

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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 5, 2022

LINCOLN EDUCATIONAL SERVICES CORPORATION

(Exact Name of Registrant as Specified in Charter)

New Jersey

(State or Other Jurisdiction of Incorporation)

000-51371

(Commission File Number)

57-1150621

(IRS Employer Identification No.)

14 Sylvan Way, Suite A, Parsippany, NJ 07054

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (973) 736-9340

Not applicable

(Former name or former address, if changed since last report)

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))

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 Securities 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.

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 No Par Value	LINC	NASDAQ

## Item 5.07 Submission of Matters to a Vote of Security Holders.

On May 5, 2022, Lincoln Educational Services Corporation (the “Company”) held its 2022 Annual Meeting of Shareholders (the “Annual Meeting”) virtually via live webcast. A total of 27,449,203 shares of common stock \$0.01 par value per share (the “Common Stock”) each of which is entitled to one vote, and a total of 12,700 shares of the Company’s Series A Convertible Preferred Stock, no par value per share (the “Series A Preferred Stock”) each of which is entitled to 423.729 votes per share representing the number of shares of Common Stock into which each share of Series A Preferred Stock is convertible, were issued and outstanding and entitled to vote as of March 8, 2022 the record date for the Annual Meeting. There were 22,608,441 shares of Common Stock and 12,700 shares of Series A Preferred Stock represented in person or by proxy at the Annual Meeting constituting a quorum. With respect to Proposal 1, holders of Common Stock and Series A Preferred Stock voted together as a single class, with the holders of Series A Preferred Stock voting on an as-converted basis, on the election of James J. Burke, Jr., Kevin M. Carney, Ronald E. Harbour, J. Barry Morrow, Michael A. Plater, Felecia J. Pryor, Carlton E. Rose and Scott M. Shaw (eight of the nine director nominees), while the holders of Series A Preferred Stock, voting separately as a class, voted on the election of John A. Bartholdson. Proposals 2 and 3 were voted on by the holders of Common Stock and Series A Preferred Stock voting together as a single class with the holders of Series A Preferred Stock voting on an as-converted basis. Each of the proposals was approved by the requisite vote of the Company’s shareholders. Set forth below are the proposals acted upon as further described in the Company’s definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission on March 25, 2022 and the final voting results for each proposal:

**Proposal Number 1:** To elect the following 9 individuals named in the Company’s proxy statement as directors of the Company for a one-year term which will expire at the 2023 Annual Meeting of Shareholders and until their successors are duly elected and qualified. Each nominee for director was elected by a vote of the shareholders as follows:

<u>Nominee</u>	<u>Votes For</u>	<u>Votes Withheld</u>	<u>Broker Non-Votes</u>
John A. Bartholdson*	5,381,358	-0-	-0-
James J. Burke, Jr.	22,106,051	2,363,324	3,520,464
Kevin M. Carney	24,368,599	100,776	3,520,464
Ronald E. Harbour	22,066,380	2,402,995	3,520,464
J. Barry Morrow	24,442,567	26,808	3,520,464
Michael A. Plater	22,174,074	2,295,301	3,520,464
Felecia J. Pryor	24,227,312	242,063	3,520,464
Carlton E. Rose	24,333,080	136,295	3,520,464
Scott M. Shaw	24,441,527	27,848	3,520,464

\*The holders of Series A Preferred Stock, voting separately as a class, voted on the election of John A. Bartholdson.

**Proposal Number 2:** To approve, on a non-binding advisory basis, the compensation of our named executive officers as disclosed in the Company’s proxy statement. The proposal was approved by a vote of the shareholders as follows:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
24,081,691	378,881	8,763	3,520,464

**Proposal Number 3:** To ratify the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2022. The proposal was approved by a vote of the shareholders as follows:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
27,896,087	83,954	9,758	not applicable

## Item 7.01 Regulation FD Disclosure.

On May 5, 2022, the Company presented additional background information on the Company and on its strategic plan (the “Shareholder Presentation”) during its Annual Meeting of Shareholders held virtually. A copy of the Shareholder Presentation, which is available on the Company’s website at [www.lincolntech.edu](http://www.lincolntech.edu) under the tab “Investor Relations,” is attached hereto as Exhibit 99.1, and is incorporated herein by reference. The information in this Item 7.01 and the attached exhibit shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act except as shall be expressly stated by specific reference in such filing

