Fiscal Q1 2027 Investor Presentation

August 13, 2026

Mc Graw Hill

Today's Presenters

Philip Moyer
President, CEO

Bob Sallmann
EVP, CFO

McGraw Hill

Disclaimer

This presentation includes statements that are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by the use of forward-looking terminology, including terms such as “believes,” “estimates,” “anticipates,” “expects,” “projects,” “intends,” “plans,” “may,” “will,” “should” or “seeks,” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include, but are not limited to, statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties, as they relate to events and depend on circumstances that may or may not occur in the future. The Company’s expectations, beliefs and projections are expressed in good faith, and the Company believes there is a reasonable basis for them; however, the Company cautions readers that forward-looking statements are not guarantees of future performance and that the Company’s actual results of operations, financial condition and liquidity, and the developments in the industry in which the Company operates, may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements contained in this presentation, including those described under the headings “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Business” and “Cautionary Note Regarding Forward-Looking Statements” in the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, and in other filings made with the U.S. Securities and Exchange Commission. In addition, even if our results of operations, financial condition and liquidity, and the developments in the industry in which we operate are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods. Any forward-looking statements the Company makes in this presentation speak only as of the date of such statement. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities law. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data. Unless otherwise noted, all information included herein is as of June 30, 2026.

This presentation contains certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin. A “non-GAAP financial measure” is defined as a numerical measure of a company’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statements of operations, balance sheets, or statement of cash flows of the Company. Such measures are presented for supplemental information purposes only, have limitations as analytical tools, and should not be considered in isolation or as substitute measures for our results as reported under GAAP. See slide 27. Because not all companies use identical calculations, our measures may not be comparable to other similarly titled measures of other companies, and our use of these measures varies from others in our industry. Such non-GAAP financial measures are included because they are a basis on which our management assesses the Company's performance. Although we believe these measures are useful for investors for the same reasons, we recommend that users of the financial statements note that these measures are not a substitute for GAAP financial measures or disclosures. We provide reconciliations of such non-GAAP measures to the corresponding most closely related GAAP measure on slide 27.

This presentation contains forward-looking estimates of Adjusted EBITDA for fiscal year 2027. We provide this non-GAAP measure to investors on a prospective basis for the same reasons (set forth above) that we provide it to investors on a historical basis. We are unable to provide a reconciliation of our forward-looking estimate of fiscal year 2027 net income (loss) to a forward-looking estimate of fiscal year 2027 Adjusted EBITDA because certain information needed to make a reasonable forward-looking estimate of net income (loss) for fiscal year 2027 is unreasonably difficult to predict and estimate and is often dependent on future events that may be uncertain or outside of our control. In addition, we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on our future financial results. Our forward-looking estimates of both GAAP and non-GAAP measures of our financial performance may differ materially from our actual results and should not be relied upon as statements of fact.

Company Overview

McGraw Hill

Global Scale
Content Depth
Precision Learning

Delivering the right question at the right moment.

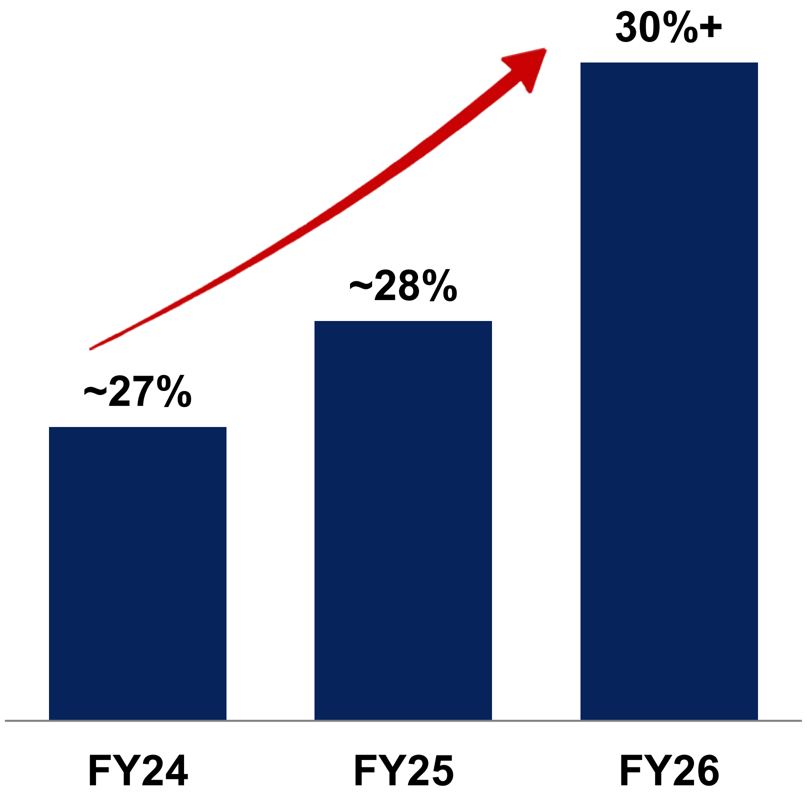
100M+ Active Curriculum Licenses	**TENS OF THOUSANDS** of Titles in Library	**190** Terabytes of Data	**26B** Learning Interactions[1]
7.5M+ users of AI learning tools	Across 100+ countries & spanning 500+ subjects	Mapped to global standards	Structured data interactions revealing how students learn

Trusted Content · Behavioral Data · Adaptive Intelligence · Personalized Learning

