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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-34211

GRAND CANYON EDUCATION, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-3356009**
(State or other jurisdiction of Incorporation or organization)	***(I.R.S. Employer Identification No.)***

2600 W. Camelback Road
Phoenix, Arizona 85017
(Address, including zip code, of principal executive offices)

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

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The total number of shares of common stock outstanding as of November 3, 2025, was 27,968,476.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

(In thousands, except per share data)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Service revenue	$ 261,142	$ 238,291	$ 797,951	$ 740,429
Costs and expenses:				
Technology and academic services	44,908	41,955	129,706	122,081
Counseling services and support	84,405	77,166	254,250	238,157
Marketing and communication	59,145	54,526	175,512	162,774
General and administrative	15,149	14,364	36,926	35,730
Reserve for 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	243,123	190,116	640,120	565,057
Operating income	18,019	48,175	157,831	175,372
Investment interest and other	3,637	4,154	10,244	11,991
Income before income taxes	21,656	52,329	168,075	187,363
Income tax expense	5,382	10,862	38,637	43,008
Net income	$ 16,274	$ 41,467	$ 129,438	$ 144,355
Earnings per share:				
Basic income per share	$ 0.59	$ 1.43	$ 4.62	$ 4.94
Diluted income per share	$ 0.58	$ 1.42	$ 4.60	$ 4.91
Basic weighted average shares outstanding	27,740	29,003	28,002	29,248
Diluted weighted average shares outstanding	27,897	29,164	28,165	29,405

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CANYON EDUCATION, INC.
Consolidated Balance Sheets

(In thousands, except par value)	September 30, 2025 (Unaudited)	December 31, 2024
ASSETS:		
Current assets		
Cash and cash equivalents	$ 97,284	$ 324,623
Investments	179,691	—
Accounts receivable, net	122,041	82,948
Income tax receivable	22,679	490
Other current assets	12,299	11,915
Total current assets	433,994	419,976
Property and equipment, net	180,013	176,823
Right-of-use assets	99,871	99,541
Amortizable intangible assets, net	153,647	159,962
Goodwill	160,766	160,766
Other assets	4,501	1,357
Total assets	$ 1,032,792	$ 1,018,425
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities		
Accounts payable	$ 19,284	$ 26,721
Accrued compensation and benefits	28,766	33,183
Accrued liabilities	70,539	29,620
Income taxes payable	144	8,559
Deferred revenue	3,801	—
Current portion of lease liability	14,204	12,883
Total current liabilities	136,738	110,966
Deferred income taxes, noncurrent	40,195	26,527
Other long-term liability	1,494	1,444
Lease liability, less current portion	96,324	95,635
Total liabilities	274,751	234,572
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $0.01 par value, 10,000 shares authorized; 0 shares issued and outstanding at September 30, 2025 and December 31, 2024	—	—
Common stock, $0.01 par value, 100,000 shares authorized; 54,178 and 54,090 shares issued and 28,004 and 28,858 shares outstanding at September 30, 2025 and December 31, 2024, respectively	542	541
Treasury stock, at cost, 26,174 and 25,232 shares of common stock at September 30, 2025 and December 31, 2024, respectively	(2,190,582)	(2,024,370)
Additional paid-in capital	347,146	336,736
Accumulated other comprehensive gain	551	—
Retained earnings	2,600,384	2,470,946
Total stockholders' equity	758,041	783,853
Total liabilities and stockholders' equity	$ 1,032,792	$ 1,018,425

The accompanying notes are an integral part of these consolidated financial statements.

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

(In thousands)	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Net income	$ 16,274	$ 41,467	$ 129,438	$ 144,355
Other comprehensive income, net of tax:				
Realized gains on available-for-sale securities, net of taxes of $39 for the three months ended September 30, 2024, and $17 for the nine months ended September 30, 2024	—	126	—	57
Unrealized gains on available-for-sale securities, net of taxes of $121 for the three months ended September 30, 2025, and $172 for the nine months ended September 30, 2025	386	—	551	—
Comprehensive income	$ 16,660	$ 41,593	$ 129,989	$ 144,412

The accompanying notes are an integral part of these consolidated financial statements.

GRAND CANYON EDUCATION, INC.
Consolidated Statement of Stockholders' Equity
(In thousands)
(Unaudited)

	Nine Months Ended September 30, 2025							
	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Par Value	Shares	Cost				
Balance at December 31, 2024	54,090	$ 541	25,232	$ (2,024,370)	$ 336,736	$ —	$ 2,470,946	$ 783,853
Comprehensive income	—	—	—	—	—	(7)	71,618	71,611
Common stock purchased for treasury	—	—	395	(68,927)	—	—	—	(68,927)
Restricted shares forfeited	—	—	—	—	—	—	—	—
Share-based compensation	86	1	53	(9,463)	3,629	—	—	(5,833)
Balance at March 31, 2025	54,176	$ 542	25,680	$ (2,102,760)	$ 340,365	$ (7)	$ 2,542,564	$ 780,704
Comprehensive income	—	—	—	—	—	172	41,546	41,718
Common stock purchased for treasury	—	—	259	(47,933)	—	—	—	(47,933)
Restricted shares forfeited	—	—	5	—	—	—	—	—
Share-based compensation	2	—	—	—	3,487	—	—	3,487
Balance at June 30, 2025	54,178	$ 542	25,944	$ (2,150,693)	$ 343,852	$ 165	$ 2,584,110	$ 777,976
Comprehensive income	—	—	—	—	—	386	16,274	16,660
Common stock purchased for treasury	—	—	220	(39,889)	—	—	—	(39,889)
Restricted shares forfeited	—	—	10	—	—	—	—	—
Share-based compensation	—	—	—	—	3,294	—	—	3,294
Balance at September 30, 2025	54,178	$ 542	26,174	$ (2,190,582)	$ 347,146	$ 551	$ 2,600,384	$ 758,041

GRAND CANYON EDUCATION, INC.
Consolidated Statement of Stockholders' Equity
(In thousands)
(Unaudited)

	Nine Months Ended September 30, 2024							
	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Par Value	Shares	Cost				
Balance at December 31, 2023	53,970	$ 540	24,017	$ (1,849,693)	$ 322,512	$ (57)	$ 2,244,712	$ 718,014
Comprehensive income	—	—	—	—	—	(56)	68,010	67,954
Common stock purchased for treasury	—	—	172	(22,558)	—	—	—	(22,558)
Restricted shares forfeited	—	—	4	—	—	—	—	—
Share-based compensation	117	1	55	(7,446)	3,482	—	—	(3,963)
Balance at March 31, 2024	54,087	$ 541	24,248	$ (1,879,697)	$ 325,994	$ (113)	$ 2,312,722	$ 759,447
Comprehensive income	—	—	—	—	—	(13)	34,878	34,865
Common stock purchased for treasury	—	—	281	(39,113)	—	—	—	(39,113)
Restricted shares forfeited	—	—	12	—	—	—	—	—
Share-based compensation	3	—	—	—	3,996	—	—	3,996
Balance at June 30, 2024	54,090	$ 541	24,541	$ (1,918,810)	$ 329,990	$ (126)	$ 2,347,600	$ 759,195
Comprehensive income	—	—	—	—	—	126	41,467	41,593
Common stock purchased for treasury	—	—	273	(39,703)	—	—	—	(39,703)
Restricted shares forfeited	—	—	—	—	—	—	—	—
Share-based compensation	—	—	2	(324)	3,376	—	—	3,052
Balance at September 30, 2024	54,090	$ 541	24,816	$ (1,958,837)	$ 333,366	$ —	$ 2,389,067	$ 764,137

The accompanying notes are an integral part of these consolidated financial statements.

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

(In thousands)	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Cash flows provided by operating activities:		
Net income	$ 129,438	$ 144,355
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation	10,411	10,855
Depreciation and amortization	23,323	20,707
Amortization of intangible assets	6,315	6,315
Deferred income taxes	13,497	(560)
Reserve for litigation settlement	35,000	—
Lease termination, impairment and other	2,411	—
Other, including fixed asset disposals	(444)	(743)
Changes in assets and liabilities:		
Accounts receivable from university partners	(39,093)	(37,577)
Other assets	(3,218)	1,239
Right-of-use assets and lease liabilities	576	1,296
Accounts payable	(8,477)	10,710
Accrued liabilities	70	1,747
Income taxes receivable/payable	(30,604)	(10,623)
Deferred revenue	3,801	6,420
Net cash provided by operating activities	143,006	154,141
Cash flows (used in) provided by investing activities:		
Capital expenditures	(27,225)	(27,501)
Additions of amortizable content	(47)	(227)
Purchase of equity investment	(1,000)	—
Loss on equity investment	500	—
Purchases of investments	(224,715)	(48,594)
Proceeds from sale or maturity of investments	46,872	147,619
Net cash (used in) provided by investing activities	(205,615)	71,297
Cash flows used in financing activities:		
Repurchase of common shares and shares withheld in lieu of income taxes	(164,730)	(108,329)
Net cash used in financing activities	(164,730)	(108,329)
Net (decrease) increase in cash and cash equivalents and restricted cash	(227,339)	117,109
Cash and cash equivalents and restricted cash, beginning of period	324,623	146,475
Cash and cash equivalents and restricted cash, end of period	$ 97,284	$ 263,584
Supplemental disclosure of cash flow information		
Cash paid for interest	$ —	$ 4
Cash paid for income taxes	$ 53,748	$ 51,420
Supplemental disclosure of non-cash investing and financing activities		
Purchases of property and equipment included in accounts payable	$ 798	$ 1,604
ROU Asset and Liability recognition	$ 330	$ 6,395
Excise tax on treasury stock repurchases	$ 1,482	$ 815

The accompanying notes are an integral part of these consolidated financial statements.

