



News Release

Phoenix Education Partners, Inc. Reports Second Quarter Fiscal Year 2026 Results

Advancing student success through flexible, career-relevant education

Phoenix, April 7, 2026 – Phoenix Education Partners, Inc. (NYSE: PXED) (the “Company” or “Phoenix Education Partners”), the parent company of The University of Phoenix, Inc. (the “University”), today reported financial results for the three months ended February 28, 2026, with second quarter revenue of \$222.5 million.

“At the University, we remain focused on helping students develop skills that translate directly into their careers. We are proud to have issued more than one million digital badges representing verified skills to our students and alumni,” said Chris Lynne, Chief Executive Officer of Phoenix Education Partners and President of the University of Phoenix. “During the quarter, our teams continued to enhance the student experience, expand employer partnerships, and invest in capabilities that support high-quality, affordable programs. Our commitment to strong student outcomes was reflected in the Encoura + Ruffalo Noel Levitz Priorities Survey for Online Learners (PSOL)—a national survey of 150 institutions and approximately 90,000 learners—where the University performed above national averages across all 26 measured attributes, including exceeding the benchmark for overall satisfaction.”

Second Quarter 2026 Results of Operations

Phoenix Education Partners reported net revenue for second quarter 2026 of \$222.5 million, compared to \$223.4 million for second quarter 2025. In second quarter 2026, the University’s Average Total Degreed Enrollment¹ was 82,600, compared to 81,100 for second quarter 2025. Net income attributable to Phoenix Education Partners for second quarter 2026 was \$10.8 million, or \$0.28 diluted earnings per share, compared to \$16.1 million, or \$0.43 diluted earnings per share, for second quarter 2025. The decrease in net income attributable to Phoenix Education Partners was primarily due to share-based compensation resulting from our initial public offering (“IPO”) (see sections “Initial Public Offering” and “Reconciliation of GAAP Financial Information to Non-GAAP Financial Information” for additional information).

Adjusted EBITDA was \$34.8 million for second quarter 2026, compared to \$32.3 million for second quarter 2025, and adjusted diluted earnings per share was \$0.58 for the second quarter 2026, compared to \$0.56 for second quarter 2025.²

¹ “Average Total Degreed Enrollment” represents the aggregate of monthly Total Degreed Enrollment during a specified period divided by the number of months in the period. We define “Total Degreed Enrollment” as the number of confirmed students (both new and continuing) enrolled in credit-bearing courses who post attendance at least one time during a calendar month (even if they withdraw later in the same month), excluding students who graduated as of the end of such month.

² Adjusted EBITDA and adjusted earnings per share are non-GAAP measures. For more information on non-GAAP measures used in this press release and a reconciliation of our GAAP information to our non-GAAP information, refer to the sections titled “Use of Non-GAAP Financial Information” and “Reconciliation of GAAP Financial Information to Non-GAAP Financial Information.”

First Six Months of 2026 Results of Operations

Phoenix Education Partners reported net revenue for the first six months of 2026 of \$484.5 million, compared to \$478.1 million for the first six months of 2025. In the first six months of 2026, the University's Average Total Degreed Enrollment was 84,100, compared to 81,700 for the first six months of 2025. Net income attributable to Phoenix Education Partners for the first six months of 2026 was \$26.2 million, or \$0.68 diluted earnings per share, compared to \$62.5 million, or \$1.66 diluted earnings per share, for the first six months of 2025. The decrease in net income attributable to Phoenix Education Partners was primarily due to share-based compensation resulting from our IPO (see sections "Initial Public Offering" and "Reconciliation of GAAP Financial Information to Non-GAAP Financial Information" for additional information).

