FranklinCovey

# Investor Update

## Fourth Quarter – Fiscal 2026

NOVEMBER 4, 2026



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# Forward-Looking Statements and Non-GAAP Measures

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based upon management's current expectations and are subject to various risks and uncertainties including, but not limited to: The ability of the Company to grow revenues; The acceptance of, and renewal rates for our subscription offerings, including the All Access Pass and Leader in Me memberships; The ability of the Company to hire productive sales and other client-facing professionals; General economic conditions; Competition in the Company's targeted marketplace; Market acceptance of new offerings or services and marketing strategies; Changes in the Company's market share; Changes in the size of the overall market for the Company's products; Changes in the training and spending policies of the Company's clients, and other factors identified and discussed in the Company's most recent Annual Report on Form 10-K and other periodic reports filed with the Securities and Exchange Commission. Many of these conditions are beyond our control or influence, any one of which may cause future results to differ materially from the Company's current expectations, and there can be no assurance the Company's actual future performance will meet management's expectations. These forward-looking statements are based on management's current expectations, and we undertake no obligation to update or revise these forward-looking statements to reflect events or circumstances after the date of today's presentation, except as required by law.

The Securities and Exchange Commission's Regulation G applies to any public disclosure or release of material information that includes a non-GAAP financial measure. In the event of such a disclosure or release, Regulation G requires: (i) the presentation of the most directly comparable financial measure calculated and presented in accordance with GAAP and (ii) a reconciliation of the differences between the non-GAAP financial measure presented and the most directly comparable financial measure calculated and presented in accordance with GAAP. The required presentations and reconciliations are contained herein and can be found at our website at www.franklincovey.com.

This presentation uses the non-GAAP financial measures of Adjusted EBITDA, Free Cash Flow, and "constant currency." The Company defines Adjusted EBITDA as net income excluding the impact of interest, income taxes, intangible asset amortization, depreciation, stock-based compensation expense, and certain other infrequently occurring items such as restructuring and building exit costs. Free Cash Flow is defined as GAAP calculated cash flows from operating activities less capitalized expenditures for purchases of property and equipment, curriculum development, and content or license rights. Constant currency is a non-GAAP financial measure that removes the impact of fluctuations in foreign currency exchange rates and is calculated by translating the current period's financial results at the same average exchange rates in effect during the prior year and then comparing this amount to the prior year. These non-GAAP financial measures may not be comparable to similar measures used by other companies and should not be used as a substitute for revenue, net income, or other GAAP operating measures.


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# Key Themes

## 01

**A) Enterprise North America has a resilient core.**

**B) Our go-to-market transformation is working.**

We are entering Phase II of the transformation, building upon the traction we've gained and are accelerating our investments in FY27.

## 02

**Education is a proven platform that has achieved significant growth.**

We expect it to return to meaningful invoiced growth.

