

October 7, 2024



Legacy Education Reports Results for Fourth Quarter and Full Year 2024

High Demand Fuels Positive Growth Outlook for 2024

TEMECULA, Calif., Oct. 7, 2024 /PRNewswire/ -- Legacy Education Inc. (NYSE American: LGCY), an award-winning, nationally accredited, for-profit post-secondary education company founded in 2009, today announced financial and operating results for the fourth quarter and full year ended June 30, 2024.



Fourth Quarter 2024 Financial Highlights

- Revenue grew 34.1% to \$12.8 million
- New student starts increased 27.1%
- EBITDA of \$0.9 million and adjusted EBITDA of \$2.7 million
- Net income of \$1.0 million
- Earnings per share of \$0.10

Full Year 2024 Financial Highlights

- Revenue grew 29.7% to \$46.0 million
- New student starts increased 21.8%
- EBITDA of \$6.5 million and adjusted EBITDA of \$8.4 million
- Net income of \$5.1 million
- Earnings per share of \$0.55
- Ended year with student population of 2,187, 28.3% higher than 2023

"We are pleased to report results in our annual earnings report, underscoring Legacy Education Inc.'s commitment to delivering high-quality educational experiences," said LeeAnn Rohmann, Chief Executive Officer. "This year's performance reflects our strategic growth initiatives and dedication to empowering individuals through transformative learning. We remain focused on expanding our reach and enhancing the value we provide to our students, partners and shareholders."

YEAR END FINANCIAL RESULTS

(Year ended June 30, 2024 compared to June 30, 2023)

- **Revenue** was approximately \$46.0 million in fiscal 2024 compared to approximately \$35.5 million in fiscal 2023, an increase of approximately \$10.5 million, or approximately 29.7%. The increase was primarily due to increased student enrollment and the increase in pricing of certain programs.
- **Educational services** was approximately \$26.4 million in fiscal 2024 compared to approximately \$20.8 million in fiscal 2023, an increase of approximately \$5.6 million, or approximately 26.8%. The increase is primarily a result of increased instructional and staffing required to support the increase in enrollments as well as a non-cash compensation charge of approximately \$1.9 million related to stock option grants, of which, approximately \$1.8 million pertain to options that vested immediately upon the granting of the awards.
- **General and administrative expense** was approximately \$13.0 million in fiscal 2024, compared to approximately \$10.7 million in fiscal 2023, an increase of approximately \$2.3 million, or approximately 22.0%. The increase was primarily related increased marketing and bad debt expense. We anticipate general and administrative expense will continue to increase as our business continues to move towards decentralization, reflecting (i) that we are now more corporate and campus-based, with additional management overseeing various campuses, and (ii) additional professional fees as we pursue potential acquisitions of new institutions. Of the total general and administrative expense, \$4.1 million and \$3.5 million related to sales and marketing expense for fiscal 2024 and 2023, respectively

(Table to Follow
in Thousands)

	Three Months Ended		Year Ended	
	June 30		June 30	
	2024	2023	2024	2023
	Unaudited	Unaudited		
REVENUE				
Tuition and related income, net	\$ 12,752,420	\$ 9,509,864	\$ 46,000,316	\$ 35,455,948
OPERATING EXPENSES				
Educational services	8,548,697	5,600,550	26,351,326	20,785,421
General and administrative	3,253,367	2,722,619	12,999,164	10,651,402
General and administrative - related party	42,000	47,000	168,000	173,000
Depreciation and amortization	75,865	55,306	265,036	224,488
Total costs and expenses	11,919,929	8,425,475	39,783,526	31,834,311
OPERATING INCOME	832,491	1,084,389	6,216,790	3,621,637
Interest expense	(14,864)	(16,943)	(118,162)	(96,259)
Interest income	359,814	190,438	886,834	339,102
Total other income	344,950	173,495	768,672	242,843
INCOME BEFORE INCOME TAXES	\$ 1,177,441	\$ 1,257,884	\$ 6,985,462	\$ 3,864,480
Income tax expense	(216,099)	(463,121)	(1,870,610)	(1,197,741)
Net income (loss)	961,342	794,763	\$ 5,114,852	2,666,739

Net income per share								
Basic								
net income per share	\$	0.10	\$	0.09	\$	0.55	\$	0.29
Diluted								
net income per share	\$	0.10	\$	0.08	\$	0.53	\$	0.28
Basic weighted average shares outstanding		9,291,149		9,254,881		9,291,149		9,216,949
Diluted weighted average shares outstanding		9,691,149		9,654,881		9,691,149		9,616,949

(1) Shares outstanding and per share amounts have been retroactively adjusted to reflect the 2-for-1 reverse split of our common stock effected on September 9, 2024.

