
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): **May 1, 2018**

BRIDGEPOINT EDUCATION, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-34272

(Commission File Number)

59-3551629

(IRS Employer Identification No.)

**8620 Spectrum Center Blvd.
San Diego, California**

(Address of principal executive offices)

92123

(Zip Code)

(858) 668-2586

(Registrant's telephone number, including area code)

None

(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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- 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 2.02. Results of Operations and Financial Condition.

On May 1, 2018 , Bridgepoint Education, Inc. issued a press release announcing financial results for its first quarter ended March 31, 2018 . A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2. of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that we specifically incorporate it by reference into such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of Bridgepoint Education, Inc. dated May 1, 2018

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.

Date: May 1, 2018

Bridgepoint Education, Inc.

By: /s/ KEVIN ROYAL

Name: Kevin Royal

Title: Chief Financial Officer

Bridgepoint Education Reports First Quarter 2018 Results

SAN DIEGO (May 1, 2018) - Bridgepoint Education (NYSE:BPI), a provider of postsecondary education services, today announced its results for the three months ended March 31, 2018 .

Financial Results for the Three Months Ended March 31, 2018

Revenue for the three months ended March 31, 2018 was \$118.0 million , compared with revenue of \$129.5 million for the three months ended March 31, 2017 .

Operating income for the three months ended March 31, 2018 was \$0.4 million , compared with operating income of \$9.7 million for the three months ended March 31, 2017 .

Net income for the three months ended March 31, 2018 was \$2.3 million , compared with net income of \$9.9 million for the three months ended March 31, 2017 .

Diluted income per share for the three months ended March 31, 2018 was \$0.08 , compared with diluted income per share of \$0.23 for the three months ended March 31, 2017 .

The Company recognized an income tax benefit of \$1.7 million for the three months ended March 31, 2018 , compared with an income tax expense of \$0.2 million for the three months ended March 31, 2017 .

Non-GAAP Financial Results for the Three Months Ended March 31, 2018

Non-GAAP operating income for the three months ended March 31, 2018 was \$0.2 million , compared with non-GAAP operating income of \$9.7 million for the three months ended March 31, 2017 . Non-GAAP operating income for the three months ended March 31, 2018 excludes a credit to restructuring and impairment of \$0.2 million . There were no restructuring and impairment charges for the three months ended March 31, 2017 .

Non-GAAP net income for the three months ended March 31, 2018 was \$0.4 million , compared with non-GAAP net income of \$9.9 million for the three months ended March 31, 2017 . Non-GAAP net income for the three months ended March 31, 2018 excludes a credit to restructuring and impairment of \$0.2 million and an income tax benefit of \$1.7 million . There were no restructuring and impairment charges for the three months ended March 31, 2017 .

Non-GAAP diluted income per share for the three months ended March 31, 2018 was \$0.01 , compared with non-GAAP diluted income per share of \$0.23 for the three months ended March 31, 2017 .

Balance Sheet and Cash Flow

As of March 31, 2018 , the Company had combined cash, cash equivalents and investments of \$173.3 million , compared with combined cash, cash equivalents and investments of \$187.2 million as of December 31, 2017 .

The Company used \$15.1 million of cash in operating activities during the three months ended March 31, 2018 , compared with \$11.5 million of cash used in operating activities during the three months ended March 31, 2017 .

Student Enrollment

Total student enrollment at the Company's combined academic institutions was 41,523 students at March 31, 2018 , compared with total student enrollment of 46,383 at March 31, 2017 .

About Non-GAAP Financial Measures

This press release contains non-GAAP financial measures for non-GAAP operating income, non-GAAP net income and non-GAAP diluted income per share, which exclude restructuring and impairment credits, as well as certain income tax adjustments, as applicable. These non-GAAP financial measures are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and are not based on a comprehensive set of accounting rules. Management believes non-GAAP financial measures are useful in providing investors with an understanding of how specific line items in the consolidated statements of income are affected by items that may not be indicative of the operating results of the Company's core business. To the extent that other companies use similar methods in calculating and reporting non-GAAP operating results, the Company believes provision of supplemental non-GAAP financial information allows for a meaningful comparison of the Company's performance against the performance of other companies. The Company further believes that these non-GAAP financial measures provide useful information regarding its ongoing operating activities and business trends related to its results of operations, as well as a meaningful comparison with historical financial results. The Company's management and board of directors utilize these non-GAAP financial measures, together with the Company's financial statements prepared in accordance with GAAP, in developing operating budgets and evaluating the Company's performance. These non-GAAP financial measures are intended to supplement GAAP financial information, and should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. In addition, these non-GAAP financial measures may be different from non-GAAP financial measures used by other companies. Refer to the accompanying tables for a detailed reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

