Third Quarter 2019 Earnings Presentation

November 6, 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, Adjusted EBITDA margin, Free Cash Flow, costs (including cost savings), expenditures (including capital expenditures), the share repurchase program, cash interest expense, 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, our Quarterly Report on Form 10-Q filed with the SEC on May 9, 2019, our Quarterly Report on Form 10-Q filed with the SEC on August 8, 2019, our Quarterly Report on Form 10-Q filed with the SEC November 6, 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 presentation, Laureate provides the non-GAAP measurements of Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow. We have included these non-GAAP measurements because they are key measures used by our management and board of directors to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short- and long-term operational plans.

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

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

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

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

- ✓ **Q3 Adjusted EBITDA significantly ahead of guidance driven by cost actions**
- ✓ **Reaffirming FY Adjusted EBITDA and FCF[(1)] guidance despite FX headwinds**
- ✓ **Run-Rate 2019 Adj. EBITDA margin expected at 20.8%**
- ✓ **Raising 2020 Adj. EBITDA margin by 1-point to 22%**
- ✓ **$150 million of share buybacks completed … expanding program to $300 million**
- ✓ **Continued strong student outcomes and quality accolades**

Operational Performance is Ahead of Expectations

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

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Commitment to Quality and Student Outcomes

Arellanomarketing
investigación | consultoría

Universities with highest Strategic Brand Value in Peru 2019 results:

- **2nd place** among all universities in Peru
- **4th place** among all universities in Peru
- **1st place** among Tec-Voc institutions in Peru

CIBERTEC

Laureate Brazil

Obtained Conceito Institucional score of 5 (maximum possible academic quality score) from MEC

UP Universidade Potiguar
LAUREATE INTERNATIONAL UNIVERSITIES

FMU

IBMR Centro Universitário IBMR
LAUREATE INTERNATIONAL UNIVERSITIES

UNIVERSIDAD PRIVADA DEL NORTE

UNITEC
Universidad Tecnológica de México

QS STARS
RATED FOR EXCELLENCE

- **UPN Peru** and **UNITEC Mexico** achieved 3-Stars, both with notable qualitative improvements

WALDEN UNIVERSITY
A higher degree. A higher purpose.

- **Walden's Master of Public Health (MPH) program** has earned accreditation from the Council on Education for Public Health

Strong Rankings and Accolades

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Q3 2019 PERFORMANCE RESULTS

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2019 Third Quarter – Financial Summary

($ in millions) (Enrollments in thousands)	Q3 '19 Results	Variance Vs. Q3 '18	Notes
New Enrollment	159K	4%	• Driven by Mexico & Andean
New Enrollment – Organic[(1)]		4%	
Total Enrollment	895K	2%	
Total Enrollment – Organic[(1)]		2%	
Revenue	774	(1%)	• ($4M) FX headwind vs time of guidance
Revenue – Organic/CC[(2)]		2%	
Adj. EBITDA	134	9%	• ($3M) FX headwind vs time of guidance
Adj. EBITDA – Organic/CC[(2)]		15%	• Driven by Andean and G&A efficiencies
Adj. EBITDA margin	17.3%	146 bps	• Cost efficiencies driving strong margin expansion
Adj. EBITDA margin – Organic/CC[(2)]		194 bps	

Q3 Adjusted EBITDA $14M 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.

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2019 Q3 YTD – Financial Summary

($ in millions) (Enrollments in thousands)	Q3 YTD '19 Results	Variance Vs. Q3 YTD '18	Notes
New Enrollment	454K	8%	• Driven by Andean & Brazil DL • 3% Excluding Brazil DL
New Enrollment – Organic[(1)]		8%	
Total Enrollment	895K	2%	
Total Enrollment – Organic[(1)]		2%	
Revenue	2,367	(1%)	
Revenue – Organic/CC[(2)]		3%	• Driven by Andean
Adj. EBITDA	403	3%	
Adj. EBITDA – Organic/CC[(2)]		9%	• Driven by Andean, Online and G&A efficiencies
Adj. EBITDA margin	17.0%	74 bps	• Cost efficiencies driving strong margin expansion
Adj. EBITDA margin – Organic/CC[(2)]		84 bps	

Accelerated Pace of Transformation Driving Margin Expansion

(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 Third Quarter – Enrollment Dynamics by Segment

(Enrollments in thousands)	New Enrollment (NE) Q3 '19	New Enrollment (NE) Organic Vs. Q3 '18	Total Enrollment (TE) Q3 '19	Total Enrollment (TE) Organic Vs. Q3 '18	Notes
Brazil	**52**	**(4%)**	**283**	**4%**	• Impacted by timing of intake (Sept/Oct); expect 70%+ growth in NE for DL in 2H
Mexico	**68**	**6%**	**206**	**(2%)**	• NE growth at both UVM and UNITEC
Andean	**27**	**19%**	**332**	**5%**	
Rest of World	**4**	**46%**	**16**	**16%**	
Online & Partnerships	**9**	**(12%)**	**58**	**(6%)**	• Decline driven by teach out of international partnerships
Laureate Total	**159**	**4%**	**895**	**2%**	

Strong NE Growth in Mexico During Its Main Intake

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2019 Q3 YTD – Enrollment Dynamics by Segment

(Enrollments in thousands)	New Enrollment (NE)		Total Enrollment (TE)		Notes
	Q3 YTD '19	Organic Vs. Q3 YTD '18	Q3 YTD '19	Organic Vs. Q3 YTD '18	
Brazil	**177**	**13%**	**283**	**4%**	• Strong growth in Distance Learning • NE Growth DL: 71%, F2F: (2%) • TE Growth DL: 55%, F2F: (3%)
Mexico	**110**	**3%**	**206**	**(2%)**	
Andean	**131**	**11%**	**332**	**5%**	• Peru NE up 16%; Chile NE up 6%
Rest of World	**11**	**20%**	**16**	**16%**	
Online & Partnerships	**24**	**(11%)**	**58**	**(6%)**	• Decline driven by teach out of international partnerships
Laureate Total	**454**	**8%**	**895**	**2%**	

+8% New Enrollment Growth YTD

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2019 Third Quarter – Revenue, EBITDA Dynamics by Segment

