

# Second Quarter 2023 Earnings Presentation

August 3, 2023



**LAUREATE**  
EDUCATION INC.®



# Forward Looking Statements

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This presentation 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 guidance (including, but not limited to, total enrollments, revenues, and Adjusted EBITDA), and all statements we make relating to our current growth strategy and other future plans, strategies or transactions that may be identified, explored or implemented and any litigation or dispute resulting from any completed transaction 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 current growth strategy and the impact of any completed divestiture or separation transaction on our remaining businesses. Accordingly, 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 SEC on February 23, 2023, our subsequent Quarterly Reports on Form 10-Q filed, and to be filed, with the SEC 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 "Industry and Market Data" in Laureate's filings with the SEC.

# Presentation of Non-GAAP Measures

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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 and its related margin, Adjusted EBITDA to Unlevered Free Cash Flow Conversion, total debt, net of cash and cash equivalents (or net debt), 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 revenue, 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.

Adjusted EBITDA to Unlevered Free Cash Flow Conversion consists of Unlevered Free Cash Flow (which is defined as cash flows from operating activities, less capital expenditures, plus net cash interest expense) divided by Adjusted EBITDA. Adjusted EBITDA to Unlevered Free Cash Flow provides useful information to investors and others in understanding and evaluating our ability to generate cash flows.

Total debt, net of cash and cash equivalents (or net debt) consists of total gross debt, less total cash and cash equivalents. Net debt provides a useful indicator about Laureate's leverage and liquidity.

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 debt.

Laureate's calculations of Adjusted EBITDA and its related margin, Adjusted EBITDA to Unlevered Free Cash Flow Conversion, total debt, net of cash and cash equivalents (or net debt), 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. Adjusted EBITDA and Free Cash Flow are reconciled from their respective GAAP measures in the attached tables "Non-GAAP Reconciliation".

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.



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Universidad Tecnológica de México

# SUMMARY OVERVIEW

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**LAUREATE**  
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Note: Throughout this presentation amounts may not sum to totals due to rounding

# Executive Summary

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- ✓ New and Total Enrollments up 13% and 9% YTD, respectively versus prior year period
- ✓ Q2 results ahead of expectations
  - Revenue favorability driven by price/mix and currency rates
  - Adjusted EBITDA upside resulting from higher revenue & timing of expenses
- ✓ Net Income of \$56M in Q2; \$13M improvement versus prior year period
- ✓ YTD free cash flow increase of \$27M vs YTD June prior year
- ✓ Strong operating performance and favorable currency rates driving increase in full-year 2023 outlook:
  - Revenue: \$70M increase in mid-point guidance
  - Adjusted EBITDA: \$21M increase in mid-point guidance

***Favorable Operating and Currency Trends Driving Increase to FY Outlook***



# Strategic Priorities

Priority	Objective	Target Profile: Within Next 3-5 years <sup>1</sup>	
Growth	Sustainably lift organic revenue growth rate from drivers identified on the following page	Total Enrollment CAGR:	5% - 7%
		Revenue CAGR (FXN):	8% - 10%
Digital Penetration	Leverage leadership in Online and Hybrid delivery for capital light growth	% Hours Taught Online:	40% - 60%
		Capex as % Revenue:	<5%
Operational Excellence	Expand margins through Mexico optimization & efficient corporate structure	Adjusted EBITDA CAGR (FXN):	Low Teens
		Adjusted EBITDA Margin:	30%+
		Adjusted EBITDA to Unlevered FCF Conversion <sup>2</sup> :	50%
Academic Excellence	Commitment to leadership in educational quality and innovation	Leading academic offerings; key accreditations, recognition and outcomes	

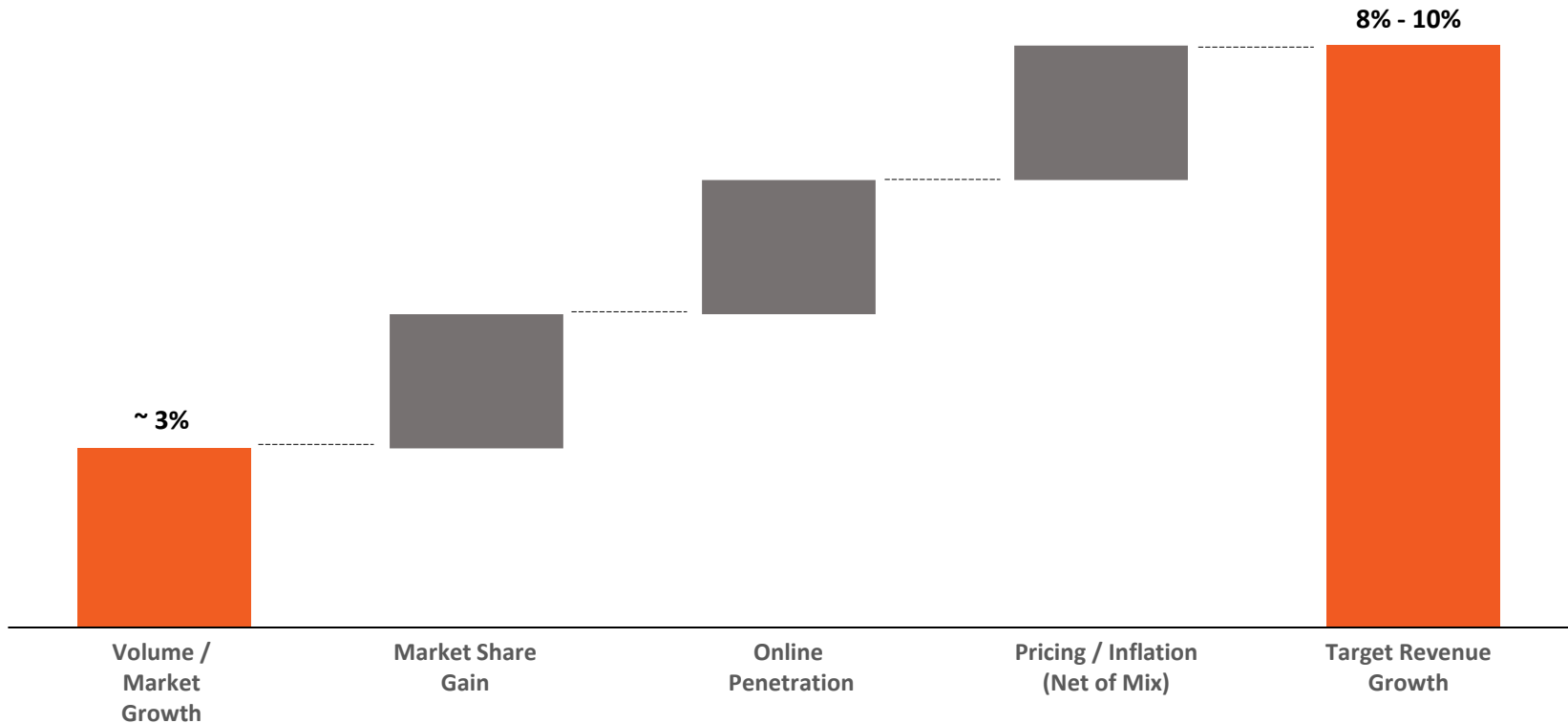
***Focused Growth Agenda with Operational and Academic Excellence***

