



Q3 2020 Earnings Presentation

May 5, 2020

Safe Harbor

Certain statements contained in this release are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact, which includes statements regarding the future impacts of the COVID-19 pandemic. Forward-looking statements can also be identified by words such as “future,” “believe,” “expect,” “anticipate,” “estimate,” “plan,” “intend,” “may,” “will,” “would,” “could,” “can,” “continue,” “preliminary,” “range,” and similar terms. These forward-looking statements are subject to risk and uncertainties that could cause actual results to differ materially from those described in the statements. These risk and uncertainties include the risk factors described in Item 1A. “Risk Factors” of our most recent Annual Report on Form 10-K for the fiscal year ended June 30, 2019 filed with the Securities and Exchange Commission (SEC) on August 28, 2019 and our other filings with the SEC. These forward-looking statements are based on information available to us as of the date any such statements are made, and we do not undertake any obligation to update any forward-looking statement, except as required by law.

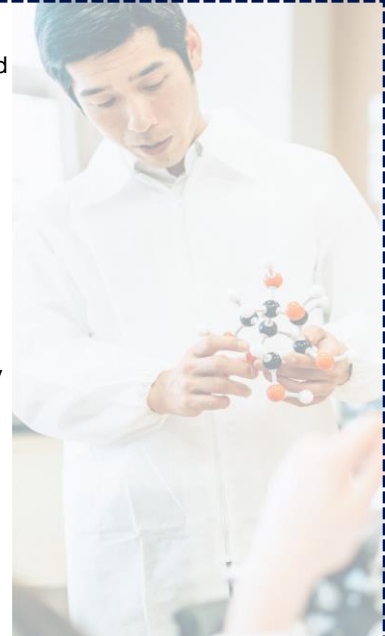
Non-GAAP Financial Measures

This presentation includes references to certain financial measures that are not calculated in accordance with generally accepted accounting principles in the United States (“GAAP”). Management believes that the non-GAAP disclosures provide investors with useful supplemental information regarding the underlying business trends and performance of Adtalem’s ongoing operations and are useful for period-over-period comparisons of such operations. Adtalem uses these supplemental financial measures internally in its assessment of the performance of its portfolio of investments. These non-GAAP financial measures have important limitations and should not be considered in isolation or as a substitute for measures of Adtalem’s financial performance prepared in accordance with GAAP. For a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP measure, please refer to the reconciliation at the end of this presentation.

Adtalem Highlights

Leveraging inherent strengths to successfully navigate through uncertain economic environment

- **Well-positioned to advance Workforce Solutions Provider strategy through pandemic:**
 - Strong competitive advantages stemming from legacy of online learning and streamlined portfolio of businesses poised for long-term growth
 - Leadership team with history of resiliency and superior crisis response
 - Serving industries in great demand producing nurses and physicians in healthcare and delivering critical finance skills in financial services
 - Crisis highlights ongoing medical professional shortage across the U.S.; taking critical steps to deliver highly-qualified professionals into the workforce
 - Enrollments and academic outcomes remain strong with more than 920 physicians and 850 nurses entering the U.S. and Canadian workforce this year alone
- **Steps taken to reduce impact:**
 - Successfully transitioned over 15,000 medical and nursing students that were previously on campus to online platforms, bringing the total number of online students to 40,000
 - Launched online certification testing as well as enhanced virtual interaction to meet customer and student needs.
- **Strong financial position and flexibility:**
 - Solid balance sheet and liquidity with \$168M in cash as of March 31, in addition to available borrowings on credit facility of \$72M
 - Adtalem Brazil divestiture completed in April, with \$424M in net cash proceeds, further supporting our balance sheet and bolstering liquidity



Q3 2020 Highlights

\$271.5 million
Revenue

\$43.2 million
Net Income¹

\$0.81
Earnings Per Share¹

\$126 million
TTM Free Cash Flow²



Delivered revenue growth across both verticals



Efforts to boost enrollment in Medical and Healthcare driving growth



Quickly and successfully transitioned programs online with minimal disruption



Delivered 27% year-over-year earnings per share growth

1) From continuing operations, excluding special items.

2) For twelve months ended March 31, 2020; Free cash flow is a non-GAAP financial measure defined as net cash provided by operations less capital expenditures. Differences may occur due to rounding.

