

# BRIDGING THE SKILLS GAP



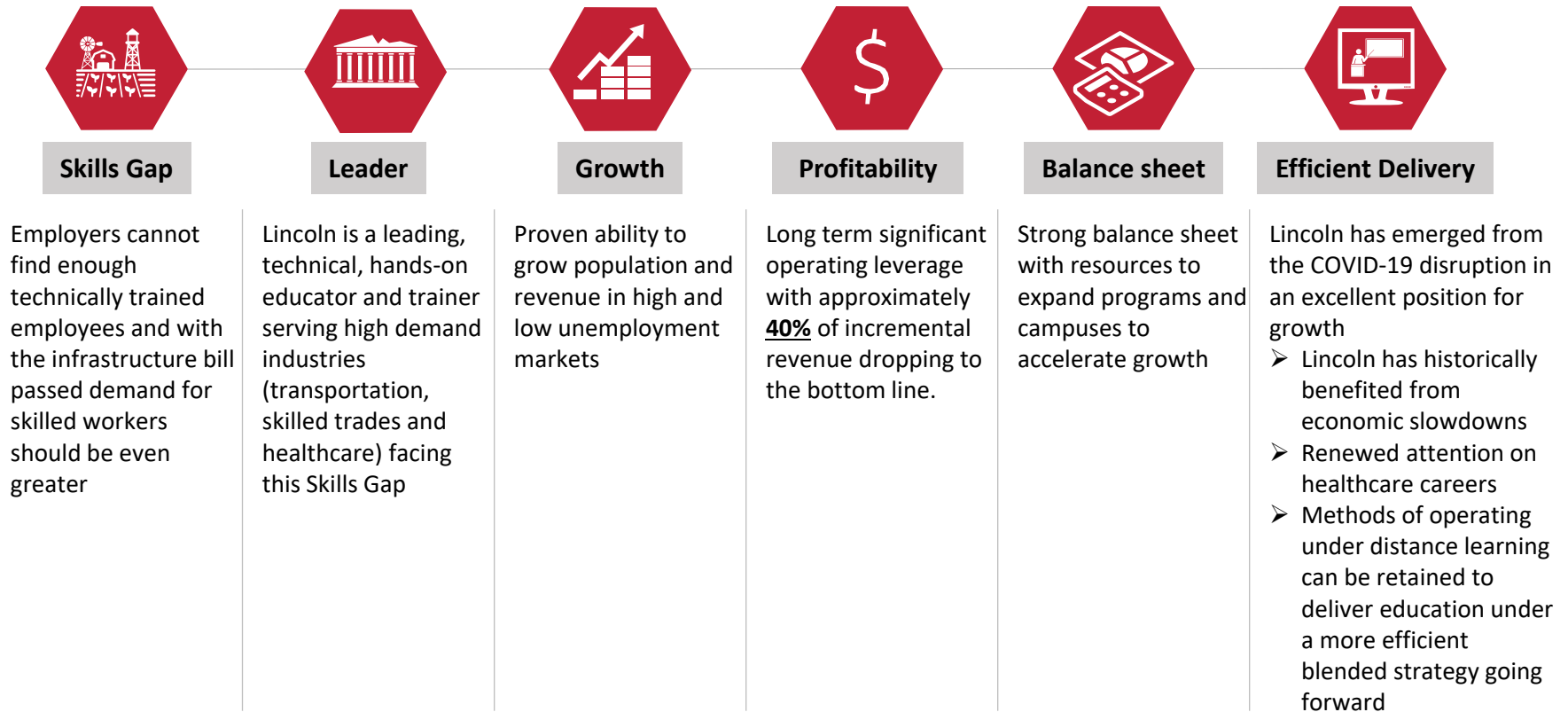
LINCOLN TECH®

Year Ended December 31, 2022

# 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, 2022. 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, 2022. 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



# A New Chapter for Lincoln

## 2015 – 2017 Restructuring



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

## 2018 – 2020 Turnaround



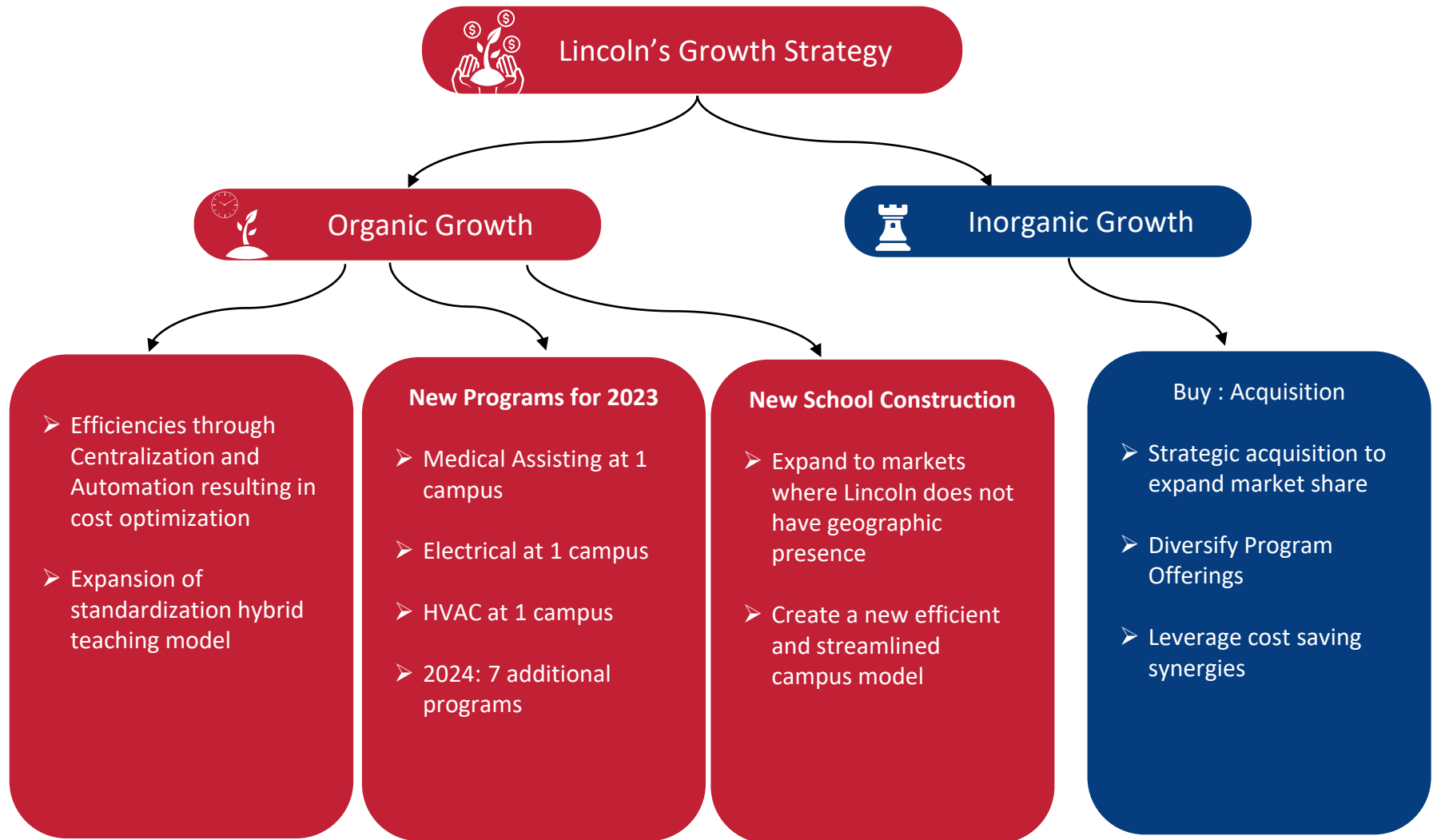
- Leadership changes
- Positive new student starts
- Enrollment growth
- Return to profitability
- Financing transactions

