TO OUR SHAREHOLDERS

2024 was quite an unusual year. We had no meaningful acquisitions and made no new sizable investments. We'd prefer the opposite to be true, but not at the prevailing market prices. Nonetheless, it was a very productive year for Graham Holdings Company. A few items of note:

- Approximately 153,000 shares were repurchased, reducing shares outstanding from the beginning of the year by 3.4%. The Company has now repurchased 20.7% of outstanding shares since January 1, 2020.
- Debt was reduced by $64 million over the course of the year.
- We opened ten new Framebridge stores, two new restaurants at Clyde's Restaurant Group, and a new plant at Hoover.
- We strengthened operations at most units, resulting in increased operating cash flows. Our adjusted operating cash flow reached $447 million in 2024.
- The Company completed a pension annuity transaction. We partnered with MassMutual to transfer $458 million of liabilities within the pension fund along with a similar amount of assets. As a result, the funding ratio of the pension trust ended the year significantly higher.

Perhaps this year is most notable for its lack of major changes. Instead, our managers came to the office each day (yes, in most cases it is still an office), and continued to make good decisions and steady progress to deliver for our customers and shareholders. This is our day-in and day-out motivation, and it's not a new one. It will come as second nature to longtime shareholders, but if you're new to Graham Holdings, it might be a good time to share our core beliefs:

- You are our business partners and co-owners, and we work for you.
- We aim to be the most *long-term* focused, shareholder-friendly company you can find.
- We measure our success based on long-term financial results, satisfied customers, and a culture that allows our employees to build careers and prosper.

The philosophy that these core beliefs represent has allowed the Company to reinvent itself many times over its 93-year history. I've recounted in past Annual Reports how the organization has transitioned from a media company to a holding company; how Kaplan has transitioned from a test prep company, to predominately a higher education institution, to an international education leader, and finally to a diversified education services company; and, how our healthcare operations have migrated from a mid-sized regional home health and hospice provider to a national healthcare services company.

The path is littered with the obituaries of failed corporate attempts at similar transitions. So why has it worked at Graham Holdings when it fails at so many other places? Corporate America is filled with smart management teams, made up of hard-working, motivated people. I would suggest the Graham Holdings team, while talented, does not possess a secret magic formula.

We succeed where others have failed because of our culture. This culture has been

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developed and enhanced over decades of principled leadership, mostly led by Katharine Graham and Don Graham. Our long-term financial results are an output. How we treat our employees, the loyalty they give us and we give them, and how we focus on delivering quality products and services for our customers, in ways that are always honorable, are the inputs that drive our long-term success. The Graham Holdings culture is a hard-to-value intangible asset that you’ll never find on a balance sheet or in our book value. But it is of huge value to you as a shareholder, and you should view it as such.

A stable foundation, when mixed with a powerful culture can be a wonderful formula and deliver excellent results for stakeholders. Shareholder returns since the Company went public in 1971 align with this theory. Since 1963, there have been 12 presidents of the United States. In that same time, The Washington Post/Graham Holdings Company has had three CEOs. Your current CEO is 43 years old. With good health and good results, I am hopeful that the tenure gap continues to grow.

OPERATIONS

Our 2024 adjusted operating cash flow increased from 2023 by $109 million to $447 million. This increase was driven by election year spending on political advertising, as well as strong growth at Kaplan and Graham Healthcare Group.

(1) Adjusted Operating Cash Flow (non-GAAP)

