

Kathy Boden Holland: Thank you. It's a pleasure to be here. It really was my first day, one year ago, at the Investor Day, and Lisa told me not to trip in the stage and that would be, that would be good. I'm gonna help them deliver that a little bit more today than that. And I'm excited to tell you about everything we have going on in medical and healthcare and, not only what we've accomplished in the last year, but what we expect to be able to do in the coming years.

So, medical and health care is, I like to refer to it now as five institutions, and I'll tell you about our fifth one as, the slides progress, but I believe you're familiar with the other four. I'll go ahead and walk you through them though. Ross University School of Medicine, which is led by, Dr, Bill Owen, American University of the Caribbean or AUC, which is led by Dr Heidi Chumley, Ross University School of Veterinary Medicine, which is led by Dr Sean Callanan and Chamberlain University, which is led by Dr Karen Cox, who joined us in August of this year.

All of the institutional leaders are here today, and you'll have a chance to hear from them and speak with them later in the afternoon. The vertical as a whole, I can say, consistently is serving high-demand professions and high-demand programs. And doing that at scale, over 38,000 students at any one time, 82,000 or excuse me, 86,000 alums and 1,500 different clinical relationships across that vertical. It is at scale and we are working to leverage that scale on a daily basis. The exciting thing, from my perspective, is twofold. One is our student outcomes. The quality of our education is strong and getting stronger really, month to month.

We've seen in the last year our NCLEX rates go up. We've seen our NAVLE rates go up and we've seen our residency attainment rates also go up. w-we think they're great, but we know we can do better and we will continue to invest in those. at the same time, our student population is incredibly diverse. It cu-, across all of our institutions, we see the kind of diversity that our employer partners are looking for and the kind of diversity that are gaps in today's healthcare delivery system in the US. We have, in the last year, really returned the portfolio to stability with the medical schools, as Lisa's mentioned, returning home and finding new homes, and we've also returned to growth, and we'll talk a little bit about that.

The other part of this that I'm excited about because the one thing I promised, in addition to not tripping on the stage last year, was that we would find ways to make the total greater than the sum of the parts within this vertical. And we've already started to do that in ways that are gonna be measurable as we continue to accelerate that. A couple of examples I put on here is one, we have our first enrollees in dual degree programs between two of our institutions. We've also just signed our first joint clinical negotiation contract and we are in the process of leveraging some technologies that we've instituted in different institutions across institutions.

And I believe we can take that across really Adtalem as a whole. So, I think from an investment perspective, the measure of success for us is pretty clear. We have scale, we have a quality education, we are in high-demand programs and

professions, and our track record of successful expansion, organic expansion, is pretty clear. And we'll look to do that, going forward. That to, collectively puts us in a great position for expansion into the enterprise strategy that Steve and Lisa just talked through. And I'll talk about some specifics as we go on from here.

So, I won't spend a lot of time on this other than to say these are some great numbers. I mean we are in a consistent set of areas that, within the US and really globally, have a supply demand gap. And as long as we maintain our focus on execution and, maintaining quality, we will continue to have the opportunity to take advantage of those. So, Chamberlain, I'm sure some of you may have heard of Chamberlain University. It is the bellwether for us as an organization. And the exciting thing that happened really in the last year with the addition of Dr Cox to the team is that we've been able to really take a fresh look at Chamberlain and ask why we do things.

The good news is a lot of the answers were great. The other good news is we found opportunities to continue to make improvements and we're seeing those take form already. Chamberlain, as you know, is over 31,000 students, 22 campuses in 15 states, and that includes our, newest campus, which will, enroll students starting in fiscal year '20. And that's in San Antonio, Texas. but I like to highlight the fact that two thirds of those students are post licensure, which means they're online. And that is an enormous asset and also something we can continue to leverage as we grow Chamberlain, and we look to further expand margins and, equally important, further expand programs.

