

## American Public Edu (APEI)

**\$37.82** (Stock Price as of 12/23/2025)

Price Target (6-12 Months): **\$40.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 08/12/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**3-Hold**

Zacks Style Scores:

VGM: A

Value: B

Growth: A

Momentum: F

### Summary

American Public Education's shares have outperformed the industry in the past six months. Its prospects are gaining from incremental growth in net course registrations at the APUS segment, with high enrollment trends across the RU and HCN segments. Its focus on offering diversified programs amid a favorable demand market for nursing and other clinical roles and military strength are adding to the prospects. Also, the ongoing execution of combining APUS, HCN and RU into one institution is faring well and is expected to close by the third quarter of 2026. Earnings estimates for 2025 have declined in the past 60 days, while those for 2026 have increased in the past 30 days. The education company's growth is hurting due to high employee compensation and advertising costs. Also, uncertainties in military enrollment are an added headwind.

### Data Overview

52 Week High-Low	<b>\$39.83 - \$18.77</b>
20 Day Average Volume (sh)	<b>228,703</b>
Market Cap	<b>\$684.0 M</b>
YTD Price Change	<b>75.3%</b>
Beta	<b>1.71</b>
Dividend / Div Yld	<b>\$0.00 / 0.0%</b>
Industry	<b><a href="#">Schools</a></b>
Zacks Industry Rank	<b>Top 31% (75 out of 243)</b>

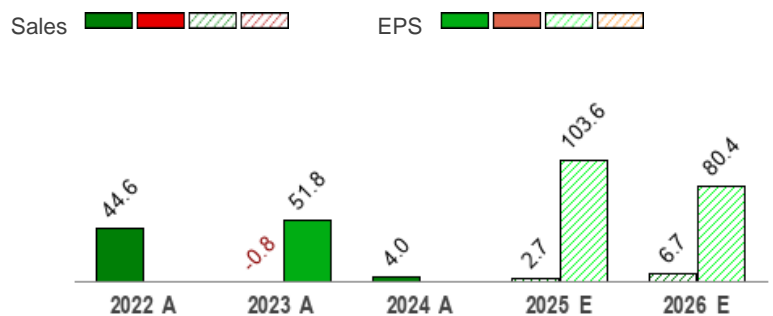
Last EPS Surprise	<b>433.3%</b>
Last Sales Surprise	<b>1.6%</b>
EPS F1 Est- 4 week change	<b>-1.1%</b>
Expected Report Date	<b>03/05/2026</b>
Earnings ESP	<b>7.7%</b>

P/E TTM	<b>28.7</b>
P/E F1	<b>33.8</b>
PEG F1	<b>0.4</b>
P/S TTM	<b>1.0</b>

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	166 E	170 E	173 E	176 E	685 E
2025	165 A	163 A	163 A	152 E	642 E
2024	154 A	153 A	153 A	164 A	625 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	0.45 E	0.32 E	0.41 E	0.84 E	2.02 E
2025	0.41 A	-0.02 A	0.30 A	0.42 E	1.12 E
2024	-0.06 A	0.01 A	0.04 A	0.63 A	0.55 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/23/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/18/2025.

## Overview

American Public Education, Inc. is an online and campus-based postsecondary education provider. The company serves more than 108,000 students through three subsidiary institutions:

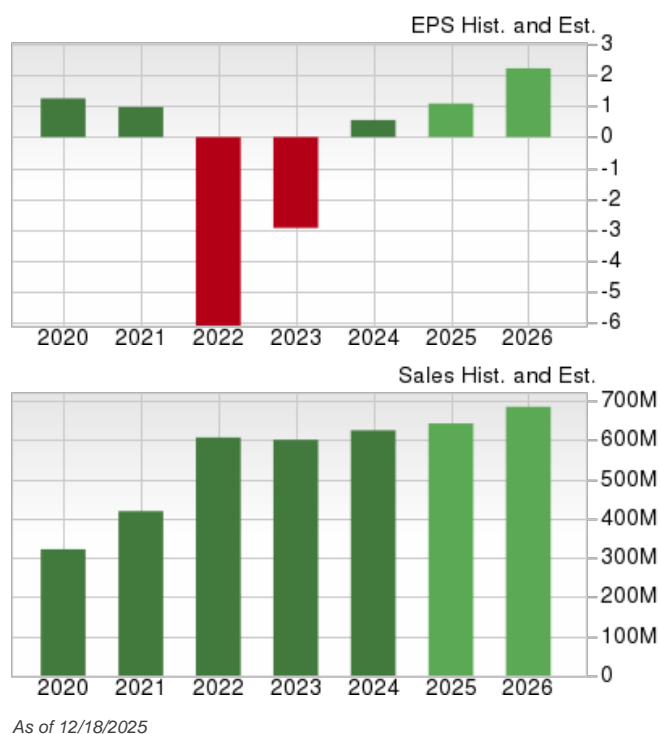
The American Public University System segment or APUS (which accounted for 50.8% of total 2024 revenues) offers online postsecondary education to approximately 88,500 adult learners through American Military University or AMU and American Public University or APU. APUS emphasizes serving the military, veterans, and public service communities. As of September 2025, approximately 63% of APUS's students self-reported that they served in the military on active duty at the time of initial. The institution also provides professional and workforce development solutions through partnerships with corporations and industry associations.

The Rasmussen University segment, or RU (34.6%), provides postsecondary education in nursing and health sciences to about 14,900 students at 20 campuses in six states and online. RU offers a pre-licensure Diploma in Practical Nursing or PN, an Associate Degree in Nursing or ADN, a Bachelor of Science in Nursing or BSN as well as the post-licensure RN to BSN, Master of Science in Nursing and Doctorate of Nurse Practice.

Hondros College of Nursing segment or HCN (10.8%) operates through eight campuses in three states, offering nursing education to approximately 3,700 students. HCN offers a Diploma in Practical Nursing or PN, an Associate Degree in Nursing or ADN, and a Direct Entry ADN option that provides an accelerated graduation pathway for students who meet certain transfer, academic and entrance exam requirements.

Corporate and Other (3.8%) includes unallocated corporate activity and eliminations.

In July 2025, the company entered into a definitive agreement to sell all its membership interest in Graduate School USA ("GSUSA"), and the sale was completed on July 25, 2025. Notably, GSUSA operated as a stand-alone subsidiary of APEI but did not meet the quantitative thresholds to qualify as a reportable segment and did not have other requisite characteristics as a reportable segment.



## Reasons To Buy:

▲ **Strong Enrollment Trends:** American Public Education has been registering impressive enrollment growth at APUS and HCN. In the first nine months of 2025, net course registrations at APUS increased 6.2% to about 298,800 students compared with last year. The robust trend is attributable to an increase in registrations by military-affiliated students utilizing VA and students utilizing federal student aid administered by the U.S. Department of Veterans Affairs. During the same time frame, the RU segment witnessed about 8.4% year-over-year enrollment growth due to an 11.4% increase in online enrollment and a 5.9% increase in on-ground enrollment. Successful marketing efforts and the execution of enrollment strategies by the company supported the growth trends.

Solid enrollment momentum, engaging digital marketing campaigns, and tuition grants to military students are likely to foster the company's prospects.

The enrollment momentum continued for the 23rd consecutive quarter at HCN, reflecting 17.6% year-over-year growth to 3,700 in the third quarter of 2025, reflecting approximately 13.5% uptrend in the first nine months of 2025. The diversified program offerings and the ongoing favorable market trends aided the quarter's growth.

For the fourth quarter of 2025, the company expects APUS' net course registrations to decline between 65,000 and 74,400, indicating a 33-23% year-over-year downturn, mainly because of the government shutdown, which has pulled back military enrollments. Although the enrollment outlook is concerning, other aspects, like favorable pricing efforts, are expected to offset the downturn. During the fourth quarter, enrollment in HCN is expected to rise 9% year over year to 4,000 students and in RU is expected to be up 9% year over year to 15,900.

▲ **Cost Optimizing Initiatives:** American Public Education has undertaken several initiatives to address increasing cost pressure. In January 2025, this education provider announced a strategic move that will help it realize revenues and cost synergies over the long term. It aims to combine the three degree-granting institutions, APUS, RU and HCN, into a single consolidated institution by 2025-end (upon the completion of all regulatory and accreditation steps), offering simpler operations. As of the third quarter of 2025, this strategic move was held in for a different process for the planned combination after the Department of Education team was newly assigned to this transaction. In September 2025, American Public Education completed the submission of a new application to the HLC, which is expected to be reviewed by its board of directors in February 2026. The expected closure of this transaction is now scheduled to take effect at the beginning of the third quarter of 2026. The company believes that by strategically working on optimizing its costs and maintaining a healthy balance sheet, it can increase its earnings growth in and beyond 2026.