## 2021 & beyond Growth

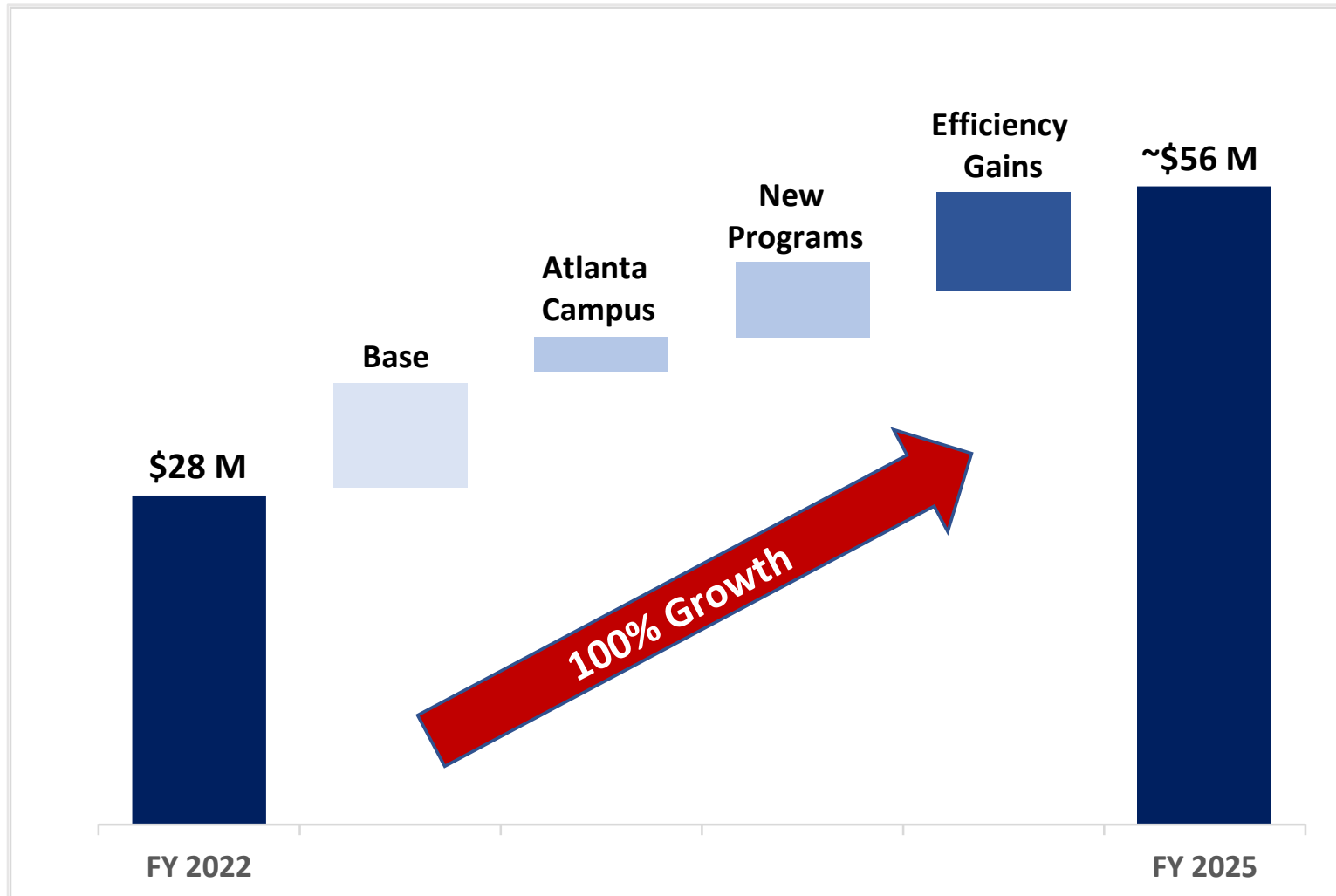


- Achieve organic growth
- Lower operating costs through efficiencies
- Resources to accelerate growth
- Increase marketing
- Expand and add programs
- Add campuses

# Growth Strategy



# EBITDA Growth 2022 - 2025



\* Adjusted EBITDA, excludes stock-based compensation

\* Does not include any future campuses

# New Campus Hybrid Learning Model

## Facilities

State-of-the-art facilities ~60k – 80k square feet

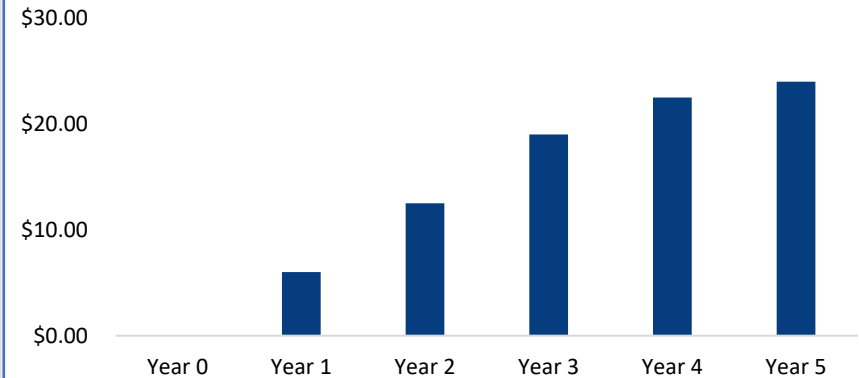
## Blended Programs

The Campus will offer a mix of Automotive and Skilled Trade Programs in the Hybrid Learning Model.

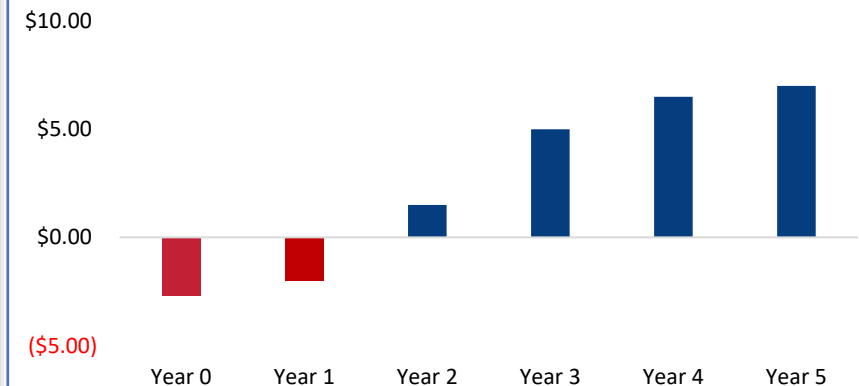
## Financials

- CapEx: ~\$15M
- ~\$4.8M of EBITDA loss in years 0/1
- Accretive to earnings within 2 years
- Avg Pop of ~700 students by Year 5
- IRR of 30%

Revenue (\$M)



EBITDA (\$M)



*Year 0 is 9 month and Year 1 forward is 12 months  
EBITDA includes corporate allocations*

# Atlanta Campus (Opening Q1 2024)

## Facilities

State-of-the-art facilities

- ~55k sq. feet
- Capacity for ~700 students
- Located near major thoroughfare

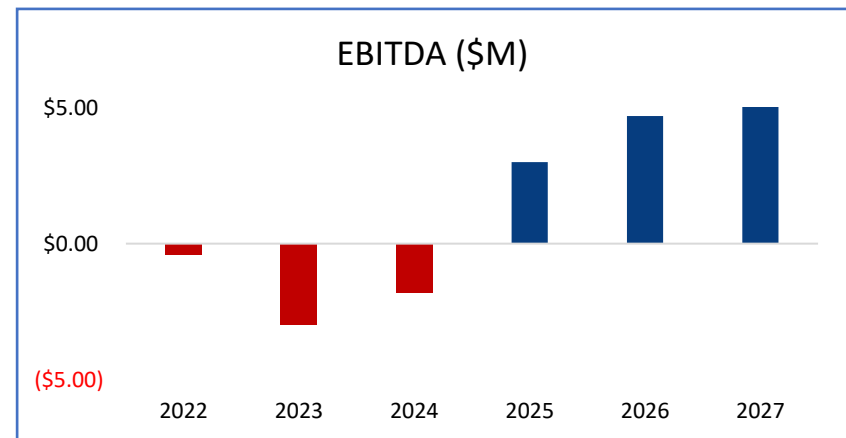
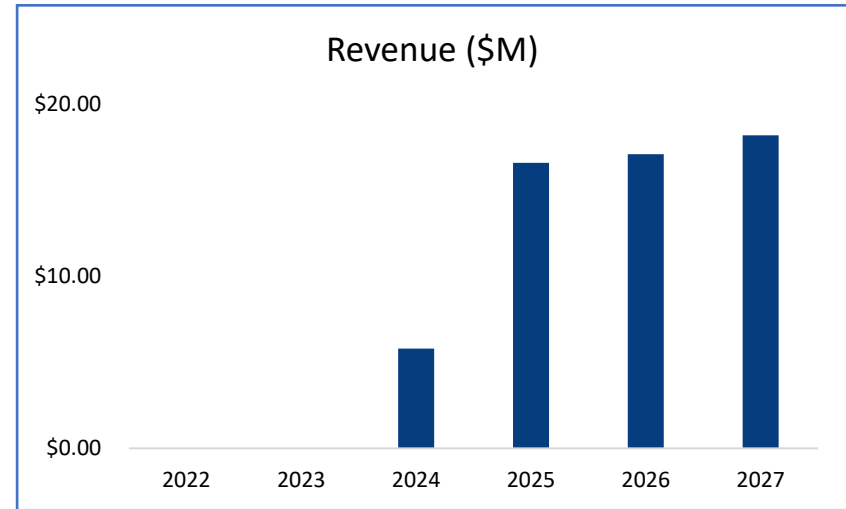
## Blended Programs

The Campus will offer:

- Automotive
- Electrical & Electronic Systems Tech
- HVAC
- Welding

## Financials

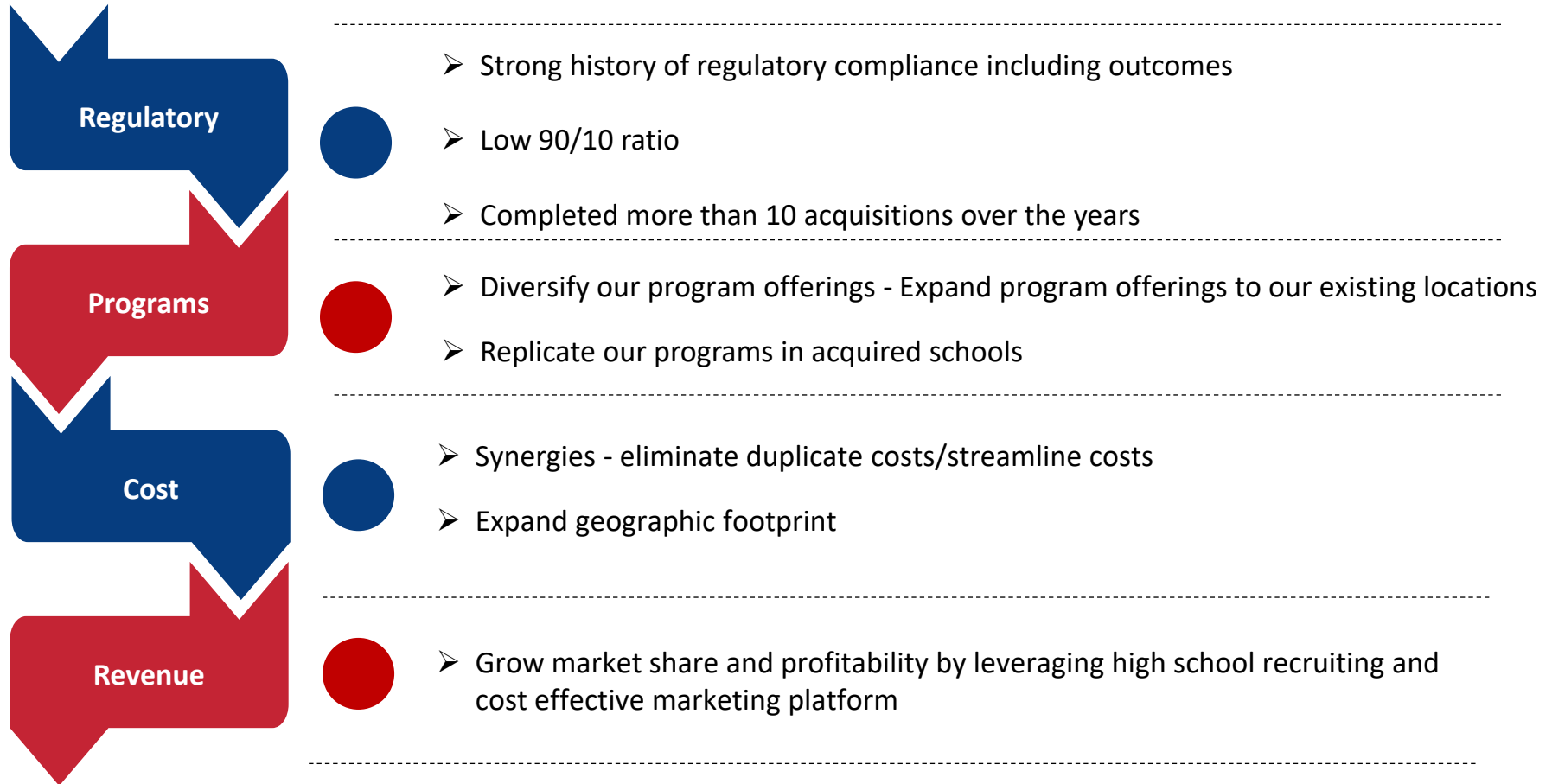
- CapEx: ~\$14M
- ~\$5.9M of EBITDA loss in first 26 months
- Accretive to earnings within 3 years
- Avg Pop of ~550 students by Year 5
- IRR of 30%



*Year 0 is 3 months and Year 1 forward are 12 months  
EBITDA includes corporate allocations*



# Disciplined Acquisition Strategy



# 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 12/31/2022

**\$5.79**

52-week Price Range

**\$4.69 - \$7.90**

Common Shares Outstanding

**31.1M**

Market Capitalization

**\$180.3M**

Average Daily Volume

**112,745**

Revenues (2022)

**\$348.3M**

Adjusted EBITDA (2022)

**\$28.2 M**

Institutional Ownership

**73.95%**

Insider Ownership

**8.11%**



# Lincoln Today



- Headquartered in Parsippany, NJ
- Operates 21 campuses in 13 states with approximately 12,200 students
- Two segments focused on “middle skills training”
- Atlanta, GA Campus to open Q1 2024
- Somerville, MA campus closing December 2023 (included in Transitional segment)

## Transportation and Skilled Trades

13 Campuses

Approximately 8,200 students\*

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

Growing list of industry partners

## Healthcare and Other Professions

8 Campuses

Approximately 4,000 students\*

Growing demand for healthcare professionals

Strong demand by students especially for licensed practical nursing

\* as of 12/31/2022

# Campuses Across the Country

Opportunity for expansion in the South and West

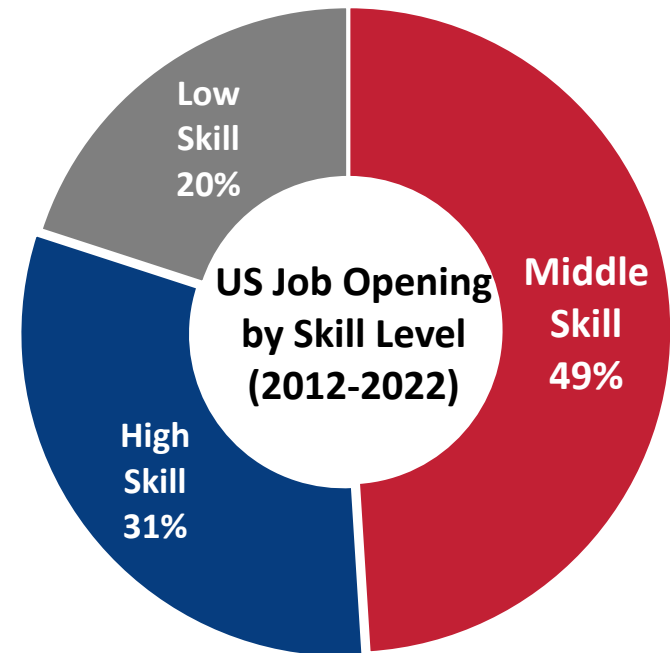


# Demand for “Middle Skills Training”

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)

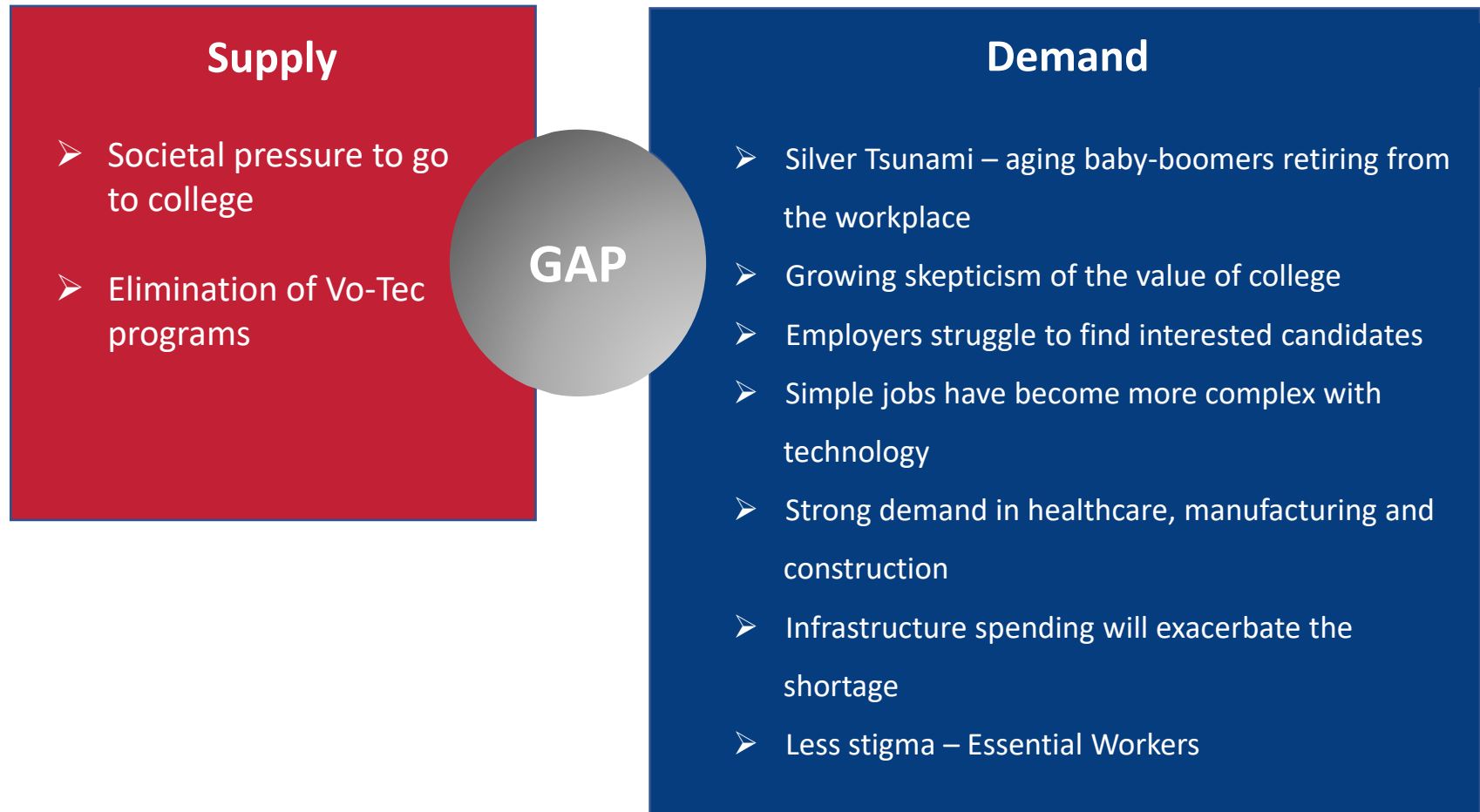
Lincoln connects employers with entry level trained professionals from the adult, high school and military sectors.