## 03

**In the age of AI, the human edge matters more than ever.**

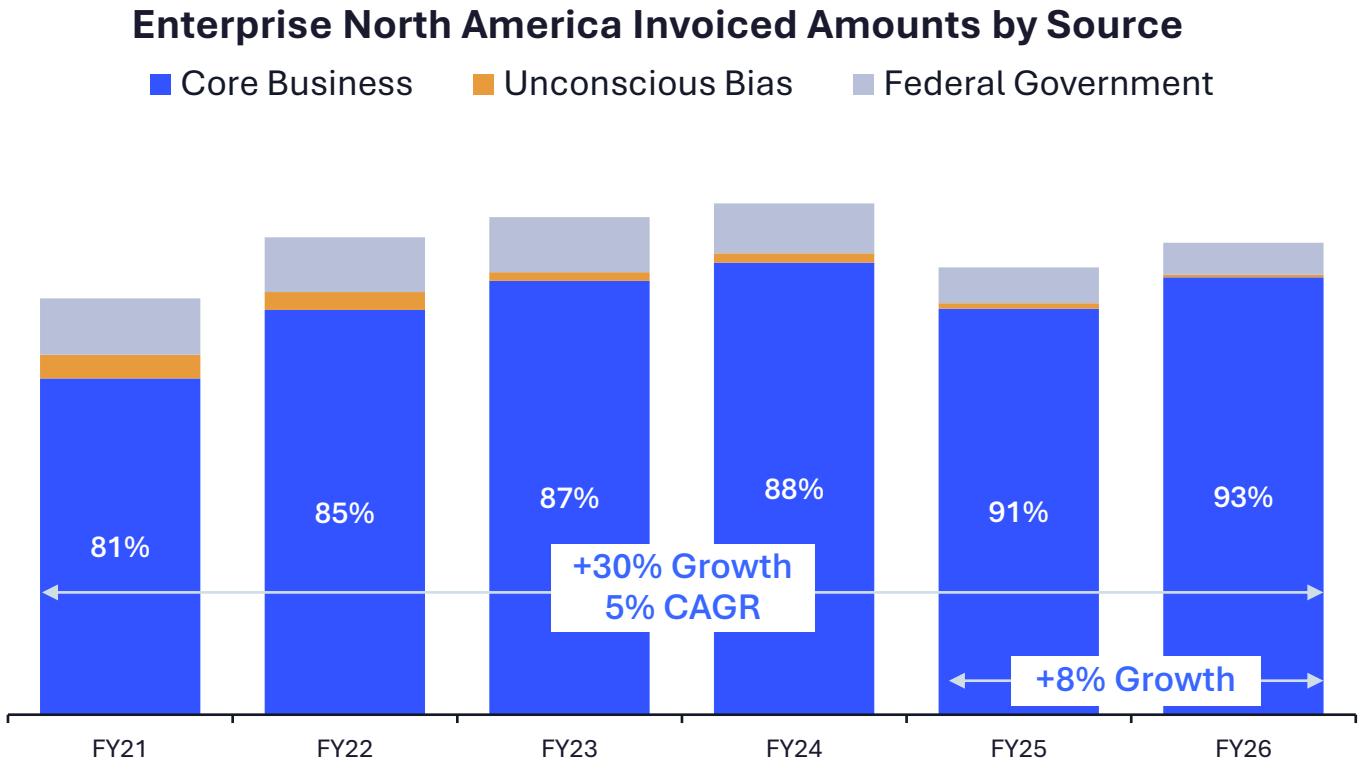
That makes our business even more durable.


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# Key Theme #1A:
# Enterprise North America Has a Resilient Core

*In millions*

**Total Invoiced Amounts split into the durable core business, the fading Unconscious Bias surge, and Federal Government (DOGE-driven cuts).**




CORE BUSINESS (EX-GOV, EX-Unconscious Bias)

**90%+ of the business**

Core business has grown every year except one - FY25

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# Key Theme #1B: Enterprise North America Go-To-Market Transformation Is Working – and We Are Accelerating Our Investment in Phase II








**OUTCOME**

## More Invoiced Revenue per Hunter

- Revenue per hunter more than doubled vs. FY24 (old GTM model)
- Each hunter is winning 30%+ more new clients
- Revenue per new client is up 50%+

## More Invoiced Revenue per Farmer

- Revenue per retained client grew high single digits

## Central Hub Enables Sales Focus

- Built a strong central infrastructure — management, enablement, and revenue operations — which lets hunters and farmers focus on selling
- A largely fixed-cost investment made once — growth ahead doesn't require proportional cost growth

**FY27 PLAN**

### Investing

- Scaling the hunting team 20%+
- Business developers ~30%
- Marketing ~25%

### Continued Momentum

**No incremental investment is required –** build on improved FY26 revenue retention.

### Delivering as Designed

**No incremental investment is required.**
The hub is built, operating as intended, and supports both teams as they scale.