($ millions)	Revenue		Adj. EBITDA		Notes
	Q3 '19	Organic/CC Vs. Q3 '18 (1)	Q3 '19	Organic/CC Vs. Q3 '18 (1)	
Brazil	114	(5%)	3	n.m.	• Flat net pricing year-over-year; cost actions expected to benefit Q4
Mexico	146	1%	23	2%	
Andean	307	7%	93	7%	• Driven by strong enrollments and pricing
Rest of World	53	17%	11	54%	• Primarily driven by Australia
Online & Partnerships	156	(6%)	44	(3%)	
Corp. & Elimin.	(2)	n.m.	(41)	11%	• G&A reductions
Laureate Total	774	2%	134	15%	

Q3 Adjusted EBITDA $14M Ahead of Guidance Due to Acceleration of Cost Initiatives

(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 Q3 YTD – Revenue, EBITDA Dynamics by Segment

($ millions)	Revenue		Adj. EBITDA		Notes
	Q3 YTD '19	Organic/CC Vs. Q3 YTD '18 (1)	Q3 YTD '19	Organic/CC Vs. Q3 YTD '18 (1)	
Brazil	421	(2%)	31	(32%)	• Flat net pricing year-over-year; cost actions expected to disproportionately benefit Q4
Mexico	465	2%	80	2%	
Andean	869	9%	246	10%	• Driven by strong enrollments and pricing
Rest of World	137	13%	20	79%	• Primarily scaling of Australia
Online & Partnerships	477	(4%)	143	5%	• Cost controls, and benefitting from wind down of international online
Corp. & Elimin.	(2)	n.m.	(118)	8%	• G&A reductions through simplification and scale
Laureate Total	2,367	3%	403	9%	

Profitability Continues to Trend Ahead of Expectations

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

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TRANSFORMATION UPDATE (2018-2020E)

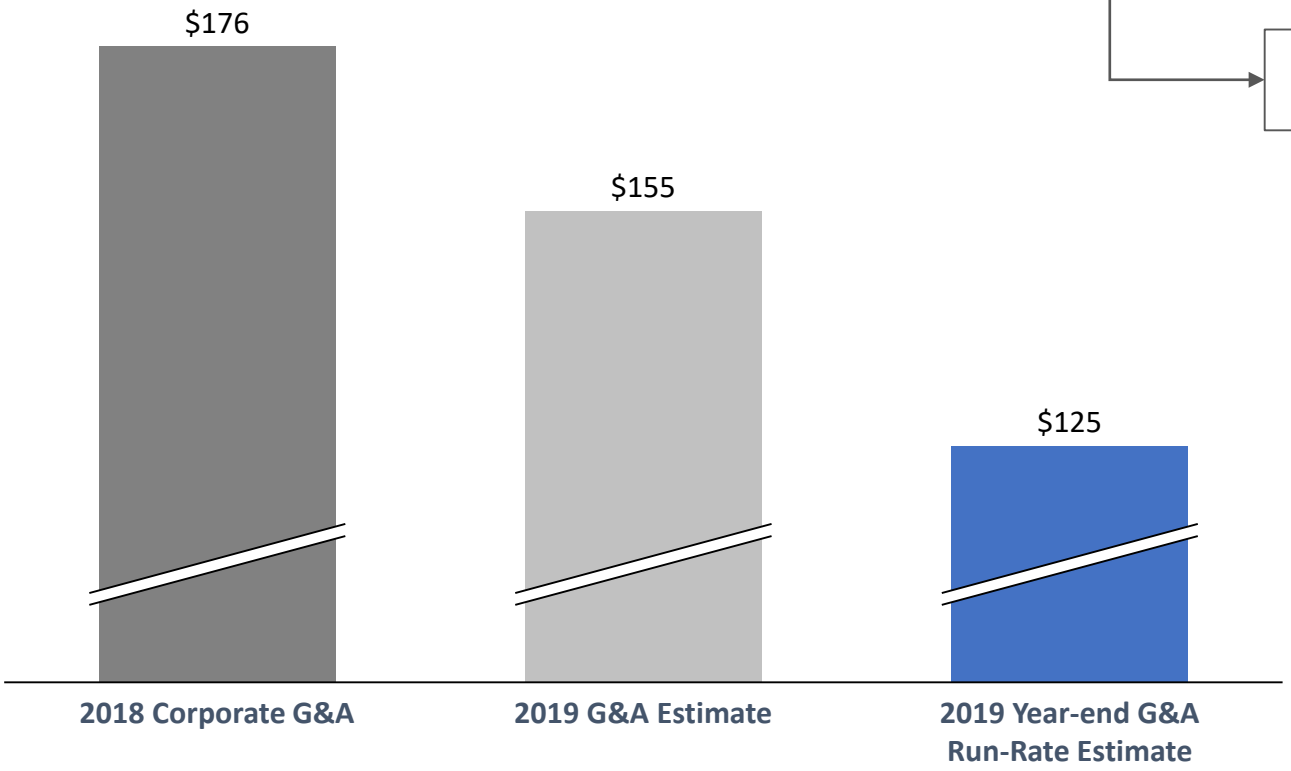
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Improved Margin Outlook for 2019

($ in millions)

