
Section 1: 8-K (FORM 8-K)

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report
(Date of earliest event reported)
December 11, 2018

ADTALEM GLOBAL EDUCATION INC.
(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

1-13988
(Commission File Number)

36-3150143
(IRS Employer Identification No.)

500 West Monroe Street
Chicago, Illinois
(Address of principal executive offices)

60661
(Zip Code)

(630) 515-7700
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

Item 9.01 Financial Statements and Exhibits

As previously reported by Adtalem Global Education Inc. (“Adtalem”) on the Current Report on Form 8-K dated December 11, 2018, Adtalem completed the sale to Cogswell Education, LLC all of Adtalem’s right, title, and interest in and to the issued and outstanding shares of capital stock of DeVry University, Inc. and DeVry New York Inc.

The disposition of DeVry University constituted a significant disposition. Accordingly, the pro forma financial information required by Item 9.01 is included as Exhibit 99.1 to this Current Report on Form 8-K. This pro forma financial information is presented combined with the pro forma adjustments for the disposition of Adtalem’s ownership of all the outstanding equity interests in U.S. Education Holdings LLC, the holding company of its Carrington College subsidiaries, as previously reported by Adtalem on the Current Report on Form 8-K dated December 10, 2018.

Forward-Looking Statements

Certain statements contained in this Form 8-K, including those that affect Adtalem’s expectations or plans, may constitute forward-looking statements subject to the Safe Harbor Provision of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as Adtalem Global Education Inc. or its management “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “foresees,” “intends,” “plans” or other words or phrases of similar import.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause Adtalem’s actual results to differ materially from those projected or implied by these forward-looking statements. Additional information regarding factors that could cause results to differ can be found in Adtalem’s Annual Report on Form 10-K for the fiscal year ended June 30, 2018 and Form 10-Q for the quarter ended September 30, 2018.

These forward-looking statements are based on information as of December 13, 2018, and Adtalem assumes no obligation to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

(b) Pro Forma Financial Information.

The following financial information is included as Exhibit 99.1 to this Current Report on Form 8-K:

- Pro Forma Consolidated Balance Sheets as of June 30, 2018 and September 30, 2018.
- Pro Forma Consolidated Statements of Income for the year ended June 30, 2018 and three months ended September 30, 2018.

The information set forth under this Item 9.01(b) is being furnished under Item 9.01 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

(d) Exhibits.

The following is a list of the Exhibits filed with this report:

<u>Exhibit No.</u>	<u>Exhibit Description</u>
<u>99.1</u>	<u>Pro Forma Financial Information</u>

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 hereunto duly authorized.

ADTALEM GLOBAL EDUCATION INC.
(Registrant)

Date: December 13, 2018

By: /s/ Kathleen A. Carroll
Kathleen A. Carroll
Vice President, Controller

[\(Back To Top\)](#)

Section 2: EX-99.1 (EXHIBIT 99.1)

EXHIBIT 99.1

Pro Forma Financial Information

The following supplemental pro forma information is presented for information purposes only, to provide an understanding of Adtalem's historical financial results as adjusted for the sales of DeVry University and Carrington College. These pro forma financial statements should not be considered a substitute for the actual historical financial information prepared in accordance with generally accepted accounting principles, as presented in Adtalem's filings on Form 10-K and Form 10-Q. The unaudited pro forma consolidated financial information disclosed in this report is for illustrative purposes only and is not necessarily indicative of results of operations that would have been achieved had the pro forma events taken place on the dates indicated, or our future consolidated results of operations.

The Pro Forma Consolidated Balance Sheets as of June 30, 2018 and September 30, 2018 presents our consolidated financial position giving pro forma effect to the dispositions of DeVry University and Carrington College as if they had occurred on June 30, 2018. The Pro Forma Consolidated Statements of Income for the year ended June 30, 2018 and three months ended September 30, 2018 presents our consolidated results of operations giving pro forma effect to the dispositions of DeVry University and Carrington College as if they had occurred on July 1, 2017 and July 1, 2018, respectively. These pro forma financial statements should be read in connection with Adtalem's historical consolidated financial statements, which were included in the Annual Report on Form 10-K for the year ended June 30, 2018, filed on August 24, 2018 and Quarterly Report on Form 10-Q for the three months ended September 30, 2018, filed on November 1, 2018.

