



## News Release

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### **Adtalem Global Education Announces Fourth Quarter and Full Year Fiscal 2018 Results**

**CHICAGO, Ill. – August 16, 2018** – Adtalem Global Education (NYSE: ATGE), a leading global education provider, today reported academic, operating and financial results for its fiscal 2018 fourth quarter and year ended June 30, 2018.

“Fiscal year 2018 was a transformative year for Adtalem and we enter fiscal 2019 focused on our core verticals, committed to empowering our students and the communities they serve and delivering superior academic outcomes,” said Lisa Wardell, president and CEO of Adtalem Global Education. “We continue to streamline and strategically align our portfolio to deliver consistent growth in areas of competitive differentiation for Adtalem, while driving further operating efficiencies across our organization, and balancing our capital allocation by investing in our institutions and providing direct returns to our owners.”

#### **Selected financial data for the three months ended June 30, 2018:**

- Revenue of \$319.8 million increased 1.5 percent compared to the prior year
- Net income was \$62.8 million compared to \$42.9 million in the prior year; net income from continuing operations excluding special items was \$53.0 million compared to \$48.1 million in the prior year
- Diluted earnings per share was \$1.02 compared to \$0.67 in the prior year; diluted earnings per share from continuing operations excluding special items was \$0.86 compared to \$0.75 in the prior year

- Approximately 531,000 shares of common stock were repurchased during the fourth quarter of fiscal 2018 at an average purchase price of \$47.87 for a total of \$25.4 million

**Selected financial data for the twelve months ended June 30, 2018:**

- Revenue of \$1,231.2 million increased 1.9 percent compared to the prior year
- Net income was \$33.8 million compared to \$122.3 million in the prior year; net income from continuing operations excluding special items was \$172.9 million compared to \$160.4 million in the prior year
- Diluted earnings per share was \$0.54 compared to \$1.91 in the prior year; diluted earnings per share from continuing operations excluding special items was \$2.78 compared to \$2.51 in the prior year
- Operating cash flow for fiscal year 2018 was \$239.2 million compared to \$230.9 million in the prior year
- Cash and cash equivalents were \$430.7 million as of June 30, 2018, compared to \$240.4 million as of June 30, 2017. Outstanding bank borrowings were \$300.0 million and \$125.0 million as of June 30, 2018 and June 30, 2017, respectively

The fiscal 2018 fourth quarter results contained total pre-tax restructuring charges of \$1.9 million primarily related workforce reductions and real estate consolidation.

During the second quarter of fiscal 2018, Adtalem signed an agreement to transfer ownership of DeVry University to Cogswell Education LLC, which is anticipated to be completed in early fiscal year 2019. During the fourth quarter, Adtalem signed an agreement to transfer ownership of Carrington College to San Joaquin Valley College, Inc., which is anticipated to be completed in mid-year fiscal 2019. Both agreements are subject to certain terms and conditions, including regulatory and accreditor approval. As a result of these transactions, DeVry University and Carrington College have been classified as discontinued operations. Adtalem recorded an after-tax loss from discontinued operations of \$34.6 million in the fourth quarter of fiscal year 2018.

## **Segment Highlights**

### **Medical and Healthcare**

Fourth quarter fiscal 2018 segment revenue increased 4.1 percent to \$201.0 million compared to the prior year. Chamberlain revenue in the quarter increased 2.7 percent from the prior year to \$115.4 million, with increases in new student enrollment of 3.1 percent and total student enrollment of 4.7 percent in the May 2018 session. For the July 2018 session, new student enrollment increased 1.0 percent and total student enrollment grew 4.6 percent compared to the same session last year. Revenue in the quarter for the medical and veterinary schools increased 6.0 percent from the prior year to \$85.6 million, with increases in new student enrollment of 9.0 percent and total student enrollment of 1.2 percent in the May 2018 semester compared to the same term last year. Segment operating income in the fourth quarter increased 17.4 percent to \$48.1 million compared to the prior year. Excluding special items, segment operating income in the fourth quarter increased 12.5 percent to \$48.3 million compared to the prior year.

Additional highlights include the previously announced appointment and start in late August of a new president of Chamberlain University, Dr. Karen Cox, following the retirement of Dr. Susan Groenwald and the planned relocation of the Ross University School of Medicine (RUSM) campus to Barbados beginning with the January 2019 semester, pending final regulatory approval from the U.S. Department of Education.

### **Professional Education**

Fourth quarter segment revenue increased 13.6 percent to \$45.3 million compared to the prior year, with continued increases at the Association of Certified Anti-Money Laundering Specialists (ACAMS) and improved performance at Becker Professional Education supported by repositioning the organization and launching a refined product offering. Segment operating income in the fourth quarter increased 14.1 percent to \$12.6 million compared to the prior year. Excluding special items, segment operating income in the fourth quarter increased 17.3 percent to \$13.0 million compared to the prior year.

### **Technology and Business**

Fourth quarter segment revenue decreased 10.3 percent to \$74.3 million compared to the prior year. On a constant currency basis, revenue increased 0.9 percent. Segment

operating income in the fourth quarter decreased 29.3 percent to \$13.7 million compared to the prior year. Excluding special items, segment operating income in the fourth quarter decreased 23.0 percent to \$14.9 million compared to the prior year.

### **Adtalem Outlook**

Fiscal 2019 first quarter revenue is expected to increase approximately 1 percent compared to the prior year with growth primarily coming from the Medical and Healthcare segment. First quarter operating costs before special items are expected to be flat to up approximately 1 percent compared to the prior year.

