



ADTALEM
GLOBAL EDUCATION

Third Quarter 2024 Earnings

May 2, 2024

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 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) 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

>85k 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

Q3 2024 Performance

Total enrollment growth YoY: +7.8%

\$413 million

Revenue
+11.8% vs. prior year

25.9%

Adj. EBITDA¹ margin
+260 bps vs. prior year

\$1.50

Adj. EPS¹
+32.7% vs. prior year

Growth with Purpose delivering enterprise total enrollment growth & operational leverage

- **Chamberlain:** 38.0k students
 - *Highest total enrollment result in university history; leveraging scale & national footprint with a full breadth of nursing programs & modalities*
- **Walden:** 42.8k students
 - *Robust total enrollment growth across degree levels; performance accelerated by investments in student experience & brand, flexibility to working adults through part-time, self-paced, and Tempo Learning[®] competency-based programs*
- **Med/Vet:** 5.1k students
 - *Med & Vet: Scott Liles started as new segment president on April 1st*
 - *Vet: Operating at near capacity*
 - *Med: Remediation plans starting to improve enrollment trends, sequentially improved total enrollment YoY trend Q2 '24 to Q3 '24*

Q3 2024 Highlights

Revenue & Adj. EPS¹ ahead of expectations

- Total enrollment growth YoY sequential improvement
- Brand campaigns delivering efficient demand, optimizing enrollment process
- Operational execution focus, enhanced student experiences, maintained high persistence, quality academic outcomes

Financial strength

- Repurchased \$91 million of shares in Q3 '24
- Repaid \$50 million of outstanding Term Loan B balance on January 26, 2024; reduced interest rate by 50 bps on remaining \$253 million Term Loan B
- Department of Education letters of credit balance reduced by \$76.2 million on January 31, 2024, balance as of March 31, 2024, \$241.9 million
- Trailing twelve months free cash flow¹ \$233 million

Growth with Purpose

Programs:

- Chamberlain: BSN Online Option, national footprint offered in 33 states, optimal blend of flexibility & experiential learning, ~1,700 enrolled students
- Walden: Believe & Achieve Scholarship™, increasing price transparency, rewarding persistence, lowering cost for students, over 23k students participating²
- AUC and RUSM achieved a combined 98% first-time residency attainment rate³, placing more than 815 students and graduates, including 189 that identify as Black/African American or Hispanic, into over 350 healthcare facilities

Marketing:

- Optimized brand campaigns and channel mix, incremental spend efficiency, enterprise Q3 '24 inquiries up YoY

Enrollment & Retention:

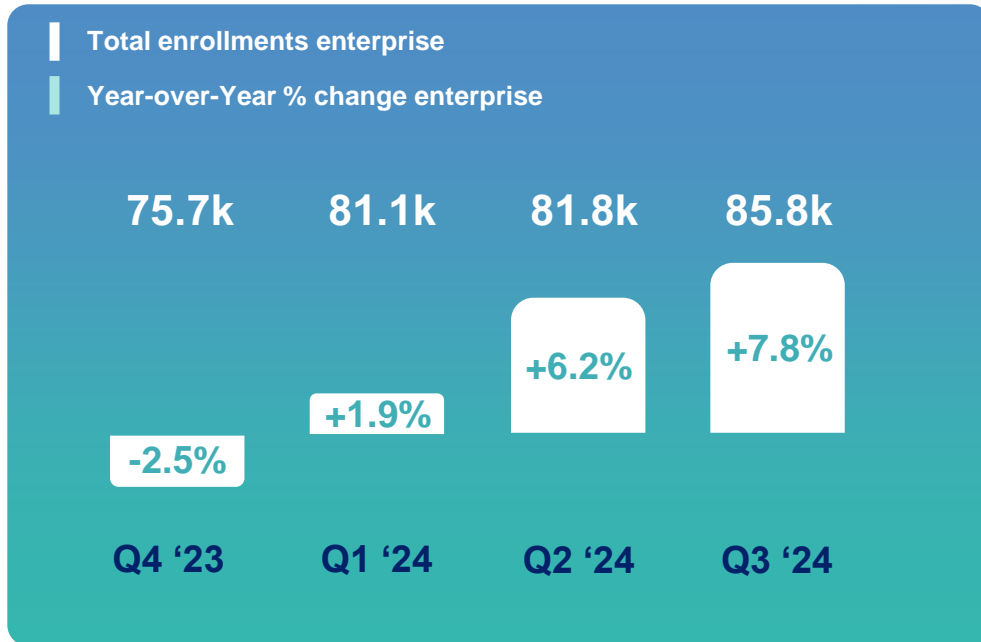
- Enhanced student experience, leveraging proprietary data and insights to launch new student-facing conversational tools, 9% increase in student contact rate during recent enrollment campaign

