16th Annual Needham Virtual Technology & Media Conference

May 17, 2021



Safe Harbor

This presentation 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 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.



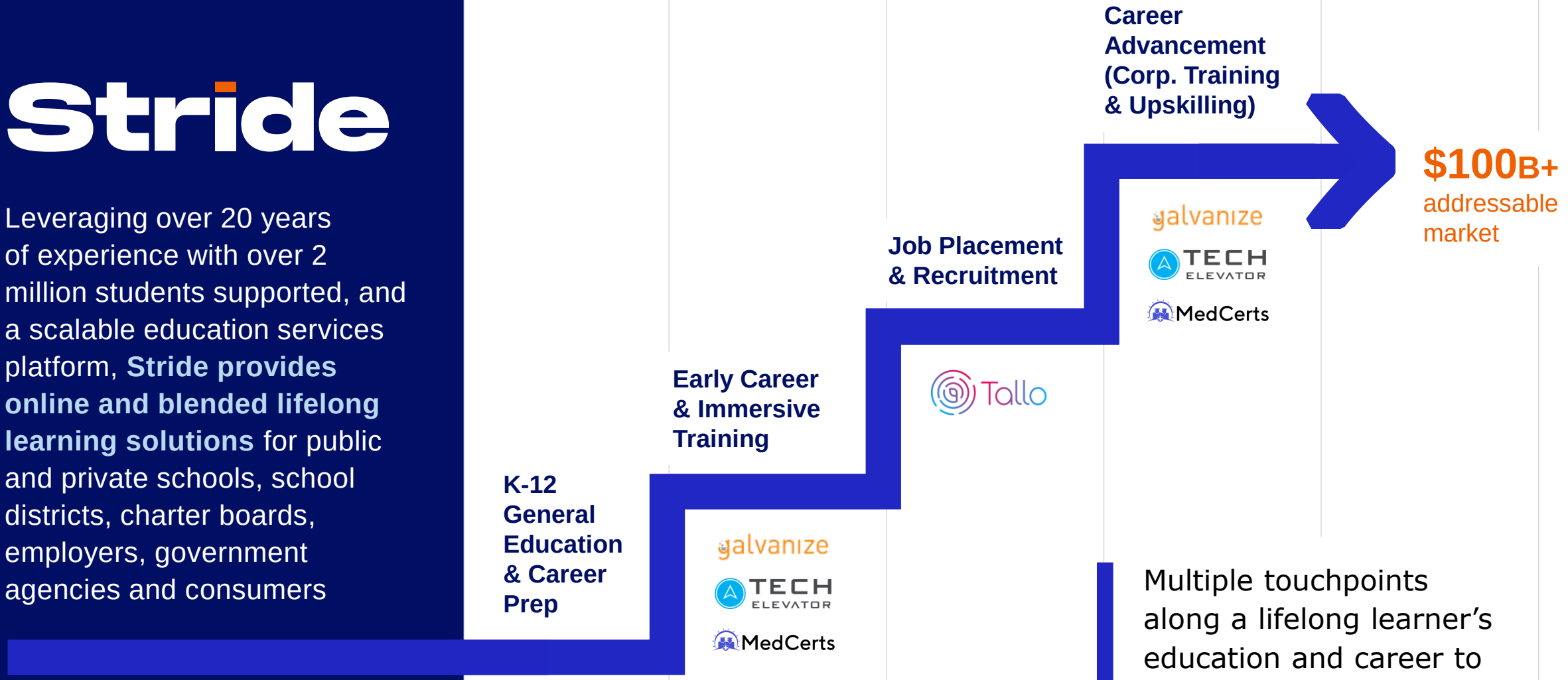
Agenda

- Company Overview
- Financials
- Key Takeaway

Stride

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



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



OUR MISSION

We help learners of all ages reach their full potential through inspired teaching and personalized learning

Building skills.
Expanding minds.

Stride

Compelling long-term investment thesis

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

Leading education services platform

With scale, expertise & broad, long-term customer relationships

- 20 years experience
- Largest online K–12 provider in U.S. with 2M+ students supported since 2000
- $500+M invested in platform & services

Sustainable & resilient core business

Secular shift toward online & blended education for lifelong learning

- $35B+ addressable market
- Consistent long-term education funding increases of 1–2% per year
- General Education enrollment growth of 1–6+% over last 4 years*

**Excl. impact of Georgia Cyber Academy*

New high-growth & higher-margin career learning

Leveraging capabilities & assets addressing business needs

- $65B+ addressable market
- Addresses 8 of top 10 in-demand careers
- Margins for adult learning market ~2x General Education business

Experienced & diverse leadership team

Deep educational regulatory & policy expertise with commitment to ESG

- Formidable national policy network with key 3rd party relationships
- Experienced and diverse management team and Board of Directors

Financial track record

Consistent growth in revenue & profitability & strong balance sheet support inorganic growth & long-term strategy

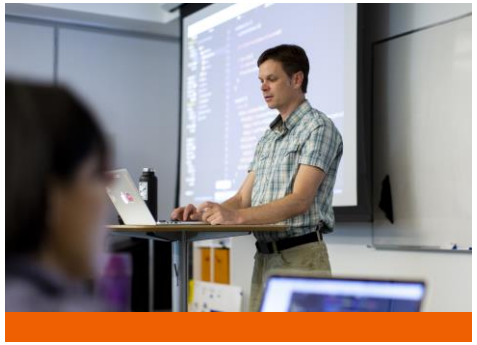
- Revenue growth at 12% CAGR FY16–FY21G
- ~$329M cash on hand Q3 FY21 with low leverage ratios