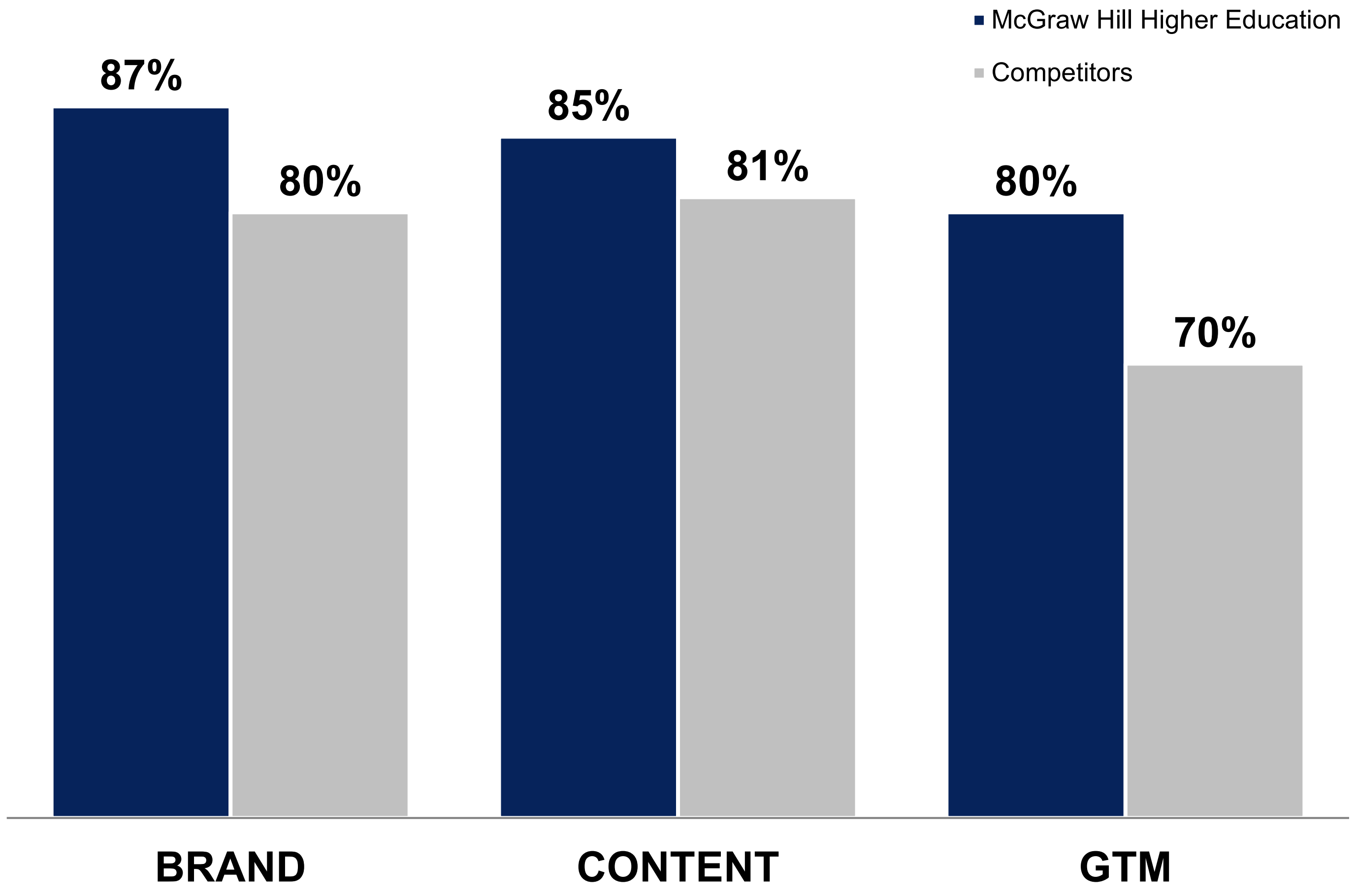
Note: All metrics are for the fiscal year ended March 31, 2026.
(1) Learning Interactions measures the volume of user-driven educational activities across McGraw Hill platforms — including answering questions, completing assignments, and engaging with learning content. This data captures activity across K-12 platforms (Open Learning, ConnectED, ALEKS), Higher Education (SmartBook, Connect), and Enterprise IDM. In FY2026, coverage expanded to include A3K Literacy, Actively Learn, and additional Connect data.

Higher Education Competitive Position

Market Share[1]



Customer Satisfaction[2]



(1) Refers to the net revenue share as reported by Management Practice Inc (MPI) in the U.S. Higher Education Market.
(2) Source: Survey of Higher Education Instructors conducted on a blind basis by McGraw Hill, Spring 2026. N = 1396. Note: Percentages refer to the percent of respondents who were highly satisfied or somewhat satisfied.

Science of Reading | Next-Gen Literacy Curriculum

Reading
- First Read
- Returning to the Text
- Working from the Text
- Multimedia

Writing
- Respond to Reading
- Sentence Construction
- Direct Writing Instruction
- Writing Process
- Research

Speaking and Listening
- Shared Reading
- Collaborative Work
- Presentations
- Performance

Self-Efficacy

The Science of Literacy

integrates research-backed reading, writing, and knowledge-building into a unified K–12 instructional framework that develops fluent, critical readers, writers, and thinkers.

Learn more about the Science of Reading on our Website

Positioned to Benefit from a Multi-Year Science of Reading Adoption Cycle

ROAR: Exclusive Integration of The Only K-12 Research-Backed Dyslexia Screener

Rapid Online Assessment of Reading

- Only literacy screener assessing foundational reading skills across the full K-12 continuum
- Developed at Stanford GSE Reading and Dyslexia Research Program
- Grounded in 10+ years of reading and neuroscience

Strategic Value

- Connects assessment, instruction, and intervention within MH's literacy portfolio
- Complements core MH ELA programs:
- Addresses state mandates for dyslexia screening with a research-backed differentiated solution

Revenue Opportunity

- 500,000+ learners served
- Clear pipeline for expansion nationwide
- Exclusive integration strengthens competitive position leading to new integrated offerings

Research-backed Dyslexia Screening Helping Educators Identify Reading Difficulties and Connect Every Student to the Right Support

Global Professional and International Scale & Reach

Extending McGraw Hill's Trusted Content and Learning Platform Across Healthcare and Global Education Markets