Grand Canyon Education, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share data)

1. Nature of Business

Grand Canyon Education, Inc. (together with its subsidiaries, the "Company" or "GCE") is a publicly traded education services company dedicated to serving colleges and universities. GCE has developed significant technological solutions, infrastructure and operational processes to provide services to these institutions on a large scale. GCE's most significant university partner is Grand Canyon University ("GCU"), an Arizona non-profit corporation, a comprehensive regionally accredited university that offers graduate and undergraduate degree programs, emphases and certificates across ten colleges both online, on ground at its campus in Phoenix, Arizona and at eleven off-campus classroom and laboratory sites.

We also provide education services to numerous university partners across the United States. In the healthcare field, we work in partnership with a number of top universities and healthcare networks, offering healthcare-related academic programs at off-campus classroom and laboratory sites located near healthcare providers and developing high-quality, career-ready graduates who enter the workforce ready to meet the demands of the healthcare industry. In addition, we have provided certain services to a university partner to assist them in expanding their online graduate programs. As of September 30, 2025, GCE provides education services to 20 university partners across the United States.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany transactions have been eliminated in consolidation.

Unaudited Interim Financial Information

The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and pursuant to the rules and regulations of the United States Securities and Exchange Commission (the "SEC") and the instructions to Form 10-Q and Article 10, consistent in all material respects with those applied in its financial statements included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2024. They do not include all of the information and footnotes required by GAAP for complete financial statements. Such interim financial information is unaudited but reflects all adjustments that in the opinion of management are necessary for the fair presentation of the interim periods presented. Interim results are not necessarily indicative of results for a full year. These consolidated financial statements should be read in conjunction with the Company's audited financial statements and footnotes included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2024 from which the December 31, 2024 balance sheet information was derived.

Investments

As of December 31, 2024 the Company had no investments. As of September 30, 2025, the Company considered its investments in corporate bonds, agency bonds, treasury bills and commercial paper as available-for-sale securities based on the Company's intent for the respective securities. Available-for-sale securities are carried at fair value, determined using Level 1 and Level 2 of the hierarchy of valuation inputs, with the use of inputs other than quoted prices that are observable for the assets. Unrealized investment gains and losses, net of tax, are reported as a separate component of other comprehensive income. Unrealized losses considered to be other-than-temporary are recognized currently in earnings. Amortization of premiums, accretion of discounts, interest and dividend income and realized gains and losses are included in interest and other income.

Arrangements with GCU

On July 1, 2018, the Company consummated an Asset Purchase Agreement (the "Asset Purchase Agreement") with GCU. In conjunction with the Asset Purchase Agreement, the Company and GCU entered into a long-term master services agreement (the "Master Services Agreement") pursuant to which the Company provides identified technology and academic services, counseling services and support, marketing and communication services, and several back-office services to GCU in return for 60% of GCU's tuition and fee revenue. Except for identified liabilities assumed by GCU, GCE retained responsibility for all liabilities of the business arising from pre-closing operations.

Internally Developed Software

The Company capitalizes certain costs related to internal-use software, primarily consisting of direct labor associated with creating the software. Software development projects generally include three stages: the preliminary project stage (all costs are expensed as incurred), the application development stage (certain costs are capitalized and certain costs are expensed as incurred) and the post-implementation or operation stage (all costs are expensed as incurred). Costs capitalized in the application development stage include costs of design, coding, integration, and testing of the software developed. Capitalization of costs requires judgment in determining when a project has reached the application development stage and the period over which we expect to benefit from the use of that software. Once the software is placed in service, these costs are amortized straight-line over the estimated useful life of the software, which is generally three years. These assets are a component of our property and equipment, net in our consolidated balance sheets.

Capitalized Content Development

The Company capitalizes certain costs to fulfill a contract related to the development and digital creation of content on a course-by-course basis for each university partner, many times in conjunction with faculty and subject matter experts. The Company is responsible for the conversion of instructional materials to an on-line format, including outlines, quizzes, lectures, and articles in accordance with the educational guidelines provided to us by our university partners, prior to the respective course commencing. We also capitalize the creation of learning objects which are digital assets such as online demonstrations, simulations, and case studies used to obtain learning objectives.

Costs that are capitalized include payroll and payroll-related costs for employees who are directly associated and spend time producing content and payments to faculty and subject matter experts involved in the process. The Company starts capitalizing content costs when it begins to develop or to convert a particular course, resources have been assigned and a timeline has been set. The content asset is placed in service when all work is complete, and the curriculum could be used for instruction. Capitalized content development assets are included in other assets in our consolidated balance sheets. The Company has concluded that the most appropriate method to amortize the deferred content assets is on a straight-line basis over the estimated life of the course, which is generally four years which corresponds with course's review and major revision cycle. As of September 30, 2025 and December 31, 2024, $468 and $658, respectively, net of amortization, of deferred content assets are included in other assets, long-term in the Company's consolidated balance sheets and amortization is included in technical and academic services where the costs originated.

Long-Lived Assets

The Company evaluates the recoverability of its long-lived assets for impairment, other than goodwill, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Leases

The Company determines if an arrangement is a lease at inception and evaluates the lease agreement to determine whether the lease is a finance or operating lease. Right-of-use ("ROU") assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company uses its incremental borrowing rate based on the information available at the commencement to determine the present value of lease payments over the lease term. At lease inception, the Company determines the lease term by assuming no exercises of renewal options, due to the Company's constantly changing geographical needs for its university partners. Leases with an initial term of 12 months or less are not recorded in the consolidated balance sheets and are recognized as

Grand Canyon Education, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share data)

lease expense on a straight-line basis over the lease term. The Company has lease agreements with lease and non-lease components, and the non-lease components are accounted for separately and not included in our ROU assets and lease liabilities. Leases primarily consist of off-campus classroom and laboratory site locations and office space.

Goodwill and Amortizable Intangible Assets

Goodwill represents the excess of the purchase price of an acquired business over the amount assigned to the tangible and intangible assets acquired and liabilities assumed. Goodwill is assessed at least annually for impairment during the fourth quarter, or more frequently if circumstances indicate potential impairment. Goodwill is allocated to our reporting unit at the education services segment, which is the same as the entity as a whole (entity level reporting unit). The Company has concluded there is one operating segment and one reporting unit for goodwill impairment consideration. The Financial Accounting Standards Board has issued guidance that permits an entity to first assess qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. The Company reviews goodwill at least annually or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

Finite-lived intangible assets that are acquired in a business combination are recorded at fair value on their acquisition dates and are amortized using a method that reflects the pattern in which the economic benefits of the intangible assets are consumed or on a straight-line basis over the estimated useful life of the intangible asset if the pattern of economic benefit cannot be reliability determined. Finite-lived intangible assets consist of university partner relationships and trade names. The Company reviews its finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable. There were no indicators that the carrying amount of the finite-lived intangible assets were impaired as of September 30, 2025. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the assets. If such intangible assets are not recoverable, a potential impairment loss is recognized to the extent the carrying amounts of the assets exceeds the fair value of the assets.

Share-Based Compensation

The Company measures and recognizes compensation expense for share-based payment awards made to employees and directors. The fair value of the Company’s restricted stock awards is based on the market price of its common stock on the date of grant. Stock-based compensation expense related to restricted stock grants is expensed over the vesting period using the straight-line method for Company employees and the Company’s board of directors (the “Board of Directors”). The Company recognizes forfeitures as they occur.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, accounts receivable, accounts payable, accrued compensation and benefits and accrued liabilities expenses approximate their fair value based on the liquidity or the short-term maturities of these instruments.

The fair value of investments was determined using Level 1 and Level 2 of the hierarchy of valuation inputs, with the use of inputs other than quoted prices that are observable for the assets. The unit of account used for valuation is the individual underlying security. The basis for fair value measurements for each level is described below, with Level 1 having the highest priority.

-Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2 – inputs are quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in non-active markets; and model-derived valuations whose inputs are observable or whose significant valuation drivers are observable.

-Level 3 – unobservable inputs that are not corroborated by market data.

Investments are comprised of corporate bonds, commercial paper and agency bonds.

Grand Canyon Education, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share data)

Revenue Recognition

The Company generates all of its revenue through services agreements with its university partners ("Services Agreements"), pursuant to which the Company provides integrated technology and academic services, marketing and communication services, and back-office services to its university partners in return for a percentage of tuition and fee revenue.

The Services Agreements have initial terms ranging from 7-15 years, subject to renewal options, although certain agreements may give the university partners the right to terminate early if certain conditions are met. The Services Agreements have a single performance obligation, as the promises to provide the identified services are not distinct within the context of these agreements. The single performance obligation is delivered as our partners receive and consume benefits, which occurs ratably over a series of distinct service periods (daily or semester). Service revenue is recognized over time using the output method of measuring progress towards complete satisfaction of the single performance obligation. The output method provides a faithful depiction of the performance toward complete satisfaction of the performance obligation and can be tied to the time elapsed which is consumed evenly over the service period and is a direct measurement of the value provided to our partners. The service fees received from our partners over the term of the agreement are variable in nature in that they are dependent upon the number of students attending the university partner's program and revenues generated from those students during the service period. Due to the variable nature of the consideration over the life of the service arrangement, the Company considered forming an expectation of the variable consideration to be received over the service life of this one performance obligation. However, since the performance obligation represents a series of distinct services, the Company recognizes the variable consideration that becomes known and billable because these fees relate to the distinct service period in which the fees are earned. The Company meets the criteria in the standard and exercises the practical expedient to not disclose the aggregate amount of the transaction price allocated to the single performance obligation that is unsatisfied as of the end of the reporting period. The Company does not disclose the value of unsatisfied performance obligations because the directly allocable variable consideration is allocated entirely to a wholly unsatisfied promise to transfer a service that forms part of a single performance obligation. The service fees are calculated and settled per the terms of the Services Agreements and result in a settlement duration of less than one year for all partners. There are no refunds or return rights under the Services Agreements.

