

BRIDGING THE SKILLS GAP



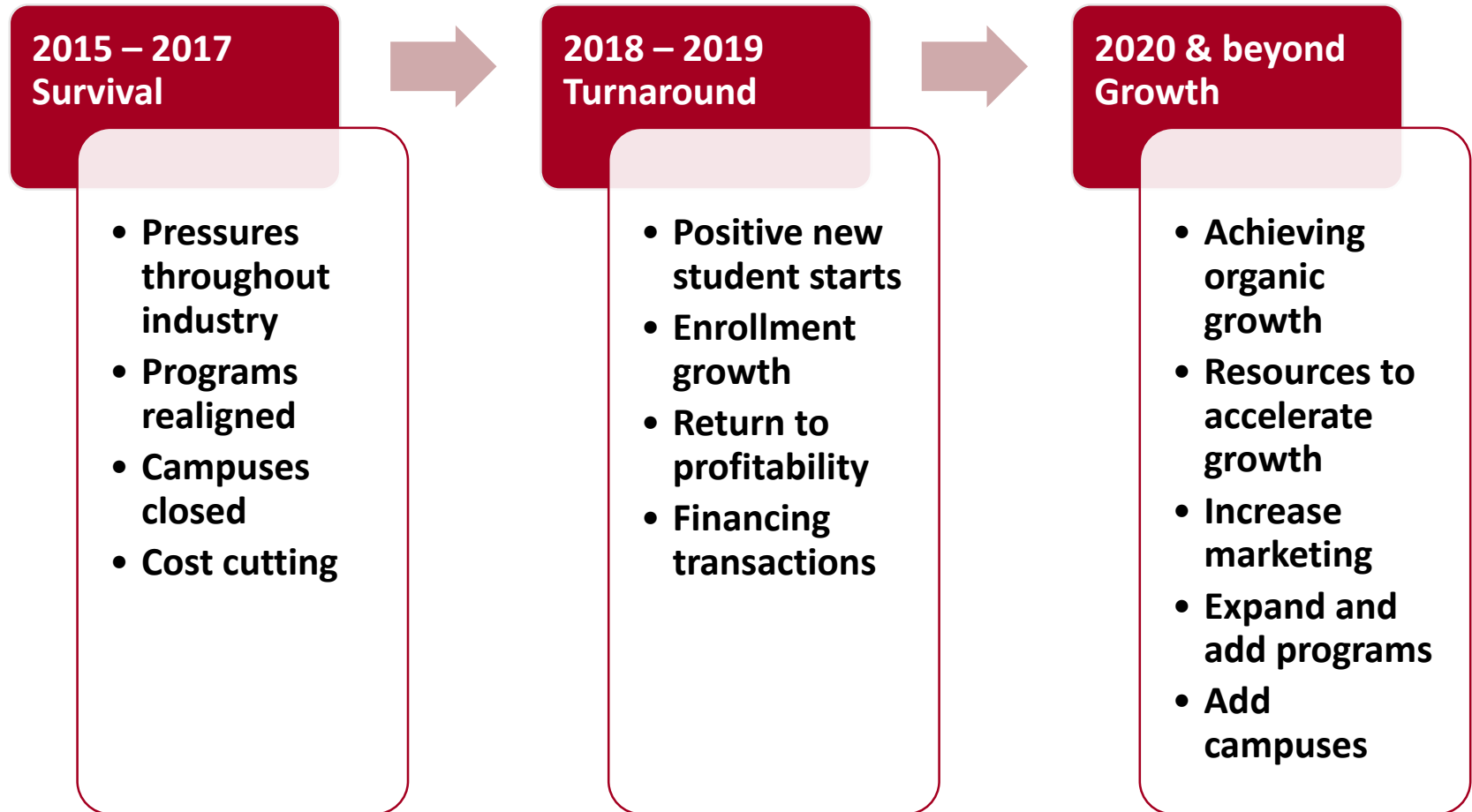
LINCOLN TECH®

Quarter Ended March 31, 2020

Safe Harbor Statement

Statements in this presentation regarding Lincoln's business that are not historical facts may be "forward-looking statements" that involve risks and uncertainties. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to: our failure to comply with the extensive regulatory framework applicable to our industry or our failure to obtain timely regulatory approvals in connection with a change of control of our company or acquisitions; our success in updating and expanding the content of existing programs and developing new programs in a cost-effective manner or on a timely basis; risks associated with changes in applicable federal laws and regulations, including final rules that took effect during 2011 and other pending rulemaking by the U.S. Department of Education; uncertainties regarding our ability to comply with federal laws and regulations regarding the 90/10 rule and cohort default rates; risks associated with the opening of new campuses; risks associated with integration of acquired schools; industry competition; our ability to execute our growth strategies; conditions and trends in our industry; the COVID-19 pandemic and its impact on our business and the U.S. and global economics; general economic conditions; and other factors discussed in our annual report on Form 10-K for the year ended December 31, 2019. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in Lincoln's annual report on Form 10-K for the year ended December 31, 2019. All forward-looking statements are qualified in their entirety by this cautionary statement, and Lincoln undertakes no obligation to revise or update this news release to reflect events or circumstances after the date hereof.

Entering 2020 : A New Chapter for Lincoln



2020 Priorities Pre-COVID-19

Deliver on 2020 financial goals*

- Revenue and student start growth of 3% to 5%
- EBITDA of \$15 to \$17 million; Operating income of \$7 to \$9 million
- Capital expenditures of \$6.5 million to \$7.5 million

Support existing growth

- Campus capital projects and new training equipment
- Expand industry partnerships
- Improve pay and benefits to attract and retain performers

Invest to accelerate growth

- Introduce successful programs to new campuses
- Add new programs
- Evaluate opportunities to expand footprint through either adding new campus or strategic acquisition
- Increase marketing to drive additional start growth

Provide students with training to bridge the skills gap

- Continue to deliver strong student outcomes
- Maintain program affordability
- Leverage industry partnerships

* These financial goals were per-COVID 19 and guidance was withdrawn on May 13, 2020

Impact of COVID-19

	Initial Response	Medium Term	Longer Term
Education	Rapidly moved all programs to distant learning delivery		
	Certain skills require hands-on / in lab training		
	Obtaining 3 rd party approvals to allow students to graduate on time		
Student Population	97% of students remain active with distant learning delivery (<3% on LOA as of 3/31/20)		
	Active population remains higher than last year through end of April		
	Lost over 400 starts in second half of March, but expect to recover over 75%		
	April starts were 867 compared to 668 in 2019		
	Retention is stronger & new enrollments are returning to normal		
Operations	Providing all student services remotely		
	Additional expenses to date offset by cost reductions		
	Starting to re-open campuses and expect all to reopen by July 1		
	Operations modified for social distancing - 9:1 student instructor ratio vs 15:1 pre COVID 19		
Future	High unemployment should increase enrollments		
	Growing interest in healthcare careers		
	Teaching remotely has taught us how to deliver skills training more efficiently		

Lincoln Graduates are Essential Workers

Approximately 90% of our students are pursuing careers that the U.S Department of Homeland Security considers Essential Critical Infrastructure Workers.



