Strayer Education Inc.

2016 ANNUAL REPORT

OUR HERITAGE

Reprinted from the Strayer Business College
1912 student catalog

This catalog was written with a view of setting before the men and women of this community some of the advantages of a business education, and of acquainting them with the superior facilities of this school for giving high-grade business training.

The courses have been designed and presented to meet the needs of the business office of today. The teachers are men and women who are specialists in their respective subjects. The school rooms have been chosen and equipped with special reference to light, comfort and sanitation, so as to make it an ideal place for study.

We ask that the public, in determining which school it shall attend, to consider the facts in connection with this school, as are outlined in this catalog and supplementary literature. It is twenty years old. It has grown steadily since the beginning. It attributes its growth to correct ideals, careful management and successful, enthusiastic, and rapidly increasing alumni.

While it is essential to its success that a school should give thorough instruction in the subjects that comprise its courses, yet the school that does only this, falls short of its full mission. The development of those traits of character which make for reliability in business and good citizenship are the peculiar province of the school as well as the home. This school, then, has nothing in common, can have nothing in common, with those so-called business schools offering cheap and superficial courses. Such courses, while inexpensive, and possibly of short duration, cannot result in anything but disappointment in the end.

This school, then, stands for high ideals, it courts investigation, welcomes comparison, and stands by its promises. It is a school to which you may attend with the knowledge that you will be in pleasant surroundings, will be accorded fair treatment, and will be given thorough and painstaking instruction.

Finally, in presenting this catalog, we want to thank a discerning public for its support, and assure it that we shall endeavor to continue to merit the bountiful confidence it has heretofore placed in us.

STRAYER BUSINESS COLLEGE
CIRCA 1912

OUR BUSINESS MODEL

Reprinted from the Strayer Education, Inc.
2001 Letter to Shareholders

Strayer Education, Inc. is an education services holding company whose primary asset is Strayer University, a *125* year old institution of higher learning focused on educating working adults. In this letter, when I use the term "Strayer", I am referring to the company, as opposed to the university. Strayer University, founded in 1892, offers associate, bachelor's, and master's level degree programs in Business Administration, Accounting, and Computer Information Systems. Strayer University serves students at *80* campuses. In addition, Strayer University serves students in all 50 states and more than 60 foreign countries worldwide on the Internet through Strayer University Online.

Strayer's revenue comes from tuition payments and fees paid by, or on behalf of, Strayer University students. That revenue comes in essentially three forms. Roughly 70% is paid through federally insured student loans by banks, approximately 20% is paid directly to Strayer by corporations or institutions on behalf of their employees who attend Strayer University, and the remainder is paid by students through their own sources of credit.

Strayer's expenses include salaries paid to the faculty at the University who perform the teaching duties, salaries paid to the administrative and admissions staff who manage the campuses and enroll the students, and salaries paid to the corporate staff who manage the Company's affairs. Expenses also include lease payments for the campus buildings we lease and depreciation for the campus buildings we own, as well as advertising and marketing costs which serve to attract prospective students to Strayer University. Finally, our expenses include supplies; such as books, desks, chairs and computers necessary to support the educational process. Some of the furniture and electronic equipment is capitalized on our balance sheet and the expense is recorded as amortization over the period we expect the equipment to last, in accordance with generally accepted accounting principles.

The difference between the revenue we take in and the expenses we pay out is used to first pay taxes and is then added to the after-tax income generated by our financial assets (cash and marketable securities on our balance sheet) to make up our reported net income on a fully diluted basis.

Two of the attractive attributes of our business are that it generates significant after-tax free cash flow from operations, and that it has a high return on invested capital. The required capital expenditures to keep our existing assets functioning are roughly equal to our depreciation expenses. The investment capital required to fund our growth initiatives is not major. This investment capital includes traditional GAAP defined capitalized expenses, as well as increased spending which runs through our income statement. We are therefore in the enviable position of generating almost our entire net income as distributable free cash flow, even after investing in our growth. Some of this cash we do distribute back to our shareholders as dividends. The rest of the cash we intend to maintain as liquidity to either fund new opportunities, or ultimately return to our shareholders in a tax efficient manner. We understand that the redeployment of this cash is crucial to creating shareholder value.

As both shareholders and management, we are excited by this business model because we believe that the value of a college degree is rising with the transition to a knowledge economy, and that working adult students in search of an accredited college degree are underserved. We know that Strayer University's academic quality and convenience make it ideally suited to meet this growing demand. We have the right product, at the right time for a growing market. Our product, a quality college degree, is valued highly both by students and employers.

In 2001, we developed and committed to a new strategic plan, geared to expanding beyond our current regional focus to serve unmet nationwide demand for working adult post-secondary education. This plan consists of five elements:

— Maintaining enrollment in our mature campuses.

