

Fourth Quarter & Year-End 2019 Earnings Presentation

February 27, 2020



LAUREATE
EDUCATION INC®



Forward Looking Statements

This press release includes statements that express Laureate's opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements" within the meaning of the federal securities laws, which involve risks and uncertainties. Laureate's actual results may vary significantly from the results anticipated in these forward-looking statements. You can identify forward-looking statements because they contain words such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates" or "anticipates" or similar expressions that concern our strategy, plans or intentions. All statements we make relating to (i) guidance (including, but not limited to, total enrollments, revenues, Adjusted EBITDA, Adjusted EBITDA margin, costs, capital expenditures, and Free Cash Flow), (ii) our planned divestitures and (iii) our exploration of strategic alternatives and potential future plans, strategies or transactions that may be identified, explored or implemented as a result of such review process are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. All of these forward-looking statements are subject to risks and uncertainties that may change at any time, including with respect to our exploration of strategic alternatives, risks and uncertainties as to the terms, timing, structure, benefits and costs of any divestiture or separation transaction and whether one will be consummated at all, and the impact of any divestiture or separation transaction on our remaining businesses. Accordingly, in light of these uncertainties, our actual results may differ materially from those we expected. We derive most of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations are disclosed in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on February 27, 2020, and other filings made with the SEC. These forward-looking statements speak only as of the time of this release and we do not undertake to publicly update or revise them, whether as a result of new information, future events or otherwise, except as required by law. In addition, this presentation contains various operating data, including market share and market position, that are based on internal company data and management estimates. While management believes that our internal company research is reliable and the definitions of our markets which are used herein are appropriate, neither such research nor these definitions have been verified by an independent source and there are inherent challenges and limitations involved in compiling data across various geographies and from various sources, including those discussed under "Market and Industry Data" in Laureate's filings with the SEC.

Presentation of Non-GAAP Measures

In addition to the results provided in accordance with U.S. generally accepted accounting principles (GAAP) throughout this presentation, Laureate provides the non-GAAP measurements of Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow. We have included these non-GAAP measurements because they are key measures used by our management and board of directors to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short- and long-term operational plans.

Adjusted EBITDA consists of income (loss) from continuing operations, adjusted for the items included in the accompanying reconciliation. The exclusion of certain expenses in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of our core business. Additionally, Adjusted EBITDA is a key input into the formula used by the compensation committee of our board of directors and our Chief Executive Officer in connection with the payment of incentive compensation to our executive officers and other members of our management team. Accordingly, we believe that Adjusted EBITDA and Adjusted EBITDA margin, which is calculated by dividing Adjusted EBITDA by revenues, provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

Free Cash Flow consists of operating cash flow minus capital expenditures. Free Cash Flow provides a useful indicator about Laureate's ability to fund its operations and repay its debts.

Laureate's calculations of Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow are not necessarily comparable to calculations performed by other companies and reported as similarly titled measures. These non-GAAP measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. Reconciliations of non-GAAP measures to the relevant GAAP measures are provided in the appendix to this presentation in the financial tables and in our SEC filings.

We evaluate our results of operations on both an as reported and an organic constant currency basis. The organic constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates, acquisitions and divestitures, and other items. We believe that providing organic constant currency information provides valuable supplemental information regarding our results of operations, consistent with how we evaluate our performance. We calculate organic constant currency amounts using the change from prior-period average foreign exchange rates to current-period average foreign exchange rates, as applied to local-currency operating results for the current period, and then exclude the impact of acquisitions and divestitures and other items described in the accompanying presentation.



SUMMARY OVERVIEW



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Note: Throughout this presentation amounts may not sum to totals due to rounding
Amounts presented for enrollments, Revenue and Adjusted EBITDA are for continuing operations only

Summary - Highlights

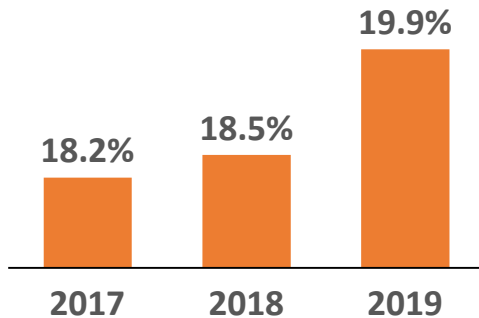
- ✓ **FY'19 Revenue & Adjusted EBITDA in-line with guidance**
- ✓ **FY'19 Margins up 135bps margin progression accelerating vs. prior years**
- ✓ **FY Free Cash Flow⁽¹⁾ 15% ahead of guidance**
- ✓ **Improved Capital Structure... Net Leverage down to 1.7x**
- ✓ **Second round of share buybacks completed ... \$300 million in total repurchased**
- ✓ **Continued strong student outcomes and quality**
- ✓ **Strategic review of entire portfolio announced in January 2020**

***Strong Results in 2019
Continued Focus on Value Creation***

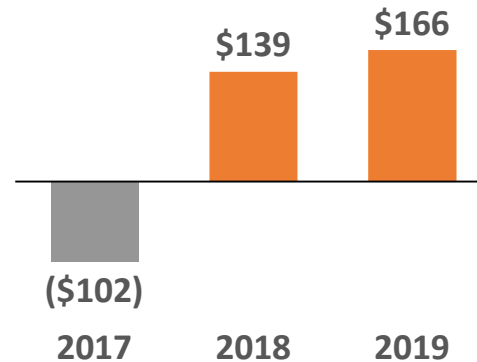
(1) Free Cash Flow (FCF) defined as operating cash flow less capital expenditures

Portfolio Transformation Yielding Strong Operating Results

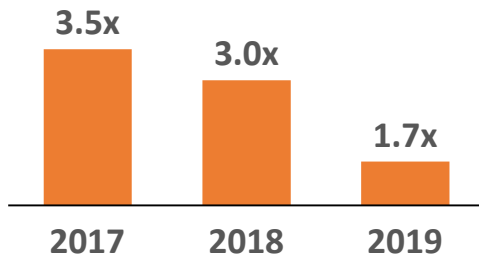
Adj. EBITDA Margin



Free Cash Flow (FCF)



