

### 2025

As the great Jim Lehrer once said, “There are very few really stark black and white stories.”

So goes the narrative to describe the operations of a holding company. In a world that sometimes requests or even demands explanation in pithy soundbites or 140 characters, this is a challenge. At a company like Graham Holdings, it’s impossible to neatly sum up a year; our diversity in business model and sector virtually guarantees our businesses will have different degrees of success in any given year.

Thankfully, if most things go well most of the time, particularly at our larger operations, the end results can be quite good, which was the case in 2025.

So what did we do this year?

- In Q1, we acquired a large chunk of CSI Pharmacy for \$205 million. At the end of 2025, our ownership stood at 87.5%.
- We refinanced \$400 million of bonds due in Q2 of 2026 with \$500 million of new bonds. The Company also extended and increased its revolving credit facility.
- We acquired the now renamed Hoover Architectural Solutions from Arconic. As part of the transaction, we assumed \$108 million of pension liabilities from the seller.
- In Q4, we acquired a Honda dealership and associated property in Woodbridge, Virginia. This dealership is contiguous to two existing rooftops we previously owned in Woodbridge.
- We hired Dee Grein as the new CEO of Graham Healthcare Group, our home health and hospice business.
- We opened 13 new Framebridge stores, a new Framebridge production studio, and expanded the plant at Joyce/Dayton, our U.S.-based linear motion manufacturer.
- We generated \$407 million in adjusted operating cash flow and spent \$80 million on capital expenditures.

Perhaps most importantly, we continued to evaluate opportunities with the same approach and care that we have applied for decades. Last year, we found very few places to spend capital outside of our current operations. When compared to internal initiatives driven by our managers, very little won. Instead, we grew value by letting our managers continue to spend their time improving the operating and financial results of our businesses.

Our adjusted operating cash flow generation was down from 2024 to 2025, decreasing from \$447 million to \$407 million. This was anticipated, as we went from an election year to a non-election year, with the corresponding decline in political advertising spend. The \$90 million decline at Graham Media Group was partially offset by improved results at most of our other businesses. Let’s look at this more closely. The table below shows Adjusted Operating Cash Flow for the last five years for Graham Media Group, the operating businesses excluding Graham Media Group, corporate expenses, and the Company in total.

#### <sup>(1)</sup>Adjusted Operating Cash Flow (non-GAAP)

(IN MILLIONS)	2021	2022	2023	2024	2025	4-Year CAGR
Graham Media Group	\$ 172.5	\$223.2	\$154.9	\$223.8	\$ 133.9	(6.1%)
Ex-GMG and Corporate	\$ 142.1	\$204.1	\$234.6	\$ 277.7	\$ 336.8	24.1%
Corporate Office	(\$ 51.9)	(\$ 49.7)	(\$ 51.2)	(\$ 54.5)	(\$ 63.6)	5.2%
<b>Total</b>	<b>\$262.6</b>	<b>\$377.6</b>	<b>\$338.3</b>	<b>\$447.0</b>	<b>\$407.1</b>	<b>11.6%</b>

<sup>(1)</sup>Adjusted Operating Cash Flow (non-GAAP) is calculated as Operating Income excluding Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets plus Depreciation Expense and Pension Service Cost. Refer to the non-GAAP reconciliation on page 3. Totals may not foot due to rounding.

Obviously, the Company has grown its non-GMG businesses at a mouth-watering rate. Don't get used to it. (Although I *would* enjoy 2030's non-GMG adjusted operating cash flow if these trends were to continue. If you're looking to get your heart racing, I'd recommend doing the math.) It would be highly improbable to sustain that rate of growth over any extended period of time, although we are working to build out the Company for continued growth. One may reasonably deduce that even if current trends abate somewhat, we may soon see an even to odd year increase in adjusted operating cash flow.

The results were led by Kaplan, which reclaimed the throne as the largest generator of adjusted free cash flow (includes capital expenditures) for the business for the first time since 2011. This is a real testament to the hard work and perseverance of Andy Rosen, Matt Seelye, Melissa Mack, David Jones, Greg Marino, and all of the Kaplan leadership who stuck out a tumultuous time period, turned around the operations of the business, and showed what it means to lead in both good times and bad. Kaplan sits here with a bright future thanks to their efforts.

In 2025, both Kaplan International and Kaplan North America had good results. At Kaplan International, visa and immigration challenges persist, but the business continues to benefit from the core value proposition of helping a rising global middle class access further educational opportunity. This is a powerful societal motivator and, when coupled with our ability to adapt, has allowed the business to continue to produce good results. We expect this more complex immigration period may persist for a number of years, but we also believe we'll continue to do what we do best: adapt and meet students where they are, with what they need. We served tens of thousands of students through Kaplan International in 2025. Over time, this number should continue to get bigger, not smaller. These trends combined with our capabilities are a powerful match.