The pro forma adjustments are based on currently available information, estimates and assumptions that Adtalem believes are reasonable in order to reflect, on a pro forma basis, the impact of these dispositions on our historical information.

ADTALEM GLOBAL EDUCATION INC.
PRO FORMA CONSOLIDATED BALANCE SHEET
(unaudited and amounts in thousands, except share and par value amounts)

	June 30, 2018		
	Adtalem Historical	Pro Forma Adjustments	Adtalem Pro Forma
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 430,690	\$ (31,900) (a)	\$ 398,790
Marketable Securities and Investments	4,255	-	4,255
Restricted Cash	310	-	310
Accounts Receivable, Net	146,726	-	146,726
Prepaid Expenses and Other Current Assets	58,887	-	58,887
Current Assets Held for Sale	47,132	(47,132) (b)	-
Total Current Assets	<u>688,000</u>	<u>(79,032)</u>	<u>608,968</u>
Land, Building and Equipment:			
Land	48,177	-	48,177
Building	389,129	-	389,129
Equipment	302,516	-	302,516
Construction in Progress	25,360	-	25,360
	<u>765,182</u>	<u>-</u>	<u>765,182</u>
Accumulated Depreciation	(376,528)	-	(376,528)
Land, Building and Equipment Held for Sale, Net	-	-	-
Land, Building and Equipment, Net	<u>388,654</u>	<u>-</u>	<u>388,654</u>
Noncurrent Assets:			
Deferred Income Taxes	38,780	-	38,780
Intangible Assets, Net	362,931	-	362,931
Goodwill	813,887	-	813,887
Other Assets, Net	39,259	-	39,259
Noncurrent Assets Held for Sale	13,450	(13,450) (b)	-
Total Noncurrent Assets	<u>1,268,307</u>	<u>(13,450)</u>	<u>1,254,857</u>
TOTAL ASSETS	<u>\$ 2,344,961</u>	<u>\$ (92,482)</u>	<u>\$ 2,252,479</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	\$ 47,477	\$ -	\$ 47,477
Accrued Salaries, Wages and Benefits	71,289	-	71,289
Accrued Liabilities	80,803	(1,827) (c)	78,976
Deferred Revenue	106,773	-	106,773
Current Portion of Long-Term Debt	3,000	-	3,000
Current Liabilities Held for Sale	56,439	(56,439) (b)	-
Total Current Liabilities	<u>365,781</u>	<u>(58,266)</u>	<u>307,515</u>
Noncurrent Liabilities:			
Long-Term Debt	290,073	-	290,073
Deferred Income Taxes	29,115	-	29,115
Other Liabilities	131,380	(3,677) (c)	127,703
Noncurrent Liabilities Held for Sale	216	(216) (b)	-
Total Noncurrent Liabilities	<u>450,784</u>	<u>(3,893)</u>	<u>446,891</u>
TOTAL LIABILITIES	<u>816,565</u>	<u>(62,159)</u>	<u>754,406</u>
COMMITMENTS AND CONTINGENCIES			
NONCONTROLLING INTEREST			
	<u>9,110</u>	<u>-</u>	<u>9,110</u>
SHAREHOLDERS' EQUITY:			
Common Stock, \$0.01 Par Value	793	-	793
Additional Paid-in Capital	454,653	-	454,653
Retained Earnings	1,917,373	(30,323) (d)	1,887,050
Accumulated Other Comprehensive Loss	(142,168)	-	(142,168)
Treasury Stock, at Cost	(711,365)	-	(711,365)
TOTAL SHAREHOLDERS' EQUITY	<u>1,519,286</u>	<u>(30,323)</u>	<u>1,488,963</u>
TOTAL LIABILITIES, NONCONTROLLING INTEREST AND SHAREHOLDERS' EQUITY	<u>\$ 2,344,961</u>	<u>\$ (92,482)</u>	<u>\$ 2,252,479</u>

