# Second Quarter 2020 Earnings Presentation

August 6, 2020

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 (i) guidance (including, but not limited to, total enrollments, revenues, Adjusted EBITDA, costs, capital expenditures, and Free Cash Flow (ii) our planned divestitures, the expected proceeds generated therefrom and the expected reduction in revenue resulting therefrom, (iii) our exploration of strategic alternatives and potential future plans, strategies or transactions that may be identified, explored or implemented as a result of such review process and (iv) the potential impact of the COVID-19 pandemic on our business or the global economy as a whole are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. All of these forward-looking statements are subject to risks and uncertainties that may change at any time, including, with respect to our exploration of strategic alternatives, risks and uncertainties as to the terms, timing, structure, benefits and costs of any divestiture or separation transaction and whether one will be consummated at all, and the impact of any divestiture or separation transaction on our remaining businesses. Accordingly, our actual results may differ materially from those we expected. We derive most of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations are disclosed in our Annual Report on Form 10-K filed with the SEC on February 27, 2020, our Quarterly Reports on Form 10-Q filed and to be filed with the SEC and other filings made with the SEC. These forward-looking statements speak only as of the time of this release and we do not undertake to publicly update or revise them, whether as a result of new information, future events or otherwise, except as required by law.

In addition, this presentation contains various operating data, including market share and market position, that are based on internal company data and management estimates. While management believes that our internal company research is reliable and the definitions of our markets which are used herein are appropriate, neither such research nor these definitions have been verified by an independent source and there are inherent challenges and limitations involved in compiling data across various geographies and from various sources, including those discussed under "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. Adjusted EBITDA is reconciled from the GAAP measure in the attached table "Non-GAAP Reconciliation."

We evaluate our results of operations on both an as reported and an organic constant currency basis. The organic constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates, acquisitions and divestitures, and other items. We believe that providing organic constant currency information provides valuable supplemental information regarding our results of operations, consistent with how we evaluate our performance. We calculate organic constant currency amounts using the change from prior-period average foreign exchange rates to current-period average foreign exchange rates, as applied to local-currency operating results for the current period, and then exclude the impact of acquisitions and divestitures and other items described in the accompanying presentation.

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# 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

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# Executive Summary

- ✓ **Total enrollment base remains relatively stable, despite the COVID-19 pandemic**
- ✓ **Q2 Adjusted EBITDA ~$40M above guidance driven by favorable mix & productivity**
- ✓ **Q2 Net Loss of ($312M) driven by $418M non-cash impairment charge related to Chile**
- ✓ **Collections are still in line with Revenue – Available liquidity remains high at $630M**
- ✓ **FY20 Guidance increased to reflect updated FX and narrower range of outcomes**
- ✓ **Signed agreement to sell Australia/New Zealand for $643M (16x trailing EBITDA)**
- ✓ **Strategic Review Process for unlocking shareholder value still progressing**

***Strong Execution Across all Fronts Despite Challenging Business Environment***

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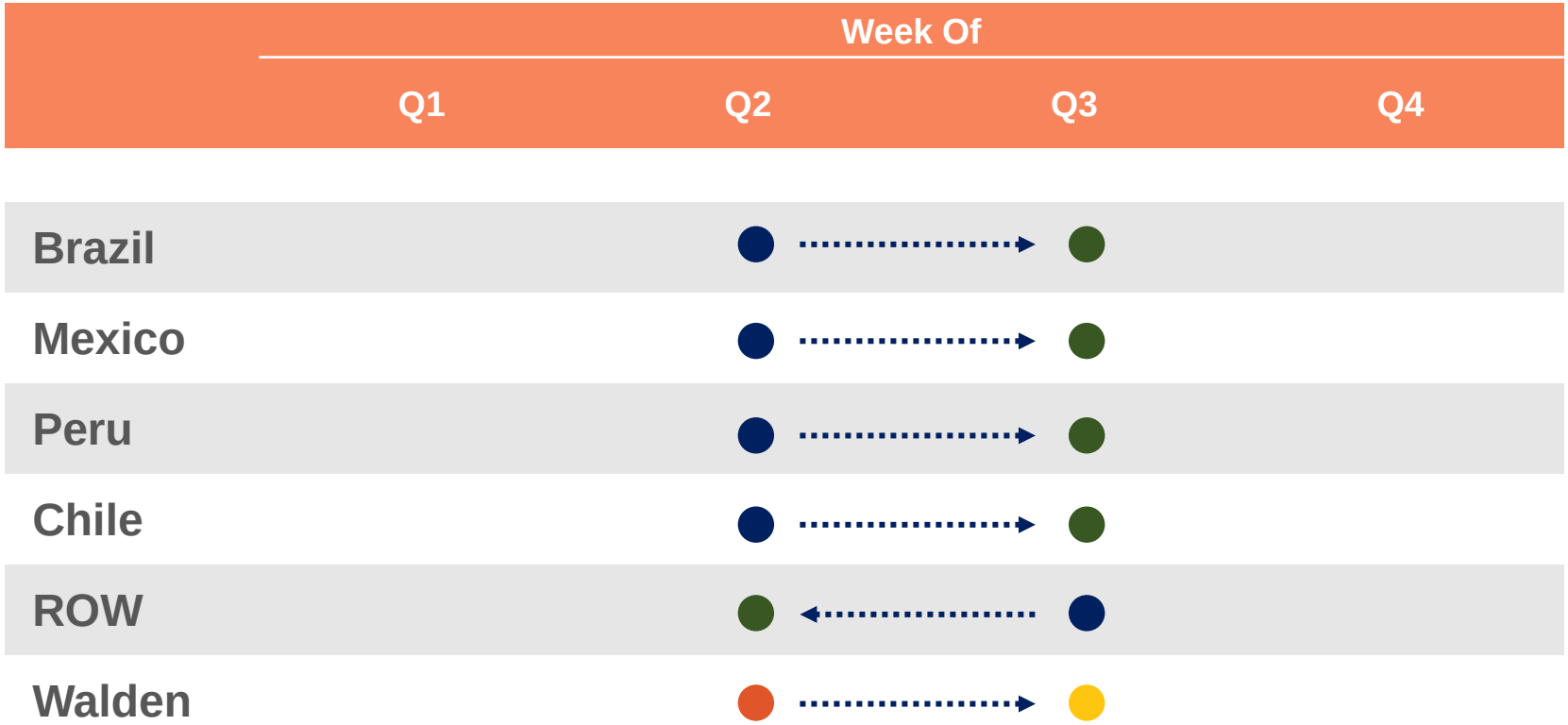



