



ADTALEM
GLOBAL EDUCATION

Second Quarter 2024 Earnings

January 30, 2024

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 Adtalem’s future growth. 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), the Form 8-K filed with the SEC today 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 Adtalem assumes no obligation to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized, 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.

A Force for Good

Purpose driven organization

committed to student and societal outcomes

Creating shareholder value

Growth with Purpose strategy
delivering long-term growth

Systemically important

component of the U.S. healthcare system,
training care providers



5 like-kind institutions

27 campuses

Robust online delivery capabilities



All post-secondary higher education

>81k students
~150 programs¹



All with a center of gravity in healthcare

~90% of student enrollment is healthcare focused

Growth with Purpose

Growth with Purpose strategy

Driving organic revenue growth

Marketing

Enrollment

Retention

Pricing

Programs

Expanding Access to Underserved Communities

Ongoing Commitment to Outstanding Student Outcomes

Q2 2024 Performance

Total enrollment growth YoY: +6.2%

\$393 million

Revenue
+8.4% vs. prior year

23.5%

Adj. EBITDA¹ margin
(150) bps vs. prior year

\$1.23

Adj. EPS¹
+5.1% vs. prior year

Growth with Purpose delivering enterprise total enrollment growth

- **Chamberlain:** 35.6k students
 - *Robust growth in total enrollment; leveraging scale & national footprint with a full breadth of nursing programs & modalities*
- **Walden:** 41.0k students
 - *Accelerated growth in total enrollment; executing on transformation, operational excellence, student experience, and brand investments*
- **Med/Vet:** 5.2k students
 - *Med & Vet: Continued high-quality academic outcomes as a leading educator of diverse veterinarian & medical professionals*
 - *Med: Remediation plans stabilizing enrollment*

Q2 2024 Highlights

Revenue & Adj. EPS¹ ahead of expectations

- Total enrollment growth YoY sequential improvement
- Brand campaigns delivering strong demand
- Delivering enhanced student experiences, maintained high persistence, quality academic outcomes

Capital allocation

- Completed \$300 million February 2022 Board authorized share repurchase program on January 16, 2024
- New \$300 million share repurchase program authorized through January 2027²
- Repaid \$50 million of outstanding Term Loan B balance on Jan. 26, 2024; remaining \$253 million Term Loan B balance repriced, reducing interest rate by 50 bps

Growth with Purpose

Programs:

- Chamberlain: BSN Online Option, national footprint offered in 32 states, optimal blend of flexibility & experiential learning, >1,100 enrolled students
- Walden: Believe & Achieve Scholarship, increasing price transparency, rewarding persistence, lowering net cost for students, over 15k students participating
- RUSM: Return Home clinical offering is fostering a diverse physician pipeline for local communities, with RUSM students now able to complete clinical rotations within the communities they reside through select partner hospitals

Marketing:

- Optimized brand campaigns and channel mix, incremental spend efficiency, enterprise Q2 '24 inquiries up double digits YoY

Enrollment & Retention:

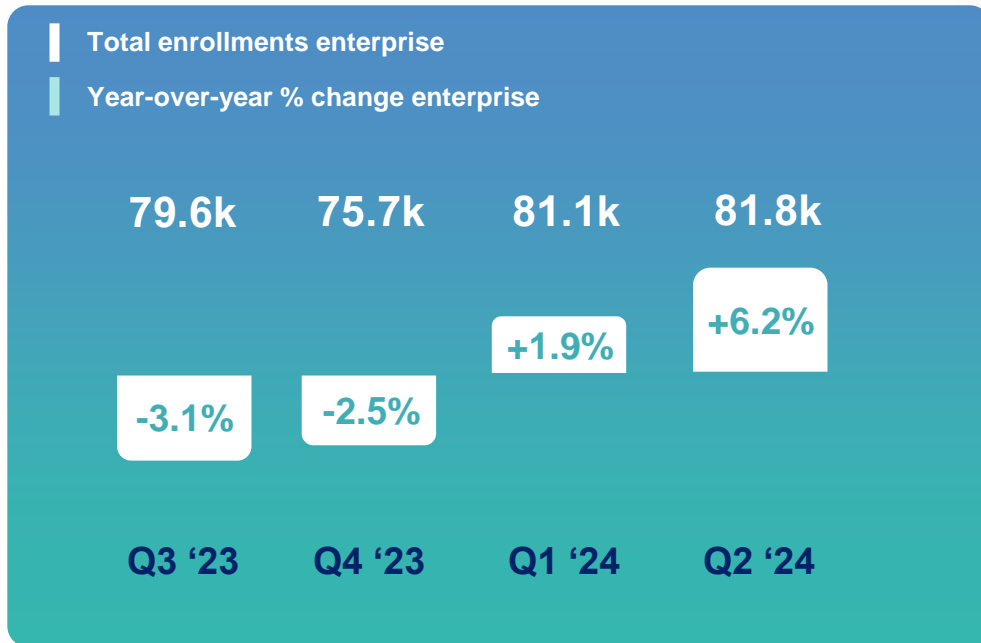
- Enhanced student experience, removing friction by leveraging technology, Walden's student-to-clinical partner practicum system rolled-out at Chamberlain, leveraged by >5k students Sept. -> Nov. '23, improved practicum applications on-time submittal by 5.7%, reduced student in-bound support cases by 89%

