Fourth Quarter & FY 2018 Earnings Presentation

February 28, 2019

LAUREATE EDUCATION INC®









Forward Looking Statements

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, revenue, Adjusted EBITDA, costs (including cost savings), expenditures (including capital expenditures), interest expense, free cash flow, earnings per share, run-rates and growth rates), our planned divestitures, currency rates and financial results, and all statements we make related to the impact from the implementation of ASC 842, 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, and, therefore, 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 ("SEC") on February 28, 2019, and other filings made with the SEC. These forward-looking statements speak only as of the time of this presentation 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 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

This presentation contains certain non-GAAP measures which are provided to assist in an understanding of the business and performance of Laureate Education Inc. These measures should always be considered in conjunction with the appropriate GAAP measure. Reconciliations of non-GAAP measures to the relevant GAAP measures are provided in the appendix to this presentation in the financial tables and our SEC filings.

© 2019 Laureate Education, Inc.



SUMMARY OVERVIEW

LAUREATE EDUCATION INC

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

© 2019 Laureate Education, Inc.

Summary - 2018 Highlights

- ✓ New Enrollments up 6% for 2018 led by strong growth in Brazil
- ✓ FY18 Margins up 90bps driven mostly by performance in Peru and ANZ (1)
- ✓ 2018 Full Year Free Cash Flow up $241M to $139M … well ahead of Target
- ✓ 4Q Adjusted EBITDA ahead of Guidance … up 11% Vs. 4Q 2017 (1)
- ✓ Top university rankings and recognitions in all core LATAM markets
- ✓ Portfolio Simplification on track… Iberia signed, St Augustine/Thailand closed
- ✓ Improved Capital Structure. PF Net Leverage ~1.5x … down from 3.1x in '17

Strong Performance in 2018

(1) On an Organic Constant Currency (CC) basis; 4Q Adjusted EBITDA also adjusted for timing impact of 2017 Earthquake in Mexico

© 2019 Laureate Education, Inc.

Strategic Priorities – 2018 Highlights

1 Simplification & Risk Mgmt

- ✓ $2B+ in announced sales for non-core assets
- ✓ Pro Forma (PF) net leverage ~1.5x
- ✓ PF debt -- USD mix down to ~35%
- ✓ Remediated all material weaknesses

2 Margin Expansion

- ✓ +90bps vs. 2017 (1) ... 21% margin by 2020
- ✓ Common Operating Model rollout in Brazil
- ✓ $35M G&A reduction expected by end of 2019 (2)

3 Capital Efficiency

- ✓ FCF up $241M vs. 2017 … first time > $100M
- ✓ Online Hybridity at 24% for campuses
- ✓ Unlevered FCF margin up to ~9%

4 Growth

- ✓ New UNITEC campus outside Mexico City center
- ✓ Opened 2 new medical schools in Brazil
- ✓ 75% growth in Brazil Distance Learning
- ✓ Continued strong growth in Peru

5 Quality & Outcomes

- ✓ Strong ENADE results in Brazil
- ✓ UPC rated 4-Stars by QSStars
- ✓ UVM – most programs rated Excellent
- ✓ UNAB – Top 5 ranking by Scimago

Great Progress across all Strategic Priorities

Note: Free Cash Flow (FCF) defined as operating cash flow less capital expenditures; Unlevered FCF defined as FCF excluding net interest expense, as a percentage of Revenue

(1) Adjusted EBITDA Margin on an Organic Constant Currency (CC) basis

(2) $10 million to be realized in 2019; remaining $25 million expected to be actioned in late 2019

© 2019 Laureate Education, Inc.



Q4 AND FULL YEAR PERFORMANCE RESULTS

LAUREATE EDUCATION INC.

© 2019 Laureate Education, Inc.

2018 Fourth Quarter – Financial Summary

($ in millions) (Enrollments in thousands)	Q4 '18 Results	Variance Vs. Q4 '17	Notes
New Enrollment	24K	44%	
New Enrollment – Organic[1]		44%	• Driven by Distance Learning growth in Brazil
Total Enrollment	875K	1%	
Total Enrollment – Organic[1]		1%	• Peru and Brazil growth offset by economic softness in Mexico
Revenue	$914	(4%)	
Revenue – Organic/CC[2]		2%	• Revenue +4% adjusted for timing impact related to 2017 earthquake in Mexico
Adj. EBITDA	$229	(13%)	
Adj. EBITDA – Organic/CC[2]		6%	• EBITDA +11% adjusted for timing impact related to 2017 earthquake in Mexico
Adj. EBITDA margin	25.0%	(272 bps)	
Adj. EBITDA margin – Organic/CC[2]		110 bps	

Q4'18 Adjusted EBITDA ahead of Guidance

(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, as well as ($20.3) million gain on sale of property in the Andean segment

© 2019 Laureate Education, Inc.

2018 FY – Financial Summary

($ in millions) (Enrollments in thousands)	FY '18 Results	Variance Vs. FY '17	Notes
New Enrollment	446K	6%	
New Enrollment – Organic[(1)]		6%	• Driven by Distance Learning growth in Brazil
Total Enrollment	875K	1%	
Total Enrollment – Organic[(1)]		1%	• Peru and Brazil growth offset by economic softness in Mexico
Revenue	$3,350	(1%)	
Revenue – Organic/CC[(2)]		2%	
Adj. EBITDA	$623	1%	
Adj. EBITDA – Organic/CC[(2)]		7%	• Strong Performance in Peru, Australia • G&A reduction across all segments
Adj. EBITDA margin	18.6%	42 bps	
Adj. EBITDA margin – Organic/CC[(2)]		89 bps	

~90 bps Margin Expansion led by Productivity 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, ($20.3) million sale of property as well as the impact of a $22.8 million expense recorded in 2017 related to the portion of the April 2017 refinancing transactions that was deemed to be a debt modification.

© 2019 Laureate Education, Inc.

2018 Fourth Quarter – Enrollment Dynamics by Segment

(Enrollments in thousands)	New Enrollment (NE)		Total Enrollment (TE)		Notes
	Q4 ’18	Organic Vs. Q4 ’17	Q4 ‘18	Organic Vs. Q4 ’17	
Brazil	**14**	**123%**	**280**	**3%**	• Strong growth in Distance Learning • NE Growth DL: 145%, F2F: 59% • TE Growth DL: 46%, F2F: (1%)
Mexico	**2**	**n.m.**	**206**	**(4%)**	
Andean	**1**	**n.m.**	**309**	**3%**	
Rest of World	**1**	**n.m.**	**19**	**9%**	
Online & Partnerships	**7**	**(10%)**	**61**	**(5%)**	• Walden domestic NE +2%
Laureate Total	**24**	**44%**	**875**	**1%**	

Fourth Quarter Does not Represent a Material Intake Period
New Enrollment Growth led by Distance Learning in Brazil

© 2019 Laureate Education, Inc.

