

## Profitability Margin by Launch Cohort (Graduate Program Segment)

	Less than 2 Years	2 – 3 Years	3 – 4 Years	Greater than 4 Years	Total
Calendar Year 2015	(158)%	4%	-	27%	<b>(4)%</b>
Calendar Year 2016	(130)%	(6)%	18%	36%	<b>2%</b>
Calendar Year 2017	(400)%	14%	25%	39%	<b>5%</b>
Calendar Year 2018	(199)%	(8)%	25%	42%	<b>5%</b>
<b>Calendar Year 2019</b>	<b>(127)%</b>	<b>(9)%</b>	<b>12%</b>	<b>38%</b>	<b>1%</b>

For calendar year 2019, “greater than 4 years” includes programs launched prior to 2016, “3 to 4 years” includes programs launched in 2016, “2 to 3 years” includes programs launched in 2017, and “less than 2 years” includes programs launched in 2018 or later.

*\* This table presents Graduate Program Segment profitability by launch cohort as a percentage of the applicable launch cohort revenue, or Graduate Program Segment profitability margin, for the years ended December 31, 2019, December 31, 2018, December 31, 2017, December 31, 2016, and December 31, 2015. We provide segment profitability information in connection with our segment financial reporting. Graduate program launch cohorts are grouped by the length of time since program launch, as of December 31, 2019. Because we incur graduate program marketing and sales expenses prior to generating the revenue related to those expenses, graduate programs typically show losses for several years prior to reaching profitability. Our measure of Graduate Program Segment profitability margin by launch cohort applies our measure of Graduate Program Segment profitability margin on a launch cohort basis. Our measure of Graduate Program Segment profitability is net income or net loss, as applicable, before net interest income (expense), taxes, depreciation and amortization expense, foreign currency gains or losses, deferred revenue fair value adjustments, transaction costs, integration costs, restructuring-related costs, shareholder activism costs, impairment charges, and stock-based compensation expense. We define segment profitability margin as segment profitability as a percentage of the respective segment’s revenue. Some or all of these items may not be applicable in any given reporting period.*

