Annual Meeting of Shareholders

May 7, 2020

Remarks by Timothy J. O'Shaughnessy

President and Chief Executive Officer

Graham Holdings Company

Good morning.

This is certainly not the usual annual meeting, but this is true of nearly every company holding its meeting this time of year. Although we are virtually gathering, amidst a pandemic that has brought great uncertainty to the world, we'll try to do what we always do at this meeting: give you an update on the operations of the business over the previous year, provide insights into future prospects, discuss capital allocation, and allow for a Q&A period. Thank you all for joining. We know many of you have been impacted by COVID-19 and we hope that you, your families, friends and colleagues are all in good health. We also want to thank the front-line workers in the world and at Graham Holdings, who are helping to keep many of the essential businesses required for people to stay healthy, fed and keep supply chains running so society has its best chance to limit the damage of this horrible disease.

DISCLAIMER

The presentation at this meeting contains certain forward-looking statements that are based largely on the Company's current expectations. All public statements made by the Company and its representatives that are not statements of historical fact, including certain statements in this presentation, the Company's Annual Report on Form 10-K, its Current Reports on Forms 8-K, the Company's 2019 Annual Report to Stockholders, and the Form 10-Q for the first quarter are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements are subject to certain risks and uncertainties that could cause actual results and achievements to differ materially from those expressed in the forward-looking statements. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to the duration and severity of the COVID-19 pandemic and its effects on the Company's operations, financial results, liquidity and cash flows. Other forward-looking statements include comments about expectations related to acquisitions or dispositions or related business activities, including the TOSA, the Company's business strategies and objectives, anticipated results of license renewal applications, the prospects for growth in the Company's various business operations and the Company's future financial performance. As with any projection or forecast, forward-looking statements are subject to various risks and uncertainties that could cause actual results or events to differ materially from those anticipated in such statements. Accordingly, undue reliance should not be placed on any forward-looking statement made by or on behalf of the Company. The Company assumes no obligation to update any forward-looking statement after the date on which such statement is made, even if new information subsequently becomes available.

For more information about these forward-looking statements and related risks, please refer to the section titled "Forward-Looking Statements" in Part 1 of the Company's Annual Report on Form 10-K, the Company's Current Reports on Forms 8-K, and its Form 10-Q for the first quarter and the section titled "Corporate Governance/Risk Factors" under "Investor Relations" on the Company's website, www.ghco.com.

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I thought I would start by addressing a few, high-level items about the business before getting into the meat of the presentation. First, we expect to generate meaningful operating cash flow in 2020. We don't issue guidance and won't here (the folly of guidance has never been more clear than now), but I want to make it abundantly clear we expect to generate operating cash flow in 2020. Second, we have minimal near-term maturities of debt. We have £60 million of U.K. debt due in July. We will either use cash on hand or our revolver to repay. Our $400 million in bonds are due in 2026 and any other debt is de minimis. Lastly, we have no plans to suspend our dividend any time soon. The combination of our cash flow and balance sheet allows us to very comfortably maintain it.

The above will not surprise shareholders who follow the Company closely. However, for those who follow less closely, I'd like to specifically call-out these items, as the world has changed enough that it seems prudent to provide this reassurance.

Next, I want to talk about our people. We are not unique in shifting, where possible, to a work from home environment. Graham Holdings Company and its businesses are learning new ways of working and serving our customers. This disruption is likely similar to what you've experienced in your own lives. For some, the shift has been seamless; for others, every day is now "take your child to work day".

Some of our businesses have been deemed essential and workers cannot work from home. In these cases, we have taken as many reasonable precautions as we can to provide our people, clients and customers a safe workplace environment. We will maintain vigilance around this no matter how the world unfolds.

We have also had to layoff, reduce pay, or furlough many employees. We are doing what we can for these folks. With layoffs, we have tried to be more generous than usual, understanding these people will not be going into a normal job market. Our hope is to use furloughs in lieu of layoffs in as many cases as possible and bring people back to work as soon as demand warrants. Where we have reduced pay, our plan is to return pay to previous levels as fast as business results can justify.

I'd like to thank all of our employees, and particularly the managers of our businesses. They have been working tremendous hours with immense pressure to make the right decisions in a fast-moving environment. They have the interests of our employees and you, our shareholders, in mind as they think through both the present and the future.

We will cover the impacts of COVID-19 in more depth shortly, but I thought it prudent to provide some color on our business upfront, prior to our discussion on results.

Key Updates since our last Annual Meeting

- Purchased Clyde's Restaurant Group, the largest restaurant group in DC
  - Stable management, consistent earnings
  - Performed well through first seven months of ownership
- Repurchased over 87k shares for $35.7 million through 3/31/2020
  - Weighted average repurchase price of approximately $409.02 per share
- Kaplan recorded VAT expense for our UK Pathways programs
  - Unfavorable charge of $23 million in 2019 (predominantly out-of-period)
  - Expect approximately $6-8 million annual impact moving forward
- Transferred approximately $212 million in pension liabilities and $217 million in pension assets to an annuity provider
  - Increased relative pension overfunding and reduced ongoing pension outflows
  - Generated a one-time $92 million gain in Q4 2019

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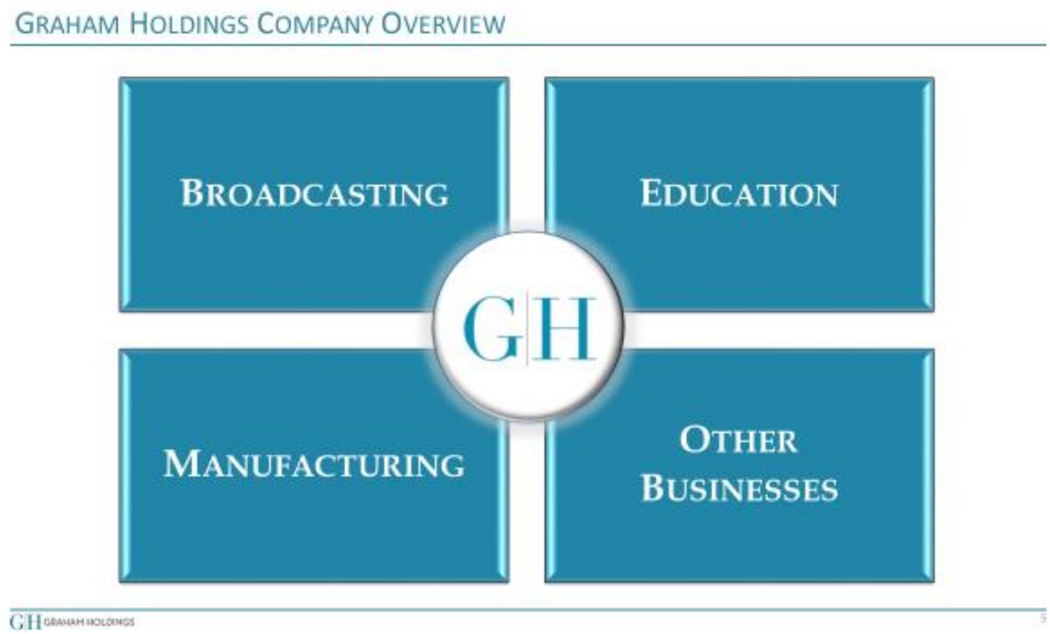
There have been several key updates since our last annual meeting:

- We purchased Clyde's Restaurant Group, the largest restaurant group in the Washington, DC area. Comprised of local institutions, CRG has a stable management team and a long history of profits. In our first 7 months of ownership (through February), the business, on a pre-tax basis, generated approximately 6% of our purchase price. We were off to a good start, both in terms of business results and management acumen. While the length of COVID-19 impacts are obviously unknown, we believe we have a great infrastructure that will help us deliver strong business results when the world ultimately settles into its new normal.