Leading education services platform

$500M+ invested in a ‘digital first’ curriculum, ‘mobile ready’ platform & service suite to support online & blended education – scalable across all ages & subjects



Differentiated & Personalized Learning Experience



Comprehensive Instructional & Administrative Capabilities



Public Policy & Regulatory Expertise

980+
online courses

100,000+
lessons

1,000,000+
multimedia components

6,000+
expert instructors

Consistent general education business

Online & blended learning expertise & assets to address large K-12 market



General Education Solutions

Full-time Online Programs

Online and blended programs for Kindergarten - 12th grade

Part-time Online Programs

Students attending traditional program and K12-powered online option

Learning Solutions

Content, platform, instruction and support solutions for traditional school environments

- Growing mass acceptance of online learning
- Parents are now digital natives and are used to learning and getting information online
- School districts shifting from print to digital format at accelerating rate
- Acceptance of online teacher professional development growing
- COVID-19 impact increasing awareness and broader requirement for online education

Expanding strategy focuses on career learning

Targets new $65B+ market opportunity – in just 4 years Career Learning business has grown to ~$250M in annual revenue serving over 30,000 learners

Stride Career Prep

galvanize

TECH ELEVATOR

MedCerts

Tallo

nepris

Market evolution drives demand for career learning

Increasing acceptance of full-time online and blended education

Growing middle skills gap and education economics drive demand for alternative education approaches

Emerging requirement for lifelong learning including reskilling and upskilling







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

- 29.5K students enrolled as of Mar. 31, 2021 (+123% y-o-y)
- 32 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
- 1.4M+ community of users on Tallo platform

Potential Growth Areas

Education-as-a-Service platform can be leveraged to expand existing offerings, create new products, and increase Stride's awareness



Learning Hub

Marketplace allow additional customization to diversify curriculum, supplement content and interactive, digital lessons.



Career-as-a-platform

Centralized platform for Stride's career assets to and access the range of K-12 and adult offerings.



Productizing Core Capabilities

Leverage product strengths (data analysis, teacher training, compliance, etc.) in the institutional market



Mainstream Offerings

Offer existing assets at lower costs to students / teachers / families to move products into mainstream



Communities

Build large communities of teachers / students / families



Private Schools

Invest behind a scaled private school offering to capture increased demand for private / alternative offerings

Strong balance sheet & liquidity

Flexibility to maintain long-term low leverage ratios

Select balance sheet and other information

For the Three Months Ended March 31, 2021 ($M)

Cash and Cash Equivalents	$329.0
Accounts Receivable, net	422.8
Accounts Payable	47.0
Total Debt Obligations	489.2
Revolving Credit Facility Availability	100.0

Quarter-over-quarter cash balance increased $70.9M driven by an increase in cash from operations

Accounts receivable balance reflects in-year seasonality of cash flows

Low leverage ratio of 0.73x

Note: Leverage ratio is Net Debt (total debt obligations of $489.2M less cash and cash equivalents of $329.0M) divided by Adjusted EBITDA of $219.9M for the twelve months ended March 31, 2021.

Financial outlook

Support improving learner outcomes while delivering sustained double-digit top- & bottom-line growth and increased shareholder value

	Updated FY21 Guidance* and Targets	Financial Outlook (FY25)
Total Revenue	$1.525B – $1.530B	**$1.9B – $2.2B**
Adj. Operating Income	$156M – $159M	**$250M – $350M**

*Guidance raised on April 20, 2021.

Strategic priorities supporting outlook

Drive consistent enrollment growth in K-12 and Adult programs through enhanced acquisition / retention execution

Expand reach / footprint in existing / new geographies & new customer bases / markets

Develop innovative solutions to expand in K-12 and Adult addressable markets

Improve process / use of technology to lower unit costs throughout enterprise

Leverage strong balance sheet to support inorganic growth opportunities

Key Takeaways

1	**Stride is not just a short-term COVID-19 beneficiary**	• COVID dramatically increased awareness and broadened acceptance of online and hybrid learning • Students, parents, and administrators have been exposed to learning/teaching online – and recognized the benefits
2	**Digital transformation in education is long-term**	• COVID caused a significant shift toward digital / virtual offerings in education • Once industries shift toward digital transformation – rarely do things return to the old normal
3	**Total addressable market (TAM) has expanded significantly**	• Awareness and acceptance of online and hybrid solutions has expanded Stride's TAM by many multiples ○ One out of three high school students would choose a hybrid or fully online option even as things return to normal post-COVID
4	**Existing assets can serve as additional growth vectors**	• Stride's existing content, platforms, and data products can be deployed commercially to a more mainstream audience • Planning to roll out beta products with experienced customers over the next several quarters

5	**Gross margin improvements underway**	• Believe we can achieve FY25 gross margin targets earlier than anticipated through key initiatives including:
		  ○ Mix shift from General Education towards Career Learning
		  ○ Increased digitization of materials (e.g., textbooks)
		  ○ Focus on technology to improve retention and outcomes

Thank you!

Question & Answer Session

Stride

Appendix

Stride

ADJ. OPERATING INCOME TO GAAP FINANCIALS

FY21 guidance reconciliation

	FY2021	
	Low	High
	(In millions)	
Income from operations	102.5	103.5
Stock-based compensation expense	42.0	44.0
Amortization of intangible assets	11.5	11.5
Adjusted operating income	$ 156.0	$ 159.0