



ADTALEM  
GLOBAL EDUCATION

*Empowering Our Students  
to Find Their Passion*

2017 ANNUAL REPORT



## To Our Shareholders

Fiscal 2017 was a year of transformation for Adtalem Global Education. While we have some challenges ahead in fiscal 2018, I am confident that we are moving in the right direction and have a solid strategic roadmap to build on the successes we achieved in the past year. We continue to lead our team with a sense of urgency and accountability to all of our stakeholders. Student outcomes remain a priority and our mission is fully aligned with delivering better financial performance.

It has truly been gratifying to lead such a mission-based organization and watch so many students, many of whom are first generation graduates just like me, walk across stages at our institutions' graduation ceremonies. It's equally gratifying to engage in conversations with faculty who wake up every morning eager to serve our students. They know who these students are and where they come from – and they are committed to supporting and empowering them.

We have a viable opportunity to democratize access to education by better pairing our programs with the students who can benefit most from them in a manner that improves their ability to learn. This effort will increasingly call for us to partner with corporations, hospitals, government agencies and professional organizations to design education programs aimed at teaching new skills to employees. These organizations understand the need to adapt to changes in technology, business processes and customer preferences. We're focused on helping them do that, while creating employment opportunities for our students. I believe we can pursue these important endeavors, which are aimed at addressing unmet workforce skills gaps, while continuing to improve the

underlying economics of how we operate. A stronger Adtalem is good for all of our constituents – our students, our business partners and our owners.

Adtalem Global Education is a new name, but our mission of empowering students through successful outcomes remains the same. In fact, Adtalem is now more inclusive of our portfolio as it aligns with all of our institutions. We are united in bringing to education what many traditional academic institutions do not: innovation, scale and continuous investment in academic quality.

### **Laying the Groundwork to Return to Growth**

Our fiscal 2017 operating results demonstrate that we have the right team in place to execute on our strategy and provide us with significant momentum to return to organic revenue growth in fiscal 2018. We generated operating cash flow of \$228 million in fiscal 2017. Net income excluding special items was \$178 million for fiscal 2017, which resulted in earnings per share excluding special items of \$2.79, up nearly 16 percent from fiscal 2016.

We strategically utilized our cash flow to invest in the academic quality and expansion of our programs aimed at enhancing our long-term growth profile, while further strengthening our balance sheet and enhancing returns to shareholders.



### Executing our Plan - Four Core Priorities

Our four priorities remain the same; they start with our students, allowing us to excel in a competitive industry:

- A heightened student-centric focus. We are a leading education provider, and to continue to be a leader we need to make sure that everything we do reflects academic quality and student services that empower our students to excel.
- Return to organic revenue growth and increase operating income and earnings per share to unlock shareholder value. The education sector is rapidly changing as students and employers demand new program offerings and skillsets. Therefore, we need to remain nimble and focus on innovation and respond to the market in order to grow revenue in high-demand areas such as healthcare.
- Operate more efficiently to not only manage costs but also to operate smarter with a focus on results for our students.
- Maintain a proactive approach to government relations.

The for-profit higher education industry, including Adtalem, has to work harder to make key stakeholders aware of the extraordinary students we are educating – from medical doctors who are educated in the international medical schools and then return to the U.S. and Canada to obtain residencies and practice in rural and underserved areas – to technology and business graduates who successfully upskill and use their newfound skills to expand their career opportunities.

### Building on our Momentum - Fiscal 2018 and Beyond

I am excited about the year ahead. Our team is energized as we continue to transform Adtalem Global Education. Our mission to empower our students influences everything we do – from the programs we develop, to the delivery channels we offer, to the corporate partnerships we pursue.

On behalf of our board and all of our colleagues across Adtalem, I would like thank you, our fellow owners, for your support and ongoing feedback. We still have much work ahead of us, but the steps we are taking are leading to improved results. We are very fortunate to have partners in education and investment who understand what's at stake and have confidence in our ability to execute on our strategy.