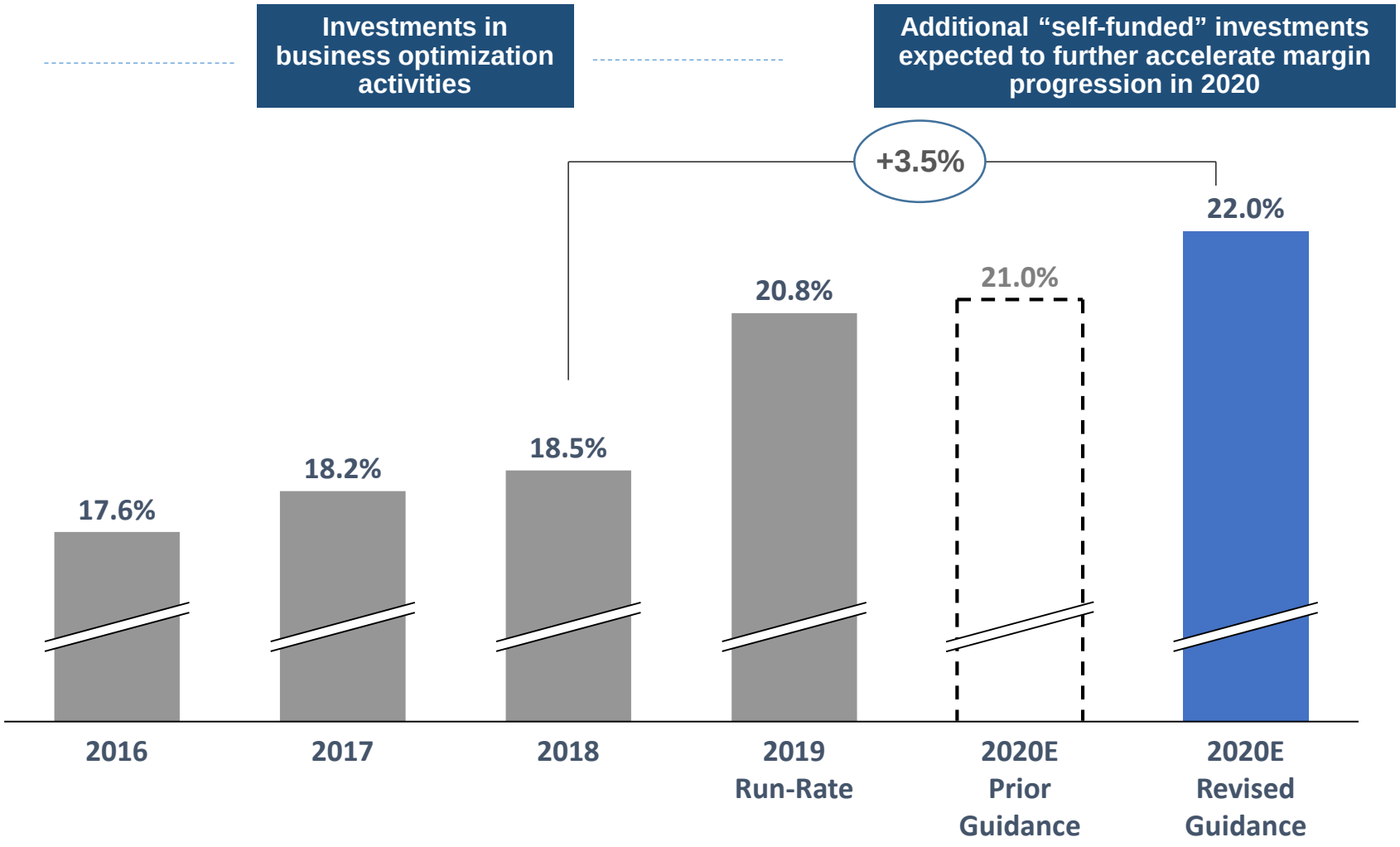
Adj. EBITDA Margin Evolution	18.5%	19.8%	20.8%



Reductions in G&A Enabling Rapid Margin Expansion
+60bps Improvement vs Q2 Outlook

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Accelerating Adjusted EBITDA Margin Improvement



Transformation Results Coming Ahead of Expectations
Raising 2020 Margin Guidance to 22%

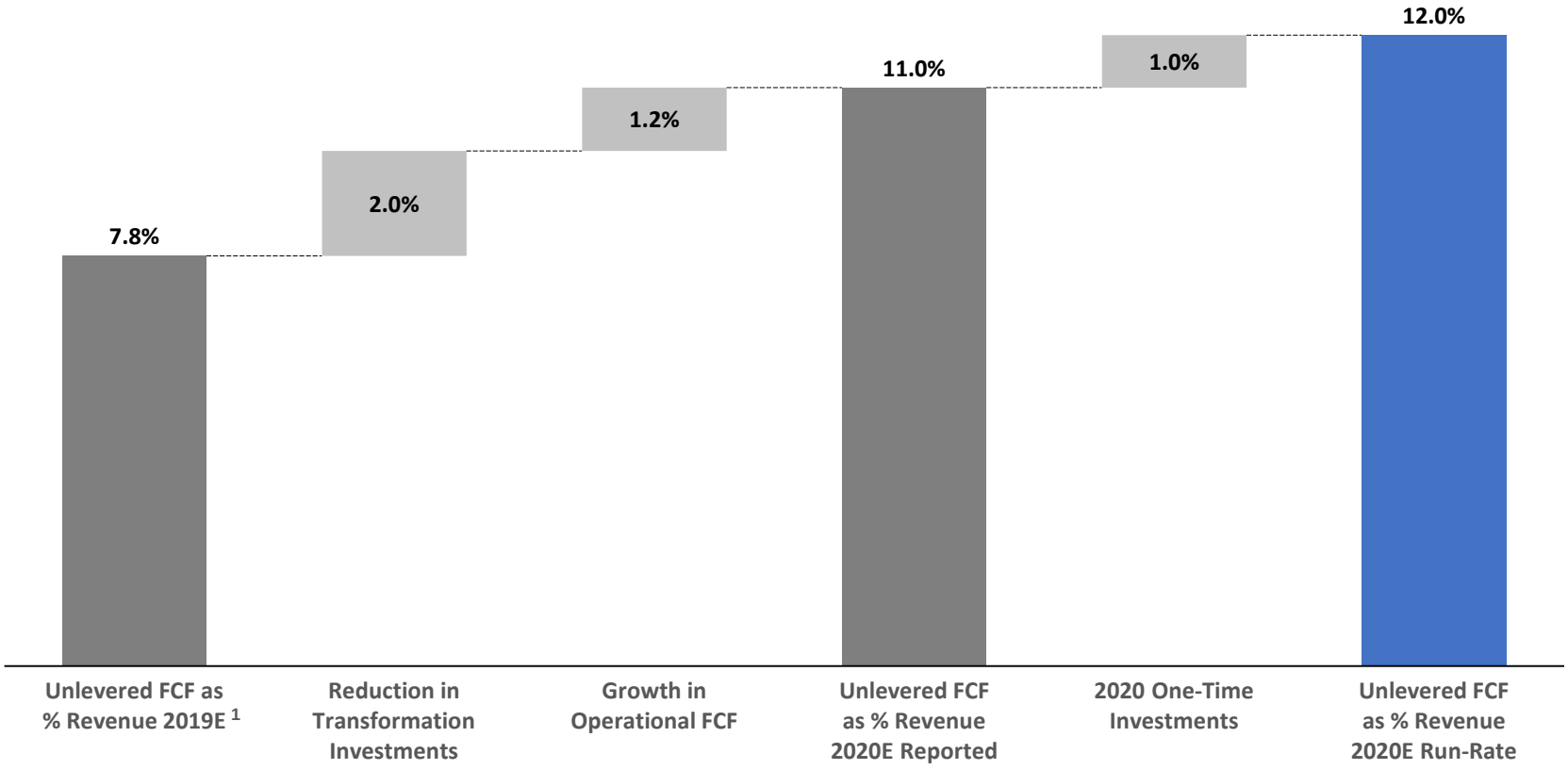
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2018-2020E Margin Accretion