The Company's receivables represent unconditional rights to consideration from our Services Agreements with our university partners. Accounts receivable, net is stated at net realizable value and contains billed and unbilled revenue. The Company utilizes the allowance method to provide for doubtful accounts based on its evaluation of the expected credit losses. There have been no amounts written off and no reserves established as of September 30, 2025 given historical collection experience and an evaluation of reasonable and supportable forecasts of economic conditions and other pertinent factors affecting the Company's customers such as known credit risk or industry trends. The Company will continue to review and revise its allowance methodology based on its collection experience with its partners.

For our partners with unbilled revenue, revenue recognition occurs in advance of billings. Billings for some university partners do not occur until after the service period has commenced and final enrollment information is available. Given that the Fall semester ends just prior to December 31 of each year, unbilled revenue is low at year end (whereas a semester is ongoing at the end of each other fiscal quarter, and unbilled revenue is thus higher at the end of our first three quarters). Our unbilled revenue of $11,180 and $115 as of September 30, 2025 and December 31, 2024, respectively, are included in accounts receivable in our consolidated balance sheets. Deferred revenue represents the excess of amounts received as compared to amounts recognized in revenue on our consolidated statements of income as of the end of the reporting period, and such amounts are reflected as a current liability on our consolidated balance sheets. We generally receive payments for our services billed within 30 days of invoice. These payments are recorded as deferred revenue until the services are delivered and revenue is recognized.

Grand Canyon Education, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share data)

Allowance for Credit Losses

The Company records its accounts receivable at the net amount expected to be collected. Our accounts receivable are derived through education services provided to university partners. The Company maintains an allowance for credit losses resulting from our university partners not making payments. The Company determines the adequacy of the allowance by periodically evaluating each university partner's balance, considering their financial condition and credit history, and considering current and forecasted economic conditions. Bad debt expense is recorded as a technology and academic services expense in the consolidated income statements. The Company monitors the impact of other factors on expected credit losses.

Technology and Academic Services

Technology and academic services consist primarily of costs related to ongoing maintenance of educational infrastructure, including online course delivery and management, student records, assessment, customer relations management and other internal administrative systems. This also includes costs to provide support for content development, faculty training, development and other faculty support, technology support, rent and occupancy costs for university partners' off-campus classroom and laboratory sites, and assistance with state compliance. This expense category includes salaries, benefits and share-based compensation, information technology costs, amortization of content development costs and other costs associated with these support services. This category also includes an allocation of depreciation, amortization, and occupancy costs attributable to the provision of certain services, primarily at the Company's Phoenix, Arizona and Indianapolis, Indiana locations.

Counseling Services and Support

Counseling services and support consist primarily of costs including team-based counseling and other support to prospective and current students as well as financial aid processing. This expense category includes salaries, benefits and share-based compensation, and other costs such as dues, fees and subscriptions and travel costs. This category also includes an allocation of depreciation, amortization, lease expense, and occupancy costs attributable to the provision of certain services, primarily at the Company's Phoenix, Arizona and Indianapolis, Indiana locations.

Marketing and Communication

Marketing and communication include lead acquisition, digital communication strategies, brand identity advertising, media planning and strategy, video, data science and analysis, marketing to potential students and other promotional and communication services. This expense category includes salaries, benefits and share-based compensation for marketing and communication personnel, brand advertising, marketing leads and other promotional and communication expenses. This category also includes an allocation of depreciation, amortization, lease expense, and occupancy costs attributable to the provision of certain services, primarily at the Company's Phoenix, Arizona and Indianapolis, Indiana locations. Advertising costs are expensed as incurred.

General and Administrative

General and administrative expenses include salaries, benefits and share-based compensation of employees engaged in corporate management, finance, human resources, compliance, and other corporate functions. This category also includes an allocation of depreciation, amortization, lease expense, and occupancy costs attributable to the provision of these services, primarily at the Company's Phoenix, Arizona and Indianapolis, Indiana locations.

Commitments and Contingencies

The Company accrues for contingent obligations when it is probable that a liability has been incurred and the amount is reasonably estimable. When the Company becomes aware of a claim or potential claim, the likelihood of any loss exposure is assessed. If it is probable that a loss will result and the amount of the loss is estimable, the Company records a liability for the estimated loss. If the loss is not probable or the amount of the potential loss is not estimable, the Company will disclose the claim if the likelihood of a potential loss is reasonably possible and the amount of the potential loss could be material. Estimates that are particularly sensitive to future changes include tax, legal, and other

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regulatory matters, which are subject to change as events evolve, and as additional information becomes available during the administrative and litigation process. The Company expenses legal fees as incurred.

Concentration of Credit Risk

The Company believes the credit risk related to cash equivalents and investments is limited due to its adherence to an investment policy that requires investments to have a minimum BBB rating, depending on the type of security, by at least one major rating agency at the time of purchase. All of the Company's cash equivalents and investments as of September 30, 2025 and December 31, 2024 consist of investments rated BBB or higher by at least one rating agency. Additionally, the Company utilizes at least one financial institution to conduct initial and ongoing credit analysis on its investment portfolio to monitor and lower the potential impact of market risk associated with its cash equivalents and investment portfolio. Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash balances, which are primarily invested in money market funds or on deposit at high credit quality financial institutions in the U.S. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At September 30, 2025 and December 31, 2024, the Company had $96,534 and $323,124, respectively, in excess of the FDIC insured limit. The Company is also subject to credit risk for its accounts receivable balance. Our dependence on our most significant university partner, GCU, with 89.1% and 88.3% of total service revenue for the nine-month periods ended September 30, 2025 and 2024, respectively, subjects us to the risk that declines in our customer's operations would result in a sustained reduction in service revenue for the Company.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Segment Information

The Company operates as a single education services company using a core infrastructure that serves the curriculum and educational delivery needs of its university partners. The Company's Chief Executive Officer (the "Chief Operating Decision Maker" or "CODM") manages the Company's operations as a whole and no expense or operating income information is generated or evaluated on any component level other than consolidated net income.

The education services segment generates revenue through Service Agreements with its university partners, pursuant to which the Company provides integrated technology and academic services, marketing and communication services, and back-office services to its university partners in return for a percentage of tuition and fee revenue.

The accounting policies of the education services segment are the same as those described in the summary of significant accounting policies. The measure of segment assets is reported on the consolidated balance sheet as total consolidated assets. The CODM uses consolidated net income to monitor budget versus actual results, which is used to evaluate headcount and compensation decisions.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This ASU includes amendments requiring enhanced income tax disclosures, primarily related to standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and should be applied either prospectively or retrospectively. The Company does not expect the adoption of this guidance to have a material impact on the Company's financial condition, results of operations or statements of cash flows.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." ASU No. 2024-03 does not change or remove existing expense disclosure requirements but requires disaggregated disclosures about certain expense categories and captions, including but not limited to, purchases of inventory, employee compensation, depreciation, amortization and selling expenses. ASU No. 2024-03 will become effective for us in fiscal year 2027 and in

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the first quarter of fiscal year 2028 for interim reporting. Retrospective application is permitted. The Company does not expect the adoption of this guidance to have a material impact on the Company's financial condition, results of operations or cash flows.

In September 2025, the FASB issued ASU 2025-06, "Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40)". ASU 2025-06 removes all references to project stages throughout ASC 350-40 and clarifies the applicable threshold to begin capitalizing costs. ASU 2025-06 is effective for annual reporting periods beginning after December 15, 2027, and interim periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. Adoption of this ASU should be applied using a prospective transition approach, a modified transition approach based on project status or a retrospective transition approach. The Company is currently evaluating the impact of this new standard on our financial statements and disclosures.

The Company has determined that no other recent accounting pronouncements apply to its operations or could otherwise have a material impact on its consolidated financial statements.

3. Investments

As of September 30, 2025 the Company had investments of $179,691 classified as available-for-sale securities. The Company had no investments at December 31, 2024 as it sold all its investments in the third quarter of 2024 and the proceeds were invested in cash and cash equivalents.

	As of September 30, 2025			
	Adjusted Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
Corporate bonds	$ 169,806	$ 770	$ (49)	$ 170,527
Commercial paper	5,313	—	—	5,313
Agency bonds	3,849	2	—	3,851
Total investments	$ 178,968	$ 772	$ (49)	$ 179,691

For the nine months ended September 30, 2025, the net unrealized gains were $551, net of taxes. For the nine months ended September 30, 2024, the net realized gains were $57, net of taxes. Available-for-sale debt securities are carried at fair value on the consolidated balance sheets. The Company estimates the lifetime expected credit losses for all available-for sale debt securities in an unrealized loss position. If our assessment indicates that an expected credit loss exists, we determine the portion of the unrealized loss attributable to credit deterioration and record a reserve for the expected credit loss in the allowance for credit losses in technology and academic services in our consolidated income statements.