(1) As provided on February 23, 2023.

(2) Unlevered Free Cash Flow (FCF) defined as Cash From Operations, less capital expenditures, plus net cash interest expense. Adjusted EBITDA to Unlevered Free Cash Flow Conversion defined as Unlevered Free Cash Flow divided by Adjusted EBITDA.

# Multiple Drivers for Revenue Growth<sup>1</sup>

## Revenue Growth Targets Over Next 3-5 Years



***Majority of Growth Initiatives are Capital Light Given Digital Focus***

(1) As provided on February 23, 2023.



**UPC**  
Universidad Peruana  
de Ciencias Aplicadas

# COMPELLING INVESTMENT CHARACTERISTICS




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# Large Markets with Low Penetration Rates in Higher Education

	 Mexico	 Peru	Combined					
Population (M)	129M	32M	161M					
Higher Education Students (000s)	5,058	1,811	6,869					
Higher Education Gross Participation Rate <sup>1</sup>	34% <sup>2</sup>	52% <sup>2</sup>	37%	 <table><tr><td><u>U.S.</u></td><td><u>E.U.</u></td></tr><tr><td>62%</td><td>54%</td></tr></table>	<u>U.S.</u>	<u>E.U.</u>	62%	54%
<u>U.S.</u>	<u>E.U.</u>							
62%	54%							
Market Share for Private Institutions <sup>3</sup>	42%	73%	53%					

Sources: UNESCO, World Bank, Secretaría de Educación Pública (Mexico), Superintendencia Nacional de Educación Superior Universitaria (Peru), Ministry of Education of Peru. Data as of year-end 2021.

- (1) Defined as total enrollments as compared to 18-24 year old population; European Union (EU) is based on management estimate.  
 (2) Includes 12% participation in Technical/Vocation institutions in Peru, 1% in Mexico.  
 (3) Private institution market share in higher education; for Mexico and Combined includes all states in which UVM or UNITEC have operations (total private market share for all of Mexico is 36%); for Peru based on total country.

***Attractive Markets with Strong Growth Opportunities  
Fueled by Increasing Participation Rates***

# Leading University Portfolio in Mexico & Peru

Mexico



Brand	Founded	Enrollment @ 6/30/23	Market Segment	QS Stars™ Overall	Ratings / Rankings
UVM LAUREATE INTERNATIONAL UNIVERSITIES Universidad del Valle de México (UVM)	1960	94,500	Premium/ Traditional	★★★★	<ul style="list-style-type: none"> <li>Ranked Top 10 university in Mexico</li> <li>5-Stars rated by QS Stars™ in categories of Employability &amp; Inclusiveness</li> </ul>



UNITEC Universidad Tecnológica de México Universidad Tecnológica de México (UNITEC)	1966	110,600	Value/ Teaching	★★★	<ul style="list-style-type: none"> <li>Largest private university in Mexico</li> <li>5-Stars rated by QS Stars™ in categories of Employability &amp; Inclusiveness</li> </ul>
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Peru



Universidad Peruana de Ciencias Aplicadas (UPC)



UPC Universidad Peruana de Ciencias Aplicadas (UPC)	1994	73,700	Premium/ Traditional	★★★★	<ul style="list-style-type: none"> <li>Ranked Top 5 university in Peru</li> <li>5-Stars rated by QS Stars™ in categories of Employability &amp; Inclusiveness</li> </ul>
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Universidad Privada del Norte (UPN)



UPN Universidad Privada del Norte (UPN)	1994	123,900	Value/ Teaching	★★★★	<ul style="list-style-type: none"> <li>3rd largest private university in Peru</li> <li>5-Stars rated by QS Stars™ in categories of Employability &amp; Inclusiveness</li> </ul>
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CIBERTEC  
CIBERTEC



CIBERTEC CIBERTEC	1983	21,700	Technical/ Vocational		<ul style="list-style-type: none"> <li>2nd largest private technical / vocational institute in Peru</li> </ul>
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**Operating Leading Brands in Attractive Market Segments**

# Recent Network Highlights

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Universidad Peruana de  
Ciencias Aplicadas (UPC)

## UPC in Peru:

- UPC has been recognized as one of the top two universities in Peru working towards the UN Sustainable Development Goals, according to the latest Impact Rankings by Times Higher Education.
- La Republica reported that UPC has the highest number of graduates with the best-paid careers in the Peruvian labor market. This is according to verified information on the Ponte en Carrera platform. The platform is promoted by the Ministry of Labor and Employment Promotion, the Ministry of Education and IPAE Acción Empresarial.



Universidad Tecnológica  
de México (UNITEC)

## UNITEC in Mexico:

- UNITEC announced its new Institutional Rector, Gabriela Martínez Morales. Gabriela is the first woman to hold the position in the history of UNITEC.
- UNITEC's Atizapán campus has received a Certificate of Responsibility for Environmental Balance (CREA) Diamond Level Award in the Academic Institution category, making it the first university in Mexico to receive this level of award.



