

BRIDGING THE SKILLS GAP



LINCOLN TECH®

Quarter Ended September 30, 2021

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, 2020. 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, 2020. 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.

Investment Opportunity



Skills Gap

Employers cannot find enough technically trained employees and, with the infrastructure bill passed, demand for skilled workers should be even greater



Leader

Lincoln is a leading, technical, hands-on educator and trainer serving high demand industries (transportation, skilled trades and healthcare) facing this Skills Gap



Growth

Proven ability to grow population and revenue in high and low unemployment markets



Profitability

Long term significant operating leverage with approximately **40%** of incremental revenue dropping to the bottom line.



Balance sheet

Strong balance sheet with resources to expand programs and campuses to accelerate growth



Efficient Delivery

Lincoln should emerge from COVID-19 disruption in an excellent position for growth

- Lincoln has historically benefited from economic slowdowns
- Renewed attention on healthcare careers
- Methods of operating under distance learning can be retained to deliver education under a more efficient blended strategy going forward



2021 : A New Chapter for Lincoln

**2015 – 2017
Restructuring**



- Pressures throughout industry
- Programs realigned
- Campuses closed
- Cost cutting

**2018 – 2020
Turnaround**



- Leadership changes
- Positive new student starts
- Enrollment growth
- Return to profitability
- Financing transactions

**2021 & beyond
Growth**



- Achieving organic growth
- Resources to accelerate growth
- Increase marketing
- Expand and add programs
- Add campuses.

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

- Expect to operate with the current social distancing rules
- Continued strong start growth
- Improving online delivery to enhance student engagement
- Launching 4 new programs to increase growth
- 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

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.

Company Overview



Nasdaq : LINC

- A national leader with 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
- High operating leverage as enrollment grows
- Unlocking value in our real estate to provide additional liquidity to accelerate growth
- Opportunities to expand footprint and program offerings for additional growth

Key Highlights

Stock Price as of 9/30/2021 **\$6.69**

52-week Price Range **\$4.53 - \$8.08**

Common Shares Outstanding **25.1M**

Market Capitalization **\$168.2M**

Average Volume (3 mo.) **77,709**

Revenues (2020) **\$293.1 M**

EBITDA (2020) **\$22.2 M**

Institutional Ownership **67.6%**

Insider Ownership **9.7%**

Lincoln Today



- **Headquartered in Parsippany, NJ**
- **Operates 22 campuses in 14 states with approximately 14,000 students**
- **Two segments focused on “middle skills training”**

Transportation and Skilled Trades

13 Campuses

Approximately 9,500 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 4,500 students*

Growing demand for healthcare professionals

Strong demand by students especially for licensed practical nursing

Campuses Across the Country

Opportunity for expansion in the South and West

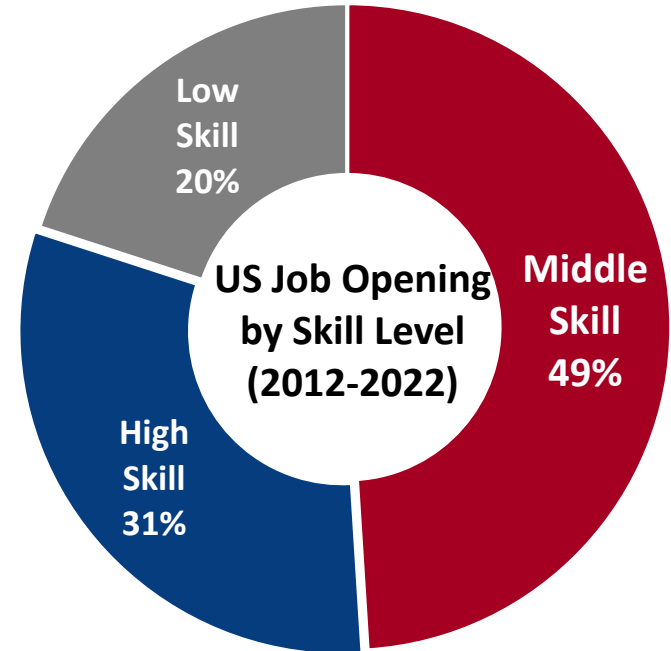


Demand for “Middle Skills Training”

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)