Global Professional

Medical Education and Healthcare Are Converging

~4,000

Medical Schools Globally

98%

U.S. Medical Schools Served

International

Global Provider at Scale with Highly Respected Brand

100+

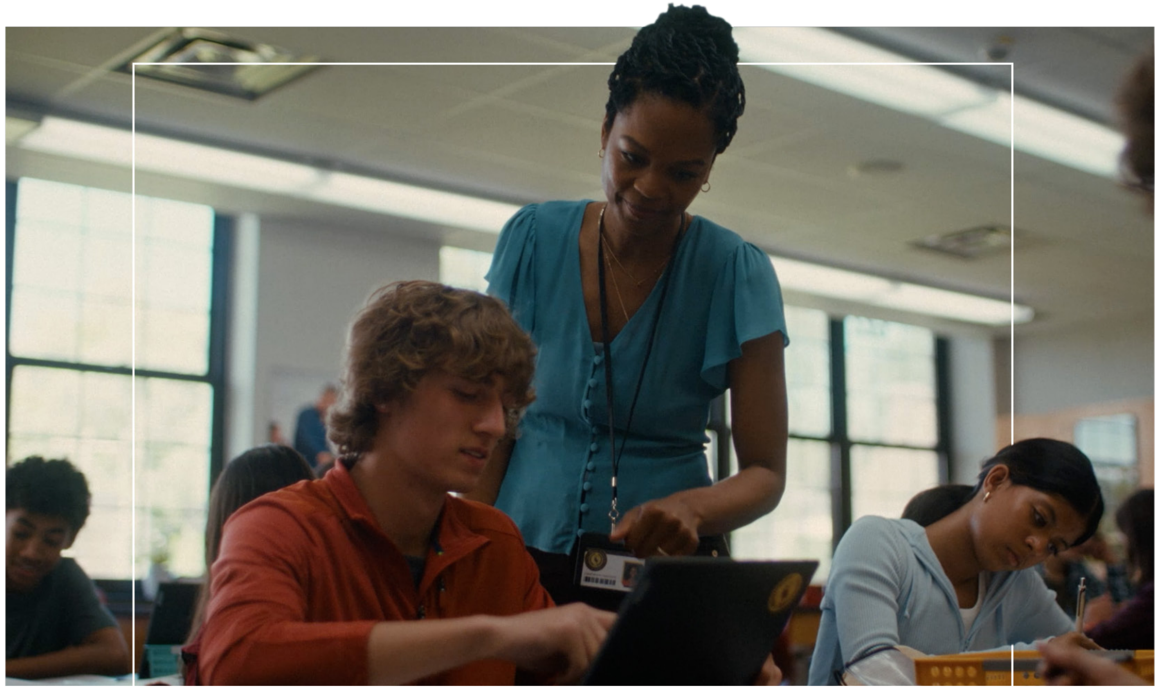
Countries Served

80+

Languages Providing Localized Solutions

All metrics are for the fiscal year ended March 31, 2026.

The Human Elements of Teaching are Irreplaceable



Educators are 81% More Likely to Completely Trust AI Embedded in Education Platforms than General GenAI Chatbots

Among Educators, Trust in GenAI Chatbots **Declined 33% YoY**

Nearly 9 in 10 Educators Expect AI Use in Education to Increase Over the Next Decade

Educators: AI can never replace…

73% Social/emotional support

72% Teacher-student relationships

Source: *2026 McGraw Hill Global Education Insights Report.*

McGraw Hill AI Differentiation

01 Trusted Content Is the Foundation of Effective AI

AI without structure hallucinates. Effective AI in education demands state-aligned, culturally adept, **pedagogically sound curriculum** as its backbone.

02 One Integrated Solution — No Assembly Required

The average school juggles 2,400+ tools and 25+ logins per teacher. McGraw Hill replaces that chaos with a **single integrated platform embedded directly in educator workflows**.

03 Real Learning Requires Real Data

Content alone isn't enough. McGraw Hill Plus uses machine learning and billions of learning interactions to build **holistic learner profiles**, giving educators **precise insight** into what's working and for whom.

04 The "Last Mile" of Support

From print to digital delivery to professional development, McGraw Hill provides a **complete, integrated offering**, not just materials, but the ongoing support to use them effectively.

05 Predictable Pricing, Built for District Budgets

One bundled price covers students, teachers, and the institution, eliminating the unpredictable token-consumption costs that could make AI tools difficult for districts to plan around.

06 Built for the Agentic AI Era

McGraw Hill continues to make progress on its agentic strategy, positioning our curriculum as a **trusted content layer** powering the user interface that students, instructors, and others can engage with.

Visit our website to learn more about our AI tools and guiding principles.

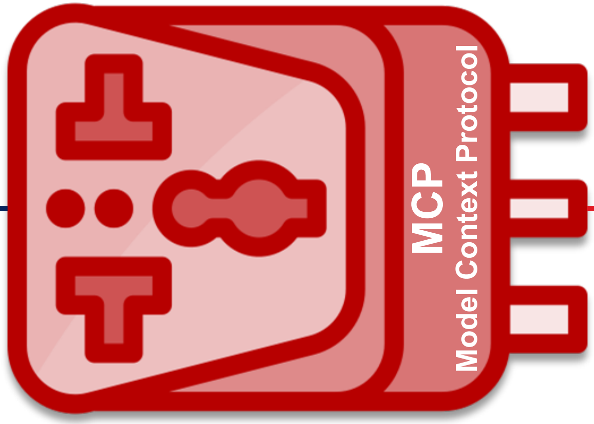
AI That Actually Knows What You're Learning

Our MCP Bridge is the "universal plug" that connects AI agents to McGraw Hill's proprietary, verified curriculum content — in real time.

Institution's AI Assistant

(ChatGPT, Claude, Copilot, Gemini)

The Universal Plug



Model Context Protocol Bridge

The Universal Plug for AI in Education

Digital Learning Platform

McGraw Hill

ALEKS

AccessMedicine

connect

SIMnet

sharpen.

“

Working together, we can build AI that expands the capacity of teachers while preserving the relationships, mentorship and human connection that make learning possible.

Philip Moyer

President, Chief Executive Officer of McGraw Hill, Inc.

Financial Overview

FY27-Q1 Highlights

- Strong Q1 FY2027 ahead of expectations
- Continued market share gains and momentum entering key selling season
- Quality digital and re-occurring revenue growth
- Proprietary data and integrated AI solutions momentum while taking the lead exploring agentic curriculum pilots
- Continued strong operating leverage and margin expansion amid ongoing reinvestment

$550M
Revenue
+2.6% Y/Y

$426M
Re-occurring Revenue
+9.8% Y/Y

$354M
Digital Revenue
+8.8% Y/Y

79.9%
Gross Profit Margin
+290 bps Y/Y

$1.5B
RPO[1]
Providing Forward Visibility

$207M
Adjusted EBITDA[2]
+8.2% Y/Y

37.7%
Adj. EBITDA Margin[2]
+192 bps Y/Y

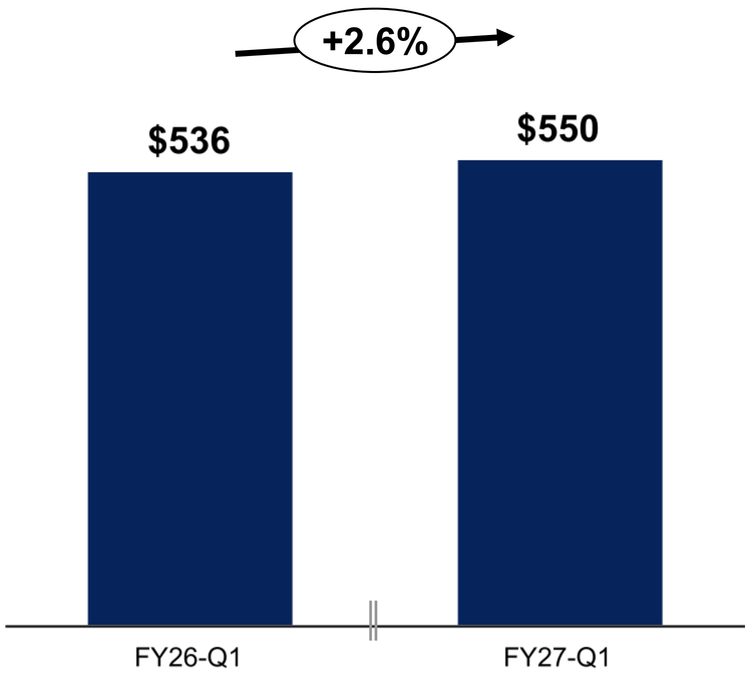
$58M
GAAP Net Income

Note: All metrics are for the fiscal quarter ended June 30, 2026. Company fiscal year end is March 31st.
(1) See slide 30 for RPO definition. (2) See slide 27 for Adj. EBITDA and Adj. EBITDA Margin Reconciliation and slide 31 for definition of Adj. EBITDA and Adj. EBITDA Margin.