# Q2 & YTD 2023 PERFORMANCE RESULTS

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# 2023 Second Quarter – Financial Summary

(\$ in millions) (Enrollments rounded to the nearest thousand)	Q2 '23	Variance Vs. Q2 '22		Notes
	Results	As Reported	Organic/CC <sup>1</sup>	
New Enrollment	23K	0%	0%	<ul style="list-style-type: none"> <li>Strong secondary intake for Mexico, Q2 YoY growth is +13% adjusted for timing of enrollment intakes</li> </ul>
Total Enrollment	424K	9%	9%	<ul style="list-style-type: none"> <li>Mexico +12%, Peru +7%</li> <li>Driven by new enrollment growth</li> </ul>
Revenue	\$462	20%	14%	<ul style="list-style-type: none"> <li>Enrollment growth and price/mix</li> </ul>
Adj. EBITDA	\$175	22%	18%	<ul style="list-style-type: none"> <li>Growth, productivity gains and timing benefits, partially offset by return to campus expenses</li> </ul>
Adj. EBITDA margin	38%	57 bps	132 bps	

***Strong Operating Performance, Efficiency Initiatives & FX Rates  
Driving Growth in Top Line and Profitability***

(1) Organic Constant Currency (CC) Operations excludes the period-over-period impact from currency fluctuations (if applicable), 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.



# 2023 Q2 YTD – Financial Summary

(\$ in millions) (Enrollments rounded to the nearest thousand)	Q2 YTD '23	Variance Vs. Q2 YTD '22		Notes
	Results	As Reported	Organic/CC <sup>1</sup>	
New Enrollment	118K	13%	13%	• Mexico +14%, Peru +13%
Total Enrollment	424K	9%	9%	• Mexico +12%, Peru +7% • Driven by new enrollment growth
Revenue	\$713	20%	13%	• Enrollment growth and price/mix
Adj. EBITDA	\$209	22%	15%	• Growth, productivity gains and timing benefits, partially offset by return to campus expenses
Adj. EBITDA margin	29.3%	49 bps	58 bps	

***Strong Operating Performance, Efficiency Initiatives & FX Rates  
Driving Growth in Top Line and Profitability***

(1) Organic Constant Currency (CC) Operations excludes the period-over-period impact from currency fluctuations (if applicable), 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.



# SEGMENT RESULTS



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# Mexico Segment Results



(\$ in millions) (Enrollments rounded to the nearest thousand)	Q2 Results		Q2 YTD Results		Notes
	Q2 '23	Organic/CC Vs. Q2 '22 <sup>(1)</sup>	Q2 YTD '23	Organic/CC Vs. Q2 YTD '22 <sup>(1)</sup>	
<b>New Enrollment</b>	<b>21K</b>	<b>1%</b>	<b>59K</b>	<b>14%</b>	<ul style="list-style-type: none"> <li>Strong secondary intake for Mexico, Q2 YoY is +17% adjusted for timing of intake closes</li> </ul>
<b>Total Enrollment</b>	<b>205K</b>	<b>12%</b>	<b>205K</b>	<b>12%</b>	<ul style="list-style-type: none"> <li>Driven by YTD new enrollment and strength of primary intake in Fall 2022</li> <li>10% YoY growth adjusted for timing</li> </ul>
<b>Revenue</b>	<b>\$192</b>	<b>18%</b>	<b>\$374</b>	<b>17%</b>	<ul style="list-style-type: none"> <li>Enrollment growth and price/mix</li> </ul>
<b>Adj. EBITDA</b>	<b>\$38</b>	<b>73%</b>	<b>\$87</b>	<b>36%</b>	<ul style="list-style-type: none"> <li>Strong growth, productivity gains and timing benefits, partially offset by return to face-to-face classes at campuses</li> </ul>
<b>Adj. EBITDA margin</b>	<b>19.9%</b>	<b>631 bps</b>	<b>23.3%</b>	<b>332 bps</b>	<ul style="list-style-type: none"> <li>Productivity gains and timing benefits, partially offset by return to campus expenses</li> </ul>

***Strong Secondary Intake and Continued Improvements in Profitability***

(1) Organic Constant Currency (CC) Operations excludes the period-over-period impact from currency fluctuations (if applicable), 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.

# Peru Segment Results



(\$ in millions) (Enrollments rounded to the nearest thousand)	Q2 Results		Q2 YTD Results		Notes
	Q2 '23	Organic/CC Vs. Q2 '22 <sup>(1)</sup>	Q2 YTD '23	Organic/CC Vs. Q2 YTD '22 <sup>(1)</sup>	
<b>New Enrollment</b>	<b>2K</b>	<b>n.m.</b>	<b>59K</b>	<b>13%</b>	<ul style="list-style-type: none"> <li>Strong growth in new enrollment during primary intake cycle in Q1</li> </ul>
<b>Total Enrollment</b>	<b>219K</b>	<b>7%</b>	<b>219K</b>	<b>7%</b>	<ul style="list-style-type: none"> <li>Driven by new enrollment volume</li> </ul>
<b>Revenue</b>	<b>\$270</b>	<b>12%</b>	<b>\$339</b>	<b>11%</b>	<ul style="list-style-type: none"> <li>Enrollment growth and price/mix</li> </ul>
<b>Adj. EBITDA</b>	<b>\$147</b>	<b>7%</b>	<b>\$141</b>	<b>0%</b>	<ul style="list-style-type: none"> <li>Includes costs for return to face-to-face classes at campuses</li> </ul>
<b>Adj. EBITDA margin</b>	<b>54.5%</b>	<b>(247 bps)</b>	<b>41.5%</b>	<b>(462 bps)</b>	<ul style="list-style-type: none"> <li>Margin impacted by return to campus expenses</li> </ul>

***Favorable Pricing/Mix & Enrollment Volume Driving Top Line Growth***

(1) Organic Constant Currency (CC) Operations excludes the period-over-period impact from currency fluctuations (if applicable), 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.