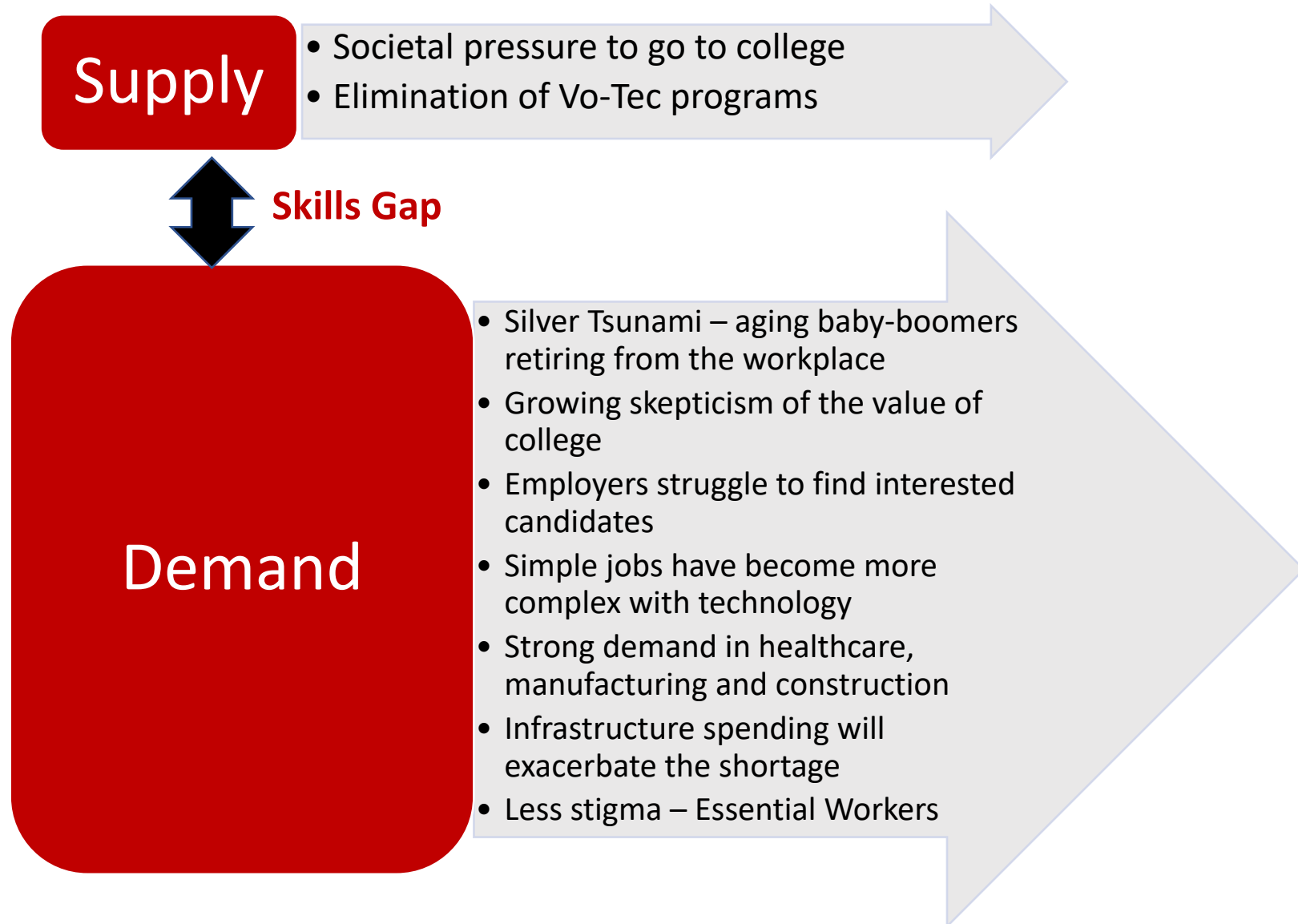
Lincoln connects employers with entry level trained professionals from the adult, high school and military sectors.



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



Drivers of Organic Demand for Training



Significant Opportunity for Organic Growth

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

Transportation and Skilled Trades	
Automotive Technology	74,000
Diesel Technology	28,400
Collision Repair	16,000
Electrical	94,600
Welding	48,800
HVAC	42,800
Electronic Systems Technology	12,700
CNC Manufacturing Technology	13,600
<i>Lincoln’s Market Share ~1.5%</i>	

Healthcare and Other Professions	
LPN	66,300
Medical Assisting	99,700
Dental Assisting	44,800
Culinary	158,500
Baking & Pastry	28,100
Cosmetology	94,600
Aesthetics	9,400
Information Technology	65,000
<i>Lincoln’s Market Share ~0.5%</i>	

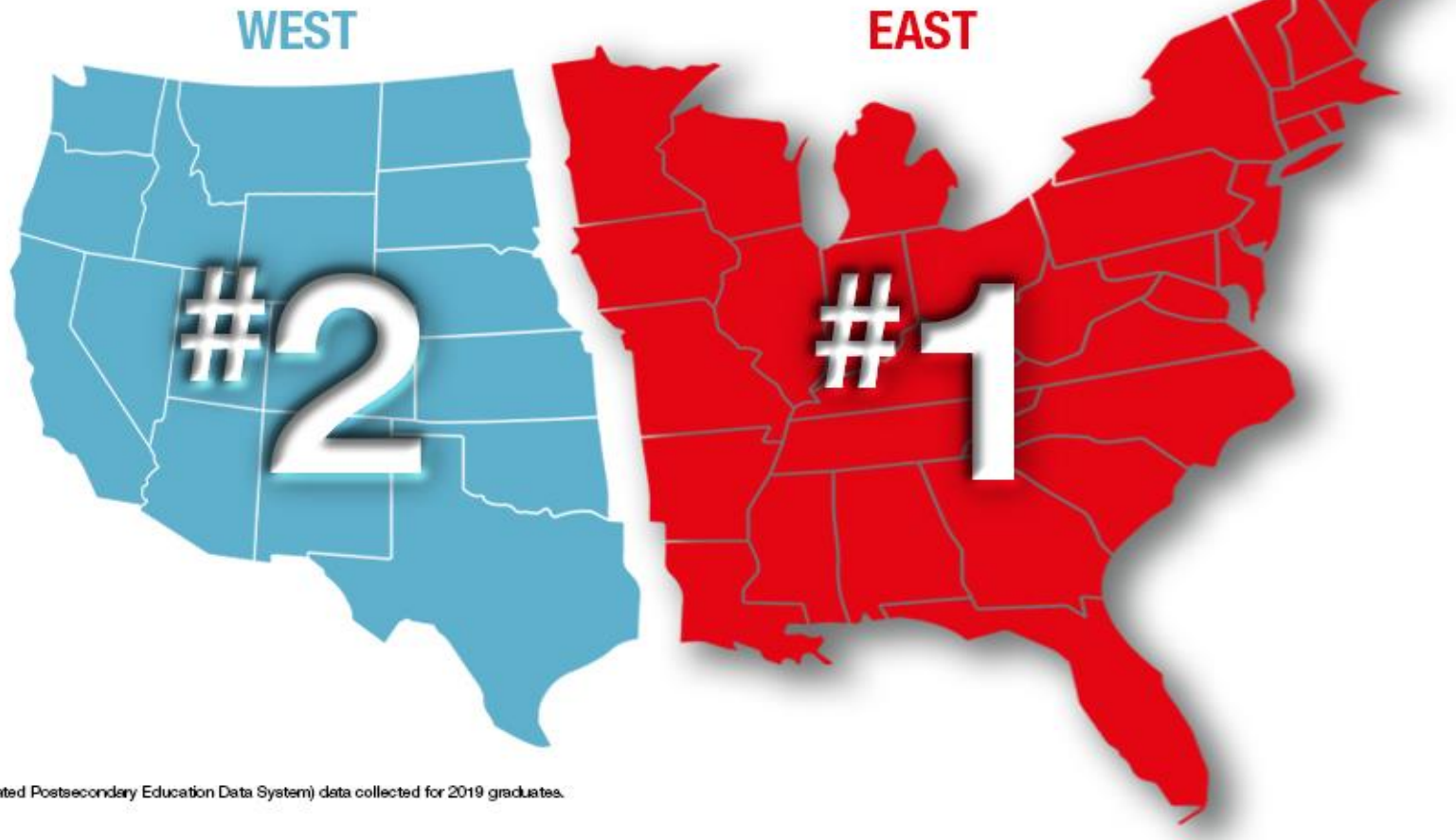
National figures cited above are based on projected annual job openings which refers to the average annual job openings due to growth and net replacement. This data was compiled from the U.S. Dept. of Labor, Bureau of Labor Statistics, for the years 2018 through 2028, www.careeronestop.org, captured on November 2, 2020. State-specific employment projections can also be found at careeronestop.org.

