

**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, 2024**

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.)

PMB 1158, 1000 Brickell Avenue, Suite 715, Miami, Florida

33131

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (786) 209-3368

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
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, 2024
Common stock, par value \$0.004 per share	152,545,768 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,	2024	2023
	(Unaudited)	(Unaudited)
Revenues	\$ 499,245	\$ 462,067
Costs and expenses:		
Direct costs	318,997	293,998
General and administrative expenses	13,653	11,960
Loss on impairment of assets	—	1,620
Operating income	166,595	154,489
Interest income	2,004	1,951
Interest expense	(5,129)	(6,137)
Other income (expense), net	108	(129)
Foreign currency exchange gain (loss), net	27,451	(32,357)
Gain on disposal of subsidiaries, net	—	1
Income from continuing operations before income taxes	191,029	117,818
Income tax expense	(63,072)	(57,468)
Income from continuing operations	127,957	60,350
Income (loss) from discontinued operations, net of tax of \$0 for both periods	394	(4,037)
Net income	128,351	56,313
Net income attributable to noncontrolling interests	(221)	(136)
Net income attributable to Laureate Education, Inc.	\$ 128,130	\$ 56,177
Basic and diluted earnings (loss) per share:		
Income from continuing operations	\$ 0.83	\$ 0.38
Loss from discontinued operations	—	(0.03)
Basic and diluted earnings per share	\$ 0.83	\$ 0.35

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,	2024	2023
	(Unaudited)	(Unaudited)
Revenues	\$ 774,617	\$ 713,322
Costs and expenses:		
Direct costs	572,975	519,310
General and administrative expenses	23,918	22,274
Loss on impairment of assets	—	1,620
Operating income	177,724	170,118
Interest income	3,915	4,109
Interest expense	(9,790)	(12,089)
Other (expense) income, net	(440)	132
Foreign currency exchange gain (loss), net	21,844	(61,309)
(Loss) gain on disposal of subsidiaries, net	(3,086)	307
Income from continuing operations before income taxes and equity in net loss of affiliates	190,167	101,268
Income tax expense	(72,994)	(67,663)
Equity in net loss of affiliates, net of tax	(7)	(3)
Income from continuing operations	117,166	33,602
Income (loss) from discontinued operations, net of tax of \$0 for both periods	337	(4,051)
Net income	117,503	29,551
Net (income) loss attributable to noncontrolling interests	(124)	19
Net income attributable to Laureate Education, Inc.	\$ 117,379	\$ 29,570
Basic and diluted earnings (loss) per share:		
Income from continuing operations	\$ 0.75	\$ 0.21
Loss from discontinued operations	—	(0.03)
Basic and diluted earnings per share	\$ 0.75	\$ 0.18

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,	2024	2023
	(Unaudited)	(Unaudited)
Net income	\$ 128,351	\$ 56,313
Other comprehensive income (loss):		
Foreign currency translation adjustment, net of tax of \$0 for both periods	(107,546)	91,915
Total other comprehensive (loss) income	(107,546)	91,915
Comprehensive income	20,805	148,228
Net comprehensive income attributable to noncontrolling interests	(221)	(44)
Comprehensive income attributable to Laureate Education, Inc.	\$ 20,584	\$ 148,184

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,	2024	2023
	(Unaudited)	(Unaudited)
Net income	\$ 117,503	\$ 29,551
Other comprehensive income (loss):		
Foreign currency translation adjustment, net of tax of \$0 for both periods	(80,663)	164,712
Total other comprehensive (loss) income	(80,663)	164,712
Comprehensive income	36,840	194,263
Net comprehensive (income) loss attributable to noncontrolling interests	(124)	105
Comprehensive income attributable to Laureate Education, Inc.	\$ 36,716	\$ 194,368

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, 2024	December 31, 2023
Assets	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 128,838	\$ 89,392
Restricted cash	7,641	7,505
Receivables:		
Accounts and notes receivable	206,807	173,571
Other receivables	4,645	3,509
Allowance for doubtful accounts	(93,939)	(84,967)
Receivables, net	117,513	92,113
Income tax receivable	7,835	15,224
Prepaid expenses and other current assets	26,248	19,284
Current assets held for sale	985	889
Total current assets	289,060	224,407
Property and equipment:		
Land	129,126	129,229
Buildings	354,305	377,954
Furniture, equipment and software	526,594	556,134
Leasehold improvements	133,904	137,171
Construction in-progress	21,248	22,673
Accumulated depreciation and amortization	(638,546)	(660,935)
Property and equipment, net	526,631	562,226
Operating lease right-of-use assets, net	333,454	371,611
Goodwill	621,658	661,482
Tradenames, net	159,876	169,183
Deferred costs, net	4,743	4,981
Deferred income taxes	67,212	71,426
Other assets	41,340	44,896
Long-term assets held for sale	17,840	15,404
Total assets	\$ 2,061,814	\$ 2,125,616

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, 2024	December 31, 2023
Liabilities and stockholders' equity	(Unaudited)	
Current liabilities:		
Accounts payable	\$ 33,829	\$ 43,239
Accrued expenses	70,012	69,464
Accrued compensation and benefits	86,602	96,652
Deferred revenue and student deposits	61,352	69,351
Current portion of operating leases	57,002	57,514
Current portion of long-term debt and finance leases	27,409	52,828
Income taxes payable	14,548	40,204
Other current liabilities	29,605	22,714
Current liabilities held for sale	1,376	1,248
Total current liabilities	381,735	453,214
Long-term operating leases, less current portion	315,413	360,120
Long-term debt and finance leases, less current portion	202,986	112,241
Deferred compensation	9,763	9,511
Income taxes payable	138,930	140,492
Deferred income taxes	52,978	56,490
Other long-term liabilities	33,238	34,151
Long-term liabilities held for sale	9,564	10,259
Total liabilities	1,144,607	1,176,478
Redeemable equity	1,398	1,398
Stockholders' equity:		
Common stock, par value \$0.004 per share – 700,000 shares authorized, 152,546 shares issued and outstanding as of June 30, 2024 and 157,586 shares issued and outstanding as of December 31, 2023	610	630
Additional paid-in capital	1,142,081	1,179,721
Retained earnings	128,130	41,862
Accumulated other comprehensive loss	(352,807)	(272,144)
Total Laureate Education, Inc. stockholders' equity	918,014	950,069
Noncontrolling interests	(2,205)	(2,329)
Total stockholders' equity	915,809	947,740
Total liabilities and stockholders' equity	\$ 2,061,814	\$ 2,125,616

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,	2024	2023
Cash flows from operating activities	(Unaudited)	(Unaudited)
Net income	\$ 117,503	\$ 29,551
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	35,490	34,038
Amortization of operating lease right-of-use assets	19,736	15,191
Loss on impairment of assets	—	1,620
Loss on sales and disposal of subsidiaries and property and equipment, net	2,870	5,698
Non-cash interest expense	722	842
Non-cash share-based compensation expense	4,296	3,100
Bad debt expense	28,907	16,180
Deferred income taxes	(226)	(6,867)
Unrealized foreign currency exchange (gain) loss	(23,371)	61,264
Other, net	(9,439)	(8,828)
Changes in operating assets and liabilities:		
Receivables	(58,935)	(57,095)
Prepaid expenses and other assets	(11,991)	(11,068)
Accounts payable and accrued expenses	(1,352)	4,954
Income tax receivable/payable, net	(17,868)	(1,742)
Deferred revenue and other liabilities	(12,959)	(8,049)
Net cash provided by operating activities	73,383	78,789
Cash flows from investing activities		
Purchase of property and equipment	(26,617)	(14,851)
Receipts from sales of property and equipment	3,262	116
Net receipts from sales of discontinued operations	771	250
Net cash used in investing activities	(22,584)	(14,485)
Cash flows from financing activities		
Proceeds from issuance of long-term debt, net of original issue discount	135,140	43,956
Payments on long-term debt	(68,610)	(88,112)
Payment of dividend equivalent rights for vested share-based awards	(1,714)	(2,318)
Payments to purchase noncontrolling interests	—	(123)
Proceeds from exercise of stock options	121	1,530
Withholding of shares to satisfy tax withholding for vested stock awards and exercised stock options	(1,693)	(616)
Payments to repurchase common stock	(71,431)	—
Payments of debt issuance costs	(78)	—
Net cash used in financing activities	(8,265)	(45,683)
Effects of exchange rate changes on Cash and cash equivalents and Restricted cash	(2,963)	8,658
Change in cash included in current assets held for sale	11	(560)
Net change in Cash and cash equivalents and Restricted cash	39,582	26,719
Cash and cash equivalents and Restricted cash at beginning of period	96,897	93,784
Cash and cash equivalents and Restricted cash at end of period	\$ 136,479	\$ 120,503

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 through electronically distributed educational programs (online). 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."