Fiscal 2019 full year revenue is expected to increase 3 to 4 percent compared to the prior year driven by growth within the Medical and Healthcare and Professional Education segments. The effective income tax rate is expected to be in the 18 to 19 percent range. Earnings from continuing operations before special items are expected to be in line with the prior year. Full year capital spending is expected to be in the \$70 to \$75 million range, including approximately \$25 to \$30 million for the relocation of RUSM to Barbados. Adtalem's outlook excludes potential charges related to restructuring plans and the pending ownership transfer of DeVry University and Carrington College.

### **Conference Call and Webcast Information**

Adtalem will hold a conference call to discuss its fiscal 2018 fourth quarter earnings on Thursday, August 16, at 4 p.m. CT (5 p.m. ET). The conference call will be led by Lisa Wardell, president and chief executive officer; and Patrick Unzicker, chief financial officer and treasurer.

For those wishing to participate by telephone, dial 877-407-6184 (domestic) or 201-389-0877 (international) and ask for the Adtalem call or use conference ID: 13682572.

Adtalem will also broadcast the conference call on Adtalem's website at:

<http://www.investorcalendar.com/event/37094>.

Please access the website at least 15 minutes prior to the start of the call to register, download and install any necessary audio software.

Adtalem will archive a telephone replay of the call until September 16, 2018. To access the replay, dial 877-660-6853 (domestic) or 201-612-7415 (international), conference ID:

13682572. To access the webcast replay, please visit Adtalem's website at:

<http://www.investorcalendar.com/event/37094>.

### **About Adtalem Global Education**

The purpose of Adtalem Global Education is to empower students to achieve their goals, find success, and make inspiring contributions to our global community. Adtalem Global Education Inc. (NYSE: ATGE; member S&P MidCap 400 Index) is a leading global education provider and the parent organization of Adtalem Educacional do Brasil, American University of the Caribbean School of Medicine, Association of Certified Anti-Money Laundering Specialists, Becker Professional Education, Carrington College, Chamberlain University, DeVry University and its Keller Graduate School of Management, EduPristine, Ross University School of Medicine and Ross University School of Veterinary Medicine. For more information, please visit [adtalem.com](http://adtalem.com).

### **Forward Looking Statement**

Certain statements contained in this release concerning Adtalem Global Education's expected future performance, including those statements concerning expectations or plans, constitute "forward-looking statements" within the meaning of the Safe Harbor Provision of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as Adtalem Global Education or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates," "plans," "intends," "estimates," "potential," "continue," "may," "will," "should," "could," or other words or phrases of similar import which predict or indicate future events or trends or that are not statements of historical matters. Actual results may differ materially from those projected or implied by these forward-looking statements. Potential risks, uncertainties and other factors that could cause results to differ are described more fully in Item 1A, "Risk Factors," in the most recent Annual Report on Form 10-K for the year ending June 30, 2017 filed with the Securities and Exchange Commission (SEC) on August 24, 2017 and its most recent Quarterly Report on Form 10-Q for the quarter ending March 31, 2018 and filed with the SEC on May 3, 2018. Any forward-looking statement made by us in this release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

**Enrollment from Continuing Operations**

|   | <b>FY 2018</b> | <b>FY 2017</b> | <b>% Change</b> |
|---|----------------|----------------|-----------------|
| <b>Adtalem Global Education Student Enrollments<sup>(1)</sup></b> |                |                |                 |
| New students  | 3,022          | 2,955          | +2.3%           |
| Total students  | 112,270        | 114,482        | -1.9%           |
| <b>Chamberlain University</b>                                     |                |                |                 |
| <i>May Session</i>  |                |                |                 |
| New students  | 3,896          | 3,779          | +3.1%           |
| Total students  | 30,309         | 28,961         | +4.7%           |
| <i>July Session</i>   |                |                |                 |
| New students <sup>(2)</sup>                                       | 2,523          | 2,497          | +1.0%           |
| Total students  | 28,037         | 26,811         | +4.6%           |
| <b>Medical and Veterinary</b>                                     |                |                |                 |
| <i>May Semester<sup>(3)</sup></i>                                 |                |                |                 |
| New students  | 499            | 458            | +9.0%           |
| Total students  | 5,556          | 5,491          | +1.2%           |

**Enrollment from Discontinued Operations**

|                                      | <b>FY 2018</b> | <b>FY 2017</b> | <b>% Change</b> |
|--------------------------------------|----------------|----------------|-----------------|
| <b>Carrington College</b>            |                |                |                 |
| <i>3 months ending June 30, 2018</i> |                |                |                 |
| New students <sup>(4)</sup>          | 2,029          | 1,384          | +46.6%          |
| Total students                       | 5,540          | 5,362          | +3.3%           |
| <b>DeVry University</b>              |                |                |                 |
| Undergraduate – <i>May Session</i>   |                |                |                 |
| New students                         | 2,701          | 2,406          | +12.3%          |
| Total students                       | 17,885         | 20,691         | -13.6%          |
| Graduate – <i>May Session</i>        |                |                |                 |
| Coursetakers <sup>(5)</sup>          | 7,053          | 8,469          | -16.7%          |
| Undergraduate – <i>July Session</i>  |                |                |                 |
| New students                         | 2,977          | 2,616          | +13.8%          |
| Total students                       | 17,478         | 18,853         | -7.3%           |
| Graduate – <i>July Session</i>       |                |                |                 |
| Coursetakers <sup>(5)</sup>          | 6,449          | 7,442          | -13.3%          |

