

# **Strayer Education, Inc.**

---

*Making Education Achievable for Working Adults*

## **Investor Presentation**

### **Q3 2009**

# Safe Harbor Language

---

*This presentation contains statements that are forward-looking and are made pursuant to the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). The statements are based on the Company's current expectations and are subject to a number of uncertainties and risks. In connection with the safe-harbor provisions of the Reform Act, the Company has identified important factors that could cause the Company's actual results to differ materially. The uncertainties and risks include the pace of growth of student enrollment, our continued compliance with Title IV of the Higher Education Act and the regulations thereunder, as well as regional accreditation standards and state regulatory requirements, competitive factors, risks associated with the opening of new campuses, risks associated with the offering of new educational programs and adapting to other changes, risks associated with the acquisition of existing educational institutions, risks relating to the timing of regulatory approvals, our ability to implement our growth strategy, risks associated with the ability of our students to finance their education in a timely manner, and general economic and market conditions. Further information about these and other relevant risks and uncertainties may be found in the Company's annual report on Form 10-K and its other filings with the Securities and Exchange Commission, all of which are incorporated herein by reference and which are available from the Commission. We undertake no obligation to update or revise forward-looking statements.*

# Strayer Education, Inc.

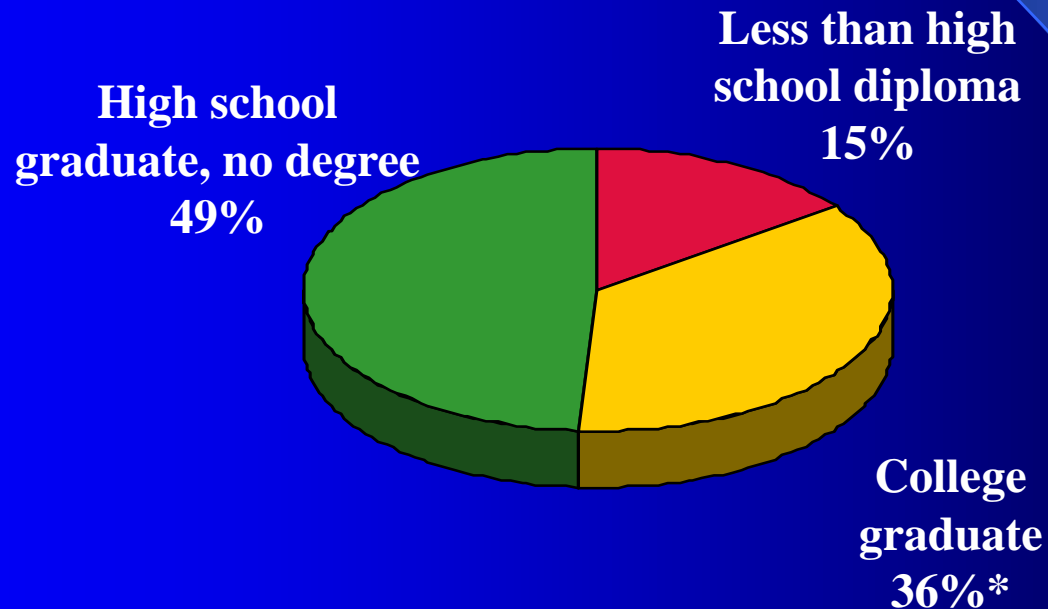
---

- ❖ Strong supply/demand fundamentals
- ❖ Established brand
  - High product quality
  - Consistent operating history
- ❖ Owner-oriented management team focused on creating long-term shareholder returns
- ❖ Compelling financial model
  - History of double digit revenue and net income growth
  - Sustainable high operating margins
  - Strong free cash flow and return on capital
- ❖ Multiple channels for long-term growth

# Attractive Working Adult Market Segment

---

Education Level of U.S. Population Over 25 Years of Age  
(187 million people)