Lever	G&A Reduction	Educational Productivity	Revenue Optimization	Procurement & Real Estate
Margin Impact	+++	++	+	+
Initiatives	Corporate & Regional G&A IT Infrastructure Consolidation Streamlined Control Environment Process Simplification	Class Scheduling Teacher/student Ratio Optimization Cost Of Workforce Optimization	Increased Student Retention Marketing/pricing Optimization Admission and Collections Expansion of Online Offerings	Information Technology Professional Services Facilities Consolidation
Future Enablers				

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Significant Increase in Free Cash Flow Expected in 2020



2020 Run-Rate Unlevered FCF Margin Target Increased to 12%

(1) Excluding cash flow from discontinued operations -- offset with interest savings in 2020

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2019 OUTLOOK

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2019 Full Year Guidance

($ and shares in millions)	FY 2019 Guidance
Total Enrollments	865K
Revenue	$3,233 - $3,268
Adjusted EBITDA	$640 - $650
Free Cash Flow	$145
Net Debt (1)	$1,000 - $1,200
Shares Outstanding (1)	215 - 206

Upper End of Range Reflects Increased $150M Share Repurchase Program (total of $300M)

Adjusted EBITDA & Free Cash Flow Ahead of Expectations (see next page for guidance walk)

(1) Amount and timing of additional share repurchases throughout remainder of 2019 will determine where the company expects to fall within the range for Net Debt and Shares Outstanding; 206M shares in the range noted assumes repurchases of stock at the same price levels as were done for prior repurchases.

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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2019 Full Year Guidance Walk

($ in millions) (Enrollments in thousands)	Prior Guidance (1)	FX Translation	Moved to Disc Ops. Saudi	Asset Sale Timing	Operations	Revised Guidance
Total Enrollments	865K	-	-		-	865K
Revenue	$3,330 - $3,365	($66)	($31)		-	$3,233 - $3,268
Adjusted EBITDA	$640 - $650	($20)	($3)		$23	$640 - $650
Free Cash Flow	$145	($10)		($30)	$40	$145

Operational Profitability & Free Cash Flow Ahead of Plan
FX Translation & Saudi Disc Ops Classification Impacting Absolute Amounts

(1) Guidance as provided during Q2 2019 earnings call

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 Third Quarter – Net Income Reconciliation

($ in millions)	Q3 '19 Reported	B / (W) Vs. Q3 '18 $	B / (W) Vs. Q3 '18 %	Notes
Adjusted EBITDA	134	11	9%	• ($6M) impact from FX
Depreciation & Amort.	(49)	4	8%	
Interest Expense, net	(37)	18	32%	• Significant reduction in debt following completion of asset sales
Other	(55)	5	8%	
Income Tax	(22)	(26)	n.m.	
Income/(Loss) From Continuing Operations	(29)	12	n.m.	
Discontinued Operations (Net of Tax)	(27)	11	n.m.	
Net Gain/(Loss) on Sale of Disc. Ops.	(41)	(23)	n.m.	
Net Income / (Loss)	(97)	-	n.m.	

Reduction in Interest Expense Driving Increased Income Levels

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2019 Q3 YTD – Net Income Reconciliation

($ in millions)	Q3 YTD '19 Reported	B / (W) Vs. Q3 YTD '18 $	B / (W) Vs. Q3 YTD '18 %	Notes
Adjusted EBITDA	403	13	3%	• ($17M) impact from FX
Depreciation & Amort.	(145)	16	10%	
Interest Expense, net	(127)	46	26%	• Significant reduction in debt following completion of asset sales
Other	(108)	(80)	n.m.	• $98M one-time gain in 2018 related to conversion of preferred equity
Income Tax	(61)	4	n.m.	
Income/(Loss) From Continuing Operations	(38)	(1)	n.m.	
Discontinued Operations (Net of Tax)	67	43	n.m.	
Net Gain/(Loss) on Sale of Disc. Ops.	848	537	n.m.	• Large gain primarily attributable to sale of Iberian business unit
Net Income / (Loss)	877	578	n.m.	

Q3 YTD Results Include Large Gain on Asset Sales

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2019 Full Year Guidance - Details

(USD millions)	Guidance	
	Revenue	Adj. EBITDA
FY 2018 Reported Results (excl. Saudi)	**$3,290**	**$610**
Excl. UniNorte	($47)	($6)
FY 2018 excl UniNorte	**$3,243**	**$604**
Organic Growth	$89 - $124	$73 - $83
Growth %	*3% - 4%*	*12% - 14%*
FY 2019 Pro Forma (CC) excl. Lease Impact	**$3,332 - $3,367**	**$677 - $687**
Add: New Lease Accounting Impact (ASC-842)	-	($13)
Add: UniNorte Stub period	$33	$1
FY 2019 Pro Forma (CC)	**$3,365 - $3,400**	**$665 - $675**
FX Impact (Spot FX) (1)	($132)	($25)
FY 2019 (@ Spot Rates) (1)	**$3,233 - $3,268**	**$640 - $650**

(1) Based on current spot FX rates (local currency per US dollar) of MXN 19.34, BRL 3.89, CLP 711.00, PEN 3.34 and AUD 1.47 for November – 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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Q4 2019 Guidance

($ in millions)	Q4 2019 Guidance
Total Enrollments	865K
Revenue [1]	$866 - $901
Adjusted EBITDA [1]	$237 - $247