Our Core Strength

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



Largest Provider of Automotive and Skilled Trade Graduates in the East



Based on IPEDS (Integrated Postsecondary Education Data System) data collected for 2019 graduates.

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



Experienced Management Team (Years at Lincoln)



Scott Shaw
President and CEO
(20)



Brian Meyers
EVP, CFO & Treasurer
(18)



Stephen Buchenot
EVP of Campus
Operations (28)



Chad Nyce
EVP, Chief Innovation
Officer (1)



Alexandra Luster
EVP, General counsel &
Secretary (26)



Stephen Ace
SVP of Human Resources
(13)



Ami Bhandari
SVP of Education and
Corporate Strategy (18)



Susan English
SVP of Career Services &
Industry Partners (36)



Francis Giglio
SVP of Compliance and
Regulatory (17)



James Rasmussen
SVP Admissions
(14)



Tayfun Selen
SVP Administration and
Real Estate (10)

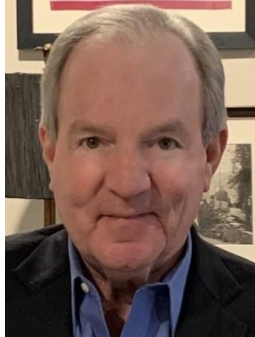


Peter Tahinos
SVP of Marketing
(6)



Val Thomas
SVP & Chief Information
Officer (11)

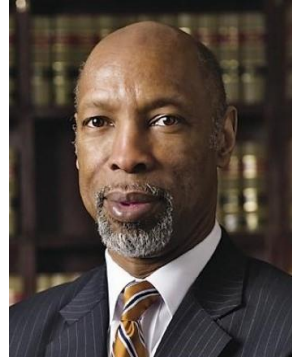
BOARD OF DIRECTORS



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.



