

# Graham Holdings Company

Non-GAAP Adjustments, Kaplan Adjusted Operating Income (\$ millions)

	<b>First Nine Months 2018</b>	<b>2017</b>
Operating Income, as reported	\$82.5	\$56.6
Plus: Amortization of Intangible Assets	5.5	3.8
Operating Income before Amortization (non-GAAP)	\$88.0	\$60.4

# Graham Holdings Company

Non-GAAP Adjustments, Graham Media Group Adjusted Operating Income (\$ millions)

	<b>First Nine Months 2018</b>	<b>2017</b>
Operating Income, as reported	\$137.1	\$99.7
Plus: Amortization of Intangible Assets	4.2	2.9
Operating Income before Amortization (non-GAAP)	\$141.3	\$102.7
Revenue	\$352.9	\$298.9
<i>Adjusted Operating Income Margin</i>	<i>40%</i>	<i>34%</i>

# Graham Holdings Company

Non-GAAP Adjustments, Manufacturing Adjusted Operating Income (\$ millions)

	<b>First Nine Months 2018</b>	<b>2017</b>
Operating Income, as reported	\$22.4	\$6.2
Plus: Amortization of Intangible Assets and Impairment of Goodwill and Other Long- Lived Assets	18.2	25.1
Operating Income before Amortization/ Impairment of Goodwill and Other Long-Lived Assets (non-GAAP)	\$40.7	\$31.3
Revenue	\$369.9	\$298.2
<i>Adjusted Operating Income Margin</i>	11%	11%

# Graham Holdings Company

Non-GAAP Adjustments, Healthcare Adjusted Operating Income (\$ millions)

	<b>First Nine Months</b>	
	<b>2018</b>	<b>2017</b>
Operating (Loss) Income, as reported	(\$9.3)	\$0.4
Plus: Amortization of Intangible Assets and Impairment of Goodwill and Other Long- Lived Assets	13.5	5.7
Operating Income before Amortization/ Impairment of Goodwill and Other Long-Lived Assets (non-GAAP)	\$4.1	\$6.1
Revenue	\$111.3	\$115.6
<i>Adjusted Operating Income Margin</i>	4%	5%

# Graham Holdings Company

Non-GAAP Adjustments, SocialCode Adjusted Operating Income (Loss)  
(\$ millions)

	<b>First Nine Months 2018</b>	<b>2017</b>
Operating loss, as reported	(\$0.4)	(\$8.1)
Plus: Amortization of Intangible Assets	0.8	0.3
Operating Income (Loss) before Amortization (non-GAAP)	\$0.4	(\$7.9)
Revenue	\$41.9	\$41.9
<i>Adjusted Operating Income (Loss) Margin</i>	<i>1%</i>	<i>(19%)</i>

# Graham Holdings Company

Non-GAAP Adjustments, Adjusted Operating Income (\$ millions)

	<b>First Nine Months 2018</b>	<b>2017</b>
Operating Income, as reported	\$170.6	\$86.9
Plus: Amortization of Intangible Assets	34.1	28.3
Plus: Impairment of Goodwill and Other Long-Lived Assets	8.1	9.5
Operating Income before Amortization/ Impairment of Goodwill and Other Long-Lived Assets (non-GAAP)	\$212.7	\$124.8

# Graham Holdings Company

Non-GAAP Adjustments, 2014 Adjusted Operating Income (Loss) (\$ millions)

	Operating Income (Loss), As Reported	Plus: Amortization/ Impairment of Goodwill and Other Long-Lived Assets	Operating Income (Loss) before Amortization/Impairment of Goodwill and Other Long-Lived Assets (non-GAAP)	% of Total
Education	\$66.3	\$24.9	\$91.2	33.8%
Television Broadcasting	189.5	0	189.6	70.1%
Manufacturing	3.8	3.6	7.4	2.7%
Healthcare	(5.0)	6.2	1.2	
SocialCode	(1.8)	-	(1.8)	
Other Businesses	(18.0)	0.7	(17.3)	
<b>Total Other Businesses</b>	<b>(24.8)</b>	<b>6.9</b>	<b>(18.0)</b>	<b>(6.6%)</b>
<b>Total, excluding Corporate Office</b>	<b>\$234.8</b>	<b>\$35.5</b>	<b>\$270.2</b>	<b>100%</b>

# Graham Holdings Company

Non-GAAP Adjustments, 2015 Adjusted Operating Income (Loss) (\$ millions)