ADTALEM GLOBAL EDUCATION INC.
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
(unaudited and amounts in thousands, except per share amounts)

	Year Ended June 30, 2018		
	Adtalem Historical	Pro Forma Adjustments	Adtalem Pro Forma
REVENUE	\$ 1,231,211	\$ -	\$ 1,231,211
OPERATING COST AND EXPENSE:			
Cost of Educational Services	645,604	-	645,604
Student Services and Administrative Expense	373,064	-	373,064
Restructuring Expense	5,067	-	5,067
Total Operating Cost and Expense	1,023,735	-	1,023,735
Operating Income from Continuing Operations	207,476	-	207,476
INTEREST:			
Interest Income	5,827	-	5,827
Interest Expense	(14,620)	-	(14,620)
Net Interest Expense	(8,793)	-	(8,793)
Income from Continuing Operations Before Income Taxes	198,683	-	198,683
Income Tax Provision	(84,102)	-	(84,102)
Equity Method Investment Loss	(138)	-	(138)
Income from Continuing Operations	114,443	-	114,443
DISCONTINUED OPERATIONS:			
Loss from Discontinued Operations Before Income Taxes	(124,162)	124,162 (b)	-
Income Tax Benefit	44,016	(44,016) (b)	-
Loss from Discontinued Operations	(80,146)	80,146	-
NET INCOME	34,297	80,146	114,443
Net Income Attributable to Noncontrolling Interest	(528)	-	(528)
NET INCOME ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION	\$ 33,769	\$ 80,146	\$ 113,915
AMOUNTS ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION:			
Income from Continuing Operations	\$ 113,915	\$ -	\$ 113,915
Loss from Discontinued Operations	(80,146)	80,146	-
NET INCOME ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION	\$ 33,769	\$ 80,146	\$ 113,915
EARNINGS (LOSS) PER COMMON SHARE ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION SHAREHOLDERS:			
Basic:			
Continuing Operations	\$ 1.85	\$ -	\$ 1.85
Discontinued Operations	\$ (1.30)	\$ 1.30	\$ -
Total	\$ 0.55	\$ 1.30	\$ 1.85
Diluted:			
Continuing Operations	\$ 1.83	\$ -	\$ 1.83
Discontinued Operations	\$ (1.29)	\$ 1.29	\$ -
Total	\$ 0.54	\$ 1.29	\$ 1.83

Notes to June 30, 2018 Pro Forma Consolidated Financial Information

- (a) Represents \$21.3 million of cash transferred to provide a working capital balance of \$7.5 million, \$1.25 million for Incentive Assurance Payments, as defined in the Stock Purchase Agreement, related to the delayed sale closing and transaction costs of \$2.3 million to be paid by Adtalem related to the sale of DeVry University. In addition, represents \$10.6 million of cash transferred to provide a working capital balance of \$11.5 million related to the sale of Carrington College.
 - (b) Represents the elimination of the assets, liabilities and operating results associated with the businesses disposition. As of June 30, 2018, DeVry University's and Carrington College's assets and liabilities were classified as held for sale on Adtalem's Consolidated Balance Sheet and DeVry University's and Carrington College's results of operations were classified as discontinued operations in Adtalem's Consolidated Statement of Income, each in the Form 10-K filed on August 24, 2018.
 - (c) Represents the deferred rent liabilities associated with DeVry University and Carrington College leases as of June 30, 2018, which will be assumed by the respective Buyers, and removed from Adtalem's liability balances.
 - (d) Represents the estimated loss realized on the sale of DeVry University and Carrington College had the transactions closed on June 30, 2018. These amounts are subject to finalization. This estimated loss is not included in the adjustments in the pro forma consolidated statement of income, as this amount will be included as discontinued operations in the consolidated statement of income of Adtalem following the disposition.
-

