First Quarter 2019 Earnings Presentation

May 9, 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, 10-Q filed on May 9, 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.

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Presentation of Non-GAAP Measures

In addition to the results provided in accordance with U.S. generally accepted accounting principles (GAAP) throughout this press release, Laureate provides the non-GAAP measurements of Adjusted EBITDA 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 provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

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

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

We evaluate our results of operations on both an as reported and an organic constant currency basis. The organic constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates, acquisitions and divestitures, and other items. We believe 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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SUMMARY OVERVIEW

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

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Summary - Highlights

- ✓ **Strong Q1 Intake … Brazil DL and the Andean region**
- ✓ **Q1 Financial Results ahead of guidance … Full Year Guidance reaffirmed**
- ✓ **Continued Progress on our Portfolio Simplification**
- ✓ **Top rankings & recognitions ….. Continued focus on quality and outcomes**

Strong Q1 Results

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Q1 2019 PERFORMANCE RESULTS

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2019 First Quarter – Financial Summary

($ in millions) (Enrollments in thousands)	Q1 '19 Results	Variance Vs. Q1 '18	Notes
New Enrollment	238K	8%	• Driven by Andean & Brazil DL
New Enrollment – Organic[(1)]		8%	
Total Enrollment	922K	3%	
Total Enrollment – Organic[(1)]		3%	
Revenue	$622	(2%)	
Revenue – Organic/CC[(2)]		4%	• Driven by Andean, Brazil & Mexico
Adj. EBITDA	($22)	27%	• Q1 largely out of session for S. Hemisphere
Adj. EBITDA – Organic/CC[(2)]		10%	• Driven by Andean & Online
Adj. EBITDA margin	(3.5%)	122 bps	
Adj. EBITDA margin – Organic/CC[(2)]		61 bps	

All Key Metrics On Track With Expectations

(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.

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2019 First Quarter – Enrollment Dynamics by Segment

(Enrollments in thousands)	New Enrollment (NE)		Total Enrollment (TE)		Notes
	Q1 ’19	Organic Vs. Q1 ’18	Q1 ‘19	Organic Vs. Q1 ’18	
Brazil	**97**	**12%**	**298**	**2%**	• Strong growth in Distance Learning • NE Growth DL: 76%, F2F: 2% • TE Growth DL: 54%, F2F: (3%)
Mexico	**29**	**1%**	**196**	**(2%)**	• The large intake cycle for Mexico occurs in second half of the year
Andean	**99**	**8%**	**346**	**6%**	• Peru NE up 10%; Chile NE up 6%
Rest of World	**6**	**6%**	**21**	**12%**	• Primarily Australia
Online & Partnerships	**8**	**(10%)**	**61**	**(3%)**	• Decline driven by teach out of international partnerships • Walden Domestic NE +2%
Laureate Total	**238**	**8%**	**922**	**3%**	

+8% New Enrollment Growth in Q1

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2019 First Quarter – Revenue, EBITDA Dynamics by Segment

($ millions)	Revenue		Adj. EBITDA		Notes
	Q1 '19	Organic/CC Vs. Q1 '18 (1)	Q1 '19	Organic/CC Vs. Q1 '18 (1)	
Brazil	110	4%	(31)	(34%)	• Flat net pricing year-over-year
Mexico	157	3%	26	(8%)	
Andean	139	11%	(33)	9%	• Driven by strong enrollments and pricing
Rest of World	54	10%	5	37%	
Online & Partnerships	162	(4%)	49	8%	• Cost controls, and benefitting from wind down of international online
Corp. & Elimin.	0	n.m.	(37)	14%	• Improved cost efficiencies
Laureate Total	622	4%	(22)	10%	