Accelerating Total Enrollment Trends

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

Walden: third straight quarter of YoY total enrollment growth

Continue to deliver enhanced student outcomes, maintained high persistence levels



Year-over-Year % change

	Q2 '24	Q3 '24
Chamberlain:	+6.6%	+9.0%
Walden:	+7.9%	+8.4%
Med/Vet:	-7.5%	-4.5%

Enterprise Performance

Growth with Purpose strategy improving key areas of value creation

Revenue growth and efficiencies generating operational leverage

Optimally balancing increased level of investments

<i>\$ in Millions</i>	Q3 '24	Q3 '23	Δ vs. Q3 '23
Revenue	\$412.7	\$369.1	+11.8%
Adj. EBITDA¹	\$107.1	\$85.9	+24.6%
% Margin¹	25.9%	23.3%	+260 bps
Adj. EPS¹	\$1.50	\$1.13	+32.7%
Total Enrollment²	85,809	79,586	+7.8%

Total Enrollment +7.8%

- Improvement of +160 basis points compared to Q2 '24 YoY

Adj. EBITDA¹ margin +260 bps

- Revenue growth and operational efficiencies partially offset by investments in Growth with Purpose strategic initiatives

Adj. EPS¹ +32.7%

- Repurchased 1.8 million shares in Q3 '24

Chamberlain Performance

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

<i>\$ in Millions</i>	Q3 '24	Q3 '23	Δ vs. Q3 '23
Revenue	\$170.3	\$149.7	+13.8%
Adj. EBITDA¹	\$50.5	\$44.9	+12.3%
<i>% Margin¹</i>	<i>29.6%</i>	<i>30.0%</i>	<i>(40) bps</i>
Total Enrollment²	37,985	34,847	+9.0%

Q3 '24 vs. Q3 '23:

- Pre-licensure: BSN Online Option, offered in 33 states, triple digit total enrollment YoY percentage growth
- Post-licensure: growth in MSN programs, specifically Psychiatric-Mental Health ~2,550 students enrolled

Total Enrollment +9.0%

- Growth in post-licensure & pre-licensure nursing programs
- New enrollments up YoY pre-licensure & post-licensure programs

Adj. EBITDA¹ margin (40) bps

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



Walden Performance

Robust total enrollment growth & continued strength in new enrollment demand
High persistence

<i>\$ in Millions</i>	Q3 '24	Q3 '23	Δ vs. Q3 '23
Revenue	\$150.6	\$132.9	+13.3%
Adj. EBITDA¹	\$35.9	\$27.8	+28.9%
<i>% Margin¹</i>	23.8%	20.9%	+290 bps
Total Enrollment²	42,751	39,427	+8.4%

Q3 '24 vs. Q3 '23:

- Led by social behavioral health and nursing, double digit total enrollment YoY percentage growth
- Total enrollment growth across all degree levels, particularly undergraduate

Total Enrollment +8.4%

- Growth in healthcare slightly offset by non-healthcare programs
- New enrollments up YoY healthcare & non-healthcare programs

Adj. EBITDA¹ margin +290 bps

- Revenue growth and transformation & operational efficiencies generating positive leverage, outpacing increased investments and additional student support from strong growth in new enrollment

Medical & Veterinary Performance

Vet maintaining leading position

Med operational remediation plans showing early improvements to total enrollment trends

<i>\$ in Millions</i>	Q3 '24	Q3 '23	Δ vs. Q3 '23
Revenue	\$91.7	\$86.5	+6.1%
Adj. EBITDA¹	\$27.0	\$20.7	+30.3%
<i>% Margin¹</i>	29.4%	24.0%	+540 bps
Total Enrollment²	5,073	5,312	(4.5)%

Medical schools' operational remediation plans on-track:

- Renewed focus on operational efficiency, specifically academic support and enrollment experience
- Continued improvement in total enrollment trends

Total Enrollment (4.5)%

- *RUSVM operating at near capacity*
- *Medical schools' sequential improvement in total enrollment trends*