Medical & Healthcare

Growing enrollment and driving enhanced academic outcomes, focusing on supporting learners throughout crisis

- **Chamberlain University:**

- Double-digit new student enrollment growth during the third quarter, with increases across programs and in particular RN to BSN
- 2019 first time NCLEX pass rate close to 88%
- Expanding Chamberlain BSN offerings at select campuses by adding evening and weekend options and launching BSN online degree
- Announced Acute Care Readiness course to address gaps in training for licensed nurses fulfilling COVID related service (540 plus students enrolled as of April)
- Launched “#CareforCaregivers” campaign to support healthcare providers and highlight COVID-19 experiences; 9 million video views and growing



- **Medical and Veterinary Schools:**

- **Ross University School of Medicine:** Attained a 93.5% residency match rate, evidencing quality of graduates
- **Ross University School of Veterinary Medicine:** Strongest January new student enrollment in 10 years
- **American University of the Caribbean School of Medicine:** Achieved 91% residency match rate, demonstrating graduate preparedness



Financial Services

Making strategic improvements across vertical

- **ACAMS:**

- Shifted CAMS certification testing to online platforms in response to COVID-19
- Certified Global Sanctions Specialist (CGSS) certification offered in more than 90 countries
- Developed foundational certificate courses in anti-money laundering and sanctions to train front line partner employees
- Announced partnership with ING to provide multilingual ACAMS training across 40 countries

The logo for ACAMS, featuring the word "ACAMS" in a bold, sans-serif font. The "A" is green, and the remaining letters are black.

- **Becker:**

- Implemented enhanced value proposition within core accounting business
- Gaining traction with continuing education offerings in both B2B and B2C markets

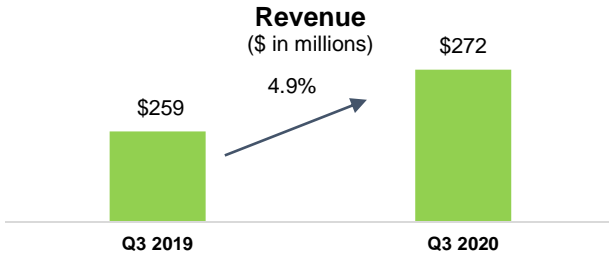
The logo for Becker+, featuring the word "Becker" in a bold, sans-serif font, followed by a plus sign. The text is dark blue.

- **OnCourse Learning:**

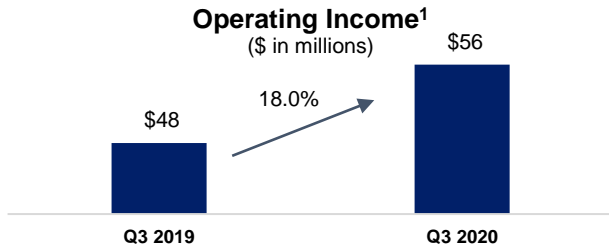
- Appointed Josh Braunstein as new president to strategically grow market share
- Further developing mortgage education segment, supported by favorable market conditions
- Achieved major B2B enterprise renewals, increased webinar content, and focused on developing regulation and compliance offerings

The logo for OnCourse Learning, featuring a green circular icon with a white stylized 'A' shape inside, followed by the text "OnCourse Learning" in a green, sans-serif font.

