104,431) | \$ (78,651) | \$ (25,780) | (32.8)% |
| CEO transition costs | — | — | — | | 6,195 | — | 6,195 | |
| Restructuring expense | 2,986 | 1,570 | 1,416 | | 8,946 | 6,869 | 2,077 | |
| Business acquisition and integration expense | 11,661 | 3,432 | 8,229 | | 53,198 | 31,593 | 21,605 | |
| Depreciation | 757 | 809 | (52) | | 2,882 | 3,334 | (452) | |
| Stock-based compensation | 761 | 777 | (16) | | 2,784 | 4,322 | (1,538) | |
| Adjusted EBITDA (non-GAAP) | <u>\$ (7,758)</u> | <u>\$ (7,655)</u> | <u>\$ (103)</u> | (1.3)% | <u>\$ (30,426)</u> | <u>\$ (32,533)</u> | <u>\$ 2,107</u> | 6.5 % |
| Adtalem Global Education: | | | | | | | | |
| Net income attributable to Adtalem (GAAP) | \$ 8,014 | \$ 9,012 | \$ (998) | (11.1)% | \$ 317,705 | \$ 76,909 | \$ 240,796 | 313.1 % |
| Net income from discontinued operations attributable to Adtalem | (5,550) | (6,447) | 897 | | (347,532) | (6,579) | (340,953) | |
| Net other expense | 18,405 | 23,785 | (5,380) | | 125,528 | 34,633 | 90,895 | |
| Provision for (benefit from) income taxes | 23,660 | 726 | 22,934 | | (15,237) | 13,089 | (28,326) | |
| Operating income (GAAP) | 44,529 | 27,076 | 17,453 | | 80,464 | 118,052 | (37,588) | |
| Depreciation and amortization | 34,410 | 8,563 | 25,847 | | 141,848 | 33,888 | 107,960 | |
| Stock-based compensation | 4,007 | 2,395 | 1,612 | | 16,416 | 12,824 | 3,592 | |
| Deferred revenue adjustment | — | — | — | | 8,561 | — | 8,561 | |
| CEO transition costs | — | — | — | | 6,195 | — | 6,195 | |
| Restructuring expense | 8,629 | 1,570 | 7,059 | | 25,628 | 6,869 | 18,759 | |
| Business acquisition and integration expense | 11,661 | 3,432 | 8,229 | | 53,198 | 31,593 | 21,605 | |
| Adjusted EBITDA (non-GAAP) | <u>\$ 103,236</u> | <u>\$ 43,036</u> | <u>\$ 60,200</u> | 139.9 % | <u>\$ 332,310</u> | <u>\$ 203,226</u> | <u>\$ 129,084</u> | 63.5 % |

Non-GAAP Earnings Disclosure

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

| | Three Months Ended June 30, | | Year Ended June 30, | |
|---|--------------------------------|------------------|------------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net income attributable to Adtalem (GAAP) | \$ 8,014 | \$ 9,012 | \$ 317,705 | \$ 76,909 |
| Deferred revenue adjustment | — | — | 8,561 | — |
| CEO transition costs | — | — | 6,195 | — |
| Restructuring expense | 8,629 | 1,570 | 25,628 | 6,869 |
| Business acquisition and integration expense | 11,661 | 3,432 | 53,198 | 31,593 |
| Walden intangible amortization expense | 23,307 | — | 97,274 | — |
| Pre-acquisition interest expense, write-off of debt discount and issuance costs, and gain on extinguishment of debt | 4,699 | 21,750 | 48,804 | 26,746 |
| Income tax impact on non-GAAP adjustments (1) | 9,188 | (5,325) | (51,683) | (16,297) |
| Net income from discontinued operations attributable to Adtalem | <u>(5,550)</u> | <u>(6,447)</u> | <u>(347,532)</u> | <u>(6,579)</u> |
| Net income from continuing operations excluding special items (non-GAAP) | <u>\$ 59,948</u> | <u>\$ 23,992</u> | <u>\$ 158,150</u> | <u>\$ 119,241</u> |

