

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

**Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2021**

OR

**Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____.**

Commission File Number: 001-38002



Laureate Education, Inc.

(Exact name of registrant as specified in its charter)

Delaware

52-1492296

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

650 S. Exeter Street, Baltimore, Maryland

21202

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (410) 843-6100

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.004 per share	LAUR	The NASDAQ Stock Market LLC Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Smaller reporting company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 30, 2021
Class A common stock, par value \$0.004 per share	114,786,329 shares
Class B common stock, par value \$0.004 per share	73,541,776 shares

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PART I - FINANCIAL INFORMATION
Item 1. Financial Statements (Unaudited)

LAUREATE EDUCATION, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
IN THOUSANDS, except per share amounts

For the three months ended June 30,	2021	2020
	(Unaudited)	(Unaudited)
Revenues	\$ 327,579	\$ 303,856
Costs and expenses:		
Direct costs	213,315	207,799
General and administrative expenses	49,361	43,140
Loss on impairment of assets	7,219	23,774
Operating income	57,684	29,143
Interest income	477	288
Interest expense	(13,541)	(25,705)
Loss on debt extinguishment	(77,927)	—
Loss on derivatives	(53,847)	(1,428)
Other expense, net	(55)	(405)
Foreign currency exchange loss, net	(15,519)	(4,735)
Gain on disposal of subsidiaries, net	27	—
Loss from continuing operations before income taxes and equity in net loss of affiliates	(102,701)	(2,842)
Income tax expense	(13,184)	(8,713)
Equity in net loss of affiliates, net of tax	—	(4)
Loss from continuing operations	(115,885)	(11,559)
Income (loss) from discontinued operations, net of tax benefit of \$1,063 and \$3,043, respectively	86,661	(300,069)
Net loss	(29,224)	(311,628)
Net loss attributable to noncontrolling interests	224	3,805
Net loss attributable to Laureate Education, Inc.	\$ (29,000)	\$ (307,823)
Basic and diluted earnings (loss) per share:		
Loss from continuing operations	\$ (0.60)	\$ (0.05)
Income (loss) from discontinued operations	0.45	(1.41)
Basic and diluted loss per share	\$ (0.15)	\$ (1.46)

The accompanying notes are an integral part of these consolidated financial statements.

LAUREATE EDUCATION, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
IN THOUSANDS, except per share amounts

For the six months ended June 30,	2021	2020
	(Unaudited)	(Unaudited)
Revenues	\$ 522,280	\$ 496,175
Costs and expenses:		
Direct costs	395,163	428,367
General and administrative expenses	91,955	88,209
Loss on impairment of assets	63,869	27,542
Operating loss	(28,707)	(47,943)
Interest income	1,188	910
Interest expense	(37,059)	(50,995)
Loss on debt extinguishment	(77,940)	—
Loss on derivatives	(24,517)	(626)
Other expense, net	(21)	(486)
Foreign currency exchange gain, net	12,664	73,981
Gain (loss) on disposal of subsidiaries, net	27	(1,800)
Loss from continuing operations before income taxes and equity in net income of affiliates	(154,365)	(26,959)
Income tax (expense) benefit	(126,045)	221,315
Equity in net income of affiliates, net of tax	—	181
(Loss) income from continuing operations	(280,410)	194,537
Income (loss) from discontinued operations, net of tax (expense) benefit of \$(8,602) and \$8,226, respectively	86,243	(407,849)
Net loss	(194,167)	(213,312)
Net loss attributable to noncontrolling interests	239	5,104
Net loss attributable to Laureate Education, Inc.	\$ (193,928)	\$ (208,208)
Basic and diluted earnings (loss) per share:		
(Loss) income from continuing operations	\$ (1.43)	\$ 0.93
Income (loss) from discontinued operations	0.44	(1.92)
Basic and diluted loss per share	\$ (0.99)	\$ (0.99)

The accompanying notes are an integral part of these consolidated financial statements.

LAUREATE EDUCATION, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
IN THOUSANDS

For the three months ended June 30,	2021	2020
	(Unaudited)	(Unaudited)
Net loss	\$ (29,224)	\$ (311,628)
Other comprehensive income:		
Foreign currency translation adjustment, net of tax of \$0 for both periods	510,443	14,034
Minimum pension liability adjustment, net of tax of \$0 for both periods	27	—
Total other comprehensive income	510,470	14,034
Comprehensive income (loss)	481,246	(297,594)
Net comprehensive loss attributable to noncontrolling interests	226	3,873
Comprehensive income (loss) attributable to Laureate Education, Inc.	\$ 481,472	\$ (293,721)

The accompanying notes are an integral part of these consolidated financial statements.

LAUREATE EDUCATION, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
IN THOUSANDS

For the six months ended June 30,	2021	2020
	(Unaudited)	(Unaudited)
Net loss	\$ (194,167)	\$ (213,312)
Other comprehensive income (loss):		
Foreign currency translation adjustment, net of tax of \$0 for both periods	450,682	(316,082)
Minimum pension liability adjustment, net of tax of \$0 for both periods	(141)	(932)
Total other comprehensive income (loss)	450,541	(317,014)
Comprehensive income (loss)	256,374	(530,326)
Net comprehensive loss attributable to noncontrolling interests	259	4,413
Comprehensive income (loss) attributable to Laureate Education, Inc.	\$ 256,633	\$ (525,913)

The accompanying notes are an integral part of these consolidated financial statements.

LAUREATE EDUCATION, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
IN THOUSANDS, except per share amounts

	June 30, 2021	December 31, 2020
Assets	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 427,142	\$ 750,147
Restricted cash	106,770	117,151
Receivables:		
Accounts and notes receivable	143,113	138,738
Other receivables	48,525	49,835
Allowance for doubtful accounts	(68,098)	(76,694)
Receivables, net	123,540	111,879
Income tax receivable	17,131	14,564
Prepaid expenses and other current assets	20,349	15,079
Current assets held for sale	202,093	434,966
Total current assets	897,025	1,443,786
Notes receivable, net	848	1,321
Property and equipment:		
Land	118,234	126,228
Buildings	329,894	351,480
Furniture, equipment and software	482,306	494,079
Leasehold improvements	122,340	121,683
Construction in-progress	5,891	7,254
Accumulated depreciation and amortization	(540,326)	(522,240)
Property and equipment, net	518,339	578,484
Operating lease right-of-use assets, net	426,926	462,767
Land use rights, net	1,548	1,548
Goodwill	568,767	574,832
Tradenames	159,219	225,573
Deferred costs, net	10,856	17,623
Deferred income taxes	101,993	130,567
Other assets	40,158	51,924
Long-term assets held for sale	919,989	1,482,469
Total assets	\$ 3,645,668	\$ 4,970,894

The accompanying notes are an integral part of these consolidated financial statements.

LAUREATE EDUCATION, INC. AND SUBSIDIARIES
Consolidated Balance Sheets (continued)
IN THOUSANDS, except per share amounts

	June 30, 2021	December 31, 2020
Liabilities and stockholders' equity	(Unaudited)	
Current liabilities:		
Accounts payable	\$ 34,015	\$ 41,073
Accrued expenses	75,108	95,743
Accrued compensation and benefits	72,394	64,089
Deferred revenue and student deposits	48,620	47,180
Current portion of operating leases	46,714	44,631
Current portion of long-term debt and finance leases	50,941	95,818
Income taxes payable	104,962	29,682
Derivative instruments	—	17,680
Other current liabilities	19,710	15,109
Current liabilities held for sale	164,330	353,550
Total current liabilities	616,794	804,555
Long-term operating leases, less current portion	432,890	474,507
Long-term debt and finance leases, less current portion	123,470	899,898
Deferred compensation	13,560	13,425
Income taxes payable	50,096	36,078
Deferred income taxes	86,126	86,368
Derivative instruments	—	8,144
Other long-term liabilities	26,548	33,555
Long-term liabilities held for sale	21,930	348,706
Total liabilities	1,371,414	2,705,236
Redeemable noncontrolling interests and equity	1,812	1,724
Stockholders' equity:		
Preferred stock, par value \$0.001 per share – 49,889 shares authorized as of June 30, 2021 and December 31, 2020, respectively, no shares issued and outstanding as of June 30, 2021 and December 31, 2020	—	—
Class A common stock, par value \$0.004 per share – 700,000 shares authorized, 154,777 shares issued and 114,786 shares outstanding as of June 30, 2021 and 137,162 shares issued and 115,119 shares outstanding as of December 31, 2020	619	548
Class B common stock, par value \$0.004 per share – 175,000 shares authorized, 73,542 shares issued and outstanding as of June 30, 2021 and 90,792 shares issued and outstanding as of December 31, 2020	294	363
Additional paid-in capital	3,763,855	3,760,029
Accumulated deficit	(370,851)	(176,822)
Accumulated other comprehensive loss	(491,425)	(941,986)
Treasury stock at cost (39,992 shares held at June 30, 2021 and 22,043 shares held at December 31, 2020)	(616,908)	(365,316)
Total Laureate Education, Inc. stockholders' equity	2,285,584	2,276,816
Noncontrolling interests	(13,142)	(12,882)
Total stockholders' equity	2,272,442	2,263,934
Total liabilities and stockholders' equity	\$ 3,645,668	\$ 4,970,894

The accompanying notes are an integral part of these consolidated financial statements.

LAUREATE EDUCATION, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
IN THOUSANDS

For the six months ended June 30,	2021	2020
Cash flows from operating activities	(Unaudited)	(Unaudited)
Net loss	\$ (194,167)	\$ (213,312)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	49,689	84,276
Amortization of operating lease right-of-use assets	27,003	49,475
Loss on impairment of assets	65,137	448,852
(Gain) loss on sales and disposal of subsidiaries and property and equipment, net	(13,516)	36,036
Loss on derivative instruments	24,517	626
Payments for settlement of derivative contracts	—	(626)
Loss on debt extinguishment	77,999	—
Non-cash interest expense	5,662	8,828
Non-cash share-based compensation expense	4,778	6,605
Bad debt expense	21,372	63,695
Deferred income taxes	66,965	(226,841)
Unrealized foreign currency exchange gain	(13,455)	(25,597)
Non-cash loss from non-income tax contingencies	11,925	5,952
Other, net	(3,879)	670
Changes in operating assets and liabilities:		
Receivables	(43,148)	(139,873)
Prepaid expenses and other assets	(13,558)	(18,166)
Accounts payable and accrued expenses	(33,013)	(100,296)
Income tax receivable/payable, net	(17,859)	(46,314)
Deferred revenue and other liabilities	(4,600)	127,371
Net cash provided by operating activities	17,852	61,361
Cash flows from investing activities		
Purchase of property and equipment	(20,551)	(49,163)
Expenditures for deferred costs	(4,444)	(8,335)
Receipts from sales of discontinued operations, net of cash sold, and property and equipment	725,323	22,454
Payments on derivatives related to sale of discontinued operations	(50,341)	—
Payments to related parties	—	(1)
Net cash provided by (used in) investing activities	649,987	(35,045)
Cash flows from financing activities		
Proceeds from issuance of long-term debt, net of original issue discount	55,394	525,187
Payments on long-term debt	(932,901)	(256,299)
Payments of deferred purchase price for acquisitions	—	(1,858)
Proceeds from exercise of stock options	374	26,732
Withholding of shares to satisfy tax withholding for vested stock awards and exercised stock options	(1,236)	(1,150)
Payments to repurchase common stock	(251,374)	(29,203)
Payments of call premiums and debt issuance costs	(32,980)	—
Net cash (used in) provided by financing activities	(1,162,723)	263,409
Effects of exchange rate changes on Cash and cash equivalents and Restricted cash	(3,438)	(3,904)
Change in cash included in current assets held for sale	164,936	(66,508)
Net change in Cash and cash equivalents and Restricted cash	(333,386)	219,313
Cash and cash equivalents and Restricted cash at beginning of period	867,298	97,817
Cash and cash equivalents and Restricted cash at end of period	\$ 533,912	\$ 317,130

The accompanying notes are an integral part of these consolidated financial statements.

Laureate Education, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Dollars and shares in thousands)

Note 1. Description of Business

Laureate Education, Inc. and subsidiaries (hereinafter Laureate, we, us, our, or the Company) provide higher education programs and services to students through licensed universities and higher education institutions (institutions). Laureate's programs are provided through institutions that are campus-based and internet-based, or through electronically distributed educational programs (online). In response to the COVID-19 pandemic, we have temporarily transitioned the educational delivery method at all of our campus-based institutions to be online and are leveraging our existing technologies and learning platforms to serve students outside of the traditional classroom setting.

We are domiciled in Delaware as a public benefit corporation, a demonstration of our long-term commitment to our mission to benefit our students and society. The Company completed its initial public offering (IPO) on February 6, 2017 and its shares are listed on the Nasdaq Global Select Market under the symbol "LAUR."

Discontinued Operations

In 2017 and 2018, the Company announced the divestiture of certain subsidiaries located in Europe, Asia and Central America, which were included in the following segments: Peru (formerly Andean), Central America (formerly Central America & U.S. Campuses), and Rest of World. The goal of the divestitures was to create a more focused and simplified business model and generate proceeds to be used for further repayment of long-term debt. This represented a strategic shift that had a major effect on the Company's operations and financial results. Accordingly, all of the divestitures that were part of this strategic shift, as well as the Company's operations in the Kingdom of Saudi Arabia that were managed under a contract that expired on August 31, 2019 and was not renewed, were accounted for as Discontinued Operations for all periods presented in accordance with Accounting Standards Codification (ASC) 205-20, "Discontinued Operations" (ASC 205).

On January 27, 2020, we announced that our board of directors had authorized the Company to explore strategic alternatives for each of its businesses to unlock shareholder value. As a result of these efforts to explore strategic alternatives, during the third quarter of 2020, the Company announced that it had completed a sale of its operations in Chile and had signed agreements to sell its operations in Brazil, Australia and New Zealand, as well as Walden University, its fully online higher education institution in the United States. This also represented a strategic shift that had a major effect on the Company's operations and financial results. As such, Chile, Brazil, Australia and New Zealand, and Walden also have been accounted for as Discontinued Operations for all periods presented in accordance with ASC 205. The sale of our operations in Australia and New Zealand was completed on November 3, 2020, and the sale of our operations in Brazil was completed on May 28, 2021. For Laureate's institutions in Mexico and Peru, the board decided after a thorough evaluation of all strategic options, including a potential sale, to continue to operate these assets under Laureate management. Accordingly, Mexico and Peru represent our Continuing Operations. The decision to focus on a regional operating model in Mexico and Peru at this time does not preclude further engagement with potential buyers for those businesses. See Note 4, Discontinued Operations and Assets Held for Sale, and Note 5, Dispositions, for more information. Unless indicated otherwise, the information in the footnotes to the Consolidated Financial Statements relates to Continuing Operations.

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In our opinion, these financial statements include all adjustments considered necessary to present a fair statement of our consolidated results of operations, financial position and cash flows. Operating results for any interim period are not necessarily indicative of the results that may be expected for the full year. These unaudited Consolidated Financial Statements should be read in conjunction with Laureate's audited Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (the 2020 Form 10-K).

Note 2. Significant Accounting Policies

COVID-19

The outbreak of COVID-19 has caused domestic and global disruption in operations for institutions of higher education. The long-term effect to the Company of the COVID-19 pandemic depends on numerous factors, including, but not limited to, the effect on student enrollment, tuition pricing, and collections in future periods, which cannot be fully quantified at this time. As of June 30, 2021 and through the date of this Form 10-Q, the Company evaluated its accounting estimates that require consideration of forecasted financial information, based on current information reasonably available to us. The forecast also includes certain estimates and assumptions around macroeconomic conditions and the timing of campuses reopening. While this evaluation did not result in a material effect to the Company's Consolidated Financial Statements as of and for the six months ended June 30, 2021, future evaluations could result in a material effect, including potential impairments, depending on the eventual impact to the Company of the COVID-19 pandemic and its effect on student enrollment, tuition pricing, and collections in future periods.

Recently Adopted Accounting Standards

Accounting Standards Update (ASU) No. 2019-12 (ASU 2019-12), Income Taxes (Topic 740) - Simplifying the Accounting for Income Taxes

In December 2019, the Financial Accounting Standards Board ("FASB") issued ASU 2019-12, which removes certain exceptions for performing intraperiod tax allocations, recognizing deferred taxes for investments, and calculating income taxes in interim periods. The guidance also simplifies the accounting for franchise taxes, transactions that result in a step-up in the tax basis of goodwill, and the effect of enacted changes in tax laws or rates in interim periods. The Company adopted ASU 2019-12 in the first quarter of 2021 and the adoption had no material impact to our Consolidated Financial Statements.

Note 3. Revenue

Revenue Recognition

Laureate's revenues primarily consist of tuition and educational service revenues. We also generate other revenues from student fees, dormitory/residency fees and other education-related activities. These other revenues are less material to our overall financial results and have a tendency to trend with tuition revenues. Revenues are recognized when control of the promised goods or services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. These revenues are recognized net of scholarships and other discounts, refunds, waivers and the fair value of any guarantees made by Laureate related to student financing programs. Laureate's institutions have various billing and academic cycles.

We determine revenue recognition through the five-step model prescribed by ASC Topic 606, *Revenue from Contracts with Customers*, as follows:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation.

We assess collectibility on a portfolio basis prior to recording revenue. Generally, students cannot re-enroll for the next academic session without satisfactory resolution of any past-due amounts. If a student withdraws from an institution, Laureate's obligation to issue a refund depends on the refund policy at that institution and the timing of the student's withdrawal. Generally, our refund obligations are reduced over the course of the academic term. We record refunds as a reduction of deferred revenue as applicable.