Adj. EBITDA¹ margin +540 bps

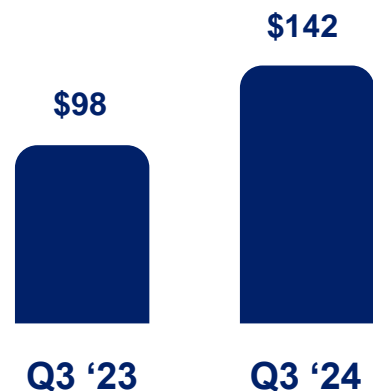
- *Revenue growth and renewed operational focus driving cost efficiencies*

Cash Flow

Continued healthy cash generation and disciplined capital allocation

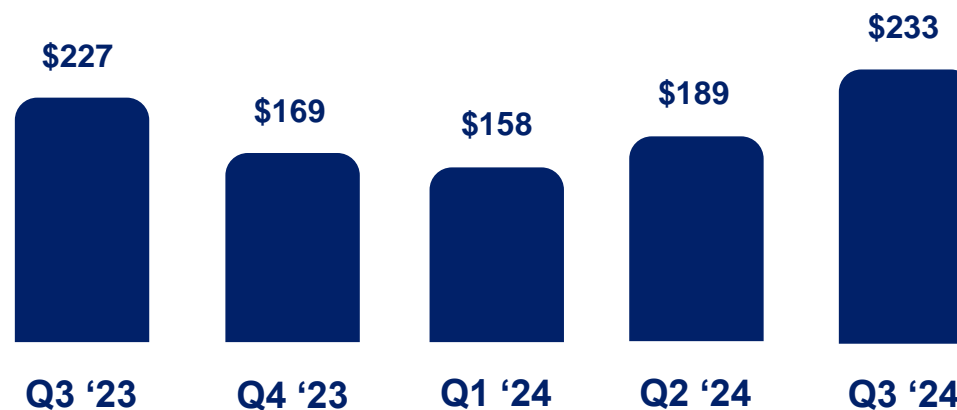
\$ in Millions

Three Months



	Q3 '23	Q3 '24
Operating Cash Flow ¹	\$107	\$164
Capital Expenditure	(\$9)	(\$22)
Free Cash Flow²	\$98	\$142

Trailing Twelve Months



	Q3 '23	Q4 '23	Q1 '24	Q2 '24	Q3 '24
Operating Cash Flow ¹	\$255	\$206	\$205	\$246	\$303
Capital Expenditure	(\$28)	(\$37)	(\$47)	(\$57)	(\$70)
Free Cash Flow²	\$227	\$169	\$158	\$189	\$233

1. Operating cash flow defined as net cash provided by operating activities – continuing operations (GAAP)
2. Reconciliations to Non-GAAP Financial Measures and definitions can be found in the appendix

FY 2024 Guidance

Raising Revenue and Adj. EPS Outlook

Revenue **\$1,560m - \$1,580m**

Adj. EPS¹ **\$4.80 - \$5.00**

Underlying Themes

Sustained level of higher organic revenue in Q4 '24

Maintain Adj. EBITDA¹ margin

Investments in organic growth

Continued strong cash flow & active capital deployment

Dept. of Ed. Letters of Credit: reduced by \$76.2m on January 31, 2024, balance as of March 31, 2024, \$241.9m

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

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 durable demand trends

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

\$220 million remaining on our Board-authorized \$300 million share repurchase program through January 2027¹