- We repurchased just over 87,000 shares through 3/31.
- In the U.K., Kaplan expensed a previously remitted VAT tax that it is seeking to recover under an ongoing proceeding. This led to charges of $23 million in 2019 and ongoing incremental VAT expense of $6-8 million per year.
- In December, we transferred $212 million in liabilities and $217 million of assets in our pension plan to an annuity provider, which increased relative pension overfunding.



We think of Graham Holdings as four primary operating units: Broadcast, Education, Manufacturing, and Other Businesses.

Agenda

Graham Holdings Financial Results

Amounts in $ MM's

	2016	2017	2018	2019	Q1 2019	Q1 2020	*% Change*
Education	$1,598	$1,517	$1,451	$1,452	$372	$356	*(4%)*
Television broadcasting	410	410	506	463	108	115	*7%*
Manufacturing	242	414	488	449	115	113	*(1%)*
Other Businesses	232	251	252	568	96	147	*53%*
Total Revenues	**$2,482**	**$2,592**	**$2,696**	**$2,932**	**$692**	**$732**	***6%***

	2016	2017	2018	2019	Q1 2019	Q1 2020	*% Change*
Education	$103	$83	$106	$64	$29	$9	*(70%)*
Television broadcasting	203	146	216	166	37	37	*1%*
Manufacturing	25	46	54	47	10	14	*39%*
Other Businesses	(26)	(29)	(22)	(18)	(9)	(12)	*(44%)*
Corporate office	(53)	(59)	(53)	(51)	(14)	(9)	*40%*
Adjusted Operating Income (Loss)*	**$251**	**$187**	**$302**	**$207**	**$53**	**$39**	***(27%)***

** Non-GAAP measure – see reconciliation at ghco.com*
Note: the sum of certain amounts may not equal the total due to rounding

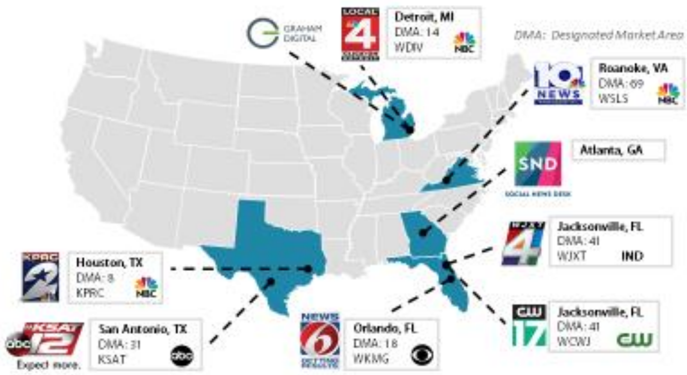
Our operating results in 2019 were mixed. Q1 results were substantially ahead of our internal budgets through the first two months of the year before seeing

COVID related impacts in late February outside the U.S., and in March for our domestic operations.

BROADCASTING SEGMENT

Amounts in $ MM's

	2016	2017	2018	2019	Q1 2019	Q1 2020	% Change
Revenue	$410	$410	$506	$463	$108	$115	7%
Adjusted Operating Income*	$203	$146	$216	$166	$37	$37	1%



Diversified portfolio that covers 7% of U.S. households

Source: Nielsen Official DMA Rankings; January 2020, based on television homes in DMA

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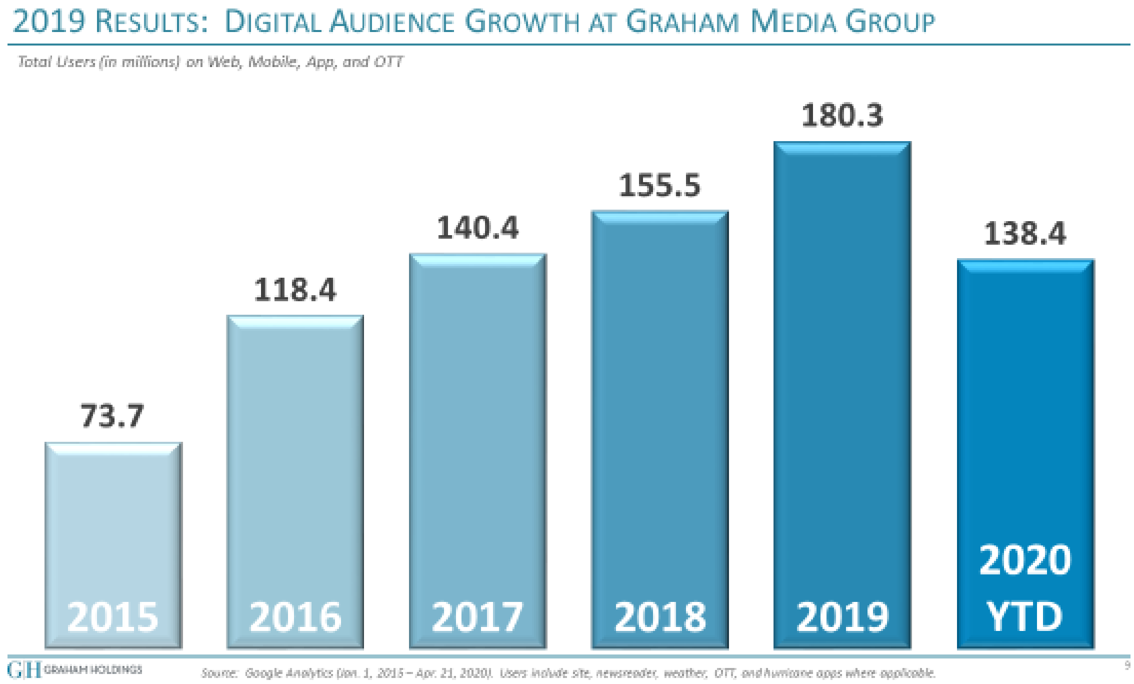
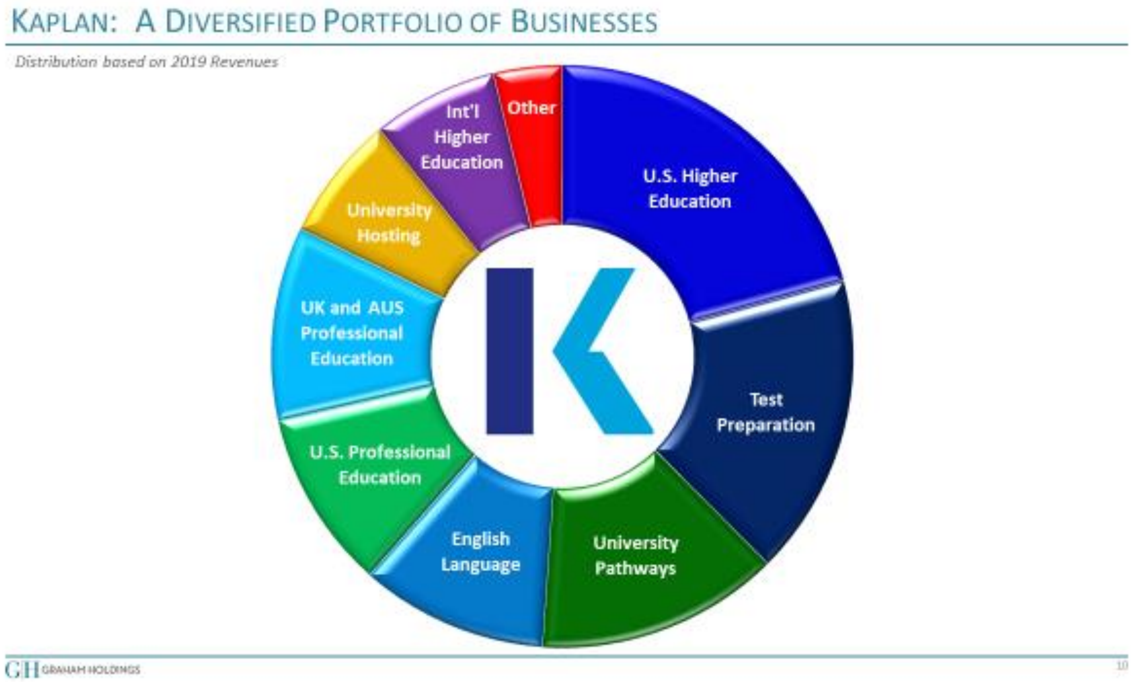
Graham Media Group had a fine year and continued to deliver strong results. Our market share in most markets continued to improve, driven by strong local news. While there was minimal political and no Olympic revenue in 2019, our digital revenue continued to grow nicely to help fill in some of the gap.