- 1) Includes the most recently reported enrollments at Adtalem's postsecondary institutions
- 2) Post-licensure online programs only; pre-licensure campus-based programs start in September, January and May; Total students includes pre and post-licensure enrollment
- 3) Includes enrollments in its medical and veterinary preparatory programs
- 4) Fourth quarter 2018 results included an additional intake period over the prior year
- 5) The term "coursetaker" refers to the number of courses taken by a student. Thus one student taking two courses equals two coursetakers

**ADTALEM GLOBAL EDUCATION INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(unaudited)

|   | <b>June 30,</b>   |                     |
|---|---|---------------------|
|   | <b>2018</b>   | <b>2017</b>         |
|   | <b>(in thousands, except share and par value amounts)</b> |                     |
| <b>ASSETS:</b>  |   |                     |
| <b>Current Assets:</b>  |   |                     |
| Cash and Cash Equivalents   | \$ 430,690  | \$ 240,426          |
| Marketable Securities and Investments   | 4,255   | 4,013               |
| Restricted Cash   | 310   | 1,312               |
| Accounts Receivable, Net  | 146,726   | 148,677             |
| Prepaid Expenses and Other Current Assets   | 58,887  | 36,513              |
| Current Assets Held for Sale  | 47,132  | 40,266              |
| Total Current Assets  | 688,000   | 471,207             |
| <b>Land, Building and Equipment:</b>  |   |                     |
| Land  | 48,177  | 48,937              |
| Building  | 389,129   | 407,624             |
| Equipment   | 302,516   | 284,175             |
| Construction in Progress  | 25,360  | 21,556              |
|   | 765,182   | 762,292             |
| Accumulated Depreciation  | (376,528)   | (336,027)           |
| Land, Building and Equipment Held for Sale, Net   | -   | 62,561              |
| Land, Building and Equipment, Net   | 388,654   | 488,826             |
| <b>Noncurrent Assets:</b>   |   |                     |
| Deferred Income Taxes   | 38,780  | 34,755              |
| Intangible Assets, Net  | 362,931   | 391,958             |
| Goodwill  | 813,887   | 829,086             |
| Other Assets, Net   | 39,259  | 36,777              |
| Noncurrent Assets Held for Sale   | 13,450  | 62,409              |
| Total Noncurrent Assets   | 1,268,307   | 1,354,985           |
| <b>TOTAL ASSETS</b>   | <b>\$ 2,344,961</b>                                       | <b>\$ 2,315,018</b> |
| <b>LIABILITIES:</b>   |   |                     |
| <b>Current Liabilities:</b>   |   |                     |
| Accounts Payable  | \$ 47,477   | \$ 43,083           |
| Accrued Salaries, Wages and Benefits  | 71,289  | 76,906              |
| Accrued Liabilities   | 80,803  | 90,061              |
| Deferred Revenue  | 106,773   | 103,542             |
| Current Portion of Long-Term Debt   | 3,000   | -                   |
| Current Liabilities Held for Sale   | 56,439  | 63,735              |
| Total Current Liabilities   | 365,781   | 377,327             |
| <b>Noncurrent Liabilities:</b>  |   |                     |
| Long-Term Debt  | 290,073   | 125,000             |
| Deferred Income Taxes   | 29,115  | 34,712              |
| Other Liabilities   | 131,380   | 101,672             |
| Noncurrent Liabilities Held for Sale  | 216   | 983                 |
| Total Noncurrent Liabilities  | 450,784   | 262,367             |
| <b>TOTAL LIABILITIES</b>  | <b>816,565</b>  | <b>639,694</b>      |
| <b>NONCONTROLLING INTEREST</b>  | <b>8,319</b>  | <b>6,285</b>        |
| <b>SHAREHOLDERS' EQUITY:</b>  |   |                     |
| Common Stock, \$0.01 Par Value, 200,000,000 Shares Authorized: 59,893,000 and 62,371,000<br>Shares Outstanding at June 30, 2018 and June 30, 2017, respectively | 793   | 781                 |
| Additional Paid-in Capital  | 454,653   | 415,912             |
| Retained Earnings   | 1,918,164   | 1,881,397           |
| Accumulated Other Comprehensive Loss  | (142,168)   | (59,119)            |
| Treasury Stock, at Cost, 19,390,000 and 15,691,000 Shares at June 30, 2018 and June 30, 2017,<br>respectively   | (711,365)   | (569,932)           |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>   | <b>1,520,077</b>  | <b>1,669,039</b>    |
| <b>TOTAL LIABILITIES, NONCONTROLLING INTEREST AND SHAREHOLDERS' EQUITY</b>  | <b>\$ 2,344,961</b>                                       | <b>\$ 2,315,018</b> |

