

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 7, 2024**

American Public Education, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33810
(Commission
File Number)

01-0724376
(IRS Employer
Identification No.)

111 W. Congress Street
Charles Town, West Virginia

(Address of principal executive offices)

25414

(Zip Code)

Registrant's telephone number, including area code: **304-724-3700**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	APEI	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Section 2 – Financial Information

Item 2.02 Results of Operations and Financial Condition.

On May 7, 2024, American Public Education, Inc. (the “Company”) issued a press release reporting financial results for the three months ended March 31, 2024. A copy of the Company’s press release is attached to this report as Exhibit 99.1 and is incorporated in this report by reference. The Company has scheduled a webcast for 5:00 p.m. ET on May 7, 2024 to discuss its financial results, and slides for that webcast are attached to this report as Exhibit 99.2 and are incorporated in this report by reference.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>99.1</u>	<u>American Public Education, Inc. press release dated May 7, 2024, reporting financial results for the three months ended March 31, 2024.</u>
<u>99.2</u>	<u>American Public Education, Inc. slides for May 7, 2024 conference call and Webcast for the three months ended March 31, 2024.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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 hereunto duly authorized.

American Public Education, Inc.

Date: May 7, 2024

By: /s/ Richard W. Sunderland, Jr.

Richard W. Sunderland, Jr.,

Executive Vice President and Chief Financial Officer



American Public Education Reports First Quarter 2024 Financial Results

Increasing Full Year 2024 Revenue and Adjusted EBITDA Guidance Driven by Strong First Quarter Performance

CHARLES TOWN, W.V. – May 7, 2024 -- American Public Education, Inc. (Nasdaq: APEI), a portfolio of education companies providing online and campus-based postsecondary education and career learning to over 125,000 students through four subsidiary institutions, has reported unaudited financial and operational results for the first quarter ended March 31, 2024.

Key First Quarter 2024 Highlights

- Consolidated revenue for Q1 2024 increased 3.2% year-over-year to \$154.4 million.
- Net loss available to common stockholders in Q1 2024 was (\$1.0) million, compared to a net loss available to common stockholders of (\$7.2) million in the prior year period.
- Net loss per diluted common share in Q1 2024 was (\$0.06), compared to a net loss per diluted common share of (\$0.38) in the same period of 2023.
- Q1 2024 Adjusted EBITDA increased 143% year-over-year to \$17.1 million.
- Maintained a strong liquidity position, with total cash, cash equivalents and restricted cash of \$153.2 million at March 31, 2024.
- Increasing guidance for full year Revenue and Adjusted EBITDA

Management Commentary

"The first quarter of 2024 was highlighted by continued revenue and margin momentum driven by consistent enrollment growth at APUS and Hondros with continued improvement at Rasmussen. Select tuition and fee increases in 2023, combined with the positive impact of cost reductions and realignments taken over the past year helped to deliver strong outperformance in the quarter," said Angela Selden, President and Chief Executive Officer of APEI. "Taken together, the strong performance positions us well for further EBITDA and cash flow expansion in the months ahead.

"The positive momentum in our financial performance is a direct result of the work we've done to stabilize and transform Rasmussen, while continuing to deliver growth and margin expansion at APUS and Hondros. Our commitment to providing quality educational opportunities with disciplined operational controls should further benefit our students, our faculty and our stakeholders," concluded Selden.

First Quarter 2024 Financial Results

- **Total consolidated revenue** for the three months ended March 31, 2024, was \$154.4 million, an increase of \$4.7 million, or 3.2%, compared to \$149.7 million for the three months ended March 31, 2023. The increase was primarily due to a \$6.7 million, or 9.0%, increase in revenue in the APUS Segment, a \$3.3 million, or 25.2%, increase in revenue in the HCN Segment, partially offset by an \$4.3 million, or 7.5%, decrease in revenue in the Rasmussen University ("RU") Segment and a \$0.9 million, or 17.2%, decrease in Graduate School USA ("GSUSA") revenue included in Corporate and Other ("Corporate").
- **Total costs and expenses** for the three months ended March 31, 2024, were \$149.3 million, a decrease of \$5.8 million, or 3.7%, compared to \$155.1 million for the three months ended March 31, 2023. The decrease in costs and expenses was due primarily to decreases in advertising costs, depreciation and amortization costs. Costs and expenses included a non-cash impairment charge on investments of \$3.3 million, and \$2.9 million in losses on lease terminations in the RU Segment. In the prior year period, cost and expenses included \$2.4 million in transition services fees in Collegis, LLC ("Collegis") transition costs.
 - **Instructional costs and services expenses** for the three months ended March 31, 2024, were \$72.4 million, a decrease of \$1.5 million, or 2.0%, compared to \$73.9 million for the three months ended March 31, 2023. This decrease was primarily due to decreases in employee compensation costs in the RU Segment and Corporate and Other Segment, technology costs and professional fees in the RU Segment, and credit card processing costs in the APUS Segment, partially offset by increases in employee compensation costs in the APUS and HCN Segments.
 - **Selling and promotional expenses** for the three months ended March 31, 2024, were \$32.5 million, a decrease of \$7.5 million, or 18.7%, compared to \$39.9 million for the three months ended March 31, 2023. This decrease was primarily due to decreases in advertising and employee compensation costs in all our segments.
 - **General and administrative expenses** for the three months ended March 31, 2024, were \$36.3 million, an increase of \$2.8 million, or 8.3%, compared to \$33.5 million for the three months ended March 31, 2023. This increase was primarily due to \$1.9 million in information technology transition services costs as well as increases in professional fees in the Corporate Segment, employee compensation costs in RU and HCN segments, partially offset by a decrease in employee compensation costs in Corporate and professional fees in the APUS Segment.
- **Net loss available to common stockholders** was (\$1.0) million, or (\$0.06) per diluted common share, compared to (\$7.2) million, or (\$0.38) per diluted common share, for the three months ended March 31, 2023.
- **Adjusted EBITDA** was \$17.1 million, compared to \$7.0 million for the three months ended March 31, 2023. Adjusted EBITDA excludes adjustment for loss on lease terminations, stock compensation, loss on disposals of long-lived assets, and transition service costs.

