Table of Contents

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2026

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 No. 0-21039

Strategic Education, Inc.

(Exact name of registrant as specified in this charter)

Maryland	**52-1975978**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2303 Dulles Station Boulevard, Suite 600 Herndon, VA	**20171**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (703) 561-1600

Securities Registered Pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	STRA	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 ☒

As of October 16, 2026, there were outstanding 21,882,127 shares of Common Stock, par value $0.01 per share, of the Registrant.

STRATEGIC EDUCATION, INC.
INDEX
FORM 10-Q

PART I — FINANCIAL INFORMATION

Item 1.	Financial Statements	
	Unaudited Condensed Consolidated Balance Sheets at December 31, 2025 and September 30, 2026	3
	Unaudited Condensed Consolidated Statements of Income (Loss) for the three and nine months ended September 30, 2025 and 2026	4
	Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2025 and 2026	4
	Unaudited Condensed Consolidated Statements of Stockholders' Equity for the three and nine months ended September 30, 2025 and 2026	5
	Unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2025 and 2026	7
	Notes to Unaudited Condensed Consolidated Financial Statements	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	32
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	44
Item 4.	Controls and Procedures	45

PART II — OTHER INFORMATION

Item 1.	Legal Proceedings	46
Item 1A.	Risk Factors	46
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	50
Item 3.	Defaults Upon Senior Securities	51
Item 4.	Mine Safety Disclosures	51
Item 5.	Other Information	51
Item 6.	Exhibits	52
SIGNATURES		53

PART I — FINANCIAL INFORMATION
Item 1. Financial Statements

STRATEGIC EDUCATION, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	December 31, 2025	September 30, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	$ 140,757	$ 126,575
Marketable securities	7,297	4,999
Tuition receivable, net	78,202	112,528
Income taxes receivable	2,511	5,595
Other current assets	49,090	54,925
Total current assets	277,857	304,622
Property and equipment, net	107,373	111,879
Right-of-use lease assets	91,140	83,039
Marketable securities, non-current	5,000	7,000
Intangible assets	249,243	244,601
Goodwill	1,242,413	1,140,542
Other assets	65,514	66,354
Total assets	$ 2,038,540	$ 1,958,037
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 105,791	$ 124,492
Contract liabilities	96,247	143,077
Lease liabilities	15,905	15,049
Total current liabilities	217,943	282,618
Deferred income tax liabilities	35,835	34,279
Lease liabilities, non-current	93,216	87,863
Other long-term liabilities	45,140	44,225
Total liabilities	392,134	448,985
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value $0.01; 32,000,000 shares authorized; 22,968,860 and 21,882,127 shares issued and outstanding at December 31, 2025 and September 30, 2026, respectively	230	219
Additional paid-in capital	1,436,795	1,361,346
Accumulated other comprehensive loss	(46,115)	(17,526)
Retained earnings	255,496	165,013
Total stockholders' equity	1,646,406	1,509,052
Total liabilities and stockholders' equity	$ 2,038,540	$ 1,958,037

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

STRATEGIC EDUCATION, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in thousands, except per share data)

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2026	2025	2026
Revenues	$ 319,949	$ 325,067	$ 945,010	$ 968,259
Costs and expenses:				
Instructional and support costs	162,724	163,644	487,163	496,287
General and administration	105,932	110,405	316,303	324,822
Restructuring costs	14,251	4,481	18,948	9,048
Impairment of goodwill and intangible assets	—	134,100	—	134,100
Total costs and expenses	282,907	412,630	822,414	964,257
Income (loss) from operations	37,042	(87,563)	122,596	4,002
Other income (expense)	(273)	275	1,623	2,831
Income (loss) before income taxes	36,769	(87,288)	124,219	6,833
Provision for income taxes	10,139	11,023	35,514	35,176
Net income (loss)	$ 26,630	$ (98,311)	$ 88,705	$ (28,343)
Earnings (loss) per share:				
Basic	$ 1.18	$ (4.68)	$ 3.87	$ (1.33)
Diluted	$ 1.15	$ (4.68)	$ 3.76	$ (1.33)
Weighted average shares outstanding:				
Basic	22,584	21,028	22,937	21,343
Diluted	23,209	21,028	23,597	21,343

STRATEGIC EDUCATION, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2026	2025	2026
Net income (loss)	$ 26,630	$ (98,311)	$ 88,705	$ (28,343)
Other comprehensive income (loss):				
Foreign currency translation adjustments	6,457	10,002	36,153	28,589
Unrealized losses on marketable securities, net of tax	(219)	—	(219)	—
Comprehensive income (loss)	$ 32,868	$ (88,309)	$ 124,639	$ 246

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

STRATEGIC EDUCATION, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)

	For the three months ended September 30, 2025					
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Par Value				
Balance at June 30, 2025	23,948,762	$ 239	$ 1,489,271	$ 236,076	$ (58,869)	$ 1,666,717
Stock-based compensation	—	—	5,818	50	—	5,868
Exercise of stock options	740	—	39	—	—	39
Issuance of restricted stock, net	(15,715)	—	(576)	—	—	(576)
Repurchase of common stock	(428,837)	(4)	(27,151)	(7,460)	—	(34,615)
Common stock dividends ($0.60 per share)	—	—	—	(14,198)	—	(14,198)
Foreign currency translation adjustment	—	—	—	—	6,457	6,457
Unrealized losses on marketable securities, net of tax	—	—	—	—	(219)	(219)
Net income	—	—	—	26,630	—	26,630
Balance at September 30, 2025	23,504,950	$ 235	$ 1,467,401	$ 241,098	$ (52,631)	$ 1,656,103

	For the three months ended September 30, 2026					
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Par Value				
Balance at June 30, 2026	22,208,559	$ 222	$ 1,377,637	$ 283,253	$ (27,528)	$ 1,633,584
Stock-based compensation	—	—	5,730	—	—	5,730
Issuance of restricted stock, net	21,040	1	(1)	—	—	—
Repurchase of common stock	(347,472)	(4)	(22,020)	(6,789)	—	(28,813)
Common stock dividends ($0.60 per share)	—	—	—	(13,140)	—	(13,140)
Foreign currency translation adjustment	—	—	—	—	10,002	10,002
Net loss	—	—	—	(98,311)	—	(98,311)
Balance at September 30, 2026	21,882,127	$ 219	$ 1,361,346	$ 165,013	$ (17,526)	$ 1,509,052

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

STRATEGIC EDUCATION, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)

	For the nine months ended September 30, 2025					
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Par Value				
Balance at December 31, 2024	24,502,385	$ 245	$ 1,532,414	$ 218,405	$ (88,565)	$ 1,662,499
Stock-based compensation	—	—	17,145	50	—	17,195
Exercise of stock options	4,898	—	306	—	—	306
Issuance of restricted stock, net	143,650	1	(10,027)	—	—	(10,026)
Repurchase of common stock	(1,145,983)	(11)	(72,437)	(22,633)	—	(95,081)
Common stock dividends ($1.80 per share)	—	—	—	(43,429)	—	(43,429)
Foreign currency translation adjustment	—	—	—	—	36,153	36,153
Unrealized losses on marketable securities, net of tax	—	—	—	—	(219)	(219)
Net income	—	—	—	88,705	—	88,705
Balance at September 30, 2025	23,504,950	$ 235	$ 1,467,401	$ 241,098	$ (52,631)	$ 1,656,103

	For the nine months ended September 30, 2026					
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Par Value				
Balance at December 31, 2025	22,968,860	$ 230	$ 1,436,795	$ 255,496	$ (46,115)	$ 1,646,406
Stock-based compensation	—	—	15,989	—	—	15,989
Exercise of stock options	1,211	—	63	—	—	63
Issuance of restricted stock, net	173,257	2	(12,569)	—	—	(12,567)
Repurchase of common stock	(1,261,201)	(13)	(78,932)	(22,141)	—	(101,086)
Common stock dividends ($1.80 per share)	—	—	—	(39,999)	—	(39,999)
Foreign currency translation adjustment	—	—	—	—	28,589	28,589
Net loss	—	—	—	(28,343)	—	(28,343)
Balance at September 30, 2026	21,882,127	$ 219	$ 1,361,346	$ 165,013	$ (17,526)	$ 1,509,052

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

STRATEGIC EDUCATION, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the nine months ended September 30,	
	2025	2026
Cash flows from operating activities:		
Net income (loss)	$ 88,705	$ (28,343)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Gain on early termination of operating leases	—	(405)
Amortization of deferred financing costs	318	318
Amortization of investment discount/premium	(413)	(8)
Depreciation and amortization	35,160	33,711
Deferred income taxes	2,917	(2,058)
Stock-based compensation	17,195	15,989
Impairment of right-of-use lease assets	4,685	401
Impairment of goodwill and intangible assets	—	134,100
Changes in assets and liabilities:		
Tuition receivable, net	(36,940)	(34,732)
Other assets	(12,678)	(4,946)
Accounts payable and accrued expenses	9,167	18,754
Income taxes payable and income taxes receivable	(5,488)	(3,084)
Contract liabilities	60,211	46,548
Other liabilities	(3,837)	(2,747)
Net cash provided by operating activities	159,002	173,498
Cash flows from investing activities:		
Purchases of property and equipment	(32,009)	(36,822)
Purchases of marketable securities	(25,804)	(7,802)
Proceeds from marketable securities	57,575	8,306
Proceeds from other investments	—	29
Other investments	(265)	(248)
Cash paid for acquisition, net of cash acquired	(36)	—
Other investing activities	—	(71)
Net cash used in investing activities	(539)	(36,608)
Cash flows from financing activities:		
Common dividends paid	(43,387)	(40,051)
Net payments for stock awards	(9,720)	(12,504)
Repurchase of common stock	(94,316)	(101,273)
Net cash used in financing activities	(147,423)	(153,828)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	2,815	481
Net increase (decrease) in cash, cash equivalents, and restricted cash	13,855	(16,457)
Cash, cash equivalents, and restricted cash — beginning of period	146,656	149,511
Cash, cash equivalents, and restricted cash — end of period	$ 160,511	$ 133,054
Non-cash transactions:		
Non-cash additions to property and equipment	$ 2,562	$ 5,363
Right-of-use lease assets obtained in exchange for operating lease liabilities	$ 6,071	$ 2,370

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

STRATEGIC EDUCATION, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Nature of Operations

Strategic Education, Inc. ("Strategic Education" or the "Company"), a Maryland corporation, is an education services company that provides access to high-quality education through campus-based and online post-secondary education offerings, as well as through programs to develop job-ready skills for high-demand markets. Strategic Education's portfolio of companies is dedicated to closing the skills gap by placing adults on the most direct path between learning and employment.

The accompanying condensed consolidated financial statements and footnotes include the results of the Company's three reportable segments: (1) U.S. Higher Education ("USHE"), which is primarily comprised of Capella University and Strayer University and is focused on providing flexible and affordable certificate and degree programs to working adults; (2) Education Technology Services ("ETS"), which primarily develops and maintains relationships with employers to build education benefits programs that provide employees access to affordable and industry-relevant training, certificate, and degree programs, including through Workforce Edge, a full-service education benefits administration solution for employers, and Sophia Learning, which offers low-cost online general education-level courses; and (3) Australia/New Zealand ("ANZ"), which through Torrens University and associated assets, provides certificate and degree programs in Australia and New Zealand. The Company's reportable segments are discussed further in Note 15.

2. Significant Accounting Policies

Financial Statement Presentation

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in the consolidated financial statements.

All information as of, and for the three and nine months ended, September 30, 2025 and 2026 is unaudited but, in the opinion of management, contains all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the condensed consolidated statements of financial position, results of operations, and cash flows of the Company. The condensed consolidated balance sheet as of December 31, 2025 has been derived from the audited consolidated financial statements at that date. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the full fiscal year.

Below is a description of the nature of the costs included in the Company's operating expense categories.

Instructional and support costs generally contain items of expense directly attributable to activities that support students. This expense category includes salaries and benefits of faculty and academic administrators, as well as admissions and administrative personnel who support and serve student interests. Instructional and support costs also include course development costs and costs associated with delivering course content, including educational supplies, facilities, and all other physical plant and occupancy costs, with the exception of costs attributable to the corporate offices. Bad debt expense incurred on delinquent student account balances is also included in instructional and support costs.

General and administration expenses include salaries and benefits of management and employees engaged in finance, human resources, legal, regulatory compliance, marketing and other corporate functions. Also included are the costs of advertising and production of marketing materials. General and administration expense also includes the facilities occupancy and other related costs attributable to such functions.

Restructuring costs include severance and other personnel-related expenses from employee terminations, asset impairment charges, gains/losses on sale of real estate and early termination of leased facilities, and other costs associated with the Company's restructuring activities. See Note 4 for additional information.

Impairment of goodwill and intangible assets includes impairment charges related to the Company's acquisition of Torrens University and associated assets in Australia and New Zealand. See Note 7 for additional information.

Foreign Currency Translation and Transaction Gains and Losses

The United States Dollar ("USD") is the functional currency of the Company and its subsidiaries operating in the United States. The financial statements of its foreign subsidiaries are maintained in their functional currencies. The functional currency of each of the foreign subsidiaries is the currency of the economic environment in which the subsidiary primarily does business. Financial statements of foreign subsidiaries are translated into USD using the exchange rates applicable to the dates of the financial statements. Assets and liabilities are translated into USD using the period-end spot foreign exchange rates. Income and expenses are translated at the weighted-average exchange rates in effect during the period. Equity accounts are translated at historical exchange rates. The effects of these translation adjustments are reported as a component of accumulated other comprehensive income (loss) within stockholders' equity.

For any transaction that is in a currency different from the entity's functional currency, the Company records a net gain or loss based on the difference between the exchange rate at the transaction date and the exchange rate at the transaction settlement date (or rate at period end, if unsettled) in the unaudited condensed consolidated statements of income (loss).

Restricted Cash

In the United States, a significant portion of the Company's revenues are funded by various federal and state government programs. The Company generally does not receive funds from these programs prior to the start of the corresponding academic term. The Company may be required to return certain funds for students who withdraw from a U.S. higher education institution during the academic term. The Company had approximately $0.3 million and $0.1 million of these unpaid obligations as of December 31, 2025 and September 30, 2026, respectively. In Australia and New Zealand, advance tuition payments from international students are required to be restricted until a student commences his or her course. In addition, a portion of tuition prepayments from students enrolled in a vocational education and training program are held in trust by a third-party law firm to adhere to tuition protection requirements. As of December 31, 2025 and September 30, 2026, the Company had approximately $8.0 million and $5.9 million, respectively, of restricted cash related to these requirements in Australia and New Zealand. These balances are recorded as restricted cash and included in other current assets in the unaudited condensed consolidated balance sheets.

As part of conducting operations in Pennsylvania, the Company is required to maintain a "minimum protective endowment" of at least $0.5 million in an interest-bearing account as long as the Company operates its campuses in the state. The Company holds these funds in an interest-bearing account, which is included in other assets in the unaudited condensed consolidated balance sheets.

The following table illustrates the reconciliation of cash, cash equivalents, and restricted cash shown in the unaudited condensed consolidated statements of cash flows as of September 30, 2025 and 2026 (in thousands):

	As of September 30,	
	2025	2026
Cash and cash equivalents	$ 151,460	$ 126,575
Restricted cash included in other current assets	8,551	5,979
Restricted cash included in other assets	500	500
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 160,511	$ 133,054

Marketable Securities

Investments in marketable securities are carried at either amortized cost or fair value. Investments in marketable securities that the Company has the positive intent and ability to hold to maturity are carried at amortized cost and classified as held-to-maturity. Investments in marketable securities that are not classified as held-to-maturity are carried at fair value and classified as either trading or available-for-sale. Management determines the appropriate designation of marketable securities at the time of purchase and re-evaluates such designation as of each balance sheet date. As of December 31, 2025 and September 30, 2026, all of the Company's marketable securities are designated as held-to-maturity.

The Company's held-to-maturity marketable securities consist of term deposits, U.S. treasury securities, and corporate debt securities, which are carried at amortized cost. Management reviews the fair value of the portfolio at least quarterly, and evaluates individual securities with fair value below amortized cost at the balance sheet date for impairment. In order to determine whether there is an impairment, management evaluates whether the Company intends to sell the impaired security and whether it is more likely than not that the Company will be required to sell the security before recovering its amortized cost basis.

If management intends to sell an impaired debt security, or it is more likely than not the Company will be required to sell the security prior to recovering its amortized cost basis, an impairment is deemed to have occurred. The amount of an impairment related to a credit loss, or securities that management intends to sell before recovery, is recognized in earnings.

The cost of securities sold is based on the specific identification method. Amortization of premiums, accretion of discounts, interest, dividend income and realized gains and losses are included in other income. The Company classifies marketable securities as either current or non-current assets based on management's intent with regard to usage of those funds, which is dependent upon the security's maturity date and liquidity considerations based on current market conditions. If management intends to hold the securities for longer than one year as of the balance sheet date, they are classified as non-current.

Tuition Receivable and Allowance for Credit Losses

The Company records tuition receivable and contract liabilities for its students upon the start of the academic term or program. Tuition receivables are not collateralized; however, credit risk is minimized as a result of the diverse nature of the Company's student bases and through the participation of the majority of the students in federally funded financial aid programs. An allowance for credit losses is established based upon historical collection rates by age of receivable and adjusted for reasonable expectations of future collection performance, net of estimated recoveries. These collection rates incorporate historical performance based on a student's current enrollment status, likelihood of future enrollment, degree mix trends and changes in the overall economic and regulatory environment. In the event that current collection trends differ from historical trends, an adjustment is made to the allowance for credit losses and bad debt expense.

The Company's current tuition receivable and allowance for credit losses were as follows as of December 31, 2025 and September 30, 2026 (in thousands):

	December 31, 2025	September 30, 2026
Tuition receivable	$ 127,634	$ 158,112
Allowance for credit losses	(49,432)	(45,584)
Tuition receivable, net	$ 78,202	$ 112,528

An additional $6.2 million and $5.7 million of tuition receivable, net, are included in other assets as of December 31, 2025 and September 30, 2026, respectively, because these amounts are expected to be collected after 12 months.

The following table illustrates changes in the Company's current and non-current allowance for credit losses for the three and nine months ended September 30, 2025 and 2026 (in thousands).

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2026	2025	2026
Allowance for credit losses, beginning of period	$ 44,325	$ 42,050	$ 46,185	$ 45,465
Additions charged to expense	14,967	15,002	40,547	37,661
Write-offs, net of recoveries	(13,595)	(15,689)	(41,035)	(41,763)
Allowance for credit losses, end of period	$ 45,697	$ 41,363	$ 45,697	$ 41,363

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price of an acquired business over the amount assigned to the assets acquired and liabilities assumed in a business combination. Indefinite-lived intangible assets, which include trade names, are recorded at fair value on their acquisition date. An indefinite life was assigned to the trade names because they have the continued ability to generate cash flows indefinitely.

Goodwill and the indefinite-lived intangible assets are assessed at least annually for impairment on the first day of the fourth quarter, or more frequently if events occur or circumstances change between annual tests that would more likely than not reduce the fair value of the respective reporting unit or indefinite-lived intangible asset below its carrying amount. The Company identifies its reporting units by assessing whether the components of its operating segments constitute businesses for which discrete financial information is available, and management regularly reviews the operating results of those components.

Authorized Stock

The Company has authorized 32,000,000 shares of common stock, par value $0.01, of which 22,968,860 and 21,882,127 shares

were issued and outstanding as of December 31, 2025 and September 30, 2026, respectively. The Company also has authorized 8,000,000 shares of preferred stock, none of which is issued or outstanding. Before any preferred stock may be issued, the Board of Directors must establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, and the terms or conditions of the redemption of the preferred stock.

In July 2026, the Company's Board of Directors declared a regular, quarterly cash dividend of $0.60 per share of common stock. The dividend was paid on September 14, 2026.

Net Income (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the periods. Diluted earnings (loss) per share reflects the potential dilution that could occur assuming conversion or exercise of all dilutive unexercised stock options, restricted stock, and restricted stock units ("stock awards"). The dilutive effect of stock awards was determined using the treasury stock method. Under the treasury stock method, the following are assumed to be used to repurchase shares of the Company's common stock: (1) the proceeds received from the exercise of stock options and (2) the amount of compensation cost associated with the stock awards for future service not yet recognized by the Company. Stock awards are excluded from the computation of diluted earnings (loss) per share when their effect would be anti-dilutive.