The following table shows the components of Revenues by reportable segment and as a percentage of total revenue for the three months ended June 30, 2021 and 2020:

	Mexico	Peru	Corporate ⁽¹⁾	Total	
2021					
Tuition and educational services	\$ 157,714	\$ 205,022	\$ —	\$ 362,736	111 %
Other	17,804	12,863	1,636	32,303	10 %
Gross revenue	175,518	217,885	1,636	395,039	121 %
Less: Discounts / waivers / scholarships	(51,235)	(16,225)	—	(67,460)	(21)%
Total	\$ 124,283	\$ 201,660	\$ 1,636	\$ 327,579	100 %
2020					
Tuition and educational services	\$ 136,408	\$ 195,199	\$ —	\$ 331,607	109 %
Other	12,137	10,357	1,420	23,914	8 %
Gross revenue	\$ 148,545	\$ 205,556	\$ 1,420	\$ 355,521	117 %
Less: Discounts / waivers / scholarships	(33,681)	(17,984)	—	(51,665)	(17)%
Total	\$ 114,864	\$ 187,572	\$ 1,420	\$ 303,856	100 %

⁽¹⁾ Includes the elimination of intersegment revenues.

The following table shows the components of Revenues by reportable segment and as a percentage of total revenue for the six months ended June 30, 2021 and 2020:

	Mexico	Peru	Corporate ⁽¹⁾	Total	
2021					
Tuition and educational services	\$ 323,738	\$ 256,474	\$ —	\$ 580,212	111 %
Other	41,327	22,446	3,442	67,215	13 %
Gross revenue	365,065	278,920	3,442	647,427	124 %
Less: Discounts / waivers / scholarships	(105,385)	(19,762)	—	(125,147)	(24)%
Total	\$ 259,680	\$ 259,158	\$ 3,442	\$ 522,280	100 %
2020					
Tuition and educational services	\$ 300,573	\$ 226,494	\$ —	\$ 527,067	106 %
Other	39,354	17,739	3,005	60,098	12 %
Gross revenue	\$ 339,927	\$ 244,233	\$ 3,005	\$ 587,165	118 %
Less: Discounts / waivers / scholarships	(70,856)	(20,134)	—	(90,990)	(18)%
Total	\$ 269,071	\$ 224,099	\$ 3,005	\$ 496,175	100 %

⁽¹⁾ Includes the elimination of intersegment revenues.

Contract Balances

The timing of billings, cash collections and revenue recognition results in accounts receivable (contract assets) and deferred revenue and student deposits (contract liabilities) on the Consolidated Balance Sheets. We have various billing and academic cycles and recognize student receivables when an academic session begins, although students generally enroll in courses prior to the start of the academic session. Receivables are recognized only to the extent that it is probable that we will collect substantially all of the consideration to which we are entitled in exchange for the goods and services that will be transferred to the student. We receive advance payments or deposits from our students before revenue is recognized, which are recorded as contract liabilities in deferred revenue and student deposits. Payment terms vary by university with some universities requiring payment in advance of the academic session and other universities allowing students to pay in installments over the term of the academic session.

All of our contract assets are considered accounts receivable and are included within the Accounts and notes receivable balance in the accompanying Consolidated Balance Sheets. Total accounts receivable from our contracts with students were \$143,113 and \$138,738 as of June 30, 2021 and December 31, 2020, respectively. The increase in the contract assets balance at June 30, 2021 compared to December 31, 2020 was primarily driven by our enrollment cycles. The first and third calendar quarters

generally coincide with the primary and secondary intakes for our larger institutions. All contract asset amounts are classified as current.

Contract liabilities in the amount of \$48,620 and \$47,180 were included within the Deferred revenue and student deposits balance in the current liabilities section of the accompanying Consolidated Balance Sheets as of June 30, 2021 and December 31, 2020, respectively. The increase in the contract liability balance during the period ended June 30, 2021 was the result of semester billings and cash payments received in advance of satisfying performance obligations, partially offset by revenue recognized during that period. Revenue recognized for the six months ended June 30, 2021 that was included in the contract liability balance at the beginning of the year was approximately \$36,426.

Note 4. Discontinued Operations and Assets Held for Sale

As discussed in Note 1, Description of Business, the Company's remaining principal markets are Mexico and Peru (the Continuing Operations). All remaining markets have been or will be divested (the Discontinued Operations). In the tables below, certain classification changes have been made to the prior year amounts in order to conform to the current year presentation. On the Consolidated Statements of Operations, the results from the Discontinued Operations, which in the prior year were presented in two lines, have been combined into one line labeled Income (loss) from discontinued operations, net of tax, for all periods presented.

Summarized operating results and cash flows of the Discontinued Operations are presented in the following tables:

For the three months ended June 30,	2021	2020
Revenues	\$ 232,114	\$ 513,372
Depreciation and amortization expense	—	(22,002)
Share-based compensation expense	(585)	(888)
Other direct costs	(171,469)	(350,822)
Loss on impairment of assets	(204)	(421,312)
Other non-operating expense	(4,389)	(10,020)
Gain (loss) on sale of discontinued operations before taxes, net	30,131	(11,440)
Pretax income (loss) of discontinued operations	85,598	(303,112)
Income tax benefit	1,063	3,043
Income (loss) from discontinued operations, net of tax	\$ 86,661	\$ (300,069)

For the six months ended June 30,	2021	2020
Revenues	\$ 471,863	\$ 882,856
Depreciation and amortization expense	—	(46,513)
Share-based compensation expense	(827)	(1,333)
Other direct costs	(372,665)	(729,704)
Loss on impairment of assets	(1,268)	(421,312)
Other non-operating expense	(15,551)	(65,076)
Gain (loss) on sale of discontinued operations before taxes, net	13,293	(34,993)
Pretax income (loss) of discontinued operations	94,845	(416,075)
Income tax (expense) benefit	(8,602)	8,226
Income (loss) from discontinued operations, net of tax	\$ 86,243	\$ (407,849)
Operating cash flows of discontinued operations	\$ 56,567	\$ 193,459
Investing cash flows of discontinued operations	\$ (9,941)	\$ (29,632)
Financing cash flows of discontinued operations	\$ (18,059)	\$ 14,135

Loss Recognized on Brazil Held-For-Sale Disposal Group

During the first quarter of 2021, the Company recorded a loss of approximately \$32,400 related to the Brazil disposal group, which was classified as a Discontinued Operation, in order to write down the carrying value of those assets to their estimated fair value less costs to sell as of March 31, 2021, in accordance with ASC 360-10, "Impairment and Disposal of Long-lived Assets" (ASC 360-10). The estimated fair value was based on the sale agreement for the disposal group that was announced on November 2, 2020, as previously disclosed. The sale of the Brazil disposal group closed on May 28, 2021. See Note 5, Dispositions, for more information.

The assets and liabilities of the Discontinued Operations, which are subject to finalization, have been classified as held for sale as of June 30, 2021 and December 31, 2020. The assets and liabilities are recorded at the lower of their carrying values or their estimated fair values less costs to sell. The carrying amounts of the major classes of assets and liabilities that were classified as held for sale are presented in the following tables:

	June 30, 2021	December 31, 2020
Assets of Discontinued Operations		
Cash and cash equivalents	\$ 105,217	\$ 270,164
Receivables, net	42,452	113,386
Property and equipment, net	43,082	259,471
Goodwill and Tradenames	822,440	1,202,496
Operating lease right-of-use assets, net	13,651	136,806
Other assets	95,240	183,742
Valuation allowance on held-for-sale disposal groups	—	(248,630)
Total assets held for sale	\$ 1,122,082	\$ 1,917,435
Liabilities of Discontinued Operations		
Deferred revenue and student deposits	\$ 79,908	\$ 87,793
Operating leases, including current portion	19,645	151,413
Long-term debt, seller notes and finance leases, including current portion	—	171,451
Other liabilities	86,707	291,599
Total liabilities held for sale	\$ 186,260	\$ 702,256

Discontinued Operations with Signed Sale Agreements Pending Closure at June 30, 2021

Walden

On September 11, 2020, Laureate entered into a Membership Interest Purchase Agreement (the Walden Sale Agreement) with Adtalem Global Education Inc., a Delaware corporation (the Walden Purchaser). Pursuant to the Walden Sale Agreement, the Company has agreed to sell to the Walden Purchaser all of the issued and outstanding equity interest in Walden e-Learning, LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company and its subsidiary, Walden University, LLC, a Florida limited liability company and an indirect wholly owned subsidiary of the Company (together with Walden e-Learning, LLC, the Walden Group), in exchange for a purchase price of \$1,480,000 in cash, subject to certain adjustments set forth in the Walden Sale Agreement.

On July 21, 2021, Laureate and the Walden Purchaser entered into a waiver and amendment to the Walden Sale Agreement (the Amendment). Under the Amendment, Laureate and the Walden Purchaser agreed (i) that the U.S. Department of Education notification dated June 23, 2021 to Walden University (the DOE Notification) meets the definition of a DOE Preacquisition Response (as defined in the Walden Sale Agreement) and (ii) to waive any right to terminate the Walden Sale Agreement under sections 7.01(b)(iii) or 7.01(c)(ii) thereof in respect of the DOE Notification. Laureate also agreed to provide additional indemnification to the Walden Purchaser from and after the closing of the transactions contemplated by the Walden Sale Agreement.

The closing of the sale transaction is expected to occur during the third quarter of 2021 and is subject to customary closing conditions, including regulatory approval by the U.S. Department of Education and the Higher Learning Commission and required antitrust approvals.

Note 5. Dispositions

Brazil Divestiture

On May 28, 2021, the Company completed the sale of its operations in Brazil to Ânima Holding S.A. (Anima). The proceeds received, net of cash sold, transaction fees and settlement of foreign currency swaps, were approximately \$625,500. The Company used a portion of the proceeds to repay the remaining balance outstanding under its Senior Notes due 2025. Additionally, the buyer assumed indebtedness, gross of cash sold, of approximately \$121,000. The Company recognized a pre-tax gain on the sale of approximately \$27,500, which is included in Income (loss) from discontinued operations, net of tax in the Consolidated Statement of Operations for the three and six months ended June 30, 2021.

Honduras Divestiture

On March 8, 2021, the Company completed the divestiture of its operations in Honduras to Fundación Nasser, a not-for-profit foundation in Honduras. In connection with the transaction, the Company transferred control of Fundaempresa, which manages Universidad Tecnológica Centroamericana (UNITEC), including Centro Universitario Tecnológico (CEUTEC). The proceeds received, net of cash sold, closing costs and a working capital adjustment that was completed during the second quarter of 2021, were approximately \$24,000. Under the transaction terms, additional consideration of \$2,000 was paid into an escrow account at closing and, assuming certain conditions are met, will be released to the Company based on the following schedule: 50% after 18 months, 25% after 24 months and 25% after 36 months. The Company recognized a pre-tax loss of approximately \$1,700, which is included in Income (loss) from discontinued operations, net of tax in the Consolidated Statement of Operations for the six months ended June 30, 2021.

Receipt of Remaining Escrow Receivable from Sale of China Operations

On January 25, 2018, the Company completed the sale of LEI Lie Ying Limited in China. At the closing of the sale on January 25, 2018, a portion of the total transaction value was paid into an escrow account, to be distributed to the Company pursuant to the terms and conditions of the escrow agreement. In June 2020, the Company received approximately one-half of the escrow account, and the remainder was due in January 2021. In April 2021, the Company received 168,284 Hong Kong Dollars (approximately \$21,650 at the date of receipt), which represented payment in full for the remainder of the escrow account. Accordingly, the Company recognized a gain of approximately \$13,600, which is included in Income (loss) from discontinued operations, net of tax in the Consolidated Statement of Operations for the six months ended June 30, 2021.

Note 6. Business and Geographic Segment Information

Laureate's educational services are offered through two reportable segments: Mexico and Peru (formerly Andean). Following the September 2020 sale of Chile, the former Andean segment is now called the Peru segment. Laureate determines its segments based on information utilized by the chief operating decision maker to allocate resources and assess performance.

Our segments generate revenues by providing an education that emphasizes profession-oriented fields of study with undergraduate and graduate degrees in a wide range of disciplines. Our educational offerings are increasingly utilizing online and hybrid (a combination of online and in-classroom) courses and programs to deliver their curriculum. In response to the COVID-19 pandemic, we have temporarily transitioned the educational delivery method at all of our institutions to be online and are leveraging our existing technologies and learning platforms to serve students outside of the traditional classroom setting. The Mexico and Peru markets are characterized by what we believe is a significant imbalance between supply and demand. The demand for higher education is large and growing and is fueled by several demographic and economic factors, including a growing middle class, global growth in services and technology-related industries and recognition of the significant personal and economic benefits gained by graduates of higher education institutions. The target demographics are primarily 18- to 24-year-olds in the countries in which we compete. We compete with other private higher education institutions on the basis of price, educational quality, reputation and location. We believe that we compare favorably with competitors because of our focus on quality, professional-oriented curriculum and the competitive advantages provided by our network. There are a number of private and public institutions in both of the countries in which we operate, and it is difficult to predict how the markets will evolve and how many competitors there will be in the future. We expect competition to increase as the Mexican and Peruvian markets mature. Essentially all of our revenues were generated from private pay sources as there are no material government-sponsored loan programs in Mexico or Peru. Specifics related to both of our reportable segments are discussed below.

Private education providers in Mexico constitute 35% of the total higher-education market. The private sector plays a meaningful role in higher education, bridging supply and demand imbalances created by a lack of capacity at public universities. Laureate owns two institutions and is present throughout the country with a footprint of over 35 campuses. Each institution in Mexico has a national license. Students in our Mexican institutions typically finance their own education.

In Peru, private universities are increasingly providing the capacity to meet growing demand and constitute 72% of the total higher-education market. Laureate owns three institutions in Peru.

As discussed in Note 1, Description of Business, and Note 4, Discontinued Operations and Assets Held for Sale, a number of our subsidiaries have met the requirements to be classified as Discontinued Operations. As a result, the Discontinued Operations have been excluded from the segment information for all periods presented.

Intersegment transactions are accounted for in a similar manner as third-party transactions and are eliminated in consolidation. The Corporate amounts presented in the following tables include corporate charges that were not allocated to our reportable segments and adjustments to eliminate intersegment items.

We evaluate segment performance based on Adjusted EBITDA, which is a non-GAAP performance measure defined as Income (loss) from continuing operations before income taxes and equity in net income of affiliates, adding back the following items: Gain (loss) on disposal of subsidiaries, net, Foreign currency exchange (loss) gain, net, Other expense, net, Loss on derivatives, Loss on debt extinguishment, Interest expense, Interest income, Depreciation and amortization expense, Loss on impairment of assets, Share-based compensation expense and expenses related to our Excellence-in-Process (EiP) initiative. EiP is an 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), 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, an enterprise-wide program aimed at revenue growth, and certain non-recurring costs incurred in connection with the planned dispositions described in Note 4, Discontinued Operations and Assets Held for Sale, and the completed dispositions described in Note 5, Dispositions.

When we review Adjusted EBITDA on a segment basis, we exclude intercompany revenues and expenses related to network fees and royalties between our segments, which eliminate in consolidation. We use total assets as the measure of assets for reportable segments.

The following tables provide financial information for our reportable segments, including a reconciliation of Adjusted EBITDA to Loss from continuing operations before income taxes and equity in net income of affiliates, as reported in the Consolidated Statements of Operations:

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Revenues				
Mexico	\$ 124,283	\$ 114,864	\$ 259,680	\$ 269,071
Peru	201,660	187,572	259,158	224,099
Corporate	1,636	1,420	3,442	3,005
Revenues	\$ 327,579	\$ 303,856	\$ 522,280	\$ 496,175
Adjusted EBITDA of reportable segments				
Mexico	\$ 17,187	\$ 19,704	\$ 34,456	\$ 43,014
Peru	113,631	99,167	125,225	72,501
Total Adjusted EBITDA of reportable segments	130,818	118,871	159,681	115,515
Reconciling items:				
Corporate	(23,708)	(24,809)	(42,911)	(50,803)
Depreciation and amortization expense	(26,983)	(18,113)	(49,744)	(37,763)
Loss on impairment of assets	(7,219)	(23,773)	(63,869)	(27,542)
Share-based compensation expense	(2,617)	(3,733)	(3,951)	(5,272)
EiP expenses	(12,607)	(19,300)	(27,913)	(42,078)
Operating income (loss)	57,684	29,143	(28,707)	(47,943)
Interest income	477	288	1,188	910
Interest expense	(13,541)	(25,705)	(37,059)	(50,995)
Loss on debt extinguishment	(77,927)	—	(77,940)	—
Loss on derivatives	(53,847)	(1,428)	(24,517)	(626)
Other expense, net	(55)	(405)	(21)	(486)
Foreign currency (loss) gain, net	(15,519)	(4,735)	12,664	73,981
Gain (loss) on disposal of subsidiaries, net	27	—	27	(1,800)
Loss from continuing operations before income taxes and equity in net income of affiliates	\$ (102,701)	\$ (2,842)	\$ (154,365)	\$ (26,959)
		June 30, 2021		December 31, 2020
Assets				
Mexico	\$	1,261,261	\$	1,278,198
Peru		609,769		623,294
Corporate and Discontinued Operations		1,774,638		3,069,402
Total assets	\$	3,645,668	\$	4,970,894

Note 7. Goodwill and Loss on Impairment of Assets

The change in the net carrying amount of Goodwill from December 31, 2020 through June 30, 2021 was composed of the following items:

	Mexico	Peru	Total
Balance at December 31, 2020	\$ 500,250	\$ 74,582	\$ 574,832
Currency translation adjustments	928	(6,993)	(6,065)
Balance at June 30, 2021	\$ 501,178	\$ 67,589	\$ 568,767

Impairment of Laureate Tradename

During the first quarter of 2021, the Company recognized an impairment charge of \$51,400 on the Laureate tradename, a finite-lived intangible asset. In March 2021, the Company decided that, during 2021, it would wind down certain support functions related to the Laureate network and would no longer invest in and support the tradename beyond 2021. As a result, the Company tested the asset for impairment and estimated the fair value of the tradename asset using the relief-from-royalty method, based on the projected revenues for each business over the estimated remaining useful life of the asset.

