



# ADTALEM

GLOBAL EDUCATION

## Fourth Quarter & Full Year 2024 Earnings

August 6, 2024

# Safe Harbor

## CAUTIONARY DISCLOSURE REGARDING 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 generally can be identified by the use of forward-looking terminology 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 risks 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

>83k students  
~150 programs<sup>1</sup>



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

# FY 2024 Performance

Growth with Purpose driving operational excellence, yielding strong revenue and earnings growth with robust cash generation

**\$1,585 million**

Revenue  
+9.2% vs. prior year

**23.8%**

Adj. EBITDA<sup>1</sup> margin  
+10 bps vs. prior year

**\$5.01**

Adj. EPS<sup>1</sup>  
+19.0% vs. prior year

## Financial strength & disciplined capital allocation

- Executing strategic initiatives, generating sustainable momentum
- Operational excellence focus, creating efficiencies and operational leverage
- Free Cash Flow<sup>1</sup> \$239 million up \$70 million vs. \$169 million generated in FY 2023
  - Capital Expenditures \$49 million in FY 2024; investing to expand access and enhance student outcomes
- Returned \$261 million capital to shareholders through share repurchases
- Repaid \$50 million of outstanding Term Loan B balance; remaining balance repriced, reducing interest rate by 50 bps

# Q4 2024 Performance

Total enrollment growth YoY: +10.0%

**\$410 million**

Revenue  
+12.4% vs. prior year

**23.8%**

Adj. EBITDA<sup>1</sup> margin  
+100 bps vs. prior year

**\$1.37**

Adj. EPS<sup>1</sup>  
+33.0% vs. prior year

## Growth with Purpose delivering enterprise total enrollment growth & operational leverage

- **Chamberlain: 36.8k students**
  - *Continued total enrollment growth leveraging scale & national footprint with a full breadth of nursing programs & modalities*
- **Walden: 41.8k 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<sup>®</sup> competency-based programs*
- **Med/Vet: 4.7k students**
  - *Vet: Operating at near capacity*
  - *Med: Remediation plans improving total enrollment trends, sequentially improved total enrollment YoY trend Q3 '24 to Q4 '24*

# Highlights

## FY 2024: Revenue & Adj. EPS<sup>1</sup> ahead of expectations

- Total enrollment YoY growth sequentially improved throughout FY 2024, ending Q4 '24 up +10.0% YoY
- Operational execution focus, enhanced student experiences, maintained high persistence

## Making an outsized impact on U.S. healthcare

- Leveraging our efficient operating foundation to focus on delivering quality academic outcomes
- Graduated >27k students in FY 2024, ~90% into healthcare fields

## Growth with Purpose

### Programs:

- **Chamberlain:** Expanding nursing education access with the intention to open a new Kansas City campus, capacity of approximately 550 students; relocated Phoenix campus July 2024, with a modern learning environment, designed to accommodate approximately 1,100 students
- **Walden:** Walden launched the first phase of its website redesign in July, offering students a more seamless experience
- **Medical:** Capstone elective enhancing USMLE<sup>®</sup> Step 1 medical student preparedness, positive academic outcomes for the first cohort of students

### Marketing:

- Optimized brand campaigns delivered efficient demand, inquiries up double-digits YoY in FY 2024

### Enrollment & Retention:

- Elevated student outcomes through leveraging innovative technology & learning modalities; launched generative AI tutor pilot at Chamberlain