*Lisa W. Wardell*

**Lisa Wardell**  
President and CEO  
Adtalem Global Education



## Financial Highlights

YEAR ENDED JUNE 30,

(Dollars in thousands, except per share data)

	2013	2014	2015	2016	2017
<b>OPERATING RESULTS:</b>					
Revenues	\$1,964,375	\$1,923,371	\$1,909,943	\$1,843,537	<b>\$1,809,800</b>
Net Income (Loss)	\$106,786	\$134,032	\$139,899	(\$3,166)	<b>122,283</b>
Earnings (Loss) Per Common Share-Diluted	\$1.65	\$2.07	\$2.14	-\$0.05	<b>\$1.91</b>
Shares Used in Calculating EPS	64,611	64,853	65,277	64,036	<b>64,019</b>
Cash and Marketable Securities	\$199,551	\$361,636	\$356,601	\$311,773	<b>\$245,992</b>
<b>FINANCIAL POSITION:</b>					
Land, Buildings and Equipment, Net	\$571,657	\$555,837	\$545,874	\$521,763	<b>488,826</b>
Total Assets	\$1,821,901	\$1,964,790	\$2,039,832	\$2,096,996	<b>2,314,035</b>
Debt	-	-	-	-	-
Shareholder's Equity	\$1,397,156	\$1,533,393	\$1,584,810	\$1,582,087	<b>\$1,669,039</b>
<b>OTHER SELECTED DATA:</b>					
Cash Provided by Operating Activities <sup>(1)</sup>	\$261,505	\$265,561	\$203,107	\$228,009	<b>\$227,964</b>
Capital Expenditures	\$111,775	\$79,355	\$88,707	\$69,396	<b>\$48,994</b>
Income Taxes Paid, Net	\$28,843	\$27,864	\$23,943	\$1,420	<b>\$14,901</b>

(1) Includes reclassification related to adoption of ASU NO. 2016-18 "Statement of Cash Flows (Topic 230): Restricted Cash"



## Non-GAAP Earnings Disclosure

During the three and twelve months ended June 30, 2017, Adtalem recorded special items related to the following: (i) Restructuring charges related to severance for workforce reductions and real estate consolidations at the medical and veterinary schools which is part of the Medical and Healthcare segment, DeVry University and Carrington College ("Carrington") which are part of the U.S. Traditional Postsecondary segment, and Adtalem's home office (not related to any segment) in order to align its cost structure with enrollments; (ii) Charges related to regulatory settlement agreements; and (iii) A charge related to an asset fair value write-down of its Pomona, California campus. During the three and twelve months ended June 30, 2016, Adtalem recorded special items related to the following: (i) Restructuring charges related to workforce reductions and real estate consolidations at DeVry University and real estate consolidations at Carrington in order to align its cost structure with enrollments; (ii) Asset impairment charges related to the write-down of Carrington's intangible assets and goodwill; (iii) A charge related to an asset fair value write-down at Becker Professional Education which is part of the Professional Education segment; and (iv) A gain on the sale of the DeVry University, Fremont, California campus and student housing facilities. The following tables illustrate the effects of the special items on Adtalem's net income. Management believes that the non-GAAP disclosure of net income excluding these special items provides investors with useful supplemental information regarding the underlying business trends and performance of Adtalem's ongoing operations and is useful for period-over-period comparisons of such operations given the special nature of the restructuring charges, regulatory settlements, loss on assets held for sale, asset impairment charges and gain on sale of assets. Adtalem uses these supplemental financial measures internally in its management and budgeting process. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, Adtalem's reported results prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The following tables reconcile these non-GAAP measures to the most directly comparable GAAP information (in thousands):

### Non-GAAP Earnings Disclosure

(Unaudited)  
PRELIMINARY

	Three Months Ended June 30,		Year Ended June 30,	
	2017	2016	2017	2016
	(Dollars in thousands, except per share amounts)			
Net Income (Loss)	\$ 42,859	\$ (9,969)	\$ 122,283	\$ (3,166)
Earnings (Loss) per Share (diluted-2017, basic-2016)	\$ 0.67	\$ (0.16)	\$ 1.91	\$ (0.05)
Restructuring Expense	\$ 11,957	\$ 34,355	\$ 29,825	\$ 74,225
Effect on Earnings per Share (diluted)	\$ 0.19	\$ 0.54	\$ 0.47	\$ 1.15
Regulatory Settlements	\$ -	\$ -	\$ 56,252	\$ -
Effect on Earnings per Share (diluted)	\$ -	\$ -	\$ 0.88	\$ -
Loss on Assets Held for Sale	\$ -	\$ -	\$ 4,764	\$ -
Effect on Earnings per Share (diluted)	\$ -	\$ -	\$ 0.07	\$ -
Asset Impairment Charge	\$ -	\$ 48,187	\$ -	\$ 147,660
Effect on Earnings per Share (diluted)	\$ -	\$ 0.76	\$ -	\$ 2.30
Gain on Sale of Assets	\$ -	\$ (3,183)	\$ -	\$ (7,032)
Effect on Earnings per Share (diluted)	\$ -	\$ (0.05)	\$ -	\$ (0.11)
Income Tax Impact on Non-GAAP Adjustments	\$ (4,779)	\$ (28,182)	\$ (34,721)	\$ (56,432)
Effect on Earnings per Share (diluted)	\$ (0.08)	\$ (0.44)	\$ (0.54)	\$ (0.88)
Net Income Excluding Special Items, net of tax	\$ 50,037	\$ 41,208	\$ 178,403	\$ 155,255
Earnings per Share Excluding Special Items (diluted)	\$ 0.78	\$ 0.65	\$ 2.79	\$ 2.41
Shares used in EPS calculation				
Basic	NA	63,536	NA	64,036
Diluted	64,034	63,784	64,019	64,371



