UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 4, 2026

Grand Canyon Education, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**001-34211**	**20-3356009**
(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2600 W. Camelback Road **Phoenix, Arizona**	**85017**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(602) 247-4400**

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	LOPE	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On November 4, 2026, Grand Canyon Education, Inc. reported its results for the quarter ended September 30, 2026. The press release dated November 4, 2026 is furnished as Exhibit 99.1 to this report.

Item 9.01. Financial Statements and Exhibits.

99.1 Press Release dated November 4, 2026
104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated November 4, 2026
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRAND CANYON EDUCATION, INC.

Date: November 4, 2026

By: /s/ Lori Browning

Lori Browning
Interim Chief Financial Officer and Senior Vice President & Controller – Chief Accounting Officer
(Interim Principal Financial Officer and Principal Accounting Officer)

Exhibit 99.1

NEWS RELEASE

FOR IMMEDIATE RELEASE

Contact:
Lori Browning
Interim Chief Financial Officer
Grand Canyon Education, Inc.
602-639-6622
Lori.Browning@gce.com

GRAND CANYON EDUCATION, INC. REPORTS THIRD QUARTER 2026 RESULTS

PHOENIX, AZ, November 4, 2026—**Grand Canyon Education, Inc.** (NASDAQ: LOPE), ("GCE" or the "Company"), is a publicly traded education services company that currently provides services to 20 university partners. GCE provides a full array of support services in the post-secondary education sector and has developed significant technological solutions, infrastructure and operational processes to provide superior services in these areas on a large scale. GCE today announced financial results for the quarter ended September 30, 2026.

(more)

For the three months ended September 30, 2026:

- Service revenue for the three months ended September 30, 2026 was $267.3 million, an increase of $6.2 million, or 2.4%, as compared to service revenue of $261.1 million for the three months ended September 30, 2025. The increase year over year in service revenue was primarily due to an increase in university partner enrollments of 5.2% to 145,270 at September 30, 2026 as compared to 138,073 at September 30, 2025. Revenue from GCU, our largest university partner, for the three months ended September 30, 2026, was earned on tuition and academic-related fees under the Amended MSA, whereas revenue for the three months ended September 30, 2025, was earned under the Original MSA and included, in addition to tuition and academic-related fees, the agreed percentage of ancillary fees related to student housing, food service, athletic ticket sales, arena events, hotel, golf course and apparel operations. Revenue per student slightly decreased between years primarily due to six fewer days of revenue for ground traditional students based on the start date of the Fall semester, resulting in a shift of revenue from the third quarter to the fourth quarter in 2026 which had a $7.5 million impact. Also, we saw a slight decline year over year in revenue per student for online students due to the continued mix shift to students that have a slightly lower net tuition rate. These decreases were offset by service revenue per student for accelerated Bachelor of Science in Nursing ("ABSN") students at off-campus classroom and laboratory sites generating a significantly higher revenue per student than we earn under our agreement with GCU, as these agreements generally provide us with a higher revenue share percentage, the partners have higher tuition rates than GCU and the majority of our partners' students take more credits on average per semester.
- GCU enrollments increased to 139,170 at September 30, 2026, an increase of 5.1% over enrollments at September 30, 2025. University partner enrollments at our off-campus classroom and laboratory sites were 7,780, an increase of 12.6% over enrollments at September 30, 2025, which includes 1,680 and 1,325 GCU students at September 30, 2026, and 2025, respectively. Excluding sites that have been closed or are in teach out, total enrollments at our off-campus classroom and laboratory sites increased 14.1% between years. We opened two new sites in the nine months ended September 30, 2026 and closed one site in which we stopped recruiting new students in 2025, thus the total number of sites were 48 at September 30, 2026. Enrollments for GCU ground students were 23,650 at September 30, 2026, down 4.1% from 24,671 at September 30, 2025. GCU online enrollments were 115,520 at September 30, 2026, up from 107,815 at September 30, 2025, an increase of 7.1% between years.
- Operating income for the three months ended September 30, 2026 was $51.5 million, an increase of $33.5 million, or 185.6%, as compared to $18.0 million for the same period in 2025. The operating margin for the three months ended September 30, 2026 and 2025 was 19.3% and 6.9%, respectively. Operating income and operating margin excluding amortization, non-recurring costs and fixed asset disposals for the three months ended September 30, 2026 was $54.7 million and 20.5%, respectively. Operating income and operating margin excluding amortization, litigation settlement, lease termination, impairment and other, severance and fixed asset disposals for the three months ended September 30, 2025 was $58.2 million and 22.3%, respectively.
- Income tax expense for the three months ended September 30, 2026 was $10.7 million, an increase of $5.3 million, or 99.5%, as compared to income tax expense of $5.4 million for the three months ended September 30, 2025. Our effective tax rate was 20.0% during the three months ended September 30, 2026 compared to 24.9% during the three months ended September 30, 2025. The increase in income tax expense is due to the increase in income before taxes due to the litigation settlement in the third quarter of 2025, partially offset by a lower effective tax rate. The effective tax rate was favorably impacted by contributions in lieu of state income taxes of $5.0 million for both of the third quarters in 2026 and 2025. The higher effective tax rate in the third quarter of 2025 was due to the nondeductibility of the penalties associated with the litigation settlement.
- Net income for the three months ended September 30, 2026 was $43.0 million, an increase of $26.7 million, or 164.3% as compared to $16.3 million for the same period in 2025. As adjusted net income was $45.6 million and $49.7 million for the third quarters of 2026 and 2025, respectively.
- Diluted net income per share was $1.67 and $0.58 for the third quarters of 2026 and 2025, respectively. As adjusted diluted net income per share was $1.77 and $1.78 for the third quarters of 2026 and 2025, respectively.

