

# BRIDGING THE SKILLS GAP



LINCOLN TECH®

Quarter Ended December 31, 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, 2021. 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, 2021. 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**



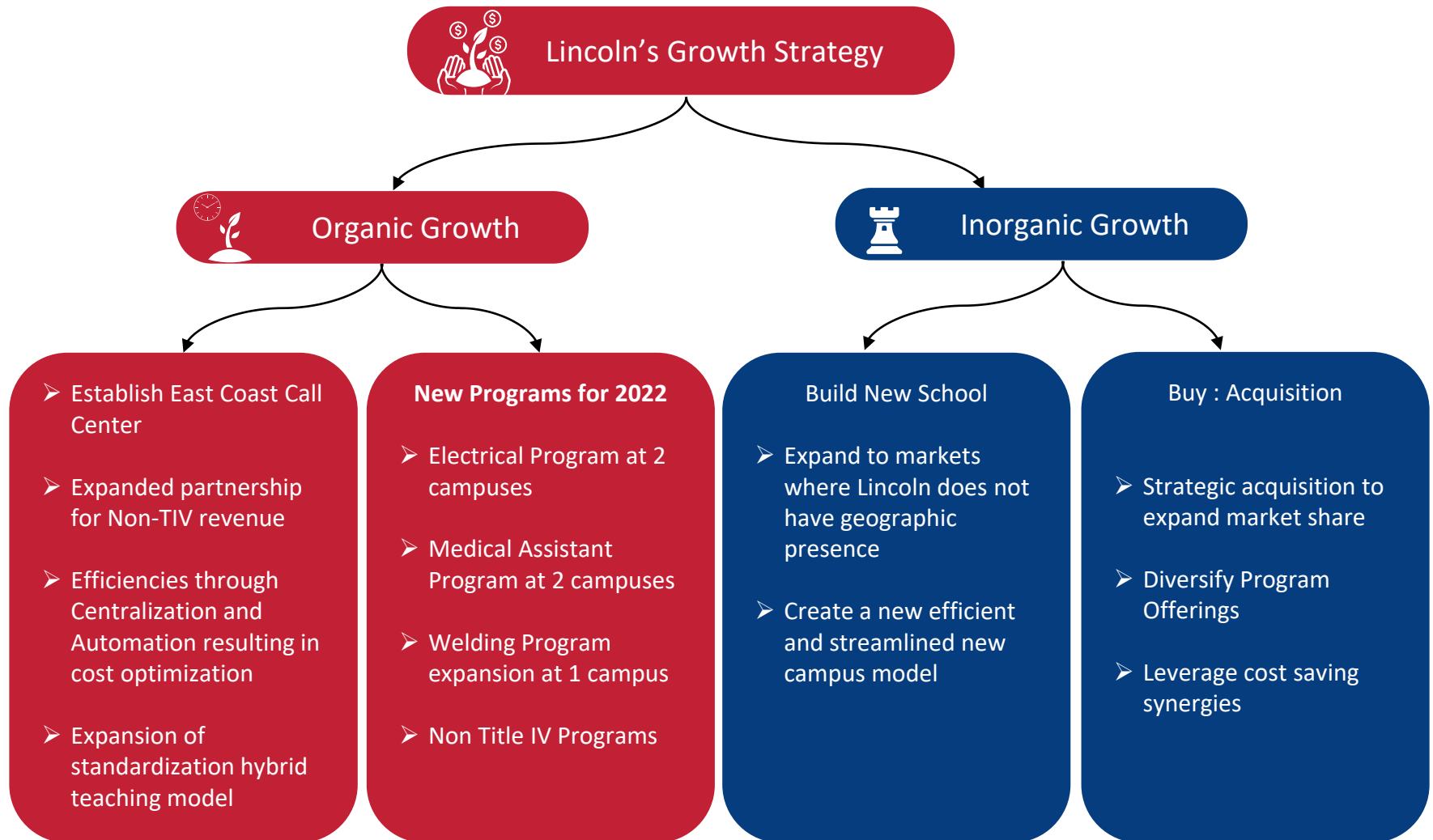
- Leadership changes
- Positive new student starts
- Enrollment growth
- Return to profitability
- Financing transactions

**2021 & beyond**  
**Growth**



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

# Growth Strategy



# New Campus Hybrid Learning Model

## Facilities

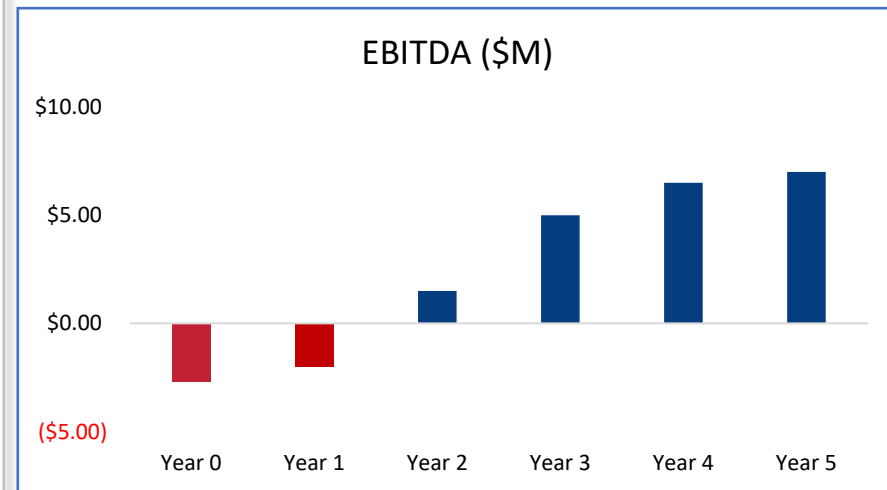
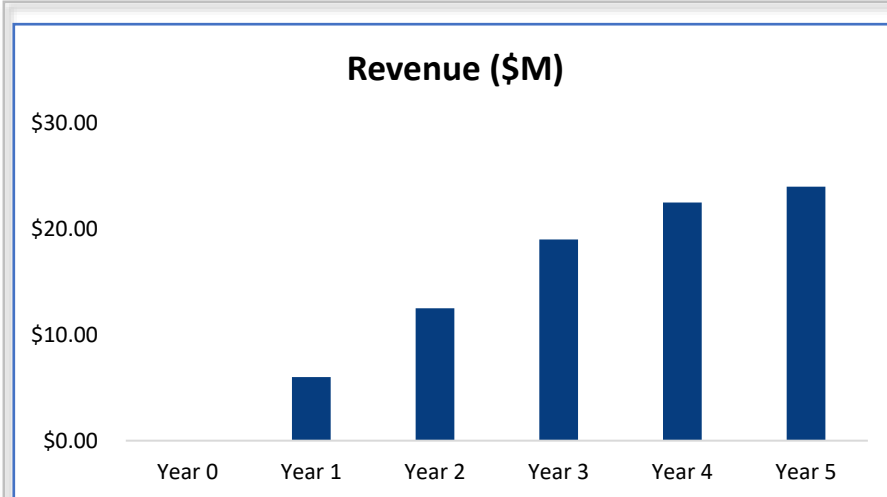
State-of-the-art facilities ~60k – 80k square feet