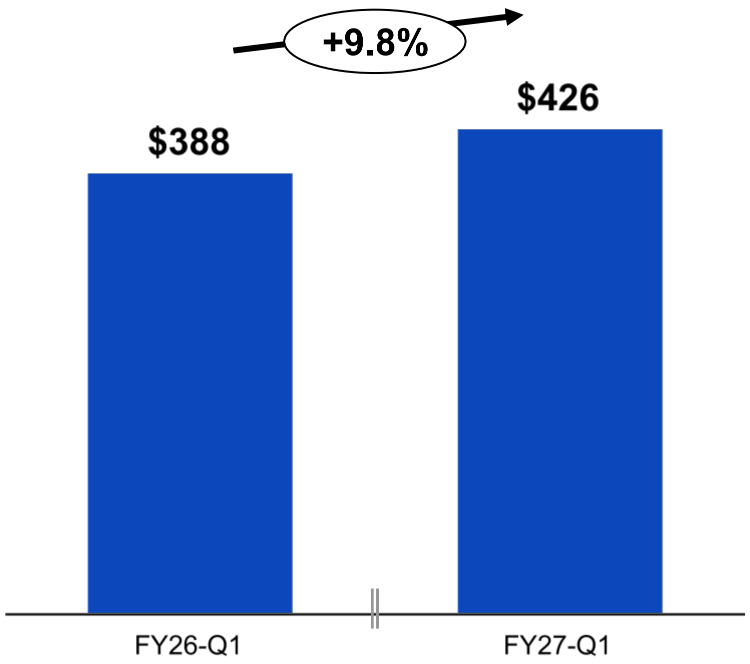
Total Company FY27-Q1 Revenue

$ in millions

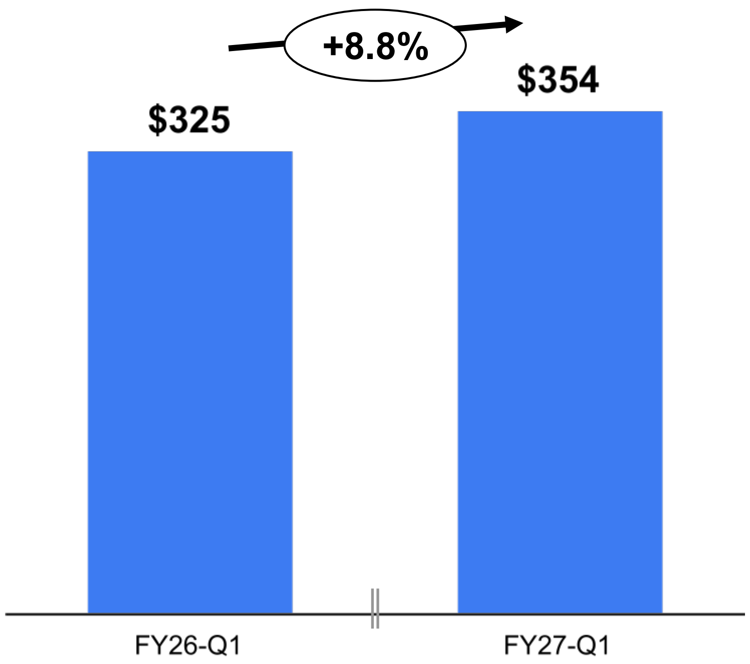
Total Revenue



Re-occurring Revenue[1]



Digital Revenue



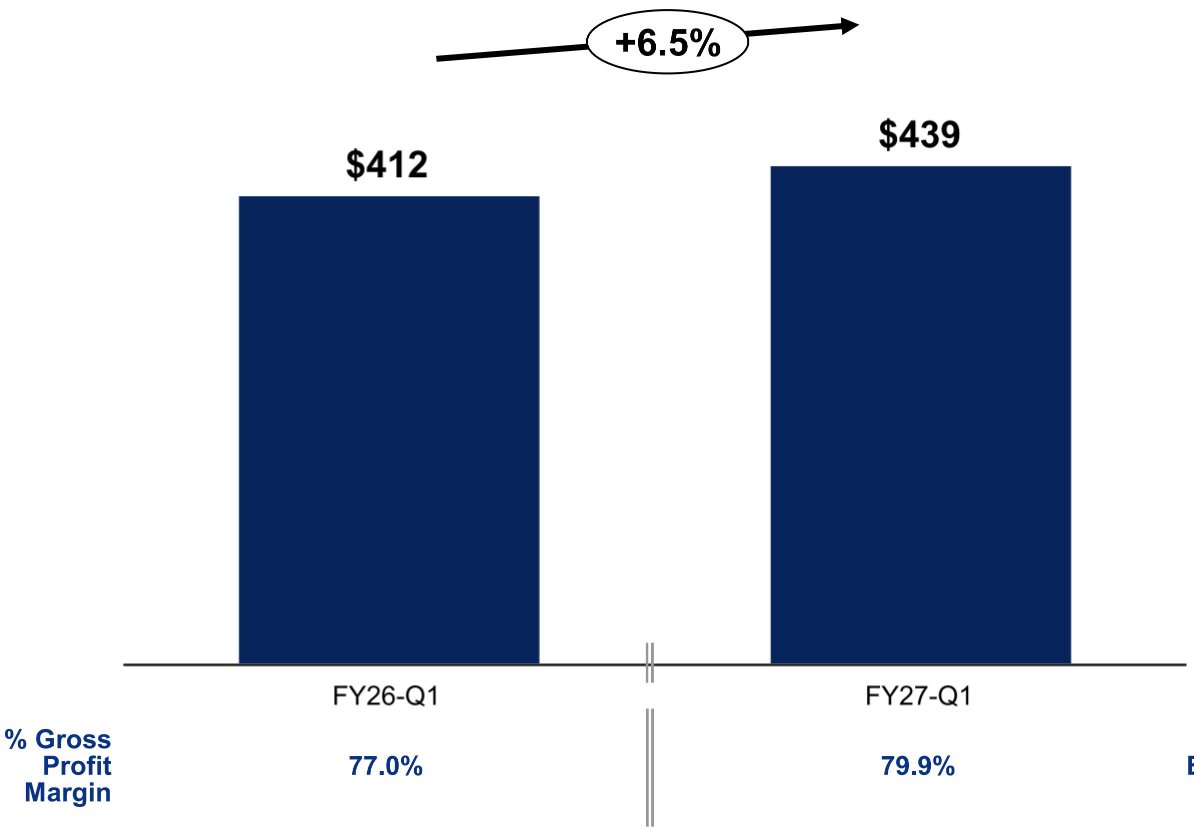
	FY26-Q1	FY27-Q1
% Re-occurring	**72%**	**77%**
% Digital	**61%**	**64%**

Note: Figures presented on a GAAP basis. Amounts may not sum due to rounding. Company fiscal year end is March 31st.
(1) See slide 30 for Re-occurring revenue definition.