One in 36 working nurses in the United States are Chamberlain graduates. I'd like to just say that randomly at cocktail parties or in any other place that somebody will listen to me. I mean, that is just a crazy number. And one we think we can continue to grow. Chamberlain has a distinct differentiation and that is in its culture. It's hard to actually capture unless you've had the opportunity to go to one of our campuses, meet our faculty, meet our alumni, even meet our alumni, employers. That culture of care is unique in the nursing school space, gives us a tremendous competitive advantage and one that, we take very seriously to, maintain and improve, over time.

So Chamberlain University is diverse in its program offerings. And what's really interesting around this is most of these programs are new since 2015, and they have been developed in-house. So we have, at Chamberlain, a tremendous academic team actually led by, Dr Carlos Anderson, who is here with us today. They are capable of building programs from scratch, building them to scale, and delivering a quality education over a period of time. And that's an important competitive advantage for us as Adtalem because we can utilize that across, not only the vertical, but also Adtalem as a whole.

I will tell you there's also tremendous discipline in terms of evaluating, identifying and then executing on those opportunities in a way that means that, we're not just going in everywhere, we're going where we know we can have a competitive advantage, where there's huge market demand and also where we have a right to win. I mentioned earlier that, with the addition of Dr

Cox, we really kind of been taking a fresh look at all of our programs. and while we certainly have a market leading position in many of these, we do believe we need to continually refresh how we deliver those programs and look for ways to either extend or to establish a competitive advantage. And so, we're doing that on a regular basis as well.

So this is the slide I like to keep out if I'm not talking about one out of 36 nurses. It, it has just an amazing story and that these programs have been developed since 2015, and as you can see, hold according to the AACN a tremendous position from an enrollment perspective. But the hockey stick of graduates is the thing I also like to point out. With new programs, students take a little while to graduate as much as we would all like to do it quickly. And we're seeing that graduation rate go up and up and up. Not the rate, but the number of students go up and up and up. And so, what that means is our alumni base, we talk about how many we have out there today, we'll have 14,000 more graduates from medical and health vertical this year alone. And that is just a significant scale. And as you can see, a significant portion of those are from Chamberlain.

There we go. So Chamberlain has 22 campuses, as I mentioned. In the last five years, those 22 campuses ha-, are, or excuse me, the ones that we've started in the last five years, have on average, broken into profitability in the year three of operation. We see that fairly consistent. That's a result of some real rigor and focus in terms of both the development, the places we go, and then the execution against that. Campus enrollment has grown 13% annually since fiscal year 12. But I will note that new enrollees have grown at twice that rate in the last nine months, and that's a result of a fresh look at processes, marketing and talent, and the execution against that, which I think is really valuable. There's, there's room to continue to grow from a Chamberlain perspective on that front.

I'll also note that our post licensure programs, so our online programs, tend to grow at a faster rate in the markets in which we have a campus. And that's not built into the profitability model as much as I would like to. All right, so what gives us a right to win in our new or expanded or evolved strategy? This is yet one example of that. our healthcare development specialist, or HDS as we like to refer to them, are a 60-plus strong team of folks who are across the United States today, and are focused on, building relationships with healthcare systems, associations, employers and other colleges, to deliver Chamberlain's programs to their employees, their affiliated, individuals and their students.

This really is kind of what I would describe as the tip of the spear. We need to continue to work to build those relationships to more senior levels within those organizations, but also to, to get more into the, what-do-you-need kind of conversation and bring that back. We've already seen cross vertical kind of discussions as folks who o-own some of these relationships are coming back and talking about, master's of science programs that, someone may need at a hospital system where they've currently been talking about, Chamberlain programs strictly. These are a little hard to read, but the circles under each of those brands are really kind of the physical locations that we represent, or that we have existing contracts with relationships with.

I'll use one as an example. HCA, we have 49 physical locations, but those actually are in all 14 regions at HCA. And HCA is very aware of, of us and how we can expand that. And so, I think this is an exciting value that we can break out as we evolve our strategy. All right. Still can't hit the button. There we go. All right. So, let me talk about the other schools in the, in the portfolio as well. AUC, it has been a good year for Dr Chumley and her team. the students returned to St Martin in August, and with that we returned to some level of stability.