## Blended Programs

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

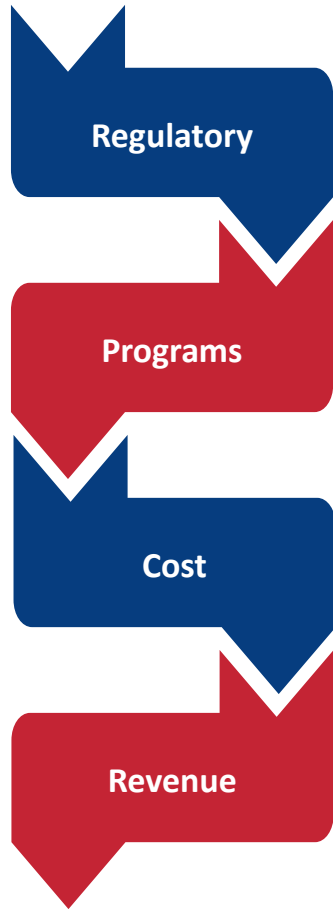
## Financials

- 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%



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

# Disciplined Acquisition Strategy



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➤ Strong history of regulatory compliance including outcomes

➤ Low 90/10 ratio

➤ Completed more than 10 acquisitions over the years

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➤ Diversify our program offerings - Expand program offerings to our existing locations

➤ Replicate our programs in acquired schools

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➤ Synergies - eliminate duplicate costs/streamline costs

➤ Expand geographic footprint

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➤ Grow market share and profitability by leveraging high school recruiting and cost effective marketing platform

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# 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



# 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 12/31/2021 **\$7.47**

52-week Price Range **\$5.78 - \$8.08**

Common Shares Outstanding **25.5M**

Market Capitalization **\$190.8M**

Average Volume (12 mo.) **117,507**

Revenues (2021) **\$335.3 M**

Adjusted EBITDA (2021) **\$38.1 M**

Institutional Ownership **67.6%**

Insider Ownership **9.0%**

# Lincoln Today



- **Headquartered in Parsippany, NJ**
- **Operates 22 campuses in 14 states with approximately 13,100 students**
- **Two segments focused on “middle skills training”**

## Transportation and Skilled Trades

13 Campuses

Approximately 8,700 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 4,400 students\*

Growing demand for healthcare professionals

Strong demand by students especially for licensed practical nursing

\* as of 12/31/2021

# Campuses Across the Country

## Opportunity for expansion in the South and West

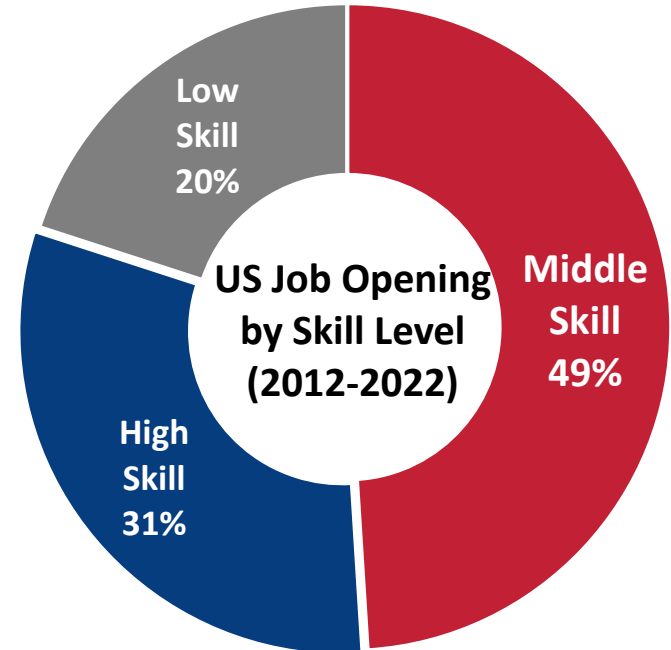


# Demand for “Middle Skills Training”

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)

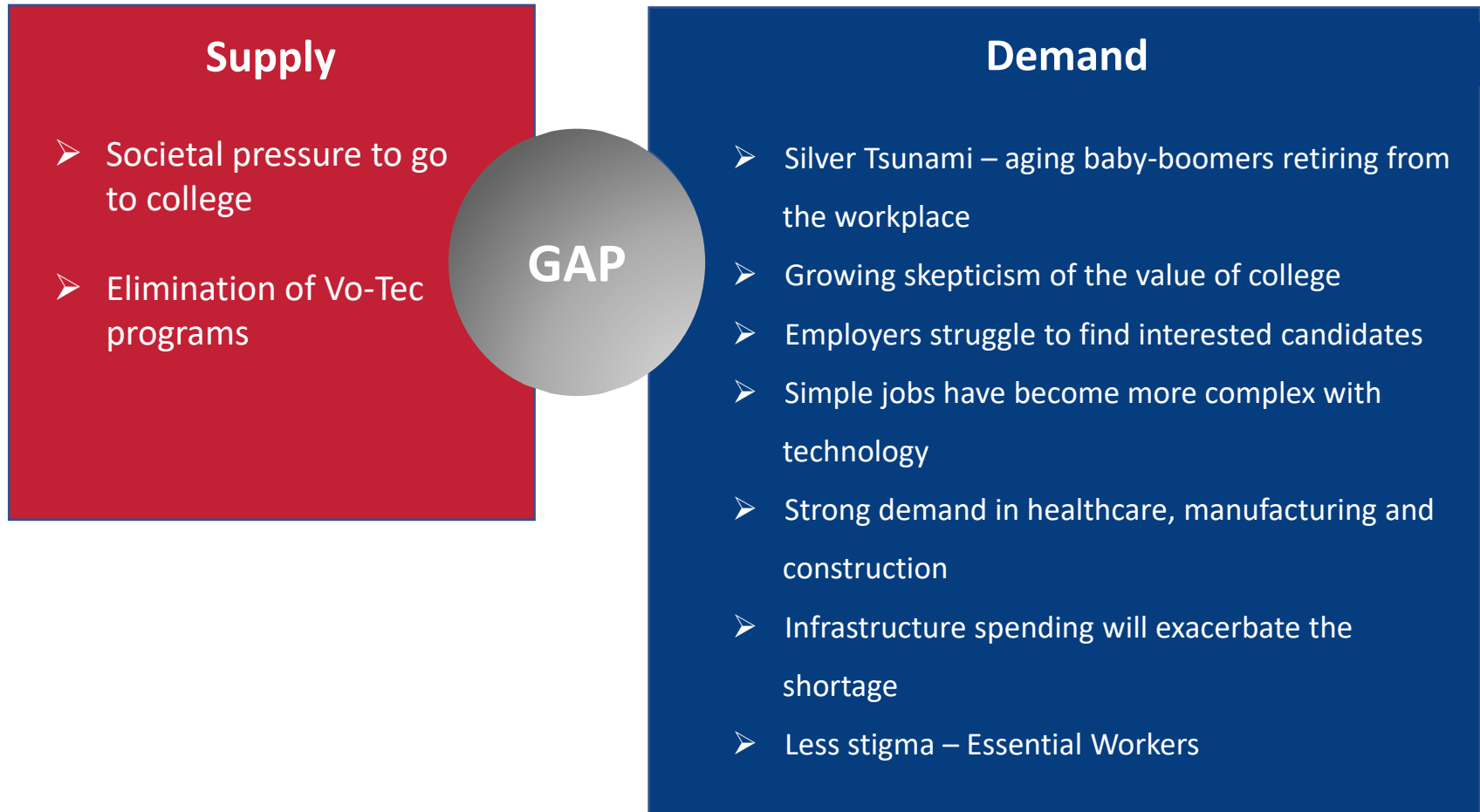
Lincoln connects employers with entry level trained professionals from the adult, high school and military sectors.