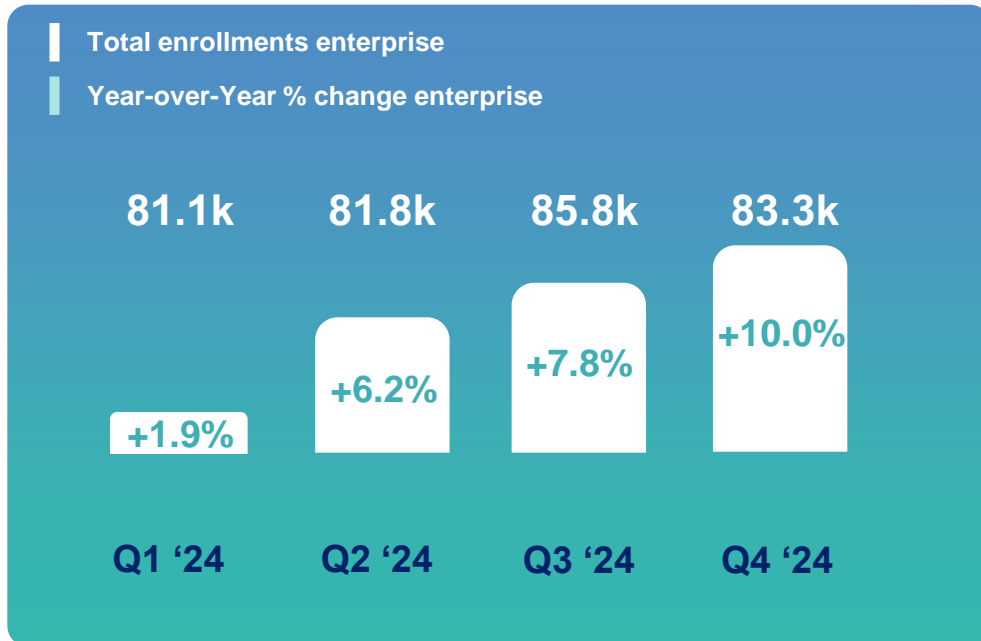
# Accelerating Total Enrollment Trends

Chamberlain: sixth straight quarter of YoY total enrollment growth

Walden: fourth straight quarter of YoY total enrollment growth

Med/Vet: third straight enrollment cycle of sequentially improved YoY total enrollment trends

Continue to deliver enhanced student outcomes, maintained high persistence levels



**Year-over-Year % change**

	Q3 '24	Q4 '24
Chamberlain:	+9.0%	+10.4%
Walden:	+8.4%	+11.3%
Med/Vet:	-4.5%	-2.9%

# 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>	Q4 '24	Δ vs. Q4 '23	2024	Δ vs. 2023
<b>Revenue</b>	<b>\$409.9</b>	<b>+12.4%</b>	<b>\$1,584.7</b>	<b>+9.2%</b>
<b>Adj. EBITDA<sup>1</sup></b>	<b>\$97.4</b>	<b>+16.9%</b>	<b>\$377.5</b>	<b>+9.9%</b>
<b>% Margin<sup>1</sup></b>	23.8%	+100 bps	23.8%	+10 bps
<b>Adj. EPS<sup>1</sup></b>	\$1.37	+33.0%	\$5.01	+19.0%
<b>Total Enrollment<sup>2</sup></b>	83,321	+10.0%		

## Total Enrollment +10.0% vs. Q4 '23

- Improvement of +220 basis points compared to Q3 '24 YoY

## Adj. EBITDA<sup>1</sup> margin +10 bps vs. 2023

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

## Adj. EPS<sup>1</sup> increased +19.0% vs. 2023

- Repurchased 5.4 million shares in FY '24

# Chamberlain Performance

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

<i>\$ in Millions</i>	Q4 '24	Δ vs. Q4 '23	2024	Δ vs. 2023
<b>Revenue</b>	<b>\$167.0</b>	<b>+15.6%</b>	<b>\$633.5</b>	<b>+10.9%</b>
<b>Adj. EBITDA<sup>1</sup></b>	<b>\$47.3</b>	<b>+15.1%</b>	<b>\$166.2</b>	<b>+5.5%</b>
<b>% Margin<sup>1</sup></b>	<b>28.3%</b>	<b>(10) bps</b>	<b>26.2%</b>	<b>(140) bps</b>
<b>Total Enrollment<sup>2</sup></b>	<b>36,750</b>	<b>+10.4%</b>		

## Q4 '24 vs. Q4 '23:

- Pre-licensure: BSN Online Option, offered in 34 states, triple digit total enrollment YoY percentage growth
- Post-licensure: growth in MSN, specifically Psychiatric-Mental Health & Family Nurse Practitioner