As a result of the impairment test, the Company concluded that the estimated fair value of the Laureate tradename was less than its carrying value by approximately \$51,400 and recorded an impairment charge for that amount. The significant assumptions used in estimating the fair value included: (1) the revenue growth rates and (2) the estimated royalty rates. The inputs used were not observable to active markets and are therefore deemed “Level 3” inputs in the fair value hierarchy. The decrease in the fair value of the tradename was attributable to the shortened duration of the estimated future revenues. The remaining carrying value of the tradename asset, which was approximately \$11,650 as of June 30, 2021, is being amortized prospectively over the remainder of 2021, which is its estimated useful life.

Note 8. Debt

Outstanding long-term debt was as follows:

	June 30, 2021	December 31, 2020
Senior long-term debt:		
Senior Secured Credit Facility (stated maturity date October 2024)	\$ —	\$ —
Senior Notes (stated maturity date May 2025)	—	798,725
Total senior long-term debt	—	798,725
Other debt:		
Lines of credit	19,540	59,014
Notes payable and other debt	110,432	138,630
Total senior and other debt	129,972	996,369
Finance lease obligations and sale-leaseback financings	48,839	52,639
Total long-term debt and finance leases	178,811	1,049,008
Less: total unamortized deferred financing costs	4,400	53,292
Less: current portion of long-term debt and finance leases	50,941	95,818
Long-term debt and finance leases, less current portion	\$ 123,470	\$ 899,898

Senior Secured Credit Facility

The Company maintains a revolving credit facility under our Senior Secured Credit Facility that has a borrowing capacity of \$410,000 and has a maturity date of October 7, 2024. As of June 30, 2021 and December 31, 2020, no amounts were borrowed on this facility.

Senior Notes

On May 4, 2021, the Company redeemed \$500,000 aggregate principal amount of its 8.250% Senior Notes due 2025 (the Senior Notes) at a redemption price of 104.125% of the principal amount thereof plus accrued and unpaid interest thereon to, but excluding the redemption date. The Company used a portion of the proceeds from the sale of its operations in Australia and New Zealand, which was completed on November 3, 2020, to fund the redemption of the Senior Notes.

Additionally, on May 28, 2021, the Company completed the sale of its operations in Brazil and used a portion of the proceeds to redeem the remaining outstanding balance of the Senior Notes of \$298,725 at a redemption price of 104.125% of the principal amount thereof plus accrued and unpaid interest thereon to, but excluding the redemption date of, June 3, 2021.

Loss on Debt Extinguishment

In connection with the repayment of the Senior Notes during the three months ended June 30, 2021, the Company recorded a Loss on debt extinguishment of approximately \$77,900, related to the redemption premium paid and the write off of the unamortized deferred financing costs associated with the repaid debt balances.

Estimated Fair Value of Debt

As of June 30, 2021, the estimated fair value of our debt approximated its carrying value.

As of December 31, 2020, the estimated fair value of our debt was determined using observable market prices as the majority of our securities, including the Senior Secured Credit Facility and the Senior Notes due 2025, were traded in a brokered market. The fair value of the remaining debt instruments was approximated at the carrying value based on their terms. As of December 31, 2020, our long-term debt was classified as Level 2 within the fair value hierarchy, based on the frequency and volume of trading in the brokered market. The estimated fair value of our debt was as follows:

	December 31, 2020	
	Carrying amount	Estimated fair value
Total senior and other debt	\$ 996,369	\$ 1,043,294

Certain Covenants

As of June 30, 2021, our senior long-term debt contained certain negative covenants including, among others: (1) limitations on additional indebtedness; (2) limitations on dividends; (3) limitations on asset sales, including the sale of ownership interests in subsidiaries and sale-leaseback transactions; and (4) limitations on liens, guarantees, loans or investments. The Third Amended and Restated Credit Agreement (the Third A&R Credit Agreement) provides, solely with respect to the revolving credit facility, that the Company shall not permit its Consolidated Senior Secured Debt to Consolidated EBITDA ratio, as defined in the Third A&R Credit Agreement, to exceed 3.50x as of the last day of each quarter commencing with the quarter ending December 31, 2019 and thereafter. The agreement also provides that if (i) the Company's Consolidated Total Debt to Consolidated EBITDA ratio, as defined in the Third A&R Credit Agreement, is not greater than 4.75x as of such date and (ii) less than 25% of the revolving credit facility is utilized as of that date, then such financial covenant shall not apply. As of June 30, 2021, these conditions were satisfied and, therefore, we were not subject to the leverage ratio. In addition, indebtedness at some of our locations contain financial maintenance covenants. We were in compliance with these covenants as of June 30, 2021.

Note 9. Leases

Laureate conducts a significant portion of its operations at leased facilities. These facilities include our corporate headquarters, other office locations, and many of Laureate's higher education facilities. In accordance with ASC Topic 842, "Leases," Laureate analyzes each lease agreement to determine whether it should be classified as a finance lease or an operating lease.

Finance Leases

Our finance lease agreements are for property and equipment. The lease assets are included within buildings as well as furniture, equipment and software and the related lease liability is included within debt and finance leases on the Consolidated Balance Sheets.

Operating Leases

Our operating lease agreements are primarily for real estate space and are included within operating lease right-of-use (ROU) assets and operating lease liabilities on the Consolidated Balance Sheets. The terms of our operating leases vary and generally contain renewal options. Certain of these operating leases provide for increasing rent over the term of the lease. Laureate also leases certain equipment under noncancellable operating leases, which are typically for terms of 60 months or less.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. Our variable lease payments consist of non-lease services related to the lease. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. Many of our lessee agreements include options to extend the lease, which we do not include in our minimum lease terms unless they are reasonably certain to be exercised. Rental expense for lease payments related to operating leases is

recognized on a straight-line basis over the lease term. On occasion, Laureate has entered into sublease agreements for certain leased office space; however, the sublease income from these agreements is immaterial.

Corporate Office Lease Termination

In March 2021, the Company exercised its one-time right under the operating lease agreement for its corporate headquarters in Baltimore, Maryland to terminate the lease effective June 30, 2022. In connection with the exercise of this early termination option, the Company is required to pay an early termination fee of approximately \$1,200, half of which was paid in March 2021, and half of which is due by June 30, 2022. Accordingly, during the first quarter of 2021, the Company remeasured the operating lease liability, including the early termination fee, and recorded a reduction in the ROU asset and the operating lease liability of approximately \$14,900.

Note 10. Commitments and Contingencies

Loss Contingencies

Laureate is subject to legal actions arising in the ordinary course of its business. In management's opinion, we have adequate legal defenses, insurance coverage and/or accrued liabilities with respect to the eventuality of such actions. We do not believe that any settlement would have a material impact on our Consolidated Financial Statements.

Contingent Liabilities for Taxes

As of June 30, 2021 and December 31, 2020, Laureate has recorded cumulative liabilities totaling \$452 and \$38,355, respectively, for taxes other-than-income tax, principally payroll-tax-related uncertainties recorded at the time of an acquisition, of which \$0 and \$37,794, respectively, were classified as held for sale. The majority of the liability balance at December 31, 2020 related to our operations in Brazil which were sold on May 28, 2021. See Note 5, Dispositions, for more information. The terms of the statutes of limitations on these contingencies vary but can be up to 10 years. These liabilities were included in current and long-term liabilities on the Consolidated Balance Sheets. Changes in the recorded values of non-income tax contingencies impact operating income and interest expense, while changes in the related indemnification assets impact only operating income. For Continuing Operations, the total decrease to operating income for adjustments to non-income tax contingencies and indemnification assets was \$13,388 and \$5,952, respectively, for the six months ended June 30, 2021 and 2020.

In addition, as of June 30, 2021 and December 31, 2020, Laureate has recorded cumulative liabilities for income tax contingencies of \$51,319 and \$40,668, respectively, of which \$6,380 and \$11,752, respectively, were classified as held for sale. As of June 30, 2021 and December 31, 2020, indemnification assets primarily related to acquisition contingencies were \$1,027 and \$55,940, respectively, of which \$0 and \$40,877, respectively, were classified as held for sale. These indemnification assets primarily cover contingencies for income taxes and taxes other-than-income taxes. The majority of the indemnification assets at December 31, 2020 related to our operations in Brazil, which were sold on May 28, 2021.

We have identified certain contingencies, that we have assessed as being reasonably possible of loss, but not probable of loss, and could have an adverse effect on the Company's results of operations if the outcomes are unfavorable. In most cases, Laureate has received indemnifications from the former owners and/or noncontrolling interest holders of the acquired businesses for contingencies, and therefore, we do not believe we will sustain an economic loss even if we are required to pay these additional amounts. In cases where we are not indemnified, the unrecorded contingencies are not material.

Other Loss Contingencies

Laureate has accrued liabilities for certain civil actions against our institutions, a portion of which existed prior to our acquisition of these entities. Laureate intends to vigorously defend against these matters. As of June 30, 2021 and December 31, 2020, approximately \$8,800 and \$8,300, respectively, of loss contingencies were included in Other long-term liabilities and Other current liabilities on the Consolidated Balance Sheets. In addition, as of June 30, 2021 and December 31, 2020, approximately \$0 and \$23,800, respectively, of loss contingencies were classified as held for sale. The majority of the balance at December 31, 2020 related to our operations in Brazil, which were sold on May 28, 2021.

Guarantees

In connection with a loan agreement entered into by a Laureate subsidiary in Peru, all of the shares of Universidad Privada del Norte, one of our universities, were pledged to the third-party lender as a guarantee of the payment obligations under the loan.

During the first quarter of 2021, one of our Peruvian institutions issued a bank guarantee in the amount of PEN 23,764 (approximately \$5,975 at June 30, 2021) in order to appeal a preliminary tax assessment received related to tax audits of 2014 and 2015.

Standby Letters of Credit, Surety Bonds and Other Commitments

As of June 30, 2021 and December 31, 2020, Laureate's outstanding letters of credit (LOCs) and surety bonds primarily consisted of the items discussed below.

As of both June 30, 2021 and December 31, 2020, we had approximately \$83,600 posted as an LOC in favor of the DOE. This LOC was required to allow Walden to participate in the DOE Title IV program. The restricted cash used to collateralize this letter of credit was held by a corporate entity.

As part of our normal operations, our insurers issue surety bonds on our behalf, as required by various state education authorities in the United States. We are obligated to reimburse our insurers for any payments made by the insurers under the surety bonds. As of June 30, 2021 and December 31, 2020, the total face amount of these surety bonds, which are fully collateralized with cash, was \$17,046 and \$17,094, respectively.

Spanish Tax Audits

As of June 30, 2021 and December 31, 2020, we had approximately \$11,300 and \$11,500, respectively, posted as cash collateral for LOCs related to the Spanish tax audits. This was recorded in Continuing Operations and classified as Restricted cash on our June 30, 2021 and December 31, 2020 Consolidated Balance Sheets. The cash collateral is related to final assessments issued by the Spanish Taxing Authority (STA) in October 2018 and January 2020 to Iniciativas Culturales de España, S.L. (ICE). ICE was formerly our Spanish holding company; during the second quarter of 2020, ICE was migrated to the Netherlands and its name was changed to Laureate Netherlands Holding B.V.

In addition, on March 11, 2020, ICE received a preliminary assessment of approximately EUR 21,600 (approximately \$25,800 at June 30, 2021), related to the STA's extension of their audit to review withholding taxes on income earned by nonresidents. This assessment was not final, and ICE challenged the assessment. On March 30, 2021, in response to our allegations, the STA issued a final assessment to Laureate Netherlands Holding B.V. in which the Chief Tax Auditor challenged the preliminary assessment and found that the STA could not claim the withholding tax obligation in this case. At this time, we consider the matter resolved.

On July 22, 2021, the Company received notice of a decision from the Spanish National Court regarding the tax audits. See Note 19, Subsequent Events, for additional information.

Note 11. Share-based Compensation

Share-based compensation expense was as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
<i>Continuing operations</i>				
Stock options, net of estimated forfeitures	\$ 101	\$ 382	\$ 277	\$ 727
Restricted stock awards	2,516	3,351	3,674	4,545
Total continuing operations	\$ 2,617	\$ 3,733	\$ 3,951	\$ 5,272
<i>Discontinued operations</i>				
Share-based compensation expense for discontinued operations	585	888	827	1,333
Total continuing and discontinued operations	\$ 3,202	\$ 4,621	\$ 4,778	\$ 6,605

Note 12. Stockholders' Equity

The components of net changes in stockholders' equity for the fiscal quarters of 2021 are as follows:

	Laureate Education, Inc. Stockholders									
	Class A Common Stock		Class B Common Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Treasury stock at cost	Non- controlling interests	Total stockholders' equity
	Shares	Amount	Shares	Amount						
Balance at December 31, 2020	115,119	\$ 548	90,792	\$ 363	\$3,760,029	\$ (176,822)	\$ (941,986)	\$(365,316)	\$ (12,882)	\$ 2,263,934
Beginning retained earnings adjustment	—	—	—	—	—	(101)	—	—	—	(101)
Non-cash stock compensation	—	—	—	—	1,576	—	—	—	—	1,576
Conversion of Class B shares to Class A shares	17,248	69	(17,248)	(69)	—	—	—	—	—	—
Purchase of treasury stock at cost	(10,401)	—	—	—	—	—	—	(145,806)	—	(145,806)
Exercise of stock options and vesting of restricted stock, net of shares withheld to satisfy tax withholding	247	1	—	—	(1,223)	—	—	—	—	(1,222)
Accretion of redeemable noncontrolling interests and equity	—	—	—	—	(20)	—	—	—	—	(20)
Net loss	—	—	—	—	—	(164,928)	—	—	(15)	(164,943)
Foreign currency translation adjustment, net of tax of \$0	—	—	—	—	—	—	(59,743)	—	(18)	(59,761)
Minimum pension liability adjustment, net of tax of \$0	—	—	—	—	—	—	(168)	—	—	(168)
Balance at March 31, 2021	122,213	\$ 618	73,544	\$ 294	\$3,760,362	\$ (341,851)	\$ (1,001,897)	\$(511,122)	\$ (12,915)	\$ 1,893,489
Non-cash stock compensation	—	—	—	—	3,202	—	—	—	—	3,202
Conversion of Class B shares to Class A shares	2	—	(2)	—	—	—	—	—	—	—
Purchase of treasury stock at cost	(7,548)	—	—	—	—	—	—	(105,786)	—	(105,786)
Exercise of stock options and vesting of restricted stock, net of shares withheld to satisfy tax withholding	119	1	—	—	359	—	—	—	—	360
Accretion of redeemable noncontrolling interests and equity	—	—	—	—	(68)	—	—	—	—	(68)
Reclassification of redeemable noncontrolling interests and equity	—	—	—	—	—	—	—	—	(1)	(1)
Net loss	—	—	—	—	—	(29,000)	—	—	(224)	(29,224)
Foreign currency translation adjustment, net of tax of \$0	—	—	—	—	—	—	510,445	—	(2)	510,443
Minimum pension liability adjustment, net of tax of \$0	—	—	—	—	—	—	27	—	—	27
Balance at June 30, 2021	114,786	\$ 619	73,542	\$ 294	\$3,763,855	\$ (370,851)	\$ (491,425)	\$(616,908)	\$ (13,142)	\$ 2,272,442

The components of net changes in stockholders' equity for the fiscal quarters of 2020 are as follows:

Laureate Education, Inc. Stockholders										
	Class A Common Stock		Class B Common Stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock at cost	Non- controlling interests	Total stockholders' equity
	Shares	Amount	Shares	Amount						
Balance at December 31, 2019	119,575	\$ 542	90,831	\$ 363	\$3,724,636	\$ 436,509	\$ (1,073,981)	\$(271,106)	\$ (12,812)	\$ 2,804,151
Non-cash stock compensation	—	—	—	—	1,984	—	—	—	—	1,984
Conversion of Class B shares to Class A shares	18	—	(18)	—	—	—	—	—	—	—
Purchase of treasury stock at cost	(1,619)	—	—	—	—	—	—	(29,203)	—	(29,203)
Exercise of stock options and vesting of restricted stock, net of shares withheld to satisfy tax withholding	1,101	4	—	—	25,610	—	—	—	—	25,614
Accretion of redeemable noncontrolling interests and equity	—	—	—	—	(44)	—	—	—	—	(44)
Reclassification of redeemable noncontrolling interests and equity	—	—	—	—	—	—	—	—	38	38
Net income	—	—	—	—	—	99,615	—	—	(1,299)	98,316
Foreign currency translation adjustment, net of tax of \$0	—	—	—	—	—	—	(330,875)	—	759	(330,116)
Minimum pension liability adjustment, net of tax of \$0	—	—	—	—	—	—	(932)	—	—	(932)
Balance at March 31, 2020	119,075	\$ 546	90,813	\$ 363	\$3,752,186	\$ 536,124	\$ (1,405,788)	\$(300,309)	\$ (13,314)	\$ 2,569,808
Non-cash stock compensation	—	—	—	—	4,621	—	—	—	—	4,621
Exercise of stock options and vesting of restricted stock, net of shares withheld to satisfy tax withholding	132	1	—	—	(33)	—	—	—	—	(32)
Change in noncontrolling interests	—	—	—	—	—	—	—	—	3,471	3,471
Accretion of redeemable noncontrolling interests and equity	—	—	—	—	201	—	—	—	—	201
Reclassification of redeemable noncontrolling interests and equity	—	—	—	—	—	—	—	—	(414)	(414)
Net loss	—	—	—	—	—	(307,823)	—	—	(3,805)	(311,628)
Foreign currency translation adjustment, net of tax of \$0	—	—	—	—	—	—	14,102	—	(68)	14,034
Balance at June 30, 2020	119,207	\$ 547	90,813	\$ 363	\$3,756,975	\$ 228,301	\$ (1,391,686)	\$(300,309)	\$ (14,130)	\$ 2,280,061