BIBLIOTECA  
DANIEL  
RODRÍGUEZ  
HOYLE



# OUTLOOK



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# 2023 Outlook – Executive Summary

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- ✓ **Market dynamics remain favorable for the private Higher Education sector in Mexico & Peru; digital education accelerating**
- ✓ **2023 Revenue growth is now expected at 19%-20% Vs. 2022<sup>1</sup> (up 10% on an organic constant currency basis<sup>2</sup>)**
- ✓ **2023 Adjusted EBITDA growth is now expected at 24%-26% Vs. 2022<sup>1</sup> (up 14%-16% on an organic constant currency basis<sup>2</sup>)**
- ✓ **Adjusted EBITDA Margin accretion expected at 110bps (despite annualization impact of return to campus expenses) driven by Mexico performance improvements and efficiencies in our corporate structure<sup>3</sup>**
- ✓ **Adjusted EBITDA to Unlevered Free Cash Flow Conversion still expected to be in low-mid 40% range**

***Continued Growth Momentum Expected for FY 2023***

(1) Based on actual FX rates for January through July, and spot FX rates (local currency per US dollar) of MXN 16.84 & PEN 3.57 for August through December 2023. FX impact may change based on fluctuations in currency rates in future periods. Amounts presented in whole numbers may be rounded.

(2) Organic Constant Currency (CC) Operations excludes the period-over-period impact from currency fluctuations (if applicable), 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.

(3) At mid-point of 2023 guidance provided.

# 2023 FY Outlook - Updated

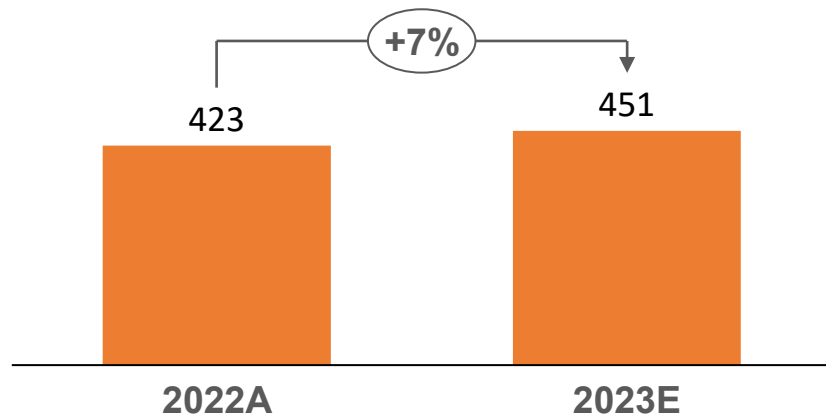
(\$ in millions) (Enrollments in thousands)	Prior FY 2023 Outlook	Change (mid-point)	Current FY 2023 Outlook <sup>(1)</sup>
Revenue	\$1,412 - \$1,427	+\$70	\$1,483 - \$1,495
Adjusted EBITDA	\$398 - \$406	+\$21	\$419 - \$427

(1) Based on actual FX rates for January through July, and spot FX rates (local currency per US dollar) of MXN 16.84 & PEN 3.57 for August through December 2023. FX impact may change based on fluctuations in currency rates in future periods. Amounts presented in whole numbers may be rounded.

***Strong Operating Performance and Favorable Currency Rates  
Driving Increase in Full-Year 2023 Outlook***

# 2023 Outlook (At Mid-Point)<sup>1</sup>

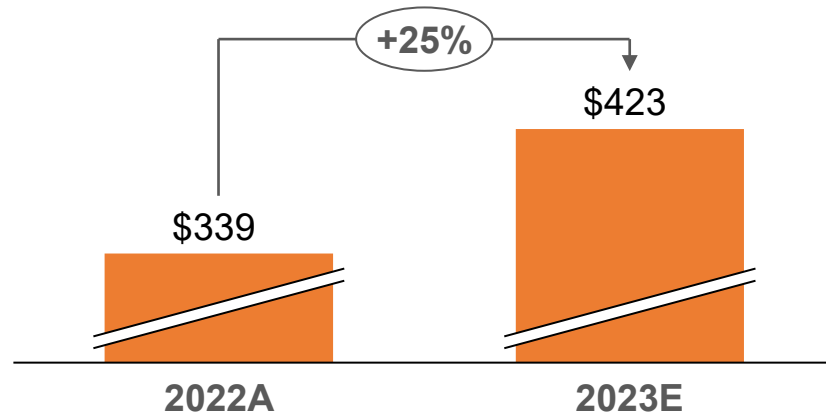
Total Enrollment (000s)



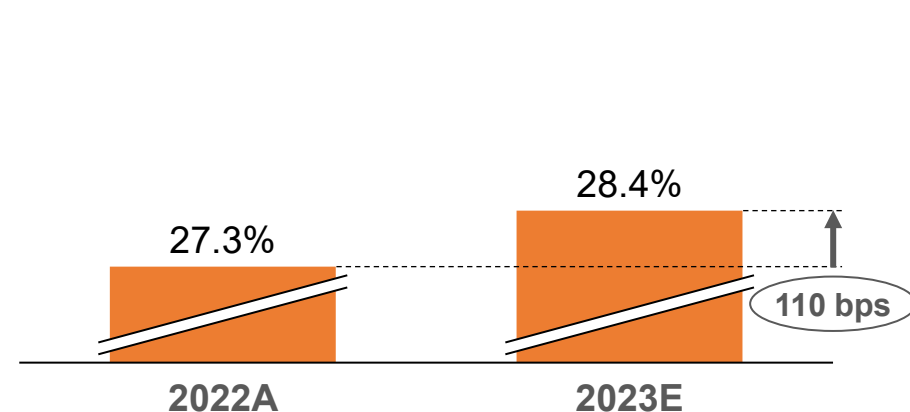
Revenue (\$M)



Adjusted EBITDA (\$M)



Adjusted EBITDA Margin %



**Strong Top Line Growth With Continued Margin Expansion**

(1) Based on actual FX rates for January through July, and spot FX rates (local currency per US dollar) of MXN 16.84 & PEN 3.57 for August through December 2023. FX impact may change based on fluctuations in currency rates in future periods. Data shown and growth rates are based on mid-point of 2023 guidance. Amounts presented in whole numbers may be rounded.

Note: An outlook for 2023 net income and reconciliation of the forward-looking 2023 Adjusted EBITDA outlook to projected net income is 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. Due to this uncertainty, the company cannot reconcile Adjusted EBITDA or its related margin to projected net income or its related margin without unreasonable effort.