(IN THOUSANDS)	Total Company	Healthcare	Kaplan International	Higher Education	Supplemental Education	Total Kaplan North America
2024						
Operating Income	$215,504	$50,885	$101,699	$ 40,750	$26,934	$67,684
Add: Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets	86,941	1,511	—	—	—	—
Add: Depreciation Expense	87,046	6,859	28,683	2,825	3,487	6,312
Add: Pension Service Cost	57,538	19,303	704	7,620	7,848	15,468
Adjusted Operating Cash Flow (non-GAAP)	**$447,029**	**$78,558**	**$131,086**	**$ 51,195**	**$38,269**	**$89,464**
2023						
Operating Income	$ 69,393	$23,845	$87,530	$38,942	$22,472	$ 61,414
Add: Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets	149,105	3,675	—	—	—	—
Add: Depreciation Expense	86,064	5,475	28,501	4,416	5,165	9,581
Add: Pension Service Cost	33,787	14,083	325	3,737	4,147	7,884
Adjusted Operating Cash Flow (non-GAAP)	**$338,349**	**$47,078**	**$116,356**	**$47,095**	**$31,784**	**$78,879**

(1) *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.*

> “While the total company results grew, it’s the makeup of that growth that should make you optimistic.”

These high-level results do not tell the whole story. While the total company results grew, it’s the makeup of that growth that should make you optimistic.

In recent history, Graham Media Group (GMG) has been the largest producer of cash for the Company and was again in 2024. Catherine Badalamente and her team managed the business exceptionally well in a challenging broadcast environment. We have used most of that cash to grow new business lines or to repurchase shares when our stock was trading well below our view of intrinsic value (since 2020, we have spent $596 million buying back our stock at an average price of $542/share).

While we are very happy with the results of the repurchases, the growth in the earnings power of the Company outside of GMG is even more encouraging. This table, going back to 2021, shows the total adjusted operating cash flow broken into two parts: Graham Media Group and all other operations, inclusive of corporate expenses.

A few key takeaways:

- Graham Media Group remains an important part of our operations.
- The importance of political advertising to GMG continues to increase. The whole company’s profits, as well as GMG’s, go way up in even numbered years (because of political advertising), and down in odd numbered years, when there are few elections.
- The growth in our non-media operations is very strong. In the four years beginning in 2021, adjusted operating cash flow excluding GMG has increased by 148%, from $90.1 million to $223.2 million.

We believe these trends in company operations will continue. For 2025, Graham Media Group will certainly decrease its earnings due (mostly) to a lack of political advertising, as well as underlying negative core trends. The rest of the Company should grow its earnings once again. It’s important for you as a shareholder to understand this dynamic, as we think there is a good chance these lines will “cross” in the next few years. The growth in our non-Graham Media Group businesses could drive annual earnings growth, overcoming the loss of political advertising in odd years.

Kaplan continues to lead this charge. Our results at both the North American and International operations were strong and we believe all of Kaplan has a promising future.

Kaplan International (KI) had another strong growth year. Adjusted operating cash flow increased from $116.4 million to $131.1 million. Most of the businesses at KI grew, with Pathways continuing to be the largest contributor to earnings, followed by our Australian Business

[1]Adjusted Operating Cash Flow (non-GAAP)

(IN THOUSANDS)	Total Company	Television Broadcasting	Total Company, excluding Television Broadcasting	Total Company	Television Broadcasting	Total Company, excluding Television Broadcasting
		2024			2023	
Operating Income	$215,504	$201,165	$ 14,339	$ 69,393	$133,938	$ (64,545)
Add: Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets	86,941	5,430	81,511	149,105	5,450	143,655
Add: Depreciation Expense	87,046	11,174	75,872	86,064	12,224	73,840
Add: Pension Service Cost	57,538	6,055	51,483	33,787	3,331	30,456
Adjusted Operating Cash Flow (non-GAAP)	**$447,029**	**$223,824**	**$223,205**	**$338,349**	**$154,943**	**$183,406**
		2022			2021	
Operating Income	$83,898	$201,879	$ (117,981)	$ 77,375	$149,422	$ (72,047)
Add: Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets	187,841	5,440	182,401	90,810	5,440	85,370
Add: Depreciation Expense	73,297	12,294	61,003	71,415	14,018	57,397
Add: Pension Service Cost	32,567	3,554	29,013	22,991	3,575	19,416
Adjusted Operating Cash Flow (non-GAAP)	**$377,603**	**$223,167**	**$154,436**	**$262,591**	**$172,455**	**$ 90,136**

[1]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.