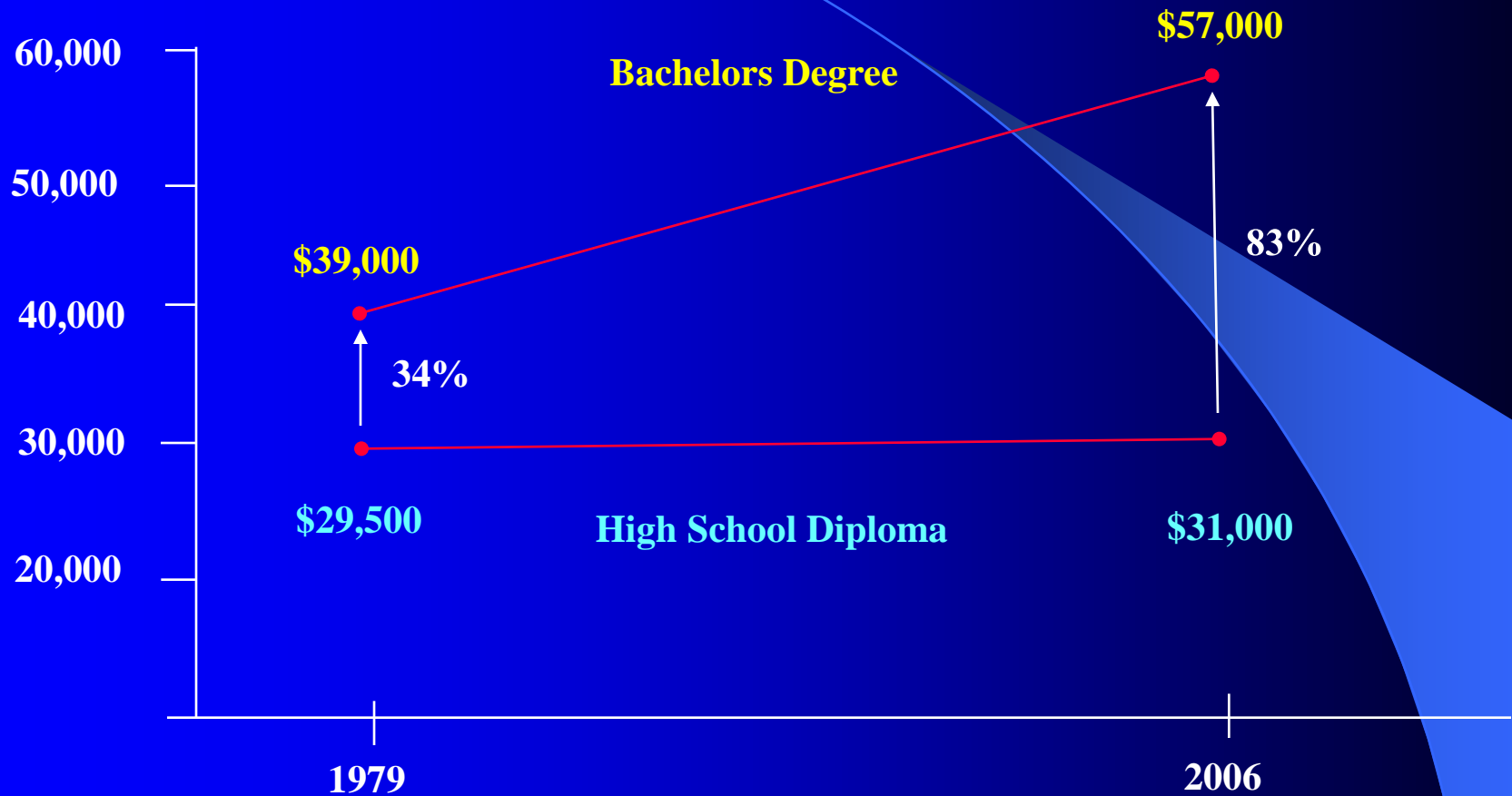


\* Associate degree and above

Source: U.S. Bureau of Labor Statistics.