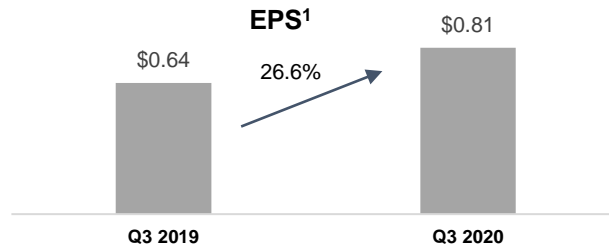
Q3 2020 Financial Highlights



• Revenue growth across both verticals boosted by OnCourse Learning acquisition



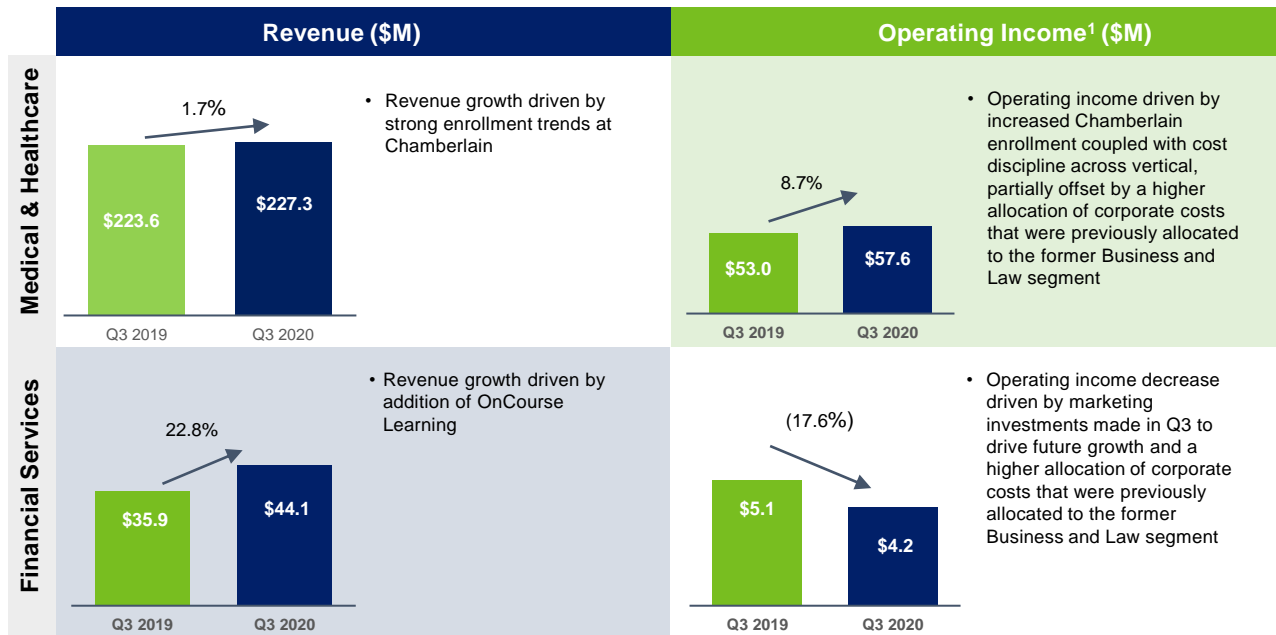
• Operating income driven by strong enrollment trends and continued cost efficiency efforts



• EPS growth driven by 18% increase in Q3 operating income and share repurchases

1) From continuing operations excluding special items

Q3 2020 Solid Revenue Growth Across Segments



1) From continuing operations excluding special items

Segment Adjusted Operating Income Year-over-Year

Medical and Healthcare

Key Metrics	Operating Income (OI)	OI Margin ³
Q3 2019 ¹	\$53.0 million	23.7%
Q3 2020 ¹	\$57.6 million	25.3%
Change in corporate allocations ²	\$1.8 million	0.8%
Adjusted Q3 2020 Operating Income/Margin ¹	\$59.4 million	26.1%

Financial Services

Key Metrics	Operating Income (OI)	OI Margin ³
Q3 2019 ¹	\$5.1 million	14.2%
Q3 2020 ¹	\$4.2 million	9.5%
Change in corporate allocations ²	\$0.4 million	0.9%
Adjusted Q3 2020 Operating Income/Margin ¹	\$4.6 million	10.4%

1) From continuing operations, excluding special items

2) Corporate costs that would have been allocated to the former Business and Law segment

3) Operating income from continuing operations, excluding special items, divided by revenue

Generating Strong Free Cash Flow

Key Metrics	Trailing 12 months, as of March 31, 2020
Operating Cash Flow ¹	\$170 million
Free Cash Flow ¹	\$126 million

1) From continuing operations.

Note: Free cash flow is a non-GAAP financial measure defined as net cash provided by operations less capital expenditures. Differences may occur due to rounding.

Liquidity and Capital Structure

Adtalem maintains significant liquidity position.

Below figures do not include \$424M of proceeds from April 2020 Adtalem Brazil sale, in addition to \$73 million of cash previously classified as discontinued operations.

Key Metrics	December 31, 2019	March 31, 2020
Cash, cash equivalents ¹	\$67 million	\$168 million
Capacity available under revolver	\$107 million	\$72 million
Total Debt	\$420 million	\$455 million
Capex ¹	\$10 million ²	\$12 million ³
Share repurchases	\$60 million ²	\$37 million ³

1) From continuing operations

2) Three months ended December 31, 2019

3) Three months ended March 31, 2020

Appendix

Non-GAAP Reconciliation Tables

Adtalem Global Education Inc.
Non-GAAP Operating Income from Continuing Operations by Segment
(unaudited)
(in thousands)