At Kaplan North America, adjusted operating cash flow grew from \$89.5 million to \$109.2 million year over year. This growth was driven by two factors. First, we were able to collect our full fee for being a service provider to Purdue Global. It has been a long journey since the partnership began eight years ago. We are pleased that

### <sup>(1)</sup>Adjusted Operating Cash Flow (non-GAAP)

(IN THOUSANDS)	Total Company	CSI	Other Healthcare	Total Healthcare	Higher Education	Supplemental Education	Total Kaplan North America	Kaplan International
<b>2025</b>								
Operating Income	\$234,947	\$53,234	\$ 42,735	\$95,969	\$56,410	\$33,392	\$ 89,802	\$113,402
Add: Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets	44,375	150	1,305	1,455	—	—	—	—
Add: Depreciation Expense	80,366	829	6,474	7,303	1,425	2,871	4,296	25,154
Add: Pension Service Cost	47,400	—	9,984	9,984	7,394	7,718	15,112	571
<b>Adjusted Operating Cash Flow (non-GAAP)</b>	<b>\$407,088</b>	<b>\$54,213</b>	<b>\$60,498</b>	<b>\$114,711</b>	<b>\$65,229</b>	<b>\$43,981</b>	<b>\$109,210</b>	<b>\$139,127</b>
<b>2024</b>								
Operating Income	\$215,504	\$39,090	\$11,795	\$50,885	\$40,750	\$26,934	\$ 67,684	\$101,699
Add: Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets	86,941	133	1,378	1,511	—	—	—	—
Add: Depreciation Expense	87,046	586	6,273	6,859	2,825	3,487	6,312	28,683
Add: Pension Service Cost	57,538	—	19,303	19,303	7,620	7,848	15,468	704
<b>Adjusted Operating Cash Flow (non-GAAP)</b>	<b>\$447,029</b>	<b>\$39,809</b>	<b>\$38,749</b>	<b>\$78,558</b>	<b>\$51,195</b>	<b>\$38,269</b>	<b>\$89,464</b>	<b>\$131,086</b>

<sup>(1)</sup>Adjusted Operating Cash Flow (non-GAAP) is calculated as Operating Income excluding Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets plus Depreciation Expense and Pension Service Cost.

institutional growth, both academically and financially, has led to these improved results.

The second area is one where most have familiarity. The average person walking down the street usually has heard of Kaplan and immediately thinks of the company as a test-preparation and/or professional accreditation

provider. For years, the management team has been reinventing the business through revenue declines and transitions from physical to online teaching environments. The business results are starting to once again catch up with public perceptions. In 2025, both revenue and adjusted operating cash flow increased for the first time in many years. Perhaps no business has been a

### <sup>(1)</sup>Adjusted Operating Cash Flow (non-GAAP)

(IN THOUSANDS)

	Total Company	Television Broadcasting	Corporate office	Total Company, excluding Television Broadcasting and Corporate office
<b>2025</b>				
Operating Income	\$234,947	\$112,270	\$(67,367)	\$190,044
Add: Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets	44,375	5,440	—	38,935
Add: Depreciation Expense	80,366	10,311	674	69,381
Add: Pension Service Cost	47,400	5,901	3,047	38,452
<b>Adjusted Operating Cash Flow (non-GAAP)</b>	<b>\$407,088</b>	<b>\$133,922</b>	<b>\$(63,646)</b>	<b>\$336,812</b>
<b>2024</b>				
Operating Income	\$215,504	\$201,165	\$(58,908)	\$73,247
Add: Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets	86,941	5,430	—	81,511
Add: Depreciation Expense	87,046	11,174	521	75,351
Add: Pension Service Cost	57,538	6,055	3,937	47,546
<b>Adjusted Operating Cash Flow (non-GAAP)</b>	<b>\$447,029</b>	<b>\$223,824</b>	<b>\$(54,450)</b>	<b>\$277,655</b>
<b>2023</b>				
Operating Income	\$69,393	\$133,938	\$(55,600)	\$(8,945)
Add: Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets	149,105	5,450	—	143,655
Add: Depreciation Expense	86,064	12,224	607	73,233
Add: Pension Service Cost	33,787	3,331	3,808	26,648
<b>Adjusted Operating Cash Flow (non-GAAP)</b>	<b>\$338,349</b>	<b>\$154,943</b>	<b>\$(51,185)</b>	<b>\$234,591</b>
<b>2022</b>				
Operating Income	\$83,898	\$201,879	\$(56,166)	\$(61,815)
Add: Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets	187,841	5,440	—	182,401
Add: Depreciation Expense	73,297	12,294	608	60,395
Add: Pension Service Cost	32,567	3,554	5,872	23,141
<b>Adjusted Operating Cash Flow (non-GAAP)</b>	<b>\$377,603</b>	<b>\$223,167</b>	<b>\$(49,686)</b>	<b>\$204,122</b>
<b>2021</b>				
Operating Income	\$77,375	\$149,422	\$(59,025)	\$(13,022)
Add: Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets	90,810	5,440	—	85,370
Add: Depreciation Expense	71,415	14,018	631	56,766
Add: Pension Service Cost	22,991	3,575	6,461	12,955
<b>Adjusted Operating Cash Flow (non-GAAP)</b>	<b>\$262,591</b>	<b>\$172,455</b>	<b>\$(51,933)</b>	<b>\$142,069</b>