The earnings of our digital businesses have now grown larger than the earnings of several of our stations. Q1 2020 results for Graham Media Group were once again strong. While we began to see some COVID impact in March, a strong first few months of the quarter combined with the Democratic primaries in a few key markets led to good results.



Kaplan's armada of business lines had a few ships whose sails have fully caught the wind, while a few others have taken on some water.

EDUCATION SEGMENT

Amounts in $ MM's

	2016	2017	2018	2019	Q1 2019	Q1 2020	*% Change*
Kaplan international	$696	$698	$720	$750	$186	$200	*7%*
Higher education	502	431	342	306	83	74	*(11%)*
Test preparation	287	273	256	244	61	43	*(30%)*
Professional (U.S.)	115	116	134	145	41	38	*(7%)*
Kaplan Corporate and Other	(2)	(2)	(1)	7	2	2	*25%*
Total Revenues	**$1,598**	**$1,517**	**$1,451**	**$1,452**	**$372**	**$356**	***(4%)***

	2016	2017	2018	2019	Q1 2019	Q1 2020	*% Change*
Kaplan international	$48	$52	$70	$42	$24	$19	*(22%)*
Higher education	39	17	15	14	2	(2)	–
Test preparation	10	12	19	7	(0)	(13)	–
Professional (U.S.)	27	28	29	27	11	6	*(46%)*
Kaplan Corporate and Other*	(22)	(25)	(27)	(27)	(8)	(2)	*81%*
Adjusted Operating Income (Loss)*	**$103**	**$83**	**$106**	**$64**	**$29**	**$9**	***(70%)***

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** Non-GAAP measure – see reconciliation at ghco.com*
Note: the sum of certain amounts may not equal the total due to rounding

Kaplan International's business ended 2019 in good stead. Pathways, Kaplan Business School (KBS), and our U.K. and Australia Professional Businesses all drove meaningful results and were well positioned for that trend to continue. As Q1 of 2020 progressed, several of the Kaplan International businesses came under strain from the COVID outbreak. We will more fully discuss impacts shortly.

Kaplan Higher Education made real progress in 2019. As a reminder, the revenue line of Kaplan Higher Ed is reflective of our operating costs that are reimbursed from Purdue Global plus a booked fee. Reduced revenue is reflective of a lower cost base, not necessarily reduced operating results. We booked $14 million of fees in 2019 and invested heavily in marketing and academics in hopes of seeing increased enrollments in 2020 and beyond. In Q1, we have begun to see the fruits of that investment through increased enrollments and student census.

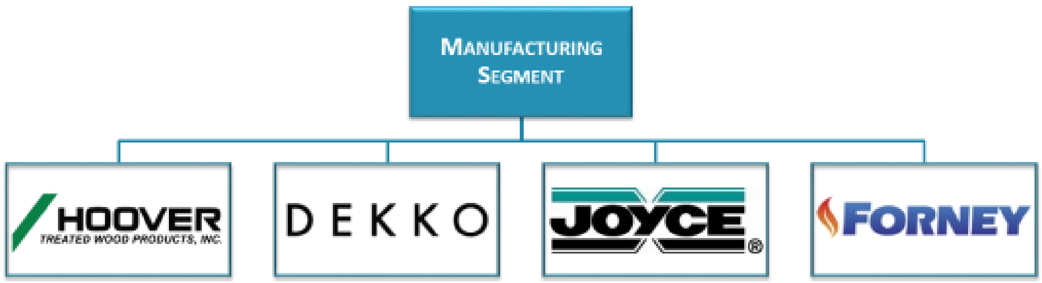
Kaplan Test Prep is accelerating a transition from a centers-based business to an online one. The deterioration of the brick and mortar business progressed far beyond our expectations in 2019, and while we served a record number of students online, pricing pressure led to suppressed margins. In 2020, we expect to accelerate our exit from the brick and mortar business. This will simplify Kaplan Test Prep to become primarily an online business with a lower cost structure, as there will be less need to support two separate lines of business. A note about Q1 of 2020, these results reflect a revenue recognition change. With many standardized test dates rescheduled due to COVID, we extended the period through which a student could access materials paid for and that affects the corresponding recognition of revenue. This change did not affect cash flow, and the vast majority of this revenue will be recaptured in later quarters.

Kaplan U.S. Professional has similar pressures in parts of its business as Kaplan Test Prep, most notably within the CFA exam preparation line. While volumes continued to be strong in 2019, pricing pressure from increased competition eroded margins. The more niche pieces of Kaplan Professional, such as its financial planning and engineering certification, have been less impacted.

2019 Results: Manufacturing Segment

Amounts in $ MM's

	2016	2017	2018	2019	Q1 2019	Q1 2020	*% Change*
Revenue	$242	$414	$488	$449	$115	$113	*(1%)*
Adjusted Operating Income*	$25	$46	$54	$47	$10	$14	*39%*



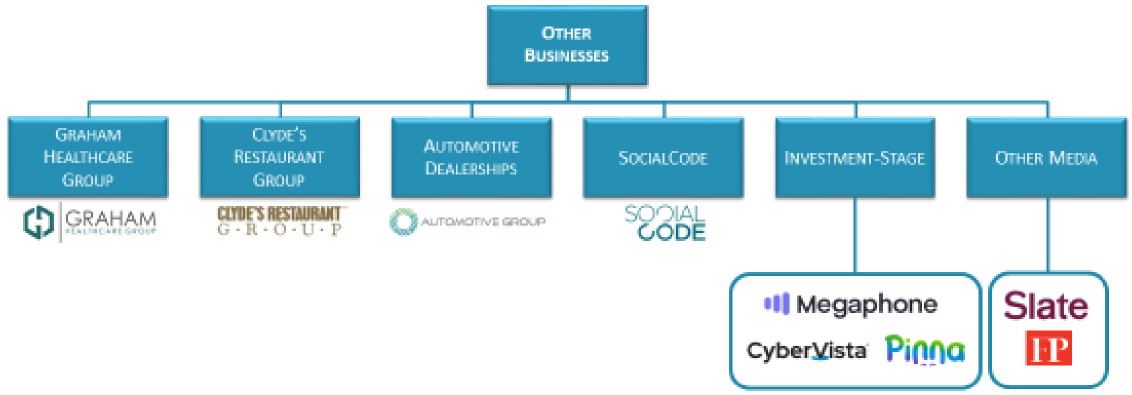
GH GRAHAM HOLDINGS ** Non-GAAP measure – see reconciliation at ghco.com* 12