# Q2 2020 PERFORMANCE RESULTS

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# Academic Calendar Timing Impacting Year-Over-Year Comparability




***~$40M of Q2 Revenue Pushed to Q3***

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# 2020 Second Quarter – Financial Summary

| ($ in millions)<br>(Enrollments in thousands) | Q2 '20<br>Results | Variance<br>Vs. Q2 '20 | Notes |
|---|---|---|---|
| **New Enrollment** | **70K** | **20%** | • Adj. for timing of Peru enrollment: (15%) |
| **New Enrollment – Organic[(1)] (timing adjusted)*** | | **(14%)** | • Impacted by COVID-19 |
| **Total Enrollment** | **835K** | **(8%)** | |
| **Total Enrollment – Organic[(1)]** | | **(5%)** | • Impacted by lower NE and increased attrition due to COVID-19; re-enrollments stable |
| **Revenue** | **$792** | **(20%)** | • (11%) impact from FX |
| **Revenue – Organic/CC[(2)]** | | **(8%)** | • (3%) adj. for timing of academic calendar |
| **Adj. EBITDA** | **$259** | **(13%)** | • (13%) impact from FX |
| **Adj. EBITDA – Organic/CC[(2)]** | | **1%** | • Benefitting from cost actions |
| **Adj. EBITDA margin** | **32.7%** | **261 bps** | |
| **Adj. EBITDA margin – Organic/CC[(2)]** | | **264 bps** | |

* Q2 enrollment shown pro-forma to exclude UPN-Peru semester start; due to COVID-19 semester start date pushed to April 6th instead of Q1

***Tight Cost Management Mitigating Enrollment Softness Related to COVID-19 & Partial Academic Calendar Shift to H2***

(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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# 2020 H1– Financial Summary

| ($ in millions)<br>(Enrollments in thousands) | H1 '20<br>Results | Variance<br>Vs. H1 '19 | Notes |
|---|---|---|---|
| New Enrollment | 263K | (11%) | |
| New Enrollment – Organic[1] | | (8%) | • Impacted by COVID-19 |
| Total Enrollment | 835K | (8%) | |
| Total Enrollment – Organic[1] | | (5%) | • Impacted by lower NE and increased attrition due to COVID-19; re-enrollments stable |
| Revenue | $1,320 | (17%) | • (10%) impact from FX |
| Revenue – Organic/CC[2] | | (6%) | • (1%) adj. for timing of academic calendar |
| Adj. EBITDA | $222 | (17%) | • (14%) impact from FX |
| Adj. EBITDA – Organic/CC[2] | | (3%) | |
| Adj. EBITDA margin | 16.8% | (6 bps) | |
| Adj. EBITDA margin – Organic/CC[2] | | 58 bps | |

***Tight Cost Management Mitigating Enrollment Softness Related to COVID-19 & Partial Academic Calendar Shift to H2***

(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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# 2020 H1 – Enrollment Dynamics by Segment

| (Enrollments in thousands) | New Enrollment (NE) | | Total Enrollment (TE) | | Notes |
|---|---|---|---|---|---|
| | H1 '20 | Organic Vs. H1 '19 | H1 '20 | Organic Vs. H1 '19 | |
| **Brazil** | 100 | (13%) | 267 | (5%) | • NE Growth DL: (26%), F2F: (7%)<br>• TE Growth DL: 12%, F2F: (9%) |
| **Mexico** | 41 | (5%) | 168 | (6%) | • Large intake cycle occurs in second half of the year |
| **Andean** | 97 | (7%) | 323 | (5%) | |
| **Rest of World** | 9 | 31% | 19 | 26% | • Scaling of Australia |
| **Online & Partnerships** | 16 | 3% | 57 | (4%) | • Decline in TE driven by teach out of international partnerships<br>• Walden Domestic: NE up 3%; TE flat |
| **Laureate Total** | 263 | (8%) | 835 | (5%) | |

***Stable Re-enrollments Despite New Enrollment Softness Across LATAM, Impacted by COVID-19***

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# 2020 Second Quarter – Revenue, EBITDA Dynamics by Segment

| ($ millions) | Revenue | | Adj. EBITDA | | Notes |
|---|---|---|---|---|---|
| | Q2 '20 | Organic/CC Vs. Q2 '19 (1) | Q2 '20 | Organic/CC Vs. Q2 '19 (1) | |
| Brazil | 119 | (13%) | 42 | 3% | |
| Mexico | 115 | (13%) | 20 | (23%) | |
| Andean | 346 | (9%) | 161 | (5%) | |
| Rest of World | 63 | 31% | 20 | 74% | |
| Online & Partnerships | 149 | (7%) | 43 | (13%) | |
| Corp. & Elimin. | 1 | n.m. | (26) | 35% | • Cost efficiencies |
| Laureate Total | 792 | (8%) | 259 | 1% | • Revenue (3%) excluding timing |

**Y-o-Y Revenue Trends Impacted by Timing of Academic Calendar**

***Adjusted EBITDA Still up 1% Thanks to $40M+ of Cost Actions***

(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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# 2020 H1 – Revenue, EBITDA Dynamics by Segment

| ($ millions) | Revenue | | Adj. EBITDA | | Notes |
|---|---|---|---|---|---|
| | H1 '20 | Organic/CC Vs. H1 '19 (1) | H1 '20 | Organic/CC Vs. H1 '19 (1) | |
| Brazil | 202 | (8%) | 22 | 39% | |
| Mexico | 269 | (6%) | 43 | (8%) | |
| Andean | 435 | (13%) | 99 | (29%) | |
| Rest of World | 106 | 36% | 25 | n.m. | |
| Online & Partnerships | 305 | (5%) | 87 | (12%) | |
| Corp. & Elimin. | 2 | n.m. | (53) | 31% | • Cost efficiencies |
| Laureate Total | 1,320 | (6%) | 222 | (3%) | • Revenue (1%) excluding timing |