— Accelerating the addition of new campuses, particularly beyond our current geographic scope.

— Investing in our online university.

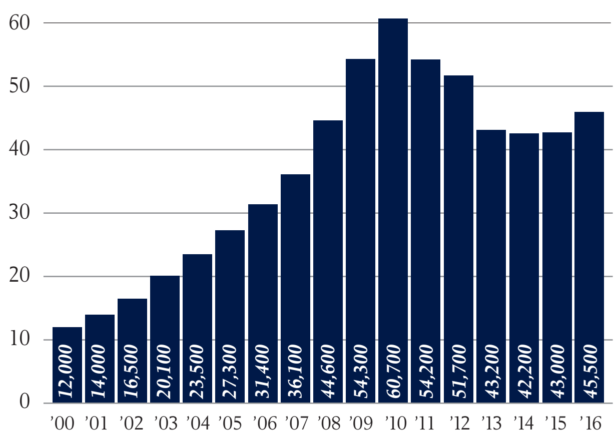
— Maintaining strong alliances and outreach to the major employers of our students.

— Carefully screening opportunities to redeploy capital back into the business or return it to owners.

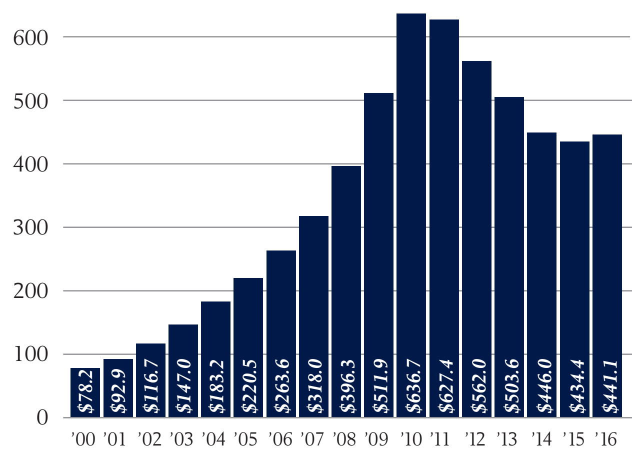
Note: Numbers that appear in italics are updated to reflect current information.

OUR RESULTS

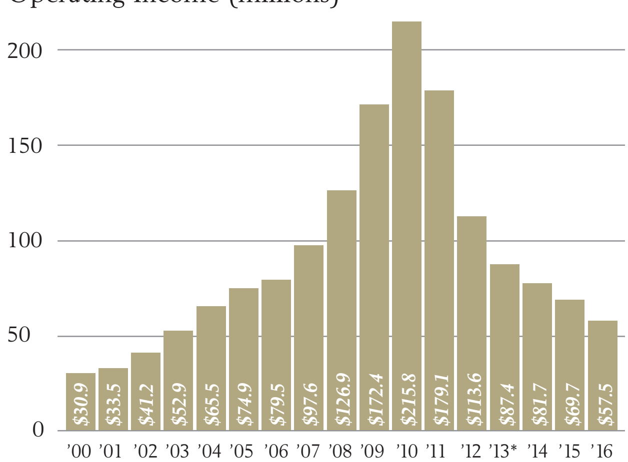
Student Enrollment: Fall Term



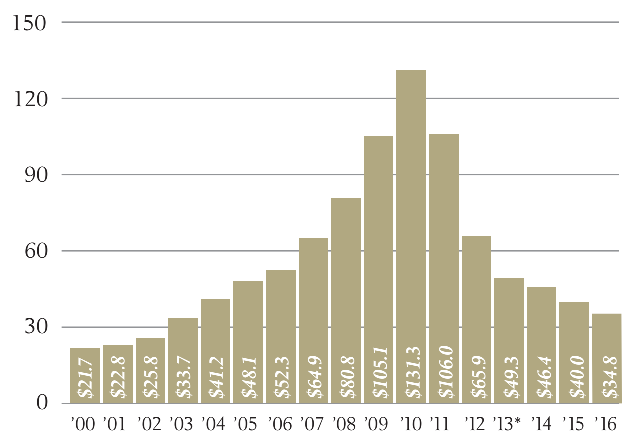
Revenues (millions)



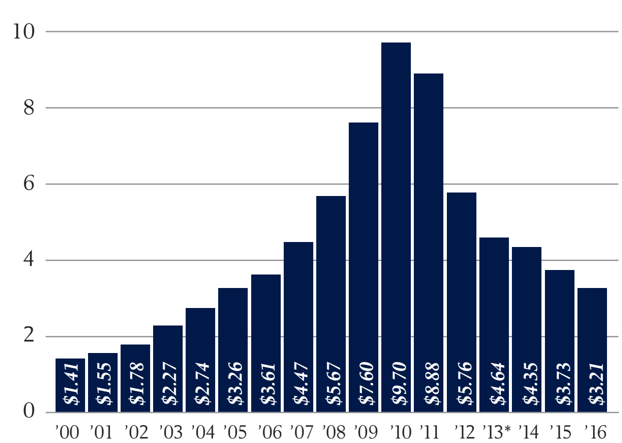
Operating Income (millions)



