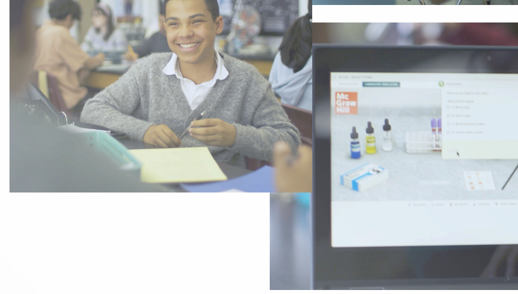
Mc Graw Hill

Personalized learning, unlimited potential.

McGraw Hill, Inc. is a leading global provider of education solutions for preK-12, higher education and professional learning. Learn more.



Fiscal Q1 2027 Performance Summary

Revenue Metrics	~$550M Total Revenue (Increased 2.6% Y/Y)	~$426M Re-occurring Revenue[1] (Increased 9.8% Y/Y)	~$354M Digital Revenue (Increased 8.8% Y/Y)	~$1.5B RPO[2]
Profitability	79.9% Gross Profit Margin (Increased ~290 basis points Y/Y)	~$207M Adjusted EBITDA[3] (Increased 8.2% Y/Y)	37.7% Adjusted EBITDA Margin[4] (Increased ~190 basis points Y/Y)	~$58M GAAP Net Income
Scale & Usage	100M+ Active Curriculum Licenses	~190 Terabytes of Data	~26B Learning Interactions[5]	7.5M+ Users of AI Learning Tools

Performance Highlights

- **Strong Q1 Results and Back-to-School Momentum.** Fiscal first quarter 2027 results exceeded our expectations. With 100M+ active licenses, MH has more paid users than any education company in the world. We are harnessing AI to support growth momentum, while staying true to our roots - delivering trusted content and pedagogy through innovative integrated solutions, with a best-in-class go-to-market team.
- **AI Adoption Accelerates.** AI represents a tailwind to growth, price, margins, and market share. Embedding value-added AI tools for educators and students directly into existing workflows has resonated with a direct uplift to utilization. AI Reader has scaled to 63M interactions across 2.6M students through July 2026. In addition, our innovative agentic AI strategy continues to progress as we engage with potential customers.
- **Delivering AI Learning Tools that Educators Trust.** MH provides educators with an out-of-the-box solution that stitches together curriculum + tools + data with AI that can be trusted. Our Global Education Insights Report surveyed 1,300+ educators globally and found that educators are 81% more likely to trust AI embedded in education platforms versus general GenAI chatbots.
- **Higher Education Outperformance.** MH delivered another quarter of year-over-year market share gains in Higher Education, according to MPI. Evergreen is enabling more takeaway opportunities, with 59% of accounts moving to the most recent release without sales rep intervention.
- **K-12 ELA Showing Positive Momentum.** The early cumulative capture rate for our new ELA program exceeds our target. In July 2026, state reviewers in California recommended our ELA programs for approval. Our new exclusive integration with ROAR complements our core curriculum with the only dyslexia screener that can assess K-12. In Math, Florida recently approved our program ahead of the state's adoption that begins in fiscal year 2028.
- **Capital Allocation Flexibility.** In July 2026, Moody's Ratings upgraded the Company's credit ratings. MH continues to focus on gross debt reduction and its 2.0-2.5x net leverage target. Our best-in-class margin profile among education peers supports building cash flows[6] and financial flexibility, setting up multiple levers for shareholder value creation.

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 on July 25, 2025 in connection with the consummation of our initial public offering), 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 our ongoing operations.
4) Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by total revenue.
5) Learning interactions measures the volume of user-driven educational activities across McGraw Hill platforms, including answering questions, completing assignments, and engaging with learning content. This data captures activity across K-12 platforms (e.g., Open Learning, ConnectED, ALEKS), Higher Education (e.g., Smartbook, Connect), and Enterprise IDM. For the fiscal year ended March 31, 2026, coverage expanded to include A3K Literacy, Actively Learn, and additional Connect data.
6) See "Cautionary Note Regarding Forward-Looking Statements" in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2026 and the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2026 and "Safe Harbor Statement" in the Earnings Press Release for the fiscal quarter ended June 30, 2026, all on the Company's Investor Relations website.

See the Company's Quarterly Report on Form 10-Q and Earnings Press Release, each dated as of August 13, 2026, on the Company's Investor Relations website for definitions and reconciliations of non-GAAP measures.