## Total Enrollment +10.4% vs. Q4 '23

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

## Adj. EBITDA<sup>1</sup> margin (140) bps vs. 2023

- Revenue growth with operational efficiencies generated positive leverage; operational leverage 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>	Q4 '24	Δ vs. Q4 '23	2024	Δ vs. 2023
<b>Revenue</b>	<b>\$156.3</b>	<b>+13.3%</b>	<b>\$595.3</b>	<b>+11.5%</b>
<b>Adj. EBITDA<sup>1</sup></b>	<b>\$41.1</b>	<b>+16.6%</b>	<b>\$146.8</b>	<b>+18.7%</b>
<i>% Margin<sup>1</sup></i>	26.3%	+70 bps	24.7%	+150 bps
<b>Total Enrollment<sup>2</sup></b>	41,845	+11.3%		

## Q4 '24 vs. Q4 '23:

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

## Total Enrollment +11.3% vs. Q4 '24

- Growth in healthcare & non-healthcare programs

## Adj. EBITDA<sup>1</sup> margin +150 bps vs. 2023

- Revenue growth with transformation & operational efficiencies generated positive leverage; operational leverage outpaced increased investments, additional student support from growth in enrollment and other costs

# Medical & Veterinary Performance

Vet maintaining leading position

Med operational remediation plans delivering sequential improvement in total enrollment YoY

<i>\$ in Millions</i>	Q4 '24	Δ vs. Q4 '23	2024	Δ vs. 2023
<b>Revenue</b>	<b>\$86.6</b>	<b>+5.4%</b>	<b>\$355.8</b>	<b>+2.8%</b>
<b>Adj. EBITDA<sup>1</sup></b>	<b>\$16.5</b>	<b>+12.3%</b>	<b>\$88.9</b>	<b>+7.3%</b>
<i>% Margin<sup>1</sup></i>	19.0%	+120 bps	25.0%	+110 bps
<b>Total Enrollment<sup>2</sup></b>	4,726	(2.9)%		

## Medical schools' operational remediation plans on-track:

- Continued focus on operational efficiency, specifically academic support and enrollment experience

## Total Enrollment (2.9)% vs. Q4 '24

- *Vet: RUSVM operating at near capacity*
- *Med: sequential improvement in total enrollment trends*

## Adj. EBITDA<sup>1</sup> margin +110 bps vs. 2023

- *Revenue growth and continued operational focus generated cost efficiencies*

# Cash Flow

Continued healthy cash generation and disciplined capital allocation



Operating Cash Flow<sup>1</sup>  
 Capital Expenditure  


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 Free Cash Flow<sup>2</sup>

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 2025 Guidance

Exceeds June 2023 Investor Day Growth Targets

**Revenue** **\$1,660m - \$1,700m**  
*YoY approx. growth* **5%** **7.5%**

**Adj. EPS<sup>1</sup>** **\$5.60 - \$5.85**  
*YoY approx. growth* **12%** **17%**

**June 2023 Investor Day FY 2025 Targets:**

Revenue: 4% - 6%  
Adj. EPS<sup>1</sup>: 10% - 15%

## Underlying Themes

Revenue growth slightly higher in 1H '25 vs. 2H '25

Investments weighted to 1Q '25

+100 bps adj. EBITDA<sup>1</sup> margin expansion

Operational leverage greater than investments in organic growth

Continued strong cash flow & capital deployment

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

\$212 million remaining on our Board-authorized \$300 million share repurchase program through January 2027<sup>1</sup>

## Financial Strength

Thoughtfully reduce long-term financial obligations to maximize flexibility and balance sheet strength

## 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 acquisition and integration expense, amortization of acquired intangible assets, gain on sale of assets, write-off of debt discount and issuance costs, gain on extinguishment of debt, litigation reserve, investment impairment, loss on assets held for sale, debt modification costs, tax benefit due to change in valuation allowance, tax benefit due to change in unrecognized tax benefits, and loss from discontinued operations.