Accelerating Total Enrollment Trends

Chamberlain fourth straight quarter of YoY total enrollment growth in pre-licensure & post-licensure programs

Walden accelerated positive YoY total enrollment growth led by healthcare programs

Continue to deliver enhanced student outcomes, higher persistence levels



Year-over-year % change

	Q1 '24	Q2 '24
Chamberlain:	+5.2%	+6.6%
Walden:	+0.5%	+7.9%
Med/Vet ² :	-7.5%	-7.5%

Enterprise Performance

Growth with Purpose strategy improving key areas of value creation
Revenue growth and operational efficiencies partially offset by strategic investments

<i>\$ in Millions</i>	Q2 '24	Q2 '23	Δ vs. Q2 '23
Revenue	\$393.2	\$362.8	+8.4%
Adj. EBITDA¹	\$92.6	\$90.5	+2.2%
% Margin¹	23.5%	25.0%	(150) bps
Adj. EPS¹	\$1.23	\$1.17	+5.1%
Total Enrollment²	81,772	76,980	+6.2%

Total Enrollment +6.2%

- Improvement of +430 basis points compared to Q1 '24 YoY

Adj. EBITDA¹ margin (150) bps

- Revenue growth & operational efficiencies offset by investments in Growth with Purpose strategic initiatives & other costs

Adj. EPS¹ +5.1%

- Repurchased 1.4 million shares in Q2 '24
- Favorable Q2 '24 adj. effective tax rate
- Interest expense increased primarily due to additional letter of credit

Chamberlain Performance

Growth driven by post-licensure & pre-licensure nursing programs

<i>\$ in Millions</i>	Q2 '24	Q2 '23	Δ vs. Q2 '23
Revenue	\$153.6	\$141.4	+8.6%
Adj. EBITDA¹	\$36.9	\$37.7	(2.2)%
<i>% Margin¹</i>	<i>24.0%</i>	<i>26.7%</i>	<i>(270) bps</i>
Total Enrollment²	35,592	33,390	+6.6%

Q2 '24 vs. Q2 '23:

- Pre-licensure: BSN Online Option, offered in 32 states, triple digit total enrollment YoY percentage growth
- Post-licensure: growth in MSN programs, specifically Psychiatric-Mental Health ~2,200 students

Total Enrollment +6.6%

- Growth in post-licensure & pre-licensure nursing programs

Adj. EBITDA¹ margin (270) bps

- Revenue growth & operational efficiencies more than offset by investments in marketing, student support services to enhance academic outcomes and other costs



Walden Performance

Accelerated total enrollment growth & continued strength in new enrollment demand
Higher persistence

<i>\$ in Millions</i>	Q2 '24	Q2 '23	Δ vs. Q2 '23
Revenue	\$146.8	\$131.9	+11.3%
Adj. EBITDA¹	\$34.6	\$31.6	+9.8%
<i>% Margin¹</i>	23.6%	23.9%	(30) bps
Total Enrollment²	40,971	37,956	+7.9%

Q2 '24 vs. Q2 '23:

- Healthcare: led by social behavioral health, double digit total enrollment YoY percentage growth
- Total enrollment growth across programs