Celia H. Currin
 Former Marketing
 Executive, Dow Jones &
 Wall Street Journal*



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

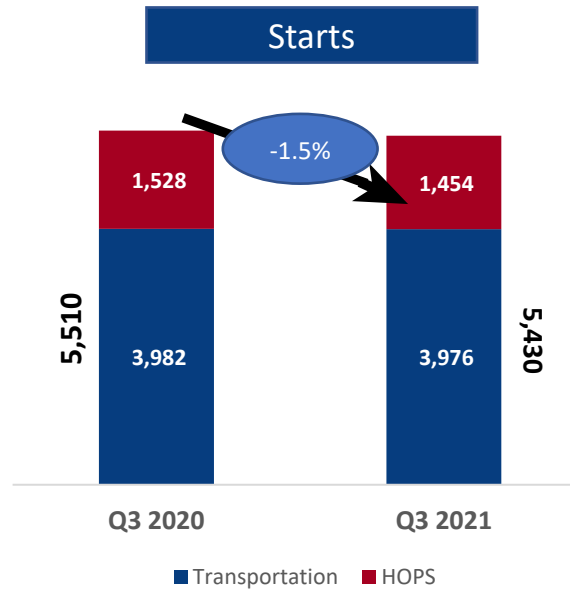
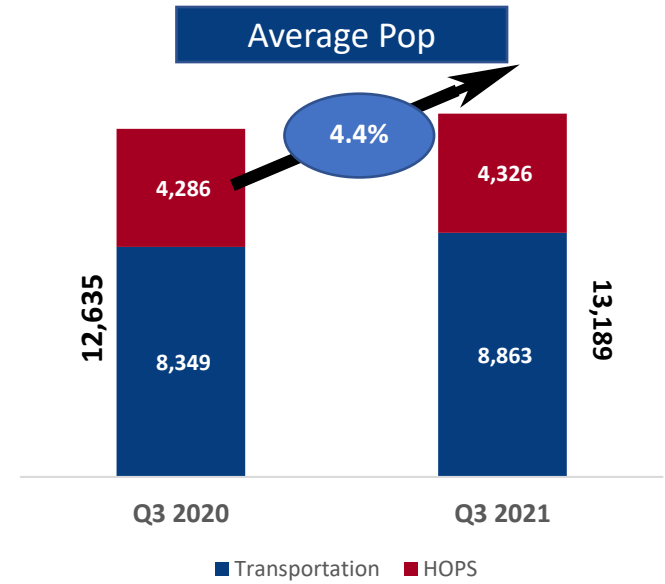
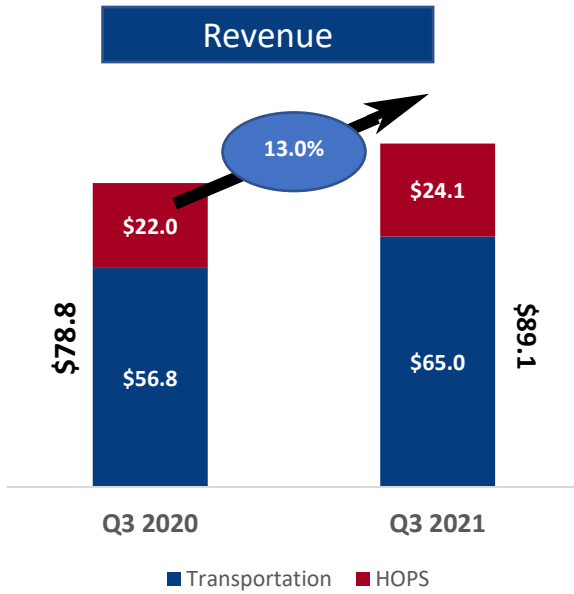
* Retired from Board of Directors effective November 4, 2021

Financial Review



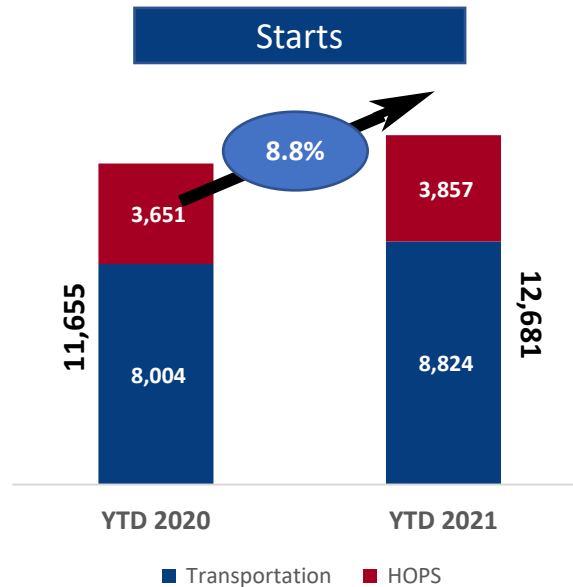
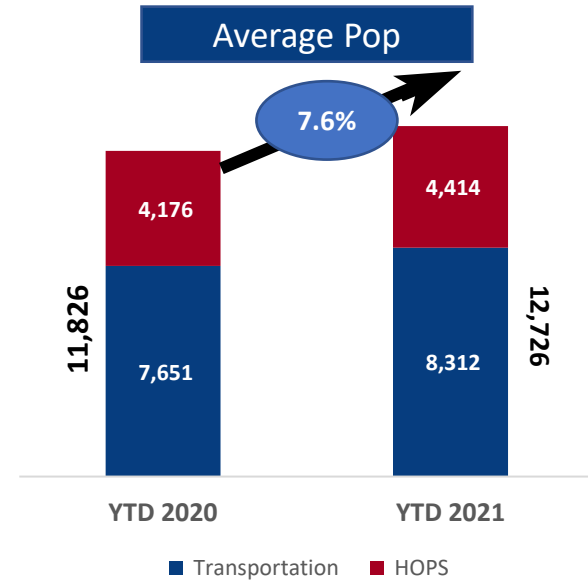
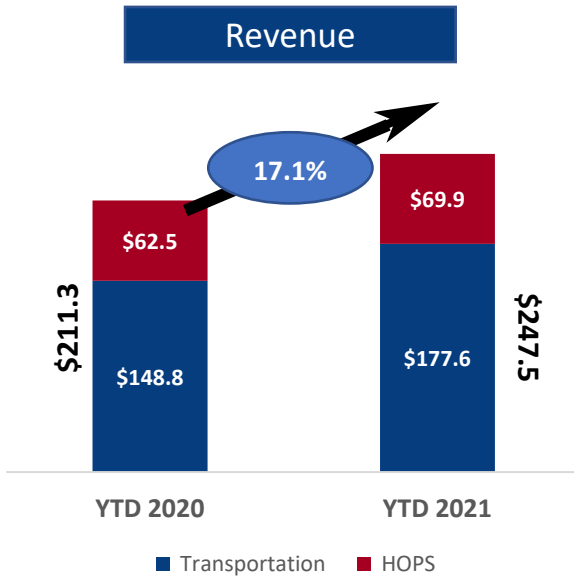
Revenue, Starts, & Average Population: Q3

(\$ in millions)



Revenue, Starts, & Average Population: Year to Date September

(\$ in millions)