- Adjusted EBITDA decreased 3.2% to $73.5 million for the third quarter of 2026, compared to $75.9 million for the same period in 2025.

For the nine months ended September 30, 2026:

- Service revenue for the nine months ended September 30, 2026 was $840.2 million, an increase of $42.2 million, or 5.3%, as compared to service revenue of $798.0 million for the nine months ended September 30, 2025. The increase year over year in service revenue was primarily due to an increase in university partner enrollments of 5.2% to 145,270 at September 30, 2026 as compared to 138,073 at September 30, 2025. Revenue from GCU, our largest university partner, for the nine months ended September 30, 2026 includes revenue for the 3 months ended September 30, 2026 earned under the Amended MSA including only tuition and academic-related fees plus revenue for the six months ended June 30, 2026 earned under the Original MSA including, in addition to tuition and academic-related fees, the agreed percentage of ancillary fees related to student housing, food service, athletic ticket sales, arena events, hotel, golf course and apparel operations. By contrast, service revenue for the nine months ended September 30, 2025 was entirely earned under the Original MSA. Revenue per student stayed flat between years primarily due to the service revenue per student for ABSN students at off-campus classroom and laboratory sites generating a significantly higher revenue per student than we earn under our agreement with GCU, as these agreements generally provide us with a higher revenue share percentage, the partners have higher tuition rates than GCU and the majority of our partners' students take more credits on average per semester. This increase was offset by six fewer days of revenue for ground traditional students based on the start date of the Fall semester, resulting in a shift of revenue from the third quarter to the fourth quarter in 2026 which had a $7.5 million impact. We also experienced a slight decline year over year in revenue per student for online students due to the continued mix shift to students that have a slightly lower net tuition rate.
- Operating income for the nine months ended September 30, 2026 was $205.1 million, an increase of $47.3 million, or 29.9%, as compared to $157.8 million for the same period in 2025. The operating margin for the nine months ended September 30, 2026 and 2025 was 24.4% and 19.8%, respectively. Operating income and operating margin excluding amortization, non-recurring costs and fixed asset disposals for the nine months ended September 30, 2026 was $212.5 million and 25.3%, respectively. Operating income and operating margin excluding amortization, litigation settlement, lease termination, impairment and other, severance and fixed asset disposals for the nine months ended September 30, 2025 was $202.3 million and 25.4%, respectively.
- Income tax expense for the nine months ended September 30, 2026 was $48.9 million, an increase of $10.3 million, or 26.5%, as compared to income tax expense of $38.6 million for the nine months ended September 30, 2025. Our effective tax rate was 22.9% during the nine months ended September 30, 2026 compared to 23.0% during the nine months ended September 30, 2025. The effective tax rate for both of the nine months ended September 30, 2026 and 2025 was favorably impacted by the contribution in lieu of state income taxes of $5.0 million. The effective tax rate stayed relatively flat year over year due to changes in state income taxes, an increase in taxable income and a decrease in excess tax benefits to $1.4 million in the nine months ended September 30, 2026 due to the decline in our stock price as compared to $2.7 million in the nine months ended September 30, 2025. The inclusion of excess tax benefits and deficiencies as a component of our income tax expense increases the volatility within our provision for income taxes as the amount of excess tax benefits or deficiencies from share-based compensation awards are dependent on our stock price at the date the restricted stock awards vest. Our restricted stock awards vest in March each year so any benefit or expense will primarily impact the first quarter each year.
- Net income for the nine months ended September 30, 2026 was $164.2 million, an increase of $34.8 million, or 26.9% as compared to $129.4 million for the same period in 2025. As adjusted net income was $170.0 million and $166.1 million for the nine months ended September 30, 2026 and 2025, respectively.
- Diluted net income per share was $6.25 and $4.60 for the nine months ended September 30, 2026 and 2025, respectively. As adjusted diluted net income per share was $6.47 and $5.90 for the nine months ended September 30, 2026 and 2025, respectively.
- Adjusted EBITDA increased 5.0% to $257.5 million for the nine months ended September 30, 2026, compared to $245.3 million for the same period in 2025.