Set forth below is a reconciliation of shares used to calculate basic and diluted earnings (loss) per share for the three and nine months ended September 30, 2025 and 2026 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2026	2025	2026
Weighted average shares outstanding used to compute basic earnings (loss) per share	22,584	21,028	22,937	21,343
Incremental shares issuable upon the assumed exercise of stock options	1	—	1	—
Unvested restricted stock and restricted stock units	624	—	659	—
Shares used to compute diluted earnings (loss) per share	23,209	21,028	23,597	21,343
Anti-dilutive shares excluded from the diluted earnings (loss) per share calculation[(1)]	250	1,043	200	1,071

(1) For the three and nine months ended September 30, 2026, all stock awards were excluded from the diluted loss per share calculation because the Company reported a net loss and their inclusion would have been anti-dilutive. The anti-dilutive shares excluded represent the weighted-average gross number of shares underlying all potentially dilutive stock awards, including awards that would have been anti-dilutive regardless of the Company's net loss.

Comprehensive Income (Loss)

Comprehensive income (loss) includes net income (loss) and all changes in the Company's equity during a period from non-owner sources, which for the Company consists of foreign currency translation adjustments and unrealized gains and losses on available-for-sale marketable securities, net of tax. As of December 31, 2025 and September 30, 2026, the balance of accumulated other comprehensive loss was $46.1 million and $17.5 million, respectively. During the three and nine months ended September 30, 2025, approximately $0.2 million, net of tax of $0.1 million, of unrealized gains (losses) on marketable securities was reclassified out of accumulated other comprehensive income (loss) to Other income (expense) on the unaudited consolidated statements of income (loss). There were no reclassifications out of accumulated other comprehensive income (loss) to net income (loss) for the three and nine months ended September 30, 2026.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period reported. The most significant management estimates include allowances for credit losses, income tax provisions, the useful lives of property and equipment, redemption rates for scholarship programs and valuation of contract liabilities, the fair value of right-of-use lease assets for facilities that have been vacated, incremental borrowing rates, valuation of deferred tax assets, goodwill, and intangible assets, forfeiture rates and achievability of performance targets for stock-based compensation plans and accrued expenses. Actual results could differ from those estimates.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). ASU 2024-03 requires the disclosure of amounts related to purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion within each income statement expense line item that contains any of these expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027. Early adoption is permitted, and the amendments can be applied prospectively or retrospectively. The Company is currently evaluating the impact that ASU 2024-03 will have on its consolidated financial statement disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"). ASU 2025-06 eliminates the existing guidance that categorizes software development into distinct project stages and replaces it with a recognition threshold based on management's authorization and commitment to fund the project, along with the probability of completion and intended use. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, and for interim periods within those annual periods. Early adoption is permitted, and the amendments can be applied prospectively or retrospectively. The Company is currently evaluating the impact that ASU 2025-06 will have on its consolidated financial statements and related disclosures.

Other ASUs recently issued by the FASB but not yet effective are not expected to have a material effect on the Company's consolidated financial statements.

3. Revenue Recognition

The Company's revenues primarily consist of tuition revenue arising from educational services provided in the form of classroom instruction and online courses. Tuition revenue is deferred and recognized ratably over the period of instruction, which varies depending on the course format and chosen program of study. Capella University's GuidedPath classes and Strayer University's educational programs typically are offered on a quarterly basis, and such periods coincide with the Company's quarterly financial reporting periods, while Capella University's FlexPath courses are delivered over a twelve-week subscription period. Torrens University offers the majority of its education programs on a trimester system having three primary academic terms, which all occur within the calendar year.

The following table presents the Company's revenues from contracts with customers disaggregated by material revenue category for the three and nine months ended September 30, 2025 and 2026 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2026	2025	2026
U.S. Higher Education Segment				
Tuition, net of discounts, grants and scholarships	$ 203,315	$ 200,207	$ 621,775	$ 610,361
Other[1]	9,752	13,457	27,935	36,420
Total U.S. Higher Education Segment	213,067	213,664	649,710	646,781
Australia/New Zealand Segment				
Tuition, net of discounts, grants and scholarships	67,002	67,661	181,297	192,152
Other[1]	1,587	901	4,696	2,614
Total Australia/New Zealand Segment	68,589	68,562	185,993	194,766
Education Technology Services Segment[2]	38,293	42,841	109,307	126,712
Consolidated revenue	$ 319,949	$ 325,067	$ 945,010	$ 968,259

(1) Other revenue is primarily comprised of academic fees, sales of course materials, placement fees and other non-tuition revenue streams.
(2) Education Technology Services revenue is primarily derived from tuition revenue and administrative fees.

Revenues are recognized when control of the promised goods or services is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those goods and services. The Company applies the five-step revenue model under Accounting Standards Codification ("ASC") 606, *Revenue Recognition* ("ASC 606") to determine when revenue is earned and recognized.

Arrangements with students may have multiple performance obligations. For such arrangements, the Company allocates net tuition revenue to each performance obligation based on its relative standalone selling price. The Company generally determines standalone selling prices based on the prices charged to customers and observable market prices. The standalone selling price of material rights to receive free classes or scholarships in the future is estimated based on class tuition prices or amounts of scholarships, and likelihood of redemption based on historical student attendance and completion behavior.

At the start of each academic term or program, a contract liability is recorded for academic services to be provided, and a tuition receivable is recorded for the portion of the tuition not paid in advance. Any cash received prior to the start of an academic term or program is recorded as a contract liability. Some students may be eligible for scholarship awards, the estimated value of which will be realized in the future and is deducted from revenue when earned, based on historical student attendance and completion behavior. Contract liabilities are recorded as a current or long-term liability in the unaudited condensed consolidated balance sheets based on when the benefits are expected to be realized.

Course materials are available to enable students to access electronically all required materials for courses in which they enroll during the quarter. Revenue derived from course materials is recognized ratably over the duration of the course as the Company provides the student with continuous access to these materials during the term. For sales of certain other course materials, the Company is considered the agent in the transaction, and as such, the Company recognizes revenue net of amounts owed to the vendor at the time of sale. Revenues also include certain academic fees recognized within the quarter of instruction, and certificate revenue and licensing revenue, which are recognized as the services are provided.

Contract Liabilities – Learn and Earn Scholarship

Strayer University offers the Learn and Earn Scholarship (formerly known as the Graduation Fund), which allows undergraduate students to earn tuition credits that are redeemable in the final year of a student's course of study if he or she successfully remains in the program. Students registering in credit-bearing courses in any undergraduate degree program receive one free course for every three courses that the student successfully completes. To be eligible, students must meet all of Strayer University's admission requirements and must be enrolled in a bachelor's degree program. Students who have more than one consecutive term of non-attendance lose any Learn and Earn Scholarship credits earned to date, but may earn and accumulate new credits if the student is reinstated or readmitted by Strayer University in the future.

Revenue from students participating in the Learn and Earn Scholarship is recorded in accordance with ASC 606. The Company defers the value of the related performance obligation associated with the credits estimated to be redeemed in the future based on the underlying revenue transactions that result in progress by the student toward earning the benefit. The Company's estimate of the benefits that will be redeemed in the future is based on its historical experience of student persistence toward completion of a course of study within this program and similar programs. Each quarter, the Company assesses its assumptions underlying these estimates, and to date, any adjustments to the estimates have not been material. The amount estimated to be redeemed in the next 12 months is $17.7 million and is included as a current contract liability in the unaudited condensed consolidated balance sheets. The remainder is expected to be redeemed within two to four years.

The table below presents activity in the contract liability related to the Learn and Earn Scholarship (in thousands):

	For the nine months ended September 30,	
	2025	2026
Balance at beginning of period	$ 37,118	$ 38,125
Revenue deferred	15,084	13,665
Benefit redeemed	(14,482)	(14,721)
Balance at end of period	$ 37,720	$ 37,069

Contract Liabilities – Tuition Cap

Students in certain programs at Capella University may be eligible for tuition cap pricing, wherein their tuition is waived once the student has reached the designated dollar cap threshold for their program. The Company defers the value of the related performance obligation associated with this tuition benefit estimated to be redeemed in the future based on the underlying revenue transactions that result in progress by the student towards reaching the tuition cap. The Company's estimate of the benefits that will be redeemed in the future is based on its historical experience of student persistence toward completion of a course of study within these programs or similar programs. Each quarter, the Company assesses its assumptions underlying these estimates.

The table below presents activity in the contract liability related to Tuition Cap (in thousands):

	For the nine months ended September 30,	
	2025	2026
Balance at beginning of period	$ 14,672	$ 18,483
Revenue deferred	5,055	7,358
Benefit redeemed	(2,577)	(3,119)
Balance at end of period	$ 17,150	$ 22,722

The amount estimated to be redeemed in the next 12 months is $8.6 million and is included as a current contract liability in the unaudited condensed consolidated balance sheets.

Costs to Obtain a Contract

Certain commissions earned by third-party international agents are considered incremental and recoverable costs of obtaining a contract with customers in the ANZ segment. These costs are deferred and then amortized over the period of benefit which ranges from one year to two years.

4. Restructuring and Related Charges

The Company incurs severance and other employee separation costs related to employee terminations that are not tied to a formal restructuring plan. The Company incurred $8.1 million and $10.9 million of severance and other employee separation charges during the three and nine months ended September 30, 2025, respectively, and $3.9 million and $7.5 million during the three and nine months ended September 30, 2026, respectively, related to the elimination of certain positions. These severance and other employee separation charges are included in Restructuring costs on the unaudited condensed consolidated statements of income (loss).

The following details the changes in the Company's severance and other employee separation costs restructuring liabilities during the nine months ended September 30, 2025 and 2026 (in thousands):

	Severance Restructuring Liability
Balance as of December 31, 2024	$ 534
Restructuring and other charges	10,863
Payments	(10,459)
Balance as of September 30, 2025	$ 938
Balance as of December 31, 2025[(1)]	$ 860
Restructuring and other charges	7,457
Payments	(7,789)
Balance as of September 30, 2026[(1)]	$ 528

(1) Restructuring liabilities are included in accounts payable and accrued expenses in the unaudited condensed consolidated balance sheets.

The Company evaluates its real estate portfolio on an ongoing basis, which has resulted in the consolidation and sale of underutilized facilities. The Company recorded approximately $3.9 million and $4.7 million of right-of-use lease asset impairment charges during the three and nine months ended September 30, 2025, respectively, and $0.1 million and $0.4 million during the three and nine months ended September 30, 2026, respectively, related to facilities that were consolidated during the period. The Company also recorded fixed asset impairment charges of approximately $1.5 million and $2.3 million during the three and nine months ended September 30, 2025, respectively, and $0.3 million and $0.7 million during the three and nine months ended September 30, 2026, respectively. In addition, the Company recorded a $0.3 million loss during the three and nine months ended September 30, 2025 related to the classification of assets as held for sale.

The Company recorded net losses related to the early termination of leases of approximately $0.2 million during the three and nine months ended September 30, 2026. These net losses reflect the reduction of the lease liability for payments that will no longer be required and the corresponding adjustment to the related right-of-use asset, if any, net of cash payments made in connection with the early termination. These right-of-use lease asset impairments, fixed asset impairments, loss on assets

classified as held for sale, and net losses from early lease terminations are included in Restructuring costs on the unaudited condensed consolidated statements of income (loss).

5. Marketable Securities

The following is a summary of held-to-maturity securities, which are carried at amortized cost, as of December 31, 2025 and September 30, 2026 (in thousands):

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized (Losses)	Estimated Fair Value
Balance as of December 31, 2025				
Term deposits	$ 2,306	$ —	$ —	$ 2,306
U.S. treasury securities	4,991	30	—	5,021
Corporate debt securities	5,000	12	—	5,012
Total	$ 12,297	$ 42	$ —	$ 12,339
Balance as of September 30, 2026				
U.S. treasury securities	$ 4,999	$ —	$ —	$ 4,999
Corporate debt securities	7,000	—	(42)	6,958
Total	$ 11,999	$ —	$ (42)	$ 11,957

The unrealized gains and losses on the Company's investments in marketable securities as of December 31, 2025 and September 30, 2026 were caused by changes in market values primarily due to interest rate changes. As of September 30, 2026, there were no securities which were in an unrealized loss position for a period longer than 12 months. The Company does not intend to sell these securities, and it is not more likely than not that the Company will be required to sell these securities prior to the recovery of their amortized cost basis, which may be at maturity. As such, no impairment charges were recorded during the three and nine months ended September 30, 2025 and 2026. The Company has no allowance for credit losses related to its marketable securities as all investments are in investment grade securities.

The following table summarizes the maturities of the Company's held-to-maturity securities as of December 31, 2025 and September 30, 2026 (in thousands):

	December 31, 2025	September 30, 2026
Due within one year	$ 7,297	$ 4,999
Due after one year through five years	5,000	7,000
Total	$ 12,297	$ 11,999

The following table summarizes the purchases of and proceeds from marketable securities for the nine months ended September 30, 2025 and 2026 (in thousands):

	For the nine months ended September 30,	
	2025	2026
Purchases of marketable securities		
Purchases of held-to-maturity securities	$ 25,804	$ 7,802
Total purchases of marketable securities	$ 25,804	$ 7,802
Proceeds from marketable securities		
Maturities of available-for-sale securities	$ 500	$ —
Maturities of held-to-maturity securities	57,075	8,306
Total proceeds from marketable securities	$ 57,575	$ 8,306

The Company did not sell any available-for-sale or held-to-maturity securities during the three and nine months ended September 30, 2025 and 2026. The Company did not record any gross realized gains or losses in net income (loss) during the three and nine months ended September 30, 2025 and 2026.

6. Fair Value Measurement

Assets measured at fair value on a recurring basis consist of the following as of December 31, 2025 (in thousands):

		Fair Value Measurements at Reporting Date Using		
	December 31, 2025	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Money market funds	$ 88,239	$ 88,239	$ —	$ —
Total assets at fair value on a recurring basis	$ 88,239	$ 88,239	$ —	$ —

Assets measured at fair value on a recurring basis consist of the following as of September 30, 2026 (in thousands):

		Fair Value Measurements at Reporting Date Using		
	September 30, 2026	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Money market funds	$ 55,126	$ 55,126	$ —	$ —
Total assets at fair value on a recurring basis	$ 55,126	$ 55,126	$ —	$ —

The Company measures the above items on a recurring basis at fair value as follows:

- Money market funds – Classified in Level 1 is excess cash the Company holds in money market funds, which are included in cash and cash equivalents in the accompanying unaudited condensed consolidated balance sheets. The Company's other cash and cash equivalents as of December 31, 2025 and September 30, 2026 approximate fair value and are not disclosed in the above tables because of the short-term nature of the financial instruments.

The Company's held-to-maturity marketable securities, which consist of term deposits, U.S. treasury securities, and corporate debt securities, are not included in the tables above as they are carried at amortized cost and not measured at fair value on a recurring basis. The estimated fair value of the Company's held-to-maturity marketable securities as of December 31, 2025 and September 30, 2026 was $12.3 million and $12.0 million, respectively. These securities are valued using readily available pricing sources for comparable instruments utilizing observable inputs from active markets and are classified in Level 2 of the fair value hierarchy.

The Company did not change its valuation techniques associated with recurring fair value measurements from prior periods and did not transfer assets or liabilities between levels of the fair value hierarchy during the nine months ended September 30, 2025 and 2026.

7. Goodwill and Intangible Assets

Goodwill

The following table presents changes in the carrying value of goodwill by segment for the nine months ended September 30, 2025 (in thousands):

	U.S. Higher Education	Australia / New Zealand	Education Technology Services	Total
Balance as of December 31, 2024	$ 632,075	$ 474,808	$ 100,000	$ 1,206,883
Additions	—	—	—	—
Impairments	—	—	—	—
Currency translation adjustments	—	30,182	—	30,182
Balance as of September 30, 2025	$ 632,075	$ 504,990	$ 100,000	$ 1,237,065

The following table presents changes in the carrying value of goodwill by segment for the nine months ended September 30, 2026 (in thousands):

	U.S. Higher Education	Australia / New Zealand	Education Technology Services	Total
Balance as of December 31, 2025	$ 632,075	$ 510,338	$ 100,000	$ 1,242,413
Additions	—	—	—	—
Impairments	—	(126,979)	—	(126,979)
Currency translation adjustments	—	25,108	—	25,108
Balance as of September 30, 2026	$ 632,075	$ 408,467	$ 100,000	$ 1,140,542

The Company assesses goodwill at least annually for impairment during the fourth quarter, or more frequently if events occur or circumstances change between annual tests that would more likely than not reduce the fair value of the respective reporting unit below its carrying amount.

During the third quarter of 2026, the Company concluded that continued declines in ANZ student enrollment, additional migration-related policies announced by the Australian government that extended uncertainty regarding the duration of existing international enrollment regulatory constraints, with no indication of whether or when these constraints would be eased, and a shortfall in ANZ's financial performance relative to its operating plan collectively represented a triggering event that warranted an interim quantitative impairment assessment of the goodwill and indefinite-lived intangible assets assigned to the ANZ reporting unit as of September 30, 2026.

To assess goodwill for impairment, the Company utilized a combination of an income approach and a market approach to determine the fair value of the ANZ reporting unit. The income approach consisted of a discounted cash flow model that included projections of future cash flows for the reporting unit, calculating a terminal value, and discounting such cash flows by a risk adjusted rate of return. The market approach was based on revenue multiples derived from a group of selected guideline public companies operating in the education sector. The Company believes that the most critical assumptions and estimates used in determining the estimated fair value of the ANZ reporting unit include, but are not limited to, the amounts and timing of expected future cash flows, revenue growth, operating margins, the discount rate, the terminal growth rate, and, for the market approach, the selection of guideline public companies and their related revenue multiples. The assumptions used in determining the expected future cash flows consider various factors such as historical operating trends, particularly in student enrollment and pricing, anticipated economic and regulatory conditions, reasonable expectations for planned business expansion opportunities, and long-term operating strategies and initiatives. The discount rate is based on the Company's assumption of a prudent investor's required rate of return for assuming the risk of investing in the ANZ reporting unit. The terminal growth rate reflects the sustainable operating income a reporting unit could generate in a perpetual state as a function of revenue growth, inflation, and future margin expectations. The guideline public companies used in the market approach were selected based on their similarity to the ANZ reporting unit, including consideration of industry, service offerings, and other relevant factors. The Company believes that these assumptions are consistent with a reasonable market participant view while employing the concept of highest and best use of the asset. These fair value measurements are based on significant unobservable inputs and therefore represent Level 3 measurements within the fair value hierarchy.

Based on the results of this quantitative impairment assessment, the Company concluded that the carrying value of the ANZ reporting unit exceeded its estimated fair value by $127.0 million. Accordingly, the Company recognized a goodwill impairment charge of $127.0 million during the three and nine months ended September 30, 2026, representing the full excess of carrying value over fair value, as this amount did not exceed the total goodwill allocated to the reporting unit. The impairment charge is included in the Impairment of goodwill and intangible assets line on the unaudited condensed consolidated statements of income (loss). No events or circumstances occurred in the three and nine months ended September 30, 2026 to indicate an impairment to goodwill within the Company's other reporting units. There were no impairment charges related to goodwill recorded during the three and nine months ended September 30, 2025.

Intangible Assets

Indefinite-lived intangible assets not subject to amortization consist of trade names. The Company assigned an indefinite useful life to its trade name intangible assets, as it is believed these assets have the ability to generate cash flows indefinitely. In addition, there are no legal, regulatory, contractual, economic, or other factors to limit the useful life of the trade name intangibles.

The following table presents changes in the carrying value of indefinite-lived intangible assets (in thousands):

	For the nine months ended September 30,	
	2025	2026
Balance at beginning of period	$ 245,098	$ 249,243
Additions	—	—
Impairments	—	(7,121)
Disposals	—	(476)
Currency translation adjustments	3,827	2,955
Balance at end of period	$ 248,925	$ 244,601

The Company assesses indefinite-lived intangible assets at least annually for impairment during the fourth quarter, or more frequently if events occur or circumstances change between annual tests that would more likely than not reduce the fair value of the respective indefinite-lived intangible asset below its carrying amount.