American Public Education's adjusted EBITDA and adjusted EBITDA margin in the first nine months of 2025 expanded 39.4% to \$57 million and 270 basis points (bps) to 11.6% compared with last year, respectively. For 2025, the company expected adjusted EBITDA to be between \$75.5 million and \$79 million, up 5-9% year over year. Our model expects adjusted EBITDA to increase year over year by 9.3% in 2025 to \$79 million, with adjusted EBITDA margin expanding 70 basis points (bps) to 12.3%.

▲ **Strategic Initiatives to Drive Growth:** American Public Education is currently focusing on a cost-effective and operationally efficient initiative of combining APUS, RU and HCN into one amalgamated institution, the American Public University System. Now, expected to be completed by the third quarter of 2026, this combined system will help the company expand its service footprint across nursing and military offerings. The system will have a healthcare division, which will include Rasmussen University and Hondros College of Nursing, and a military and veteran division called APUS Global. Per the company, combining and expanding its nursing campus footprint will enable APEI to strengthen its ability to address the growing demand for nursing and other clinical roles in the healthcare ecosystem. Besides, on July 25, 2025, the company completed the sale of the GSUSA operations, including the transfer of lease obligations. GSUSA has been undergoing losses for some time now, and to optimize its business operations and increase profitability, APEI undertook this strategic move.

American Public Education intends to drive students' persistence rate by improving the quality of the student mix, releasing new tools for students and implementing other initiatives that increase students' engagement and classroom interactivity. The company believes that by diversifying pre-licensure nursing student enrollments across PN, ADN and BSN programs and focusing on strong NCLEX exam outcomes, Rasmussen can achieve overall pre-licensure nursing enrollment growth in a more balanced and less concentrated manner. Meanwhile, the company has adopted a geographical approach to marketing, which focuses on using cost-effective channels and aims to reach out to college-ready students who are more likely to succeed. Also, it aims to strengthen its digital marketing campaigns to leverage relationships with the military, public service and other high-value student populations.

▲ **Stable Balance Sheet:** American Public Education has sufficient liquidity, including \$193.1 million in cash, cash equivalents and restricted cash at the end of Sept. 30, 2025, up from \$158.9 million at 2024-end. At the third-quarter 2025 end, the company had net long-term debt of \$94.4 million, up from \$93.4 million at the 2024 end. Impressively, it has no short-term debt obligation and no significant debt maturity before 2027.

---

## Reasons To Sell:

▼ **Increased Costs & Expenses:** As American Public Education is currently undergoing several business optimization initiatives, its cost and expense structure is witnessing pressure amid the market's inflated scenario. During the first nine months of 2025, total costs and expenses increased year over year by 2.8% to \$461.6 million due to elevated instructional costs and services, selling and promotional, and general and administrative expenses. The inflation in the costs and expenses was mainly because of increases in faculty compensation costs in the APUS, RU, and HCN segments, and high classroom and course materials costs, alongside an increase in advertising costs in the APUS and HCN segments. For 2025, our model expects total costs and expenses to increase year over year by 1.5% to \$600.2 million.

Elevated costs and expenses, persistent volatility in the economy and Title IV programs are causes of concern.

▼ **Volatility in Enrollment of Active Military Students:** Enrollment of active-duty military students is subject to changes in military activity. Military enrollment remains unpredictable at any given point in time. American Public Education expects any reductions in troops to hurt its enrollment levels, cash flows and financial status.

In addition, the U.S Army implemented a new enrollment management tool that military students must use in order to opt for Department of Defense or DoD tuition assistance. The new enrollment management tool has several issues, including difficulty in choosing APUS as the preferred institution. APUS's enrollment and net course registrations may be hurt by these issues.

▼ **Stringent Regulations Title IV Funds:** American Public derived a significant portion of its revenues from Title IV federal aid programs. These programs are subject to strict regulations of the Department of Education and accrediting agencies recognized by the Secretary of Education.