Earnings Conference Call and Webcast

Bridgepoint Education will host a conference call at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Standard Time) today to discuss its latest financial results and recent highlights. The dial-in number for callers in the United States and Canada is 866-859-7412, and the dial-in number for other callers is 832-900-4623. The access code for all callers is 6085794. A live broadcast of the call will also be available on the Company's website at <http://ir.bridgepointeducation.com>.

A replay of the call will be available via telephone through June 1, 2018. To access the replay, callers in the United States and Canada should dial 855-859-2056 and other callers should dial 404-537-3406, and enter the access code 6085794.

About Bridgepoint Education

Bridgepoint Education, Inc. (NYSE:BPI) harnesses the latest technology to reimagine the modern student experience. Bridgepoint owns two academic institutions - Ashford University and University of the Rockies. Together, these programs, technologies, and resources represent a unique model for advancing education in the 21st century. Bridgepoint stands for greater access, social learning, and exposure to leading minds. For more information, visit www.bridgepointeducation.com or www.facebook.com/BridgepointEducation.

Forward-Looking Statements

This news release may contain forward-looking statements which are not statements of historical fact and are subject to the Safe Harbor provisions created by the Private Securities Litigation Reform Act of 1995, including, without limitation, statements regarding management's intentions, hopes, beliefs or expectations, and statements regarding the Company's outlook for the remainder of 2018 and beyond. These forward-looking statements are based on current information and expectations and are subject to various risks and uncertainties. The Company's actual performance or results may differ materially from those expressed in or suggested by such statements due to various factors, including without limitation: our ability to consummate the proposed merger of University of the Rockies into Ashford University and the conversion of Ashford University into a nonprofit university; the impact of the proposed merger, conversion, and separation of the Company from its academic institutions to focus on online program management; the success of our marketing, technology and new program development initiatives, the success of our Education Partnership programs, the impact of our ongoing cost-reduction initiatives; our ability to comply with the extensive and continually evolving regulatory framework applicable to the Company and its institutions; adverse administrative, economic, legislative or regulatory changes affecting the Company and its institutions; the imposition of fines or other corrective measures against the Company's institutions; the impact of competition in the postsecondary education market; recruiting costs and tuition rates; reputational and other risks related to potential compliance audits; regulatory or legal actions; negative publicity or service disruptions; and our a

bility to attract, recruit and retain students or develop new or expanded programs in a timely and cost-effective manner.

Additional information on factors that could cause actual plans implemented and actual results achieved to differ materially from those set forth in the forward-looking statements is included from time to time in the Company's filings with the Securities and Exchange Commission (SEC), including, but not limited to, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed with the SEC on February 21, 2018, the Company's quarterly reports on Form 10-Q and the Company's current reports on Form 8-K which are available at www.bridgepointeducation.com. You should not place undue reliance on any forward-looking statements. Forward-looking statements are made on the basis of management's good faith beliefs, expectations and assumptions regarding future events based on information available at the time such statements are made. Forward-looking statements speak only as of the date they are made. The Company assumes no obligation to update or revise any forward-looking statements to reflect actual results or any changes in assumptions, expectations or other factors affecting such forward-looking statements, except to the extent required by applicable securities laws.