Adjusted EBITDA was \$110.0 million for the first six months of 2026, compared to \$102.4 million for the first six months of 2025, and adjusted diluted earnings per share was \$1.97 for the first six months of 2026, compared to \$1.92 for the first six months of 2025.²

Common Stock Cash Dividend

During second quarter 2026, the Company paid a regular common stock cash dividend of \$0.21 per share. Today, the Company is announcing that its Board of Directors approved a regular, common stock cash dividend of \$0.21 per share to be paid on May 22, 2026 to stockholders of record and holders of certain share-based awards as of April 29, 2026.

Share Repurchase Program

The Company announced today that its Board of Directors has adopted a share repurchase program of up to an aggregate amount of \$50 million of our common stock. Repurchases under the program may be made from time to time through open market purchases, privately negotiated purchases or other acquisitions of shares of the Company's common stock, including pursuant to Rule 10b5-1 or Rule 10b-18 of the Securities Exchange Act of 1934, as amended.

Balance Sheet, Cash Flow and Liquidity

As of February 28, 2026, the Company's cash and cash equivalents (including restricted cash and cash equivalents) and marketable securities (including current and noncurrent marketable securities) totaled \$252.1 million, compared to \$194.8 million as of August 31, 2025. The increase was primarily attributable to \$80.0 million of cash generated by operating activities, which was partially offset by \$10.1 million of capital expenditures and cash paid for dividends.

On November 13, 2025, the Company entered into a senior secured revolving credit facility in an aggregate principal amount of \$100.0 million that is available as a source of liquidity for Phoenix Education Partners and its subsidiaries and matures on November 13, 2030. As of February 28, 2026, the Company had no outstanding debt under the credit facility or otherwise.

Initial Public Offering

On October 10, 2025, Phoenix Education Partners completed an IPO of 4.9 million shares of common stock at a price of \$32.00 per share, which included 0.6 million shares sold to the underwriters pursuant to their option to purchase additional shares. The shares were offered by certain of the Company's existing shareholders and, accordingly, the Company did not receive any proceeds from the sale of shares associated with the offering. In connection with the IPO, on October 7, 2025, AP VIII Queso Holdings, L.P. converted

into a Delaware corporation pursuant to a statutory conversion and changed its name to Phoenix Education Partners, Inc.

As reflected in the financial tables of this press release, we have applied retrospective presentation to our earnings per share for all periods presented such that weighted average shares outstanding reflects certain equity conversions resulting from the IPO.

Business Outlook

For fiscal year 2026, the Company expects net revenue to be in the range of \$1,025.0 million to \$1,035.0 million. Adjusted EBITDA for the same period is expected to range between \$244.0 million and \$249.0 million.

Conference Call Information

Phoenix Education Partners will host a conference call to discuss its financial results for the second quarter fiscal year 2026, today at 5:00 p.m. Eastern Time. The call can be accessed by webcast on the Phoenix Education Partners website at www.phoenixeducationpartners.com. Please register in the Investor Relations section of the site 15 minutes prior to the call. The call can also be accessed by dialing (800) 715-9871 (domestic) or +1 (646) 307-1963 (toll), using conference ID: 8113013. The webcast will be archived for 30 days and the call replay for seven days. To access the replay, dial (800) 770-2030 (domestic) or +1 (609) 800-9909 (toll), using conference ID: 8113013, or visit the Investor Relations Section of the [Phoenix Education Partners website](#).

About Phoenix Education Partners, Inc.

Phoenix Education Partners, Inc. is the parent company of The University of Phoenix, Inc., a pioneer in online education for working adults. Founded in 1976, The University of Phoenix provides access to higher education opportunities that enable students to develop the knowledge and skills necessary to achieve their professional goals, improve the performance of their organizations and provide leadership and service to their communities.

Use of Non-GAAP Financial Information

The Company's non-GAAP financial measures are intended to supplement, but not be a substitute for, financial measures prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Management uses, and chooses to disclose to investors, these non-GAAP financial measures because: (i) such measures provide an additional analytical tool to clarify the Company's results from operations and help to identify underlying trends in its results of operations; (ii) as to the non-GAAP earnings measures, such measures help compare the Company's performance on a consistent basis across time periods; and (iii) these non-GAAP measures are employed by the Company's management in its own evaluation of performance and are utilized in financial and operational decision-making processes, such as budgeting and forecasting. Exclusion of items in the non-GAAP presentation should not be construed as an inference that these items are unusual, infrequent or non-recurring. Other companies, including other companies in the education industry, may calculate non-GAAP financial measures differently, limiting their usefulness as a comparative measure across companies.