## Item 9.01 Financial Statements and Exhibits.

### (d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit Title</u>
<a href="#">99.1</a>	Management Presentation at the 2022 Annual Meeting of Shareholders

**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.

LINCOLN EDUCATIONAL SERVICES CORPORATION

Date: May 5, 2022

By: /s/ Alexandra M. Luster  
Name: Alexandra M. Luster  
Title: SVP, General Counsel & Secretary

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# 2022 Shareholders Meeting



# BRIDGING THE SKILLS GAP



**LINCOLN TECH®**

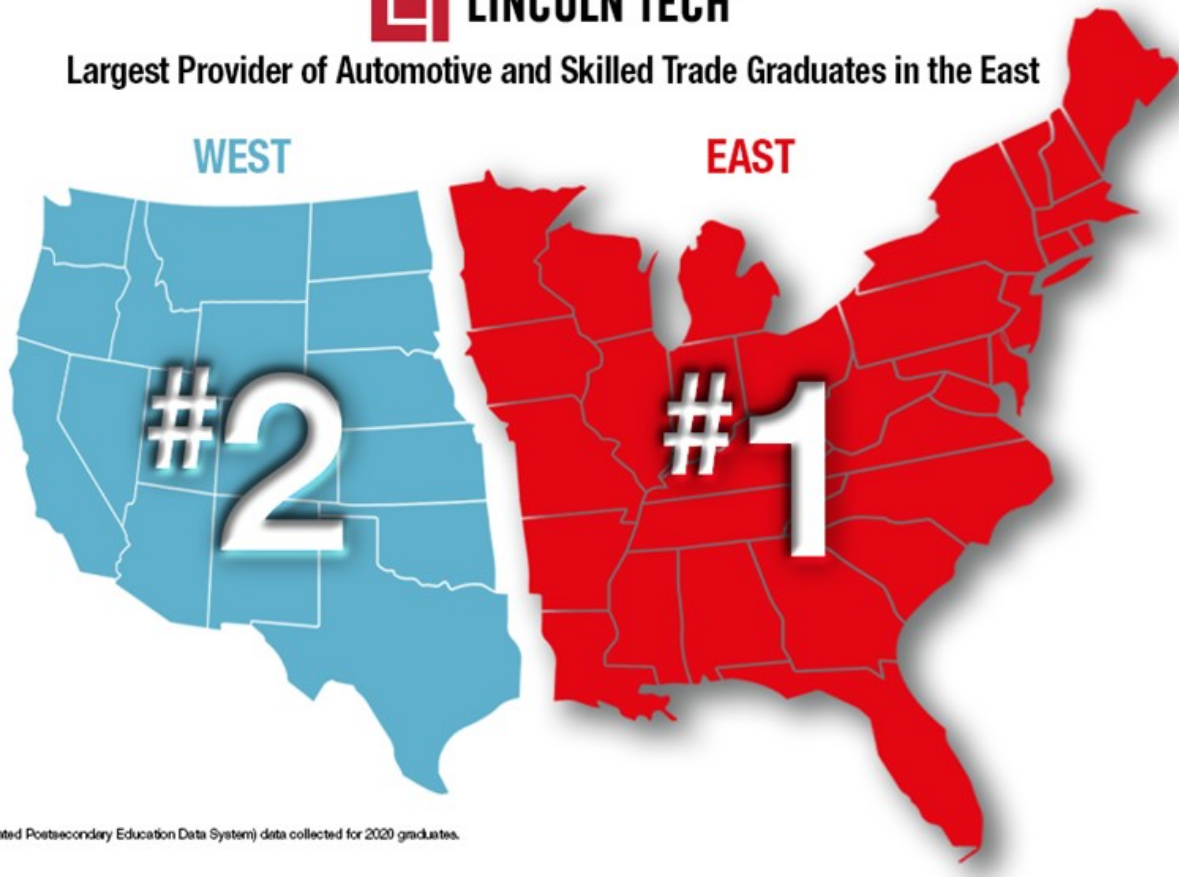
# Stronger and Better

Lincoln entered 2021 with great momentum and success, and despite the continuing challenges of the pandemic, we ended the year stronger financially and better prepared to reach our potential.