Investment Opportunity

- The Skills Gap - Employers cannot find enough technically trained employees
- Lincoln is a leading, technical, hands-on educator and trainer serving high demand industries (transportation, skilled trades and healthcare) facing this Skills Gap
- Enrollment and revenue grew organically while facing a strong employment market
- Significant operating leverage with Lincoln's 22 campuses currently operating at approximately 45% of full capacity
- 2019 financing transactions provide resources to accelerate growth
- Lincoln can emerge from COVID-19 disruption in an excellent position for growth
 - Lincoln has historically benefited from economic slowdowns – unemployment drives enrollments and operating leverage rapidly expands profitability
 - Renewed attention on healthcare careers
 - Methods of operating under distance learning can be retained to deliver education under a more efficient hybrid strategy going forward



Company Overview



Nasdaq : LINC

- A national leader with nearly 75 years of experience
- Focused on providing hands-on training serving national, large regional, and local employers in transportation, skilled trades, and healthcare
- Strong student outcomes and regulatory record
- The growing “middle skills gap” will drive growth for the next decade
- Increased student starts has returned Lincoln to profitability
- High operating leverage as enrollment grows
- Recent financing transactions provide flexibility to accelerate growth
- Opportunities to expand footprint and program offerings for additional growth

Stock Price as of 03/31/2020	\$2.20	Revenues (2019)	\$273 million
52-week Price Range	\$1.66 - \$3.23	EBITDA (2019)	\$13.4 million
Common Shares Outstanding	24.6 million	Institutional Ownership	71%
Market Capitalization	\$62.5 million	Insider Ownership	9%
Average Volume (3 mo.)	15,798		

Lincoln Today



- **Headquartered in West Orange, NJ**
- **Operates 22 campuses in 14 states with approximately 11,300 students**
- **Two segments focused on “middle skills training”**

Transportation and Skilled Trades

13 Campuses

Approximately 7,300 students*

High employer demand for training in Automotive, Diesel, HVAC, CNC, Welding, Electrical

Growing list of industry partners

Healthcare and Other Professions

9 Campuses

Approximately 4,000 students*

Growing demand for healthcare professionals

Strong demand by students especially for licensed practical nursing

* as of 03/31/2020

Campuses Across the Country

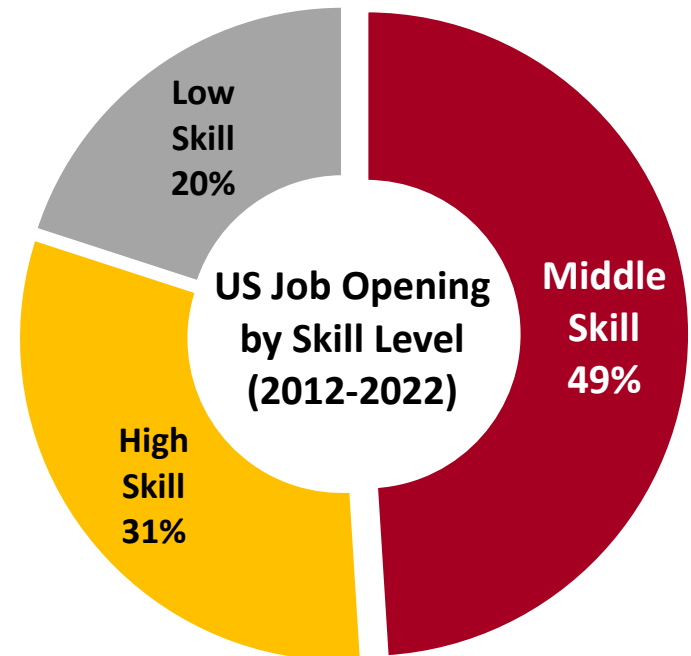
Opportunity for expansion in the South and West



Demand for “Middle Skills Training”

Middle-skill jobs, which require education beyond high school but not a four-year degree, make up the largest part of America’s labor market.

(Source: National Skills Coalition)



Source: NSC analysis of long-term occupational projections from state labor/employment agency.

Significant Opportunity for Organic Growth

BLS data for annual new hires for Lincoln's top programs

Transportation and Skilled Trades		Healthcare and Other Professions	
Automotive Technology	76,000	LPN	63,000
Diesel Technology	42,000	Medical Assisting	95,000
Collision Repair	17,100	Dental Assisting	46,000
Electrical	82,000	Culinary	146,000
Welding	46,000	Baking & Pastry	29,000
HVAC	39,000	Cosmetology	85,000
Electronic Systems Technology	12,000	Aesthetics	8,000
CNC Manufacturing Technology	17,000	Information Technology	44,000
<i>Lincoln's Market Share ~1.5%</i>		<i>Lincoln's Market Share ~0.5%</i>	