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	73,300
Diesel Technology	28,500
Collision Repair	15,200
Electrical	79,900
Welding	47,600
HVAC	40,100
CNC Manufacturing Technology	14,700
<b><i>Lincoln's Market Share ~2.4%</i></b>	

Healthcare and Other Professions	
LPN	58,800
Medical Assisting	123,000
Dental Assisting	56,400
Culinary	237,600
Baking & Pastry	31,300
Cosmetology & Aesthetics	100,700
Information Technology	58,900
<b><i>Lincoln's Market Share ~0.5%</i></b>	

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 2021 through 2031, [www.careeronestop.org](http://www.careeronestop.org), captured on February 28, 2023. State-specific employment projections can also be found at [careeronestop.org](http://careeronestop.org).

# Our Superior Educational Approach



## Feedback Integration

## Student Support

- 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

## Industrial Infrastructure

## Engaging Curriculum

- 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

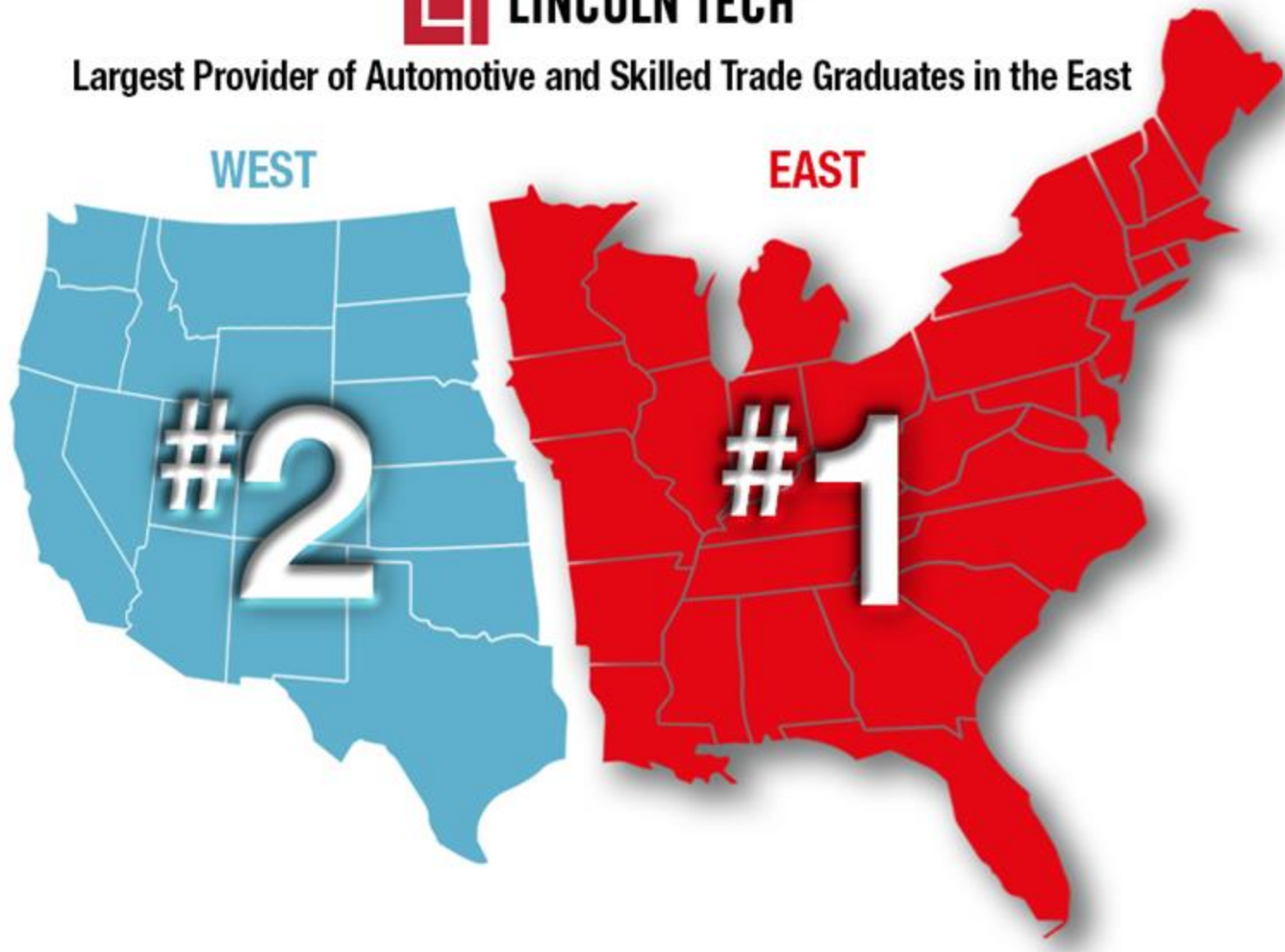
## Graduation and Placement

## Employment Assistance

- 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



**Largest Provider of Automotive and Skilled Trade Graduates in the East**



# 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.

	FY 2022				FY 2021			
Metrics	Company Overall	New Britain OPEID	Indianapolis OPEID	Iselin OPEID	Company Overall	New Britain OPEID	Indianapolis OPEID	Iselin OPEID
<b>90/10</b>	74%	75%	71%	80%	75%	77%	72%	80%
<b>90/10*</b>	80%	80%	79%	83%	82%	82%	82%	83%
<b>CDR**</b>	2.7%	2.9%	2.9%	1.9%	9.8%	10.3%	11.3%	6.6%
<b>Composite Score</b>	2.9				3.0			

➤ This data is the annual data submitted to ACCSC for completion and employment rates for programs offered as of July 1, 2022

Total Students Available for Grad.	Total Grads	Completion Percentage	Grads. Available for Employment	Total Employed	Employment Percentage
13,696	8,833	64.5%	8,509	6,924	81.4%

\* 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.

\*\* 2019 cohort reported in FY22, 2018 cohort reported in FY21.