Adjusted net income attributable to Phoenix Education Partners, Inc. We define adjusted net income attributable to Phoenix Education Partners, Inc. as net income attributable to Phoenix Education Partners, Inc., adjusted to eliminate the impact of restructuring lease expense (credit), net, strategic alternatives

expense, cybersecurity incident expense, impairment charges and asset disposal losses, litigation charges and regulatory expense, non-cash share-based compensation expense, certain tax effects and other items.³

Adjusted EBITDA. We define adjusted EBITDA as net income attributable to Phoenix Education Partners, Inc., adjusted to eliminate the impact of restructuring lease expense (credit), net, strategic alternatives expense, cybersecurity incident expense, impairment charges and asset disposal losses, litigation charges and regulatory expense, non-cash share-based compensation expense, depreciation and amortization, interest income, net of interest expense, provision for income taxes and certain other items.³

Adjusted earnings per share. We define adjusted earnings per share as adjusted net income attributable to Phoenix Education Partners, Inc. divided by basic or diluted shares, as applicable, used in computing earnings per share.

Adjusted EBITDA margin. We define adjusted EBITDA margin as adjusted EBITDA divided by net revenue, expressed as a percentage.

Included in the sections that follow are reconciliations between the non-GAAP financial measures and the most directly comparable GAAP measures.

With respect to Adjusted EBITDA for 2026, we are not able to reconcile this forward-looking non-GAAP financial measure to the most directly comparable GAAP measure without unreasonable efforts because we are unable to predict the ultimate outcome of certain items, including but not limited to potential expenses associated with our cybersecurity incident and our provision for income taxes, which could have a significant impact on our future GAAP results.

Forward-Looking Statements

This press release contains, and oral statements made from time to time by representatives of the Company may contain, forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties. These forward-looking statements are generally identified by the use of forward-looking terminology, including the terms “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “likely,” “may,” “outlook,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and, in each case, their negative or other various or comparable terminology. All statements other than statements of historical facts contained in this press release, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management, and expected market growth are forward-looking statements. The forward-looking statements could relate to the following, among other things: our strategy, outlook and growth prospects; our operational and financial targets and dividend policy; general economic trends and trends in the industry and markets; and the competitive environment in which we operate.

These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Important factors that could cause our results to vary from expectations include, but are not limited to: our ability to comply with the extensive regulatory requirements for our business, and the impact of a failure to comply with applicable regulations or regulatory requirements, standards or policies, which could subject us to

³ During our first quarter of 2026, we changed our definition of this measure to start with “Net income attributable to Phoenix Education Partners, Inc.” instead of “Net income” and began excluding expenses incurred related to our cybersecurity incident, which we do not believe are representative of our ongoing operations. We have retrospectively changed this measure for all periods presented to conform with our new definition.

significant monetary liabilities, fines and penalties, including loss of or limitations upon access to U.S. federal student loans, grants and military program benefits for our students, and otherwise have a material adverse impact on our business; shifts in higher education policy at the federal and state levels; our ability to maintain our institutional accreditation and our eligibility to participate in Title IV programs; our ability to enroll and retain students, including the impact of changes to internet search due to artificial intelligence; our ability to adapt to changing market needs or new technologies; our ability to maintain existing, and develop additional, business-to-business, or B2B, relationships with employers; our ability to attract or retain a qualified senior management team and qualified faculty members; the impact of compliance reviews, claims, or litigation that government agencies, regulatory agencies, and third parties may conduct, bring or initiate against us based on alleged violations of the extensive regulatory requirements applicable to us; our ability to establish, maintain, protect and enforce our intellectual property and proprietary rights and prevent third parties from making unauthorized use of such rights; liability associated with any failure to comply with data privacy and data security laws and the unauthorized access, duplication, distribution or other use of confidential or personal information, including liability and costs associated with the cybersecurity incident we identified in November 2025; additional tax liabilities; our ability to pay dividends on our common stock or the timing or amount of any such dividends; and other risk factors identified in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