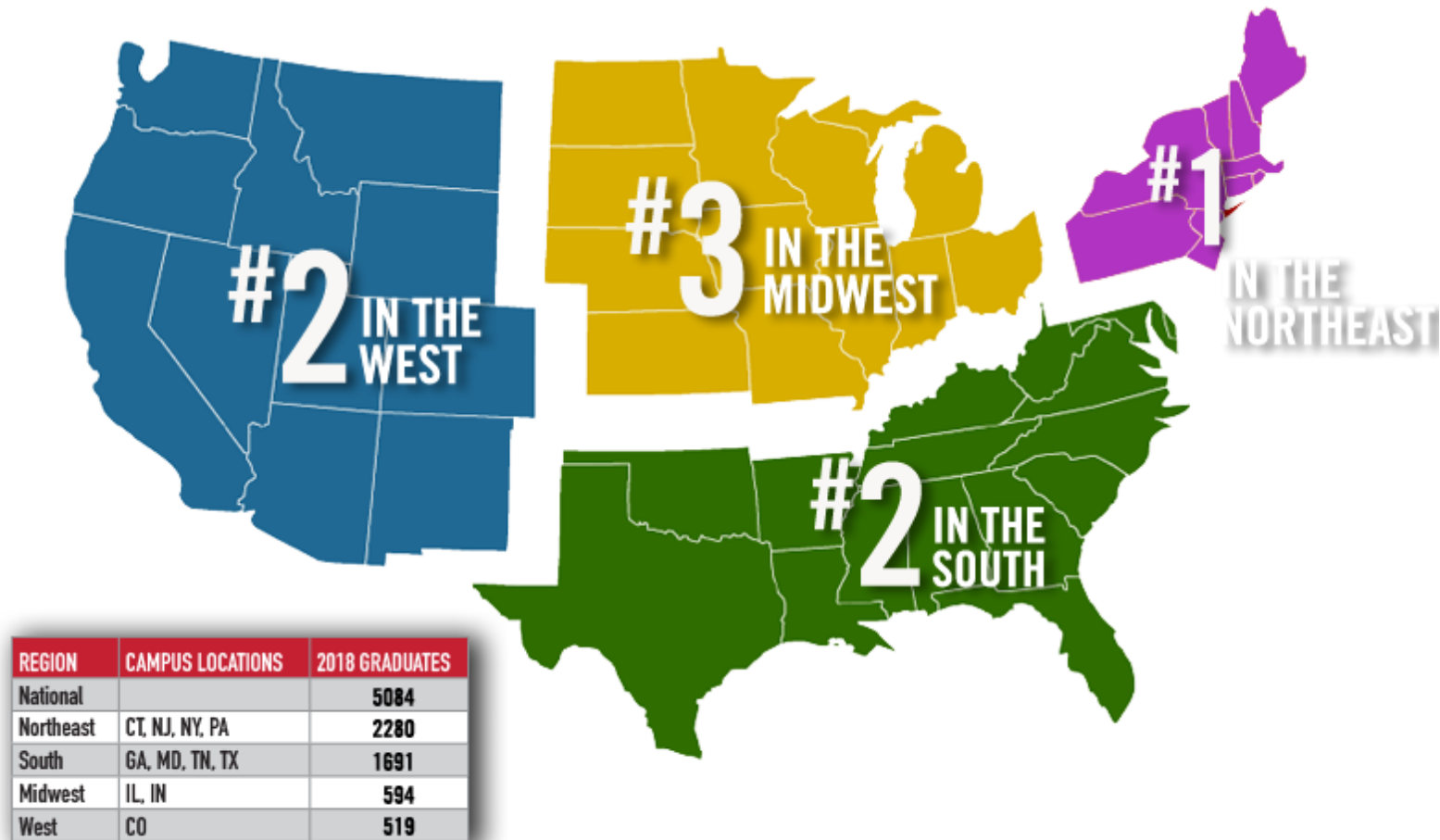
National figures cited above are based on projected annual job openings which refers to the average annual job openings due to growth and net replacement. This data was compiled from the U.S. Dept. of Labor, Bureau of Labor Statistics, for the years 2016 through 2026, www.careeronestop.org, captured on March 27, 2018. State-specific employment projections can also be found at careeronestop.org.

Lincoln's Workforce Solution

- Develop training programs with feedback from employers and key industry associations to understand gaps and needs
- Integrate industry preferred licensing and certifications into the curriculum
- Expect students to meet employability standards for appearance, attendance and professional attitude while in school
- Build labs and shops that replicate the working environment using professional grade equipment and tools
- Incorporate cutting edge education technology with animations, videos and simulations to make learning active and engaging
- Offer an accelerated program with multiple entry points to allow students to graduate quickly and enter the workforce earlier
- Provide robust student support services to ensure strong outcomes

National Presence

THE SECOND LARGEST PROVIDER OF AUTOMOTIVE & SKILLED TRADE GRADUATES IN THE NATION



Growing Base of Industry Partners

- Positions Lincoln as long-term solutions provider for both entry level technicians and advanced workforce training
- Employers appreciate the technical and soft skills of our students
- Partners provide validation of the quality of our education
- Co-branding opportunities with elite partners helps attract new students
- Partners provide better job opportunities for our graduates



Drivers of Organic Demand for Training

**Expanding Skills Gap
with more open
positions than
qualified employees
seeking employment**

**Aging workforce &
retirement of baby
boomers leaves many
middle skill jobs
vacant**

**Societal emphasis on
getting a
4-year college degree**

**Decline in career &
technical education at
high schools**

**Growing
transportation,
construction and
healthcare sectors**

Operating Leverage in Current Campuses

- As enrollment grows, significant operating leverage - minimal incremental expenditures are required (faculty, staff, and training aids)
- Organic revenues are growing in the low single digits even with strong economy with expanding margins
- Historically, enrollments have accelerated during a recession

	Year Ending 12/31/2019	Last Recession 12/31/2010	
Campuses	22	22	Analysis of same campuses
Population	~11,300	~17,900	6,000+ more students
Utilization	~40%	~65%	better utilization
Revenues	\$273	\$414	same school revenue approximately 50% higher
EBITDA	\$13.4	\$80.3	Significant operating leverage

Experienced Management Team (Years at Lincoln)



Scott Shaw
President and CEO
(18)



Brian Meyers
EVP, CFO & Treasurer
(16)



Stephen Buchenot
EVP of Campus
Operations (27)



Chad Nyce
EVP, Chief Innovation
Officer (<1)



Alexandra Luster
EVP, General counsel &
Secretary (24)



Stephen Ace
SVP of Human Resources
(11)



Ami Bhandari
SVP of Education and
Corporate Strategy (16)



Susan English
SVP of Career Services &
Industry Partners (35)



Francis Giglio
SVP of Compliance and
Regulatory (16)



James Rasmussen
SVP Admissions
(13)



Tayfun Selen
SVP Administration and
Real Estate (8)



Raj Shah
SVP of Financial Aid
(17)



Peter Tahinos
SVP of Marketing
(6)



Val Thomas
SVP & Chief Information
Officer (9)

Financial Review



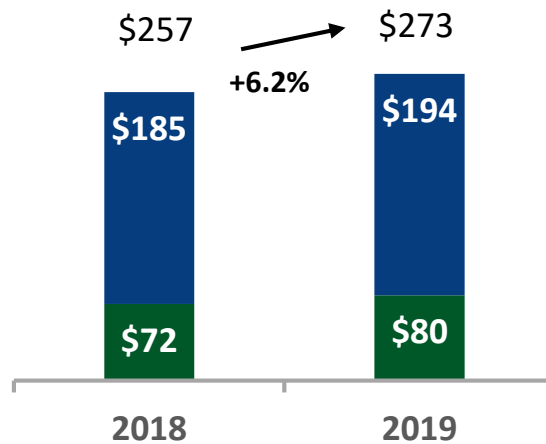
Pro Forma Operations Annual Revenue, Starts, & Average Population*

(\$ in millions)