*Adjusted earnings per share (most comparable GAAP measure: diluted earnings per share)* – Measure of Adtalem's diluted earnings per share adjusted for restructuring expense, business acquisition and integration expense, amortization of acquired intangible assets, gain on sale of assets, write-off of debt discount and issuance costs, gain on extinguishment of debt, litigation reserve, investment impairment, loss on assets held for sale, debt modification costs, tax benefit due to change in valuation allowance, tax benefit due to change in unrecognized tax benefits, and loss from discontinued operations.

*Adjusted operating income (most comparable GAAP measure: operating income)* – Measure of Adtalem's operating income adjusted for restructuring expense, business acquisition and integration expense, amortization of acquired intangible assets, litigation reserve, loss on assets held for sale, debt modification costs, and gain on sale of assets. 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 loss from discontinued operations, interest expense, other income, net, provision for income taxes, depreciation, amortization of acquired intangible assets, amortization of cloud computing implementation assets, stock-based compensation, restructuring expense, business acquisition and integration expense, litigation reserve, loss on assets held for sale, debt modification costs, and gain on sale of assets. 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 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 acquisition and 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 acquisition and integration expense.
- Amortization of acquired intangible assets.
- Amortization of cloud computing implementation assets.
- Gain on sale of Adtalem's Chicago, Illinois, campus facility.
- 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, loss on assets held for sale related to a fair value write-down on assets, and debt modification costs related to refinancing our Term Loan B loan.
- Tax benefit due to change in valuation allowance.
- Tax benefit due to change in unrecognized tax benefits.
- Loss from discontinued operations includes expense from ongoing litigation costs and settlements related to the DeVry University and Carrington College divestitures, a loss on sale of ACAMS, Becker, and OCL for working capital adjustments to the initial sales prices and a tax return to provision adjustment, and the earn-outs we received.

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

	(unaudited) (in thousands)							
	Three Months Ended June 30,				Year Ended June 30,			
	2024	2023	Increase/(Decrease)		2024	2023	Increase/(Decrease)	
		\$	%			\$	%	
<b>Chamberlain:</b>								
Operating income (GAAP)	\$ 40,487	\$ 35,683	\$ 4,804	13.5 %	\$ 137,800	\$ 134,685	\$ 3,115	2.3 %
Restructuring expense	—	—	—		—	818	(818)	
Adjusted operating income (non-GAAP)	<u>\$ 40,487</u>	<u>\$ 35,683</u>	<u>\$ 4,804</u>	13.5 %	<u>\$ 137,800</u>	<u>\$ 135,503</u>	<u>\$ 2,297</u>	1.7 %
Operating margin (GAAP)	24.2 %	24.7 %			21.8 %	23.6 %		
Operating margin (non-GAAP)	24.2 %	24.7 %			21.8 %	23.7 %		
<b>Walden:</b>								
Operating income (GAAP)	\$ 30,058	\$ 9,809	\$ 20,249	206.4 %	\$ 77,179	\$ 35,880	\$ 41,299	115.1 %
Restructuring expense	—	71	(71)		(776)	3,245	(4,021)	
Amortization of acquired intangible assets	7,348	12,303	(4,955)		35,644	61,239	(25,595)	
Litigation reserve	—	10,000	(10,000)		18,500	10,000	8,500	
Adjusted operating income (non-GAAP)	<u>\$ 37,406</u>	<u>\$ 32,183</u>	<u>\$ 5,223</u>	16.2 %	<u>\$ 130,547</u>	<u>\$ 110,364</u>	<u>\$ 20,183</u>	18.3 %
Operating margin (GAAP)	19.2 %	7.1 %			13.0 %	6.7 %		
Operating margin (non-GAAP)	23.9 %	23.3 %			21.9 %	20.7 %		
<b>Medical and Veterinary:</b>								
Operating income (GAAP)	\$ 11,923	\$ 10,477	\$ 1,446	13.8 %	\$ 71,065	\$ 59,649	\$ 11,416	19.1 %
Restructuring expense	63	353	(290)		442	7,687	(7,245)	
Adjusted operating income (non-GAAP)	<u>\$ 11,986</u>	<u>\$ 10,830</u>	<u>\$ 1,156</u>	10.7 %	<u>\$ 71,507</u>	<u>\$ 67,336</u>	<u>\$ 4,171</u>	6.2 %
Operating margin (GAAP)	13.8 %	12.8 %			20.0 %	17.2 %		
Operating margin (non-GAAP)	13.8 %	13.2 %			20.1 %	19.5 %		