Net Income (millions)



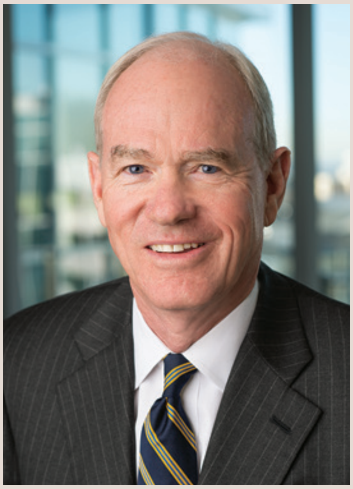
Earnings Per Share (diluted)



*Before a one time restructuring charge of $55 million

LETTER TO SHAREHOLDERS

Robert S. Silberman
Executive Chairman
Strayer Education, Inc.



Dear Fellow Shareholder,

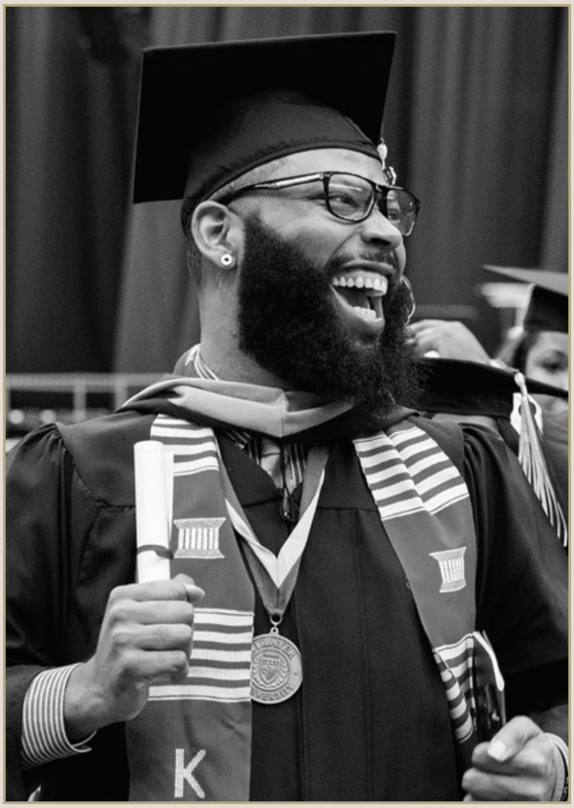
In 2016 our company generated $441 million in revenue, an increase of roughly 2%. 2016 marked the first year since 2010 that we were able to grow our company's revenue, as the significant investments we have made in Strayer University over the past five years have led to higher student achievement and higher retention rates. To put it simply, when our students perform better academically, our company performs better financially. Our relentless focus on academic quality, along with the numerous investments we have made in our other growth initiatives, have all clearly begun to bear fruit.

In this letter, I will report Strayer Education's 2016 annual results; discuss our performance against our long term objectives; comment on the potential changes in the regulatory and legislative landscape in which we operate; and finally, share our plans for your owner's capital in 2017. First, however, in order to put this letter in context, reprinted on page one of this annual report is an excerpt from my original Letter to Shareholders, written in 2001. This excerpt describes what our Company does, how our business generates both reported net income and owners' distributable cash flow, and our strategy to increase the intrinsic value per share of your investment in Strayer Education. We have reprinted this excerpt in each of our annual reports since 2001, as we believe it is helpful to compare our annual results against these first principles.

2016 Operational Results

Before we get too excited about our increased revenue in 2016, it is important to note that our operating income, net income, and owner's cash flow all *decreased* in the last year. Indeed, as one can see from the charts on the facing page, our enterprise has been shrinking since 2010. There are two main causes for this negative trend. First, the enormous shock of the Great Recession in 2009, and the consequent seven year decline in overall employment and labor participation rates, significantly shrank demand for university education among working adults. Second, in this period of declining demand, the supply of post-secondary educational providers actually increased, as more not-for-profit traditional universities (assisted by for-profit out-sourcing companies) began to serve the working adult student population through online academic programs.

We took several steps to address the deteriorating supply/demand ratio facing our business since 2010. First, we *increased* our spending on academic services. While we closed some underperforming physical



locations in 2013, our overall investment in per student academic services grew 20% from 2010 to 2016. I will provide more details on these investments later in this letter, but suffice it to say that when operating an academic institution, there is no substitute for the successful achievement of student learning outcomes. Therefore, investing financial capital to constantly improve what (and how) we teach, is the only sustainable method of creating long term owner's value.