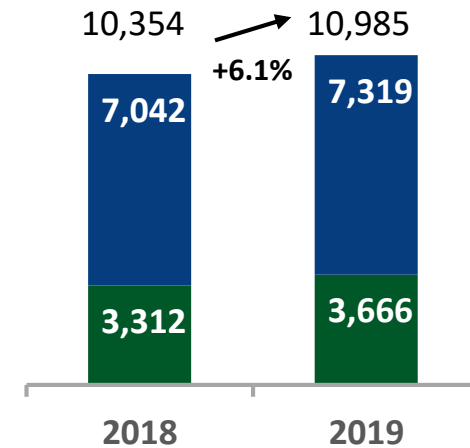
■ Transportation

■ HOPS

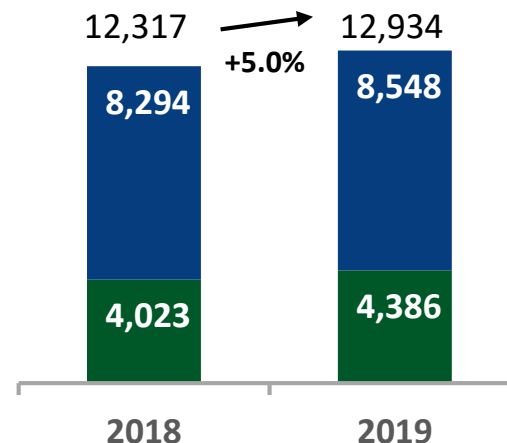
Revenue



Average Population



Starts

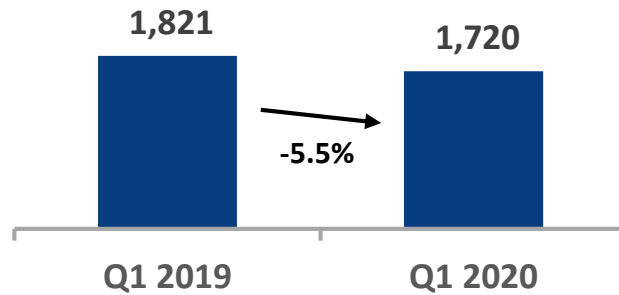


* 2018 excludes transitional segment (closed schools) and is presented as pro forma operations. Refer to appendix.

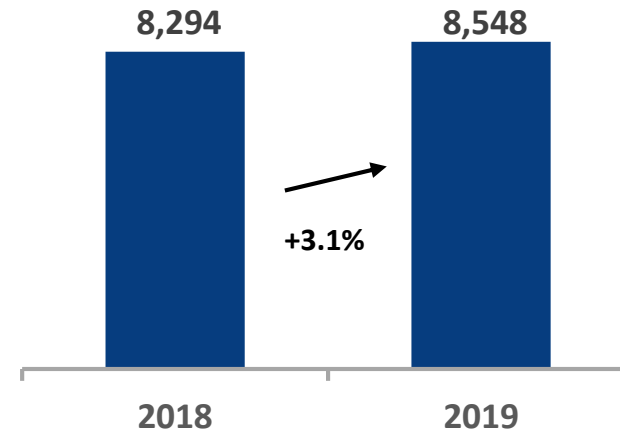
Student Starts

Transportation and Skilled Trades

Q1

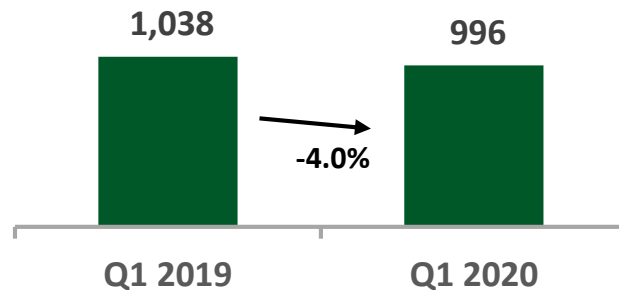


Annual

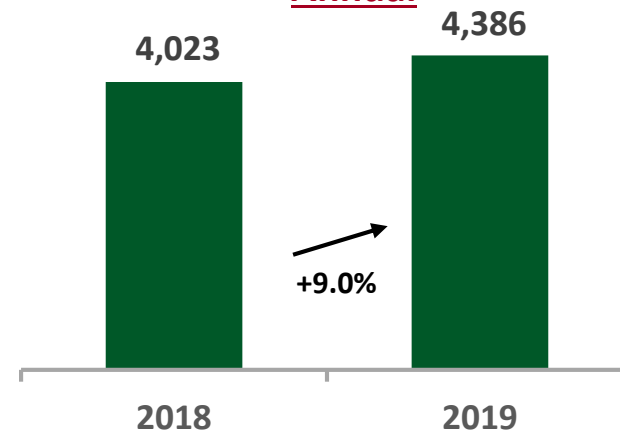


Healthcare and Other Professions

Q1



Annual

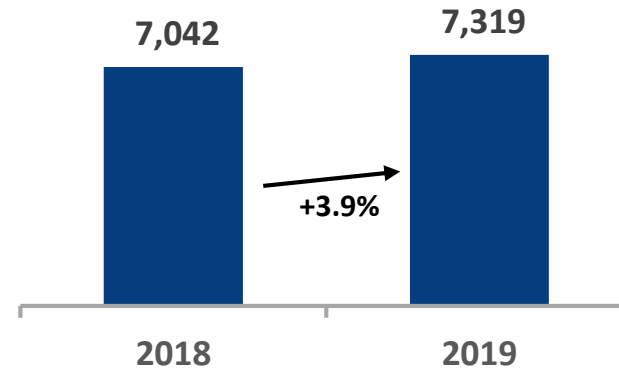
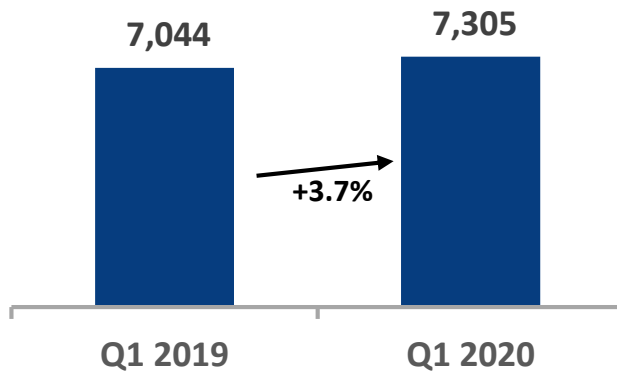


Average Student Population

Transportation and Skilled Trades

Q1

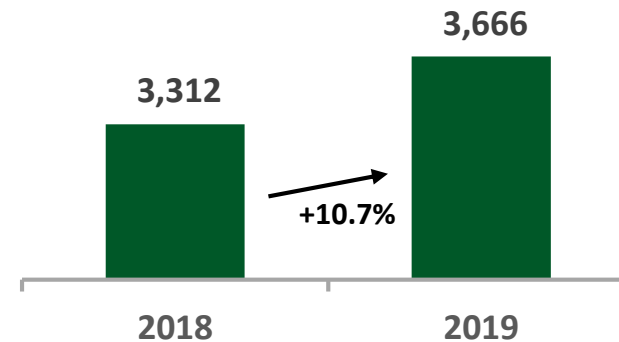
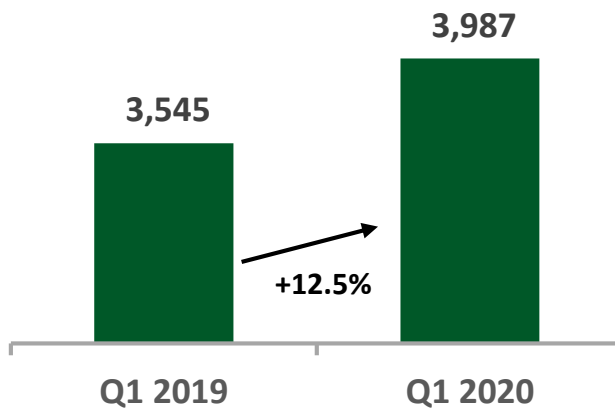
Annual