Balance Sheet and Liquidity

- **Total cash, cash equivalents, and restricted cash** were \$153.2 million at March 31, 2024, compared to \$144.3 million and December 31, 2023, representing an increase of \$8.9 million, or 6.1%.
-

Registrations and Enrollment

	Q1 2024	Q1 2023	% Change
<u>American Public University System</u> ¹			
For the three months ended March 31, Net Course Registrations	99,000	96,300	2.8%
<u>Rasmussen University</u> ²			
For the three months ended March 31, Total Student Enrollment	13,500	14,300	(5.6%)
<u>Hondros College of Nursing</u> ³			
For the three months ended March 31, Total Student Enrollment	3,300	2,700	22%

1. APUS Net Course Registrations represents the approximate aggregate number of courses for which students remain enrolled after the date by which they may drop a course without financial penalty. Excludes students in doctoral programs.
2. RU Total Student Enrollment represents students in an active status as of the full-term census or billing date
3. HCN Total Student Enrollment represents the approximate number of students enrolled in a course after the date by which students may drop a course without financial penalty.

Second Quarter and Full Year 2024 Outlook

The following statements are based on APEI's current expectations. These statements are forward-looking and actual results may differ materially. APEI undertakes no obligation to update publicly any forward-looking statements for any reason unless required by law. Refer to APEI's earnings conference call and presentation for further details.

	Second Quarter 2024 Guidance	
	(Approximate)	(% Yr/Yr Change)
APUS Net course registrations	89,500 to 92,200	1.5% to 4.5%
HCN Student enrollment	3,300	10 %
RU Student enrollment ¹	13,600	-2 %
- On-ground Healthcare	6,200	-9 %
- Online	7,400	4 %
<i>(\$ in millions except EPS)</i>		
APEI Consolidated revenue	\$153.0 – \$155.0	4% to 5%
APEI Net loss/income available to common stockholders	(\$2.0) – \$0.8	n.m.
APEI Adjusted EBITDA	\$8.0 – \$12.0	(9%) to 36%
APEI Diluted EPS	(\$0.11) – \$0.05	n.m.

<i>(\$ in millions)</i>	Full Year 2024 Guidance	
	<i>(Approximate)</i>	<i>(% Yr/Yr Change)</i>
APEI Consolidated Revenue	\$620 – \$630	3% to 5%
APEI Net income available to common stockholders	\$8-\$14	<i>n.m.</i>
APEI Adjusted EBITDA	\$60 – \$70	1% to 17%
APEI Capital Expenditure (CapEx)	\$17 – \$20	22% to 44%

Non-GAAP Financial Measures

This press release contains the non-GAAP financial measures of EBITDA (earnings before interest, taxes, depreciation, and amortization) and adjusted EBITDA (EBITDA less non-cash expenses such as stock compensation and non-recurring expenses). APEI believes that the use of these measures is useful because they allow investors to better evaluate APEI's operating profit and cash generation capabilities.

For the three months ended March 31, 2024 and 2023, adjusted EBITDA excludes non-cash compensation expense, (gain)/loss on disposals of long-lived assets, severance expense, loss on assets held for sale, transition services costs, adjustment to gain on acquisition, and loss on leases.

These non-GAAP measures should not be considered in isolation or as an alternative to measures determined in accordance with generally accepted accounting principles in the United States (GAAP). The principal limitation of our non-GAAP measures is that they exclude expenses that are required by GAAP to be recorded. In addition, non-GAAP measures are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses are excluded.

APEI is presenting EBITDA and adjusted EBITDA in connection with its GAAP results and urges investors to review the reconciliation of EBITDA and adjusted EBITDA to the comparable GAAP financial measures that is included in the tables following this press release (under the captions "GAAP Net Income to Adjusted EBITDA," and "GAAP Outlook Net Income to Outlook Adjusted EBITDA") and not to rely on any single financial measure to evaluate its business.