**Y-o-Y Revenue Trends Impacted by Timing of Academic Calendar**

***Adjusted EBITDA "Only" Down (3%) YoY Despite Revenue Shift to H2***

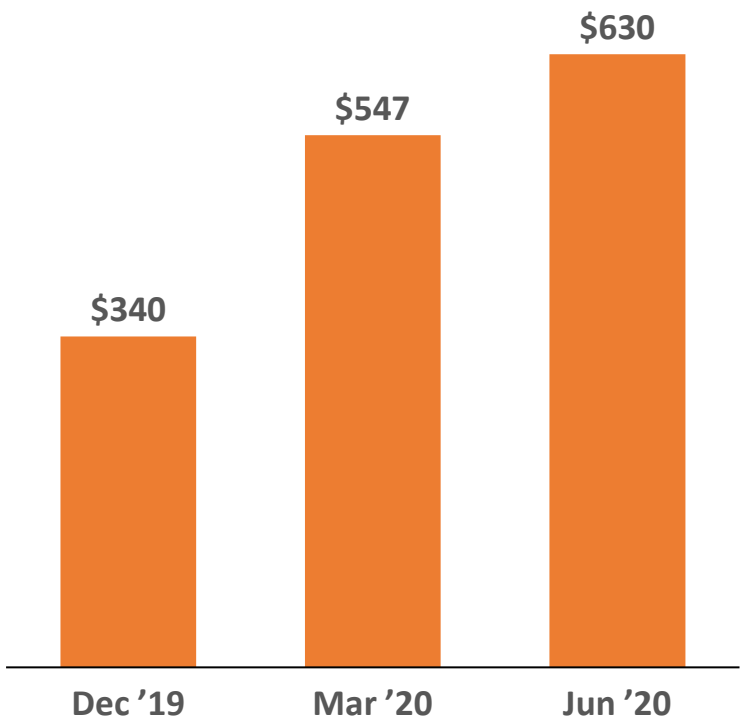
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# Liquidity Update

## Cash & Equivalents Snapshot

*($ millions)*




## Liquidity Preservation Actions

- **Aggressive Cash preservations actions in place**
  - ✓***$100M+ operating cost reduction***
  - ✓***Capital Expenditure deferrals ($40M+)***
  - ✓***Extension of ~$100M of debt & WC lines***
- **$750M+ of gross proceeds expected over the next 6-9 months for pending sales transactions[1]**
- **Net leverage remains < 2.0x**

***Liquidity Position Continues to Strengthen with $750M+ of Gross Asset Sale Proceeds Still Pending***

(1) Agreements signed for the sale of Laureate's business in Australia/New Zealand and Malaysia

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# 2020 OUTLOOK

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# 2020 Full Year Guidance - Update

| ($USD millions, except enrollment) | Total Enrollment | Revenues | Adj. EBITDA | Free Cash Flow (2) | Comments |
|---|---|---|---|---|---|
| **Previous Guidance** | **780K - 830K** | **$2,575 - $2,775** | **$485 - $575** | **$100 - $180** | **Scenarios #1 & #2 Combined** |
| **Revised Guidance** (1)(2) | **805K** | **$2,720 - $2,820** | **$555 - $585** | **$150 - $180** | **Positive mix shift** |
| ROW Segment Moved to Discontinued Operations | (19K) | ($230) | ($45) | N/A (cash flow is consolidated) | To reflect announced sale of Australia/New Zealand |
| **Revised Guidance Excluding ROW** (1)(2) | **786K** | **$2,490 - $2,590** | **$510 - $540** | **$150 - $180** | |

***FY20 Guidance Increased to Reflect Updated FX & Narrower Range of Outcomes***

(1) Based on actual FX rates for January - July 2020, and current spot FX rates (local currency per US dollar) of MXN 21.98, BRL 5.16, CLP 766.00, PEN 3.52 and AUD 1.40 for August - December 2020. FX impact may change based on fluctuations in currency rates in future periods. e.

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

Note: Reconciliations of forward-looking non-GAAP measures (2020 Adjusted EBITDA outlook and 2020 Free Cash Flow outlook) to the relevant forward-looking GAAP measures are not being provided, as Laureate does not currently have sufficient data to accurately estimate the variables and individual adjustments for such outlooks and reconciliations. Due to this uncertainty, the Company cannot reconcile projected Adjusted EBITDA and Free Cash Flow to projected net income and operating cash flow, respectively, without unreasonable effort.

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# Q3 2020 Guidance - Details

| (USD millions) | Revenues | Adjusted EBITDA |
|---|---|---|
| **Q3 2019 Results** | **$774** | **$134** |
| Excluding UniNorte (sold in 2019) | ($7) | - |
| **Q3 2019 Results Excluding UniNorte** | **$767** | **$134** |
| Organic Growth | $0 - $20 | $11 - $21 |
| *Growth %* | *0% - 3%* | *8% - 16%* |
| **Q3 2020 FXN Guidance** | **$767 - $787** | **$145 - $155** |
| FX Impact (spot FX) (1) | ($77) | ($10) |
| **Q3 2020 Guidance (@ spot FX) (1)** | **$690 - $710** | **$135 - $145** |
| ROW Moved to Disc Ops | ($65) | ($14) |
| **Q3 2020 Guidance excl. ROW (@ spot FX) (1)** | **$625 - $645** | **$121 - $131** |

***Stable Q3 Trends – Favorable Timing Impacts***

(1) Based on actual FX rates for July 2020, and current spot FX rates (local currency per US dollar) of MXN 21.98, BRL 5.16, CLP 766.00, PEN 3.52 and AUD 1.40 for August - September 2020. FX impact may change based on fluctuations in currency rates in future periods.

Note: Reconciliations of forward-looking non-GAAP measures (2020 Adjusted EBITDA outlook and 2020 Free Cash Flow outlook) to the relevant forward-looking GAAP measures are not being provided, as Laureate does not currently have sufficient data to accurately estimate the variables and individual adjustments for such outlooks and reconciliations. Due to this uncertainty, the Company cannot reconcile projected Adjusted EBITDA and Free Cash Flow to projected net income and operating cash flow, respectively, without unreasonable effort.