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

	(unaudited) (in thousands)							
	Three Months Ended June 30,				Year Ended June 30,			
	2024	2023	Increase/(Decrease)		2024	2023	Increase/(Decrease)	
		\$	%			\$	%	
<b>Home Office:</b>								
Operating loss (GAAP)	\$ (13,945)	\$ (16,412)	\$ 2,467	15.0 %	\$ (68,990)	\$ (62,044)	\$ (6,946)	(11.2)%
Restructuring expense	590	687	(97)		2,204	7,067	(4,863)	
Business acquisition and integration expense	3,594	6,959	(3,365)		34,215	42,661	(8,446)	
Loss on assets held for sale	—	—	—		647	—	647	
Debt modification costs	—	—	—		848	—	848	
Gain on sale of assets	—	—	—		—	(13,317)	13,317	
Adjusted operating loss (non-GAAP)	<u>\$ (9,761)</u>	<u>\$ (8,766)</u>	<u>\$ (995)</u>	(11.4)%	<u>\$ (31,076)</u>	<u>\$ (25,633)</u>	<u>\$ (5,443)</u>	(21.2)%
<b>Adtalem Global Education:</b>								
Operating income (GAAP)	\$ 68,523	\$ 39,557	\$ 28,966	73.2 %	\$ 217,054	\$ 168,170	\$ 48,884	29.1 %
Restructuring expense	653	1,111	(458)		1,870	18,817	(16,947)	
Business acquisition and integration expense	3,594	6,959	(3,365)		34,215	42,661	(8,446)	
Amortization of acquired intangible assets	7,348	12,303	(4,955)		35,644	61,239	(25,595)	
Litigation reserve	—	10,000	(10,000)		18,500	10,000	8,500	
Loss on assets held for sale	—	—	—		647	—	647	
Debt modification costs	—	—	—		848	—	848	
Gain on sale of assets	—	—	—		—	(13,317)	13,317	
Adjusted operating income (non-GAAP)	<u>\$ 80,118</u>	<u>\$ 69,930</u>	<u>\$ 10,188</u>	14.6 %	<u>\$ 308,778</u>	<u>\$ 287,570</u>	<u>\$ 21,208</u>	7.4 %
Operating margin (GAAP)	16.7 %	10.8 %			13.7 %	11.6 %		
Operating margin (non-GAAP)	19.5 %	19.2 %			19.5 %	19.8 %		

