



# LAUREATE INVESTOR PRESENTATION

November 2021



**LAUREATE**  
EDUCATION INC<sup>®</sup>



# Forward Looking Statements



This presentation includes statements that express Laureate’s opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, “forward-looking statements” within the meaning of the federal securities laws, which involve risks and uncertainties. Laureate’s actual results may vary significantly from the results anticipated in these forward-looking statements. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates” or “anticipates” or similar expressions that concern our strategy, plans or intentions. All statements we make relating to (i) guidance (including, but not limited to, total enrollments, revenues, and Adjusted EBITDA), (ii) our current growth strategy and other future plans, strategies or transactions that may be identified, explored or implemented and any litigation or dispute resulting from any completed transaction, (iii) any anticipated share repurchases or cash distributions 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 current growth strategy and the impact of any completed divestiture or separation transaction on our remaining businesses. Accordingly, our actual results may differ materially from those we expected. We derive most of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations are disclosed in our Annual Report on Form 10-K filed with the SEC on February 25, 2021, our subsequent Quarterly Reports on Form 10-Q filed and to be filed with the SEC and other filings made with the SEC. These forward-looking statements speak only as of the time of this presentation and we do not undertake to publicly update or revise them, whether as a result of new information, future events or otherwise, except as required by law.

In addition, this presentation contains various operating data, including market share and market position, that are based on internal company data and management estimates. While management believes that our internal company research is reliable and the definitions of our markets which are used herein are appropriate, neither such research nor these definitions have been verified by an independent source and there are inherent challenges and limitations involved in compiling data across various geographies and from various sources, including those discussed under “Industry and Market Data” in Laureate’s filings with the SEC.

# Presentation of Non-GAAP Measures



In addition to the results provided in accordance with U.S. generally accepted accounting principles (GAAP) throughout this presentation, Laureate provides the non-GAAP measurements of Adjusted EBITDA, Adjusted EBITDA margin, total cash, net of debt (or net cash), and Free Cash Flow. We have included these non-GAAP measurements because they are key measures used by our management and board of directors to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short- and long-term operational plans.

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

Total cash, net of debt (or net cash) consists of total gross debt for Continuing Operations and Discontinued Operations, less total cash and cash equivalents for Continuing Operations and Discontinued Operations. Net cash provides a useful indicator about Laureate's leverage and liquidity.

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

Laureate's calculations of Adjusted EBITDA, Adjusted EBITDA margin, net cash, and Free Cash Flow are not necessarily comparable to calculations performed by other companies and reported as similarly titled measures. These non-GAAP measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. Adjusted EBITDA is reconciled from the GAAP measure in the attached table "Non-GAAP Reconciliation."

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



**Eilif Serck-Hanssen**

President and Chief Executive Officer



**Rick Buskirk**

Senior Vice President and Chief Financial Officer



**Marcelo Cardoso**

Executive Vice President and Chief  
Operating Officer



**Adam Morse**

Senior Vice President Corporate  
Finance and Treasurer



# Laureate Today

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Learning Institutions



Mexico and Peru Operations



30,000+ Faculty and Staff



385,000+ Students



50% Mexico 50% Peru

50+

Campuses



Revenue

\$1.08 Billion

(50% Mexico / 50% Peru)



Campus-based, Online and Hybrid Learning



Digital Leadership and EdTech Businesses



Undergraduate, Graduate and Specialized Degree Programs



High single digit growth momentum



Adjusted EBITDA Margin 27%<sup>1</sup>



Cash accretive business model with unlevered balance sheet



# Company Profile

- A U.S. listed company (Nasdaq: LAUR), incorporated as a Public Benefit Corporation (PBC). Laureate was the first PBC to go public on any stock exchange in the world.
- A mission-driven company, committed to achieving the highest standards of conduct, quality, and impact.
- Operating at scale in two emerging markets, Mexico and Peru, both with attractive growth opportunities.
- Optimized at a country level, with a lean corporate structure.
- Demonstrated leadership in both markets across a range of areas, including digital education, health sciences, academic quality, and organizational culture and capability.
- Opportunities for growth and new revenue streams, including developing an EdTech accelerator to monetize and scale.



## *Our Vision*

Improve the lives of students  
and communities.



## ***Our Mission***

Deliver affordable, high-quality education **to prepare students for successful careers and lifelong achievement**, while building pride, trust, and respect in our communities.





# ***Our Values***

## ***Trust***

*We work to earn and maintain the trust of all our stakeholders.*

## ***Inclusiveness***

*We create safe environments where diversity is valued.*

## ***Transparency***

*We are committed to being transparent in all we do.*

## ***Integrity***

*We do what is right and we deliver on what we promise.*

## ***Performance***

*Individually and collectively, we deliver outstanding results without compromising our integrity.*





# Laureate Mexico and Peru



# Mexico and Peru



- Attractive markets with significant growth opportunities.
- Participation rates growing and still well below developed markets.