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# APPENDIX

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# 2020 Second Quarter – Enrollment Dynamics by Segment

| (Enrollments in thousands) | New Enrollment (NE) | | | Total Enrollment (TE) | | Notes |
|---|---|---|---|---|---|---|
| | Q2 '20 | Organic Vs. Q2 '19 | Timing Adj.* Organic Vs. Q2 '19 | Q2 '20 | Organic Vs. Q2 '19 | |
| **Brazil** | 20 | (26%) | (26%) | 267 | (5%) | • NE Growth DL: (25%), F2F: (30%)<br>• TE Growth DL: 12%, F2F: (9%) |
| **Mexico** | 12 | (15%) | (15%) | 168 | (6%) | • Large intake cycle occurs in second half of the year |
| **Andean** | 27 | n.m. | 16% | 323 | (5%) | |
| **Rest of World** | 3 | 8% | 8% | 19 | 26% | |
| **Online & Partnerships** | 7 | 3% | 3% | 57 | (4%) | • Decline in TE driven by teach out of international partnerships<br>• Walden Domestic: NE up 4%; TE flat |
| **Laureate Total** | 70 | 22% | (14%) | 835 | (5%) | |

***Small Intake Cycle, COVID-19 Impacting NE Trends***

* Adjusted for UPN-Peru due to COVID-19 semester start date pushed to April 6th (approx. 20K NE)

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# 2020 Second Quarter – Net Income Reconciliation

| ($ in millions) | Q2 '20 Reported | B / (W) Vs. Q2 '19 $ | B / (W) Vs. Q2 '19 % | Notes |
|---|---|---|---|---|
| Adjusted EBITDA | 259 | (40) | (13%) | • Flat y-o-y excluding FX; impacted by timing |
| Depreciation & Amort. | (40) | 9 | 19% | |
| Interest Expense, net | (33) | 6 | 15% | • Lower debt balances |
| Impairments | (445) | (445) | n.m. | • Primarily related to Chilean operations |
| Other | (35) | (7) | n.m. | |
| Income Tax | (8) | 67 | n.m. | |
| Income/(Loss) From Continuing Operations | (302) | (410) | n.m. | • Driven by $445M in impairment charges |
| Discontinued Operations (Net of Tax) | (12) | (43) | n.m. | • Business units sold in 2019 impacting y-o-y comparability |
| Net Gain/(Loss) on Sale of Disc. Ops. | 2 | (639) | n.m. | • Q2'19 includes gain on sale of Iberian assets |
| Net Income / (Loss) | (312) | (1,091) | n.m. | |

***Income from Continuing Operations Impacted By Impairment Charges***

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# 2020 H1 – Net Income Reconciliation

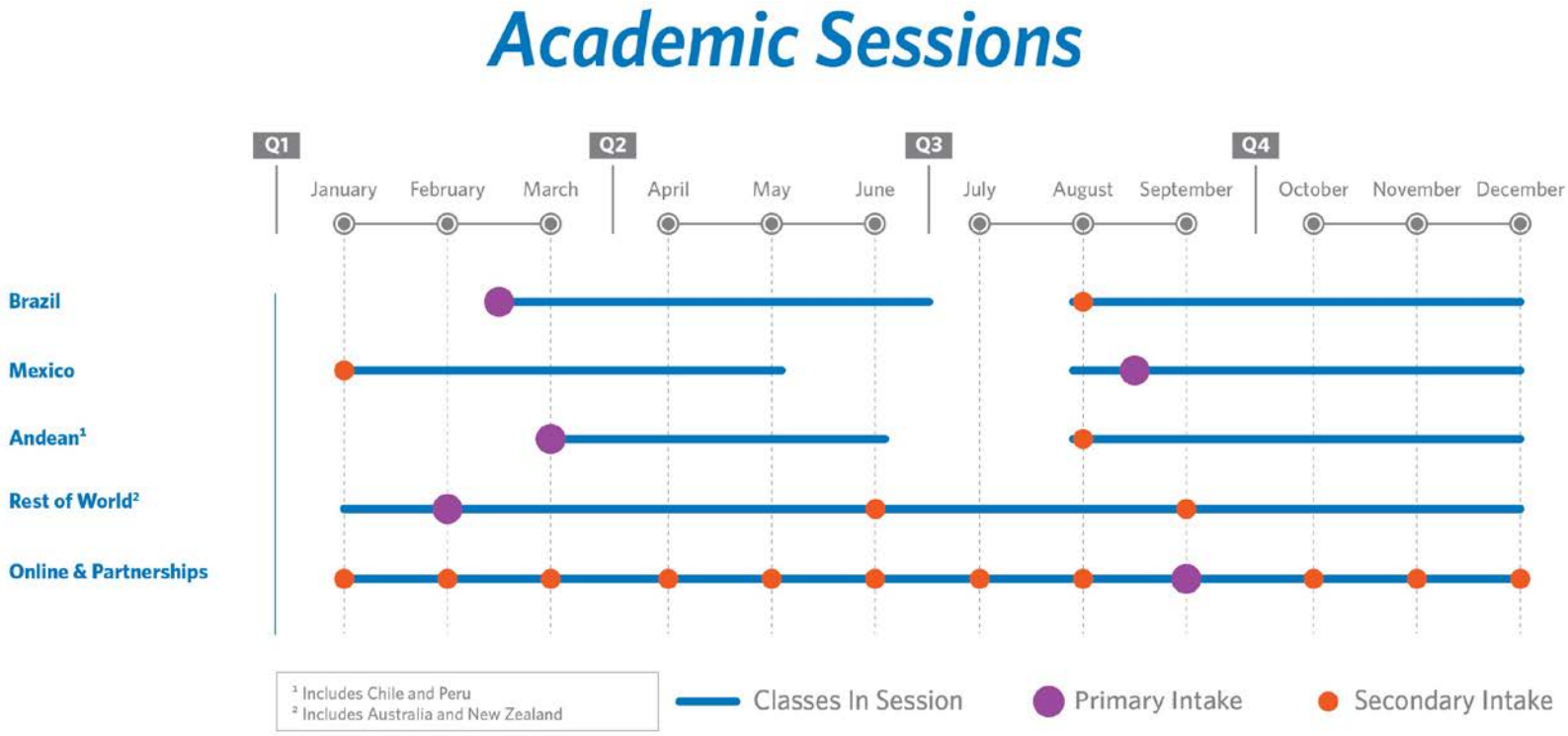
| ($ in millions) | H1 '20 Reported | B / (W) Vs. H1 '19 $ | B / (W) Vs. H1 '19 % | Notes |
|---|---|---|---|---|
| Adjusted EBITDA | 222 | (47) | (17%) | • ($39M) impact from FX |
| Depreciation & Amort. | (84) | 12 | 13% | |
| Interest Expense, net | (66) | 24 | 26% | • Lower debt balances |
| Impairments | (449) | (448) | n.m. | • Primarily related to Chilean operations |
| Other | (28) | 25 | n.m. | • Loss on debt extinguishment in H1 '19 & FX |
| Income Tax | 228 | 266 | n.m. | • Discrete tax benefit of $222M in Q1 '20 |
| Income/(Loss) From Continuing Operations | (178) | (169) | n.m. | • Driven by $449M in impairment charges |
| Discontinued Operations (Net of Tax) | (16) | (110) | n.m. | • Business units sold in 2019 impacting y-o-y comparability |
| Net Gain/(Loss) on Sale of Disc. Ops. | (20) | (910) | n.m. | • 1H 2019 incudes gains on sale of St. Augustine & Iberian assets |
| Net Income / (Loss) | (213) | (1,187) | n.m. | |