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

	(unaudited) (in thousands)							
	Three Months Ended June 30,				Year Ended June 30,			
	2024	2023	Increase/(Decrease)		2024	2023	Increase/(Decrease)	
			\$	%			\$	%
<b>Chamberlain:</b>								
Operating income (GAAP)	\$ 40,487	\$ 35,683	\$ 4,804	13.5 %	\$ 137,800	\$ 134,685	\$ 3,115	2.3 %
Restructuring expense	—	—	—		—	818	(818)	
Depreciation	4,912	4,240	672		18,752	17,175	1,577	
Amortization of cloud computing implementation assets	382	39	343		1,332	89	1,243	
Stock-based compensation	1,512	1,118	394		8,303	4,719	3,584	
Adjusted EBITDA (non-GAAP)	<u>\$ 47,293</u>	<u>\$ 41,080</u>	<u>\$ 6,213</u>	15.1 %	<u>\$ 166,187</u>	<u>\$ 157,486</u>	<u>\$ 8,701</u>	5.5 %
Adjusted EBITDA margin (non-GAAP)	28.3 %	28.4 %			26.2 %	27.6 %		
<b>Walden:</b>								
Operating income (GAAP)	\$ 30,058	\$ 9,809	\$ 20,249	206.4 %	\$ 77,179	\$ 35,880	\$ 41,299	115.1 %
Restructuring expense	—	71	(71)		(776)	3,245	(4,021)	
Amortization of acquired intangible assets	7,348	12,303	(4,955)		35,644	61,239	(25,595)	
Litigation reserve	—	10,000	(10,000)		18,500	10,000	8,500	
Depreciation	1,654	2,157	(503)		7,389	9,419	(2,030)	
Amortization of cloud computing implementation assets	385	32	353		1,331	73	1,258	
Stock-based compensation	1,703	916	787		7,525	3,861	3,664	
Adjusted EBITDA (non-GAAP)	<u>\$ 41,148</u>	<u>\$ 35,288</u>	<u>\$ 5,860</u>	16.6 %	<u>\$ 146,792</u>	<u>\$ 123,717</u>	<u>\$ 23,075</u>	18.7 %
Adjusted EBITDA margin (non-GAAP)	26.3 %	25.6 %			24.7 %	23.2 %		
<b>Medical and Veterinary:</b>								
Operating income (GAAP)	\$ 11,923	\$ 10,477	\$ 1,446	13.8 %	\$ 71,065	\$ 59,649	\$ 11,416	19.1 %
Restructuring expense	63	353	(290)		442	7,687	(7,245)	
Depreciation	3,086	3,092	(6)		11,983	12,438	(455)	
Amortization of cloud computing implementation assets	138	16	122		469	37	432	
Stock-based compensation	1,243	712	531		4,930	3,003	1,927	
Adjusted EBITDA (non-GAAP)	<u>\$ 16,453</u>	<u>\$ 14,650</u>	<u>\$ 1,803</u>	12.3 %	<u>\$ 88,889</u>	<u>\$ 82,814</u>	<u>\$ 6,075</u>	7.3 %
Adjusted EBITDA margin (non-GAAP)	19.0 %	17.8 %			25.0 %	23.9 %		

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

	(unaudited) (in thousands)							
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Restructuring expense	590	687	(97)		2,204	7,067	(4,863)	
Business acquisition and integration expense	3,594	6,959	(3,365)		34,215	42,661	(8,446)	
Loss on assets held for sale	—	—	—		647	—	647	
Debt modification costs	—	—	—		848	—	848	
Gain on sale of assets	—	—	—		—	(13,317)	13,317	
Depreciation	145	381	(236)		1,552	2,344	(792)	
Stock-based compensation	2,084	645	1,439		5,189	2,716	2,473	
Adjusted EBITDA (non-GAAP)	<u>\$ (7,532)</u>	<u>\$ (7,740)</u>	<u>\$ 208</u>	2.7 %	<u>\$ (24,335)</u>	<u>\$ (20,573)</u>	<u>\$ (3,762)</u>	(18.3)%
<b>Adtalem Global Education:</b>								
Net income (GAAP)	\$ 49,419	\$ 22,244	\$ 27,175	122.2 %	\$ 136,777	\$ 93,358	\$ 43,419	46.5 %
Loss from discontinued operations	1,181	1,306	(125)		936	8,394	(7,458)	
Interest expense	14,749	15,294	(545)		63,659	63,100	559	
Other income, net	(1,894)	(3,664)	1,770		(10,542)	(6,965)	(3,577)	
Provision for income taxes	5,068	4,377	691		26,224	10,283	15,941	
Operating income (GAAP)	<u>68,523</u>	<u>39,557</u>	<u>28,966</u>		<u>217,054</u>	<u>168,170</u>	<u>48,884</u>	
Depreciation and amortization	18,050	22,260	(4,210)		78,452	102,814	(24,362)	
Stock-based compensation	6,542	3,391	3,151		25,947	14,299	11,648	
Restructuring expense	653	1,111	(458)		1,870	18,817	(16,947)	
Business acquisition and integration expense	3,594	6,959	(3,365)		34,215	42,661	(8,446)	
Litigation reserve	—	10,000	(10,000)		18,500	10,000	8,500	
Loss on assets held for sale	—	—	—		647	—	647	
Debt modification costs	—	—	—		848	—	848	
Gain on sale of assets	—	—	—		—	(13,317)	13,317	
Adjusted EBITDA (non-GAAP)	<u>\$ 97,362</u>	<u>\$ 83,278</u>	<u>\$ 14,084</u>	16.9 %	<u>\$ 377,533</u>	<u>\$ 343,444</u>	<u>\$ 34,089</u>	9.9 %
Adjusted EBITDA margin (non-GAAP)	23.8 %	22.8 %			23.8 %	23.7 %		