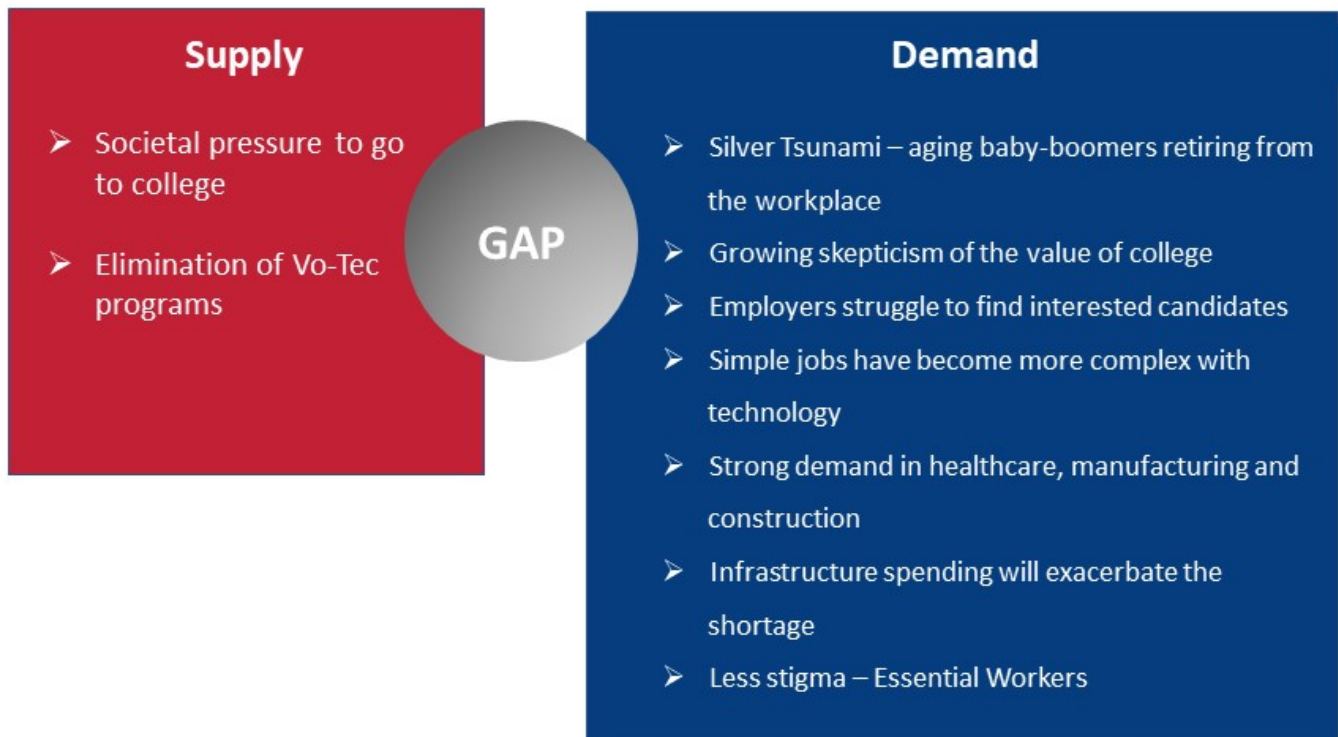
 LINCOLN TECH®

Largest Provider of Automotive and Skilled Trade Graduates in the East



Based on IPEDS (Integrated Postsecondary Education Data System) data collected for 2020 graduates.