Total Enrollment +7.9%

- Growth in healthcare & non-healthcare programs and higher persistence
- New enrollments up YoY healthcare & non-healthcare programs

Adj. EBITDA¹ margin (30) bps

- Revenue growth, transformation and operational efficiencies offset by investments, additional student support from strong growth in new enrollment and other costs

Medical & Veterinary Performance

Vet maintaining leading position

Med operational remediation plans showing early improvements

<i>\$ in Millions</i>	Q2 '24	Q2 '23	Δ vs. Q2 '23
Revenue	\$92.9	\$89.5	+3.8%
Adj. EBITDA¹	\$26.4	\$25.8	+2.3%
<i>% Margin¹</i>	28.4%	28.8%	(40) bps
Total Enrollment^{2,3}	5,209	5,634	(7.5)%

Medical schools' operational remediation plans on-track:

- Renewed focus on operational efficiency, specifically academic support and enrollment experience
- Continued improvement in total enrollment trends over the remainder of the fiscal year

Total Enrollment (7.5)%

- 2Q '24 doesn't include a new enrollment period; total enrollment and YoY growth is same as 1Q '24 reported results

Adj. EBITDA¹ margin (40) bps

- Revenue growth offset by technology investments and other costs

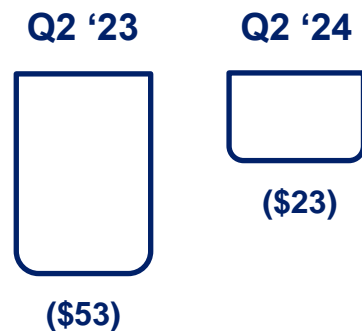
1. Reconciliations to Non-GAAP Financial Measures and definitions can be found in the appendix
 2. Represents total students attending sessions during each institution's most recent enrollment period
 3. Medical and Veterinary schools do not have a new enrollment period starting in Q2 FY '24.
 Q2 FY '24 enrollment period is the same as Q1 FY '24 enrollment period and corresponding reported enrollment data.

Cash Flow

Continued healthy cash generation and disciplined capital allocation

\$ in Millions

Three Months



Operating Cash Flow

Capital Expenditure

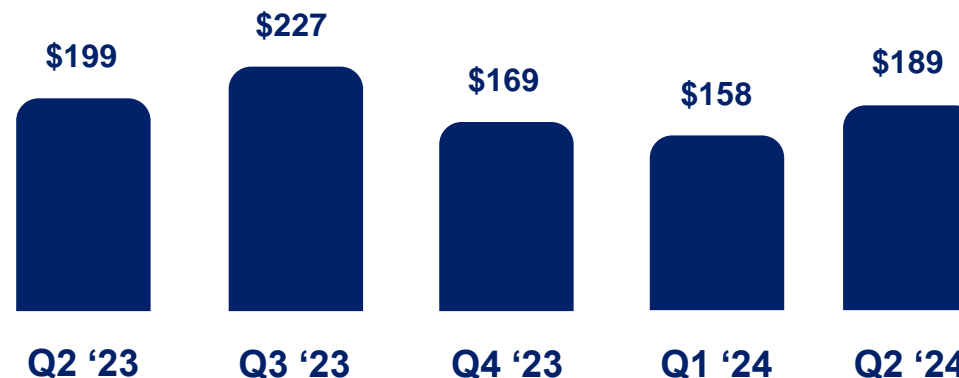
Free Cash Flow¹

(\$49) (\$8)

(\$4) (\$15)

(\$53) (\$23)

Trailing Twelve Months



Q2 '23

Q3 '23

Q4 '23

Q1 '24

Q2 '24

\$225

\$255

\$206

\$205

\$246

(\$26)

(\$28)

(\$37)

(\$47)

(\$57)

\$199

\$227

\$169

\$158

\$189

FY 2024 Guidance

Raising Revenue and Adj. EPS outlook

Revenue \$1,520m - \$1,560m

Adj. EPS¹ \$4.55 - \$4.75

Underlying Themes

Sustained level of higher organic revenue in 2H '24

Maintain Adj. EBITDA¹ margin

Investments in organic growth

Continued strong cash flow & active capital deployment

1. Reconciliations to Non-GAAP Financial Measures and definitions can be found in the appendix.

As a systemically important component of the U.S. healthcare system, with a clear growth roadmap and meaningful shareholder value creation opportunities