About American Public Education

American Public Education, Inc. (Nasdaq: APEI), through its institutions American Public University System (APUS), Rasmussen University, Hondros College of Nursing, and Graduate School USA (GSUSA), provides education that transforms lives, advances careers, and improves communities.

APUS, which operates through American Military University and American Public University, is the leading educator to active-duty military and veteran students* and serves approximately 90,000 adult learners worldwide via accessible and affordable higher education.

Rasmussen University is a 120-year-old nursing and health sciences-focused institution that serves approximately 13,500 students across its 22 campuses in six states and online. It also has schools of Business, Technology, Design, Early Childhood Education and Justice Studies.

Hondros College of Nursing focuses on educating pre-licensure nursing students at eight campuses (six in Ohio, one in Indiana, and one in Michigan). It is the largest educator of PN (LPN) nurses in the state of Ohio** and serves approximately 3,300 total students.

Graduate School USA is a leading training provider to the federal workforce with an extensive portfolio of government agency customers. It serves the federal workforce through customized contract training (B2G) to federal agencies and through open enrollment (B2C) to government professionals.

Both APUS and Rasmussen are institutionally accredited by the Higher Learning Commission (HLC), an institutional accreditation agency recognized by the U.S. Department of Education. Hondros is accredited by the Accrediting Bureau of Health Education Schools (ABHES). GSUSA is accredited by the Accrediting Council for Continuing Education & Training (ACCET). For additional information, visit www.apei.com.

**Based on FY 2019 Department of Defense tuition assistance data, as reported by Military Times, and Veterans Administration student enrollment data as of 2023.*

***Based on information compiled by the National Council of State Boards of Nursing and Ohio Board of Nursing.*

Forward Looking Statements

Statements made in this press release regarding APEI or its subsidiaries that are not historical facts are forward-looking statements based on current expectations, assumptions, estimates and projections about APEI and the industry. In some cases, forward-looking statements can be identified by words such as "anticipate," "believe," "seek," "could," "estimate," "expect," "intend," "may," "plan," "should," "will," "would," and similar words or their opposites. Forward-looking statements include, without limitation, statements regarding the Company's future path, expected growth, registration and enrollments, revenues, income and adjusted EBITDA and EBITDA, the growth and profitability of Rasmussen University and plans with respect to recent, current and future initiatives.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, among others, risks related to: APEI's failure to comply with regulatory and accrediting agency requirements, including the "90/10 Rule", and to maintain institutional accreditation and the impacts of any actions APEI may take to prevent or correct such failure; APEI's dependence on the effectiveness of its ability to attract students who persist in its institutions' programs; changing market demands; declines in enrollments at APEI's subsidiaries; the enactment of legislation that adversely impacts APEI or its subsidiaries; APEI's inability to effectively market its institutions' programs; APEI's inability to maintain strong relationships with the military and maintain course registrations and enrollments from military students; the loss or disruption of APEI's ability to receive funds under tuition assistance programs or the reduction, elimination, or suspension of tuition assistance; adverse effects of changes APEI makes to improve the student experience and enhance the ability to identify and enroll students who are likely to succeed; APEI's need to successfully adjust to future market demands by updating existing programs and developing new programs; APEI's loss of eligibility to participate in Title IV programs or ability to process Title IV financial aid; economic and market conditions and changes in interest rates; difficulties involving acquisitions; APEI's indebtedness and preferred stock; APEI's dependence on and the need to continue to invest in its technology infrastructure, including with respect to third-party vendors; the inability to recognize the anticipated benefits of APEI's cost savings efforts; APEI's ability to manage and limit its exposure to bad debt; and the various risks described in the "Risk Factors" section and elsewhere in APEI's Annual Report on Form 10-K for the year ended December 31, 2023, and in other filings with the SEC. You should not place undue reliance on any forward-looking statements. APEI undertakes no obligation to update publicly any forward-looking statements for any reason, unless required by law, even if new information becomes available or other events occur in the future.

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APEI@mzgroup.us

American Public Education, Inc.
Consolidated Statement of Income
(In thousands, except per share data)

	Three Months Ended	
	March 31,	
	2024	2023
	(unaudited)	
Revenues	\$ 154,432	\$ 149,689
Costs and expenses:		
Instructional costs and services	72,425	73,889
Selling and promotional	32,456	39,924
General and administrative	36,277	33,489
Depreciation and amortization	5,128	7,756
Loss on leases	2,936	—
Loss on disposals of long-lived assets	28	1
Total costs and expenses	149,250	155,059
Income (loss) from operations before interest and income taxes	5,182	(5,370)
Interest (expense) income	(126)	(1,779)
Income (loss) before income taxes	5,056	(7,149)
Income tax (benefit) expense	1,213	(1,414)
Equity investment loss	(3,327)	(5)
Net income (loss)	\$ 516	\$ (5,740)
Preferred stock dividends	1,535	1,457
Net loss available to common stockholders	\$ (1,019)	\$ (7,197)
Loss per common share:		
Basic	\$ (0.06)	\$ (0.38)
Diluted	\$ (0.06)	\$ (0.38)
Weighted average number of common shares:		
Basic	17,510	18,982
Diluted	17,811	19,072