Our manufacturing segment had a steady year in 2019. Revenue was down largely due to lower wood prices at Hoover. As a reminder, wood is a pass-through cost for the business and does not meaningfully affect the gross profit line. Adjusted operating income was down from the prior year, although results improved as the year progressed. The manufacturing P&L was modestly burdened as Hoover opened a new plant in Florida, and Dekko launched a new branded line of commercial lighting called Lux. Both of these initiatives incurred startup costs that have begun to dissipate with scale. Q1 of 2020 showed a promising start as adjusted operating income was up 39% over prior year, even as demand began to trail in March. We believe our manufacturing segment is very well positioned to emerge stronger when the COVID crisis passes.

2019 Results: Other Businesses

Amounts in $ MM's

	2016	2017	2018	2019	Q1 2019	Q1 2020	*% Change*
Revenue	$232	$251	$252	$568	$96	$147	*53%*
Adjusted Operating Income*	($26)	($29)	($22)	($18)	($9)	($12)	*(44%)*



GH GRAHAM HOLDINGS * Non-GAAP measure – see reconciliation at ghco.com 13

The Other Businesses segment grew tremendously in 2019, with revenue up 125% over 2018, largely due to the acquisitions of the two automotive dealerships and Clyde's Restaurant Group.

Operating and Free Cash Flow

	2016	2017	2018	2019	Q1 2019	Q1 2020	% Change
Operating Income	$223	$136	$246	$145	$40	$8	*(80%)*
Add: Depr., Amortization and Impairment	93	113	112	122	27	47	*78%*
Add: Pension Expense (Operating portion)	20	19	18	20	5	6	*11%*
Operating Cash Flow*	**$336**	**$268**	**$377**	**$287**	**$72**	**$61**	***(15%)***
Less: Capital Expenditures	(67)	(60)	(98)	(94)	(28)	(25)	*11%*
Free Cash Flow*	**$270**	**$208**	**$278**	**$193**	**$44**	**$36**	***(18%)***

** Non-GAAP measure*

Note: the sum of certain amounts may not equal the total due to rounding

Operating cash flow for the Company as a whole was $287 million in 2019, down substantially from 2018 due primarily to no Olympics and minimal political revenue at Graham Media Group. Total company capital expenditures were similar to 2018; and, after two elevated years, we expect capex to meaningfully decline from 2019. While we previously disclosed we expected a decline of $20-30 million in 2020 from prior year, we expect COVID will result in further reductions.

Q1 of 2020 generated $61 million of operating cash flow and $36 million of free cash flow as compared to $72 million and $44 million in the prior year. I will note the anticipated reduction in capex began to flow through materially in Q1.

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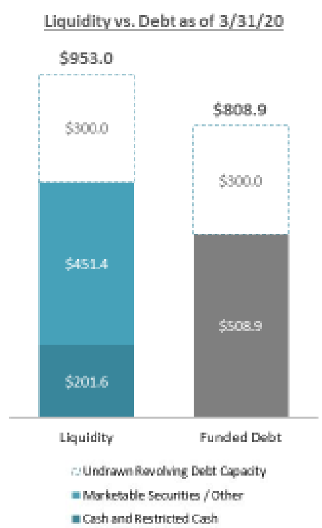
SUMMARY BALANCE SHEET / LIQUIDITY OVERVIEW

Total liquidity continues to exceeds funded debt

	12/31/2019	3/31/2020	% Change
Cash and restricted cash	$214	$202	(6%)
Marketable equity securities/other	600	451	(25%)
Other current assets	849	796	(6%)
Net property, plant and equipment	385	382	(1%)
Operating lease assets	526	487	(8%)
Net goodwill and intangibles	1,762	1,713	(3%)
Prepaid pension cost	1,292	1,307	1%
Other assets	302	307	2%
Total Assets	**$5,931**	**$5,646**	**(5%)**

	12/31/2019	3/31/2020	% Change
Current liabilities (ex-leases and debt)	867	770	(11%)
Operating lease liabilities	570	530	(7%)
Total debt	513	509	(1%)
Other long-term liabilities	655	625	(5%)
Total equity	3,327	3,213	(3%)
Total Liabilities and Equity	**$5,931**	**$5,646**	**(5%)**



*Note: Marketable Securities / Other estimate as of 5/6/20 = $420 million**

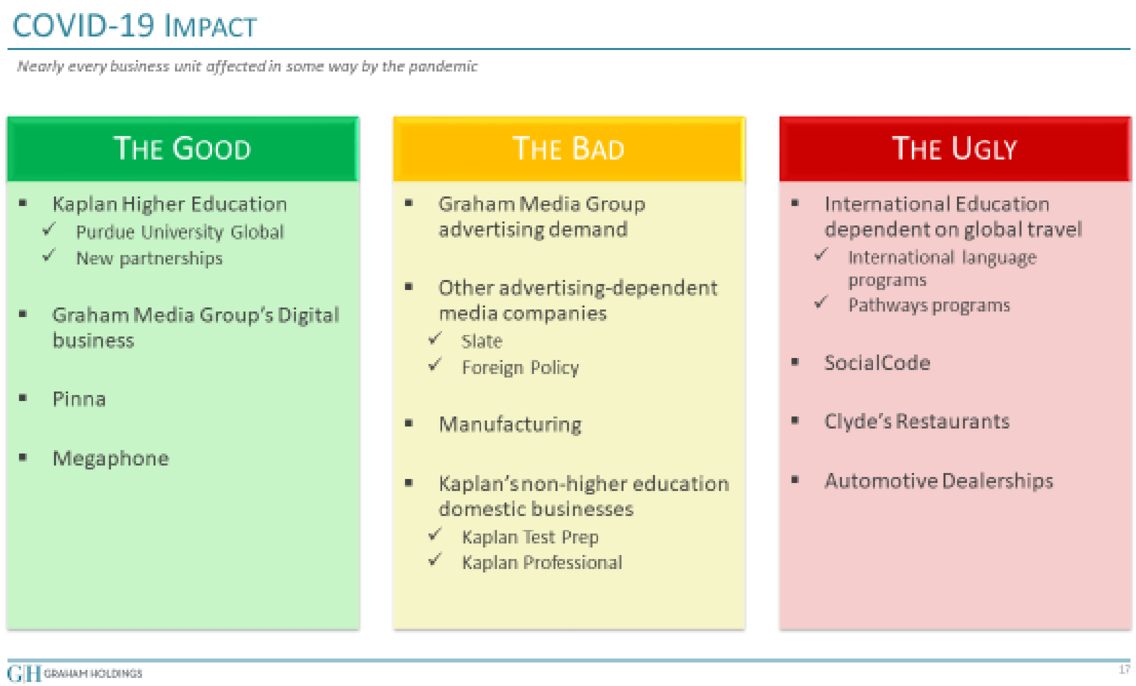
Note: the sum of certain amounts may not equal the total due to rounding

* *excludes $46 million of sales completed in April 2020*

Total liquidity for the business remains strong and greatly exceeds funded debt.