In connection with the interim impairment assessment described above, the Company also performed a quantitative impairment assessment of the ANZ indefinite-lived trade name intangible asset as of September 30, 2026. The Company used an income-based approach to determine the fair value of the ANZ trade name. The income approach consisted of a discounted cash flow model, using the relief from royalty method, which included a projection of future revenues for ANZ, identifying a royalty rate, calculating a terminal value, and discounting such cash flows by a risk adjusted rate of return.

The Company believes that the most critical assumptions and estimates used in determining the estimated fair value of the ANZ trade name include, but are not limited to, the amounts and timing of future revenue growth rates, the royalty rate, the discount rate, and the terminal growth rate. The assumptions used in determining the expected future revenue growth rates consider various factors such as historical operating trends, particularly in student enrollment and pricing, anticipated economic and regulatory conditions, reasonable expectations for planned business expansion opportunities, and long-term operating strategies and initiatives. The royalty rate is based on the Company's assumption of what a reasonable market participant would pay to license the ANZ trade name, expressed as a percentage of revenues. The discount rate is based on the Company's assumption of a prudent investor's required rate of return for assuming the risk of investing in a particular company. The terminal growth rate reflects the sustainable revenue growth the business could generate in a perpetual state as a function of inflationary expectations. The Company believes that these assumptions are consistent with a reasonable market participant view while employing the concept of highest and best use of the asset. These fair value measurements are based on significant unobservable inputs and therefore represent Level 3 measurements within the fair value hierarchy.

Based on the results of this assessment, the Company concluded that the carrying value of the ANZ trade name exceeded its estimated fair value by $7.1 million. Accordingly, the Company recognized an impairment charge of $7.1 million related to the ANZ trade name during the three and nine months ended September 30, 2026. The impairment charge is included in the Impairment of goodwill and intangible assets line on the unaudited condensed consolidated statements of income (loss). No events or circumstances occurred with respect to the Company's other indefinite-lived intangible assets during the three and nine months ended September 30, 2026 to indicate impairment. There were no impairment charges related to indefinite-lived intangible assets recorded during the three and nine months ended September 30, 2025.

8. Other Current Assets

Other current assets consist of the following as of December 31, 2025 and September 30, 2026 (in thousands):

	December 31, 2025	September 30, 2026
Prepaid expenses	$ 22,970	$ 30,263
Cloud computing arrangements	11,074	12,263
Restricted cash	8,254	5,979
Deferred contract costs	4,714	5,599
Other	2,078	821
Other current assets	$ 49,090	$ 54,925

9. Other Assets

Other assets consist of the following as of December 31, 2025 and September 30, 2026 (in thousands):

	December 31, 2025	September 30, 2026
Cloud computing arrangements, net of current portion	$ 24,941	$ 26,045
Prepaid expenses, net of current portion	14,973	14,615
Equity method investments	9,472	9,168
Tuition receivable, net, non-current	6,217	5,713
Other investments	2,786	2,766
Deferred contract costs, net of current portion	2,149	2,164
Other	4,976	5,883
Other assets	$ 65,514	$ 66,354

Cloud Computing Arrangements

The Company defers implementation costs incurred in cloud computing arrangements and amortizes these costs over the term of the arrangement.

Prepaid Expenses

Long-term prepaid expenses primarily relate to payments that have been made for future services to be provided after one year. In 2020, pursuant to the terms of the perpetual license agreement associated with the Jack Welch Management Institute, the Company made a final one-time cash payment of approximately $25.3 million for the right to continue to use the Jack Welch name and likeness. As of December 31, 2025 and September 30, 2026, $13.2 million and $12.0 million, respectively, of this payment is included in the prepaid expenses, net of current portion balance, as the payment is being amortized over an estimated useful life of 15 years.

Equity Method Investments

The Company holds investments in certain limited partnerships that invest in various innovative companies in the health care and education-related technology fields. The Company has commitments to invest up to an additional $1.5 million across these partnerships through 2031. The Company's investments range from 3% to 5% of any partnership's interest and are accounted for under the equity method.

The following table illustrates changes in the Company's limited partnership investments for the three and nine months ended September 30, 2025 and 2026 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2026	2025	2026
Limited partnership investments, beginning of period	$ 11,397	$ 9,818	$ 13,428	$ 9,472
Capital contributions	34	110	265	248
Pro-rata share in the net income (loss) of limited partnerships	(2,147)	(760)	(4,409)	(552)
Distributions	—	—	—	—
Limited partnership investments, end of period	$ 9,284	$ 9,168	$ 9,284	$ 9,168

Tuition Receivable

Non-current tuition receivable, net, represents tuition that the Company expects to collect, but not within the next 12 months.

Other Investments

The Company holds investments in education technology start-ups focused on transformational technologies that improve student success. These investments are accounted for at cost less impairment as they do not have readily determinable fair value.

Deferred Contract Costs

The Company defers certain commissions paid in the ANZ segment to third-party international recruitment agents and amortizes these costs over the period of benefit.

Other

Other is comprised primarily of deferred financing costs associated with the Company's credit facility, deferred accreditation costs associated with the ANZ segment, and refundable security deposits associated with the Company's leased campus and office space.

10. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of December 31, 2025 and September 30, 2026 (in thousands):

	December 31, 2025	September 30, 2026
Trade payables	$ 55,986	$ 67,333
Accrued compensation and benefits[1]	42,083	48,394
Accrued student obligations and other	7,722	8,765
Accounts payable and accrued expenses	$ 105,791	$ 124,492

(1) Accrued compensation and benefits as of September 30, 2026 includes a $13.9 million casual academic employee back-pay reserve related to the ANZ segment. Refer to Note 16 for additional information on the reserve.

11. Long-Term Debt

On October 18, 2024, the Company entered into an amended credit facility (the "Amended Credit Facility"), which provides for a senior secured revolving credit facility (the "Revolving Credit Facility") in an aggregate principal amount of up to $250 million. The Amended Credit Facility provides the Company with an option, subject to obtaining additional loan commitments and satisfaction of certain conditions, to increase the commitments under the Revolving Credit Facility or establish one or more incremental term loans (each, an "Incremental Facility") in the future in an aggregate amount of up to the sum of (x) the greater of (A) $300 million and (B) 100% of the Company's consolidated EBITDA (earnings before interest, taxes, depreciation, amortization, and noncash charges, such as stock-based compensation) calculated on a trailing four-quarter basis and on a pro forma basis, and (y) if such Incremental Facility is incurred in connection with a permitted acquisition or other permitted investment, any amounts so long as the Company's leverage ratio (calculated on a trailing four-quarter basis) on a pro forma basis will be no greater than 1.75:1.00. In addition, the Amended Credit Facility provides for a subfacility for borrowings in certain foreign currencies in an amount equal to the U.S. dollar equivalent of $150 million. The maturity date of the Amended Credit Facility is October 18, 2029. The Company paid approximately $1.7 million in debt financing costs associated with the Amended Credit Facility, and these costs are being amortized on a straight-line basis over the five-year term of the Amended Credit Facility.

Borrowings under the Revolving Credit Facility bear interest at a per annum rate equal to Term SOFR or a base rate, plus a margin ranging from 1.50% to 2.00% depending on the Company's leverage ratio. The Company also is subject to a quarterly unused commitment fee ranging from 0.20% to 0.30% per annum depending on the Company's leverage ratio, times the daily unused amount under the Revolving Credit Facility.

The Amended Credit Facility is guaranteed by all domestic subsidiaries, subject to certain exceptions, and secured by substantially all of the assets of the Company and its subsidiary guarantors. The Amended Credit Facility contains customary affirmative and negative covenants, representations, warranties, events of default, and remedies upon default, including acceleration and rights to foreclose on the collateral securing the Amended Credit Facility. In addition, the Amended Credit Facility requires that the Company satisfy certain financial maintenance covenants, including:

- A leverage ratio of not greater than 2.00 to 1.00. Leverage ratio is defined as the ratio of total debt (net of unrestricted cash in an amount not to exceed $150 million) to trailing four-quarter EBITDA.
- A coverage ratio of not less than 1.75 to 1.00. Coverage ratio is defined as the ratio of trailing four-quarter EBITDA and rent expense to trailing four-quarter interest and rent expense.

As of December 31, 2025 and September 30, 2026, the Company was in compliance with all covenants of the Amended Credit Facility and had no borrowings outstanding under the Revolving Credit Facility.

During the nine months ended September 30, 2025 and 2026, the Company paid $0.4 million and $0.4 million, respectively, of interest and unused commitment fees related to its Revolving Credit Facility.

12. Other Long-Term Liabilities

Other long-term liabilities consist of the following as of December 31, 2025 and September 30, 2026 (in thousands):

	December 31, 2025	September 30, 2026
Contract liabilities, net of current portion	$ 35,577	$ 35,884
Asset retirement obligations	3,874	3,774
Other	5,689	4,567
Other long-term liabilities	$ 45,140	$ 44,225

Contract Liabilities

In connection with its student tuition contracts, the Company has an obligation to provide free or discounted tuition in the future should certain eligibility conditions be maintained. Long-term contract liabilities represent the amount of revenue under these arrangements that the Company expects will be realized after one year.

Asset Retirement Obligations

Certain of the Company's lease agreements require the leased premises to be returned in a predetermined condition.

Other

Other is comprised primarily of employee-related obligations and other long-term liabilities.

13. Equity Awards

The following table sets forth the amount of stock-based compensation expense recorded in each of the expense line items for the three and nine months ended September 30, 2025 and 2026 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2026	2025	2026
Instructional and support costs	$ 2,104	$ 1,871	$ 6,360	$ 4,762
General and administration	3,724	3,859	10,647	11,131
Restructuring costs	40	—	188	96
Stock-based compensation expense included in operating expense	5,868	5,730	17,195	15,989
Tax benefit	1,544	1,492	4,518	4,131
Stock-based compensation expense, net of tax	$ 4,324	$ 4,238	$ 12,677	$ 11,858

14. Income Taxes

During the nine months ended September 30, 2025 and 2026, the Company recorded income tax expense of $35.5 million and $35.2 million, respectively. Income tax expense for the nine months ended September 30, 2025 and 2026 include windfall tax benefits of approximately $0.4 million and $2.5 million, respectively, related to share-based payment arrangements.

The Company's effective income tax rate was 27.6% and (12.6)% for the three months ended September 30, 2025 and 2026, respectively, and 28.6% and 514.8% for the nine months ended September 30, 2025 and 2026, respectively. The rate for the three months ended September 30, 2026 reflects income tax expense recognized on a pre-tax loss, primarily attributable to a non-deductible goodwill impairment charge recorded during the quarter. The impairment charge was also the primary driver of the higher effective income tax rate for the nine months ended September 30, 2026.

The Company had no unrecognized tax benefits as of December 31, 2025 and September 30, 2026. Interest and penalties, including those related to uncertain tax positions, are included in the provision for income taxes in the unaudited condensed consolidated statements of income (loss).

The Company paid $38.1 million and $41.7 million in income taxes during the nine months ended September 30, 2025 and 2026, respectively.

The tax years since 2022 remain open for federal tax examination, the tax years since 2021 remain open to examination by certain states, and the tax years since 2021 remain open to examination by foreign taxing jurisdictions in which the Company is subject to taxation.

15. Segment Reporting

Strategic Education is an educational services company that provides access to high-quality education through campus-based and online post-secondary education offerings, as well as through programs to develop job-ready skills for high-demand markets. Strategic Education's portfolio of companies is dedicated to closing the skills gap by placing adults on the most direct path between learning and employment. The Company's organizational structure includes three operating and reportable segments: U.S. Higher Education, Education Technology Services, and Australia/New Zealand.

The USHE segment provides flexible and affordable certificate and degree programs to working adults primarily through Capella University and Strayer University, including the Jack Welch Management Institute MBA, which is an offering of Strayer University.

The ETS segment primarily develops and maintains relationships with employers to build employee education benefits programs that provide employees access to affordable and industry-relevant training, certificate, and degree programs. The employer relationships developed by the ETS segment are an important source of student enrollment for Capella University and Strayer University, and a significant portion of the revenue attributed to the ETS segment is driven by the volume of enrollment derived from these employer relationships. ETS also supports employer partners through Workforce Edge, a platform which provides employers a full-service education benefits administration solution, and Sophia Learning, which offers low-cost online general education-level courses recommended by the American Council on Education for credit at other colleges and universities.

The ANZ segment is comprised of Torrens University, Think Education, and Media Design School at Strayer ("MDS") in Australia and New Zealand, which collectively offer certificate and degree programs in business, design, education, hospitality, healthcare, and technology through campuses in Australia, New Zealand, and online.

The Company's Chief Operating Decision Maker ("CODM") is the Chief Executive Officer.

Revenue and operating expenses are generally directly attributable to the segments. Inter-segment revenues are not presented separately, as these amounts are immaterial. The Company's CODM does not evaluate operating segments using asset information. The Company's CODM assesses the segments' performance by using each segment's income from operations, which includes certain enterprise shared services allocations attributable to each of the segments. The Company's CODM uses income from operations for each segment in the annual budget and forecasting process. On a monthly basis, the CODM reviews budget-to-actual, latest forecast-to-actual, and year-over-year actual variances when reviewing segment performance and making decisions about the allocation of resources to each segment.

A summary of financial information by reportable segment for the three months ended September 30, 2025 is presented in the following table (in thousands):

	U.S. Higher Education	Australia/New Zealand	Education Technology Services	Total
Revenues	$ 213,067	$ 68,589	$ 38,293	$ 319,949
Segment expenses				
Direct segment expenses	176,811	50,639	20,873	248,323
Enterprise shared services allocation	13,403	5,465	1,465	20,333
Segment income from operations	$ 22,853	$ 12,485	$ 15,955	$ 51,293
Unallocated expenses				
Restructuring costs				(14,251)
Consolidated income from operations				$ 37,042
Other expense				(273)
Consolidated income before income taxes				$ 36,769

A summary of financial information by reportable segment for the three months ended September 30, 2026 is presented in the following table (in thousands):

	U.S. Higher Education	Australia/New Zealand	Education Technology Services	Total
Revenues	$ 213,664	$ 68,562	$ 42,841	$ 325,067
Segment expenses				
Direct segment expenses	178,512	52,048	22,112	252,672
Enterprise shared services allocation	13,123	5,712	2,542	21,377
Segment income from operations	$ 22,029	$ 10,802	$ 18,187	$ 51,018
Unallocated expenses				
Restructuring costs				(4,481)
Impairment of goodwill and intangible assets				(134,100)
Consolidated income (loss) from operations				$ (87,563)
Other income				275
Consolidated income (loss) before income taxes				$ (87,288)

A summary of financial information by reportable segment for the nine months ended September 30, 2025 is presented in the following table (in thousands):

	U.S. Higher Education	Australia/New Zealand	Education Technology Services	Total
Revenues	$ 649,710	$ 185,993	$ 109,307	$ 945,010
Segment expenses				
Direct segment expenses	532,189	146,763	59,630	738,582
Enterprise shared services allocation	43,953	16,085	4,846	64,884
Segment income from operations	$ 73,568	$ 23,145	$ 44,831	$ 141,544
Unallocated expenses				
Restructuring costs				(18,948)
Consolidated income from operations				$ 122,596
Other income				1,623
Consolidated income before income taxes				$ 124,219

A summary of financial information by reportable segment for the nine months ended September 30, 2026 is presented in the following table (in thousands):

	U.S. Higher Education	Australia/New Zealand[1]	Education Technology Services	Total
Revenues	$ 646,781	$ 194,766	$ 126,712	$ 968,259
Segment expenses				
Direct segment expenses	524,253	168,198	62,703	755,154
Enterprise shared services allocation	42,622	16,771	6,562	65,955
Segment income from operations	$ 79,906	$ 9,797	$ 57,447	$ 147,150
Unallocated expenses				
Restructuring costs				(9,048)
Impairment of goodwill and intangible assets				(134,100)
Consolidated income from operations				$ 4,002
Other income				2,831
Consolidated income before income taxes				$ 6,833

(1) Australia/New Zealand direct segment expenses and segment income from operations for the nine months ended September 30, 2026 include a $13.9 million charge related to a casual academic employee back-pay reserve. Refer to Note 16 for additional information on the reserve.

The following table presents a schedule of significant non-cash items included in segment income from operations by reportable segment for the three and nine months ended September 30, 2025 and 2026 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2026	2025	2026
Depreciation and amortization				
U.S. Higher Education	$ 6,442	$ 7,641	$ 21,692	$ 21,960
Australia/New Zealand	2,394	2,113	7,218	6,536
Education Technology Services	1,340	1,567	3,693	4,485
Restructuring costs	1,786	269	2,557	730
Consolidated depreciation and amortization	$ 11,962	$ 11,590	$ 35,160	$ 33,711
Stock-based compensation				
U.S. Higher Education	$ 4,648	$ 4,718	$ 13,683	$ 13,952
Australia/New Zealand	462	307	1,224	95
Education Technology Services	718	705	2,100	1,846
Restructuring costs	40	—	188	96
Consolidated stock-based compensation	$ 5,868	$ 5,730	$ 17,195	$ 15,989

16. Litigation

The Company is involved in litigation and other legal proceedings arising out of the ordinary course of its business. There have been no material developments in the litigation and other legal proceedings that are described in our Annual Report on Form 10-K for the year ended December 31, 2025, other than as described below.

As initially disclosed in its Quarterly Report on Form 10-Q for the period ended March 31, 2026, the Company experienced a cybersecurity incident on February 25, 2026 (the “Incident”). After detecting unusual activity that day within its U.S.-based network environment, the Company promptly isolated the affected portion of the environment and shut off access to contain the threat and minimize impact. Core business functions remained operational, as the majority of staff and student platforms are hosted in separate environments. The Company immediately took steps to further secure its systems and initiated a formal investigation of the Incident, with assistance from third-party experts. By proactively taking certain systems offline, the Company prevented the encryption of its data that could have limited access to its systems, and therefore the Company was able to resume

normal operations in less than one week. The Incident affected only parts of the Company's U.S.-based network environment and did not affect the Company's Australia and New Zealand operations or its ETS operations, including Sophia Learning. The Company worked with a third-party vendor to identify individuals whose information was contained in the files involved in the Incident and notified those individuals and relevant regulatory authorities in accordance with law.

Between June 3, 2026 and June 17, 2026, a number of putative class action lawsuits were filed against the Company alleging a range of common-law claims stemming from the alleged exposure of personal information contained in the files involved in the Incident. On June 26, 2026, the suits were consolidated under the matter *Courtney Hampton v. Strategic Education, Inc. (In re Strategic Education, Inc. Data Breach Litigation)*, No. 1:26-cv-01526-AJT-WEF, in the U.S. District Court for the Eastern District of Virginia. On September 28, 2026, the Company filed a Motion to Dismiss the Consolidated Complaint, and a hearing is expected to take place on November 18, 2026. The Company intends to defend against these claims vigorously. Because of the many questions of fact and law that may arise, the Company is unable to predict the final outcome of the litigation.

At the date of this report, it is not practicable to determine the financial impact arising from this matter. Accordingly, no provision has been recognized in the condensed consolidated financial statements. Further, the Company maintains insurance coverage that is expected to apply to potential losses related to this matter. The Company will continue to assess the matter and will recognize a provision if an obligation becomes probable and can be reliably measured.