***Income from Continuing Operations Impacted By Impairment Charges***

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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)

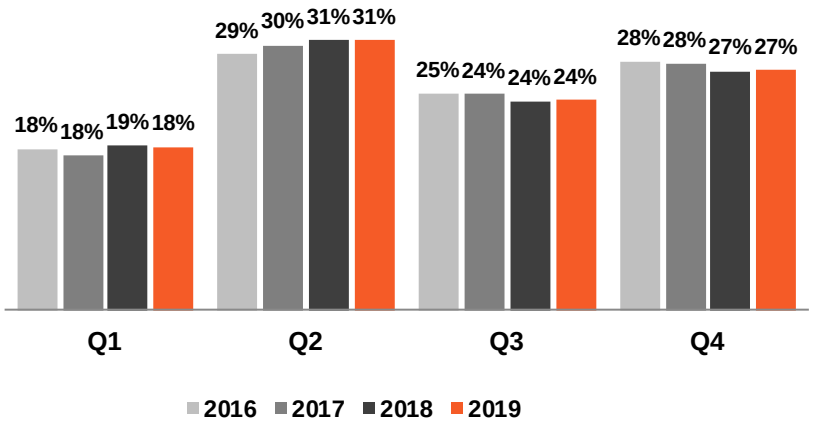



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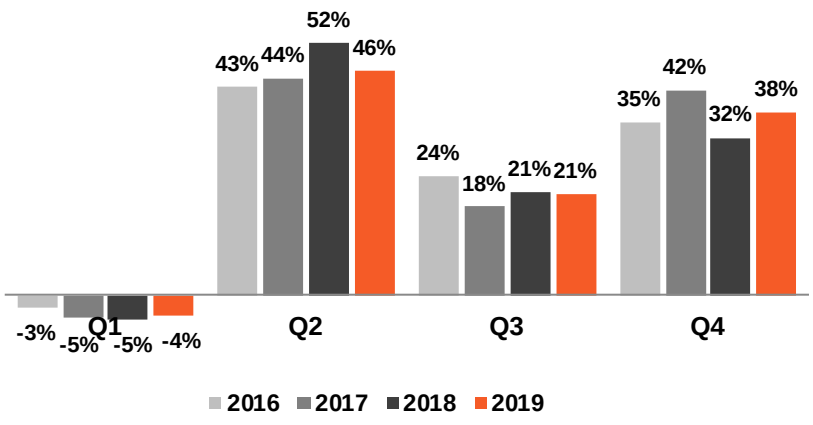
# Intra-Year Seasonality Trends

- 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)