Liquidity and Capital Resources

Our liquidity position, as measured by cash and cash equivalents and investments decreased by $137.9 million between December 31, 2025 and September 30, 2026, which was largely attributable to cash expended for share repurchases

and capital expenditures exceeding our cash provided by operations during the nine months ended September 30, 2026. Our unrestricted cash and cash equivalents and investments were $162.1 million and $300.1 million at September 30, 2026 and December 31, 2025, respectively.

Share Repurchase Plan

GCE announced today that on October 28, 2026, the Company's Board of Directors approved a $355.0 million increase under its existing stock repurchase program, reflecting an aggregate authorization for share repurchases by the Company since the initiation of the program of $2.9 billion. The current expiration date on the repurchase authorization by the Board of Directors is March 1, 2028. As of November 2, 2026, there remained $394.5 million available under the current share repurchase authorization, which includes the increased authorization of $355.0 million. As of November 2, 2026, the Company had 25,510,517 shares of common stock outstanding. The plan permits the Company to make purchases in the open market at prevailing market prices or in privately negotiated transactions in compliance with applicable securities laws and other legal requirements. The level of purchase activity is subject to market conditions and other investment opportunities. The plan does not obligate GCE to acquire any particular amount of common stock and may be suspended or discontinued at any time. The repurchase program may be funded using the Company's available cash, investments, positive operating cash flows and revolving line of credit.

Q4 2026:

- Service revenue of between $320.5 million and $321.5 million;
- Operating margin of between 36.0% and 36.2%;
- Effective tax rate of 23.0%;
- Diluted EPS of between $3.57 and $3.61; and
- 25.3 million diluted shares.

The diluted EPS guidance includes non-cash amortization of intangible assets net of taxes of $1.6 million, which equates to a $0.06 impact on diluted EPS. Thus, as adjusted, non-GAAP diluted income per share of between $3.63 and $3.67.

Full Year 2026:

- Service revenue of between $1,160.7 million and $1,161.7 million;
- Operating margin of between 27.6% and 27.7%;
- Effective tax rate of 23.0%;
- Diluted EPS between $9.81 and $9.85; and
- 26.0 million diluted shares.

The diluted EPS guidance includes non-cash amortization of intangible assets net of taxes of $6.5 million, non-recurring costs net of taxes of $0.8 million and loss on disposal of fixed assets net of taxes of nil which equates to a $0.28 impact on diluted EPS. Thus, as adjusted, non-GAAP diluted income per share of between $10.09 and $10.13.

Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of federal securities laws including information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation, and availability of resources. These forward-looking statements include, without limitation, statements regarding: proposed new programs; whether regulatory, economic, or business developments or other matters may or may not have a material adverse effect on our financial position, results of operations, or liquidity; projections, predictions, expectations, estimates, and forecasts as to our business, financial and operating results, and future economic performance; and management's goals and objectives and other similar expressions concerning matters that are not historical facts. Words such as "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar expressions, the negative of these expressions, as well as statements in future tense, identify forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause our actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements include, but are not limited to: (i) legal and regulatory actions taken against us related to our services business, or against our university partners that impact their businesses and that directly or indirectly reduce the service revenue we can earn under our master services agreements; (ii) the occurrence of any event, change or other circumstance that could give rise to the termination of any of the key university partner agreements; (iii) our ability to properly manage risks and challenges associated with strategic initiatives, including potential acquisitions or divestitures of, or investments in, new businesses, acquisitions of new properties and new university partners, and expansion of services provided to our existing university partners; (iv) our ability to comply with the extensive regulatory framework applicable to us either directly as a third-party service provider or indirectly through our university partners; (v) our ability to manage risks associated with epidemics, pandemics, or public health crises; (vi) our ability to manage risks resulting from system disruptions, interruptions, or outages associated with our technology platforms or those of third-party service providers; (vii) the ability of our university partners' students to obtain federal Title IV funds, state financial aid, and private financing; (viii) potential damage to our reputation or other adverse effects as a result of negative publicity in the media, in the industry or in connection with governmental reports or investigations or otherwise; (ix) risks associated with changes in applicable federal and state laws and regulations and accrediting commission standards; (x) competition from other education service companies in our geographic region and market sector; (xi) our ability to hire and train new, and develop and train existing employees; (xii) the pace of growth of our university partners' enrollment and its effect on the pace of our own growth; (xiii) fluctuations in our revenues due to seasonality; (xiv) our ability to, on behalf of our university partners, convert prospective students to enrolled students and to retain active students to graduation; and (xv) other risks and uncertainties identified from time to time in documents filed with

the Securities and Exchange Commission (the "SEC") by us, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed on February 18, 2026.

Forward-looking statements speak only as of the date the statements are made. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. This press release should be read in conjunction with the information included in our other press releases, reports and other filings with the SEC. Understanding the information contained in these filings is important in order to fully understand GCE's reported financial results and our business outlook for future periods.

Conference Call

Grand Canyon Education, Inc. will discuss its third quarter 2026 results and full year 2026 outlook during a conference call scheduled for today, November 4, 2026 at 4:30 p.m. Eastern time (ET).

Live Conference Dial-In:

Those interested in participating in the question-and-answer session should follow the conference dial-in instructions below. Participants may register for the call here to receive the dial-in numbers and unique PIN to access the call seamlessly. Please dial in at least ten minutes prior to the start of the call. Journalists are invited to listen only.

Webcast and Replay:

Investors, journalists and the general public may access a live webcast of this event at: *Q3 2026 Grand Canyon Education Inc. Earnings Conference Call.* A webcast replay will be available approximately two hours following the conclusion of the call at the same link.

About Grand Canyon Education, Inc.

Grand Canyon Education, Inc. ("GCE"), incorporated in 2008, is a publicly traded education services company that currently provides services to 20 university partners. GCE is uniquely positioned in the education services industry in that its leadership has over 30 years of proven expertise in providing a full array of support services in the post-secondary education sector and has developed significant technological solutions, infrastructure and operational processes to provide superior services in these areas on a large scale. GCE provides services that support students, faculty and staff of partner institutions such as marketing, strategic enrollment management, counseling services, financial services, technology, technical support, compliance, human resources, classroom operations, content development, faculty recruitment and training, among others. For more information about GCE visit the Company's website at www.gce.com.

Grand Canyon Education, Inc., 2600 W. Camelback Road, Phoenix, AZ 85017, **www.gce.com**.