Net Leverage



Quality & Rankings*

- Peru: UPC only 4-star QStars in Peru
- Brazil: Strong ENADE Score
- Mexico: UVM Top 10
- Chile: UNAB Top 3

***Significant Transformation of The Portfolio
Over the Past Two Years***

Note: Free Cash Flow (FCF) defined as operating cash flow less capital expenditures

*Sources: QS Stars Rankings, Brazil ENADE scores, Guia Universitaria, SCImago Rankings



Q4 2019 & FULL YEAR PERFORMANCE RESULTS



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2019 Fourth Quarter – Financial Summary

	Q4 '19	Variance	Notes
(\$ in millions) (Enrollments in thousands)	Results	Vs. Q4 '18	
New Enrollment	32K	33%	• Robust growth in Brazil DL (+62%) during an otherwise small intake quarter
New Enrollment – Organic ⁽¹⁾		34%	
Total Enrollment	875K	1%	
Total Enrollment – Organic ⁽¹⁾		4%	
Revenue	883	(1%)	
Revenue – Organic/CC ⁽²⁾		3%	
Adj. EBITDA	244	11%	
Adj. EBITDA – Organic/CC ⁽²⁾		14%	• Andean, Brazil and G&A efficiencies
Adj. EBITDA margin	27.6%	297 bps	• Cost actions implemented earlier in the year
Adj. EBITDA margin – Organic/CC ⁽²⁾		248 bps	

Margin Progression Driven by Accelerated Transformation Initiatives

(1) Organic results exclude period-over-period impacts from acquisitions and divestitures

(2) Organic Constant Currency (CC) Operations excludes the period-over-period impact from currency fluctuations, acquisitions and divestitures, and other items. Other items include the impact of acquisition-related contingent liabilities for taxes other-than-income tax, net of changes in recorded indemnification assets.

2019 FY – Financial Summary

	FY'19	Variance	Notes
(\$ in millions) (Enrollments in thousands)	Results	Vs. FY'18	
New Enrollment	486K	10%	• Brazil DL (+69%); Andean (+5%)
New Enrollment – Organic⁽¹⁾		10%	
Total Enrollment	875K	1%	
Total Enrollment – Organic⁽¹⁾		4%	
Revenue	3,250	(1%)	
Revenue – Organic/CC⁽²⁾		3%	
Adj. EBITDA	647	6%	
Adj. EBITDA – Organic/CC⁽²⁾		10%	• Andean and G&A efficiencies
Adj. EBITDA margin	19.9%	135 bps	• Cost efficiencies driving accelerated margin expansion
Adj. EBITDA margin – Organic/CC⁽²⁾		130 bps	

***2019 Results in line with Expectations
Margins up 135bps vs Prior Year***

(1) Organic results exclude period-over-period impacts from acquisitions and divestitures

(2) Organic Constant Currency (CC) Operations excludes the period-over-period impact from currency fluctuations, acquisitions and divestitures, and other items. Other items include the impact of acquisition-related contingent liabilities for taxes other-than-income tax, net of changes in recorded indemnification assets.

2019 Fourth Quarter – Enrollment Dynamics by Segment

	New Enrollment (NE)		Total Enrollment (TE)		Notes
	Q4 '19	Organic Vs. Q4 '18	Q4 '19	Organic Vs. Q4 '18	
(Enrollments in thousands)					
Brazil	21	54%	272	7%	• Distance Learning (NE +62% ; TE + 59%)
Mexico	2	26%	204	(1%)	
Andean	2	42%	326	5%	
Rest of World	1	16%	16	18%	
Online & Partnerships	6	(3%)	57	(7%)	• Decline resulting from teach out of international partnerships • Walden Domestic NE up 1%
Laureate Total	32	34%	875	4%	

62% New Enrollment Growth in Brazil DL

Note: Not a material intake cycle for most segments

2019 FY – Enrollment Dynamics by Segment

	New Enrollment (NE)		Total Enrollment (TE)		Notes
	FY '19	Organic Vs. FY '18	FY '19	Organic Vs. FY '18	
(Enrollments in thousands)					
Brazil	198	16%	272	7%	<ul style="list-style-type: none">Strong growth in Distance LearningNE Growth DL: 69%, F2F: (2%)TE Growth DL: 59%, F2F: (3%)
Mexico	112	3%	204	(1%)	
Andean	133	12%	326	5%	<ul style="list-style-type: none">Peru NE up 17%; Chile NE up 7%
Rest of World	12	20%	16	18%	
Online & Partnerships	30	(9%)	57	(7%)	<ul style="list-style-type: none">Decline resulting from teach out of international partnershipsWalden Domestic NE flat
Laureate Total	486	10%	875	4%	

+10% New Enrollment Growth, +4% Total Enrollment Growth

2019 Fourth Quarter – Revenue, Adj. EBITDA Dynamics by Segment

(\$ millions)	Revenue		Adj. EBITDA		Notes
	Q4 '19	Organic/CC Vs. Q4 '18 ⁽¹⁾	Q4 '19	Organic/CC Vs. Q4 '18 ⁽¹⁾	
Brazil	157	(4%)	51	4%	• Benefitting from cost actions from earlier in the year
Mexico	188	1%	67	10%	
Andean	320	9%	97	22%	• Pricing and volume
Rest of World	53	20%	12	(24%)	• Timing of expenses, FY Adjusted EBITDA up 19%
Online & Partnerships	157	(5%)	48	(18%)	• Global Partnerships teach-out and investments in Walden
Corp. & Elimin.	7	-	(32)	36%	• G&A reductions
Laureate Total	883	3%	244	14%	

Q4 Adjusted EBITDA up 14% Y-o-Y

⁽¹⁾ Organic Constant Currency (CC) Operations excludes the period-over-period impact from currency fluctuations, acquisitions and divestitures, and other items. Other items include the impact of acquisition-related contingent liabilities for taxes other-than-income tax, net of changes in recorded indemnification assets.