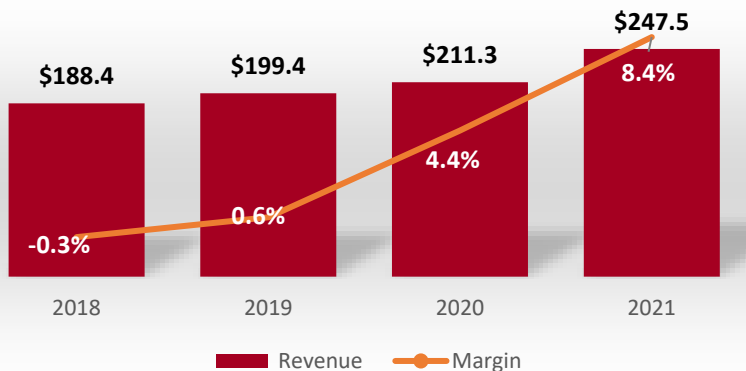


Total Operations (\$ in millions)

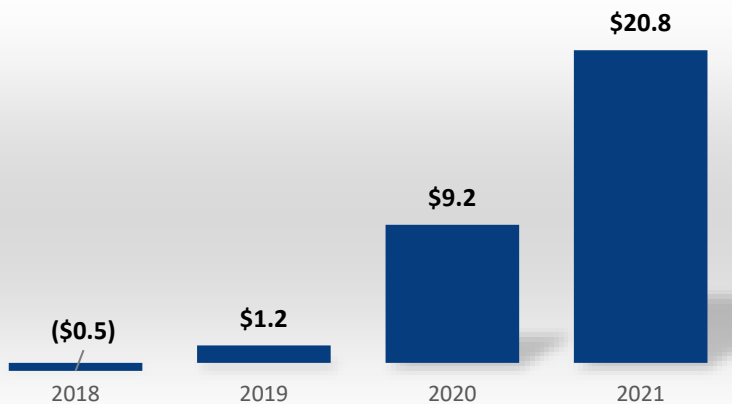
- Approximately 14,000 students enrolled at 22 campuses as of 09/30/2021
- Key metrics such as revenue and average population continue to grow

- Approximately 5,400 student starts for the quarter ending September 2021
- Average population grew approximately 550 vs. PY for the three months ending September 2021

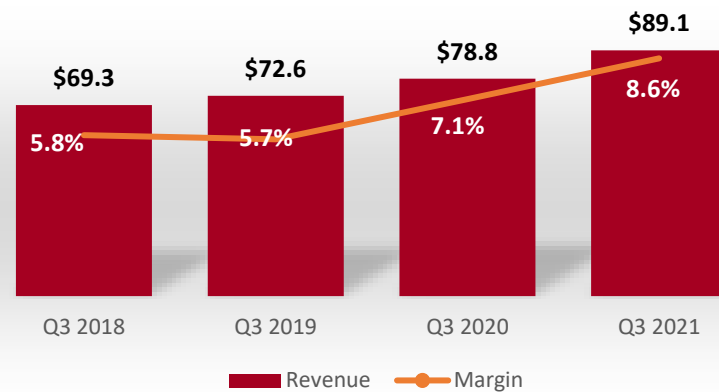
YTD Revenue & Margin



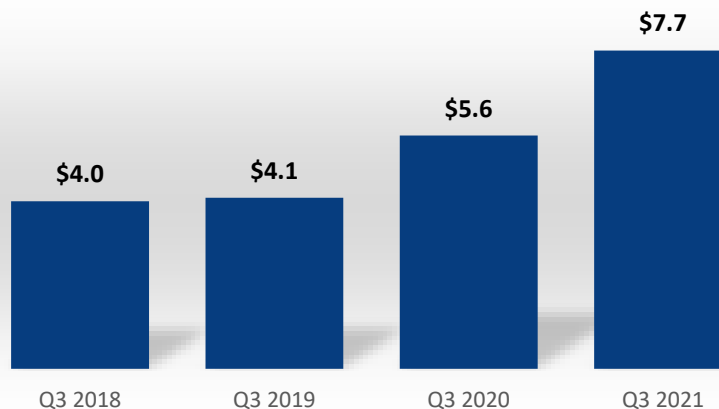
YTD EBITDA



Q3 Revenue & Margin



Q3 EBITDA



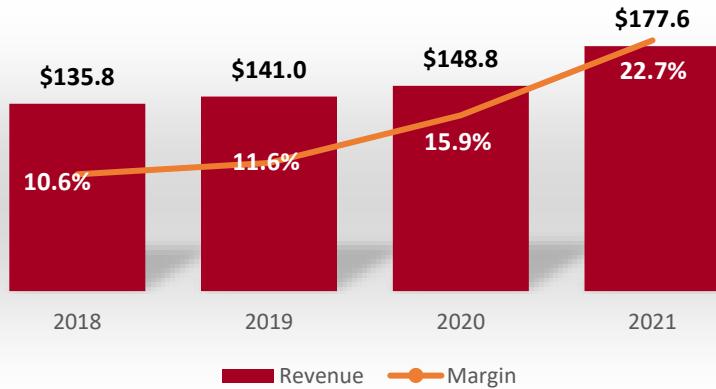
* 2018 excludes transitional segment (closed schools) and are presented as pro forma operations. Refer to appendix.

