# Houghton Mifflin Harcourt

## Investor Fact Sheet

### Our Company

Houghton Mifflin Harcourt® (NASDAQ: HMHC) is a learning company committed to delivering integrated solutions that engage learners, empower educators and improve student outcomes. As a leading provider of K–12 core curriculum, supplemental and intervention solutions, and professional learning services, HMH® partners with educators and school districts to uncover solutions that unlock students’ potential and extend teachers’ capabilities. HMH serves more than 50 million students and 3 million educators in 150 countries, while its award-winning children's books, novels, non-fiction, and reference titles are enjoyed by readers throughout the world. For more information, visit hmhco.com.

### The HMH Business

**NASDAQ Ticker:**
HMHC

**Shares Outstanding:**
124 Million

**Listed on:**
Nov. 14, 2013

### Financial Performance

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<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>$1.32B</td>
<td>$1.32B</td>
<td>$1.37B</td>
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<tr>
<td><strong>Billings</strong></td>
<td>$1.32B</td>
<td>$1.31B</td>
<td>$1.41B</td>
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<tr>
<td><strong>Net Loss</strong></td>
<td>$94.2M</td>
<td>$103.2M</td>
<td>$284.6M</td>
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<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$192M</td>
<td>$185M</td>
<td>$152M</td>
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Market Overview

13,600
K–12 public school districts

3.5 Million
teachers

132,800
public and private schools

55.8 Million
total enrollment in public, private and charter schools (and is expected to grow 3% by 2025–2026 school year)

HMH Extensions:
Market Opportunity

$6B
4% Growth

$2.3B
3% Growth

Supplemental
$2.0B

Intervention
$1.5B

4% Growth

3.5 Million teachers

55.8 Million total enrollment in public, private and charter schools (and is expected to grow 3% by 2025–2026 school year)

13,600 K–12 public school districts

132,800 public and private schools

HMH Strategy: Three Pillars

Enhance and Extend the Core
Provide highly differentiated products that leverage data analytics and learning science and expand into faster-growing, higher-margin extensions in supplemental and intervention solutions and professional services.

Develop Integrated Solutions
Integrate offerings designed to improve student outcomes and increase revenue through cross-selling and up-selling go-to-market initiatives.

Achieve Operational Excellence
Standardize and streamline infrastructure, back office and product catalog to eliminate unnecessary variation, move to Lean Agile Continuous Delivery model for software development, and improve processes and technology to elevate customer experience.

Instructional Materials Spend

- Magazines
- Video
- Trade Books
- Manipulatives
- Print Supplements
- Digital Supplements
- State-Level Tests
- Courseware
- Assessment
- Services
- Basal Curriculum

$11 Billion