2018 FY – Enrollment Dynamics by Segment

(Enrollments in thousands)	New Enrollment (NE) FY '18	New Enrollment (NE) Organic Vs. FY '17	Total Enrollment (TE) FY '18	Total Enrollment (TE) Organic Vs. FY '17	Notes
Brazil	**171**	**14%**	**280**	**3%**	• Strong growth in Distance Learning • NE Growth DL: 75%, F2F: 2% • TE Growth DL: 46%, F2F: (1%)
Mexico	**109**	**2%**	**206**	**(4%)**	• UNITEC growth offset by softness in UVM
Andean	**119**	**2%**	**309**	**3%**	
Rest of World	**13**	**8%**	**19**	**9%**	• Strong growth in Australia
Online & Partnerships	**34**	**(4%)**	**61**	**(5%)**	• Walden domestic NE +3%
Laureate Total	**446**	**6%**	**875**	**1%**	

New Enrollment Growth in all Campus-Based Markets & Domestic Online Market

© 2019 Laureate Education, Inc.

2018 Fourth Quarter – Revenue, EBITDA Dynamics by Segment

($ millions)	Revenue		Adj. EBITDA		Notes
	Q4 '18	Organic/CC Vs. Q4 '17 (1)	Q4 '18	Organic/CC Vs. Q4 '17 (1)	
Brazil	185	-	51	3%	
Mexico	182	(2%)	61	(7%)	• Adjusted for timing impact related to 2017 earthquake in Mexico: Revenue +4%, Adj. EBITDA +12%
Andean	312	7%	82	14%	
Rest of World	68	9%	25	15%	
Online & Partnerships	166	(2%)	59	-	
Corp. & Elimin.	1	n.m.	(49)	5%	
Laureate Total	914	2%	229	6%	• Adjusted for timing impact related to 2017 earthquake in Mexico: Revenue +4%, Adj. EBITDA +11%

Strong Q4'18 Results – Adjusted EBITDA above Guidance

(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, as well as ($20.3) million gain on sale of property in the Andean segment

© 2019 Laureate Education, Inc.

2018 FY – Revenue, EBITDA Dynamics by Segment

($ millions)	Revenue		Adj. EBITDA		Notes
	FY '18	Organic/CC Vs. FY '17 (1)	FY '18	Organic/CC Vs. FY '17 (1)	
Brazil	654	(2%)	104	1%	• Operating Model Benefits net of Pricing and FIES headwinds
Mexico	646	2%	143	(1%)	• UNITEC growth offset by UVM
Andean	1,156	7%	317	13%	• Strong Performance in Peru
Rest of World	238	13%	40	31%	• Scaling up of Australia business
Online & Partnerships	664	(4%)	195	(5%)	• Domestic Business Stabilized • Continued Deemphasis of International Segment
Corp. & Elimin.	(8)	n.m.	(176)	2%	
Laureate Total	3,350	2%	623	7%	• ~ 90 bpts margin progression

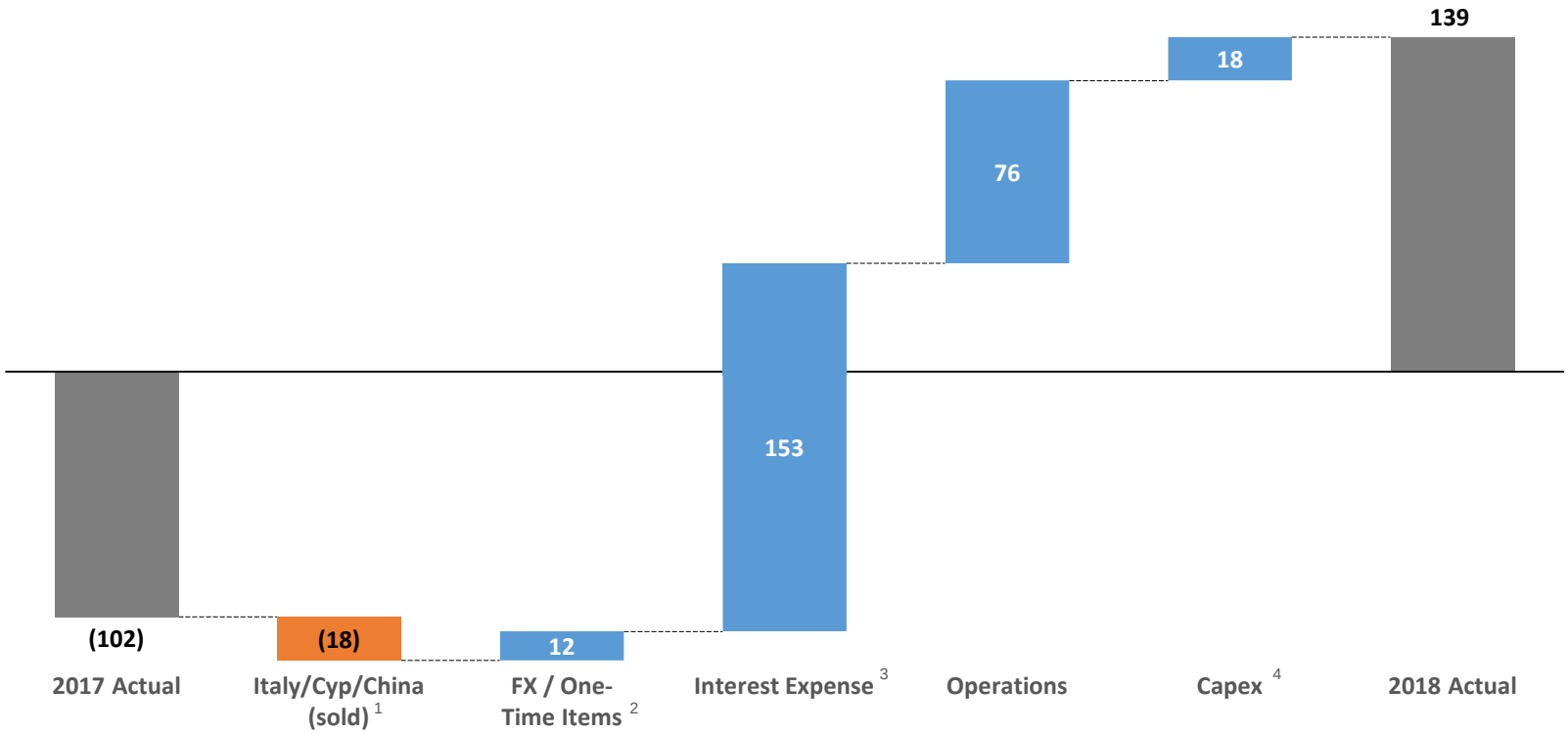
FY Margins Up ~90 bps vs. Prior Year (1)

(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, ($20.3) million sale of property as well as the impact of a $22.8 million expense recorded in 2017 related to the portion of the April 2017 refinancing transactions that was deemed to be a debt modification.