But I think it is a great credit to Dr Chumley's team in that, in the same year, really fiscal year for us, we've also seen kind of a record, residency achievement rates. So, while we might have been moving around a little bit, we were still delivering a high quality education to our students. AUC has also, returned to growth in terms of new student enrollment. And I'm excited about what we can do going forward with AUC. One great example of that is the new satellite campus that will be enrolling students starting in September of this calendar year in the United Kingdom. The University of Central Lancashire was our partner in that, and that they hosted our students ...

They were a partner before this, but they hosted our students when they needed to depart the island. And we delivered, a semester's worth of education there, but now we're gonna launch two programs with UCLan, for students to achieve their MD and be able to practice in the US. I will point out, as I believe Lisa did, that AUC has not only tremendous scale but 58% of AUCs grads practice in the primary care specialties, which is a significant supply-demand gap issue for the physician population in the US. Ross Med also had a great, a great year, Dr Owen and team were able to relocate the school from Dominque to Barbados. As Steve mentioned, our time in Barbados has been successful.

We are excited about the broad range of things that we can do there. I will highlight for you their new academic center, where we've put in significant, technology infrastructure and, as a result we have an accredited SIM center as well as a digital anatomy lab. And those are things that we're looking to leverage across the vertical. Ross also had a great residency achievement rate this this past March and we're looking for that to go up as the summer progresses. The, the other component that they've been executing on, which I'm excited about, which is really expanding channels for new student enrollment, is in the articulation agreements that have been recently signed with some HBCUs and HSIs. I expect students as early as this September to be a result of those relationships.

And they're good, not only for growth, but they're also good because they help fulfill the mission really for Ross as a whole, bringing in underrepresented minorities into physician practice. Now I'm gonna just touch on this briefly. I call this our fifth institution. It's actually been around some time, Medical Education Readiness Program, or MERP, as we like to call it is a significant value to AUC and Ross. And so, briefly what, what MERP does is, when a student applies to AUC or Ross and our admissions team sees great talent and potential, but they don't believe that they're ready really to jump in with both feet into a medical school program, we refer them or we admit them into MERP. And MERP is a

one-semester program where they really focus on basic sciences but also study skills. And they connect really as a cohort.

When they pass MERP, they are automatically eligible to enroll at AUC or Ross. And what staggering about MERP is that MERP graduation rates or, or grades I should say, are better indicators than GPA or MCAT. And so, we have found that MERP is tremendously valuable for our student population, but also for Ross and AUC as we, continue to build the quality outcomes for that school in particular. So, we really pulled this out to say it is, it is a fifth institution and we need to find ways to further leverage it, across our medical schools. And then, Ross School of Veterinary Medicine, had a really exciting event recently and that we received our full re-accreditation for, that will run through 2026.

It's worth noting that Ross Vet is the largest of the A, of the AVMA accredited institutions. There's less than 40. And AVMA is really the gold standard of accreditation from a veterinary education perspective. Ross Vet also has a MERP-like program, they call it VetPrep. It is a significant component and channel for our students. There's a lot of demand as I saw, you saw earlier for veterinary education, but not all students are ready for it. And, we deliver a pathway to get to their, their DVM. Brand growth for Ross Vet has been significant. We see it in our application pool, the VMCAS system, which is something that you get access to as an AVMA accredited institution, has become a significant part of our application flow.

And having that brand visibility is important. And the brand visibility for Ross Vet is significant, not only for students, but probably even more so within the industry itself. In fact, up to 10% of all the vets practicing in the US are Ross Vet graduates. And that gives us a significant industry influence that we can use should we, should we choose to and we will. So, I could do this faster if I could click the button. There we go. All right. So, when we talk about medical and health care, as Steve mentioned, we have significant scale and capabilities within the educate component of workforce solutions.

We are not going expand if it's gonna take us, take our eye off the ball, and that we need to be executing within that space, delivering a quality student outcome as we explore and test and learn about how we can enter into other components of that value chain. Having said that, with an alumni base as significant as we have, and that growing as, at such a rapid pace, we do need and can and should take advantage of that and look for ways to enter into other components of the value chain. We'll do that in two ways, probably most significantly through partnerships, but also through testing and learning about what we do well and what the market will respond to.