Segment Information:	Three Months Ended	
	March 31,	
	2024	2023
Revenues:		
APUS Segment	\$ 80,656	\$ 73,978
RU Segment	\$ 53,135	\$ 57,467
HCN Segment	\$ 16,447	\$ 13,140
Corporate and other ¹	\$ 4,194	\$ 5,104
Income (loss) from operations before interest and income taxes:		
APUS Segment	\$ 23,087	\$ 17,074
RU Segment	\$ (8,966)	\$ (12,864)
HCN Segment	\$ (304)	\$ (1,303)
Corporate and other	\$ (8,635)	\$ (8,277)

1. Corporate and Other includes tuition and contract training revenue earned by GSUSA and the elimination of intersegment revenue for courses taken by employees of one segment at other segments.

GAAP Net Income to Adjusted EBITDA:

The following table sets forth the reconciliation of the Company's reported GAAP net income to the calculation of adjusted EBITDA for the three months ended March 31, 2024 and 2023:

<i>(in thousands, except per share data)</i>	Three Months Ended	
	March 31,	
	2024	2023
Net loss available to common stockholders	\$ (1,019)	\$ (7,197)
Preferred dividends	1,535	1,457
Net income (loss)	\$ 516	\$ (5,740)
Income tax expense (benefit)	1,213	(1,414)
Interest expense	126	1,779
Equity investment loss	3,327	5
Depreciation and amortization	5,128	7,756
EBITDA	10,310	2,386
Loss on leases	2,936	-
Stock compensation	1,918	2,224
Loss on disposals of long-lived assets	28	1
Transition services costs	1,865	2,403
Adjusted EBITDA	\$ 17,057	\$ 7,014

GAAP Outlook Net Income to Adjusted EBITDA:

The following table sets forth the reconciliation of the Company's GAAP net income to the calculation of adjusted EBITDA for the three months ending June 30, 2024 and twelve months ending December 31, 2024:

<i>(in thousands, except per share data)</i>	Three Months Ending June 30, 2024		Twelve Months Ending December 31, 2024	
	Low	High	Low	High
Net (loss) income available to common stockholders	\$ (1,970)	\$ 830	\$ 7,737	\$ 14,175
Preferred dividends	1,500	1,500	6,000	6,000
Net (loss) income	(470)	2,330	13,737	20,175
Income tax (benefit) expense	(180)	1,020	7,313	10,073
Interest expense, net	450	450	1,750	1,750
Equity investment loss	-	-	3,300	3,300
Depreciation and amortization	5,200	5,200	20,300	20,300
EBITDA	5,000	9,000	46,400	55,598
Stock compensation	1,800	1,800	7,400	7,400
Loss on leases	-	-	2,200	3,002
Transition services cost	1,200	1,200	4,000	4,000
Adjusted EBITDA	\$ 8,000	\$ 12,000	\$ 60,000	\$ 70,000



**AMERICAN PUBLIC
EDUCATION, INC.**

Nasdaq: APEI

First Quarter 2024 Earnings Presentation



Forward Looking Statements



Statements made in this presentation regarding American Public Education, Inc. or its subsidiary institutions ("APEI" or the "Company") that are not historical facts are forward-looking statements based on current expectations, assumptions, estimates and projections about APEI and the industry. In some cases, forward-looking statements can be identified by words such as "anticipate," "believe," "seek," "could," "estimate," "expect," "intend," "may," "plan," "potentially," "project," "should," "will," "would," and similar words or their opposites. Forward-looking statements include, without limitation, statements regarding expectations for growth registration, enrollments, revenues, net income, earnings per share, EBITDA and Adjusted EBITDA, free cash flow, and plans with respect to and future impacts of recent, current and future initiatives.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, among others, risks related to: the Company's failure to comply with regulatory and accrediting agency requirements, including the "90/10 Rule", and to maintain institutional accreditation and the impacts of any actions the Company may take to prevent or correct such failure; the Company's dependence on the effectiveness of its ability to attract students who persist in its subsidiary institutions' programs; changing market demands; declines in enrollments at the Company's subsidiary institutions; the enactment of legislation that adversely impacts the Company or its subsidiary institutions; the Company's inability to effectively brand or market its subsidiary institutions and its subsidiary institutions' programs; the Company's inability to maintain strong relationships with the military and maintain course registrations and enrollments from military students; the loss or disruption of the Company's ability to receive funds under tuition assistance programs or the reduction, elimination, or suspension of tuition assistance; adverse effects of changes the Company makes to improve the student experience and enhance the ability to identify and enroll students who are likely to succeed; the Company's need to successfully adjust to future market demands by updating existing programs and developing new programs; the Company's loss of eligibility to participate in Title IV programs or ability to process Title IV financial aid; economic and market conditions and changes in interest rates; difficulties involving acquisitions; the Company's indebtedness and preferred stock; the Company's dependence on and the need to continue to invest in its technology infrastructure, including with respect to third-party vendors; the inability to recognize the anticipated benefits of the Company's cost savings efforts; the Company's ability to manage and limit its exposure to bad debt; and the risk factors described in the risk factor section and elsewhere in the Company's most recent annual report on Form 10-K and quarterly report on Form 10-Q and in the Company's other SEC filings. You should not place undue reliance on any forward-looking statements. The Company undertakes no obligation to update publicly any forward-looking statements for any reason, unless required by law, even if new information becomes available or other events occur in the future.