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GRAND CANYON EDUCATION, INC.
Consolidated Income Statements
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except per share data)	**2026**	**2025**	**2026**	**2025**
Service revenue	$ 267,346	$ 261,142	$ 840,151	$ 797,951
Costs and expenses:				
Technology and academic services	43,060	44,908	133,735	129,706
Counseling services and support	88,343	84,405	268,272	254,250
Marketing and communication	65,453	59,145	189,403	175,512
General and administrative	16,919	15,149	37,347	36,926
Litigation settlement	—	35,000	—	35,000
Lease termination, impairment and other	—	2,411	—	2,411
Amortization of intangible assets	2,105	2,105	6,315	6,315
Total costs and expenses	215,880	243,123	635,072	640,120
Operating income	51,466	18,019	205,079	157,831
Investment interest and other	2,289	3,637	8,012	10,244
Income before income taxes	53,755	21,656	213,091	168,075
Income tax expense	10,742	5,382	48,878	38,637
Net income	$ 43,013	$ 16,274	$ 164,213	$ 129,438
Earnings per share:				
Basic income per share	$ 1.67	$ 0.59	$ 6.27	$ 4.62
Diluted income per share	$ 1.67	$ 0.58	$ 6.25	$ 4.60
Basic weighted average shares outstanding	25,698	27,740	26,197	28,002
Diluted weighted average shares outstanding	25,771	27,897	26,283	28,165

GRAND CANYON EDUCATION, INC.
Consolidated Balance Sheets

(In thousands, except par value)	As of September 30, 2026 (Unaudited)	As of December 31, 2025
ASSETS:		
Current assets		
Cash and cash equivalents	$ 58,760	$ 111,762
Investments	103,382	188,317
Accounts receivable, net	114,470	84,278
Income taxes receivable	8,703	2,392
Other current assets	12,400	13,430
Total current assets	297,715	400,179
Property and equipment, net	183,224	178,957
Right-of-use assets	103,671	96,571
Amortizable intangible assets, net	145,228	151,543
Goodwill	160,766	160,766
Other assets	3,887	4,289
Total assets	$ 894,491	$ 992,305
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities		
Accounts payable	$ 18,816	$ 24,347
Accrued compensation and benefits	29,816	35,199
Accrued liabilities	41,840	32,283
Income taxes payable	68	3,355
Deferred revenue	6,945	—
Current portion of lease liability	15,253	14,568
Total current liabilities	112,738	109,752
Deferred income taxes, noncurrent	42,320	41,426
Other long-term liabilities	1,273	1,439
Lease liability, less current portion	98,758	92,755
Total liabilities	255,089	245,372
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $0.01 par value, 10,000 shares authorized; 0 shares issued and outstanding at September 30, 2026 and December 31, 2025	—	—
Common stock, $0.01 par value, 100,000 shares authorized; 54,265 and 54,178 shares issued and 25,726 and 27,393 shares outstanding at September 30, 2026 and December 31, 2025, respectively	543	542
Treasury stock, at cost, 28,539 and 26,785 shares of common stock at September 30, 2026 and December 31, 2025, respectively	(2,572,525)	(2,291,610)
Additional paid-in capital	360,818	350,374
Accumulated other comprehensive (loss) gain	(763)	511
Retained earnings	2,851,329	2,687,116
Total stockholders' equity	639,402	746,933
Total liabilities and stockholders' equity	$ 894,491	$ 992,305