Available-for-sale securities maturing as of December 31:	
2025	$ 2,500
2026	69,106
2027	78,014
2028	30,071
	$ 179,691

4. Net Income Per Common Share

Basic earnings per common share is calculated by dividing net income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per common share reflects the assumed conversion of all potentially dilutive securities, consisting of restricted stock awards, for which the estimated fair value exceeds the exercise price, less shares which could have been purchased with the related proceeds, unless anti-dilutive. For employee equity awards, repurchased shares are also included for any unearned compensation adjusted for

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tax. The table below reflects the calculation of the weighted average number of common shares outstanding, on an as if converted basis, used in computing basic and diluted earnings per common share.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Denominator:				
Basic weighted average shares outstanding	27,740	29,003	28,002	29,248
Effect of dilutive stock options and restricted stock	157	161	163	157
Diluted weighted average shares outstanding	27,897	29,164	28,165	29,405

Diluted weighted average shares outstanding excludes the incremental effect of unvested restricted stock in accordance with the treasury stock method. For both of the three-month periods ended September 30, 2025 and 2024, approximately nil, and for the nine-month periods ended September 30, 2025 and 2024, approximately 20 and 26, respectively, of the Company's restricted stock awards outstanding were excluded from the calculation of diluted earnings per share as their inclusion would have been anti-dilutive. These restricted stock awards could be dilutive in the future.

5. Property and Equipment

Property and equipment consist of the following:

	September 30, 2025	December 31, 2024
Land	$ 5,098	$ 5,098
Land improvements	2,242	2,242
Buildings	51,399	51,399
Buildings and leasehold improvements	39,496	37,424
Computer equipment	142,534	141,160
Furniture, fixtures and equipment	31,262	29,715
Internally developed software	116,709	98,605
Construction in progress	6,948	6,393
	395,688	372,036
Less accumulated depreciation and amortization	(215,675)	(195,213)
Property and equipment, net	$ 180,013	$ 176,823

6. Amortizable Intangible Assets

Identified intangible assets of $210,280 consisted primarily of university partner relationships that were valued at $210,000, which arose in connection with the acquisition of Orbis Education in January 2019.

Amortizable intangible assets consist of the following as of:

	September 30, 2025			
	Estimated Average Useful Life (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
University partner relationships	25	$ 210,000	$ (56,353)	$ 153,647
Trade names	1	280	(280)	—
Total amortizable intangible assets, net		$ 210,280	$ (56,633)	$ 153,647

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Amortization expense for university partner relationships and trade names for the years ending December 31:

2025	$ 2,104
2026	8,419
2027	8,419
2028	8,419
2029	8,419
Thereafter	117,867
	$ 153,647

7. Leases

The Company has operating leases for off-campus classroom and laboratory sites, office space, office equipment, and optical fiber communication lines. These leases have remaining lease terms that range from four months to 11 years. At lease inception, we determine the lease term by assuming no exercises of renewal options due to the Company's constantly changing geographical needs for its university partners. Leases with an initial term of 12 months or less are not recorded in the consolidated balance sheets and we recognize lease expense for these leases on a straight-line basis over the lease term. The Company had operating lease costs of $13,306 and $12,350 for the nine-month periods ended September 30, 2025 and 2024, respectively.

As of September 30, 2025, the Company had a $6,472 of non-cancelable operating lease commitments for one off-campus classroom and laboratory sites that had not yet commenced. The Company's weighted-average remaining lease term relating to its operating leases is 7.43 years, with a weighted-average discount rate of 4.43%. The cash paid for operating lease liabilities was $12,720 and $11,054 for the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025, the Company had no financing leases.

Future payment obligations with respect to the Company's operating leases, which were existing at September 30, 2025, by year and in the aggregate, are as follows:

Year Ending December 31,	Amount
2025	$ 4,391
2026	18,750
2027	18,151
2028	17,475
2029	17,363
Thereafter	55,137
Total lease payments	$ 131,267
Less interest	20,739
Present value of lease liabilities	$ 110,528

8. Commitments and Contingencies

Legal Matters

From time to time, the Company is a party to various lawsuits, claims, and other legal proceedings that arise in the ordinary course of business, some of which are covered by insurance. When the Company is aware of a claim or potential claim, it assesses the likelihood of any loss or exposure. If it is probable that a loss will result and the amount of the loss can be reasonably estimated, the Company records a liability for the loss. If the loss is not probable or the amount of the loss cannot be reasonably estimated, the Company discloses the nature of the specific claim if the likelihood of a potential loss is reasonably possible, and the amount involved could be material. With respect to the majority of pending litigation matters, the Company's ultimate legal and financial responsibility, if any, cannot be estimated with certainty and, in most cases, any potential losses related to those matters are not considered probable.

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Upon resolution of any pending legal matters, the Company may incur charges in excess of presently established reserves. Management does not believe that any such charges would, individually or in the aggregate, have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Pending Litigation Matters

False Claims Act Matter. In May 2020, the Company was served with a *qui tam* lawsuit that had been filed against us in 2019 in the U.S. District Court for the District of Massachusetts by a former employee on behalf of the federal government. All proceedings in the lawsuit had been under seal until February 2020, when the U.S. government decided to not intervene in the lawsuit, and the complaint was then unsealed by the court. The suit, *United States ex rel Mackillop v. Grand Canyon Education, Inc.*, alleges that we violated the False Claims Act by improperly compensating certain of our enrollment counselors in violation of the Title IV law governing compensation of such employees (the "incentive compensation rule"), and as a result, improperly received Title IV program funds. In response to a second amended complaint filed in September 2020, we filed a motion to dismiss and a motion to transfer the matter to the U.S. District Court for the District of Arizona. In December 2020, the court granted our motion to dismiss as to one of three counts and granted the motion to transfer but only upon conclusion of pretrial proceedings. In September 2021, we filed a motion for summary judgment which the Massachusetts court denied in September 2022. Subsequently, the matter was transferred to the Arizona court and trial was scheduled for late April 2024. Prior to trial commencing, we and the relator reached an agreement to stay trial while the parties attempt to finalize the terms upon which the litigation could be concluded.

After numerous motions and unsuccessful settlement talks over a period of years, the parties recommenced settlement discussions in spring 2025, with any such settlement being contingent upon approvals from applicable U.S. government agencies and final agreement by all parties on acceptable terms, both monetary and non-monetary.

As disclosed in the Company's Form 8-K filed with the SEC on October 30, 2025, the Company, the relator, the U.S. Department of Justice and ED have reached settlement terms that are acceptable to all parties. Under these terms, which are subject to final review by the Court, the Company has agreed to pay $35.0 million and ED has agreed that the Company's current enrollment counselor compensation and related plans do not violate the law prohibiting incentive compensation. The Court has scheduled a hearing for its review mid-November 2025, and the settlement is not effective until the Court reviews it and the parties sign the final settlement agreement. We have nevertheless recorded the settlement amount in our financial statements for the period ended September 30, 2025.

Matters Related to GCU Graduate Program Disclosures and Related Matters. The Company is a party to several matters alleging that, in the performance of its marketing services provided on behalf of GCU, it made false or misleading representations regarding the time to complete and the costs associated with and/or accreditation issues related to certain GCU graduate programs. These matters include:

- Smith and Wang v. Grand Canyon Education, Inc. This putative class action was filed in June 2024 in the United States District Court for the District of Arizona and asserts claims under the federal RICO statute as well as various claims for violations of state law consumer protection statutes. On September 20, 2024, the plaintiffs amended their complaint, and on November 4, 2024, the Company moved to dismiss the case. The court granted in part and denied in part the motion to dismiss. Specifically, the court dismissed one of the plaintiff's RICO counts but allowed the other RICO count and the consumer protection claims to proceed to discovery. Discovery is ongoing, and there is currently no trial date scheduled in this matter.
- Federal Trade Commission v. Grand Canyon Education, Inc., et al. This suit was filed in late December 2023 in United States District Court for the District of Arizona and asserts claims under the FTC Act and Telemarketing Sales Rule. In February 2024, GCE filed a partial motion to dismiss, which was denied in August 2024. On June 17, 2025, the parties filed a Joint Motion and Proposed Order Staying Case for 60-Days to Consider Non-Settlement Resolution of the Case. On August 15,

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2025, the Commission voted unanimously to dismiss the case in its entirety and the case was terminated with prejudice on August 19, 2025.

- Ogdon v. Grand Canyon Education, Inc., et al. This putative class action was filed in May 2020 in federal district court in California and later transferred to United States District Court for the District of Arizona and asserts claims for violations of California's False Advertising Law, Unfair Competition Law, Consumer Legal Remedies Act; Unjust Enrichment; and purported violations of the federal RICO statute, including a conspiracy claim. The defendants include the Company along with our chief executive officer, chief operating officer and chief financial officer. In July 2025, the plaintiff filed a Second Amended Complaint and added an additional plaintiff. The Company filed a motion to dismiss the Second Amended Complaint on August 19, 2025. The court has not yet ruled on the motion. Discovery is ongoing, and there is currently no trial date scheduled in this matter.
- Valerio, et al. v. Grand Canyon Education, Inc., et al. This suit was filed on December 24, 2024, in Maricopa County, Arizona Superior Court on behalf of nearly 300 plaintiffs. The plaintiffs assert various claims, including claims for violations of state law consumer protection statutes. The Company filed a motion to dismiss the complaint on May 12, 2025. On September 17, 2025, the court denied the motion to dismiss. The court held a status conference on October 9, 2025, to address issues of case management. The court has not yet issued a case management conference. There is currently no trial date scheduled in this matter.

We believe that the Company's representations made in marketing materials or by our employees regarding GCU's doctoral program requirements were at all times accurate and not false or misleading, and thus did not violate applicable law. The Company intends to defend itself vigorously in each of these legal proceedings. The outcome of these legal proceedings is uncertain at this point. At present, the Company cannot estimate a range of loss for these actions based on the information available to the Company. Accordingly, the Company has not accrued any liability associated with these actions.