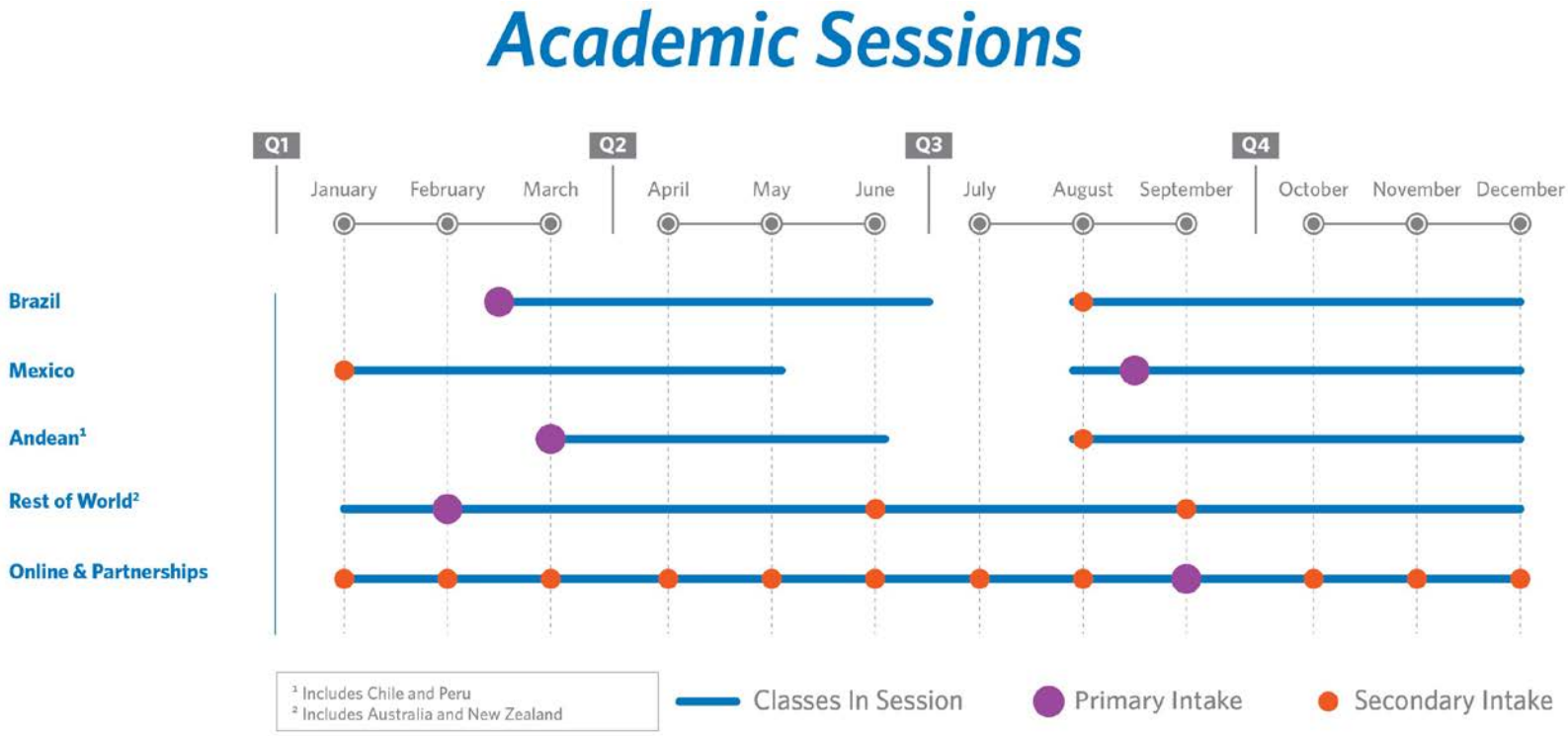
(1) Based on current spot FX rates (local currency per US dollar) of MXN 19.34, BRL 3.89, CLP 711.00, PEN 3.34 and AUD 1.47 for November – December 2019. FX impact may change based on fluctuations in currency rates in future periods.

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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)

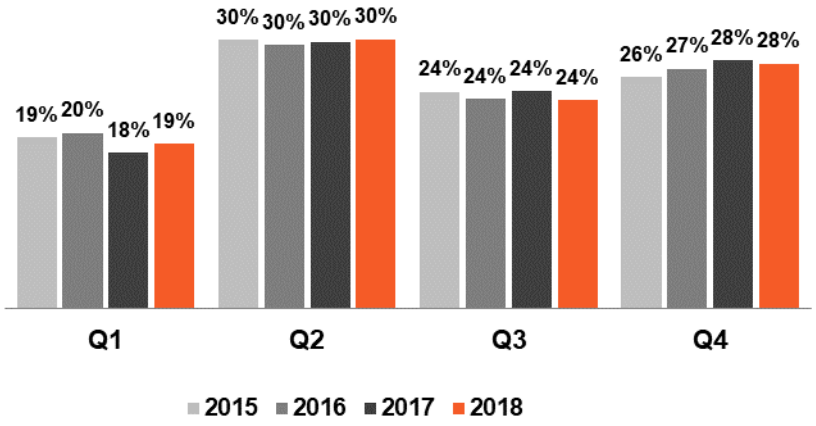


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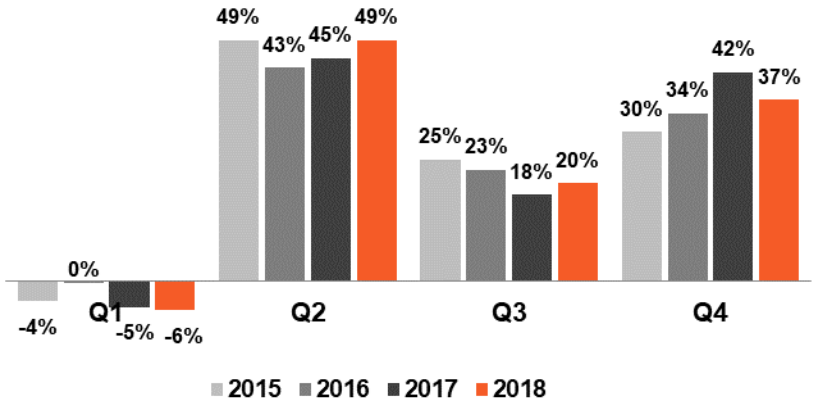
Intra-Year Seasonality Trends