**Strayer Education, Inc.**

# Widening Earnings Gap



Source: Bureau of Labor Statistics, U.S. Department of Labor

# Strayer University

---



- ❖ 46,000+ students
- ❖ 117-year history
- ❖ Focus on working adults
- ❖ Middle States accredited programs
- ❖ Convenient program offerings / high quality faculty
- ❖ 71 campuses in 15 states and Washington, D.C.
- ❖ Robust online program offering

# High Quality Academic Programs

Spring Term 2009

## Programs

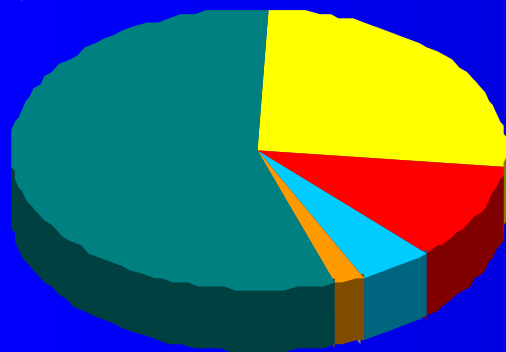
Bachelors  
56%

Masters  
27%

Associates  
11%

Undeclared  
5%

Diploma/  
Certificate  
1%



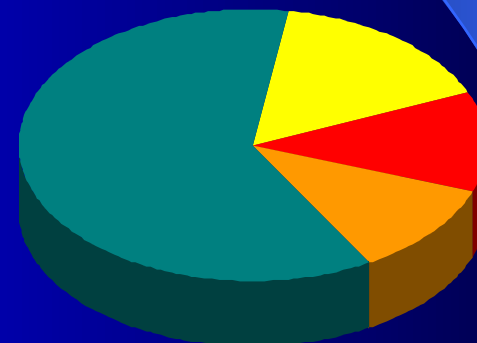
## Academic Majors

Business /  
Economics  
61%

Information  
Systems  
16%

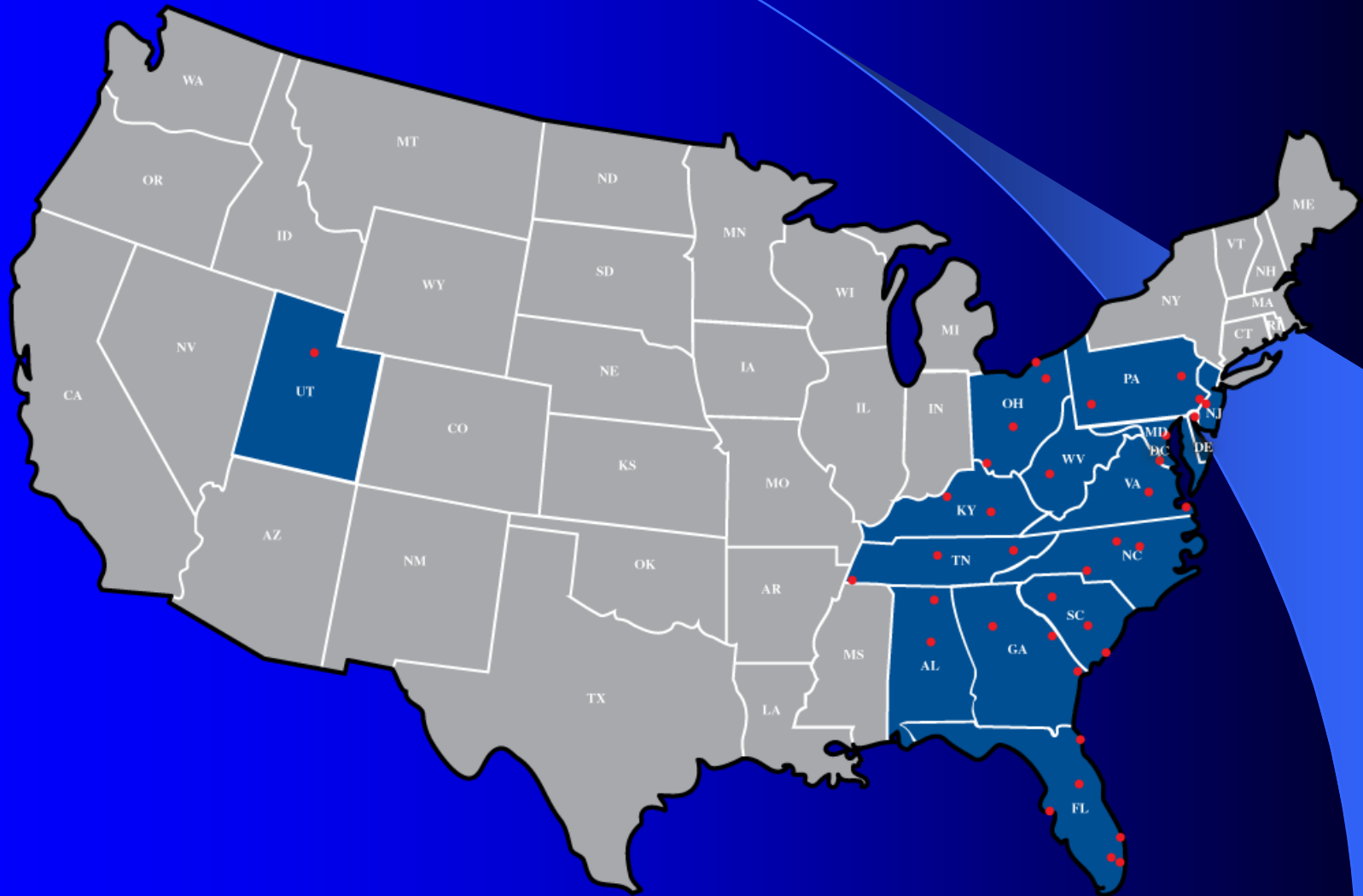
Accounting  
12%

Other  
11%



# Strayer Campuses

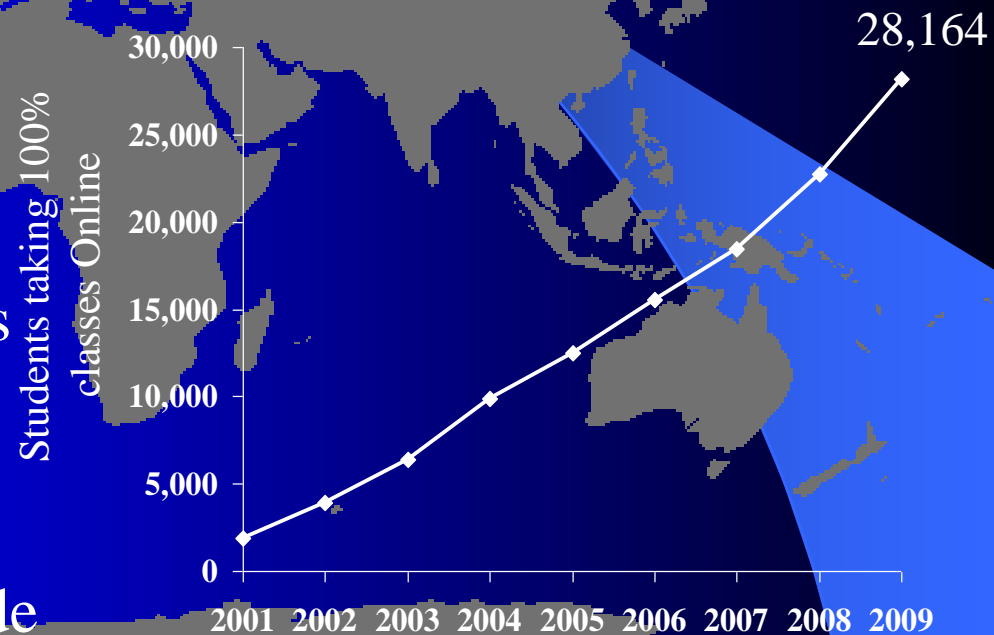
❖ 71 strategically situated in attractive metro areas



# A Leading Online Program Offering

- ❖ Synchronous and asynchronous programs
- ❖ Ability to learn anytime, anywhere
- ❖ Students from all 50 states and multiple countries
- ❖ Global Region servicing students who reside outside of our campus footprint

Online Enrollment  
(Spring Term)