	Mexico	Peru	Combined
Population	127 million	33 million	160 million
Higher Education Students (000s)	4,562	1,896	6,458
Higher Education Gross Participation Rate <sup>1</sup>	30%	47%	34%
Market Share for Private Institutions <sup>2</sup>	44%	72%	56%

Sources: UNESCO, World Bank, SEP database

(1) Defined as total enrollments as compared to 18-24 year old population

(2) Private institution market share in higher education; for Mexico and Combined includes all states in which UVM or UNITEC have operations (total private market share for all of Mexico is 35%); for Peru based on total country

# Growth in Middle Class Driving Higher Participation Rates



## Strong Economic Incentives

(Average wage premium for those with a tertiary education<sup>1</sup>)



## Significantly Underpenetrated by Participation

(Higher education participation rates<sup>2</sup>)



Growth in Higher Education



Growth in Middle Class

(1) Peru data is not published by UNESCO  
 (2) Defined as total enrollments as compared to 18-24 year old population

Sources: UNESCO, World Bank

# Our Leading Universities



	Brand		Founded	Enrollment @ 09/30/21	Market Segment	QS Stars™ Overall	Ratings/Rankings
Mexico	 <b>Universidad del Valle de México (UVM)</b>		1960	101,000	Premium/ Traditional	★★★★	<ul style="list-style-type: none"> <li>Ranked #7 university in Mexico</li> <li>One of only three 4-Star rated universities in Mexico by QS Stars™</li> </ul>
	 <b>Universidad Tecnológica de México (UNITEC)</b>		1966	102,000	Value/ Teaching	★★★	<ul style="list-style-type: none"> <li>Largest private university in Mexico</li> <li>5-Stars rated by QS Stars™ in categories of Teaching and Employability</li> </ul>
Peru	 <b>Universidad Peruana de Ciencias Aplicadas (UPC)</b>		1994	65,000	Premium/ Traditional	★★★★	<ul style="list-style-type: none"> <li>Ranked #3 university in Peru</li> <li>Only 4-Star rated university in Peru by QS Stars™</li> </ul>
	 <b>Universidad Privada del Norte (UPN)</b>		1994	103,000	Value/ Teaching	★★★	<ul style="list-style-type: none"> <li>2nd largest private university in Peru</li> <li>5-Stars rated by QS Stars™ in categories of Teaching and Employability</li> </ul>
	 <b>CIBERTEC</b>		1983	19,000	Technical/ Vocational		<ul style="list-style-type: none"> <li>2nd largest private technical/vocational institute in Peru</li> </ul>

# Health Science Programs

- Health Sciences programs validate institutional quality and provide a halo effect for each institution.
- Medicine and other Health Sciences represent 17% of our student population.
- Free and low-cost health clinics provide essential public health benefits.
- Students and faculty have played a critical role in the response to the COVID-19 pandemic.

13

Medical Schools

7

Dental Schools

4

Veterinary Schools

8,000

Medical School  
Students

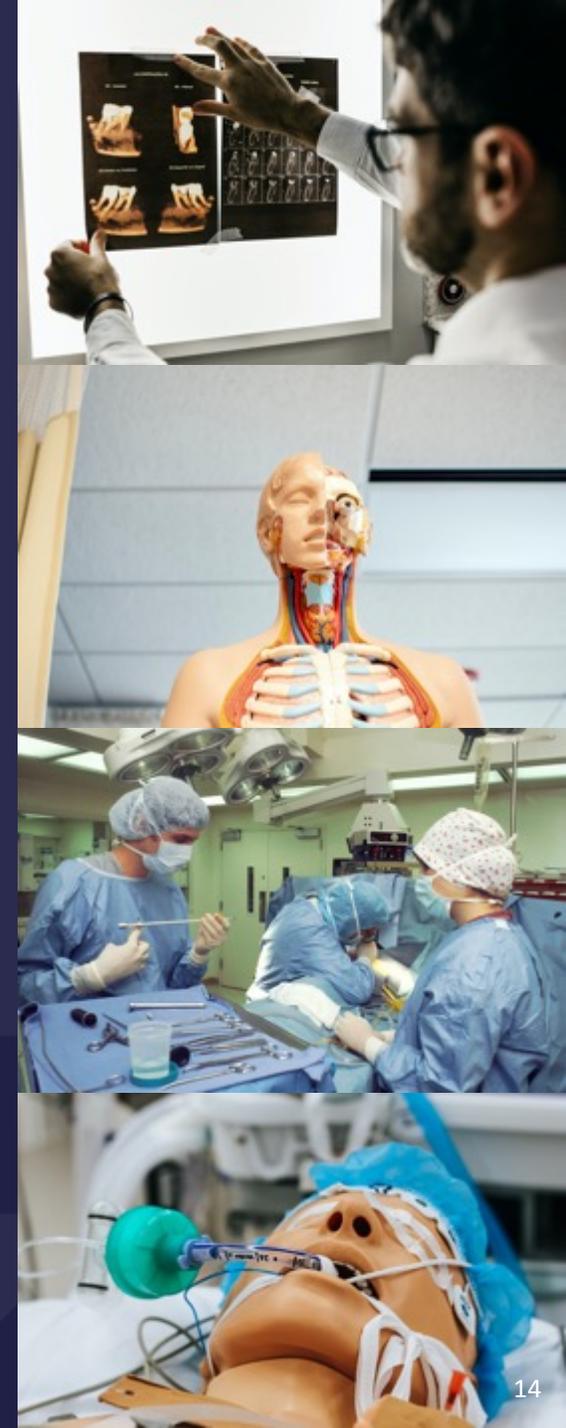
2,000

Dental School  
Students

1,300

Veterinary School  
Students

Related programs include students enrolled in **nursing, physical therapy, rehabilitation, psychology, sociology, nutrition, sports medicine and health management**



# Our Campuses – Mexico

- Strong presence across Mexico's most important markets.
- Nationwide footprint – in 20 of the 25 most populated Mexican cities.