School and the Kaplan Professional and Assessment businesses in the UK.

Kaplan North America (KNA) has made tremendous progress thanks to Greg Marino and his team. A decade ago, we had a number of challenged businesses that Greg and team wove together during the pandemic. Today, they have created a streamlined, unified structure and a business that is poised to become a growing education services provider. Purdue Global (PG) remains the most important partner in this evolution, but the product suite and partner relationships extend far beyond PG. In 2024, KNA grew its adjusted operating cash flow from $78.9 million to $89.5 million.

It's worth spending a bit of time on the Languages business, which sits within KI. A decade ago, the operations were comfortably profitable, making in the neighborhood of $10 million of income in a down year, and $20 million in a good one. When COVID struck, the business ground to a complete halt; our September 2020 year over year revenue declined 82%.

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After wading through a sea of red ink and after much consultation with Kaplan's leadership, we decided to preserve the corpus of the business. We knew we would incur substantial losses given the ongoing pandemic, but believed we would return to a normal environment and profits would resume. We also thought there was some chance competitors would not survive this downturn, allowing us to exit with an even better business. Closure, our other alternative, would have been expensive due to severance costs and the remaining lease obligations at our teaching facilities.

While the Languages business is now close to breakeven on a cash flow basis, market conditions have not permitted a return to previous levels of profitability, and the assumptions that led us to stay with the business even amidst its COVID-era losses haven't been realized.

This is in no part due to the management of the Languages business. The actions they have taken to get us to this point have been heroic and they are to be commended. Through it all, students have been hugely enthusiastic about their experiences (97% would recommend us), and their language improvement has been in the top tier of the industry. The team's leadership prevented a bad situation from becoming worse. Even with this, operating losses since the early days of COVID exceeded closure costs by roughly $25 to $35 million. The growth prospects that would be required to have justified the investment level are unlikely to be achieved, but we are still hopeful we can grow earning power from this point.

We feel good about the rest of the businesses at Kaplan International, although the next few years may be more challenging than recent history. Immigration laws in many countries tend to swing based on local sentiment and who holds political office. We have experienced this pendulum before and it usually swings back.

The education industry is an important part of the economies of many developed countries, which also need immigration to help grow their populations, provide workforce, and drive overall economic growth; but, the hard truths of math cannot be ignored for long. Changes in student visa policies are often an easy lever for governments to pull to quickly impact overall immigration numbers. We've seen this happen in Australia in 2024. The effect of this is often quickly felt and the short-sighted policy changes are amended. We are hopeful that will once again be true this time around.

We believe the best days of Kaplan are still ahead. How and where people will want to be educated will continue to evolve, just as it always has. But a growing global middle class will drive demand for a long time to come. So long as people want to learn skills that improve their lives and the lives of their families, Kaplan will be there to serve them.

The results at Graham Healthcare Group have been excellent. Adjusted operating cash flow grew 67% to $78.6 million. Income from joint venture partnerships contributed an additional $13.7 million.

Our investments in growing our in-home care and services began to really shine through. Over several years, we spent time and money building both a team and infrastructure that could support a much larger operation. As the results unfolded in 2024, we hope you agree that these were wise investments. These businesses have been excellently managed by David Curtis and Justin DeWitte.

Increased scale allows us to serve more patients. In 2024, we had over 120,000 patients across our various service lines. We continue to believe that our success will be nothing more than fleeting if we do not deliver excellent care outcomes. I'm pleased to report that in nearly all of our home health and hospice regions, we achieved Medicare star ratings at or above the median. Our rare exceptions occurred in regions where we have only recently taken over operations from partners.