# Our Vision: To Build a Nationwide University

**Maintain High Academic Quality**

**Ensure Stable Performance  
in Our Mature Markets**

**Open New Campuses**

**Expand Strayer University Online**

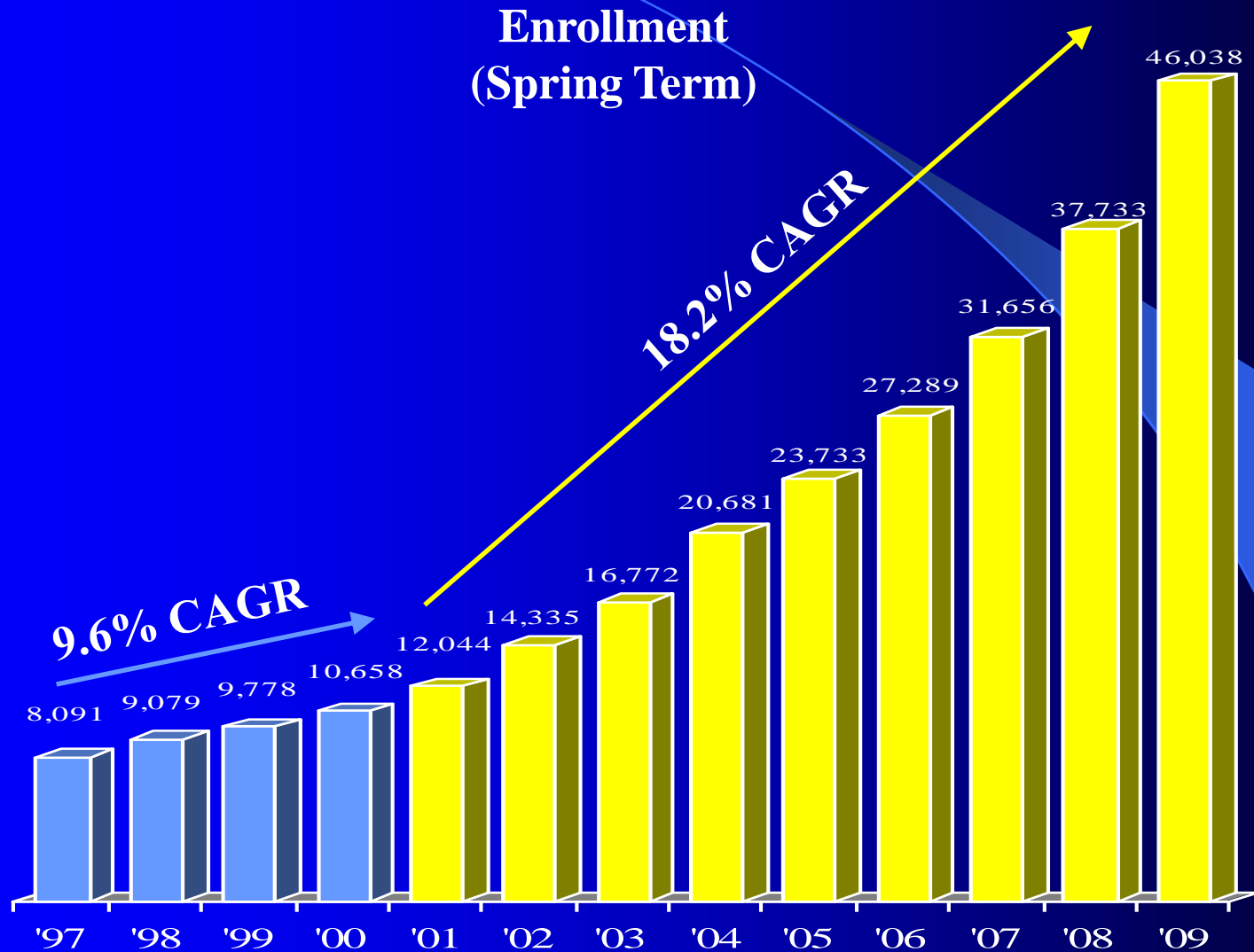
**Develop Corporate /  
Institutional Alliances**