Healthcare and Other Professions

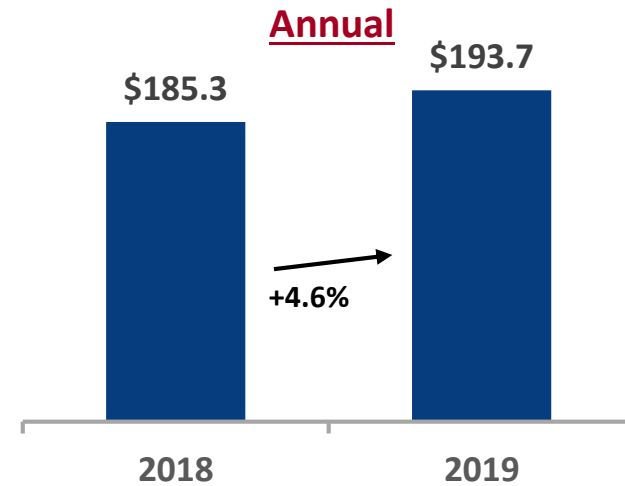
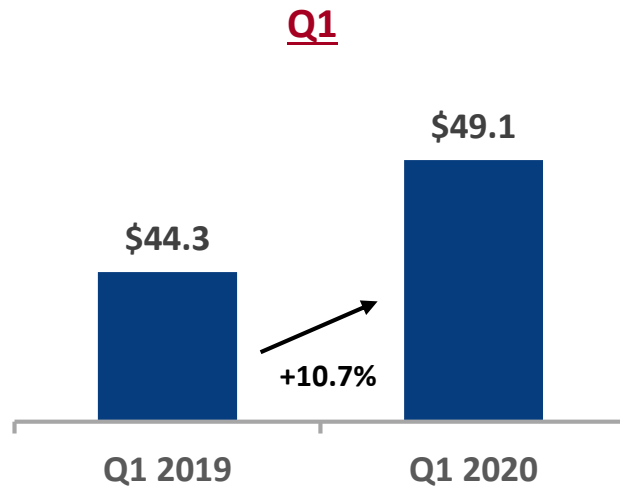
Q1

Annual

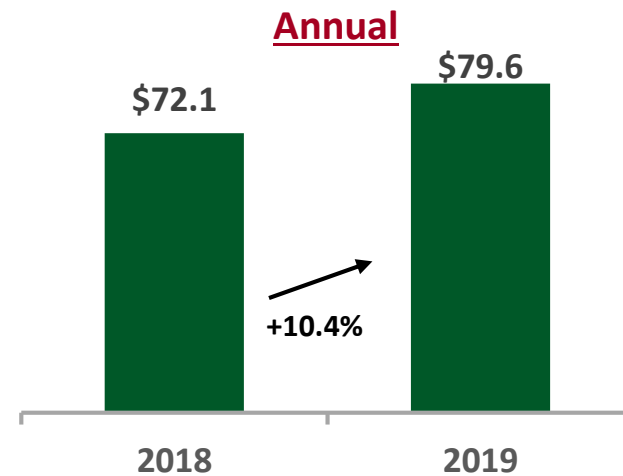
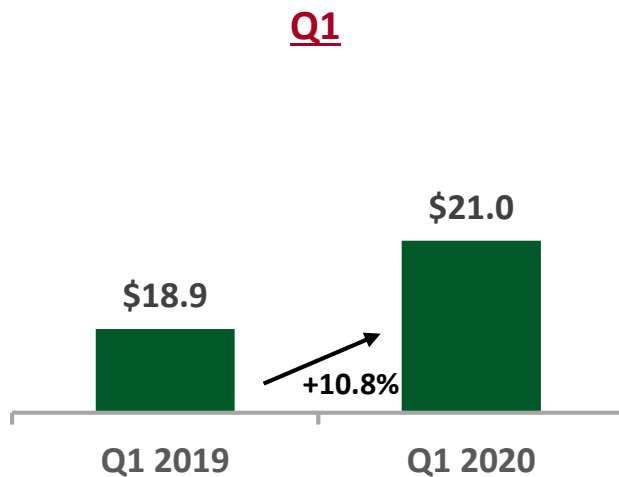


Revenue (\$ in millions)

Transportation and Skilled Trades



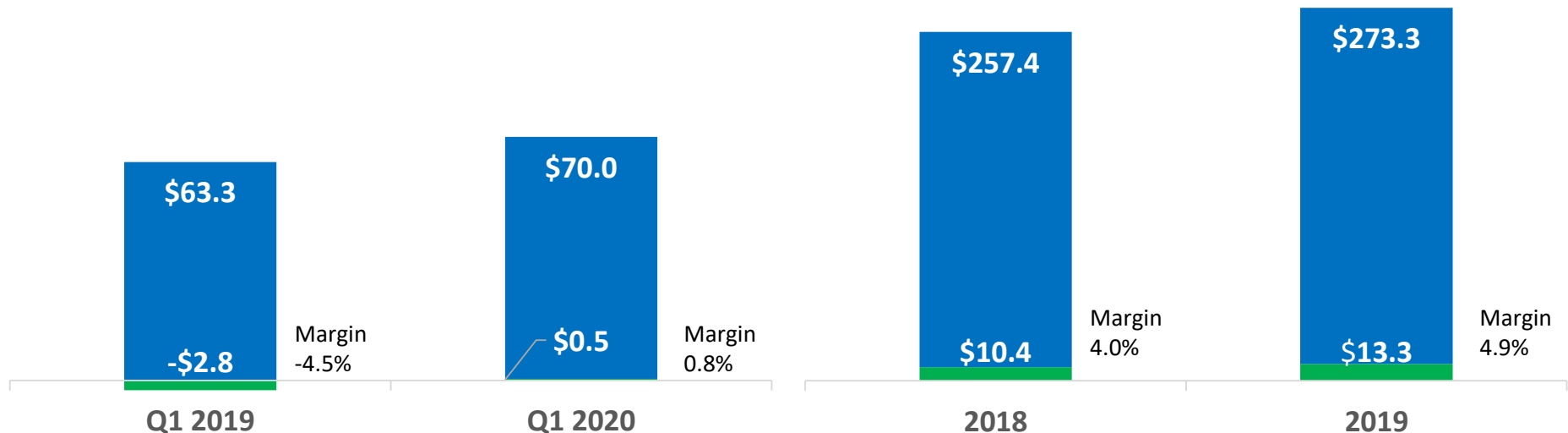
Healthcare and Other Professions



Pro Forma Operations (\$ in millions)

- Approximately 11,300 students enrolled at 22 campuses as of 03/31/2020
- Key metrics such as revenue, student graduation, and placement rates continue to grow