The Title IV programs, which account for a major portion of the company's revenues, are administered by the Department of Education. The regulations and policies of the Department of Education, state education agencies and the accrediting agencies change frequently. Moreover, budget constraints in states that provide financial aid to the students of American Public Education could reduce the amount of aid, which may affect enrollment growth.

---

## Last Earnings Report

### American Public Q3 Earnings & Revenues Top Estimates, Both Rise Y/Y

American Public Education reported impressive third-quarter 2025 results, wherein adjusted earnings and total revenues topped the Zacks Consensus Estimate and grew year over year.

The quarter's strong performance was driven by robust contributions from Rasmussen University (RU), American Public University System (APUS) and Hondros College of Nursing (HCN), resulting in the company exceeding guided ranges across all the key metrics.

Continued progress on operational improvement initiatives also supported solid cash flow generation and margin expansion, reflecting the effectiveness of management's strategic focus. However, the company revised its full-year 2025 guidance range downward for revenues and adjusted EBITDA.

### APEI's Q3 Discussion

APEI reported adjusted earnings per share (EPS) of 30 cents, significantly beating the Zacks Consensus Estimate of a 9-cent loss by 433.3%. In the year-ago quarter, it reported an adjusted EPS of 4 cents.

Total revenues of \$163.2 million also topped the consensus mark of \$161 million by 1.6% and grew 6.6% from the year-ago period. Net course registration and enrollment growth, alongside strong registrations at APUS, aided the results.

Total costs and expenses increased 3% year over year to \$153.5 million. This was mainly caused by an 8% increase in selling and promotional expenses.

Adjusted EBITDA increased year over year by 60% to \$20.7 million from \$12.9 million. The adjusted EBITDA margin of 13% expanded 500 basis points (bps) year over year from 8%.

### American Public's Segment Discussion

**APUS:** Revenues of \$83.1 million rose 8% from the year-ago period's level of \$77 million. The uptick was primarily driven by growth in net course registrations, which increased 8% as compared to the prior-year period.

APUS' total net course registration increased 8.1% from the year-ago period to about 100,000. The EBITDA margin was 32% compared with 29% in the prior-year quarter.

**RU:** The segment reported revenues of \$60.8 million, which increased 15.6% year over year from \$52.6 million. This was fueled by an increase in on-ground enrollment and in online enrollment.

RU's total student enrollment increased 10.4% to 14,900, driven by 12% growth in on-ground enrollment and an 11% rise in online enrollment. EBITDA margin declined to 1% from 9% in the prior-year quarter.

**HCN:** The segment's revenues rose 19% year over year to \$18.4 million. The increase was backed by solid growth in student enrollment from community partners.

Total student enrollment at HCN increased 17.6% from the prior-year quarter's level to 3,700. The segment reported a negative EBITDA margin of 2% compared with a break-even margin reported in the year-ago quarter.

### APEI's Financial Highlights

As of Sept. 30, 2025, American Public had cash, cash equivalents and restricted cash of \$193.1 million, up from \$158.9 million at 2024-end.

Net long-term debt was \$94.4 million at the third-quarter end, slightly up from \$93.4 million at 2024-end.

### American Public Unveils Q4 Guidance

The company expects total revenues to decrease 6-9% year over year to \$150-\$153.5 million. It expects to report a profit per share between 32 cents and 45 cents compared with 63 cents reported a year ago. Adjusted EBITDA is expected to be in the band of \$18.5-\$22 million, reflecting a decline between 41% and 30% year over year.

APUS' total net course registrations are likely to be in the band of 65,000-74,400, reflecting a decline between 33% and 23% year over year. HCN's total enrollment is expected to increase 9% from the prior year's figure to 4,000 students.

RU's student enrollment is expected to be up 9% year over year to 15,900. On-ground healthcare enrollment is likely to increase 13% to 7,100 and online enrollment is expected to rise 6% year over year to 8,800.

### APEI Revises 2025 Guidance

Total revenues are expected to grow 2-3% year over year to \$640-\$644 million (compared with the prior projected band of \$650-\$660 million). Adjusted EBITDA is now expected to be between \$75 million and \$79 million (down from the prior projected band of \$81-\$88 million), reflecting 5-

**FY Quarter Ending** **12/31/2024**

Earnings Reporting Date	Nov 10, 2025
Sales Surprise	1.62%
EPS Surprise	433.33%
Quarterly EPS	0.30
Annual EPS (TTM)	1.32

---

9% growth year over year.