The reduced employment caused by the Great Recession of 2009 was felt most keenly by adults who lack a college degree, who by definition make up our pool of prospective undergraduate students. Since it is very difficult for an *unemployed* adult to muster the commitment, time, and financial resources necessary to enroll at an institution like Strayer University, demand for our undergraduate programs began to plummet in 2010. Consequently, our second major step was to radically *reduce* the price of a Strayer University undergraduate degree, by approximately 40%, from $70,000 to $43,000. This price reduction took two forms. First, we reduced our per course price by 20% from $1,775 to $1,420 (one needs to complete 40 courses inclusive of transfer credits to graduate from Strayer University). Second, we implemented an innovative scholarship concept, called the Strayer University Graduation Fund, through which students earn one free course for every three courses that they pass. The free courses can only be redeemed in the student's senior year, so as to incentivize degree completion and graduation.

While we were managing these weakened business conditions over the last six years, our Company also faced a more challenging regulatory environment. Starting in 2010, the federal government undertook a significant (and some have argued unfair and discriminatory) tightening of the regulatory structure governing the ability of investor-funded universities to receive government issued student loans as tuition. Indeed, supporters of these new regulations, including some senior political leaders, went so far as to question the very legitimacy of investor-provided capital as a source of funding for higher education. While the rulemaking process and implementation was a costly multi-year diversion of management time and attention, the new regulations themselves have had little real operational impact on Strayer University, as we comfortably pass all of the new standards.

Not surprisingly, our decision to simultaneously increase expenses and lower prices caused our enterprise's operating margin to decline significantly from 2010 to 2016 (again the charts on page two are instructive). However, this strategy has proven successful. Our new student enrollment began to grow in 2014, our total student enrollment (i.e. both new and continuing students) began to grow in 2015, and our revenue finally began to grow in 2016, as the increase in our student enrollment offset the lower revenue per student resulting from our reduced tuition. I am pleased to report that given current enrollment trends, we are confident that 2016 will turn out to have been our trough year for earnings. Indeed, we fully expect in 2017 to not just increase student enrollment and revenues, but to also increase our company's earnings and distributable owners' cash. More importantly, notwithstanding the reduction in earnings we have suffered over the last six years, over that same time period we have consistently improved our academic outcomes, increased the rate at which our students progressed from one course to the next, and increased our graduation rates. As shareholders, we own a stronger academic institution in 2016 than we did in 2010.

Strayer University's ability to grow its 2016 student enrollment for the second straight year is particularly noteworthy given that total university enrollment in the United States in 2016 fell for the *fifth* straight year. There are several reasons for our ability to prosper despite this headwind, but possibly the most important is our commitment to innovation. We have always let our students decide how they want to access our academic instruction, either on-ground, in one of our 80 brick and mortar campuses, or online, through which our entire course catalog is available. The percentage of our class seats which students accessed online steadily grew from the inception of our online classes in 1996, until it reached 50% in 2005. That ratio held for several years (roughly half of our class seats in any given quarter were taught in a physical location, and half online.) However, in 2011 our student's academic preferences began to shift again towards accessing the academic content online, and by the Fall term of 2016 our online class seat ratio had risen to 85%.

With this shift in student preferences, we understand that our success as a University will only be as strong as the quality of our online content. Therefore, as I noted in last year's Letter to Shareholders, in 2016 we began a significant revamp and improvement of our online curricula, making it more robust, engaging, and interactive. Under the leadership of our Provost and Chief Academic Officer, Dr. Andrea Backman, we built a new production facility, Strayer Studios, where we bring together academic instructional designers, script writers, producers, and graphic artists to build our new online courses. In 2016, we concentrated on our most popular classes, and by year end nearly 10% of our students were enrolled in these new online courses. The early results from our Strayer Studio courses are very encouraging. The two most important academic metrics we track, credit hours earned and student continuation rate, both increased in our Strayer Studio courses (by 5% and 6.5% respectively) versus a control group of the same online classes in our previous course format. While these improvements may seem small, when compounded over 40,000 students, four terms per year, they will create meaningful increases in both academic achievement for our students, and financial return for our shareholders.

In 2016 we also continued the implementation of our Foundations of Success program. This program uses extensive data collection technologies to identify the behavioral sources of academic success, such as determination and perseverance. We then develop coaching and tutoring techniques to help instill those behaviors in our students, particularly those of our adult students who have enrolled with little or no previous college experience. Developments like Strayer Studios and Foundations of Success courses are a result of our commitment to a culture of experimentation and innovation. In any given term we have dozens of pilots underway, testing not just what we teach, but *how* we teach. With over 40,000 students and a relatively narrow course catalog, we can experiment at a small scale, and when we see promising results, quickly implement the improvements on a large scale. We collect and use data voraciously, and are not shy about making changes. Probably the most significant contributor to our increased academic achievement in 2016 was our use of proprietary predictive analytics. Simply put, we are getting much better at identifying early in our online courses which of our students are struggling academically, and are therefore able to concentrate our efforts on those students who are most in need of additional scholastic help.