APEI Executive Summary



APEI is executing on its turnaround at Rasmussen and return to overall growth and profitability. We are focused on core military/veterans and nursing/health-ed businesses that have consistently stable and long-term demand. Management has addressed the operational challenges and continues to position the enterprise for sustainable long-term growth.

Key Take-Aways

- APEI Revenue: \$154.4 million – exceeding high end of first quarter guidance and third consecutive quarter of year-over-year growth
- Net loss available to common stockholders: (\$1.0) million and net loss per diluted common share of (\$0.06) vs. high end guidance of (\$3.0) million and (\$0.17), respectively
- 1Q 2024 Adjusted EBITDA increased 143% year-over-year to \$17.1 million, exceeding high-end of guidance of \$10 million
- Maintained a strong liquidity position, with total cash, cash equivalents and restricted cash of \$153.2 million at March 31, 2024
- Increasing full year 2024 guidance for revenue and Adjusted EBITDA.

2Q24 Guidance Summary (MM)

Revenue	\$153.0	to	\$155.0
Net income avail. to common stockholders	(\$2.0)	to	\$0.8
Adjusted EBITDA ⁽¹⁾	\$8.0	to	\$12.0

FY24 Guidance Summary (MM)

Revenue	\$620.0	to	\$630.0
Net income avail. to common stockholders	\$7.7	to	\$14.2
Adjusted EBITDA ⁽¹⁾	\$60.0	to	\$70.0

1) Adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization less non-recurring expenses, such as severance, and non-cash expenses, such as stock compensation) is a non-GAAP financial measure. Refer to appendix for GAAP to non-GAAP reconciliation.

APEI Education Platform

For Service Minded Students



- #1 market positions in active-duty military and veterans
- ~90,000 adult learners from over 90 countries during 2023
- APUS in top 11% for students' return on educational investment, compared to 4,500 colleges and universities nationwide¹



- #2 provider of training to the federal workforce
- 300+ courses offered, modernizing government and professional training with short-form courses, training, and continuing education



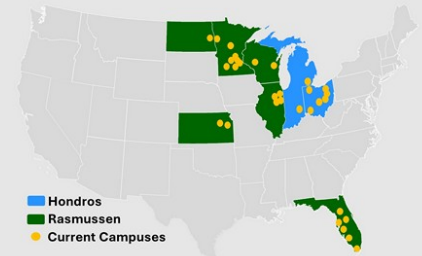
- Full ladder of nursing curriculum (PN, ADN, BSN, MSN, FNP, DNP); 15 allied health / healthcare programs; 21 campuses, 6 states and online
- Rasmussen educates ~13,600 students: 46% on-ground health ed and 54% online



- PN degree and ADN (RN) degree offerings; 8 campuses in three contiguous Midwestern states
- Hondros educates ~3,300 nursing students with roughly 65% enrolled in PN program and 35% in RN

apei

National Nursing Platform #1 provider of pre-licensure ADN+PN education



29
campuses

~\$160MM+
in Nursing Revenue

¹ According to the Georgetown University Center on Education and the Workforce (2022). Ranking based on 20-year NPV <https://cew.georgetown.edu/cew-reports/roi2022/>.

APUS Summary

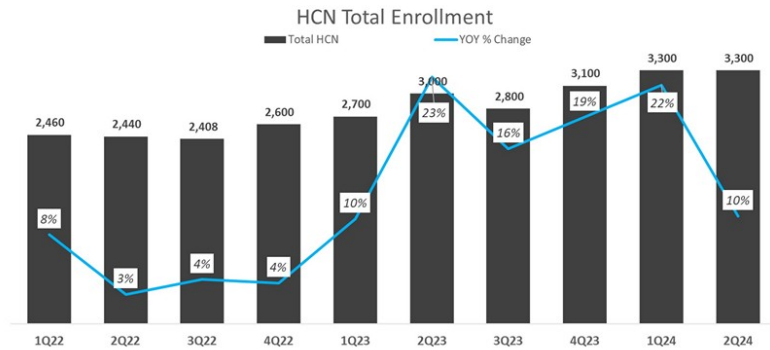
- Net course registrations grew +3% in 1Q24 vs. 1Q23
 - 4%+ military growth
- 9% revenue growth driven by growth in registrations and impact of select tuition increases in 2023
- 32% increase in EBITDA in 1Q24 to \$24 million compared to 1Q23
- EBITDA Margin increased to 30% in 1Q24 compared to 25% in 1Q23
- 2Q24 registration guidance of +1% to +4% (89,500 to 92,200 registrations)