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 January 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 March 31,				Nine Months Ended March 31,			
	2024	2023	Increase/(Decrease)		2024	2023	Increase/(Decrease)	
			\$	%			\$	%
Chamberlain:								
Operating income (GAAP)	\$ 43,349	\$ 39,589	\$ 3,760	9.5 %	\$ 97,313	\$ 99,002	\$ (1,689)	(1.7)%
Restructuring expense	—	—	—		—	818	(818)	
Adjusted operating income (non-GAAP)	<u>\$ 43,349</u>	<u>\$ 39,589</u>	<u>\$ 3,760</u>	9.5 %	<u>\$ 97,313</u>	<u>\$ 99,820</u>	<u>\$ (2,507)</u>	(2.5)%
Operating margin (GAAP)	25.4 %	26.4 %			20.9 %	23.2 %		
Operating margin (non-GAAP)	25.4 %	26.4 %			20.9 %	23.4 %		
Walden:								
Operating income (GAAP)	\$ 23,585	\$ 10,343	\$ 13,242	128.0 %	\$ 47,121	\$ 26,071	\$ 21,050	80.7 %
Restructuring expense	—	53	(53)		(776)	3,174	(3,950)	
Intangible amortization expense	8,286	14,232	(5,946)		28,296	48,936	(20,640)	
Litigation reserve	—	—	—		18,500	—	18,500	
Adjusted operating income (non-GAAP)	<u>\$ 31,871</u>	<u>\$ 24,628</u>	<u>\$ 7,243</u>	29.4 %	<u>\$ 93,141</u>	<u>\$ 78,181</u>	<u>\$ 14,960</u>	19.1 %
Operating margin (GAAP)	15.7 %	7.8 %			10.7 %	6.6 %		
Operating margin (non-GAAP)	21.2 %	18.5 %			21.2 %	19.8 %		
Medical and Veterinary:								
Operating income (GAAP)	\$ 22,759	\$ 16,472	\$ 6,287	38.2 %	\$ 59,142	\$ 49,172	\$ 9,970	20.3 %
Restructuring expense	194	421	(227)		379	7,334	(6,955)	
Adjusted operating income (non-GAAP)	<u>\$ 22,953</u>	<u>\$ 16,893</u>	<u>\$ 6,060</u>	35.9 %	<u>\$ 59,521</u>	<u>\$ 56,506</u>	<u>\$ 3,015</u>	5.3 %
Operating margin (GAAP)	24.8 %	19.0 %			22.0 %	18.6 %		
Operating margin (non-GAAP)	25.0 %	19.5 %			22.1 %	21.4 %		

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

(unaudited)
(in thousands)

	Three Months Ended March 31,				Nine Months Ended March 31,			
	2024	2023	Increase/(Decrease)		2024	2023	Increase/(Decrease)	
			\$	%			\$	%
Home Office and Other:								
Operating loss (GAAP)	\$ (27,968)	\$ (6,975)	\$ (20,993)	(301.0)%	\$ (55,045)	\$ (45,632)	\$ (9,413)	(20.6)%
Restructuring expense	279	804	(525)		1,614	6,380	(4,766)	
Business integration expense	18,450	11,346	7,104		30,621	35,702	(5,081)	
Loss on assets held for sale	—	—	—		647	—	647	
Debt modification costs	848	—	848		848	—	848	
Gain on sale of assets	—	(13,317)	13,317		—	(13,317)	13,317	
Adjusted operating loss (non-GAAP)	<u>\$ (8,391)</u>	<u>\$ (8,142)</u>	<u>\$ (249)</u>	(3.1)%	<u>\$ (21,315)</u>	<u>\$ (16,867)</u>	<u>\$ (4,448)</u>	(26.4)%
Adtalem Global Education:								
Operating income (GAAP)	\$ 61,725	\$ 59,429	\$ 2,296	3.9 %	\$ 148,531	\$ 128,613	\$ 19,918	15.5 %
Restructuring expense	473	1,278	(805)		1,217	17,706	(16,489)	
Business integration expense	18,450	11,346	7,104		30,621	35,702	(5,081)	
Intangible amortization expense	8,286	14,232	(5,946)		28,296	48,936	(20,640)	
Litigation reserve	—	—	—		18,500	—	18,500	
Loss on assets held for sale	—	—	—		647	—	647	
Debt modification costs	848	—	848		848	—	848	
Gain on sale of assets	—	(13,317)	13,317		—	(13,317)	13,317	
Adjusted operating income (non-GAAP)	<u>\$ 89,782</u>	<u>\$ 72,968</u>	<u>\$ 16,814</u>	23.0 %	<u>\$ 228,660</u>	<u>\$ 217,640</u>	<u>\$ 11,020</u>	5.1 %
Operating margin (GAAP)	15.0 %	16.1 %			12.6 %	11.8 %		
Operating margin (non-GAAP)	21.8 %	19.8 %			19.5 %	20.0 %		