# Q3 & 2H 2023 Guidance Details

(\$ in millions)	Q3 2022 Outlook <sup>(1)</sup>	2H 2023 Implied Outlook <sup>(1)</sup>
Revenue	\$357 - \$362	\$770 - \$782
Adjusted EBITDA	\$77 - \$81	\$210 - \$218

***Continued Growth in Profitability Expected in 2H 2023  
~170bps YoY Improvement in Adjusted EBITDA Margins for 2H Guidance (at mid-point)***

(1) Based on actual FX rates for July, and spot FX rates (local currency per US dollar) of MXN 16.84 & PEN 3.57 for August through December 2023. FX impact may change based on fluctuations in currency rates in future periods. Amounts presented in whole numbers may be rounded.

Note: An outlook for Q3 2023 and implied 2H net income and reconciliation of the forward-looking Q3 2023 and 2H implied Adjusted EBITDA outlook to projected net income is 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. Due to this uncertainty, the company cannot reconcile Adjusted EBITDA to projected net income without unreasonable effort.



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# APPENDIX

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## 2023 Second Quarter – Net Income Reconciliation

	Q2 '23	B / (W) Vs. Q2 '22		Notes
(\$ in millions)	Reported	\$	%	
Adjusted EBITDA	175	31	22%	
Depreciation & Amort.	(17)	(3)	(17%)	
Interest Expense, net	(4)	(2)	n.m.	• Net leverage <0.5x
Impairments	(2)	(2)	n.m.	
Other	(35)	(19)	n.m.	• Non-cash FX translation loss on intercompany loans
Income Tax	(58)	15	20%	• Prior year included discrete tax expenses
Income/(Loss) From Continuing Operations	60	21	53%	
Discontinued Operations (Net of Tax)	(4)	(8)	n.m.	
Net Income / (Loss)	56	13	29%	

***Income from Continuing Operations Improved Versus Prior Year***

## 2023 Q2 YTD – Net Income Reconciliation

	Q2 YTD '23	B / (W) Vs. Q2 YTD '22		Notes
(\$ in millions)	Reported	\$	%	
Adjusted EBITDA	209	38	22%	
Depreciation & Amort.	(34)	(5)	(16%)	
Interest Expense, net	(8)	(4)	n.m.	• Net leverage <0.5x
Impairments	(2)	(2)	n.m.	
Other	(64)	(40)	n.m.	• Non-cash FX translation loss on intercompany loans
Income Tax	(68)	52	n.m.	• Prior year included discrete tax expenses
Income/(Loss) From Continuing Operations	34	40	n.m.	
Discontinued Operations (Net of Tax)	(4)	(9)	n.m.	
Net Income / (Loss)	30	31	n.m.	

***Income from Continuing Operations Improved Versus Prior Year***

## Capitalization at 6/30/2023

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(\$ in millions)	Total Company as of 6/30/23
Gross Debt	\$210
Less: Cash & Cash Equivalents	(\$112)
Net Debt	\$98

- Total current shares outstanding of 157M shares as of June 30<sup>th</sup>

***Strong Balance Sheet Position***

# 2023 Full Year Guidance Details

(\$ in millions) (Enrollments rounded to the nearest thousand)	Total Enrollment	Revenues	Adj. EBITDA
<b>2022 FY Results Adjusted</b>	<b>423K</b>	<b>\$1,242</b>	<b>\$339</b>
Organic Growth	24K - 32K	\$118 - \$130	\$47 - \$55
<i>Organic Growth %</i>	6% - 7%	10%	14% - 16%
<b>2023 FY Guidance (Constant Currency)</b>	<b>447K - 455K</b>	<b>\$1,360 - \$1,372</b>	<b>\$386 - \$394</b>
FX Impact (spot FX) <sup>(1)</sup>		\$123	\$33
<b>2023 FY Guidance (@ spot FX) <sup>(1)</sup></b>	<b>447K - 455K</b>	<b>\$1,483 - \$1,495</b>	<b>\$419 - \$427</b>
<i>As Reported Growth %</i>	6% - 7%	19% - 20%	24% - 26%

***Strong Top Line Growth With Continued Margin Expansion***

(1) Based on actual FX rates for January through July, and spot FX rates (local currency per US dollar) of MXN 16.84 & PEN 3.57 for August through December 2023. FX impact may change based on fluctuations in currency rates in future periods. Data shown and growth rates are based on mid-point of 2023 guidance. Amounts presented in whole numbers may be rounded.

Note: An outlook for 2023 net income and reconciliation of the forward-looking 2023 Adjusted EBITDA outlook to projected net income is 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. Due to this uncertainty, the company cannot reconcile Adjusted EBITDA to projected net income without unreasonable effort.

# Q3 & 2H 2023 Guidance Details

(\$ in millions)	3Q Guidance		2H Implied Guidance	
	Revenues	Adj. EBITDA	Revenues	Adj. EBITDA
<b>2022 Results As Reported</b>	<b>\$301</b>	<b>\$73</b>	<b>\$647</b>	<b>\$168</b>
<i>Timing Impact Intra-Year (academic calendar)</i>	\$1	\$1	\$0	\$0
<b>2022 Results Adjusted</b>	<b>\$302</b>	<b>\$74</b>	<b>\$647</b>	<b>\$168</b>
Organic Growth	\$17 - \$22	(\$2) - \$2	\$41 - \$53	\$21 - \$29
Organic Growth %	6% - 7%	(3%) - 3%	6% - 8%	12% - 17%
<b>2023 Guidance (Constant Currency)</b>	<b>\$319 - \$324</b>	<b>\$72 - \$76</b>	<b>\$688 - \$700</b>	<b>\$189 - \$197</b>
FX Impact (spot FX) <sup>(1)</sup>	\$38	\$5	\$82	\$22
<b>2023 Guidance (@ spot FX) <sup>(1)</sup></b>	<b>\$357 - \$362</b>	<b>\$77 - \$81</b>	<b>\$770 - \$782</b>	<b>\$210 - \$218</b>
<i>As Reported Growth %</i>	19% - 20%	5% - 11%	19% - 21%	25% - 30%

Q3 Y-o-Y results impacted by seasonality and timing of expenses

**Continued Growth in Profitability Expected in 2H 2023**  
**~170bps YoY Improvement in Adjusted EBITDA Margins for 2H Guidance (at mid-point)**

(1) Based on actual FX rates for July, and spot FX rates (local currency per US dollar) of MXN 16.84 & PEN 3.57 for August through December 2023. FX impact may change based on fluctuations in currency rates in future periods. Amounts presented in whole numbers may be rounded.