■ Revenue
■ EBITDA



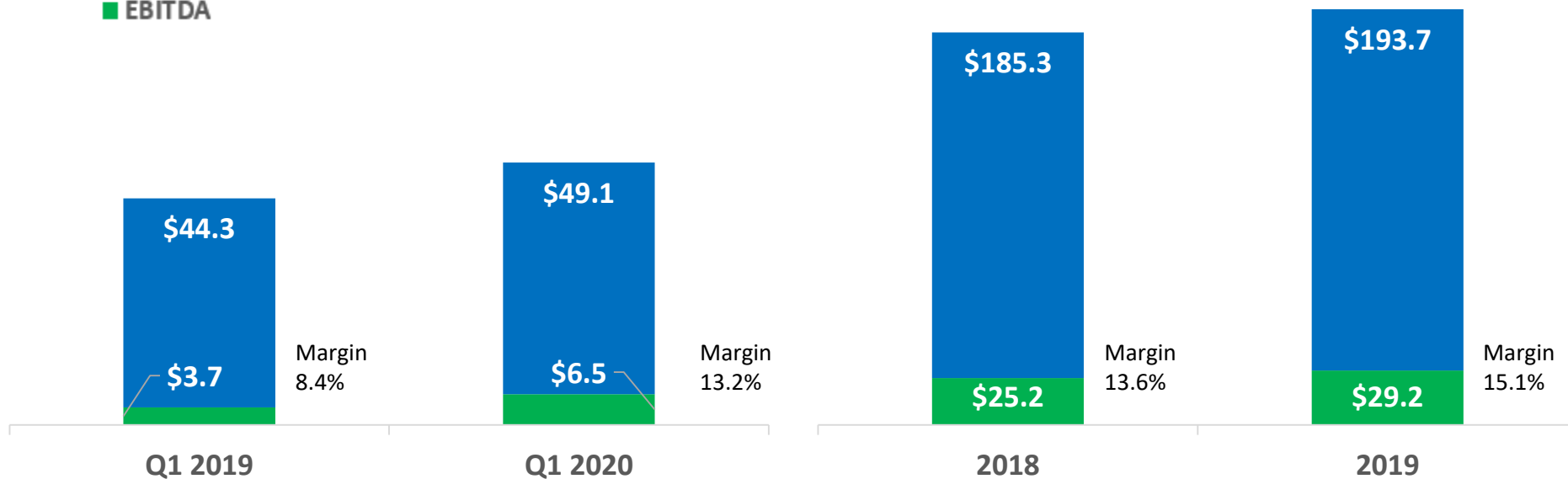
* 2018 excludes transitional segment (closed schools) and is presented as pro forma operations. Refer to appendix.

Transportation and Skilled Trades (\$ in millions)

- Approximately 7,300 students enrolled at 13 campuses as of 03/31/2020
- High demand for training in Automotive, Diesel, HVAC, CNC, Welding, Electrical
- Growing list of industry partners

■ Revenue

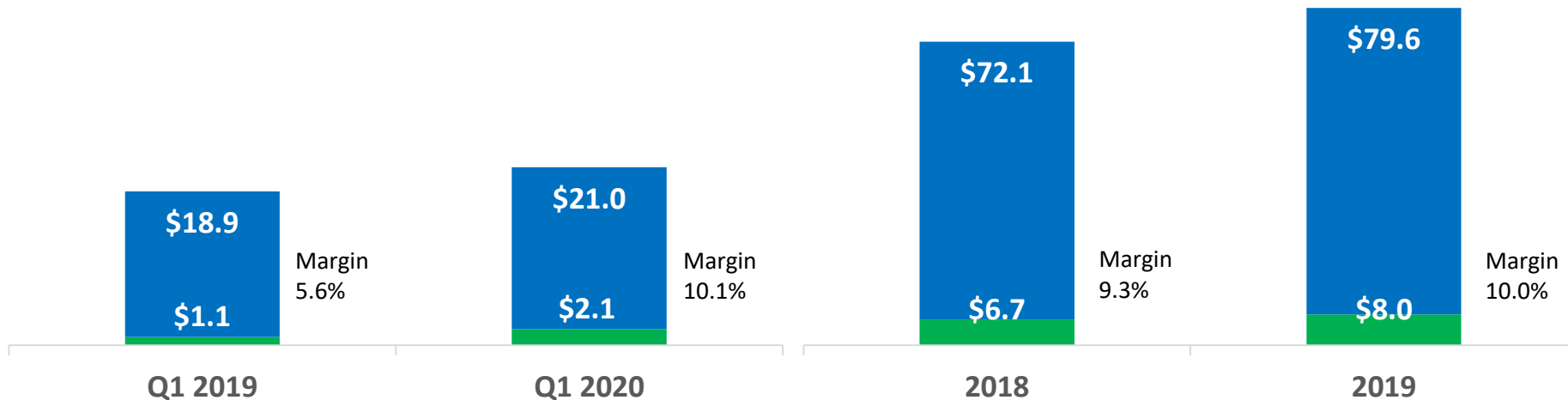
■ EBITDA



Healthcare and Other Professions (\$ in millions)

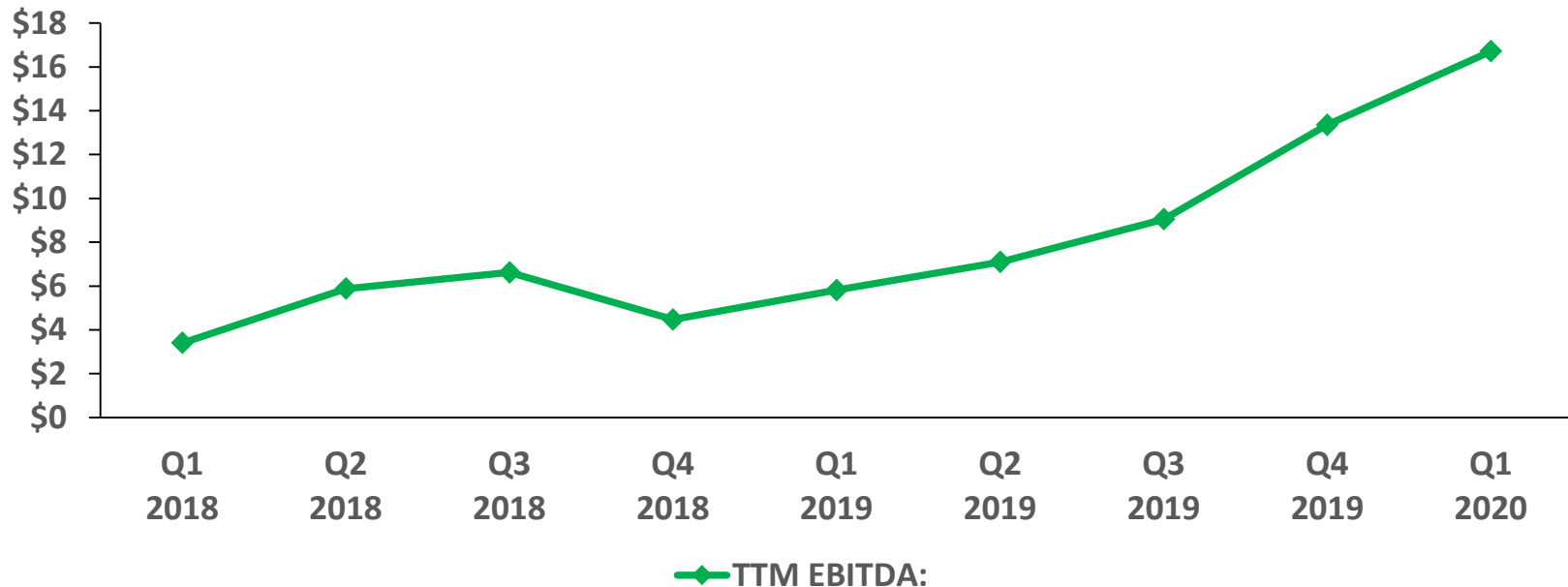
- Approximately 4,000 students at 9 campuses as of 03/31/2020
- Growing demand for healthcare professionals
- Strong demand by students especially for Licensed Practical Nursing