Stock Repurchase Program

On November 5, 2020, Laureate's board of directors announced a new stock repurchase program to acquire up to \$300,000 of the Company's Class A common stock. On April 30, 2021, the Company's board of directors approved an increase of its existing authorization to repurchase shares of the Company's Class A common stock by \$200,000, for a total authorization (including the previously authorized repurchases) of up to \$500,000 of the Company's Class A common stock. The Company's repurchases may be made on the open market at prevailing market prices, in privately negotiated transactions, in block trades and/or through other legally permissible means, depending on market conditions and in accordance with applicable rules and regulations promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Repurchases may be effected pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act. The Company's board of directors will review the share repurchase program periodically and may authorize adjustment of its terms and size or suspend or discontinue the program. The Company expects to finance the repurchases with free cash flow, from excess cash and liquidity on-hand, or from its revolving credit facility, or a combination thereof. During the six months ended June 30, 2021, the Company repurchased 17,949 shares of its outstanding Class A common stock for a total purchase price of \$251,592.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) (AOCI) in our Consolidated Balance Sheets includes the accumulated translation adjustments arising from translation of foreign subsidiaries' financial statements, the unrealized gains on derivatives designated as cash flow hedges, and the accumulated net gains or losses that are not recognized as components of net periodic benefit cost for our minimum pension liability. The change in AOCI includes the removal of the cumulative translation adjustment related to subsidiaries that were sold during the period. The components of these balances were as follows:

	June 30, 2021			December 31, 2020		
	Laureate Education, Inc.	Noncontrolling Interests	Total	Laureate Education, Inc.	Noncontrolling Interests	Total
Foreign currency translation adjustment	\$ (500,754)	\$ 938	\$ (499,816)	\$ (951,456)	\$ 958	\$ (950,498)
Unrealized gain on derivatives	10,416	—	10,416	10,416	—	10,416
Minimum pension liability adjustment	(1,087)	—	(1,087)	(946)	—	(946)
Accumulated other comprehensive loss	\$ (491,425)	\$ 938	\$ (490,487)	\$ (941,986)	\$ 958	\$ (941,028)

Note 13. Derivative Instruments

In the normal course of business, our operations are exposed to fluctuations in foreign currency values and interest rate changes. We may seek to control a portion of these risks through a risk management program that includes the use of derivative instruments.

Prior to their repayment, the interest and principal payments for Laureate's senior long-term debt arrangements were primarily in USD. Our ability to make debt payments was subject to fluctuations in the value of the USD against foreign currencies, since a majority of our operating cash used to make these payments was generated by subsidiaries with functional currencies other than USD. As part of our overall risk management policies, Laureate has at times entered into foreign currency swap contracts and floating-to-fixed interest rate swap contracts. In addition, we occasionally enter into foreign exchange forward contracts to reduce the impact of other non-functional currency-denominated receivables and payables. We do not enter into speculative or leveraged transactions, nor do we hold or issue derivatives for trading purposes. We generally intend to hold our derivatives until maturity.

Laureate reports all derivatives at fair value. These contracts are recognized as either assets or liabilities, depending upon the derivative's fair value. Gains or losses associated with the change in the fair value of these swaps are recognized in our Consolidated Statements of Operations on a current basis over the term of the contracts, unless designated and effective as a hedge. For swaps that are designated and effective as cash flow hedges, gains or losses associated with the change in fair value of the swaps are recognized in our Consolidated Balance Sheets as a component of AOCI and amortized into earnings as a component of Interest expense over the term of the related hedged items. Upon early termination of an effective interest rate swap designated as a cash flow hedge, unrealized gains or losses are deferred in our Consolidated Balance Sheets as a component of AOCI and are amortized as an adjustment to Interest expense over the period during which the hedged forecasted transaction affects earnings. For derivatives that are both designated and effective as net investment hedges, gains or losses associated with the change in fair value of the derivatives are recognized on our Consolidated Balance Sheets as a component of AOCI.

The reported fair values of our derivatives, which are classified in Derivative instruments on our Consolidated Balance Sheets, were as follows:

	June 30, 2021	December 31, 2020
Derivatives not designated as hedging instruments:		
Current liabilities:		
Cross currency swaps	\$ —	\$ 17,680
Long-term liabilities:		
Cross currency swaps	—	8,144
Total derivative instrument assets	\$ —	\$ —
Total derivative instrument liabilities	\$ —	\$ 25,824

BRL to USD Foreign Currency Swaps

In November 2020, in connection with the signing of the sale agreement for its Brazilian operations, Laureate entered into six BRL-to-USD swap agreements. The purpose of these swaps was to mitigate the risk of foreign currency exposure on the expected proceeds from the sale. Two of the swaps were deal contingent, with the settlement date occurring on the second business day following the completion of the sale. On the settlement date, Laureate would deliver the combined notional amount of BRL 1,900,000 (BRL 950,000 for each swap) and receive an amount in USD equal to each swap's notional amount multiplied by each swap's contract rate of exchange at the settlement date. The remaining four swaps were originally put/call options with a maturity date of May 13, 2021, where Laureate could put the combined notional amount of BRL 1,875,000 and call a combined USD amount of \$343,783 at an exchange rate of 5.4540 BRL per 1 USD. The terms of these options included deferred premium payments from Laureate to the counterparties of \$18,294, which were paid in full in January 2021. During the second quarter of 2021, all four of these swaps were converted to be deal contingent, with the settlement date occurring on the second business day following the aforementioned sale. This conversion resulted in cash proceeds to Laureate of \$1,663. On the settlement date, Laureate would deliver the combined notional amount of BRL 1,875,000 and receive an amount in USD equal to each swap's notional amount multiplied by each swap's contract rate of exchange at the settlement date.

As discussed in Note 5, Dispositions, the sale of Laureate's Brazilian operations closed on May 28, 2021. Per the terms of the agreements, the swaps were settled on June 2, 2021, which resulted in a realized loss and net settlement amount paid to the counterparties at closing of \$33,710. As of December 31, 2020, these swaps were in a liability position and had an aggregate fair value of \$25,824, of which \$17,680 was recorded in Derivative instruments as a current liability and \$8,144 was recorded in Derivative instruments as a long-term liability. These swaps were not designated as hedges for accounting purposes.

Components of the reported Gain on derivatives not designated as hedging instruments in the Consolidated Statements of Operations were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
<i>Cross currency swaps</i>				
Unrealized (loss) gain	\$ (21,800)	\$ (802)	\$ 25,824	\$ —
Realized loss	(32,047)	(626)	(50,341)	(626)
Loss on derivatives, net	\$ (53,847)	\$ (1,428)	\$ (24,517)	\$ (626)

Credit Risk and Credit-Risk-Related Contingent Features

Laureate's derivatives expose us to credit risk to the extent that the counterparty may possibly fail to perform its contractual obligation. The amount of our credit risk exposure is equal to the fair value of the derivative when any of the derivatives are in a net gain position. Laureate limits its credit risk by only entering into derivative transactions with highly rated major financial institutions. We have not entered into collateral agreements with our derivatives' counterparties. As of June 30, 2021 and December 31, 2020, we did not hold any derivatives in a net gain position, and thus had no credit risk.

Laureate's agreements with its derivative counterparties contain a provision under which the Company could be declared in default on our derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to a default on the indebtedness. As of December 31, 2020, the Company had not breached any default provisions and had not posted any

collateral related to these agreements. If the Company had breached any of these provisions, it could have been required to settle the obligations under the derivative agreements for an amount that, at a maximum, the Company believes would approximate their estimated fair values as of December 31, 2020 of \$25,824.

Note 14. Income Taxes

Laureate's income tax provisions for all periods consist of federal, state and foreign income taxes. The tax provisions for the six months ended June 30, 2021 and 2020 are based on estimated full-year effective tax rates, adjusted for discrete income tax items related specifically to the interim periods. Laureate has operations in multiple countries at various statutory tax rates and other operations that are loss-making entities for which it is not more likely than not that a tax benefit will be realized on the loss.

For the six months ended June 30, 2021, the Company recognized income tax (expense) from continuing operations of \$(126,045), as compared to income tax benefit from continuing operations of \$221,315 in the prior year period. Income tax expense for the six months ended June 30, 2021 was primarily driven by changes in income tax reserves, withholding taxes and jurisdictional mix of earnings offset by the benefit for pretax loss for the period. Income tax benefit for the six months ended June 30, 2020 was primarily driven by the benefit recorded due to the change in tax status of a Netherlands subsidiary, the pretax loss for the period and jurisdictional mix of earnings.

During the first quarter of 2021, the Company recorded an out-of-period adjustment of approximately \$12,400 for income tax expense that should have been recorded during 2016 through 2020. The Company concluded that the adjustment was immaterial to the consolidated financial statements for both the current and prior-periods.

Note 15. Earnings (Loss) Per Share

Our common stock has a dual class structure, consisting of Class A common stock and Class B common stock. Other than voting rights, the Class B common stock has the same rights as the Class A common stock, and therefore both are treated as the same class of stock for purposes of the earnings per share calculation. Laureate computes basic earnings per share (EPS) by dividing income available to common shareholders by the weighted average number of common shares outstanding for the reporting period. Diluted EPS reflects the potential dilution that would occur if share-based compensation awards, contingently issuable shares, or convertible securities were exercised or converted into common stock. To calculate the diluted EPS, the basic weighted average number of shares is increased by the dilutive effect of stock options, restricted stock, restricted stock units, and any contingently issuable shares determined using the treasury stock method, and any convertible securities using the if-converted method.

The following tables summarize the computations of basic and diluted earnings (loss) per share:

For the three months ended June 30,	2021	2020
Numerator used in basic and diluted earnings (loss) per common share for continuing operations:		
Loss from continuing operations	\$ (115,885)	\$ (11,559)
Loss attributable to noncontrolling interests	2	27
Loss from continuing operations attributable to Laureate Education, Inc.	(115,883)	(11,532)
Accretion of redemption value of redeemable noncontrolling interests and equity	(68)	201
Net loss from continuing operations for basic and diluted earnings (loss) per share	\$ (115,951)	\$ (11,331)
Numerator used in basic and diluted earnings (loss) per common share for discontinued operations:		
Income (loss) from discontinued operations, net of tax	\$ 86,661	\$ (300,069)
Loss attributable to noncontrolling interests	222	3,778
Net income (loss) from discontinued operations for basic and diluted earnings (loss) per share	\$ 86,883	\$ (296,291)
Denominator used in basic and diluted earnings (loss) per common share:		
Basic and diluted weighted average shares outstanding	191,990	209,929
Basic and diluted earnings (loss) per share:		
Loss from continuing operations	\$ (0.60)	\$ (0.05)
Income (loss) from discontinued operations	0.45	(1.41)
Basic and diluted loss per share	\$ (0.15)	\$ (1.46)

For the six months ended June 30,	2021	2020
Numerator used in basic and diluted earnings (loss) per common share for continuing operations:		
(Loss) income from continuing operations	\$ (280,410)	\$ 194,537
Loss attributable to noncontrolling interests	27	38
(Loss) income from continuing operations attributable to Laureate Education, Inc.	(280,383)	194,575
Accretion of redemption value of redeemable noncontrolling interests and equity	(88)	157
Net (loss) income from continuing operations for basic and diluted earnings (loss) per share	\$ (280,471)	\$ 194,732
Numerator used in basic and diluted earnings (loss) per common share for discontinued operations:		
Income (loss) from discontinued operations, net of tax	\$ 86,243	\$ (407,849)
Loss attributable to noncontrolling interests	212	5,066
Net income (loss) from discontinued operations for basic and diluted earnings (loss) per share	\$ 86,455	\$ (402,783)
Denominator used in basic and diluted earnings (loss) per common share:		
Basic weighted average shares outstanding	196,085	209,863
Dilutive effect of restricted stock units	—	187
Diluted weighted average shares outstanding	196,085	210,050
Basic and diluted earnings (loss) per share:		
(Loss) income from continuing operations	\$ (1.43)	\$ 0.93
Income (loss) from discontinued operations	0.44	(1.92)
Basic and diluted loss per share	\$ (0.99)	\$ (0.99)

The following table summarizes the number of stock options and shares of restricted stock units that were excluded from the diluted EPS calculations because the effect would have been antidilutive:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Stock options	3,256	4,100	3,324	4,391
Restricted stock units	776	747	688	355

Note 16. Legal and Regulatory Matters

Laureate is subject to legal proceedings arising in the ordinary course of business. In management's opinion, we have adequate legal defenses, insurance coverage, and/or accrued liabilities with respect to the eventuality of these actions. Management believes that any settlement would not have a material impact on Laureate's financial position, results of operations, or cash flows.

Our institutions are subject to uncertain and varying laws and regulations, and any changes to these laws or regulations or their application to us may materially adversely affect our business, financial condition and results of operations. For example, in recent years, the DOE has proposed or promulgated a substantial number of new regulations that impact Walden University, including, but not limited to, borrower defense to repayment, state authorization and financial responsibility. Changes in or new interpretations of applicable laws, DOE rules, or regulations could have a material adverse effect on Walden University's eligibility to participate in the Title IV programs. Except as set forth below, there have been no material changes to the laws and regulations affecting our higher education institutions that are described in our Annual Report on Form 10-K for the year ended December 31, 2020.

Continuing Operations

Mexican Regulation – COVID-19 Update

Administrative activities have resumed at most of our campuses. Limited face-to-face educational activities have resumed at 18 campuses. Further activities will not be permitted to resume until the region (municipality or state) in which a campus is located is assigned a green color code under the country's color-coded sanitary alert system, which is updated on a biweekly basis.

Peruvian Regulation – COVID-19 Update

Peru's national sanitary emergency has been extended until August 31, 2021, and may be extended again. Due to the easing of the second wave of COVID-19, Peru has reduced its region-by-region confinement plan. Currently, no province qualifies as "in extreme status." Lima has been qualified as "high status," which limits presential activities, as well as in-person instruction. The government has announced that face-to-face classes may resume next year, initially semi-presential. The actual resumption of classes will depend upon COVID-19 infection rates at such time.

Discontinued Operations

U.S. Regulation

Department of Justice Notice of Election to Decline Intervention

On April 28, 2021, the Company was notified that the Civil Division of the United States Department of Justice (the DOJ), on behalf of the United States, had filed a Notice of Election to Decline Intervention (the Notice) with respect to a civil qui tam action filed by third-party relators (the Relators) against Walden University and the Company. It was this action that prompted the DOJ's examination of Walden University's Masters of Science in Nursing program. The DOJ's investigation into this matter has now concluded. Further, as previously disclosed by the Company, the Higher Learning Commission (HLC) had informed Walden University that a public "Governmental Investigation" designation would be assigned to Walden University due to the DOJ inquiry; such designation became effective on November 9, 2020. Effective as of May 3, 2021, the HLC removed such designation.

The Relators filed on July 23, 2021 a voluntary Motion to Dismiss the complaint and the DOJ filed a concurring motion. We have no reason to believe that the district court judge will not grant the Motion. Although such Motion would permit the relators to refile at a later date, we consider the matter closed. If the Relators take the extraordinary step to re-file, the Company will vigorously defend Walden University's interests. The Company maintains that Walden University has not engaged in any unlawful conduct or other wrongdoing that would serve as a basis for any liability or damages claimed in the complaint.

Note 17. Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. Accounting standards utilize a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels, which are described below:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 – Observable inputs other than quoted prices that are either directly or indirectly observable for the asset or liability;
- Level 3 – Unobservable inputs that are supported by little or no market activity.

These levels are not necessarily an indication of the risk of liquidity associated with the financial assets or liabilities disclosed. In instances where the determination of fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety, as required under ASC 820-10, "Fair Value Measurement." Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Derivative instruments

Laureate uses derivative instruments as economic hedges for bank debt, foreign exchange fluctuations and interest rate risk. Their values are derived using valuation models commonly used for derivatives. These valuation models require a variety of inputs, including contractual terms, market prices, forward-price yield curves, notional quantities, measures of volatility and correlations of such inputs. Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by ourself and our counterparties. We have determined that the significance of the impact of the credit valuation adjustments made to our derivative contracts, which determination was based on the fair value of each individual contract, was not significant to the overall valuation. As a result, all of our derivatives held as of December 31, 2020 were classified as Level 2 of the fair value hierarchy.

As of June 30, 2021, Laureate did not hold any financial assets or liabilities that are measured at fair value on a recurring basis.

Laureate's financial assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2020 were as follows:

	Total	Level 1	Level 2	Level 3
Assets				
Derivative instruments	\$ —	\$ —	\$ —	\$ —
Liabilities				
Derivative instruments	\$ 25,824	\$ —	\$ 25,824	\$ —

Note 18. Supplemental Cash Flow Information

Reconciliation of Cash and cash equivalents and Restricted cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Balance Sheets, as well as the June 30, 2020 balance. The June 30, 2021 and June 30, 2020 balances sum to the amounts shown in the Consolidated Statements of Cash Flows for the six months ended June 30, 2021 and 2020:

	June 30, 2021	June 30, 2020	December 31, 2020
Cash and cash equivalents	\$ 427,142	\$ 284,008	\$ 750,147
Restricted cash	106,770	33,122	117,151
Total Cash and cash equivalents and Restricted cash shown in the Consolidated Statements of Cash Flows	\$ 533,912	\$ 317,130	\$ 867,298

Restricted cash includes cash equivalents held to collateralize standby letters of credit. In addition, Laureate may at times hold a United States deposit for a letter of credit in lieu of a surety bond, or otherwise have cash that is not immediately available for use in current operations. See also Note 10, Commitments and Contingencies.