**Enterprise North America is expected to drive most of our reported revenue growth in FY27.**

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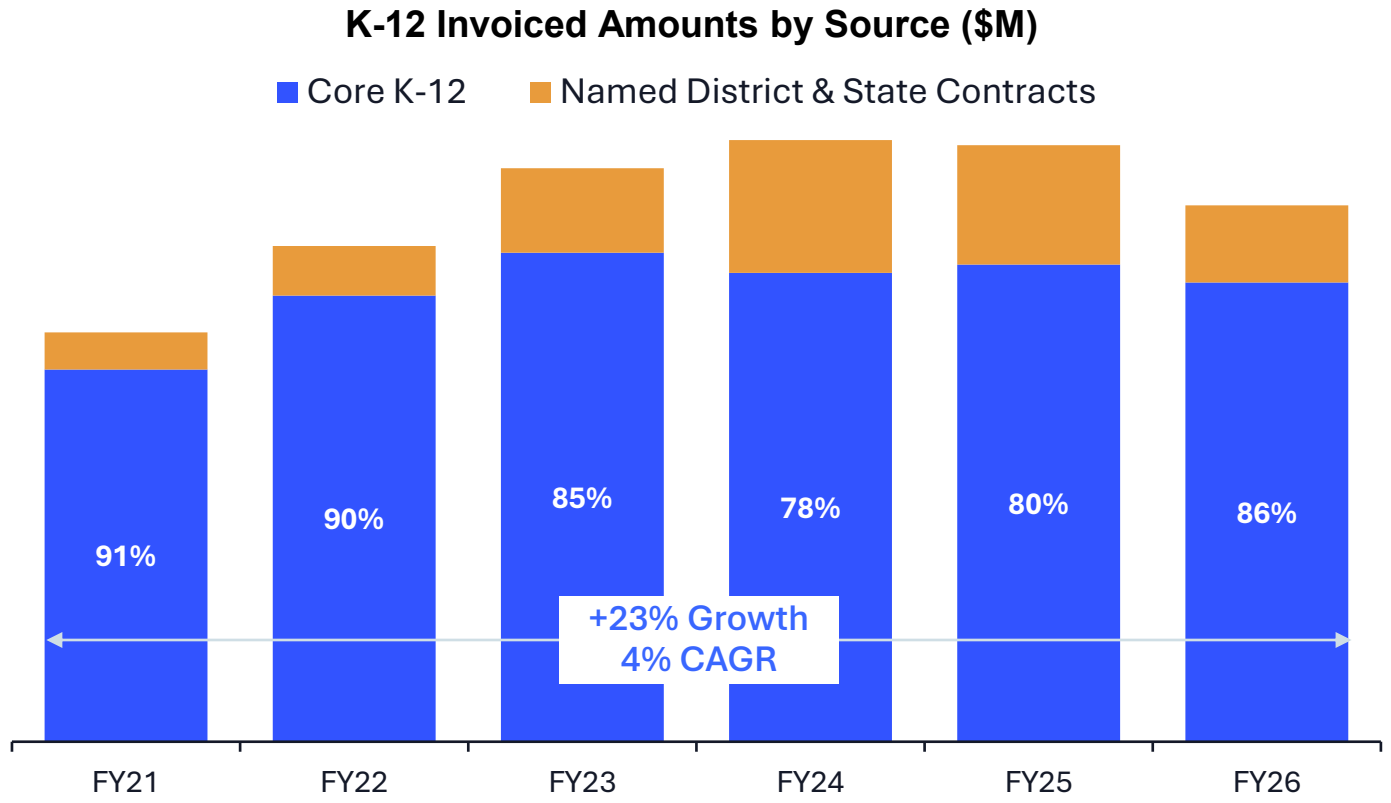


NOTES | *All stated figures are computed using invoiced amounts.*

# Key Theme #2: Education Is A Proven Platform That Has Achieved Significant Growth

*In millions*

**Total K-12 (~88% of Education Division) Invoiced Amounts split into the durable core business and named large district/state contracts**