These forward-looking statements are based on assumptions and subject to risks and uncertainties. Given these uncertainties, undue reliance should not be placed on these forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this press release and, except as required by law, we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this press release. We anticipate that subsequent events and developments will cause our views to change. This press release should be read completely and with the understanding that our actual future results may be materially different from what we expect. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may undertake. We qualify all of our forward-looking statements by these cautionary statements.

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PHOENIX EDUCATION PARTNERS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(Unaudited)

(In thousands, except per share data)	Three Months Ended February 28,		Six Months Ended February 28,	
	2026	2025	2026	2025
Net revenue	\$ 222,461	\$ 223,406	\$ 484,488	\$ 478,098
Costs and expenses:				
Instructional and support	105,242	107,210	220,490	215,333
General and administrative	98,105	90,428	204,662	172,383
Strategic alternatives, restructuring and other	5,108	6,103	19,736	11,049
Total costs and expenses	208,455	203,741	444,888	398,765
Operating income	14,006	19,665	39,600	79,333
Interest income	1,776	2,198	3,537	6,056
Interest expense	(550)	(111)	(765)	(225)
Income before income taxes	15,232	21,752	42,372	85,164
Provision for income taxes	4,763	5,648	16,425	21,942
Net income	10,469	16,104	25,947	63,222
Net loss (income) attributable to noncontrolling interests	311	21	287	(681)
Net income attributable to Phoenix Education Partners, Inc.	\$ 10,780	\$ 16,125	\$ 26,234	\$ 62,541
Earnings per share:⁽¹⁾				
Basic	\$ 0.30	\$ 0.45	\$ 0.73	\$ 1.76
Diluted	\$ 0.28	\$ 0.43	\$ 0.68	\$ 1.66
Shares used in computing earnings per share:				
Basic	35,778	35,560	35,714	35,532
Diluted	38,888	37,898	38,744	37,764

- (1) As described in the Company's Annual Report on Form 10-K for fiscal year 2025, earnings per share for all periods presented in the Company's financial statements are retrospectively presented such that weighted average shares outstanding reflects conversions resulting from the IPO.

PHOENIX EDUCATION PARTNERS, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited)

(\$ in thousands)	As of	
	February 28, 2026	August 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 194,597	\$ 136,504
Restricted cash and cash equivalents	36,752	36,497
Marketable securities	6,770	9,005
Accounts receivable, net	35,015	58,957
Prepaid income taxes	14,956	3,160
Other current assets	29,362	21,827
Total current assets	317,452	265,950
Marketable securities	13,951	12,803
Property and equipment, net	38,510	38,846
Goodwill	3,732	3,732
Intangible assets, net	86,019	87,294
Operating lease right-of-use assets, net	38,335	41,920
Deferred income taxes, net	23,413	20,566
Other assets	24,982	22,451
Total assets	\$ 546,394	\$ 493,562
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 30,521	\$ 25,696
Accrued compensation and benefits	28,033	28,534
Student deposits	9,928	11,049
Deferred revenue	38,120	37,210
Current operating lease liabilities	9,541	8,948
Other current liabilities	41,591	50,608
Total current liabilities	157,734	162,045
Long-term operating lease liabilities	58,798	64,352
Other long-term liabilities	36,298	27,110
Total liabilities	252,830	253,507
Commitments and contingencies		
Equity:		
General partner	—	—
Limited partners	—	246,735
Preferred Stock	—	—
Common Stock	358	—
Additional paid-in capital	272,814	—
Retained earnings	17,889	—
Accumulated other comprehensive income, net	65	39
Total Phoenix Education Partners, Inc. equity	291,126	246,774
Noncontrolling interests	2,438	(6,719)
Total equity	293,564	240,055
Total liabilities and equity	\$ 546,394	\$ 493,562