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**

<b>Transportation and Skilled Trades</b>	
Automotive Technology	69,000
Diesel Technology	28,100
Collision Repair	15,200
Electrical	84,700
Welding	49,200
HVAC	38,500
CNC Manufacturing Technology	16,500
<b><i>Lincoln's Market Share ~2.0%</i></b>	

<b>Healthcare and Other Professions</b>	
LPN	60,700
Medical Assisting	104,400
Dental Assisting	44,000
Culinary	230,200
Baking & Pastry	28,300
Cosmetology & Aesthetics	89,000
Information Technology	54,800
<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 2020 through 2030, [www.careeronestop.org](http://www.careeronestop.org), captured on January 31, 2021. State-specific employment projections can also be found at [careeronestop.org](http://careeronestop.org).



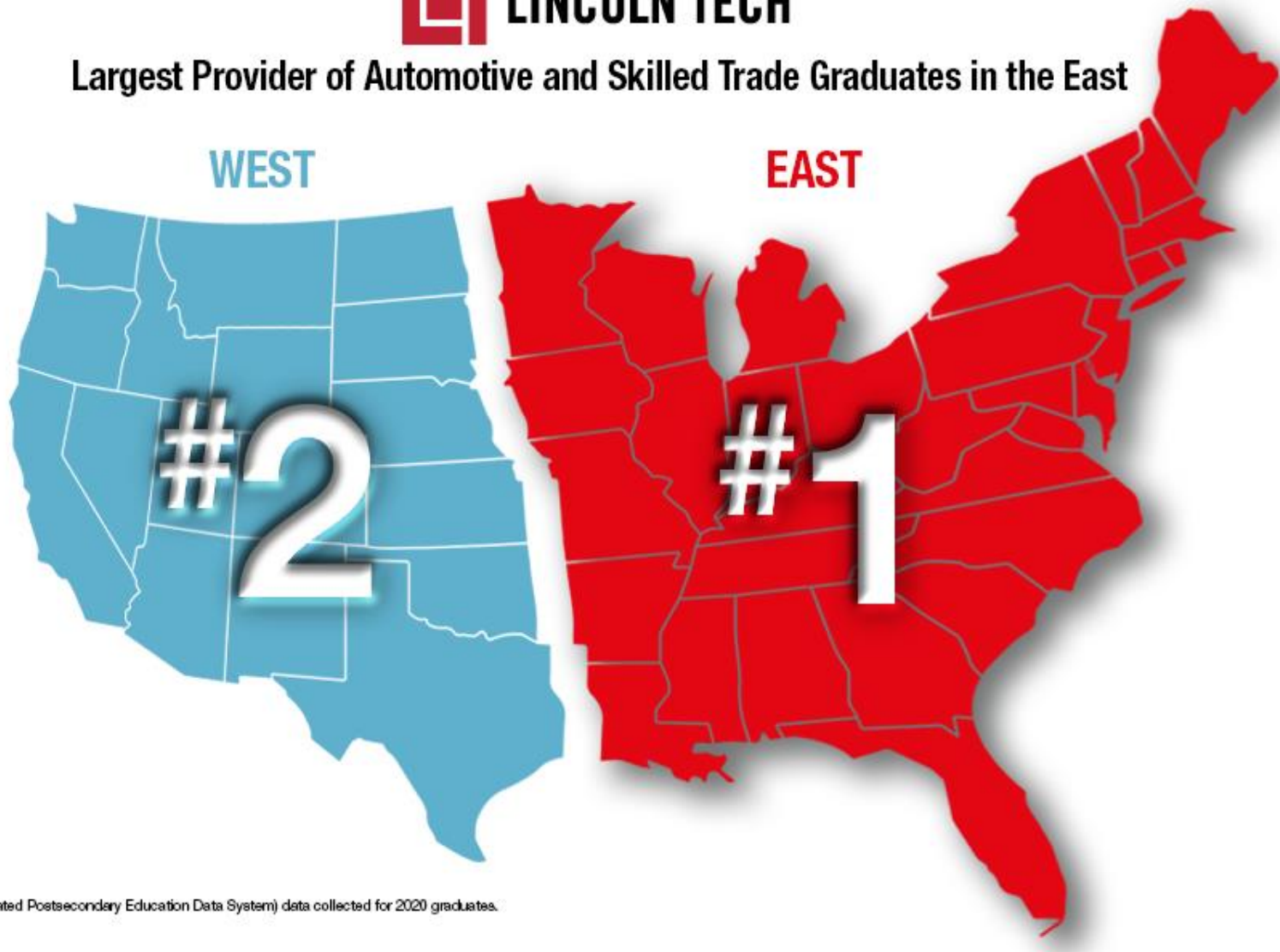
# Our Superior Educational Approach



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	



Largest Provider of Automotive and Skilled Trade Graduates in the East



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



# 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)

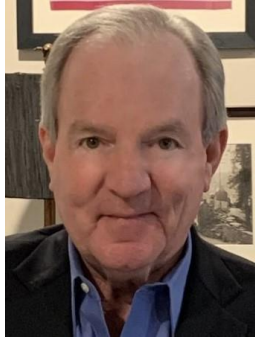


**Peter Tahinos**  
SVP of Marketing  
(7)



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

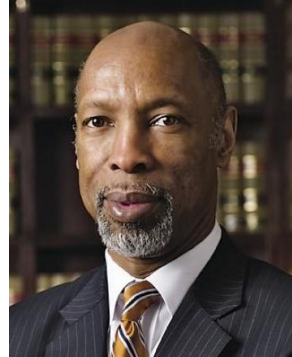
# Board of Directors



**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



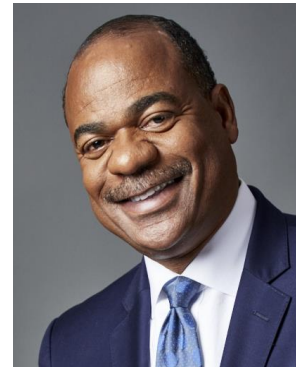
**Kevin M. Carney**  
Former Executive Vice  
President & Chief  
Financial Officer,  
Web.com Group Inc.