As of March 31, cash, marketable securities and our undrawn revolver totaled

$953 million in liquidity. Because marketable securities are a large portion of this liquidity, we want to provide an update. At 12/31, marketable securities and other investments were $600 million. In February of Q1, we sold $48 million of securities and at March 31, our marketable securities and other investments balance totaled $451 million. We sold another $46 million of securities in April and as of market close yesterday, our estimated marketable securities and other investments balance now totals $420 million.



I now want to address a key question many of you are undoubtedly asking: how is the pandemic and economic shutdown impacting the economic prospects of Graham Holdings' businesses? Well, to borrow from a famous Clint Eastwood movie, I'd like to categorize our outlook into three buckets: the good, the bad and the ugly.

The Good:

A few of our businesses have seen or expect to see increased demand due to COVID.

- Kaplan Higher Education and Purdue Global: This is twofold. When future employment options look less optimistic, people turn to education to further their prospects. In previous economic downturns, we have seen demand for some of our employment oriented education businesses grow. Additionally, many higher education institutions are preparing for the possibility of teaching classes and providing core administrative functions remotely in the fall. Kaplan's University Partners business is answering many phone calls these days.
- Graham Media Group's digital business: Our engagement and traffic is through the roof and we expect to be able to monetize some of this increased traffic.
- Pinna: While one of Graham Holdings' smaller companies, parents at home with kids are currently quite interested in finding non-screen time solutions. Pinna, an audio subscription product for kids ages 3-12, is rich in exclusive podcasts, audiobooks and music for $7.99 per month. New subscriptions have jumped substantially since mid-March and appear to be somewhat sustained.
- Megaphone: A fast growing part of our Company, Megaphone provides two products for podcast publishers: first, infrastructure services in the form of

a SaaS product offering; and, second a programmatic monetization platform called Megaphone Targeted Marketplace (MTM). The SaaS business continues to be an essential service for the industry and grows along with the medium’s usage. MTM is seeing continued growth as more and more publishers look to monetize their unsold inventory, as advertising spend in other parts of their business declines.

The Bad:

- Graham Media Group advertising demand: Local advertising is down substantially, as are key national categories such as automotive and retail. While we expect a vibrant 2020 election season to be somewhat of an offset, we are still planning for a material decline overall.
- Other advertising dependent media companies: In addition to Graham Media Group, our smaller businesses, Slate and Foreign Policy, also have diminished advertising revenues. But overall, they will be less impacted because of more diversified business models with meaningful subscription revenue.

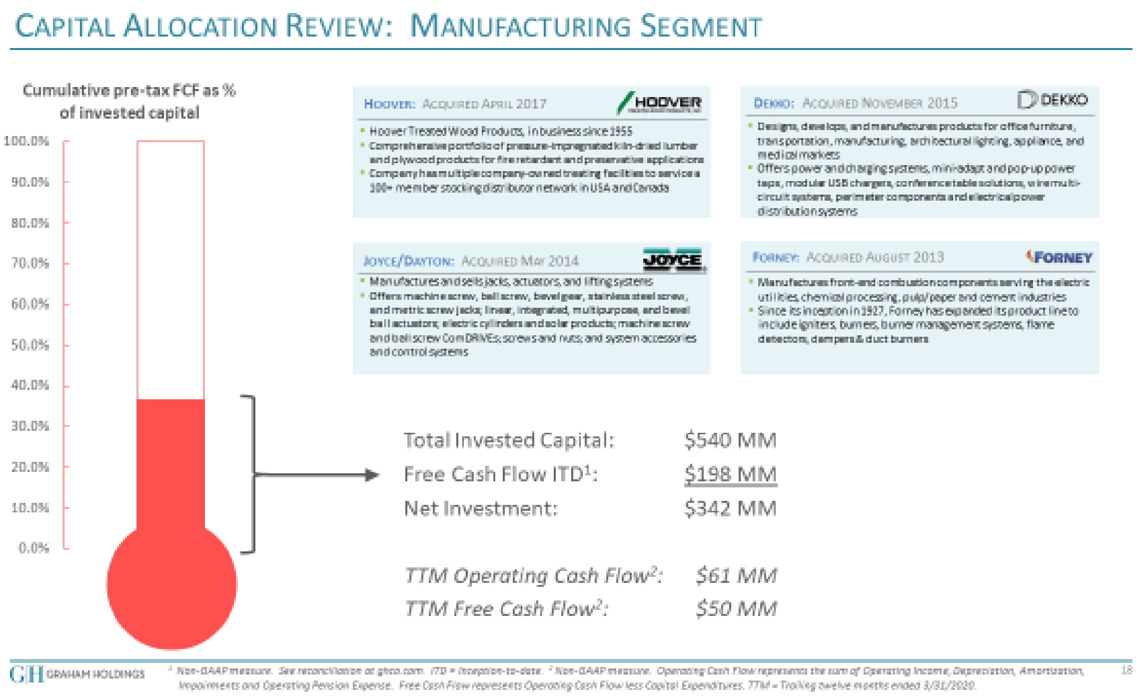
- Manufacturing: We have seen manufacturing demand decline and expect it to in 2020. We expect our manufacturing businesses will be able to scale down variable costs to offset some of these declines.
- Kaplan’s non-higher education domestic businesses: Uncertainty and postponement of exam dates combined with a pullback on corporate training expenditure will lead to lower results at Kaplan Test Prep and U.S. Professional.

The Ugly:

- International Education related to global travel: Global travel has virtually shut down. Our English, French and German language programs either have moved online, or have shut down. Additionally, our Pathways and other international higher education programs have been affected, and may be further impacted if limitations on travel extend through the fall enrollment periods.
- SocialCode: Many partners have pulled down media spend substantially as a result of the pandemic. SocialCode’s agency business has seen 20-30% declines in aggregate advertising spend since mid-March.

- Clyde’s Restaurant Group: While shifting to a takeout and delivery business at incredible speed has helped, this can only replace a subset of normal operations. Our scale and infrastructure is a real help in being able to operate in the current environment, but the immediate prospects for Clyde’s are poor.
- Automotive: Our three automotive dealerships have been able to maintain limited operations, but have seen demand declines in both sales and service. A small silver lining is our market share over the last few months has grown due to past investments. Our 2019 efforts to leverage technology to build a more convenient experience for customers via home delivery and valet service pickups turn out to be tailor made for a COVID world. We have a larger share of a smaller pie, and we hope these gains hold whenever we return to a more normal world.

Two key tenets of how we operate our business, keeping a conservative balance sheet and having diversified income streams, have put Graham Holdings Company in a strong position to weather the current storm.



We'd like to share a brief case study on some of our capital allocation. The largest capital deployment in M&A over the last five or six years has been building our manufacturing segment. Total invested capital in our manufacturing segment has been $540 million. In the last 12 months, this segment provided $61 million in operating cash flow and $50 million of unlevered operating free cash flow. Total free cash flow returned from this segment is $198 million. As of March 31, we had a net investment of $342 million. We view these results as satisfactory to date with good long-term prospects ahead. Additionally, while not a rate of return calculation, we believe this segment has improved the anti-fragility of our

Company and strengthened the long-term prospects of all of Graham Holdings Company.