9. Share-Based Compensation

Incentive Plan

The Company makes equity incentive grants pursuant to our 2017 Equity Incentive Plan (the "2017 Plan") under which a maximum of 3,000 shares may be granted. As of September 30, 2025, 873 shares were available for grants under the 2017 Plan.

Restricted Stock

During the nine months ended September 30, 2025, the Company granted 86 shares of common stock with a service vesting condition to certain of its executives, officers and employees. The restricted shares have voting rights and vest in five annual installments of 20%, with the first installment vesting in March of the calendar year following the date of grant (the "first vesting date") and subsequent installments vesting on each of the four anniversaries of the first vesting date. Upon vesting, shares will be withheld in lieu of taxes equivalent to the minimum statutory tax withholding required to be paid when the restricted stock vests. During the nine months ended September 30, 2025, the Company withheld 53 shares of common stock in lieu of taxes at a cost of $9,463 on the restricted stock vesting dates. In June 2025, following the annual stockholders meeting, the Company granted 2 shares of common stock to the non-employee members of the Board of Directors. The restricted shares granted to these directors have voting rights and vest on the earlier of (a) the one-year anniversary of the date of grant or (b) immediately prior to the next annual stockholders meeting.

On June 30, 2024, a named executive officer resigned for "good reason" which resulted in an acceleration of the next tranche of restricted stock awards that would have vested on March 1, 2025. As a result, the incremental share-based compensation expense from the modification on five restricted stock awards for the accelerated vesting date was $558 and is included in the general and administrative expenses in the Company's consolidated income statement. In July of 2024, 5 shares vested and 2 shares were withheld in lieu of taxes at a cost of $324 on the accelerated vesting date.

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A summary of the activity related to restricted stock granted under the 2017 Plan since December 31, 2024 is as follows:

	Total Shares	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2024	403	$ 104.54
Granted	88	$ 173.00
Vested	(139)	$ 98.09
Forfeited, canceled or expired	(15)	$ 122.89
Outstanding as of September 30, 2025	337	$ 124.20

Share-based Compensation Expense

The table below outlines share-based compensation expense for the nine months ended September 30, 2025 and 2024 related to restricted stock granted:

	2025	2024
Technology and academic services	$ 2,034	$ 1,925
Counseling services and support	5,652	5,402
Marketing and communication	200	168
General and administrative	2,525	3,360
Share-based compensation expense included in operating expenses	$ 10,411	$ 10,855
Tax effect of share-based compensation	(2,603)	(2,714)
Share-based compensation expense, net of tax	$ 7,808	$ 8,141

10. Treasury Stock

The Board of Directors has authorized share repurchases of up to $2,245,000 since the initiation of the Company's stock repurchase program. The expiration date on the current repurchase authorization is March 1, 2026. Repurchases occur at the Company's discretion. Repurchases may be made in the open market or in privately negotiated transactions, pursuant to the applicable SEC rules. The amount and timing of future share repurchases, if any, will be made as market and business conditions warrant.

During the nine months ended September 30, 2025 the Company repurchased 874 shares of common stock, at an aggregate cost of $156,749. As of September 30, 2025, there remained $144,381 available under its current share repurchase authorization. Shares repurchased in lieu of taxes are not included in the repurchase plan totals as they were approved in conjunction with the restricted share awards. Excise taxes of $1,482 are not included in the repurchase plan totals but are included in the total cost of net share repurchases in the consolidated statement of stockholders' equity.

11. Related Party Transactions

Related party transactions include transactions between the Company and certain of its affiliates. The following transactions were in the normal course of operations and were measured at the exchange amount, which was the amount of consideration established and agreed to by the parties.

As of and for the nine months ended September 30, 2025 and 2024, related party transactions consisted of the following:

Affiliates

GCE Community Fund ("GCECF") - GCECF was initially formed in 2014. GCECF makes grants for charitable, educational, literary, religious or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (the "Code"), including for such purposes as the making of distributions to organizations that qualify as exempt organizations under Section 501 (c)(3) of the Code. The Company's Chief Executive Officer serves as the president of GCECF and GCECF's board of directors is comprised entirely of Company executives. The Company is not the primary beneficiary of GCECF, and accordingly, the Company does not consolidate GCECF's activities with its financial results. The Company made a voluntary charitable contribution of $500 for the nine months ended September 30, 2025, of which no amounts were owed as of September 30, 2025.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and related notes that appear elsewhere in this report.

Forward-Looking Statements

This Quarterly Report on Form 10-Q, including Item 2, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, contains certain "forward-looking statements" within the meaning of Section 27A of Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements include, without limitation, statements regarding: proposed new programs; statements as to whether regulatory developments or other matters may or may not have a material adverse effect on our financial position, results of operations, or liquidity; statements concerning projections, predictions, expectations, estimates, or forecasts as to our business, financial and operational results, and future economic performance; and statements of 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. You can also identify forward-looking statements by discussions of strategy, plans or intentions of management.

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:

- 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;
- the occurrence of any event, change or other circumstance that could give rise to the termination of any of the key university partner agreements;
- 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;
- our failure to comply with the extensive regulatory framework applicable to us either directly as a third-party service provider or indirectly through our university partners, including Title IV of the Higher Education Act and the regulations thereunder, state laws and regulatory requirements, and accrediting commission requirements, and the results of related legal and regulatory actions that arise from such failures;
- the harm to our business, results of operations, and financial condition, and harm to our university partners resulting from epidemics, pandemics, or public health crises;
- the harm to our business and our ability to retract and retain students resulting from capacity constraints, system disruptions, or security breaches in our online computer networks and phone systems;
- the ability of our university partners' students to obtain federal Title IV funds, state financial aid, and private financing;
- 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, affecting us or other companies in the education services sector;
- risks associated with changes in applicable federal and state laws and regulations and accrediting commission standards, including pending rulemaking by the United States Department of Education applicable to us directly or indirectly through our university partners;

- competition from other education service companies in our geographic region and market sector, including competition for students, qualified executives and other personnel;
- our expected tax payments and tax rate;
- our ability to hire and train new employees, and develop and train existing employees;
- the pace of growth of our university partners' enrollment and its effect on the pace of our own growth;
- fluctuations in our revenues due to seasonality;
- our ability, on behalf of our university partners, to convert prospective students to enrolled students and to retain active students to graduation;
- our success in updating and expanding the content of existing programs and developing new programs in a cost-effective manner or on a timely basis for our university partners;
- risks associated with the competitive environment for marketing the programs of our university partners;
- failure on our part to keep up with advances in technology that could enhance the experience for our university partners' students;
- our ability to manage future growth effectively;
- the impact of any natural disasters or public health emergencies; and
- general adverse economic conditions or other developments that affect the job prospects of our university partners' students.

Additional factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, those described in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K (the "2024 Form 10-K") for the fiscal year ended December 31, 2024, filed with the Securities and Exchange Commission ("SEC") on February 19, 2025, and as updated in our subsequent reports filed with the SEC, including any updates found in Part II, Item 1A of this Quarterly Report on Form 10-Q or our other reports on Form 10-Q. 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.

Executive Overview

Grand Canyon Education, Inc. (together with its subsidiaries, the "Company" or "GCE") is a publicly traded education services company dedicated to serving colleges and universities. GCE has developed significant technological solutions, infrastructure and operational processes to provide services to these institutions on a large scale. GCE's most significant university partner is Grand Canyon University ("GCU"), a comprehensive regionally accredited university that offers graduate and undergraduate degree programs, emphases and certificates across ten colleges both online and on ground at its campus in Phoenix, Arizona, and at eleven off-campus classroom and laboratory sites.

We also provide education services to numerous university partners across the United States. In the healthcare field, we work in partnership with a number of top universities and healthcare networks, offering healthcare-related academic programs at off-campus classroom and laboratory sites located near healthcare providers and developing high-quality, career-ready graduates who enter the workforce ready to meet the demands of the healthcare industry. In addition, we have provided certain services to a university partner to assist them in expanding their online graduate programs. As of September 30, 2025, GCE provides education services to 20 university partners across the United States.

We plan to continue to add additional university partners and to introduce additional programs with both our existing partners and with new partners. We may engage with both new and existing university partners to offer healthcare programs, online only or hybrid programs, or, as is the case for our most significant partner, GCU, both healthcare and other programs. We do disclose significant information for GCU, such as enrollments, due to its size in comparison to our other university partners.

Critical Accounting Policies and Use of Estimates

Our critical accounting policies are disclosed in the 2024 Form 10-K for the fiscal year ended December 31, 2024. During the nine months ended September 30, 2025, there were no significant changes in our critical accounting policies.

Results of Operations

The following table sets forth certain income statement data as a percentage of revenue for each of the periods indicated. Amortization of intangible assets has been excluded from the table below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Costs and expenses				
Technology and academic services	17.2 %	17.6 %	16.3 %	16.5 %
Counseling services and support	32.3	32.4	31.9	32.2
Marketing and communication	22.6	22.9	22.0	22.0
General and administrative	5.8	6.0	4.6	4.8

Three Months Ended September 30, 2025 Compared to Three Months Ended September 30, 2024

Service revenue. Our service revenue for the three months ended September 30, 2025 was $261.1 million, an increase of $22.8 million, or 9.6%, as compared to service revenue of $238.3 million for the three months ended September 30, 2024. The increase year over year in service revenue was primarily due to an increase in partner enrollments of 7.9% to 138,073 at September 30, 2025 as compared to 127,977 at September 30, 2024. GCU enrollments increased to 132,486 at September 30, 2025, an increase of 7.7% over enrollments at September 30, 2024. University partner enrollments at our off-campus classroom and laboratory sites were 6,912, an increase of 17.4% over enrollments at September 30, 2024, which includes 1,325 and 913 GCU students at September 30, 2025 and 2024, respectively. Excluding sites closing in 2024 to new enrollments, total enrollments at our off-campus classroom and laboratory sites increased 19.3% between years. Revenue per student decreased slightly between years primarily due to contract modifications for some of our university partners in which the revenue share percentage was reduced in exchange for us no longer reimbursing these partners for certain faculty costs which had the effect of reducing revenue per student and 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 partially offset by an additional day of revenue for the ground campus due to the start date shifting one day of revenue from the fourth quarter to the third quarter in 2025 which had a $0.9 million impact and the 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.