*Note: 2Q24 reflects mid-point of registration guidance

Hondros Summary

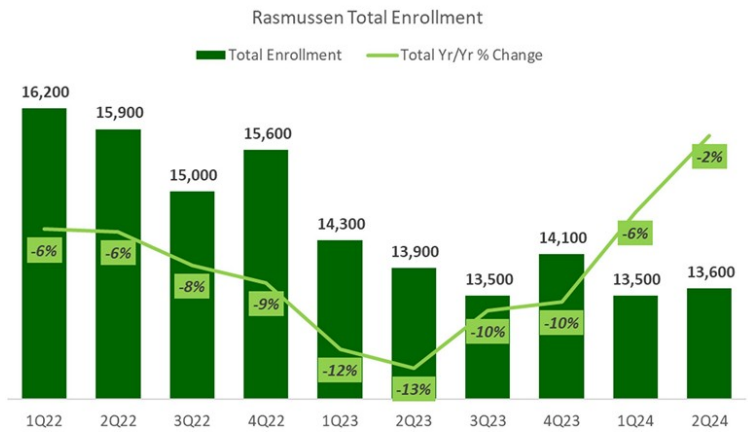
- 17 consecutive quarters of yr/yr enrollment growth through 2Q24
- 1Q24 enrollments were 22% higher than 1Q23
- Positive 1Q24 EBITDA compared to negative (\$1.0) million of EBITDA in 1Q23
- Hondros NCLEX scores exceeded thresholds in 1Q24
- 2Q24 enrollment is 10% higher than a strong 2Q23 comparable



Rasmussen Summary








- 2Q24 enrollment improved to -2% yr/yr, reflecting continued enrollment stabilization and improving trends
 - Online enrollment was flat in 1Q24 and grew 4% in 2Q24
 - On-ground Healthcare enrollment continued to improve sequentially, down 9% in 2Q24 compared with down 11% in 1Q24
- Strong growth in BSN enrollments and other on-ground healthcare programs offset by declines in ADN program
- NCLEX scores were again strong in 1Q24
 - 20 of 24 programs* met the applicable state benchmark in 1Q24



*Excludes 4 programs in Wisconsin that don't report official results.

Revenue Summary by Education Unit

(\$ in millions)	1Q23	1Q24	% Change
 American Public University System	\$74.0	\$80.7	9%
 RASMUSSEN UNIVERSITY	\$57.5	\$53.1	-8%
 HONDROS COLLEGE OF NURSING	\$13.1	\$16.4	25%
 Graduate School USA ¹	\$5.1	\$4.2	-18%
 apei AMERICAN PUBLIC EDUCATION, INC.	\$149.7	\$154.4	3%

- Continued solid revenue growth at APUS driven by net course registration increases and select tuition and fee increases implemented in 2023
- RU revenue declined due primarily to lower ADN nursing enrollments
- Record enrollments and modest tuition and fee increases drove record quarterly revenue at HCN
- Revenue growth at Graduate School again impacted by government spending uncertainty in 1Q24

¹ Graduate School USA includes nominal amount of corporate revenue eliminations

Education Unit EBITDA & Margin Profile



Segment Summary		1Q23	2Q23	3Q23	4Q23	FY23	1Q24	
<i>(\$ in millions)</i>								
 American Public University System ¹	APUS	Revenue	\$74.0	\$73.6	\$76.4	\$79.4	\$303.3	\$80.7
		EBITDA	\$18.5	\$20.2	\$23.3	\$30.5	\$ 92.5	\$24.3
		Margin	25%	28%	30%	38%	30%	30%
 RASMUSSEN UNIVERSITY ²	RU	Revenue	\$57.5	\$52.0	\$52.1	\$52.6	\$214.1	\$53.1
		EBITDA	(\$4.5)	(\$7.1)	(\$5.3)	\$0.4	\$(16.5)	(\$2.7)
		Margin	-8%	-14%	-10%	1%	-8%	-5%
 HONDROS COLLEGE OF NURSING ³	HCN	Revenue	\$13.1	\$14.3	\$13.7	\$15.8	\$ 56.9	\$16.4
		EBITDA	(\$1.0)	\$0.1	(\$0.3)	\$1.1	\$ (0.1)	\$0.0
		Margin	-8%	1%	-2%	7%	0%	0%
 Graduate School USA ³	GSUSA	Revenue	\$5.1	\$7.4	\$8.6	\$5.1	\$ 26.2	\$4.2
		EBITDA	(\$1.3)	\$0.8	\$1.6	(\$1.1)	\$ 0.0	(\$1.1)
		Margin	-25%	11%	18%	-22%	0%	-27%
		Corporate	\$ (6.9)	\$ (7.4)	\$ (5.7)	\$ (7.1)	\$(27.1)	\$ (7.2)
 APEI AMERICAN PUBLIC EDUCATION, INC.	Consolidated Revenue		\$149.7	\$147.2	\$150.8	\$152.8	\$600.5	\$154.4
	Consolidated EBITDA		\$4.8	\$6.7	\$13.4	\$23.8	\$ 48.7	\$13.2
	(+) Adjustments		\$ 2.2	\$ 2.1	\$ 4.7	\$ 1.9	\$ 10.9	\$ 3.8
	Consolidated Adj. EBITDA		\$ 7.0	\$ 8.8	\$ 18.1	\$ 25.7	\$ 59.6	\$ 17.1
	Margin		5%	6%	12%	17%	10%	11%