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, 2023 (the 2023 Form 10-K).

Note 2. Revenue

Revenue Recognition

Laureate's revenues primarily consist of tuition and educational service revenues. We also generate other revenues from student 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 and waivers. 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 collectability on a portfolio basis prior to recording revenue. 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, 2024 and 2023:

	Mexico	Peru	Corporate ⁽¹⁾	Total	
2024					
Tuition and educational services	\$ 294,425	\$ 291,595	\$ —	\$ 586,020	117 %
Other	33,563	19,772	26	53,361	11 %
Gross revenue	327,988	311,367	26	639,381	128 %
Less: Discounts / waivers / scholarships	(109,406)	(30,730)	—	(140,136)	(28)%
Total	\$ 218,582	\$ 280,637	\$ 26	\$ 499,245	100 %
2023					
Tuition and educational services	\$ 253,238	\$ 276,576	\$ —	\$ 529,814	115 %
Other	27,687	16,315	(65)	43,937	9 %
Gross revenue	280,925	292,891	(65)	573,751	124 %
Less: Discounts / waivers / scholarships	(88,790)	(22,894)	—	(111,684)	(24)%
Total	\$ 192,135	\$ 269,997	\$ (65)	\$ 462,067	100 %

⁽¹⁾ Includes the elimination of inter-segment 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, 2024 and 2023:

	Mexico	Peru	Corporate ⁽¹⁾	Total	
2024					
Tuition and educational services	\$ 561,739	\$ 345,892	\$ —	\$ 907,631	117 %
Other	80,733	31,745	72	112,550	15 %
Gross revenue	642,472	377,637	72	1,020,181	132 %
Less: Discounts / waivers / scholarships	(209,809)	(35,755)	—	(245,564)	(32)%
Total	\$ 432,663	\$ 341,882	\$ 72	\$ 774,617	100 %
2023					
Tuition and educational services	\$ 476,246	\$ 339,603	\$ —	\$ 815,849	114 %
Other	62,382	27,388	(6)	89,764	13 %
Gross revenue	538,628	366,991	(6)	905,613	127 %
Less: Discounts / waivers / scholarships	(164,530)	(27,761)	—	(192,291)	(27)%
Total	\$ 374,098	\$ 339,230	\$ (6)	\$ 713,322	100 %

⁽¹⁾ Includes the elimination of inter-segment 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 \$206,807 and \$173,571 as of June 30, 2024 and December 31, 2023, respectively. The increase in the contract assets balance at June 30, 2024 compared to December 31, 2023 was primarily driven by 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 \$61,352 and \$69,351 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, 2024 and December 31, 2023, respectively. The decrease in the contract liability balance during the period ended June 30, 2024 was the result of revenue recognized during the period, partially offset by semester billings and cash payments received in advance of satisfying performance obligations during that period. Revenue recognized during the six months ended June 30, 2024 that was included in the contract liability balance at the beginning of the year was approximately \$56,574.

Note 3. Assets Held for Sale

During 2023, two of the Company's subsidiaries that operate K-12 educational programs in Mexico met the criteria for classification as held for sale under ASC 360-10-45-9, "Long-Lived Assets Classified as Held for Sale." The sale of the K-12 campuses is intended to allow the Mexico segment to focus on its core business. The planned sale of this disposal group does not represent a strategic shift and therefore does not qualify for presentation as a discontinued operation in the Consolidated Financial Statements. In addition, during 2023 and 2024, several parcels of land and buildings at campuses in Mexico and a parcel of land in the United States met the criteria for classification as held for sale under ASC 360-10-45-9. The assets and liabilities are recorded at the lower of their carrying values or their estimated fair values less costs to sell. As discussed below, the sale of the parcel of land in the United States was completed during the second quarter of 2024. The carrying amounts of the major classes of assets and liabilities that were classified as held for sale are presented in the following table:

	June 30, 2024	December 31, 2023
Assets Held for Sale		
Cash and cash equivalents	\$ 492	\$ 502
Receivables, net	465	376
Property and equipment, net	9,373	6,310
Operating lease right-of-use assets, net	8,467	9,094
Other assets	28	11
Total assets held for sale	\$ 18,825	\$ 16,293
Liabilities Held for Sale		
Deferred revenue and student deposits	\$ 877	\$ 731
Operating leases, including current portion	8,576	9,214
Long-term debt, including current portion	796	859
Other liabilities	691	703
Total liabilities held for sale	\$ 10,940	\$ 11,507

The long-term debt balance represents a finance lease for property.

Sale of Land

During the second quarter of 2024, the Company completed the sale of a parcel of land in the United States that was classified as held for sale as of December 31, 2023. The Company received proceeds of approximately \$3,100 from the sale and recognized a loss of approximately \$24, which is included in Direct costs in the statements of operations.

Note 4. Business and Geographic Segment Information

Laureate's educational services are offered through two reportable segments: Mexico and Peru. 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 utilize campus-based, online and hybrid (a combination of online and in-classroom) courses and programs to deliver their curriculum. 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 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.

In Mexico, 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 nationally licensed institutions and is present throughout the country with a footprint of over 30 campuses. Students in our Mexican institutions typically finance their own education.

In Peru, private universities are increasingly providing the capacity to meet growing demand in the higher-education market. Laureate owns three institutions in Peru, with a footprint of 19 campuses.

Inter-segment 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 inter-segment items.

We evaluate segment performance based on Adjusted EBITDA, which is a non-GAAP performance measure defined as Income from continuing operations before income taxes and equity in net loss of affiliates, adding back the following items: (Loss) gain on disposal of subsidiaries, net, Foreign currency exchange gain (loss), net, Other income (expense), net, Interest expense, Interest income, Depreciation and amortization expense, Loss on impairment of assets, and Share-based compensation expense.

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. 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 Income from continuing operations before income taxes and equity in net loss of affiliates, as reported in the Consolidated Statements of Operations:

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues				
Mexico	\$ 218,582	\$ 192,135	\$ 432,663	\$ 374,098
Peru	280,637	269,997	341,882	339,230
Corporate	26	(65)	72	(6)
Total Revenues	\$ 499,245	\$ 462,067	\$ 774,617	\$ 713,322
Adjusted EBITDA of reportable segments				
Mexico	\$ 48,204	\$ 38,197	\$ 108,120	\$ 87,143
Peru	150,340	147,169	129,630	140,714
Total Adjusted EBITDA of reportable segments	198,544	185,366	237,750	227,857
Reconciling items:				
Corporate	(11,622)	(9,965)	(20,240)	(18,981)
Depreciation and amortization expense	(17,440)	(17,317)	(35,490)	(34,038)
Loss on impairment of assets	—	(1,620)	—	(1,620)
Share-based compensation expense	(2,887)	(1,975)	(4,296)	(3,100)
Operating income	166,595	154,489	177,724	170,118
Interest income	2,004	1,951	3,915	4,109
Interest expense	(5,129)	(6,137)	(9,790)	(12,089)
Other income (expense), net	108	(129)	(440)	132
Foreign currency gain (loss), net	27,451	(32,357)	21,844	(61,309)
Gain (loss) on disposal of subsidiaries, net	—	1	(3,086)	307
Income from continuing operations before income taxes and equity in net loss of affiliates	\$ 191,029	\$ 117,818	\$ 190,167	\$ 101,268

	June 30, 2024	December 31, 2023
Assets		
Mexico	\$ 1,314,169	\$ 1,396,605
Peru	574,737	559,428
Corporate	172,908	169,583
Total assets	\$ 2,061,814	\$ 2,125,616

Note 5. Goodwill

The change in the net carrying amount of Goodwill from December 31, 2023 through June 30, 2024 was composed of the following items:

	Mexico	Peru	Total
Balance at December 31, 2023	\$ 588,431	\$ 73,051	\$ 661,482
Currency translation adjustments	(37,406)	(2,418)	(39,824)
Balance at June 30, 2024	\$ 551,025	\$ 70,633	\$ 621,658