Universidad del Valle de México (UVM)



Universidad Tecnológica de México (UNITEC)



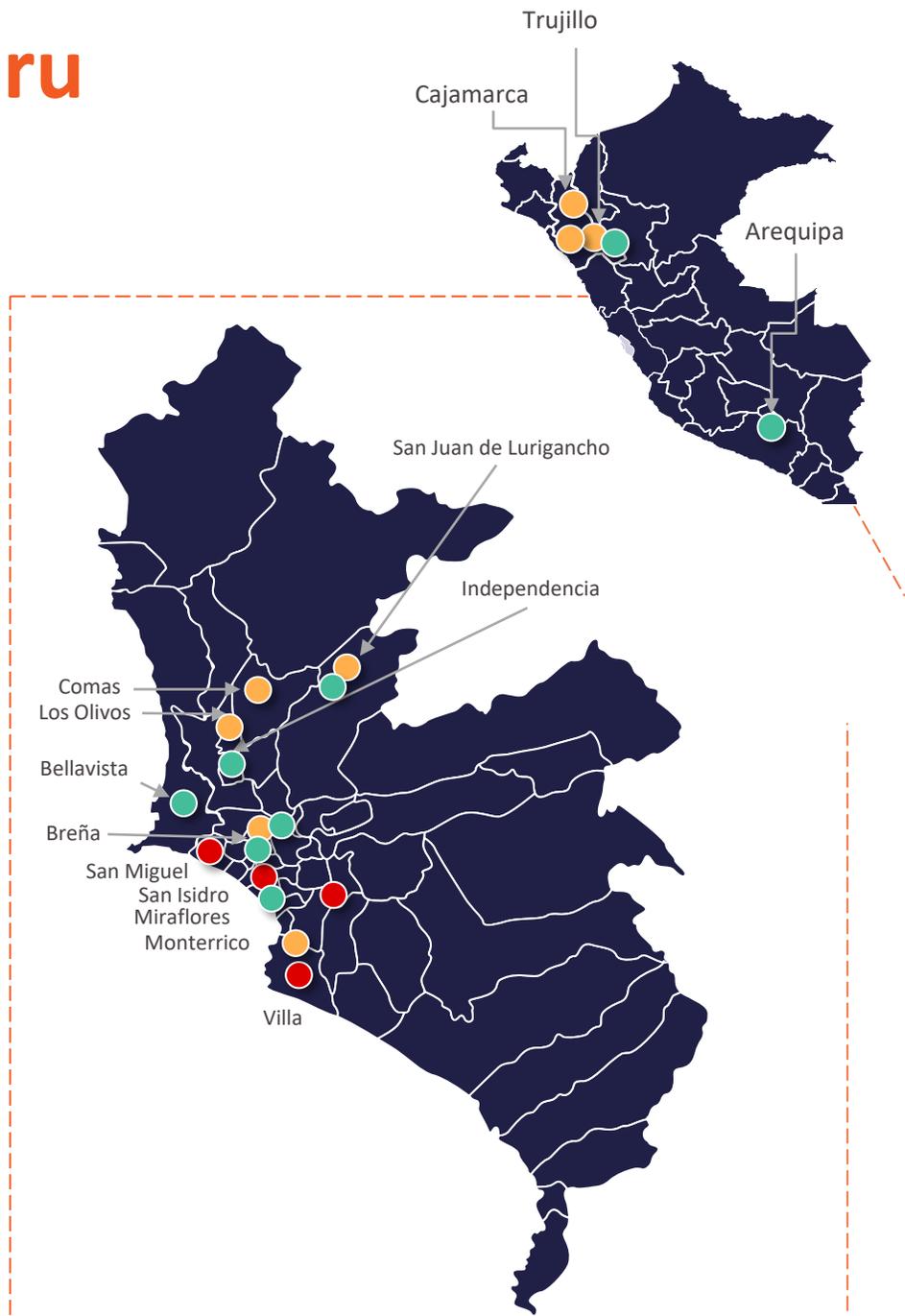
# Our Campuses – Peru

- Extensive presence in Lima (15 of 19 campuses located in Lima).
- Opportunities to expand in other cities.

