



GRAHAM HOLDINGS COMPANY ANNUAL MEETING

Non-GAAP Adjustments

May 7, 2020



GRAHAM HOLDINGS COMPANY

Non GAAP Adjustments, Operating Income (Loss) Before Amortization and Impairment

Amounts in \$ MM's

2019	Education	Broadcasting	Manufacturing	Other Businesses	Corporate Office	Total
Operating Income (Loss)	\$48	\$153	\$20	(\$26)	(\$51)	\$145
Add: Amortization / Impairment	16	13	26	7	–	62
Operating Income (Loss) before Amortization / Impairment	\$64	\$166	\$47	(\$18)	(\$51)	\$207

2018	Education	Broadcasting	Manufacturing	Other Businesses	Corporate Office	Total
Operating Income (Loss)	\$97	\$211	\$29	(\$37)	(\$53)	\$246
Add: Amortization / Impairment	9	6	25	16	–	56
Operating Income (Loss) before Amortization / Impairment	\$106	\$216	\$54	(\$22)	(\$53)	\$302

2017	Education	Broadcasting	Manufacturing	Other Businesses	Corporate Office	Total
Operating Income (Loss)	\$78	\$139	\$15	(\$37)	(\$59)	\$136
Add: Amortization / Impairment	5	6	31	8	–	51
Operating Income (Loss) before Amortization / Impairment	\$83	\$146	\$46	(\$29)	(\$59)	\$187

2016	Education	Broadcasting	Manufacturing	Other Businesses	Corporate Office	Total
Operating Income (Loss)	\$95	\$203	\$13	(\$35)	(\$53)	\$223
Add: Amortization / Impairment	8	0	12	8	–	28
Operating Income (Loss) before Amortization / Impairment	\$103	\$203	\$25	(\$26)	(\$53)	\$251

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Non GAAP Adjustments, Operating Income (Loss) Before Amortization and Impairment

Amounts in \$ MM's

Q1 2020	Education	Broadcasting	Manufacturing	Other Businesses	Corporate Office	Total
Operating Income (Loss)	\$5	\$36	\$7	(\$30)	(\$9)	\$8
Add: Amortization / Impairment	4	1	7	18	–	31
Operating Income (Loss) before Amortization / Impairment	\$9	\$37	\$14	(\$12)	(\$9)	\$39

Q1 2019	Education	Broadcasting	Manufacturing	Other Businesses	Corporate Office	Total
Operating Income (Loss)	\$26	\$36	\$3	(\$10)	(\$14)	\$40
Add: Amortization	4	1	7	2	–	13
Operating Income (Loss) before Amortization	\$29	\$37	\$10	(\$9)	(\$14)	\$53

Kaplan Corporate and Other	2016	2017	2018	2019	Q1 2019	Q1 2020
Operating Loss	(\$29)	(\$30)	(\$36)	(\$43)	(\$11)	(\$6)
Add: Amortization / Impairment	8	5	9	16	4	4
Operating Loss before Amortization / Impairment	(\$22)	(\$25)	(\$27)	(\$27)	(\$8)	(\$2)

Covers the period from August 1, 2013 through March 31, 2020

Manufacturing Segment	Total	Manufacturing Segment	
Operating Income (Loss)	\$93	Total Investment	\$540
Add: Depreciation	41	Less: ITD Pre-Tax Free Cash Flow	(198)
Add: Amortization / Impairment	112	Net Investment	\$342
Add: Pension Expense	1		
Operating Cash Flow	\$247		
Less: Capital Expenditures	(49)		
Free Cash Flow	\$198		

Covers the period from April 1, 2019 through March 31, 2020

Manufacturing Segment	TTM
Operating Income (Loss)	\$24
Add: Depreciation	10
Add: Amortization / Impairment	27
Add: Pension Expense	0
Operating Cash Flow	\$61
Less: Capital Expenditures	(11)
Free Cash Flow	\$50