2019 FY – Revenue, Adj. EBITDA Dynamics by Segment

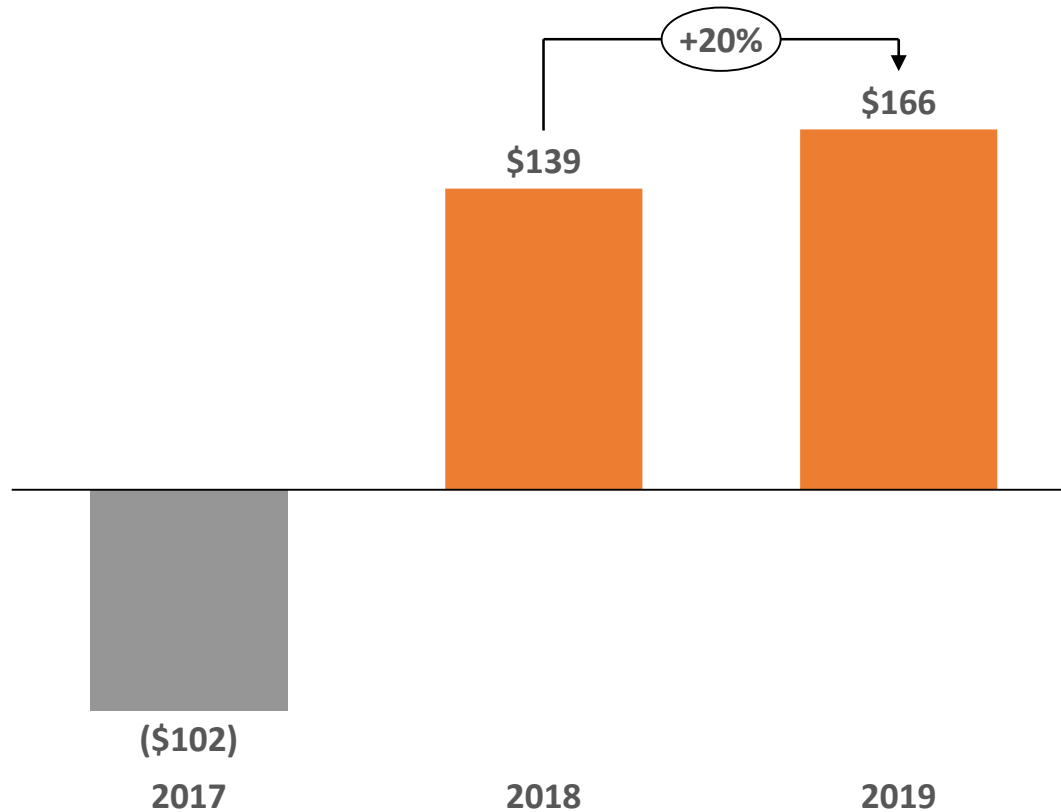
(\$ millions)	Revenue		Adj. EBITDA		Notes
	FY'19	Organic/CC Vs. FY'18 ⁽¹⁾	FY'19	Organic/CC Vs. FY'18 ⁽¹⁾	
Brazil	578	(3%)	82	(15%)	• Reduction in FIES; cost actions driving 2H Adj. EBITDA ⁽¹⁾ up 13%
Mexico	653	2%	148	6%	
Andean	1,190	9%	343	13%	• Strong enrollments and pricing
Rest of World	190	14%	32	19%	• Scaling of Australia
Online & Partnerships	634	(5%)	191	(2%)	• Impacted by wind down of international online
Corp. & Elimin.	5	-	(149)	16%	• G&A reductions through simplification and scale; \$125M current run-rate
Laureate Total	3,250	(3%)	647	(10%)	

Profitability Trends in line with Expectations

(1) Organic Constant Currency (CC) Operations excludes the period-over-period impact from currency fluctuations, acquisitions and divestitures, and other items. Other items include the impact of acquisition-related contingent liabilities for taxes other-than-income tax, net of changes in recorded indemnification assets.

Free Cash Flow Trends

(Values in USD millions)



20% Improvement in Free Cash Flow






UPC
Universidad Peruana
de Ciencias Aplicadas

2020 OUTLOOK



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2020 Full Year Guidance Heatmap

Market	Revenue Contribution	Organic/CC Revenue Growth	Adj. EBITDA Margin% Expansion	Comments
Latin America		+	+	Scale benefits driving operating leverage; continued faster growth in value segment and Distance Learning
Rest of World (Australia/New Zealand)		++	++	Scale and flow through margin
Online & Partnerships		=	--	Investments made for future growth will push margins down in the short-term
Corporate		N/A	++	Cost actions in 2019 to drive down G&A expenses in 2020
Laureate		2% - 3%	+160bps	

Continued Margin Expansion Net of Additional Investments in Online

2020 Guidance Summary – Growth Rates

	Organic/Constant Currency (CC) Growth Rates		Y-o-Y
	2019 Actuals	FY 2020 Guidance ⁽¹⁾	Trend
Total Enrollment	4%	4%	=
Revenue	3%	2% - 3%	=
Adjusted EBITDA	10%	8% - 11%	=
Free Cash Flow - FCF (\$ millions) ⁽²⁾	\$166	~ \$230	++

***2020 Operating Trends Anticipated to be in line With 2019 Performance
Material Increase Expected in FCF Conversion for 2020***

(1) Based on actual FX rates for Jan- Feb 2020, and current spot FX rates (local currency per US dollar) of MXN 18.79, BRL 4.39, CLP 806.00, PEN 3.39, AUD 1.51. FX impact may change based on fluctuations in currency rates in future periods.

(2) Free Cash Flow defined as operating cash flow less capital expenditures

Note: An outlook for 2020 net income and reconciliation of the forward-looking 2020 Adjusted EBITDA outlook to net income are not being provided as the company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such outlook and reconciliation.