ADTALEM GLOBAL EDUCATION INC.
PRO FORMA CONSOLIDATED BALANCE SHEET
(unaudited and amounts in thousands, except share and par value amounts)

	September 30, 2018		
	Adtalem Historical	Pro Forma Adjustments	Adtalem Pro Forma
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 408,765	\$ (21,949) (a)	\$ 386,816
Marketable Securities and Investments	8,402	-	8,402
Restricted Cash	877	-	877
Accounts Receivable, Net	166,794	-	166,794
Prepaid Expenses and Other Current Assets	69,714	-	69,714
Current Assets Held for Sale	84,834	(84,834) (b)	-
Total Current Assets	<u>739,386</u>	<u>(106,783)</u>	<u>632,603</u>
Land, Building and Equipment:			
Land	43,724	-	43,724
Building	349,694	-	349,694
Equipment	269,298	-	269,298
Construction in Progress	26,849	-	26,849
	<u>689,565</u>	<u>-</u>	<u>689,565</u>
Accumulated Depreciation	(338,162)	-	(338,162)
Land, Building and Equipment Held for Sale, Net	-	-	-
Land, Building and Equipment, Net	<u>351,403</u>	<u>-</u>	<u>351,403</u>
Noncurrent Assets:			
Deferred Income Taxes	31,080	-	31,080
Intangible Assets, Net	355,595	-	355,595
Goodwill	805,285	-	805,285
Other Assets, Net	53,666	-	53,666
Noncurrent Assets Held for Sale	13,450	(13,450) (b)	-
Total Noncurrent Assets	<u>1,259,076</u>	<u>(13,450)</u>	<u>1,245,626</u>
TOTAL ASSETS	<u>\$ 2,349,865</u>	<u>\$ (120,233)</u>	<u>\$ 2,229,632</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	\$ 50,413	\$ -	\$ 50,413
Accrued Salaries, Wages and Benefits	46,255	-	46,255
Accrued Liabilities	90,167	(1,799) (c)	88,368
Deferred Revenue	185,061	-	185,061
Current Portion of Long-Term Debt	3,000	-	3,000
Current Liabilities Held for Sale	84,190	(84,190) (b)	-
Total Current Liabilities	<u>459,086</u>	<u>(85,989)</u>	<u>373,097</u>
Noncurrent Liabilities:			
Long-Term Debt	289,579	-	289,579
Deferred Income Taxes	29,378	-	29,378
Other Liabilities	122,757	(3,205) (c)	119,552
Noncurrent Liabilities Held for Sale	216	(216) (b)	-
Total Noncurrent Liabilities	<u>441,930</u>	<u>(3,421)</u>	<u>438,509</u>
TOTAL LIABILITIES	<u>901,016</u>	<u>(89,410)</u>	<u>811,606</u>
COMMITMENTS AND CONTINGENCIES			
NONCONTROLLING INTEREST			
	<u>8,814</u>	<u>-</u>	<u>8,814</u>
SHAREHOLDERS' EQUITY:			
Common Stock, \$0.01 Par Value	798	-	798
Additional Paid-in Capital	469,545	-	469,545
Retained Earnings	1,908,465	(30,823) (d)	1,877,642
Accumulated Other Comprehensive Loss	(163,168)	-	(163,168)
Treasury Stock, at Cost	(775,605)	-	(775,605)
TOTAL SHAREHOLDERS' EQUITY	<u>1,440,035</u>	<u>(30,823)</u>	<u>1,409,212</u>
TOTAL LIABILITIES, NONCONTROLLING INTEREST AND SHAREHOLDERS' EQUITY	<u>\$ 2,349,865</u>	<u>\$ (120,233)</u>	<u>\$ 2,229,632</u>