Note 19. Subsequent Events

Spanish Tax Audits-National Court Decision

On July 22, 2021, the Spanish National Court issued a decision on the Company's appeal regarding the Spanish Taxing Authority's (STA) audits of Iniciativas Culturales de España, S.L. (ICE), our former Spanish holding company, for the fiscal years 2006-2007 and 2008-2010. Based on our understanding of the decision, the matter is not yet resolved in favor of either the Company or the STA. The National Court decision can be appealed by the Company or the STA. The Company is evaluating its options, including an appeal to the Spanish Supreme Court, and awaiting further actions by the STA in reaction to the court decision. The Company does not believe that this matter will have a material effect on its consolidated financial statements.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q (this Form 10-Q) contains “forward-looking statements” within the meaning of the federal securities laws, which involve risks and uncertainties. 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 estimated and projected earnings, costs, expenditures, cash flows, growth rates and financial results, and all statements we make relating to (i) 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, (ii) our planned divestitures, the expected proceeds generated therefrom, the expected reduction in revenue resulting therefrom and any resulting litigation or dispute therewith, (iii) anticipated share repurchases, 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, including, without limitation, in conjunction with the forward-looking statements included in this Form 10-Q, are disclosed in “Item 1—Business,” and “Item 1A—Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (the 2020 Form 10-K). Some of the factors that we believe could affect our results include:

- the risks associated with operating our portfolio of degree-granting higher education institutions in Mexico and Peru, including complex business, foreign currency, political, legal, regulatory, tax and economic risks;
- our ability to maintain and, subsequently, increase tuition rates and student enrollments in our institutions;
- our ability to successfully complete previously announced divestitures;
- the risks associated with our exploration of strategic alternatives, including possible disruption to our ongoing businesses and increased transaction-related expenses;
- the risks and uncertainties related to the long-term effect to the Company of the COVID-19 pandemic and its resurgence, including, but not limited to, its effect on student enrollment, tuition pricing, and collections in future periods;
- our ability to effectively manage the growth of our business and increase our operating leverage;
- the effect of existing international and U.S. laws and regulations governing our business or changes to those laws and regulations or in their application to our business;
- changes in the political, economic and business climate in the markets in which we operate;
- risks of downturns in general economic conditions and in the educational services and education technology industries that could, among other things, impair our goodwill and intangible assets;
- possible increased competition from other educational service providers;
- market acceptance of new service offerings by us or our competitors and our ability to predict and respond to changes in the markets for our educational services;
- the effect on our business and results of operations from fluctuations in the value of foreign currencies;
- our ability to attract and retain key personnel;
- the fluctuations in revenues due to seasonality;
- information technology system disruptions, unauthorized access, data security breaches, cyberattacks, ransomware attacks, other security threats or the costs associated with protection against and the remediation of the foregoing;
- our ability to maintain proper and effective internal controls necessary to produce accurate financial statements on a timely basis;

- our focus on a specific public benefit purpose and producing a positive effect for society may negatively influence our financial performance; and
- the future trading prices of our Class A common stock and the impact of any securities analysts' reports on these prices.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this Form 10-Q may not in fact occur. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Introduction

This Management's Discussion and Analysis of Financial Condition and Results of Operations (the MD&A) is provided to assist readers of the financial statements in understanding the results of operations, financial condition and cash flows of Laureate Education, Inc. This MD&A should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this Form 10-Q. The consolidated financial statements included elsewhere in this Form 10-Q are presented in U.S. dollars (USD) rounded to the nearest thousand, with the amounts in MD&A rounded to the nearest tenth of a million. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding. Our MD&A is presented in the following sections:

- Overview;
- Results of Operations;
- Liquidity and Capital Resources;
- Critical Accounting Policies and Estimates; and
- Recently Adopted Accounting Standards.

Overview

Our Business

We operate a portfolio of degree-granting higher education institutions in Mexico and Peru. Collectively, we have approximately 349,200 students enrolled at five institutions in these two countries, which represent our Continuing Operations as of June 30, 2021. We believe that the higher education markets in Mexico and Peru present an attractive long-term opportunity, primarily because of the large and growing imbalance between the supply and demand for affordable, quality higher education in those markets. We believe that the combination of the projected growth in the middle class, limited government resources dedicated to higher education, and a clear value proposition demonstrated by the higher earnings potential afforded by higher education, creates substantial opportunities for high-quality private institutions to meet this growing and unmet demand. By offering high-quality, outcome-focused education, we believe that we enable students to prosper and thrive in the dynamic and evolving knowledge economy. We have two reportable segments as described below. We group our institutions by geography in Mexico and Peru (formerly Andean) for reporting purposes.

COVID-19

In response to the COVID-19 pandemic, we have temporarily transitioned the educational delivery method at all of our campus-based institutions to be online and are leveraging our existing technologies and learning platforms to serve students outside of the traditional classroom setting.

The outbreak of COVID-19 has caused domestic and global disruption in operations for institutions of higher education. The long-term effect to the Company of the COVID-19 pandemic depends on numerous factors, including, but not limited to, the effect on student enrollment, tuition pricing, and collections in future periods, which cannot be fully quantified at this time. In addition, regulatory activity in response to COVID-19 could have an adverse effect on our business if, for example, legislation was passed to suspend or reduce student tuition payments in any of the markets in which we operate. As a result, the full impact of COVID-19 and the scope of any adverse effect on the Company's operations, including any potential impairments, which could be material, cannot be fully determined at this time. See also "Item 1A—Risk Factors—An epidemic, pandemic or other public health emergency, such as the recent outbreak of a novel strain of coronavirus (COVID-19), could have a material adverse effect on our business, financial condition, cash flows and results of operations" in our 2020 Form 10-K.

Discontinued Operations

In 2017 and 2018, the Company announced the divestiture of certain subsidiaries located in Europe, Asia and Central America, which were included in the following segments: Peru (formerly Andean), Central America (formerly Central America & U.S. Campuses), and Rest of World. The goal of the divestitures was to create a more focused and simplified business model and generate proceeds to be used for further repayment of long-term debt. This represented a strategic shift that had a major effect on the Company's operations and financial results. Accordingly, all of the divestitures that were part of this strategic shift, as well as the Company's operations in the Kingdom of Saudi Arabia that were managed under a contract that expired on August 31, 2019 and was not renewed, were accounted for as Discontinued Operations for all periods presented in accordance with Accounting Standards Codification (ASC) 205-20, "Discontinued Operations" (ASC 205).

On January 27, 2020, we announced that our board of directors had authorized the Company to explore strategic alternatives for each of its businesses to unlock shareholder value. As a result of these efforts to explore strategic alternatives, during the third quarter of 2020, the Company announced that it had completed a sale of its operations in Chile and had signed agreements to sell its operations in Brazil, Australia and New Zealand, as well as Walden University, its fully online higher education institution in the United States. This also represented a strategic shift that had a major effect on the Company's operations and financial results. As such, Chile, Brazil, Australia and New Zealand, and Walden also have been accounted for as Discontinued Operations for all periods presented in accordance with ASC 205. The sale of our operations in Australia and New Zealand was completed on November 3, 2020, and the sale of our operations in Brazil was completed on May 28, 2021. For Laureate's institutions in Mexico and Peru, the board decided after a thorough evaluation of all strategic options, including a potential sale, to continue to operate these assets under Laureate management. Accordingly, Mexico and Peru represent our Continuing Operations. The decision to focus on a regional operating model in Mexico and Peru at this time does not preclude further engagement with potential buyers for those businesses. See Note 4, Discontinued Operations and Assets Held for Sale, and Note 5, Dispositions, for more information. Unless indicated otherwise, the information in the footnotes to the Consolidated Financial Statements relates to Continuing Operations.

Our Discontinued Operations are excluded from the segments information for all periods presented, as they no longer meet the criteria for a reportable segment under ASC 280, "Segment Reporting." Unless indicated otherwise, the information in the MD&A relates to Continuing Operations.

The Company began closing sale transactions in the first quarter of 2018. We have not yet completed the divestiture of Walden University, which has a signed sale agreement pending closure. The sale of Walden University is expected to close during the third quarter of 2021. See also Note 4, Discontinued Operations and Assets Held for Sale, and Note 5, Dispositions, in our consolidated financial statements included elsewhere in this Form 10-Q.

Our Segments

Our segments generate revenues by providing an education that emphasizes profession-oriented fields of study with undergraduate and graduate degrees in a wide range of disciplines. Our educational offerings are increasingly utilizing online and hybrid (a combination of online and in-classroom) courses and programs to deliver their curriculum. In response to the COVID-19 pandemic, we have temporarily transitioned the educational delivery method at all of our institutions to be online and are leveraging our existing technologies and learning platforms to serve students outside of the traditional classroom setting. The Mexico and Peru markets are characterized by what we believe is a significant imbalance between supply and demand. The demand for higher education is large and growing and is fueled by several demographic and economic factors, including a growing middle class, global growth in services and technology-related industries and recognition of the significant personal and economic benefits gained by graduates of higher education institutions. The target demographics are primarily 18- to 24-year-olds in the countries in which we compete. We compete with other private higher education institutions on the basis of price, educational quality, reputation and location. We believe that we compare favorably with competitors because of our focus on quality, professional-oriented curriculum and the competitive advantages provided by our network. There are a number of private and public institutions in both of the countries in which we operate, and it is difficult to predict how the markets will evolve and how many competitors there will be in the future. We expect competition to increase as the Mexican and Peruvian markets mature. Essentially all of our revenues were generated from private pay sources as there are no material government-sponsored loan programs in Mexico or Peru. Specifics related to both of our reportable segments are discussed below:

- Private education providers in Mexico constitute 35% of the total higher-education market. The private sector plays a meaningful role in higher education, bridging supply and demand imbalances created by a lack of capacity at public universities. Laureate owns two institutions and is present throughout the country with a footprint of over 35 campuses.

Each institution in Mexico has a national license. Students in our Mexican institutions typically finance their own education.

- In Peru, private universities are increasingly providing the capacity to meet growing demand and constitute 72% of the total higher-education market. Laureate owns three institutions in Peru.

Corporate is a non-operating business unit whose purpose is to support operations. Its departments are responsible for establishing operational policies and internal control standards, implementing strategic initiatives, and monitoring compliance with policies and controls throughout our operations. Our Corporate segment is an internal source of capital and provides financial, human resource, information technology, insurance, legal, and tax compliance services. The Corporate segment also contains the eliminations of intersegment revenues and expenses.

The following information for our reportable segments in continuing operations is presented as of June 30, 2021:

	Institutions	Enrollment	2021 YTD Revenues (\$ in millions)⁽¹⁾	% Contribution to 2021 YTD Revenues
Mexico	2	169,600	\$ 259.7	50 %
Peru	3	179,600	259.2	50 %
Total ⁽¹⁾	5	349,200	\$ 522.3	100 %

⁽¹⁾ Amounts related to Corporate, partially offset by the elimination of intersegment revenues, totaled \$3.4 million and are not separately presented.

Challenges

Our operations are subject to complex business, economic, legal, regulatory, political, tax and foreign currency risks, which may be difficult to adequately address. The majority of our operations are outside the United States. As a result, we face risks that are inherent in international operations, including: fluctuations in exchange rates, possible currency devaluations, inflation and hyper-inflation; price controls and foreign currency exchange restrictions; potential economic and political instability in the countries in which we operate; expropriation of assets by local governments; key political elections and changes in government policies; multiple and possibly overlapping and conflicting tax laws; and compliance with a wide variety of foreign laws. See “Item 1A—Risk Factors—Risks Relating to Our Business—We operate a portfolio of degree-granting higher education institutions in Mexico and Peru and are subject to complex business, economic, legal, political, tax and foreign currency risks, which risks may be difficult to adequately address,” in our 2020 Form 10-K. There are also risks associated with our decision to divest certain operations. See “Item 1A—Risk Factors—Risks Relating to Our Business—Our exploration of strategic alternatives and our activities related to previously announced divestitures may disrupt our ongoing businesses, result in increased expenses and present certain risks to the Company” in our 2020 Form 10-K. We plan to grow our continuing operations organically by: 1) adding new programs and course offerings; 2) expanding target student demographics; and 3) increasing capacity at existing and new campus locations. Our success in growing our business will depend on the ability to anticipate and effectively manage these and other risks related to operating in various countries.

Regulatory Environment and Other Matters

Our business is subject to varying laws and regulations based on the requirements of local jurisdictions. These laws and regulations are subject to updates and changes. We cannot predict the form of the rules that ultimately may be adopted in the future or what effects they might have on our business, financial condition, results of operations and cash flows. We will continue to develop and implement necessary changes that enable us to comply with such laws and regulations. See also “Item 1A—Risk Factors—Risks Relating to Our Business—Our institutions are subject to uncertain and varying laws and regulations, and any changes to these laws or regulations or their application to us may materially adversely affect our business, financial condition and results of operations,” “Risk Factors—Risks Relating to Walden University, which is included in our Discontinued Operations, and the Highly Regulated Higher Education Industry in the United States,” and “Item 1—Business—Industry Regulation” in our 2020 Form 10-K for a detailed discussion of our different regulatory environments.

Key Business Metric

Enrollment

Enrollment is our lead revenue indicator and represents our most important non-financial metric. We define “enrollment” as the number of students registered in a course on the last day of the enrollment reporting period. New enrollments provide an

indication of future revenue trends. Total enrollment is a function of continuing student enrollments, new student enrollments and enrollments from acquisitions, offset by graduations, attrition and enrollment decreases due to dispositions. Attrition is defined as a student leaving the institution before completion of the program. To minimize attrition, we have implemented programs that involve assisting students in remedial education, mentoring, counseling and student financing.

Each of our institutions has an enrollment cycle that varies by geographic region and academic program. Each institution has a “Primary Intake” period during each academic year in which the majority of the enrollment occurs. Most institutions also have one or more smaller “Secondary Intake” periods. Our Peruvian institutions have their Primary Intake during the first calendar quarter and a Secondary Intake during the third calendar quarter. Institutions in our Mexico segment have their Primary Intake during the third calendar quarter and a Secondary Intake during the first calendar quarter. Our institutions in Peru are generally out of session in January, February and July, while institutions in Mexico are generally out of session in May through July. Revenues are recognized when classes are in session.

Principal Components of Income Statement

Revenues

The majority of our revenue is derived from tuition and educational services. The amount of tuition generated in a given period depends on the price per credit hour and the total credit hours or price per program taken by the enrolled student population. The price per credit hour varies by program, by market and by degree level. Additionally, varying levels of discounts and scholarships are offered depending on market-specific dynamics and individual achievements of our students. Revenues are recognized net of scholarships, other discounts, refunds, waivers and the fair value of any guarantees made by Laureate related to student financing programs. In addition to tuition revenues, we generate other revenues from student fees, dormitory/residency fees and other education-related activities. These other revenues are less material to our overall financial results and have a tendency to trend with tuition revenues. The main drivers of changes in revenues between periods are student enrollment and price. We continually monitor market conditions and carefully adjust our tuition rates to meet local demand levels. We proactively seek the best price and content combinations to remain competitive in all the markets in which we operate.

Direct Costs

Our direct costs include labor and operating costs associated with the delivery of services to our students, including the cost of wages, payroll taxes and benefits, depreciation and amortization, rent, utilities, bad debt expenses, and marketing and promotional costs to grow future enrollments. In general, a significant portion of our direct costs tend to be variable in nature and trend with enrollment, and management continues to monitor and improve the efficiency of instructional delivery. Conversely, as campuses expand, direct costs may grow faster than enrollment growth as infrastructure investments are made in anticipation of future enrollment growth.

General and Administrative Expenses

Our general and administrative expenses primarily consist of costs associated with corporate departments, including executive management, finance, legal, business development and other departments that do not provide direct operational services.

Factors Affecting Comparability

Acquisitions

Our past experiences provide us with the expertise to further our mission of providing high-quality, accessible and affordable higher education to students by expanding into new markets if opportunities arise, primarily through acquisitions. Acquisitions have historically affected the comparability of our financial statements from period to period. Acquisitions completed during one period impact comparability to a prior period in which we did not own the acquired entity. Therefore, changes related to such entities are considered “incremental impact of acquisitions” for the first 12 months of our ownership. We have not made any acquisitions thus far in 2021, and we did not make any acquisitions in 2020.

Dispositions

Any dispositions of our Continuing Operations affect the comparability of our financial statements from period to period. Dispositions completed during one period impact comparability to a prior period in which we owned the divested entity. Therefore, changes related to such entities are considered “incremental impact of dispositions” for the first 12 months

subsequent to the disposition. As discussed above, all of the divestitures that are part of the strategic shifts are included in Discontinued Operations for all periods presented.

Foreign Exchange

Institutions in our Continuing Operations are located outside the United States. These institutions enter into transactions in currencies other than USD and keep their local financial records in a functional currency other than the USD. We monitor the impact of foreign currency movements and the correlation between the local currency and the USD. Our revenues and expenses are generally denominated in local currency. The USD is our reporting currency and our subsidiaries operate in other functional currencies, namely the Mexican peso and Peruvian nuevo sol. The principal foreign exchange exposure is the risk related to the translation of revenues and expenses incurred in each country from the local currency into USD. See “Item 1A—Risk Factors—Risks Relating to Our Business—Our reported revenues and earnings may be negatively affected by the strengthening of the U.S. dollar and currency exchange rates” in our 2020 Form 10-K. In order to provide a framework for assessing how our business performed excluding the effects of foreign currency fluctuations, we present organic constant currency in our segment results, which is calculated using the change from prior-year average foreign exchange rates to current-year average foreign exchange rates, as applied to local-currency operating results for the current year, and then excludes the impact of acquisitions, divestitures and other items, as described in the segments results.