■ Revenue
■ EBITDA



Increasing Profitability (\$ in millions)

Total Company EBITDA on a trailing 12-month basis



- Lincoln's EBITDA has increased in each quarter of 2019 as compared to 2018
- 03/31/2020 EBITDA was +\$544k vs. -\$2.8M on 03/31/2019

Liquidity

As of 03/31/2020	
Cash and cash equivalents	\$ 9.7M
Credit agreement availability	\$21.0M
Total Liquidity	\$30.7M
Outstanding Debt	\$ 9.3M

Provisions of CARES Act that will benefit liquidity:

- FICA tax payments deferral - Estimated \$3M in 2020 with 50% paid by 12/31/21 and 50% paid by 12/31/2022
- Suspension of return of Title IV funds for any student that withdraws due to COVID-19 - estimated savings of \$1M per month through at least June 30, 2020
- \$27.4M in funding from CARES Act - The majority will be distributed directly to our students
- Main Street Loan Program - additional source of liquidity if needed

EBITDA & Net Income Pro Forma Summary*

(\$ in millions)

	Q1		Annual	
	2019	2020	2018	2019
Revenue:				
Transportation	\$44.3	\$49.1	\$185.3	\$193.7
HOPS	18.9	20.9	72.1	79.6
Total Revenue	\$63.2	\$70.0	\$257.4	\$273.3
EBITDA				
Transportation	\$3.7	\$6.5	\$25.2	\$29.2
HOPS	1.1	2.1	6.7	8.0
Corporate	(7.5)	-\$8.1	(21.5)	(23.9)
Total EBITDA	-\$2.8	\$0.5	\$10.4	\$13.3
Net Income				
Transportation	\$1.8	\$4.8	\$17.7	\$22.0
HOPS	1.0	2.0	6.5	7.6
Corporate	(8.3)	(8.6)	(24.7)	(27.6)
Total Net Income	-\$5.5	-\$1.8	-\$0.6	\$2.0

* 2018 excludes transitional segment (closed schools) and is presented as pro forma operations. Refer to appendix.

Pro Forma Operations Seasonality*

Pro Forma EBITDA Seasonality (\$ in 000's)					
	Q1	Q2	Q3	Q4	TY
2018	\$ (4,033)	\$ (540)	\$ 4,039	\$ 10,977	\$ 10,442
2019	\$ (2,814)	(153)	4,125	12,197	13,355
2020	\$ 544	\$ -	\$ -	\$ -	\$ -

Pro Forma Starts Seasonality					
	Q1	Q2	Q3	Q4	TY
2018	\$ 2,707	\$ 2,874	\$ 4,623	\$ 2,113	\$ 12,317
2019	\$ 2,859	2,977	4,779	2,319	12,934
2020	\$ 2,716	\$ -	\$ -	\$ -	\$ -

* 2018 excludes transitional segment (closed schools) and is presented as pro forma operations. Refer to appendix.

November 2019 Transactions (\$ in millions)

- **Strengthened liquidity position provides flexibility to execute growth initiatives**
 - Increased available liquidity by more than \$30 million
 - Annualized interest expense savings of approximately \$1 million
- **New \$60 million credit facility**
 - \$20 million funded term loan
 - \$10 million delayed draw term loan
 - \$15 million revolving line of credit (\$10 sublimit for standby letters of credit)
 - \$15 million cash collateralized line of credit when outstanding (terminated April 2020)
- **Issued \$12.7 million of 9.6% convertible preferred stock (\$2.36 conversion price)**
- Improved balance sheet due to financing activities

	9/30/19*	12/31/19
Cash	\$11.8	\$23.6
Restricted cash	4.0	15.0**
Bank debt	<u>(26.9)</u>	<u>(34.0)**</u>
Net Cash (Debt)	<u>\$ (11.1)</u>	<u>\$ 4.6</u>
Cash and available liquidity	\$11.8	> \$40

* Quarter before financing activities

**\$15 million of restricted cash was repaid in January 2020

Real Estate Assets

■ Owned Facilities

- \$60m Appraised Value
 - Denver, CO
 - Grand Prairie, TX
 - Nashville, TN
- \$30m Net Book Value
- Suffield, CT *

* A vacant former school property is under a sales agreement for net proceeds ≈\$2.5M. Anticipate savings of approx. \$300K annual operating costs.

■ Leased Properties

- 19 School Facilities
- 1 Corporate Headquarters

Goals:

- ✓ Continue to right-size facilities
 - Space reduction
 - Sublease
- ✓ Increase utilization with new programs

2020 Financial Guidance

Given the complex and evolving public health and economic landscape from the ongoing COVID-19 pandemic coupled with the limited foresight into the campuses' reopening dates and a modified operating plan all pose many challenges including our financial forecasting ability. As a result, at this time we believe it is prudent to withdraw our previously disclosed full year 2020 guidance. We will re-evaluate this decision when our operating environment becomes clearer.



Investment Merits

- A national leader in hands-on transportation, skilled trades, and healthcare training
- Organic revenue growth with increasing profitability
- The skills gap will drive growth for the next decade
- Opportunities to expand footprint and program offerings for additional growth
- Capacity at campuses provides high operating leverage on incremental growth
- \$66.7 million of tax loss carryforwards reduces future cash outflows*
- In a down economy, Lincoln's growth and profitability can increase substantially
- Strong student outcomes and regulatory record

* Subject to 382 limitation expected to be completed Q2 2020 and not reflected on balance sheet due to having a full tax valuation allowance.

