



# Education that Makes a Difference

*Fourth Quarter 2018 Results*

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*Presented by*

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# SAFE HARBOR STATEMENT

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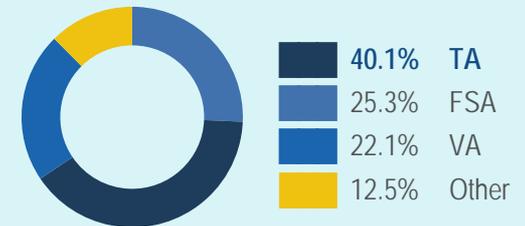
# RECENT RESULTS & HIGHLIGHTS

- For the three months ended December 31, 2018, APUS net course registrations by *new* students and net course registrations *overall* each decreased approximately 1%, compared to the prior year period.
  - Although net course registrations by *new* students utilizing Federal Student Aid (FSA) declined year-over-year, net course registrations by *new* students utilizing DoD Tuition Assistance (TA) increased 11% year-over-year. Approximately 40% of total registrations are by students utilizing TA.
  - The first course pass and completion rate, a measure of student persistence, for APUS undergraduate students using FSA *increased* by 8.4% for the three months ended November 30, 2018, compared to the same period last year.
- HCN total student enrollment was flat and new student enrollment decreased by 4% (Fall 2018), compared to the prior year period.

APUS NET COURSE REGISTRATIONS  
BY PRIMARY FUNDING SOURCE  
Three months ending December 31, 2018

	% Change (Y/Y)
FSA	-6.2%
<b>TA</b>	<b>+2.7%</b>
VA	-2.6%
Cash/Other	0.0%
<b>Total</b>	<b>-1.2%</b>

APUS NET COURSE REGISTRATIONS  
BY PRIMARY FUNDING SOURCE  
Three months ending December 31, 2018



# FINANCIAL RESULTS SUMMARY

FOURTH QUARTER 2018

	<u>4Q2018</u>
Revenues	\$76.9M
EPS (diluted)	\$0.55/share
Cash & Equiv.	\$212.1M

- Consolidated revenues decreased by 1% to \$76.9 million, compared to \$78.1 million in the same period of 2017.
- Costs and Expenses:
  - *Instructional costs and services expenses* increased slightly as a percentage of revenues to 37.0%, compared to 36.7% in the prior year period.
  - *Selling and promotional expenses* decreased slightly as a percentage of revenues to 18.2%, compared to 18.3% in the prior year period.
  - *General and administrative expenses* increased as a percentage of revenues to 24.3%, compared to 22.3% in the prior year period.
- Net income increased to \$9.1 million, or \$0.55 per diluted share, compared to \$8.4 million, or \$0.51 per diluted share, in the prior year period.
- Cash and cash equivalents increased to \$212.1 million, compared to \$179.2 million as of December 31, 2017.



# APEI OUTLOOK

FIRST QUARTER 2019

*These statements are based on current expectations. These statements are forward-looking and actual results may differ materially.*



	First Quarter 2019 Approximate Y/Y Change
APUS Net course registrations <sup>1</sup> by new students	Approx. +8%
APUS Net course registrations <sup>1</sup>	Approx. +1%
HCN Student enrollment <sup>2</sup>	-15%
HCN New student enrollment <sup>2</sup>	-30%
APEI Consolidated revenue	-5% to 0%
HCN Revenue as a % of consolidated revenue	Approx. 10%
APEI Consolidated net income per share*	\$0.29 to \$0.34

\*Consolidated net income per share includes approximately \$1.5 million pre-tax in professional fees associated with an acquisition that the Company is currently evaluating.

<sup>1</sup>APUS Net course registrations represent the approximate aggregate number of courses for which students remain enrolled after the date by which they may drop a course without financial penalty. <sup>2</sup>HCN Student enrollment represents the total number of students enrolled in a course after the date by which students may drop a course without financial penalty.



# We Change Lives Through Higher Education



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