Note 6. Debt

Outstanding long-term debt was as follows:

	June 30, 2024	December 31, 2023
Senior long-term debt:		
Senior Secured Credit Facility (stated maturity date September 18, 2028)	\$ 134,000	\$ 59,000
Other debt:		
Lines of credit	13,528	10,864
Notes payable and other debt	30,705	40,009
Total senior and other debt	178,233	109,873
Finance lease obligations and sale-leaseback financings	54,320	57,568
Total long-term debt and finance leases	232,553	167,441
Less: total unamortized deferred financing costs	2,158	2,372
Less: current portion of long-term debt and finance leases	27,409	52,828
Long-term debt and finance leases, less current portion	\$ 202,986	\$ 112,241

Senior Secured Credit Facility

Under its credit agreement (the Amended Credit Agreement), the Company maintains a revolving credit facility that provides for \$145,000 of revolving credit loans maturing October 2024 (the Series 2024 Tranche) and \$155,000 of revolving credit loans maturing September 2028 (the Series 2028 Tranche) for a \$300,000 aggregate revolving credit facility (the Revolving Credit Facility). The credit available to be borrowed under the Amended Credit Agreement, whether as revolving loans or term loans, if any, are referred to herein collectively as the “Senior Secured Credit Facility.”

As of June 30, 2024 and December 31, 2023, the Senior Secured Credit Facility had a total outstanding balance of \$134,000 and \$59,000, respectively.

Estimated Fair Value of Debt

As of June 30, 2024 and December 31, 2023, the estimated fair value of our debt approximated its carrying value.

Certain Covenants

As of June 30, 2024, our Amended Credit Agreement 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 Amended Credit Agreement also 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 Amended Credit Agreement, to exceed 3.00x as of the last day of each quarter commencing with the quarter ending December 31, 2019 and thereafter. The agreement also provides that if 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, 2024, more than 25% of the revolving credit facility was utilized, and we were in compliance with the leverage ratio covenant. In addition, indebtedness at some of our locations contain financial maintenance covenants. We were in compliance with these covenants as of June 30, 2024.

Note 7. 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.

Income Tax Contingencies

As of June 30, 2024 and December 31, 2023, Laureate had recorded cumulative liabilities for income tax contingencies of \$138,930 and \$140,492, respectively.

Non-Income Tax 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, 2024 and December 31, 2023, approximately \$19,300 and \$19,800, respectively, of loss contingencies were included in Other long-term liabilities and Other current liabilities on the Consolidated Balance Sheets.

We have also identified certain loss 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 the aggregate, we estimate that the reasonably possible loss for these unrecorded contingencies could be up to approximately \$23,400 if the outcomes were unfavorable.

Guarantees

During the first quarter of 2021, one of our Peruvian institutions issued a bank guarantee in order to appeal a preliminary tax assessment received related to tax audits of 2014 and 2015. In addition, during the fourth quarter of 2023, the same institution issued a bank guarantee in order to appeal a tax assessment received related to the tax audit of 2009. As of June 30, 2024 and December 31, 2023, the total amount of the guarantees was approximately \$12,300 and \$12,700, respectively.

Note 8. Stockholders' Equity

The components of net changes in stockholders' equity for the six months ended June 30, 2024 are as follows:

	Laureate Education, Inc. Stockholders						
	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Non-controlling interests	Total stockholders' equity
	Shares	Amount					
Balance at December 31, 2023	157,586	\$ 630	\$ 1,179,721	\$ 41,862	\$ (272,144)	\$ (2,329)	\$ 947,740
Non-cash share-based compensation	—	—	1,409	—	—	—	1,409
Purchase and retirement of common stock	(2,607)	(10)	(19,512)	(13,700)	—	—	(33,222)
Exercise of stock options and vesting of restricted stock units, net of shares withheld to satisfy tax withholding	181	1	(774)	—	—	—	(773)
Equitable adjustments to stock-based awards	—	—	21	—	—	—	21
Net loss	—	—	—	(10,751)	—	(97)	(10,848)
Foreign currency translation adjustment, net of tax of \$0	—	—	—	—	26,883	—	26,883
Balance at March 31, 2024	155,160	\$ 621	\$ 1,160,865	\$ 17,411	\$ (245,261)	\$ (2,426)	\$ 931,210
Non-cash share-based compensation	—	—	2,887	—	—	—	2,887
Purchase and retirement of common stock	(2,661)	(11)	(21,781)	(17,411)	—	—	(39,203)
Exercise of stock options and vesting of restricted stock units, net of shares withheld to satisfy tax withholding	47	—	91	—	—	—	91
Equitable adjustments to stock-based awards	—	—	19	—	—	—	19
Net income	—	—	—	128,130	—	221	128,351
Foreign currency translation adjustment, net of tax of \$0	—	—	—	—	(107,546)	—	(107,546)
Balance at June 30, 2024	152,546	\$ 610	\$ 1,142,081	\$ 128,130	\$ (352,807)	\$ (2,205)	\$ 915,809

Stock Repurchases

On March 5, 2024, the Company entered into a stock purchase agreement with each of ILM Investments Limited Partnership, Torreal Sociedad de Capital Riesgo S.A., Pedro del Corro García-Lomas, a member of Laureate's Board of Directors, Ana Gómez Cuesta and José Díaz-Rato Revuelta (together, the Torreal Sellers), pursuant to which the Company purchased an

aggregate of 2,607 shares of its common stock from the Torreal Sellers at a purchase price of \$12.62 per share for an aggregate purchase price of \$32,894.

On May 6, 2024, the Company entered into a stock purchase agreement with each of Snow Phipps Group, LLC, Snow Phipps Group, L.P., Snow Phipps Group (B), L.P., Snow Phipps Group (Offshore), L.P., Snow Phipps Group (RPV), L.P. and SPG Co-Investment, L.P. (together, the Snow Phipps Sellers), pursuant to which the Company purchased an aggregate of 2,115 shares of its common stock from the Snow Phipps Sellers at a purchase price of \$14.64 per share for an aggregate purchase price of \$30,958.

During June 2024, the Company repurchased 546 shares of its common stock on the open market at prevailing market prices pursuant to a Rule 10b5-1 stock repurchase plan, in accordance with applicable rules and regulations promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act).

The above repurchases were pursuant to the Company's existing \$100,000 stock purchase program that was announced on February 22, 2024. Under this stock repurchase program, all shares repurchased are immediately retired. Upon retirement of repurchased stock, the excess of the purchase price plus excise tax over par value is allocated to additional paid-in capital, subject to certain limitations. Any remainder is allocated to retained earnings to the extent that positive retained earnings exist.

The components of net changes in stockholders' equity for the six months ended June 30, 2023 are as follows:

	Laureate Education, Inc. Stockholders								
	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock at cost	Non-controlling interests	Total stockholders' equity	
	Shares	Amount							
Balance at December 31, 2022	157,013	\$ 923	\$ 2,204,755	\$ 39,244	\$ (442,424)	\$(1,026,272)	\$ (1,869)	\$ 774,357	
Non-cash share-based compensation	—	—	1,124	—	—	—	—	1,124	
Exercise of stock options and vesting of restricted stock units, net of shares withheld to satisfy tax withholding	161	1	(448)	—	—	—	—	(447)	
Equitable adjustments to stock-based awards	—	—	(13)	—	—	—	—	(13)	
Change in noncontrolling interests	—	—	16	—	—	—	(140)	(124)	
Net loss	—	—	—	(26,607)	—	—	(155)	(26,762)	
Foreign currency translation adjustment, net of tax of \$0	—	—	—	—	72,791	—	6	72,797	
Balance at March 31, 2023	157,174	\$ 924	\$ 2,205,434	\$ 12,637	\$ (369,633)	\$(1,026,272)	\$ (2,158)	\$ 820,932	
Non-cash share-based compensation	—	—	1,976	—	—	—	—	1,976	
Retirement of treasury stock	—	(295)	(1,025,977)	—	—	1,026,272	—	—	
Exercise of stock options and vesting of restricted stock units, net of shares withheld to satisfy tax withholding	46	—	44	—	—	—	—	44	
Equitable adjustments to stock-based awards	—	—	24	—	—	—	—	24	
Net income	—	—	—	56,177	—	—	136	56,313	
Foreign currency translation adjustment, net of tax of \$0	—	—	—	—	92,007	—	(92)	91,915	
Balance at June 30, 2023	157,220	\$ 629	\$ 1,181,501	\$ 68,814	\$ (277,626)	\$ —	\$ (2,114)	\$ 971,204	

Retirement of Treasury Stock

On May 24, 2023, the Company's Board of Directors approved the retirement of all outstanding shares of treasury stock, which totaled 73,766 shares. The Company recorded the purchases of treasury stock at cost as a separate component within stockholders' equity in the Consolidated Balance Sheets. Upon retirement of the treasury stock, the Company allocated the excess of the purchase price over par value to additional paid-in capital, subject to certain limitations.