GRAND CANYON EDUCATION, INC.
Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)	Nine Months Ended September 30, 2026	2025
Cash flows provided by operating activities:		
Net income	$ 164,213	$ 129,438
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation	10,445	10,411
Depreciation and amortization	25,804	23,323
Amortization of intangible assets	6,315	6,315
Deferred income taxes	1,291	13,497
Litigation settlement	—	35,000
Lease termination, impairment and other	—	2,411
Other, including fixed asset disposals	48	(444)
Changes in assets and liabilities:		
Accounts receivable	(30,192)	(39,093)
Other assets	1,682	(3,218)
Right-of-use assets and lease liabilities	(412)	576
Accounts payable	(6,372)	(8,477)
Accrued liabilities	1,420	70
Income taxes receivable/payable	(9,598)	(30,604)
Deferred revenue	6,945	3,801
Net cash provided by operating activities	171,589	143,006
Cash flows provided by (used in) investing activities:		
Capital expenditures	(29,608)	(27,225)
Additions of amortizable content	(186)	(47)
Purchase of equity investment	—	(1,000)
Loss on equity investment	100	500
Purchases of investments	(57,352)	(224,715)
Proceeds from sale or maturity of investments	141,134	46,872
Net cash provided by (used in) investing activities	54,088	(205,615)
Cash flows used in financing activities:		
Repurchase of common shares and shares withheld in lieu of income taxes	(278,327)	(164,730)
Revolving Credit Facility issuance costs	(352)	—
Net cash used in financing activities	(278,679)	(164,730)
Net decrease in cash and cash equivalents and restricted cash	(53,002)	(227,339)
Cash and cash equivalents and restricted cash, beginning of period	111,762	324,623
Cash and cash equivalents and restricted cash, end of period	$ 58,760	$ 97,284
Supplemental disclosure of cash flow information		
Cash paid for interest	$ —	$ —
Cash paid for income taxes	$ 53,929	$ 53,748
Supplemental disclosure of non-cash investing and financing activities		
Purchases of property and equipment included in accounts payable	$ 1,676	$ 798
ROU Asset and Liability recognition	$ 7,100	$ 330
Excise tax on treasury stock repurchases	$ 2,588	$ 1,482

Adjusted EBITDA (Non-GAAP Financial Measure)

Adjusted EBITDA is defined as net income plus interest expense, less interest income and other gain (loss) recognized on investments, plus income tax expense, and plus depreciation and amortization (EBITDA), as adjusted for (i) contributions to private Arizona school tuition organizations in lieu of the payment of state income taxes; (ii) share-based compensation; and (iii) unusual charges or gains, such as litigation and regulatory costs, non-recurring costs, impairment charges and asset write-offs, severance costs, and exit or lease termination costs. We present Adjusted EBITDA because we consider it to be an important supplemental measure of our operating performance. We also make certain compensation decisions based, in part, on our operating performance, as measured by Adjusted EBITDA. All of the adjustments made in our calculation of Adjusted EBITDA are adjustments to items that management does not consider to be reflective of our core operating performance. Management considers our core operating performance to be that which can be affected by our managers in any particular period through their management of the resources that affect our underlying revenue and profit generating operations during that period and does not consider the items for which we make adjustments (as listed above) to be reflective of our core performance.

We believe Adjusted EBITDA allows us to compare our current operating results with corresponding historical periods and with the operational performance of other companies in our industry because it does not give effect to potential differences caused by variations in capital structures (affecting relative interest expense, including the impact of write-offs of deferred financing costs when companies refinance their indebtedness), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the book amortization of intangibles (affecting relative amortization expense), and other items that we do not consider reflective of underlying operating performance. We also present Adjusted EBITDA because we believe it is frequently used by securities analysts, investors, and other interested parties as a measure of performance.

In evaluating Adjusted EBITDA, investors should be aware that in the future we may incur expenses similar to the adjustments described above. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by expenses that are unusual, non-routine, or non-recurring. Adjusted EBITDA has limitations as an analytical tool in that, among other things, it does not reflect:

- cash expenditures for capital expenditures or contractual commitments;
- changes in, or cash requirements for, our working capital requirements;
- interest expense, or the cash required to replace assets that are being depreciated or amortized; and
- the impact on our reported results of earnings or charges resulting from the items for which we make adjustments to our EBITDA, as described above and set forth in the table below.

In addition, other companies, including other companies in our industry, may calculate these measures differently than we do, limiting the usefulness of Adjusted EBITDA as a comparative measure. Because of these limitations, Adjusted EBITDA should not be considered as a substitute for net income, operating income, or any other performance measure derived in accordance with and reported under GAAP, or as an alternative to cash flow from operating activities or as a measure of our liquidity. We compensate for these limitations by relying primarily on our GAAP results and only use Adjusted EBITDA as a supplemental performance measure.