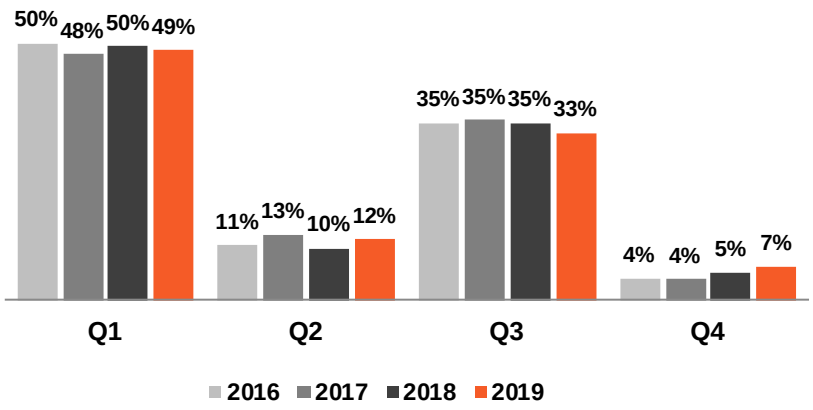
## Revenue Seasonality




## 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 June 30, 2020 | 2019 | Change | For the six months ended June 30, 2020 | 2019 | Change |
|---|---|---|---|---|---|---|
| **Revenues** | $ 791.7 | $ 992.4 | $ (200.7) | $ 1,320.2 | $ 1,593.5 | $ (273.3) |
| Costs and expenses: | | | | | | |
| Direct costs | 554.1 | 707.4 | (153.3) | 1,146.9 | 1,346.6 | (199.7) |
| General and administrative expenses | 47.2 | 67.4 | (20.2) | 96.4 | 121.3 | (24.9) |
| Loss on impairment of assets | 445.1 | 0.5 | 444.6 | 448.9 | 0.5 | 448.4 |
| **Operating (loss) income** | (254.8) | 217.2 | (472.0) | (371.9) | 125.1 | (497.0) |
| Interest income | 1.0 | 2.8 | (1.8) | 3.7 | 6.4 | (2.7) |
| Interest expense | (33.8) | (41.5) | 7.7 | (69.9) | (96.1) | 26.2 |
| Loss on debt extinguishment | — | (15.6) | 15.6 | — | (26.2) | 26.2 |
| (Loss) gain on derivatives | (1.4) | 2.6 | (4.0) | (0.6) | 7.8 | (8.4) |
| Other (expense) income, net | (0.4) | 7.7 | (8.1) | (0.5) | 8.1 | (8.6) |
| Foreign currency exchange (loss) gain, net | (4.9) | 8.9 | (13.8) | 31.0 | 4.1 | 26.9 |
| Gain on sales of subsidiaries, net | 0.1 | — | 0.1 | 2.8 | — | 2.8 |
| (Loss) income from continuing operations before income taxes and equity in net income of affiliates | (294.2) | 182.2 | (476.4) | (405.4) | 29.2 | (434.6) |
| Income tax (expense) benefit | (7.5) | (74.6) | 67.1 | 227.6 | (38.7) | 266.3 |
| Equity in net income of affiliates, net of tax | — | 0.2 | (0.2) | 0.2 | 0.2 | — |
| **(Loss) income from continuing operations** | (301.8) | 107.8 | (409.6) | (177.7) | (9.2) | (168.5) |
| (Loss) income from discontinued operations, net of tax | (12.2) | 30.3 | (42.5) | (16.0) | 93.6 | (109.6) |
| Gain (loss) on sales of discontinued operations, net of tax | 2.3 | 641.5 | (639.2) | (19.7) | 889.5 | (909.2) |
| **Net (loss) income** | (311.6) | 779.6 | (1,091.2) | (213.3) | 973.9 | (1,187.2) |
| Net loss (income) attributable to noncontrolling interests | 3.8 | 2.0 | 1.8 | 5.1 | (1.0) | 6.1 |
| **Net (loss) income attributable to Laureate Education, Inc.** | $ (307.8) | $ 781.6 | $ (1,089.4) | $ (208.2) | $ 972.8 | $ (1,181.0) |
| Accretion of redeemable noncontrolling interests and equity | 0.2 | 0.2 | — | 0.2 | 0.5 | (0.3) |
| Net (loss) income available to common stockholders | $ (307.6) | $ 781.8 | $ (1,089.4) | $ (208.1) | $ 973.3 | $ (1,181.4) |
| | | | | | | |
| **Basic and diluted earnings (loss) per share:** | | | | | | |
| Basic weighted average shares outstanding | 209.9 | 224.7 | (14.8) | 209.9 | 224.7 | (14.8) |
| Diluted weighted average shares outstanding | 209.9 | 224.9 | (15.0) | 209.9 | 224.7 | (14.8) |
| Basic and diluted (loss) earnings per share | $ (1.47) | $ 3.48 | $ (4.95) | $ (1.00) | $ 4.33 | $ (5.33) |

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 June 30, | 2020 | 2019 | % Change Reported | % Change Organic Constant Currency[1] | $ Variance Components Total | Organic Constant Currency | Other | Acq/Div. | FX |
|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | |
| Brazil | $ 118.5 | $ 197.1 | (40)% | (13)% | $ (78.6) | $ (23.3) | $ — | $ (12.0) | $ (43.3) |
| Mexico | 114.9 | 162.5 | (29)% | (13)% | (47.6) | (21.1) | — | — | (26.5) |
| Andean | 345.9 | 423.0 | (18)% | (9)% | (77.1) | (37.4) | — | — | (39.7) |
| Rest of World | 62.6 | 51.2 | 22% | 31% | 11.4 | 15.8 | — | — | (4.4) |
| Online & Partnerships | 148.9 | 159.7 | (7)% | (7)% | (10.8) | (10.8) | — | — | — |
| Corporate & Eliminations | 1.0 | (1.1) | nm | nm | 2.1 | 2.1 | — | — | — |
| **Total Revenues** | $ 791.7 | $ 992.4 | (20)% | (8)% | $ (200.7) | $ (74.8) | $ — | $ (12.0) | $ (113.9) |
| **Adjusted EBITDA** | | | | | | | | | |
| Brazil | $ 41.6 | $ 58.9 | (29)% | 3% | $ (17.3) | $ 1.5 | $ (0.4) | $ (2.6) | $ (15.8) |
| Mexico | 19.7 | 31.6 | (38)% | (23)% | (11.9) | (7.2) | 0.9 | — | (5.6) |
| Andean | 160.7 | 186.5 | (14)% | (5)% | (25.8) | (8.9) | — | — | (16.9) |
| Rest of World | 19.7 | 12.1 | 63% | 74% | 7.6 | 9.0 | — | — | (1.4) |
| Online & Partnerships | 43.4 | 49.9 | (13)% | (13)% | (6.5) | (6.5) | — | — | — |
| Corporate & Eliminations | (26.0) | (40.1) | 35% | 35% | 14.1 | 14.1 | — | — | — |
| **Total Adjusted EBITDA** | $ 259.0 | $ 298.8 | (13)% | 1% | $ (39.8) | $ 2.0 | $ 0.5 | $ (2.6) | $ (39.7) |