**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



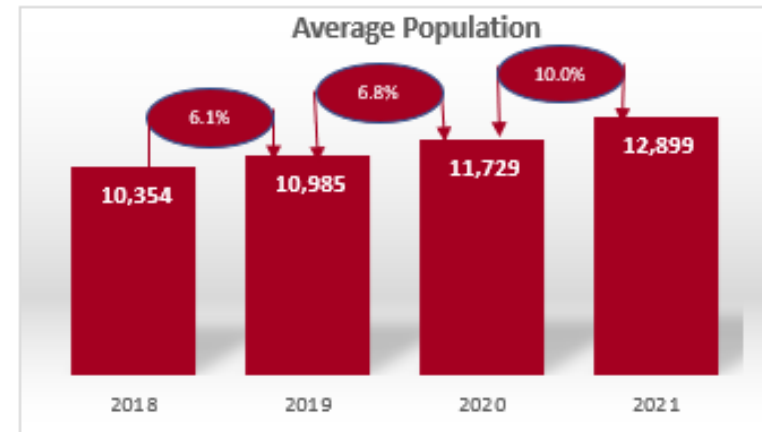
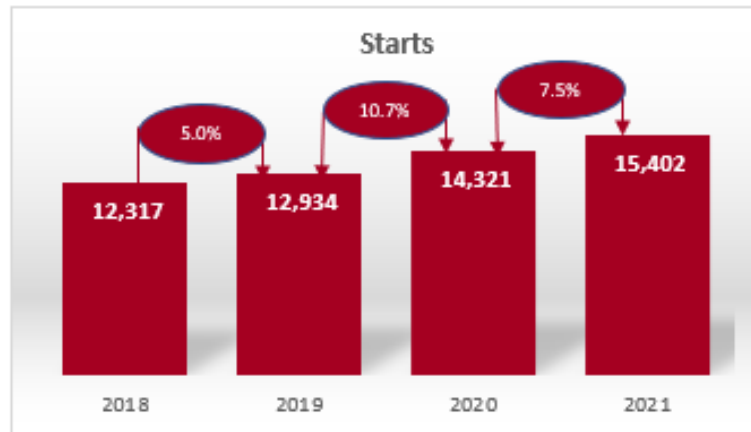
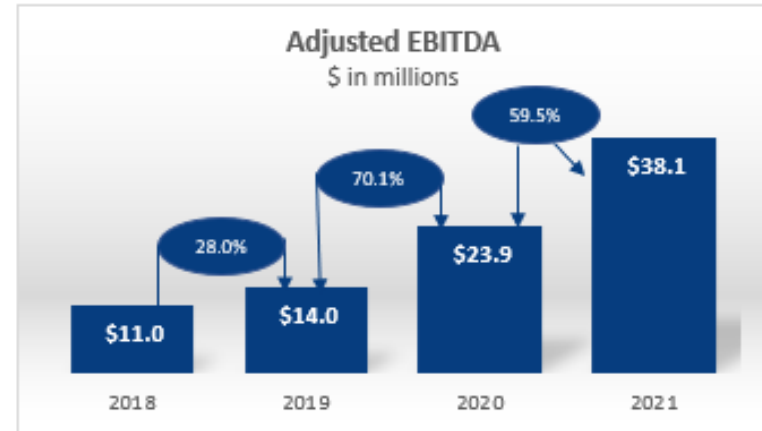
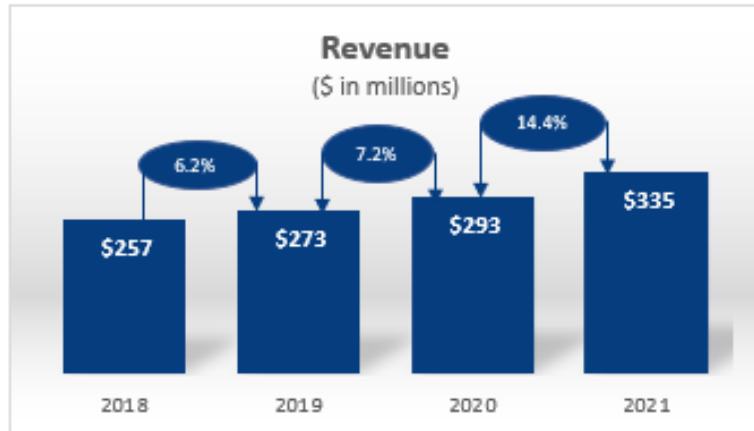
**Scott M. Shaw**  
President & Chief  
Executive Officer, Lincoln  
Educational Services

# Financial Review



# Profitability 2018 – 2021

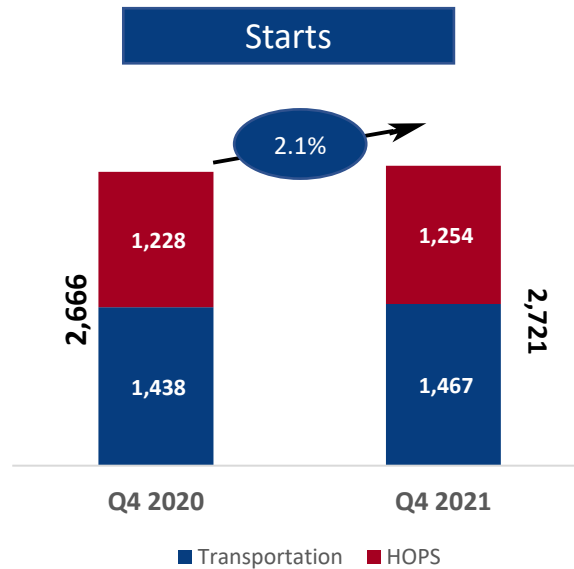
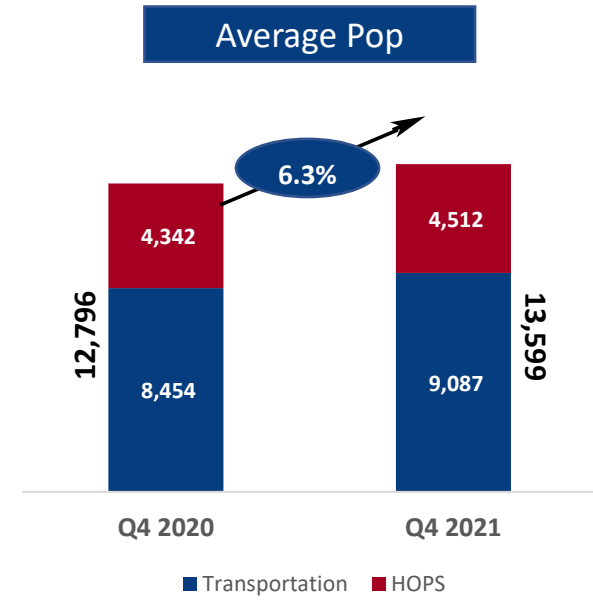
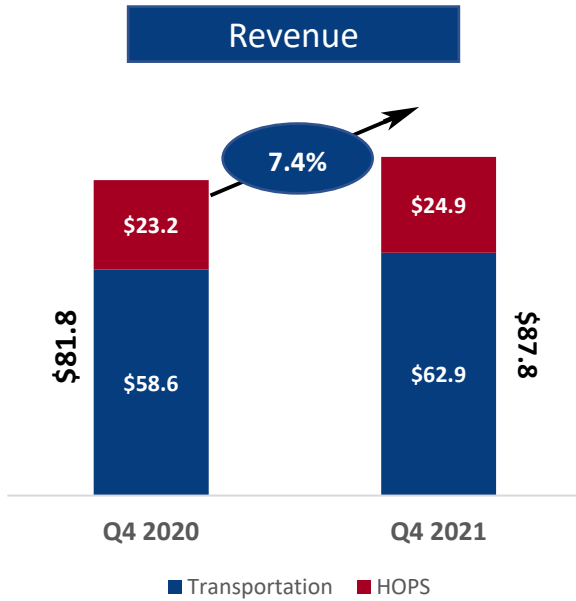
## (Continuing Operations)