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

	(unaudited) (in thousands)							
	Three Months Ended March 31,				Nine Months Ended March 31,			
	2024	2023	Increase/(Decrease)		2024	2023	Increase/(Decrease)	
			\$	%			\$	%
Chamberlain:								
Operating income (GAAP)	\$ 43,349	\$ 39,589	\$ 3,760	9.5 %	\$ 97,313	\$ 99,002	\$ (1,689)	(1.7)%
Restructuring expense	—	—	—		—	818	(818)	
Depreciation	5,312	4,405	907		14,790	12,985	1,805	
Stock-based compensation	1,795	923	872		6,791	3,600	3,191	
Adjusted EBITDA (non-GAAP)	<u>\$ 50,456</u>	<u>\$ 44,917</u>	<u>\$ 5,539</u>	12.3 %	<u>\$ 118,894</u>	<u>\$ 116,405</u>	<u>\$ 2,489</u>	2.1 %
Adjusted EBITDA margin (non-GAAP)	29.6 %	30.0 %			25.5 %	27.3 %		
Walden:								
Operating income (GAAP)	\$ 23,585	\$ 10,343	\$ 13,242	128.0 %	\$ 47,121	\$ 26,071	\$ 21,050	80.7 %
Restructuring expense	—	53	(53)		(776)	3,174	(3,950)	
Intangible amortization expense	8,286	14,232	(5,946)		28,296	48,936	(20,640)	
Litigation reserve	—	—	—		18,500	—	18,500	
Depreciation	2,214	2,439	(225)		6,681	7,303	(622)	
Stock-based compensation	1,770	754	1,016		5,822	2,945	2,877	
Adjusted EBITDA (non-GAAP)	<u>\$ 35,855</u>	<u>\$ 27,821</u>	<u>\$ 8,034</u>	28.9 %	<u>\$ 105,644</u>	<u>\$ 88,429</u>	<u>\$ 17,215</u>	19.5 %
Adjusted EBITDA margin (non-GAAP)	23.8 %	20.9 %			24.1 %	22.3 %		
Medical and Veterinary:								
Operating income (GAAP)	\$ 22,759	\$ 16,472	\$ 6,287	38.2 %	\$ 59,142	\$ 49,172	\$ 9,970	20.3 %
Restructuring expense	194	421	(227)		379	7,334	(6,955)	
Depreciation	3,174	3,231	(57)		9,228	9,367	(139)	
Stock-based compensation	851	587	264		3,687	2,291	1,396	
Adjusted EBITDA (non-GAAP)	<u>\$ 26,978</u>	<u>\$ 20,711</u>	<u>\$ 6,267</u>	30.3 %	<u>\$ 72,436</u>	<u>\$ 68,164</u>	<u>\$ 4,272</u>	6.3 %
Adjusted EBITDA margin (non-GAAP)	29.4 %	24.0 %			26.9 %	25.8 %		

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

	(unaudited)							
	(in thousands)							
	Three Months Ended				Nine Months Ended			
	March 31,				March 31,			
	2024	2023	Increase/(Decrease)		2024	2023	Increase/(Decrease)	
			\$	%			\$	%
Home Office and Other:								
Operating loss (GAAP)	\$ (27,968)	\$ (6,975)	\$ (20,993)	(301.0)%	\$ (55,045)	\$ (45,632)	\$ (9,413)	(20.6)%
Restructuring expense	279	804	(525)		1,614	6,380	(4,766)	
Business integration expense	18,450	11,346	7,104		30,621	35,702	(5,081)	
Loss on assets held for sale	—	—	—		647	—	647	
Debt modification costs	848	—	848		848	—	848	
Gain on sale of assets	—	(13,317)	13,317		—	(13,317)	13,317	
Depreciation	692	82	610		1,407	1,963	(556)	
Stock-based compensation	1,484	531	953		3,105	2,072	1,033	
Adjusted EBITDA (non-GAAP)	<u>\$ (6,215)</u>	<u>\$ (7,529)</u>	<u>\$ 1,314</u>	17.5 %	<u>\$ (16,803)</u>	<u>\$ (12,832)</u>	<u>\$ (3,971)</u>	(30.9)%
Adtalem Global Education:								
Net income (GAAP)	\$ 36,821	\$ 45,869	\$ (9,048)	(19.7)%	\$ 87,358	\$ 71,114	\$ 16,244	22.8 %
Loss (income) from discontinued operations	620	2,694	(2,074)		(245)	7,088	(7,333)	
Interest expense	16,560	14,457	2,103		48,910	47,806	1,104	
Other income, net	(2,871)	(3,980)	1,109		(8,648)	(3,301)	(5,347)	
Provision for income taxes	10,595	389	10,206		21,156	5,906	15,250	
Operating income (GAAP)	61,725	59,429	2,296		148,531	128,613	19,918	
Depreciation and amortization	19,678	24,389	(4,711)		60,402	80,554	(20,152)	
Stock-based compensation	5,900	2,795	3,105		19,405	10,908	8,497	
Restructuring expense	473	1,278	(805)		1,217	17,706	(16,489)	
Business integration expense	18,450	11,346	7,104		30,621	35,702	(5,081)	
Litigation reserve	—	—	—		18,500	—	18,500	
Loss on assets held for sale	—	—	—		647	—	647	
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Gain on sale of assets	—	(13,317)	13,317		—	(13,317)	13,317	
Adjusted EBITDA (non-GAAP)	<u>\$ 107,074</u>	<u>\$ 85,920</u>	<u>\$ 21,154</u>	24.6 %	<u>\$ 280,171</u>	<u>\$ 260,166</u>	<u>\$ 20,005</u>	7.7 %
Adjusted EBITDA margin (non-GAAP)	25.9 %	23.3 %			23.8 %	24.0 %		