- 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)

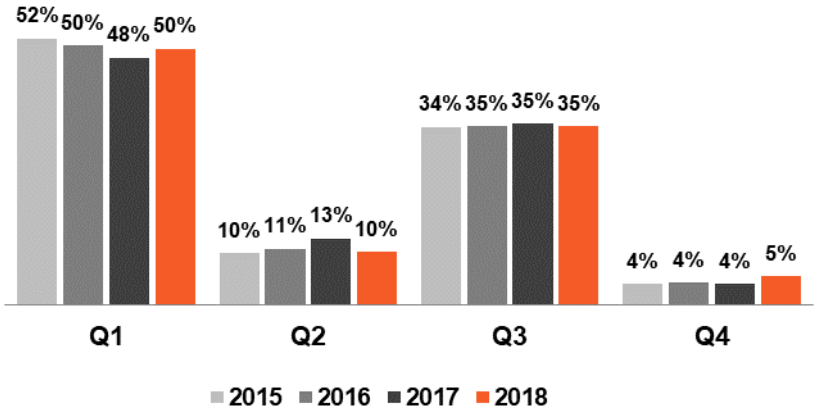
Revenue Seasonality



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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Saudi Arabia Operational Metrics

The following tables present selected results for our operations in Saudi Arabia for the four fiscal quarters in 2018 and the first three fiscal quarters in 2019:

2018 Results

(in Millions Except for Enrollments)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Total enrollments	4,600	4,100	5,600	4,800	4,800
Revenue	$ 17.9	$ 12.0	$ 8.9	$ 21.2	$ 60.0
Operating income (loss)[1]	$ 6.0	$ (0.8)	$ (3.4)	$ 5.3	$ 7.1
Depreciation and amortization	$ 0.7	$ 0.8	$ 0.6	$ 0.6	$ 2.7

2019 Results

(in Millions Except for Enrollments)

	Q1 2019	Q2 2019	Q3 2019	Q3 YTD 2019
Total enrollments	5,400	5,400	—	—
Revenue	$ 20.7	$ 9.4	$ 1.4	$ 31.5
Operating income (loss)[1]	$ 7.5	$ (3.5)	$ (2.4)	$ 1.6
Depreciation and amortization	$ 0.4	$ 0.4	$ 0.3	$ 1.1

[1] Excludes intercompany charges that eliminate in consolidation

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Financial Results & Tables

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Financial Tables

Consolidated Statements of Operations

IN MILLIONS	For the three months ended September 30, 2019	2018	Change	For the nine months ended September 30, 2019	2018	Change
Revenues	$ 773.7	$ 778.3	$ (4.6)	$ 2,367.2	$ 2,397.8	$ (30.6)
Costs and expenses:						
Direct costs	655.6	665.5	(9.9)	2,002.2	2,044.2	(42.0)
General and administrative expenses	72.3	73.7	(1.4)	193.7	194.2	(0.5)
Loss on impairment of assets	—	10.0	(10.0)	0.5	10.0	(9.5)
Operating income	45.7	29.0	16.7	170.9	149.4	21.5
Interest income	3.2	3.5	(0.3)	9.6	9.4	0.2
Interest expense	(40.3)	(58.3)	18.0	(136.4)	(181.7)	45.3
Loss on debt extinguishment	(0.2)	—	(0.2)	(26.4)	(7.5)	(18.9)
Gain (loss) on derivatives	0.3	(0.1)	0.4	8.1	92.1	(84.0)
Other income, net	1.0	8.3	(7.3)	9.1	10.8	(1.7)
Foreign currency exchange loss, net	(14.8)	(26.4)	11.6	(10.6)	(44.0)	33.4
Loss on disposal of subsidiaries, net	(1.5)	—	(1.5)	(1.5)	—	(1.5)
(Loss) income from continuing operations before income taxes and equity in net income of affiliates	(6.6)	(44.1)	37.5	22.7	28.5	(5.8)
Income tax (expense) benefit	(22.0)	3.7	(25.7)	(60.7)	(65.1)	4.4
Equity in net income of affiliates, net of tax	—	—	—	0.2	—	0.2
Loss from continuing operations	(28.5)	(40.4)	11.9	(37.8)	(36.6)	(1.2)
(Loss) income from discontinued operations, net of tax	(27.1)	(37.9)	10.8	66.5	23.6	42.9
(Loss) gain on sales of discontinued operations, net of tax	(41.1)	(18.4)	(22.7)	848.4	311.9	536.5
Net (loss) income	(96.8)	(96.7)	(0.1)	877.1	298.8	578.3
Net loss (income) attributable to noncontrolling interests	1.6	1.9	(0.3)	0.5	(0.3)	0.8
Net (loss) income attributable to Laureate Education, Inc.	$ (95.2)	$ (94.8)	$ (0.4)	$ 877.6	$ 298.5	$ 579.1
Accretion of other redeemable noncontrolling interests and equity and Series A convertible redeemable preferred stock	(0.2)	0.3	(0.5)	0.3	12.7	(12.4)
Net (loss) income available to common stockholders	$ (95.4)	$ (94.5)	$ (0.9)	$ 877.9	$ 311.2	$ 566.7
Basic and diluted (loss) earnings per share:						
Basic weighted average shares outstanding	224.2	224.0	0.2	224.5	209.1	15.4
Basic and diluted weighted average shares outstanding	224.2	224.0	0.2	224.5	209.1	15.4
Basic (loss) earnings per share	$ (0.43)	$ (0.42)	$ (0.01)	$ 3.91	$ 1.49	$ 2.42
Diluted (loss) earnings per share	$ (0.43)	$ (0.42)	$ (0.01)	$ 3.91	$ 1.43	$ 2.48