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

| | Three Months Ended June 30, | | Year Ended June 30, | |
|---|--------------------------------|----------------|------------------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Earnings per share, diluted (GAAP) | \$ 0.18 | \$ 0.18 | \$ 6.57 | \$ 1.49 |
| Effect on diluted earnings per share: | | | | |
| Deferred revenue adjustment | — | — | 0.18 | — |
| CEO transition costs | — | — | 0.13 | — |
| Restructuring expense | 0.19 | 0.03 | 0.53 | 0.13 |
| Business acquisition and integration expense | 0.25 | 0.07 | 1.09 | 0.61 |
| Walden intangible amortization expense | 0.51 | — | 1.99 | — |
| Pre-acquisition interest expense, write-off of debt discount and issuance costs, and gain on extinguishment of debt | 0.10 | 0.43 | 1.00 | 0.52 |
| Income tax impact on non-GAAP adjustments (1) | 0.20 | (0.11) | (1.06) | (0.32) |
| Net income from discontinued operations attributable to Adtalem | <u>(0.12)</u> | <u>(0.13)</u> | <u>(7.18)</u> | <u>(0.13)</u> |
| Earnings per share from continuing operations excluding special items, diluted (non-GAAP) | <u>\$ 1.31</u> | <u>\$ 0.48</u> | <u>\$ 3.24</u> | <u>\$ 2.31</u> |
| Diluted shares used in non-GAAP EPS calculation | 45,758 | 50,326 | 48,804 | 51,645 |

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 | FY22 | FY21 |
| | Q4 | Q4 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Net cash provided by operating activities-continuing operations (GAAP) | \$ 105,428 | \$ 43,084 | \$ 163,825 | \$ 101,481 | \$ 91,835 | \$ 124,742 | \$ 168,760 |
| Capital expenditures | (8,805) | (11,290) | (31,054) | (33,539) | (34,949) | (34,256) | (39,881) |
| Free cash flow (non-GAAP) | \$ 96,623 | \$ 31,794 | \$ 132,771 | \$ 67,942 | \$ 56,886 | \$ 90,486 | \$ 128,879 |

Non-GAAP Outlook Disclosure

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

| | <u>Year Ended</u> <u>June 30, 2023</u> |
|--|---|
| Expected earnings per share, diluted (GAAP) | \$ 2.72 to 2.97 |
| Expected effects on diluted earnings per share: | |
| Estimated purchase accounting adjustment - intangible amortization | 1.33 |
| Estimated incremental acquisition integration costs | 0.33 |
| Estimated income tax impact on non-GAAP adjustments(1) | <u>(0.43)</u> |
| Expected adjusted earnings per share from continuing operations excluding special items, diluted (non-GAAP)(2) | <u>\$ 3.95 to 4.20</u> |
| Diluted shares used in EPS calculation | 45,900 |

(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 fiscal year 2023. 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. Additional charges to these special items, or additional special items not currently identified, which may occur during fiscal year 2023, would impact the GAAP expected EPS provided above.

Non-GAAP Net Leverage Disclosure

(unaudited)
(in thousands)

| | <u>Year Ended</u> <u>June 30, 2022</u> |
|---|---|
| Adtalem Global Education: | |
| Net income attributable to Adtalem (GAAP) | \$ 317,705 |
| Net income from discontinued operations attributable to Adtalem | (347,532) |
| Net other expense | 125,528 |
| Benefit from income taxes | (15,237) |
| Depreciation and amortization | 141,848 |
| Stock-based compensation | 16,416 |
| Deferred revenue adjustment | 8,561 |
| CEO transition costs | 6,195 |
| Restructuring expense | 25,628 |
| Business acquisition and integration expense | 53,198 |
| Adjusted EBITDA (non-GAAP) | <u>\$ 332,310</u> |
| | <u>June 30, 2022</u> |
| Long-term debt | \$ 859,215 |
| Less: Cash and cash equivalents | (346,973) |
| Net debt (non-GAAP) | <u>\$ 512,242</u> |
| Net leverage (non-GAAP) | 1.5 x |