CORE BUSINESS K-12

**~80-90% of the business**

Core business grew in 4 of 6 years, pausing only in FY24 and FY26

LARGE DISTRICT & STATE WINS

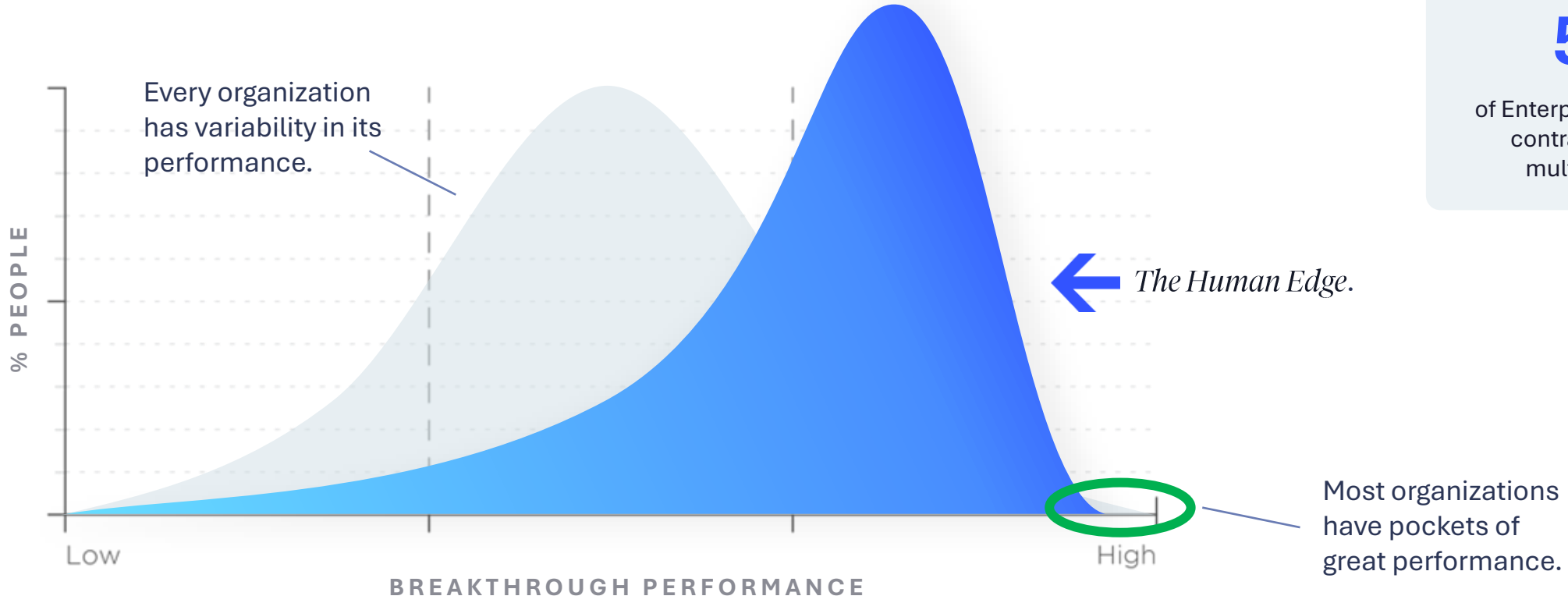
**Fluctuated between 9% – 22% of K-12 business**

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# Key Theme #3:
# In The Age Of AI, The Human Edge Matters More Than Ever

We help our clients shift their performance "Righter and Tighter" to create *The Human Edge*. Every organization has pockets of great performance. Most also experience a wide range in the variability of their performance. What separates the best from the rest is the degree to which they turn pockets of great individual or team performance into widespread performance. We call this collective action, and it's the job of every leader to create the conditions to generate collective action.