2020 Full Year Guidance Details

(USD millions, except enrollments in thousands)	Total Enrollment	Revenues	Adj. EBITDA
2019 Results	875	\$3,250	\$647
Excl: UniNorte (sold in 2019)	-	(\$30)	(\$1)
2019 Excl. UniNorte	875	\$3,220	\$646
Organic Growth	35K	\$60 – \$100	\$54 – \$69
<i>Growth %</i>	4%	2% - 3%	8% - 11%
2020 Guidance (Constant Currency)	910	\$3,280 – \$3,320	\$700 – \$715
FX Impact (spot FX) ⁽¹⁾	-	(\$150)	(\$30)
2020 Guidance (@ spot FX) ⁽¹⁾	910	\$3,130 – \$3,170	\$670 – \$685
<i>Growth %</i>	4%	(4%) – (2%)	4% - 6%

Continued Strong Operating Trends
FX Continues to be a Headwind For Reported Results

(1) Based on actual FX rates for Jan- Feb 2020, and current spot FX rates (local currency per US dollar) of MXN 18.79, BRL 4.39, CLP 806.00, PEN 3.39, AUD 1.51. FX impact may change based on fluctuations in currency rates in future periods.

Note: An outlook for 2020 net income and reconciliation of the forward-looking 2020 Adjusted EBITDA outlook to net income are not being provided as the company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such outlook and reconciliation.

Q1 2020 Guidance Details

(USD millions)	Revenues	Adj. EBITDA
2019 Q1 Results	\$601	(\$30)
Excl: UniNorte (sold in 2019)	(\$7)	\$3
2019 Q1 Excl. UniNorte	\$594	(\$27)
Organic Growth	(\$7) – \$3	\$0 – \$4
Growth %	(1%) - 1%	0% - 15%
2020 Q1 Guidance (Constant Currency)	\$587 – \$597	(\$27) – (\$23)
FX Impact (spot FX) ⁽¹⁾	(\$27)	\$5
2020 Q1 Guidance (@ spot FX) ⁽¹⁾	\$560 – \$570	(\$22) – (\$18)

Impacted by timing of academic calendar

(1) Based on actual FX rates for Jan- Feb 2020, and current spot FX rates (local currency per US dollar) of MXN 18.79, BRL 4.39, CLP 806.00, PEN 3.39, AUD 1.51. FX impact may change based on fluctuations in currency rates in future periods.

Note: An outlook for 2020 net income and reconciliation of the forward-looking 2020 Adjusted EBITDA outlook to net income are not being provided as the company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such outlook and reconciliation.



APPENDIX



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2019 Fourth Quarter – Net Income Reconciliation

	Q4 '19	B / (W) Vs. Q4 '18		Notes
(\$ in millions)	Reported	\$	%	
Adjusted EBITDA	244	24	11%	• (\$7M) impact from FX
Depreciation & Amort.	(47)	3	5%	
Interest Expense, net	(28)	23	45%	• Significant reduction in debt following completion of asset sales
Other	(97)	(70)	n.m.	• Primarily related to FX revaluation
Income Tax	(20)	47	n.m.	
Income/(Loss) From Continuing Operations	52	26	n.m.	
Discontinued Operations (Net of Tax)	(13)	(74)	n.m.	• Impacted by assets sold during 2019
Net Gain/(Loss) on Sale of Disc. Ops.	21	37	n.m.	
Net Income / (Loss)	61	(12)	n.m.	

Reduction in Interest Expense Helping to Drive Increased Income Levels

2019 FY – Net Income Reconciliation

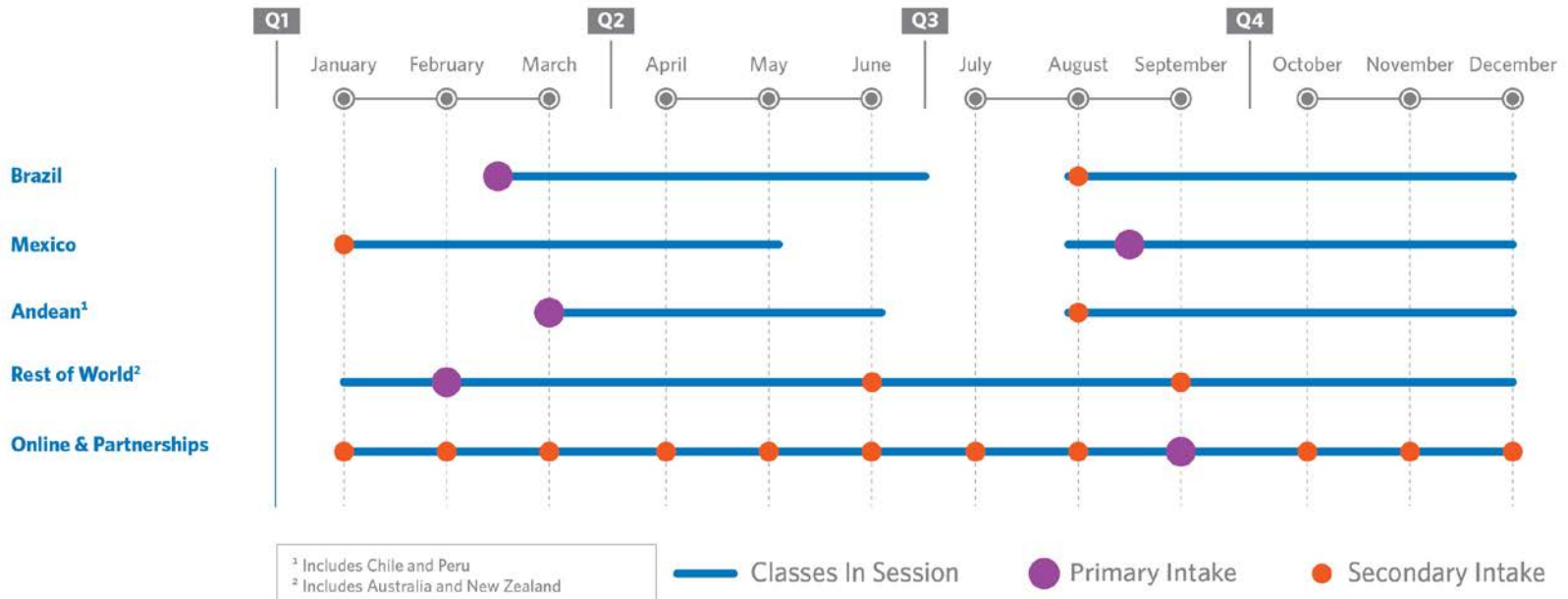
	FY'19	B / (W) Vs. FY'18		Notes
(\$ in millions)	Reported	\$	%	
Adjusted EBITDA	647	36	6%	• (\$25M) impact from FX
Depreciation & Amort.	(192)	19	9%	
Interest Expense, net	(155)	68	31%	• Significant reduction in debt following completion of asset sales
Other	(205)	(150)	n.m.	• \$98M one-time gain in 2018 related to conversion of preferred equity; FX impact
Income Tax	(81)	51	n.m.	
Income/(Loss) From Continuing Operations	14	25	n.m.	
Discontinued Operations (Net of Tax)	54	(31)	n.m.	• Impacted by assets sold during 2019
Net Gain/(Loss) on Sale of Disc. Ops.	870	573	n.m.	• Large gain primarily attributable to sale of Iberian business unit
Net Income / (Loss)	938	567	n.m.	