<sup>(1)</sup>Adjusted Operating Cash Flow (non-GAAP) is calculated as Operating Income excluding Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets plus Depreciation Expense and Pension Service Cost.

better testament to the Graham Holdings philosophy of focusing on giving great value to our customers while taking a long-term view to success. Most of our competitors from 10 to 20 years ago either do not exist or are shells of their prior selves. The capacity to absorb pain is a corporate competitive advantage and skill we find many others in the world are unwilling to internalize. But with patience and fortitude, results like Kaplan's North American operations can prove the suffering worthwhile.

Graham Media Group and its CEO Catherine Badalamente continue their work to serve our communities while navigating a challenging media landscape. The business remains hard, important, and smack in the middle of an ecosystem and regulatory environment that requires deft navigation.

As mentioned previously, our results were down from 2024 to 2025 due mostly to reduced political advertising. However, if political spend had remained flat, the business would still have reported reduced earnings due to increased cord-cutting and reduced advertising expenditures locally.

You could think of the underlying business as taking a walk down a set of stairs with each year representing a step. Every few steps, it lands on a spring that briefly launches it upward — higher than the step before. But because the spring doesn't change the slope of the staircase, the business inevitably settles onto the next lower step. These momentary lifts reflect cyclical or external boosts, not structural improvement. This is a broader macro challenge our station group cannot independently change. The good news is that we have not yet reached the basement, and the regulatory environment appears more open to change — offering a chance not just for another bounce, but to alter the direction of the stairs and begin climbing again.

Our strategy at Graham Media Group remains unchanged:

- 1) Continue to do our best to create the strongest local media property in each of our markets by connecting and informing the community; having the biggest

and most loyal audience best positions us for whatever is next.

- 2) Manage our costs by re-thinking how we work, report, and produce content.
- 3) Continue experimenting to see what might enable new, sustainable models.

In the meantime, we look forward to 2026 being one of those "steps with a spring." We will continue to update you as the evolution of the business unfolds.

Our healthcare operations had an eventful year in 2025 with additional investment in CSI and leadership changes at Graham Healthcare Group, where we hired Dee Grein as the new CEO of our home health and hospice operation.

Dee is smart, deeply committed to quality outcomes, and operates with the cultural and ethical standards important to Graham Holdings. She has been in the role for a few months as this letter goes to print and we are very happy with her leadership to date.

We really like being in the healthcare services business. It's important to society and needs responsible owners who will build operations that can lead responsibly for decades. Additionally, it's rare in business to find a circumstance where all of the major constituencies share fundamental alignment around a key component of a strategy, in this case that care often can and should be delivered in the home.

- Hospitals prefer that post-acute care does not occur in an acute care setting, freeing up their capacity for more of the type of care best suited for a hospital.
- Payers prefer the in-home setting due to the reduced cost of care.
- Patients and caregivers would prefer to be in their homes.
- Physicians value home care as eyes and ears, offering a more frequent touchpoint with patients than what can be done in an office visit.

Demographic trends show that the patient cohorts most likely to use in-home care will continue to grow for years to come. Additionally, we expect utilization to proportionately increase as technology broadly, and telehealth specifically, become bigger parts of the healthcare continuum. We see these positive trends being constrained only by the availability of qualified staff, such as pharmacists and clinicians, who see home care as a mission and an important step in their career progression.

Our progress continued in 2025. Adjusted operating cash flow increased from \$78.6 million to \$114.7 million. It wasn't long ago that I indicated that our healthcare business may challenge some of our other operations in terms of scale of profitability. I am pleased to report that prediction appears to be on track.