**ADTALEM GLOBAL EDUCATION INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

|  | Three Months Ended                       |                  | Year Ended       |                   |
|--|--|------------------|------------------|-------------------|
|  | June 30,                                 |                  | June 30,         |                   |
|  | 2018                                     | 2017             | 2018             | 2017              |
|  | (in thousands, except per share amounts) |                  |                  |                   |
| <b>REVENUE:</b>  |  |                  |                  |                   |
| Tuition  | \$ 277,816                               | \$ 275,710       | \$ 1,070,721     | \$ 1,056,296      |
| Other Educational  | 41,971                                   | 39,506           | 160,490          | 151,613           |
| Total Revenue  | <u>319,787</u>                           | <u>315,216</u>   | <u>1,231,211</u> | <u>1,207,909</u>  |
| <b>OPERATING COST AND EXPENSE:</b>   |  |                  |                  |                   |
| Cost of Educational Services   | 155,673                                  | 159,333          | 645,604          | 638,245           |
| Student Services and Administrative Expense  | 97,064                                   | 95,857           | 373,064          | 369,043           |
| Restructuring Expense  | 1,883                                    | 8,285            | 5,067            | 12,973            |
| Regulatory Settlements   | -  | -                | -                | 52,150            |
| Total Operating Cost and Expense   | <u>254,620</u>                           | <u>263,475</u>   | <u>1,023,735</u> | <u>1,072,411</u>  |
| <b>Operating Income from Continuing Operations</b>   | <u>65,167</u>                            | <u>51,741</u>    | <u>207,476</u>   | <u>135,498</u>    |
| <b>INTEREST:</b>   |  |                  |                  |                   |
| Interest Income  | 1,015                                    | 1,184            | 5,827            | 4,905             |
| Interest Expense   | (7,373)                                  | (2,734)          | (14,620)         | (9,144)           |
| Net Interest Expense   | <u>(6,358)</u>                           | <u>(1,550)</u>   | <u>(8,793)</u>   | <u>(4,239)</u>    |
| <b>Income from Continuing Operations Before Income Taxes</b>                                   | 58,809                                   | 50,191           | 198,683          | 131,259           |
| <b>Income Tax Benefit (Provision)</b>  | 38,673                                   | (6,100)          | (84,102)         | (9,594)           |
| <b>Equity Method Investment Loss</b>   | -  | (694)            | (138)            | (694)             |
| <b>Income from Continuing Operations</b>   | <u>97,482</u>                            | <u>43,397</u>    | <u>114,443</u>   | <u>120,971</u>    |
| <b>DISCONTINUED OPERATIONS:</b>  |  |                  |                  |                   |
| <b>(Loss) Income from Discontinued Operations Before</b>                                       |  |                  |                  |                   |
| <b>Income Taxes</b>  | (52,882)                                 | 1,626            | (124,162)        | 3,135             |
| <b>Income Tax Benefit (Provision)</b>  | 18,275                                   | (1,669)          | 44,016           | (826)             |
| <b>(Loss) Income from Discontinued Operations</b>  | <u>(34,607)</u>                          | <u>(43)</u>      | <u>(80,146)</u>  | <u>2,309</u>      |
| <b>NET INCOME</b>  | 62,875                                   | 43,354           | 34,297           | 123,280           |
| Net Income Attributable to Noncontrolling Interest   | (69)                                     | (495)            | (528)            | (997)             |
| <b>NET INCOME ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION</b>                                     | <u>\$ 62,806</u>                         | <u>\$ 42,859</u> | <u>\$ 33,769</u> | <u>\$ 122,283</u> |
| <b>AMOUNTS ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION:</b>                                       |  |                  |                  |                   |
| Income from Continuing Operations  | \$ 97,413                                | \$ 42,902        | \$ 113,915       | \$ 119,974        |
| (Loss) Income from Discontinued Operations   | (34,607)                                 | (43)             | (80,146)         | 2,309             |
| <b>NET INCOME ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION</b>                                     | <u>\$ 62,806</u>                         | <u>\$ 42,859</u> | <u>\$ 33,769</u> | <u>\$ 122,283</u> |
| <b>EARNINGS (LOSS) PER COMMON SHARE ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION SHAREHOLDERS:</b> |  |                  |                  |                   |
| <b>Basic:</b>  |  |                  |                  |                   |
| Continuing Operations  | \$ 1.60                                  | \$ 0.68          | \$ 1.85          | \$ 1.89           |
| Discontinued Operations  | \$ (0.57)                                | \$ (0.00)        | \$ (1.30)        | \$ 0.04           |
| Total  | \$ 1.03                                  | \$ 0.68          | \$ 0.55          | \$ 1.93           |
| <b>Diluted:</b>  |  |                  |                  |                   |
| Continuing Operations  | \$ 1.58                                  | \$ 0.67          | \$ 1.83          | \$ 1.87           |
| Discontinued Operations  | \$ (0.56)                                | \$ (0.00)        | \$ (1.29)        | \$ 0.04           |
| Total  | \$ 1.02                                  | \$ 0.67          | \$ 0.54          | \$ 1.91           |
| <b>Cash Dividends Declared per Common Share</b>  | \$ -                                     | \$ -             | \$ -             | \$ 0.18           |