# Drivers of Organic Demand for Training

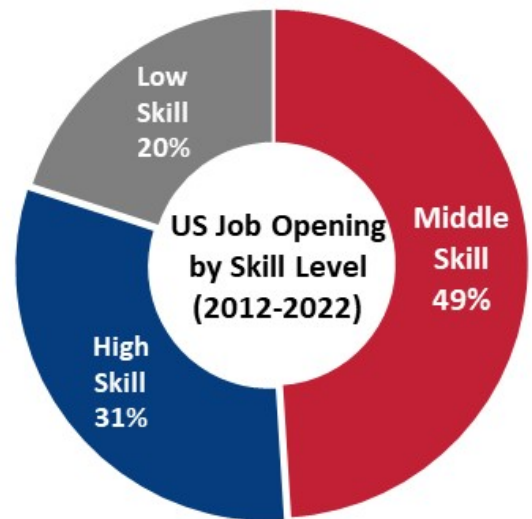


# Demand for “Middle Skills Training”

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)

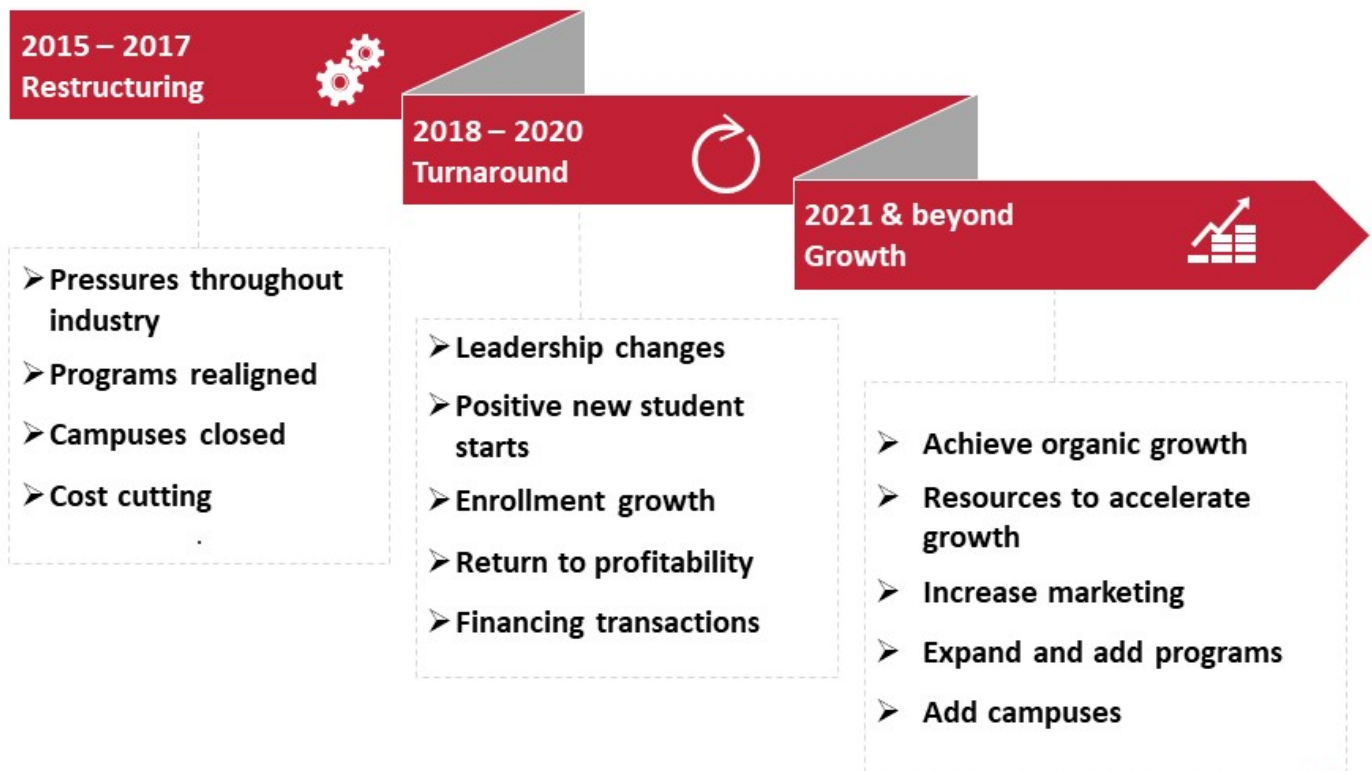
Lincoln connects employers with entry level trained professionals from the adult, high school and military sectors.