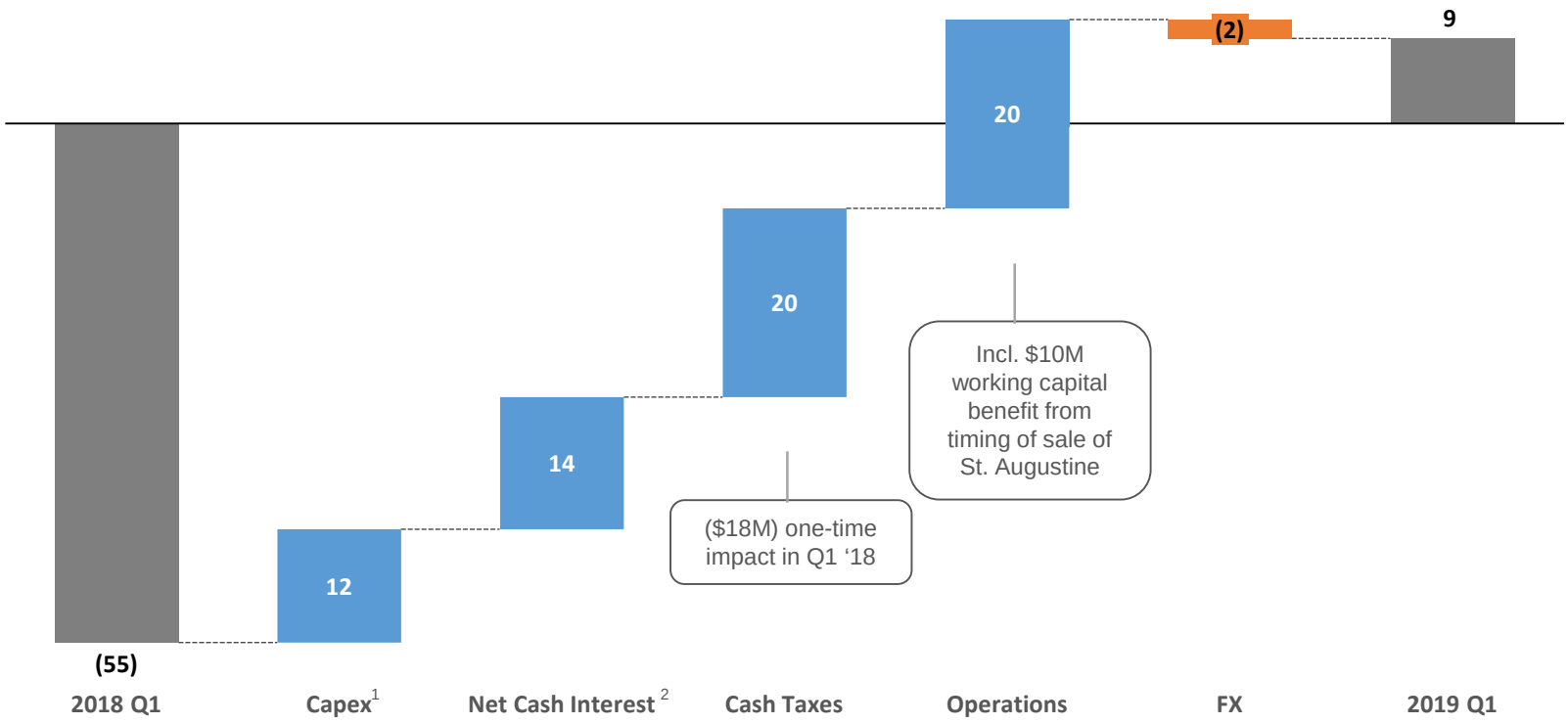
Revenue and Adjusted EBITDA ahead of Guidance

(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.