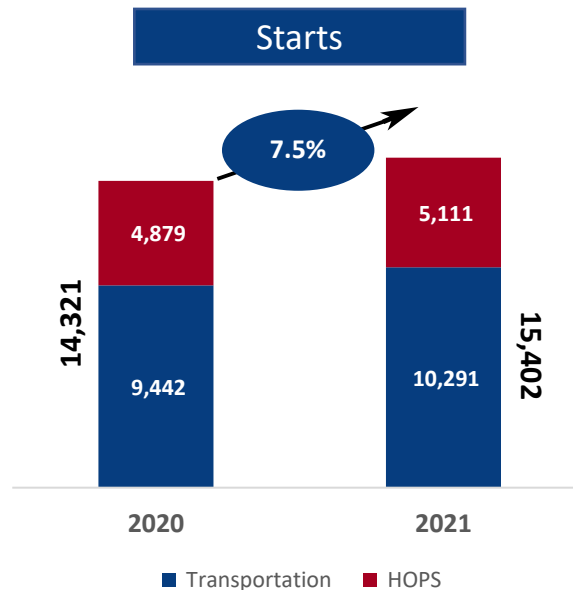
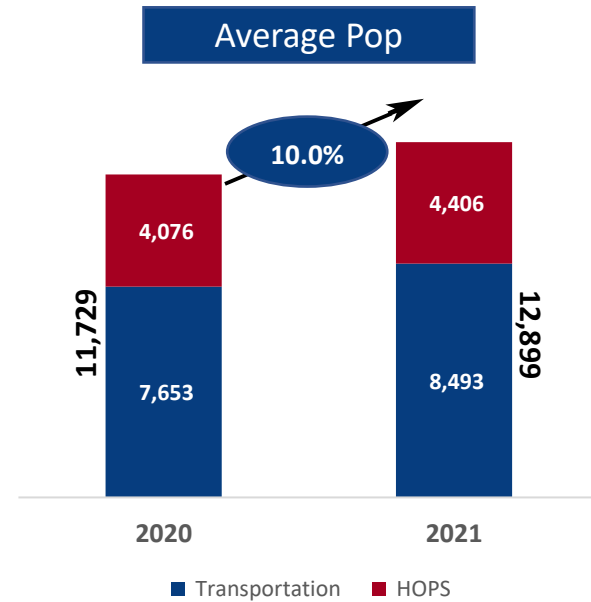
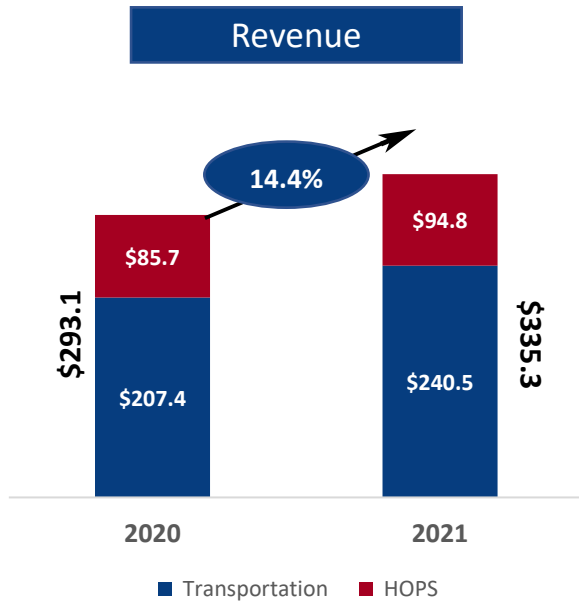
# Revenue, Starts, & Average Population: Q4

(\$ in millions)



# Revenue, Starts, & Average Population: YTD December

(\$ in millions)

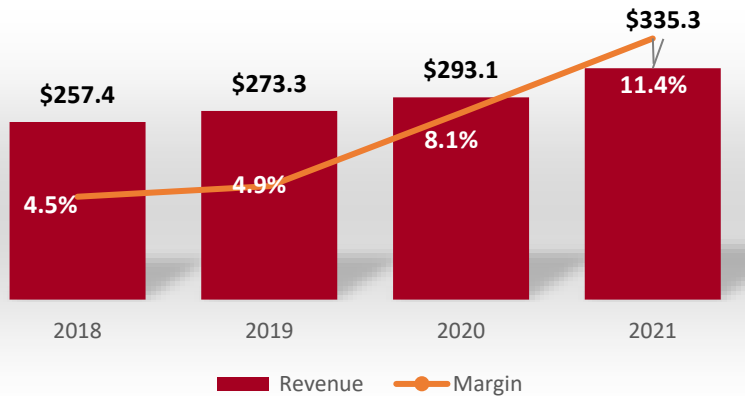


# Total Operations (\$ in millions)

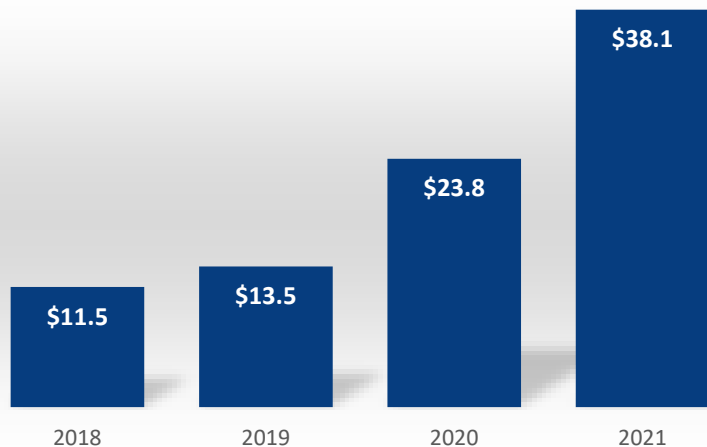
- Approximately 13,100 students enrolled at 22 campuses as of 12/31/2021
- Key metrics such as revenue and average population continue to grow