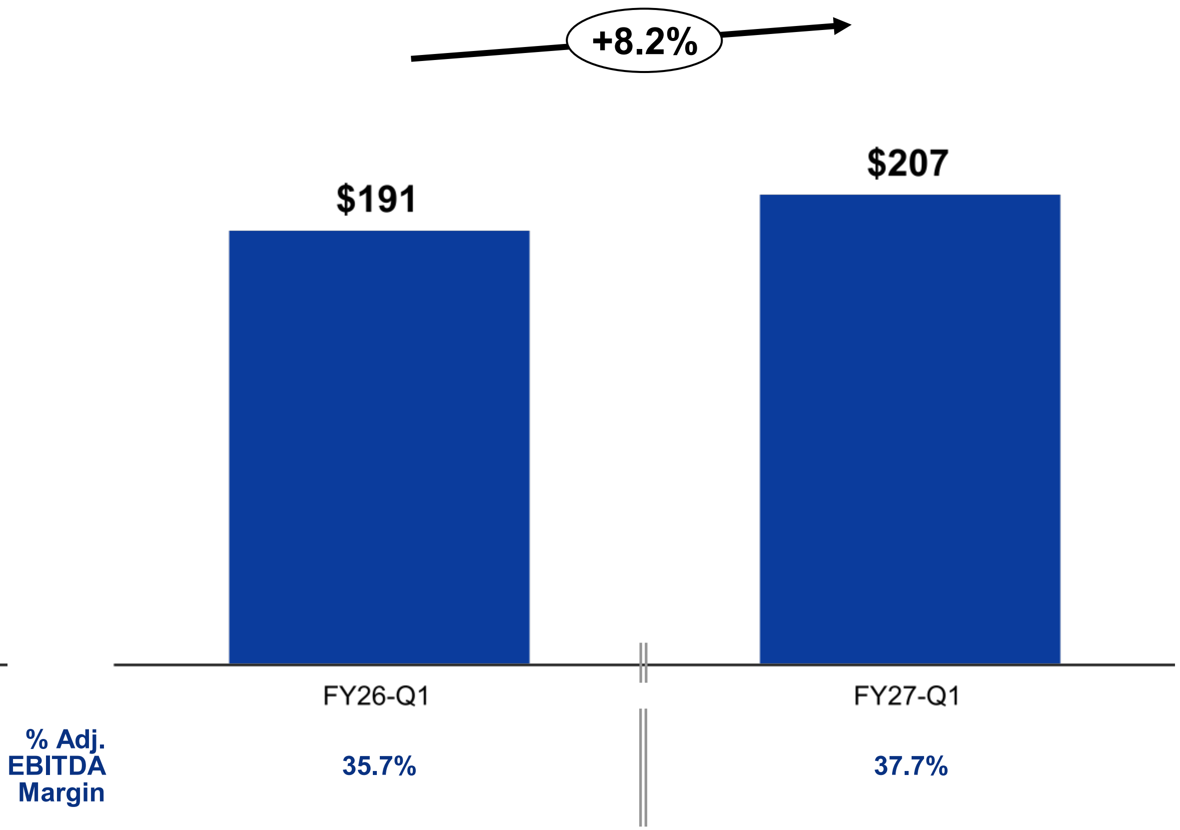
Total Company FY27-Q1 Margin Profile

$ in millions

Gross Profit[1]



Adj. EBITDA[2]

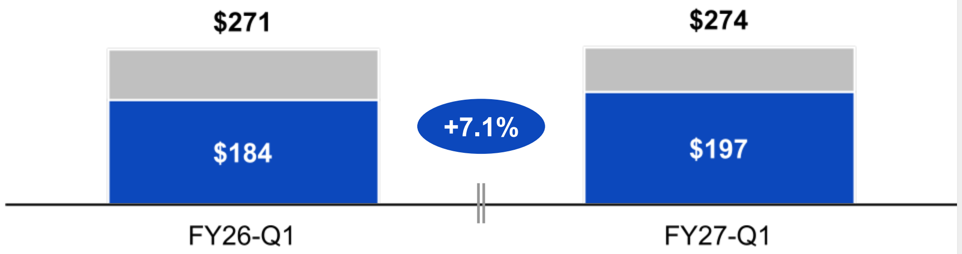


(1) See slide 29 for Gross Profit and Gross Margin Reconciliation. Gross profit is revenue less cost of sales (excluding depreciation and amortization).
(2) See slide 27 for Adj. EBITDA and Adj. EBITDA Margin Reconciliation and slide 31 for definition of Adj. EBITDA and Adj. EBITDA Margin.

McGraw Hill FY27-Q1 Revenue by Segment

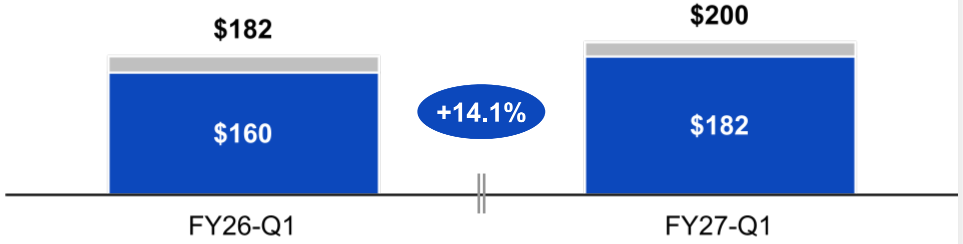
$ in millions

K-12



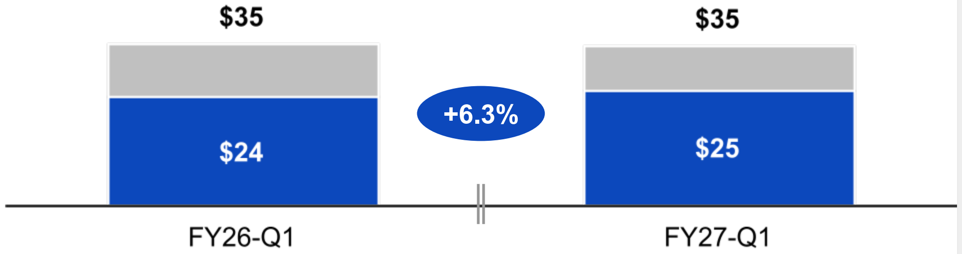
	FY26-Q1		FY27-Q1
YoY Rev. Growth		1.3%	
% Re-occurring	68%		72%
% Digital	40%		42%