Share-based Compensation Expense

During the six months ended June 30, 2024 and 2023, the Company recorded share-based compensation expense for restricted stock unit awards of \$4,296 and \$3,100, respectively.

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 gain on a derivative designated as an effective net investment hedge, and the accumulated net gains or losses that are not recognized as components of net periodic benefit cost for our minimum pension liability. The AOCI related to the net investment hedge will be deferred from earnings until the sale or liquidation of the hedged investee. The components of these balances were as follows:

	June 30, 2024			December 31, 2023		
	Laureate Education, Inc.	Noncontrolling Interests	Total	Laureate Education, Inc.	Noncontrolling Interests	Total
Foreign currency translation adjustment	\$ (362,717)	\$ 962	\$ (361,755)	\$ (282,054)	\$ 962	\$ (281,092)
Unrealized gain on derivatives	10,416	—	10,416	10,416	—	10,416
Minimum pension liability adjustment	(506)	—	(506)	(506)	—	(506)
Accumulated other comprehensive loss	\$ (352,807)	\$ 962	\$ (351,845)	\$ (272,144)	\$ 962	\$ (271,182)

Note 9. 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, 2024 and 2023 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, 2024, the Company recognized income tax expense of \$72,994, as compared to \$67,663 in the prior year period.

Income tax expense for the six months ended June 30, 2024 and 2023 was attributable to pretax income, the jurisdictional mix of earnings, and pretax losses for which the Company cannot recognize a tax benefit. In addition, the Company benefited from changes in reserves for uncertain tax provisions in both periods.

Note 10. Earnings (Loss) Per Share

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 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 units, and any other share-based compensation arrangements determined using the treasury stock method.

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

For the three months ended June 30,	2024	2023
Numerator used in basic and diluted earnings (loss) per common share for continuing operations:		
Income from continuing operations	\$ 127,957	\$ 60,350
Income attributable to noncontrolling interests	(221)	(136)
Net income from continuing operations for basic and diluted earnings per share	\$ 127,736	\$ 60,214
Numerator used in basic and diluted earnings (loss) per common share for discontinued operations:		
Net income (loss) from discontinued operations for basic and diluted earnings (loss) per share	\$ 394	\$ (4,037)
Denominator used in basic and diluted earnings per common share:		
Basic weighted average shares outstanding	153,847	157,185
Dilutive effect of stock options	219	217
Dilutive effect of restricted stock units	284	182
Diluted weighted average shares outstanding	154,350	157,584
Basic and diluted earnings (loss) per share:		
Income from continuing operations	\$ 0.83	\$ 0.38
Loss from discontinued operations	—	(0.03)
Basic and diluted earnings per share	\$ 0.83	\$ 0.35

For the six months ended June 30,	2024	2023
Numerator used in basic and diluted earnings (loss) per common share for continuing operations:		
Income from continuing operations	\$ 117,166	\$ 33,602
(Income) loss attributable to noncontrolling interests	(124)	19
Net income from continuing operations for basic and diluted earnings per share	\$ 117,042	\$ 33,621
Numerator used in basic and diluted earnings (loss) per common share for discontinued operations:		
Net income (loss) from discontinued operations for basic and diluted earnings (loss) per share	\$ 337	\$ (4,051)
Denominator used in basic and diluted earnings (loss) per common share:		
Basic weighted average shares outstanding	155,432	157,191
Dilutive effect of stock options	211	210
Dilutive effect of restricted stock units	307	195
Diluted weighted average shares outstanding	155,950	157,596
Basic and diluted earnings (loss) per share:		
Income from continuing operations	\$ 0.75	\$ 0.21
Loss from discontinued operations	—	(0.03)
Basic and diluted earnings per share	\$ 0.75	\$ 0.18

The following table summarizes the number 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,	
	2024	2023	2024	2023
Restricted stock units	125	107	63	101

Note 11. Related Party Transactions

Stock Repurchases

As discussed in Note 8, Stockholders' Equity, on March 5, 2024, the Company entered into a stock purchase agreement with the Torreal Sellers pursuant to which the Company purchased an aggregate of 2,607 shares of its common stock from the Torreal Sellers at a purchase price of \$12.62 per share for an aggregate purchase price of \$32,894. Additionally, on May 6, 2024, the Company entered into a stock purchase agreement with the Snow Phipps Sellers pursuant to which the Company purchased an aggregate of 2,115 shares of its common stock from the Snow Phipps Sellers at a purchase price of \$14.64 per share for an aggregate purchase price of \$30,958. These repurchases, which were approved as related party transactions by the Audit and Risk Committee of the Company's Board of Directors, were pursuant to the Company's existing \$100,000 share repurchase program that was announced on February 22, 2024.

Note 12. 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. There have been no material changes to the laws and regulations affecting our higher education institutions that are described in our 2023 Form 10-K.

Note 13. 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, 2023 balance. The June 30, 2024 and June 30, 2023 balances sum to the amounts shown in the Consolidated Statements of Cash Flows for the six months ended June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023	December 31, 2023
Cash and cash equivalents	\$ 128,838	\$ 111,650	\$ 89,392
Restricted cash	7,641	8,853	7,505
Total Cash and cash equivalents and Restricted cash shown in the Consolidated Statements of Cash Flows	\$ 136,479	\$ 120,503	\$ 96,897

Restricted cash represents cash that is not immediately available for use in current operations.

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 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 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, including, without limitation, in conjunction with the forward-looking statements and risk factors 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, 2023 (the 2023 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, 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 effectively manage the growth of our business and increase our operating leverage;
- the risks associated with maintaining the value of our brands and our reputation;
- 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 of greater than anticipated tax liabilities;
- the effect on our business and results of operations from fluctuations in the value of foreign currencies;
- the fluctuations in revenues due to seasonality;
- the risks associated with disruptions to our computer networks and other cybersecurity incidents, including misappropriation of personal or proprietary information;
- the risks and uncertainties associated with an epidemic, pandemic or other public health emergency, such as the global coronavirus (COVID-19) pandemic, including, but not limited to, effects on student enrollment, tuition pricing, and collections in future periods;
- the risks associated with protests, strikes or natural or other disasters;
- our ability to attract and retain key personnel;
- our ability to maintain proper and effective internal controls necessary to produce accurate financial statements on a timely basis;
- the risks associated with indebtedness and disruptions to credit and equity markets;
- 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 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 444,200 students enrolled at five institutions in these two countries. 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 for reporting purposes.

Assets Held for Sale

As discussed in Note 3, Assets Held for Sale, of our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, the Company has undertaken a process to sell two of our subsidiaries in Mexico that operate K-12 educational programs. As such, these subsidiaries are classified as assets held for sale as of June 30, 2024. The planned sale of this disposal group does not represent a strategic shift and therefore does not qualify for presentation as a discontinued operation in the consolidated financial statements. In addition, during 2023 and 2024, several parcels of land and buildings at campuses in Mexico and a parcel of land in the United States met the criteria for classification as held for sale under ASC 360-10-45-9. The sale of the parcel of land in the United States was completed during the second quarter of 2024. The completion of the remaining sales is not expected to have a material effect on our financial results.

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 utilize campus-based, online and hybrid (a combination of online and in-classroom) courses and programs to deliver their curriculum. 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 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 approximately 37% 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 nationally licensed institutions and is present throughout the country with a footprint of over 30 campuses. 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 approximately 74% of the total higher-education market. Laureate owns three institutions in Peru, with a footprint of 19 campuses.

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 provides financial, human resource, information technology, insurance, legal, and tax compliance services. The Corporate segment also contains the eliminations of inter-segment revenues and expenses.