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



# 2021 : A New Chapter for Lincoln



# Transformational Impact of COVID-19

## Pivoted to Online/Blended

- All campuses were closed mid March 2020 & moved to remote services
- Campuses started to re-open in June 2020 with all open by August
- All campus support services offered at the campus and remotely
- Lincoln finished 2020 financially stronger than 2019

## Strong 2020 Results

- Revenue grew by 7.2% to \$293.0 million and starts increased 10.7%
- EBITDA grew by 66.1% to \$22.2 million
- Cash increased and debt declined to end the year net cash +
- Started 2021 with 1,034 more students

## 2021 Operations

- Met or exceeded 2021 guidance
- Cash and cash equivalents as of 12/31/2021: ~\$80M
- No debt outstanding as of 12/31/2021; \$11M available under revolving line of credit
- Monetized real estate through a sale-leaseback transaction

## 2022 and Beyond

- All programs will be blended 25% online / 75% on campus.
- Lincoln's existing operations will be simplified and streamlined
- Additional services will improve graduation and placement rates
- Operating efficiencies should lead to increased profitability

# Our Superior Educational Approach



Feedback Integration	<ul style="list-style-type: none"><li>➤ Develop training programs with feedback from employers and key industry associations to understand gaps and needs</li><li>➤ Integrate industry preferred licensing and certifications into the curriculum</li><li>➤ Provide robust student support services to ensure strong outcomes</li></ul>
Student Support	
Industrial Infrastructure	<ul style="list-style-type: none"><li>➤ Build labs and shops that replicate the working environment using professional grade equipment and tools</li><li>➤ Incorporate cutting edge education technology with animations, videos and simulations to make learning active and engaging</li></ul>
Engaging Curriculum	
Graduation and Placement	<ul style="list-style-type: none"><li>➤ Superior graduation rates and placement rates</li><li>➤ Expect students to meet employability standards for appearance, attendance and professional attitude while in school</li><li>➤ Offer an accelerated program with multiple entry points to allow students to graduate quickly and enter the workforce earlier</li></ul>
Employment Assistance	

# 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



# Compliance Stats

**90/10 Rule :** This rule caps the percentage of revenue that a proprietary institution can receive from federal financial aid sources at 90%; the other 10% of revenue must come from alternative sources.

**CDR :** It is the percentage of a school's borrowers who enter repayment on certain Federal Family Education Loan (FFEL) Program or William D. Ford Federal Direct Loan (Direct Loan) Program loans during a particular federal fiscal year (FY), October 1st to September 30th, and default or meet other specified conditions prior to the end of the second following fiscal year.

**Composite Score :** the DOE composite score reflects the overall financial health of an institution. The score can be anywhere along the scale from negative 1.0 to positive 3.0. If an institution receives a score greater than or equal to 1.5, the institution is considered financially responsible.

Metrics	FY 2021				FY 2020			
	Company Overall	New Britain OPEID	Indianapolis OPEID	Iselin OPEID	Company Overall	New Britain OPEID	Indianapolis OPEID	Iselin OPEID
<b>90/10</b>	75%	77%	72%	80%	77%	79%	74%	83%
<b>90/10*</b>	82%	82%	82%	83%	85%	85%	84%	85%
<b>CDR**</b>	9.8%	10.3%	11.3%	6.6%	10.1%	10.8%	11.0%	8.0%
<b>Composite Score</b>	3.0				2.6			

➤ This data is the annual data submitted to ACCSC for completion and employment rates for programs offered as of July 1, 2021

Total Students Available for Grad.	Total Grads	Completion Percentage	Grads. Available for Employment	Total Employed	Employment Percentage
12,602	8,292	66%	8,009	6,401	80%

\* Currently veteran's educational benefits is not included as part of the 90% limit, however, if it was included, the Company's ratio would remain below 90% as shown in the adjusted ratio.

\*\* 2018 cohort reported in FY21, 2017 cohort reported in FY20.