Seasonality

Institutions in our network have a summer break during which classes are generally not in session and minimal revenues are recognized. In addition to the timing of summer breaks, holidays such as Easter also have an impact on our academic calendar. Operating expenses, however, do not fully correlate to the enrollment and revenue cycles, as the institutions continue to incur expenses during summer breaks. Given the geographic diversity of our institutions and differences in timing of summer breaks, our second and fourth quarters are stronger revenue quarters as the majority of our institutions are in session for most of these respective quarters. Our first and third fiscal quarters are weaker revenue quarters because our institutions have summer breaks for some portion of one of these two quarters. However, our primary enrollment intakes occur during the first and third quarters. Due to this seasonality, revenues and profits in any one quarter are not necessarily indicative of results in subsequent quarters and may not be correlated to new enrollment in any one quarter. Additionally, seasonality may be affected due to other events, such as the COVID-19 pandemic, which changed the academic calendar at many of our institutions. See “Item 1A—Risk Factors—Risks Relating to Our Business—We experience seasonal fluctuations in our results of operations” in our 2020 Form 10-K.

Income Tax Expense

Our consolidated income tax provision is derived based on the combined impact of federal, state and foreign income taxes. Also, discrete items can arise in the course of our operations that can further impact the Company’s effective tax rate for the period. Our tax rate fluctuates from period to period due to changes in the mix of earnings between our tax-paying entities and our loss-making entities for which it is not 'more likely than not' that a tax benefit will be realized on the loss. See “Item 1A—Risk Factors—Risks Relating to Our Business—We may have exposure to greater-than-anticipated tax liabilities” in our 2020 Form 10-K.

Results from the Discontinued Operations

The results of operations of our Discontinued Operations for the three and six months ended June 30, 2021 and 2020 were as follows:

<i>(in millions)</i>	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Revenues	\$ 232.1	\$ 513.4	\$ 471.9	\$ 882.9
Depreciation and amortization expense	—	(22.0)	—	(46.5)
Share-based compensation expense	(0.6)	(0.9)	(0.8)	(1.3)
Other direct costs	(171.5)	(350.8)	(372.7)	(729.7)
Loss on impairment of assets	(0.2)	(421.3)	(1.3)	(421.3)
Other non-operating expense	(4.4)	(10.0)	(15.6)	(65.1)
Gain (loss) on sale of discontinued operations before taxes, net	30.1	(11.4)	13.3	(35.0)
Pretax income (loss) of discontinued operations	85.6	(303.1)	94.8	(416.1)
Income tax benefit (expense)	1.1	3.0	(8.6)	8.2
Income (loss) from discontinued operations, net of tax	\$ 86.7	\$ (300.1)	\$ 86.2	\$ (407.8)

Six Months Ended June 30, 2021

On March 8, 2021, we sold our operations in Honduras, which resulted in an after-tax loss of \$1.7 million, including a working capital adjustment during the second quarter of 2021.

On January 25, 2018, we completed the sale of LEI Lie Ying Limited in China. At the closing of the sale, a portion of the total transaction value was paid into an escrow account, to be distributed to the Company pursuant to the terms and conditions of the escrow agreement. During the first quarter of 2021, the Company adjusted the final receivable balance from the escrow account of 168.3 million Hong Kong Dollars (approximately \$21.7 million at the date of receipt in April 2021), which resulted in a pre-tax gain of approximately \$13.6 million.

During the first quarter of 2021, we recorded a loss of approximately \$32.4 million in order to adjust the carrying value of our Brazil disposal group to its estimated fair value less costs to sell as of March 31, 2021. This loss is included in Gain (loss) on sale of discontinued operations before taxes, net.

On May 28, 2021, we completed the sale of our operations in Brazil, which resulted in pre-tax gain of \$27.5 million.

Six Months Ended June 30, 2020

On January 10, 2020, we sold our operations in Costa Rica, which resulted in a pre-tax loss of approximately \$18.6 million.

On March 6, 2020, we sold the operations of NewSchool of Architecture and Design, LLC (NSAD), which resulted in a pre-tax loss of approximately \$5.7 million.

During the second quarter of 2020, we recorded impairment charges of \$418.0 million related to our Chilean operations, in order to write down the carrying value of their assets to their estimated fair value, and \$3.3 million related to the Brazil enrollment to graduation (E2G) software assets. We also recorded a loss of \$10.0 million on the held-for-sale Honduras disposal group, in order to write down the carrying value of the group to its estimated fair value, which is included in Gain (loss) on sale of discontinued operations before taxes, net.

Results of Operations

The following discussion of the results of our operations is organized as follows:

- Summary Comparison of Consolidated Results;
- Non-GAAP Financial Measure; and
- Segment Results.

Summary Comparison of Consolidated Results

Discussion of Significant Items Affecting the Consolidated Results for the Six Months Ended June 30, 2021 and 2020

Six Months Ended June 30, 2021

In March 2021, the Company decided that, during 2021, it would wind down certain support functions related to the Laureate network and would no longer invest in and support the tradename beyond 2021. As a result, the Company tested the asset for impairment and estimated the fair value of the tradename asset using the relief-from-royalty method, based on the projected revenues for each business over the estimated remaining useful life of the asset. As a result of the impairment test, the Company concluded that the estimated fair value of the Laureate tradename was less than its carrying value by approximately \$51.4 million and recorded an impairment charge for that amount.

During the second quarter of 2021, we fully repaid the remaining balance outstanding under our Senior Notes due 2025 using a portion of the proceeds received from the sales of our operations in Australia and New Zealand and Brazil. In connection with the debt repayment, the Company recorded a loss on debt extinguishment of \$77.9 million, related to the redemption premium paid and the write off of the unamortized deferred financing costs associated with the repaid debt balances. This loss is included in other non-operating expense in the tables below.

In November 2020, in connection with the signing of the sale agreement for our Brazil operations, the Company entered into six BRL-to-USD swap agreements to mitigate the risk of foreign currency exposure on the expected proceeds from the sale. The sale of our Brazil operations closed on May 28, 2021. On June 2, 2021, the Company settled the swap agreements, which resulted in a realized loss on derivatives of \$24.5 million. This loss is included in other non-operating expense in the tables below.

Six Months Ended June 30, 2020

During the first quarter of 2020, the Company recorded an impairment charge of \$3.8 million primarily related to the write-off of capitalized curriculum development costs for a program that the Company decided to stop developing.

During the second quarter of 2020, the Company recorded an impairment charge of approximately \$23.8 million related to the Brazil E2G software assets that were recorded on the Corporate segment.

Comparison of Consolidated Results for the Three Months Ended June 30, 2021 and 2020

<i>(in millions)</i>	2021	2020	% Change Better/(Worse) 2021 vs. 2020
Revenues	\$ 327.6	\$ 303.9	8 %
Direct costs	213.3	207.8	(3)%
General and administrative expenses	49.4	43.1	(15)%
Loss on impairment of assets	7.2	23.8	70 %
Operating income	57.7	29.1	98 %
Interest expense, net of interest income	(13.0)	(25.4)	49 %
Other non-operating expense	(147.3)	(6.5)	nm
Loss from continuing operations before income taxes	(102.7)	(2.8)	nm
Income tax expense	(13.2)	(8.7)	(52)%
Loss from continuing operations	(115.9)	(11.6)	nm
Income (loss) from discontinued operations, net of tax	86.7	(300.1)	129 %
Net loss	(29.2)	(311.6)	91 %
Net loss attributable to noncontrolling interests	0.2	3.8	95 %
Net loss attributable to Laureate Education, Inc.	\$ (29.0)	\$ (307.8)	91 %

nm - percentage changes not meaningful

For further details on certain discrete items discussed below, see “Discussion of Significant Items Affecting the Consolidated Results.”

Comparison of Consolidated Results for the Three Months Ended June 30, 2021 to the Three Months Ended June 30, 2020

Revenues increased by \$23.7 million to \$327.6 million for the three months ended June 30, 2021 (the 2021 fiscal quarter) from \$303.9 million for the three months ended June 30, 2020 (the 2020 fiscal quarter). Average total organic enrollment at a majority of our institutions increased during the 2021 fiscal quarter, mainly in the Peru segment, increasing revenues by \$26.7 million compared to the 2020 fiscal quarter. Additionally, the effect of changes in tuition rates and enrollments in programs at varying price points (product mix), pricing and timing increased revenues by \$0.9 million compared to the 2020 fiscal quarter. Other Corporate and Eliminations changes accounted for an increase in revenues of \$0.2 million. These increases in revenues were partially offset by the effect of a net change in foreign currency exchange rates, which decreased revenues by \$4.1 million, driven by the weakening of the Peruvian Nuevo Sol against the USD.

Direct costs and general and administrative expenses combined increased by \$11.8 million to \$262.7 million for the 2021 fiscal quarter from \$250.9 million for the 2020 fiscal quarter. The effect of a net change in foreign currency exchange rates increased costs by \$6.2 million. The effect of operational changes increased costs by \$5.8 million, which primarily represents the net effect of increased operating costs in Peru attributable to higher enrollment and higher amortization expense at Corporate, mostly related to the amortization of the finite-lived tradename, partially offset by a decrease in EiP expenses. Additionally, changes in acquisition-related contingent liabilities for taxes other-than-income tax, net of changes in recorded indemnification assets resulted in a year-over-year increase in direct costs of \$0.7 million. These increases in direct costs were partially offset by other Corporate and Eliminations expenses, which accounted for a decrease in costs of \$0.9 million.

Operating income increased by \$28.6 million to \$57.7 million for the 2021 fiscal quarter from \$29.1 million for the 2020 fiscal quarter. This increase was primarily driven by higher operating income in our Peru segment during the 2021 fiscal quarter, combined with lower impairment charges compared to the 2020 fiscal quarter.

Interest expense, net of interest income decreased by \$12.4 million to \$13.0 million for the 2021 fiscal quarter from \$25.4 million for the 2020 fiscal quarter. The decrease in interest expense was primarily attributable to lower average debt balances as a result of debt repayments.

Other non-operating expense increased by \$140.8 million to \$147.3 million for the 2021 fiscal quarter from \$6.5 million for the 2020 fiscal quarter. This increase was primarily attributable to: (1) a loss on debt extinguishment of \$77.9 million during the 2021 fiscal quarter in connection with the repayment of the Senior Notes due 2025; (2) an increase in loss on derivative instruments of \$52.4 million, driven by settlement of foreign currency swap agreements in connection with the sale of our Brazil operations during the 2021 fiscal quarter; and (3) an increase in loss on foreign currency exchange of \$10.8 million. These increases in other non-operating expense were partially offset by a decrease in other non-operating expense of \$0.3 million.

Income tax expense increased by \$4.5 million to \$13.2 million for the 2021 fiscal quarter from \$8.7 million for the 2020 fiscal quarter. This increase in income tax expense was primarily due to changes in the mix of pre-tax book income attributable to taxable and non-taxable entities in various taxing jurisdictions.

Income (loss) from discontinued operations, net of tax changed by \$386.8 million to an income of \$86.7 million for the 2021 fiscal quarter from a loss of \$(300.1) million for the 2020 fiscal quarter. This change was primarily driven by the \$418.0 million impairment charge for Chile recorded during the 2020 fiscal quarter. See Overview for further detail on results of the Discontinued Operations.

Comparison of Consolidated Results for the Six Months Ended June 30, 2021 and 2020

<i>(in millions)</i>	2021	2020	% Change Better/(Worse) 2021 vs. 2020
Revenues	\$ 522.3	\$ 496.2	5 %
Direct costs	395.2	428.4	8 %
General and administrative expenses	92.0	88.2	(4)%
Loss on impairment of assets	63.9	27.5	(132)%
Operating loss	(28.7)	(47.9)	40 %
Interest expense, net of interest income	(35.9)	(50.1)	28 %
Other non-operating (expense) income	(89.8)	71.1	nm
Loss from continuing operations before income taxes and equity in net income of affiliates	(154.4)	(27.0)	nm
Income tax (expense) benefit	(126.0)	221.3	(157)%
Equity in net income of affiliates, net of tax	—	0.2	(100)%
(Loss) income from continuing operations	(280.4)	194.5	nm
Income (loss) from discontinued operations, net of tax	86.2	(407.8)	121 %
Net loss	(194.2)	(213.3)	9 %
Net loss attributable to noncontrolling interests	0.2	5.1	96 %
Net loss attributable to Laureate Education, Inc.	\$ (193.9)	\$ (208.2)	7 %

nm - percentage changes not meaningful

For further details on certain discrete items discussed below, see “Discussion of Significant Items Affecting the Consolidated Results.”

Comparison of Consolidated Results for the Six Months Ended June 30, 2021 to the Six Months Ended June 30, 2020

Revenues increased by \$26.1 million to \$522.3 million for the six months ended June 30, 2021 (the 2021 fiscal period) from \$496.2 million for the six months ended June 30, 2020 (the 2020 fiscal period). The effect of product mix, pricing and timing increased revenues by \$34.9 million for the 2021 fiscal period. Average total organic enrollment was higher at our institutions in Peru, partially offset by lower average enrollment in Mexico, increasing revenues by \$1.4 million compared to the 2020 fiscal period. Other Corporate and Eliminations changes accounted for an increase in revenues of \$0.4 million. These increases in revenues were partially offset by the effect of a net change in foreign currency exchange rates, which decreased revenues by \$10.6 million, as a result of the weakening of the Peruvian Nuevo Sol.

Direct costs and general and administrative expenses combined decreased by \$29.4 million to \$487.2 million for the 2021 fiscal period from \$516.6 million for the 2020 fiscal period. The effect of operational changes decreased direct costs by \$27.9

million, mainly driven by cost-saving initiatives, partially offset by higher amortization expense at Corporate, mostly related to the amortization of the finite-lived tradename. The effect of a net change in foreign currency exchange rates decreased costs by \$1.5 million. Other Corporate and Eliminations expenses accounted for a decrease in costs of \$7.5 million in the 2021 fiscal period, related to cost-reduction efforts. Partially offsetting these decreases in direct costs were changes in acquisition-related contingent liabilities for taxes other-than-income tax, net of changes in recorded indemnification assets, which resulted in a year-over-year increase in direct costs of \$7.5 million.

Operating loss decreased by \$19.2 million to \$28.7 million for the 2021 fiscal period from \$47.9 million for the 2020 fiscal period. This decrease was primarily a result of higher operating income at our Peru segment, partially offset by higher operating loss at our Mexico segment and higher impairment charges during the 2021 fiscal period.

Interest expense, net of interest income decreased by \$14.2 million to \$35.9 million for the 2021 fiscal period from \$50.1 million for the 2020 fiscal period. The decrease in interest expense was primarily attributable to lower average debt balances as a result of debt repayments.

Other non-operating (expense) income changed by \$160.9 million to an expense of \$(89.8) million for the 2021 fiscal period from an income of \$71.1 million for the 2020 fiscal period. This change was attributable to: (1) a loss on debt extinguishment of \$77.9 million during the 2021 fiscal period in connection with the repayment of the Senior Notes due 2025; (2) an increase in loss on derivative instruments of \$23.9 million, driven by settlement of foreign currency swap agreements in connection with the sale of Brazil operations during the 2021 fiscal period; and (3) less gain on foreign currency exchange of \$61.3 million. These increases in other non-operating expense were partially offset by a loss on disposal of subsidiaries of \$1.8 million during the 2020 fiscal period, combined with the year-over-year effect of other non-operating expense of \$0.4 million during the 2020 fiscal period.

Income tax (expense) benefit changed by \$347.3 million to an expense of \$(126.0) million for the 2021 fiscal period from a benefit of \$221.3 million for the 2020 fiscal period. This change was primarily attributable to a nonrecurring discrete tax benefit of approximately \$222 million that was recognized during the 2020 fiscal period related to the tax-basis step up of certain intellectual property that became subject to Dutch taxation in the Netherlands and tax expense of approximately \$46.5 million related to increases to income tax reserves in the 2021 fiscal period with the majority of the remaining difference attributable to the change in pretax earnings.

Income (loss) from discontinued operations, net of tax changed by \$494.0 million to an income of \$86.2 million for the 2021 fiscal period from a loss of \$(407.8) million for the 2020 fiscal period. This change was primarily driven by the \$418.0 million impairment charge for Chile recorded during the 2020 fiscal period. See Overview for further detail on results of the Discontinued Operations.

Net loss attributable to noncontrolling interests decreased by \$4.9 million to \$0.2 million for the 2021 fiscal period from \$5.1 million for the 2020 fiscal period, which was primarily related to our previous joint venture in Saudi Arabia.

Non-GAAP Financial Measure

We define Adjusted EBITDA as income (loss) from continuing operations, before equity in net (income) loss of affiliates, net of tax, income tax expense (benefit), (gain) loss on sale or disposal of subsidiaries, net, foreign currency exchange (gain) loss, net, other (income) expense, net, loss (gain) on derivatives, loss on debt extinguishment, interest expense and interest income, plus depreciation and amortization, share-based compensation expense, loss on impairment of assets and expenses related to implementation of our Excellence-in-Process (EiP) initiative. When we review Adjusted EBITDA on a segment basis, we exclude inter-segment revenues and expenses that eliminate in consolidation. Adjusted EBITDA is used in addition to and in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures.

Adjusted EBITDA is a key measure 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. In particular, 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 financial measure 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.