This growth was led by CSI Pharmacy, which ended the year with \$54.2 million in adjusted operating cash flow. We provide two primary services at CSI: we operate five pharmacies nationwide where our pharmacists fill prescriptions for our patients; we also have a dedicated nursing staff that provides infusion treatments in the home setting for our patients.

CSI has been able to grow because we focus intensely on serving our patients. At every step of the chain, founder and CEO James Sheets and his team maniacally think about how to improve the patient experience, which leads to improved patient outcomes. This shows in our numbers. Our patient NPS scores are typically in the 90s. For those of you familiar with NPS, you'll know this is a virtually unheard of number, particularly in the healthcare field. Our patient-centered operating processes mean that:

- Our time for a patient to get on census once we have received the referral is far ahead of industry standards.
- Rarely does a patient miss a refill or a treatment. We proactively monitor, reschedule, fill, and ship to ensure this does not happen. The team jokes they all have meteorology degrees by now.

- Our ability to navigate insurance eligibility and payers is best in class.

When you do these things well, patients and their doctors appreciate both the care and ease of working with CSI. That leads to additional patient referrals and a continuing flywheel. Also part of this flywheel is continued expansion of our geographic footprint. When we acquired CSI, it was a regional business, primarily serving the mid-southern U.S. Over the years, we have slowly and steadily expanded our footprint, and in 2025, entered our 50th state, California, which also represents 12% of the U.S. population. We now have enough time in enough markets to have a sense of how our markets ramp up and when we start seeing mature markets. Encouragingly, we have more markets that we do NOT consider mature than those we do. This makes us optimistic that we will continue our growth trajectory. We plan to continue to invest in the infrastructure to meet this growth.

Our home health and hospice operations and other healthcare businesses also continued the steady drumbeat of performance. Adjusted operating cash flow grew from \$38.7 million to \$60.5 million, with additional joint venture (JV) income roughly flat from the prior year at \$13.6 million. Over the last decade, our home health and hospice operations have moved from a mid-sized regional player to a larger footprint with a more national presence. We have achieved leadership positions in most of the markets in which we operate and increased our patient census from 10,413 in 2020 to 18,933 at year end 2025, representing an increase of more than 80%.

Dee comes to the business at an important time with the right skills for Graham Healthcare Group. To continue on our journey of both growing into new markets and continuing to gain share in existing markets, we will need to evolve how we manage and operate. We will need to build new functions and capabilities that made less sense as a smaller operation.

This is a hard requirement, as the Medicare payment rates for hospice, and (especially) home health in recent years, have been far less than the pace of inflation. For example, the estimated home health rate for 2026 is a 1.3% rate reduction. This follows an increase of only 0.5% in 2025. As you might guess, increases in labor and equipment costs have each far outstripped these rate changes, a fact that has been true for even longer than the last few years.

While this trend cannot continue forever, it is the reality of today. Financial improvements will be driven by continued census growth and indirect cost leverage. As such, organizations that will find success will need to do the following well:

- 1) Master growing share organically and inorganically.
- 2) Use technology and artificial intelligence to maximize the impact of every visit to a patient.
- 3) Work in concert with payers and other providers to drive meaningful improvement in patient outcomes that translate to improved reimbursement in a value-based world.

None of these things will be optional in the future; they will be prerequisites for success and it's how Dee is thinking about building Graham Healthcare Group.

Elsewhere at the Company, we continue to produce solid results. Our automotive dealerships and manufacturing businesses should grow more years than not and collectively deliver real cash for the Company to redeploy. We expect both of these segments to find opportunities to grow inorganically from time to time as well.

Additionally, we continue to invest in the future, most notably at Framebridge. While Framebridge did not quite open as many stores as we set out to in 2025, it ended the year with 44 stores and continues to see excellent progress in its retail model and buildout. We aim to do better in openings in 2026.

Make no mistake, Framebridge currently loses a lot of money. Stores and production studios need to be built ahead of the demand in order to service it. However, once those investments are made, the impact of that demand flows through the income statement nicely. The economics of a new store and the customer cohort behavior lead one to believe these are wise investments.

We should be closer to the end than the beginning of our investment arc at Framebridge. While losses will continue for some time, they are beginning to abate and we believe will ultimately flip to profits. If we can participate in a meaningful way in a \$10 billion+ industry, those profits could be substantial. Success is not guaranteed, but I like our odds.

Our overall operations show that the Company owns businesses of all types and profiles. Scaled mature businesses like Graham Media Group. Scaled growth businesses like in healthcare and at Kaplan. Stable cash contributors in our manufacturing and automotive segments. Investments in future opportunities, such as Framebridge. The commonality between these businesses is that they are run by capable management that focuses every day on doing the right things to maximize the long-term outcome for the business and our customers. Our unique nature as a holding company provides an environment for those businesses to prosper.