  **Universidad Peruana de Ciencias Aplicadas (UPC)**

  **Universidad Privada del Norte (UPN)**

  **CIBERTEC**



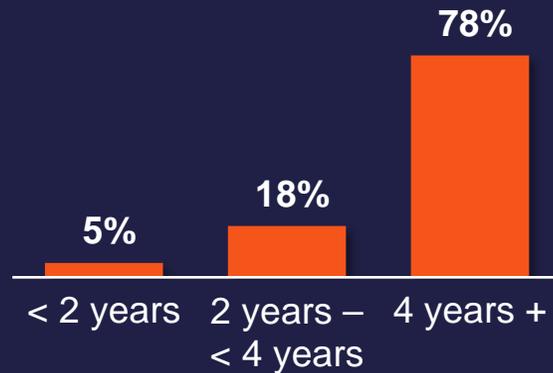
# Attractive Business Model – Strong Recurring Revenue



- Long program length, stable retention and private pay model provides predictable revenue streams.

## Long Program Length

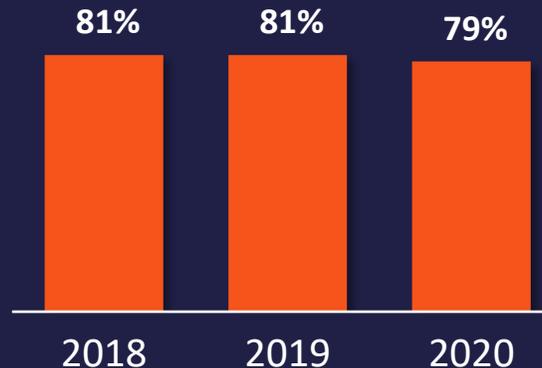
(% of total students by program length)



- Majority of academic programs offered last between 3–5 years.
- **78%** of students enrolled in programs at least 4 years in duration.

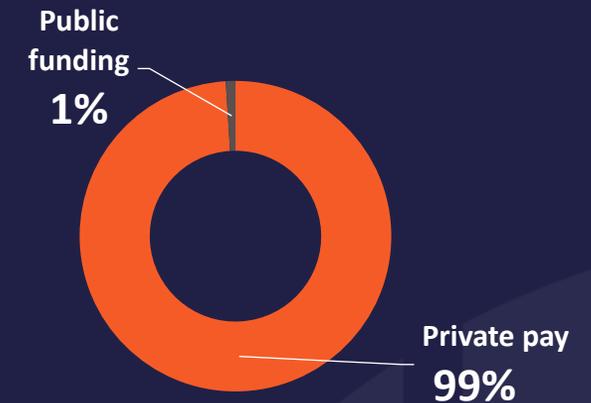
## Stable Student Retention<sup>1</sup>

(5-year rolling average retention rates)



- Historical annual student retention rate of **~80%**.
- Strong visibility into future revenue streams.

## Private Pay Model



- **Private Pay Model** validates value proposition to students.
- **No exposure** to changes in government education funding.

Note: Information shown for continuing operations.

(1) Defined as proportion of prior year returning students returning in the current year (excluding graduating students); excluding new students.