On April 20, 2021, Capella University received a letter from the U.S. Department of Education ("Department of Education" or the "Department") referencing *Wright, et al. v. Capella Education Co., et al.* (subsequently captioned *Ornelas, et al. v. Capella, et al.*), United States District Court for the District of Minnesota, Case No. 18-cv-1062, and indicating that the Department would require a fact-finding process pursuant to the borrower defense to repayment regulations to determine the validity of more than 1,000 borrower defense applications that have been submitted regarding Capella University. According to the Department, some of the applications allege similar claims as in the *Wright* matter concerning alleged misrepresentations of the length of time to complete doctoral programs. Capella University subsequently received approximately 500 applications for borrower defense to repayment. Capella University contested each claim for defense to repayment in individualized responses with supporting evidence, the last of which was sent to the Department in August 2021. Since that time, Capella University has not received any communication from the Department related to the set of borrower defense claims received in 2021, nor has Capella University received indication that any of these claims has been evaluated on the facts presented and adjudicated on the merits. On June 22, 2022, in litigation in which Capella University is not a party, *Sweet, et al. v. Miguel Cardona and the United States Department of Education*, United States District Court for the Northern District of California, Case No. 3:19-cv-03674-WHA, the Department joined a proposed class settlement agreement that resulted in a blanket grant of automatic, presumptive relief for all borrower defense to repayment applications filed by students at any of approximately 150 different listed institutions, including Capella University, through June 22, 2022. The class settlement agreement also provided certain expedited review of borrower defense claims related to schools excluded from the automatic relief list, as well as for borrowers who applied during the period after execution of the settlement and before final approval ("Post-Class Applicants"). The district court granted final approval of the settlement on November 16, 2022. Intervenors, including multiple intervening higher education institutions and companies, appealed the district court's order. Intervenors' request to stay the district court's final judgment approving the settlement pending resolution of the appeal was denied.

It is unclear whether the Department might seek recovery for the amounts of loans discharged pursuant to the automatic relief provision in the *Sweet* settlement. In a July 25, 2022 filing in the same litigation, the Department stated that providing automatic relief to such borrowers "does not constitute the granting or adjudication of a borrower defense pursuant to the Borrower Defense Regulations, and therefore provides no basis to the Department for initiating a borrower defense recoupment proceeding against any institution identified" on the list. The Department has indicated that any recoupment against institutions "could be imposed only after the Department initiated a separate, future proceeding, in accordance with regulations that require the Department to prove a sufficient basis for liability and provide schools with notice and an opportunity to be heard." If the Department were to seek recovery for the amounts of automatically discharged loans of Capella University students under the *Sweet* settlement, Capella University would dispute and defend against such efforts. At this time, the Company is unable to predict the ultimate outcome of Capella-related borrower defense applications. If the Department were to successfully seek recovery for the amounts of discharged loans from Capella University in future proceedings, any such recovery could have a material adverse effect on our business.

As a result of the Fifth Circuit's August 7, 2023 nationwide injunction of the 2022 Borrower Defense to Repayment ("BDTR") Regulations, the Department announced that while it would not adjudicate any borrower defense applications under the 2022 BDTR Regulations unless and until the effective date is reinstated, it will continue to adjudicate applications under a prior version of the rule if required pursuant to a court ordered settlement. For the *Sweet* Post-Class Applicants, the Department agreed to adjudicate such claims under the 2016 BDTR Rule, and pursuant to the *Sweet* settlement terms, if the Department did not adjudicate the applications by January 28, 2026, it would provide the applicants "Full Settlement Relief" (i.e., federal student

loan(s) associated with the borrower's attendance at the school will be discharged, the Department will refund any amounts paid to the Department on those loans, and the credit tradeline for those loans will be deleted from the borrower's credit report). In November 2025, the Department requested an 18-month extension of the January 28, 2026 deadline for the Post-Class Applicants, which was denied by the district court; the Department requested reconsideration in January 2026, which was also denied. The Department appealed to the Ninth Circuit; an emergency motion to stay the district court order pending appeal was denied in March 2026, and the Ninth Circuit affirmed the district court's decision in July 2026.

On January 25, 2024, Capella University received notice that the Department received approximately 6,700 borrower defense to repayment applications with claims for forgiveness of loans taken out at the university and filed between June 23, 2022 and November 15, 2022. On February 1, 2024, Strayer University received notice that the Department received approximately 1,900 borrower defense to repayment applications with claims for forgiveness of loans taken out at the university and filed between June 23, 2022 and November 15, 2022. In the notices received, the Department indicated that: (1) the notification was occurring prior to any substantive review of the applications as well as their adjudication; (2) it would send the applications to Capella University and Strayer University in batches of 500 per week; (3) it is optional for institutions to respond to the applications; and (4) not responding will result in no negative inference by the Department. The Department has also explained that it will separately decide whether to seek recoupment on any approved claim and that any recoupment actions the Department chooses to initiate will have their own notification and response processes, which include providing additional evidence to the institution. The Department has indicated that an institution will learn of the Department's determination only if it approves a BDTR application and the Department seeks recoupment.

In relation to the separate 2021 notice received by Capella University, the Department indicated there were more than 1,000 applications pending, but the Company only ever received approximately 500 actual claims, and after an exhaustive review and response process the Company believes that none properly stated a claim for loan forgiveness. Following the Department's 2024 notices, Capella University received approximately 6,770 applications, and Strayer University received approximately 1,870 applications. Each university provided a response to the applications it received within the time allowed by the Department. In March 2026, the Department announced it would resume notifying institutions of borrower defense to repayment applications. Between May 2026 and October 2026, Capella University received approximately 2,874 borrower defense claims and Strayer University received approximately 3,053 claims. The Universities are continuing to respond to the applications received within the time allowed by the Department. For further discussion of the Department's March 2026 announcement, please refer to the "Borrower Defenses to Repayment" section of Note 17, Regulation, of this report.

At this time, the Company is unable to predict whether the Department will grant BDTR relief for the claims noticed on January 25, 2024, February 1, 2024, May-October 2026, or at any other time, or if so, whether it will seek recoupment from Capella University or Strayer University. If the Department were to seek recoupment, Capella University and Strayer University would dispute and defend against such efforts. However, if the Department were to successfully seek recovery for the amounts of discharged loans from Strayer University and Capella University in future proceedings, any such recovery could have a material adverse effect on our business.

On March 19, 2024, the Australian Fair Work Ombudsman ("FWO") issued a compliance notice to Torrens University ("Torrens"), alleging that Torrens had underpaid an academic employee for work performed between 2018 and 2024 in violation of the Higher Education Industry – Academic Staff Award (the "Award"), which prescribes minimum wages for academic employees under Australian law. The compliance notice interpreted the Award to require that institutions compensate the academic employee for the marking of student assessments separately from and in addition to standard lecture delivery rates. On April 24, 2024, Torrens filed suit in the Federal Court of Australia ("Federal Court") seeking judicial review of the compliance notice, arguing that FWO's interpretation of the Award was incorrect and that time spent marking student assessments properly constituted "associated working time" and therefore was included within the lecture delivery rate. On June 16, 2025, the Federal Court set aside the compliance notice, finding that marking student assessments constituted "associated working time" when performed by lecturers in subjects they taught. The FWO appealed that decision to the Full Federal Court ("Full Court"). On March 17, 2026, the Full Court allowed the appeal, overturned the June 2025 judgment, and reinstated the compliance notice. The Full Court concluded that, under the Award, lecture delivery rates compensate only for limited associated working time and that ordinary marking work generally constitutes a separate activity requiring separate payment. Torrens filed an Application for Special Leave to appeal the Full Court's decision to the High Court of Australia, which was denied on August 6, 2026.

Although the compliance notice and related litigation concern a single academic employee, the Full Court's interpretation of the Award applies broadly to similarly situated casual academic staff. Following the Full Court's March 2026 decision, the Company began to compensate its casual academic staff for marking hours related to 2026 academic terms and evaluated this matter, including the likelihood and potential magnitude of loss related to historical periods. As of March 31, 2026, it was not practicable to determine the financial impact of the matter, and no provision was recognized related to historical periods. While the Company continued to believe it had strong arguments on the merits, during the second quarter of 2026 it obtained further legal advice

assessing the likelihood of the High Court granting Special Leave to hear the case on appeal. The Company also further evaluated the FWO's pattern of entering into settlements with other employers in the Australian higher education sector involving similar employee compensation matters. Drawing on its understanding of these settlements, the Company has explored whether remediation could be performed solely on a prospective basis, but ultimately concluded that retrospective remediation was likely to be required. Based on these factors, the Company concluded that a loss was probable as of June 30, 2026. In addition, the Company gathered data and completed an analysis of historical marking hours that provided a reliable basis for estimating its back-pay exposure for the period from 2020 through 2025, reflecting the period for which amounts may be payable to casual academic staff, and concluded that the loss was reasonably estimable. Accordingly, during the second quarter of 2026, the Company recorded a reserve of $13.9 million, consisting of estimated back pay, related payroll taxes and benefits, and interest, within accounts payable and accrued expenses in the unaudited condensed consolidated balance sheets, with a corresponding charge to instructional and support costs in the unaudited condensed consolidated statements of operations. The $13.9 million reserve reflects the Company's best estimate of the potential loss for the period from 2020 through 2025. The Company did not adjust the reserve during the third quarter of 2026. With the conclusion of the FWO litigation, including the denial of Torrens's Application for Special Leave, the Company is preparing to commence remediation and is in discussions with the FWO.

Separately, on September 10, 2026, a new representative proceeding was commenced in the Australian Federal Court against Torrens University: *Tito Scohel v Torrens University Australia Ltd*. The complaint alleges that Torrens University underpaid casual academics by failing to pay them separately for marking and other tasks, including student consultation, meeting attendance, and training. The Company intends to defend against these claims vigorously. Because of the many questions of fact and law that may arise, the Company is unable to predict the final outcome of the litigation. At the date of this report, it is not practicable to determine the financial impact arising from this matter. Accordingly, no additional provision has been recognized in the condensed consolidated financial statements. The Company will continue to assess the matter and will recognize a provision if an obligation becomes probable and can be reliably measured.

17. Regulation

The Company's higher education 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. Other than as set forth below, there have been no material changes to the laws and regulations affecting the Company's higher education institutions that are described in our Annual Report on Form 10-K for the year ended December 31, 2025.

United States Regulation

U.S. Accreditation

On March 16, 2026, the Department of Education announced the continued recognition of the Middle States Commission on Higher Education ("Middle States" or "Middle States Commission") until May 31, 2028. Middle States accredits Strayer University. The Middle States Commission will be required to submit two monitoring reports due six and 12 months from the March 16, 2026 letter date. These monitoring reports are tied to Middle States's suspended standards and references to diversity, equity, and inclusion.

Borrower Defenses to Repayment

On March 30, 2026, the Department issued an Electronic Announcement regarding borrower defense applications that institutions recently had begun to receive. The Department informed institutions that these borrower defense applications are unrelated to the *Sweet* settlement and will be adjudicated under the relevant BDTR rule based on the date loans were first disbursed to the borrower. Specifically, the Department indicated that as of March 30, 2026 it is notifying institutions of applications that will be adjudicated under the 1994 BDTR Rule or the 2016 BDTR Rule. Under the 1994 BDTR Rule, for Direct Loans disbursed prior to July 1, 2017, a borrower may assert a defense to repayment if the institution committed an act or omission that relates to the making of the loan for enrollment at the school or the provision of educational services for which the loan was provided, and would give rise to a cause of action against the institution under applicable state law. Under the 2016 BDTR Rule, for Direct Loans disbursed after July 1, 2017, a borrower may assert a defense to repayment if the institution committed an act or omission that relates to the making of the loan for enrollment at the school or the provision of educational services for which the loan was provided and: (1) the borrower obtained a state or federal court judgment against the institution; (2) the institution failed to perform on a contract with the student; and/or (3) the institution committed a "substantial misrepresentation" on which the borrower reasonably relied to his or her detriment. The Department indicated in the Electronic Announcement it has attempted to batch the applications in a single send and to issue batches of notifications periodically. The Department indicated that "[w]hen [the Department] begins notifying institutions of cases that fall under the 2019 Regulation, we will issue a future announcement with additional details around the notification and adjudication process."

State Authorization Reciprocity Agreement (SARA)

Capella University and Strayer University participate in the State Authorization Reciprocity Agreement ("SARA"), enabling enrollment of distance education students in SARA member states. The universities apply separately to non-SARA states (e.g., California) for required authorization. Failure to comply with SARA requirements or state licensing for distance education in non-SARA states could result in loss of SARA participation or state authorization for distance education there.

The National Council for State Authorization Reciprocity Agreements ("NC-SARA") considers potential policy changes each year. Past proposals, including more stringent standards for participation of for-profit institutions or exclusion of for-profit institutions from participation, were not adopted, but illustrate the risk that future changes could materially adversely affect Capella University, Strayer University, and the Company. For example, exclusion from SARA would require seeking authorization in each state, increasing costs and risking denials in some jurisdictions. On January 21, 2026, NC-SARA initiated its 2026 policy manual modification process with a call for proposals for SARA policy changes. The call for proposals ended February 10, 2026 and yielded 33 proposed changes to NC-SARA policies, some of which, if adopted, could significantly alter the distance education reciprocity agreements. Such proposals included circumstances under which an institution may be denied participation in SARA or have its participation limited as a result of investigations or adverse actions against it related to the institution's academic quality, financial stability, or student consumer protection issues. On April 24, 2026, NC-SARA held its public comment forum to seek input on these proposed changes. In addition to the public comment forum, NC-SARA permitted submission of written comments in two rounds: between March 10, 2026 and April 9, 2026, and between June 9, 2026 and July 7, 2026. In September 2026, NC-SARA announced that the four regional compacts/regional steering committees approved nine proposals, and the NC-SARA board of directors approved the proposals on October 28, 2026. The adoption of certain proposals, including those described above, to the extent they affect the ability of institutions to participate in the agreements, could have a material adverse effect on Capella University, Strayer University, and the Company.

Negotiated Rulemaking

On July 24, 2025, the Department announced its intention to establish two negotiated rulemaking committees to prepare proposed regulations implementing the One Big Beautiful Bill Act ("OBBBA") and related Trump administration priorities. One committee, the Reimagining and Improving Student Education ("RISE") Committee, addressed federal student loan-related changes and met for two multi-day sessions between September 2025 and November 2025; the committee reached consensus on draft regulatory language, and the Department released final regulations on May 1, 2026. Specifically, the final regulations implement the statutory loan-related changes reflected in OBBBA which among other things includes, with limited grandfathering, new annual, aggregate and lifetime loan limits for graduate students and professional students, proportional adjustment of annual loan limits for students enrolled less than full time, and the phasing out of Federal Direct PLUS loans for graduate students and professional students. The final regulations define "graduate student" and "professional student" for purposes of such changes. "Graduate student" is defined as "[a] student enrolled in a program of study that is above the baccalaureate level and awards a graduate credential (other than a professional degree) upon completion of the program." "Professional student" is defined as "[a] student enrolled in a program of study that awards a professional degree upon completion of the program," and the final regulations clarify that a professional degree is a degree that: (1) signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree; (2) is generally at the doctoral level, and that requires at least six academic years of postsecondary education coursework for completion, including at least two years of post-baccalaureate level coursework; (3) generally requires professional licensure to begin practice; and (4) includes a four-digit program CIP code in certain specified fields (pharmacy, dentistry, veterinary medicine, chiropractic, law, medicine, optometry, osteopathic medicine, podiatry, theology, and clinical psychology). On June 29, 2026, following litigation challenging the Department's approved list of professional degree programs which resulted in a preliminary stay (*American Association of Nurse Practitioners et al v. McMahon et al,* No. 1:26-cv-01780 (D.D.C.)), the Department released via Electronic Announcement an interim updated list of programs that are considered "professional," including some graduate-level nursing programs. The Department stated in the Electronic Announcement that it "is confident that the professional degree definition in the RISE Final rule is lawful and will continue to defend it," and indicated that "[t]hese interim administrative designations are provided solely to facilitate implementation of the Court's order [granting a preliminary stay] and may change as litigation in the case proceeds."

The Accountability in Higher Education and Access through Demand-driven Workforce Pell ("AHEAD") Committee addressed Workforce Pell, institutional and programmatic accountability, and other issues, and met for two multi-day sessions between December 2025 and January 2026. The committee reached consensus on the Workforce Pell and accountability packages. On May 19, 2026, the Department published final Workforce Pell regulations. The regulations implement OBBBA provisions regarding establishment of a new Workforce Pell program beginning July 1, 2026, that permit Pell Grants to be used for certain short-term workforce training programs offered by eligible institutions; and changes to the Pell Grant program such that effective July 1, 2026, eligible students are ineligible for a Pell Grant if their non-federal aid equals or exceeds their cost of attendance.

On June 29, 2026, the Department released final regulations on the accountability packages, which it named the Student Tuition and Transparency System (STATS) and Earnings Accountability rule. Most provisions take effect July 1, 2027. Certain changes take effect earlier, including changes relating to reporting obligations beginning July 1, 2026, and, effective August 31, 2026, amendments to program participation agreements to incorporate the STATS and Earnings Accountability framework as a condition of Direct Loan eligibility. The accountability packages implement the OBBBA's separate accountability framework for Federal Direct Loan eligibility at the program level, with separate frameworks based on program type and in certain cases cohort size. One-year failures of the relevant metrics trigger risk notifications (i.e., warnings to students and prospective students that the program could become ineligible for the Direct Loan program based on future earnings premium measures). Programs that fail the relevant metrics in two out of three consecutive years become ineligible for Federal Direct Loans, and ineligible programs may reapply after two years per Secretary-established rules. Institutions may appeal Department determinations that a program has failed on the basis of an error in the Department's calculation of the program's earnings premium measure, and program eligibility continues during the appeal process. The final regulations also permit an institution with a one-year failure of the relevant metrics to conduct a voluntary "orderly program closure" with the Secretary's approval under which it would meet certain program discontinuation requirements in exchange for retaining Direct Loan eligibility for the lesser of three years or the program's full-time length, while currently enrolled students complete their program. If more than half of an institution's Title IV recipients or more than half of its Title IV, HEA funds are from failing programs in two out of any three consecutive award years, the Department will place the institution on a provisional program participation status and each of the institution's failing programs will be ineligible for all Title IV, HEA funds (including, for example, Pell Grants). The Department has indicated it intends to publish the first round of metrics in the 2027-2028 award year, with program sanctions first going into effect in 2028-2029. Additionally, to harmonize with existing rules, the final regulations rescind some aspects of the existing gainful employment regulation, including the debt/earnings calculations.

On January 26, 2026, the Department announced its intent to establish the Accreditation, Innovation, and Modernization negotiated rulemaking committee to develop proposed regulations on accreditation-related topics. The committee convened for two multi-day sessions in April 2026 and May 2026 and reached consensus on a package of rules. The consensus draft reflects a reorientation of federal accreditation policy, including expansion of federal oversight and policy direction, introduction of competitive dynamics among accreditors, and an emphasis on student outcomes, cost effectiveness and transparency. The Department published proposed regulations on August 20, 2026, with public comments accepted through September 21, 2026. Final regulations were published on October 29, 2026 and will be effective July 1, 2027.

In July 2026, the Department published an updated regulatory agenda, which identifies 19 areas of focus at various stages of the rulemaking process. Anticipated future regulatory actions may address, among other topics, accreditation (discussed above); Title IV eligibility issues (including change of ownership, cash management, administrative capability standards, program length requirements, financial responsibility requirements, and 90/10); Title VI topics, and Title IX.