Capital expenditures continue to be expected in the band of \$15-\$17 million (down from the prior projected band of \$18-\$22 million), reflecting a decline of 19% to 29% from 2024.

---

## Valuation

American Public Education's shares are up 28.7% in the past six months and 78.4% in the trailing 12-month period. Stocks in the Zacks sub-industry are down 6.8%, and the stocks in the Zacks Consumer Discretionary sector are down 2.4% in the past six months. Over the past year, the Zacks sub-industry has been up 1.7%, and the sector is up 2.5%.

The S&P 500 index is up 16.2% in the past six months and 17.9% in the past year.

The stock is currently trading at 17.3X forward 12-month earnings, which compares to 13.09X for the Zacks sub-industry, 18.64X for the Zacks sector, and 23.21X for the S&P 500 index.

Over the past five years, the stock has traded as high as 56.66X with a 5-year median of 17.19X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$40 price target reflects 18.43X forward 12-month earnings.

The table below shows the summary valuation data for APEI.

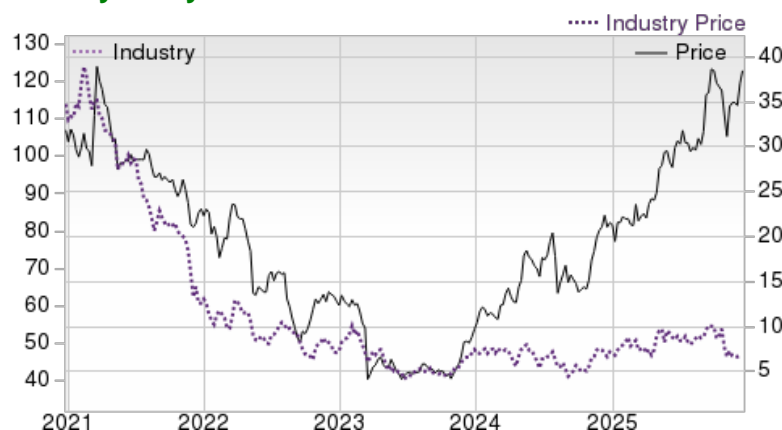
Valuation Multiples - APEI					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	17.3	13.09	18.64	23.21
	5-Year High	56.66	217.18	40.66	23.78
	5-Year Low	N/A	12.57	15.46	15.73
	5-Year Median	17.19	20.04	19.09	21.22
P/S F12M	Current	0.99	2.25	2.39	5.24
	5-Year High	1.76	7.21	3.5	5.5
	5-Year Low	0.11	1.23	1.68	3.83
	5-Year Median	0.53	3.12	2.3	5.05
EV/EBITDA TTM	Current	8.59	24.38	10.42	18.51
	5-Year High	14.56	212.63	17.4	22.41
	5-Year Low	0.48	N/A	8.04	13.88
	5-Year Median	4.89	40.06	10.29	17.97

As of 12/17/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 31% (75 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Afya Limited (AFYA)	Neutral	3
Adtalem Global Educa...(ATGE)	Neutral	2
Lincoln Educational ...(LINC)	Neutral	3
Grand Canyon Educati...(LOPE)	Neutral	3
Stride, Inc. (LRN)	Neutral	3
Perdoceo Education C...(PRDO)	Neutral	2
Strategic Education ...(STRA)	Neutral	3
Universal Technical ...(UTI)	Underperform	5