ADTALEM GLOBAL EDUCATION INC.
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
(unaudited and amounts in thousands, except per share amounts)

	Three Months Ended September 30, 2018		
	Adtalem Historical	Pro Forma Adjustments	Adtalem Pro Forma
REVENUE	\$ 284,190	\$ -	\$ 284,190
OPERATING COST AND EXPENSE:			
Cost of Educational Services	148,653	-	148,653
Student Services and Administrative Expense	98,497	-	98,497
Restructuring Expense	39,548	-	39,548
Total Operating Cost and Expense	286,698	-	286,698
Operating Income from Continuing Operations	(2,508)	-	(2,508)
INTEREST:			
Interest Income	1,945	-	1,945
Interest Expense	(6,202)	-	(6,202)
Net Interest Expense	(4,257)	-	(4,257)
Loss from Continuing Operations Before Income Taxes	(6,765)	-	(6,765)
Income Tax Benefit	1,887	-	1,887
Loss from Continuing Operations	(4,878)	-	(4,878)
DISCONTINUED OPERATIONS:			
Loss from Discontinued Operations Before Income Taxes	(6,135)	6,135 (b)	-
Income Tax Benefit	1,428	(1,428) (b)	-
Loss from Discontinued Operations	(4,707)	4,707	-
NET LOSS	(9,585)	4,707	(4,878)
Net Loss Attributable to Noncontrolling Interest	55	-	55
NET LOSS ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION	\$ (9,530)	\$ 4,707	\$ (4,823)
AMOUNTS ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION:			
Loss from Continuing Operations	\$ (4,823)	\$ -	\$ (4,823)
Loss from Discontinued Operations	(4,707)	4,707	-
NET LOSS ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION	\$ (9,530)	\$ 4,707	\$ (4,823)
EARNINGS (LOSS) PER COMMON SHARE ATTRIBUTABLE TO ADTALEM GLOBAL EDUCATION SHAREHOLDERS:			
Basic:			
Continuing Operations	\$ (0.08)	\$ -	\$ (0.08)
Discontinued Operations	\$ (0.08)	\$ 0.08	\$ -
Total	\$ (0.16)	\$ 0.08	\$ (0.08)
Diluted:			
Continuing Operations	\$ (0.08)	\$ -	\$ (0.08)
Discontinued Operations	\$ (0.08)	\$ 0.08	\$ -
Total	\$ (0.16)	\$ 0.08	\$ (0.08)

Notes to September 30, 2018 Pro Forma Consolidated Financial Information

- (a) Represents \$10.9 million of cash transferred to provide a working capital balance of \$7.5 million, \$1.25 million for Incentive Assurance Payments, as defined in the Stock Purchase Agreement, related to the delayed sale closing and transaction costs of \$2.3 million to be paid by Adtalem related to the sale of DeVry University. In addition, represents \$11.0 million of cash transferred to provide a working capital balance of \$11.5 million related to the sale of Carrington College.
- (b) Represents the elimination of the assets, liabilities and operating results associated with the businesses disposition. As of September 30, 2018, DeVry University's and Carrington College's assets and liabilities were classified as held for sale on Adtalem's Consolidated Balance Sheet and DeVry University's and Carrington College's results of operations were classified as discontinued operations in Adtalem's Consolidated Statement of Income, each in the Form 10-Q filed on November 1, 2018.
- (c) Represents the deferred rent liabilities associated with DeVry University and Carrington College leases as of September 30, 2018, which will be assumed by the respective Buyers, and removed from Adtalem's liability balances.
- (d) Represents the estimated loss realized on the sale of DeVry University and Carrington College had the transaction closed on September 30, 2018. These amounts are subject to finalization. This estimated loss is not included in the adjustments in the pro forma consolidated statement of income, as this amount will be included as discontinued operations in the consolidated statement of income of Adtalem following the disposition.

[\(Back To Top\)](#)