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2019 First Quarter – Free Cash Flow (FCF)

($ in millions)



$60M+ Improvement in FCF Generation

NOTE: Free Cash Flow (FCF) defined as operating cash flow less capital expenditures; variances shown are FX constant at 2018 first quarter FX rates
(1) Excluding impact from assets sold
(2) Excludes $12M interest payment made in Q1 2019 on Term Loan LIBOR contract related to interest accrued from Q4 2018; reclassed to operations column

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2019 OUTLOOK

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2019 Full Year Guidance - Update

($ in millions) (Enrollments in thousands)	Initial Guidance	Sale of UniNorte (Brazil)	Adjusted Guidance [1]
Total Enrollments	~ 890K	(25K)	~ 865K
Revenue	$3,350 - $3,385	($20)	$3,330 - $3,365
Adjusted EBITDA	$645 - $655	($5)	$640 - $650

Full Year Guidance adjusted for Sale of UniNorte

(1) Based on actual FX rates for January-April 2019, and current spot FX rates (local currency per US dollar) of MXN 18.94, BRL 3.93, CLP 673.00, PEN 3.32, EUR 0.90 and AUD 1.42 for May - December 2019. 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.

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Q2 2019 Guidance - Details

(USD millions, except enrollments in thousands)	Revenues	Adj. EBITDA
Q2 2018 Results	$1,017	$304
Organic Growth	$17 - $27	($5) - $5
Growth %	2% - 3%	(2%) - 2%
Q2 2019 FXN Guidance excl. Lease Acct Impact	$1,034 - $1,044	$299 - $309
Lease Accounting Impact (ASC-842)		($3)
2019 FXN Guidance	$1,034 - $1,044	$296 - $306
FX Impact (spot FX) (1)	($44)	($16)
Q2 2019 Guidance (@ spot FX) (1)	$990 - $1,000	$280 - $290

(1) Based on current spot FX rates (local currency per US dollar) of MXN 18.94, BRL 3.93, CLP 673.00, PEN 3.32, EUR 0.90 and AUD 1.42 for May - June 2019. 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.

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APPENDIX

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2019 First Quarter – Net Income Reconciliation

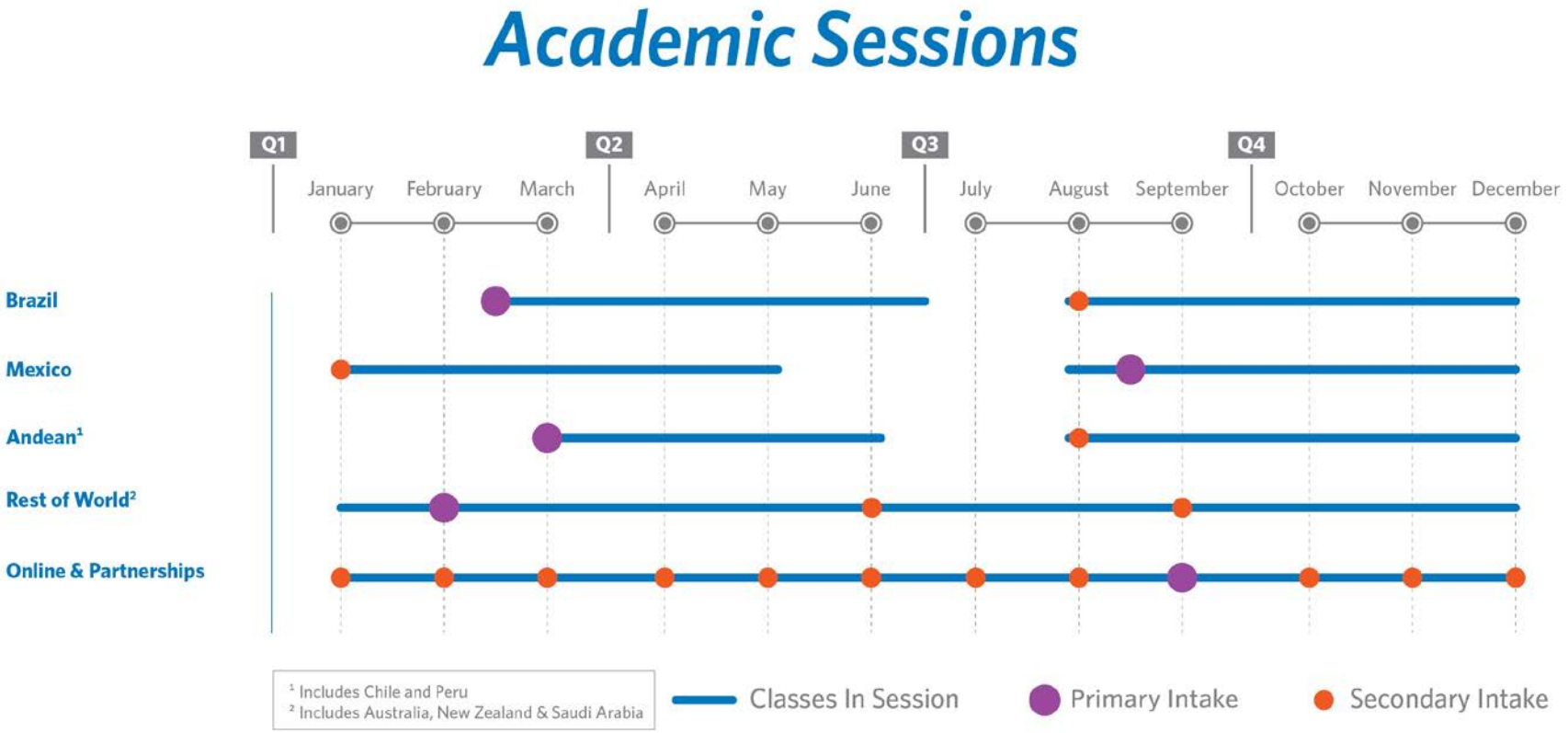
($ in millions)	Q1 '19 Reported	B / (W) Vs. Q1 '18 $	B / (W) Vs. Q1 '18 %	Notes
Adjusted EBITDA	(22)	8	27%	
Depreciation & Amort.	(48)	9	16%	
Interest Expense, net	(51)	9	15%	• Lower debt levels
Other	(25)	17	40%	
Income Tax	35	12	n.m.	
Income/(Loss) From Continuing Operations	(110)	55	n.m.	
Discontinued Operations (Net of Tax)	57	38	n.m.	
Net Gain/(Loss) on Sale of Disc. Ops.	248	(70)	n.m.	• Sale of Cyprus, Italy & China Q1 '18; sale of St. Augustine & Thailand in Q1 '19
Net Income / (Loss)	194	23	n.m.	

