

# NATIONAL AMERICAN UNIVERSITY HOLDINGS, INC.

## **NATIONAL AMERICAN UNIVERSITY HOLDINGS, INC. ANNOUNCES CLOSING OF THE HENLEY-PUTNAM UNIVERSITY TRANSACTION, PROVIDES UPDATE ON OPERATIONAL CONSOLIDATIONS**

Rapid City, South Dakota, March 22, 2018 — National American University Holdings, Inc. (the “Company”) (NASDAQ: NAUH), which through its wholly owned subsidiary operates National American University (“NAU” or the “University”), a regionally accredited, proprietary, multi-location institution of higher learning, today announced the closing of the Henley-Putnam University (“Henley-Putnam”) asset acquisition. The Company also announced strategic operational consolidations aimed at reducing overall operating costs with minimal impact to its student population, which continues to demonstrate a growing preference for online access to education and support services.

### **Henley-Putnam University Asset Acquisition**

The Company announced the closing of [the previously announced asset purchase transaction](#) with California-based Henley-Putnam University. Henley-Putnam, the only accredited online university solely focused on strategic security degree and certificate programs, had active student enrollments of 241 as of March 2018 with an additional 43 expected for April. With the closing of the transaction on March 21, 2018, Henley-Putnam’s educational programs became part of NAU’s degree and certificate program offerings. This transaction was subject to customary closing conditions, including approval from the Higher Learning Commission for Henley-Putnam’s programs to be within the scope of NAU’s institutional accreditation immediately upon the closing of the asset purchase transaction.

### **Strategic Consolidations in 2018**

With NAU students increasingly seeking online and mobile access to academic and support services, the University is improving and expanding these services while consolidating certain operations in early 2018. NAU will ensure that students receive quality support services as it consolidates staff previously located at several underutilized locations into existing operations. The consolidations will result in approximately \$11.6 million in annual savings for the institution, based on January 2018 expense levels, which will initially be offset by some charges and costs related to existing leases.

### **Management Commentary**

Ronald L. Shape, Ed.D., President and Chief Executive Officer of the Company, stated, “2018 has opened with a busy start as we worked with Zenith Education Group to efficiently transition more than 700 of their students into NAU. The addition of these transfer students and the move to monthly starts had a positive impact on enrollments for the winter 2017-18 term. We believe we will begin to fully realize the benefits of the monthly start in the coming terms as existing and prospective students are able to register for courses and programs with even greater flexibility. With the closing of the Henley-Putnam asset acquisition this month, we have also begun welcoming additional students to NAU and look forward to serving students interested in pursuing careers in the fields of intelligence, counterterrorism, and strategic security.”

Dr. Shape continued, “We remain focused on improving our operational efficiencies while never compromising on our non-negotiables of quality academic programming and regulatory compliance. For over 75 years, NAU has provided students with quality yet flexible academic programming with the necessary support services they need to graduate and to succeed in the workplace after graduation. With our working adult student population exhibiting an increasing preference for NAU’s online course delivery format and remote access to support services, we have worked to optimize delivery of these services by consolidating operations at a number of physical locations, while realigning academic and support staff to better serve the changing needs of our students. We believe the \$11.6 million in annual savings we expect from these recent consolidations, as well as our past efforts to better align expenses with revenue and enrollment levels, will enable the Company to move toward positive cash flow generation and better position NAU for steady growth over the long term.”

### **About National American University Holdings, Inc.**

National American University Holdings, Inc., through its wholly owned subsidiary, operates National American University (“NAU”), a regionally accredited, proprietary, multi-location institution of higher learning offering associate, bachelor’s, master’s, and doctoral degree programs in technical and professional disciplines. Accredited by the Higher Learning Commission, NAU has been providing technical and professional career education since 1941. NAU opened its first campus in Rapid City, South Dakota, and has since grown to multiple locations in several U.S. states. In 1998, NAU began offering online courses. Today, NAU offers degree programs in traditional, online, and hybrid

formats, which provide students increased flexibility to take courses at times and places convenient to their busy lifestyles.

### **Forward Looking Statements**

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the Company's business. Statements made in this release, other than those concerning historical financial information, may be considered forward-looking statements, which speak only as of the date of this release and are based on current beliefs and expectations and involve a number of assumptions. These forward-looking statements include outlooks or expectations for earnings, revenue, expenses or other future financial or business performance, strategies or expectations, or the impact of legal or regulatory matters on business, results of operations or financial condition. Specifically, forward-looking statements may include statements relating to the future financial performance of the Company; the ability to continue to receive Title IV funds; the growth of the market for the Company's services; expansion plans and opportunities; consolidation in the market for the Company's services generally; and other statements preceded by, followed by or that include the words "estimate," "plan," "project," "forecast," "intend," "expect," "anticipate," "believe," "seek," "target" or similar expressions. These forward-looking statements involve a number of known and unknown risks and uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by those forward-looking statements. Other factors that could cause the Company's results to differ materially from those contained in its forward-looking statements are included under, among others, the heading "Risk Factors" in the Company's Annual Report on Form 10-K, which the Company filed on August 4, 2017, and in its other filings with the Securities and Exchange Commission. The Company assumes no obligation to update the information contained in this release.

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