The following information for our reportable segments is presented as of June 30, 2024:

	Institutions	Enrollment	2024 YTD Revenues (\$ in millions) ⁽¹⁾	% Contribution to 2024 YTD Revenues
Mexico	2	223,000	\$ 432.7	56 %
Peru	3	221,200	341.9	44 %
Total ⁽¹⁾	5	444,200	\$ 774.6	100 %

⁽¹⁾ Amounts related to Corporate were immaterial and are not separately presented.

Challenges

Our operations are outside of the United States and are subject to complex business, economic, legal, regulatory, political, tax and foreign currency risks, which may be difficult to adequately address. 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 both 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 2023 Form 10-K. We plan to grow our 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,” and “Item 1—Business—Industry Regulation” in our 2023 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. Each institution also has a smaller “Secondary Intake” period. 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 and other discounts, refunds and waivers. In addition to tuition revenues, we generate other revenues from student 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.

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

Foreign Exchange

While the USD is our reporting currency, our institutions are located in Mexico and Peru and operate in other functional currencies, namely the Mexican peso and Peruvian nuevo sol. 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 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 2023 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 excludes the impact of acquisitions and divestitures.

Seasonality

Our institutions 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 that could change the academic calendar at our institutions. See “Item 1A—Risk Factors—Risks Relating to Our Business—We experience seasonal fluctuations in our results of operations” in our 2023 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 affect 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 2023 Form 10-K.

Many countries have enacted legislation and adopted policies to implement the global minimum tax resulting from the Organisation for Economic Co-operation and Development’s Base Erosion and Profit Shifting project. Significant details and guidance around the global minimum tax provisions are still pending. For countries that have enacted the global minimum tax, such taxes generally became effective for the Company beginning in 2024. Income tax expense could be adversely affected as the legislation becomes effective in countries in which we do business. We will continue to monitor pending legislation and implementation by individual countries in which we operate, and we do not expect the global minimum tax provisions to have a material impact on our results of operations, financial position or cash flows in 2024.

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

Comparison of Consolidated Results for the Three Months Ended June 30, 2024 and 2023

<i>(in millions)</i>	2024	2023	% Change Better/(Worse) 2024 vs. 2023
Revenues	\$ 499.2	\$ 462.1	8 %
Direct costs	319.0	294.0	(9)%
General and administrative expenses	13.7	12.0	(14)%
Loss on impairment of assets	—	1.6	100 %
Operating income	166.6	154.5	8 %
Interest expense, net of interest income	(3.1)	(4.1)	24 %
Other non-operating income (expense)	27.6	(32.5)	185 %
Income from continuing operations before income taxes	191.0	117.8	62 %
Income tax expense	(63.1)	(57.5)	(10)%
Income from continuing operations	128.0	60.4	112 %
Income (loss) from discontinued operations, net of tax	0.4	(4.0)	110 %
Net income	128.4	56.3	128 %
Net income attributable to noncontrolling interests	(0.2)	(0.1)	100 %
Net income attributable to Laureate Education, Inc.	\$ 128.1	\$ 56.2	128 %

Comparison of Consolidated Results for the Three Months Ended June 30, 2024 to the Three Months Ended June 30, 2023

Revenues increased by \$37.1 million to \$499.2 million for the three months ended June 30, 2024 (the 2024 fiscal quarter) from \$462.1 million for the three months ended June 30, 2023 (the 2023 fiscal quarter). This increase in revenues was attributable to: (1) higher average total organic enrollment at our institutions during the 2024 fiscal quarter, which increased revenues by \$18.3 million compared to the 2023 fiscal quarter; (2) the effect of changes in tuition rates and enrollments in programs at varying price points (product mix), pricing and timing, which increased revenues by \$14.1 million compared to the 2023 fiscal quarter; and (3) the effect of a net change in foreign currency exchange rates, which increased revenues by \$4.6 million, mainly due to the strengthening of the Mexican peso against the USD compared to the 2023 fiscal quarter. Other Corporate changes accounted for an increase in revenues of \$0.1 million.

Direct costs and general and administrative expenses combined increased by \$26.7 million to \$332.7 million for the 2024 fiscal quarter from \$306.0 million for the 2023 fiscal quarter. This increase in direct costs was driven by the effect of operational changes, which increased costs by \$21.0 million, primarily due to the result of higher enrollment at our institutions. In addition, the effect of a net change in foreign currency exchange rates increased costs by \$4.0 million compared to the 2023 fiscal quarter. Other Corporate expenses accounted for an increase in costs of \$1.7 million for the 2024 fiscal quarter compared to the 2023 fiscal quarter.

Operating income increased by \$12.1 million to \$166.6 million for the 2024 fiscal quarter from \$154.5 million for the 2023 fiscal quarter. The increase in operating income was mainly driven by higher operating income at both our Mexico and Peru segments, partially offset by higher operating costs at Corporate compared to the 2023 fiscal quarter.

Other non-operating income (expense) changed by \$60.1 million to income of \$27.6 million for the 2024 fiscal quarter from expense of \$(32.5) million for the 2023 fiscal quarter. This increase in other non-operating income was primarily attributable to a gain on foreign currency exchange for the 2024 fiscal quarter compared to a loss for the 2023 fiscal quarter for a change of \$59.9 million, mainly related to intercompany loan arrangements. In addition, other income was higher by \$0.2 million compared to the 2023 fiscal quarter.

Income tax expense increased by \$5.6 million to \$63.1 million for the 2024 fiscal quarter from \$57.5 million for the 2023 fiscal quarter. This increase was attributable to a benefit recorded in the 2023 fiscal quarter related to the release of a valuation allowance, as well as changes in the jurisdictional mix of earnings.

Comparison of Consolidated Results for the Six Months Ended June 30, 2024 and 2023

<i>(in millions)</i>	2024	2023	% Change Better/(Worse) 2024 vs. 2023
Revenues	\$ 774.6	\$ 713.3	9 %
Direct costs	573.0	519.3	(10)%
General and administrative expenses	23.9	22.3	(7)%
Loss on impairment of assets	—	1.6	100 %
Operating income	177.7	170.1	4 %
Interest expense, net of interest income	(5.9)	(8.0)	26 %
Other non-operating income (expense)	18.3	(60.9)	130 %
Income from continuing operations before income taxes	190.2	101.3	88 %
Income tax expense	(73.0)	(67.7)	(8)%
Income from continuing operations	117.2	33.6	nm
Income (loss) from discontinued operations, net of tax	0.3	(4.1)	107 %
Net income	117.5	29.6	nm
Net income attributable to noncontrolling interests	(0.1)	—	nm
Net income attributable to Laureate Education, Inc.	\$ 117.4	\$ 29.6	nm

nm - percentage changes not meaningful

Comparison of Consolidated Results for the Six Months Ended June 30, 2024 to the Six Months Ended June 30, 2023

Revenues increased by \$61.3 million to \$774.6 million for the six months ended June 30, 2024 (the 2024 fiscal period) from \$713.3 million for the six months ended June 30, 2023 (the 2023 fiscal period). This increase in revenues was attributable to: (1) higher average total organic enrollment at our institutions, which increased revenues by \$34.0 million compared to the 2023 fiscal period; (2) the effect of a net change in foreign currency exchange rates, which increased revenues by \$25.0 million, mostly driven by the strengthening of the Mexican peso against the USD compared to the 2023 fiscal period; and (3) the effect of changes in product mix, pricing and timing, which increased revenues by \$2.2 million for the 2024 fiscal period. Other Corporate changes accounted for an increase in revenues of \$0.1 million.

Direct costs and general and administrative expenses combined increased by \$55.3 million to \$596.9 million for the 2024 fiscal period from \$541.6 million for the 2023 fiscal period. This increase in direct costs was driven by the effect of operational changes, which increased direct costs by \$33.6 million compared to the 2023 fiscal period, primarily due to the result of higher enrollment at our institutions. Additionally, the effect of a net change in foreign currency exchange rates increased direct costs by \$20.4 million, mostly driven by the strengthening of the Mexican peso against the USD compared to the 2023 fiscal period. Other Corporate expenses accounted for an increase in costs of \$1.3 million for the 2024 fiscal period compared to the 2023 fiscal period.