# Non-GAAP Earnings Disclosure

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

	Three Months Ended June 30,		Year Ended June 30,	
	2024	2023	2024	2023
Net income (GAAP)	\$ 49,419	\$ 22,244	\$ 136,777	\$ 93,358
Restructuring expense	653	1,111	1,870	18,817
Business acquisition and integration expense	3,594	6,959	34,215	42,661
Amortization of acquired intangible assets	7,348	12,303	35,644	61,239
Gain on sale of assets	—	—	—	(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	—	10,000	21,108	19,226
Tax benefit due to change in valuation allowance	—	—	—	(6,184)
Tax benefit due to change in unrecognized tax benefits	(5,657)	—	(5,657)	—
Income tax impact on non-GAAP adjustments <sup>(1)</sup>	(3,749)	(8,656)	(23,104)	(31,997)
Loss from discontinued operations	1,181	1,306	936	8,394
Adjusted net income (non-GAAP)	\$ 52,789	\$ 45,267	\$ 201,789	\$ 192,197

<sup>(1)</sup> 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,	
	2024	2023	2024	2023
Diluted earnings per share (GAAP)	\$ 1.28	\$ 0.50	\$ 3.39	\$ 2.05
Effect on diluted earnings per share:				
Restructuring expense	0.02	0.03	0.05	0.41
Business acquisition and integration expense	0.09	0.16	0.85	0.94
Amortization of acquired intangible assets	0.19	0.28	0.88	1.34
Gain on sale of assets	—	—	—	(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	—	0.23	0.52	0.42
Tax benefit due to change in valuation allowance	—	—	—	(0.14)
Tax benefit due to change in unrecognized tax benefits	(0.15)	—	(0.14)	—
Income tax impact on non-GAAP adjustments <sup>(1)</sup>	(0.10)	(0.20)	(0.57)	(0.70)
Loss from discontinued operations	0.03	0.03	0.02	0.18
Adjusted earnings per share (non-GAAP)	\$ 1.37	\$ 1.03	\$ 5.01	\$ 4.21
Diluted shares used in non-GAAP EPS calculation	38,595	44,129	40,307	45,600

Note: May not sum due to rounding.

<sup>(1)</sup> 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)

	Twelve Months Ended				
	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4
Net cash provided by operating activities- continuing operations (GAAP)	\$ 194,690	\$ 189,501	\$ 227,600	\$ 276,843	\$ 288,367
Capital expenditures	(26,014)	(31,070)	(38,713)	(44,137)	(48,893)
Free cash flow (non-GAAP)	<u>\$ 168,676</u>	<u>\$ 158,431</u>	<u>\$ 188,887</u>	<u>\$ 232,706</u>	<u>\$ 239,474</u>

# Non-GAAP Net Leverage Disclosure

(unaudited)  
(in thousands)

	<b>Year Ended June 30, 2024</b>
<b>Adtalem Global Education:</b>	
Net income (GAAP)	\$ 136,777
Net loss from discontinued operations	936
Interest expense	63,659
Other income, net	(10,542)
Provision for income taxes	26,224
Depreciation and amortization	78,452
Stock-based compensation	25,947
Restructuring expense	1,870
Business acquisition and integration expense	34,215
Litigation reserve	18,500
Loss on assets held for sale	647
Debt modification costs	848
Adjusted EBITDA (non-GAAP)	<u>\$ 377,533</u>
	<b>June 30, 2024</b>
Long-term debt	\$ 658,283
Less: Cash and cash equivalents	(219,306)
Net debt (non-GAAP)	<u>\$ 438,977</u>
Net leverage (non-GAAP)	1.2 x