Continued margin growth in 1Q24 driven by higher enrollments, select price increases, and lower marketing spend



Continued EBITDA improvement driven by stabilizing enrollment and cost realignment



Positive EBITDA in 1Q24 due to higher enrollments and revenue



Lower 1Q24 revenue and EBITDA driven by impact of US Gov't's continuing resolution

Note: See note 16 to the financial statements included in the 2023 10-K. Reflects income (loss) from operations before interest, income taxes, gain (loss) from acquisitions, + depreciation & amortization. Please refer to slide 17 and appendix for GAAP to non-GAAP reconciliation.

1. APUS excludes \$2.8MM of losses in 4Q23 related to Loss on Disposal of Long-lived assets and Losses on assets held for sale.

2. Rasmussen excludes a non-cash impairment of \$64MM in 2Q23. Also excludes \$2.4MM for Collegis transition services expense 1Q23 and \$2.9MM for lease termination and campus consolidation expense in 1Q24.

3. Graduate School and Corporate combined comprise the Corporate & Other segment, as discussed in footnote 16 within the 2023 10-K disclosure.

Investment Summary

- Addressable market expected to grow at >10% over the next 5 years to >\$100 billion
 - APUS in top 11% for student return on educational investment
 - 250,000 registered nurses needed per year; APEI graduates ~10,000 per year
- Turnaround at Rasmussen underway and on trajectory for growth, positive EBITDA
- Solid growth, margin and free cash flow story at APUS
- Hondros delivering high enrollment and revenue growth with improving margins
- Forecasting 3% to 5% revenue growth in 2024
- Expected to deliver \$60 - \$70 million of adjusted EBITDA in 2024
- Expected to deliver Free Cash Flow¹ growth of ~50% to \$46.5MM in 2024
- Strong balance sheet with \$153 million of cash and no net debt

¹ Free Cash Flow defined as Adjusted EBITDA less Capital Expenditures

Accreditations include, but are not limited to the following:



VISION

Education that transforms lives, advances careers, and improves communities.

MISSION

Powering Potential and Prosperity
for Those Who Serve.

VALUES

Be Customer Centric • Be Accountable
Be Agile • Be Respectful & Inclusive
Do the Right Thing

Appendix

Education Unit



Operating Income and Margin Profile

Operating Income					
(\$ in millions)	1Q23	2Q23	3Q23	4Q23	1Q24
APUS	\$ 17.1	\$ 18.9	\$ 21.9	\$ 26.5	\$ 23.1
Margin	23%	26%	29%	33%	29%
Rasmussen	\$ (12.9)	\$ (77.3)	\$ (10.6)	\$ (2.9)	\$ (9.0)
Margin	-22%	-149%	-20%	-5%	-17%
Hondros	\$ (1.3)	\$ (0.2)	\$ (0.6)	\$ 0.8	\$ (0.3)
Margin	-10%	-2%	-5%	5%	-2%
Graduate School	\$ (1.4)	\$ 0.7	\$ 1.4	\$ (1.3)	\$ (1.3)
Margin	-27%	9%	16%	-24%	-30%
Corporate	\$ (6.9)	\$ (7.4)	\$ (5.8)	\$ (7.2)	\$ (7.4)
Consolidated Operating Income	\$ (5.4)	\$ (65.3)	\$ 6.4	\$ 15.9	\$ 5.2

Notes:

See note 16 to the financial statements included in the 2023 10-K. Reflects income (loss) from operations before interest, income taxes, and gain (loss) from acquisitions.