# Experienced Management Team (Years at Lincoln)



**Scott Shaw**  
President and CEO  
(21)



**Brian Meyers**  
EVP, CFO & Treasurer  
(19)



**Stephen Buchenot**  
EVP of Campus  
Operations (29)



**Chad Nyce**  
EVP, Chief Innovation  
Officer (2)



**Alexandra Luster**  
EVP, General counsel &  
Secretary (27)



**Stephen Ace**  
SVP of Human Resources  
(14)



**Susan English**  
SVP of Career Services &  
Industry Partners (37)



**Francis Giglio**  
SVP of Compliance and  
Regulatory (18)



**James Rasmussen**  
SVP Admissions  
(15)



**Tayfun Selen**  
SVP Administration and  
Real Estate (11)



**Peter Tahinos**  
SVP of Marketing  
(7)



**Val Thomas**  
SVP & Chief Information  
Officer (12)

# Board of Directors



**J. Barry Morrow**  
Non-Executive Chairman,  
Lincoln Educational  
Services; Founder &  
Chief Executive Officer,  
BK Capital Group



**John A. Bartholdson**  
Co-Founder & Partner,  
Juniper Investment Co.  
LLC



**Dr. Michael A. Plater**  
Former University  
President, Strayer  
University



**James J. Burke, Jr.**  
Founder & Managing  
Partner, JJB Capital  
Partners LLC



**Kevin M. Carney**  
Former Executive Vice  
President & Chief  
Financial Officer,  
Web.com Group Inc.



**Ronald E. Harbour**  
Senior Advisor, Global  
Automotive Manufacturing  
Practice, Oliver Wyman Co.



**Felecia Pryor**  
Chief Human Resources  
Officer, BorgWarner



**Carlton Rose**  
President, Global Fleet  
Maintenance &  
Engineering, UPS; 1981  
Lincoln Tech Graduate



**Scott M. Shaw**  
President & Chief  
Executive Officer, Lincoln  
Educational Services

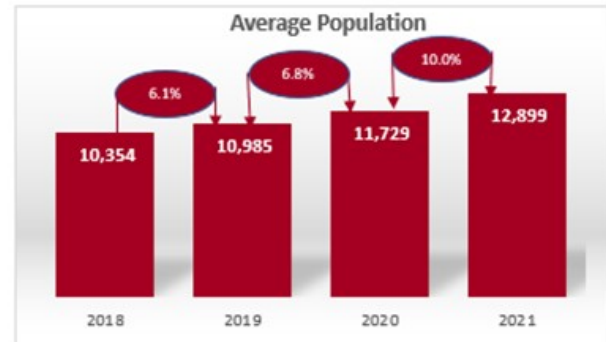
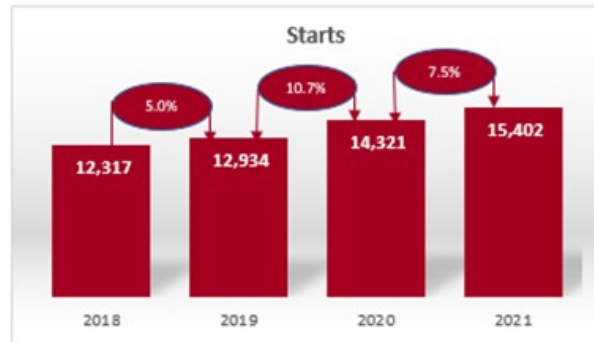
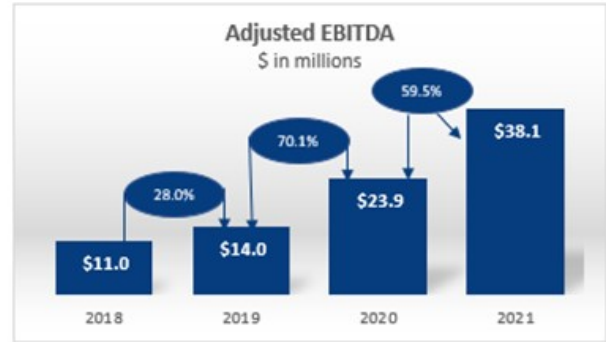
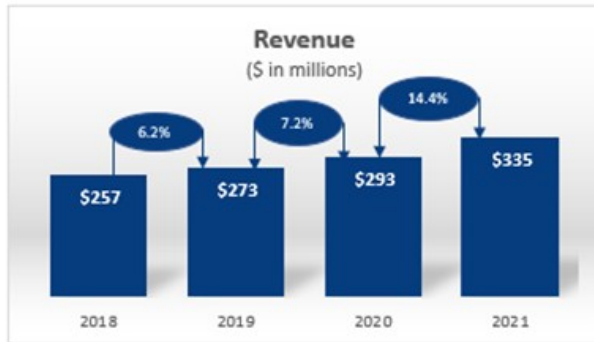
# Financial Review