© 2019 Laureate Education, Inc.

2018 Free Cash Flow

($ in millions)



Strong Growth in Free Cash Flow Driven by Reduced Interest, Operational Improvements and Capital Efficiency

NOTE: Free Cash Flow (FCF) defined as operating cash flow less capital expenditures; Variances shown are FX constant at 2017 FX rates
(1) Net cash flow impact from assets sold in 2018; lost operating cash flow of ($40M) offset by $22M in interest savings
(2) Includes: $23M debt refinancing expense in 2017, $20M in favorable working capital timing, offset by ($31M) FX impact
(3) Excludes interest savings from asset sales proceeds utilized to pay down debt
(4) Excluding impact from asset sold

© 2019 Laureate Education, Inc.

2018 FY – Capital Structure

($ in millions)	FY '18 Reported	Notes
U.S. Revolver/Term Loan	1,322	
U.S. Senior Notes	800	
Seller Notes & Local Debt	991	• Includes $283M of debt at entities Held For Sale
Gross Debt	3,113	
Less: Cash	(603)	• Includes $216M of cash at entities Held For Sale
Net Debt (12/31/18 actual)	2,510	
Wave 1: St Augustine/Malaysia	(525)	• St Augustine closed on February 1st ($400M)
Wave 2: Transactions Underway	(1,000)+	• Spain/Portugal already signed
PF Net Debt (post sales)	< 985	

Clear line of Sight into Net Leverage Below $1bn

© 2019 Laureate Education, Inc.



2019 OUTLOOK

LAUREATE EDUCATION INC

© 2019 Laureate Education, Inc.

2019 Full Year Guidance - Summary

($ in millions) (Enrollments in thousands)	FY (1) 2019	Organic/CC Vs. '18	Q1 (1) 2019
Total Enrollments	~ 890K	~ 2%	
Revenue	$3,350 - $3,385	2% - 3%	$605 - $615
Adjusted EBITDA(2)	$645 - $655	7% - 8%	($28) – ($24)
Adjusted EBITDA: Run-Rate (3)	$670 - $680		
Net Debt	$800		
Capex as % Revenue	~ 6%		
Cash Taxes	26% of EBIT (excluding gain on asset sales)		
Free Cash Flow (4)	~ $145		

(1) Based on actual FX rates for January-February 2019, and current spot FX rates (local currency per US dollar) of MXN 19.39, BRL 3.76, CLP 666.00, PEN 3.34 for March - December 2019. FX impact may change based on fluctuations in currency rates in future periods.
(2) Organic constant currency FXN y-o-y growth rate of approximately 5%-6%, including the 2% unfavorable impact on y-o-y growth from the implementation of ASC 842
(3) Run-rate for $25 million of G&A savings expected to be actioned in late 2019
(4) Free Cash Flow defined as operating cash flow less capital expenditures

Note: An outlook for 2019 net income and reconciliation of the forward-looking 2019 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.

© 2019 Laureate Education, Inc.

2019 Full Year Guidance - Details

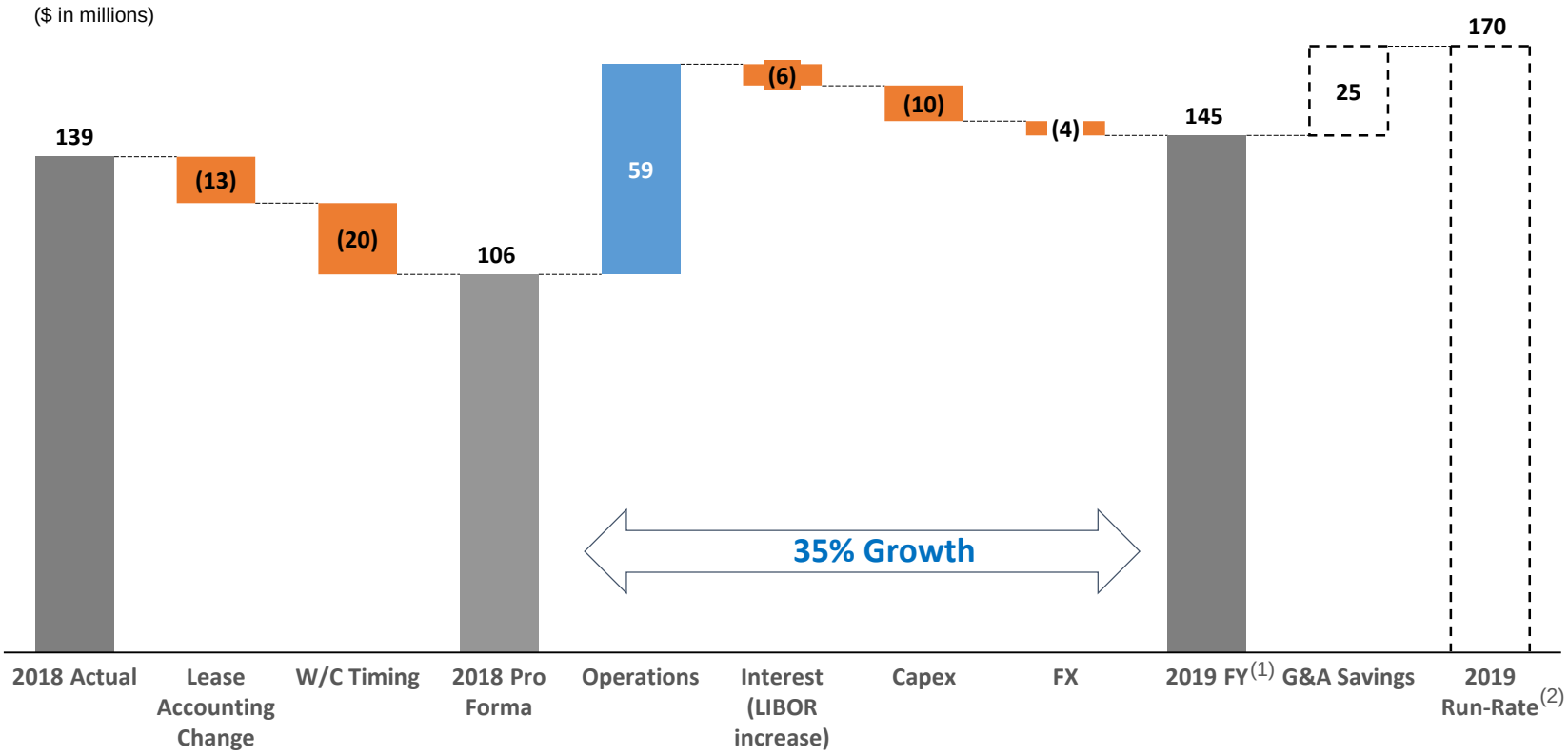
(USD millions, except enrollments in thousands)	Total Enrollment	Revenues	Adj. EBITDA
2018 Results	875	$3,350	$623
Organic Growth	~15K	$67 – $102	$41 – $51
Growth %	~2%	*2% - 3%*	*7% - 8%*
2019 FXN Guidance excl. Lease Acct Impact	~ 890	$3,417 – $3,452	$664 – $674
Lease Accounting Impact (ASC-842)			($13)
2019 FXN Guidance (1)	~ 890	$3,417 – $3,452	$651 – $661
FX Impact (spot FX) (2)		($67)	($6)
2019 Guidance (@ spot FX) (2)	~ 890	$3,350 – $3,385	$645 – $655
G&A Savings Expected to be Actioned in 2019 (run-rate)			$25
2019 Guidance (@ spot FX) (2)(3) : Run-Rate	~ 890	$3,350 – $3,385	$670 – $680