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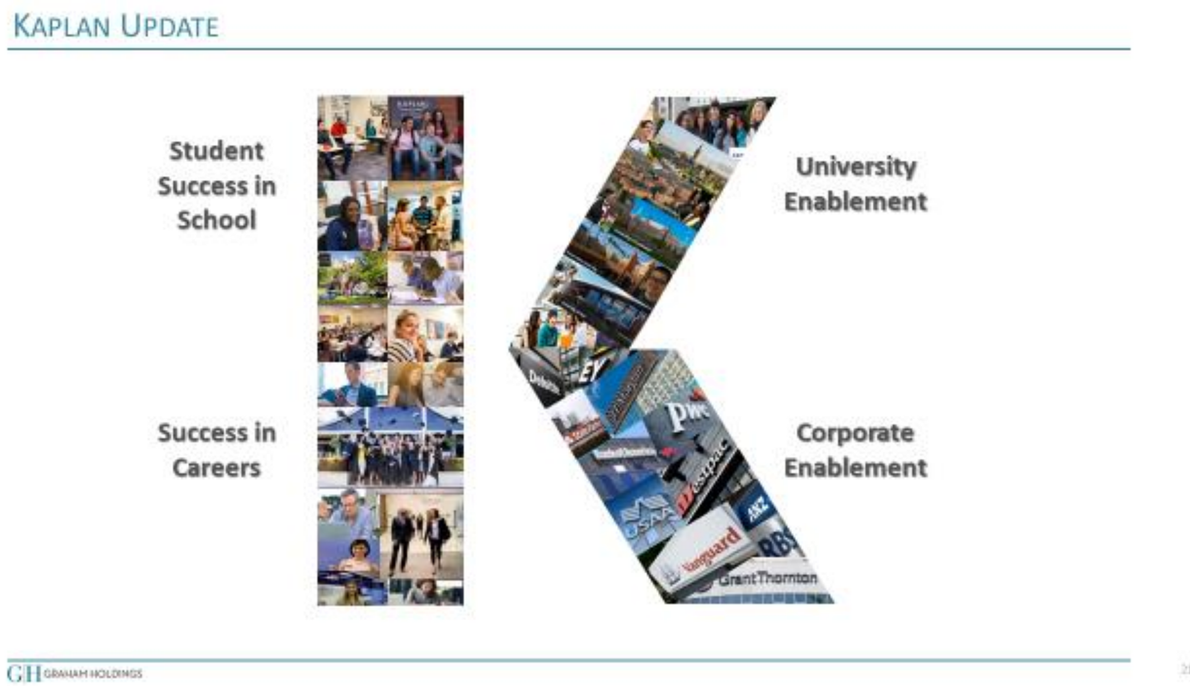
Now, I will turn it over to Andy Rosen for an update on Kaplan.

Kaplan Update

Remarks by Andrew Rosen

Thanks, Tim.

As you indicated, like so many businesses across the economy, Kaplan has been significantly impacted by COVID. You saw some of that impact in our first quarter results, and we anticipate the pandemic will continue to affect our results at least through the rest of the year. I will take you through what this looks like and what we're doing about it; but it might be useful first to remind everyone what Kaplan does. Kaplan is a large organization with a number of underlying businesses and customer groups, but they are primarily structured around four Priority Areas.



1. We help students qualify for, access, and succeed in school – from high school through graduate and professional school.

This includes our traditional test prep, admissions and tutoring programs, where Kaplan has been the leader for more than 80 years. It also includes our Language schools, and programs that we run in partnership with universities.

2. We help students and working professionals qualify for, access, and succeed in jobs.

We offer a wide range of programs preparing people for licensure or certification exams, as well as other types of professional training. Kaplan is a leading educator in medicine, financial services, accountancy, wealth management, real estate, law, technology, analytics, IT, engineering, architecture, and more. We partner with more than 4,000 corporations and businesses globally, and we help them upskill their workforces, improve employee performance, and ultimately become more competitive.

3. We help universities identify, access, and enroll highly qualified students, and help them ensure their students are successful and ready for work.

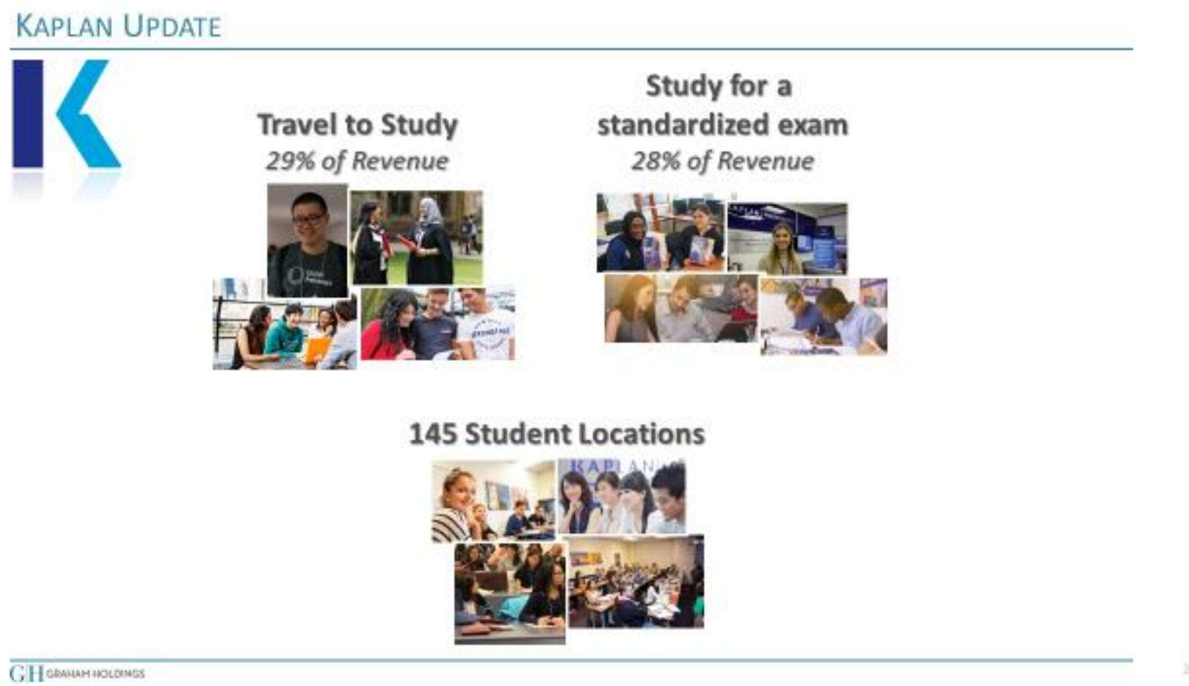
We bring tens of thousands of international students to universities in the U.S., U.K., Australia, New Zealand, Canada, Singapore, Hong Kong and other locations -- or at least we do when students are able to travel. We help universities serve tens of thousands of students online, and we help them identify and impress qualified candidates for on-campus admission. And increasingly, we help ensure that students graduate with an industry-recognized credential as part of their education. Kaplan enjoys relationships and partnerships with more than 2,000 universities, colleges, schools and school districts worldwide.

4. We help companies hire highly qualified candidates, and we help ensure their employees have the skills necessary to make them successful.

You see this in our thousands of corporate relationships around the world. Companies depend on us not only to ensure that employees pass the licensure exams that are required -- but also to find the right candidates and ensure that employees perform well in their jobs, providing an important competitive edge. Each one of these four Priority Areas enables us to excel at the others. While we have competitors in individual market segments, few if any of those competitors can work with students over their lifetimes, connect them with universities and companies, and help those universities and companies promote their success. We have been and will continue to invest significantly in developing this interconnected suite of offerings.