Selected Consolidated Balance Sheet Data: June 30, 2024

Cash and cash equivalents	\$	10,376,149
Current assets		24,587,609
Total assets		35,173,050
Current liabilities		10,466,242
Total stockholders' equity		22,419,012

Important Information Regarding Non-GAAP Financial Information

To supplement Legacy Education's consolidated financial statements presented in accordance with GAAP, Legacy Education furnishes certain adjusted non-GAAP supplemental information to our financial results regarding EBITDA and adjusted EBITDA. This reconciliation adjust the related GAAP financial measures to exclude operating income to adjust the impact of non cash compensation in the periods presented. We use such adjusted non-GAAP financial measures to evaluate our period-over-period operating performance because our management team believes that by excluding the effects of such adjusted GAAP-related items that, in their opinion, do not reflect the ordinary earnings of our operations, it enhances investors' overall understanding of our current financial performance and our prospects for the future by (i) providing a more comparable measure of our continuing business, as well as greater understanding of the results from the primary operations of our business, (ii) affording a view of our operating results that may be more easily compared to our peer companies, and (iii) enabling investors to consider our operating results on both a GAAP and adjusted non-GAAP basis (including following the integration period of our prior and proposed acquisitions). However, this adjusted non-GAAP information is not in accordance with, or an alternative to, generally accepted accounting principles in the United States ("GAAP") and should be considered in conjunction with our GAAP results as the items excluded from the adjusted non-GAAP information may have a material impact on Legacy's financial results. A reconciliation of adjusted non-GAAP adjustments to Legacy's GAAP financial results is included in the tables at the end of this press release.

In the noted fiscal periods, we adjusted net income for the items identified from our GAAP financial results to arrive at our adjusted non-GAAP financial measures:

Stock-based compensation - We exclude stock-based compensation to be consistent with the way management and, in our view, the overall financial community, evaluates our performance and the methods used by analysts to calculate consensus estimates. The expense related to stock-based awards is generally not controllable in the short-term and can vary significantly based on the timing, size and nature of awards granted. As such, we do not include these charges in operating plans.

RECONCILIATION OF NET INCOME, EBITDA, AND ADJUSTED EBITDA

	Three Months Ended June 30		Year Ended June 30	
	2024	2023	2024	2023
Net income	\$ 961,342	\$ 794,763	\$ 5,114,852	\$ 2,666,739
Adjusted to exclude the following:				
Interest expense (income), net	(344,950)	(173,495)	(768,672)	(242,843)
Provision for income taxes	216,099	463,121	1,870,610	1,197,741
Depreciation and amortization	75,865	55,306	265,036	224,488
EBITDA	908,356	1,139,695	6,481,826	3,846,125
Non cash compensation	1,882,064	0	1,882,064	0
Adjusted EBITDA	\$ 2,790,420	\$ 1,139,695	\$ 8,363,890	\$ 3,846,125

ABOUT LEGACY EDUCATION

Legacy Education (NYSE: LGCY) is an award-winning, nationally accredited, for-profit post-secondary education company founded in 2009. Legacy Education provides career-focused education primarily in the healthcare field, with certificates and degrees for nursing, medical technicians, dental assisting, business administrative, and several others. The company offers a wide range of educational programs and services to help students achieve their professional goals. Legacy Education's focus is on providing high-quality education that is accessible and affordable. Legacy Education is committed to growing its education footprint via organic enrollment growth, addition of new programs and accretive acquisitions. For more information, please visit www.legacyed.com or on LinkedIn @legacy-education-inc.

FORWARD-LOOKING STATEMENTS

Statements in this press release about future expectations, plans, and prospects, as well as any other statements regarding matters that are not historical facts, may constitute "forward-looking statements." These statements include, but are not limited to, statements relating to the expected trading commencement and closing dates, expected use of proceeds, the Company's operations and business strategy and the Company's expected financial results.

The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. The forward-looking statements contained in this press release are based on management's current expectations and are subject to substantial risks, uncertainty and changes in circumstances. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including, without limitation, market conditions and the factors described in the section entitled "Risk Factors" in Legacy's most recent Annual Report on Form 10-K and Legacy's other filings made with the U.S. Securities and Exchange Commission. All such statements speak only as of the date of this press release. Consequently, forward-looking statements should be regarded solely as Legacy's current plans, estimates, and beliefs. Legacy cannot guarantee future results, events, levels of activity, performance or achievements. Legacy does not undertake and specifically declines any obligation to update or revise any forward-looking statements to reflect new information, future events or circumstances or to reflect the occurrences of unanticipated events, except as may be required by applicable law.

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