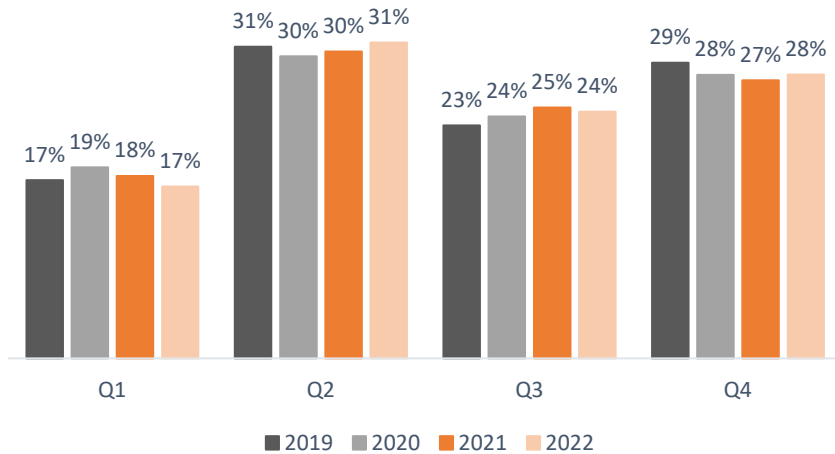
Note: An outlook for Q3 2022 and implied 2H net income and reconciliation of the forward-looking Q3 2022 and 2H implied Adjusted EBITDA outlook to projected net income is not being provided as the company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such outlook and reconciliation. Due to this uncertainty, the company cannot reconcile Adjusted EBITDA to projected net income without unreasonable effort.



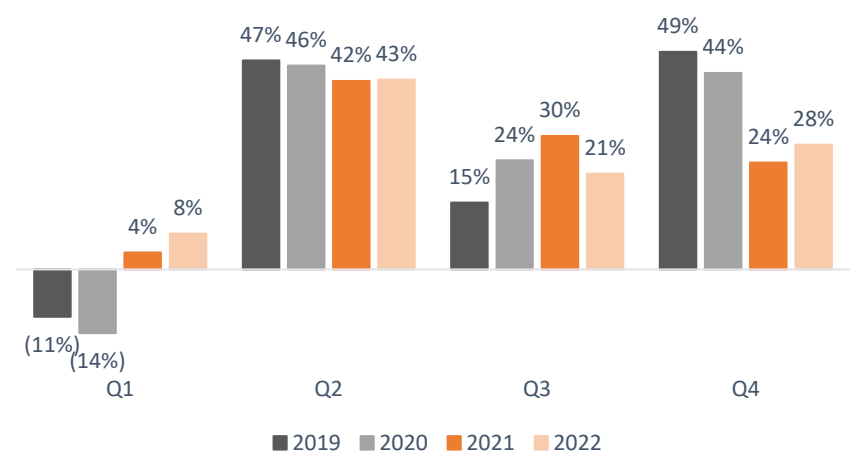
# Intra-Year Seasonality Trends

- Large intake cycles at end of Q1 (Peru) and end of Q3 (Mexico) drive seasonality of earnings
- Q2 and Q4 are typically Laureate's strongest earnings quarters

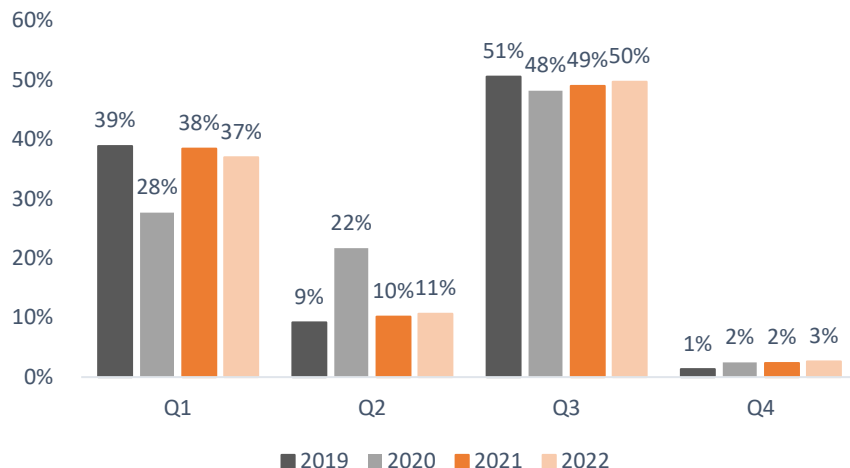
## Revenue Seasonality



## Adjusted EBITDA Seasonality



## New Enrollments Seasonality



## Factors Affecting Seasonality

- Main intake cycles:
  - Q1 - Peru
  - Q3 - Mexico
- Academic calendar
- FX trends