Higher Education



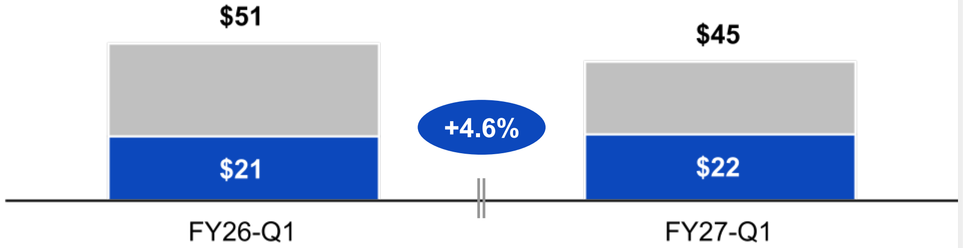
	FY26-Q1		FY27-Q1
YoY Rev. Growth		9.6%	
% Re-occurring	87%		91%
% Digital	93%		95%

Global Professional



	FY26-Q1		FY27-Q1
YoY Rev. Growth		-1.0%	
% Re-occurring	67%		72%
% Digital	72%		77%

International*



	FY26-Q1		FY27-Q1
YoY Rev. Growth		-12.1%	
% Re-occurring	40%		48%
% Digital	43%		50%

Transactional Revenue *Re-occurring Revenue*

*Note: Figures presented on a GAAP basis. Amounts may not sum due to rounding. *On a constant currency basis, total International revenue declined 13% year-over-year in fiscal Q1.*

Balance Sheet and Liquidity

$ in millions

- Cash on hand of $194M; Total committed liquidity of $644M (cash, revolver & ABL)
- Revolving credit facilities remain undrawn
- Moody's upgraded our credit ratings in July 2026
- Committed to 2.0x – 2.5x Net Debt / Adjusted EBITDA target

Debt Profile: 06/30/2026

($ in millions)	
Senior Secured Term Loan due 2031	**$552**
Revolving Credit Facility due 2029 ($450M)[1]	**—**
Senior Secured Notes due 2028	**828**
Senior Secured Notes due 2031	**650**
Total First Lien Indebtedness	**$2,030**
Less: Cash and Cash Equivalents	(194)
Net First Lien Indebtedness	**$1,836**
Senior Unsecured Notes Due 2029	599
Gross Debt	**$2,629**
Total Net Indebtedness - MH, Inc.	**$2,435**
Adjusted EBITDA (Last Twelve Months - "LTM")	$760
Total Net Indebtedness / LTM Adjusted EBITDA	**3.2x**
Consolidated Adjusted EBITDA (LTM as defined under the credit agreement)	$650
Net First Lien Leverage[2]	2.9x
Total Net Indebtedness / LTM Consolidated Adjusted EBITDA	3.7x

Note: LTM is defined as the twelve-month period ended on the last day of the most recently completed fiscal quarter and is calculated by adding the results for the three months ended June 30, 2026, to the results of the fiscal year ended March 31, 2026, and subtracting the three months ended June 30, 2025.

The company no longer discloses Proforma Consolidated Adjusted EBITDA further adjusted for cost savings. Prior operational improvements have been realized net of costs to achieve. Additional cost savings are considered within the Company's fiscal year 2027 guidance.

(1) Revolving credit facility of $450M includes $150M RCF and $300M ABL, excluding ~$5.4M of letters of credit. Under the recent amend and extend transaction, of the $150M RCF, $111.25M extended and the remaining did not. After the July 2026 maturity, the RCF will decrease by $38.75M leaving the remaining facility at $411.25M.

(2) Net First Lien Leverage springing covenant for the revolving credit facility is tested if 40% of revolving credit facility is drawn at quarter-end. Net First Lien Leverage springing covenant levels, if required to be tested, would be 6.95x for the relevant quarter. The Net First Lien Leverage springing covenant is calculated by dividing Consolidated First Lien Secured Debt by Consolidated Adjusted EBITDA, as such terms are defined in our credit agreements. The Consolidated First Lien Secured Debt was $1,852M as of June 30, 2026, and is defined as Net First Lien Indebtedness of $1,836M plus capital lease obligations of $16M. Consolidated Adjusted EBITDA is calculated in accordance with our credit agreements and may include pro-forma adjustments that are permitted under the credit agreements and indentures.

Consolidated FY27-Q1 Cash Flow Summary

$ in millions

	Three Months Ended June 30,		
	FY26-Q1	FY27-Q1	Variance
Net Income (Loss)	**$1**	**$58**	**$57**
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
D&A, Provisions, Impairments and Other	137	140	3
Change in Working Capital	(234)	(198)	36
Cash provided by (used for) operating activities	**$(97)**	**$1**	**$97**
Product development expenditures	(23)	(34)	(12)
Capital expenditures	(16)	(24)	(8)
Cash provided by (used for) investing activities	**$(39)**	**$(58)**	**$(19)**
Cash paid for interest expense	22	9	(13)

Note: Amounts may not sum due to rounding.

Fiscal Year 2027 - Guidance

$ in millions

	FY27 Guidance As of August 13, 2026	
	Low	**High**
Revenue	$2,115	$2,175
Re-occurring Revenue[1]	$1,587	$1,627
Adjusted EBITDA[1]	$750	$790

(1) See slide 30 for definition of Re-occurring revenue. See slide 31 for definition of Adjusted EBITDA.