Although partner enrollments at our off-campus classroom and laboratory sites returned to year over year growth, some existing partners continue to experience reduced incoming cohort sizes which has slowed the growth. We believe the growth in the number of ABSN students continues to be negatively impacted by the strong job market as these students have historically been individuals with already completed bachelor's degrees choosing to re-career into one of these health professions. To address this challenge, we have been working with our university partners to adjust their programs to allow students with the required education experience but without a completed bachelor's degree to enter their programs. The majority of those partners that have made the adjustment to admit students without a completed bachelor's degree had new enrollment growth on a year over year basis in the Summer and Fall 2025 semester.

We opened six sites in the year ended December 31, 2024 and opened five new sites in the nine months ended September 30, 2025 while closing two sites in which we stopped recruiting new students in 2024 and merged two sited that were located in the same market bringing the total number of these sites to 47 at September 30, 2025, which has also positively impacted the enrollment growth. Enrollments for GCU ground students were 24,671 at September 30, 2025 up from 24,657 at September 30, 2024. GCU online enrollments were 107,815 at September 30, 2025, up from 98,345 at September 30, 2024, an increase of 9.6% between years.

Technology and academic services. Our technology and academic services expenses for the three months ended September 30, 2025 were $44.9 million, an increase of $2.9 million, or 7.0%, as compared to technology and academic services expenses of $42.0 million for the three months ended September 30, 2024. This increase was primarily due to increases in other technology and academic costs, in employee compensation and related expenses, including share-based compensation and benefit costs and in occupancy and depreciation costs of $1.2 million, $1.1 million and $0.6 million, respectively. The increases in other technology and academic costs and occupancy and depreciation were primarily due to the costs associated with the increased number of off-campus classroom and laboratory sites to support our 20 university partners and their increased enrollment growth as well as an increase in technology costs and curriculum cost reimbursements to our university partners. We also wrote-off $0.4 million in fixed assets at closed sites during the third quarter of 2025. The increase in employee compensation and related expenses is primarily due to increased headcount to support our 20 university partners and their increased enrollment growth, tenure-based salary adjustments, a significant year over year increase in benefit costs and the increased number of off-campus classroom and laboratory sites year over year. Our technology and academic services expenses as a percentage of revenue decreased by 0.4% to 17.2% for the three months ended September 30, 2025, from 17.6% for the three months ended September 30, 2024. This decrease was primarily due to our ability to leverage our technology and academic service expenses across an increasing revenue base, partially offset by increased technology costs and curriculum cost reimbursements and fixed asset disposals. We anticipate that technology and academic services expenses will increase in the future as we open more off-site classroom and laboratory sites and the growing technology costs and curriculum cost reimbursements and these costs as a percentage of revenue could increase in the future.

Counseling services and support. Our counseling services and support expenses for the three months ended September 30, 2025 were $84.4 million, an increase of $7.2 million, or 9.4%, as compared to counseling services and support expenses of $77.2 million for the three months ended September 30, 2024. This increase was primarily attributable to increases in employee compensation and related expenses including share-based compensation and benefits, in occupancy and depreciation costs and in other counseling services and support expenses of $6.3 million, $0.5 million and $0.4 million, respectively. The increases in employee compensation including share-based compensation and benefits were primarily due to increased headcount to support our university partners, and their planned increases in enrollment, tenure-based salary adjustments, a significant year over year increase in benefit costs, severance costs of $0.3 million and the increased number of off-campus classroom and laboratory sites open year over year. The increase in occupancy and depreciation is primarily related to higher depreciation expense associated with our continued enhancements to technology infrastructure and internal-use software development. The increase in other counseling services and support expenses is primarily the result of higher travel costs to service our 20 university partners. Our counseling services and support expenses as a percentage of revenue decreased 0.1% to 32.3% for the three months ended September 30, 2025, from 32.4% for the three months ended September 30, 2024 primarily due to our ability to leverage our counseling services and support expenses across an increasing revenue base. We anticipate that counseling services and support expense will increase in the future as we continue to invest to meet our partners' needs and these costs as a percentage of revenue could increase in the future.

Marketing and communication. Our marketing and communication expenses for the three months ended September 30, 2025 were $59.1 million, an increase of $4.6 million, or 8.5%, as compared to marketing and communication expenses of $54.5 million for the three months ended September 30, 2024. This increase was primarily attributable to the increased cost to market our university partners' programs and to the marketing of new university partners and new locations which resulted in increased advertising of $4.1 million, increased employee compensation, including share-based compensation and benefits of $0.4 million and increased occupancy and depreciation expenses of $0.1 million. Our marketing and communication expenses as a percentage of revenue decreased by 0.3% to 22.6% for the three months ended September 30, 2025, from 22.9% for the three months ended September 30, 2024, primarily due to our ability to leverage our marketing and communication expenses across an increasing revenue base. We anticipate that marketing and communication expenses will increase in the future as we continue to invest to meet our partners' needs and these costs as a percentage of revenue could increase in the future.

General and administrative. Our general and administrative expenses for the three months ended September 30, 2025 were $15.2 million, an increase of $0.8 million, or 5.5%, as compared to general and administrative expenses of

$14.4 million for the three months ended September 30, 2024. This increase was primarily attributable to an increase in contributions in lieu of state income taxes of $0.5 million, an increase in professional fees, including legal costs of $0.3 million and an increase in employee compensation, including share-based compensation and benefit costs of $0.1 million. These increases were partially offset by a decrease in occupancy and depreciation expense of $0.1 million. The increases in professional fees was primarily due to higher legal costs between years. Our general and administrative expenses as a percentage of revenue decreased by 0.2% to 5.8% for the three months ended September 30, 2025, from 6.0% for the three months ended September 30, 2024 primarily due to our ability to leverage our general and administrative expenses across an increasing revenue base. We anticipate that general and administrative expenses will increase in the future and these costs as a percentage of revenue could increase in the future.

Reserve for litigation settlement. A reserve for litigation settlement of $35.0 million was recorded in the three months ended September 30, 2025 related to the settlement of the qui tam lawsuit. See *Note 8 – Commitments and Contingencies*, in Notes to Consolidated Financial Statements for further discussion.

Lease termination, impairment and other. We incurred $2.4 million in lease termination and impairment charges in the third quarter of 2025 related to leases. In the third quarter of 2025, we agreed to pay $1.3 million for our Indiana office space to early terminate our lease effective in June 2027. We also entered into a sublease of that space for the period from January 2026 to June 2027 and entered into a new lease for a much smaller space effective January 2026. Additionally, an impairment was recorded in the amount of $1.1 million in the three months ended September 30, 2025 for the two off-campus classroom and laboratory sites that were closed during the quarter.

Amortization of intangible assets. Amortization of intangible assets for the three months ended September 30, 2025 and 2024 were $2.1 million for both periods. As a result of the Orbis Education acquisition in 2019, certain identifiable intangible assets were created (primarily customer relationships) that will be amortized over their expected lives.

Investment interest and other. Investment interest and other for the three months ended September 30, 2025 was $3.6 million, a decrease of $0.6 million, as compared to $4.2 million for the three months ended September 30, 2024 due to slightly lower returns on our investment balances.

Income tax expense. Income tax expense for the three months ended September 30, 2025 was $5.4 million, a decrease of $5.5 million, or 50.4%, as compared to income tax expense of $10.9 million for the three months ended September 30, 2024. The decrease in income tax expense is due to the decrease in income before taxes partially offset by a higher effective tax rate. Our effective tax rate was 24.9% during the three months ended September 30, 2025 compared to 20.8% during the three months ended September 30, 2024. The effective tax rate increased year over year due to the tax treatment of the litigation settlement recorded in the third quarter and changes in state income taxes partially offset by an increase in the contributions made in lieu of state income taxes from $4.5 million in the third quarter of 2024 to $5.0 million in the third quarter of 2025.

Net income. Our net income for the three months ended September 30, 2025 was $16.3 million, a decrease of $25.2 million, or 60.8% as compared to $41.5 million for the three months ended September 30, 2024, due to the factors discussed above.

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

Service revenue. Our service revenue for the nine months ended September 30, 2025 was $798.0 million, an increase of $57.6 million, or 7.8%, as compared to service revenue of $740.4 million for the nine months ended September 30, 2024. The increase year over year in service revenue was primarily due to an increase in partner enrollments of 7.9% to 138,073 at September 30, 2025 as compared to 127,977 at September 30, 2024. GCU enrollments increased to 132,486 at September 30, 2025, an increase of 7.7% over enrollments at September 30, 2024. University partner enrollments at our off-campus classroom and laboratory sites were 6,912, an increase of 17.4% over enrollments at September 30, 2024, which includes 1,325 and 913 GCU students at September 30, 2025 and 2024, respectively. Excluding sites closing in 2024 to new enrollments, total enrollments at our off-campus classroom and laboratory sites increased 19.3% between years. Revenue per student decreased slightly between years primarily due to the additional day for leap year in 2024 which added additional service revenue of $1.5 million as compared to the current year and contract modifications for some of our university partners in which the revenue share percentage was reduced in exchange for us no longer reimbursing these partners for certain faculty costs, both of which had the effect of reducing revenue per student and 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 partially offset by an additional day of revenue for the ground campus due to the start date shifting one day of revenue from the fourth quarter to the third quarter in 2025 which had a $0.9 million impact and 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.