**ADTALEM GLOBAL EDUCATION INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

|   | <b>Year Ended June 30,</b> |                   |
|---|----------------------------|-------------------|
|   | <b>2018</b>                | <b>2017</b>       |
|   | <b>(in thousands)</b>      |                   |
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>   |                            |                   |
| Net Income  | \$ 34,297                  | \$ 123,280        |
| Loss (Income) from Discontinued Operations  | 80,146                     | (2,309)           |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:           |                            |                   |
| Stock-Based Compensation Expense  | 14,499                     | 16,600            |
| Depreciation  | 43,286                     | 45,805            |
| Amortization of Intangible Assets   | 9,538                      | 11,169            |
| Amortization of Deferred Debt Issuance Costs  | 2,273                      | 704               |
| Impairment of Intangible Assets   | 400                        | -                 |
| Provision for Refunds and Uncollectible Accounts  | 33,801                     | 34,529            |
| Deferred Income Taxes   | (10,595)                   | 3,797             |
| Loss on Disposals, Accelerated Depreciation and Adjustments to Land, Building and Equipment | 31,728                     | 10,507            |
| Changes in Assets and Liabilities:  |                            |                   |
| Accounts Receivable   | (43,294)                   | (57,356)          |
| Prepaid Expenses and Other  | 16,793                     | (9,647)           |
| Accounts Payable  | 9,964                      | 3,846             |
| Accrued Salaries, Wages, Benefits and Liabilities   | (4,938)                    | 9,500             |
| Deferred Revenue  | 3,382                      | 11,334            |
| Net Cash Provided by Operating Activities-Continuing Operations                             | <u>221,280</u>             | <u>201,759</u>    |
| Net Cash Provided by Operating Activities-Discontinued Operations                           | <u>17,909</u>              | <u>29,161</u>     |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>  | <u>239,189</u>             | <u>230,920</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                            |                   |
| Capital Expenditures  | (66,530)                   | (42,508)          |
| Payment for Purchase of Businesses, Net of Cash Acquired                                    | (4,041)                    | (330,567)         |
| Payment for Investment in Business  | (5,000)                    | -                 |
| Marketable Securities Purchased   | (159)                      | (93)              |
| Net Cash Used in Investing Activities-Continuing Operations                                 | <u>(75,730)</u>            | <u>(373,168)</u>  |
| Net Cash Provided by (Used in) Investing Activities-Discontinued Operations                 | <u>4,280</u>               | <u>(6,486)</u>    |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>  | <u>(71,450)</u>            | <u>(379,654)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                            |                   |
| Proceeds from Exercise of Stock Options   | 23,821                     | 27,675            |
| Employee Taxes Paid on Withholding Shares   | (4,203)                    | (2,956)           |
| Proceeds from Stock Issued Under Colleague Stock Purchase Plan                              | 803                        | 865               |
| Repurchase of Common Stock for Treasury   | (137,028)                  | (48,508)          |
| Cash Dividends Paid   | -                          | (11,414)          |
| Payments of Seller Financed Obligations   | (11,413)                   | (4,819)           |
| Borrowings Under Credit Facility  | 578,000                    | 527,000           |
| Repayments Under Credit Facility  | (403,000)                  | (402,000)         |
| Payment of Debt Issuance Costs  | (9,871)                    | -                 |
| Capital Investment from Noncontrolling Interest   | 95                         | -                 |
| <b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>  | <u>37,204</u>              | <u>85,843</u>     |
| Effects of Exchange Rate Differences  | <u>(11,634)</u>            | <u>(1,360)</u>    |
| <b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>                | 193,309                    | (64,251)          |
| Cash, Cash Equivalents and Restricted Cash at Beginning of Year                             | <u>251,096</u>             | <u>315,347</u>    |
| Cash, Cash Equivalents and Restricted Cash at End of Year                                   | 444,405                    | 251,096           |
| Less: Cash, Cash Equivalents and Restricted Cash of Discontinued Operations at End of Year  | <u>13,405</u>              | <u>9,358</u>      |
| <b>Cash, Cash Equivalents and Restricted Cash at End of Year</b>                            | <u>\$ 431,000</u>          | <u>\$ 241,738</u> |

**ADTALEM GLOBAL EDUCATION INC.**  
**SEGMENT INFORMATION**  
(Unaudited)

|                                     | Three Months Ended<br>June 30, |                  |                        | Year Ended<br>June 30, |                   |                        |
|-------------------------------------|--------------------------------|------------------|------------------------|------------------------|-------------------|------------------------|
|                                     | 2018                           | 2017             | Increase<br>(Decrease) | 2018                   | 2017              | Increase<br>(Decrease) |
|                                     | (in thousands)                 |                  |                        |                        |                   |                        |
| <b>REVENUE:</b>                     |                                |                  |                        |                        |                   |                        |
| Medical and Healthcare              | \$ 201,025                     | \$ 193,131       | 4.1 %                  | \$ 815,674             | \$ 802,462        | 1.6 %                  |
| Professional Education              | 45,289                         | 39,863           | 13.6 %                 | 147,195                | 131,769           | 11.7 %                 |
| Technology and Business             | 74,332                         | 82,903           | (10.3)%                | 270,934                | 276,341           | (2.0)%                 |
| Home Office and Other               | (859)                          | (681)            | (26.1)%                | (2,592)                | (2,663)           | 2.7 %                  |
| Total Consolidated Revenue          | <u>319,787</u>                 | <u>315,216</u>   | 1.5 %                  | <u>1,231,211</u>       | <u>1,207,909</u>  | 1.9 %                  |
| <b>OPERATING INCOME (LOSS):</b>     |                                |                  |                        |                        |                   |                        |
| Medical and Healthcare              | 48,089                         | 40,973           | 17.4 %                 | 189,672                | 187,138           | 1.4 %                  |
| Professional Education              | 12,613                         | 11,057           | 14.1 %                 | 27,695                 | 19,866            | 39.4 %                 |
| Technology and Business             | 13,682                         | 19,340           | (29.3)%                | 29,431                 | 36,204            | (18.7)%                |
| Home Office and Other               | (9,217)                        | (19,629)         | 53.0 %                 | (39,322)               | (107,710)         | 63.5 %                 |
| Total Consolidated Operating Income | <u>\$ 65,167</u>               | <u>\$ 51,741</u> | 25.9 %                 | <u>\$ 207,476</u>      | <u>\$ 135,498</u> | 53.1 %                 |

