

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): June 8, 2023

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))

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 |

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.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On June 8, 2023, Nashville Acquisition, LLC, a subsidiary of Lincoln Educational Services Corporation (the “Company”), consummated the previously reported contemplated sale of approximately 16 acres of property located at 1524 Gallatin Road, Nashville, Tennessee (the “Nashville Sale”), at which the Company operates its Nashville campus, to East Nashville Owner, LLC, an affiliate of SLC Development, LLC, a subsidiary of Southern Land Company (“SLC”), pursuant to the Contract for the Purchase of Real Estate, dated September 21, 2021, as amended (the “Sale Agreement”), for a purchase price of approximately \$33.8 million.

Pursuant to the terms of the Sale Agreement, the Company has negotiated a lease agreement with SLC allowing it to continue to occupy the property and operate the Nashville campus for a period of 15 months, rent-free, and including, thereafter, three options to extend the lease beyond the initial 15-month term for consecutive 30-day terms at \$150,000 per extension term. As previously reported, the Company intends ultimately to relocate its Nashville campus to a newer, state-of-the-art property in the Nashville metropolitan area but has not yet determined a location.

The net proceeds are approximately \$33.2 million, net of closing costs, from the Nashville Sale which will be available for working capital, acquisitions, other strategic initiatives and general corporate purposes. The property’s carrying value is approximately \$4.5 million. The estimated fair value of the rent for the 15-month rent-free period is between \$2.0 million and \$2.5 million.

Forward-Looking Statements

This Current Report on Form 8-K, including Exhibit 99.1 hereto, includes certain “forward-looking statements” within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act, which are intended to qualify for the “safe harbor” from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. Additionally, forward looking statements are subject to certain risks, trends, and uncertainties. The Company cannot provide assurances that the assumptions upon which these forward-looking statements are based will prove to have been correct. Should one of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied in any forward-looking statements, and investors are cautioned not to place undue reliance on these forward-looking statements, which are current only as of the date of this Current Report on Form 8-K. The Company does not intend to update or revise any forward-looking statements made herein or any other forward-looking statements as a result of new information, future events or otherwise. The Company further expressly disclaims any written or oral statements made by a third party regarding the subject matter of this Current Report on Form 8-K.

Item 8.01. Other Events.

On June 13, 2023, the Company issued a press release announcing the closing of the Nashville Sale. A copy of the press release is filed as Exhibit 99.1 hereto and incorporated herein by reference.

The information contained under this Item 8.01 in this Current Report on Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

| <u>Exhibit No.</u> | <u>Exhibit Title</u> |
|----------------------|--|
| 99.1 | Press Release of Lincoln Educational Services Corporation, dated June 13, 2023 |
| 104 | Cover Page Interactive Data File - the cover page XBRL tags are 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.

LINCOLN EDUCATIONAL SERVICES CORPORATION

Date: June 13, 2023

By: /s/ Brian K. Meyers

Name: Brian K. Meyers

Title: Executive Vice President, Chief Financial Officer
and Treasurer



Press Release

Lincoln Educational Services Closes on the Sale of its Nashville, TN Campus for \$33.8 Million

The school will remain in operation at the current site while a new campus location is determined.

PARSIPPANY, NJ – June 13, 2023 – Lincoln Educational Services Corporation (NASDAQ: LINC), a national leader in specialized technical training for more than 75 years, announced today that it has closed on the sale of its Nashville campus to an affiliate of SLC Development, LLC for \$33.8 million pursuant to the previously reported Contract for the Sale of Real Estate entered into in 2021. In connection with the sale, the parties entered into a lease agreement allowing Lincoln to continue to occupy the nearly 16-acre property located at 1524 Gallatin Avenue in East Nashville and operate its campus on a rent-free basis for a period of 15 months while the Company seeks to relocate to a more modern facility within the Nashville market. In addition to the initial 15-month term of the lease, Lincoln has three options to extend the lease for consecutive 30-day terms at \$150,000 per extension term.

“Our Nashville campus will continue to be fully operational, with no interruption to our training programs, as we seek to relocate to a newer, state-of-the-art facility and carry on the legacy that began in 1919 as Nashville Auto-Diesel College and continues today,” said Scott Shaw, Lincoln Educational Services Corporation President and CEO.

While the new campus location has not yet been determined, Lincoln expects that the new facility will be EBITDA neutral for the first year of operations given the anticipated efficiencies. The Company expects to invest \$15 to \$20 million for the buildout of the new campus including the addition of new programs such as HVAC and Electrical.

The net proceeds from the Nashville sale are approximately \$33.2 million, net of closing costs, which will be available for working capital, acquisitions, other strategic initiatives and general corporate purposes. The property’s carrying value is approximately \$4.5 million. The estimated fair value of the rent for the 15-month rent-free period is between \$2.0 million to \$2.5 million.

FORWARD-LOOKING STATEMENTS

Statements in this press release and in oral statements made from time to time by representatives of Lincoln Educational Services Corporation regarding Lincoln's business that are not historical facts, including those made in a conference call, may be "forward-looking statements" as that term is defined in the federal securities law. The words "may," "will," "expect," "believe," "anticipate," "project," "plan," "intend," "estimate," and "continue," and their opposites and similar expressions are intended to identify forward-looking statements. 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. 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, if at all. Generally, these statements relate to business plans or strategies and projections involving anticipated revenues, earnings or other aspects of the Company's operating results. Such forward-looking statements include the Company's current belief that it is taking appropriate steps regarding the pandemic and that student growth will continue. The Company cautions you that these statements concern current expectations about the Company's future performance or events and are subject to a number of uncertainties, risks and other influences many of which are beyond the Company's control, that may influence the accuracy of the statements and the projects upon which the statements are based including, without limitation, impacts related to the COVID-19 pandemic or other epidemics or pandemics; our failure to comply with the extensive regulatory framework applicable to our industry or our failure to obtain timely regulatory approvals in connection with acquisitions or a change of control of our Company; our success in updating and expanding the content of existing programs and developing new programs for our students in a cost-effective manner or on a timely basis; risks associated with the opening of new campuses; industry competition; our ability to execute our growth strategies; conditions and trends in our industry; general economic conditions; and other factors discussed in the "Risk Factors" section of our Annual Reports and Quarterly Reports filed with the Securities and Exchange Commission. All forward-looking statements are qualified in their entirety by this cautionary statement, and Lincoln undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise after the date hereof.

About Lincoln Educational Services Corporation

Lincoln Educational Services Corporation is a leading provider of diversified career-oriented post-secondary education. Lincoln offers recent high school graduates and working adults career-oriented programs in five principal areas of study: automotive technology, health sciences, skilled trades, business and information technology, and hospitality services. Lincoln has provided the workforce with skilled technicians since its inception in 1946. Lincoln currently operates 22 campuses in 14 states under four brands: Lincoln College of Technology, Lincoln Technical Institute, Lincoln Culinary Institute and Euphoria Institute of Beauty Arts and Sciences. For more information, please go to www.lincolntech.edu.