**59%**

of Enterprise North America contracts are now for multi-year periods


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# FY2026 Results vs. Guidance

*In millions and unaudited*

| FISCAL YEAR **2026** | | | |
|---|---|---|---|
| | **Guidance** in Constant Currency | **Results** | |
| Revenue | $260M – $267M | $261.5M<br>$260.4M in CC | Within Range |
| Adjusted EBITDA | $28M – $31M | $28.9M<br>$28.6M in CC | Within Range |



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# FranklinCovey Key Metrics

*In millions and unaudited*

## Performance Snapshot

QUARTER **4**
FISCAL YEAR **2026**

| Q4FY26 Revenue | Q4FY26 Adjusted EBITDA | Q4FY26 Deferred Revenue Balance |
|---|---|---|
| $70.0M | $12.8M | $116.1M |
| Prior: **$71.2M** (Q4FY25) | Prior: **$11.7M** (Q4FY25) | Prior: **$111.7M** (Q4FY25) |
| **FY26 Revenue** | **FY26 Adjusted EBITDA** | **FY26 Free Cash Flows** |
| $261.5M | $28.9M | $9.2M |
| Prior: **$267.1M** (FY25) | Prior: **$28.8M** (FY25) | Prior: **$12.1M** (FY25) |

NOTES

*- Adjusted EBITDA and Free Cash Flows are non-GAAP, please see Appendix for additional information.*
*Deferred Revenue Balance consists of $112.6M in Current Liabilities and $3.5M in Long Term Liabilities.*

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# Enterprise Division | North America Key Metrics

*In millions and unaudited*

## Performance Snapshot

QUARTER **4**
FISCAL YEAR **2026**

| Q4FY26 Invoiced | Q4FY26 Revenue | Q4FY26 Adjusted EBITDA |
|---|---|---|
| $37.0M | $35.8M | $6.6M |
| Prior: $**37.2M** (Q4FY25) | Prior: **$35.9M** (Q4FY25) | Prior: $**7.6M** (Q4FY25) |
| **FY26 Invoiced** | **FY26 Revenue** | **FY26 Adjusted EBITDA** |
| $151.4M | $142.6M | $25.5M |
| Prior: $**144.9M** (FY25) | Prior: **$147.6M** (FY25) | Prior: $**27.4M** (FY25) |
| **Q4FY26 Billed Deferred Revenue Balance** | **Q4FY26 Unbilled Deferred Revenue Balance** | **Q4FY26 AAP Multi-Year Contract Value** |
| $59.2M | $63.1M | 60% |
| Prior: **$50.4M** (Q4FY25) | Prior: $**67.6M** (Q4FY25) | Prior: **60%** (Q4FY25) |

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# Enterprise Division | International Key Metrics

*In millions and unaudited*

## Performance Snapshot

QUARTER **4**
FISCAL YEAR **2026**

| Q4FY26 Invoiced | FY26 Invoiced | Q4FY26 Revenue | FY26 Revenue |
|---|---|---|---|
| $9.7M | $39.3M | $9.7M | $40.1M |
| Prior: **$10.3M** (Q4FY25) | Prior: $**40.8M** (FY25) | Prior: **$9.8M** (Q4FY25) | Prior: **$40.5M** (FY25) |

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# Education Division Key Metrics

*In millions and unaudited*

## Performance Snapshot

QUARTER **4**
FISCAL YEAR **2026**

| Q4FY26 Invoiced | Q4FY26 Revenue | Q4FY26 Adjusted EBITDA |
|---|---|---|
| $42.6M | $23.6M | $6.9M |
| Prior: **$44.9M** (Q4FY25) | Prior: **$24.4M** (Q4FY25) | Prior: **$6.2M** (Q4FY25) |
| **FY26 Invoiced** | **FY26 Revenue** | **FY26 Adjusted EBITDA** |
| $72.8M | $76.2M | $8.0M |
| Prior: **$80.7M** (FY25) | Prior: **$74.6M** (FY25) | Prior: **$8.2M** (FY25) |

**Q4FY26 Billed Deferred Revenue Balance**

$51.2M

Prior: **$54.6M** (Q4FY25)