Appendix



Use of Non-GAAP Financial Information

This presentation contains non-GAAP (Generally Accepted Accounting Principles) financial measures, which are intended to supplement, but not substitute for, the most directly comparable GAAP measures. Management chooses to disclose to investors these non-GAAP financial measures because they provide an additional analytical tool to clarify the results from operations and help to identify underlying trends. Additionally, such measures help compare the company's performance on a consistent basis across time periods. Management defines As Reported as actual operating results derived from previously filed annual and quarterly financial information submitted to the Securities and Exchange Commission. Management defines EBITDA as loss before interest expense, interest income, income taxes, depreciation and amortization. Management defines Pro forma as actual operating results derived from previously filed annual and quarterly financial information submitted to the Securities and Exchange Commission excluding unusual and non-recurring transactions such as closed school operations, gain on sale of assets and interest normalization. Management defines interest normalization as adjusting interest expense on debt from prior years using the Company's current credit agreement terms. To obtain a complete understanding of the company's performance, these measures should be examined in connection with revenue, operating loss and net loss, determined in accordance with GAAP, as presented in the financial statements and notes thereto included in the annual and quarterly filings with the Securities and Exchange Commission. Since the items excluded from these measures are significant components in understanding and assessing financial performance under GAAP, these measures should not be considered to be an alternative to revenue, operating loss and net loss as a measure of the company's operating performance. Exclusion of items in the non-GAAP presentation should not be construed as an inference that these items are unusual, infrequent or non-recurring. Other companies, including other companies in the education industry, may calculate non-GAAP financial measures differently than the Company does, limiting their usefulness as a comparative measure across companies. A reconciliation of the historical non-GAAP financial measures to the most directly comparable GAAP measures is included in the following slides.

Financial Statements

Our financial statements reflect the following operational results:

- 1. Consolidated operations** – consists of total operations from the 2 on-going campus segments (Transportation and Skilled Trades & Healthcare and Other Professions), transitional segment campuses & corporate expenses
- 2. Transitional segment operations** – consists of campuses that have been closed
 - As of January 1, 2019 there are no operations in the Transitional segment
 - In 2018 we had one campus under the Transitional segment
- 3. Pro-forma operations** – reflects operations from the 2 on-going segments & corporate but excludes the Transitional segment (closed campus in 2018)

Pro Forma Operations EBITDA Reconciliation* (\$ in thousands)

	For the Year Ended December 31, 2018					For the Year Ended December 31, 2019				
	Transportation and Skilled Trades	Healthcare and Other Professions	Transitional	Corporate	Total	Transportation and Skilled Trades	Healthcare and Other Professions	Transitional	Corporate	Total
Net Income (loss)	\$ 17,659	\$ 6,466	\$ (5,994)	\$ (24,676)	\$ (6,545)	\$ 21,979	\$ 7,588	\$ -	\$ (27,552)	\$ 2,015
Add-back:										
Interest expense, net	2	3	-	2,386	2,391	-	-	-	2,955	2,955
Provision for income taxes	-	-	-	200	200	-	-	-	268	268
Operating Income (loss)	\$ 17,661	\$ 6,469	\$ (5,994)	\$ (22,090)	\$ (3,954)	\$ 21,979	\$ 7,588	\$ -	\$ (24,329)	\$ 5,238
Depreciation and amortization	7,568	250	18	585	8,421	7,236	409	-	471	8,115
EBITDA	<u>\$ 25,229</u>	<u>\$ 6,719</u>	<u>\$ (5,976)</u>	<u>\$ (21,505)</u>	<u>\$ 4,467</u>	<u>\$ 29,215</u>	<u>\$ 7,997</u>	<u>\$ -</u>	<u>\$ (23,858)</u>	<u>\$ 13,353</u>
Pro Forma EBITDA Add-Back:										
Transitional					\$ 5,976					\$ -
Pro Forma Operations EBITDA					<u>\$ 10,443</u>					<u>\$ 13,353</u>

Quarterly EBITDA Reconciliation (\$ in thousands)

	For the Three Months Ended				For the
	March 31, 2020	June 30, 2020	Sept 30, 2020	Dec 31, 2020	Year Ended 2020
Net Income (loss)					
Total Company	\$ (1,750)	\$ -	\$ -	\$ -	\$ -
Transitional	-	-	-	-	-
Pro Forma Total	\$ (1,750)	\$ -	\$ -	\$ -	\$ -
Add-back:					
Interest expense, net	354	-	-	-	-
Provision for income taxes	50	-	-	-	-
Operating Income (loss)	\$ (1,346)	\$ -	\$ -	\$ -	\$ -
Depreciation and amortization:					
Total Company	1,890	-	-	-	-
Transitional	-	-	-	-	-
Pro Forma Total	1,890	-	-	-	-
EBITDA	\$ 544	\$ -	\$ -	\$ -	\$ -

Quarterly EBITDA Reconciliation (\$ in thousands)

	For the Three Months Ended				For the Year Ended 2018	For the Three Months Ended				For the Year Ended 2019
	March 31, 2018	June 30, 2018	Sept 30, 2018	Dec 31, 2018		Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	
Net Income (loss)										
Total Company	\$ (6,874)	\$ (4,104)	\$ (600)	\$ 5,032	\$ (6,545)	\$ (5,467)	\$ (3,063)	\$ 1,339	\$ 9,206	\$ 2,015
Transitional	(131)	(899)	(1,865)	(3,099)	(5,994)	-	-	-	-	-
Pro Forma Total	<u>\$ (6,742)</u>	<u>\$ (3,205)</u>	<u>\$ 1,265</u>	<u>\$ 8,131</u>	<u>\$ (551)</u>	<u>\$ (5,467)</u>	<u>\$ (3,063)</u>	<u>\$ 1,339</u>	<u>\$ 9,206</u>	<u>\$ 2,015</u>
Add-back:										
Interest expense, net	563	531	625	673	2,391	552	827	754	822	2,955
Provision for income taxes	50	50	50	50	200	50	144	50	24	268
Operating Income (loss)	<u>\$ (6,130)</u>	<u>\$ (2,625)</u>	<u>\$ 1,940</u>	<u>\$ 8,854</u>	<u>\$ 2,040</u>	<u>\$ (4,865)</u>	<u>\$ (2,093)</u>	<u>\$ 2,143</u>	<u>\$ 10,052</u>	<u>\$ 5,237</u>
Depreciation and amortization:										
Total Company	2,100	2,088	2,102	2,131	8,421	2,050	1,940	1,982	2,144	8,116
Transitional	4	4	4	8	18	-	-	-	-	-
Pro Forma Total	<u>2,097</u>	<u>2,084</u>	<u>2,098</u>	<u>2,123</u>	<u>8,402</u>	<u>2,050</u>	<u>1,940</u>	<u>1,982</u>	<u>2,144</u>	<u>8,116</u>
EBITDA	<u><u>\$ (4,033)</u></u>	<u><u>\$ (540)</u></u>	<u><u>\$ 4,039</u></u>	<u><u>\$ 10,977</u></u>	<u><u>\$ 10,443</u></u>	<u><u>\$ (2,816)</u></u>	<u><u>\$ (152)</u></u>	<u><u>\$ 4,126</u></u>	<u><u>\$ 12,197</u></u>	<u><u>\$ 13,354</u></u>