## Students & Alumni

See how we teach students to bring their goals and dreams to life, and empower them to achieve their educational and career goals.



**Dr. Steven Brooks**  
Trauma Surgeon

Dr. Steven Brooks (AUC Class of 2005) graduated from Occidental College in Los Angeles, California and detoured from advanced education for five years to play professional football in the NFL for the L.A./ St. Louis Rams, San Francisco 49'ers, New Orleans Saints, Detroit Lions and Washington Redskins. In the off-season Dr. Brooks was also a professional actor, appearing in several episodes of The Tonight Show with Jay Leno, Beverly Hills 90210, HBO's Arliss and the movie Space Jam.

Dr. Brooks inevitably followed his passion to become a doctor and matriculated to AUC School of Medicine in 2001. Dr. Brooks completed his general surgery residency at Texas Tech University in Lubbock, Texas, where he was named the Raleigh-Ross Outstanding Resident by the Texas Surgical Society. While chief resident at Texas Tech, he was the recipient of the 2010 American College of Surgeons Resident Award for Exemplary Teaching. Although the American College of Surgeons (ACS) had met annually for the previous 96 years, Dr. Brooks was only the 8th recipient of the award.

He completed two additional years of fellowship at Vanderbilt University in Nashville, Tennessee, where he trained in Trauma Surgery, Surgical Critical Care and Acute Care Surgery. He received the Vanderbilt University Adult Emergency Department Advocate Award for "representing the highest ideals of patient advocacy and professionalism with patients and Emergency Department Physicians." In 2016 he was received the "South Plains Emergency Medical Service (SPEMS) Physician of the Year" award from the Trauma Area B Regional Advisory Council (B-RAC).

Dr. Brooks is board certified in both General Surgery and Surgical Critical Care, and has returned to Texas Tech University Medical Center in Lubbock, where he is now the Assistant Trauma Medical Director, Director of the Geriatric Trauma Unit and Surgical Director of the Pediatric Intensive Care Unit.

Dr. Brooks is a Fellow of the American College of Surgeons (FACS), and a member of the American Association for the Surgery of Trauma (AAST) and the International College of Surgeons.



## Students & Alumni



**Maureen Sintich**  
DNP, MBA, RN, WHNP-BC, NEA-BC

Dr. Sintich currently serves as the senior vice president and network chief nurse officer of Hackensack Meridian, an integrated network of 13 hospitals throughout the state of New Jersey. She works within the patient, nursing and organizational spheres to improve patient outcomes, advance the patient experience and innovate throughout their many locations. She introduced the “High Reliability Organizational” concept to her team, which encourages the intentional practices of peer coaching, staff recognition and maintaining a caring connection between staff and patients – they call it being “Heartwired.”

Dr. Sintich’s vision for the future of nursing has included developments for both novice and experienced nurses. She led the development of a nurse residency program, which has seen almost 300 newly graduated RNs transition to their role as professional nurses with confidence and competence. She was also instrumental in the formation of both Operating Room and Emergency Department Academies, which have enabled experienced nurses to acquire the knowledge and skills to effectively transition to these teams. In

addition, Dr. Sintich supported the development of the Nurse Educator Academy, a program dedicated to the formation of new nurse educators.

Even though her role is to serve all the facilities in their network, Dr. Sintich still makes time to coach staff in individual facilities, not only as an administrator, but more importantly, as a nurse – with patient care as the crux of decision-making and the promotion of collaboration between acute care and outpatient services.