# Experienced Management Team

(Years at Lincoln)



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



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



**Stephen Buchenot**  
EVP of Campus  
Operations (30)



**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)



**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



**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.



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



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



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



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



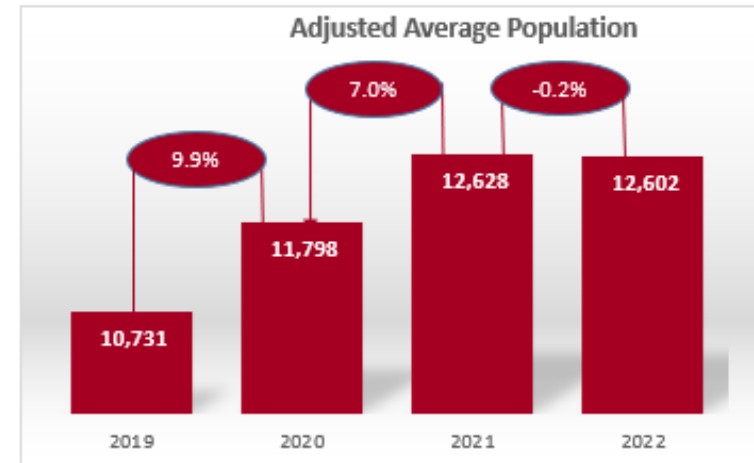
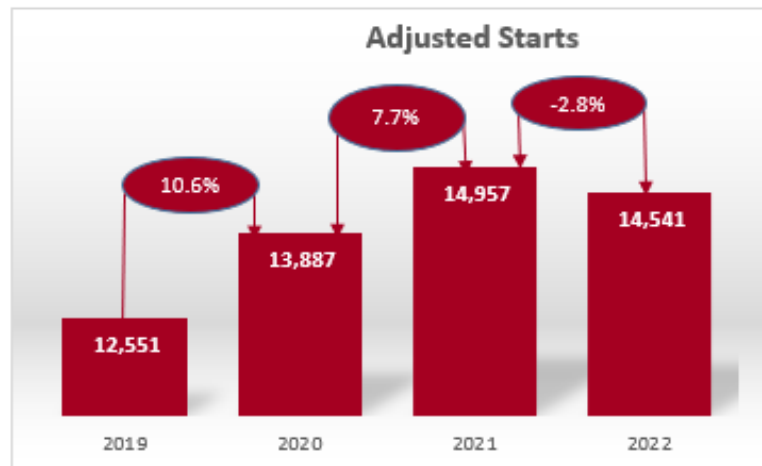
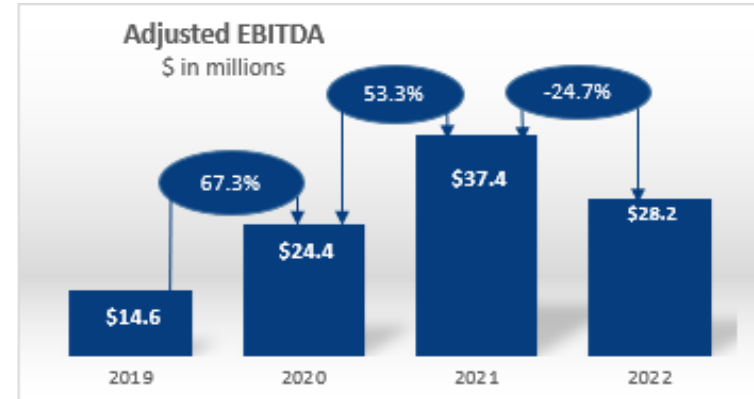
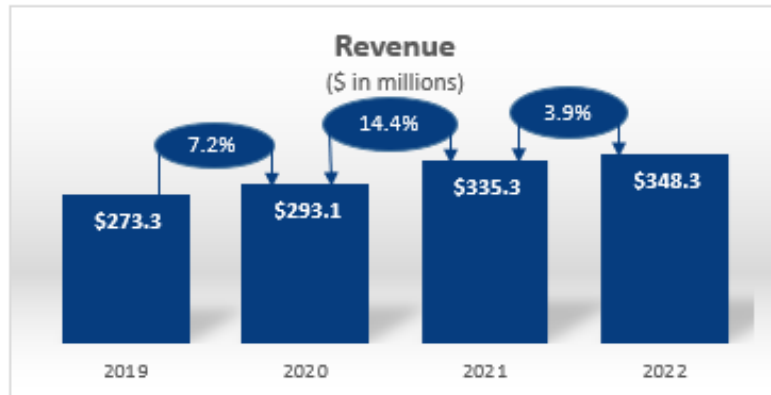
**Sylvia J. Young**  
Former President & Chief  
Executive Officer HCA  
Continental Division

# Financial Review



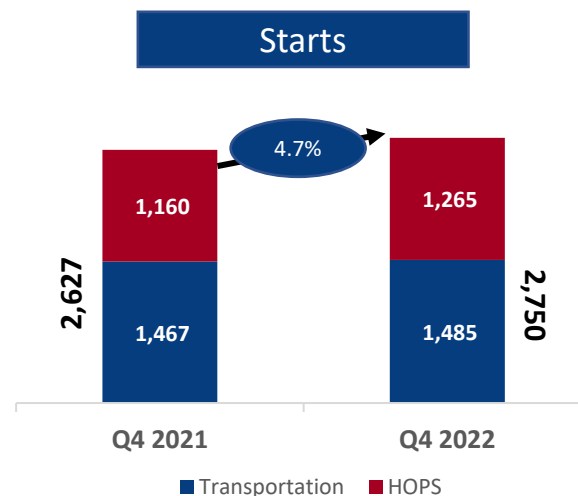
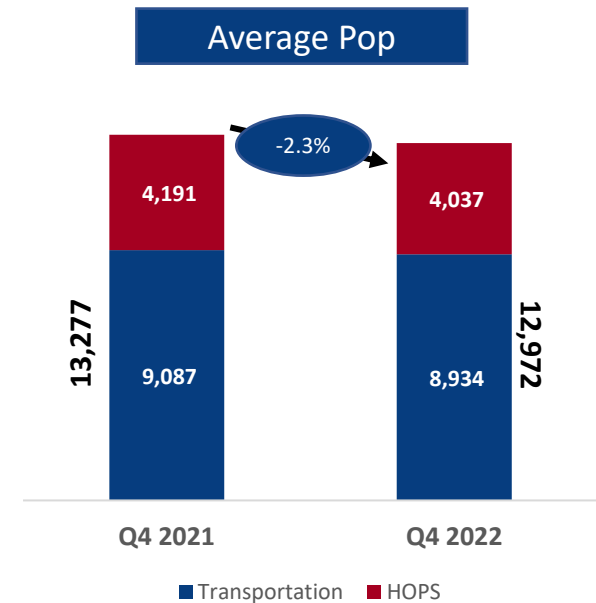
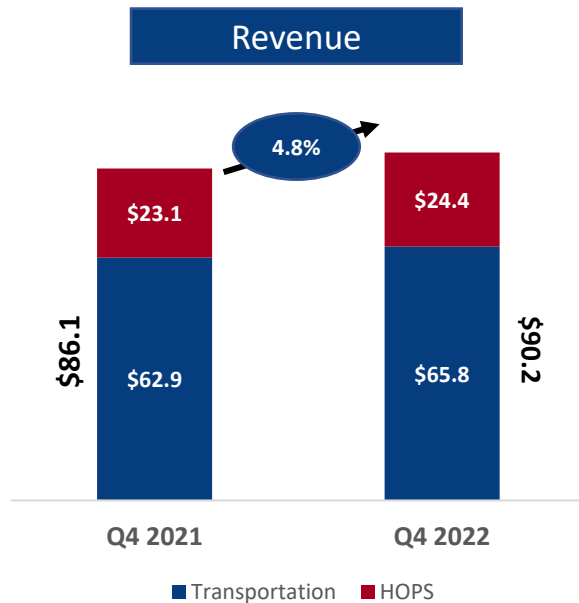


# Financial Trends Total Year 2019 – 2022



# Revenue, Starts, & Average Population: Q4

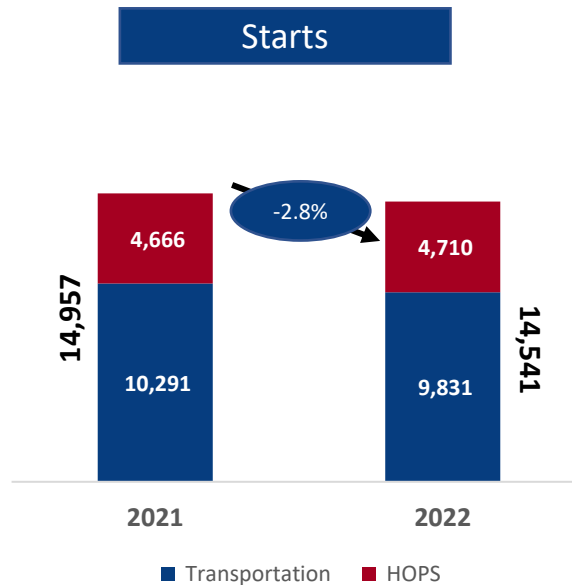
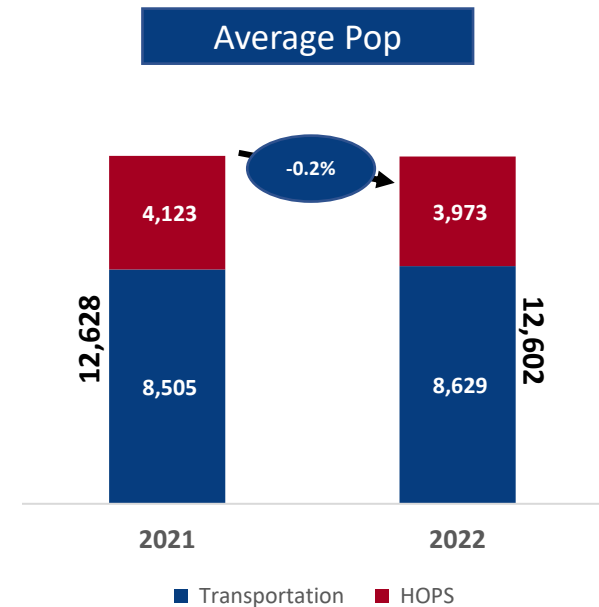
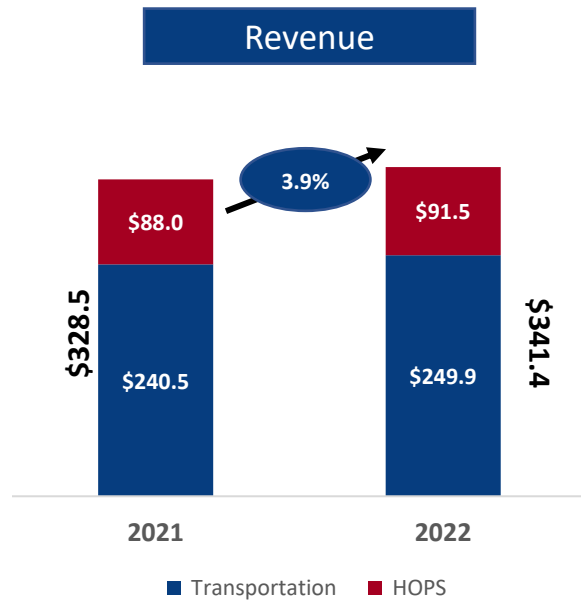
(\$ in millions)