Transportation and Skilled Trades (\$ in millions)

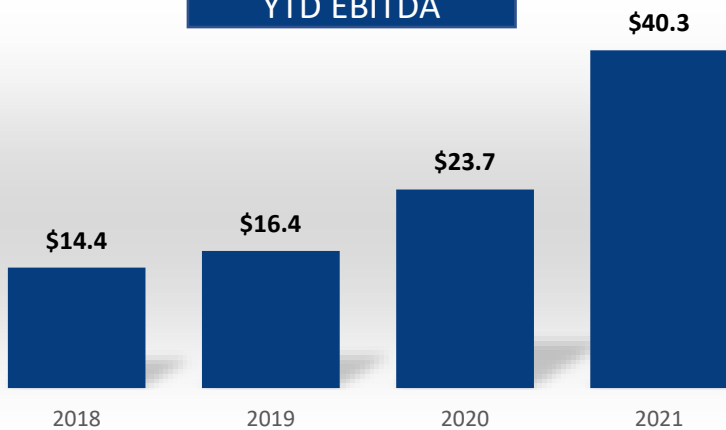
- Approximately 8,800 starts for the nine months ending September 2021
- Average Population increased by approximately 700 students for the nine months ending September 2021

- Approximately 9,500 students enrolled at 13 campuses as of 09/30/2021
- Average Population increased by approximately 500 students for the three months ending September 2021

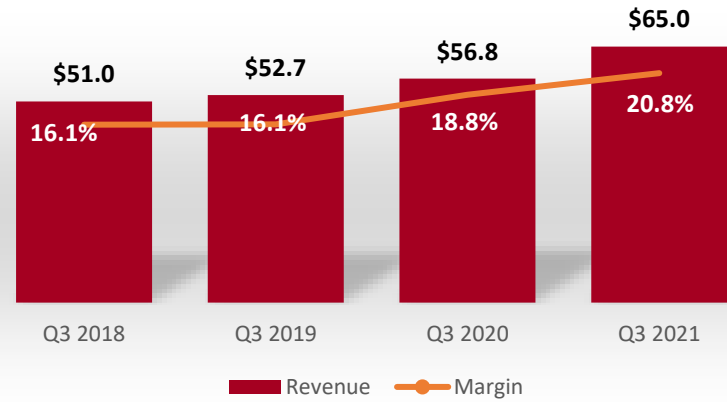
YTD Revenue & Margin



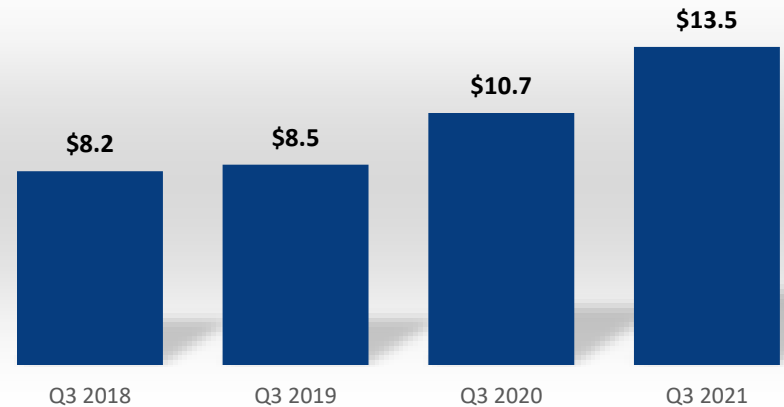
YTD EBITDA



Q3 Revenue & Margin



Q3 EBITDA

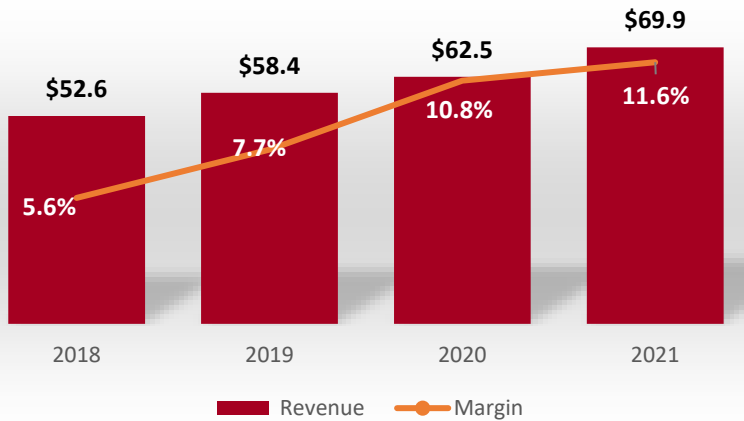


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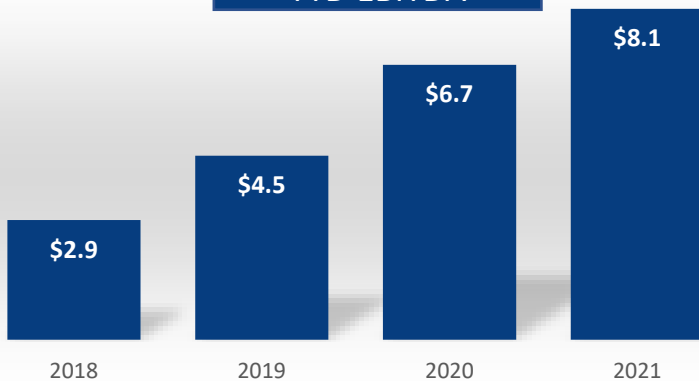
Healthcare and Other Professions (\$ in millions)

- Approximately 3,900 starts for the nine months ending September 2021
- Average population increased by approximately 200 students for the nine months ending September 2021
- Approximately 4,500 students enrolled at 9 campuses as of 09/30/2021
- Average Population increased by approximately 50 students for the three months ending September 2021

