

Q4 FY2021 Earnings Presentation

August 10, 2021

Striide

Safe Harbor

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We have tried, whenever possible, to identify these forward-looking statements using words such as “anticipates,” “believes,” “estimates,” “continues,” “likely,” “may,” “opportunity,” “potential,” “projects,” “will,” “expects,” “plans,” “intends” and similar expressions to identify forward looking statements, whether in the negative or the affirmative. These statements reflect our current beliefs and are based upon information currently available to us. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause our actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements.

These risks, uncertainties, factors and contingencies include, but are not limited to: reduction of per pupil funding amounts at the schools we serve; inability to predict how the COVID-19 pandemic will continue to impact our business; inability to achieve a sufficient level of new enrollments to sustain our business model; failure to replace students who have graduated from the terminal grade in a school or have left our programs for other reasons with new students of a sufficient number; inability to maintain our current rate of retention of students enrolled in our courses; an increase in the amount of failures to enter into new school contracts or renew existing contracts, in part or in their entirety; the failure of perceived industry trends and projections resulting from the expected effects of COVID-19 on virtual education; failure of the schools we serve or us to comply with federal, state and local regulations, resulting in a loss of funding, an obligation to repay funds previously received or contractual remedies; governmental investigations that could result in fines, penalties, settlements, or injunctive relief; declines or variations in academic performance outcomes of the students and schools we serve as curriculum standards, testing programs and state accountability metrics evolve; harm to our reputation resulting from poor performance or misconduct by operators or us in any school in our industry and/or in any school in which we operate; legal and regulatory challenges from opponents of virtual public education or for-profit education companies; changes in national and local economic and business conditions and other factors such as natural disasters, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as COVID-19; discrepancies in interpretation of legislation by regulatory agencies that may lead to payment or funding disputes; termination of our contracts, or a reduction in the scope of services with schools; failure to develop the career learning education business; entry of new competitors with superior technologies and lower prices; unsuccessful integration of mergers, acquisitions and joint ventures, failure to further develop, maintain and enhance our technology, products, services and brands; inadequate recruiting, training and retention of effective teachers and employees; infringement of our intellectual property; disruptions to our Internet-based learning and delivery systems, including but not limited to our data storage systems, resulting from cybersecurity attacks; misuse or unauthorized disclosure of student and personal data; and other risks and uncertainties associated with our business described in the Company’s filings with the Securities and Exchange Commission.

Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this presentation is as of today’s date, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company’s expectations.

Stride

Leveraging over 20 years of experience with over 2 million students supported, and a scalable education services platform, **Stride provides online and blended lifelong learning solutions** for public and private schools, school districts, charter boards, employers, government agencies and consumers

K-12
General
Education
& Career
Prep

Early Career
& Immersive
Training

Job Placement
& Recruitment

Career
Advancement
(Corp. Training
& Upskilling)

\$100B+
addressable
market



Multiple touchpoints along a lifelong learner's education and career to increase lifetime value



Stride Career Prep



Company Highlights

- Stride delivered a landmark year in FY21 and laid the groundwork for next phase of growth:
 - Growth driven by increased demand across all product lines
 - Record enrollments in both General Education and Career Learning
 - Re-branded from K12 to Stride to reflect lifelong learning focus
 - Acquired two high growth adult learning companies to expand offerings
- Communicated long-term vision, strategy and financial targets during Investor Day in November 2020. We believe:
 - The long-term growth outlook is positive
 - The baseline for General Education is reset and will not return to pre-Covid levels
 - We will experience higher revenue per enrollment compared with FY21
 - Career Learning business is in early stage of sustainable, strong growth trajectory
- Published initial ESG report outlining ESG disclosures informed by the SASB framework as well as Stride's ESG commitments and goals

FY21 Performance

- Revenue of \$1,536.8M (+48% y-o-y)
- Adjusted Operating Income* of \$161.4M (+160% y-o-y)
- Adjusted EBITDA* of \$239.9M (+87% y-o-y)

Q4 FY21 Performance

- Revenue of \$397.5M (+48% y-o-y)
- Adjusted Operating Income* of \$33.5M (+114% y-o-y)
- Adjusted EBITDA* of \$54.9M (+71% y-o-y)

*Note: To supplement our financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), we also present non-GAAP financial measures including adjusted operating income, EBITDA and adjusted EBITDA. Management believes that these additional metrics provide useful information to investors relating to our financial performance. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures is provided in the Appendix to this presentation.