**NON-GAAP SEGMENT INFORMATION**  
(Unaudited)

During the three and twelve months ended June 30, 2018, Adtalem classified the operating results of DeVry University and Carrington College ("Carrington") as discontinued operations, and recorded special items related to the following: (i) Restructuring charges related to severance for workforce reductions and real estate consolidations at the medical and veterinary schools, which is part of the Medical and Healthcare segment, Becker Professional Education, which is part of the Professional Education segment and Adtalem's home office (not related to any segment) in order to align its cost structure with operating changes; (ii) Asset impairment charges at Adtalem Brazil related to the expected fiscal year 2019 dispositions of the São Luis and Joao Pessoa institutions (presented as restructuring expense), which is part of the Technology and Business segment; (iii) Income tax charges related to implementation of the Tax Cuts and Jobs Act of 2017; and (iv) A tax benefit for the loss on Adtalem's investment in Carrington. During the three and twelve months ended June 30, 2017, Adtalem recorded special items related to the following: (i) Restructuring charges related to severance for workforce reductions and real estate consolidations at the administrative support operations of the medical and veterinary schools and Adtalem's home office in order to align its cost structure with enrollments; and (ii) Charges related to regulatory settlement agreements. In addition, in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the operating results of DeVry University and Carrington are reclassified as discontinued operations for the three and twelve months ended June 30, 2017. The following tables illustrate the effects of the discontinued operations and special items on Adtalem's operating income and net income. Management believes that the non-GAAP disclosure of adjusted operating income, adjusted net income and adjusted earnings per share excluding the discontinued operations and special items provides investors with useful supplemental information regarding the underlying business trends and performance of Adtalem's ongoing operations and is useful for period-over-period comparisons of such operations given the special nature of discontinued operations, restructuring charges, regulatory settlements and certain income tax charges and deductions. Adtalem uses these supplemental financial measures internally in its management and budgeting process. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, Adtalem's reported results prepared in accordance with GAAP. The following tables reconcile these non-GAAP measures to the most directly comparable GAAP information (in thousands):

|   | Three Months Ended<br>June 30, |             |                        | Year Ended<br>June 30, |              |                        |
|---|--------------------------------|-------------|------------------------|------------------------|--------------|------------------------|
|   | 2018                           | 2017        | Increase<br>(Decrease) | 2018                   | 2017         | Increase<br>(Decrease) |
| Medical and Healthcare Operating Income                             | \$ 48,089                      | \$ 40,973   | 17.4 %                 | \$ 189,672             | \$ 187,138   | 1.4 %                  |
| Restructuring Expense   | 161                            | 1,915       | (91.6)%                | 803                    | 2,582        | (68.9)%                |
| Medical and Healthcare Operating Income<br>Excluding Special Items  | \$ 48,250                      | \$ 42,888   | 12.5 %                 | \$ 190,475             | \$ 189,720   | 0.4 %                  |
| Professional Education Operating Income                             | \$ 12,613                      | \$ 11,057   | 14.1 %                 | \$ 27,695              | \$ 19,866    | 39.4 %                 |
| Restructuring Expense   | 357                            | -           | NM                     | 357                    | -            | NM                     |
| Professional Education Operating Income<br>Excluding Special Items  | \$ 12,970                      | \$ 11,057   | 17.3 %                 | \$ 28,052              | \$ 19,866    | 41.2 %                 |
| Technology and Business Operating Income                            | \$ 13,682                      | \$ 19,340   | (29.3)%                | \$ 29,431              | \$ 36,204    | (18.7)%                |
| Restructuring Expense   | 1,216                          | -           | NM                     | 1,216                  | -            | NM                     |
| Technology and Business Operating Income<br>Excluding Special Items | \$ 14,898                      | \$ 19,340   | (23.0)%                | \$ 30,647              | \$ 36,204    | (15.3)%                |
| Home Office and Other Operating Loss                                | \$ (9,217)                     | \$ (19,629) | 53.0 %                 | \$ (39,322)            | \$ (107,710) | 63.5 %                 |
| Restructuring Expense   | 149                            | 6,370       | (97.7)%                | 2,691                  | 10,391       | (74.1)%                |
| Regulatory Settlement   | -                              | -           | NM                     | -                      | 52,150       | NM                     |
| Home Office and Other Operating Loss<br>Excluding Special Items     | \$ (9,068)                     | \$ (13,259) | 31.6 %                 | \$ (36,631)            | \$ (45,169)  | 18.9 %                 |