Dr. Sintich holds undergraduate nursing degrees from Indiana University and the University of South Alabama. She earned a Master of Science in Nursing (MSN) degree from the University of Texas Health Science Center at Houston and holds a post graduate certificate from the University of South Alabama as a Family Nurse Practitioner. She earned a Master of Business Administration (MBA) degree from the University of North Carolina, Greensboro, and completed the Doctor of Nursing Practice (DNP) degree program at Chamberlain University in December 2016.

Chamberlain congratulates Maureen Sintich on all of her success as an extraordinary nurse and leader in her field.



## Students & Alumni



**Eduardo Frota**  
Legal Director of Coca-Cola in Brazil







## Students & Alumni



**Dr. Amesh Adalja**  
**Infectious Disease Expert**

Dr. Adalja (AUC Class of 2002) is a Senior Associate at the Johns Hopkins University Center for Health Security. He also serves on the City of Pittsburgh's HIV Commission. He is board certified in internal medicine, emergency medicine, infectious diseases, and critical care medicine.

Dr. Adalja is currently a member of the National Quality Forum's Infectious Disease Standing Committee, the Infectious Diseases Society of America's (IDSA) Diagnostics Committee. He is also a member of the American College of Emergency Physicians Pennsylvania Chapter's EMS & Terrorism and Disaster Preparedness Committee as well as the Allegheny County Medical Reserve Corps. He was formerly a member of the IDSA Public Health Committee and the US Department of Health and Human Services' National Disaster Medical System, with which he was deployed to Haiti after the 2010 earthquake and also selected for their mobile acute care strike team. He has also served on US government panels tasked with developing guidelines for the treatment of botulism and anthrax in mass casualty settings, the system of care for infectious

disease emergencies, as well as a FEMA working group on nuclear disaster recovery. Dr. Adalja is an Associate Editor of the journal Health Security (formerly Biosecurity and Bioterrorism). He was a contributing author for the Handbook of Bioterrorism and Disaster Medicine, and he has published in such journals as the New England Journal of Medicine, the Journal of Infectious Diseases, Emerging Infectious Diseases, and the Annals of Emergency Medicine. He also has served as a book reviewer for JAMA.

Dr. Adalja is a Fellow of the Infectious Diseases Society of America (for whom he serves as a media spokesperson), the American College of Physicians, and the American College of Emergency Physicians. He is a member of various medical societies, including the American Medical Association, the HIV Medicine Association, and the Society of Critical Care Medicine.

Dr. Adalja completed two fellowships at the University of Pittsburgh—one in infectious diseases, for which he served as chief fellow, and one in critical care medicine. He completed a combined residency in internal medicine and emergency medicine at Allegheny General Hospital in Pittsburgh, where he served as chief resident and as a member of the infection control committee.



## Organization Information

### Administrative Offices

Adtalem Educacional do Brasil  
Alameda Santos, 2400 - 10º andar  
Bairro: Cerqueira César  
São Paulo - SP  
CEP: 01418-200

American University of the Caribbean  
School of Medicine  
901 Ponce de Leon Boulevard  
Suite 700  
Coral Gables, Florida 33134

Becker Professional Education  
3005 Highland Parkway  
Downers Grove, Illinois 60515

Carrington College  
7801 Folsom Boulevard, Suite 210  
Sacramento, CA 95826

Chamberlain University  
3005 Highland Pkwy.  
Downers Grove, IL 60515

Ross University School of Medicine  
2300 SW 145th Avenue  
Miramar, FL 33027

Ross University School of Veterinary  
Medicine  
PO Box 334  
Basseterre, St. Kitts West Indies

### Website Addresses

American University of the Caribbean  
School of Medicine  
[www.aucmed.edu](http://www.aucmed.edu)

Becker Professional Education  
[www.becker.com](http://www.becker.com)

Carrington College  
[www.carrington.edu](http://www.carrington.edu)

Chamberlain University  
[www.chamberlain.edu](http://www.chamberlain.edu)

Adtalem Educacional do Brasil  
[www.devrybrasil.com.br](http://www.devrybrasil.com.br)

Ross University  
[www.rossu.edu](http://www.rossu.edu)

### Adtalem Global Education

3005 Highland Parkway  
Downers Grove, Illinois 60515  
630-571-7700  
[www.adtalem.com](http://www.adtalem.com)

### Investor Relations

Joan Walter  
Senior Director  
Investor Relations  
630-353-3800  
[joan.walter@adtalem.com](mailto:joan.walter@adtalem.com)

### Transfer Agent and Registrar

Computershare Investor  
Services, L.L.C.  
2 North LaSalle Street  
Chicago, Illinois 60602  
312-588-4189

### Common Stock

Adtalem's stock is traded on the New York Stock Exchange and the Chicago Stock Exchange under the symbol ATGE.