# Growth Accelerators

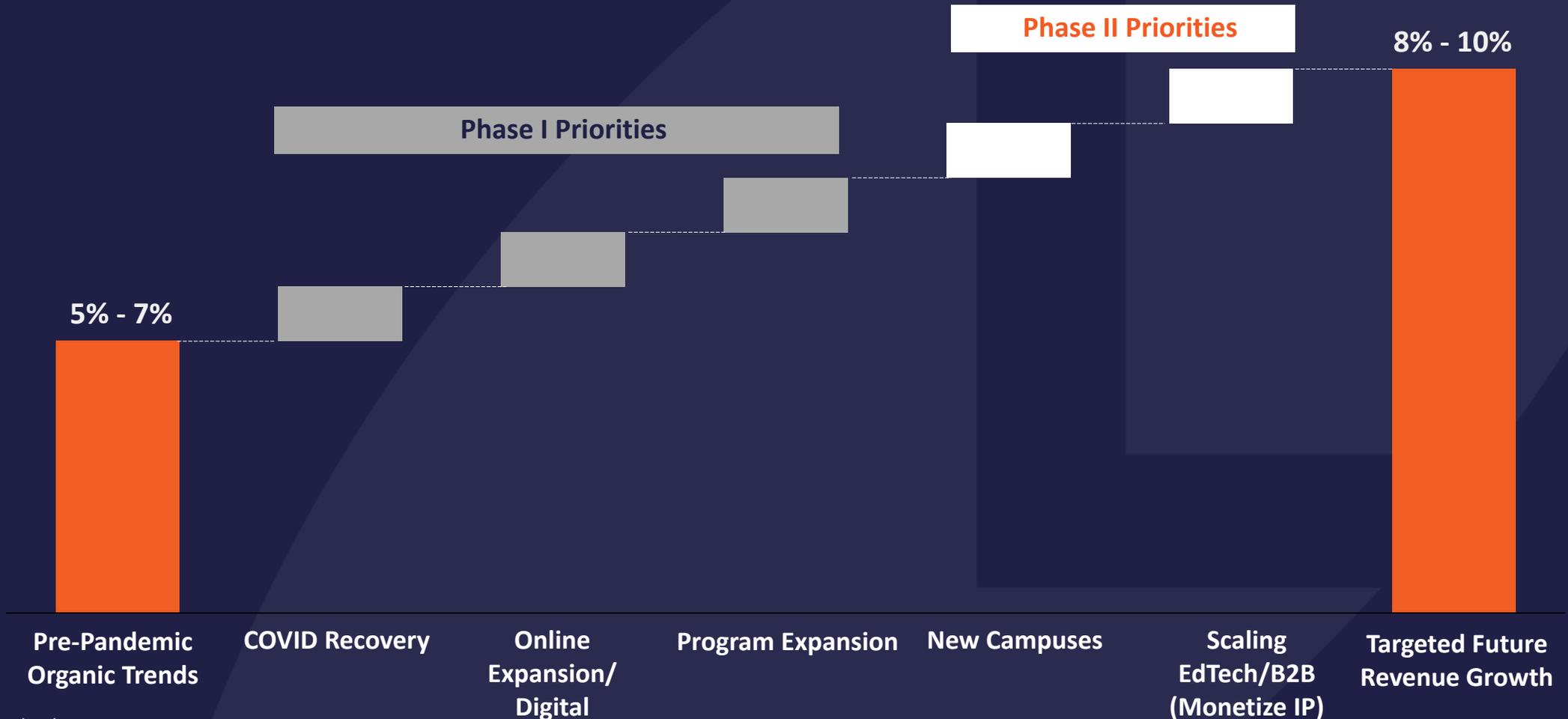


# Multiple Vectors for Revenue Growth



*Majority of Growth Initiatives are Capital Light Given Digital Focus  
All Growth Investments to be Funded by Internal Cash Flow Generation*

## Expected Medium-Term Revenue Growth



# Leadership in Digital Education

- Latin America is the **4th largest** education technology market **globally** and we are well placed to continue growing our market share.
- Digital education is a critical enabler of our mission to deliver **affordable, accessible, high-quality education**, and a key driver of our future growth strategy.
- Our leading brands and best-in-class digital learning assets place us in a **unique market position**.
- The COVID-19 pandemic accelerated digitization of education worldwide. **Our hybrid strategy**, introduced in 2015, ensured we were well prepared and continued to operate as a market leader during this challenging period.
- In March 2020, **100% of our teaching moved online within weeks**, receiving praise and recognition from government and other stakeholders in both Mexico and Peru.
- In a post-COVID environment, we're seeing **accelerated acceptance of learning online** from students, parents and regulators.



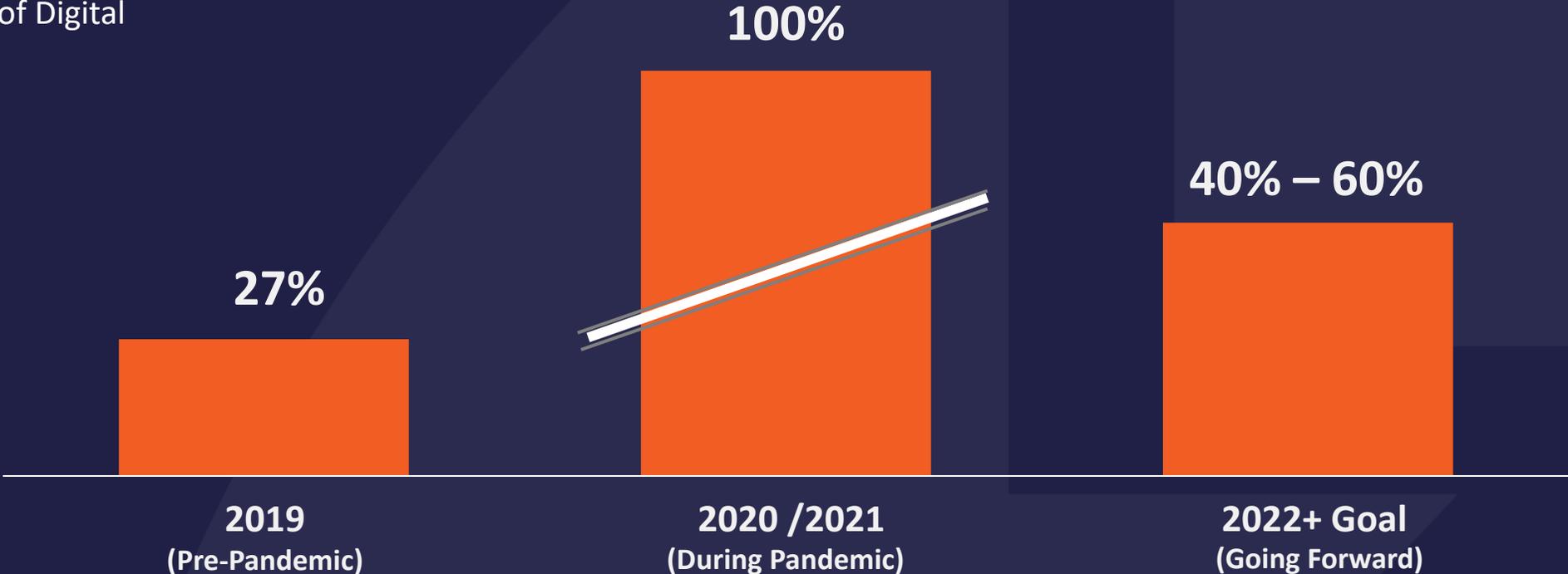
# Digital Learnings During Pandemic Accelerated Capital Light Operating Model



*Omnichannel Distribution Model Key to Unlock Incremental Growth Opportunities*

Laureate expects to enable significant growth, without large-scale investments in campus expansions, through increased mix of Digital Learning.