The following table provides a reconciliation of net income to Adjusted EBITDA, which is a non-GAAP measure for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(Unaudited, in thousands)		(Unaudited, in thousands)	
Net income	$ 43,013	$ 16,274	$ 164,213	$ 129,438
Less: investment interest and other	(2,289)	(3,637)	(8,012)	(10,244)
Plus: income tax expense	10,742	5,382	48,878	38,637
Plus: amortization of intangible assets	2,105	2,105	6,315	6,315
Plus: depreciation and amortization	8,776	8,063	25,804	23,323
EBITDA	62,347	28,187	237,198	187,469
Plus: contributions in lieu of state income taxes	5,000	5,000	5,000	5,000
Plus: share-based compensation	3,391	3,293	10,445	10,411
Plus: litigation and regulatory costs	1,622	36,318	3,764	39,220
Plus: non-recurring costs	1,095	—	1,095	—
Plus: lease termination, impairment and other	—	2,411	—	2,411
Plus: severance costs	—	299	—	299
Plus: loss on fixed asset disposal	12	392	46	470
Adjusted EBITDA	$ 73,467	$ 75,900	$ 257,548	$ 245,280

Non-GAAP Net Income and Non-GAAP Diluted Income Per Share

The Company believes the presentation of non-GAAP net income and non-GAAP diluted income per share information that excludes amortization of intangible assets, non-recurring costs, litigation settlement, lease termination, impairment and other costs, severance costs and loss on disposal of fixed assets allows investors to develop a more meaningful understanding of the Company's performance over time. Accordingly, for the three and nine months ended September 30, 2026 and 2025, the table below provides reconciliations of these non-GAAP items to GAAP net income and GAAP diluted income per share, respectively:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(Unaudited, in thousands except per share data)			
GAAP Net income	$ 43,013	$ 16,274	$ 164,213	$ 129,438
Plus: Amortization of intangible assets	2,105	2,105	6,315	6,315
Plus: Non-recurring costs	1,095	—	1,095	—
Plus: Litigation settlement	—	35,000	—	35,000
Plus: Lease termination, impairment and other	—	2,411	—	2,411
Plus: Severance costs	—	299	—	299
Plus: Loss on disposal of fixed assets	12	392	46	470
Less: Income tax effects of adjustments (1)	(642)	(6,796)	(1,710)	(7,848)
As Adjusted, Non-GAAP Net income	$ 45,583	$ 49,685	$ 169,959	$ 166,085
GAAP Diluted income per share	$ 1.67	$ 0.58	$ 6.25	$ 4.60
Plus: Amortization of intangible assets (2)	0.07	0.06	0.19	0.17
Plus: Non-recurring costs (3)	0.03	-	0.03	-
Plus: Litigation settlement (4)	-	1.05	-	1.05
Plus: Lease termination, impairment and other (5)	-	0.07	-	0.06
Plus: Severance costs (6)	-	0.01	-	0.01
Plus: Loss on disposal of fixed assets (7)	0.00	0.01	0.00	0.01
As Adjusted, Non-GAAP Diluted income per share	$ 1.77	$ 1.78	$ 6.47	$ 5.90

(1) The income tax effects of adjustments are based on the effective income tax rate applicable to adjusted (non-GAAP) results. The tax effect for the reserve for litigation was 16.49% for both the three and nine months ended September 30, 2025, due to non-deductible components.

(2) The amortization of acquired intangible assets per diluted share is net of an income tax benefit of $0.02 and $0.01 for the three months ended September 30, 2026 and 2025, respectively, and net of an income tax benefit of $0.06 and $0.05 for the nine months ended September 30, 2026 and 2025, respectively.

(3) The non-recurring costs per diluted shares is net of an income tax benefit of $0.01 for both the three and nine months ended September 30, 2026.

(4) The litigation settlement per diluted share is net of an income tax benefit of $0.21 and $0.20 for the three and nine months ended September 30, 2025, respectively.

(5) The lease termination, impairment and other per diluted share is net of an income tax benefit of $0.02 for both the three and nine months ended September 30, 2025.

(6) The severance costs per diluted share is net of an income tax benefit of nil for the three and nine months ended September 30, 2025, respectively.

(7) The loss on disposal of fixed assets per diluted share is net of an income tax benefit of nil for both of the three months ended September 30, 2026 and 2025 and nil for both of the nine months ended September 30, 2026 and 2025.