**NON-GAAP EARNINGS DISCLOSURE**  
(Unaudited)

|   | Three Months Ended<br>June 30,           |            | Year Ended<br>June 30, |             |
|---|--|------------|------------------------|-------------|
|   | 2018                                     | 2017       | 2018                   | 2017        |
|   | (in thousands, except per share amounts) |            |                        |             |
| <b>Net Income</b>   | \$ 62,806                                | \$ 42,859  | \$ 33,769              | \$ 122,283  |
| Earnings per Share (diluted)  | \$ 1.02                                  | \$ 0.67    | \$ 0.54                | \$ 1.91     |
| <b>Continuing Operations:</b>   |  |            |                        |             |
| Restructuring Expense   | \$ 1,883                                 | \$ 8,285   | \$ 5,067               | \$ 12,973   |
| Effect on Earnings per Share (diluted)  | \$ 0.03                                  | \$ 0.13    | \$ 0.08                | \$ 0.20     |
| Tax Cuts and Jobs Act of 2017   | \$ 2,682                                 | \$ -       | \$ 103,878             | \$ -        |
| Effect on Earnings per Share (diluted)  | \$ 0.04                                  | \$ -       | \$ 1.67                | \$ -        |
| Tax Benefit on Carrington Loss  | \$ (48,903)                              | \$ -       | \$ (48,903)            | \$ -        |
| Effect on Earnings per Share (diluted)  | \$ (0.79)                                | \$ -       | \$ (0.79)              | \$ -        |
| Regulatory Settlements  | \$ -                                     | \$ -       | \$ -                   | \$ 52,150   |
| Effect on Earnings per Share (diluted)  | \$ -                                     | \$ -       | \$ -                   | \$ 0.81     |
| Income Tax Impact on Non-GAAP Adjustments   | \$ (84)                                  | \$ (3,045) | \$ (1,083)             | \$ (24,666) |
| Effect on Earnings per Share (diluted)  | \$ 0.00                                  | \$ (0.05)  | \$ (0.02)              | \$ (0.39)   |
| <b>Discontinued Operations, net of tax</b>  | \$ 34,607                                | \$ 43      | \$ 80,146              | \$ (2,309)  |
| Effect on Earnings per Share (diluted)  | \$ 0.56                                  | \$ 0.00    | \$ 1.29                | \$ (0.04)   |
| <b>Net Income from Continuing Operations Excluding Special Items, net of tax</b>  | \$ 52,991                                | \$ 48,142  | \$ 172,874             | \$ 160,431  |
| Earnings per Share from Continuing Operations Excluding Special Items, net of tax | \$ 0.86                                  | \$ 0.75    | \$ 2.78                | \$ 2.51     |
| Shares used in EPS calculation  | 61,659                                   | 64,034     | 62,280                 | 64,019      |

**SUPPLEMENTAL RECONCILIATIONS**  
(Unaudited)

**Three Months Ended June 30, 2018**

(in thousands)

|  | <b>Medical and<br/>Healthcare</b> | <b>Professional<br/>Education</b> | <b>Technology<br/>and Business</b> | <b>Home Office<br/>and Other</b> | <b>Consolidated</b> |
|--|-----------------------------------|-----------------------------------|------------------------------------|----------------------------------|---------------------|
| <b>Revenue:</b>                          |                                   |                                   |                                    |                                  |                     |
| Fiscal Year 2017 as Reported             | \$ 193,131                        | \$ 39,863                         | \$ 82,903                          | \$ (681)                         | \$ 315,216          |
| Organic Growth (Decline)                 | 7,894                             | 4,580                             | (20)                               | (178)                            | 12,276              |
| Effect of Acquisitions                   | -                                 | 846                               | 741                                | -                                | 1,587               |
| Effect of Currency Change                | -                                 | -                                 | (9,292)                            | -                                | (9,292)             |
| Fiscal Year 2018 as Reported             | <u>\$ 201,025</u>                 | <u>\$ 45,289</u>                  | <u>\$ 74,332</u>                   | <u>\$ (859)</u>                  | <u>\$ 319,787</u>   |
| <b>Fiscal Year 2018 % Change:</b>        |                                   |                                   |                                    |                                  |                     |
| Organic Growth (Decline)                 | 4.1%                              | 11.5%                             | (0.0%)                             | NM                               | 3.9%                |
| Effect of Acquisitions                   | -                                 | 2.1%                              | 0.9%                               | NM                               | 0.5%                |
| Constant Currency Change                 | 4.1%                              | 13.6%                             | 0.9%                               | NM                               | 4.4%                |
| Effect of Currency Change                | -                                 | -                                 | (11.2%)                            | NM                               | (2.9%)              |
| Fiscal Year 2018 % Change<br>as Reported | <u>4.1%</u>                       | <u>13.6%</u>                      | <u>(10.3%)</u>                     | <u>NM</u>                        | <u>1.5%</u>         |

**Year Ended June 30, 2018**

(in thousands)

|  | <b>Medical and<br/>Healthcare</b> | <b>Professional<br/>Education</b> | <b>Technology<br/>and Business</b> | <b>Home Office<br/>and Other</b> | <b>Consolidated</b> |
|--|-----------------------------------|-----------------------------------|------------------------------------|----------------------------------|---------------------|
| <b>Revenue:</b>                          |                                   |                                   |                                    |                                  |                     |
| Fiscal Year 2017 as Reported             | \$ 802,462                        | \$ 131,769                        | \$ 276,341                         | \$ (2,663)                       | \$ 1,207,909        |
| Organic Growth (Decline)                 | 17,779                            | 14,198                            | 1,929                              | 71                               | 33,977              |
| Effect of Acquisitions                   | -                                 | 1,228                             | 1,734                              | -                                | 2,962               |
| Hurricane Impact                         | (4,567)                           | -                                 | -                                  | -                                | (4,567)             |
| Effect of Currency Change                | -                                 | -                                 | (9,070)                            | -                                | (9,070)             |
| Fiscal Year 2018 as Reported             | <u>\$ 815,674</u>                 | <u>\$ 147,195</u>                 | <u>\$ 270,934</u>                  | <u>\$ (2,592)</u>                | <u>\$ 1,231,211</u> |
| <b>Fiscal Year 2018 % Change:</b>        |                                   |                                   |                                    |                                  |                     |
| Organic Growth (Decline)                 | 2.2%                              | 10.8%                             | 0.7%                               | NM                               | 2.8%                |
| Effect of Acquisitions                   | -                                 | 0.9%                              | 0.6%                               | NM                               | 0.2%                |
| Hurricane Impact                         | (0.6%)                            | -                                 | -                                  | NM                               | (0.4%)              |
| Constant Currency Change                 | 1.6%                              | 11.7%                             | 1.3%                               | NM                               | 2.7%                |
| Effect of Currency Change                | -                                 | -                                 | (3.3%)                             | NM                               | (0.8%)              |
| Fiscal Year 2018 % Change<br>as Reported | <u>1.6%</u>                       | <u>11.7%</u>                      | <u>(2.0%)</u>                      | <u>NM</u>                        | <u>1.9%</u>         |