Medium-Long Range Framework

	FY2023A	FY2024A	FY2025A	FY2026A	Medium-Long Term Targets
Revenue Growth	8.8%	0.7%	7.2%	0.1%	5%+
Re-occurring Revenue (% of Total Revenue)	62.8%	67.1%	69.3%	73.0%	75%+
Digital Revenue (% of Total Revenue)	58.9%	64.0%	64.7%	68.0%	75%+
Gross Margin[1]	76.1%	78.6%	79.9%	80.9%	82%+
Adjusted EBITDA Margin[2]	31.7%	33.5%	34.6%	35.4%	37%+
Net Debt / Adjusted EBITDA[3]	5.5x	5.1x	4.0x	3.2x	2.0x – 2.5x

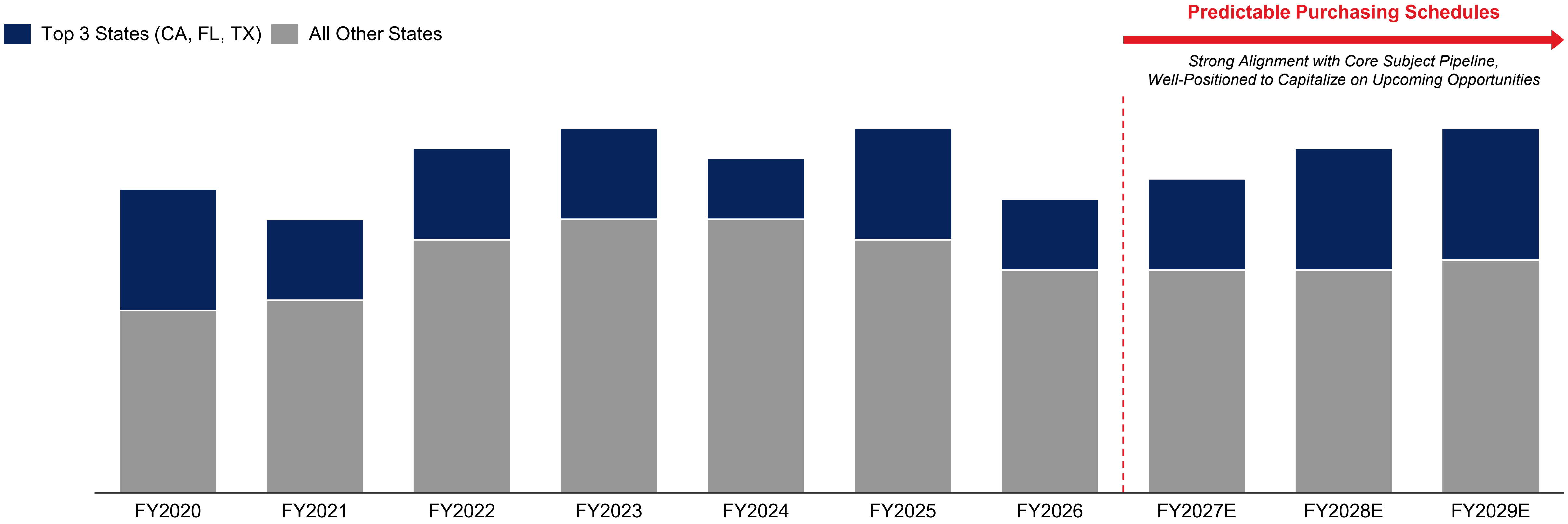
Notes: These medium- to long-term targets are for illustrative purposes only and should not be read as a guarantee of future performance or results. There can be no assurance when (if at all) such performance or results will be achieved. These forward looking medium- to long-term targets are not projections, estimates or guarantees of actual growth or enhanced unit economics. They are targets and are forward-looking, are subject to significant business, economic and competitive uncertainties, risks and contingencies, many of which are beyond the control of the Company and its management, and are based on assumptions with respect to future decisions, which are subject to change. Actual results may vary, and these variations may be material. For a discussion of some of these important factors that could cause these variations, please consult the "Risk Factors" section of the 10-K. (1) See slide 29 for Gross Margin Reconciliation. Gross profit is revenue less cost of sales (excluding Depreciation and Amortization). (2) See slide 27 for Adj. EBITDA Margin Reconciliation. (3) Net Debt is defined as Gross Debt, net of cash and cash equivalents. Gross Debt is defined as the total amount of principal borrowings outstanding.

A

Appendix / Reconciliations

K-12 Core Purchasing Schedules (FY2020 – FY2029E)

K-12 Core Market Size



	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027E	FY2028E	FY2029E
Top 3 States Key Subject and Grade Adoptions	• TX ELA (K-8) • CA Science (yr1)	• TX ELA (K-9-12) • CA Science (yr2)	• FL ELA • CA Science (yr3)	• FL Math • FL ELA (yr2) • CA Science (yr4)	• FL Social Studies • CA Science (yr5)	• TX Science • FL Science • FL SS (yr2)	• FL Science (yr2) • FL ELA (yr0) • CA Math (yr0)	• TX Math (yr1) • FL ELA (yr1) • CA Math (yr1)	• TX Math (yr2) • FL Math (yr1) • CA Math (yr2) • CA ELA (yr1)	• TX Math (yr3) • FL Math (yr2) • FL SS (yr1) • CA Math (yr3) • CA ELA (yr2)

Source: Internal company data. The data shown in this image reflects McGraw Hill's best estimates and projections for the K-12 Core Market and has been prepared by McGraw Hill using internal assumptions, estimates and data. Estimated and projected state and subject adoptions are subject to change.

GAAP Revenue Detail

$ in millions

Total Revenue

	Fiscal Year Ended March 31, 2025	Fiscal Year 2026 Q1	Fiscal Year 2026 Q2	Fiscal Year 2026 Q3	Fiscal Year 2026 Q4	Fiscal Year Ended March 31, 2026	Fiscal Year 2027 Q1
K-12	$ 970	$ 271	$ 359	$ 128	$ 126	$ 884	$ 274
Higher Education	783	182	213	225	258	879	200
Global Professional	150	35	40	36	39	150	35
International	201	51	50	44	41	187	45
Other	(3)	(4)	7	-	-	3	(4)
Total Revenue	**$ 2,101**	**$ 536**	**$ 669**	**$ 434**	**$ 464**	**$ 2,103**	**$ 550**

Digital Revenue

	Fiscal Year Ended March 31, 2025	Fiscal Year 2026 Q1	Fiscal Year 2026 Q2	Fiscal Year 2026 Q3	Fiscal Year 2026 Q4	Fiscal Year Ended March 31, 2026	Fiscal Year 2027 Q1
K-12	$ 431	$ 109	$ 119	$ 104	$ 99	$ 430	$ 114
Higher Education	723	169	186	203	242	800	190
Global Professional	103	25	26	28	28	107	27
International	103	22	21	29	24	97	23
Other	-	-	-	-	-	-	-
Total Digital Revenue	**$ 1,359**	**$ 325**	**$ 352**	**$ 364**	**$ 393**	**$ 1,434**	**$ 354**

Re-occurring Revenue

	Fiscal Year Ended March 31, 2025	Fiscal Year 2026 Q1	Fiscal Year 2026 Q2	Fiscal Year 2026 Q3	Fiscal Year 2026 Q4	Fiscal Year Ended March 31, 2026	Fiscal Year 2027 Q1
K-12	$ 602	$ 184	$ 216	$ 111	$ 109	$ 620	$ 197
Higher Education	667	160	162	196	217	734	182
Global Professional	95	24	25	25	25	99	25
International	93	21	20	25	22	88	22
Other	-	-	-	-	-	-	-
Re-occurring Revenue	**$ 1,457**	**$ 388**	**$ 422**	**$ 357**	**$ 373**	**$ 1,541**	**$ 426**

Note: Amounts may not sum due to rounding.