	Three Months Ended			Nine Months Ended		
	March 31,			March 31,		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Medical and Healthcare:						
Operating income (GAAP)	\$ 56,749	\$ 53,093	6.9 %	\$ 126,432	\$ 115,396	9.6 %
Restructuring expense	810	(133)	NM	1,354	41,327	(96.7)%
Settlement gain	—	—	NM	—	(15,571)	NM
Operating income excluding special items (non-GAAP)	<u>\$ 57,559</u>	<u>\$ 52,960</u>	8.7 %	<u>\$ 127,786</u>	<u>\$ 141,152</u>	(9.5)%
Financial Services:						
Operating income (GAAP)	\$ 4,190	\$ 5,086	(17.6)%	\$ 10,860	\$ 19,469	(44.2)%
Restructuring expense	—	—	NM	3,116	—	NM
Operating income excluding special items (non-GAAP)	<u>\$ 4,190</u>	<u>\$ 5,086</u>	(17.6)%	<u>\$ 13,976</u>	<u>\$ 19,469</u>	(28.2)%
Home Office and Other:						
Operating loss (GAAP)	\$ (6,452)	\$ (12,600)	48.8 %	\$ (16,753)	\$ (33,849)	50.5 %
Restructuring expense	1,044	2,319	(55.0)%	5,869	3,867	51.8 %
Gain on sale of assets	—	—	NM	(4,779)	—	NM
Operating loss excluding special items (non-GAAP)	<u>\$ (5,408)</u>	<u>\$ (10,281)</u>	47.4 %	<u>\$ (15,663)</u>	<u>\$ (29,982)</u>	47.8 %
Adtalem Global Education:						
Operating income (GAAP)	\$ 54,487	\$ 45,579	19.5 %	\$ 120,539	\$ 101,016	19.3 %
Restructuring expense	1,854	2,186	(15.2)%	10,339	45,194	(77.1)%
Gain on sale of assets	—	—	NM	(4,779)	—	NM
Settlement gain	—	—	NM	—	(15,571)	NM
Operating income excluding special items (non-GAAP)	<u>\$ 56,341</u>	<u>\$ 47,765</u>	18.0 %	<u>\$ 126,099</u>	<u>\$ 130,639</u>	(3.5)%

Non-GAAP Reconciliation Tables

Adtalem Global Education Inc.
Non-GAAP Earnings Disclosure
(unaudited)
(in thousands, except per share data)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2019	2020	2019
Net income attributable to Adtalem (GAAP)	\$ 150,832	\$ 37,905	\$ 170,718	\$ 45,670
Restructuring expense	1,854	2,186	10,339	45,194
Gain on sale of assets	—	—	(4,779)	—
Settlement gain	—	—	—	(15,571)
Gain on derivative	(111,838)	—	(83,832)	—
Tax charges related to the divestiture of DeVry University	—	—	—	1,526
Income tax impact on non-GAAP adjustments (1)	(361)	328	(1,165)	(4,795)
Loss (income) from discontinued operations	2,719	(3,065)	1,758	26,328
Net income from continuing operations attributable to Adtalem excluding special items (non-GAAP)	<u>\$ 43,206</u>	<u>\$ 37,354</u>	<u>\$ 93,039</u>	<u>\$ 98,352</u>

(1) Represents the income tax impact of non-GAAP continuing operations adjustments that is recognized in our GAAP financial statements.

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2019	2020	2019
Earnings per share, diluted (GAAP)	\$ 2.83	\$ 0.64	\$ 3.13	\$ 0.76
Effect on diluted earnings per share:				
Restructuring expense	0.03	0.04	0.19	0.75
Gain on sale of assets	-	-	(0.09)	-
Settlement gain	-	-	-	(0.26)
Gain on derivative	(2.10)	-	(1.54)	-
Tax charges related to the divestiture of DeVry University	-	-	-	0.03
Income tax impact on non-GAAP adjustments (1)	(0.01)	0.01	(0.02)	(0.08)
Loss (income) from discontinued operations	0.05	(0.05)	0.03	0.44
Earnings per share from continuing operations excluding special items, diluted (non-GAAP)	<u>\$ 0.81</u>	<u>\$ 0.64</u>	<u>\$ 1.70</u>	<u>\$ 1.64</u>
Diluted shares used in EPS calculation	53,319	58,802	54,576	60,004

(1) Represents the income tax impact of non-GAAP continuing operations adjustments that is recognized in our GAAP financial statements.

Non-GAAP Reconciliation Tables

Key Metrics	Trailing 12 months, as of March 31, 2020 ²
Operating Cash Flow (GAAP measure) ¹	\$170 million
Capital Expenditures ¹	\$44 million
Free Cash Flow (Non-GAAP measure) ¹	\$126 million

1) From continuing operations.

2) For twelve months ended March 31, 2020.