



GRAHAM HOLDINGS COMPANY – INVESTOR DAY

Non-GAAP Adjustments

December 3, 2020



GRAHAM HOLDINGS COMPANY

Non GAAP Adjustments

\$ in millions

Graham Holdings Company	Q1 2020	Q2 2020	Q3 2020	Q3 '20 YTD	Q3 '19 YTD
Operating Income	\$8	\$6	\$40	\$54	\$114
Add: Amortization & Impairment	31	26	16	72	41
Adjusted Operating Income	\$39	\$32	\$56	\$127	\$155
Education	Q1 2020	Q2 2020	Q3 2020	Q3 '20 YTD	Q3 '19 YTD
Operating Income	\$5	\$12	\$3	\$20	\$45
Add: Amortization & Impairment	4	14	6	25	12
Adjusted Operating Income	\$9	\$27	\$10	\$45	\$56
Television Broadcasting	Q1 2020	Q2 2020	Q3 2020	Q3 '20 YTD	Q3 '19 YTD
Operating Income	\$36	\$24	\$53	\$112	\$117
Add: Amortization & Impairment	1	1	1	4	4
Adjusted Operating Income	\$37	\$25	\$54	\$116	\$121
Manufacturing	Q1 2020	Q2 2020	Q3 2020	Q3 '20 YTD	Q3 '19 YTD
Operating Income (Loss)	\$7	(\$1)	\$5	\$10	\$15
Add: Amortization & Impairment	7	7	7	21	20
Adjusted Operating Income	\$14	\$6	\$12	\$31	\$34

GRAHAM HOLDINGS COMPANY

Non GAAP Adjustments

\$ in millions

	Q1 2020	Q2 2020	Q3 2020	Q3 '20 YTD	Q3 '19 YTD
Healthcare					
Operating Income	\$3	\$9	\$8	\$20	\$6
Add: Amortization & Impairment	1	1	1	3	5
Adjusted Operating Income	\$4	\$10	\$9	\$24	\$11
Other Businesses					
Operating Loss	(\$33)	(\$24)	(\$16)	(\$74)	(\$29)
Add: Amortization & Impairment	17	2	1	19	0
Adjusted Operating Loss	(\$17)	(\$22)	(\$15)	(\$55)	(\$28)
Corporate and Other					
Operating Loss	(\$9)	(\$13)	(\$13)	(\$34)	(\$39)
Add: Amortization & Impairment	–	–	–	–	–
Adjusted Operating Loss	(\$9)	(\$13)	(\$13)	(\$34)	(\$39)

EDUCATION SEGMENT

Non GAAP Adjustments

\$ in millions

Kaplan Corporate and Other	Q3 2020 YTD	Q3 2019 YTD
Operating Loss	(\$36)	(\$30)
Add: Amortization & Impairment	25	12
Adjusted Operating Loss	(\$11)	(\$19)

TELEVISION BROADCASTING SEGMENT

Non GAAP Adjustments

\$ in millions

	Q3 2020 YTD	Q3 2019 YTD
Total Expenses	\$238	\$223
Less: Amortization of Intangible Assets	4	4
Total Expenses, excluding Amortization of Intangible Assets	\$234	\$219

	Q3 2020 YTD	Q3 2019 YTD
Adjusted Operating Income	\$116	\$121
Add: Depreciation	10	10
Operating Cash Flow	\$126	\$131

	Q3 2020 YTD	Q3 2019 YTD
Adjusted Operating Income	\$116	\$121
Total Revenues	350	340
Operating Margin	33.2%	35.5%

	Q3 2020 YTD	Q3 2019 YTD
Operating Cash Flow	\$126	\$131
Total Revenues	350	340
Operating Cash Flow Margin	36.0%	38.5%

MANUFACTURING SEGMENT

Non GAAP Adjustments

\$ in millions

Manufacturing	2015	2016	2017	2018	2019
Operating Income	\$6	\$13	\$15	\$29	\$20
Add: Amortization & Impairment	6	12	31	25	26
Adjusted Operating Income	\$13	\$25	\$46	\$54	\$47
Manufacturing Total Revenues	92	242	414	488	449
Adjusted Operating Income Margin	14%	10%	11%	11%	10%
Graham Holdings Company	2015	2016	2017	2018	2019
Operating Income (Loss)	(\$158)	\$223	\$136	\$246	\$145
Add: Amortization & Impairment	279	28	51	56	62
Adjusted Operating Income	\$121	\$251	\$187	\$302	\$207
Manufacturing Adjusted Operating Income as a % of Total	11%	10%	25%	18%	23%

MANUFACTURING SEGMENT

Non GAAP Adjustments

\$ in millions

Manufacturing	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q3 '20 LTM
Operating Income (Loss)	\$6	\$7	(\$1)	\$5	\$16
Add: Amortization & Impairment	7	7	7	7	28
Adjusted Operating Income	\$12	\$14	\$6	\$12	\$43
Manufacturing Total Revenues					411
Adjusted Operating Income Margin					11%
Graham Holdings Company	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q3 '20 LTM
Operating Income	\$30	\$8	\$6	\$40	\$85
Add: Amortization & Impairment	22	31	26	16	94
Adjusted Operating Income	\$52	\$39	\$32	\$56	\$179
Manufacturing Adjusted Operating Income as a % of Total					24%