(1) Organic constant currency FXN y-o-y growth rate of approximately 5%-6%, including the 2% unfavorable impact on y-o-y growth from the implementation of ASC 842
(2) Based on actual FX rates for January-February 2019, and current spot FX rates (local currency per US dollar) of MXN 19.39, BRL 3.76, CLP 666.00, PEN 3.34 for March - December 2019. FX impact may change based on fluctuations in currency rates in future periods.
(3) Run-rate for $25 million of G&A savings expected to be actioned in late 2019

Note: An outlook for 2019 net income and reconciliation of the forward-looking 2019 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.

© 2019 Laureate Education, Inc.

2019 Free Cash Flow Guidance



Continued Strong Growth in FCF Expected – One-Time Expenses & Timing Impacting 2018 Baseline

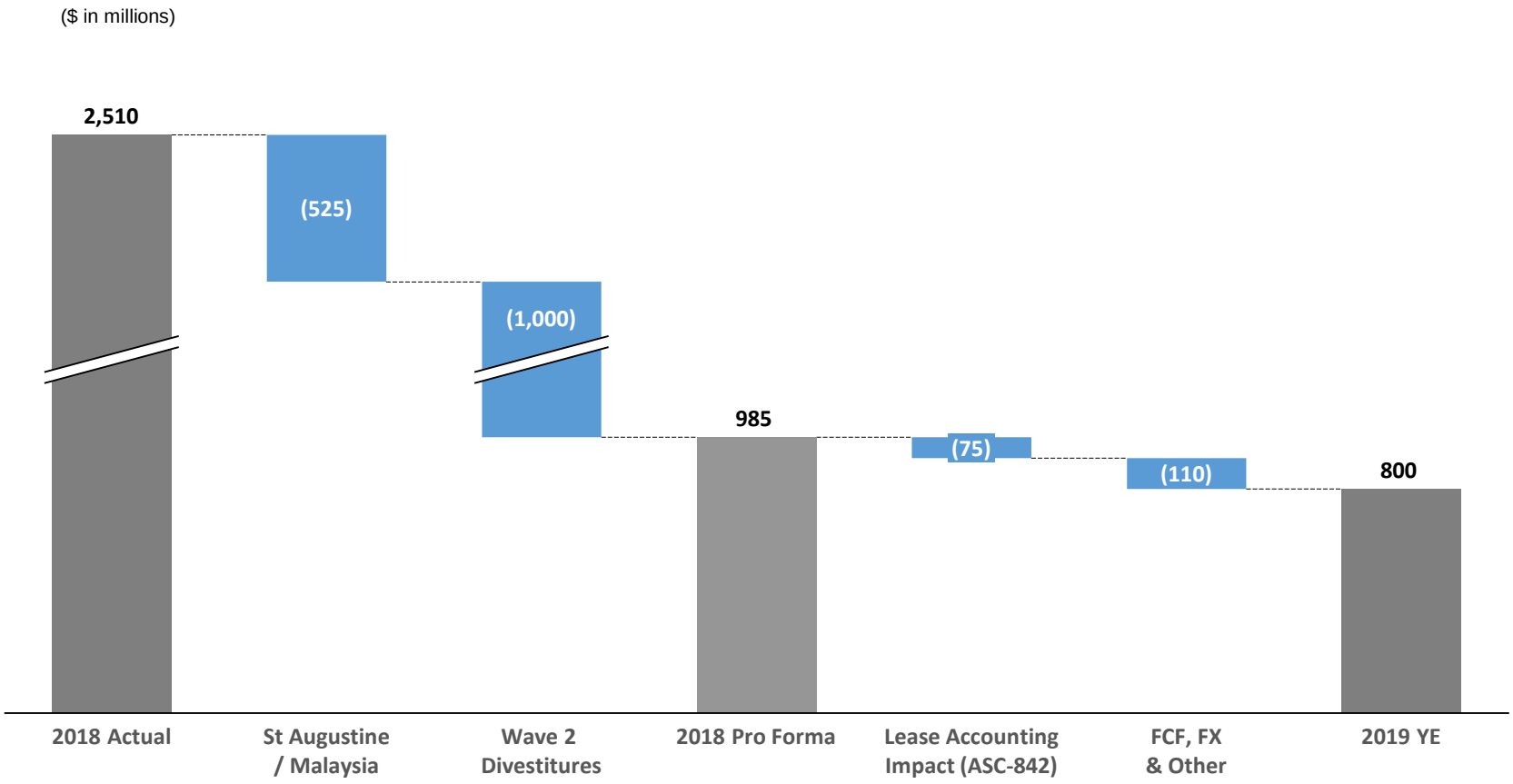
(1) Based on actual FX rates for January-February 2019, and current spot FX rates (local currency per US dollar) of MXN 19.39, BRL 3.76, CLP 666.00, PEN 3.34 for March - December 2019. FX impact may change based on fluctuations in currency rates in future periods.

(2) Run-rate for $25 million of G&A savings expected to be actioned in late 2019

Note: An outlook for 2019 net income and reconciliation of the forward-looking 2019 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.

© 2019 Laureate Education, Inc.

2019 Net Debt Guidance



~70% Net Debt Reduction vs. 2018 Expected

Note: An outlook for 2019 net income and reconciliation of the forward-looking 2019 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.

© 2019 Laureate Education, Inc.



