NEWS RELEASE

McGraw Hill Reports Fourth Quarter and Full Year Fiscal 2024 Financial Results

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COLUMBUS, Ohio (May 30, 2024) – McGraw Hill, a leading global education company, today reported financial results for the full 2024 fiscal year of $2 billion in billings, $728 million in Adjusted EBITDA at a 36% adjusted EBITDA margin and $511 million in Operating Free Cash Flow. Although total billings were down 5% year-over-year due to an expected smaller U.S. K-12 adoption market, fiscal Q4 was stronger than anticipated with a larger market opportunity expected in the 2025 fiscal year.

Digital billings increased year-over-year to $1.3 billion in the fiscal year, now making up 64% of total company billings and 90% of total Higher Education billings. During the 2024 fiscal year, the company saw continued growth in user engagement with its digital platforms, reaching new highs of over 7 million users globally on its AI-powered learning platform ALEKS and 6.7 million paid activations of Connect, including 1 million international activations, with growth of 12% and 10% respectively above last year.

The company continued to invest in new digital capabilities in fiscal 2024 with the release of new products that include ALEKS Adventure for K-3 math, First Aid Forward and the Access mobile app for the medical education market, as well as All Sorts and McGraw Hill Edge in international markets. The company has also begun the development and user testing of new generative artificial intelligence (GenAI) tools designed to improve the personalized learning capabilities of its platforms and extend day-to-day teacher capacity. A release of those tools will occur throughout fiscal year 2024. Additionally, the company is using GenAI tools to support content generation starting with its trusted medical education content and will soon expand to other content curation and assessment opportunities.

“This year was among the strongest on record for McGraw Hill, with a great fourth quarter giving us momentum into the start of fiscal 2025,” said Simon Allen, McGraw Hill CEO. “We continue to drive change across the business. With new leaders, more informed data and analytics, and continued platform investment, we will advance our highly digital, recurring business to a model that is increasingly usage-based.”

In its K-12 segment, the company reported one of the strongest fourth quarters on record, driven by robust pipeline conversions delayed from fiscal Q3. K-12 billings were down 14% to $946 million for the year due to the expected smaller adoption market opportunity.

In Higher Education, the company delivered the second consecutive fiscal year of billings growth and double-digit growth in digital billings. Billings were up 6% to $719 million with continued market share gains, and digital billings were up 10% to $650 million.

Billings in the Global Professional group grew 1% to $155 million for the fiscal year while digital billings expanded to $99 million as the business prioritizes digital medical education and sunsets print titles outside of engineering and medicine.

McGraw Hill’s International group billings increased 7% to $204 million in the fiscal year with strength in markets such as Canada, Spain, and the Middle East. Digital billings were $102 million in the fiscal year, now making up 50% of billings for the segment.

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**.

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