Each of these underlying market segments has been very dynamic over the last few years, even before the emergence of COVID. The current crisis is accelerating trends we've been anticipating for some time. In some ways, that will play to our strengths. For example, there will be an expanded openness to the kind of online and digital education solutions we've been pioneering for decades. There will, we believe, be more focus on the work-readiness of college graduates, an area where we have a lot to offer. And, there will be an expanded push to deliver education in a less-expensive, more practical fashion. As painful as the current crisis is, we think these developments will, over time, be good for education as well as good for us.

That said, in the short- to medium- term the pandemic has had a serious negative impact on Kaplan.



First: Just under 30 percent of our revenue over the last few years has come from helping tens of thousands of students travel each year to English-speaking countries to study with us or our partner universities.

- In our Pathways business, we have 21 partner universities, including 9 of the world's top 200. Typically, we teach international students for their first year before they matriculate into the university's own programs.
- In our language schools, we help 42,000 students experience life in a foreign country while they study English, French, German and Spanish.
- In Singapore, we host and operate the branch campuses of 11 universities, serving both Singaporean and international students.

- In our test prep business, many of our medical licensure students are international medical graduates hoping to get licensed to practice in the U.S.

These efforts have one baseline requirement: students have to be able to travel. Students from Jakarta or Beijing or Lagos – really, from every country in the world – come to our 65 international-student-focused locations from Brisbane to Berlin, and Boston to Bournemouth. In that respect, our economics for these businesses during this crisis resembles that of a travel business. Fortunately, we didn’t go immediately to near-zero like an airline or hotel, because many of our students have committed to multiyear programs on campus. Many of these students are now studying with us online, and the reviews of our online programs have been very strong. But we can’t currently bring new students in, and we are not able to offer the full experience our existing students are seeking. All of our 65 study locations for international students are currently closed. While demand persists – we continue to enroll new students for future study – we can’t predict when they will be able to arrive. In the meantime, our financial performance for these businesses will suffer materially.

Second: Kaplan is, of course, synonymous with test preparation. We're not only the leader in U.S. academic programs like the ACT, LSAT and MCAT, but also the leader in U.S. professional tests for financial services, real estate, insurance, medical licensure, and other areas; global designations like the CFA or CFP; the U.K.-based accountancy exams; Australia's wealth management designations; and so on. In all cases, these exams have been postponed indefinitely. And since students typically study for a specific test date, that has removed the primary trigger for students to begin studying, leading them to defer enrollment. As Tim mentioned, for those who are already studying, we have responded by extending our support, granting most students an extension of time to study with us. This ensures that their Kaplan program is still available to them when their tests resume, a move that's been greatly appreciated. From an accounting standpoint, as Tim noted, we are required to stretch out revenue recognition over the period the program is available to students, which has led us to shift substantial revenue out of the first quarter into the rest of this year. Much (though not all) of that decline in revenue from the first quarter will be picked up later in the year. This was the majority of the miss you may have seen in Kaplan Test Prep's first quarter, for example. You'll see a similar impact in the second quarter.

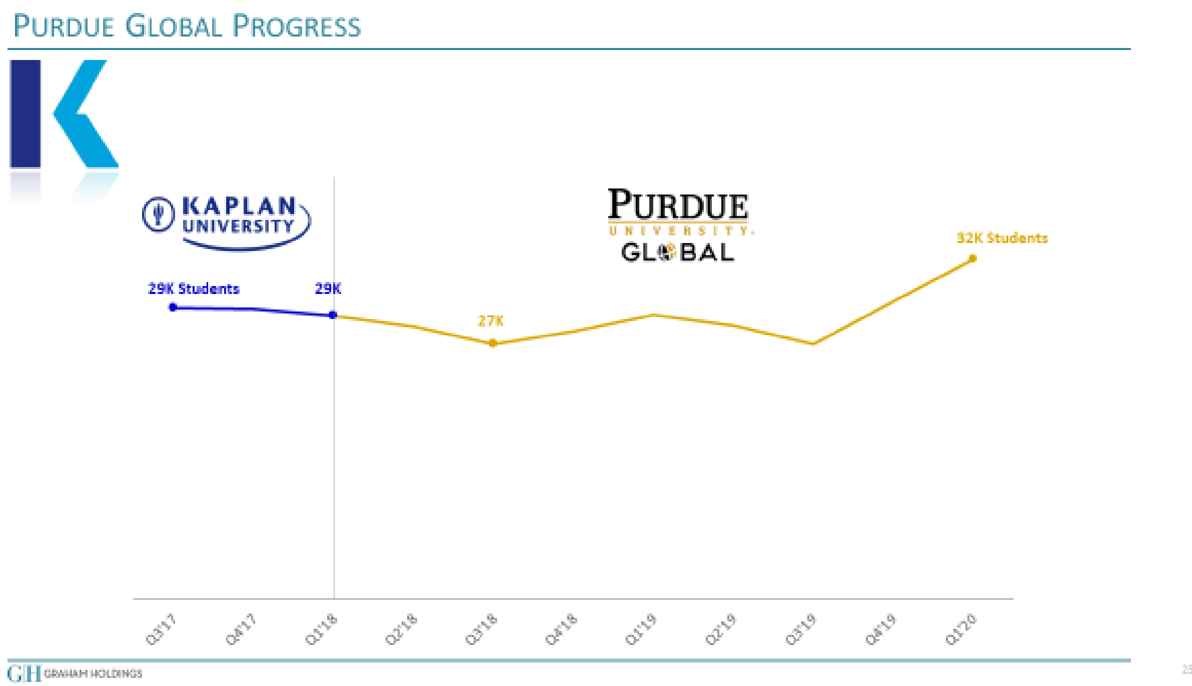
Third: All 145 of our student locations around the world are currently closed. We have shifted the vast majority of these students to online study, and fortunately, that's something we're very good at. But there are students who really want a place-based experience, and we can't provide that now.

And fourth: Our businesses are responsive to the economy. For some, like our professional businesses, a faltering economy is a drag on our revenue, as companies pull back on training; and our consumer-based businesses depend on families having the funds to pay.

As I've noted, there are positive impacts alongside the negatives, particularly in the longer run. Over the course of 2020, though, I'm afraid the negatives will greatly outnumber the positives.

One place where we could see some upside over time is at Kaplan Higher Education, in our work with Purdue but also with some of our newer university relationships.

You will recall that two years ago we sold Kaplan University to Purdue University. We retained a long-term contract to provide support for the resulting new institution, which became Purdue University Global. We are compensated via a fee that is linked to the overall revenue of the institution. I'd like to conclude my comments with a short update on how it's going.



At the time of the transaction, Kaplan University had 29,000 students. We were hopeful that by bringing the institution under the strong academic leadership and overall control of Purdue – and by becoming part of a deeply admired state university system – we'd see a rapid increase in the number of students. It turns out we were naïve. As respected as Purdue is, it was at the time less well-known for online offerings than Kaplan University was. For the first 12 months after the transaction, new student enrollments actually dropped by 5%. To be clear, this wasn't any reflection of the reputation of Purdue in the marketplace. At the same time, applications to Purdue's traditional campuses were continuing to grow. It's just that we collectively needed to educate the market about the merits of this new institution, even as Purdue's academic leadership was evolving the new institution. Under the terms of our contract, Kaplan effectively assumed the financial responsibility for an incremental $51 million investment to raise awareness for the new institution and to make the academic, operational and policy changes necessary to place it firmly within the overall Purdue system.