## Industry Comparison<sup>(1)</sup> Industry: Schools

	APEI	X Industry	S&P 500	ATGE	STRA	UTI
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	3	-	-	2	3	5
VGM Score	A	-	-	A	A	B
Market Cap	683.98 M	308.09 M	39.09 B	3.76 B	1.88 B	1.48 B
# of Analysts	5	2	22	2	3	4
Dividend Yield	0.00%	0.00%	1.4%	0.00%	2.99%	0.00%
Value Score	B	-	-	A	A	C
Cash/Price	0.28	0.25	0.04	0.07	0.09	0.12
EV/EBITDA	10.87	5.77	14.63	9.18	8.29	9.43
PEG Ratio	0.37	0.90	2.22	0.88	0.90	2.27
Price/Book (P/B)	2.45	1.36	3.33	2.58	1.14	4.50
Price/Cash Flow (P/CF)	18.16	11.85	15.32	11.16	12.13	12.31
P/E (F1)	33.77	13.54	19.84	13.21	13.54	33.98
Price/Sales (P/S)	1.04	1.50	3.13	2.05	1.50	1.77
Earnings Yield	2.86%	6.42%	5.03%	7.57%	7.39%	2.95%
Debt/Equity	0.34	0.07	0.56	0.38	0.00	0.26
Cash Flow (\$/share)	2.08	0.47	8.98	9.29	6.61	2.20
Growth Score	A	-	-	A	A	A
Hist. EPS Growth (3-5 yrs)	-9.85%	10.58%	8.16%	22.41%	-0.04%	42.37%
Proj. EPS Growth (F1/F0)	103.64%	19.02%	8.50%	17.69%	21.56%	-29.20%
Curr. Cash Flow Growth	-63.81%	7.95%	6.86%	9.72%	10.50%	28.56%
Hist. Cash Flow Growth (3-5 yrs)	-1.92%	13.49%	7.48%	10.49%	-8.48%	28.20%
Current Ratio	2.84	1.44	1.18	0.98	1.22	1.07
Debt/Capital	25.25%	6.46%	38.01%	27.51%	0.00%	20.43%
Net Margin	4.87%	9.08%	12.78%	13.79%	9.08%	7.54%
Return on Equity	11.75%	10.77%	17.00%	18.74%	8.18%	20.85%
Sales/Assets	1.18	0.66	0.53	0.66	0.60	1.10
Proj. Sales Growth (F1/F0)	2.70%	2.57%	5.83%	7.60%	3.90%	8.50%
Momentum Score	F	-	-	F	B	F
Daily Price Chg	-0.26%	-0.22%	0.46%	0.87%	-0.15%	1.08%
1 Week Price Chg	3.90%	0.00%	1.61%	8.31%	-0.43%	5.84%
4 Week Price Chg	8.27%	0.00%	2.13%	15.63%	3.75%	18.29%
12 Week Price Chg	-4.18%	-16.74%	3.31%	-32.91%	-6.80%	-16.74%
52 Week Price Chg	68.76%	4.43%	14.40%	13.79%	-14.55%	3.08%
20 Day Average Volume	228,703	118,540	2,805,434	541,890	191,317	860,001
(F1) EPS Est 1 week change	-0.37%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-1.10%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 12 week change	-7.04%	0.65%	0.67%	1.49%	4.41%	-24.98%
(Q1) EPS Est Mthly Chg	1.56%	0.00%	0.00%	0.00%	0.00%	0.00%