The Jack Welch Management Institute (JWMI) continued to be an area of strength for Strayer University in 2016. Under the leadership of JWMI's CEO, Dean Sippel, as well as our partners, Jack and Suzy Welch, the Institute grew to 1,400 students in 2016, and awarded MBAs to over 250 graduates. I was particularly proud when JWMI was named by the Princeton Review as one of its top 25 global online MBA programs for 2016. I was even prouder when Jack and I stood on a stage at the Andrew Mellon Center in Washington, D.C. on June 11 to preside over JWMI's first graduation ceremony. In a very short period of time, JWMI has gone from a standing start to one of the largest and most respected Executive MBA programs in the country, and a major contributor to Strayer University's performance. All Strayer Education shareholders should be very grateful to Jack for his hands-on leadership, as he has been essential to JWMI's success.

Our academic team, led by University President Brian Jones, completed two important accreditation activities during 2016. First, we completed a comprehensive self-study, a report done every five years by Strayer University and submitted to our regional accreditor — The Middle States Commission on Higher Education (Middle States). This report will be used by Middles States as the basis for a site visit and the reaffirmation of Strayer University's accreditation in 2017. Separately, in October, the Commission on Collegiate Nursing Education completed a site visit for our new nursing program. We look forward to receiving final approval (and accreditation) of our nursing curricula in 2017, after which we intend to roll out this new online program throughout our University.

In 2016, Strayer University awarded over 9,400 degrees, an increase of roughly 15% over the prior year. Our working adult graduates were employed by 3,200 different institutions, covering a broad cross-section of the economy. Their employment covered sectors such as telecommunications, healthcare, banking and finance, retail, government contracting, and food service, as well as the federal government and the military. While our corporate partnership program is an important source of students for Strayer University, we are extremely well diversified, as the largest single employer of our students accounted for only 350 members of our 2016 graduating class, or less than 4%.

Also in 2016, we closed and integrated the acquisition of the New York Code and Design Academy (NYCDA). I described the strategic rationale of this acquisition in last year's Letter to Shareholders[1], and we have made a strong start on executing that strategy. At the time of the acquisition, NYCDA had 150 students at their two campuses, one in lower Manhattan, and the other in Amsterdam, Netherlands. During the year we opened additional campuses in Washington, D.C.; Philadelphia, PA; and Salt Lake City, UT, each in existing Strayer University facilities. By the end of the year enrollment at NYCDA had more than doubled. All in, NYCDA generated roughly $8 million in pretax operating losses in 2016 (including some

[1] All Letters to Shareholders dating back to 2001 (when present management assumed stewardship of Strayer Education) are available on our website www.strayereducation.com.

non-cash amortizations). With continued growth, we expect it to be closer to breakeven in 2017, and to start to contribute to Strayer Education's earnings in 2018.

2016 Financial Results and Capital Allocation

Our 3% growth in student enrollment in 2016, when combined with a 1% reduction in the average tuition we collected per student, led to the 2% growth in our company's revenue for the year (roughly $6 million). However, during 2016 we also continued to increase our investments in academic quality, as well as funding the growth of NYCDA, which led to a 5% increase in total expenses for the year (roughly $20 million). The result of our expenses growing in excess of our revenues was a decrease in our operating margin from 16% to 13%, and a consequent 18% decrease in our pre-tax operating income to $57 million dollars. Because our business model has low capital intensity, and is inherently cash generative, that $57 million of pre-tax operating income translated into a robust $76 million of pre-tax operating cash flow. We used that $76 million of cash generated by the business as follows:

1. We paid $32 million in federal, state, and municipal taxes. It is our largest single use of operating cash flow, and at our high effective cash tax rate of 42%, one can easily see that a reduction in corporate tax rates would be very valuable to our enterprise.

2. We invested $13 million in our physical plant and academic technologies.[2]

3. We paid $9 million to acquire the New York Code and Design Academy.

4. Finally, we added the remaining $22 million to the $107 million we started the year with, bringing our cash reserves on December 31, 2016 to $129 million.