Excludes Transitional Segment

# Revenue, Starts, & Average Population: Total Year

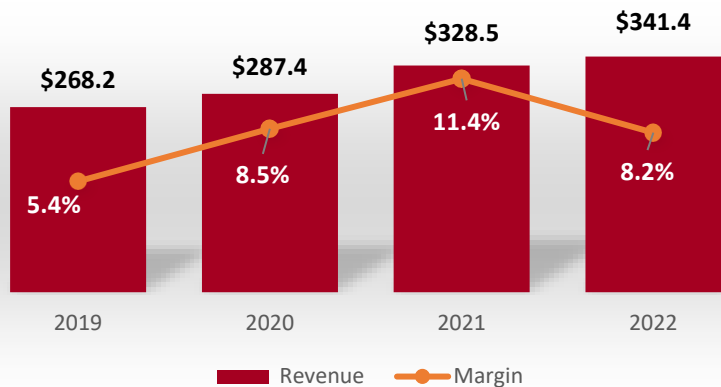
(\$ in millions)



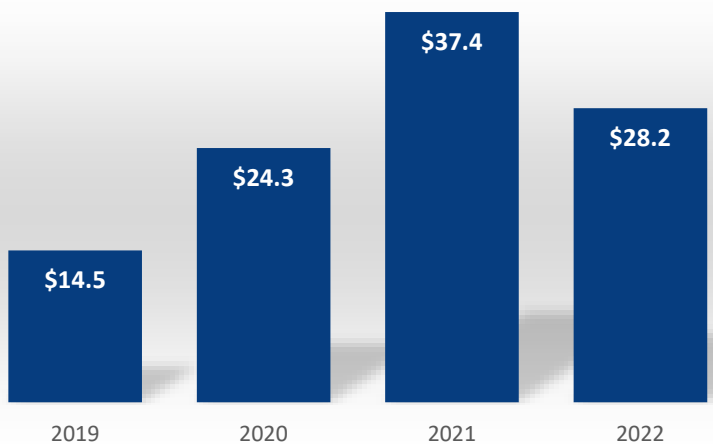
Excludes Transitional Segment

# Revenue, EBITDA, Margin (\$ in millions)

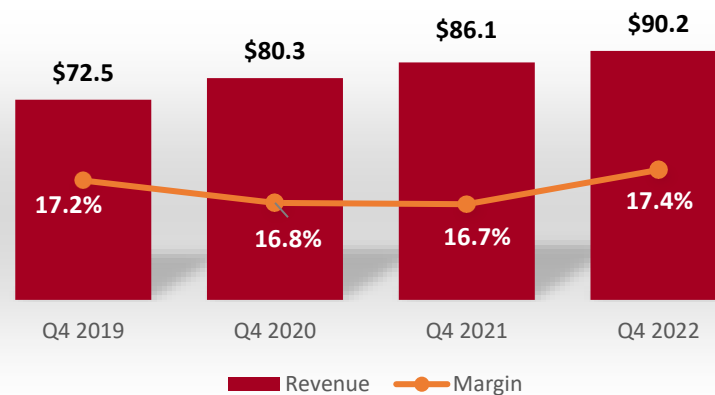
YTD Dec Adj. Revenue & Margin



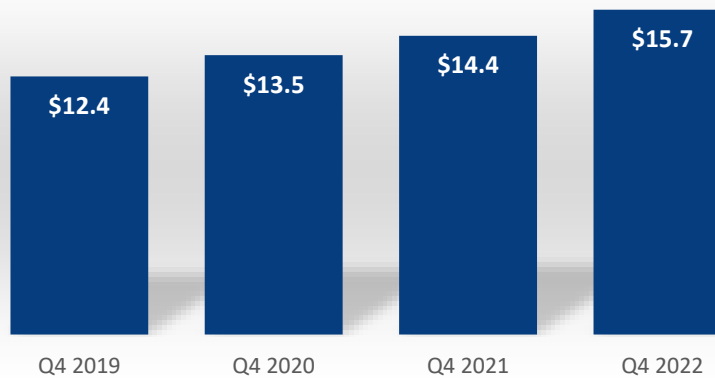
YTD Dec Adj. EBITDA



Q4 Adj. Revenue & Margin



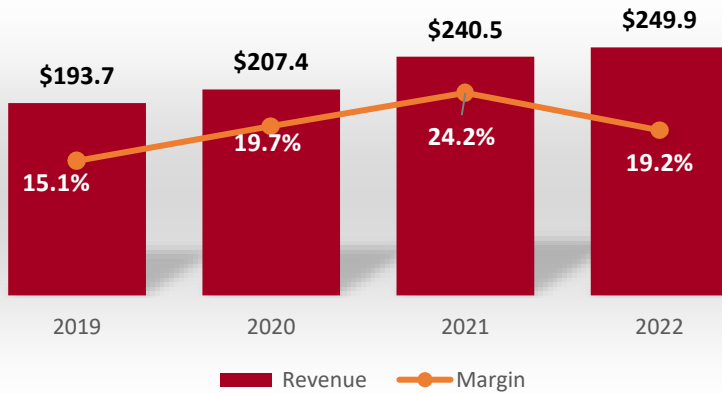
Q4 Adj. EBITDA



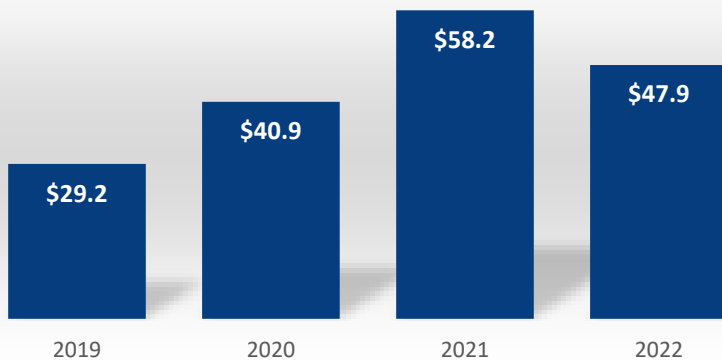
# Transportation and Skilled Trades

## Revenue, EBITDA, Margin (\$ in millions)

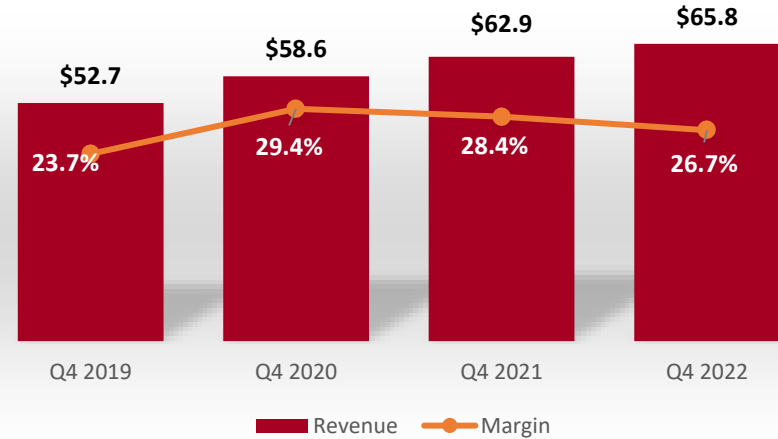
YTD Dec Revenue & Margin



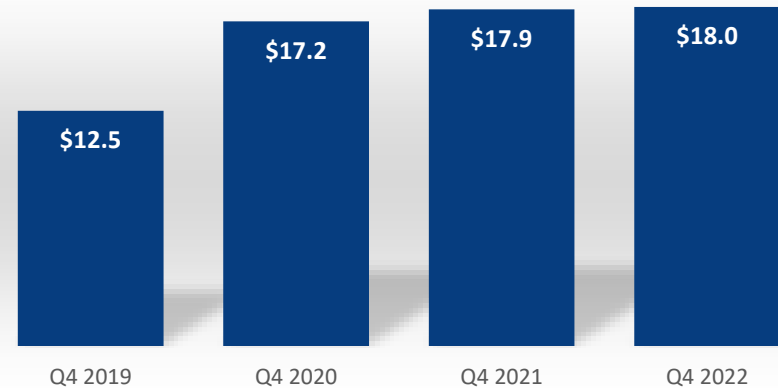
YTD Dec Adj. EBITDA



Q4 Revenue & Margin



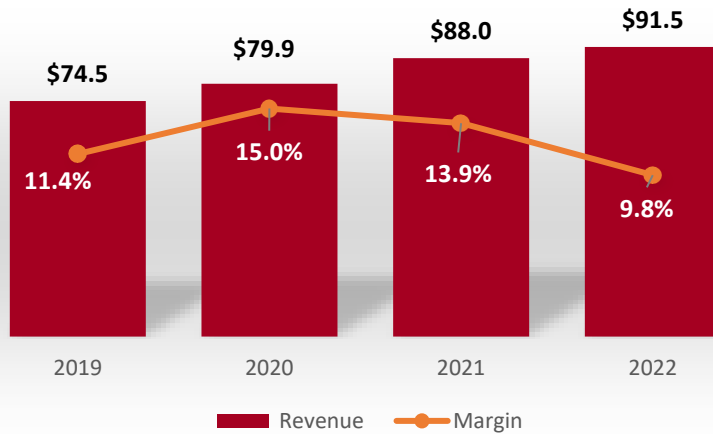
Q4 Adj. EBITDA



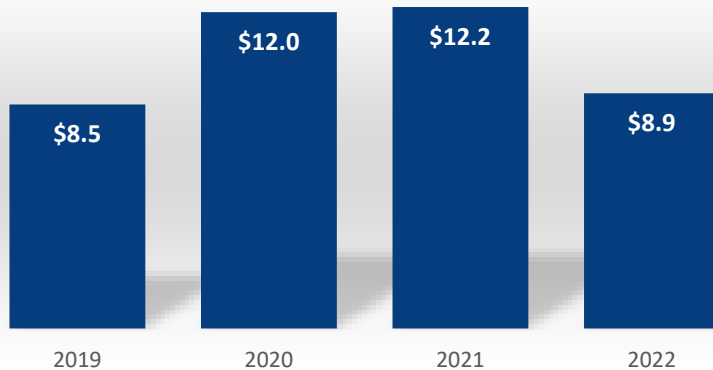
# Healthcare and Other Professions

## Revenue, EBITDA, Margin (\$ in millions)

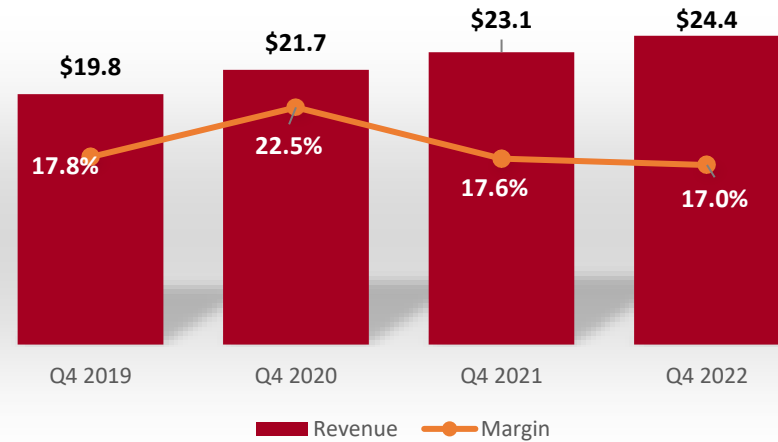
YTD Dec Revenue & Margin



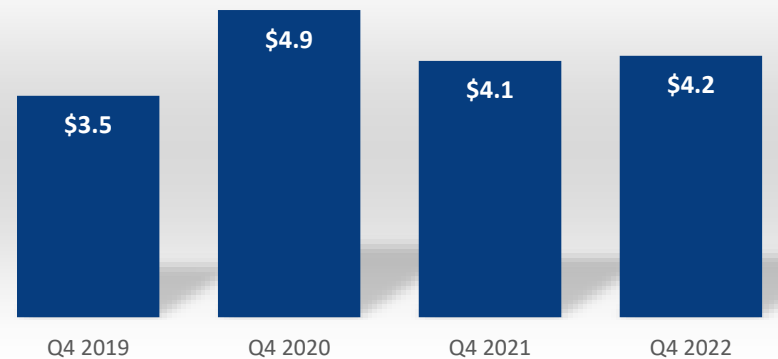
YTD Dec Adj. EBITDA



Q4 Revenue & Margin



Q4 Adj. EBITDA



# 2022 Financial Guidance - Achieved LINCOLN TECH®

	Actuals	Guidance
Revenue	\$348.3M	\$340-\$350M
Starts	-2.8%	-3% to +3%
Adjusted EBITDA*	\$28.2M	\$25.0M to \$30.0M
Net Income*	\$14.7M	\$10.0M to \$15.0M
Capital Expenditures	\$9.0M	\$8.0M to \$11.0M

\*See EBITDA and Net Income reconciliation



# 2023 Financial Guidance

	Guidance
Revenue	\$345.0M to \$360.0M
Adjusted EBITDA <sup>1</sup>	\$ 19.0M to \$ 24.0M
Adjusted Net Income <sup>1</sup>	\$ 7.0M to \$ 11.0M