Non-GAAP Earnings Disclosure

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Net income (GAAP)	\$ 36,821	\$ 45,869	\$ 87,358	\$ 71,114
Restructuring expense	473	1,278	1,217	17,706
Business integration expense	18,450	11,346	30,621	35,702
Intangible amortization expense	8,286	14,232	28,296	48,936
Gain on sale of assets	—	(13,317)	—	(13,317)
Write-off of debt discount and issuance costs, gain on extinguishment of debt, litigation reserve, investment impairment, loss on assets held for sale, and debt modification costs	1,961	—	21,108	9,226
Net tax benefit related to a valuation allowance release	—	(6,184)	—	(6,184)
Income tax impact on non-GAAP adjustments ⁽¹⁾	(7,260)	(4,359)	(19,355)	(23,341)
Loss (income) from discontinued operations	620	2,694	(245)	7,088
Adjusted net income (non-GAAP)	<u>\$ 59,351</u>	<u>\$ 51,559</u>	<u>\$ 149,000</u>	<u>\$ 146,930</u>

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,	
	2024	2023	2024	2023
Diluted earnings per share (GAAP)	\$ 0.93	\$ 1.00	\$ 2.14	\$ 1.54
Effect on diluted earnings per share:				
Restructuring expense	0.01	0.03	0.03	0.38
Business integration expense	0.47	0.25	0.75	0.77
Intangible amortization expense	0.21	0.31	0.69	1.06
Gain on sale of assets	-	(0.29)	-	(0.29)
Write-off of debt discount and issuance costs, gain on extinguishment of debt, litigation reserve, investment impairment, loss on assets held for sale, and debt modification costs	0.05	-	0.52	0.20
Net tax benefit related to a valuation allowance release	-	(0.14)	-	(0.13)
Income tax impact on non-GAAP adjustments ⁽¹⁾	(0.18)	(0.10)	(0.47)	(0.51)
Loss (income) from discontinued operations	0.02	0.06	(0.01)	0.15
Adjusted earnings per share (non-GAAP)	<u>\$ 1.50</u>	<u>\$ 1.13</u>	<u>\$ 3.65</u>	<u>\$ 3.19</u>
Diluted shares used in non-GAAP EPS calculation	39,636	45,801	40,874	46,089

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		Nine Months Ended		Twelve Months Ended				
	FY24	FY23	FY24	FY23	FY24	FY24	FY24	FY23	FY23
	Q3	Q3	Q3	Q3	Q3	Q2	Q1	Q4	Q3
Net cash provided by operating activities-continuing operations (GAAP)	\$ 163,740	\$ 107,544	\$ 246,809	\$ 149,821	\$ 302,672	\$ 246,476	\$ 204,934	\$ 205,684	\$ 255,052
Capital expenditures	(21,686)	(9,309)	(52,014)	(19,056)	(69,966)	(57,589)	(46,503)	(37,008)	(27,861)
Free cash flow (non-GAAP)	<u>\$ 142,054</u>	<u>\$ 98,235</u>	<u>\$ 194,795</u>	<u>\$ 130,765</u>	<u>\$ 232,706</u>	<u>\$ 188,887</u>	<u>\$ 158,431</u>	<u>\$ 168,676</u>	<u>\$ 227,191</u>