Transformed Portfolio, Positioned Well as a Leading Healthcare Educator

In a growing, structurally attractive industry with tailwinds

Creating Long-Term Value with Growth with Purpose Strategy

Focused on accelerating organic total enrollment growth and efficiency

Executing with Operational Excellence

Creating the ability to sustainably invest in accretive growth opportunities while delivering long-term margin expansion

Strong and Stable Financial Profile

With a healthy balance sheet, cash generative model, and an attractive capital allocation philosophy

Greater Scale Driving a Greater Purpose

Committed to student and societal outcomes

Disciplined Capital Allocation Philosophy

Student Growth

Growth with Purpose to invest back into our institutions and capabilities to reach optimal capacity

Return Excess Cash

Completed February 2022 Board-authorized \$300m share repurchase program¹
New Board-authorized \$300m share repurchase program through January 2027²

Financial Strength

Thoughtfully reduce long-term financial obligations to maximize flexibility and balance sheet strength
Repaid \$50 million of outstanding Term Loan B balance on Jan. 26, 2024;
remaining \$253 million Term Loan B balance repriced, reducing interest rate by 50 bps

Opportunistic M&A

Opportunities to enhance our student outcomes through capabilities and technology
Focused on tuck-ins to horizontally expand into in-demand healthcare education markets

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:

Adjusted net income (most comparable GAAP measure: net income) – Measure of Adtalem's net income adjusted for restructuring expense, business integration expense, intangible amortization expense, write-off of debt discount and issuance costs, gain on extinguishment of debt, litigation reserve, investment impairment, loss on assets held for sale, and (income) loss from discontinued operations.

Adjusted earnings per share (most comparable GAAP measure: earnings per share) – Measure of Adtalem's diluted earnings per share adjusted for restructuring expense, business integration expense, intangible amortization expense, write-off of debt discount and issuance costs, gain on extinguishment of debt, litigation reserve, investment impairment, loss on assets held for sale, and (income) loss from discontinued operations.

Adjusted operating income (most comparable GAAP measure: operating income) – Measure of Adtalem's operating income adjusted for restructuring expense, business integration expense, intangible amortization expense, litigation reserve, and loss on assets held for sale. 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) – Measure of Adtalem's net income adjusted for (income) loss from discontinued operations, interest expense, other expense (income), net, provision for income taxes, depreciation and amortization, stock-based compensation, restructuring expense, business integration expense, litigation reserve, and loss on assets held for sale. This measure is applied on a consolidated and segment basis, depending on the context of the discussion. Provision for income taxes, interest expense, and other expense (income), net 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:

- Restructuring expense primarily related to real estate consolidations at Walden, Medical and Veterinary, and Adtalem's home office. We do not include normal, recurring, cash operating expenses in our restructuring expense.
- Business integration expense include expenses related to the Walden acquisition and certain costs related to growth transformation initiatives. We do not include normal, recurring, cash operating expenses in our business integration expense.
- Intangible amortization expense on acquired intangible assets.
- Write-off of debt discount and issuance costs and gain on extinguishment of debt related to prepayments of debt, reserves related to significant litigation, impairment of an equity investment, and loss on assets held for sale related to a fair value write-down on assets.
- (Income) loss from discontinued operations includes expense from ongoing litigation costs and settlements related to the DeVry University and Carrington College divestitures, a (gain) loss on sale of ACAMS, Becker, and OCL for working capital adjustments to the initial sales prices, and the earn-outs we received.

Non-GAAP Adjusted Operating by Segment Disclosure (1/2)

(unaudited)
(in thousands)