Stride

Strong momentum in Career Learning business

In just five years, Stride has built the assets and capabilities to reach today's \$250M+ scale and is well-positioned to sustain high growth into the future

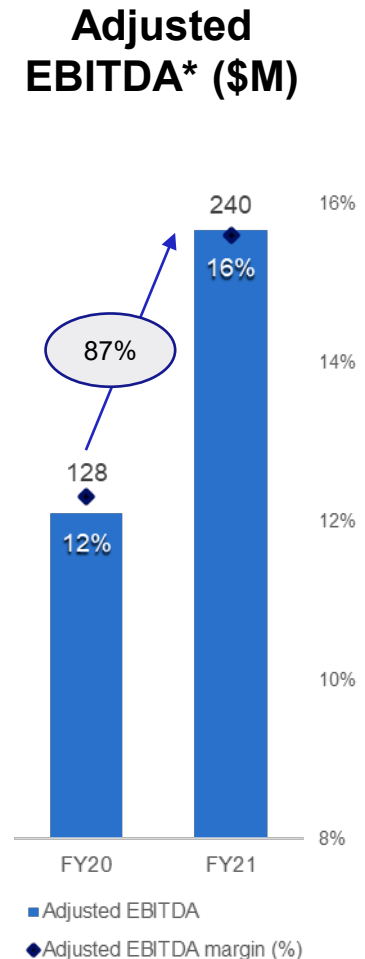
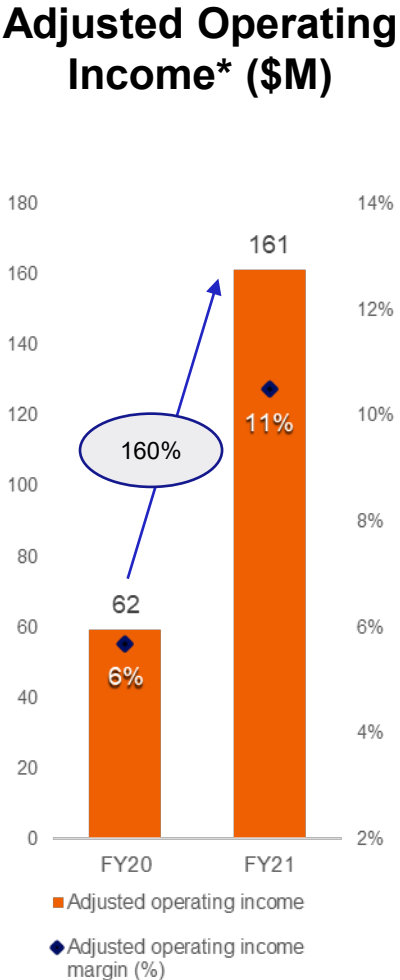
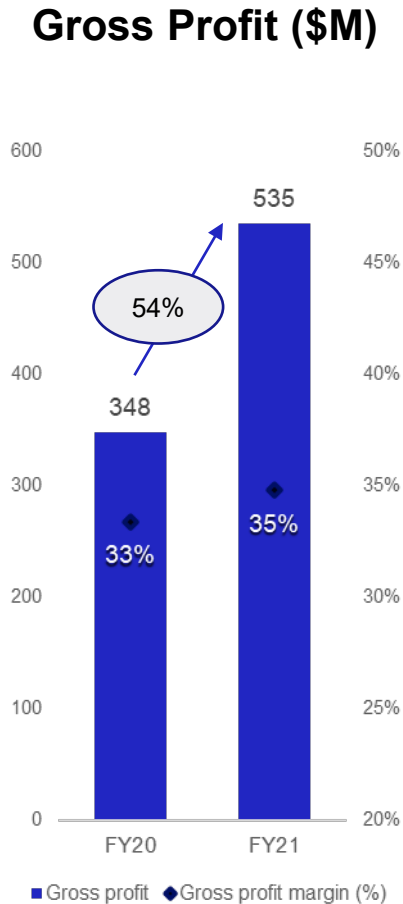
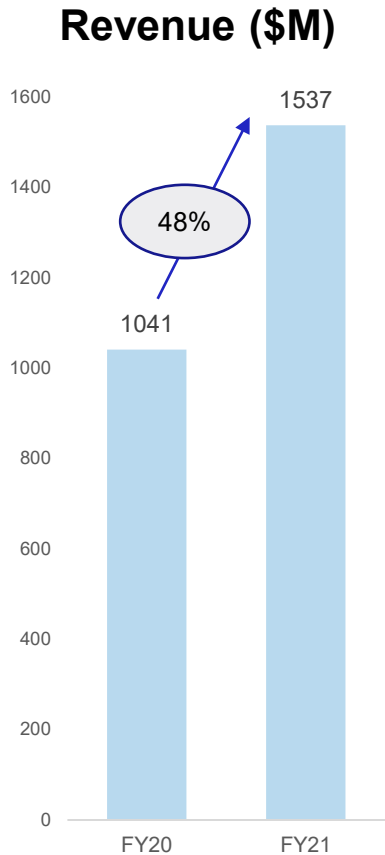
Career Preparation