The following table presents Adjusted EBITDA and reconciles loss from continuing operations to Adjusted EBITDA for the three months ended June 30, 2021 and 2020:

<i>(in millions)</i>	2021	2020	% Change Better/(Worse) 2021 vs. 2020
Loss from continuing operations	\$ (115.9)	\$ (11.6)	nm
Plus:			
Income tax expense	13.2	8.7	(52)%
Loss from continuing operations before income taxes	(102.7)	(2.8)	nm
Plus:			
Foreign currency exchange loss, net	15.5	4.7	nm
Other expense, net	0.1	0.4	75 %
Loss on derivatives	53.8	1.4	nm
Loss on debt extinguishment	77.9	—	nm
Interest expense	13.5	25.7	47 %
Interest income	(0.5)	(0.3)	67 %
Operating income	57.7	29.1	98 %
Plus:			
Depreciation and amortization	27.0	18.1	(49)%
EBITDA	84.7	47.2	79 %
Plus:			
Share-based compensation expense ^(a)	2.6	3.7	30 %
Loss on impairment of assets ^(b)	7.2	23.8	70 %
EiP implementation expenses ^(c)	12.6	19.3	35 %
Adjusted EBITDA	\$ 107.1	\$ 94.1	14 %

nm - percentage changes not meaningful

^(a) Represents non-cash, share-based compensation expense pursuant to the provisions of ASC 718, “Stock Compensation.”

^(b) Represents non-cash charges related to impairments of long-lived assets. For further details, see “Discussion of Significant Items Affecting the Consolidated Results for the Six Months Ended June 30, 2021.”

^(c) 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), 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, an enterprise-wide program aimed at revenue growth, and certain non-recurring costs incurred in connection with the planned and completed dispositions.

Comparison of Depreciation and Amortization, Share-based Compensation and EiP Implementation Expenses for the Three Months Ended June 30, 2021 and 2020

Depreciation and amortization increased by \$8.9 million to \$27.0 million for the 2021 fiscal quarter from \$18.1 million for the 2020 fiscal quarter. This increase was primarily attributable to amortization of Laureate’s tradename which, during the third quarter of 2020, changed from being an indefinite-lived intangible asset to being a finite-lived intangible asset. When combined with other items, this change increased depreciation and amortization by \$8.5 million. Additionally, the effects of foreign currency exchange increased depreciation and amortization expense by \$0.4 million for the 2021 fiscal quarter.

Share-based compensation expense decreased by \$1.1 million to \$2.6 million for the 2021 fiscal quarter from \$3.7 million for the 2020 fiscal quarter.

EiP implementation expenses decreased by \$6.7 million to \$12.6 million for the 2021 fiscal quarter from \$19.3 million for the 2020 fiscal quarter. This decrease was primarily attributable to lower costs during the 2021 fiscal quarter associated with an

enterprise-wide program aimed at revenue growth, combined with lower legal and consulting fees related to our divestiture activity.

The following table presents Adjusted EBITDA and reconciles (loss) income from continuing operations to Adjusted EBITDA for the six months ended June 30, 2021 and 2020:

<i>(in millions)</i>	2021	2020	% Change Better/(Worse) 2021 vs. 2020
(Loss) income from continuing operations	\$ (280.4)	\$ 194.5	nm
Plus:			
Equity in net income of affiliates, net of tax	—	(0.2)	(100)%
Income tax expense (benefit)	126.0	(221.3)	(157)%
Loss from continuing operations before income taxes and equity in net income of affiliates	(154.4)	(27.0)	nm
Plus:			
Loss on disposal of subsidiaries, net	—	1.8	100 %
Foreign currency exchange gain, net	(12.7)	(74.0)	(83)%
Other expense, net	—	0.5	100 %
Loss on derivatives	24.5	0.6	nm
Loss on debt extinguishment	77.9	—	nm
Interest expense	37.1	51.0	27 %
Interest income	(1.2)	(0.9)	33 %
Operating loss	(28.7)	(47.9)	40 %
Plus:			
Depreciation and amortization	49.7	37.8	(31)%
EBITDA	21.0	(10.1)	nm
Plus:			
Share-based compensation expense ^(a)	4.0	5.3	25 %
Loss on impairment of assets ^(b)	63.9	27.5	(132)%
EiP implementation expenses ^(c)	27.9	42.1	34 %
Adjusted EBITDA	\$ 116.8	\$ 64.7	81 %

nm - percentage changes not meaningful

^(a) Represents non-cash, share-based compensation expense pursuant to the provisions of ASC 718, “Stock Compensation.”

^(b) Represents non-cash charges related to impairments of long-lived assets. For further details, see “Discussion of Significant Items Affecting the Consolidated Results for the Six Months Ended June 30, 2021.”

^(c) 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), 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, an enterprise-wide program aimed at revenue growth, and certain non-recurring costs incurred in connection with the planned and completed dispositions.

Comparison of Depreciation and Amortization, Share-based Compensation and EiP Implementation Expenses for the Six Months Ended June 30, 2021 and 2020

Depreciation and amortization increased by \$11.9 million to \$49.7 million for the 2021 fiscal period from \$37.8 million for the 2020 fiscal period. This increase was primarily attributable to amortization of Laureate’s tradename which, during the third quarter of 2020, changed from being an indefinite-lived intangible asset to being a finite-lived intangible asset. When combined with other items, this change increased depreciation and amortization by \$12.2 million. Partially offsetting this increase was the effect of foreign currency exchange, which decreased depreciation and amortization expense by \$0.3 million for the 2021 fiscal period.

Share-based compensation expense decreased by \$1.3 million to \$4.0 million for the 2021 fiscal period from \$5.3 million for the 2020 fiscal period.

EiP implementation expenses decreased by \$14.2 million to \$27.9 million for the 2021 fiscal period from \$42.1 million for the 2020 fiscal period. This decrease was primarily attributable to lower costs during the 2021 fiscal period associated with an enterprise-wide program aimed at revenue growth, combined with lower severance costs and lower legal and consulting fees related to our divestiture activity.

Segment Results

We have two reportable segments: Mexico and Peru (formerly Andean), as discussed in Overview. For purposes of the following comparison of results discussion, “segment direct costs” represent direct costs incurred by the segment as they are included in Adjusted EBITDA, such that depreciation and amortization expense, loss on impairment of assets, share-based compensation expense and our EiP implementation expenses have been excluded. Organic enrollment is based on average total enrollment for the period. For a further description of our segments, see Overview.

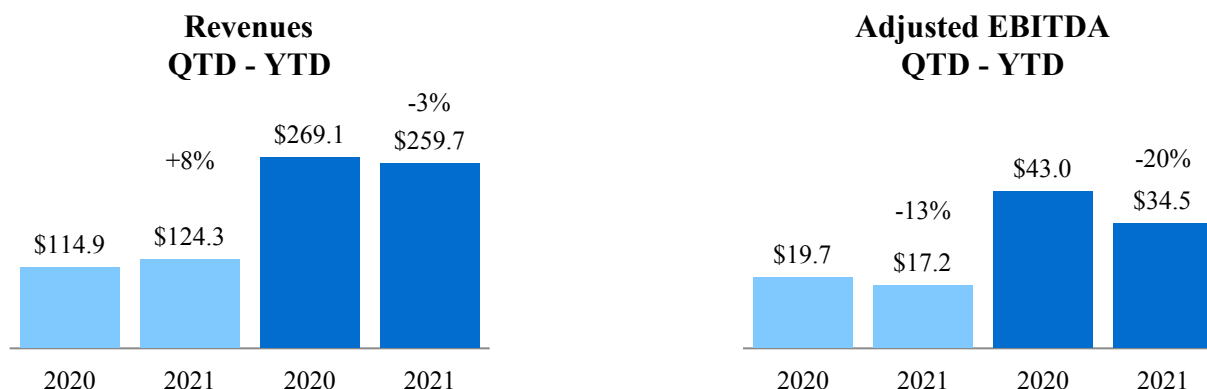
The following table, derived from our consolidated financial statements included elsewhere in this Form 10-Q, presents selected financial information of our segments:

<i>(in millions)</i>			% Change Better/(Worse) 2021 vs. 2020
For the three months ended June 30,	2021	2020	
Revenues:			
Mexico	\$ 124.3	\$ 114.9	8 %
Peru	201.7	187.6	8 %
Corporate	1.6	1.4	14 %
Consolidated Total Revenues	\$ 327.6	\$ 303.9	8 %
Adjusted EBITDA:			
Mexico	\$ 17.2	\$ 19.7	(13)%
Peru	113.6	99.2	15 %
Corporate	(23.7)	(24.8)	4 %
Consolidated Total Adjusted EBITDA	\$ 107.1	\$ 94.1	14 %

<i>(in millions)</i>			% Change Better/(Worse) 2021 vs. 2020
For the six months ended June 30,	2021	2020	
Revenues:			
Mexico	\$ 259.7	\$ 269.1	(3)%
Peru	259.2	224.1	16 %
Corporate	3.4	3.0	13 %
Consolidated Total Revenues	\$ 522.3	\$ 496.2	5 %
Adjusted EBITDA:			
Mexico	\$ 34.5	\$ 43.0	(20)%
Peru	125.2	72.5	73 %
Corporate	(42.9)	(50.8)	16 %
Consolidated Total Adjusted EBITDA	\$ 116.8	\$ 64.7	81 %

Mexico

Financial Overview



Comparison of Mexico Results for the Three Months Ended June 30, 2021 to the Three Months Ended June 30, 2020

(in millions)	Revenues	Direct Costs	Adjusted EBITDA
June 30, 2020	\$ 114.9	\$ 95.2	\$ 19.7
Organic enrollment ⁽¹⁾	(1.8)		
Product mix, pricing and timing ⁽¹⁾	(6.2)		
Organic constant currency	(8.0)	(3.8)	(4.2)
Foreign exchange	17.4	15.0	2.4
Dispositions	—	—	—
Other ⁽²⁾	—	0.7	(0.7)
June 30, 2021	\$ 124.3	\$ 107.1	\$ 17.2

⁽¹⁾ Organic enrollment and product mix, pricing and timing are not separable for the calculation of direct costs and therefore are combined and defined as Organic constant currency for the calculation of Adjusted EBITDA.

⁽²⁾ Other is composed of acquisition-related contingent liabilities for taxes other-than-income tax, net of changes in recorded indemnification assets.

Revenues increased by \$9.4 million, an 8% increase from the 2020 fiscal quarter.

- Organic enrollment decreased during the fiscal quarter by 1%, decreasing revenues by \$1.8 million.
- The decrease in revenues from product mix, pricing and timing was mainly due to an increase in discounts and scholarships as a percentage of revenues.
- Revenues represented 38% of our consolidated total revenues for both the 2021 and 2020 fiscal quarters.

Adjusted EBITDA decreased by \$2.5 million, a 13% decrease from the 2020 fiscal quarter.

Comparison of Mexico Results for the Six Months Ended June 30, 2021 to the Six Months Ended June 30, 2020

<i>(in millions)</i>	Revenues	Direct Costs	Adjusted EBITDA
June 30, 2020	\$ 269.1	\$ 226.1	\$ 43.0
Organic enrollment ⁽¹⁾	(10.4)		
Product mix, pricing and timing ⁽¹⁾	(13.9)		
Organic constant currency	(24.3)	(19.7)	(4.6)
Foreign exchange	14.9	11.3	3.6
Dispositions	—	—	—
Other ⁽²⁾	—	7.5	(7.5)
June 30, 2021	\$ 259.7	\$ 225.2	\$ 34.5

⁽¹⁾ Organic enrollment and product mix, pricing and timing are not separable for the calculation of direct costs and therefore are combined and defined as Organic constant currency for the calculation of Adjusted EBITDA.

⁽²⁾ Other is composed of acquisition-related contingent liabilities for taxes other-than-income tax, net of changes in recorded indemnification assets.

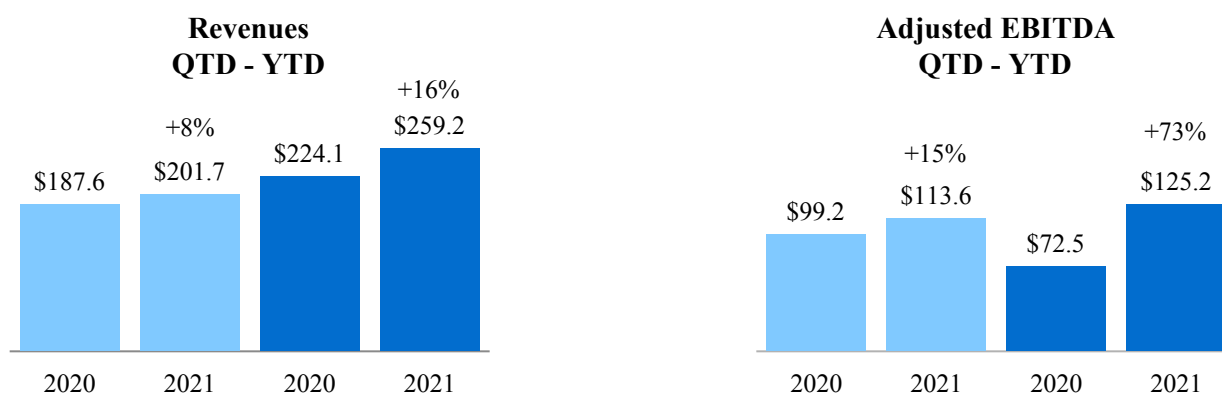
Revenues decreased by \$9.4 million, a 3% decrease from the 2020 fiscal period.

- Organic enrollment decreased during the 2021 fiscal period by 4%, decreasing revenues by \$10.4 million.
- The decrease in revenues from product mix, pricing and timing was mainly due to an increase in discounts and scholarships as a percentage of revenues.
- Revenues represented 50% of our consolidated total revenues for the 2021 fiscal period, compared to 54% for the 2020 fiscal period.

Adjusted EBITDA decreased by \$8.5 million, a 20% decrease from the 2020 fiscal period.

Peru

Financial Overview



Comparison of Peru Results for the Three Months Ended June 30, 2021 to the Three Months Ended June 30, 2020

(in millions)	Revenues	Direct Costs	Adjusted EBITDA
June 30, 2020	\$ 187.6	\$ 88.4	\$ 99.2
Organic enrollment ⁽¹⁾	28.5		
Product mix, pricing and timing ⁽¹⁾	7.1		
Organic constant currency	35.6	8.9	26.7
Foreign exchange	(21.5)	(9.2)	(12.3)
Dispositions	—	—	—
Other	—	—	—
June 30, 2021	\$ 201.7	\$ 88.1	\$ 113.6

⁽¹⁾ Organic enrollment and product mix, pricing and timing are not separable for the calculation of direct costs and therefore are combined and defined as Organic constant currency for the calculation of Adjusted EBITDA.

Revenues increased by \$14.1 million, an 8% increase from the 2020 fiscal quarter.

- Organic enrollment increased during the 2021 fiscal quarter by 16%, increasing revenues by \$28.5 million.
- Revenue represented 62% of our consolidated total revenues for both the 2021 and 2020 fiscal quarters.

Adjusted EBITDA increased by \$14.4 million, a 15% increase from the 2020 fiscal quarter.

Comparison of Peru Results for the Six Months Ended June 30, 2021 to the Six Months Ended June 30, 2020

(in millions)	Revenues	Direct Costs	Adjusted EBITDA
June 30, 2020	\$ 224.1	\$ 151.6	\$ 72.5
Organic enrollment ⁽¹⁾	11.8		
Product mix, pricing and timing ⁽¹⁾	48.8		
Organic constant currency	60.6	(5.1)	65.7
Foreign exchange	(25.5)	(12.5)	(13.0)
Dispositions	—	—	—
Other	—	—	—
June 30, 2021	\$ 259.2	\$ 134.0	\$ 125.2

⁽¹⁾ Organic enrollment and product mix, pricing and timing are not separable for the calculation of direct costs and therefore are combined and defined as Organic constant currency for the calculation of Adjusted EBITDA.

Revenues increased by \$35.1 million, a 16% increase from the 2020 fiscal period.

- Organic enrollment increased during the 2021 fiscal period by 5%, increasing revenues by \$11.8 million.
- The increase in revenues from product mix, pricing and timing was driven by a combination of pricing increases and more weeks of revenue recognition during the 2021 fiscal period compared to the 2020 fiscal period due to the academic calendar timing.
- Revenue represented 50% of our consolidated total revenues for the 2021 fiscal period compared to 46% for the 2020 fiscal period.

Adjusted EBITDA increased by \$52.7 million, a 73% increase from the 2020 fiscal period.

Corporate

Corporate revenues primarily include our transition services agreements related to divestitures and centralized IT costs charged to other business units, partially offset by the elimination of intersegment revenues.

Comparison of Corporate Results for the Three Months Ended June 30, 2021 to the Three Months Ended June 30, 2020

<i>(in millions)</i>	2021	2020	% Change Better/(Worse) 2021 vs. 2020
Revenues	\$ 1.6	\$ 1.4	14 %
Expenses	25.3	26.2	3 %
Adjusted EBITDA	\$ (23.7)	\$ (24.8)	4 %

Adjusted EBITDA increased by \$1.1 million, a 4% increase from the 2020 fiscal quarter.

- Cost-reduction efforts led to reduced labor costs and other professional fees, decreasing expenses by \$3.5 million compared to the 2020 fiscal quarter.
- Other items accounted for a decrease in Adjusted EBITDA of \$2.4 million.

Comparison of Corporate Results for the Six Months Ended June 30, 2021 to the Six Months Ended June 30, 2020

<i>(in millions)</i>	2021	2020	% Change Better/(Worse) 2021 vs. 2020
Revenues	\$ 3.4	\$ 3.0	13 %
Expenses	46.3	53.8	14 %
Adjusted EBITDA	\$ (42.9)	\$ (50.8)	16 %

Adjusted EBITDA increased by \$7.9 million, a 16% increase from the 2020 fiscal period.

- Cost-reduction efforts led to reduced labor costs and other professional fees, decreasing expenses by \$12.0 million compared to the 2020 fiscal period.
- Other items accounted for a decrease in Adjusted EBITDA of \$4.1 million.