	Operating Income (Loss), As Reported	Plus: Amortization/ Impairment of Goodwill and Other Long-Lived Assets	Operating Income (Loss) before Amortization/Impairment of Goodwill and Other Long-Lived Assets (non-GAAP)	% of Total
Education	(\$218.0)	\$262.4	\$44.3	20.7%
Television Broadcasting	167.2	0.3	167.5	78.2%
Manufacturing	6.4	6.3	12.7	5.9%
Healthcare	6.2	6.9	13.1	
SocialCode	(0.5)	-	(0.5)	
Other Businesses	(25.8)	2.9	(22.9)	
<b>Total Other Businesses</b>	<b>(20.1)</b>	<b>9.8</b>	<b>(10.3)</b>	<b>(4.8%)</b>
<b>Total, excluding Corporate Office</b>	<b>(\$64.5)</b>	<b>\$278.7</b>	<b>\$214.2</b>	<b>100%</b>



# Graham Holdings Company

Non-GAAP Adjustments, 2016 Adjusted Operating Income (Loss) (\$ millions)

	Operating Income (Loss), As Reported	Plus: Amortization/ Impairment of Goodwill and Other Long-Lived Assets	Operating Income (Loss) before Amortization/Impairment of Goodwill and Other Long-Lived Assets (non-GAAP)	% of Total
Education	\$95.3	\$7.5	\$102.8	33.8%
Television Broadcasting	202.9	0.3	203.1	66.7%
Manufacturing	12.7	12.1	24.8	8.2%
Healthcare	2.8	6.7	9.5	
SocialCode	(12.4)	-	(12.4)	
Other Businesses	(25.2)	1.7	(23.5)	
<b>Total Other Businesses</b>	<b>(34.8)</b>	<b>8.4</b>	<b>(26.4)</b>	<b>(8.7)%</b>
<b>Total, excluding Corporate Office</b>	<b>\$276.1</b>	<b>\$28.3</b>	<b>\$304.4</b>	<b>100%</b>

# Graham Holdings Company

Non-GAAP Adjustments, 2017 Adjusted Operating Income (Loss) (\$ millions)

	Operating Income (Loss), As Reported	Plus: Amortization/ Impairment of Goodwill and Other Long-Lived Assets	Operating Income (Loss) before Amortization/Impairment of Goodwill and Other Long-Lived Assets (non-GAAP)	% of Total
Education	\$77.7	\$5.2	\$82.8	33.7%
Television Broadcasting	139.3	6.3	145.6	59.2%
Manufacturing	14.9	31.1	46.0	18.7%
Healthcare	(2.6)	7.9	5.3	
SocialCode	(3.7)	0.3	(3.3)	
Other Businesses	(30.5)	-	(30.5)	
<b>Total Other Businesses</b>	<b>(36.8)</b>	<b>8.2</b>	<b>(28.5)</b>	<b>(11.6%)</b>
<b>Total, excluding Corporate Office</b>	<b>\$195.1</b>	<b>\$50.8</b>	<b>\$245.9</b>	<b>100%</b>

# Graham Holdings Company

Non-GAAP Adjustments, YTD 2018 Adjusted Operating Income (Loss) (\$ millions)

	Operating Income (Loss), As Reported	Plus: Amortization/ Impairment of Goodwill and Other Long-Lived Assets	Operating Income (Loss) before Amortization/Impairment of Goodwill and Other Long-Lived Assets (non-GAAP)	% of Total
Education	\$82.5	\$5.5	\$88.0	34.9%
Television Broadcasting	137.1	4.2	141.3	56.0%
Manufacturing	22.4	18.2	40.7	16.1%
Healthcare	(9.3)	13.5	4.1	
SocialCode	(0.4)	0.8	0.4	
Other Businesses	(22.2)	-	(22.2)	
<b>Total Other Businesses</b>	<b>(31.9)</b>	<b>14.3</b>	<b>(17.7)</b>	<b>(7.0%)</b>
<b>Total, excluding Corporate Office</b>	<b>\$210.1</b>	<b>\$42.2</b>	<b>\$252.3</b>	<b>100%</b>

# Graham Holdings Company

Non-GAAP Adjustments, Kaplan Corporate and Other Adjusted Operating Loss  
(\$ millions)

	<b>First Nine Months 2018</b>	<b>2017</b>
Operating Loss, as reported	(\$27.1)	(\$21.7)
Plus: Amortization of Intangible Assets	5.5	3.8
Operating Loss before Amortization (non-GAAP)	(\$21.6)	(\$18.0)

# Graham Holdings Company

Non-GAAP Net Cash and Investments Position (\$ millions)

	<b>September 30, 2018</b>	<b>September 30, 2017</b>
Cash	\$265	\$395
Restricted Cash	12	21
Investments	518	520
	<u>\$795</u>	<u>\$936</u>
Debt	(480)	(493)
Net Cash and Investments (non-GAAP)	<u>\$315</u>	<u>\$443</u>