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 2019 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 six months ended June 30, | 2020 | 2019 | % Change Reported | % Change Organic Constant Currency[2] | $ Variance Components Total | Organic Constant Currency | Other | Acq/Div. | FX |
|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | |
| Brazil | $ 202.2 | $ 307.1 | (34)% | (8)% | $ (104.9) | $ (24.3) | $ — | $ (19.4) | $ (61.2) |
| Mexico | 269.1 | 318.9 | (16)% | (6)% | (49.8) | (17.7) | — | — | (32.1) |
| Andean | 435.4 | 561.9 | (23)% | (13)% | (126.5) | (74.3) | — | — | (52.2) |
| Rest of World | 106.1 | 84.6 | 25% | 36% | 21.5 | 30.5 | — | — | (9.0) |
| Online & Partnerships | 305.4 | 321.5 | (5)% | (5)% | (16.1) | (16.1) | — | — | — |
| Corporate & Eliminations | 2.1 | (0.6) | nm | nm | 2.7 | 2.7 | — | — | — |
| **Total Revenues** | $1,320.2 | $1,593.5 | (17)% | (6)% | $ (273.3) | $ (99.4) | $ — | $ (19.4) | $ (154.5) |
| | | | | | | | | | |
| **Adjusted EBITDA** | | | | | | | | | |
| Brazil | $ 22.4 | $ 28.2 | (21)% | 39% | $ (5.8) | $ 10.9 | $ 0.5 | $ (0.2) | $ (17.0) |
| Mexico | 43.0 | 57.4 | (25)% | (8)% | (14.4) | (4.6) | (1.0) | — | (8.8) |
| Andean | 98.5 | 153.3 | (36)% | (29)% | (54.8) | (44.4) | — | — | (10.4) |
| Rest of World | 24.5 | 8.8 | 178% | nm | 15.7 | 18.5 | — | — | (2.8) |
| Online & Partnerships | 86.7 | 98.4 | (12)% | (12)% | (11.7) | (11.7) | — | — | — |
| Corporate & Eliminations | (53.0) | (76.9) | 31% | 31% | 23.9 | 23.9 | — | — | — |
| **Total Adjusted EBITDA** | $ 222.2 | $ 269.2 | (17)% | (3)% | $ (47.0) | $ (7.3) | $ (0.5) | $ (0.2) | $ (39.0) |

nm - percentage changes not meaningful

[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 2019 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

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# Financial Tables

Consolidated Balance Sheets

| *IN MILLIONS* | June 30, 2020 | December 31, 2019 | Change |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | $ 629.6 | $ 339.6 | $ 290.0 |
| Receivables (current), net | 311.5 | 260.5 | 51.0 |
| Other current assets | 266.9 | 259.0 | 7.9 |
| Current assets held for sale | 62.3 | 83.8 | (21.5) |
| Property and equipment, net | 908.4 | 1,199.2 | (290.8) |
| Operating lease right-of-use assets, net | 691.6 | 861.9 | (170.3) |
| Goodwill and other intangible assets | 2,334.3 | 2,822.4 | (488.1) |
| Other long-term assets | 561.9 | 383.3 | 178.6 |
| Long-term assets held for sale | 187.2 | 306.0 | (118.8) |
| **Total assets** | $ 5,953.7 | $ 6,515.6 | $ (561.9) |
| | | | |
| **Liabilities and stockholders' equity** | | | |
| Accounts payable and accrued expenses | $ 380.0 | $ 516.4 | $ (136.4) |
| Deferred revenue and student deposits | 340.3 | 216.8 | 123.5 |
| Total operating leases, including current portion | 792.3 | 883.9 | (91.6) |
| Total long-term debt, including current portion | 1,591.2 | 1,379.1 | 212.1 |
| Total due to shareholders of acquired companies, including current portion | 16.0 | 21.5 | (5.5) |
| Other liabilities | 422.9 | 492.3 | (69.4) |
| Current and long-term liabilities held for sale | 118.7 | 189.1 | (70.4) |
| **Total liabilities** | 3,661.5 | 3,699.2 | (37.7) |
| Redeemable noncontrolling interests and equity | 12.2 | 12.3 | (0.1) |
| **Total stockholders' equity** | 2,280.1 | 2,804.2 | (524.1) |
| **Total liabilities and stockholders' equity** | $ 5,953.7 | $ 6,515.6 | $ (561.9) |

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 six months ended June 30, 2020 | 2019 | Change |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net (loss) income | $ (213.3) | $ 973.9 | $ (1,187.2) |
| Depreciation and amortization | 84.3 | 97.4 | (13.1) |
| Loss on impairment of assets | 458.8 | 0.5 | 458.3 |
| Loss (gain) on sales of subsidiaries and disposal of property and equipment, net | 26.1 | (852.3) | 878.4 |
| Loss (gain) on derivative instruments | 0.6 | (8.0) | 8.6 |
| Payments for settlement of derivative contracts | (0.6) | (8.2) | 7.6 |
| Loss on debt extinguishment | — | 26.2 | (26.2) |
| Deferred income taxes | (252.1) | 4.7 | (256.8) |
| Unrealized foreign currency exchange gain | (25.6) | (5.2) | (20.4) |
| Income tax receivable/payable, net | (21.0) | (53.2) | 32.2 |
| Working capital, excluding tax accounts | (131.0) | (276.5) | 145.5 |
| Other non-cash adjustments | 135.2 | 133.4 | 1.8 |
| **Net cash provided by operating activities** | 61.4 | 32.5 | 28.9 |
| **Cash flows from investing activities** | | | |
| Purchase of property and equipment | (49.2) | (62.8) | 13.6 |
| Expenditures for deferred costs | (8.3) | (8.0) | (0.3) |
| Receipts from sales of discontinued operations, net of cash sold, and property and equipment | 22.5 | 1,161.4 | (1,138.9) |
| Settlement of derivatives related to sale of discontinued operations and net investment hedge | — | 12.9 | (12.9) |
| Investing other, net | — | (1.1) | 1.1 |
| **Net cash (used in) provided by investing activities** | (35.0) | 1,102.4 | (1,137.4) |
| **Cash flows from financing activities** | | | |
| Increase (decrease) in long-term debt, net | 268.9 | (1,369.6) | 1,638.5 |
| Payments of deferred purchase price for acquisitions | (1.9) | (12.1) | 10.2 |
| Payments to purchase noncontrolling interests | — | (5.8) | 5.8 |
| Proceeds from exercise of stock options | 26.7 | — | 26.7 |
| Payments to repurchase common stock | (29.2) | — | (29.2) |
| Payments of debt issuance costs | — | (5.9) | 5.9 |
| Financing other, net | (1.2) | (2.6) | 1.4 |
| **Net cash provided by (used in) financing activities** | 263.4 | (1,396.1) | 1,659.5 |
| Effects of exchange rate changes on Cash and cash equivalents and Restricted cash | (23.3) | 8.7 | (32.0) |
| Change in cash included in current assets held for sale | 22.2 | 64.3 | (42.1) |
| **Net change in Cash and cash equivalents and Restricted cash** | 288.7 | (188.2) | 476.9 |
| Cash and cash equivalents and Restricted cash at beginning of period | 526.6 | 583.6 | (57.0) |
| **Cash and cash equivalents and Restricted cash at end of period** | $ 815.3 | $ 395.3 | $ 420.0 |