	Three Months Ended December 31,				Six Months Ended December 31,			
	2023	2022	Increase/(Decrease)		2023	2022	Increase/(Decrease)	
			\$	%			\$	%
Chamberlain:								
Operating income (GAAP)	\$ 29,640	\$ 33,229	\$ (3,589)	(10.8)%	\$ 53,964	\$ 59,413	\$ (5,449)	(9.2)%
Restructuring expense	—	—	—		—	818	(818)	
Adjusted operating income (non-GAAP)	<u>\$ 29,640</u>	<u>\$ 33,229</u>	<u>\$ (3,589)</u>	(10.8)%	<u>\$ 53,964</u>	<u>\$ 60,231</u>	<u>\$ (6,267)</u>	(10.4)%
Operating margin (GAAP)	19.3 %	23.5 %			18.2 %	21.5 %		
Operating margin (non-GAAP)	19.3 %	23.5 %			18.2 %	21.8 %		
Walden:								
Operating income (GAAP)	\$ 21,598	\$ 12,795	\$ 8,803	68.8 %	\$ 23,536	\$ 15,728	\$ 7,808	49.6 %
Restructuring expense	(776)	41	(817)		(776)	3,121	(3,897)	
Intangible amortization expense	9,333	16,176	(6,843)		20,010	34,704	(14,694)	
Litigation reserve	—	—	—		18,500	—	18,500	
Adjusted operating income (non-GAAP)	<u>\$ 30,155</u>	<u>\$ 29,012</u>	<u>\$ 1,143</u>	3.9 %	<u>\$ 61,270</u>	<u>\$ 53,553</u>	<u>\$ 7,717</u>	14.4 %
Operating margin (GAAP)	14.7 %	9.7 %			8.2 %	6.0 %		
Operating margin (non-GAAP)	20.5 %	22.0 %			21.2 %	20.4 %		
Medical and Veterinary:								
Operating income (GAAP)	\$ 22,020	\$ 22,462	\$ (442)	(2.0)%	\$ 36,383	\$ 32,700	\$ 3,683	11.3 %
Restructuring expense	71	87	(16)		185	6,913	(6,728)	
Adjusted operating income (non-GAAP)	<u>\$ 22,091</u>	<u>\$ 22,549</u>	<u>\$ (458)</u>	(2.0)%	<u>\$ 36,568</u>	<u>\$ 39,613</u>	<u>\$ (3,045)</u>	(7.7)%
Operating margin (GAAP)	23.7 %	25.1 %			20.5 %	18.4 %		
Operating margin (non-GAAP)	23.8 %	25.2 %			20.6 %	22.3 %		

Non-GAAP Adjusted Operating by Segment Disclosure (2/2)

(unaudited)
(in thousands)

	Three Months Ended December 31,				Six Months Ended December 31,			
	2023	2022	Increase/(Decrease)		2023	2022	Increase/(Decrease)	
			\$	%			\$	%
Home Office and Other:								
Operating loss (GAAP)	\$ (14,646)	\$ (22,936)	\$ 8,290	36.1 %	\$ (27,077)	\$ (38,657)	\$ 11,580	30.0 %
Restructuring expense	773	1,235	(462)		1,335	5,576	(4,241)	
Business integration expense	6,909	14,816	(7,907)		12,171	24,356	(12,185)	
Loss on assets held for sale	647	—	647		647	—	647	
Adjusted operating loss (non-GAAP)	<u>\$ (6,317)</u>	<u>\$ (6,885)</u>	<u>\$ 568</u>	8.2 %	<u>\$ (12,924)</u>	<u>\$ (8,725)</u>	<u>\$ (4,199)</u>	(48.1)%
Adtalem Global Education:								
Operating income (GAAP)	\$ 58,612	\$ 45,550	\$ 13,062	28.7 %	\$ 86,806	\$ 69,184	\$ 17,622	25.5 %
Restructuring expense	68	1,363	(1,295)		744	16,428	(15,684)	
Business integration expense	6,909	14,816	(7,907)		12,171	24,356	(12,185)	
Intangible amortization expense	9,333	16,176	(6,843)		20,010	34,704	(14,694)	
Litigation reserve	—	—	—		18,500	—	18,500	
Loss on assets held for sale	647	—	647		647	—	647	
Adjusted operating income (non-GAAP)	<u>\$ 75,569</u>	<u>\$ 77,905</u>	<u>\$ (2,336)</u>	(3.0)%	<u>\$ 138,878</u>	<u>\$ 144,672</u>	<u>\$ (5,794)</u>	(4.0)%
Operating margin (GAAP)	14.9 %	12.6 %			11.4 %	9.6 %		
Operating margin (non-GAAP)	19.2 %	21.5 %			18.2 %	20.2 %		

Non-GAAP Adjusted EBITDA by Segment Disclosure (1/2)

(unaudited)
(in thousands)