As we look out on our objectives for 2017, we are buoyed by a number of positive trends effecting our enterprise. First, after a five year decline, we appear to have stabilized as a business, and if current trends continue, we expect to grow our earnings and cash flow in 2017. Second, the legislative and political environment in which we operate will clearly be less hostile and arbitrary than it has been for the last six years. Third, even through the worst of the recent political hostility, and while we simultaneously navigated the economic storms buffeting our business, we have improved the academic performance and

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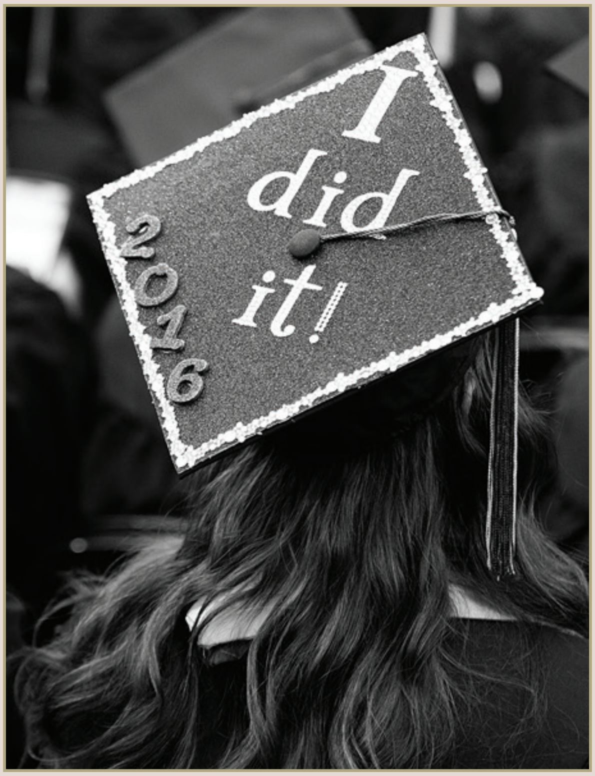
[2] Importantly, a large portion of our increased investment in academics is expensed (as opposed to capitalized) and therefore runs through the $20 million increase in expenses for the year 2016, as opposed to this $13 million. The difference between investments classified as capital versus expenses is an accounting artifact, and is immaterial to our decision making as managers and owners. For economic purposes, we view them both the same way - as a use of owners' cash.

enhanced the academic reputation of Strayer University. Even the most severe critics of the concept of investor-funded education point to Strayer University as an example of how, under proper governance, an institution can provide strong returns both to its students and to the providers of its financial capital. And finally, notwithstanding the challenges our business faced over the last six years, we now own an enterprise with a rock solid balance sheet, consisting of $129 million of cash and no debt, *after* returning over $500 million to owners in the form of dividends and share repurchases over that time period.



Of course, during 2017 we will use some of our owners' cash (the $129 million we had as of January 1, 2017, plus the surplus capital we will generate during the year) to invest in our continuing efforts to improve our students' academic performance, as well as to fund other strategies to grow the intrinsic value of our enterprise. However, given the strength of our balance sheet, and the anticipated growth of our business, our Board of Directors feel it is appropriate to reinstate our annual common dividend of $1 per share in 2017, to be paid quarterly starting on March 20. We do not anticipate that dividend will utilize more than 20-30% of our distributable cash flow in 2017 (even at current corporate tax rates), which will leave us with plenty of financial resources to fund our increased growth, as well as take advantage of any external opportunities which present themselves.

Conclusion

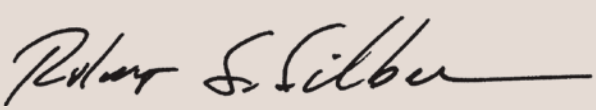
Strayer Education's ability to prosper through the past six lean years has been largely due to the inspired leadership of our Chief Executive Officer, Karl McDonnell, and his team, which includes our University President, Brian Jones; our University Provost, Andrea Backman; our University Chief Operating Officer, Chad Nyce; our Chief Financial Officer, Dan Jackson; and our General Counsel, Viet Dinh. This leadership team, along with thousands of faculty, deans, and administrators, all come to work every day with the singular purpose of improving the academic achievement of our 40,000 students. Our leadership understands that it is only through the improvement of the academic outcomes of our students that we will create any enduring increase in the value of our enterprise. We are extremely fortunate as shareholders to have this team at the helm.

2017 marks the 125th anniversary of the founding of Strayer University in 1892. That is unarguably a very long track record of successfully educating working adult students. A long history is not, in and of itself, a guarantee of future success, but it does provide our leadership team with the advantages of a wealth of culture, experience, reputation, and confidence in our mission. We will be celebrating our 125th anniversary with our students, alumni, and faculty throughout the year, particularly at our six graduation ceremonies. The days and locations of Strayer University's Commencement exercises can be found on our website, and I urge all shareholders to attend one if they can. It is the best way to conduct due diligence on your investment. In addition to our graduation ceremonies, you will also have the opportunity to hear from and ask questions of our Company and University leadership, as well as experience some of our advancements in online academic content, at an Investor Day we plan to hold at Strayer Education's headquarters in Herndon, Virginia on October 26, 2017. Please save the date on your calendars.