Starts	+5% to +10%
Capital Expenditures	\$ 35.0M to \$ 40.0M

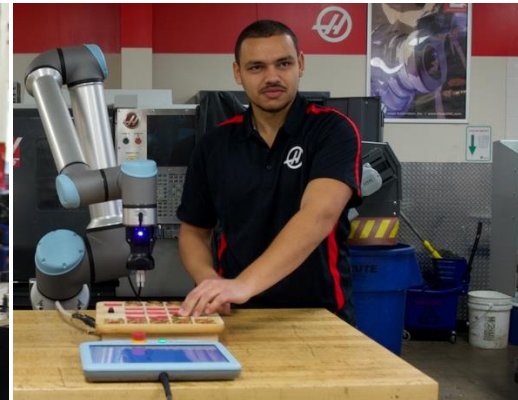
1. The 2023 guidance excludes the impact of the new Atlanta, Georgia campus, with the exception of capital expenditures. In addition, guidance further excludes costs associated with the Company's Transitional segment, one-time expenses not considered part of the Company's normal business operations, and gain realized on the sale of the Nashville, TN property.





# Income Taxes

- 2021 – Tax provision of \$12.5M; effective tax rate 26.5%
  - Federal and State NOL used to offset taxable income, resulting in income tax liability (cash payments) of ≈\$1.5M
- 2022 – Tax provision of \$3.8M; effective tax rate 23.1%
  - Available NOLs \$2.0M of federal and \$44.0M of States to offset 2022 taxable income
  - Estimate income tax liability (cash payments) of ≈\$2.5M
- 2023 – Estimated effective tax rate 28.5%



# Seasonality

- Operations continue to demonstrate consistent seasonality, with the strongest performance in the 2<sup>nd</sup> half of the year








Pro Forma Adjusted EBITDA Seasonality					
(\$ in 000's)					
	Q1	Q2	Q3	Q4	TY
2019	\$ (2,543)	\$ 164	\$ 4,478	\$ 12,445	\$ 14,544
2020	\$ 955	\$ 3,468	\$ 6,461	\$ 13,465	\$ 24,349
2021	\$ 8,499	\$ 6,079	\$ 8,378	\$ 14,413	\$ 37,370
2022	\$ 2,757	\$ 2,303	\$ 7,446	\$ 15,660	\$ 28,167

Pro Forma Starts Seasonality					
	Q1	Q2	Q3	Q4	TY
2019	2,765	2,906	4,646	2,234	12,551
2020	2,600	3,338	5,381	2,568	13,887
2021	3,420	3,590	5,320	2,627	14,957
2022	3,234	3,742	4,815	2,750	14,541

