

STRAYER EDUCATION, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA

(Amounts in thousands, except per share data)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2016	2017	2016	2017
Net income (loss)	\$ 11,718	\$ (6,495)	\$ 34,802	\$ 20,612
Provision for income taxes	7,910	18,364	22,490	32,034
Investment income	(135)	(342)	(462)	(1,079)
Interest expense	161	161	642	642
Depreciation and amortization	4,541	5,014	17,817	18,733
Stock-based compensation	3,437	3,058	10,767	11,627
Fair value adjustments ⁽¹⁾	(742)	381	(946)	(5,757)
Merger related costs ⁽²⁾	—	8,441	—	11,855
Adjusted EBITDA ⁽³⁾	<u>\$ 26,890</u>	<u>\$ 28,582</u>	<u>\$ 85,110</u>	<u>\$ 88,667</u>

⁽¹⁾ Reflects reductions to the value of contingent consideration related to the Company's acquisition of the New York Code + Design Academy and the related tax effects, and adjustments to the Company's reserve for leases on facilities no longer in use.

⁽²⁾ Reflects charges associated with the Company's previously announced merger with Capella Education Company and severance costs associated with a staff reduction program.

⁽³⁾ Denotes non-GAAP financial measures. Please see pages 8-10 of the Company's press release dated March 1, 2018 for more detail regarding these adjustments and management's reasons for providing this information.