Operating income increased by \$7.6 million to \$177.7 million for the 2024 fiscal period from \$170.1 million for the 2023 fiscal period. This increase was as a result of higher operating income at our Mexico segment, partially offset by lower operating income at our Peru segment compared to the 2023 fiscal period, due in part to higher bad debt expense, as well as higher operating costs at Corporate.

Interest expense, net of interest income decreased by \$2.1 million to \$5.9 million for the 2024 fiscal period from \$8.0 million for the 2023 fiscal period. The decrease in interest expense was primarily attributable to lower average debt balances compared to the 2023 fiscal period.

Other non-operating income (expense) changed by \$79.2 million to income of \$18.3 million for the 2024 fiscal period from expense of \$(60.9) million for the 2023 fiscal period. This increase in other non-operating income was attributable to a gain on foreign currency exchange for the 2024 fiscal period compared to a loss for the 2023 fiscal period for a change of \$83.1 million, mainly related to intercompany loan arrangements. This increase in other non-operating income was partially offset by a loss on disposal of subsidiaries for the 2024 fiscal period compared to a gain for the 2023 fiscal period, primarily attributable to the release of accumulated foreign currency translation balances upon the liquidation of certain subsidiaries, for a change of \$3.4 million. Additionally, other expense was higher by \$0.5 million compared to the 2023 fiscal period.

Income tax expense increased by \$5.3 million to \$73.0 million for the 2024 fiscal period from \$67.7 million for the 2023 fiscal period. This increase was attributable to a benefit recorded in the 2023 fiscal period related to the release of a valuation allowance, as well as changes in the jurisdictional mix of earnings.

Non-GAAP Financial Measure

We define Adjusted EBITDA as net income (loss), before (income) loss from discontinued operations, net of tax, equity in net (income) loss of affiliates, net of tax, income tax expense (benefit), (gain) loss on disposal of subsidiaries, net, foreign currency exchange (gain) loss, net, other (income) expense, net, interest expense and interest income, *plus* depreciation and amortization, share-based compensation expense and loss on impairment of assets. 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 Net income to Adjusted EBITDA for the three months ended June 30, 2024 and 2023:

<i>(in millions)</i>	2024	2023	% Change Better/(Worse) 2024 vs. 2023
Net income	\$ 128.4	\$ 56.3	128 %
Plus:			
(Income) loss from discontinued operations, net of tax	(0.4)	4.0	110 %
Income from continuing operations	128.0	60.4	112 %
Plus:			
Income tax expense	63.1	57.5	(10)%
Income from continuing operations before income taxes	191.0	117.8	62 %
Plus:			
Foreign currency exchange (gain) loss, net	(27.5)	32.4	185 %
Other (income) expense, net	(0.1)	0.1	200 %
Interest expense	5.1	6.1	16 %
Interest income	(2.0)	(2.0)	— %
Operating income	166.6	154.5	8 %
Plus:			
Depreciation and amortization	17.4	17.3	(1)%
EBITDA	184.0	171.8	7 %
Plus:			
Share-based compensation expense ^(a)	2.9	2.0	(45)%
Loss on impairment of assets ^(b)	—	1.6	100 %
Adjusted EBITDA	\$ 186.9	\$ 175.4	7 %

^(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.

The following table presents Adjusted EBITDA and reconciles Net income to Adjusted EBITDA for the six months ended June 30, 2024 and 2023:

<i>(in millions)</i>	2024	2023	% Change Better/(Worse) 2024 vs. 2023
Net income	\$ 117.5	\$ 29.6	nm
Plus:			
(Income) loss from discontinued operations, net of tax	(0.3)	4.1	107 %
Income from continuing operations	117.2	33.6	nm
Plus:			
Income tax expense	73.0	67.7	(8)%
Income from continuing operations before income taxes	190.2	101.3	88 %
Plus:			
Loss (gain) on disposal of subsidiaries, net	3.1	(0.3)	nm
Foreign currency exchange (gain) loss, net	(21.8)	61.3	136 %
Other expense (income), net	0.4	(0.1)	nm
Interest expense	9.8	12.1	19 %
Interest income	(3.9)	(4.1)	(5)%
Operating income	177.7	170.1	4 %
Plus:			
Depreciation and amortization	35.5	34.0	(4)%
EBITDA	213.2	204.1	4 %
Plus:			
Share-based compensation expense ^(a)	4.3	3.1	(39)%
Loss on impairment of assets ^(b)	—	1.6	100 %
Adjusted EBITDA	\$ 217.5	\$ 208.9	4 %

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.

Segment Results

We have two reportable segments: Mexico and Peru, 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 and share-based compensation expense 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 tables, derived from our consolidated financial statements included elsewhere in this Form 10-Q, present selected financial information of our segments:

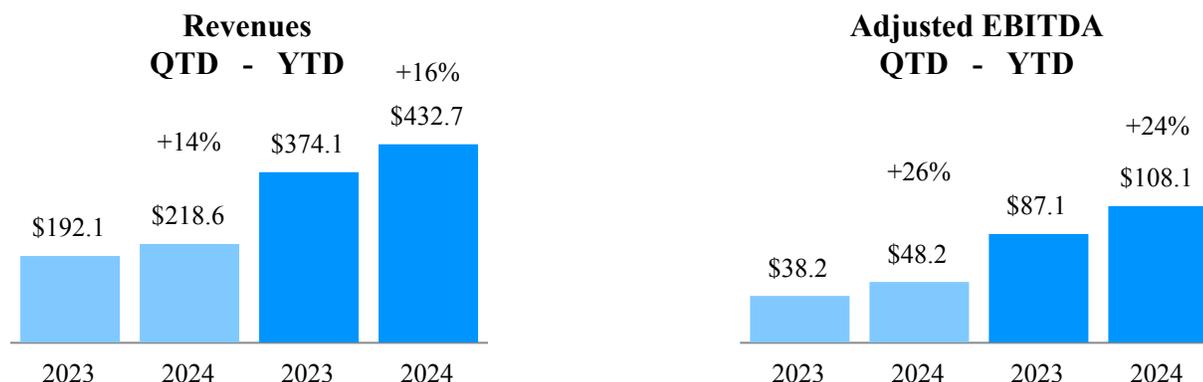
<i>(in millions)</i>			% Change Better/(Worse) 2024 vs. 2023
For the three months ended June 30,	2024	2023	
Revenues:			
Mexico	\$ 218.6	\$ 192.1	14 %
Peru	280.6	270.0	4 %
Corporate	—	(0.1)	100 %
Consolidated Total Revenues	\$ 499.2	\$ 462.1	8 %
Adjusted EBITDA:			
Mexico	\$ 48.2	\$ 38.2	26 %
Peru	150.3	147.2	2 %
Corporate	(11.6)	(10.0)	(16)%
Consolidated Total Adjusted EBITDA	\$ 186.9	\$ 175.4	7 %

<i>(in millions)</i>			% Change Better/(Worse) 2024 vs. 2023
For the six months ended June 30,	2024	2023	
Revenues:			
Mexico	\$ 432.7	\$ 374.1	16 %
Peru	341.9	339.2	1 %
Corporate	0.1	—	nm
Consolidated Total Revenues	\$ 774.6	\$ 713.3	9 %
Adjusted EBITDA:			
Mexico	\$ 108.1	\$ 87.1	24 %
Peru	129.6	140.7	(8)%
Corporate	(20.2)	(19.0)	(6)%
Consolidated Total Adjusted EBITDA	\$ 217.5	\$ 208.9	4 %

nm - percentage changes not meaningful

Mexico

Financial Overview



Comparison of Mexico Results for the Three Months Ended June 30, 2024 to the Three Months Ended June 30, 2023

(in millions)	Revenues	Direct Costs	Adjusted EBITDA
June 30, 2023	\$ 192.1	\$ 153.9	\$ 38.2
Organic enrollment ⁽¹⁾	15.8		
Product mix, pricing and timing ⁽¹⁾	3.9		
Organic constant currency	19.7	11.7	8.0
Foreign exchange	6.8	4.8	2.0
June 30, 2024	\$ 218.6	\$ 170.4	\$ 48.2

⁽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 \$26.5 million, a 14% increase from the 2023 fiscal quarter.

- Organic enrollment increased during the fiscal quarter by 9%, increasing revenues by \$15.8 million.
- Revenues from our Mexico segment represented 44% of our consolidated total revenues for the 2024 fiscal quarter, compared to 42% for the 2023 fiscal quarter.