Most of our service lines had good results and CSI Pharmacy continued its very strong growth. In the fourth quarter of 2024, CSI's revenue made up over half of the consolidated Graham Healthcare Group revenue and CSI revenue is now approaching the revenue under management of our home health and hospice business, a trend we expect to continue into 2025. We believe there is a bright future at CSI. Critical, life-enhancing and life-saving treatments are delivered in the home by nurses, as opposed to a hospital setting. This increases compliance with treatment (a patient does not need to travel), lowers costs to the healthcare system, and frees up hospitals to provide care that truly can only happen in an acute care setting. Most importantly, our service improves the quality of life for patients and allows them to reclaim some of their life, health, and dignity.

While home health, hospice, and home infusions are our primary service lines, we believe the in-home care trend is here to stay. Quality providers who know how to effectively and efficiently deliver care in the home will help drive down overall costs to the healthcare system, while increasing patient satisfaction. We believe care delivery in the home will be a larger part of the future, and we are excited to continue to serve our patients and communities as the market grows.

> **"Our investments in growing our in-home care and services began to really shine through."**

HOUSING

Graham Holdings builds no houses, nor offers any mortgages to acquire a home. Yet we have several operations where the demand for our products is directly related to how much housing is being built and how often people are buying or selling a house: Hoover, Framebridge, Saatchi Art, and Society6.

In 2024, US housing transactions were at their lowest levels in 29 years, even though the population is roughly 27% larger than it was 29 years ago. Fewer transactions usually correlate with less housing stock — both single and multi-family — coming to market. Less multi-family housing stock means lower demand for most types of lumber, including Hoover's primary products. Hoover is the country's largest producer of pressure-impregnated, fire retardant wood. It provides a valuable fire safety product that reduces the rate at which wood burns, and we are proud to do our part to make housing more resistant to fires. What's remarkable is that Hoover has been able to maintain an acceptable level of profitability as it has waded through a painful down cycle.

When people move, they redecorate or freshen up their new homes. Décor becomes an important final step of turning your house into a home. Framebridge, Saatchi Art, and Society6 all benefit from the rise in volume when housing transactions increase. Society6 is most impacted by this trend and was unable to grow through the headwinds. What makes us optimistic is that both Framebridge and Saatchi Art posted real growth in 2024, despite housing softness. For the country's sake and ours, your Graham Holdings management team is rooting hard for a housing boom.

LOOKING AHEAD

We exit 2024 with a uniquely good balance sheet and flexibility to look at whatever opportunities may come our way. While we don't have Berkshire Hathaway's famous "elephant gun," we are armed with a good bit of ammo if the right deal at the right price crosses our path.

Even if we don't find any acquisitions in 2025, the Company is poised to take another step forward. Our operations are run by capable managers, with a culture that is long-term focused, predominantly in markets that should be good places to swim for a long time to come.

Thank you for the trust you place in our management team as stewards of GHC. We think our little company has a good formula that aligns with our shareholders, most of whom

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have equally long-term views. If you invest for years, not quarters, you've found the right company, as that's how we manage the place.

We invite you to come see for yourself at this year's Annual Meeting, to be held at The Hamilton Live in Washington, D.C., on May 6, 2025. While you're there, say hello to Pinkie Mayfield, our longtime Chief Communications Officer, who retired at the end of 2024. Pinkie agreed to help us out by leading the efforts on one final annual report and annual meeting.

Many of you may have met or interacted with Pinkie; over her 26 year career, she has made immeasurable contributions in roles ranging from finance to procurement to communications. Every company has someone who steps up to the plate no matter the task. At Graham Holdings, that has been Pinkie Mayfield. If you've had the pleasure of spending time with her, you know there is no finer steward of the Company's reputation and care for shareholders.

In addition to Pinkie, you'll be able to meet many members of management AND enjoy delicious food from The Hamilton. While we'll provide you with breakfast, we encourage you to grab lunch around the corner at the Old Ebbitt Grill. If you're like me, it always feels a little better to spend money on the products of a company where you are a shareholder. In this case, we encourage you to open your wallets and see if you can feel a lot better.

Once again, thank you for your support and partnership.

Timothy J. O'Shaughnessy
President and Chief Executive Officer
February 25, 2025