Title VI

Under Title VI of the Civil Rights Act of 1964, institutions receiving federal financial assistance are prohibited from discriminating on the basis of race, color, or national origin. On January 21, 2025, President Trump issued Executive Order 14173 "Ending Illegal Discrimination and Restoring Merit-Based Opportunity" ordering, among other matters, all agencies to enforce civil rights laws and combat illegal private sector Diversity, Equity, and Inclusion ("DEI") preferences, mandates, policies, programs and activities. The executive order further directed the U.S. Attorney General and the Secretary of Education to issue guidance to all institutions of higher education that receive federal financial assistance regarding measures and practices required to comply with the U.S. Supreme Court's decision in *Students for Fair Admissions, Inc. v. President and Fellows of Harvard College*, 600 U.S. 181 (2023) ("*SFFA*"), in which the Court significantly altered the existing legal framework relevant to race-conscious admissions to achieve student body diversity. On February 5, 2025, the U.S. Attorney General issued a memorandum to all Department of Justice employees stating that the Department of Justice's Civil Rights Division will investigate, eliminate, and penalize illegal DEI as well as diversity, equity, inclusion and accessibility ("DEIA") preferences, mandates, policies, programs and activities in the private sector and educational institutions that receive federal funds. The Attorney General further stated that by March 1, 2025, the Civil Rights Division and Office of Legal Policy would jointly prepare a report containing recommendations for enforcement and address: key sectors of concern within the Department of Justice's jurisdiction; the most egregious illegal DEI/DEIA practitioners in each sector of concern; plans to deter the use of illegal DEI/DEIA, including proposals for criminal investigations and up to nine potential civil compliance investigations of publicly traded corporations and certain other organizations; potential litigation activities, regulatory actions, and sub-regulatory guidance; and other strategies to end illegal DEI and DEIA discrimination and preferences and ensure compliance with federal civil rights laws. On July 29, 2025, the Attorney General released "Guidance for Recipients of Federal Funding Regarding Unlawful Discrimination," which describes "the significant legal risks of initiatives that involve discrimination based on protected characteristics" and provides "non-binding best practices to help entities avoid the risk of violations." Separately, the Department of Justice has indicated that, in certain contexts, compliance with federal anti-discrimination laws may be treated as material to the government's payment

decisions for purposes of the False Claims Act in connection with federal grants and contracts." Various lawsuits challenging Executive Order 14173 were filed in federal district court. Although the U.S. District Court for the District of Maryland initially granted a preliminary injunction enjoining portions of the executive order, the U.S. Court of Appeals for the Fourth Circuit stayed the injunction and, on February 6, 2026, vacated the injunction and remanded the case to the district court. After the district court denied another injunction, plaintiffs voluntarily dismissed the complaint without prejudice "in light of specific representations made by the government . . . about the narrow scope of the Executive Orders challenged in this case and the decision of the Fourth Circuit accepting those representations and recognizing that narrow scope" (i.e., that the Executive Orders did not seek to establish new law related to DEI). The district court terminated the case on June 30, 2026.

On February 14, 2025, the Department of Education issued a DCL setting forth the anti-discrimination obligations of institutions that receive federal financial assistance. The DCL asserts that the *SFFA* decision applies more broadly to prohibit using race in decisions related to admissions, hiring, promotion, compensation, financial aid, scholarships, prizes, administrative support, discipline, housing, graduation ceremonies, and all other aspects of student, academic, and campus life. The DCL further states that programs and activities that treat students differently on the basis of race to achieve what the Department characterized as "nebulous" diversity, racial balancing, social justice, or equity goals are illegal. The Department informed institutions that it intended to take appropriate measures to assess compliance with the applicable statutes and regulations beginning February 28, 2025. The DCL further noted that institutions that fail to comply with federal civil rights law may, consistent with applicable law, face potential loss of federal funding. On February 28, 2025, the Department issued additional guidance in a Frequently Asked Questions ("FAQs") document clarifying aspects of the DCL. Multiple lawsuits have been filed seeking to enjoin and vacate the DCL and FAQs alleging that they are unconstitutional, violate the Administrative Procedure Act, and are vague and disrupt educational practices, including by limiting academic freedom. Capella University and Strayer University are not parties to the lawsuits. In August 2025, the U.S. District Court for the District of Maryland vacated the DCL, FAQs, and a related certification requirement. On October 15, 2025, the Department filed a notice of appeal to the U.S. Court of Appeals for the Fourth Circuit, but the appeal was dismissed at the Department's request on January 22, 2026. Following the dismissal of the appeal, the vacatur of the DCL, FAQs and certification requirement is final and the guidance is unenforceable.

On March 14, 2025, the Department announced that its Office for Civil Rights has opened investigations into dozens of higher education institutions for alleged Title VI violations. The Department has continued to initiate additional Title VI investigations, which are not predicated on the vacated DCL or FAQs, but instead are based on the Department's interpretation of existing statutory and regulatory authority.

On June 16, 2026, the Department announced a Civil Rights Partnership with the U.S. Department of Justice. The interagency agreement would: "(1) reinforce and strengthen respective enforcement processes and procedures to ensure vigorous enforcement of laws; (2) increase cross-agency administrative alignment of civil rights enforcement policies and programmatic requirements; and (3) provide process improvements by leveraging the expertise and capacity of both agencies to provide aggressive and focused civil rights expert oversight of America's education institutions."

On July 23, 2026, the Department announced its rescission of several disparate-impact provisions from the Title VI implementing regulations. The Department indicated the action aligns with President Trump's April 23, 2025 Executive Order 14281 "Restoring Equality of Opportunity and Meritocracy" which ordered agencies, among other matters, to "deprioritize enforcement of all statutes and regulations to the extent they include disparate-impact liability" and the Attorney General to "initiate appropriate action to repeal or amend the implementing regulations for Title VI of the Civil Rights Act of 1964 for all agencies to the extent they contemplate disparate-impact liability." On October 19, 2026, the U.S. Supreme Court granted *certiorari* in *Association for Education Fairness v. Montgomery County Board of Education*, Docket No. 26-12, on the question "whether a plaintiff alleging that a school district implemented facially-neutral admissions criteria for a racially discriminatory purpose must show that the criteria produced a disparate impact on the targeted racial group before a court may consider evidence of discriminatory intent."

Australian and New Zealand Regulation

Torrens University of Australia ("Torrens") is one of 42 universities in Australia. It is a private, for-profit entity and is registered with the Tertiary Education Quality and Standards Agency ("TEQSA"). As a self-accrediting university, it is not required to have its individual courses of study accredited by TEQSA. Torrens is also registered with the Australian Skills Quality Authority ("ASQA") as a Registered Training Organisation ("RTO") and is thus entitled to offer vocational and training courses. On September 3, 2025, Torrens completed its re-registration process with TEQSA and received a registration renewal from TEQSA for the maximum period of seven years, with two conditions.

On December 19, 2024, the Australian Federal Government introduced Ministerial Direction 111, which seeks to limit the number of international students, and is expected to draw student allocations determined by the Government on a prioritization approach. On August 4, 2025, the Australian Federal Government announced that the National Planning Level for international students for

2026 would be increased over 2025, contingent upon institutions fulfilling certain conditions, and that Ministerial Direction 111 would be replaced with an updated ministerial direction to reflect 2026 arrangements. On October 9, 2025, the *Education Legislation Amendment (Integrity and Other Measures) Bill 2025* was introduced into the House of Representatives of the Australian Parliament, and passed both houses of Parliament on November 28, 2025. The legislation, which does not address numerical limits on international students, contains several measures to reform key legislative frameworks for education providers and aims to strengthen the integrity and regulation of the international education sector within Australia as well as transnational education and offshore delivery. On July 3, 2026 the Australian Government announced that the 2027 National Planning Level would be consistent with 2026, with no increase in numbers.

On October 1, 2026, the Australian Government announced that the *National Code of Practice for Providers of Education and Training to Overseas Students 2018* was amended to impose a longer transfer restriction period for international students, affecting onshore transfers from other providers.

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

The following discussion and analysis of our financial condition and results of operations is a supplement to and should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and the related notes and other financial information included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Cautionary Notice Regarding Forward-Looking Statements

Certain of the statements included in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as elsewhere in this Quarterly Report on Form 10-Q are forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995 ("Reform Act"). Such statements may be identified by the use of words such as "expect," "estimate," "assume," "believe," "anticipate," "may," "will," "forecast," "outlook," "plan," "project," "potential" or similar words, and include, without limitation, statements relating to future enrollment, revenues, revenues per student, earnings growth, operating expenses, and capital expenditures. These statements are based on the Company's current expectations and are subject to a number of assumptions, risks and uncertainties. In accordance with the Safe Harbor provisions of the Reform Act, the Company has identified important factors that could cause the actual results to differ materially from those expressed in or implied by such statements. The assumptions, risks and uncertainties include the pace of student enrollment; our continued compliance with Title IV of the Higher Education Act, and the regulations thereunder, as well as other federal laws and regulations, institutional accreditation standards and state regulatory requirements, legislation and other actions by the U.S. Congress, actions by the current administration, rulemaking and other action by the U.S. Department of Education or other governmental entities, including without limitation action related to Title IV programs, U.S. Department of Education staffing levels, borrower defense to repayment applications, gainful employment or similar measures, 90/10, increased focus by governmental entities on for-profit education institutions, and including actions by governmental entities in Australia and New Zealand; the impairment of our goodwill and indefinite-lived intangible assets in ANZ and any further impairment in the future; competitive factors; risks associated with the opening of new campuses; risks associated with the offering of new educational programs and adapting to other changes; risks associated with the acquisition of other businesses, including existing educational institutions; risks related to the timing of regulatory approvals; our ability to implement our growth strategy; risks associated with the ability of our students to finance their education in a timely manner; risks associated with cybersecurity incidents, including but not limited to reputational risks and possible liability under U.S. state and federal privacy statutes and legal actions; risks associated with the use of artificial intelligence and related tools; and general economic and market conditions. You should not put undue reliance on any forward-looking statements. Further information about these and other relevant risks and uncertainties may be found in Part II, "Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q, Part I, "Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K and in the Company's other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise forward-looking statements, except as required by law.

Additional Information

We maintain a website at http://www.strategiceducation.com. The information on our website is not incorporated by reference in this Quarterly Report on Form 10-Q, and our web address is included as an inactive textual reference only. We make available, free of charge through our website, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

Background

Strategic Education, Inc. ("SEI," "we," "us," "our," or the "Company") is an education services company that provides access to high-quality education through campus-based and online post-secondary education offerings, as well as through programs to develop job-ready skills for high-demand markets. We operate primarily through our wholly-owned subsidiaries Capella University and Strayer University, both accredited post-secondary institutions of higher education located in the United States, and Torrens University, an accredited post-secondary institution of higher education located in Australia. Our operations also include the Education Technology Services segment, which primarily develops and maintains relationships with employers to build education benefits programs that provide employees access to affordable and industry-relevant training, certificate, and degree programs, including through Workforce Edge, a full-service education benefits administration solution for employers, and Sophia Learning, which offers low-cost online general education-level courses.

Segments Overview

As of September 30, 2026, we had the following reportable segments:

U.S. Higher Education ("USHE") Segment

- The USHE segment provides flexible and affordable certificate and degree programs to working adults primarily through Capella University and Strayer University, including the Jack Welch Management Institute MBA, which is an offering of Strayer University.
- Capella University is accredited by the Higher Learning Commission and Strayer University is accredited by the Middle States Commission on Higher Education, both higher education institutional accrediting agencies recognized by the U.S. Department of Education. The USHE segment provides academic offerings both online and in physical classrooms, helping working adult students develop specific competencies they can apply in their workplace.
- In the third quarter of 2026, USHE enrollment decreased 1.1% to 84,725 compared to 85,640 for the same period in 2025.
- Trailing 4-quarter student persistence within USHE was 89.2% in the second quarter of 2026 compared to 87.8% for the same period in 2025. Student persistence is calculated as the rate of students continuing from one quarter to the next, adjusted for graduates, on a trailing 4-quarter basis. Student persistence is reported one quarter in arrears. The table below summarizes USHE trailing 4-quarter student persistence for the past 8 quarters.

Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
86.9 %	87.2 %	87.4 %	87.8 %	88.3 %	88.5 %	89.0 %	89.2 %

- Trailing 4-quarter government provided grants and loans per credit earned within USHE decreased 5.5% as of the end of the second quarter of 2026. Government provided grants and loans per credit earned includes all federal loans and grants for students (Title IV hereafter) in our USHE institutions, and is calculated on a trailing 4-quarter basis and reported one quarter in arrears. Title IV per credit earned has been declining as employer-affiliated enrollment has grown, and as more students earn credit through Sophia Learning and other affordable alternative pathways. The table below summarizes the percentage change in USHE trailing 4-quarter Title IV per credit earned for the past 8 quarters.

Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
(2.5)%	(4.7)%	(6.2)%	(7.1)%	(9.6)%	(6.7)%	(5.9)%	(5.5)%

Education Technology Services ("ETS") Segment

- Our ETS segment primarily develops and maintains relationships with employers to build education benefits programs that provide employees access to affordable and industry-relevant training, certificate, and degree programs. The employer relationships developed by the ETS segment are an important source of student enrollment for Capella University and Strayer University, and a significant portion of the revenue attributed to the ETS segment is driven by the volume of enrollment derived from these employer relationships. Enrollments attributed to the ETS segment are determined based on a student's employment status and the existence of a corporate partnership arrangement with SEI. All enrollments attributed to the ETS segment continue to be attributed to the segment until the student graduates or withdraws, even if his or her employment status changes or if the partnership contract expires.
- In the third quarter of 2026, employer affiliated enrollment as a percentage of USHE enrollment was 34.7% compared to 32.7% for the same period in 2025.
- ETS also supports employer partners through Workforce Edge, a platform which provides employers a full-service education benefits administration solution, and Sophia Learning, which offers low-cost online general education-level courses recommended by the American Council on Education for credit at other colleges and universities.

Australia/New Zealand ("ANZ") Segment

- Torrens University is the only investor-funded university in Australia. Torrens University offers undergraduate, graduate, higher degree by research, and specialized degree courses primarily in five fields of study: business, design and creative technology, health, hospitality, and education. Courses are offered both online and at physical campuses. Torrens University is registered with the Tertiary Education Quality and Standards Agency ("TEQSA"), the regulator for higher education providers and universities throughout Australia, as an Australian University that is authorized to self-accredit its courses.

- Think Education is a vocational registered training organization and accredited higher education provider in Australia. Think Education delivers education services at several campuses in Sydney, Melbourne, Brisbane, and Adelaide as well as through online study. Think Education and its colleges are accredited in Australia by the TEQSA and the Australian Skills Quality Authority, the regulator for vocational education and training organizations that operate in Australia.
- Media Design School at Strayer ("MDS") is a private training establishment for creative and technology qualifications in New Zealand. MDS offers industry-endorsed courses in 3D animation and visual effects, game art, game programming, graphic and motion design, digital media, artificial intelligence, and creative advertising. MDS is accredited in New Zealand by the New Zealand Qualifications Authority, the organization responsible for the quality assurance of non-university tertiary training providers.
- In the third quarter of 2026, ANZ enrollment decreased 9.1% to 17,101 compared to 18,808 for the same period in 2025.

We believe we have the right operating strategies in place to provide the most direct path between learning and employment for our students. We are constantly innovating to differentiate ourselves in our markets and drive growth by supporting student success, producing affordable degrees, optimizing our comprehensive marketing strategy, serving a broader set of our students' professional needs, and establishing new growth platforms. The talent of our faculty and employees, supported by market leading technology, enable these strategies. We believe our strategy will allow us to continue to deliver high quality, affordable education, resulting in continued growth over the long-term. We will continue to invest in this strategy to strengthen the foundation and future of our business.

Recent Developments

In March 2024, the Australian Fair Work Ombudsman ("FWO") issued a compliance notice to Torrens University ("Torrens"), alleging that Torrens had underpaid an academic employee in violation of the Higher Education Industry – Academic Staff Award. Torrens sought judicial review of the compliance notice, and in June 2025, the Federal Court of Australia set aside the notice. The FWO appealed, and in March 2026, the Full Federal Court reversed that decision and reinstated the compliance notice. Torrens then sought Special Leave to appeal to the High Court of Australia. On August 6, 2026, the High Court denied that application.

During the second quarter of 2026, based on further legal advice regarding the likelihood of success on appeal, the FWO's pattern of settlements with other employers in the Australian higher education sector involving similar employee compensation matters, and the Company's conclusion that retrospective remediation was likely to be required, the Company concluded that a loss was probable and reasonably estimable as of June 30, 2026. Accordingly, the Company recorded a reserve of $13.9 million, consisting of estimated back pay, related payroll taxes and benefits, and interest within accounts payable and accrued expenses in the unaudited condensed consolidated balance sheets, with a corresponding charge to instructional and support costs in the unaudited condensed consolidated statements of operations ("back-pay reserve"). The $13.9 million back-pay reserve reflects the Company's best estimate of the potential loss for the period from 2020 through 2025. The Company did not adjust the reserve during the third quarter of 2026. With the denial of Torrens' Application for Special Leave, the Company is preparing to commence remediation and is in discussions with the FWO regarding that process.

Separately, during the third quarter of 2026, a new representative proceeding was commenced against Torrens. The proceeding alleges that Torrens underpaid casual academics by failing to pay them separately for marking and other tasks. The Company intends to defend against these claims vigorously and is unable to predict the outcome or financial impact of this proceeding at this time. Accordingly, no provision has been recognized. Refer to Note 16 - Litigation - within the footnotes to the unaudited condensed consolidated financial statements for additional information regarding these matters.

Critical Accounting Policies and Estimates

"Management's Discussion and Analysis of Financial Condition and Results of Operations" discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates and judgments related to its allowance for credit losses; income tax provisions; the useful lives of property and equipment; redemption rates for scholarship programs and valuation of contract liabilities; fair value of right-of-use lease assets for facilities that have been vacated; incremental borrowing rates; valuation of deferred tax assets, goodwill, and intangible assets; forfeiture rates and achievability of performance targets for stock-based compensation plans; and accrued expenses. Management bases its estimates and judgments on historical experience and various other factors and assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments regarding the carrying values of assets and liabilities that are not readily apparent from other

sources. Management regularly reviews its estimates and judgments for reasonableness and may modify them in the future. Actual results may differ from these estimates under different assumptions or conditions.

Management believes that the following critical accounting policies are its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Revenue recognition — Capella University and Strayer University offer educational programs primarily on a quarter system having four academic terms, which generally coincide with our quarterly financial reporting periods. Torrens University offers the majority of its education programs on a trimester system having three primary academic terms, which all occur within the calendar year. Approximately 94% of our revenues during the nine months ended September 30, 2026 consisted of tuition revenue. Capella University offers monthly start options for new students, who then transition to a quarterly schedule. Capella University also offers its FlexPath program, which allows students to determine their 12-week billing session schedule after they complete their first course. Tuition revenue for all students is recognized ratably over the period of instruction as the universities provide academic services, whether delivered in person at a physical campus or online. Tuition revenue is shown net of any refunds, withdrawals, discounts, and scholarships. The universities also derive revenue from other sources such as textbook-related income, certificate revenue, certain academic fees, licensing revenue, accommodation revenue, and food and beverage fees, which are all recognized when earned. In accordance with Accounting Standards Codification 606, *Revenue Recognition*, materials provided to students in connection with their enrollment in a course are recognized as revenue when control of those materials transfers to the student. At the start of each academic term or program, a contract liability is recorded for academic services to be provided, and a tuition receivable is recorded for the portion of the tuition not paid in advance. Any cash received prior to the start of an academic term or program is recorded as a contract liability.

Students at Capella University and Strayer University finance their education in a variety of ways, and historically a majority of our students have participated in one or more financial aid programs provided through Title IV of the Higher Education Act. In addition, many of our working adult students finance their own education or receive full or partial tuition reimbursement from their employers. Those students who are veterans or active duty military personnel have access to various additional government-funded educational benefit programs.

In Australia, domestic students may finance their education themselves or by taking a loan through the national Higher Education Loan Program provided by the Australian government to support higher education. In New Zealand, domestic students may utilize government loans to fund tuition and may be eligible for a period of “fees free” study funded by the government. International students are not eligible for funding from the Australian or New Zealand governments.

A typical class is offered in weekly increments over a six- to twelve-week period, depending on the university and course type, and is followed by an exam. Student attendance is based on physical presence in class for on-ground classes. For online classes, attendance consists of logging into one’s course shell and performing an academically-related activity (e.g., engaging in a discussion post or taking a quiz).

If a student withdraws from a course prior to completion, a portion of the tuition may be refundable depending on when the withdrawal occurs. We use the student’s withdrawal date or last date of attendance for this purpose. Our specific refund policies vary across the universities and non-degree programs. For students attending Capella University, our refund policy varies based on course format. GuidedPath students are allowed a 100% refund through the first five days of the course, a 75% refund from six to twelve days, and 0% refund for the remainder of the period. FlexPath students receive a 100% refund through the 12th calendar day of the course for their first billing session only and a 0% refund after that date and for all subsequent billing sessions. For students attending Strayer University, our refund policy typically permits students who complete less than half of a course to receive a partial refund of tuition for that course. For domestic students attending an ANZ institution, refunds are typically provided to students that withdraw within the first 20% of a course term. For international students attending an ANZ institution, refunds are provided to students that withdraw prior to the course commencement date. In limited circumstances, refunds to students attending an ANZ institution may be granted after these cut-offs subject to an application for special consideration by the student and approval of that application by the institution. Refunds reduce the tuition revenue that otherwise would have been recognized for that student. Since the academic terms coincide with our financial reporting periods for most programs, nearly all refunds are processed and recorded in the same quarter as the corresponding revenue. For certain programs where courses may overlap with a quarter-end date, we estimate a refund or withdrawal rate and do not recognize the related revenue until the uncertainty related to the refund is resolved. The portion of tuition revenue refundable to students may vary based on the student’s state of residence.