Education Unit Overview – Operating Income to EBITDA Reconciliation



Corporate +

(\$ in millions)	1Q23	2Q23	3Q23	4Q23	Full Year	
					2023	1Q24
Revenue	74.0	73.6	76.4	79.4	303.3	80.7
Operating Income ⁽¹⁾	17.1	18.9	21.9	26.5	84.4	23.1
(+) D&A	1.4	1.3	1.3	1.3	5.3	1.2
(+) Impairment / Other	-	-	-	2.8	2.8	-
EBITDA	18.5	20.2	23.3	30.5	92.5	24.3
EBITDA Margin	25.0%	27.5%	30.4%	38.4%	30.5%	30.2%
Revenue	57.5	52.0	52.1	52.6	214.1	53.1
Operating Income ⁽¹⁾	(12.9)	(77.3)	(10.6)	(2.9)	(103.6)	(9.0)
(+) D&A	5.9	6.2	5.2	3.3	20.6	3.3
(+) Impairment / Other	2.4	64.0	-	-	66.4	2.9
EBITDA	(4.5)	(7.1)	(5.3)	0.4	(16.5)	(2.7)
EBITDA Margin	-7.9%	-13.6%	-10.3%	0.8%	-7.7%	-5.2%
Revenue	13.1	14.3	13.7	15.8	56.9	16.4
Operating Income ⁽¹⁾	(1.3)	(0.2)	(0.6)	0.8	(1.4)	(0.3)
(+) D&A	0.3	0.3	0.3	0.3	1.3	0.3
(+) Impairment / Other	-	-	-	-	-	-
EBITDA	(1.0)	0.1	(0.3)	1.1	(0.1)	0.0
EBITDA Margin	-7.7%	0.6%	-2.4%	7.0%	-0.3%	0.1%
Revenue	5.1	7.4	8.6	5.1	26.2	4.2
Operating Income ⁽¹⁾	(8.3)	(6.7)	(4.3)	(8.4)	(27.8)	(8.6)
(+) D&A	0.1	0.1	0.2	0.2	0.7	0.3
(+) Impairment / Other	-	-	-	-	-	-
EBITDA	(8.1)	(6.6)	(4.2)	(8.2)	(27.1)	(8.4)
Revenue	149.7	147.2	150.8	152.8	600.5	154.4
Operating Income ⁽¹⁾	(5.4)	(65.3)	6.4	15.9	(48.3)	5.2
(+) D&A	7.8	8.0	7.0	5.1	27.8	5.1
(+) Impairment / Other	2.4	64.0	-	2.8	69.2	2.9
EBITDA	4.8	6.7	13.4	23.8	48.7	13.2
EBITDA Margin	3.2%	4.5%	8.9%	15.6%	8.1%	8.6%
(+) Adjustments	2.2	2.1	4.7	1.9	10.9	3.8
Adjusted EBITDA	7.0	8.8	18.1	25.7	59.6	17.1
Adjusted EBITDA Margin	4.7%	6.0%	12.0%	16.8%	9.9%	11.0%

(1) See note 16 to the financial statements in the 2023 10-K. Reflects income (loss) from operations before interest, income taxes, and gain / (loss) from acquisition.

1Q24 Enrollment and Registration Summary



	1Q 2024	1Q 2023	% Change
APUS Registrations	99,000	96,300	3%
Total Rasmussen Enrollment	13,500	14,300	-6%
Rasmussen On-ground Enrollment	6,300	7,100	-11%
Rasmussen Online Enrollment	7,200	7,200	0%
HCN Enrollment	3,300	2,700	22%

Non-GAAP Disclosures



American Public Education is presenting adjusted EBITDA in connection with its GAAP results and urges investors to review the reconciliation of adjusted net income to the comparable GAAP financial measure that is included in the table below (under the caption "GAAP Net Income to Adjusted EBITDA") and not to rely on any single financial measure to evaluate its business.

GAAP Net Income to Adjusted EBITDA:

The following table sets forth the reconciliation of the Company's reported GAAP net income to the calculation of adjusted EBITDA for the three months ended March 31, 2024 and 2023:

<i>(in thousands, except per share data)</i>	Three Months Ended	
	March 31,	
	2024	2023
Net loss available to common stockholders	\$ (1,019)	\$ (7,197)
Preferred dividends	1,535	1,457
Net income (loss)	\$ 516	\$ (5,740)
Income tax expense (benefit)	1,213	(1,414)
Interest expense	126	1,779
Equity investment loss	3,327	5
Depreciation and amortization	5,128	7,756
EBITDA	10,310	2,386
Loss on leases	2,936	-
Stock compensation	1,918	2,224
Loss on disposals of long-lived assets	28	1
Transition services costs	1,865	2,403
Adjusted EBITDA	\$ 17,057	\$ 7,014

Non-GAAP Disclosures (continued)



American Public Education is presenting adjusted EBITDA in connection with its GAAP outlook and urges investors to review the reconciliation of projected adjusted net income to the comparable GAAP financial measure that is included in the table below (under the caption "GAAP Outlook Net Income to Outlook Adjusted EBITDA") and not to rely on any single financial measure to evaluate its business.

GAAP Outlook Net Income to Adjusted EBITDA:

The following table sets forth the reconciliation of the Company's GAAP net income to the calculation of adjusted EBITDA for the three months ending June 30, 2024 and twelve months ending December 31, 2024:

<i>(in thousands, except per share data)</i>	Three Months Ending June 30, 2024		Twelve Months Ending December 31, 2024	
	Low	High	Low	High
Net (loss) income available to common stockholders	\$ (1,970)	\$ 830	\$ 7,737	\$ 14,175
Preferred dividends	1,500	1,500	6,000	6,000
Net (loss) income	(470)	2,330	13,737	20,175
Income tax (benefit) expense	(180)	1,020	7,313	10,073
Interest expense, net	450	450	1,750	1,750
Equity investment loss	-	-	3,300	3,300
Depreciation and amortization	5,200	5,200	20,300	20,300
EBITDA	5,000	9,000	46,400	55,598
Stock compensation	1,800	1,800	7,400	7,400
Loss on leases	-	-	2,200	3,002
Transition services cost	1,200	1,200	4,000	4,000
Adjusted EBITDA	\$ 8,000	\$ 12,000	\$ 60,000	\$ 70,000



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