

STRATEGIC EDUCATION, INC.

THIRD QUARTER 2018 EARNINGS RELEASE

November 8, 2018

FORWARD-LOOKING STATEMENTS

Statement Under the Private Securities Litigation Reform Act of 1995

Statements in this presentation concerning Strategic Education, Inc.'s (SEI) future prospects are "forward-looking statements" under the Federal securities laws. Such statements may be identified by the use of words such as "expect," "estimate," "assume," "believe," "anticipate," "will," "forecast," "outlook," "plan," "project," or similar words and may include statements with respect to, among other things, future events or the future financial performance of SEI, the anticipated benefits of the merger, including estimated synergies; SEI's plans, objectives and expectations; future financial and operating results; and other statements that are not historical facts. The statements are based on SEI's current expectations and are subject to a number of assumptions, uncertainties and risks, including but not limited to the risk that the benefits of the merger, including expected synergies, may not be fully realized or may take longer to realize than expected; the risk that the merger may not advance the combined company's business strategy and growth strategy; the risk that the combined company may experience difficulty integrating employees or operations; and the pace of growth of student enrollment. There can be no assurance that future results will be achieved, and actual results could differ materially from forecasts, estimates, and summary information contained in this presentation. Important factors that could cause actual results to differ materially include but are not limited to those listed in Strategic Education, Inc.'s 8-K filed today and 10-Q to be filed today with the Securities and Exchange Commission, as well as Strategic Education, Inc.'s future 8-K, 10-K and 10-Q filings. All Strategic Education, Inc. filings are available for viewing on our website at www.strategiceducation.com.

Q3 2018 RELEASE

Strategic Education, Inc. segment reporting structure starting Q3 2018

	Segment	Includes:
1	Strayer University	Strayer University, including Jack Welch Management Institute
2	Capella University	Capella University
3	Non-Degree Programs	New York Code + Design Academy (NYCDA), Hackbright Academy, DevMountain, and Sophia

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Q3 2018 ENROLLMENT AND FINANCIAL HIGHLIGHTS

Strategic Education, Inc. (SEI)				
Enrollment Performance (YoY)	SEI Consolidated	Strayer University	Capella University	Non-Degree Programs
Total Enrollment	NA	45,431 +9%	37,822 +2%	NA
New Enrollment	NA	+12%	+13%	NA
Continuing Student Enrollment[1]	NA	+8%	(1)%	NA
Adjusted Financial Performance[2] (YoY)				
Adjusted Revenue	$187.2 million +72.5%	$114.5 million +6.7%	$70.0 million	$2.7 million +125.2%
Adjusted Operating Income (Loss)	$22.1 million +261.2%	$11.9 million +47.5%	$11.9 million	($1.7 million)
Adjusted Operating Margin	11.8% of revenue +620 basis points	10.4% of revenue +290 basis points	NA	NA
Adjusted Net Income	$16.9 million +346.8%	NA	NA	NA
Adjusted Diluted Earnings Per Share	$0.92 170.6%	NA	NA	NA
Balance Sheet/Cash Flow				
Cash position as of Sept. 30, 2018 (cash, cash equivalents, and marketable securities)	$347.8 million	NA	NA	NA
Cash used in operations during nine months ended Sept. 30, 2018	$14.6 million	NA	NA	NA
Quarterly cash dividend declared during Q3 2018	$0.50 per share	NA	NA	NA

[1] Enrollment of students that have been enrolled in at least three of the prior four terms
[2] Non-GAAP financial measures; see page 6 of this presentation for more information regarding Non-GAAP financial measures

Enrollment and Financial Performance

- *Please note: Strategic Education's financial results for any periods ended prior to the merger close on August 1, 2018 do not include the financial results of Capella Education Company, and are therefore not directly comparable*
- New enrollment growth at both Strayer University and Capella University, including enrollment growth across undergraduate and master's programs
- Strayer University's revenue growth reflects enrollment growth offset by lower revenue-per-student
- Capella University's revenue growth reflects enrollment growth and a slight increase in revenue-per-learner; FlexPath continues to be a significant driver of new and total enrollment growth
- Cash used in operations due to cash payments of costs related to the merger; SEI ended the quarter with $348 million in cash and no debt, providing a very solid financial foundation

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Q3 2018 PRO FORMA HIGHLIGHTS

Strategic Education, Inc. (SEI)				
Enrollment Performance (YoY)	SEI Consolidated	Strayer University	Capella University	Non-Degree Programs
Total Enrollment	NA	45,431 +9%	37,822 +2%	NA
New Enrollment	NA	+12%	+13%	NA
Pro Forma Adjusted Financial Performance[1] (YoY)				
Adjusted Revenue	$224.6 million +4.2%	$114.5 million +6.7%	$106.4 million +2.4%	$3.7 million -11.3%
Adjusted Operating Expense	$198.1 million +1.2%	$102.6 million +3.3%	$89.7 million +2.4%	$5.8 million -34.4%
Adjusted Operating Income (Loss)	$26.5 million +34.0%	$11.9 million +47.5%	$16.7 million +2.0%	($2.1 million)
Adjusted Operating Margin	11.8% of revenue +260 basis points	10.4% of revenue +290 basis points	15.7% of revenue flat YOY	NA

Enrollment and Financial Performance

- *Please note: Pro Forma results include Capella Education Company results prior to and after August 1, 2018*
- Enrollment and adjusted revenue growth across both Strayer and Capella segments
- Very strong adjusted operating income growth and margin expansion at both Strayer and Capella segments

[1] Non-GAAP financial measures; includes the results of Capella Education Company prior to 8/1/18; see page 6 of this presentation for more information regarding Non-GAAP financial measures

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NON-GAAP FINANCIAL MEASURES

These materials report certain financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States of America ("GAAP"). We discuss management's reasons for reporting these non-GAAP measures below, and our publicly available financial information reconciles the most directly comparable GAAP measure to each non-GAAP measure that we reference. Although management evaluates and presents these non-GAAP measures for the reasons described below, please be aware that these non-GAAP measures have limitations and should not be considered in isolation or as a substitute for income from operations, net income, earnings per share or any other comparable financial measure prescribed by GAAP. In addition, we may calculate and/or present these non-GAAP financial measures differently than measures with the same or similar names that other companies report, and as a result, the non-GAAP measures we report may not be comparable to those reported by others.

Management uses certain non-GAAP measures to evaluate financial performance because those non-GAAP measures allow for period-over-period comparisons of its ongoing operations before the impact of certain items described below. These measures are Adjusted Revenue, Adjusted Operating Income (Loss), Adjusted Operating Margin, Adjusted Net Income, and Adjusted Diluted Earnings Per Share (EPS). We define Adjusted Revenue, Adjusted Operating Income (Loss), Adjusted Operating Margin, Adjusted Net Income, and Adjusted Diluted EPS to exclude (1) a purchase accounting adjustment of $26.2 million to record Capella University deferred revenue at fair value, (2) amortization expense related to intangible assets associated with the merger, (3) costs associated with the merger, (4) adjustments to the value of contingent consideration, and impairment charges for intangible assets, related to the acquisition of The New York Code + Design Academy, and (5) discrete tax adjustments utilizing annual effective income tax rates of 38.8% for 2017 and 27.1% for 2018. Please see the press release filed as Exhibit 99.1 to the 8-K dated November 8, 2018 for a reconciliation of these non-GAAP measures to the most directly comparable GAAP measures.

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