# Profitability 2018 – 2021

## (Continuing Operations)



Refer to appendix for adjusted EBITDA Reconciliation

# Total Operations (\$ in millions)

- Approximately 13,100 students enrolled at 22 campuses as of 12/31/2021
- Key metrics such as revenue and average population continue to grow

- Approximately 2,700 student starts for the quarter ending 12/31/2021
- Average population grew approximately 650 vs. PY for the three months ending 12/31/2021

YTD Dec Revenue & Margin



YTD Dec Adj. EBITDA



Refer to appendix for adjusted EBITDA Reconciliation

Q4 Revenue & Margin



Q4 Adj. EBITDA



# Transportation and Skilled Trades (\$ in millions)



- Approximately 10,300 starts for the twelve months ending 12/31/2021
- Average Population increased by approximately 650 students YTD December 2021

- Approximately 8,650 students enrolled at 13 campuses as of 12/31/2021
- Average Population increased by approximately 550 students for the three months ending 12/31/2021

**YTD Dec Revenue & Margin**



**YTD Adj. EBITDA**



Refer to appendix for adjusted EBITDA Reconciliation

**Q4 Revenue & Margin**



**Q4 Adj. EBITDA**



# Healthcare and Other Professions (\$ in millions)

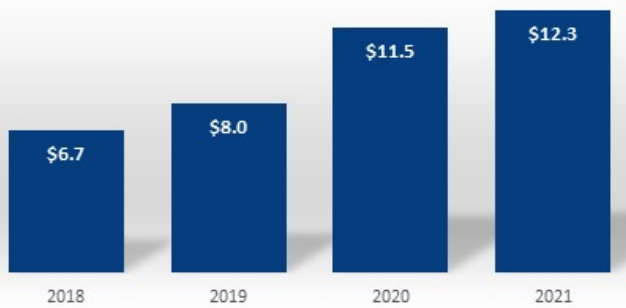
- Approximately 5,100 starts for the Twelve months ending 12/31/2021
- Average population increased by approximately 200 students as of 12/31/2021

- Approximately 4,500 students enrolled at 9 campuses for the three months ending 12/31/2021
- Average Population increased by approximately 100 students for the three months ending 12/31/2021

**YTD Dec Revenue & Margin**



**YTD Dec Adj. EBITDA**



Refer to appendix for adjusted EBITDA Reconciliation

**Q4 Revenue & Margin**



**Q4 Adj. EBITDA**



# Balance Sheet & Cash Flow Summaries

## **Balance Sheet**

	December 31,		
	2021	2020	2019
Total Assets	\$ 295,299	\$ 245,190	\$ 194,763
Total Liabilities	\$ 153,899	\$ 142,141	\$ 139,633
Series A Convertible Preferred Stock	11,982	11,982	11,982
Total Stockholders Equity	129,418	91,067	43,148
Total Liabilities, Stock, and Preferred	295,299	245,190	194,763

## **Net Cash**

	December 31,		
	2021	2020	2019
Cash & Restricted Cash	\$ 83,307	\$ 38,026	\$ 38,644
Total Debt	-	17,212	34,028
Net Cash	\$ 83,307	\$ 20,814	\$ 4,616

## **Cash Flow Summary**

	December 31,		
	2021	2020	2019
Net Cash Provided by (Used in) Operating Activities	\$ 27,447	\$ 23,485	\$ 988
Capital Expenditures	(7,531)	(5,580)	(5,385)
Free Cash Flow	\$ 19,916	\$ 17,905	\$ (4,397)

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# **Thank You for Attending our 2022 Shareholders Meeting**