For U.S. students who receive funding under Title IV and withdraw, funds are subject to return provisions as defined by the Department of Education. The university is responsible for returning Title IV funds to the Department and then may seek payment from the withdrawn student of prorated tuition or other amounts charged to him or her. Loss of financial aid eligibility during an

academic term is rare and would normally coincide with the student's withdrawal from the institution. In Australia and New Zealand, government funding for eligible students is provided directly to the institution on an estimated basis annually. The amount of government funding provided is based on a course-by-course forecast of enrollments that the institution submits for the upcoming calendar year. Using the enrollment forecast provided as well as the requesting institution's historical enrollment trends, the government approves a fixed amount, which is then funded to the institution evenly on a monthly basis. Periodic reconciliation and true-ups are undertaken between the relevant government authority and the institution based on actual eligible enrollments, which may result in a net amount being due to or from the government.

Students at Strayer University registering in credit-bearing courses in any undergraduate program qualify for the Learn and Earn Scholarship (formerly known as the Graduation Fund), whereby qualifying students earn tuition credits that are redeemable in the final year of a student's course of study if he or she successfully remains in the program. Students must meet all of Strayer University's admission requirements and not be eligible for any previously offered scholarship program. To maintain eligibility, students must be enrolled in a bachelor's degree program. Students who have more than one consecutive term of non-attendance lose any Learn and Earn Scholarship credits earned to date, but may earn and accumulate new credits if the student is reinstated or readmitted by Strayer University in the future. In their final academic year, qualifying students will receive one free course for every three courses that the student successfully completed in prior years. The Company defers the value of the related performance obligation associated with the free credits estimated to be redeemed in the future based on the underlying revenue transactions that result in progress by the student toward earning the benefit. The estimated value of awards under the Learn and Earn Scholarship that will be recognized in the future is based on historical experience of students' persistence in completing their course of study and earning a degree and the tuition rate in effect at the time it was associated with the transaction. Estimated redemption rates of eligible students vary based on their term of enrollment. As of September 30, 2026, we had deferred $37.1 million for estimated redemptions earned under the Learn and Earn Scholarship, as compared to $38.1 million at December 31, 2025. Each quarter, we assess our assumptions underlying our estimates for persistence and estimated redemptions based on actual experience. To date, any adjustments to our estimates have not been material. However, if actual persistence or redemption rates change, adjustments to the reserve may be necessary and could be material.

Tuition receivable — We record estimates for our allowance for credit losses related to tuition receivable from students primarily based on our historical collection rates by age of receivable and adjusted for reasonable expectations of future collection performance, net of recoveries. Our experience is that payment of outstanding balances is influenced by whether the student returns to the institution, as we require students to make payment arrangements for their outstanding balances prior to enrollment. Therefore, we monitor outstanding tuition receivable balances through subsequent terms, increasing the reserve on such balances over time as the likelihood of returning to the institution diminishes and our historical experience indicates collection is less likely. We periodically assess our methodologies for estimating credit losses in consideration of actual experience. If the financial condition of our students were to deteriorate based on current or expected future events resulting in evidence of impairment of their ability to make required payments for tuition payable to us, additional allowances or write-offs may be required. For the third quarter of 2026, our bad debt expense was 4.6% of revenue compared to 4.7% for the same period in 2025. A change in our allowance for credit losses of 1% of gross tuition receivable as of September 30, 2026 would have changed our income (loss) from operations by approximately $1.6 million.

Goodwill and intangible assets — Goodwill represents the excess of the purchase price of an acquired business over the amount assigned to the assets acquired and liabilities assumed. Indefinite-lived intangible assets, which include trade names, are recorded at fair market value on their acquisition date. At the time of acquisition, goodwill and indefinite-lived intangible assets are allocated to reporting units. Management identifies its reporting units by assessing whether the components of its operating segments constitute businesses for which discrete financial information is available and management regularly reviews the operating results of those components. Goodwill and indefinite-lived intangible assets are assessed at least annually for impairment.

In the second quarter of 2024, the Australian government introduced proposed legislation seeking to limit the number of international students enrolled at Australian institutions. Due to the potential adverse financial impacts of the proposed regulations, in 2024 we performed a quantitative impairment assessment for goodwill assigned to the ANZ reporting unit and for the ANZ indefinite-lived intangible assets as of October 1, 2024. We determined the fair value of the ANZ reporting unit and the ANZ trade name using an income-based approach, which consisted of a discounted cash flow model that included projections of future revenues and cash flows. Based on the results of our quantitative impairment assessment, we concluded that the fair value of the ANZ reporting unit exceeded carrying value by approximately 17% and the fair value of the ANZ indefinite-lived intangible assets exceeded carrying value by approximately 14%.

During 2025, ANZ student enrollments were lower than 2024, largely due to constraints on international enrollment implemented by the Australian government. However, enrollment trends improved toward the end of 2025, primarily due to growth in domestic

enrollment. In addition, we enrolled up to the international student cap in 2025, and it was subsequently announced that our international enrollment cap would increase in 2026.

In the first quarter of 2026, student enrollment within ANZ decreased 2.5% to 19,570 compared to 20,082 for the same period in 2025, and in the second quarter of 2026, student enrollment within ANZ decreased 5.2% to 17,555 compared to 18,524 for the same period in 2025, reflecting continued constraints on international enrollment. These developments reflect a softening of the improving enrollment trends observed at the end of 2025 and are primarily due to the Australian government applying a more stringent visa approval process for international students, resulting in a higher rate of visa refusals for applicants from certain countries. This decline continued through the third quarter of 2026, where student enrollment within ANZ decreased 9.1% to 17,101 compared to 18,808 for the same period in 2025. While lower international enrollment has been partially offset by growth in domestic enrollment, it has not been enough to offset the continued decline in international enrollment. These continued enrollment declines have impacted ANZ's operating and financial performance. Further, during the third quarter of 2026, the Australian government announced additional migration-related policies that extended uncertainty regarding the duration of existing international enrollment regulatory constraints in Australia, with no indication of whether or when these constraints will be eased.

Taken together, we determined these developments represented a triggering event that warranted an interim impairment assessment of the goodwill assigned to the ANZ reporting unit and the ANZ trade name in advance of our annual testing date of October 1, 2026. We elected to bypass a qualitative impairment assessment and proceeded directly to a quantitative impairment assessment using September 30, 2026 as the assessment date.

To assess goodwill, we utilized a combination of an income approach and a market approach to determine the fair value of the ANZ reporting unit. The income approach consisted of a discounted cash flow model using a forecast period of 10 years, a discount rate of 11.5%, and a terminal growth rate of 3.0%. The market approach was based on revenue multiples of 1.30x to 1.50x derived from a group of selected guideline public companies operating in the education sector. Our conclusion of fair value for the ANZ reporting unit reflects a weighting of 75% for the income approach and 25% for the market approach, as we believe the income approach provides a more reliable indication of fair value for the reporting unit, with the market approach serving as corroborative support. We believe that the most critical assumptions and estimates used in determining the estimated fair value of the ANZ reporting unit include the amounts and timing of expected future cash flows, revenue growth, operating margins, the discount rate, the terminal growth rate, and, for the market approach, the selection of guideline public companies and their related revenue multiples. Refer to Note 7 - Goodwill and Intangible Assets - within the footnotes to the unaudited condensed consolidated financial statements for additional information regarding the methodology and nature of these assumptions.

Based on the results of this quantitative impairment assessment, we concluded that the carrying value of the ANZ reporting unit exceeded its estimated fair value by $127.0 million. Accordingly, we recognized a goodwill impairment charge of $127.0 million during the three and nine months ended September 30, 2026, representing the full excess of carrying value over fair value, as this amount did not exceed the total goodwill allocated to the reporting unit.

We also performed a quantitative impairment assessment of the ANZ trade name as of September 30, 2026. We used an income-based approach to determine the fair value of the ANZ trade name. The income approach consisted of a discounted cash flow model, using the relief from royalty method, with a forecast period of 10 years, a discount rate of 12.0%, a royalty rate of 2.5%, and a terminal growth rate of 3.0%. Based on the results of this assessment, we concluded that the carrying value of the ANZ trade name exceeded its estimated fair value by $7.1 million. Accordingly, we recognized an impairment charge of $7.1 million related to the ANZ trade name during the three and nine months ended September 30, 2026.

As of September 30, 2026, following these impairment charges, the ANZ reporting unit had $408.5 million of remaining goodwill and $60.0 million of remaining indefinite-lived intangible assets. As these impairment charges reduced the carrying value of the ANZ reporting unit's goodwill and the ANZ trade name to their respective estimated fair values, no headroom remains. If ANZ's operating performance does not progress in line with our projections, or if the discount rate, terminal growth rate, royalty rate, revenue projections, operating margins, or revenue multiples change adversely, the remaining goodwill and/or trade name could become further impaired in future periods. Management will continue to assess these assets for impairment in future quarters.

No events or circumstances occurred in the three and nine months ended September 30, 2026 to indicate an impairment to goodwill or indefinite-lived intangible assets related to any of our other reporting units.

Other estimates — We record estimates for income tax liabilities and estimate the useful lives of our property and equipment. We also periodically review our assumed forfeiture rates and ability to achieve performance targets for stock-based awards and adjust them as necessary. Should actual results differ from our estimates, revisions to the carrying amount of property and equipment and intangible assets, stock-based compensation expense, and income tax liabilities may be required.

Results of Operations

In the third quarter of 2026, we generated $325.1 million in revenue compared to $319.9 million for the same period in 2025. Our loss from operations was $87.6 million in the third quarter of 2026 compared to income from operations of $37.0 million for the same period in 2025, primarily due to a $134.1 million goodwill and intangible asset impairment charge, partially offset by lower restructuring costs and higher revenue. Net loss in the third quarter of 2026 was $98.3 million compared to net income of $26.6 million for the same period in 2025, and diluted loss per share was $4.68 in the third quarter of 2026 compared to diluted earnings per share of $1.15 for the same period in 2025. For the nine months ended September 30, 2026, we generated $968.3 million in revenue compared to $945.0 million for the same period in 2025. Our income from operations was $4.0 million for the nine months ended September 30, 2026 compared to $122.6 million for the same period in 2025, primarily due to a $134.1 million goodwill and intangible asset impairment charge and higher operating expenses, which include the $13.9 million ANZ back-pay reserve, partially offset by lower restructuring costs and higher revenue. Net loss was $28.3 million for the nine months ended September 30, 2026 compared to net income of $88.7 million for the same period in 2025, and diluted loss per share was $1.33 for the nine months ended September 30, 2026 compared to diluted earnings per share of $3.76 for the same period in 2025.

Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025

Revenues. Consolidated revenue increased 1.6% to $325.1 million in the third quarter of 2026 compared to $319.9 million in the third quarter of 2025, primarily due to favorable foreign currency impacts and higher revenue in our ETS segment. In the USHE segment for the three months ended September 30, 2026, total enrollment decreased 1.1% to 84,725 from 85,640 for the same period in 2025. USHE segment revenue increased 0.3% to $213.7 million in the third quarter of 2026 compared to $213.1 million in the third quarter of 2025, primarily due to higher revenue per student, partially offset by lower enrollment. In the ANZ segment for the three months ended September 30, 2026, total enrollment decreased 9.1% to 17,101 from 18,808 for the same period in 2025. ANZ segment revenue was flat at $68.6 million in the third quarter of 2026 compared to the third quarter of 2025, primarily due to favorable foreign currency impacts and higher revenue per student, offset by lower enrollment. ETS segment revenue increased 11.9% to $42.8 million in the third quarter of 2026 compared to $38.3 million in the third quarter of 2025, primarily due to growth in Sophia Learning subscriptions and higher employer affiliated enrollment.

Instructional and support costs. Consolidated instructional and support costs increased to $163.6 million in the third quarter of 2026 compared to $162.7 million in the third quarter of 2025, primarily due to higher technology-related costs, student materials costs, depreciation expense, and unfavorable foreign currency impacts, partially offset by lower personnel-related costs and facility expenses. Consolidated instructional and support costs as a percentage of revenues decreased to 50.3% in the third quarter of 2026 from 50.9% in the third quarter of 2025.

General and administration expenses. Consolidated general and administration expenses increased to $110.4 million in the third quarter of 2026 compared to $105.9 million in the third quarter of 2025, primarily due to increased investments in branding initiatives, higher technology-related and corporate costs, and unfavorable foreign currency impacts, partially offset by lower international agent commissions, personnel-related costs, and facility expenses. Consolidated general and administration expenses as a percentage of revenues increased to 34.0% in the third quarter of 2026 from 33.1% in the third quarter of 2025.

Restructuring costs. Restructuring costs decreased to $4.5 million in the third quarter of 2026 compared to $14.3 million in the third quarter of 2025, primarily due to a $5.0 million decrease in asset impairment charges associated with the consolidation of underutilized facilities, a $4.4 million decrease in severance and other personnel-related expenses from employee terminations, and a $0.3 million loss related to assets classified as held for sale in the third quarter of 2025 that did not recur in the third quarter of 2026.

Impairment of goodwill and intangible assets. Impairment of goodwill and intangible assets includes goodwill and indefinite-lived intangible asset impairment charges recorded in the third quarter of 2026 related to the Company’s acquisition of Torrens University and associated assets in Australia and New Zealand.

Income (loss) from operations. Consolidated income (loss) from operations decreased to a loss from operations of $87.6 million in the third quarter of 2026 compared to income from operations of $37.0 million in the third quarter of 2025, primarily due to a $134.1 million goodwill and intangible asset impairment charge, partially offset by lower restructuring costs and higher revenue. USHE segment income from operations decreased 3.6% to $22.0 million in the third quarter of 2026 compared to $22.9 million in the third quarter of 2025, primarily due to increased investments in branding initiatives, higher technology-related costs, student materials costs, and depreciation expense, partially offset by lower personnel-related costs and facility expenses. ANZ segment income from operations decreased 13.5% to $10.8 million in the third quarter of 2026 compared to $12.5 million in the third quarter of 2025, primarily due to increased investments in branding initiatives and higher technology-related costs, partially offset by lower personnel-related costs, facility expenses, and international agent commissions. ETS segment income from operations increased 14.0% to $18.2 million in the third quarter of 2026 compared to $16.0 million in the third quarter of 2025, primarily due

to higher revenue, partially offset by higher technology-related costs, corporate expenses, and increased investments in branding initiatives.

Other income (expense). Other income (expense) increased to $0.3 million of income in the third quarter of 2026 compared to $0.3 million of expense in the third quarter of 2025, primarily due to a $1.0 million decrease in investment losses related to our limited partnership investments, partially offset by a $0.5 million decrease in interest income. We incurred $0.3 million of interest expense in the three months ended September 30, 2026 compared to $0.3 million in the three months ended September 30, 2025.

Provision for income taxes. Income tax expense was $11.0 million in the third quarter of 2026 compared to $10.1 million in the third quarter of 2025. Our effective tax rate for the third quarter of 2026 was (12.6)% compared to 27.6% in the third quarter of 2025. The rate for the three months ended September 30, 2026 reflects income tax expense recognized on a pre-tax loss, primarily attributable to a non-deductible goodwill impairment charge recorded during the quarter.

Net income (loss). Net income (loss) decreased to $98.3 million of net loss in the third quarter of 2026 compared to $26.6 million of net income in the third quarter of 2025 due to the factors discussed above.

Nine Months Ended September 30, 2026 Compared to the Nine Months Ended September 30, 2025

Revenues. Consolidated revenue increased to $968.3 million in the nine months ended September 30, 2026 compared to $945.0 million in the same period in 2025, primarily due to favorable foreign currency impacts and higher revenue in our ETS segment, partially offset by lower revenue in our USHE segment. USHE segment revenue decreased 0.5% to $646.8 million in the nine months ended September 30, 2026 compared to $649.7 million in the same period in 2025, primarily due to lower enrollment, partially offset by higher revenue per student. ANZ segment revenue increased 4.7% to $194.8 million in the nine months ended September 30, 2026 compared to $186.0 million in the same period in 2025, primarily due to favorable foreign currency impacts, partially offset by lower enrollment. ETS segment revenue increased 15.9% to $126.7 million in the nine months ended September 30, 2026 compared to $109.3 million in the same period in 2025, primarily due to growth in Sophia Learning subscriptions, an increase in Workforce Edge revenue from employer partnerships, and higher employer affiliated enrollment.

Instructional and support costs. Consolidated instructional and support costs increased to $496.3 million in the nine months ended September 30, 2026 compared to $487.2 million in the same period in 2025, primarily due to the ANZ back-pay reserve, higher technology-related and student materials costs, and unfavorable foreign currency impacts, partially offset by lower personnel-related costs, facility expenses, bad debt expense, and stock-based compensation expense. Consolidated instructional and support costs as a percentage of revenues decreased to 51.3% in the nine months ended September 30, 2026 from 51.6% in the nine months ended September 30, 2025.

General and administration expenses. Consolidated general and administration expenses increased to $324.8 million in the nine months ended September 30, 2026 compared to $316.3 million in the same period in 2025, primarily due to increased investments in branding initiatives, higher technology-related costs, higher stock-based compensation expense, and unfavorable foreign currency impacts, partially offset by lower personnel-related costs, international agent commissions, and facility expenses. Consolidated general and administration expenses as a percentage of revenues was 33.5% in the nine months ended September 30, 2026 and 33.5% in the nine months ended September 30, 2025.

Restructuring costs. Restructuring costs decreased to $9.0 million in the nine months ended September 30, 2026 compared to $18.9 million in the same period in 2025, primarily due to a $5.9 million decrease in asset impairment charges associated with the consolidation of underutilized facilities, a $3.7 million decrease in severance and other personnel-related expenses from employee terminations, and a $0.3 million loss related to assets classified as held for sale in the third quarter of 2025 that did not recur in 2026.

Impairment of goodwill and intangible assets. Impairment of goodwill and intangible assets includes goodwill and indefinite-lived intangible asset impairment charges recorded in the third quarter of 2026 related to the Company’s acquisition of Torrens University and associated assets in Australia and New Zealand.

Income from operations. Consolidated income from operations decreased to $4.0 million in the nine months ended September 30, 2026 compared to $122.6 million in the same period in 2025, primarily due to a $134.1 million goodwill and intangible asset impairment charge and higher operating expenses, which include the $13.9 million ANZ back-pay reserve, partially offset by lower restructuring costs and higher revenue. USHE segment income from operations increased 8.6% to $79.9 million in the nine months ended September 30, 2026 compared to $73.6 million in the same period in 2025, primarily due to lower personnel-related costs, facility expenses, and bad debt expense, partially offset by increased investments in branding initiatives and higher technology-related and student materials costs. ANZ segment income from operations decreased to $9.8 million in the nine months ended September 30, 2026 compared to $23.1 million in the same period in 2025, primarily due to the $13.9 million back-pay reserve, increased investments in branding initiatives, and higher technology-related costs, partially offset by lower

international agent commissions, depreciation expense, stock-based compensation expense, and facility expenses. ETS segment income from operations increased 28.1% to $57.4 million in the nine months ended September 30, 2026 compared to $44.8 million in the same period in 2025, primarily due to higher revenue, partially offset by higher technology-related costs, corporate expenses, and increased investments in branding initiatives.

Other income. Other income increased to $2.8 million in the nine months ended September 30, 2026 compared to $1.6 million in the same period in 2025, primarily due to a $3.6 million decrease in investment losses related to our limited partnership investments, partially offset by a $2.3 million decrease in interest income. We incurred $0.8 million of interest expense in the nine months ended September 30, 2026 compared to $0.8 million in the same period in 2025.