### Trademarks

Adtalem owns and uses numerous trademarks and service marks.

### Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP  
One North Wacker Drive  
Chicago, Illinois 60606

### Annual Meeting

Wednesday, November 8, 2017  
9:00 a.m. CT  
Adtalem Global Education,  
3005 Highland Parkway,  
Downers Grove, IL 60515

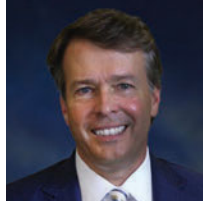
Additional copies of the annual report, copies of the annual report to the Securities and Exchange Commission on Form 10-K and other investor relations materials may be obtained by visiting the Adtalem's website at [www.adtalem.com](http://www.adtalem.com) or upon written request to Investor Relations at Adtalem.

## Board of Directors



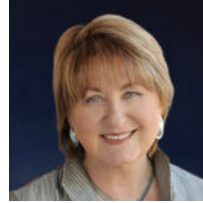
**Christopher Begley**

Founder and former  
Chairman and CEO,  
Hospira, Inc.



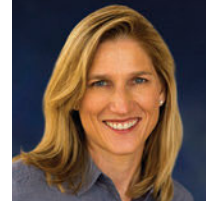
**William Burke**

President and Founder  
Austin Highlands Advisors,  
LLC.



**Ann Weaver Hart, Ed.D**

President  
University of Arizona



**Kathy Boden Holland**

Executive Vice President  
Elevate



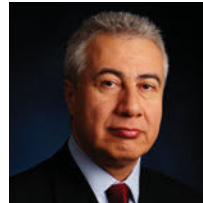
**Lyle Logan**

Executive Vice President  
and Managing Director,  
Northern Trust Global  
Investments



**Michael Malafrente**

Managing Partner,  
International Value  
Advisers, LLC  
and President, IVA Funds



**Fernando Ruiz**

Corporate Vice President  
and Treasurer  
The Dow Chemical  
Company



**Ronald Taylor**

Senior Advisor and  
Retired CEO  
Adtalem Global Education



**Lisa Wardell**

President and CEO  
Adtalem Global Education



**James D. White**

Retired Chairman and CEO  
of Jamba, Inc.

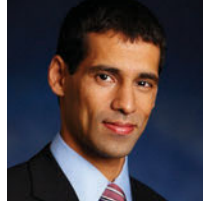
# Senior Leadership



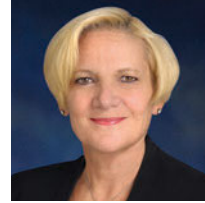
**Gena Ashe**  
General Counsel and  
Secretary



**Eric Dirst**  
President, Adtalem Shared  
Services



**Carlos Filgueiras**  
Group President,  
Technology and Business



**Susan Groenwald, PhD,  
MSN, RN**  
President, Chamberlain  
College of Nursing



**Donna Jennings**  
Senior Vice President,  
Human Resources



**Fernando Lau**  
Senior Vice President,  
Chief Marketing Officer



**Donna Loraine**  
President, Carrington  
College



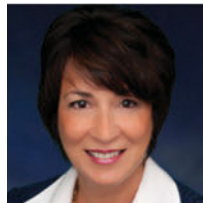
**Chris Nash**  
Chief Information Officer



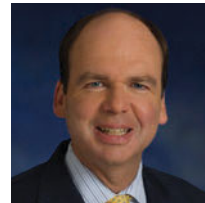
**Robert Paul**  
President, DeVry  
University



**John Roselli**  
President, Becker  
Professional Education



**Lisa M. Sodeika**  
Senior Vice President,  
External Relations and  
Regulatory Affairs,  
Adtalem Global Education



**Patrick Unzicker**  
Senior Vice President,  
Chief Financial Officer and  
Treasurer



**Lisa Wardell**  
President and CEO