Our arrangement with Purdue has a waterfall, or prioritization, that describes how cash that comes into the institution, primarily in the form of tuition payments, gets distributed. First to be reimbursed are the expenses that Purdue Global incurs. Second is a priority payment we make to Purdue for the first five years, which will be reimbursed to us in later years. Third are expenses incurred by Kaplan. Fourth – and only to the extent the institution has available cash – is Kaplan's compensation, which is a combination of the Kaplan fee and a deferred purchase price, currently totaling 12.5% of revenue. All revenue after payment of Kaplan's compensation belongs to Purdue. This waterfall ensures that Purdue is protected from losses, particularly in the early years when investment has been needed.

In the first two years, because of the incremental investment in marketing, academics and operations, there has not been sufficient cash available to pay Kaplan's full fee. This is no surprise. We knew we would need to fund these incremental investments and are happy to do so to help build an institution we think can become very valuable to students, to Purdue, to Kaplan, to the country and ultimately to students globally.

While you don't yet see it in the Kaplan P&L, we're seeing good signs of that value manifesting. First, the decline in students that I mentioned has very much reversed. While we don't intend to disclose student counts on a regular basis, it's worth noting here that starts were up strongly in the first quarter, leading to a student population of 32,000 — a 9% jump from the previous first quarter. In Indiana and some other parts of the Midwest, where Purdue's brand is particularly strong, enrollments have been up much more. Equally significant, the student census profile has strategically shifted to higher value bachelor and graduate degrees and to business and technology programs that lead to better student outcomes. We are seeing steady improvement in the academic preparedness of students. That's important not just because it indicates that better-prepared students are choosing Purdue Global; these students are also more likely to stick with their studies. And sure enough, the retention rate for students at Purdue Global has seen steady improvement, which is good for students and good for the institution.

While it's far too early to draw any firm conclusions about the impact of COVID or any resulting economic downturn, inquiries to Purdue Global were up in April, after a short drop during the second half of March when students seem to have been distracted by the convulsions in the economy. Historically, economic downturns have led to more students seeking out higher education, though how closely this particular crisis adheres to historical precedents is uncertain.

But overall, we are optimistic about the long-term future of Purdue Global.

One additional footnote: Our transaction with Purdue has also served to open up what is becoming an array of partnership possibilities with other universities. Our partnership with Wake Forest is just a beginning. We can apply our relationship and certain academic assets from Purdue Global along with our 100-plus professional certification programs, student recruitment and online enablement capabilities in myriad ways to serve other universities interested in long-term partnerships.

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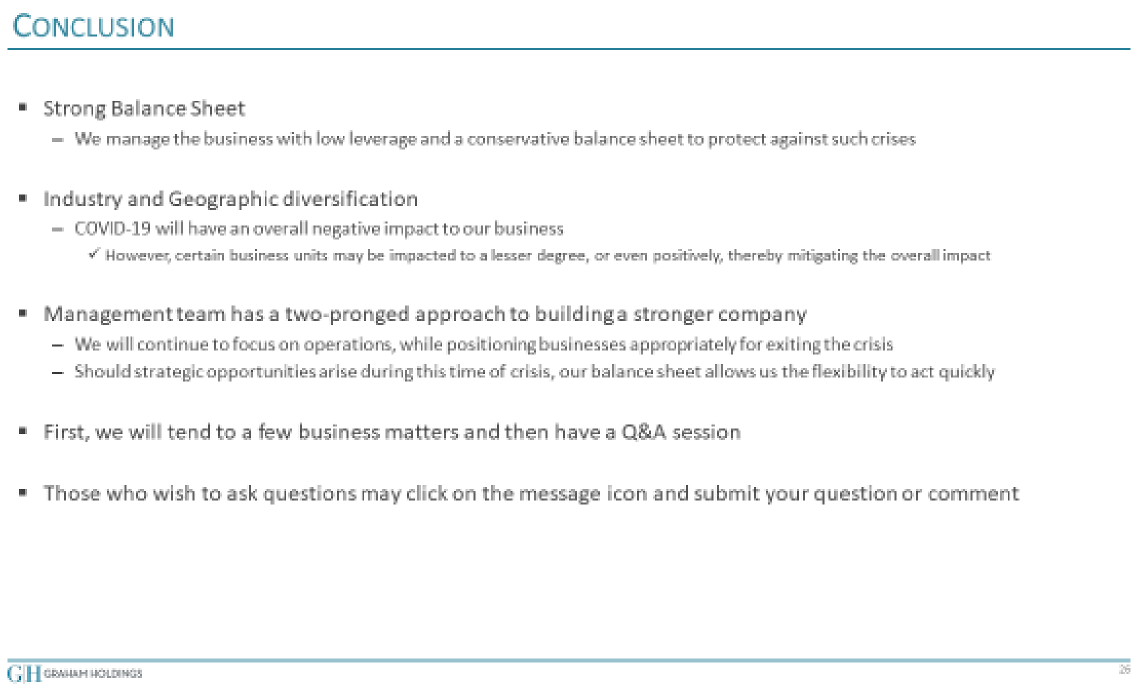
I’ve been at Kaplan for a long time, and we have never had as much uncertainty about a year as we have now. We know it will be tough. But, we’ve been through tough times before, and we will navigate through this year as we have in the past. As always, we will continue to focus on making sure students are well-served, living up to commitments we’ve made to partners, prioritizing the safety of employees, and ensuring that our economic return is preserved as much as possible under the circumstances. I’m proud of the Kaplan team, which not only transitioned with perfection from offices and centers to homes and online, but also acted forcefully and quickly to significantly reduce expenses. That includes temporary pay cuts for employees earning over $50,000, and it includes some appropriate operational and organizational shifts. We have now turned to aggressively preparing for all potential scenarios, as the world emerges changed by this crisis – including a number of ways that could be very good for Kaplan long-term.

Tim, back to you.

Agenda

Remarks by Timothy J. O'Shaughnessy (continued)

Thank you, Andy. While the future is unclear, we are steadfast in running the Company in a way that will see us through these health and economic crises, while also preserving future optionality and the ability to play offense, even in the midst of 2020.



Our balance sheet, industry diversification, and geographic diversification are showing their merits in 2020. We will continue to operate opportunistically and believe we can emerge from the crisis with strengthened positions across many of our businesses. Should strategic opportunities present themselves, our balance sheet allows us the flexibility to act quickly. Make no mistake that 2020 will be challenging, but we believe we have the team and resources to meet that challenge.

We are taking it day by day at Graham Holdings, with an ever-present eye on the future. We know some of you may have substantial portions of your net worth invested in the Company. We are aligned, as Don and I, along with many members of management do too. We will continue to run the business like owners, because we are owners. I hope you have found this update on Graham Holdings Company useful in understanding the impacts of COVID-19, but also equally useful in confirming that we will continue to run the company with the same values in which it has been run for decades, even in a time of crisis. We enjoy the spirit of partnership we have with many of you who have come along for the ride.

After we handle a few business matters, we will move to the Q&A portion of the session and open it up for questions. Thank you.

Graham Holdings Company Annual Meeting

May 7, 2020

QUESTIONS

Investor Q&A

- We received several questions prior to the meeting, many of which were addressed in our remarks.
- Just a reminder, if you wish to ask questions, please click on the message icon and submit your question or comment.
- We also have Don Graham, Chairman of the Board and Emily Barr at Graham Media Group on the call.
- We will take as many questions as time will allow.

Graham Holdings Company Annual Meeting

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