PHOENIX EDUCATION PARTNERS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(\$ in thousands)	Six Months Ended February 28,	
	2026	2025
Operating activities:		
Net income	\$ 25,947	\$ 63,222
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation	39,166	1,263
Depreciation and amortization	11,205	10,814
Non-cash lease expense	3,585	3,594
Impairment charges and asset disposal losses	520	84
Provision for credit losses on accounts receivable	16,075	23,354
Deferred income taxes	7,811	12,840
Changes in assets and liabilities, excluding the impact of acquisition:		
Accounts receivable	7,867	(12,954)
Prepaid income taxes	(11,796)	(4,403)
Other assets	(10,083)	(629)
Accounts payable	4,825	(7,683)
Accrued compensation and benefits	(501)	(6,059)
Student deposits	(1,121)	(52,893)
Deferred revenue	910	2,996
Operating lease liabilities	(4,961)	(6,154)
Other liabilities	(9,495)	(5,243)
Net cash provided by operating activities	79,954	22,149
Investing activities:		
Purchases of property and equipment	(10,085)	(10,892)
Purchases of marketable securities	(10,066)	(11,082)
Sales of marketable securities	—	8,475
Maturities of marketable securities	11,204	2,650
Acquisition, net of cash acquired	—	(1,982)
Other investing activities	(46)	(35)
Net cash used in investing activities	(8,993)	(12,866)
Financing activities:		
Payments of dividend and dividend equivalents	(9,066)	—
Payroll taxes paid on share-based awards	(3,547)	(774)
Payments of dividend and dividend equivalents to noncontrolling interests	—	(13,961)
Capital distributions to limited partners	—	(134,001)
Net cash used in financing activities	(12,613)	(148,736)
Net change in cash and restricted cash	58,348	(139,453)
Cash and restricted cash, beginning of period	173,001	356,170
Cash and restricted cash, end of period	<u>\$ 231,349</u>	<u>\$ 216,717</u>
Supplemental disclosure information:		
Income tax payments, net	\$ 20,410	\$ 10,812
Noncontrolling interest issued in business combination	\$ —	\$ 4,147

PHOENIX EDUCATION PARTNERS, INC. AND SUBSIDIARIES
Reconciliation of GAAP Financial Information to Non-GAAP Financial Information
(Unaudited)

(\$ in thousands, except per share data)	Three Months Ended February 28,		Six Months Ended February 28,	
	2026	2025	2026	2025
Net income attributable to Phoenix Education Partners, Inc.	\$ 10,780	\$ 16,125	\$ 26,234	\$ 62,541
Special items and share-based compensation:				
Restructuring lease expense (credit), net ^(a)	1,585	(311)	3,605	1,716
Strategic alternatives expense ^(b)	356	4,124	5,277	4,999
Cybersecurity incident expense ^(c)	329	—	4,829	—
Impairment charges and asset disposal losses ^(d)	500	50	520	84
Litigation charges and regulatory expense ^(e)	1,203	1,480	2,406	2,685
Non-cash share-based compensation expense ^(f)	9,667	617	39,166	1,263
Other ^(g)	1,135	1,036	3,099	2,231
Income tax effects of special items and share-based compensation ^(h)	(2,942)	(1,725)	(8,875)	(3,193)
Adjusted net income attributable to Phoenix Education Partners, Inc.	<u>\$ 22,613</u>	<u>\$ 21,396</u>	<u>\$ 76,261</u>	<u>\$ 72,326</u>
Earnings per share:				
Basic	\$ 0.30	\$ 0.45	\$ 0.73	\$ 1.76
Diluted	\$ 0.28	\$ 0.43	\$ 0.68	\$ 1.66
Adjusted earnings per share:				
Basic	\$ 0.63	\$ 0.60	\$ 2.14	\$ 2.04
Diluted	\$ 0.58	\$ 0.56	\$ 1.97	\$ 1.92
Shares used in computing earnings per share and adjusted earnings per share:				
Basic	35,778	35,560	35,714	35,532
Diluted	38,888	37,898	38,744	37,764