	Three Months Ended December 31,				Six Months Ended December 31,			
	2023	2022	Increase/(Decrease)		2023	2022	Increase/(Decrease)	
			\$	%			\$	%
Chamberlain:								
Operating income (GAAP)	\$ 29,640	\$ 33,229	\$ (3,589)	(10.8)%	\$ 53,964	\$ 59,413	\$ (5,449)	(9.2)%
Restructuring expense	—	—	—		—	818	(818)	
Depreciation	5,162	4,099	1,063		9,478	8,580	898	
Stock-based compensation	2,089	404	1,685		4,996	2,677	2,319	
Adjusted EBITDA (non-GAAP)	<u>\$ 36,891</u>	<u>\$ 37,732</u>	<u>\$ (841)</u>	(2.2)%	<u>\$ 68,438</u>	<u>\$ 71,488</u>	<u>\$ (3,050)</u>	(4.3)%
Adjusted EBITDA margin (non-GAAP)	24.0 %	26.7 %			23.1 %	25.8 %		
Walden:								
Operating income (GAAP)	\$ 21,598	\$ 12,795	\$ 8,803	68.8 %	\$ 23,536	\$ 15,728	\$ 7,808	49.6 %
Restructuring expense	(776)	41	(817)		(776)	3,121	(3,897)	
Intangible amortization expense	9,333	16,176	(6,843)		20,010	34,704	(14,694)	
Litigation reserve	—	—	—		18,500	—	18,500	
Depreciation	2,305	2,269	36		4,467	4,864	(397)	
Stock-based compensation	2,188	286	1,902		4,052	2,191	1,861	
Adjusted EBITDA (non-GAAP)	<u>\$ 34,648</u>	<u>\$ 31,567</u>	<u>\$ 3,081</u>	9.8 %	<u>\$ 69,789</u>	<u>\$ 60,608</u>	<u>\$ 9,181</u>	15.1 %
Adjusted EBITDA margin (non-GAAP)	23.6 %	23.9 %			24.2 %	23.1 %		
Medical and Veterinary:								
Operating income (GAAP)	\$ 22,020	\$ 22,462	\$ (442)	(2.0)%	\$ 36,383	\$ 32,700	\$ 3,683	11.3 %
Restructuring expense	71	87	(16)		185	6,913	(6,728)	
Depreciation	3,110	3,031	79		6,054	6,136	(82)	
Stock-based compensation	1,196	229	967		2,836	1,704	1,132	
Adjusted EBITDA (non-GAAP)	<u>\$ 26,397</u>	<u>\$ 25,809</u>	<u>\$ 588</u>	2.3 %	<u>\$ 45,458</u>	<u>\$ 47,453</u>	<u>\$ (1,995)</u>	(4.2)%
Adjusted EBITDA margin (non-GAAP)	28.4 %	28.8 %			25.6 %	26.7 %		

Non-GAAP Adjusted EBITDA by Segment Disclosure (2/2)

(unaudited)
(in thousands)