**Careful Deployment of Excess Cash**

**Internal Growth**

**External Growth**

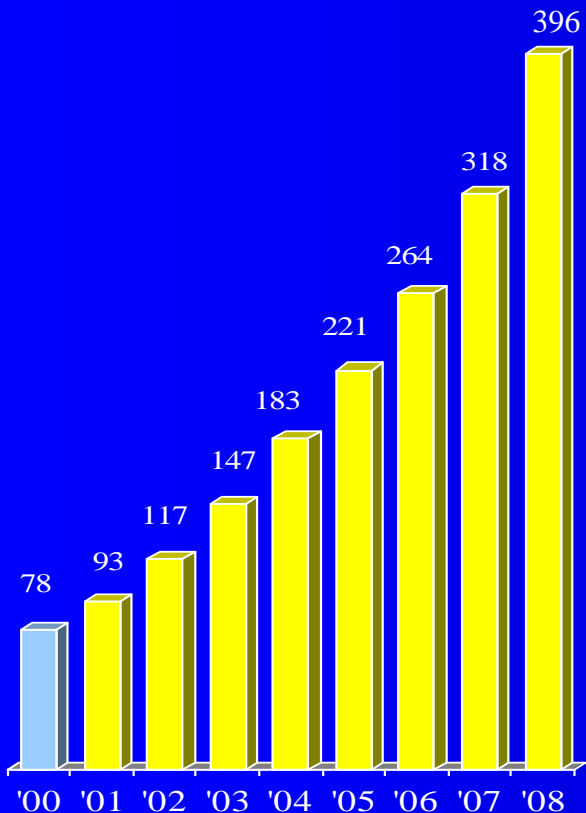
# Enrollment Growth



# Financial Performance

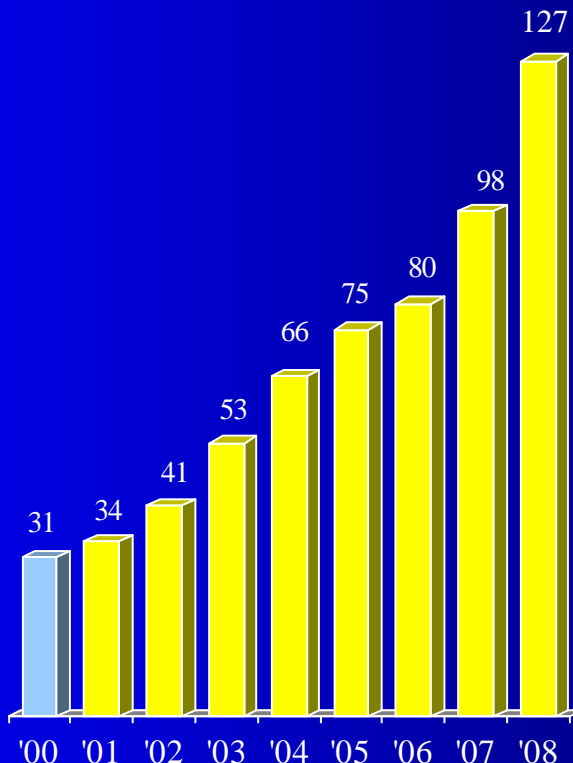
## Revenues

(\$ in Millions)



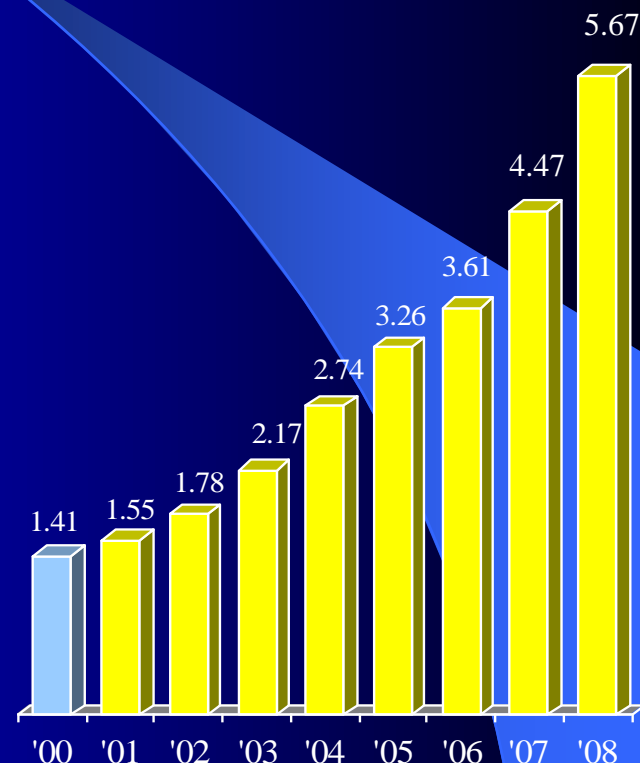
## Operating Income

(\$ in Millions)



## Earnings Per Share

(\$, diluted)