FY Results Include Large Gain on Asset Sales

Seasonality: Main Enrollment Intakes

- Q1 and Q3 are peak intake quarters, but seasonally weak earnings quarters as institutions are largely out of session during the summer season
 - Q1 represents the large intake for our Southern Hemisphere institutions (Brazil, Andean & Rest of World)
 - Q3 represents the large intake for our Northern Hemisphere institutions (Mexico and Online & Partnerships)

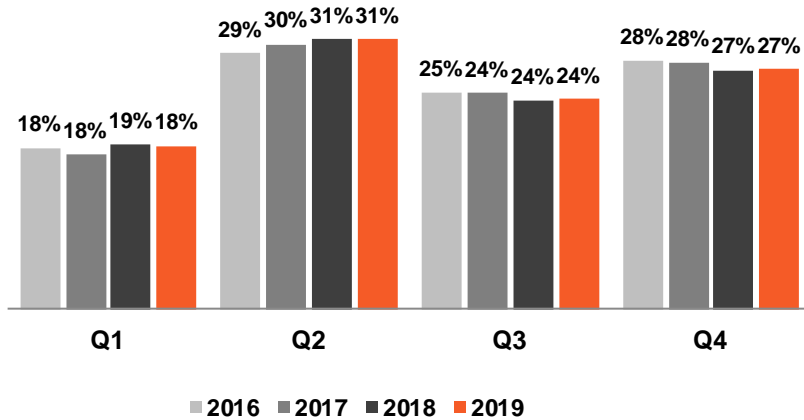
Academic Sessions



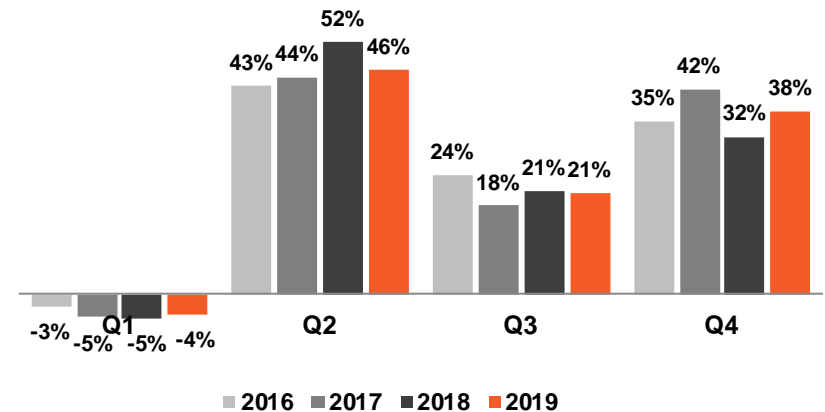
Intra-Year Seasonality Trends

- Large intake cycles at end of Q1 (Southern Hemisphere) and end of Q3 (Northern Hemisphere) drive seasonality of earnings (Q2 and Q4 are our strongest earnings quarters)

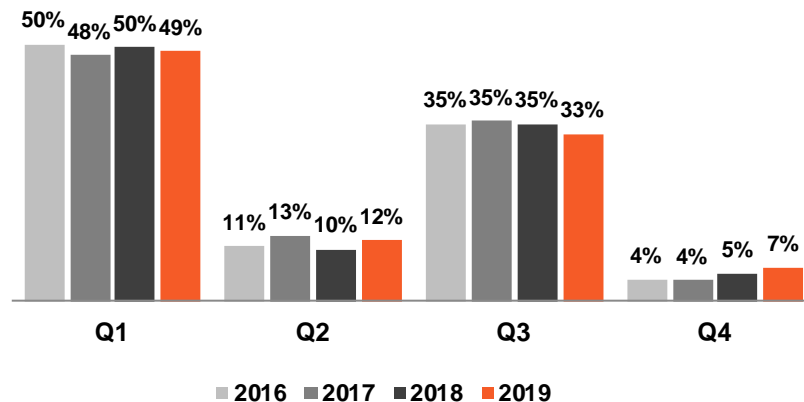
Revenue Seasonality



Adj. EBITDA Seasonality



New Enrollments Seasonality



Factors Affecting Seasonality

- Intake cycles
 - Q1 Southern Hemisphere
 - Q3 Northern Hemisphere
- Academic calendar
- FX trends