- 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

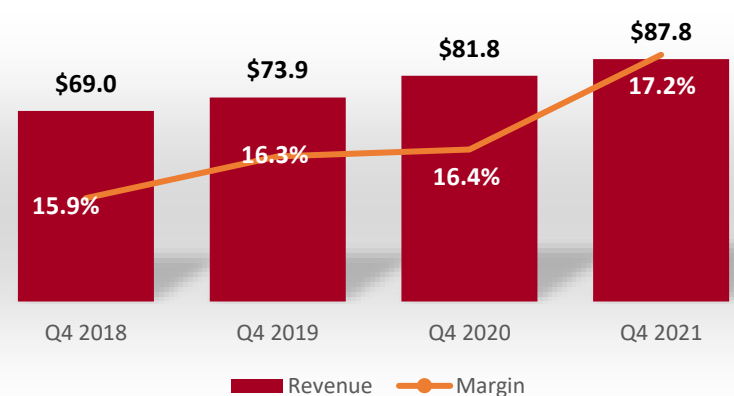
**YTD Dec Revenue & Margin**



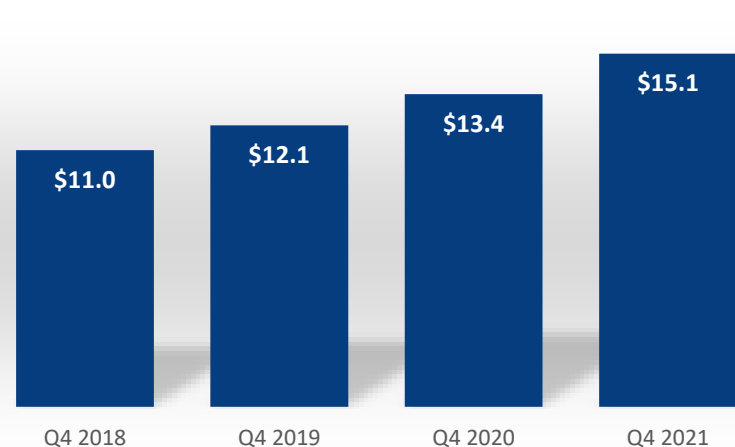
**YTD Dec Adj. EBITDA**



**Q4 Revenue & Margin**



**Q4 Adj. EBITDA**



Refer to appendix for adjusted EBITDA Reconciliation

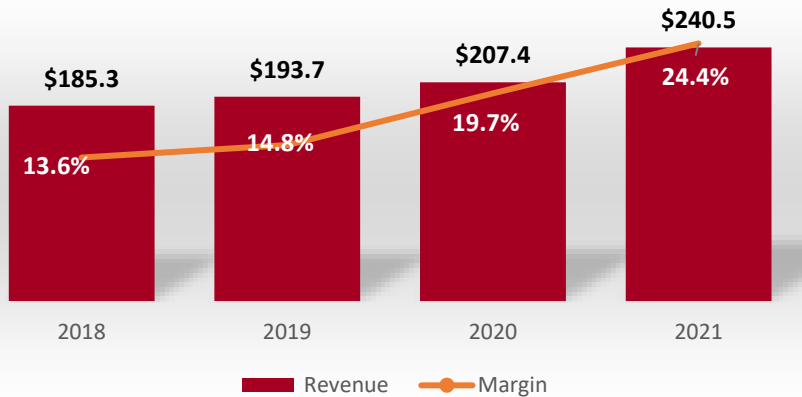
# Transportation and Skilled Trades (\$ in millions)



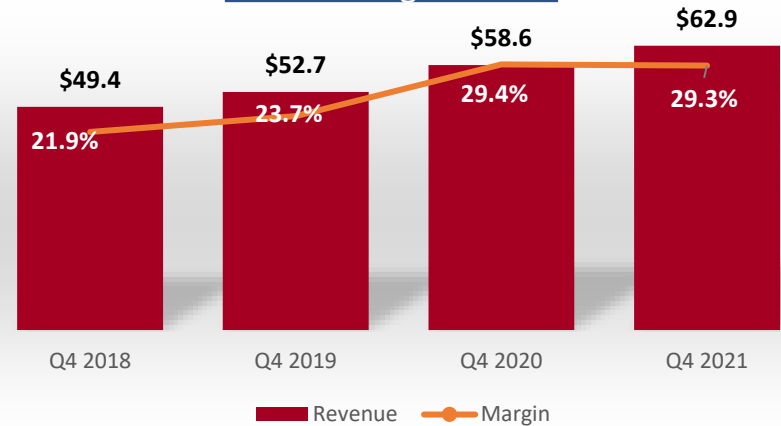
- Approximately 10,300 starts for the twelve months ending 12/31/2021
- Average Population increased by approximately 650 students YTD December 2021