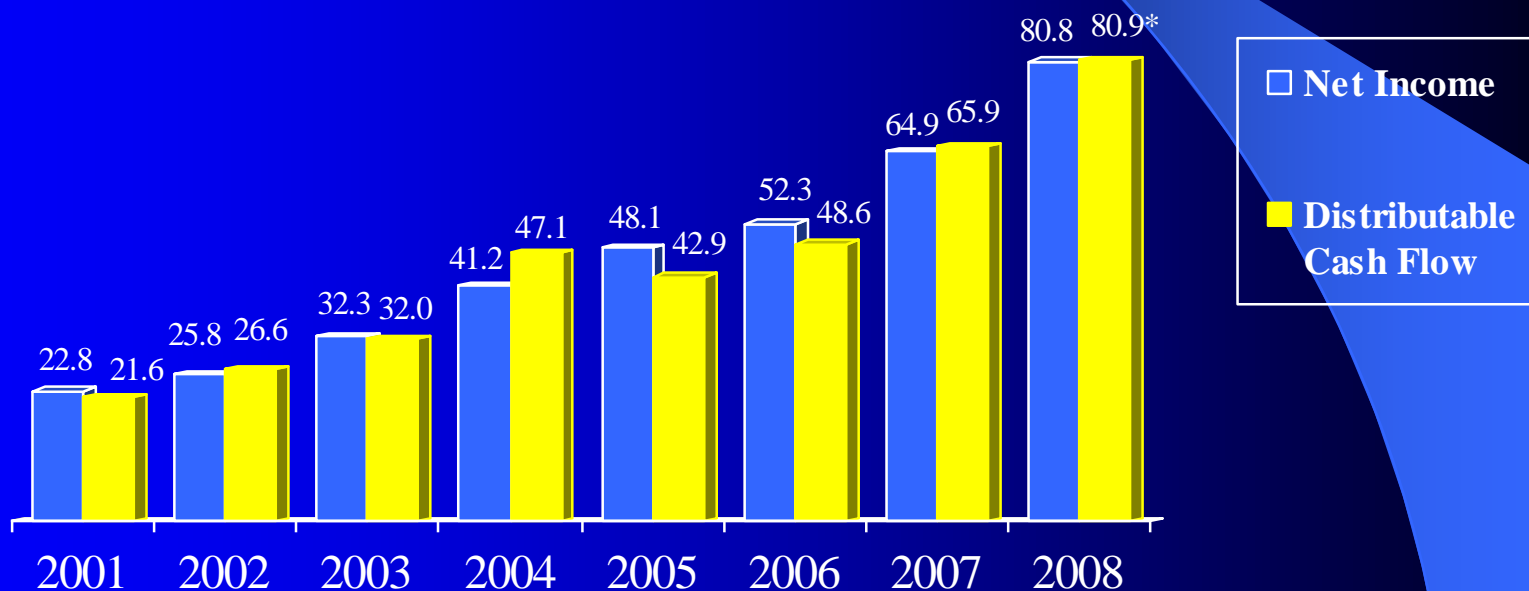


Note: Company began expensing stock-based compensation in 2006

# Significant Cash Generation

- ❖ The majority of net income each year is distributable cash flow

(Dollars in millions)



\*Adjusted for \$13 million tax benefit.

**Strayer Education, Inc.**

# Q2 2009 Results/Q3 2009 Outlook

---

## Q2 2009 Results

- ❖ Revenues up 29%
- ❖ Operating income margin of 35.8% compared to 34.3% in 2008
- ❖ EPS of \$2.00, up 33%

## Q3 2009 Outlook

- ❖ Summer Term Enrollment up 24%
  - New Students up 28%
  - Continuing Students up 23%
  - Online Enrollment up 25%
- ❖ Estimated Q3 EPS: \$1.14 - \$1.16

# Summary

---

- ❖ Post-secondary education of working adults is a large, underserved, and highly attractive market
- ❖ Strayer is a high-quality education company
  - Excellent business model which generates strong free cash flow
  - Pristine balance sheet with no debt
- ❖ If successful in executing our strategy, Strayer should deliver substantial growth in shareholder value

# **Strayer Education, Inc.**

---

*Making Education Achievable for Working Adults*

## **Investor Presentation**

### **Q3 2009**