

First Quarter 2014

Financial Results Conference Call

May 8, 2014

SAFE HARBOR STATEMENT

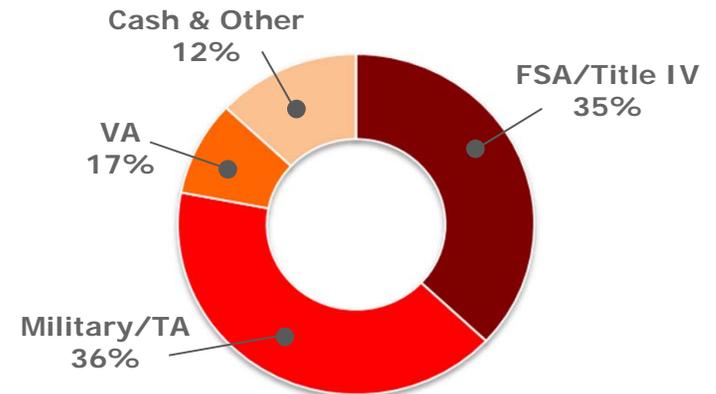
Statements made in this presentation regarding American Public Education, Inc. or its subsidiaries, that are not historical facts are forward-looking statements based on current expectations, assumptions, estimates and projections about American Public Education and the industry. These forward-looking statements are subject to risks and uncertainties that could cause actual future events or results to differ materially from such statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "seek", "could", "estimate", "expect", "intend", "may", "should", "will" and "would". These forward-looking statements include, without limitation, statements regarding expected growth, expected registration and enrollments, expected revenues, expected earnings and plans with respect to the game-based learning company. Actual results could differ materially from those expressed or implied by these forward-looking statements as a result of various factors, including the various risks described in the "Risk Factors" section and elsewhere in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 and Form 10-Q for the quarter ended March 31, 2014 as filed with the SEC and in the Company's other filings with the SEC. The Company undertakes no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

FIRST QUARTER 2014 HIGHLIGHTS

CONTINUED EXECUTION OF STRATEGIC PLAN

- APUS net course registrations by *new civilian students* increased year-over-year; net course registrations by *new Military students* declined, as expected.
- New Strategic Relationships at APUS:
 - The Hartford
 - Waste Management Corporation
 - VTEC
 - Arizona Association of Chiefs of Police
- On April 2, 2014, APEI invested in a game-based learning company.
- Hondros College of Nursing enrollment increased 14% to 1,290 students, compared to 1,130 students in the prior year period.

APUS Net Course Registrations by Primary Funding Source



For three months ending March 31, 2014

Pay Type	YTD 2014 Growth (y/y)
VA	14%
Cash & Other	-3%
FSA/Title IV	-4%
Military/TA	-10%

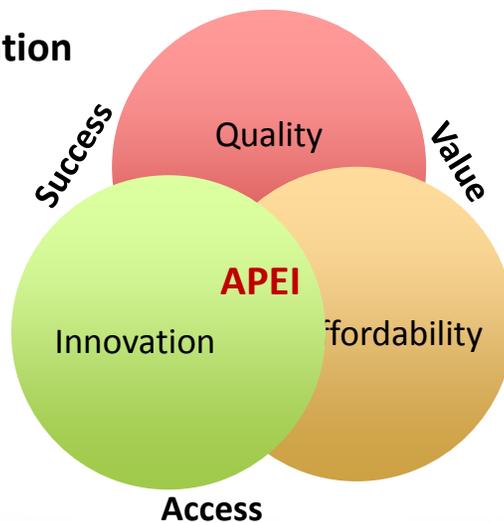
ADVANCING STRATEGIC GOALS

ACADEMIC QUALITY, INNOVATION AND DIVERSIFICATION

APEI Strategic Goals:

- Expand Academic Excellence
- Build Strategic Relationships
- Increase Programmatic Diversification
- Develop Innovative Processes
- Advance Learning Technologies
- Enter New Markets & Segments

APEI's Foundation of Excellence:



Recent Developments:

- ✓ APUS added several new **Strategic Relationships**.
- ✓ APEI invested in and plans to partner with a **game-based learning company** to co-develop courses, as well as interactive learning and gaming software.
- ✓ APUS updated more than 250 courses with **new education technology**, including rich media, simulations and MOOCs.
- ✓ Advancing **international outreach** through a planned pilot program with New Horizons.

FINANCIAL RESULTS SUMMARY

FIRST QUARTER 2014

- Revenues increased 6% to \$88.6 million, compared to the prior year period.
- Income from operations before interest income and income taxes was \$16.7 million, compared to \$18.2 million in the prior year period.
- Overall operating margins declined in the first quarter of 2014:
 - Instructional costs as a percentage of revenue increased to 35.4%, compared to 33.9% in the prior year period.
 - Selling and promotional expenses decreased as a percent of revenue to 19.3%, compared to 19.7% in the prior year period. The decrease was due in part to the inclusion of the operating results of the Hondros College of Nursing segment.
 - General and administrative expenses as a percentage of revenues increased to 22.0% compared to 20.9% in the prior period.
 - Bad debt expense as percent of revenue increased to 5.7%, compared to 4.3% in the prior year period.
- Net income decreased to \$10.4 million or approximately \$0.59 per diluted share, compared to the prior year period.
- Cash and cash equivalents increased to \$99.7 million with no long-term debt.

SECOND QUARTER 2014

FINANCIAL AND OPERATIONAL OUTLOOK

The following statements are based on current expectations. These statements are forward-looking and actual results may differ materially.

Second Quarter 2014 Approximate Growth (y/y)

APUS Net course registration growth by new students	-7% to -4%
APUS Net course registration growth	-5% to -2%
HCON New student enrollment	Approx. -10%
Total revenue growth	+3% to +5%
Total net income per diluted share	\$0.43 to \$0.50

A man in a green sweater and dark pants stands in a server room aisle, looking towards the camera. The room is filled with rows of server racks on both sides, with various components and lights visible. The floor is a perforated metal grid, and the ceiling has recessed lighting.

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