- 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

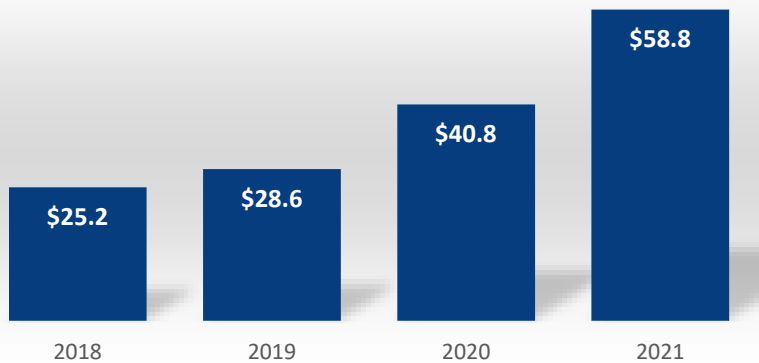
YTD Dec Revenue & Margin



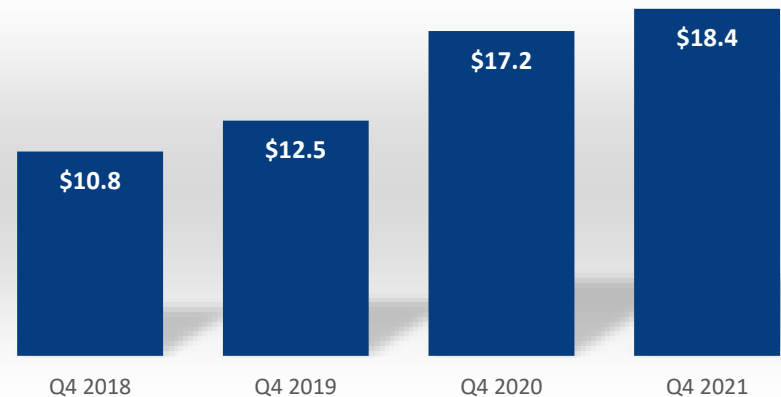
Q4 Revenue & Margin



YTD Adj. EBITDA



Q4 Adj. EBITDA

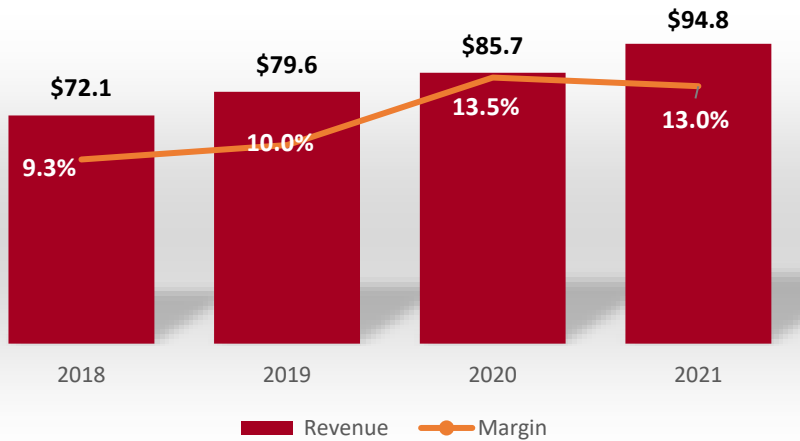


Refer to appendix for adjusted EBITDA Reconciliation

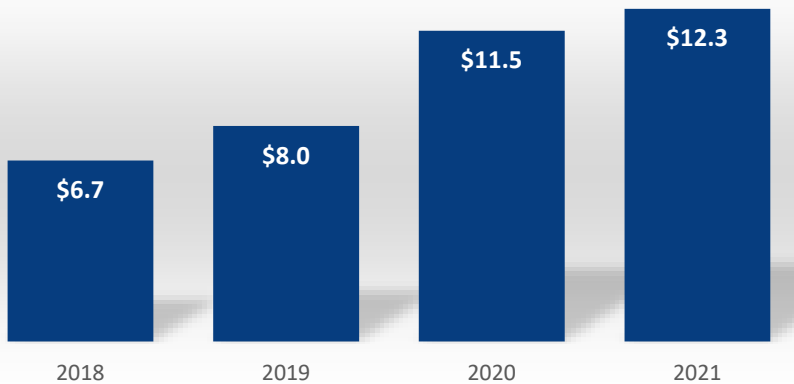
# Healthcare and Other Professions (\$ in millions)

- 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

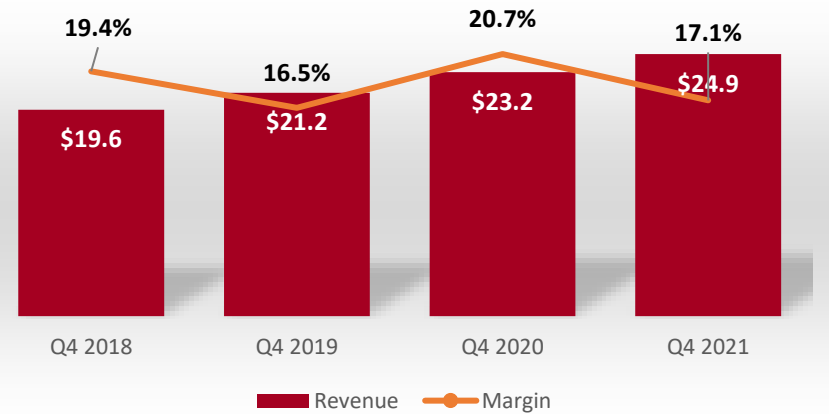
**YTD Dec Revenue & Margin**



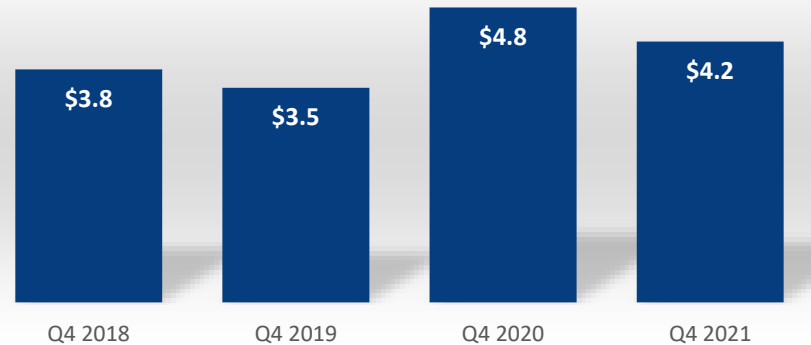
**YTD Dec Adj. EBITDA**



**Q4 Revenue & Margin**



**Q4 Adj. EBITDA**



# Adjusted EBITDA & Net Income Summary (\$ in millions)

	Q4		YTD Dec		Growth	
	2020	2021	2020	2021	Q4	YTD Dec
<b>Revenue</b>						
Transportation	\$58.6	\$62.9	\$207.4	\$240.5		
HOPS	\$23.2	\$24.9	\$85.7	\$94.8		
<b>Total Revenue</b>	<b>\$81.8</b>	<b>\$87.8</b>	<b>\$293.1</b>	<b>\$335.3</b>	<b>7.4%</b>	<b>14.4%</b>
<b>Adjusted EBITDA</b>						
Transportation	\$17.2	\$18.4	\$40.8	\$58.8		
HOPS	\$4.8	\$4.2	\$11.5	\$12.3		
Corporate	-\$8.6	-\$7.5	-\$28.6	-\$33.0		
<b>Total Adj. EBITDA</b>	<b>\$13.4</b>	<b>\$15.1</b>	<b>\$23.8</b>	<b>\$38.1</b>	<b>13.0%</b>	<b>60.0%</b>
<b>Net Income</b>						
Transportation	\$15.6	\$16.6	\$34.5	\$52.1		
HOPS	\$4.7	\$4.1	\$11.1	\$11.8		
Corporate	\$25.7	\$3.2	\$3.0	-\$29.2		
<b>Total Net Income</b>	<b>\$46.0</b>	<b>\$24.0</b>	<b>\$48.6</b>	<b>\$34.7</b>	<b>-47.9%</b>	<b>-28.5%</b>