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 September 30,	2019	2018	% Change Reported	% Change Organic Constant Currency[1]	$ Variance Components Total	Organic Constant Currency	Other	Acq/Div.	FX
Revenues									
Brazil	$ 114.1	$ 121.1	(6)%	(5)%	$ (7.0)	$ (6.1)	$ —	$ —	$ (0.9)
Mexico	145.8	148.3	(2)%	1%	(2.5)	0.8	—	—	(3.3)
Andean	307.3	299.6	3%	7%	7.7	20.8	—	—	(13.1)
Rest of World	52.6	47.7	10%	17%	4.9	8.3	—	—	(3.4)
Online & Partnerships	155.5	165.2	(6)%	(6)%	(9.7)	(9.7)	—	—	—
Corporate & Eliminations	(1.5)	(3.7)	59%	59%	2.2	2.2	—	—	—
Total Revenues	$ 773.7	$ 778.3	(1)%	2%	$ (4.6)	$ 16.1	$ —	$ —	$ (20.7)
Adjusted EBITDA									
Brazil	$ 3.1	$ 0.7	nm	nm	$ 2.4	$ 4.3	$ (1.0)	$ —	$ (0.9)
Mexico	23.1	23.7	(3)%	2%	(0.6)	0.5	(0.4)	—	(0.7)
Andean	92.6	90.6	2%	7%	2.0	5.9	—	—	(3.9)
Rest of World	11.5	8.0	44%	54%	3.5	4.3	—	—	(0.8)
Online & Partnerships	44.3	45.7	(3)%	(3)%	(1.4)	(1.4)	—	—	—
Corporate & Eliminations	(40.8)	(45.6)	11%	11%	4.8	4.8	—	—	—
Total Adjusted EBITDA	$ 133.8	$ 123.2	9%	15%	$ 10.6	$ 18.3	$ (1.4)	$ —	$ (6.3)

nm - percentage changes not meaningful

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

Revenue and Adjusted EBITDA by segment

IN MILLIONS

For the nine months ended September 30,	2019	2018	% Change Reported	% Change Organic Constant Currency[2]	$ Variance Components Total	Organic Constant Currency	Other	Acq/Div.	FX
Revenues									
Brazil	$ 421.1	$ 469.5	(10)%	(2)%	$ (48.4)	$ (10.3)	$ —	$ —	$ (38.1)
Mexico	464.7	463.9	—%	2%	0.8	7.3	—	—	(6.5)
Andean	869.2	844.2	3%	9%	25.0	74.9	—	—	(49.9)
Rest of World	137.2	131.4	4%	13%	5.8	16.7	—	—	(10.9)
Online & Partnerships	477.0	498.2	(4)%	(4)%	(21.2)	(21.2)	—	—	—
Corporate & Eliminations	(2.1)	(9.4)	78%	78%	7.3	7.3	—	—	—
Total Revenues	$ 2,367.2	$ 2,397.8	(1)%	3%	$ (30.6)	$ 74.8	$ —	$ —	$ (105.4)
Adjusted EBITDA									
Brazil	$ 31.3	$ 52.6	(40)%	(32)%	$ (21.3)	$ (17.0)	$ (2.1)	$ —	$ (2.2)
Mexico	80.5	82.0	(2)%	2%	(1.5)	1.9	(1.5)	—	(1.9)
Andean	246.1	235.4	5%	10%	10.7	22.6	—	—	(11.9)
Rest of World	20.2	12.0	68%	79%	8.2	9.5	—	—	(1.3)
Online & Partnerships	142.8	136.1	5%	5%	6.7	6.7	—	—	—
Corporate & Eliminations	(117.9)	(127.6)	8%	8%	9.7	9.7	—	—	—
Total Adjusted EBITDA	$ 403.0	$ 390.5	3%	9%	$ 12.5	$ 33.4	$ (3.6)	$ —	$ (17.3)

[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. 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	September 30, 2019	December 31, 2018	Change
Assets			
Cash and cash equivalents	$ 323.9	$ 387.8	$ (63.9)
Receivables (current), net	371.4	225.3	146.1
Other current assets	297.3	266.4	30.9
Current assets held for sale	131.6	337.7	(206.1)
Property and equipment, net	1,191.4	1,275.3	(83.9)
Operating lease right-of-use assets, net	871.7	—	871.7
Goodwill and other intangible assets	2,795.3	2,858.8	(63.5)
Other long-term assets	393.5	383.2	10.3
Long-term assets held for sale	448.6	1,035.2	(586.6)
Total assets	$ 6,824.7	$ 6,769.6	$ 55.1
Liabilities and stockholders' equity			
Accounts payable and accrued expenses	$ 496.4	$ 482.2	$ 14.2
Deferred revenue and student deposits	464.3	193.2	271.1
Total operating leases, including current portion	892.7	—	892.7
Total long-term debt, including current portion	1,278.3	2,693.9	(1,415.6)
Total due to shareholders of acquired companies, including current portion	21.5	45.4	(23.9)
Other liabilities	533.5	609.2	(75.7)
Current and long-term liabilities held for sale	295.1	680.4	(385.3)
Total liabilities	3,981.9	4,704.3	(722.4)
Redeemable noncontrolling interests and equity	11.9	14.4	(2.5)
Total stockholders' equity	2,830.9	2,050.9	780.0
Total liabilities and stockholders' equity	$ 6,824.7	$ 6,769.6	$ 55.1