Finally, on behalf of your entire Board of Directors, I would like to thank you for the opportunity to have been the stewards of your financial capital over the last year. We were extremely pleased to add to the Board in 2016 a new Director, Nathaniel Fick. Nate is the CEO of Endgame, a leading cyber security software company. He is a 1999 graduate of Dartmouth College, on whose Board of Trustees he serves, and he holds both an MBA and MPA from Harvard University. Nate served as an infantry platoon commander in the United States Marine Corps during the Afghanistan and Iraq conflicts, and is the author of the best-selling account of those conflicts "One Bullet Away." With his expertise and experience in online technology and organizational leadership, Nate has already added immensely to the quality of our boardroom discussions, and we look forward to his contributions in the future.

Long term shareholders know that the last six years have been an eventful time for our institution. Indeed, we have navigated through some very rough seas. However, at year-end 2016, it does feel like the seas are calming. Reflecting on the last six years, I am reminded of a favorite line from the Walt Whitman poem, "Our ship has weathered every rack, the prize we sought is won." In the case of Strayer University, the "prize" is the constantly improving academic performance of our students. Of course, that prize can never be completely won, but for 125 years it has been the cardinal point of our compass, the North Star towards which we orient all of our decisions. As shareholders, you may rest assured that in 2017, and in all the years to come after, our orientation will remain fixed on that objective.

Sincerely,



Robert S. Silberman
Executive Chairman

OUR ALUMNI

Gregory Hendrix

Chief, Resource Management Division
Office of the Under Secretary of Defense
◆ Master of Business Administration, 2003

Strayer University not only provided an outstanding academic experience but also built my confidence. From day one, I found myself surrounded by inspiring, intelligent classmates and faculty who were always pushing me to do better. They helped me believe that my career goals were possible and I went on to earn a promotion.

Kaitlin O'Neil

Pre-Kindergarten Teacher
Baltimore County Public Schools
◆ Master of Education, 2016

I am passionate about classroom curriculum and the impact it can have on a student's learning experience. I chose Strayer for the curriculum design program and am thrilled at how the degree has opened new doors for me. In less than one year since graduating, I am already exploring opportunities to write curriculum for Baltimore County, and I hope to one day use my degree to direct curriculum on the state level.

Dr. Richard Makowiec

Orthopedic Surgeon
Northwestern Medicine
◆ Executive Master of Business Administration, 2016

Economic forces are driving consolidation in medicine and large organizations are becoming the premiere providers of healthcare services. I chose to pursue a business degree, specifically at the Jack Welch Management Institute, when it became clear that business principles could be applied to the practice of medicine to make it better for patients and better for doctors.

OUR ALUMNI

Sue Briley

Chief Financial Officer
Ruby Tuesday
◆ Executive Master of Business Administration, 2014

The Jack Welch Management Institute program stresses the importance of feedback and candor and they practice it as well. I would provide feedback and see immediate changes just a term or two later. I felt like my voice was being heard and that the program was constantly being enhanced or improved. Jack Welch's team acts fast and delivers results — exactly what I needed from my business school.

Jason Sanders

Technical Support Senior Manager
Verizon Wireless
◆ Master of Business Administration, 2016

It is important to discover your passions and to let those guide you in your career. In my master's program at Strayer University, I discovered a passion for coaching and developing others, and I have since grown into a leadership and mentoring role at work.

Rafael Maldonado

Chief Information Officer
National Automobile Dealers Association
◆ Bachelor of Science in Computer Science, 2003

After a decade in the military, I had acquired extensive knowledge in computer systems. However, as I prepared to enter the civilian workforce, I knew I needed to finish my bachelor's degree because there are always gaps in your skills. I had a solid technology background but other areas, such as business, accounting and liberal arts, were important to be a well-rounded professional.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STRAYER
UNIVERSITY
verizon
125
years
STRAYER
UNIVERSITY

In 2017 Strayer University celebrates its 125th anniversary. This is an extraordinary milestone that brings great pride to Strayer University graduates, students, faculty, and staff. A Strayer education has successfully withstood the test of time. Since its founding in 1892, Strayer has proven over and over that high quality academics, delivered in innovative ways, with measureable learning outcomes will always prevail. Through our growing alumni network and Fortune 1000 corporate engagements, we know that a Strayer University degree makes a meaningful contribution to professional advancement and the workforce at large.

Strayer University is closely connected to both our alumni and leading corporations — who are ultimately the consumers of our end product. Both recognize that Strayer University is well positioned to deliver academic excellence, while also being nimble enough to address the growing workforce skills gap.

On pages 10-11 of this annual report we feature several graduates that, like all Strayer University graduates, have sought programs to gain the unique skills that were lacking from their education. One such recent graduate is Jason Sanders, MBA '16, who has worked at Verizon Wireless for more than 11 years. At Strayer University Jason found courses that developed critical business acumen and leadership skills to better serve Verizon Wireless customers. Throughout his degree program Jason acquired skills that enabled him to create career development workshops for his team and others, ultimately assisting more than 40 employees with career progression. He also helped lead his department to a top five finish out of 22 call centers in the country for outstanding customer service. It's clear that Jason's professional ambition, combined with his Strayer University MBA, drove him to greater success both for himself and for Verizon Wireless.