Although partner enrollments at our off-campus classroom and laboratory sites returned to year over year growth, some existing partners continue to experience reduced incoming cohort sizes which has slowed the growth. We believe the growth in the number of ABSN students continues to be negatively impacted by the strong job market as these students have historically been individuals with already completed bachelor's degrees choosing to re-career into one of these health professions. To address this challenge, we have been working with our university partners to adjust their programs to allow students with the required education experience but without a completed bachelor's degree to enter their programs. The majority of those partners that have made the adjustment to admit students without a completed bachelor's degree had new enrollment growth on a year over year basis in the Summer and Fall 2025 semester.

We opened six sites in the year ended December 31, 2024 and opened five new sites in the nine months ended September 30, 2025 while closing two sites in which we stopped recruiting new students in 2024 and merged two sited that were located in the same market bringing the total number of these sites to 47 at September 30, 2025, which has also positively impacted the enrollment growth. Enrollments for GCU ground students were 24,671 at September 30, 2025 up from 24,657 at September 30, 2024. GCU online enrollments were 107,815 at September 30, 2025, up from 98,345 at September 30, 2024, an increase of 9.6% between years.

Technology and academic services. Our technology and academic services expenses for the nine months ended September 30, 2025 were $129.7 million, an increase of $7.6 million, or 6.2%, as compared to technology and academic services expenses of $122.1 million for the nine months ended September 30, 2024. This increase was primarily due to increases in other technology and academic costs, in occupancy and depreciation costs and in employee compensation and related expenses, including share-based compensation and increased benefit costs of $5.5 million, $1.4 million and $0.7 million, respectively. The increases in other technology and academic costs and occupancy and depreciation were primarily due to the costs associated with the increased number of off-campus classroom and laboratory sites to support our 20 university partners and their increased enrollment growth as well as an increase in technology costs and curriculum cost reimbursements to our university partners. We also wrote-off $0.4 million in fixed assets at closed sites during the third quarter of 2025. The increase in employee compensation and related expenses is primarily due to increased headcount to support our 20 university partners and their increased enrollment growth, tenure-based salary adjustments, a significant year over year increase in benefit costs and the increased number of off-campus classroom and laboratory sites year over year. Our technology and academic services expenses as a percentage of revenue decreased by 0.2% to 16.3% for the nine months ended September 30, 2025, from 16.5% for the nine months ended September 30, 2024. This decrease was primarily due to our ability to spread increased technology and academic service costs across an increasing revenue base, partially offset by increased technology costs and curriculum cost reimbursements and fixed asset disposals. We anticipate that technology and academic services expenses as a percentage of revenue will increase in the future as we open more off-site classroom and laboratory sites and the growing technology costs and curriculum cost reimbursements and these costs as a percentage of revenue could increase in the future.

Counseling services and support. Our counseling services and support expenses for the nine months ended September 30, 2025 were $254.3 million, an increase of $16.1 million, or 6.8%, as compared to counseling services and support expenses of $238.2 million for the nine months ended September 30, 2024. This increase was primarily attributable to increases in employee compensation and related expenses including share-based compensation and benefits, and in occupancy and depreciation costs of $15.8 million and $1.3 million, respectively, partially offset by decreases in other counseling services and support expenses of $1.0 million. The increases in employee compensation including share-based compensation and benefits were primarily due to increased headcount to support our university partners, and their planned increases in enrollment, tenure-based salary adjustments, a significant year over year increase in benefit costs, severance costs of $0.3 million and the increased number of off-campus classroom and laboratory sites open year over year. The increase in occupancy and depreciation is primarily related to higher depreciation expense associated with our continued enhancements to technology infrastructure and internal-use software development. The decrease in other counseling services and support expenses is primarily the result of lower travel costs to service our 20 university partners. Our counseling services and support expenses as a percentage of revenue decreased 0.3% to 31.9% for the nine months ended September 30, 2025, from 32.2% for the nine months ended September 30, 2024 primarily due to our ability to leverage our counseling services and support expenses across an increasing revenue base. We anticipate that counseling services and support expense will increase in the future as we continue to invest to meet our partners' needs and these costs as a percentage of revenue could increase in the future.

Marketing and communication. Our marketing and communication expenses for the nine months ended September 30, 2025 were $175.5 million, an increase of $12.7 million, or 7.8%, as compared to marketing and communication expenses of $162.8 million for the nine months ended September 30, 2024. This increase was primarily attributable to the increased cost to market our university partners' programs and to the marketing of new university partners and new locations which resulted in increased advertising of $11.3 million, increased employee compensation, including share-based compensation and benefits of $1.3 million and increased occupancy and depreciation costs of $0.1 million. Our marketing and communication expenses as a percentage of revenue stayed flat at 22.0% for both the nine months ended September 30, 2025 and 2024. We anticipate that marketing and communication expenses will increase in the future as we continue to invest to meet our partners' needs and these costs as percentage of revenue could increase in the future.

General and administrative. Our general and administrative expenses for the nine months ended September 30, 2025 were $36.9 million, an increase of $1.2 million, or 3.3%, as compared to general and administrative expenses of $35.7 million for the nine months ended September 30, 2024. This increase was primarily attributable to an increase in professional fees, including legal costs of $1.3 million, an increase in other general and administrative costs of $1.0 million and an increase in occupancy and depreciation expense of $0.1 million. These increases were partially offset by a decrease in employee compensation, including share-based compensation of $1.2 million, which is primarily due to $1.1 million in severance costs recorded in the second quarter of 2024 related to an executive officer that resigned effective June 30, 2024. The increases in professional fees was primarily due to higher legal costs between years. The increase in other general and administrative costs was due to higher contributions in lieu of state income taxes from $4.5 million in the first nine months of 2024 to $5.0 million in the first nine months of 2025 and higher charitable contributions. Our general and administrative expenses as a percentage of revenue decreased by 0.2% to 4.6% for the nine months ended September 30, 2025, from 4.8% for the nine months ended September 30, 2024 primarily due to our ability to leverage our general and administrative expenses across an increasing revenue base. We anticipate that general and administrative expenses will increase in the future and these costs as a percentage of revenue could increase in the future.

Reserve for litigation settlement. A reserve for litigation settlement of $35.0 million was recorded in the nine months ended September 30, 2025 related to the settlement of the qui tam lawsuit. See *Note 8 – Commitments and Contingencies*, in Notes to Consolidated Financial Statements for further discussion.

Lease termination, impairment and other. We incurred $2.4 million in lease termination and impairment charges in the nine months ended September 30, 2025 related to leases. In the third quarter of 2025, we agreed to pay $1.3 million for our Indiana office space to early terminate our lease effective in June 2027. We also entered into a sublease of that space for the period from January 2026 to June 2027 and entered into a new lease for a much smaller space effective January 2026. Additionally, an impairment was recorded in the amount of $1.1 million in the nine months ended September 30, 2025 for the two off-campus classroom and laboratory sites that were closed during the quarter.

Amortization of intangible assets. Amortization of intangible assets for the nine months ended September 30, 2025 and 2024 were $6.3 million for both periods. As a result of the Orbis Education acquisition in 2019, certain identifiable intangible assets were created (primarily customer relationships) that will be amortized over their expected lives.

Investment interest and other. Investment interest and other for the nine months ended September 30, 2025 was $10.2 million, a decrease of $1.8 million, as compared to $12.0 million for the nine months ended September 30, 2024 due to slightly lower returns on our investment balances and the recognition of a loss on an equity investment in the second quarter of 2025 of $0.5 million.

Income tax expense. Income tax expense for the nine months ended September 30, 2025 was $38.6 million, a decrease of $4.4 million, or 10.2%, as compared to income tax expense of $43.0 million for the nine months ended September 30, 2024. This decrease is primarily due to the decrease in our income before taxes between years. Our effective tax rate was 23.0% during the nine months ended September 30, 2025 compared to 23.0% during the nine months ended September 30, 2024. The effective tax rate was favorably impacted year over year primarily due to an increase in excess tax benefits of $2.7 million as compared to $1.5 million in the nine months ended September 30, 2025 and 2024, respectively. 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. The effective tax rate was also favorably impacted by an increase in contributions made in lieu of state income taxes to $5.0 million as compared to $4.5 million in the prior year. These increases were offset by a higher effective tax rate due to the tax treatment of the litigation settlement recorded in the third quarter and changes in state income taxes.

Net income. Our net income for the nine months ended September 30, 2025 was $129.4 million, a decrease of $15.0 million, or 10.3% as compared to $144.4 million for the nine months ended September 30, 2024, due to the factors discussed above.

Seasonality

Our net revenue and operating results normally fluctuate as a result of seasonal variations in our business, principally due to changes in our university partners' enrollment. Our partners' enrollment varies as a result of new enrollments, graduations, and student attrition. Revenues in the Summer months (May through August) are lower primarily due to the majority of GCU's traditional ground university students not attending courses during the Summer months, which affects our results for our second and third fiscal quarters. Since a significant amount of our costs are fixed, the lower revenue resulting from the decreased Summer enrollment has historically contributed to lower operating margins during those periods. Partially offsetting this Summer effect has been the sequential quarterly increase in enrollments that has occurred as a result of the traditional Fall school start. This increase in enrollments also has occurred in the first quarter, corresponding to calendar year matriculation. Thus, we experience higher net revenue in the fourth quarter due to its overlap with the semester encompassing the traditional Fall school start and in the first quarter due to its overlap with the first semester of the calendar year. A portion of our expenses do not vary proportionately with these fluctuations in service revenue, resulting in higher operating income in the first and fourth quarters relative to other quarters. We expect quarterly fluctuation in operating results to continue as a result of these seasonal patterns.