	Three Months Ended December 31,				Six Months Ended December 31,			
	2023	2022	Increase/(Decrease)		2023	2022	Increase/(Decrease)	
			\$	%			\$	%
Home Office and Other:								
Operating loss (GAAP)	\$ (14,646)	\$ (22,936)	\$ 8,290	36.1 %	\$ (27,077)	\$ (38,657)	\$ 11,580	30.0 %
Restructuring expense	773	1,235	(462)		1,335	5,576	(4,241)	
Business integration expense	6,909	14,816	(7,907)		12,171	24,356	(12,185)	
Loss on assets held for sale	647	—	647		647	—	647	
Depreciation	359	1,257	(898)		715	1,881	(1,166)	
Stock-based compensation	577	1,049	(472)		1,621	1,541	80	
Adjusted EBITDA (non-GAAP)	<u>\$ (5,381)</u>	<u>\$ (4,579)</u>	<u>\$ (802)</u>	(17.5)%	<u>\$ (10,588)</u>	<u>\$ (5,303)</u>	<u>\$ (5,285)</u>	(99.7)%
Adtalem Global Education:								
Net income (GAAP)	\$ 39,891	\$ 24,653	\$ 15,238	61.8 %	\$ 50,537	\$ 25,245	\$ 25,292	100.2 %
(Income) loss from discontinued operations	(2,178)	(527)	(1,651)		(865)	4,394	(5,259)	
Interest expense	16,693	15,589	1,104		32,350	33,349	(999)	
Other expense (income), net	(3,563)	1,440	(5,003)		(5,777)	679	(6,456)	
Provision for income taxes	7,769	4,395	3,374		10,561	5,517	5,044	
Operating income (GAAP)	58,612	45,550	13,062		86,806	69,184	17,622	
Depreciation and amortization	20,269	26,832	(6,563)		40,724	56,165	(15,441)	
Stock-based compensation	6,050	1,968	4,082		13,505	8,113	5,392	
Restructuring expense	68	1,363	(1,295)		744	16,428	(15,684)	
Business integration expense	6,909	14,816	(7,907)		12,171	24,356	(12,185)	
Litigation reserve	—	—	—		18,500	—	18,500	
Loss on assets held for sale	647	—	647		647	—	647	
Adjusted EBITDA (non-GAAP)	<u>\$ 92,555</u>	<u>\$ 90,529</u>	<u>\$ 2,026</u>	2.2 %	<u>\$ 173,097</u>	<u>\$ 174,246</u>	<u>\$ (1,149)</u>	(0.7)%
Adjusted EBITDA margin (non-GAAP)	23.5 %	25.0 %			22.7 %	24.3 %		

Non-GAAP Earnings Disclosure

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Net income (GAAP)	\$ 39,891	\$ 24,653	\$ 50,537	\$ 25,245
Restructuring expense	68	1,363	744	16,428
Business integration expense	6,909	14,816	12,171	24,356
Intangible amortization expense	9,333	16,176	20,010	34,704
Write-off of debt discount and issuance costs, gain on extinguishment of debt, litigation reserve, investment impairment, and loss on assets held for sale	647	6,402	19,147	9,226
Income tax impact on non-GAAP adjustments ⁽¹⁾	(4,402)	(9,111)	(12,095)	(18,982)
(Income) loss from discontinued operations	(2,178)	(527)	(865)	4,394
Adjusted net income (non-GAAP)	<u>\$ 50,268</u>	<u>\$ 53,772</u>	<u>\$ 89,649</u>	<u>\$ 95,371</u>

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Diluted earnings per share (GAAP)	\$ 0.98	\$ 0.53	\$ 1.22	\$ 0.55
Effect on diluted earnings per share:				
Restructuring expense	0.00	0.03	0.02	0.36
Business integration expense	0.17	0.32	0.29	0.53
Intangible amortization expense	0.23	0.35	0.48	0.75
Write-off of debt discount and issuance costs, gain on extinguishment of debt, litigation reserve, investment impairment, and loss on assets held for sale	0.02	0.14	0.46	0.20
Income tax impact on non-GAAP adjustments ⁽¹⁾	(0.11)	(0.20)	(0.29)	(0.41)
(Income) loss from discontinued operations	(0.05)	(0.01)	(0.02)	0.10
Adjusted earnings per share (non-GAAP)	<u>\$ 1.23</u>	<u>\$ 1.17</u>	<u>\$ 2.16</u>	<u>\$ 2.06</u>
Diluted shares used in non-GAAP EPS calculation	40,787	46,121	41,486	46,232

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		Six Months Ended		Twelve Months Ended				
	FY24	FY23	FY24	FY23	FY24	FY24	FY23	FY23	FY23
	Q2	Q2	Q2	Q2	Q2	Q1	Q4	Q3	Q2
Net cash provided by (used in) operating activities-continuing operations (GAAP)	\$ (7,657)	\$ (49,199)	\$ 83,069	\$ 42,277	\$ 246,476	\$ 204,934	\$ 205,684	\$ 255,052	\$ 225,247
Capital expenditures	(15,282)	(4,196)	(30,328)	(9,747)	(57,589)	(46,503)	(37,008)	(27,861)	(26,029)
Free cash flow (non- GAAP)	<u>\$ (22,939)</u>	<u>\$ (53,395)</u>	<u>\$ 52,741</u>	<u>\$ 32,530</u>	<u>\$ 188,887</u>	<u>\$ 158,431</u>	<u>\$ 168,676</u>	<u>\$ 227,191</u>	<u>\$ 199,218</u>

