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Personalized learning, unlimited potential.

McGraw Hill, Inc. is a leading global provider of education solutions for preK-12, higher education and professional learning. Watch Anna's Story to learn more.

Fiscal Q3 2026 Performance Summary

~$434M **Total Revenue** (Increased 4.2% Y/Y)	**~$357M** **Re-occurring Revenue[1]** (Increased 14.8% Y/Y)	**~$364M** **Digital Revenue** (Increased 11.0% Y/Y)	**~$1.70B** **RPO[2]**
~$370M **Gross Profit**	**85.3%** **Gross Profit Margin** (Increased ~100 basis points Y/Y)	**~$136M** **Adjusted EBITDA[3]**	**31.3%** **Adjusted EBITDA Margin[4]** (Increased ~100 basis points Y/Y)

Performance Highlights

- **Q3 Strength Reflects Diversification and Scale.** Re-occurring and digital revenue drove top-line growth and margin expansion. FY26 guidance raised, setting a foundation for FY27[5] total company growth.

- **Higher Education Momentum.** Growth driven by record market share, value-based pricing, and enrollment. Evergreen comprises 70% of HE revenue, tracking ahead of initial expectations. Opportunity ahead with Inclusive Access runway, greater institutional focus with Sharpen Advantage, and TAM expansion with ALEKS Calculus. Strength underpinned by top tier go-to-market team.

- **Continued K-12 Share Capture.** Ongoing share gains are partly offsetting the predictably smaller FY26 market, with core strength in Science and ELA. Strategically positioned into the larger market opportunity in FY27[5] with end-to-end offerings, including supplemental & intervention along with core programs that are complemented by integrated capabilities, such as McGraw Hill Plus.

- **AI-Powered Capabilities Resonate.** Integrating AI to drive better outcomes and enhance the customer value proposition. These tools are driving engagement higher, reinforcing our view that AI is a tailwind. AI Reader is scaling, with 16M interactions in Q3. Continue to gain external recognition for the most effective use of AI among students and educators.

- **Balance Sheet Deleveraging Continues.** Reduced gross debt during Q3. Net leverage stood at 2.9x. Since the IPO, annualized cash interest savings have been reduced by over $41 million. MH remains committed to a net leverage target of 2.0-2.5x.

- **CEO Transition Sets Up Next Stage of Growth.** As previously announced, McGraw Hill appointed Philip Moyer as President and CEO, effective February 9th. Moyer has a seasoned leadership background, deep experience in enterprise technology and AI, and a previous entrepreneurial endeavor in education. Former CEO, Simon Allen, remains Board Chair to ensure a smooth transition while remaining deeply engaged as a steward for McGraw Hill moving forward.

1) Re-occurring Revenue represents revenue from offerings that are generally sold as digital subscriptions and multi-year print products. Revenue from digital subscriptions, which are paid for at the time of sale or shortly thereafter, is recognized ratably over the term of the subscription period as the performance obligation is satisfied. For multi-year print products (e.g., workbooks), which are paid for at the beginning of the contract period, each academic year represents a distinct performance obligation. Revenue is recognized upon delivery to the customer for each respective academic year.
2) Remaining Performance Obligations ("RPO") represent the total contracted future revenue that has not yet been recognized. RPO is associated with our digital subscriptions and multi-year print products and is impacted by various factors, including the timing of renewals and purchases, contract durations, and seasonal trends.
3) Adjusted EBITDA is defined as net income (loss) from continuing operations plus interest expense (income), net, income tax provision (benefit), depreciation and amortization, restructuring and cost savings implementation charges, the effects of the application of purchase accounting, advisory fees paid to Platinum Advisors pursuant to the Advisory Agreement (which was terminated upon consummation of our IPO on July 25, 2025), impairment charges, transaction and integration costs, stock-based compensation, (gain) loss on extinguishment of debt and the impact of earnings or charges resulting from matters that we do not consider indicative of ongoing operations.
4) Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by total revenue.
5) See "Cautionary Note Regarding Forward-Looking Statements" in the Quarterly Report on Form 10-Q and "Safe Harbor Statement" in the Earnings Press Release on the Company's Investor Relations website.

See the Earnings Press Release on the Company's Investor Relations website and Quarterly Report on Form 10-Q each dated as of February 11, 2026 for definitions and reconciliations of non-GAAP measures.