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 nine months ended September 30, 2019	2018	Change
Cash flows from operating activities			
Net income	$ 877.1	$ 298.8	$ 578.3
Depreciation and amortization	146.3	190.0	(43.7)
Loss on impairment of assets	25.5	10.0	15.5
Amortization of operating lease right-of-use assets	95.6	—	95.6
Gain on sales of subsidiaries and disposal of property and equipment, net	(814.2)	(293.0)	(521.2)
Gain on derivative instruments	(8.3)	(92.7)	84.4
(Payments for) proceeds from settlement of derivative contracts	(8.2)	14.1	(22.3)
Loss on debt extinguishment	26.9	7.5	19.4
Unrealized foreign currency exchange loss	8.4	53.7	(45.3)
Income tax receivable/payable, net	(39.7)	(10.1)	(29.6)
Working capital, excluding tax accounts	(86.2)	82.7	(168.9)
Other non-cash adjustments	89.2	95.3	(6.1)
Net cash provided by operating activities	312.3	356.4	(44.1)
Cash flows from investing activities			
Purchase of property and equipment	(102.1)	(150.5)	48.4
Expenditures for deferred costs	(12.1)	(13.2)	1.1
Receipts from sales of discontinued operations, net of cash sold, property and equipment and other	1,141.7	375.8	765.9
Settlement of derivatives related to sale of discontinued operations and net investment hedge	12.9	(10.0)	22.9
Proceeds from sale of investment	11.5	—	11.5
Investing other, net	(1.1)	24.6	(25.7)
Net cash provided by investing activities	1,050.7	226.8	823.9
Cash flows from financing activities			
Decrease in long-term debt, net	(1,465.7)	(454.9)	(1,010.8)
Payments of deferred purchase price for acquisitions	(19.8)	(17.6)	(2.2)
Payment of dividends on Series A Preferred Stock	—	(11.1)	11.1
Payments to repurchase common stock	(87.9)	—	(87.9)
Payments of debt issuance costs	(6.6)	(0.5)	(6.1)
Financing other, net	(7.6)	(2.8)	(4.8)
Net cash used in financing activities	(1,587.6)	(486.9)	(1,100.7)
Effects of exchange rate changes on Cash and cash equivalents and Restricted cash	(8.8)	(4.5)	(4.3)
Change in cash included in current assets held for sale	157.6	(41.2)	198.8
Net change in Cash and cash equivalents and Restricted cash	(75.8)	50.5	(126.3)
Cash and cash equivalents and Restricted cash at beginning of period	583.6	525.7	57.9
Cash and cash equivalents and Restricted cash at end of period	$ 507.7	$ 576.3	$ (68.6)

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

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Financial Tables

Non-GAAP Reconciliation (1 of 3)

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

	For the three months ended September 30,			For the nine months ended September 30,		
IN MILLIONS	2019	2018	Change	2019	2018	Change
Loss from continuing operations	$ (28.5)	$ (40.4)	$ 11.9	$ (37.8)	$ (36.6)	$ (1.2)
Plus:						
Equity in net income of affiliates, net of tax	—	—	—	(0.2)	—	(0.2)
Income tax expense (benefit)	22.0	(3.7)	25.7	60.7	65.1	(4.4)
(Loss) income from continuing operations before income taxes and equity in net income of affiliates	(6.6)	(44.1)	37.5	22.7	28.5	(5.8)
Plus:						
Loss on disposal of subsidiaries, net	1.5	—	1.5	1.5	—	1.5
Foreign currency exchange loss, net	14.8	26.4	(11.6)	10.6	44.0	(33.4)
Other income, net	(1.0)	(8.3)	7.3	(9.1)	(10.8)	1.7
(Gain) loss on derivatives	(0.3)	0.1	(0.4)	(8.1)	(92.1)	84.0
Loss on debt extinguishment	0.2	—	0.2	26.4	7.5	18.9
Interest expense	40.3	58.3	(18.0)	136.4	181.7	(45.3)
Interest income	(3.2)	(3.5)	0.3	(9.6)	(9.4)	(0.2)
Operating income	45.7	29.0	16.7	170.9	149.4	21.5
Plus:						
Depreciation and amortization	48.6	52.8	(4.2)	145.1	161.2	(16.1)
EBITDA	94.3	81.8	12.5	316.0	310.6	5.4
Plus:						
Share-based compensation expense [3]	1.5	6.4	(4.9)	9.2	9.6	(0.4)
Loss on impairment of assets [4]	—	10.0	(10.0)	0.5	10.0	(9.5)
EiP implementation expenses [5]	38.0	25.0	13.0	77.3	60.3	17.0
Adjusted EBITDA	$ 133.8	$ 123.2	$ 10.6	$ 403.0	$ 390.5	$ 12.5
Revenues	$ 773.7	$ 778.3	$ (4.6)	$ 2,367.2	$ 2,397.8	$ (30.6)
Adjusted EBITDA margin	17.3%	15.8%	146 bps	17.0%	16.3%	74 bps

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

[4] Represents non-cash charges related to impairments of long-lived assets.

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

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

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Financial Tables

Non-GAAP Reconciliation (2 of 3)

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

IN MILLIONS	For the years ended December 31, 2018	2017	2016
(Loss) income from continuing operations	$ (10.5)	$ 16.4	$ 329.4
Plus:			
Equity in net loss (income) of affiliates, net of tax	—	(0.2)	(0.1)
Income tax expense (benefit)	131.8	(93.0)	33.3
Income (loss) from continuing operations before income taxes and equity in net income of affiliates	121.2	(76.8)	362.6
Plus:			
(Gain) loss on disposal of subsidiaries, net	(0.3)	10.5	(398.1)
Foreign currency exchange loss (gain), net	32.6	(3.2)	(77.1)
Other (income) expense, net	(12.2)	1.9	(0.5)
(Gain) loss on derivatives	(88.3)	(28.7)	6.1
Loss on debt extinguishment	7.5	8.4	17.4
Interest expense	235.2	334.9	390.4
Interest income	(11.9)	(11.9)	(14.4)
Operating income	283.9	235.2	286.4
Plus:			
Depreciation and amortization	(210.8)	(201.1)	(196.9)
EBITDA	73.1	34.1	89.5
Plus:			
Share-based compensation expense [6]	(9.7)	(61.9)	(35.9)
Loss on impairment of assets [7]	(10.1)	(7.1)	—
EiP implementation expenses [8]	(95.8)	(100.2)	(54.1)
Adjusted EBITDA	$ 610.3	$ 605.4	$ 573.2
Revenues	$ 3,290.2	$ 3,333.1	$ 3,255.9
Adjusted EBITDA margin	18.5%	18.2%	17.6%

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

[7] Represents non-cash charges related to impairments of long-lived assets.

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

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Financial Tables

Non-GAAP Reconciliation (3 of 3)

The following table reconciles operating cash flow to Free Cash Flow for the nine months ended September 30, 2019 and 2018:

IN MILLIONS	**2019**	**2018**	**Change**
Net cash provided by operating activities	$ 312.3	$ 356.4	$ (44.1)
Capital expenditures:			
Purchase of property and equipment	(102.1)	(150.5)	48.4
Expenditures for deferred costs	(12.1)	(13.2)	1.1
Free Cash Flow	$ 198.1	$ 192.7	$ 5.4

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

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