BRIDGEPOINT EDUCATION, INC.
Condensed Consolidated Statements of Income
(Unaudited)
(In thousands, except per share amounts)

	<u>Three Months Ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
Revenue	\$ 118,031	\$ 129,490
Costs and expenses:		
Instructional costs and services	56,862	63,039
Admissions advisory and marketing	48,194	44,762
General and administrative	12,748	12,027
Restructuring and impairment expense (credit)	(159)	—
Total costs and expenses	<u>117,645</u>	<u>119,828</u>
Operating income	386	9,662
Other income, net	250	443
Income before income taxes	636	10,105
Income tax expense (benefit)	(1,661)	236
Net income	<u>\$ 2,297</u>	<u>\$ 9,869</u>
Income per share:		
Basic	\$ 0.08	\$ 0.23
Diluted	\$ 0.08	\$ 0.23
Weighted average number of common shares outstanding used in computing income per share:		
Basic	27,164	42,100
Diluted	27,564	42,997

BRIDGEPOINT EDUCATION, INC.
Condensed Consolidated Balance Sheets
(Unaudited)
(In thousands)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 171,178	\$ 185,098
Restricted cash	17,457	20,428
Investments	2,121	2,065
Accounts receivable, net	33,594	27,077
Prepaid expenses and other current assets	21,394	22,388
Total current assets	245,744	257,056
Property and equipment, net	10,019	10,434
Goodwill and intangibles, net	14,170	14,593
Other long-term assets	4,814	5,456
Total assets	\$ 274,747	\$ 287,539
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 66,182	\$ 71,165
Deferred revenue and student deposits	61,698	68,207
Total current liabilities	127,880	139,372
Rent liability	6,030	7,001
Other long-term liabilities	12,773	12,708
Total liabilities	146,683	159,081
Total stockholders' equity	128,064	128,458
Total liabilities and stockholders' equity	\$ 274,747	\$ 287,539

BRIDGEPOINT EDUCATION, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2018	2017
Cash flows from operating activities:		
Net income	\$ 2,297	\$ 9,869
Adjustments to reconcile net income to net cash used in operating activities:		
Provision for bad debts	6,646	9,294
Depreciation and amortization	1,759	2,388
Amortization of premium/discount	—	20
Deferred income taxes	4	(1,284)
Stock-based compensation	1,165	900
Net gain on marketable securities	(14)	(76)
Reassessment of lease charges	(506)	—
Loss on disposal or impairment of fixed assets	9	66
Changes in operating assets and liabilities:		
Accounts receivable	(15,849)	(15,762)
Prepaid expenses and other current assets	995	81
Other long-term assets	297	102
Accounts payable and accrued liabilities	(4,332)	(10,872)
Deferred revenue and student deposits	(6,973)	(2,872)
Other liabilities	(567)	(3,373)
Net cash used in operating activities	(15,069)	(11,519)
Cash flows from investing activities:		
Capital expenditures	(809)	(1,293)
Purchases of investments	(747)	(37)
Capitalized costs for intangible assets	(265)	(114)
Sales of investments	704	—
Maturities of investments	—	17,725
Net cash (used in) provided by investing activities	(1,117)	16,281
Cash flows from financing activities:		
Proceeds from exercise of stock options	—	1,299
Tax withholdings on issuance of stock awards	(705)	(1,481)
Repurchase of common stock	—	(152,000)
Net cash used in financing activities	(705)	(152,182)
Net decrease in cash, cash equivalents and restricted cash	(16,891)	(147,420)
Cash, cash equivalents and restricted cash at beginning of period	205,526	332,335
Cash, cash equivalents and restricted cash at end of period	\$ 188,635	\$ 184,915

BRIDGEPOINT EDUCATION, INC.
Reconciliation of GAAP to Non-GAAP Financial Measures
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2018	2017
Operating Income Reconciliation:		
GAAP operating income	\$ 386	\$ 9,662
Restructuring and impairment expense (credit)	(159)	—
Non-GAAP operating income	<u>\$ 227</u>	<u>\$ 9,662</u>
Net Income Reconciliation:		
GAAP net income	\$ 2,297	\$ 9,869
Restructuring and impairment expense (credit)	(159)	—
Income tax impact	(1,745)	—
Non-GAAP net income	<u>\$ 393</u>	<u>\$ 9,869</u>
Diluted Income Per Share Reconciliation:		
GAAP diluted income per share	\$ 0.08	\$ 0.23
Restructuring and impairment expense (credit)	(0.01)	—
Income tax impact	(0.06)	—
Non-GAAP diluted income per share	<u>\$ 0.01</u>	<u>\$ 0.23</u>