NEWS RELEASE

McGraw Hill Reports First Quarter Fiscal 2024 Financial Results

2023-08-10

COLUMBUS, Ohio (August 10, 2023) – McGraw Hill, a leading global education company, today reported financial results for the first quarter of fiscal year 2024 with $473 million in total billings, down 13% year-over-year with a larger adoption market opportunity positively impacting prior year results. Despite that impact, the company showed strong multi-year performance with billings approximately $90 million higher compared to the same quarter in fiscal year 2022 and $166 million higher than Q1 of fiscal year 2021.

The Company's digital transformation continued with activations of McGraw Hill Connect and ALEKS up 10% and 15%, respectively, vs. the prior year and digital billings accounting for 60% of total billings for the last 12-month period.

"We're proud of these results in a seasonally small quarter and amidst a smaller K-12 adoption market," said Simon Allen, McGraw Hill CEO. "We are seeing strong leading indicators across our business and confidence in our performance for the fiscal year remains high. We're excited as we continue to make advancements with our digital solutions and explore how to leverage powerful tools like generative AI to advance personalized learning, enhance learning experiences and improve operational efficiency."

Billings in the company's K-12 group were down 20% year-over-year in the first quarter as expected after a larger K-12 adoption state market opportunity in fiscal year 2023. Sales of supplemental and intervention solutions increased 17% and continue to augment the core business.

In Higher Education, total billings were down 1% while digital billings were up 4% as market share gains continued

in a seasonally small quarter. Inclusive Access sales increased 21% vs. prior year, now exceeding 40% of all billings and reaching more than 1,600 campuses. Inclusive Access provides course materials to students by the first day of class at a cost that is as much as 70% lower than traditional print materials.

Billings in the company's Global Professional group were down 2% driven by the release of the 21st edition of Harrison's Principles of Internal Medicine in Q1 fiscal 2023. Digital billings were up 13% due to strong Access subscription growth.

Billings in the International group were up 15% vs. prior year (11% on a constant currency basis) and digital billings up $7 million due to strong K-12 digital sales in the Middle East and Spain and higher education sales in Canada.

McGraw Hill

McGraw Hill is a leading global education company that partners with millions of educators, learners and professionals around the world. Recognizing their diverse needs, we build trusted content, flexible tools and powerful digital platforms to help them achieve success on their own terms. Through our commitment to equity, accessibility and inclusion, we foster a culture of belonging that respects and reflects the diversity of the communities, learners and educators we serve. McGraw Hill has over 30 offices across North America, Asia, Australia, Europe, the Middle East and South America, and makes its learning solutions for PreK-12, higher education, professionals and others available in more than 80 languages. Visit us at **mheducation.com** or find us on **Facebook**, **Instagram**, **LinkedIn**, or **X**.

Contact

Tyler Reed
McGraw Hill
(914) 512-4853
tyler.reed@mheducation.com