Provision for income taxes. Income tax expense was $35.2 million and $35.5 million in the nine months ended September 30, 2026 and 2025, respectively. Our effective tax rate for the nine months ended September 30, 2026 was 514.8% compared to 28.6% for the nine months ended September 30, 2025. The higher rate for the nine months ended September 30, 2026 is primarily attributable to a non-deductible goodwill impairment charge recorded during the third quarter of 2026. Income tax expense for the nine months ended September 30, 2026 and 2025 includes windfall tax benefits of approximately $2.5 million and $0.4 million, respectively, related to share-based payment arrangements, which partially offset the higher effective tax rate in 2026.

Net income (loss). Net income (loss) decreased to $28.3 million of net loss in the nine months ended September 30, 2026 compared to $88.7 million of net income in the same period in 2025 due to the factors discussed above.

Non-GAAP Financial Measures

We use certain financial measures including Adjusted Total Costs and Expenses, Adjusted Income from Operations, Adjusted Operating Margin, Adjusted Income Before Income Taxes, Adjusted Net Income, and Adjusted Diluted Earnings per Share that are not required by or prepared in accordance with GAAP. These measures, which are considered “non-GAAP financial measures” under SEC rules, are defined by us to exclude the following:

- severance costs, asset impairment charges, gains/losses on sale of real estate and early termination of leased facilities, and other costs associated with our restructuring activities;
- goodwill and intangible asset impairment charges related to the Company’s acquisition of Torrens University and associated assets in Australia and New Zealand;
- income/loss from partnership and other investments that are not part of our core operations; and
- discrete tax adjustments related to stock-based compensation and other adjustments.

To illustrate currency impacts to operating results, Revenue, Adjusted Total Costs and Expenses, Adjusted Income from Operations, Adjusted Operating Margin, Adjusted Income Before Income Taxes, Adjusted Net Income, and Adjusted Diluted Earnings per Share for the three and nine months ended September 30, 2026 are also presented on a constant currency basis.

When considered together with GAAP financial results, we believe these measures provide management and investors with an additional understanding of our business and operating results, including underlying trends associated with our ongoing operations.

Non-GAAP financial measures are not defined in the same manner by all companies and may not be comparable with other similarly titled measures of other companies. Non-GAAP financial measures may be considered in addition to, but not as a substitute for or superior to, GAAP results. A reconciliation of these measures to the most directly comparable GAAP measures is provided below.

Adjusted income from operations was $51.0 million in the third quarter of 2026 compared to $51.3 million for the same period in 2025. Adjusted net income was $37.0 million in the third quarter of 2026 compared to $37.7 million for the same period in 2025, and adjusted diluted earnings per share was $1.72 in the third quarter of 2026 compared to $1.63 for the same period in 2025. Adjusted income from operations was $147.2 million for the nine months ended September 30, 2026 compared to $141.5 million for the same period in 2025. Adjusted net income was $106.9 million for the nine months ended September 30, 2026 compared to $104.8 million for the same period in 2025, and adjusted diluted earnings per share was $4.90 for the nine months ended September 30, 2026 compared to $4.44 for the same period in 2025.

The tables below reconcile our reported results of operations to adjusted results:

Reconciliation of Reported to Adjusted Results of Operations for the three months ended September 30, 2026 (in thousands, except per share data)

		Non-GAAP Adjustments				
	As Reported (GAAP)	Restructuring costs[1]	Impairment of goodwill and intangible assets[2]	Loss from other investments[3]	Tax adjustments[4]	As Adjusted (Non-GAAP)
Total costs and expenses	$ 412,630	$ (4,481)	$ (134,100)	$ —	$ —	$ 274,049
Income (loss) from operations	$ (87,563)	$ 4,481	$ 134,100	$ —	$ —	$ 51,018
Operating margin	*(26.9)%*					*15.7%*
Income (loss) before income taxes	$ (87,288)	$ 4,481	$ 134,100	$ 759	$ —	$ 52,052
Net income (loss)	$ (98,311)	$ 4,481	$ 134,100	$ 759	$ (4,072)	$ 36,957
Diluted earnings (loss) per share	$ (4.68)					$ 1.72
Weighted average diluted shares outstanding[5]	21,028					21,461

Reconciliation of Reported to Adjusted Results of Operations for the three months ended September 30, 2025 (in thousands, except per share data)

		Non-GAAP Adjustments				
	As Reported (GAAP)	Restructuring costs[1]	Impairment of goodwill and intangible assets[2]	Loss from other investments[3]	Tax adjustments[4]	As Adjusted (Non-GAAP)
Total costs and expenses	$ 282,907	$ (14,251)	$ —	$ —	$ —	$ 268,656
Income from operations	$ 37,042	$ 14,251	$ —	$ —	$ —	$ 51,293
Operating margin	*11.6%*					*16.0%*
Income before income taxes	$ 36,769	$ 14,251	$ —	$ 2,147	$ —	$ 53,167
Net income	$ 26,630	$ 14,251	$ —	$ 2,147	$ (5,279)	$ 37,749
Diluted earnings per share	$ 1.15					$ 1.63
Weighted average diluted shares outstanding	23,209					23,209

Reconciliation of Reported to Adjusted Results of Operations for the nine *months ended September 30, 2026 (in thousands, except per share data)*

		Non-GAAP Adjustments				
	As Reported (GAAP)	Restructuring costs[1]	Impairment of goodwill and intangible assets[2]	Loss from other investments[3]	Tax adjustments[4]	As Adjusted (Non-GAAP)
Total costs and expenses	$ 964,257	$ (9,048)	$ (134,100)	$ —	$ —	$ 821,109
Income from operations	$ 4,002	$ 9,048	$ 134,100	$ —	$ —	$ 147,150
Operating margin	*0.4%*					*15.2%*
Income before income taxes	$ 6,833	$ 9,048	$ 134,100	$ 542	$ —	$ 150,523
Net income (loss)	$ (28,343)	$ 9,048	$ 134,100	$ 542	$ (8,476)	$ 106,871
Diluted earnings (loss) per share	$ (1.33)					$ 4.90
Weighted average diluted shares outstanding[5]	21,343					21,789

Reconciliation of Reported to Adjusted Results of Operations for the nine *months ended September 30, 2025 (in thousands, except per share data)*

	As Reported (GAAP)	Non-GAAP Adjustments				As Adjusted (Non-GAAP)
		Restructuring costs[1]	Impairment of goodwill and intangible assets[2]	Loss from other investments[3]	Tax adjustments[4]	
Total costs and expenses	$ 822,414	$ (18,948)	$ —	$ —	$ —	$ 803,466
Income from operations	$ 122,596	$ 18,948	$ —	$ —	$ —	$ 141,544
Operating margin	*13.0%*					*15.0%*
Income before income taxes	$ 124,219	$ 18,948	$ —	$ 4,410	$ —	$ 147,577
Net income	$ 88,705	$ 18,948	$ —	$ 4,410	$ (7,283)	$ 104,780
Diluted earnings per share	$ 3.76					$ 4.44
Weighted average diluted shares outstanding	23,597					23,597

(1) Reflects severance costs, asset impairment charges, gains/losses on sale of real estate and early termination of leased facilities, and other costs associated with the Company's restructuring activities.

(2) Reflects an impairment of goodwill and intangible assets related to the Company's acquisition of Torrens University and associated assets in Australia and New Zealand.

(3) Reflects income/loss recognized from the Company's investments in partnership interests and other investments.

(4) Reflects tax impacts of the adjustments described above and discrete tax adjustments related to stock-based compensation and other adjustments, utilizing an adjusted effective tax rate of 29.0% for the three and nine months ended September 30, 2026 and 29.0% for the three and nine months ended September 30, 2025.

(5) For the three and nine months ended September 30, 2026, approximately 433,000 and 446,000, respectively, incremental shares attributable to stock awards were excluded from the diluted share count for GAAP purposes because their impact would have been anti-dilutive due to the net losses for the periods.

The tables below reconcile our reported results of operations to adjusted results of operations on a constant currency basis:

Reconciliation of Reported to Adjusted Results of Operations on a Constant Currency Basis for the three months ended September 30, 2026 (in thousands, except per share data):

	As Reported (GAAP)	Non-GAAP adjustments[1]	Constant currency adjustment[2]	As Adjusted with Constant Currency (Non-GAAP)
Revenues	$ 325,067	$ —	$ (4,929)	$ 320,138
Total costs and expenses	$ 412,630	$ (138,581)	$ (4,094)	$ 269,955
Income (loss) from operations	$ (87,563)	$ 138,581	$ (835)	$ 50,183
Operating margin	*(26.9)%*			*15.7%*
Income before income taxes	$ (87,288)	$ 139,340	$ (853)	$ 51,199
Net income (loss)	$ (98,311)	$ 135,268	$ (606)	$ 36,351
Earnings (loss) per share:				
Diluted	$ (4.68)			$ 1.69
Weighted average shares outstanding:				
Diluted[3]	21,028			21,461

Reconciliation of Reported to Adjusted Results of Operations on a Constant Currency Basis for the nine months ended September 30, 2026 (in thousands, except per share data):

	As Reported (GAAP)	Non-GAAP adjustments[1]	Constant currency adjustment[2]	As Adjusted with Constant Currency (Non-GAAP)
Revenues	$ 968,259	$ —	$ (17,444)	$ 950,815
Total costs and expenses	$ 964,257	$ (143,148)	$ (16,048)	$ 805,061
Income from operations	$ 4,002	$ 143,148	$ (1,396)	$ 145,754
Operating margin	*0.4%*			*15.3%*
Income before income taxes	$ 6,833	$ 143,690	$ (1,461)	$ 149,062
Net income (loss)	$ (28,343)	$ 135,214	$ (1,037)	$ 105,834
Earnings (loss) per share:				
Diluted	$ (1.33)			$ 4.86
Weighted average shares outstanding:				
Diluted[3]	21,343			21,789

(1) Reflects non-GAAP adjustments related to restructuring costs, impairment of goodwill and intangible assets, income/loss from other investments, and tax adjustments as described further in the Reconciliation of Reported to Adjusted Results of Operations table above.

(2) Reflects an adjustment to translate foreign currency results after the non-GAAP adjustments for the three and nine months ended September 30, 2026 at a constant exchange rate of 0.65 and 0.64 Australian Dollars to U.S. Dollars, which were the average exchange rates for the same periods in 2025.

(3) For the three and nine months ended September 30, 2026, approximately 433,000 and 446,000, respectively, incremental shares attributable to stock awards were excluded from the diluted share count for GAAP purposes because their impact would have been anti-dilutive due to the net losses for the periods.

Liquidity and Capital Resources

At September 30, 2026, we had cash, cash equivalents, and marketable securities of $138.6 million compared to $153.1 million at December 31, 2025 and $182.6 million at September 30, 2025. We maintain our cash and cash equivalents primarily in money market funds and demand deposit bank accounts at high credit quality financial institutions, which are included in cash and cash equivalents at September 30, 2026 and 2025. We also hold marketable securities, which primarily include corporate debt securities, U.S. treasury securities with maturities greater than three months, and term deposits. During the nine months ended September 30, 2026 and 2025, we earned interest income of $4.2 million and $6.5 million, respectively.

We are party to a credit facility (the "Amended Credit Facility"), which provides for a senior secured revolving credit facility (the "Revolving Credit Facility") in an aggregate principal amount of up to $250 million. The Amended Credit Facility provides us with an option, subject to obtaining additional loan commitments and satisfaction of certain conditions, to increase the commitments under the Revolving Credit Facility or establish one or more incremental term loans (each, an "Incremental Facility") in an amount up to the sum of (x) the greater of (A) $300 million and (B) 100% of the Company's consolidated EBITDA (earnings before interest, taxes, depreciation, amortization, and noncash charges, such as stock-based compensation) calculated on a trailing four-quarter basis and on a pro forma basis, and (y) if such Incremental Facility is incurred in connection with a permitted acquisition or other permitted investment, any amounts so long as the Company's leverage ratio (calculated on a trailing four-quarter basis) on a pro forma basis will be no greater than 1.75:1.00. In addition, the Amended Credit Facility provides for a subfacility for borrowings in certain foreign currencies in an amount equal to the U.S. dollar equivalent of $150 million. Borrowings under the Revolving Credit Facility bear interest at a per annum rate equal to Term SOFR or a base rate, plus a margin ranging from 1.50% to 2.00%, depending on our leverage ratio. An unused commitment fee ranging from 0.20% to 0.30% per annum, depending on our leverage ratio, accrues on unused amounts. We were in compliance with all applicable covenants related to the Amended Credit Facility as of September 30, 2026. We had no borrowings outstanding under the Revolving Credit Facility as of September 30, 2026 and September 30, 2025. During the nine months ended September 30, 2026 and 2025, we paid $0.4 million and $0.4 million, respectively, of interest and unused commitment fees related to our Revolving Credit Facility.

Our net cash provided by operating activities for the nine months ended September 30, 2026 increased to $173.5 million, compared to $159.0 million for the same period in 2025. The increase in net cash from operating activities was primarily due to favorable changes in working capital.

Our net cash used in investing activities for the nine months ended September 30, 2026 increased to $36.6 million, compared to $0.5 million for the same period in 2025. The increase in net cash used in investing activities was primarily due to a $49.2 million

decrease in cash proceeds from marketable securities and other investments and a $4.8 million increase in capital expenditures, partially offset by a $18.0 million decrease in purchases of marketable securities. Capital expenditures increased to $36.8 million for the nine months ended September 30, 2026, compared to $32.0 million for the same period in 2025, primarily due to increased technology investments.

Our net cash used in financing activities for the nine months ended September 30, 2026 increased to $153.8 million, compared to $147.4 million for the same period in 2025. The increase in net cash used in financing activities was primarily due to a $7.0 million increase in share repurchases and a $2.8 million increase in net payments for employee stock awards, partially offset by a $3.3 million decrease in cash dividend payments.

The Board of Directors declared a regular, quarterly cash dividend of $0.60 per share of common stock in the first three quarters of 2026. During the nine months ended September 30, 2026, we paid a total of $40.1 million in cash dividends on our common stock, compared to $43.4 million for the same period in 2025. During the nine months ended September 30, 2026, we paid $101.3 million to repurchase shares of common stock in the open market under our repurchase program, compared to $94.3 million for the same period in 2025. As of September 30, 2026, we had $112.2 million remaining in share repurchase authorization to use through December 31, 2026.

For the third quarter of 2026 and 2025, bad debt expense as a percentage of revenue was 4.6% and 4.7%, respectively.

Our recurring cash requirements consist primarily of general operating expenses, capital expenditures, discretionary dividend payments, income tax payments, and contractual obligations related to our lease agreements, limited partnership investments, marketing agreements, and Revolving Credit Facility. We believe that the combination of our existing cash, cash equivalents, and marketable securities, cash generated from operating activities, and if necessary, cash available under our Amended Credit Facility will be sufficient to meet our cash requirements for the next 12 months and beyond.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are subject to the impact of interest rate changes and may be subject to changes in the market values of our future investments. We invest our excess cash in money market mutual funds, bank overnight deposits, U.S. treasury bills, and marketable securities. We have not used derivative financial instruments in our investment portfolio. Earnings from investments in money market mutual funds, bank overnight deposits, U.S. treasury bills, and marketable securities may be adversely affected in the future should interest rates decline, although such a decline may reduce the interest rate payable on any borrowings under our Revolving Credit Facility. Our future investment income may fall short of expectations due to changes in interest rates or we may suffer losses in principal if forced to sell securities that have declined in market value due to changes in interest rates. As of September 30, 2026, a 1% increase or decrease in interest rates would not have a material impact on our future earnings, fair values, or cash flows related to investments in cash equivalents or interest earning marketable securities.

We had no outstanding debt under our Amended Credit Facility as of September 30, 2026. Borrowings under the Amended Credit Facility bear interest at Term SOFR or a base rate, plus a margin ranging from 1.50% to 2.00%, depending on our leverage ratio. An unused commitment fee ranging from 0.20% to 0.30%, depending on our leverage ratio, accrues on unused amounts under the Amended Credit Facility. An increase in Term SOFR would affect interest expense on any outstanding balance of the Revolving Credit Facility. For every 100 basis points increase in Term SOFR, we would incur an incremental $2.5 million in interest expense per year assuming the entire $250 million Revolving Credit Facility was utilized.

Foreign Currency Risk

The United States Dollar (“USD”) is our reporting currency. The functional currency of each of our foreign subsidiaries is the currency of the economic environment in which the subsidiary primarily does business. Revenues denominated in currencies other than the USD accounted for 20.1% of our consolidated revenues for the nine months ended September 30, 2026. We therefore have foreign currency risk related to these currencies, which is primarily the Australian dollar. Accordingly, changes in exchange rates, and in particular a weakening of foreign currencies relative to the USD may negatively affect our revenue and operating income as expressed in the USD. For the nine months ended September 30, 2026, a hypothetical 10% adverse change in the average foreign currency exchange rates would have decreased our consolidated revenues by approximately $19.5 million. In addition, the effect of exchange rate changes on cash, cash equivalents, and restricted cash for the nine months ended September 30, 2026 was an increase of $0.5 million. We do not use foreign exchange contracts or derivatives to hedge any foreign currency exposures.

Item 4. Controls and Procedures

a) *Disclosure Controls and Procedures.* The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of September 30, 2026. Based upon such review, the Chief Executive Officer and Chief Financial Officer have concluded that the Company had in place, as of September 30, 2026, effective disclosure controls and procedures designed to ensure that information required to be disclosed by the Company (including consolidated subsidiaries) in the reports it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules thereunder, is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

b) *Internal Control Over Financial Reporting*. There have not been any changes in the Company's internal control over financial reporting during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in litigation and other legal proceedings arising out of the ordinary course of our business. From time to time, certain matters may arise that are other than ordinary and routine. The outcome of such matters is uncertain, and we may incur costs in the future to defend, settle, or otherwise resolve them. We currently believe that the ultimate outcome of such matters will not, individually or in the aggregate, have a material adverse effect on our consolidated financial position, results of operations or cash flows. However, depending on the amount and timing, an unfavorable resolution of some or all of these matters could materially affect future results of operations in a particular period. See Note 16, Litigation, in the condensed consolidated financial statements appearing in Part I, Item 1 of this report for additional information regarding our legal proceedings and related matters, which information is incorporated herein by reference.

Item 1A. Risk Factors

You should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, which could materially affect our business, adversely affect the market price of our common stock and could cause you to suffer a partial or complete loss of your investment. There have been no material changes to the risk factors previously described in Part I, "Item 1A. Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2025, other than as set forth below. The risks described below and in our Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also could materially adversely affect our business. See "Cautionary Notice Regarding Forward-Looking Statements."

Our goodwill and indefinite-lived intangible assets have been subject to impairment and may be subject to further impairment in the future, which could have a material adverse effect on our results of operations, financial condition, or future operating results.

We are required to assess goodwill and indefinite-lived intangible assets for impairment at least annually. In the third quarter of 2026, we recognized impairment charges related to the Company's acquisition of Torrens University and associated assets in Australia and New Zealand. We recorded a goodwill impairment charge of $127.0 million during the three and nine months ended September 30, 2026 in connection with our assessment that the carrying value of the ANZ reporting unit exceeded its estimated fair value. We also recognized an impairment charge of $7.1 million related to the ANZ trade name during the three and nine months ended September 30, 2026. As a result, there is no remaining cushion between the carrying values of the ANZ reporting unit's goodwill and the ANZ trade name and their respective estimated fair values, such that any further decline in ANZ's projected cash flows or other key assumptions underlying these estimates could result in additional impairment charges. Any future impairment charges could have a material impact on operating results and statements of financial position of the Company.

Capella University or Strayer University could lose its eligibility to participate in federal student financial aid programs or be provisionally certified with respect to such participation if the percentage of its revenues derived from those programs were too high, or could be restricted from enrolling students in certain states if the percentage of the University's revenues from federal or state programs were too high.