Continued Improvement in Net Income From Continuing Operations

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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)

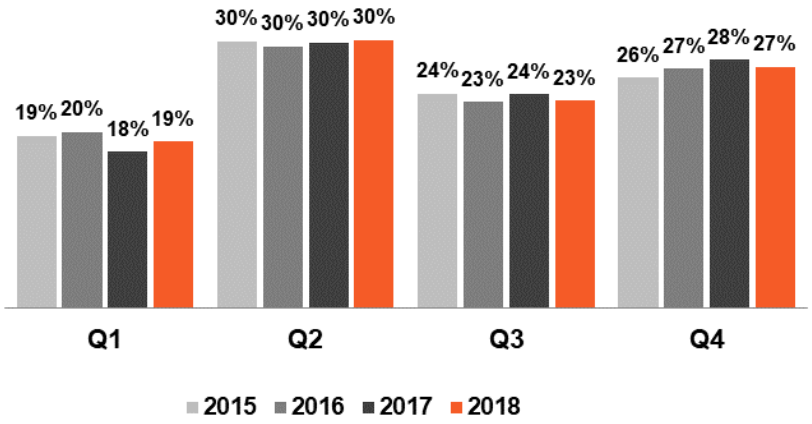


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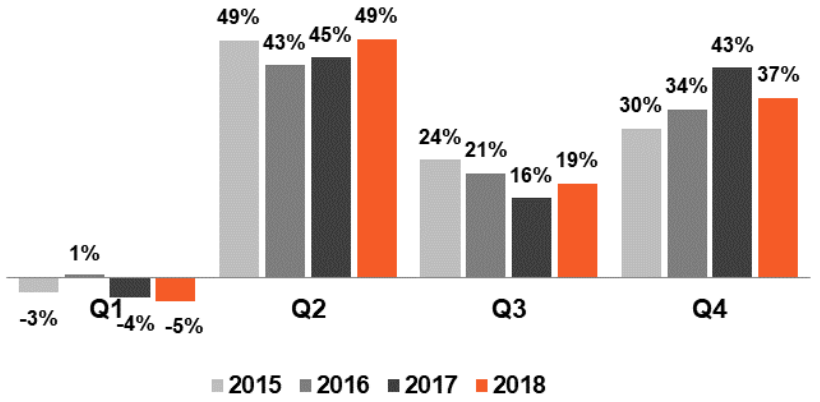
Intra-Year Seasonality Trends

- 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)

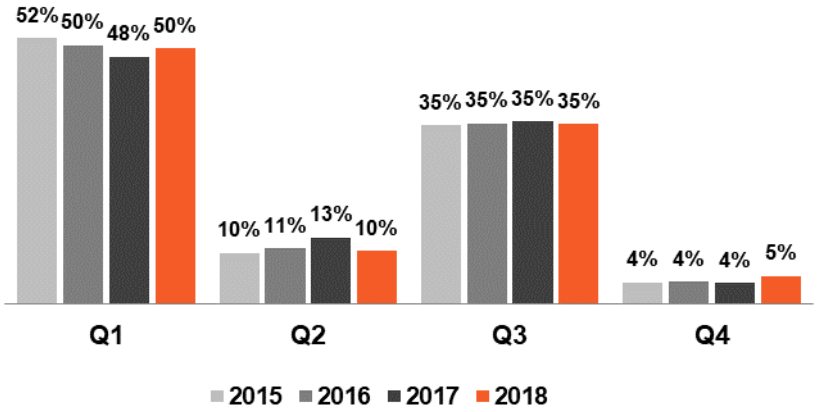
Revenue Seasonality



Adj. EBITDA Seasonality



New Enrollments Seasonality



Factors Affecting Seasonality

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

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Financial Results & Tables

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Financial Tables

Consolidated Statements of Operations

IN MILLIONS	For the three months ended March 31, 2019	2018	Change
Revenues	$ 621.8	$ 632.2	$ (10.4)
Costs and expenses:			
Direct costs	652.4	677.5	(25.1)
General and administrative expenses	53.9	47.3	6.6
Operating loss	(84.5)	(92.6)	8.1
Interest income	3.6	3.3	0.3
Interest expense	(54.7)	(63.3)	8.6
Loss on debt extinguishment	(10.6)	(7.5)	(3.1)
Gain (loss) on derivatives	5.2	(19.3)	24.5
Other income, net	0.4	2.6	(2.2)
Foreign currency exchange loss, net	(4.7)	(11.8)	7.1
Loss from continuing operations before income taxes	(145.4)	(188.7)	43.3
Income tax benefit	35.1	23.1	12.0
Loss from continuing operations	(110.3)	(165.6)	55.3
Income from discontinued operations, net of tax	56.6	18.9	37.7
Gain on sales of discontinued operations, net of tax	248.0	318.3	(70.3)
Net income	194.3	171.5	22.8
Net income attributable to noncontrolling interests	(3.0)	(2.7)	(0.3)
Net income attributable to Laureate Education, Inc.	$ 191.2	$ 168.9	$ 22.3
Accretion of other redeemable noncontrolling interests and equity and Series A convertible redeemable preferred stock	$ 0.3	$ (57.4)	$ 57.7
Net income available to common stockholders	$ 191.5	$ 111.5	$ 80.0
Basic and diluted earnings per share:			
Basic and diluted weighted average shares outstanding	224.7	187.8	36.9
Basic and diluted earnings per share	$ 0.85	$ 0.59	$ 0.26