# 2021 Guidance

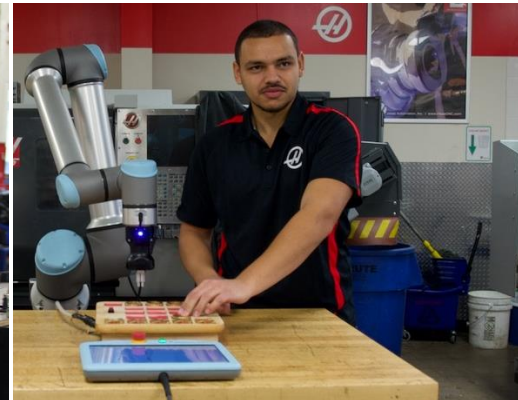
(\$ in millions)

➤ Achieved or Exceeded all guidance

Year Ending December 31, 2021			
	Actuals		Guidance
Revenue Growth		14.4%	12-14%
Adjusted EBITDA	\$	38.1	\$ 35 - 37
Pre Tax Income	\$	27.1	\$ 25 - 27
Start Growth		7.5%	5-10%

# Income Taxes

- 2020 - Tax benefit \$35M from full valuation allowance release
  
- 2021 – Tax provision of \$12.5M; effective tax rate 26.5%
  - Expect to utilize approximately \$42M of federal NOL and 50% of State NOLs for the fiscal year 2021
  
- 2022 – Projected effective tax rate 28.5%
  - Available NOLs of \$1M of federal and \$37M of States to offset 2022 taxable income





# 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
2018	\$ (3,604)	\$ (488)	\$ 4,059	\$ 10,997	\$ 10,964
2019	\$ (2,764)	\$ 38	\$ 4,343	\$ 12,415	\$ 14,032
2020	\$ 836	\$ 3,359	\$ 6,293	\$ 13,380	\$ 23,868
2021	\$ 8,413	\$ 6,088	\$ 8,429	\$ 15,143	\$ 38,073

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	2,721	15,402

# 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 first half of 2022 for \$34.5M</li></ul></li><li>➤ Suffield, CT * (*A vacant former school property that is up for sale)</li></ul>
Leased Facilities	<ul style="list-style-type: none"><li>➤ 21 School Facilities</li><li>➤ Denver, CO and Grand Prairie, TX<ul style="list-style-type: none"><li>• Closed on sale-leaseback for aggregate selling price of \$46.5M on 10/29/21</li></ul></li><li>➤ 1 Corporate Headquarters</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>

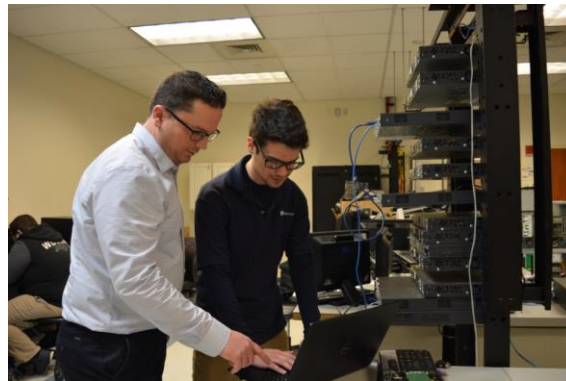
# 2022 Financial Guidance\*

➤ Continuing to build on 2021's strong performance



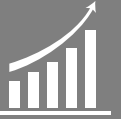




	2022
Revenue	\$350M to \$365M
Starts	+5% to 10% over 2021
Adjusted EBITDA**	\$35.0M to \$40.0M
Pre-Tax Income	\$17.0M to \$22.0M
Capital Expenditures	\$7.0M to \$9.0M

\* 2022 guidance excludes the impact of the relocation of the Nashville, Tennessee campus as well as additional costs associated with a new potential campus.

\*\*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
-  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
  
- 1. 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. Adjusted EBITDA** - is calculated as EBITDA adding back non-cash stock compensation expense and any other one time items which include gain on sale lease back, impairment of long lived asset, and rent for sale lease back in 2021. Refer to Appendix for 2018 – 2021 EBTIDA reconciliation.

# 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	\$ 23,964	\$ 34,718
Add-back:										
Interest expense, net	354	327	278	315	1,274	285	297	292	1,142	2,016
Provision for income taxes	50	50	50	(35,209)	(35,059)	1,245	729	1,614	8,939	12,527
<b>Operating Income (loss)</b>	\$ (1,346)	\$ 1,160	\$ 3,840	\$ 11,126	\$ 14,780	\$ 6,019	\$ 3,452	\$ 5,745	\$ 34,045	\$ 49,261
Depreciation and amortization:										
Total Company	1,890	1,874	1,783	1,854	7,401	1,901	1,793	1,927	1,520	7,141
<b>EBITDA</b>	\$ 544	\$ 3,034	\$ 5,623	\$ 12,980	\$ 22,181	\$ 7,920	\$ 5,245	\$ 7,672	\$ 35,565	\$ 56,402
Stock Compensation	292	325	670	400	1,686	493	844	757	796	2,889
(Gain)/Loss Sale of Fixed Asset	-	-	-	-	-	-	-	-	(22,472)	(22,472)
Rent for Sale Lease Back	-	-	-	-	-	-	-	-	554	554
Impairment	-	-	-	-	-	-	-	-	700	700
<b>Adjusted EBITDA</b>	\$ 836	\$ 3,359	\$ 6,293	\$ 13,380	\$ 23,868	\$ 8,413	\$ 6,088	\$ 8,429	\$ 15,143	\$ 38,073



# 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
Add-back:										
Interest expense, net	563	531	626	673	2,392	552	827	754	822	2,955
Provision for income taxes	50	50	50	50	200	50	144	50	24	268
<b>Operating Income (loss)</b>	<b>\$ (6,261)</b>	<b>\$ (3,523)</b>	<b>\$ 76</b>	<b>\$ 5,755</b>	<b>\$ (3,953)</b>	<b>\$ (4,865)</b>	<b>\$ (2,093)</b>	<b>\$ 2,143</b>	<b>\$ 10,052</b>	<b>\$ 5,237</b>
Depreciation and amortization:										
Total Company	2,100	2,088	2,102	2,131	8,420	2,050	1,940	1,982	2,144	8,116
<b>EBITDA</b>	<b>\$ (4,161)</b>	<b>\$ (1,436)</b>	<b>\$ 2,178</b>	<b>\$ 7,886</b>	<b>\$ 4,467</b>	<b>\$ (2,816)</b>	<b>\$ (153)</b>	<b>\$ 4,125</b>	<b>\$ 12,197</b>	<b>\$ 13,353</b>
Adjusted EBITDA Add-Back:										
Transitional Segment	128	896	1,861	3,091	5,976	-	-	-	-	-
Stock Compensation	429	52	20	20	521	52	190	218	218	679
<b>Adjusted EBITDA</b>	<b>\$ (3,604)</b>	<b>\$ (488)</b>	<b>\$ 4,059</b>	<b>\$ 10,997</b>	<b>\$ 10,964</b>	<b>\$ (2,764)</b>	<b>\$ 38</b>	<b>\$ 4,343</b>	<b>\$ 12,415</b>	<b>\$ 14,032</b>