APPENDIX

LAUREATE
EDUCATION INC®

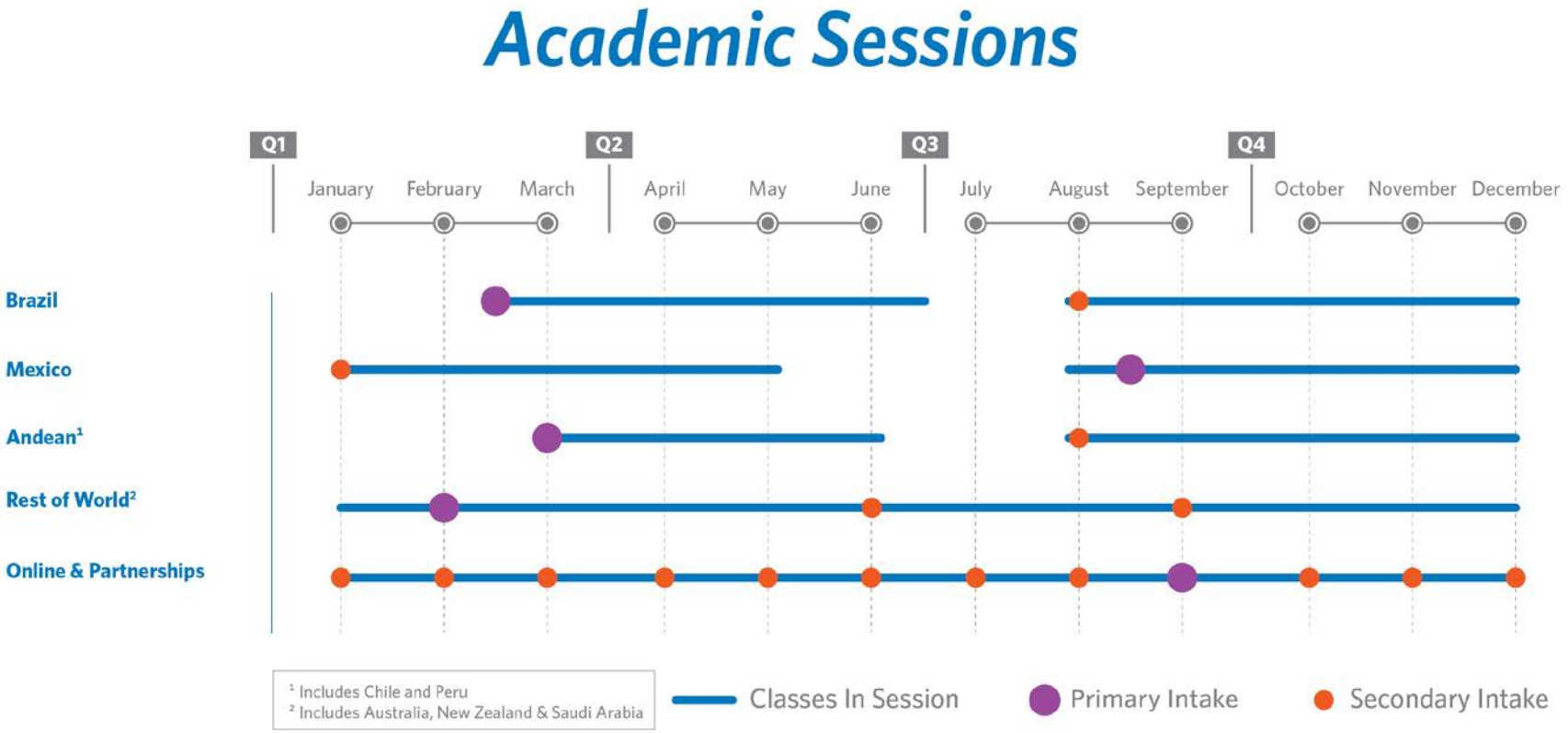
© 2019 Laureate Education, Inc.

Other Information

© 2019 Laureate Education, Inc.

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)

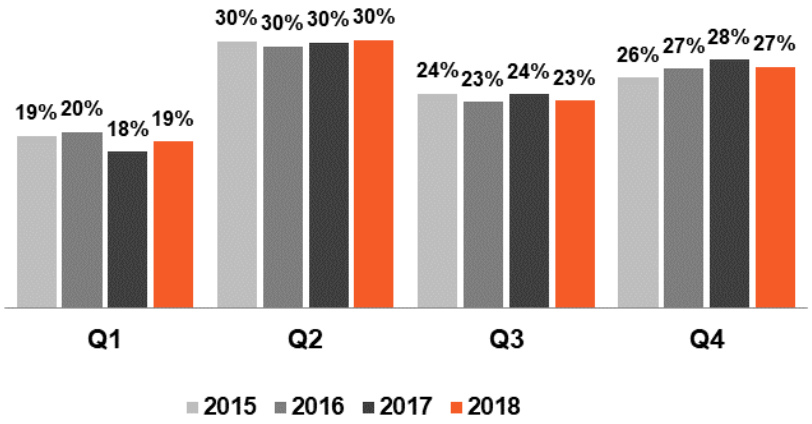


© 2019 Laureate Education, Inc.

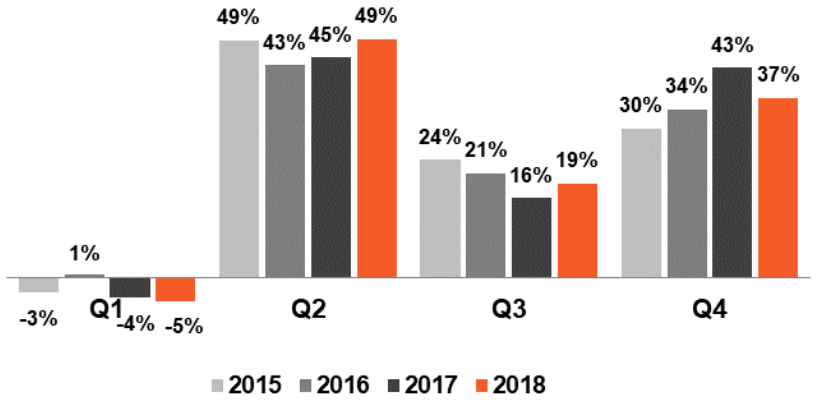
Intra-Year Seasonality Trends

- 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)

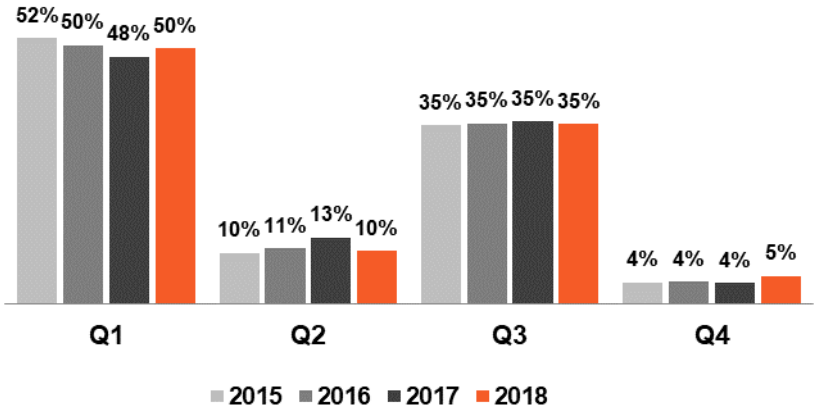
Revenue Seasonality



Adj. EBITDA Seasonality



New Enrollments Seasonality



Factors Affecting Seasonality

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

© 2019 Laureate Education, Inc.

