



Lincoln Educational Services Corporation



4.5 to 5.5
CCC+ to B+

Headquarters	West Orange, NJ	U.S.
Type	Public	
Employees	~1,900	
Year Founded	1946	
Website	https://www.lincolntech.edu/	
Business	Provider of technical skills training	
Revenues	\$348.3M	

Company Overview

General Business Description:

- Lincoln Educational Services Corporation is a provider of technical skills training, established in 1946. It offers specialized training programs designed to train future technicians for various industries. The company is publicly traded on Nasdaq (ticker = LINC).

Main Products and Product Lines:

- Automotive: Technology, collision repair, and refinishing
- Skilled Trades: Electrical and electronics
- Healthcare, Culinary, Information Technology, Cosmetology

Main Customer Types:

- Individuals seeking career training in the aforementioned fields. High school seniors and individuals looking to change or advance their careers are the likely target demographic.

Financial Snapshot

	Dec-21	Dec-22	Chg
\$ '000s	T12	T12	%
Total Revenue	335	348	3.9%
Gross Profit	196	200	1.6%
Adjusted EBITDA	35	24	-32.1%
Gross Profit Margin	58.6%	57.3%	-1.3 ppt
EBITDA Margin	10.3%	6.8%	-3.6 ppt

Financial Ratio Benchmarking

Financial Risk				Weight	Score Range
				75%	4.8 to 5.3
		Benchmark Median	Percentile Rank	Company Metric	Notes
Liquidity	Revenue	\$191M		\$348M	# of Industry Benchmarks: 28 Company Financials Date: Dec-22 Industry Benchmarks - Primary: Education Services
	Current Ratio	1.24		2.07	
Leverage	Quick Ratio	1.12		2.03	
	Net Debt / EBITDA	1.20		2.32	
Profitability	Debt to Assets	23.0%		34.5%	
	EBITDA Margin	11.3%		6.8%	
		ROCE %	7.2%	6.9%	

Business Risk

Industry Group Risk Profile				50%	5.0	to	6.1
Industry Risk Assessment				Business And Consumer Services			
Cyclicality	Intermediate risk			Primary revenues from offering solutions for noncore activities or providing varied business and consumer services, including: services for direct consumer needs; product distribution services; facilities services for maintaining other businesses' premises or staffing; and general and professional services for complex business support.			
Competitive Risk	Intermediate risk						
Global Industry	Intermediate risk						
Market Segment Outlook	Stable						
Competitive Risk And Growth Subfactors							
Industry Barrier to Entry	Medium risk			Company established in 1946. Some success in market leadership but inconsistent. Some scale and diversity, but limited to specific markets or services. Some brand strength but may not command a premium. Moderate market position, some ability to create barriers. Moderate reliance on a group of customers or end-markets.			
Level / Trend of Industry Margins	Medium risk						
Secular Change / Substitution Risk	Low risk						
Growth Trend Risk	Medium risk						
Competitive Position				50%	5.4	to	6.0
Cycle-Tested	< 2000			Company established in 1946. Some success in market leadership but inconsistent. Some scale and diversity, but limited to specific markets or services. Some brand strength but may not command a premium. Moderate market position, some ability to create barriers. Moderate reliance on a group of customers or end-markets.			
Business Strategy	Satisfactory						
Scale and Scope	Satisfactory						
Brand Equity and Reputation	Satisfactory						
Market Position	Satisfactory						
Customer Diversity	Satisfactory						

Management, Governance, Sponsorship

Anchor Modifiers

Modifiers				Weight	Score Range
				0%	- to -
Financial Flexibility		Adjustment		Limited FCCR of 1.23x	(0.6) to (0.5)
Fixed Cost Coverage Risk		Risk Flag			

Rating Range (Rounded)

4.5 to 5.5