A proprietary institution may lose its eligibility to participate in the federal Title IV student financial aid program if it derives more than 90% of its revenues, on a cash basis, from "federal education assistance" (i.e., all federal funds, including U.S. Department of Defense military tuition assistance and U.S. Department of Veterans Affairs education benefits funds) for two consecutive fiscal years. A proprietary institution of higher education that violates the 90/10 Rule for any fiscal year will be placed on provisional status for up to two fiscal years. For fiscal year 2025, Capella University derived approximately 68.30% of its cash-basis revenues from federal education assistance. For fiscal year 2025, Strayer University derived approximately 87.98% of its cash-basis revenues from federal education assistance. From time to time, legislation has been introduced in both chambers of Congress that seeks to modify or eliminate the 90/10 Rule. We cannot predict whether Congress will pass any of these legislative proposals. Violation of the 90/10 Rule may result in the loss of eligibility to participate in Title IV programs, which would have a material adverse effect on our business. Certain states have also proposed legislation that would prohibit enrollment of their residents based on a state and federal funding threshold that is more restrictive than the federal 90/10 Rule. If such legislation were to be enacted, and Capella University or Strayer University were unable to meet the threshold, loss of eligibility to enroll students in certain states would have a material adverse effect on our business.

If either Capella University or Strayer University fails to maintain any of its state or foreign authorizations, the University would lose its ability to operate in the relevant jurisdiction and to participate in Title IV programs there.

Capella University is registered as a private institution with the Minnesota Office of Higher Education, as required for most post-

secondary private institutions granting associate-level or higher degrees in Minnesota and as required to participate in Title IV programs. Loss of state authorization would limit Capella University's ability to operate in that state, render it ineligible for Title IV programs, and could have a material adverse effect on our business.

Each Strayer University campus is authorized to operate and grant degrees, diplomas, or certificates by the applicable education agency or agencies of the state where the campus is located. This authorization is required for students at the campus to participate in Title IV programs. Loss of state authorization would limit Strayer University's operations in that state, render it ineligible for Title IV programs at least at those state campus locations, and could have a material adverse effect on our business.

On December 19, 2016, the Department of Education issued final regulations, effective May 26, 2019, requiring institutions offering distance education programs to be authorized by each state in which the institution enrolls students (other than the state(s) in which the institution is physically located), if such authorization is required by the state, in order to award Title IV aid to such students. Authorization can be obtained directly from the state or (except in California) through a state authorization reciprocity agreement. Failure to maintain required authorization for distance education in a state in which the institution is not physically located could result in loss of the ability to offer distance education there and award Title IV aid to online students in that state. The 2016 rule, and rules issued on November 1, 2019 and effective July 1, 2020, require disclosures of state licensure prerequisites for professional programs and whether programs meet them in each state where students are located, with direct disclosures to students/prospective students if a program does not meet requirements (or general public disclosure if no determination has been made), and notification to students within 14 days of determining that a program does not meet a state's requirements. Noncompliance could lead the Department to limit, suspend, or terminate Title IV participation or impose penalties such as refunds, liabilities, or fines.

Pursuant to Department regulations effective July 1, 2024, in each state where an institution is located, students are located, or students attest that they intend to seek employment, the institution must determine that each Title IV-eligible program: (i) is programmatically accredited if required by the state or a federal agency (including for employment in the prepared occupation); (ii) satisfies applicable educational requirements for professional licensure/certification so graduates qualify to take required exams for relevant practice or employment in that state; and (iii) complies with all state laws related to closure, including record retention, teach-out plans/agreements, and tuition recovery funds/surety bonds. Institutions may not enroll Title IV students in a state where the program fails these requirements unless the student attests at initial enrollment to seeking employment in another state that satisfies them.

Capella University and Strayer University participate in the State Authorization Reciprocity Agreement ("SARA"), enabling enrollment of distance education students in SARA member states. The Universities apply separately to non-SARA states (e.g., California) for required authorization. Failure to comply with SARA requirements or state licensing for distance education in non-SARA states could result in loss of SARA participation or state authorization for distance education there.

The National Council for State Authorization Reciprocity Agreements ("NC-SARA") considers potential policy changes each year. Past proposals, including more stringent standards for participation of for-profit institutions or exclusion of for-profit institutions from participation, were not adopted, but illustrate the risk that future changes could materially adversely affect Capella University, Strayer University, and the Company. For example, exclusion from SARA would require seeking authorization in each state, increasing costs and risking denials in some jurisdictions. On January 21, 2026, NC-SARA initiated its 2026 policy manual modification process with a call for proposals for SARA policy changes. The call for proposals ended February 10, 2026 and yielded 33 proposed changes to NC-SARA policies, some of which, if adopted, could significantly alter the distance education reciprocity agreements. Such proposals included circumstances under which an institution may be denied participation in SARA or have its participation limited as a result of investigations or adverse actions against it related to the institution's academic quality, financial stability, or student consumer protection issues. On April 24, 2026, NC-SARA held its public comment forum to seek input on these proposed changes. In addition to the public comment forum, NC-SARA permitted submission of written comments in two rounds: between March 10, 2026 and April 9, 2026, and between June 9, 2026 and July 7, 2026. On October 28, 2026, NC-SARA's board of directors approved the nine proposals advanced by the regional steering committees. The adoption of certain proposals, including those described above, to the extent they affect the ability of institutions to participate in the agreements, could have a material adverse effect on Capella University, Strayer University, and the Company.

The failure by Capella University or Strayer University to comply with the Department of Education's misrepresentation rules could result in sanctions and other liability.

The Higher Education Act prohibits an institution that participates in Title IV programs from engaging in "substantial misrepresentation" of the nature of its educational program, its financial charges, or the employability of its graduates. The Department of Education has issued various regulations over the years that defined misrepresentation, including as it relates to BDTR claims.

In the event of substantial misrepresentation, the Department of Education may revoke or terminate an institution's program participation agreement, limit the institution's participation in Title IV programs, deny applications from the institution, such as to add new programs or locations, initiate proceedings to fine the institution or limit, suspend, or terminate its eligibility to participate in Title IV programs; relieve the borrower of the obligation to repay federal education loans in whole or in part under the BDTR Rule and require the institution to reimburse the Department for those amounts. If the Department or other third parties interpret statements made by one of the universities or on the university's behalf to be in violation of the new regulations, the university could be subject to sanctions and other liability, which could have a material adverse effect on our business. As described in this report and in Note 21, Litigation, in the consolidated financial statements appearing in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2025, the Department of Education has begun to adjudicate BDTR claims and in some cases may seek recoupment of discharged claims from institutions. On January 25, 2024, Capella University received notice from the Department of BDTR applications, and on February 1, 2024, Strayer University received notice from the Department of BDTR applications. In March 2026, the Department announced it would resume notifying institutions of borrower defense to repayment applications. The Department subsequently informed Capella University and Strayer University that they would be receiving additional borrower defense claims between May and July 2026, and Capella University and Strayer University have since received claims between May and October 2026.

The Company operates institutions in the U.S., Australia, and New Zealand, and is subject to complex business, economic, legal, political, geopolitical, and foreign currency risks, which risks may be difficult to address adequately.

The Company operates in three different countries, each of which is subject to complex business, economic, legal, political, tax and foreign currency risks. We also either have operations in or contract with vendors who may have employees in various countries. We may have difficulty managing and administering an internationally dispersed business, which may materially adversely affect our business, financial condition and results of operation. Additional challenges associated with the international conduct of the business that may materially adversely affect our operating results include:

- each of our institutions is subject to unique regulatory schemes, business challenges, and competitive pressures;
- difficulty maintaining quality standards consistent with our brands and with local accreditation standards;
- fluctuations in exchange rates, possible currency devaluations, inflation and hyperinflation;
- compliance with a variety of domestic and foreign laws and regulations, including interpretations of employment laws and modern awards that result in additional compensation obligations, including retroactive amounts;
- political elections and changes in government policies;
- potential economic, political, and geopolitical instability affecting the countries in which we and our vendors operate; and
- limitations on the repatriation and investment of funds and foreign currency exchange restrictions.

Student loan defaults in the U.S. could result in the loss of eligibility to participate in Title IV programs.

In general, under the Higher Education Act, an educational institution may lose its eligibility to participate in some or all Title IV programs if, for three consecutive federal fiscal years, 30% or more of its students who were required to begin repaying their student loans in the relevant federal fiscal year default on their payment by the end of the second federal fiscal year following that fiscal year. Institutions with a cohort default rate equal to or greater than 15% for any of the three most recent fiscal years for which data are available are subject to a 30-day delayed disbursement period for first-year, first-time borrowers. In addition, an institution may lose its eligibility to participate in some or all Title IV programs if its default rate for a federal fiscal year was greater than 40%. If Capella University or Strayer University loses eligibility to participate in Title IV programs because of high student loan default rates, the loss would have a material adverse effect on our business. Because of Covid-era loan forbearance, Capella University's, Strayer University's, and the average official cohort default rates for proprietary institutions nationally were 0.0%, 0.0%, and 0.0% for federal fiscal years 2020, 2021, and 2022, respectively. For federal fiscal year 2023, Capella University's, Strayer University's, and the average official cohort default rates for proprietary institutions nationally were 0.2%, 1.0%, and 0.8%, respectively. The federal government's cessation of the pause on federal student loan payments could result in an increase in the number of borrowers defaulting on their student loans, including among our graduates.

The One Big Beautiful Bill Act ("OBBBA") was signed into law on July 4, 2025 and makes changes to federal student loan repayment plans, among other things. OBBBA and regulatory provisions that change repayment plans effective July 1, 2026, could affect borrowers' ability to repay their student loans and could result in an increased number of borrowers defaulting on their student loans, including among our graduates.

Our failure to comply with the Department of Education's gainful employment regulations effective July 1, 2024, as well as Congressionally legislated accountability metrics effective July 1, 2026, could result in heightened disclosure requirements and loss of Title IV eligibility.

To be eligible for Title IV funding, academic programs at proprietary institutions generally must prepare students for gainful employment in a recognized occupation.

On September 27, 2023, the Department of Education issued final gainful employment regulations, effective July 1, 2024 (the "2023 Gainful Employment Rule"). The rule requires programs to pass two independent metrics to maintain Title IV eligibility: (1) a debt-to-earnings ratio, where annual debt payments must not exceed 8% of median annual earnings or 20% of median discretionary earnings of graduates who received federal aid; and (2) an earnings premium test, where median earnings of such graduates must exceed a threshold based on typical high school graduates in the state (or nationally in some cases) within a specified age range.

On October 2, 2025, the U.S. District Court for the Northern District of Texas upheld the 2023 Gainful Employment Rule, rejecting challenges from plaintiff cosmetology schools and associations. Accordingly, the 2023 Gainful Employment Rule remains in effect; programs failing the metrics for two of three consecutive years risk losing federal student aid. Plaintiffs' appeal is currently pending with the Fifth Circuit Court of Appeals.

Effective July 1, 2026, programs failing either metric in a single year must issue warnings to current and prospective students, detailing the failure and potential loss of Title IV eligibility. Programs failing the same metric in two of three consecutive years will lose Title IV funding.

The OBBBA establishes a separate accountability framework, effective July 1, 2026, for Federal Direct Loan eligibility at the program level. Undergraduate programs become ineligible if, in two of three consecutive years, median earnings of completers (from a cohort four years prior, working, not enrolled, and who received Direct Loans) fall below those of state (or national) working adults aged 25-34 with only a high school diploma. Graduate/professional programs become ineligible if completers' median earnings fall below those of working adults aged 25-34 with only a bachelor's degree, using Census data and the lesser of state or national comparators in the field or overall (with national fallback if fewer than 50% of students are in-state). Small cohorts (less than 30) may be aggregated. One-year failures trigger risk notifications; an appeals process is required, with eligibility continuing during appeals. Ineligible programs may reapply after two years per Secretary-established rules.

On June 29, 2026, the Department released final regulations on the accountability packages, which it named the Student Tuition and Transparency System (STATS) and Earnings Accountability rule. Most provisions take effect July 1, 2027. Certain changes take effect earlier, including changes relating to reporting obligations beginning July 1, 2026, and, effective August 31, 2026, amendments to program participation agreements to incorporate the STATS and Earnings Accountability framework as a condition of Direct Loan eligibility. The accountability packages implement the OBBBA's separate accountability framework for Federal Direct Loan eligibility at the program level, with separate frameworks based on program type and in certain cases cohort size. One-year failures of the relevant metrics trigger risk notifications (i.e., warnings to students and prospective students that the program could become ineligible for the Direct Loan program based on future earnings premium measures). Programs that fail the relevant metrics in two out of three consecutive years become ineligible for Federal Direct Loans, and ineligible programs may reapply after two years per Secretary-established rules. Institutions may appeal Department determinations that a program has failed on the basis of an error in the Department's calculation of the program's earnings premium measure, and program eligibility continues during the appeal process. The final regulations also permit an institution with a one-year failure of the relevant metrics to conduct a voluntary "orderly program closure" with the Secretary's approval under which it would meet certain program discontinuation requirements in exchange for retaining Direct Loan eligibility for the lesser of three years or the program's full-time length, while currently enrolled students complete their program. If more than half of an institution's Title IV recipients or more than half of its Title IV, HEA funds are from failing programs in two out of any three consecutive award years, the Department will place the institution on a provisional program participation status and each of the institution's failing programs will be ineligible for all Title IV, HEA funds (including, for example, Pell Grants). The Department has indicated it intends to publish the first round of metrics in the 2027-2028 award year, with program sanctions first going into effect in 2028-2029. Additionally, to harmonize with existing rules, the final regulations rescind some aspects of the existing gainful employment regulation, including the debt/earnings calculations.

The requirements associated with the gainful employment regulations and OBBBA's accountability framework (which is distinct from and in addition to the gainful employment regulations) may substantially increase our administrative burdens and could affect our program offerings, student enrollment, persistence and retention. It is difficult to predict whether our programs will satisfy the gainful employment metrics or OBBBA accountability metrics. Further, the continuing eligibility of our academic programs will be affected by factors beyond management's control such as changes in our graduates' employment and income

levels, changes in student borrowing levels, increases in interest rates, and various other factors. Even if we were able to correct any deficiency in the gainful employment or OBBBA accountability metrics in a timely manner, the disclosure requirements associated with a program's failure to meet at least one metric may adversely affect student enrollments in that program and may adversely affect the reputation of our institution.

Our business could be harmed if Congress makes changes to the availability of Title IV funds.

Each of Capella University and Strayer University collected the majority of its fiscal year 2025 total consolidated net revenue from receipt of Title IV financial aid program funds, principally from federal student loans under the Federal Direct Loan Program. Changes in the availability of these funds or a reduction in the amount of funds disbursed may have a material adverse effect on our enrollment, financial condition, results of operations, and cash flows.

OBBBA eliminates, effective July 2026, Federal Direct PLUS loans for graduate and professional students, with some limited grandfathering for current graduate and professional student borrowers. The law also sets new annual and aggregate loan limits for such borrowers, with some limited grandfathering. For graduate students, OBBBA maintains existing loan limits of $20,500 annually for unsubsidized loans in the Direct Loan Program; for professional students enrolled on or after July 1, 2026, OBBBA raises the annual limits to $50,000. For graduate students who are not and have not been professional students, the new aggregate graduate loan limit is $100,000, irrespective of any undergraduate borrowing. With respect to graduate students who are or have been professional students, the aggregate graduate loan limit is generally $200,000 minus the amounts borrowed for the professional degree program. With respect to professional students, the aggregate graduate loan limit is generally $200,000 minus certain other previously borrowed amounts, including certain subsidized loans and amounts borrowed as a graduate student, if applicable. OBBBA also created a lifetime maximum aggregate amount for Title IV loans that a student may borrow of $257,500 (other than a loan made to the student as a parent borrower on behalf of a dependent student). OBBBA provides institutions the opportunity to limit the amount of loans a student may borrow in an academic year as long as any such limit is applied consistently to all students enrolled in such program of study. Additionally, OBBBA requires that the amount of loan funds available under a student's annual loan eligibility must be reduced in direct proportion to the degree to which that student is not enrolled on a full-time basis during an academic year; the Department initially indicated in July 2025 that it planned to release a schedule of reductions for public comment later in 2025, which institutions would be required to use for students who enrolled less than full-time for academic years 2026-27 and beyond. However, in connection with negotiated rulemaking, consensus was reached in November 2025 on regulatory text that would establish loan eligibility at the time of disbursement using an agreed calculation for less than full-time students, and final implementing regulations were released on May 1, 2026.

Effective July 2026, students with a Student Aid Index that equals or exceeds twice the maximum Pell Grant amount will be ineligible for Pell Grants. A student will also be ineligible for a Federal Pell Grant during any period for which the student receives grant aid from a non-federal source (including states, institutional aid, or private sources) in an amount that equals or exceeds the student's cost of attendance. Additionally, OBBBA creates Workforce Pell Grants effective July 2026 for students enrolled in eligible workforce programs. Eligible workforce programs must meet a specific definition, including that they are accredited, short-term, career-focused programs (150 to 600 clock hours of instruction over 8 to 15 weeks), which prepare students to pursue one or more certificate or degree programs. In addition, they must be approved by the state governor, aligned with high-demand, high-skill or high-wage jobs, have at least 70% completion and job placement rates, and tuition must be less than the value-added earnings of graduates who received the Workforce Pell Grant. Workforce Pell Grants may not be combined with a regular Pell grant.

Changes in the availability of Title IV funds could affect students' ability to fund their education and thus may have a material adverse effect on our enrollment, financial condition, results of operations, and cash flows.

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

During the three months ended September 30, 2026, the Company paid $28.5 million to repurchase shares of common stock under its repurchase program. The remaining authorization for common stock repurchases was $112.2 million as of September 30, 2026, and is available for use through December 31, 2026.

A summary of the Company's share repurchases during the three months ended September 30, 2026 is set forth below:

Period	Total number of shares purchased[1]	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs ($ mil)
July 1 to July 31, 2026	43,180	$ 77.11	43,180	$ 137.4
August 1 to August 31, 2026	227,704	82.99	227,704	118.5
September 1 to September 30, 2026	76,588	82.29	76,588	112.2
Total	347,472	$ 82.10	347,472	$ 112.2

(1) The Company's repurchase program was announced on November 3, 2003 for repurchases up to an aggregate amount of $15 million in value of common stock through December 31, 2004. The Board of Directors amended the program on various dates increasing the amount authorized and extending the authorization date. On November 4, 2026, the Board of Directors authorized an extension of the repurchase program through December 31, 2027 and increased the amount authorized to $250.0 million.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

Director and Officer Trading Arrangements

On September 14, 2026, Lizette Herraiz, the Company's Chief Legal Officer and General Counsel, adopted a trading arrangement for the sale of securities of the Company's common stock (a "Rule 10b5-1 Trading Plan") that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. Ms. Herraiz's Rule 10b5-1 Trading Plan, which terminates on March 5, 2027, provides for the sale of up to 21,082 shares of common stock pursuant to the terms of the plan.

No other director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K during the three months ended September 30, 2026.

Item 6. Exhibits

3.1	Amended and Restated Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Commission on August 1, 2018).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q filed with the Commission on July 29, 2021).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	INS Inline XBRL Instance Document
101	SCH Inline XBRL Schema Document
101	CAL Inline XBRL Calculation Linkbase Document
101	DEF Inline XBRL Definition Linkbase Document
101	LAB Inline XBRL Label Linkbase Document
101	PRE XBRL Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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

STRATEGIC EDUCATION, INC.

By: /s/ Daniel W. Jackson
Daniel W. Jackson
Executive Vice President and Chief Financial Officer
Date: November 5, 2026

Exhibit 31.1

CERTIFICATIONS

I, Karl McDonnell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Strategic Education, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

/s/ Karl McDonnell
Karl McDonnell
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Daniel W. Jackson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Strategic Education, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

/s/ Daniel W. Jackson
Daniel W. Jackson
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO RULE 13a – 14(b) OF THE SECURITIES EXCHANGE ACT AND 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES – OXLEY ACT OF 2002

In connection with the Quarterly Report of Strategic Education, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Karl McDonnell, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Karl McDonnell
Karl McDonnell
Chief Executive Officer

November 5, 2026

Exhibit 32.2

CERTIFICATION PURSUANT TO RULE 13a – 14(b) OF THE SECURITIES EXCHANGE ACT AND 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES – OXLEY ACT OF 2002

In connection with the Quarterly Report of Strategic Education, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel W. Jackson, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Daniel W. Jackson
Daniel W. Jackson
Executive Vice President and
Chief Financial Officer

November 5, 2026