Remaining Performance Obligations (RPO)

$ in millions

	June 30, 2026			March 31, 2026		
	Current	Non-Current	Total	Current	Non-Current	Total
RPO by Segment:						
K-12	$ 477	$ 733	$ 1,211	$ 477	$ 772	$ 1,249
Higher Education	170	47	217	269	53	322
Global Professional	62	7	69	58	8	66
International	20	2	23	30	3	33
Other	3	-	3	1	-	1
Total RPO	**$ 733**	**$ 789**	**$ 1,522**	**$ 835**	**$ 836**	**$ 1,671**

Note: Amounts may not sum due to rounding.

Adjusted EBITDA Reconciliation

$ in millions

	Three Months Ended June 30,	
	FY26-Q1	FY27-Q1
Net income (loss)	$ 1	$ 58
Interest expense (income), net	59	46
Income tax provision (benefit)	37	11
Depreciation, amortization and product development amortization	88	83
EBITDA	**$ 184**	**$ 198**
Restructuring and cost savings implementation charges (a)	3	4
Advisory fees (b)	3	—
Transaction and integration costs (c)	—	—
Stock-based compensation (d)	—	4
Other (e)	2	2
Adjusted EBITDA (f)	**$ 191**	**$ 207**
Total Revenue	$ 536	$ 550
Net income (loss) margin	0.1 %	10.5 %
Adjusted EBITDA Margin	35.7 %	37.7 %

Note: Amounts may not sum due to rounding.

Adjusted EBITDA Footnotes

a. Represents severance and other expenses associated with headcount reductions and other cost savings initiated as part of our formal restructuring initiatives.

b. For the three months ended June 30, 2025, represents the pro rata portion of the annual $10.0 million of 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).

c. This primarily represents transaction and integration costs associated with acquisitions.

d. Represents stock-based compensation expense related to awards granted to our employees, directors and consultants under the Company's long-term incentive plans.

e. For the three months ended June 30, 2026 and 2025, this amount represents (i) foreign currency exchange transaction impact of $(0.7) million and $(1.9) million, respectively, (ii) non-recurring expenses related to strategic initiatives, including marketing, consulting, and non-operational costs associated with the market introduction of a new product launch of $2.6 million and $0.8 million, respectively, (iii) reimbursements of expenses paid to Platinum Advisors incurred in connection with its services under the Advisory Agreement (which was terminated on July 25, 2025 in connection with the consummation of our initial public offering) of nil and $0.1 million, respectively, (iv) non-recurring transaction-related costs associated with our initial public offering that were expensed as incurred of nil and $1.9 million, respectively, and (v) the impact of additional insignificant earnings or charges resulting from matters that we do not consider indicative of our ongoing operations of $(0.3) million and $0.7 million, respectively, that are primarily related to individually insignificant miscellaneous items, including asset dispositions, third party consulting and advisory fees associated with system and process rationalization initiatives, as well as certain additional payments related to incremental insurance premiums and policies as a result of the Platinum acquisition that did not renew after the consummation of our initial public offering.

f. The purchase accounting, impairment charges and (gain) loss on extinguishment of debt adjustments included in the definition of Adjusted EBITDA are not presented in the table above, as there were no such charges recognized during the three months ended June 30, 2026 and 2025.

Gross Profit and Gross Margin Reconciliation[1]

$ in millions

	Three Months Ended June 30,	
	FY26-Q1	FY27-Q1
Revenue	$ 536	$ 550
(-) Cost of sales (excluding depreciation and amortization)	123	111
Gross Profit	**$ 412**	**$ 439**
Gross Margin	**77.0%**	**79.9%**

Note: Amounts may not sum due to rounding.
(1) Due to the inherent subjectivity in the classification of costs between cost of sales and operating and administrative expenses across our industry, we do not focus on gross profit or gross margin as key operating metrics for our business.

Terms: Re-occurring Revenue, Transactional Revenue and RPO

Re-occurring Revenue includes 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 within the contract period, represents a distinct performance obligation. Revenue is recognized upon delivery to the customer for each respective academic year. Re-occurring Revenue serves as a key operating metric used by management as it offers valuable insight into the subscription-based nature of our business.

Transactional Revenue includes revenue from both print and digital offerings. Revenue from print offerings is recognized at the point of shipment and revenue from digital offerings are recognized at the time of delivery. In addition, revenues for amounts billed to customers in a sales transaction for shipping and handling are included in Transactional Revenue.

Remaining Performance Obligation ("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. Given these influencing factors, RPO should be evaluated alongside Re-occurring Revenue and other financial metrics disclosed within this presentation. RPO serves as a key operating metric used by management as it offers visibility into future revenue and facilitates the assessment of long-term growth sustainability.

While we believe that the above key operating metrics provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management, it is important to note that other companies, including companies in our industry, may not use these metrics, may calculate them differently, may have different frequencies or may use other financial measures to evaluate their performance, all of which could reduce the usefulness of Re-occurring Revenue, Transactional Revenue or RPO as a comparative measure.

Terms: EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are presented because our management uses them to assess our performance. We believe they reflect the underlying trends and indicators of our business and allow management to focus on the most meaningful indicators of our continuous operational performance.

EBITDA is defined as net income (loss) from continuing operations plus interest expense (income), net, income tax provision (benefit), depreciation and amortization.

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. Further, although not included in the calculation of Adjusted EBITDA, we may at times add estimated cost savings and operating synergies related to operational changes ranging from acquisitions or dispositions to restructurings and exclude one-time transition expenditures that we anticipate we will need to incur to realize cost savings before such savings have occurred.

Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by total revenue.

Each of the above measures is not a recognized term under GAAP and does not purport to be an alternative to net income (loss), or any other measure derived in accordance with GAAP as a measure of operating performance, or to cash flows from operations as a measure of liquidity. Such measures are presented for supplemental information purposes only, have limitations as analytical tools, and should not be considered in isolation or as substitute measures for our results as reported under GAAP. Management uses non-GAAP financial measures to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Because not all companies use identical calculations, our measures may not be comparable to other similarly titled measures of other companies, and our use of these measures varies from others in our industry. Such measures are not intended to be a measure of cash available for management’s discretionary use, as they may not capture actual cash obligations associated with interest payments, taxes and debt service requirements.