Financial Results & Tables

Financial Tables

Consolidated Statements of Operations

IN MILLIONS	For the three months ended December 31,			For the year ended December 31,		
	2019	2018	Change	2019	2018	Change
Revenues	\$ 883.2	\$ 892.5	\$ (9.3)	\$ 3,250.3	\$ 3,290.2	\$ (39.9)
Costs and expenses:						
Direct costs	669.4	652.9	16.5	2,671.6	2,697.0	(25.4)
General and administrative expenses	58.5	105.1	(46.6)	252.2	299.3	(47.1)
Loss on impairment of assets	—	—	—	0.5	10.0	(9.5)
Operating income	155.3	134.5	20.8	326.1	283.9	42.2
Interest income	2.7	2.5	0.2	12.2	11.9	0.3
Interest expense	(30.9)	(53.5)	22.6	(167.3)	(235.2)	67.9
Loss on debt extinguishment	(1.9)	—	(1.9)	(28.3)	(7.5)	(20.8)
(Loss) gain on derivatives	(0.8)	(3.8)	3.0	7.3	88.3	(81.0)
Other income, net	0.1	1.4	(1.3)	9.2	12.2	(3.0)
Foreign currency exchange (loss) gain, net	(16.4)	11.4	(27.8)	(27.1)	(32.6)	5.5
(Loss) gain on sales and disposals of subsidiaries, net	(36.3)	0.3	(36.6)	(37.8)	0.3	(38.1)
Income from continuing operations before income taxes and equity in net income of affiliates	71.7	92.8	(21.1)	94.4	121.2	(26.8)
Income tax expense	(20.0)	(66.6)	46.6	(80.7)	(131.8)	51.1
Equity in net income of affiliates, net of tax	—	—	—	0.2	—	0.2
Income (loss) from continuing operations	51.7	26.1	25.6	14.0	(10.5)	24.5
(Loss) income from discontinued operations, net of tax	(12.5)	61.3	(73.8)	53.9	84.9	(31.0)
Gain (loss) on sales of discontinued operations, net of tax	21.4	(15.3)	36.7	869.8	296.6	573.2
Net income	60.6	72.1	(11.5)	937.7	370.9	566.8
Net loss (income) attributable to noncontrolling interests	0.3	(0.5)	0.8	0.8	(0.9)	1.7
Net income attributable to Laureate Education, Inc.	\$ 60.9	\$ 71.6	\$ (10.7)	\$ 938.5	\$ 370.1	\$ 568.4
Accretion of Series A convertible redeemable preferred stock and other redeemable noncontrolling interests and equity	\$ (0.5)	\$ (1.4)	\$ 0.9	\$ (0.2)	\$ (62.8)	\$ 62.6
Gain upon conversion of Series A preferred stock	—	—	—	—	74.1	(74.1)
Net income available to common stockholders	\$ 60.4	\$ 70.1	\$ (9.7)	\$ 938.3	\$ 381.4	\$ 556.9
Basic and diluted earnings per share:						
Basic weighted average shares outstanding	214.3	224.0	(9.7)	221.9	212.8	9.1
Dilutive weighted average shares outstanding	214.9	224.7	(9.8)	222.5	212.8	9.7
Basic earnings per share	\$ 0.28	\$ 0.31	\$ (0.03)	\$ 4.23	\$ 1.79	\$ 2.44
Diluted earnings per share	\$ 0.28	\$ 0.31	\$ (0.03)	\$ 4.22	\$ 1.73	\$ 2.49

Note: Dollars in millions, except per share amounts, and may not sum to total due to rounding

Financial Tables

Revenue and Adjusted EBITDA by segment

IN MILLIONS

For the quarter ended December 31,			% Change		\$ Variance Components				
	2019	2018	Reported	Organic Constant Currency ⁽¹⁾	Total	Organic Constant Currency	Other	Acq/Div.	FX
Revenues									
Brazil	\$ 157.3	\$ 184.8	(15)%	(4)%	\$ (27.5)	\$ (6.2)	\$ —	\$ (8.4)	\$ (12.9)
Mexico	188.1	182.3	3%	1%	5.8	2.7	—	—	3.1
Andean	320.5	311.5	3%	9%	9.0	26.6	—	—	(17.6)
Rest of World	52.9	46.6	14%	20%	6.3	9.1	—	—	(2.8)
Online & Partnerships	157.1	166.0	(5)%	(5)%	(8.9)	(8.9)	—	—	—
Corporate & Eliminations	7.1	1.3	nm	nm	5.8	5.8	—	—	—
Total Revenues	\$ 883.2	\$ 892.5	(1)%	3%	\$ (9.3)	\$ 29.3	\$ —	\$ (8.4)	\$ (30.2)
Adjusted EBITDA									
Brazil	\$ 50.9	\$ 51.4	(1)%	4%	\$ (0.5)	\$ 1.8	\$ 5.2	\$ (3.2)	\$ (4.3)
Mexico	67.3	61.2	10%	10%	6.1	6.4	(0.7)	—	0.4
Andean	97.2	81.8	19%	22%	15.4	18.2	—	—	(2.8)
Rest of World	11.8	16.4	(28)%	(24)%	(4.6)	(3.9)	—	—	(0.7)
Online & Partnerships	48.2	58.6	(18)%	(18)%	(10.4)	(10.4)	—	—	—
Corporate & Eliminations	(31.8)	(49.6)	36%	36%	17.8	17.8	—	—	—
Total Adjusted EBITDA	\$ 243.6	\$ 219.7	11%	14%	\$ 23.9	\$ 30.0	\$ 4.5	\$ (3.2)	\$ (7.4)

nm - percentage changes not meaningful

⁽¹⁾ Organic Constant Currency results exclude the period-over-period impact from currency fluctuations, acquisitions and divestitures, and other items. Other items include the impact of acquisition-related contingent liabilities for taxes other-than-income tax, net of changes in recorded indemnification assets. The "Organic Constant Currency" % changes are calculated by dividing the Organic Constant Currency amounts by the 2018 Revenues and Adjusted EBITDA amounts.

Financial Tables

Revenue and Adjusted EBITDA by segment

IN MILLIONS

For the year ended December 31,	% Change				\$ Variance Components				
	2019	2018	Reported	Organic Constant Currency ⁽²⁾	Total	Organic Constant Currency	Other	Acq/Div.	FX
Revenues									
Brazil	\$ 578.4	\$ 654.3	(12)%	(3)%	\$ (75.9)	\$ (16.5)	\$ —	\$ (8.4)	\$ (51.0)
Mexico	652.8	646.1	1%	2%	6.7	10.0	—	—	(3.3)
Andean	1,189.7	1,155.7	3%	9%	34.0	101.5	—	—	(67.5)
Rest of World	190.1	178.0	7%	14%	12.1	25.7	—	—	(13.6)
Online & Partnerships	634.1	664.2	(5)%	(5)%	(30.1)	(30.1)	—	—	—
Corporate & Eliminations	5.1	(8.1)	nm	nm	13.2	13.2	—	—	—
Total Revenues	\$ 3,250.3	\$ 3,290.2	(1)%	3%	\$ (39.9)	\$ 103.9	\$ —	\$ (8.4)	\$ (135.4)
Adjusted EBITDA									
Brazil	\$ 82.3	\$ 104.0	(21)%	(15)%	\$ (21.7)	\$ (15.1)	\$ 3.1	\$ (3.2)	\$ (6.5)
Mexico	147.8	143.2	3%	6%	4.6	8.2	(2.2)	—	(1.4)
Andean	343.3	317.1	8%	13%	26.2	40.9	—	—	(14.7)
Rest of World	32.0	28.4	13%	19%	3.6	5.5	—	—	(1.9)
Online & Partnerships	190.9	194.7	(2)%	(2)%	(3.8)	(3.8)	—	—	—
Corporate & Eliminations	(149.7)	(177.3)	16%	16%	27.6	27.6	—	—	—
Total Adjusted EBITDA	\$ 646.6	\$ 610.2	6%	10%	\$ 36.4	\$ 63.2	\$ 0.9	\$ (3.2)	\$ (24.5)