- 28.2K students enrolled as of June 30, 2021 (+122% y-o-y)
- 33 schools / programs reaching 60% of H.S. students in U.S.
- 50 customized courses, including project-based learning and new career courses with industry content
- 7,500+ work-based learning experiences including Nepris and Job Shadow Week
- ~1,000 college credits earned

Career Development / Enterprise

- Acquired top software engineering, data science & healthcare bootcamps
- 28K+ students trained across software engineering, data science and healthcare professions
- ~3,000 companies have hired program graduates
- 50% of Fortune 100 companies employ graduates
- 1.5M+ community of users on Tallo platform

Significant growth in key financial metrics for the year ended June 30, 2021



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Growing Demand for Online Education and Career Learning

- COVID-19 accelerated awareness and acceptance of online and hybrid learning
- Several studies suggest a significant percentage of high school students would choose online or hybrid options even after a return to normalcy
- Adult learners looking for education or training options are increasingly focused on gaining certification and licensure

Revenue growth in General Education and Career Learning

	Year Ended June 30		
	2021	2020	% change
Revenue (in millions)			
General Education	\$ 1,280.2	\$ 933.8	37%
Career Learning			
Middle - High School	200.8	96.0	109%
Adult	55.8	11.0	409%
Total Career Learning	256.6	107.0	140%
Total Revenues	\$ 1,536.8	\$ 1,040.8	48%

Enrollment data (in thousands)			
General Education, K-12	156.7	107.8	45%
Career Learning, Middle - High School	29.6	13.1	126%
Total Enrollment	186.3	120.9	54%

Strong balance sheet & liquidity

Flexibility to maintain long-term low leverage ratios

Select balance sheet and other information

As of June 30, 2021 (\$M)

Cash and Cash Equivalents	\$386.1
Accounts Receivable, net	369.3
Accounts Payable	62.1
Total Debt Obligations	488.9
Revolving Credit Facility Availability	100.0

Year-over-year cash balance increased \$173.8M driven by an increase in cash from operations and issuance of convertible notes

Accounts receivable balance reflects seasonality and timing of payments

Low leverage ratio of 0.43x

Note: Leverage ratio is Net Debt (total debt obligations of \$488.9M less cash and cash equivalents of \$386.1M) divided by Adjusted EBITDA of \$239.9M for the twelve months ended June 30, 2021.

Disciplined capital allocation

Prioritizing free cash flow sustainability, educational platform development, and synergistic M&A

Organic growth

- Invest in academic quality & student / customer experience to support outcomes & retention
- Implement innovative products across portfolio

Strategic acquisitions

- Leverage platform across markets / verticals
- High-growth, high-margin targets providing synergies

Capital return

- Evaluate approaches to return cash to shareholders over the long-term

Compelling long-term investment thesis

Growing in the **\$100B+** addressable market

01	02	03	04	05
<p>Leading education services platform</p> <p>With scale, expertise & broad, long-term customer relationships</p>	<p>Sustainable & resilient core business</p> <p>Secular shift toward online & blended education for lifelong learning</p>	<p>New high-growth & higher-margin career learning</p> <p>Leveraging capabilities & assets addressing business needs</p>	<p>Experienced & diverse leadership team</p> <p>Deep educational regulatory & policy expertise with commitment to ESG</p>	<p>Strong financial track record</p> <p>Consistent growth in revenue & profitability & strong balance sheet</p>

Appendix

Striide

Reconciliation

(in millions)	Three Months Ended June 30,		Year Ended June 30,	
	2021	2020	2021	2020
Income from operations	\$ 21.4	\$ 7.0	\$ 110.5	\$ 32.5
Stock-based compensation expense	\$ 8.5	\$ 5.8	\$ 39.3	\$ 23.6
Amortization of intangible assets	\$ 3.6	\$ 2.8	\$ 11.6	\$ 6.0
Adjusted operating income	\$ 33.5	\$ 15.6	\$ 161.4	\$ 62.1
Depreciation and other amortization	\$ 21.4	\$ 16.6	\$ 78.5	\$ 66.1
Adjusted EBITDA	\$ 54.9	\$ 32.2	\$ 239.9	\$ 128.2

EFFECTIVE TAX RATE

Reconciliation

Year Ended June 30,

	<u>2021</u>
Federal Statutory Tax Rate	21.0%
State Blended Statutory Tax Rate	5.6%
Non-Deductible Executive Compensation	5.7%
Tax Benefit from Stock-Based Compensation	-5.9%
R&D Tax Credit	-0.7%
Other Tax Adjustments	-0.1%
FY2021 Effective Tax Rate	<u>25.6%</u>