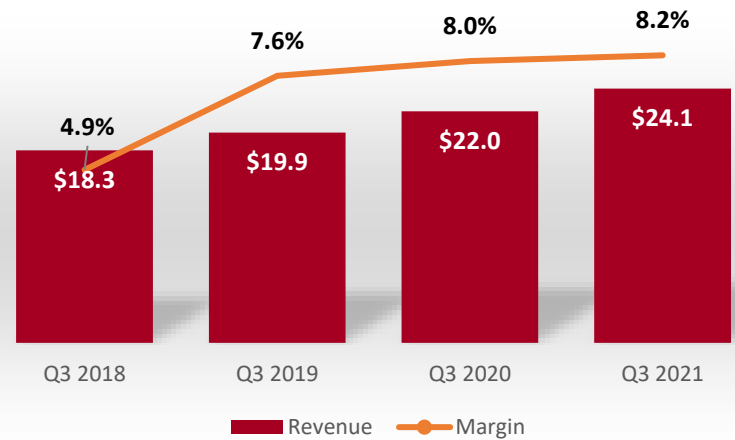
YTD Revenue & Margin



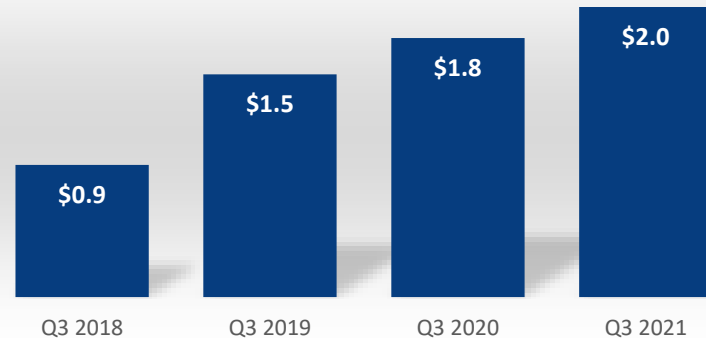
YTD EBITDA



Q3 Revenue & Margin



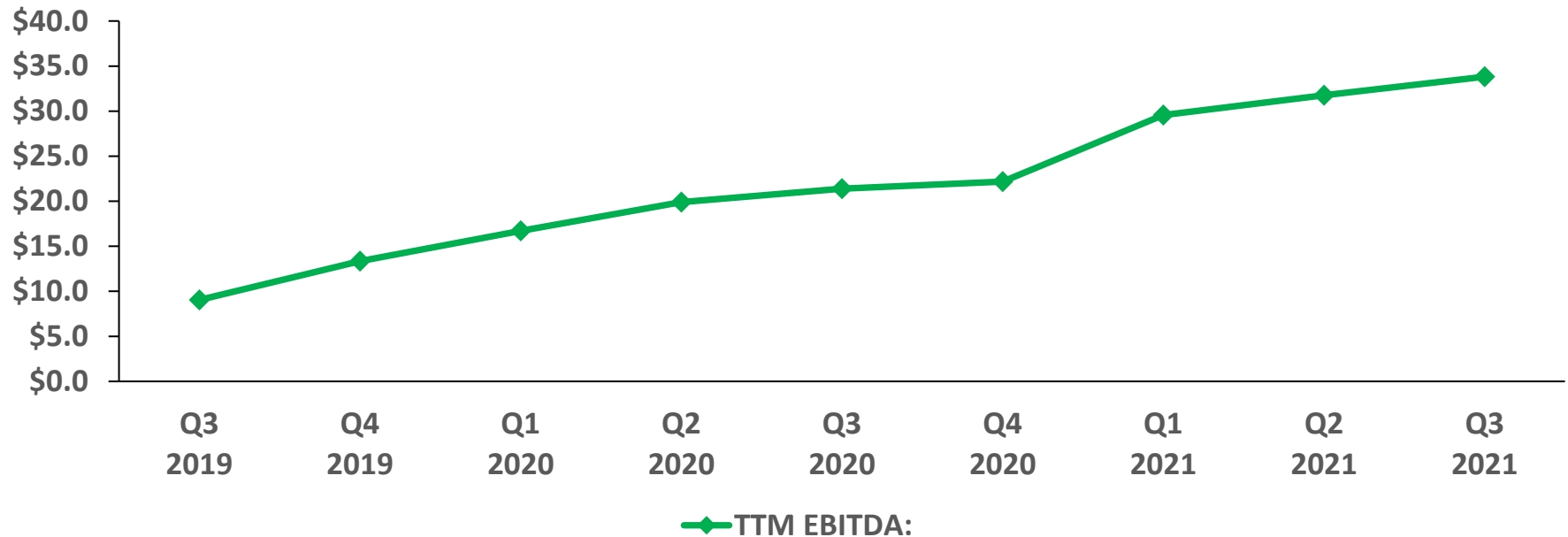
Q3 EBITDA



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

Increasing Profitability (\$ in millions)

Total Company EBITDA on a Trailing 12-month basis



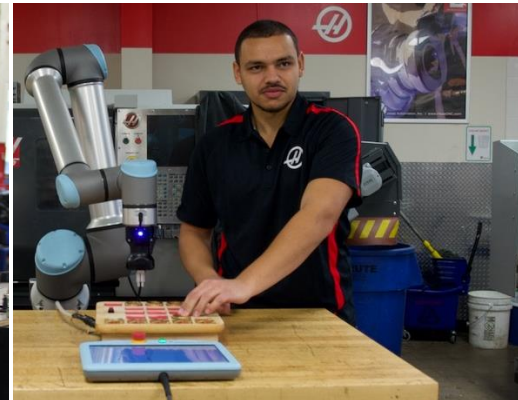
- 09/30/2021 EBITDA was +\$2M vs. +\$1.5M on 09/30/2020

EBITDA & Net Income Summary (\$ in millions)