Liquidity and Capital Resources

(In thousands)	As of September 30, 2025	As of December 31, 2024
Cash, cash equivalents and investments	$ 276,975	$ 324,623

Overview

Our liquidity position, as measured by cash and cash equivalents and investments decreased by $47.6 million between December 31, 2024 and September 30, 2025, which was largely attributable to cash expended for investing activities, capital expenditures and share repurchases exceeding our cash provided by operations during the nine months ended September 30, 2025.

Based on our current level of operations and anticipated growth, we believe that our cash flow from operations and other sources of liquidity, including cash and cash equivalents and investments, will provide adequate funds for ongoing operations, planned capital expenditures, and working capital requirements for at least the next 24 months.

Cash Flows from Operating Activities

(In thousands)	Nine Months Ended September 30, 2025	2024
Net cash provided by operating activities	$ 143,006	$ 154,141

The decrease in cash generated from operating activities between the nine months ended September 30, 2024 and the nine months ended September 30, 2025 was primarily due to changes in working capital balances partially offset by increased net income when adding back the reserve for litigation settlement. Accounts payable increased by $10.7 million between December 31, 2023 and September 30, 2024 compared to the decrease of $8.5 million between December 31, 2024 and September 30, 2025, a decline year over year in cash provided by operating activities of $19.2

million due to timing of vendor payments. Income tax receivable/payable amounts decreased by $10.6 million between December 31, 2023 and September 30, 2024 compared to the decrease of $30.6 million between December 31, 2024 and September 30, 2025, a $20.0 million decrease year over year in cash provided by operating activities due to timing of income tax payments. The decrease in the income tax payable relates to third quarter transactions that reduced pre-tax book income and accelerated certain tax deductions, primarily the reserve for the Qui Tam settlement and the passage of the One Big Beautiful Bill Act on July 4, 2025. We define working capital as the assets and liabilities, other than cash, generated through the Company's primary operating activities. Changes in these balances are included in the changes in assets and liabilities presented in the consolidated statement of cash flows.

Cash Flows from Investing Activities

(In thousands)	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Net cash (used in) provided by investing activities	$ (205,615)	$ 71,297

Investing activities consumed $205.6 million of cash in the nine months ended September 30, 2025 compared to providing $71.3 million of cash in the nine months ended September 30, 2024.

Cash used in investing activities includes investment activity and the change between years in net investing activities is primarily due to investment activity. In the nine months ended September 30, 2025, the purchase of available-for-sale securities, net of proceeds from the sale of investments were $177.8 million. In the nine months ended September 30, 2024, proceeds from the sale of investments, net of purchases of available-for-sale securities were $99.0 million.

In the first nine months of 2025 and 2024 cash used in investing activities also included capital expenditures totaling $27.2 million and $27.5 million, respectively. Capital expenditures for both periods primarily consisted of leasehold improvements and equipment for new off-campus classroom and laboratory sites, as well as purchases of computer equipment, internal use software projects and furniture and equipment to support our increasing employee headcount. The Company incurs upfront expenses and capital expenditures prior to an off-campus classroom and laboratory site being opened. The Company intends to continue to spend approximately $30.0 million to $40.0 million per year for capital expenditures.

Cash Flows from Financing Activities

(In thousands)	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Net cash used in financing activities	$ (164,730)	$ (108,329)

Financing activities consumed $164.7 million of cash in the nine months ended September 30, 2025 compared to $108.3 million in the nine months ended September 30, 2024.

During the nine months ended September 30, 2025 and 2024, $155.2 million and $100.5 million, respectively was used to purchase treasury stock in accordance with GCE's share repurchase program. In 2025 and 2024, $9.5 million and $7.8 million, respectively, of cash was utilized to purchase common shares withheld in lieu of income taxes resulting from the vesting of restricted share awards. The Company intends to continue using a significant portion of its cash flows from operations to repurchase its shares.

Share Repurchase Program

The Board of Directors has authorized share repurchases of up to $2,245.0 million since the initiation of the Company's stock repurchase program. The expiration date on the current repurchase authorization by our Board of Directors is March 1, 2026. Repurchases occur at the Company's discretion and the Company may modify, suspend or discontinue the repurchase authorization at any time.

Under our share repurchase authorization, we may purchase shares in the open market or in privately negotiated transactions, pursuant to the applicable SEC rules. The amount and timing of future share repurchases, if any, will be made as market and business conditions warrant.

We repurchased 874,066 shares of common stock in the nine months ended September 30, 2025. At September 30, 2025, there remains $144.4 million available under our share repurchase authorization.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have had or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk. As of September 30, 2025, we have no derivative financial instruments or derivative commodity instruments. We invest cash in excess of current operating requirements in money market instruments and commercial paper at multiple financial institutions.

Interest rate risk. We manage interest rate risk by investing excess funds in cash equivalents, BBB or higher rated corporate bonds, commercial paper, agency bonds, treasury bills, municipal securities, asset backed securities, municipal bonds, and collateralized mortgage obligations bearing variable interest rates, which are tied to various market indices or individual bond coupon rates. Our future investment income may fall short of expectations due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities before their maturity date that have declined in market value due to changes in interest rates. At September 30, 2025, a 10% increase or decrease in interest rates would not have a material impact on our future earnings, fair values, or cash flows.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective, as of September 30, 2025, in ensuring that material information relating to us required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in reports it files or submits under the Exchange Act is accumulated and communicated to management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting.

Based on an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (who is our principal executive officer) and our Chief Financial Officer (who is our principal financial officer), there were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding our material pending legal proceedings, see the section entitled Pending Litigation Matters within Note 8 – Commitments and Contingencies of our notes to consolidated financial statements included in Part I, Item 1 of this report, which section is incorporated by reference into this Part II, Item 1.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the “Risk Factors” section of the 2024 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Board of Directors has authorized share repurchases of up to $2,245.0 million since the initiation of the Company's stock repurchase program. The expiration date on the current repurchase authorization by our Board of Directors is March 1, 2026. Repurchases occur at the Company's discretion and the Company may modify, suspend or discontinue the repurchase authorization at any time. Repurchases may be made in the open market or in privately negotiated transactions, pursuant to the applicable SEC rules. The amount and timing of future share repurchases, if any, will be made as market and business conditions warrant.

During the nine months ended September 30, 2025, 874,066 shares of common stock were repurchased by the Company. At September 30, 2025, there remains $144.4 million available under our share repurchase authorization.

The following table sets forth our share repurchases of common stock and our share repurchases in lieu of taxes, which are not included in the repurchase plan totals as they were approved in conjunction with the restricted share awards, during each period in the third quarter of fiscal 2025:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Program
Share Repurchases				
July 1, 2025 – July 31, 2025	134,887	$ 172.35	134,887	$ 160,600,000
August 1, 2025 – August 31, 2025	58,125	$ 184.91	58,125	$ 149,900,000
September 1, 2025 – September 30, 2025	26,357	$ 208.60	26,357	$ 144,400,000
Total	219,369	$ 180.03	219,369	$ 144,400,000
Tax Withholdings				
July 1, 2025 – July 31, 2025	—	$ —	—	$ —
August 1, 2025 – August 31, 2025	—	$ —	—	$ —
September 1, 2025 – September 30, 2025	—	$ —	—	$ —
Total	—	$ —	—	$ —

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

During the three months ended September 30, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

(a) Exhibits

Number	Description	Method of Filing
3.1	Amended and Restated Certificate of Incorporation.	Incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K filed with the SEC on February 20, 2019.

3.2	Third Amended and Restated Bylaws.	Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on October 29, 2014.
4.1	Specimen of Stock Certificate.	Incorporated by reference to Exhibit 4.1 to Amendment No. 2 to the Company's Registration Statement on Form S-1 filed with the SEC on September 29, 2008.
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ††	Filed herewith.
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. ††	Filed herewith.
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, formatted in Inline XBRL: (i) Consolidated Income Statements, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Stockholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements tagged as blocks of text and including detailed tags.	Filed herewith.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, formatted in Inline XBRL (included as Exhibit 101).	Filed herewith.

† Indicates a management contract or any compensatory plan, contract or arrangement.

†† This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. Section 1350 and is not being filed for purposes of Section 18 of the Exchange Act, and is not to be incorporated by reference into any filings of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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 5, 2025

By: /s/ Daniel E. Bachus
Daniel E. Bachus
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO RULES 13a-14(a) and 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 0F THE SARBANES-OXLEY ACT OF 2002

I, Brian E. Mueller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ending September 30, 2025 of Grand Canyon Education, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ Brian E. Mueller
Brian E. Mueller
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO RULES 13a-14(a) and 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 0F THE SARBANES-OXLEY ACT OF 2002**

I, Daniel E. Bachus, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ending September 30, 2025 of Grand Canyon Education, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025	/s/ Daniel E. Bachus
	Daniel E. Bachus Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Grand Canyon Education, Inc. (the "Company") for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian E. Mueller, Chief Executive Officer, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78m or 78o); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ Brian E. Mueller
Brian E. Mueller
Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10Q of Grand Canyon Education, Inc. (the “Company”) for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Daniel E. Bachus, Chief Financial Officer, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78m or 78o); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ Daniel E. Bachus
Daniel E. Bachus
Chief Financial Officer (Principal Financial Officer)