Adjusted EBITDA increased by \$10.0 million, a 26% increase from the 2023 fiscal quarter.

Comparison of Mexico Results for the Six Months Ended June 30, 2024 to the Six Months Ended June 30, 2023

(in millions)	Revenues	Direct Costs	Adjusted EBITDA
June 30, 2023	\$ 374.1	\$ 287.0	\$ 87.1
Organic enrollment ⁽¹⁾	29.5		
Product mix, pricing and timing ⁽¹⁾	3.0		
Organic constant currency	32.5	18.9	13.6
Foreign exchange	26.1	18.7	7.4
June 30, 2024	\$ 432.7	\$ 324.6	\$ 108.1

⁽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 \$58.6 million, a 16% increase from the 2023 fiscal period.

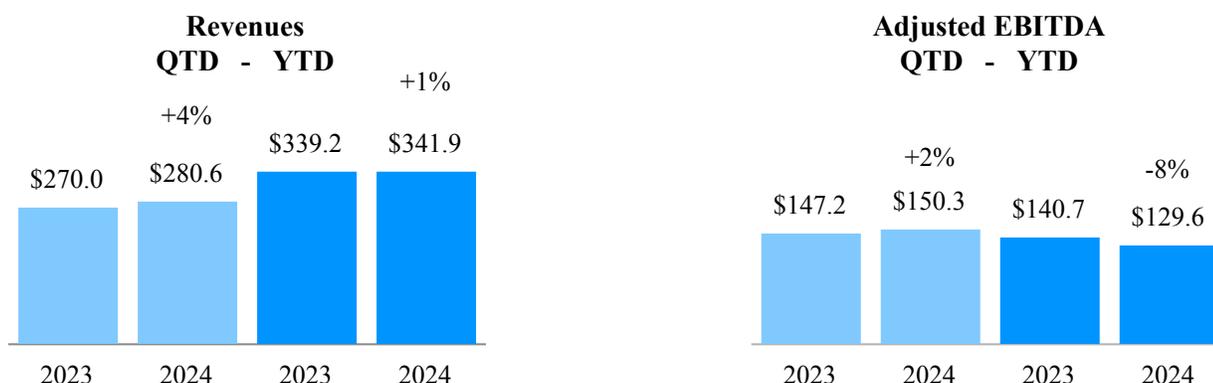
- Organic enrollment increased during the 2024 fiscal period by 9%, increasing revenues by \$29.5 million.
- Revenue for the 2024 fiscal period was unfavorably affected by the timing of the academic calendar as compared to the 2023 fiscal period.

- Revenues from our Mexico segment represented 56% of our consolidated total revenues for the 2024 fiscal period, compared to 52% for the 2023 fiscal period.

Adjusted EBITDA increased by \$21.0 million, a 24% increase from the 2023 fiscal period.

Peru

Financial Overview



Comparison of Peru Results for the Three Months Ended June 30, 2024 to the Three Months Ended June 30, 2023

(in millions)	Revenues	Direct Costs	Adjusted EBITDA
June 30, 2023	\$ 270.0	\$ 122.8	\$ 147.2
Organic enrollment ⁽¹⁾	2.5		
Product mix, pricing and timing ⁽¹⁾	10.3		
Organic constant currency	12.8	8.6	4.2
Foreign exchange	(2.2)	(1.1)	(1.1)
June 30, 2024	\$ 280.6	\$ 130.3	\$ 150.3

⁽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 \$10.6 million, a 4% increase from the 2023 fiscal quarter.

- Organic enrollment increased during the 2024 fiscal quarter by 1%, increasing revenues by \$2.5 million.
- Revenues from our Peru segment represented 56% of our consolidated total revenues for the 2024 fiscal quarter, compared to 58% for the 2023 fiscal quarter.

Adjusted EBITDA increased by \$3.1 million, a 2% increase from the 2023 fiscal quarter.

Comparison of Peru Results for the Six Months Ended June 30, 2024 to the Six Months Ended June 30, 2023

(in millions)	Revenues	Direct Costs	Adjusted EBITDA
June 30, 2023	\$ 339.2	\$ 198.5	\$ 140.7
Organic enrollment ⁽¹⁾	4.5		
Product mix, pricing and timing ⁽¹⁾	(0.7)		
Organic constant currency	3.8	13.5	(9.7)
Foreign exchange	(1.1)	0.3	(1.4)
June 30, 2024	\$ 341.9	\$ 212.3	\$ 129.6

⁽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 \$2.7 million, a 1% increase from the 2023 fiscal period.

- Organic enrollment increased during the 2024 fiscal period by 2%, increasing revenues by \$4.5 million.
- Revenue for the 2024 fiscal period was unfavorably affected by the timing of the academic calendar as compared to the 2023 fiscal period.
- Revenues from our Peru segment represented 44% of our consolidated total revenues for the 2024 fiscal period compared to 48% for the 2023 fiscal period.

Adjusted EBITDA decreased by \$11.1 million, an 8% decrease from the 2023 fiscal period, primarily due to higher bad debt expense.

Corporate

Corporate revenues primarily represent miscellaneous other revenues, net of the elimination of intersegment revenues.

Comparison of Corporate Results for the Three Months Ended June 30, 2024 to the Three Months Ended June 30, 2023

<i>(in millions)</i>	2024	2023	% Change Better/(Worse) 2024 vs. 2023
Revenues	\$ —	\$ (0.1)	100 %
Expenses	11.6	9.9	(17)%
Adjusted EBITDA	\$ (11.6)	\$ (10.0)	(16)%

Adjusted EBITDA decreased by \$1.6 million, a 16% decrease from the 2023 fiscal quarter, mainly driven by an increase in labor costs and other professional fees.

Comparison of Corporate Results for the Six Months Ended June 30, 2024 to the Six Months Ended June 30, 2023

<i>(in millions)</i>	2024	2023	% Change Better/(Worse) 2024 vs. 2023
Revenues	\$ 0.1	\$ —	nm
Expenses	20.3	19.0	(7)%
Adjusted EBITDA	\$ (20.2)	\$ (19.0)	(6)%

Adjusted EBITDA decreased by \$1.2 million, a 6% decrease from the 2023 fiscal period, mainly driven by an increase in labor costs and other professional fees.

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 for at least the next 12 months from the date of issuance of this report.

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 both 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, 2024, our secondary source of liquidity was cash and cash equivalents of \$128.8 million. Our cash accounts are maintained with high-quality financial institutions.

The Company also maintains a revolving credit facility under its credit agreement (the Amended Credit Agreement) that provides for \$145.0 million of revolving credit loans maturing October 2024 (the Series 2024 Tranche) and \$155.0 million of revolving credit loans maturing September 2028 (the Series 2028 Tranche) for a \$300.0 million aggregate revolving credit facility (the Revolving Credit Facility). The credit available to be borrowed under the Amended Credit Agreement, whether as revolving loans or term loans, if any, are referred to herein collectively as the “Senior Secured Credit Facility.” In accordance with the terms of the credit agreement, any proceeds drawn on the Revolving Credit Facility may be used for general corporate purposes. As of June 30, 2024, the Company had borrowed \$134.0 million of the \$300.0 million of available capacity.

If certain conditions are satisfied, the Amended Credit Agreement also provides for an incremental revolving and term loan facilities, at the request of the Company, not to exceed (i) the greater of (a) \$172.5 million and (b) 50% of the consolidated EBITDA of the Company, plus (ii) 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 Amended Credit Agreement, on a pro forma basis, does not exceed 2.25x, plus (iii) the aggregate amounts of any voluntary repayments of term loans, if any, and aggregate amount of voluntary repayments of revolving credit facilities that are accompanied by a corresponding termination or reduction of revolving credit commitments.

Liquidity Restrictions

Our liquidity is affected by restricted cash balances, which totaled \$7.6 million as of June 30, 2024 and \$7.5 million as of December 31, 2023. Restricted cash consisted of cash equivalents held as assets for a supplemental employment retention agreement for a former executive.

Indefinite Reinvestment of Historical Foreign Earnings

We earn a significant portion of our income from subsidiaries located in countries outside the United States. As of June 30, 2024, \$109.8 million of our total \$128.8 million of cash and cash equivalents were held by foreign subsidiaries. As of December 31, 2023, \$82.7 million of our total \$89.4 million of cash and cash equivalents were held by foreign subsidiaries. As part of our business strategies, we have determined that the undistributed historical earnings of our foreign operations for which we have not already recorded taxes will be deemed indefinitely reinvested outside of the United States.