## Percentage of Teaching Hours Delivered Online

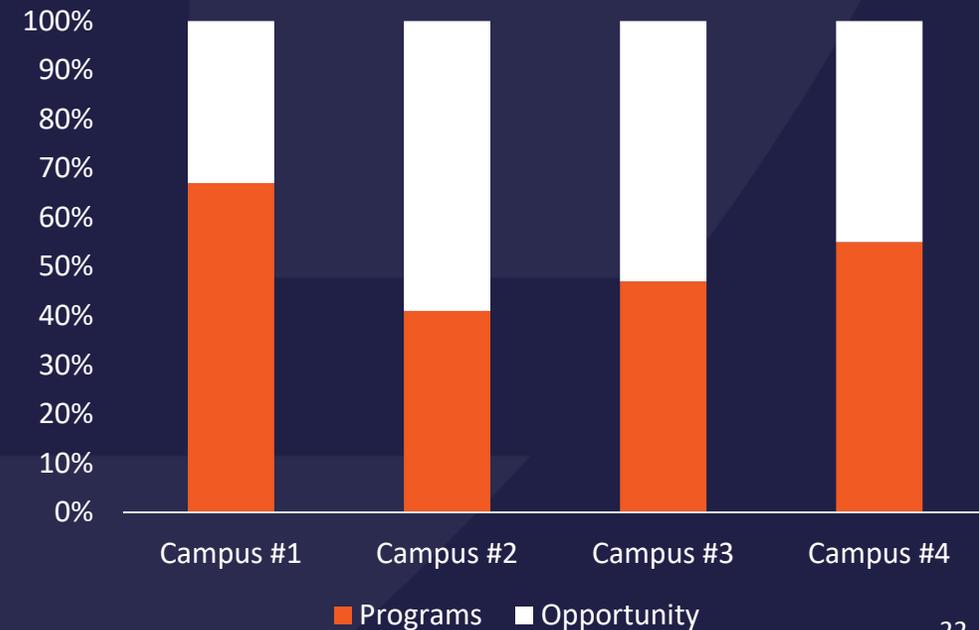


# Program Expansion in Mexico and Peru



- Opportunity to penetrate all our campuses with full suite of product offerings.
- Many campuses are at below 50% program penetration.
- Proven ability to lift-and-shift with successful new program introduction throughout our campus platforms in Mexico and Peru.
- Strong focus on Health Sciences vertical.

Case study of our strategy to lift-and-shift successful programs to all campuses





# Financial Overview and Outlook



# 2021 Year To Date – Financial Summary



## Accelerated Growth and Strong Operating Performance During 2021

(\$ in millions) (Enrollments in thousands)	Q3 YTD '21	Variance Vs. Q3 YTD '20		Notes
	Results	As Reported	Organic/CC <sup>1</sup>	
<b>New Enrollment</b>	<b>189K</b>	<b>15%</b>	<b>15%</b>	<ul style="list-style-type: none"> <li>YTD New enrollments +6% vs. YTD 2019</li> </ul>
<b>Total Enrollment</b>	<b>390K</b>	<b>16%</b>	<b>16%</b>	<ul style="list-style-type: none"> <li>Total enrollment +5% vs. Sept 2019</li> <li>Improved retention rates, +12pts versus PY</li> </ul>
<b>Revenue</b>	<b>\$790</b>	<b>7%</b>	<b>9%</b>	<ul style="list-style-type: none"> <li>Driven by enrollment volume growth and improved retention rates</li> <li>+8% adjusted for timing of academic calendar</li> </ul>
<b>Adj. EBITDA</b>	<b>\$193</b>	<b>67%</b>	<b>89%</b>	<ul style="list-style-type: none"> <li>Strong Y-o-Y improvement driven by operations and corporate G&amp;A efficiencies</li> <li>+79% adjusted for timing of academic calendar</li> </ul>
<b>Adj. EBITDA margin</b>	<b>24.4%</b>	<b>883 bps</b>	<b>1136 bps</b>	<ul style="list-style-type: none"> <li>Cost efficiency programs and increased digital/hybrid delivery are key drivers of margin expansion</li> </ul>

Note: Timing adjusted impacts noted are pro-forma for UPN-Peru semester start, which in 2020 was moved to April 6 due to COVID, and a one week earlier start of classes at Cibertec.