## Analyst Earnings Model<sup>(2)</sup>

### American Public Education, Inc. (APEI)

In \$MM, except per share data

	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement														
Total Revenue	\$606.3	\$600.5	\$624.6	\$164.6	\$162.8	\$163.2	\$151.8	\$642.3	\$166.1	\$169.5	\$172.9	\$176.1	\$684.6	\$730.3
Instructional Costs and Services	\$288.5	\$292.9	\$295.7	\$74.9	\$78.4	\$74.7	\$68.0	\$296.1	\$73.9	\$78.5	\$79.2	\$73.2	\$304.7	\$321.0
Gross Profit	\$317.9	\$307.7	\$328.9	\$89.6	\$84.3	\$88.5	\$83.8	\$346.3	\$92.2	\$91.0	\$93.6	\$103.0	\$379.8	\$409.3
Selling and Promotional	\$154.6	\$133.0	\$128.8	\$35.2	\$35.0	\$36.1	\$31.4	\$137.8	\$37.3	\$38.5	\$38.0	\$34.5	\$148.2	\$153.8
General and Administrative	\$120.4	\$128.2	\$142.0	\$36.4	\$38.1	\$34.7	\$36.0	\$145.3	\$37.6	\$38.6	\$39.1	\$40.4	\$155.6	\$165.2
(Gain) Loss on Disposals of Long-Lived Assets	\$1.2	\$0.6	\$0.4	\$0.2	\$0.0	\$0.1	\$0.0	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Depreciation and Amortization	\$32.1	\$27.8	\$19.3	\$4.0	\$4.1	\$3.9	\$3.9	\$16.0	\$4.1	\$4.2	\$4.3	\$4.4	\$17.1	\$18.3
Loss on Sale of Subsidiary		\$0.0	\$0.0	\$0.0	\$0.0	\$3.9	\$0.0	\$3.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Impairment of Goodwill and Intangible Assets	\$146.9	\$64.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Loss on Assets Held for Sale/Loss on Leases	\$0.0	\$2.4	\$5.3	\$1.5	\$0.0	\$0.1	\$0.0	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Costs and Expenses	\$743.7	\$648.9	\$591.5	\$152.3	\$155.7	\$153.5	\$139.4	\$600.9	\$152.9	\$159.7	\$160.6	\$152.5	\$625.7	\$658.4
M&A-Related Professional Fees	\$1.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Transition Services	\$3.9	\$2.4	\$3.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Severance Expense	\$0.0	\$3.0	\$0.5	\$0.0	\$0.0	\$1.1	\$2.6	\$3.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Adjusted EBITDA	\$56.7	\$59.6	\$72.3	\$21.2	\$15.1	\$20.7	\$21.2	\$78.2	\$19.4	\$16.0	\$18.6	\$30.3	\$84.4	\$99.2
EBITDA	(\$101.4)	(\$20.5)	\$52.4	\$16.2	\$11.1	\$13.6	\$16.4	\$57.4	\$17.4	\$14.0	\$16.6	\$28.1	\$76.0	\$90.3
Operating Income	(\$137.3)	(\$48.3)	\$33.1	\$12.2	\$7.0	\$9.7	\$12.4	\$41.4	\$13.2	\$9.7	\$12.2	\$23.7	\$58.9	\$71.9
Gain on Acquisition	\$3.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Interest (Expense) Income	(\$17.7)	(\$4.5)	(\$2.2)	(\$0.9)	(\$1.1)	(\$1.1)	(\$1.4)	(\$4.4)	(\$1.2)	(\$1.2)	(\$1.3)	(\$1.4)	(\$5.1)	(\$5.5)
Pre-Tax Income	(\$151.2)	(\$52.8)	\$30.9	\$11.4	\$5.9	\$8.6	\$11.1	\$37.0	\$12.1	\$8.5	\$10.9	\$22.3	\$53.8	\$66.5
Income Tax	(\$36.3)	(\$10.7)	\$10.4	\$2.5	\$1.4	\$3.1	\$3.3	\$10.2	\$3.6	\$2.5	\$3.2	\$6.6	\$15.9	\$19.6
Tax Rate	24.0%	20.3%	33.7%	21.7%	24.0%	35.6%	29.5%	27.6%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
Equity investment Loss	(\$0.0)	(\$5.2)	(\$4.4)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income	(\$115.0)	(\$47.3)	\$16.1	\$8.9	\$4.5	\$5.6	\$7.8	\$26.7	\$8.5	\$6.0	\$7.7	\$15.7	\$37.9	\$46.9
Preferred Stock Dividends	\$0.0	\$6.0	\$6.1	\$1.4	\$1.3	\$0.0	\$0.0	\$2.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income (Loss) Available to Common Stockholders	(\$115.0)	(\$53.3)	\$10.1	\$7.5	(\$0.3)	\$5.6	\$7.8	\$20.5	\$8.5	\$6.0	\$7.7	\$15.7	\$37.9	\$46.9
Diluted Shares Outstanding	18.9	18.2	18.1	18.4	18.6	18.8	18.8	18.6	18.8	18.8	18.8	18.8	18.8	18.8
Diluted EPS	(\$6.08)	(\$2.93)	\$0.55	\$0.41	(\$0.02)	\$0.31	\$0.42	\$1.12	\$0.45	\$0.32	\$0.41	\$0.84	\$2.02	\$2.50
Diluted EPS, Adjusted	(\$0.33)	\$0.03	\$0.55	\$0.41	(\$0.02)	\$0.30	\$0.42	\$1.11	\$0.45	\$0.32	\$0.41	\$0.84	\$2.02	\$2.50

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

## Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

## Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

## Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<b>B</b>
Growth Score	<b>A</b>
Momentum Score	<b>F</b>
VGM Score	<b>A</b>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

## Disclosures

**This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote.** Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.