While we recognize that Strayer University graduates have the fortitude, knowledge, and skills to move up the professional ladder, in the U.S. we have seen an overall widening of the workforce skills gap. For decades corporations have felt the pinch from a workforce that lacks the specialized skills that are often critical to a company and or industry. To address this, organizations are investing billions of dollars on workforce improvement efforts. Many of these efforts, although well intentioned, do not deliver the desired results and ultimately channel critical funding away from potentially greater yielding investments.

Traditional institutions have been slow to update curricula and teaching methods. They have strongly resisted the notion of building more customized programs to help businesses improve their competitiveness. These are necessary developments that must evolve more quickly to provide college graduates with the necessary skills to perform well in a global, highly competitive "race-to-the-top" workforce environment. Strayer University is uniquely positioned in between students and companies to help create win-win situations: a win for graduates who are learning the right skills at the right time, and a win for companies who can confidently hire workers with the right skills — ultimately closing the skills gap.

Over the past year we have doubled down on our efforts to further support corporations through our dedicated B2B arm, Strayer@Work. We have completed several successful engagements including the development of a new online training program for store managers for one of the largest U.S. retailers, a new digital assessment tool for sales professionals that curates individualized content to improve performance for a major logistics company, a product to help companies hire more effectively by providing applicants with a robust job preview prior to interviewing for a role, and a program for high potential junior executives to improve career pathing for a major media company.

Each time we complete an engagement, we learn more about how companies work and what makes them successful. We take this valuable learning back to Strayer University and adjust our teaching approach as a result. This workplace information will impact everything from curricula design to teaching methods to advising services. This creates a virtuous ecosystem where we get smarter about helping companies, which we take to every new engagement, and back to Strayer University students — tomorrow's workforce.

For more than a century Strayer has proven that innovative and evolving post secondary adult education can pave the way for our students and graduates to improve their professional standing. This fills us with great pride as we embark on Strayer University's 125th anniversary. We have a long legacy for making a difference and doing it the right way — we only expect more of the same for the next 125 years. Happy Birthday Strayer!

KARL McDONNELL

Chief Executive Officer
Strayer Education Inc.

CORPORATE INFORMATION

Executive Officers

Robert S. Silberman
Executive Chairman

Karl McDonnell
Chief Executive Officer

Daniel W. Jackson
Executive Vice President and Chief Financial Officer

Thomas J. Aprahamian
Senior Vice President and Chief Accounting Officer

Viet Dinh
General Counsel

Strayer University Leadership

Brian W. Jones, J.D.
President, Strayer University

Andrea S. Backman, Ph.D.
Provost and Chief Academic Officer, Strayer University

Chad D. Nyce
Chief Operating Officer, Strayer University

Board of Directors

Robert S. Silberman
Executive Chairman

Charlotte F. Beason, Ed.D.
Chairwoman, Strayer University Board of Trustees

William E. Brock
Founder and Chairman, Brock Offices

John T. Casteen, III, Ph.D.
President Emeritus, University of Virginia

Nathaniel C. Fick
Chief Executive Officer, Endgame

Robert R. Grusky
Founder and Managing Member, Hope Capital Management, LLC

Karl McDonnell
Chief Executive Officer

Todd A. Milano
President Emeritus, Central Penn College

G. Thomas Waite, III
Treasurer and CFO, Humane Society of the United States

J. David Wargo
President, Wargo and Company, Inc.

Corporate Offices

2303 Dulles Station Boulevard,
Herndon, VA 20171

Web Sites

Strayer Education, Inc.
www.strayereducation.com

Strayer University
www.strayer.edu

Annual Meeting

The Annual Meeting of Shareholders will be held on Tuesday, May 2, 2017 at 8:00 a.m. at the Strayer Education Office located at 2303 Dulles Station Boulevard, Herndon, VA 20171

Transfer Agent

American Stock Transfer &
Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219

Stock Listing

Strayer Education, Inc.'s common stock is traded on the NASDAQ Global Select Market under the symbol "STRA"

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
1800 Tysons Boulevard
McLean, VA 22102

Investor Relations

Information may be obtained by contacting the Investor Relations Department at 703-561-1600


Administration
STRAYER UNIVERSITY 1892
MASTER'S
Education
STRAYER UNIVERSITY 1892
MASTER'S
Public Administration
STRAYER UNIVERSITY 1892
MASTER'S
Professional Accounting
STRAYER UNIVERSITY 1892
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Health Services
STRAYER UNIVERSITY 1892

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