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

# Capitalization Overview



***\$1.3 billion of Capital Returned to Shareholders (\$7.01/share) in October  
\$365 million in Share Repurchases Thru Current Year-to-Date<sup>1</sup>***

<b>(\$ in millions)</b>	<b>Amount</b>	<b>Comments</b>
<b>Net Cash Position @ 9/30/21</b>	<b>\$1,694</b>	
<b>Cash Distribution to Shareholders</b>	<b>(\$1,272)</b>	<b>Paid on October 29<sup>th</sup></b>
<b>Taxes/Fees Due on Sales<sup>2</sup></b>	<b>(\$170)</b>	<b>To be Paid in Q4 and into 2022</b>
<b>Divestiture Cash Collateral/Escrow<sup>3</sup></b>	<b>\$158</b>	<b>Expected in 2022</b>
<b>Adjusted Net Cash Position @ 9/30/21</b>	<b>\$410</b>	

(1) Year-to-date as of October 27, 2021; Total of \$430 million of repurchase (29.5 millions share) under \$500 million total authorization (including purchases made in Q4 2020).

(2) Anticipated taxes and other costs associated with Walden and prior asset sales.

(3) Assumes full release of cash collateral for letter of credit in 2022; assumes full release and recovery of escrow in 2022 (both related to Walden divestiture).

# FY2021 Guidance Update



## *Increasing Full Year 2021 Guidance on Strength of YTD Performance*

<b>(\$ in millions) (Enrollments in thousands)</b>	<b>Previous Guidance</b>	<b>Current Outlook<sup>1</sup></b>
<b>Total Enrollment</b>	350K	385K
<b>Revenue</b>	\$1,025 – \$1,065	\$1,075 – \$1,085
<b>Adjusted EBITDA</b>	\$205 – \$215	\$247 – \$253

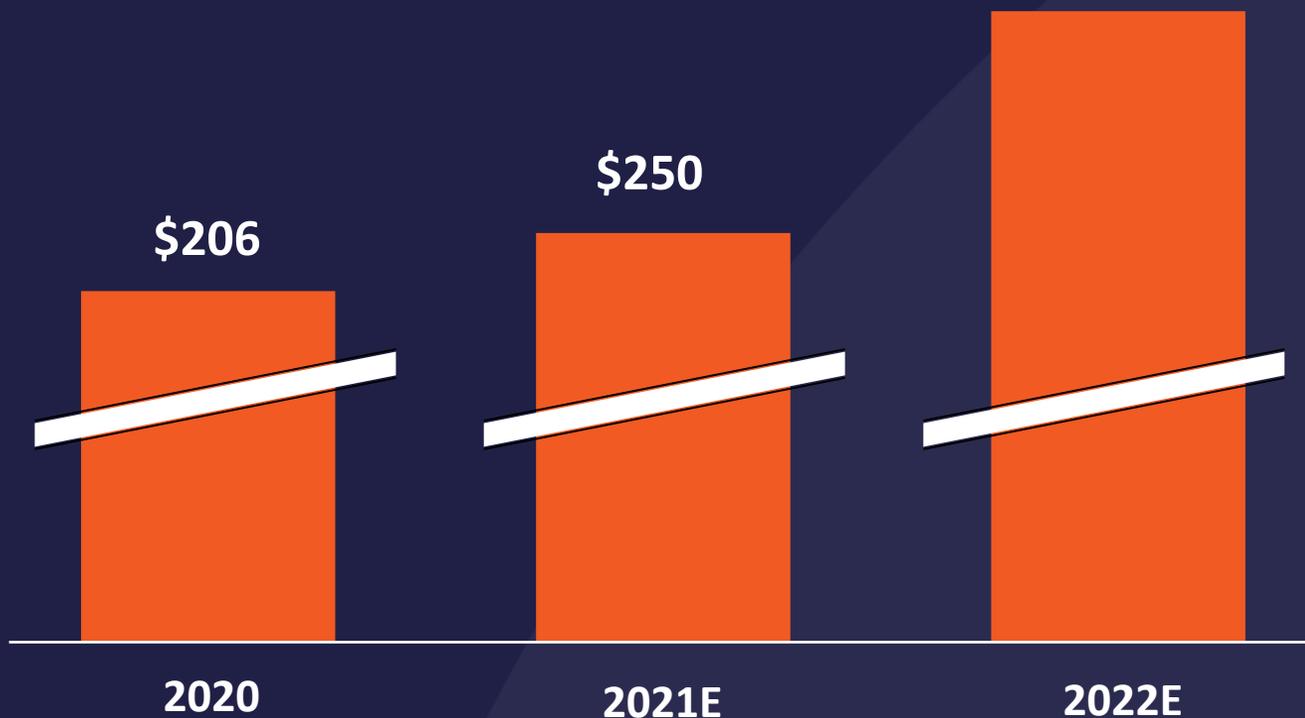
(1) Based on actual FX rates for January through October 2021, and spot FX rates (local currency per US dollar) of MXN 20.46 and PEN 4.03 for November through December 2021. FX impact may change based on fluctuations in currency rates in future periods.

Note: An outlook for 2021 net income and reconciliation of the forward-looking 2021 Adjusted EBITDA outlook to projected net income is not being provided as the company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such outlook and reconciliation. Due to this uncertainty, the company cannot reconcile Adjusted EBITDA to projected net income without unreasonable effort.