# Real Estate Assets

Owned Facilities	<ul style="list-style-type: none"><li>➤ Nashville, TN<ul style="list-style-type: none"><li>• Pending sale agreement expected to close second quarter of 2023 for net proceeds of \$34.5M</li></ul></li></ul>
Leased Facilities	<ul style="list-style-type: none"><li>➤ 21 Campuses (excluding Transitional)</li><li>➤ 1 Corporate Headquarters</li><li>➤ Atlanta (new campus)<ul style="list-style-type: none"><li>• Opening expected Q1 2024</li></ul></li></ul>
Goals	<ul style="list-style-type: none"><li>➤ Continue to right-size facilities<ul style="list-style-type: none"><li>• Space reduction</li><li>• Sublease opportunities</li></ul></li><li>➤ Increase utilization with program expansion and hybrid teaching model standardization</li></ul>

# 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
	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. Adjusted EBITDA** - We define Adjusted EBITDA as EBITDA plus stock compensation expense and adjustments for items not considered part of the company's normal recurring operations
- 3. Adjusted Net Income** – We define Adjusted Net Income as Net Income plus adjustments for Items not part of the company's normal recurring operations
- 4. Adjusted Revenue** - We define Adjusted Revenue as revenue excluding the Transitional segment



# Quarterly EBITDA Reconciliation (\$ in thousands)

	For the Three Months Ended				For the Year Ended 2021	For the Three Months Ended				For the Year Ended 2022
	March 31, 2021	June 30, 2021	Sept 30, 2021	Dec 31, 2021		March 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022	
Net Income (loss)										
Total Company	\$ 4,489	\$ 2,426	\$ 3,839	\$ 23,964	\$ 34,718	\$ 272	\$ 259	\$ 3,544	\$ 8,558	\$ 12,634
Add-back:										
Interest expense, net	285	297	292	1,142	2,015	43	35	36	(271)	(157)
Provision for income taxes	1,245	729	1,614	8,939	12,528	(641)	102	1,300	3,041	3,802
<b>Operating Income (loss)</b>	<b>\$ 6,019</b>	<b>\$ 3,452</b>	<b>\$ 5,745</b>	<b>\$ 34,045</b>	<b>\$ 49,261</b>	<b>\$ (326)</b>	<b>\$ 396</b>	<b>\$ 4,880</b>	<b>\$ 11,328</b>	<b>\$ 16,279</b>
Depreciation and amortization:										
Total Company	1,901	1,793	1,927	1,520	7,141	1,528	1,529	1,561	1,745	6,362
<b>EBITDA</b>	<b>\$ 7,920</b>	<b>\$ 5,245</b>	<b>\$ 7,673</b>	<b>\$ 35,565</b>	<b>\$ 56,402</b>	<b>\$ 1,202</b>	<b>\$ 1,925</b>	<b>\$ 6,441</b>	<b>\$ 13,073</b>	<b>\$ 22,641</b>
Stock Compensation	493	844	757	796	2,888	1,239	491	637	745	3,111
Transitional Segment	87	(9)	(51)	(168)	(141)	56	82	71	198	408
Gain on sale of asset	-	-	-	(22,479)	(22,479)	1	(195)	16	1	(177)
Impairment of long-lived assets	-	-	-	700	700	-	-	-	1,049	1,049
New campus start up costs	-	-	-	-	-	-	-	139	230	369
Severance	-	-	-	-	-	259	-	141	364	765
<b>Adjusted EBITDA</b>	<b>\$ 8,499</b>	<b>\$ 6,079</b>	<b>\$ 8,378</b>	<b>\$ 14,413</b>	<b>\$ 37,370</b>	<b>\$ 2,757</b>	<b>\$ 2,303</b>	<b>\$ 7,446</b>	<b>\$ 15,660</b>	<b>\$ 28,166</b>



# Quarterly EBITDA Reconciliation (\$ in thousands)

	For the Three Months Ended				For the Year Ended 2019	For the Three Months Ended				For the Year Ended 2020
	31-Mar-19	June 30, 2019	Sept 30, 2019	Dec 31, 2019		March 31, 2020	June 30, 2020	Sept 30, 2020	Dec 31, 2020	
Net Income (loss)										
Total Company	\$ (5,467)	\$ (3,063)	\$ 1,339	\$ 9,206	\$ 2,015	\$ (1,750)	\$ 783	\$ 3,512	\$ 46,020	\$ 48,565
Add-back:										
Interest expense, net	552	827	754	822	2,955	354	327	278	315	1,274
Provision for income taxes	50	144	50	24	268	50	50	50	(35,209)	(35,059)
<b>Operating Income (loss)</b>	<b>\$ (4,865)</b>	<b>\$ (2,093)</b>	<b>\$ 2,143</b>	<b>\$ 10,052</b>	<b>\$ 5,237</b>	<b>\$ (1,346)</b>	<b>\$ 1,160</b>	<b>\$ 3,840</b>	<b>\$ 11,126</b>	<b>\$ 14,780</b>
Depreciation and amortization:										
Total Company	2,050	1,940	1,982	2,144	8,116	1,890	1,874	1,783	1,854	7,401
<b>EBITDA</b>	<b>\$ (2,816)</b>	<b>\$ (153)</b>	<b>\$ 4,125</b>	<b>\$ 12,197</b>	<b>\$ 13,353</b>	<b>\$ 544</b>	<b>\$ 3,034</b>	<b>\$ 5,623</b>	<b>\$ 12,980</b>	<b>\$ 22,181</b>
Stock Compensation	52	190	218	218	679	292	325	670	400	1,686
Transitional Segment	221	126	134	31	512	119	109	168	85	482
<b>Adjusted EBITDA</b>	<b>\$ (2,543)</b>	<b>\$ 164</b>	<b>\$ 4,478</b>	<b>\$ 12,445</b>	<b>\$ 14,544</b>	<b>\$ 955</b>	<b>\$ 3,468</b>	<b>\$ 6,461</b>	<b>\$ 13,465</b>	<b>\$ 24,349</b>

# Net Income Reconciliation

(\$ in thousands)

	For the Three Months Ended				For the
	March 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022	Year Ended 2022
Net Income (loss)					
Total Company	\$ 272	\$ 259	\$ 3,544	\$ 8,558	\$ 12,634
Adjustments to Net Income					
Transitional	56	82	71	198	408
Gain on sale of asset	-	(195)	16	1	(177)
Impairment of long-lived assets	-	-	-	1,049	1,049
New school opening costs	-	-	139	230	369
Severance and accelerated stock vesting	649	-	141	472	1,262
Total adjustments	705	(113)	368	1,951	2,911
Income tax effect	(203)	32	(106)	(562)	(838)
<b>Adjusted Net Income</b>	<b>\$ 775</b>	<b>\$ 179</b>	<b>\$ 3,806</b>	<b>\$ 9,947</b>	<b>\$ 14,707</b>

# Revenue Reconciliation (\$ in thousands)

	For the Three Months Ended					For the	For the Three Months Ended				For the
	March 31, 2021	June 30, 2021	Sept 30, 2021	Dec 31, 2021		Year Ended 2021	March 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022	Year Ended 2022
Revenue											
Total Company	\$ 77,996	\$ 80,464	\$ 89,059	\$ 87,816		\$ 335,336	\$ 82,554	\$ 82,142	\$ 91,813	\$ 91,778	\$ 348,287
Adjustments to Revenue											
Transitional Segment	\$ 1,475	\$ 1,795	\$ 1,774	\$ 1,762		\$ 6,807	\$ 1,773	\$ 1,794	\$ 1,728	\$ 1,552	\$ 6,847
<b>Adjusted Revenue</b>	<b>\$ 76,521</b>	<b>\$ 78,669</b>	<b>\$ 87,285</b>	<b>\$ 86,053</b>		<b>\$ 328,529</b>	<b>\$ 80,782</b>	<b>\$ 80,349</b>	<b>\$ 90,085</b>	<b>\$ 90,225</b>	<b>\$ 341,441</b>

	For the Three Months Ended					For the	For the Three Months Ended				For the
	March 31, 2019	June 30, 2019	Sept 30, 2019	Dec 31, 2019		Year Ended 2019	March 31, 2020	June 30, 2020	Sept 30, 2020	Dec 31, 2020	Year Ended 2020
Revenue											
Total Company	\$ 63,263	\$ 63,569	\$ 72,594	\$ 73,915		\$ 273,342	\$ 70,041	\$ 62,470	\$ 78,792	\$ 81,792	\$ 293,095
Adjustments to Revenue											
Transitional Segment	\$ 1,208	\$ 1,244	\$ 1,299	\$ 1,407		\$ 5,157	\$ 1,417	\$ 1,324	\$ 1,542	\$ 1,443	\$ 5,727
<b>Adjusted Revenue</b>	<b>\$ 62,056</b>	<b>\$ 62,326</b>	<b>\$ 71,296</b>	<b>\$ 72,508</b>		<b>\$ 268,185</b>	<b>\$ 68,624</b>	<b>\$ 61,145</b>	<b>\$ 77,250</b>	<b>\$ 80,349</b>	<b>\$ 287,368</b>