	Q3		YTD		Growth	
	2020	2021	2020	2021	Q3	YTD
Revenue						
Transportation	\$56.8	\$65.0	\$148.8	\$177.6		
HOPS	\$22.0	\$24.1	\$62.5	\$69.9		
Total Revenue	\$78.8	\$89.1	\$211.3	\$247.5	13.0%	17.1%
EBITDA						
Transportation	\$10.7	\$13.5	\$23.7	\$40.3		
HOPS	\$1.8	\$2.0	\$6.7	\$8.1		
Corporate	-\$6.8	-\$7.8	-\$21.2	-\$27.6		
Total EBITDA	\$5.6	\$7.7	\$9.2	\$20.8	36.5%	126.5%
Net Income						
Transportation	\$9.1	\$11.8	\$18.8	\$35.4		
HOPS	\$1.7	\$1.8	\$6.4	\$7.7		
Corporate	-\$7.3	-\$9.8	-\$22.7	-\$32.4		
Total Net Income	\$3.5	\$3.8	\$2.5	\$10.8	9.3%	322.6%

Income Taxes

- 2020 Release of Valuation Allowance \$35.9M
- 2021 Effective Tax Rate 28%
- \$43M of Federal NOL's to offset 2021 taxable income and gain on sale of real estate transaction



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	\$ 3,034	\$ 5,623	\$ 12,980	\$ 22,181
2021	\$ 7,920	\$ 5,245	\$ 7,673		

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	3,429	5,510	2,666	14,321
2021	3,548	3,703	5,430		

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

Liquidity

- Cash and cash equivalents as of 09/30/2021; ~\$47M
- Closed on sale-leaseback on 10/29/2021 with net proceeds of ~\$28.5M after loan paydown
- No debt outstanding as of 10/31/2021; \$11M available under revolving line of credit
- Cash and cash equivalents as of 10/31/2021: ~\$80M
- Negotiating a new credit facility to further increase availability and financial flexibility with more favorable terms



Real Estate Assets

Owned Facilities	<ul style="list-style-type: none">➤ Nashville, TN<ul style="list-style-type: none">➤ Pending sale agreement expected to close Q1 2022 for \$34.5M➤ Suffield, CT * (*A vacant former school property that is up for sale)
Leased Facilities	<ul style="list-style-type: none">➤ 21 School Facilities➤ Denver, CO and Grand Prairie, TX<ul style="list-style-type: none">➤ Closed on sale-leaseback for aggregate selling price of \$46.5M on 10/29/21➤ 1 Corporate Headquarters
Goals	<ul style="list-style-type: none">➤ Continue to right-size facilities<ul style="list-style-type: none">➤ Space reduction➤ Sublease➤ Increase utilization with new programs



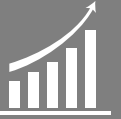





2021 Refined Financial Guidance

	2021
Revenue	+12% - 14% over 2020
Starts	+7% - 8% over 2020
Adjusted EBITDA*	\$35M - \$37M
Pre-Tax Income	\$25M - \$27M
Capital Expenditures	~\$7.5M

*Adjusted EBITDA is calculated as EBITDA adding back non-cash stock compensation expense.



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
-  In a down economy, Lincoln's growth and profitability can increase substantially
-  Opportunities to expand footprint and program offerings for additional growth
-  Capacity at campuses provides high operating leverage on incremental growth
-  Federal/State net operating losses carryforwards reducing future tax payments
-  Strong student outcomes and regulatory record

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

Quarterly EBITDA Reconciliation (\$ in thousands)

	For the Three Months Ended				For the Year Ended 2020	For the Three Months Ended				For the Year Ended 2021
	March 31, 2020	June 30, 2020	Sept 30, 2020	Dec 31, 2020		March 31, 2021	June 30, 2021	Sept 30, 2021	Dec 31, 2021	
Net Income (loss)										
Total Company	\$ (1,750)	\$ 783	\$ 3,512	\$ 46,020	\$ 48,565	\$ 4,489	\$ 2,426	\$ 3,839		\$ 10,754
Add-back:										
Interest expense, net	354	327	278	315	1,274	285	297	292		874
Provision for income taxes	50	50	50	(35,209)	(35,059)	1,245	729	1,614		3,588
Operating Income (loss)	\$ (1,346)	\$ 1,160	\$ 3,840	\$ 11,126	\$ 14,780	\$ 6,019	\$ 3,452	\$ 5,745		\$ 15,216
Depreciation and amortization:										
Total Company	1,890	1,874	1,783	1,854	7,401	1,901	1,793	1,927		5,621
EBITDA	\$ 544	\$ 3,034	\$ 5,623	\$ 12,980	\$ 22,181	\$ 7,920	\$ 5,245	\$ 7,672		\$ 20,837
Stock Compensation	292	325	670	400	1,686	493	844	757		2,094
Adjusted EBITDA	\$ 836	\$ 3,359	\$ 6,293	\$ 13,380	\$ 23,868	\$ 8,413	\$ 6,088	\$ 8,429		\$ 22,930

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	\$ (6,742)	\$ (3,205)	\$ 1,265	\$ 8,131	\$ (551)	\$ (5,467)	\$ (3,063)	\$ 1,339	\$ 9,206	\$ 2,015
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)	\$ (6,130)	\$ (2,625)	\$ 1,940	\$ 8,854	\$ 2,040	\$ (4,865)	\$ (2,093)	\$ 2,143	\$ 10,052	\$ 5,237
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	\$ (4,033)	\$ (540)	\$ 4,039	\$ 10,977	\$ 10,443	\$ (2,816)	\$ (152)	\$ 4,126	\$ 12,197	\$ 13,354

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>