**SUPPLEMENTAL RECONCILIATIONS**  
(Unaudited)

**Three Months Ended June 30, 2018**

(in thousands)

| <b><u>Total Expenses:</u></b> | <b>Medical and<br/>Healthcare</b> | <b>Professional<br/>Education</b> | <b>Technology<br/>and Business</b> | <b>Home Office<br/>and Other</b> | <b>Consolidated</b> |
|-------------------------------|-----------------------------------|-----------------------------------|------------------------------------|----------------------------------|---------------------|
| Fiscal Year 2017 as Reported  | \$ 152,158                        | \$ 28,806                         | \$ 63,564                          | \$ 18,947                        | \$ 263,475          |
| Cost Increase (Reduction)     | 2,533                             | 1,535                             | 2,459                              | (4,370)                          | 2,157               |
| Effect of Acquisitions        | -                                 | 1,978                             | 536                                | -                                | 2,514               |
| Restructuring Expense Change  | (1,754)                           | 357                               | 1,216                              | (6,221)                          | (6,402)             |
| Effect of Currency Change     | -                                 | -                                 | (7,124)                            | -                                | (7,124)             |
| Fiscal Year 2018 as Reported  | \$ 152,937                        | \$ 32,676                         | \$ 60,651                          | \$ 8,356                         | \$ 254,620          |

**Fiscal Year 2018 % Change:**

|  |        |       |         |    |        |
|--|--------|-------|---------|----|--------|
| Cost Increase (Reduction)                | 1.7%   | 5.3%  | 3.9%    | NM | 0.8%   |
| Effect of Acquisitions                   | -      | 6.9%  | 0.8%    | NM | 1.0%   |
| Restructuring Expense Change             | (1.2%) | 1.2%  | 1.9%    | NM | (2.4%) |
| Constant Currency Change                 | 0.5%   | 13.4% | 6.6%    | NM | (0.7%) |
| Effect of Currency Change                | -      | -     | (11.2%) | NM | (2.7%) |
| Fiscal Year 2018 % Change<br>as Reported | 0.5%   | 13.4% | (4.6%)  | NM | (3.4%) |

**Year Ended June 30, 2018**

(in thousands)

| <b><u>Total Expenses:</u></b> | <b>Medical and<br/>Healthcare</b> | <b>Professional<br/>Education</b> | <b>Technology<br/>and Business</b> | <b>Home Office<br/>and Other</b> | <b>Consolidated</b> |
|-------------------------------|-----------------------------------|-----------------------------------|------------------------------------|----------------------------------|---------------------|
| Fiscal Year 2017 as Reported  | \$ 615,323                        | \$ 111,903                        | \$ 240,136                         | \$ 105,049                       | \$ 1,072,411        |
| Cost Increase (Reduction)     | (913)                             | 4,586                             | 5,645                              | (8,469)                          | 849                 |
| Effect of Acquisitions        | -                                 | 2,653                             | 1,142                              | -                                | 3,795               |
| Hurricane Impact              | 13,372                            | -                                 | -                                  | -                                | 13,372              |
| Restructuring Expense Change  | (1,779)                           | 357                               | 1,216                              | (7,700)                          | (7,906)             |
| Regulatory Settlement Change  | -                                 | -                                 | -                                  | (52,150)                         | (52,150)            |
| Effect of Currency Change     | -                                 | -                                 | (6,636)                            | -                                | (6,636)             |
| Fiscal Year 2018 as Reported  | \$ 626,003                        | \$ 119,499                        | \$ 241,503                         | \$ 36,730                        | \$ 1,023,735        |

**Fiscal Year 2018 % Change:**

|  |        |      |        |    |        |
|--|--------|------|--------|----|--------|
| Cost Increase (Reduction)                | (0.1%) | 4.1% | 2.4%   | NM | 0.1%   |
| Effect of Acquisitions                   | -      | 2.4% | 0.5%   | NM | 0.4%   |
| Hurricane Impact                         | 2.2%   | -    | -      | NM | 1.2%   |
| Restructuring Expense Change             | (0.3%) | 0.3% | 0.5%   | NM | (0.7%) |
| Regulatory Settlement Change             | -      | -    | -      | NM | (4.9%) |
| Constant Currency Change                 | 1.7%   | 6.8% | 3.3%   | NM | (3.9%) |
| Effect of Currency Change                | -      | -    | (2.8%) | NM | (0.6%) |
| Fiscal Year 2018 % Change<br>as Reported | 1.7%   | 6.8% | 0.6%   | NM | (4.5%) |