Financial Results & Tables

© 2019 Laureate Education, Inc.

2018 Performance vs Guidance

($ in millions) (Enrollments in thousands)	Guidance Level	FY Guidance	FY Results	Q4 Guidance	Q4 Results
Total Enrollments	Continuing Operations	~ 865K	875K +		
Revenue	Continuing Operations	$3,340 - $3,355	$3,350 =	$903 - $918	$914 =
Adjusted EBITDA	Continuing Operations	$615 - $620	$623 +	$221 - $226	$229 +
Net Debt (1)	Consolidated	~ $2,000	$1,985 =		
Capex as % Revenue	Consolidated	6% - 7%	6% =		
Cash Interest	Consolidated	~ $230	$239 =		
Free Cash Flow (2)	Consolidated	~ $100	$139 ++		

(1) Guidance and Results are shown pro-forma to include benefit of net proceeds from the sale of St Augustine and Malaysia
(2) Free Cash Flow defined as operating cash flow less capital expenditures

© 2019 Laureate Education, Inc.

2018 Fourth Quarter – Net Income Reconciliation

($ in millions)	Q4 '18 Reported	B / (W) Vs. Q4 '17 $	B / (W) Vs. Q4 '17 %	Notes
Adjusted EBITDA	229	(35)	(13%)	• Impacted by FX; organic/CC up 6%
Depreciation & Amort.	(50)	2	3%	
Interest Expense, net	(51)	25	33%	• Reduction in debt levels & reduced interest %
Other	(29)	40	n.m.	
Income Tax	(67)	(172)	n.m.	• Q4 '17 included one-time favorable benefit of $138M related to U.S. Tax Reform
Income/(Loss) From Continuing Operations	31	(141)	n.m.	
Discontinued Operations (Net of Tax)	57	28	n.m.	
Net Gain/(Loss) on Sale of Disc. Ops.	(15)	(15)	n.m.	
Net Income / (Loss)	72	(128)	n.m.	

Net Income Impacted by One-Time U.S. Tax Reform Gain in Q4 2017

© 2019 Laureate Education, Inc.

2018 FY – Net Income Reconciliation

($ in millions)	FY '18 Reported	B / (W) Vs. FY '17 $	B / (W) Vs. FY '17 %	Notes
Adjusted EBITDA	623	8	1%	• Impacted by FX, organic/CC up 7%
Depreciation & Amort.	(213)	(9)	(4%)	
Interest Expense, net	(223)	100	31%	• Reduction in debt levels and interest %
Other	(58)	101	n.m.	• $98M gain upon conversion of preferred equity in April 2018
Income Tax	(133)	(225)	n.m.	• Q4 '17 included one-time favorable benefit of $138M related to U.S. Tax Reform
Income/(Loss) From Continuing Operations	(5)	(26)	n.m.	
Discontinued Operations (Net of Tax)	79	6	n.m.	
Net Gain/(Loss) on Sale of Disc. Ops.	297	297	n.m.	• ~$300M gain on asset sales
Net Income / (Loss)	371	277	n.m.	

Net Income up $277M driven by Asset Sales

© 2019 Laureate Education, Inc.

2019 Q1 Guidance - Details

(USD millions, except enrollments in thousands)	Revenues	Adj. EBITDA
2018 Results	$632	($30)
Organic Growth	$10 - $20	($2) – $2
2019 FXN Guidance excl. Lease Acct Impact	$642 - $652	($32) - ($28)
Lease Accounting Impact (ASC-842)		($3)
2019 FXN Guidance	$642 - $652	($35) - ($31)
FX Impact (spot FX) (1)	($37)	$7
2019 Guidance (@ spot FX) (1)	$605 - $615	($28) - ($24)

(1) Based on actual FX rates for January-February 2019, and current spot FX rates (local currency per US dollar) of MXN 19.39, BRL 3.76, CLP 666.00, PEN 3.34 for March. FX impact may change based on fluctuations in currency rates in future periods.

Note: An outlook for 2019 net income and reconciliation of the forward-looking 2019 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.

© 2019 Laureate Education, Inc.

Financial Tables

Consolidated Statements of Operations

IN MILLIONS	For the three months ended December 31, 2018	2017	Change	For the year ended December 31, 2018	2017	Change
Revenues	$ 913.7	$ 951.2	$ (37.5)	$ 3,350.2	$ 3,385.9	$ (35.7)
Costs and expenses:						
Direct costs	665.7	710.4	(44.7)	2,746.9	2,821.3	(74.4)
General and administrative expenses	105.1	93.6	11.5	299.3	315.5	(16.2)
Loss on impairment of assets	3.1	7.1	(4.0)	13.1	7.1	6.0
Operating income	139.8	140.1	(0.3)	291.0	242.0	49.0
Interest income	2.5	2.2	0.3	11.9	11.9	—
Interest expense	(53.5)	(78.2)	24.7	(235.2)	(334.9)	99.7
Loss on debt extinguishment	—	—	—	(7.5)	(8.4)	0.9
(Loss) gain on derivatives	(3.8)	9.5	(13.3)	88.3	28.7	59.6
Other income (expense), net	1.4	(1.3)	2.7	12.2	(1.9)	14.1
Foreign currency exchange gain (loss), net	11.5	4.8	6.7	(32.4)	2.5	(34.9)
Gain (loss) on sales of subsidiaries, net	0.3	(10.5)	10.8	0.3	(10.5)	10.8
Income (loss) from continuing operations before income taxes and equity in net income of affiliates	98.2	66.5	31.7	128.4	(70.6)	199.0
Income tax (expense) benefit	(67.3)	105.0	(172.3)	(133.2)	91.3	(224.5)
Equity in net income of affiliates, net of tax	—	0.2	(0.2)	—	0.2	(0.2)
Income (loss) from continuing operations	30.8	171.6	(140.8)	(4.7)	20.8	(25.5)
Income from discontinued operations, net of tax	56.6	28.9	27.7	79.1	72.9	6.2
(Loss) gain on sales of discontinued operations, net of tax	(15.3)	—	(15.3)	296.6	—	296.6
Net income	72.1	200.5	(128.4)	370.9	93.8	277.1
Net income attributable to noncontrolling interests	(0.5)	(4.7)	4.2	(0.9)	(2.3)	1.4
Net income attributable to Laureate Education, Inc.	$ 71.6	$ 195.8	$ (124.2)	$ 370.1	$ 91.5	$ 278.6
Accretion of Series A convertible redeemable preferred stock and other redeemable noncontrolling interests and equity	$ (1.4)	$ (106.4)	$ 105.0	$ (62.8)	$ (298.5)	$ 235.7
Gain upon conversion of Series A convertible redeemable preferred stock	—	—	—	74.1	—	74.1
Net income (loss) available to common stockholders	$ 70.1	$ 89.5	$ (19.4)	$ 381.4	$ (207.0)	$ 588.4
Basic and diluted earnings (loss) per share:						
Basic weighted average shares outstanding	224.0	187.3	36.7	212.8	172.4	40.4
Dilutive weighted average shares outstanding	224.7	187.8	36.9	212.8	172.4	40.4
Basic earnings (loss) per share	$ 0.31	$ 0.48	$ (0.17)	$ 1.79	$ (1.20)	$ 2.99
Diluted earnings (loss) per share	$ 0.31	$ 0.48	$ (0.17)	$ 1.73	$ (1.20)	$ 2.93