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; stock repurchases; and business development activities.

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

Debt

As of June 30, 2024, our debt obligations consisted of \$134.0 million of borrowings under the Senior Secured Credit Facility and \$44.2 million of other debt. Other debt includes lines of credit and short-term borrowing arrangements of subsidiaries and notes payable. In addition, our finance lease obligations and sale-leaseback financings were \$54.3 million.

Loan modification

In December 2017, one of our subsidiaries in Mexico entered into an agreement with a bank for a loan of MXN 1,700.0 million (approximately \$89.0 million at the time of the loan). The loan was scheduled to mature in June 2024. During the second quarter of 2024, our Mexico subsidiary entered into a loan modification agreement with the bank, which extended the maturity of the loan to June 2029. The loan carries a variable interest rate, plus an applicable margin, which is established based on the ratio of debt to EBITDA, as defined in the agreement (12.74% as of June 30, 2024). Under the loan modification agreement, quarterly principal repayments will resume in December 2024, beginning at MXN 4.3 million (\$0.2 million at June 30, 2024) and increasing to MXN 23.4 million (\$1.3 million at June 30, 2024), with a balloon payment of MXN 170.0 million (\$9.4 million at June 30, 2024) due at maturity. As of June 30, 2024 and December 31, 2023, the outstanding balance of this loan was \$23.5 million and \$29.5 million, respectively.

Covenants

Under the Amended Credit Agreement, we are subject to a Consolidated Senior Secured Debt to Consolidated EBITDA financial maintenance covenant that applies only to the revolving credit facility (a leverage ratio covenant), as defined in the Amended Credit Agreement, unless certain conditions are satisfied. The maximum ratio, as defined, is 3.00x as of the last day of each quarter commencing with the quarter ending December 31, 2019 and thereafter. The agreement also provides that if 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, 2024, more than 25% of the revolving credit facility was utilized and we were in compliance with the leverage ratio covenant. In addition, indebtedness at some of our locations contain financial maintenance covenants. We were in compliance with those covenants as of June 30, 2024.

Leases

We conduct a significant portion of our operations from leased facilities, including many of our higher education facilities and other office locations. As of June 30, 2024 and December 31, 2023, the present value of operating lease liabilities was \$372.4 million and \$417.6 million, respectively.

Capital Expenditures

Capital expenditures primarily consist of purchases of property and equipment. 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 business through the following: (1) capacity expansion at institutions to support enrollment growth; (2) new programs and campuses for institutions in our existing markets; and (3) information technology to increase efficiency and controls. 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, excluding receipts from the sale of subsidiaries and property and equipment, were \$26.6 million and \$14.9 million during the six months ended June 30, 2024 and 2023, respectively. The increase in capital expenditures was primarily due to the purchase of a parcel of land for a new campus. Additionally, capital expenditures in Mexico were higher due to campus consolidation costs related to the implementation of a real estate optimization plan.

Share Repurchase Program

On February 22, 2024, the Company announced that its Board of Directors had approved a stock repurchase program to acquire up to \$100 million of the Company's common stock. The Company's repurchases may be made from time to time 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 Exchange Act. Repurchases may also 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, 2024, the approximate dollar value of shares yet to be purchased under this stock repurchase program was \$28.3 million. The Company intends to finance the remaining repurchases with free cash flow, excess cash and liquidity and liquidity on-hand, including available capacity under 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 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, 2024 and 2023:

<i>(in millions)</i>	2024	2023
Cash provided by (used in):		
Operating activities	\$ 73.4	\$ 78.8
Investing activities	(22.6)	(14.5)
Financing activities	(8.3)	(45.7)
Effects of exchange rates changes on cash	(3.0)	8.7
Change in cash included in current assets held for sale	—	(0.6)
Net change in cash and cash equivalents and restricted cash	\$ 39.6	\$ 26.7

Comparison of Cash Flows for the Six Months Ended June 30, 2024 to the Six Months Ended June 30, 2023

Operating Activities

Cash provided by operating activities decreased by \$5.4 million to \$73.4 million for the 2024 fiscal period from \$78.8 million for the 2023 fiscal period. This decrease in operating cash flows was attributable to higher cash paid for taxes of \$13.0 million, from \$78.8 million for the 2023 fiscal period to \$91.8 million for the 2024 fiscal period, primarily related to taxes paid during the 2024 fiscal period as a result of the distribution of certain intercompany loans. This decrease in operating cash flows was partially offset by the net effect of changes in operating assets and liabilities combined with higher operating income, which increased operating cash by \$4.4 million compared to the 2023 fiscal period. Additionally, cash paid for interest decreased by \$3.2 million from \$11.4 million for the 2023 fiscal period to \$8.2 million for the 2024 fiscal period, mostly due to lower average debt balances.

Investing Activities

Cash used in investing activities increased by \$8.1 million to \$(22.6) million for the 2024 fiscal period from \$(14.5) million for the 2023 fiscal period. This increase in cash used in investing activities was primarily attributable to higher capital expenditures of \$11.8 million during the 2024 fiscal period compared to the 2023 fiscal period, mainly driven by the purchase of a parcel of land for a new campus. This increase in investing cash outflows was partially offset by higher cash proceeds from the sale of property and equipment of \$3.1 million, mainly related to the sale of a parcel of land in the United States during the second quarter of 2024. In addition, the year-over-year change in cash flows related to run out activity from previously sold discontinued operations increased investing cash flows by \$0.5 million. Other items accounted for the remaining difference of \$0.1 million.

Financing Activities

Cash used in financing activities decreased by \$37.4 million to \$(8.3) million for the 2024 fiscal period from \$(45.7) million for the 2023 fiscal period. This decrease in financing cash outflows was primarily attributable to higher net proceeds of long-term debt during the 2024 fiscal period of \$110.7 million, partially offset by higher payments for common stock repurchases of \$71.4 million compared to the 2023 fiscal period. Other items accounted for the remaining difference of \$1.9 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 2023 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 2023 Form 10-K. During the six months ended June 30, 2024, there were no significant changes to our critical accounting policies.

Recently Adopted Accounting Standards

None.

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 2023 Form 10-K. There have been no significant changes in our market risk exposures since our December 31, 2023 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 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, 2024 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 2023 Form 10-K for information regarding material pending legal proceedings. There have been no new material legal proceedings and no material developments in the legal proceedings previously disclosed.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in “Item 1A. Risk Factors” in our 2023 Form 10-K.

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

Issuer Purchases of Equity Securities (amounts in the table below shown in thousands, except per share amounts)

The following table provides a summary of the Company’s purchases of its common stock during the three months ended June 30, 2024 pursuant to the Company’s authorized share 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⁾
4/1/24 - 4/30/24	—	\$ —	—	\$ 67,106
5/1/24 - 5/31/24	2,115	14.64	2,115	36,148
6/1/24 - 6/30/24	546	14.43	546	28,270
Total	2,661	\$ 14.59	2,661	\$ 28,270

⁽¹⁾ On February 22, 2024, the Company announced that its Board of Directors had authorized a stock repurchase program to acquire up to \$100,000 of the Company’s 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 5. Other Information

During the three months ended June 30, 2024, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933, as amended).

Item 6. Exhibits

Exhibit	
<u>No.</u>	<u>Exhibit Description</u>
10.1	<u>Stock Purchase Agreement, dated May 6, 2024, between Laureate Education Inc. and each of each of Snow Phipps Group, LLC, Snow Phipps Group, L.P., Snow Phipps Group (B), L.P., Snow Phipps Group (Offshore), L.P., Snow Phipps Group (RPV), L.P. and SPG Co-Investment, L.P.</u>
10.2†	<u>Amended and Restated 2013 Long-Term Incentive Plan Form of Special 2024 Restricted Stock Units Notice and Agreement for Certain Executives</u>
31.1	<u>Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2	<u>Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32	<u>Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
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 With Embedded Linkbase Documents
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)
	† Indicates a management contract or compensatory plan or arrangement.

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 1, 2024

/s/ GERARD M. KNAUER

Gerard M. Knauer

Vice President, Accounting and Global Controller

Date: August 1, 2024