(\$ in thousands)	Three Months Ended February 28,		Six Months Ended February 28,	
	2026	2025	2026	2025
Net income attributable to Phoenix Education Partners, Inc.	\$ 10,780	\$ 16,125	\$ 26,234	\$ 62,541
Restructuring lease expense (credit), net ^(a)	1,585	(311)	3,605	1,716
Strategic alternatives expense ^(b)	356	4,124	5,277	4,999
Cybersecurity incident expense ^(c)	329	—	4,829	—
Impairment charges and asset disposal losses ^(d)	500	50	520	84
Litigation charges and regulatory expense ^(e)	1,203	1,480	2,406	2,685
Non-cash share-based compensation expense ^(f)	9,667	617	39,166	1,263
Depreciation and amortization	5,725	5,622	11,205	10,814
Interest income, net of interest expense	(1,226)	(2,087)	(2,772)	(5,831)
Provision for income taxes	4,763	5,648	16,425	21,942
Other ^(g)	1,135	1,036	3,099	2,231
Adjusted EBITDA	<u>\$ 34,817</u>	<u>\$ 32,304</u>	<u>\$ 109,994</u>	<u>\$ 102,444</u>
Net income attributable to Phoenix Education Partners, Inc. margin	4.8%	7.2%	5.4%	13.1%
Adjusted EBITDA margin	15.7%	14.5%	22.7%	21.4%
Net revenue used in computing net income attributable to Phoenix Education Partners, Inc. margin and adjusted EBITDA margin	\$ 222,461	\$ 223,406	\$ 484,488	\$ 478,098

- a) Restructuring lease expense (credit), net represents non-cancelable lease obligations, including any offset from sublease income, and other related expenses for leased space we have exited as part of our ground campus and administrative space rationalization plans. In 2012, as a key component of the University's transformation initiatives, the University began the process of completing the orderly closure of its ground campuses, as more enrolling students made the choice to take their programs online. The University completed the orderly closure of its campus locations in early fiscal year 2025, with only one physical location, in Phoenix, Arizona, currently enrolling new students. Additionally, the University completed its exit of 19 floors of its 22-floor administrative office buildings during fiscal year 2024 pursuant to its space rationalization plans.

PHOENIX EDUCATION PARTNERS, INC. AND SUBSIDIARIES
Reconciliation of GAAP Financial Information to Non-GAAP Financial Information
(Unaudited)

- b) Strategic alternatives expense consists of costs incurred for our IPO and costs incurred for pursuing strategic alternatives.
- c) Represents expense associated with a cybersecurity incident we detected on November 21, 2025. Refer to the Company's quarterly report on Form 10-Q for the second quarter of fiscal year 2026 for additional information.
- d) Represents non-cash impairment charges and asset disposal losses.
- e) Litigation charges and regulatory expense principally includes expenses associated with a multi-year insurance policy pertaining to borrower defense to repayment claims.
- f) Represents non-cash equity-based compensation expense in accordance with Accounting Standards Codification Topic 718, Compensation: Stock Compensation. Although share-based compensation is a key incentive offered to our employees, we evaluate our business performance excluding share-based compensation expense because it is a non-cash expense. The increase in share-based compensation expense in the three and six months ended February 28, 2026 compared to the respective prior year periods resulted from our IPO.
- g) Represents other expenses that we believe are not indicative of our ongoing operations.
- h) Represents the income tax effect, if any, of these non-GAAP adjustments, calculated using the appropriate statutory tax rates.