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

© 2019 Laureate Education, Inc.

Financial Tables

Revenue and Adjusted EBITDA by segment

IN MILLIONS

For the quarter ended December 31,	2018	2017	% Change Reported	% Change Organic Constant Currency[1]	$ Variance Components Total	Organic Constant Currency	Other	Acq/Div.	FX
Revenues									
Brazil	$ 184.8	$ 217.8	(15)%	—%	$ (33.0)	$ (0.5)	$ —	$ —	$ (32.5)
Mexico	182.3	194.2	(6)%	(2)%	(11.9)	(4.5)	—	—	(7.4)
Andean	311.5	306.5	2%	7%	5.0	21.4	—	—	(16.4)
Rest of World	67.8	65.6	3%	9%	2.2	5.6	—	—	(3.4)
Online & Partnerships	166.0	169.4	(2)%	(2)%	(3.4)	(3.4)	—	—	—
Corporate & Eliminations	1.3	(2.2)	159%	159%	3.5	3.5	—	—	
Total Revenues	$ 913.7	$ 951.2	(4)%	2%	$ (37.5)	$ 22.2	$ —	$ —	$ (59.7)
Adjusted EBITDA									
Brazil	$ 51.4	$ 72.9	(29)%	3%	$ (21.5)	$ 2.4	$ (14.7)	$ —	$ (9.2)
Mexico	61.2	68.6	(11)%	(7)%	(7.4)	(5.1)	(0.3)	—	(2.0)
Andean	81.8	92.8	(12)%	14%	(11.0)	13.4	(20.3)	—	(4.1)
Rest of World	24.5	22.3	10%	15%	2.2	3.4	—	—	(1.2)
Online & Partnerships	58.6	58.8	—%	—%	(0.2)	(0.2)	—	—	—
Corporate & Eliminations	(48.7)	(51.4)	5%	5%	2.7	2.7	—	—	—
Total Adjusted EBITDA	$ 228.7	$ 264.0	(13)%	6%	$ (35.3)	$ 16.5	$ (35.3)	$ —	$ (16.5)

[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, as well as the impact of a $20.3 million operating gain in 2017 on the sale of property and equipment in our Andean segment. The "Organic Constant Currency" % changes are calculated by dividing the Organic Constant Currency amounts by the 2017 Revenues and Adjusted EBITDA amounts.

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

© 2019 Laureate Education, Inc.

Financial Tables

Revenue and Adjusted EBITDA by segment

IN MILLIONS

For the year ended December 31,	2018	2017	% Change Reported	% Change Organic Constant Currency[2]	$ Variance Components Total	Organic Constant Currency	Other	Acq/Div.	FX
Revenues									
Brazil	$ 654.3	$ 765.7	(15)%	(2)%	$ (111.4)	$ (14.7)	$ —	$ —	$ (96.7)
Mexico	646.1	646.2	—%	2%	(0.1)	11.2	—	—	(11.3)
Andean	1,155.7	1,085.6	6%	7%	70.1	71.2	—	—	(1.1)
Rest of World	238.0	214.7	11%	13%	23.3	28.8	—	—	(5.5)
Online & Partnerships	664.2	690.4	(4)%	(4)%	(26.2)	(26.2)	—	—	—
Corporate & Eliminations	(8.1)	(16.8)	52%	52%	8.7	8.7	—	—	—
Total Revenues	$ 3,350.2	$ 3,385.9	(1)%	2%	$ (35.7)	$ 78.9	$ —	$ —	$ (114.6)
Adjusted EBITDA									
Brazil	$ 104.0	$ 134.2	(23)%	1%	$ (30.2)	$ 1.5	$ (9.4)	$ —	$ (22.3)
Mexico	143.2	147.2	(3)%	(1)%	(4.0)	(0.8)	(0.8)	—	(2.4)
Andean	317.1	301.2	5%	13%	15.9	40.0	(20.3)	—	(3.8)
Rest of World	40.4	32.4	25%	31%	8.0	10.0	—	—	(2.0)
Online & Partnerships	194.7	204.5	(5)%	(5)%	(9.8)	(9.8)	—	—	—
Corporate & Eliminations	(176.3)	(204.1)	14%	2%	27.8	5.0	22.8	—	—
Total Adjusted EBITDA	$ 623.1	$ 615.5	1%	7%	$ 7.6	$ 45.8	$ (7.7)	$ —	$ (30.5)

[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, as well as the impact of a $20.3 million operating gain in 2017 on the sale of property and equipment in our Andean segment and a $22.8 million expense in 2017 associated with our debt refinancing transactions in the second quarter of 2017. The "Organic Constant Currency" % changes are calculated by dividing the Organic Constant Currency amounts by the 2017 Revenues and Adjusted EBITDA amounts, excluding the impact of the divestitures.

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

© 2019 Laureate Education, Inc.

Financial Tables

Consolidated Balance Sheets

IN MILLIONS	December 31, 2018	December 31, 2017	Change
Assets			
Cash and cash equivalents	$ 388.5	$ 320.6	$ 67.9
Receivables (current), net	249.3	311.1	(61.8)
Other current assets	273.0	332.4	(59.4)
Current assets held for sale	306.4	324.7	(18.3)
Property and equipment, net	1,278.9	1,380.4	(101.5)
Goodwill and other intangible assets	2,858.8	3,031.4	(172.6)
Other long-term assets	383.3	466.1	(82.8)
Long-term assets held for sale	1,031.5	1,224.7	(193.2)
Total assets	$ 6,769.6	$ 7,391.3	$ (621.7)
Liabilities and stockholders' equity			
Accounts payable and accrued expenses	$ 491.3	$ 525.5	$ (34.2)
Deferred revenue and student deposits	193.2	184.1	9.1
Total long-term debt, including current portion	2,695.5	3,095.3	(399.8)
Total due to shareholders of acquired companies, including current portion	45.4	71.8	(26.4)
Other liabilities	616.2	656.0	(39.8)
Current and long-term liabilities held for sale	662.7	857.3	(194.6)
Total liabilities	4,704.3	5,390.0	(685.7)
Convertible redeemable preferred stock	—	400.3	(400.3)
Redeemable noncontrolling interests and equity	14.4	13.7	0.7
Total stockholders' equity	2,050.9	1,587.3	463.6
Total liabilities and stockholders' equity	$ 6,769.6	$ 7,391.3	$ (621.7)

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

© 2019 Laureate Education, Inc.