⁽²⁾ Organic Constant Currency results exclude the period-over-period impact from currency fluctuations, acquisitions and divestitures, and other items. Other items include the impact of acquisition-related contingent liabilities for taxes other-than-income tax, net of changes in recorded indemnification assets. The "Organic Constant Currency" % changes are calculated by dividing the Organic Constant Currency amounts by the 2018 Revenues and Adjusted EBITDA amounts, excluding the impact of the divestitures.

Financial Tables

Consolidated Balance Sheets

<i>IN MILLIONS</i>	December 31, 2019		December 31, 2018		Change
Assets					
Cash and cash equivalents	\$	339.6	\$	387.8	\$ (48.2)
Receivables (current), net		260.5		225.3	35.2
Other current assets		259.0		266.4	(7.4)
Current assets held for sale		83.8		337.7	(253.9)
Property and equipment, net		1,199.2		1,275.3	(76.1)
Operating lease right-of-use assets, net		861.9		—	861.9
Goodwill and other intangible assets		2,822.4		2,858.8	(36.4)
Other long-term assets		383.3		383.2	0.1
Long-term assets held for sale		306.0		1,035.2	(729.2)
Total assets	\$	6,515.6	\$	6,769.6	\$ (254.0)
Liabilities and stockholders' equity					
Accounts payable and accrued expenses	\$	516.4	\$	482.3	\$ 34.1
Deferred revenue and student deposits		216.8		193.2	23.6
Total operating leases, including current portion		883.9		—	883.9
Total long-term debt, including current portion		1,379.1		2,693.9	(1,314.8)
Total due to shareholders of acquired companies, including current portion		21.5		45.4	(23.9)
Other liabilities		492.3		609.1	(116.8)
Current and long-term liabilities held for sale		189.1		680.4	(491.3)
Total liabilities		3,699.2		4,704.3	(1,005.1)
Redeemable noncontrolling interests and equity		12.3		14.4	(2.1)
Total stockholders' equity		2,804.2		2,050.9	753.3
Total liabilities and stockholders' equity	\$	6,515.6	\$	6,769.6	\$ (254.0)

Financial Tables

Consolidated Statements of Cash Flows

<i>IN MILLIONS</i>	For the year ended December 31,		
	2019	2018	Change
Cash flows from operating activities			
Net income	\$ 937.7	\$ 370.9	\$ 566.8
Depreciation and amortization	193.4	240.0	(46.6)
Amortization of operating lease right-of-use assets	122.7	—	122.7
Loss on impairment of assets	43.8	13.1	30.7
Gain on sales and disposal of subsidiaries and property and equipment, net	(796.3)	(292.1)	(504.2)
Gain on derivative instruments	(7.4)	(89.1)	81.7
(Payments for) proceeds from settlement of derivative contracts	(8.8)	14.1	(22.9)
Loss on debt extinguishment	28.8	7.5	21.3
Unrealized foreign currency exchange loss	29.2	37.8	(8.6)
Income tax receivable/payable, net	(36.2)	48.9	(85.1)
Working capital, excluding tax accounts	(252.8)	(77.4)	(175.4)
Other non-cash adjustments	86.0	123.2	(37.2)
Net cash provided by operating activities	339.8	396.9	(57.1)
Cash flows from investing activities			
Purchase of property and equipment	(155.6)	(238.0)	82.4
Expenditures for deferred costs	(17.7)	(19.9)	2.2
Settlement of derivatives related to sale of discontinued operations and net investment hedge	12.9	(10.0)	22.9
Receipts from sales of discontinued operations, net of cash sold, property and equipment and other	1,266.0	375.8	890.2
Proceeds from sale of investment	11.5	—	11.5
Business acquisitions, net of cash acquired	(1.2)	(17.0)	15.8
Investing other, net	0.9	24.6	(23.7)
Net cash provided by investing activities	1,116.8	115.5	1,001.3
Cash flows from financing activities			
Decrease in long-term debt, net	(1,384.6)	(382.4)	(1,002.2)
Payments of deferred purchase price for acquisitions	(20.2)	(13.7)	(6.5)
Payment of dividends on Series A Preferred Stock	—	(11.1)	11.1
Payments to repurchase common stock	(264.1)	—	(264.1)
Payments of debt issuance costs	(9.1)	(0.6)	(8.5)
Financing other, net	4.0	(2.3)	6.3
Net cash used in by financing activities	(1,674.0)	(410.1)	(1,263.9)
Effects of exchange rate changes on cash	(7.3)	(13.5)	6.2
Change in cash included in current assets held for sale	167.8	(30.9)	198.7
Net change in cash and cash equivalents	(57.0)	57.8	(114.8)
Cash and cash equivalents at beginning of period	583.6	525.7	57.9
Cash and cash equivalents at end of period	\$ 526.6	\$ 583.6	\$ (57.0)
Liquidity (including Undrawn Revolver)	\$ 547.3	\$ 679.3	\$ (132.0)

Note: Dollars in millions, and may not sum to total due to rounding

Financial Tables

Non-GAAP Reconciliation (1 of 3)

The following table presents Adjusted EBITDA and reconciles income (loss) from continuing operations to Adjusted EBITDA and Adjusted EBITDA Margin:

IN MILLIONS	For the three months ended December 31,			For the year ended December 31,		
	2019	2018	Change	2019	2018	Change
Income (loss) from continuing operations	\$ 51.7	\$ 26.1	\$ 25.6	\$ 14.0	\$ (10.5)	\$ 24.5
Plus:						
Equity in net income of affiliates, net of tax	—	—	—	(0.2)	—	(0.2)
Income tax expense	20.0	66.6	(46.6)	80.7	131.8	(51.1)
Income from continuing operations before income taxes and equity in net income of affiliates	71.7	92.8	(21.1)	94.4	121.2	(26.8)
Plus:						
Loss (gain) on sale of subsidiaries, net	36.3	(0.3)	36.6	37.8	(0.3)	38.1
Foreign currency exchange loss (gain), net	16.4	(11.4)	27.8	27.1	32.6	(5.5)
Other income, net	(0.1)	(1.4)	1.3	(9.2)	(12.2)	3.0
Loss (gain) on derivatives	0.8	3.8	(3.0)	(7.3)	(88.3)	81.0
Loss on debt extinguishment	1.9	—	1.9	28.3	7.5	20.8
Interest expense	30.9	53.5	(22.6)	167.3	235.2	(67.9)
Interest income	(2.7)	(2.5)	(0.2)	(12.2)	(11.9)	(0.3)
Operating income	155.3	134.5	20.8	326.1	283.9	42.2
Plus:						
Depreciation and amortization	47.1	49.6	(2.5)	192.2	210.8	(18.6)
EBITDA	202.4	184.1	18.3	518.3	494.7	23.6
Plus:						
Share-based compensation expense ⁽³⁾	3.5	0.2	3.3	12.7	9.7	3.0
Loss on impairment of assets ⁽⁴⁾	—	—	—	0.5	10.0	(9.5)
EiP implementation expenses ⁽⁵⁾	37.8	35.5	2.3	115.1	95.8	19.3
Adjusted EBITDA	\$ 243.6	\$ 219.7	\$ 23.9	\$ 646.6	\$ 610.2	\$ 36.4
Revenues	\$ 883.2	\$ 892.5	\$ (9.3)	\$ 3,250.3	\$ 3,290.2	\$ (39.9)
Adjusted EBITDA margin	27.6%	24.6%	297 bps	19.9%	18.5%	135 bps

⁽³⁾ Represents non-cash, share-based compensation expense pursuant to the provisions of ASC Topic 718.

⁽⁴⁾ Represents non-cash charges related to impairments of long-lived assets.

⁽⁵⁾ EiP implementation expenses are related to our enterprise-wide initiative to optimize and standardize Laureate's processes, creating vertical integration of procurement, information technology, finance, accounting and human resources. It included the establishment of regional shared services organizations (SSOs) around the world, as well as improvements to the Company's system of internal controls over financial reporting. The EiP initiative also includes other back- and mid-office areas, as well as certain student-facing activities, expenses associated with streamlining the organizational structure and certain non-recurring costs incurred in connection with the planned and completed dispositions. Beginning in 2019, EiP also includes expenses associated with an enterprise-wide program aimed at revenue growth.

Financial Tables

Non-GAAP Reconciliation (2 of 3)

The following table reconciles income (loss) from continuing operations to Adjusted EBITDA and Adjusted EBITDA margin for 2016 - 2018:

IN MILLIONS	For the years ended December 31,		
	2018	2017	2016
(Loss) income from continuing operations	\$ (10.5)	\$ 16.4	\$ 329.4
Plus:			
Equity in net loss (income) of affiliates, net of tax	—	(0.2)	(0.1)
Income tax expense (benefit)	131.8	(93.0)	33.3
Income (loss) from continuing operations before income taxes and equity in net income of affiliates	121.2	(76.8)	362.6
Plus:			
(Gain) loss on disposal of subsidiaries, net	(0.3)	10.5	(398.1)
Foreign currency exchange loss (gain), net	32.6	(3.2)	(77.1)
Other (income) expense, net	(12.2)	1.9	(0.5)
(Gain) loss on derivatives	(88.3)	(28.7)	6.1
Loss on debt extinguishment	7.5	8.4	17.4
Interest expense	235.2	334.9	390.4
Interest income	(11.9)	(11.9)	(14.4)
Operating income	283.9	235.2	286.4
Plus:			
Depreciation and amortization	210.8	201.1	196.9
EBITDA	494.7	436.3	483.3
Plus:			
Share-based compensation expense ⁽⁶⁾	9.7	61.9	35.9
Loss on impairment of assets ⁽⁷⁾	10.0	7.1	—
EiP implementation expenses ⁽⁸⁾	95.8	100.2	54.1
Adjusted EBITDA	\$ 610.2	\$ 605.4	\$ 573.2
Revenues	\$ 3,290.2	\$ 3,333.1	\$ 3,255.9
Adjusted EBITDA margin	18.5%	18.2%	17.6%

⁽⁶⁾ Represents non-cash, share-based compensation expense pursuant to the provisions of ASC Topic 718.

⁽⁷⁾ Represents non-cash charges related to impairments of long-lived assets.

⁽⁸⁾ Excellence-in-Process (EiP) implementation expenses are related to our enterprise-wide initiative to optimize and standardize Laureate's processes, creating vertical integration of procurement, information technology, finance, accounting and human resources. It included the establishment of regional shared services organizations (SSOs) around the world, as well as improvements to the Company's system of internal controls over financial reporting. The EiP initiative also includes other back- and mid-office areas, as well as certain student-facing activities, expenses associated with streamlining the organizational structure and certain non-recurring costs incurred in connection with the planned and completed dispositions.

Note: Dollars in millions, and may not sum to total due to rounding

Financial Tables

Non-GAAP Reconciliation (3 of 3)

The following table presents Free cash flow and reconciles Net cash flows from operating activities to Free cash flow:

<i>IN MILLIONS</i>	For the year ended December 31,		
	2019	2018	2017
Net cash provided by operating activities	\$ 339.8	\$ 396.9	\$ 192.2
Capital expenditures:			
Purchase of property and equipment	(155.6)	(238.0)	(274.1)
Expenditures for deferred costs	(17.7)	(19.9)	(19.7)
Free cash flow	\$ 166.5	\$ 139.0	\$ (101.6)



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