# Financial Results & Tables

# Financial Tables

## Consolidated Statements of Operations

<i>IN MILLIONS</i>	For the three months ended June 30,			For the six months ended June 30,		
	2023	2022	Change	2023	2022	Change
<b>Revenues</b>	\$ 462.1	\$ 385.4	\$ 76.7	\$ 713.3	\$ 594.9	\$ 118.4
Costs and expenses:						
Direct costs	294.0	242.8	51.2	519.3	425.7	93.6
General and administrative expenses	12.0	15.9	(3.9)	22.3	33.4	(11.1)
Loss on impairment of assets	1.6	—	1.6	1.6	0.1	1.5
<b>Operating income</b>	154.5	126.6	27.9	170.1	135.7	34.4
Interest income	2.0	1.7	0.3	4.1	3.7	0.4
Interest expense	(6.1)	(4.2)	(1.9)	(12.1)	(7.9)	(4.2)
Other (expense) income, net	(0.1)	0.2	(0.3)	0.1	(1.0)	1.1
Foreign currency exchange loss, net	(32.4)	(14.5)	(17.9)	(61.3)	(18.1)	(43.2)
Gain on disposal of subsidiaries, net	—	1.5	(1.5)	0.3	1.5	(1.2)
Income from continuing operations before income taxes and equity in net income of affiliates	117.8	111.4	6.4	101.3	113.9	(12.6)
Income tax expense	(57.5)	(72.0)	14.5	(67.7)	(119.9)	52.2
Equity in net income of affiliates, net of tax	—	—	—	—	0.1	(0.1)
<b>Income (loss) from continuing operations</b>	60.4	39.4	21.0	33.6	(6.0)	39.6
(Loss) income from discontinued operations, net of tax	(4.0)	4.1	(8.1)	(4.1)	4.9	(9.0)
<b>Net income (loss)</b>	56.3	43.6	12.7	29.6	(1.1)	30.7
Net (income) loss attributable to noncontrolling interests	(0.1)	(0.1)	—	—	0.3	(0.3)
<b>Net income (loss) attributable to Laureate Education, Inc.</b>	\$ 56.2	\$ 43.4	\$ 12.8	\$ 29.6	\$ (0.8)	\$ 30.4
<b>Basic and diluted earnings (loss) per share:</b>						
Basic weighted average shares outstanding	157.2	167.1	(9.9)	157.2	172.5	(15.3)
Diluted weighted average shares outstanding	157.6	167.5	(9.9)	157.6	172.5	(14.9)
Basic earnings per share	\$ 0.35	\$ 0.26	\$ 0.09	\$ 0.18	\$ —	\$ 0.18
Diluted earnings per share	\$ 0.35	\$ 0.25	\$ 0.10	\$ 0.18	\$ —	\$ 0.18

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

# Financial Tables

Revenue and Adjusted EBITDA by segment: Quarter

IN MILLIONS

For the three months ended June 30,			% Change		\$ Variance Components					
	2023	2022	Reported	Organic Constant Currency <sup>(1)</sup>	Total	Organic Constant Currency	Other	Acq/Div.	FX	
Revenues										
Mexico	\$ 192.1	\$ 144.7	33%	18%	\$ 47.4	\$ 25.6	\$ —	\$ —	\$ 21.8	
Peru	270.0	239.2	13%	12%	30.8	28.1	—	—	2.7	
Corporate & Eliminations	(0.1)	1.6	nm	nm	(1.7)	(1.7)	—	—	—	
Total Revenues	\$ 462.1	\$ 385.4	20%	14%	\$ 76.7	\$ 52.2	\$ —	\$ —	\$ 24.5	
Adjusted EBITDA										
Mexico	\$ 38.2	\$ 19.5	96%	73%	\$ 18.7	\$ 14.2	\$ —	\$ —	\$ 4.5	
Peru	147.2	136.3	8%	7%	10.9	9.4	—	—	1.5	
Corporate & Eliminations	(10.0)	(11.7)	15%	15%	1.7	1.7	—	—	—	
Total Adjusted EBITDA	\$ 175.4	\$ 144.1	22%	18%	\$ 31.3	\$ 25.3	\$ —	\$ —	\$ 6.0	
nm - percentage changes not meaningful										

nm - percentage changes not meaningful

<sup>(1)</sup> 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. Organic Constant Currency is calculated 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. The “Organic Constant Currency” percentage changes are calculated by dividing the Organic Constant Currency amounts by the 2022 Revenues and Adjusted EBITDA amounts, excluding the impact of the divestitures.

# Financial Tables

Revenue and Adjusted EBITDA by segment: Year-to-Date

IN MILLIONS

				% Change		\$ Variance Components										
				Reported	Organic Constant Currency <sup>(2)</sup>	Total	Organic Constant Currency	Other	Acq/Div.	FX						
For the six months ended June 30,	2023	2022														
Revenues																
Mexico	\$	374.1	\$	287.2	30%	17%	\$	86.9	\$	47.8	\$	—	\$	—	\$	39.1
Peru		339.2		304.6	11%	11%		34.6		32.3		—		—		2.3
Corporate & Eliminations		—		3.2	(100)%	(100)%		(3.2)		(3.2)		—		—		—
Total Revenues	\$	713.3	\$	594.9	20%	13%	\$	118.4	\$	77.0	\$	—	\$	—	\$	41.4
Adjusted EBITDA																
Mexico	\$	87.1	\$	56.4	54%	36%	\$	30.7	\$	20.5	\$	0.1	\$	—	\$	10.1
Peru		140.7		140.1	—%	—%		0.6		(0.7)		—		—		1.3
Corporate & Eliminations		(19.0)		(25.3)	25%	25%		6.3		6.3		—		—		—
Total Adjusted EBITDA	\$	208.9	\$	171.3	22%	15%	\$	37.6	\$	26.1	\$	0.1	\$	—	\$	11.4

nm - percentage changes not meaningful

<sup>(2)</sup> 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. Organic Constant Currency is calculated 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. The “Organic Constant Currency” percentage changes are calculated by dividing the Organic Constant Currency amounts by the 2022 Revenues and Adjusted EBITDA amounts, excluding the impact of the divestitures.

# Financial Tables

## Consolidated Balance Sheets

<i>IN MILLIONS</i>	June 30, 2023		December 31, 2022		Change
<b>Assets</b>					
Cash and cash equivalents	\$	111.7	\$	85.2	\$ 26.5
Receivables (current), net		127.9		80.7	47.2
Other current assets		52.9		60.3	(7.4)
Property and equipment, net		562.5		523.4	39.1
Operating lease right-of-use assets, net		374.0		389.6	(15.6)
Goodwill and other intangible assets		827.6		735.1	92.5
Deferred income taxes		57.7		51.9	5.8
Other long-term assets		45.5		46.0	(0.5)
Current and long-term assets held for sale		11.1		—	11.1
<b>Total assets</b>	\$	2,170.9	\$	1,972.2	\$ 198.7
<b>Liabilities and stockholders' equity</b>					
Accounts payable and accrued expenses	\$	194.1	\$	178.6	\$ 15.5
Deferred revenue and student deposits		57.5		51.3	6.2
Total operating leases, including current portion		411.0		415.9	(4.9)
Total long-term debt, including current portion		208.8		232.1	(23.3)
Other liabilities		315.0		318.6	(3.6)
Current and long-term liabilities held for sale		11.7		—	11.7
<b>Total liabilities</b>		1,198.3		1,196.5	1.8
Redeemable noncontrolling interests and equity		1.4		1.4	—
<b>Total stockholders' equity</b>		971.2		774.4	196.8
<b>Total liabilities and stockholders' equity</b>	\$	2,170.9	\$	1,972.2	\$ 198.7