Financial Tables

Consolidated Statements of Cash Flows

IN MILLIONS	For the year ended December 31, 2018	2017	Change
Cash flows from operating activities			
Net income	$ 370.9	$ 93.8	$ 277.1
Depreciation and amortization	240.0	264.7	(24.7)
Loss on impairment of assets	13.1	40.6	(27.5)
Gain on sale of subsidiaries and disposal of property and equipment, net	(292.1)	(5.8)	(286.3)
Gain on derivative instruments	(89.1)	(29.3)	(59.8)
Proceeds from settlement of derivative contracts	14.1	—	14.1
Loss on debt extinguishment	7.5	8.4	(0.9)
Interest paid on deferred purchase price for acquisitions	(4.5)	(39.4)	34.9
Unrealized foreign currency exchange loss	37.8	4.1	33.7
Income tax receivable/payable, net	48.9	(10.7)	59.6
Working capital, excluding tax accounts	(77.4)	(208.7)	131.3
Other non-cash adjustments	127.7	74.5	53.2
Net cash provided by operating activities	396.9	192.2	204.7
Cash flows from investing activities			
Purchase of property and equipment	(238.0)	(274.1)	36.1
Expenditures for deferred costs	(19.9)	(19.7)	(0.2)
Receipts from sale of subsidiaries and property and equipment, net of cash sold	375.8	9.8	366.0
Business acquisitions, net of cash acquired	(17.0)	(0.8)	(16.2)
Investing other, net	14.6	0.1	14.5
Net cash provided by (used in) investing activities	115.5	(284.7)	400.2
Cash flows from financing activities			
Decrease in long-term debt, net	(382.4)	(140.1)	(242.3)
Payments of deferred purchase price for acquisitions	(13.7)	(94.9)	81.2
Proceeds from issuance of convertible redeemable preferred stock, net of issuance costs	—	55.3	(55.3)
Payment of dividends on Series A Preferred Stock and to noncontrolling interests	(11.1)	(19.4)	8.3
Proceeds from initial public offering, net of issuance costs	—	456.4	(456.4)
Payments of debt issuance costs and redemption and call premiums for debt modification	(0.6)	(81.2)	80.6
Financing other, net	(2.3)	(18.5)	16.2
Net cash (used in) provided by financing activities	(410.1)	157.6	(567.7)
Effects of exchange rate changes on cash	(13.5)	25.9	(39.4)
Change in cash included in current assets held for sale	(31.7)	(32.5)	0.8
Net change in cash and cash equivalents	57.0	58.4	(1.4)
Cash and cash equivalents at beginning of period	532.8	474.3	58.5
Cash and cash equivalents at end of period	$ 589.8	$ 532.8	$ 57.0
Liquidity (including Undrawn Revolver)	$ 680.0	$ 653.6	$ 26.4

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

© 2019 Laureate Education, Inc.

Financial Tables

Non-GAAP Reconciliation (1 of 2)

	For the three months ended December 31,			For the year ended December 31,		
IN MILLIONS	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Income (loss) from continuing operations	30.8	171.6	(140.8)	(4.7)	20.8	(25.5)
Plus:						
Equity in net income of affiliates, net of tax	—	(0.2)	0.2	—	(0.2)	0.2
Income tax expense (benefit)	67.3	(105.0)	172.3	133.2	(91.3)	224.5
Income (loss) from continuing operations before income taxes and equity in net income of affiliates	98.2	66.5	31.7	128.4	(70.6)	199.0
Plus:						
(Gain) loss on sale of subsidiaries, net	(0.3)	10.5	(10.8)	(0.3)	10.5	(10.8)
Foreign currency exchange (gain) loss, net	(11.5)	(4.8)	(6.7)	32.4	(2.5)	34.9
Other (income) expense, net	(1.4)	1.3	(2.7)	(12.2)	1.9	(14.1)
Loss (gain) on derivatives	3.8	(9.5)	13.3	(88.3)	(28.7)	(59.6)
Loss on debt extinguishment	—	—	—	7.5	8.4	(0.9)
Interest expense	53.5	78.2	(24.7)	235.2	334.9	(99.7)
Interest income	(2.5)	(2.2)	(0.3)	(11.9)	(11.9)	—
Operating income	139.8	140.1	(0.3)	291.0	242.0	49.0
Plus:						
Depreciation and amortization	50.2	51.8	(1.6)	213.5	204.3	9.2
EBITDA	190.0	191.9	(1.9)	504.5	446.3	58.2
Plus:						
Share-based compensation expense [3]	0.2	19.6	(19.4)	9.7	61.8	(52.1)
Loss on impairment of assets [4]	3.1	7.1	(4.0)	13.1	7.1	6.0
EiP implementation expenses [5]	35.5	45.3	(9.8)	95.8	100.2	(4.4)
Adjusted EBITDA	$ 228.7	$ 264.0	$ (35.3)	$ 623.1	$ 615.5	$ 7.6

[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 our processes, creating vertical integration of procurement, information technology, finance, accounting and human resources. The first wave of EiP began in 2014 and was substantially completed in 2017, and includes the establishment of regional shared services organizations (SSOs) around the world, as well as improvements to our system of internal controls over financial reporting. Given the success of the first wave of EiP, we have expanded the initiative into other back- and mid-office areas, as well as certain student-facing activities, in order to generate additional efficiencies and create a more efficient organizational structure. Also included in EiP are certain non-recurring costs incurred in connection with the planned and completed dispositions.

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

© 2019 Laureate Education, Inc.

Financial Tables

Non-GAAP Reconciliation (2 of 2)

The following table presents Free cash flow and reconciles Net cash flows from operating activities to Free cash flow for the years ended December 31, 2018 and 2017:

	For the year ended December 31,		
IN MILLIONS	**2018**	**2017**	**Change**
Net cash provided by operating activities	$ 396.9	$ 192.2	$ 204.7
Capital expenditures:			
Purchase of property and equipment	(238.0)	(274.1)	36.1
Expenditures for deferred costs	(19.9)	(19.7)	(0.2)
Free cash flow	$ 139.0	$ (101.6)	$ 240.6

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

© 2019 Laureate Education, Inc.



HERE
FOR
GOOD