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

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Financial Tables

Revenue and Adjusted EBITDA by segment

IN MILLIONS

For the three months ended March 31,	2019	2018	% Change		$ Variance Components				
			Reported	Organic Constant Currency[1]	Total	Organic Constant Currency	Other	Acq/Div.	FX
Revenues									
Brazil	$ 110.0	$ 122.8	(10)%	4%	$ (12.8)	$ 4.9	$ —	$ —	$ (17.7)
Mexico	156.5	155.9	—%	3%	0.6	4.7	—	—	(4.1)
Andean	138.9	135.1	3%	11%	3.8	14.2	—	—	(10.4)
Rest of World	54.2	52.3	4%	10%	1.9	5.2	—	—	(3.3)
Online & Partnerships	161.8	168.0	(4)%	(4)%	(6.2)	(6.2)	—	—	—
Corporate & Eliminations	0.5	(1.8)	128%	128%	2.3	2.3	—	—	—
Total Revenues	$ 621.8	$ 632.2	(2)%	4%	$ (10.4)	$ 25.1	$ —	$ —	$ (35.5)
Adjusted EBITDA									
Brazil	$ (30.7)	$ (26.0)	(18)%	(34)%	(4.7)	$ (8.8)	$ (0.7)	$ —	$ 4.8
Mexico	25.8	30.4	(15)%	(8)%	(4.6)	(2.3)	(1.3)	—	(1.0)
Andean	(33.2)	(39.4)	16%	9%	6.2	3.4	—	—	2.8
Rest of World	4.5	3.0	50%	37%	1.5	1.1	—	—	0.4
Online & Partnerships	48.6	45.0	8%	8%	3.6	3.6	—	—	—
Corporate & Eliminations	(36.6)	(42.6)	14%	14%	6.0	6.0	—	—	—
Total Adjusted EBITDA	$ (21.6)	$ (29.7)	27%	10%	$ 8.1	$ 3.1	$ (2.0)	$ —	$ 7.0

[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. 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" % changes are calculated by dividing the Organic Constant Currency amounts by the 2018 Revenues and Adjusted EBITDA amounts, excluding the impact of the divestitures.

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

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Financial Tables

Consolidated Balance Sheets

IN MILLIONS	March 31, 2019	December 31, 2018	Change
Assets			
Cash and cash equivalents	$ 278.8	$ 388.5	$ (109.7)
Receivables (current), net	454.7	249.3	205.4
Other current assets	358.4	273.0	85.4
Current assets held for sale	308.7	306.4	2.3
Property and equipment, net	1,237.6	1,278.9	(41.3)
Operating lease right-of-use assets, net	952.9	—	952.9
Goodwill and other intangible assets	2,875.0	2,858.8	16.2
Other long-term assets	406.3	383.3	23.0
Long-term assets held for sale	961.2	1,031.5	(70.3)
Total assets	$ 7,833.5	$ 6,769.6	$ 1,063.9
Liabilities and stockholders' equity			
Accounts payable and accrued expenses	$ 455.2	$ 491.2	$ (36.0)
Deferred revenue and student deposits	556.4	193.2	363.2
Total operating leases, including current portion	969.1	—	969.1
Total long-term debt, including current portion	2,241.6	2,695.5	(453.9)
Total due to shareholders of acquired companies, including current portion	46.3	45.4	0.9
Other liabilities	533.4	616.3	(82.9)
Current and long-term liabilities held for sale	689.7	662.7	27.0
Total liabilities	5,491.7	4,704.3	787.4
Redeemable noncontrolling interests and equity	13.9	14.4	(0.5)
Total stockholders' equity	2,327.9	2,050.9	277.0
Total liabilities and stockholders' equity	$ 7,833.5	$ 6,769.6	$ 1,063.9