But what does it take to be successful with a family-controlled holding company? We look different than most businesses you might be able to own a piece of, because of our segment diversity. In the 2023 letter, I described why I think you should view our dual-class stock structure as an advantage, so I will not focus on that here. Rather, I will talk a bit about how and why we can be successful in a holding company structure. While this is certainly a bit of author's prerogative, your CEO has formulated a set of principles for running a holding company.

## AN OPERATOR'S MANUAL TO A HOLDING COMPANY

- Always keep the balance sheet in a position where we can act quickly on a sizable opportunity; do not chase incremental returns by introducing something that could spiral into systemic risk.
- Repurchase shares when the price is lower than the intrinsic value.
- Conversely, be flexible enough to issue shares if you believe you're getting more than you're giving, with an appropriate margin of safety.
- Leverage the balance sheet to provide strategic advantage in certain segments via a lower cost of capital advantage.
- Think thoughtfully about how tax planning in one segment may benefit the whole company.
- Use income from one section to offset losses from another.
- Make sure income is produced from enough businesses so that one or two business models entering terrible cycles turn into no more than a bad day (or year) at the office.
- You don't know when a Black Swan will appear. Don't operate assuming one won't.
- No rule exists that says the way things have been is how they will continue to be.
- Capital is allocated to what will benefit the company on the whole, not just an individual business.
- Figure out where the corporate office can actually make a difference. Create an environment for companies to prosper and allocate capital well; usually it is not the strategic acumen of corporate that drives organic growth.
- Reward your top people with outsized pay for outsized performance.

So how do results best get measured? After all, as discussed, we have different businesses at different stages, value in non-consolidated operations, an over-funded pension plan, and a meaningful marketable securities balance. Our view is that you *must* look at results over extended periods of time. A single quarter, or often even an individual year or two, will not provide adequate insight into results. Here is what we look at when measuring our progress:

- We focus on operating cash flow growth on a per share basis.
- Secondly, we look at assets less any debt, and measure per share growth in that over time as well. There are items that can skew the accuracy of this measurement more easily than the first, but it's (most of the time) something useful to measure.

## LOOKING AHEAD — ARTIFICIAL INTELLIGENCE

To be blunt, we think AI technologies represent a shift in how business will operate. We DO NOT claim to understand the long-term impacts on how employment will change; we DO believe that employees and organizations that effectively harness technological shifts and AI tools will be substantially advantaged as compared to those that do not.

We are spending much time at our businesses understanding how AI will change our operations. We are optimistic.

Things we *think* we think:

- "Full stack" employees and leaders will have the most success in our organizations. People who can build applications, natively use AI tools, and understand how it drives the business model will drive the most success and have the most personal success. If you are not "vibe coding" with AI tools, you will be at a structural disadvantage.

- People- and process-heavy tasks are where we are most likely to see immediate improvements.
- In many industries, it's a watershed moment. There will be those who adopt AI tools to drive improved business outcomes in a timely manner and those who do not. The improvements in business model will drive market share gains for the "haves" leaving the "have nots" to become fundamentally impaired.
- Our operations should be able to drive the cost leverage in general and administrative functions, but most areas in our companies have room to improve.
- Product development timelines at most of our businesses should be measured fractionally as compared to the past.

In 2025, we hired a Chief Technology Officer, Spiro Roiniotis, in the Graham Holdings corporate office. He has worked at several of our businesses dating back to 2009. Spiro and his small team have a challenging job and our expectations are high; they will be working with many of our businesses to accelerate their understanding and implementation of AI tools to drive real product improvements and improved economics.

Lightweight engagement with AI is not a realistic option for organizations that want to thrive in the next decade. You can rest assured that Graham Holdings is setting the cultural tone that provides the best chance of success at our businesses.

## 2026

We'll continue to operate the Company, hoping for opportunities to find acquisitions and investments that make our business better, maintaining the ability to repurchase shares when it makes sense, and focusing on organically growing the business regardless of circumstance. We are poised to grow in 2026 and look forward to executing another year of the Graham Holdings formula.

We'd love to see you in person at our Annual Meeting of Stockholders, scheduled at the Hamilton Live in Washington, D.C. on May 5. It's a great opportunity to meet many of our managers, get any questions you may have about the business answered, and conveniently pick up a new vehicle from one of our many area dealerships. Fly in, but drive home; maybe live a little and make it a Lexus.

Once again, thank you for your support and partnership.

### **Timothy J. O'Shaughnessy**

President and Chief Executive Officer

*February 25, 2026*