Liquidity and Capital Resources

Liquidity Sources

We anticipate that cash flow from operations and available cash will be sufficient to meet our current operating requirements and manage our liquidity needs, including any effects on the Company's business operations that arise from the COVID-19 pandemic, for at least the next 12 months from the date of issuance of this report.

We continue to assess our liquidity needs as a result of the COVID-19 pandemic. A continued worldwide disruption could materially affect our future access to liquidity sources, particularly our cash flows from operations, as well as our financial condition and capitalization. In the event of a sustained market deterioration, we may need additional liquidity, which would

require us to evaluate available alternatives and take appropriate actions, such as obtaining additional financing. The Company will continue to evaluate its financial position in light of future developments, particularly those relating to the COVID-19 pandemic.

Our primary source of cash is revenue from tuition charged to students in connection with our various education program offerings. Essentially all of our revenues are generated from private pay sources as there are no material government-sponsored loan programs in Mexico or Peru. We anticipate generating sufficient cash flow from operations in the countries in which we operate to satisfy the working capital and financing needs of our organic growth plans for each country. If our educational institutions within one country were unable to maintain sufficient liquidity, we would consider using internal cash resources or reasonable short-term working capital facilities to accommodate any short- to medium-term shortfalls.

As of June 30, 2021, our secondary source of liquidity was cash and cash equivalents of \$427.1 million, which does not include \$105.2 million of cash recorded at subsidiaries that are classified as held for sale at June 30, 2021. Our cash accounts are maintained with high-quality financial institutions with no significant concentration in any one institution.

The Company also maintains a revolving credit facility with a syndicate of financial institutions as a source of liquidity. The revolving credit facility provides for borrowings of \$410.0 million and a maturity date of October 7, 2024. From time to time, we draw down on the revolver and, in accordance with the terms of the credit agreement, any proceeds drawn on the revolving credit facility may be used for general corporate purposes.

If certain conditions are satisfied, the Third Amended and Restated Credit Agreement (the Third A&R Credit Agreement) also provides for an incremental revolving and term loan facilities not to exceed \$565.0 million plus additional amounts so long as both immediately before and after giving effect to such incremental facilities the Company's Consolidated Senior Secured Debt to Consolidated EBITDA ratio, as defined in the Third A&R Credit Agreement, on a pro forma basis, does not exceed 2.75x.

Completed Sale Transactions

On March 8, 2021, we completed the divestiture of our operations in Honduras and received proceeds of approximately \$24.0 million, net of cash sold and closing costs.

On January 25, 2018, we completed the sale of LEI Lie Ying Limited in China. At the closing of the sale, a portion of the total transaction value was paid into an escrow account, to be distributed to the Company pursuant to the terms and conditions of the escrow agreement. In April 2021, the Company received the final balance from the escrow account, which was approximately \$21.7 million at the date of receipt.

On May 28, 2021, we completed the sale of our operations in Brazil and received proceeds of approximately \$625.5 million, net of cash sold, transaction fees and settlement of foreign currency swaps. The Company used a portion of the proceeds to repay the remaining balance outstanding under its Senior Notes due 2025.

Pending Sale Transaction

On September 11, 2020, the Company entered into a sale agreement to sell its operation of Walden University, LLC, (Walden University) for a purchase price of \$1,480.0 million in cash, subject to certain adjustments set forth in the sale agreement. The closing of this transaction is expected to occur during the third quarter of 2021 and is subject to customary closing conditions, including regulatory approval by the U.S. Department of Education and the Higher Learning Commission and required antitrust approvals. Following completion of the sale, the restricted cash that is held to collateralize the letters of credit in favor of the DOE will be released and reclassified to cash and cash equivalents.

Liquidity Restrictions

Our liquidity is affected by restricted cash balances, which totaled \$106.8 million and \$117.2 million as of June 30, 2021 and December 31, 2020, respectively.

Indefinite Reinvestment of Foreign Earnings

We earn a significant portion of our income from subsidiaries located in countries outside the United States. As part of our business strategies, we have determined that, except for one of our institutions in Peru, all earnings from our foreign continuing operations will be deemed indefinitely reinvested outside of the United States. As of June 30, 2021, \$164.3 million of our total \$427.1 million of cash and cash equivalents were held by foreign subsidiaries. These amounts above do not include \$105.2

million of cash recorded at subsidiaries that are classified as held for sale at June 30, 2021. As of December 31, 2020, \$127.7 million of our total \$750.1 million of cash and cash equivalents were held by foreign subsidiaries. These amounts above do not include \$270.2 million of cash recorded at subsidiaries that were classified as held for sale at December 31, 2020, of which \$66.4 million was held by foreign subsidiaries.

Liquidity Requirements

Our short-term liquidity requirements include: funding for debt service (including finance leases); operating lease obligations; payments of deferred compensation; working capital; operating expenses; capital expenditures; and business development activities.

Long-term liquidity requirements include: payments on long-term debt (including finance leases); operating lease obligations; payments of deferred compensation; and payments of other third-party obligations.

Debt

As of June 30, 2021, our debt obligations included lines of credit and short-term borrowing arrangements of subsidiaries, mortgages payable and notes payable, which totaled \$130.0 million. In addition, our finance lease obligations and sale-leaseback financings were \$48.8 million.

Senior Secured Credit Facility

Our Senior Secured Credit Facility consists of the revolving credit facility, which provides for borrowings of \$410.0 million. As of both June 30, 2021 and December 31, 2020, there was no balance outstanding under our Senior Secured Credit Facility.

Covenants

Under the Third A&R Credit Agreement, we are subject to a Consolidated Senior Secured Debt to Consolidated EBITDA financial maintenance covenant (a leverage ratio covenant), as defined in the Third A&R Credit Agreement, unless certain conditions are satisfied. As of June 30, 2021, those conditions were satisfied and, therefore, we were not subject to the leverage ratio. The maximum ratio, as defined, is 3.50x as of the last day of each quarter commencing with the quarter ending December 31, 2019 and thereafter. In addition, indebtedness at some of our locations contain financial maintenance covenants and we were in compliance with those covenants as June 30, 2021.

Senior Notes

During the second quarter of 2021, we fully repaid the remaining balance outstanding under our Senior Notes due 2025 using a portion of the proceeds received from the sales of our operations in Australia and New Zealand and Brazil.

Leases

We conduct a significant portion of our operations from leased facilities. These facilities include our corporate headquarters, other office locations, and many of our higher education facilities. As discussed in Note 9, Leases, in our consolidated financial statements included elsewhere in this Form 10-Q, we have significant liabilities recorded related to our leased facilities, which will require future cash payments. As of June 30, 2021 and December 31, 2020, the present value of operating lease liabilities was \$479.6 million and \$519.1 million, respectively. These amounts exclude operating lease liabilities for our Discontinued Operations of \$19.6 million and \$151.4 million as of June 30, 2021 and December 31, 2020, respectively.

Capital Expenditures

Capital expenditures consist of purchases of property and equipment and expenditures for deferred costs. Our capital expenditure program is a component of our liquidity and capital management strategy. This program includes discretionary spending, which we can adjust in response to economic and other changes in our business environment, to grow our network through the following: (1) capacity expansion at institutions to support enrollment growth; (2) new campuses for institutions in our existing markets; (3) information technology to increase efficiency and controls; and (4) online content development. Our non-discretionary spending includes the maintenance of existing facilities. We typically fund our capital expenditures through cash flow from operations and external financing. In the event that we are unable to obtain the necessary funding for capital expenditures, our long-term growth strategy could be significantly affected. We believe that our internal sources of cash and our

ability to obtain additional third-party financing, subject to market conditions, will be sufficient to fund our investing activities.

Our total capital expenditures for our Continuing and Discontinued Operations, excluding receipts from the sale of subsidiaries and property equipment, were \$25.0 million and \$57.5 million during the six months ended June 30, 2021 and 2020, respectively. The 57% decrease in capital expenditures was primarily due to the completed divestitures, as well as a targeted reduction and deferral across all business lines to preserve cash as a result of the COVID-19 pandemic.

Laureate Education, Inc. Deferred Compensation Plan

During the first quarter of 2021, the Company's board of directors approved the termination of a deferred compensation plan for certain executive employees and members of our board of directors, with such termination effective April 1, 2021. The Company expects that the participants will receive a distribution payout of their account balances under the terms of the plan in April 2022. As of June 30, 2021, the total plan assets were \$1.9 million and the total plan liabilities were \$5.1 million. The Company plans to fund the difference between the assets and the liabilities with operating cash flows.

Stock Repurchase Program

On November 5, 2020, Laureate's board of directors approved a new stock repurchase program to acquire up to \$300 million of the Company's Class A common stock. On April 30, 2021, the Laureate's board of directors approved an increase of the above authorization to repurchase shares of the Company's Class A common stock by \$200 million, for a total authorization (including the above authorized repurchases) of up to \$500 million of the Company's Class A common stock. The Company's repurchases may be made on the open market at prevailing market prices, in privately negotiated transactions, in block trades and/or through other legally permissible means, depending on market conditions and in accordance with applicable rules and regulations promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Repurchases may be effected pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act. The Company's board of directors will review the share repurchase program periodically and may authorize adjustment of its terms and size or suspend or discontinue the program. As of June 30, 2021, the approximate dollar value of shares yet to be purchased under this stock repurchase program was \$183.8 million. The Company expects to finance the remaining repurchases with free cash flow, from excess cash and liquidity on-hand, or from its revolving credit facility, or a combination thereof.

Cash Flows

In the consolidated statements of cash flows, the changes in operating assets and liabilities are presented excluding the effects of exchange rate changes, acquisitions, and reclassifications, as these effects do not represent operating cash flows. Accordingly, the amounts in the consolidated statements of cash flows do not agree with the changes of the operating assets and liabilities as presented in the consolidated balance sheets. The effects of exchange rate changes on cash are presented separately in the consolidated statements of cash flows.

The following table summarizes our cash flows from operating, investing, and financing activities for the six months ended June 30, 2021 and 2020:

<i>(in millions)</i>	2021	2020
Cash provided by (used in):		
Operating activities	\$ 17.9	\$ 61.4
Investing activities	650.0	(35.0)
Financing activities	(1,162.7)	263.4
Effects of exchange rates changes on cash	(3.4)	(3.9)
Change in cash included in current assets held for sale	164.9	(66.5)
Net change in cash and cash equivalents and restricted cash	\$ (333.4)	\$ 219.3

Comparison of Cash Flows for the Six Months Ended June 30, 2021 to the Six Months Ended June 30, 2020

Operating Activities

Cash provided by operating activities decreased by \$43.5 million to \$17.9 million for the 2021 fiscal period, from \$61.4 million for the 2020 fiscal period. This decrease in operating cash was primarily attributable to the net effect of changes in working capital and the divestiture of subsidiaries that contributed positive operating cash flows during the 2020 fiscal period, which

accounted for the year-over-year decrease in operating cash flow of approximately \$16.1 million. Additionally, cash paid for taxes increased by \$32.6 million, from \$47.4 million for the 2020 fiscal period to \$80.0 million for the 2021 fiscal period, primarily related to the payment of withholding taxes for intercompany loans that were capitalized during the 2021 fiscal period. These decreases in operating cash flow were partially offset by a decrease in cash paid for interest of \$5.2 million, from \$62.1 million for the 2020 fiscal period to \$56.9 million for the 2021 fiscal period, attributable to lower average debt balances.

Investing Activities

Cash flows from investing activities increased by \$685.0 million to investing cash inflow of \$650.0 million for the 2021 fiscal period from investing cash outflow of \$(35.0) million for the 2020 fiscal period. This increase in investing cash was attributable to higher cash receipts from the sales of Discontinued Operations of \$702.8 million, from \$22.5 million during the 2020 fiscal period (for the net effect of the sales of NSAD and our operations in Costa Rica, the receipt of a sale deposit for our Malaysia operations, and the receipt of a portion of the escrow receivable balance related to the 2018 sale of our China operations) to \$725.3 million, net, during the 2021 fiscal period (primarily for the sale our operations in Honduras and Brazil, and the receipt of portions of the purchase prices that were withheld in connection to the 2018 sale of our China operations and the 2020 sale of our Malaysia operations). In addition, cash used for capital expenditures decreased \$32.5 million compared to the 2020 fiscal period. These increases in investing cash were partially offset by payments of \$50.3 million for derivative instruments related to foreign exchange swap agreements associated with the sale of our Brazil operations.

Financing Activities

Cash flows from financing activities decreased by \$1,426.1 million to a financing cash outflow of \$(1,162.7) million for the 2021 fiscal period from a financing cash inflow of \$263.4 million for the 2020 fiscal period. This decrease in financing cash was attributable to: (1) net payments of long-term debt during the 2021 fiscal period, mainly the repayment in full of the balance outstanding under the Senior Notes due 2025, compared to net proceeds of long-term debt during the 2020 fiscal period, related to the full draw down on our \$410.0 million revolving credit facility in the 2020 fiscal period in order to increase our cash position and preserve financial flexibility in response to the COVID-19 pandemic, for a change of \$1,146.4 million; (2) higher payments during the 2021 fiscal period of \$222.2 million to repurchase shares of our Class A common stock under our stock repurchase program; (3) payments of call premiums of \$33.0 million associated with the redemption of the Senior Notes due 2025 during the 2021 fiscal period; and (4) the year-over-year effect of proceeds from the exercise of common stock options of \$26.3 million during the 2020 fiscal period. These decreases in financing cash were partially offset by payments of deferred purchase price for acquisitions during the 2020 fiscal period of \$1.9 million. Other items accounted for the remaining difference of \$0.1 million.

Critical Accounting Policies and Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. Actual results could differ from these estimates. Our significant accounting policies are discussed in Note 2, Significant Accounting Policies, of the audited consolidated financial statements included in our 2020 Form 10-K. Our critical accounting policies require the most significant judgments and estimates about the effect of matters that are inherently uncertain. As a result, these accounting policies and estimates could materially affect our financial statements and are critical to the understanding of our results of operations and financial condition. For a complete discussion of our critical accounting policies, see the “Critical Accounting Policies and Estimates” section of the MD&A in our 2020 Form 10-K. During the six months ended June 30, 2021, there were no significant changes to our critical accounting policies. We will continue to monitor the effect to the Company of the COVID-19 pandemic and assess whether any changes to our accounting estimates are warranted as additional information becomes available.

Recently Adopted Accounting Standards

Refer to Note 2, Significant Accounting Policies, in our consolidated financial statements included elsewhere in this Form 10-Q for recently adopted accounting standards.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For information regarding our exposure to certain market risks, see Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in our 2020 Form 10-K. There have been no significant changes in our market risk exposures since our December 31, 2020 fiscal year end.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), as of the end of the period covered by this Quarterly Report on Form 10-Q. The purpose of disclosure controls and procedures is to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our CEO and CFO, to allow timely decisions regarding required disclosures. Based on that evaluation, our CEO and CFO have concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Please refer to “Item 3. Legal Proceedings” in our Annual Report on Form 10-K for the year ended December 31, 2020 (our “2020 Form 10-K”) and Part II, “Item 1. Legal Proceedings” in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 (our “Q1 2021 Form 10-Q”) for information regarding material pending legal proceedings. Except as set forth therein and below, there have been no new material legal proceedings and no material developments in the legal proceedings previously disclosed.

On July 22, 2021, the Spanish National Court issued a decision on the Company’s appeal regarding the Spanish Taxing Authority’s (STA) audits of Iniciativas Culturales de España, S.L. (ICE), our former Spanish holding company, for the fiscal years 2006-2007 and 2008-2010. Based on our understanding of the decision, the matter is not yet resolved in favor of either the Company or the STA. The National Court decision can be appealed by the Company or the STA. The Company is evaluating its options, including an appeal to the Spanish Supreme Court, and awaiting further actions by the STA in reaction to the court decision.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in “Item 1A. Risk Factors” in our 2020 Form 10-K.

In addition to the information set forth in this report, you should consider the risk factors disclosed in our 2020 Form 10-K. Furthermore, the impact of COVID-19 may exacerbate other risks discussed in our 2020 Form 10-K and Q1 2021 Form 10-Q, any one of which could have a material adverse effect on our business, financial condition, cash flows and results of operations. The situation continues to evolve, and additional impacts may arise of which we are not currently aware.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities *(in thousands, except per share amounts)*

The following table provides a summary of the Company's purchases of its Class A common stock during the three months ended June 30, 2021 pursuant to the Company's authorized stock repurchase program:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares yet to be purchased under the plans or programs ⁽¹⁾
4/1/21 - 4/30/21	2,734	\$ 12.95	2,734	\$ 254,072
5/1/21 - 5/31/21	3,003	14.23	3,003	211,330
6/1/21 - 6/30/21	1,811	15.18	1,811	183,848
Total	7,548	\$ 14.00	7,548	\$ 183,848

⁽¹⁾ On November 5, 2020, the Company announced that its board of directors had authorized a stock repurchase program to acquire up to \$300,000 of the Company's Class A common stock. On April 30, 2021, the Company's board of directors approved an increase of the above authorization to repurchase shares of the Company's Class A common stock by \$200,000, for a total authorization (including the above authorized repurchases) of up to \$500,000 of the Company's Class A common stock. See further description of the stock repurchase program in "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Item 6. Exhibits

Exhibit

No.	Exhibit Description
10.1	Special Retention/Transaction Bonus Letter, dated June 1, 2021, between Laureate Education, Inc. and Paula Singer
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document — the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

/s/ RICHARD M. BUSKIRK

Richard M. Buskirk

Senior Vice President and Chief Financial Officer

Date: August 5, 2021

/s/ GERARD M. KNAUER

Gerard M. Knauer

Vice President, Accounting and Global Controller

Date: August 5, 2021