# Financial Tables

## Consolidated Statements of Cash Flows

IN MILLIONS	For the six months ended June 30,		
	2023	2022	Change
<b>Cash flows from operating activities</b>			
Net income (loss)	\$ 29.6	\$ (1.1)	\$ 30.7
Depreciation and amortization	34.0	29.2	4.8
Loss (gain) on sales and disposal of subsidiaries and property and equipment, net	5.7	(6.6)	12.3
Deferred income taxes	(6.9)	9.5	(16.4)
Unrealized foreign currency exchange loss	61.3	15.1	46.2
Income tax receivable/payable, net	(1.7)	41.2	(42.9)
Working capital, excluding tax accounts	(71.3)	(68.3)	(3.0)
Other non-cash adjustments	28.1	26.6	1.5
<b>Net cash provided by operating activities</b>	<b>78.8</b>	<b>45.6</b>	<b>33.2</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	(14.9)	(8.1)	(6.8)
Expenditures for deferred costs	—	(0.1)	0.1
Receipts from sales of discontinued operations and property and equipment	0.4	10.3	(9.9)
<b>Net cash (used in) provided by investing activities</b>	<b>(14.5)</b>	<b>2.0</b>	<b>(16.5)</b>
<b>Cash flows from financing activities</b>			
Decrease in long-term debt, net	(44.2)	(25.8)	(18.4)
Proceeds from exercise of stock options	1.5	11.6	(10.1)
Payments to repurchase common stock	—	(206.3)	206.3
Financing other, net	(3.1)	(5.7)	2.6
<b>Net cash used in financing activities</b>	<b>(45.7)</b>	<b>(226.2)</b>	<b>180.5</b>
Effects of exchange rate changes on Cash and cash equivalents and Restricted cash	8.7	10.0	(1.3)
Change in cash included in current assets held for sale	(0.6)	—	(0.6)
<b>Net change in Cash and cash equivalents and Restricted cash</b>	<b>26.7</b>	<b>(168.5)</b>	<b>195.2</b>
Cash and cash equivalents and Restricted cash at beginning of period	93.8	345.6	(251.8)
<b>Cash and cash equivalents and Restricted cash at end of period</b>	<b>\$ 120.5</b>	<b>\$ 177.1</b>	<b>\$ (56.6)</b>

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

# Financial Tables

## Non-GAAP Reconciliation (1 of 2)

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

IN MILLIONS	For the three months ended June 30,			For the six months ended June 30,		
	2023	2022	Change	2023	2022	Change
<b>Income (loss) from continuing operations</b>	\$ 60.4	\$ 39.4	\$ 21.0	\$ 33.6	\$ (6.0)	\$ 39.6
Plus:						
Equity in net income of affiliates, net of tax	—	—	—	—	(0.1)	0.1
Income tax expense	57.5	72.0	(14.5)	67.7	119.9	(52.2)
Income from continuing operations before income taxes and equity in net income of affiliates	117.8	111.4	6.4	101.3	113.9	(12.6)
Plus:						
Gain on disposal of subsidiaries, net	—	(1.5)	1.5	(0.3)	(1.5)	1.2
Foreign currency exchange loss, net	32.4	14.5	17.9	61.3	18.1	43.2
Other expense (income), net	0.1	(0.2)	0.3	(0.1)	1.0	(1.1)
Interest expense	6.1	4.2	1.9	12.1	7.9	4.2
Interest income	(2.0)	(1.7)	(0.3)	(4.1)	(3.7)	(0.4)
Operating income	154.5	126.6	27.9	170.1	135.7	34.4
Plus:						
Depreciation and amortization	17.3	14.8	2.5	34.0	29.2	4.8
EBITDA	171.8	141.4	30.4	204.1	164.9	39.2
Plus:						
Share-based compensation expense <sup>(3)</sup>	2.0	2.4	(0.4)	3.1	5.1	(2.0)
Loss on impairment of assets <sup>(4)</sup>	1.6	—	1.6	1.6	0.1	1.5
EiP implementation expenses <sup>(5)</sup>	—	0.3	(0.3)	—	1.2	(1.2)
Adjusted EBITDA	\$ 175.4	\$ 144.1	\$ 31.3	\$ 208.9	\$ 171.3	\$ 37.6
Revenues	\$ 462.1	\$ 385.4	\$ 76.7	\$ 713.3	\$ 594.9	\$ 118.4
Income (loss) from continuing operations margin	13.1 %	10.2 %	283 bps	4.7 %	(1.0)%	572 bps
Adjusted EBITDA margin	38.0 %	37.4 %	57 bps	29.3 %	28.8 %	49 bps

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

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

<sup>(5)</sup> Excellence-in-Process (EiP) implementation expenses were 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), as well as improvements to the Company's system of internal controls over financial reporting. The EiP initiative also included other back- and mid-office areas, as well as certain student-facing activities, expenses associated with streamlining the organizational structure, an enterprise-wide program aimed at revenue growth, and certain non-recurring costs that were incurred in connection with previous dispositions and completed dispositions. The EiP initiative was completed as of December 31, 2021, except for certain EiP expenses related to the run out of programs that began in prior periods.

# Financial Tables

## Non-GAAP Reconciliation (2 of 2)

The following table reconciles operating cash flow to Free Cash Flow for the six months ended June 30, 2023 and 2022:

<i>IN MILLIONS</i>	<b>2023</b>	<b>2022</b>	<b>Change</b>
<b>Net cash provided by operating activities</b>	\$ 78.8	\$ 45.6	\$ 33.2
<b>Capital expenditures:</b>			
Purchase of property and equipment	(14.9)	(8.1)	(6.8)
Expenditures for deferred costs	—	(0.1)	0.1
<b>Free Cash Flow</b>	\$ 63.9	\$ 37.4	\$ 26.5



**LAUREATE**  
EDUCATION INC<sup>®</sup>