# Laureate Summary Outlook<sup>1</sup>



## Adjusted EBITDA (\$ million)



- We anticipate a step change in Adjusted EBITDA in 2022 as we complete our G&A transformation (remaining TSAs almost complete and our divestitures being behind us).
- We will provide specific 2022 guidance and additional information during our Q4 Earnings Call in February.

(1) Outlook is based on actual FX rates for January through October 2021, and spot FX rates (local currency per US dollar) of MXN 20.46 and PEN 4.03 for November and the following periods. FX impact may change based on fluctuations in currency rates in future periods. 2021 is based on mid-point of guidance.

Note: An outlook for 2021 and 2022 net income and reconciliation of the forward-looking 2021 and 2022 Adjusted EBITDA outlook to projected net income are not being provided as the company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such outlook and reconciliation. Due to this uncertainty, the company cannot reconcile Adjusted EBITDA to projected net income without unreasonable effort.



# ESG Leadership





*At **Laureate**, we know that when our students succeed, countries prosper, and societies benefit.*



# ESG Leadership

## For more than 22 years ...

Laureate has demonstrated its commitment to operating as a force for good. This has been demonstrated through scholarships provided to increase access to quality education, through learning design and the establishment of free and low-cost clinics, which benefit both underserved communities and our students, through employee volunteering, and through donations made to local, national and international nonprofit organizations.

## In 2020 ...

we provided more than \$220 million in scholarships and discounts to our students in Mexico and Peru to ensure access to quality education, which was particularly important during the COVID-19 pandemic.

## During the COVID-19 pandemic ...

in addition to taking immediate steps to ensure access to online learning for all students, our students and faculty played critical roles at local and national levels as part of pandemic response efforts. This included being part of the frontline workforce, research, innovation, and public health education and advocacy.

## As a Public Benefit Corporation (PBC) ...

we report annually on the impact we are having, and in 2022, our corporate structure and the frameworks we use to evaluate our impact across a range of ESG metrics will continue to evolve.

## Our mission ...

along with our track record, make us a proud contributor to the growing ESG movement.



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EDUCATION INC<sup>®</sup>



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# APPENDIX

# Financial Tables



## Non-GAAP Reconciliation

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

IN MILLIONS	For the three months ended September 30,			For the nine months ended September 30,		
	2021	2020	Change	2021	2020	Change
<b>Loss from continuing operations</b>	\$ (10.4)	\$ (271.0)	\$ 260.6	\$ (290.8)	\$ (76.5)	\$ (214.3)
Plus:						
Equity in net income of affiliates, net of tax	—	—	—	—	(0.2)	0.2
Income tax expense (benefit)	48.1	(72.2)	120.3	174.2	(293.5)	467.7
Income (loss) from continuing operations before income taxes and equity in net income of affiliates	37.7	(343.2)	380.9	(116.6)	(370.2)	253.6
Plus:						
Loss (gain) on disposal of subsidiaries, net	0.9	(0.6)	1.5	0.9	1.2	(0.3)
Foreign currency exchange (gain) loss, net	(6.1)	2.9	(9.0)	(18.7)	(71.1)	52.4
Other (income) expense, net	—	(1.3)	1.3	0.1	(0.8)	0.9
Loss on derivatives	—	—	—	24.5	0.6	23.9
Loss on debt extinguishment	—	—	—	77.9	—	77.9
Interest expense	3.7	24.7	(21.0)	40.8	75.7	(34.9)
Interest income	(1.3)	(0.7)	(0.6)	(2.5)	(1.6)	(0.9)
Operating income (loss)	35.1	(318.2)	353.3	6.4	(366.2)	372.6
Plus:						
Depreciation and amortization	25.9	18.2	7.7	75.6	55.9	19.7
EBITDA	61.0	(300.0)	361.0	82.0	(310.3)	392.3
Plus:						
Share-based compensation expense <sup>(3)</sup>	2.0	2.6	(0.6)	6.0	7.9	(1.9)
Loss on impairment of assets <sup>(4)</sup>	3.3	323.4	(320.1)	67.2	350.9	(283.7)
EiP implementation expenses <sup>(5)</sup>	9.6	24.4	(14.8)	37.5	66.5	(29.0)
Adjusted EBITDA	\$ 75.9	\$ 50.4	\$ 25.5	\$ 192.7	\$ 115.1	\$ 77.6
Revenues	\$ 267.7	\$ 243.5	\$ 24.2	\$ 790.0	\$ 739.7	\$ 50.3
Loss from continuing operations margin	(3.9)%	(111.3)%	10,742 bps	(36.8)%	(10.3)%	-2,647 bps
Adjusted EBITDA margin	28.4 %	20.7 %	765 bps	24.4 %	15.6 %	883 bps

<sup>(3)</sup> Represents non-cash, share-based compensation expense pursuant to the provisions of ASC Topic 718.

<sup>(4)</sup> Represents non-cash charges related to impairments of long-lived assets.

<sup>(5)</sup> Excellence-in-Process (EiP) implementation expenses are related to our enterprise-wide initiative to optimize and standardize Laureate's processes, creating vertical integration of procurement, information technology, finance, accounting and human resources. It included the establishment of regional shared services organizations (SSOs), 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 and completed dispositions.

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