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

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# Financial Tables

Non-GAAP Reconciliation (1 of 3)

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

| | For the three months ended June 30, | | | For the six months ended June 30, | | |
|---|---|---|---|---|---|---|
| *IN MILLIONS* | **2020** | **2019** | **Change** | **2020** | **2019** | **Change** |
| **(Loss) income from continuing operations** | $ (301.8) | $ 107.8 | $ (409.6) | $ (177.7) | $ (9.2) | $ (168.5) |
| Plus: | | | | | | |
| Equity in net income of affiliates, net of tax | — | (0.2) | 0.2 | (0.2) | (0.2) | — |
| Income tax expense (benefit) | 7.5 | 74.6 | (67.1) | (227.6) | 38.7 | (266.3) |
| (Loss) income from continuing operations before income taxes and equity in net income of affiliates | (294.2) | 182.2 | (476.4) | (405.4) | 29.2 | (434.6) |
| Plus: | | | | | | |
| Gain on sales of subsidiaries, net | (0.1) | — | (0.1) | (2.8) | — | (2.8) |
| Foreign currency exchange loss (gain), net | 4.9 | (8.9) | 13.8 | (31.0) | (4.1) | (26.9) |
| Other expense (income), net | 0.4 | (7.7) | 8.1 | 0.5 | (8.1) | 8.6 |
| Loss (gain) on derivatives | 1.4 | (2.6) | 4.0 | 0.6 | (7.8) | 8.4 |
| Loss on debt extinguishment | — | 15.6 | (15.6) | — | 26.2 | (26.2) |
| Interest expense | 33.8 | 41.5 | (7.7) | 69.9 | 96.1 | (26.2) |
| Interest income | (1.0) | (2.8) | 1.8 | (3.7) | (6.4) | 2.7 |
| Operating (loss) income | (254.8) | 217.2 | (472.0) | (371.9) | 125.1 | (497.0) |
| Plus: | | | | | | |
| Depreciation and amortization | 40.1 | 49.3 | (9.2) | 84.3 | 96.6 | (12.3) |
| EBITDA | (214.7) | 266.5 | (481.2) | (287.6) | 221.7 | (509.3) |
| Plus: | | | | | | |
| Share-based compensation expense [3] | 4.6 | 4.7 | (0.1) | 6.6 | 7.7 | (1.1) |
| Loss on impairment of assets [4] | 445.1 | 0.5 | 444.6 | 448.9 | 0.5 | 448.4 |
| EiP implementation expenses [5] | 24.0 | 27.1 | (3.1) | 54.4 | 39.3 | 15.1 |
| Adjusted EBITDA | $ 259.0 | $ 298.8 | $ (39.8) | $ 222.2 | $ 269.2 | $ (47.0) |
| | | | | | | |
| Revenues | $ 791.7 | $ 992.4 | $ (200.7) | $ 1,320.2 | $ 1,593.5 | $ (273.3) |
| (Loss) income from continuing operations margin | (38.1)% | 10.9 % | -4,898 bps | (13.5)% | (0.6)% | -1,288 bps |
| Adjusted EBITDA margin | 32.7 % | 30.1 % | 261 bps | 16.8 % | 16.9 % | -6 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 the third quarter of 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 income (loss) from continuing operations to Adjusted EBITDA and Adjusted EBITDA margin:

| *IN MILLIONS* | For the years ended December 31, 2019 | 2018 | 2017 |
|---|---|---|---|
| **Income (loss) from continuing operations** | $ 13.7 | $ (10.5) | $ 16.4 |
| Plus: | | | |
| Equity in net income of affiliates, net of tax | (0.2) | — | (0.2) |
| Income tax expense (benefit) | 80.7 | 131.8 | (93.0) |
| Income (loss) from continuing operations before income taxes and equity in net income of affiliates | 94.2 | 121.2 | (76.8) |
| Plus: | | | |
| Loss (gain) on disposal of subsidiaries, net | 37.8 | (0.3) | 10.5 |
| Foreign currency exchange loss (gain), net | 27.1 | 32.6 | (3.2) |
| Other (income) expense, net | (9.2) | (12.2) | 1.9 |
| Gain on derivatives | (7.3) | (88.3) | (28.7) |
| Loss on debt extinguishment | 28.3 | 7.5 | 8.4 |
| Interest expense | 167.3 | 235.2 | 334.9 |
| Interest income | (12.2) | (11.9) | (11.9) |
| **Operating income** | 326.0 | 283.9 | 235.2 |
| Plus: | | | |
| Depreciation and amortization | 192.2 | 210.8 | 201.1 |
| EBITDA | 518.2 | 494.7 | 436.3 |
| Plus: | | | |
| Share-based compensation expense [6] | 12.7 | 9.7 | 61.9 |
| Loss on impairment of assets [7] | 0.5 | 10.1 | 7.1 |
| EiP implementation expenses [8] | 115.1 | 95.8 | 100.2 |
| Adjusted EBITDA | $ 646.6 | $ 610.3 | $ 605.4 |
| | | | |
| Revenues | $ 3,250.3 | $ 3,290.2 | $ 3,333.1 |
| Income (loss) from continuing operations margin | 0.4 % | (0.3)% | 0.5 % |
| Adjusted EBITDA margin | 19.9 % | 18.5 % | 18.2 % |

[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 the third quarter of 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 (3 of 3)

The following table reconciles operating cash flow to Free Cash Flow for the six months ended June 30, 2020 and 2019:

| *IN MILLIONS* | | **2020** | | **2019** | | **Change** |
|---|---|---|---|---|---|---|
| **Net cash provided by operating activities** | $ | 61.4 | $ | 32.5 | $ | 28.9 |
| **Capital expenditures:** | | | | | | |
| Purchase of property and equipment | | (49.2) | | (62.8) | | 13.6 |
| Expenditures for deferred costs | | (8.3) | | (8.0) | | (0.3) |
| **Free Cash Flow** | $ | 3.9 | $ | (38.3) | $ | 42.2 |

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

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