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

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Financial Tables

Consolidated Statements of Cash Flows

IN MILLIONS	For the three months ended March 31, 2019	2018	Change
Cash flows from operating activities			
Net income	$ 194.3	$ 171.5	$ 22.8
Depreciation and amortization	47.6	67.8	(20.2)
Amortization of operating lease right-of-use assets	33.4	—	33.4
Gain on sales of subsidiaries and disposal of property and equipment, net	(246.8)	(297.5)	50.7
(Gain) loss on derivative instruments	(5.3)	19.1	(24.4)
Payments for settlement of derivative contracts	(8.2)	—	(8.2)
Loss on debt extinguishment	10.6	7.5	3.1
Unrealized foreign currency exchange loss	5.5	1.1	4.4
Income tax receivable/payable, net	(45.0)	(14.8)	(30.2)
Working capital, excluding tax accounts	12.2	39.9	(27.7)
Other non-cash adjustments	46.8	(1.7)	48.5
Net cash provided by (used in) operating activities	45.0	(7.1)	52.1
Cash flows from investing activities			
Purchase of property and equipment	(32.3)	(44.2)	11.9
Expenditures for deferred costs	(3.5)	(3.4)	(0.1)
Receipts from sales of discontinued operations and property and equipment, net of cash sold	331.0	359.5	(28.5)
Settlement of derivatives related to sale of discontinued operations	—	(10.0)	10.0
Investing other, net	(1.1)	0.8	(1.9)
Net cash provided by investing activities	294.1	302.7	(8.6)
Cash flows from financing activities			
Decrease in long-term debt, net	(442.0)	(353.2)	(88.8)
Payments of deferred purchase price for acquisitions	(0.4)	(5.5)	5.1
Payment of dividends on Series A Preferred Stock	—	(9.7)	9.7
Payments of debt issuance costs and redemption premiums	(5.2)	(0.1)	(5.1)
Financing other, net	(2.0)	(0.3)	(1.7)
Net cash used in financing activities	(449.6)	(369.0)	(80.6)
Effects of exchange rate changes on Cash and cash equivalents and Restricted cash	2.0	22.2	(20.2)
Change in cash included in current assets held for sale	1.1	(0.1)	1.2
Net change in Cash and cash equivalents and Restricted cash	(107.4)	(51.3)	(56.1)
Cash and cash equivalents and Restricted cash at beginning of period	589.8	532.8	57.0
Cash and cash equivalents and Restricted cash at end of period	$ 482.4	$ 481.4	$ 1.0

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

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Financial Tables

Non-GAAP Reconciliation (1 of 2)

The following table reconciles loss from continuing operations to Adjusted EBITDA for the three months ended March 31, 2019 and 2018:

IN MILLIONS	2019	2018	Change
Loss from continuing operations	$ (110.3)	$ (165.6)	$ 55.3
Plus:			
Income tax benefit	(35.1)	(23.1)	(12.0)
Loss from continuing operations before income taxes	(145.4)	(188.7)	43.3
Plus:			
Foreign currency exchange loss, net	4.7	11.8	(7.1)
Other income, net	(0.4)	(2.6)	2.2
(Gain) loss on derivatives	(5.2)	19.3	(24.5)
Loss on debt extinguishment	10.6	7.5	3.1
Interest expense	54.7	63.3	(8.6)
Interest income	(3.6)	(3.3)	(0.3)
Operating loss	(84.5)	(92.6)	8.1
Plus:			
Depreciation and amortization	47.6	57.0	(9.4)
EBITDA	(36.9)	(35.6)	(1.3)
Plus:			
Share-based compensation expense [(2)]	3.0	(4.1)	7.1
EiP implementation expenses [(3)]	12.3	10.1	2.2
Adjusted EBITDA	$ (21.6)	$ (29.7)	$ 8.1

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

[(3)] 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 included the establishment of regional 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 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. EiP also includes certain non-recurring costs incurred in connection with the planned and completed dispositions.

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

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Financial Tables

Non-GAAP Reconciliation (2 of 2)

The following table reconciles operating cash flow to Free Cash Flow for the three months ended March 31, 2019 and 2018:

IN MILLIONS	**2019**	**2018**	**Change**
Net cash provided by (used in) operating activities	$ 45.0	$ (7.1)	$ 52.1
Capital expenditures:			
Purchase of property and equipment	(32.3)	(44.2)	11.9
Expenditures for deferred costs	(3.5)	(3.4)	(0.1)
Free Cash Flow	$ 9.2	$ (54.7)	$ 63.9

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

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