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# Fiscal 2027 Guidance

*The Company provides annual FY2027 guidance in constant currency. In millions.*

| Guidance | FISCAL YEAR 2027 | | | |
|---|---|---|---|---|
| | FY2026 Actual | FY2027 Low | FY2027 Midpoint | FY2027 High |
| **Revenue** | **261.5** | **263.0** | **268.0** | **273.0** |
| *YoY growth* | *-2.1%* | *0.6%* | *2.5%* | *4.4%* |
| **Less: China revenue impact, second half[1]** | **(2.0)** | **–** | **–** | **–** |
| **Revenue, comparable basis** | **259.5** | **263.0** | **268.0** | **273.0** |
| **YoY growth, comparable basis** | **n/a** | **1.4%** | **3.3%** | **5.2%** |
| **Adjusted EBITDA[2]** | **28.9** | **29.0** | **31.5** | **34.0** |
| *YoY growth* | *0.4%* | *0.4%* | *9.1%* | *17.7%* |
| *Adjusted EBITDA margin* | *11.0%* | *11.0%* | *11.8%* | *12.5%* |

[1] China is expected to move from a direct office to a licensee by the end of Q2 FY2027. FY2026 excludes approximately $2.0M for the second-half revenue impact of the China transition. The transition is not expected to have a material effect on Adjusted EBITDA.

[2] Non-GAAP; see definitions.

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# Appendix


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APPENDIX

# Financial Headlines (Consolidated)

*In millions and unaudited*

| Franklin Covey | Q4 FY26 | Q4 FY25 | $ Δ | % Δ | FY 26 | FY 25 | $ Δ | % Δ |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | *70.0* | *71.2* | (1.3) | -1.8% | *261.5* | *267.1* | (5.6) | -2.1% |
| **Gross Profit** | *52.3* | *53.8* | (1.5) | -2.8% | *196.0* | *203.6* | (7.5) | -3.7% |
| *Gross Profit %* | *74.7%* | *75.5%* | *(75)* | *bps* | *75.0%* | *76.2%* | *(125)* | *bps* |
| **Operating SG&A** | *39.5* | *42.1* | 2.6 | -6.1% | *167.1* | *174.8* | 7.7 | -4.4% |
| *Operating SG&A %* | *56.5%* | *59.1%* | *(256)* | *bps* | *63.9%* | *65.5%* | *(153)* | *bps* |
| **Adjusted EBITDA** | *12.8* | *11.7* | 1.1 | 9.0% | *28.9* | *28.8* | 0.1 | 0.4% |
| *Adjusted EBITDA %* | *18.3%* | *16.4%* | *181* | *bps* | *11.0%* | *10.8%* | *28* | *bps* |

NOTES

- *The term Adjusted EBITDA (earnings before interest, income taxes, depreciation, amortization, stock-based compensation, and certain other items) is a non-GAAP financial measure that the Company believes is useful to investors in evaluating its results. For a reconciliation of this non-GAAP measure to the most comparable GAAP equivalent, refer to the Reconciliation of Net Income (Loss) to Adjusted EBITDA.*
- *Amounts might not total due to rounding.*

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APPENDIX

# Revenue Information

*In millions and unaudited*

| | FY 2024 | | | | | FY 2025 | | | | | FY 2026 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | FY 2024 | Q1 | Q2 | Q3 | Q4 | FY2025 | Q1 | Q2 | Q3 | Q4 | FY2026 |
| **Balance Sheet** | | | | | | | | | | | | | | | |
| **Roll-Forward of Deferred Revenue** | | | | | | | | | | | | | | | |
| Beginning Balance | 99.0 | 87.2 | 86.1 | 83.8 | 99.0 | 107.9 | 95.7 | 94.4 | 89.3 | 107.9 | 111.7 | 100.2 | 101.5 | 96.0 | 111.7 |
| Subscription & Committed Services Invoiced | 24.7 | 34.6 | 34.5 | 62.9 | 156.8 | 24.7 | 33.9 | 31.7 | 61.4 | 151.7 | 26.0 | 39.3 | 37.0 | 62.8 | 165.1 |
| Amounts Recorded to Revenue from Subscription & Committed Services | (36.6) | (35.7) | (36.7) | (38.8) | (147.9) | (36.9) | (35.2) | (36.8) | (39.1) | (147.9) | (37.5) | (38.0) | (42.5) | (42.7) | (160.7) |
| Change in Deferred Revenue | (11.9) | (1.1) | (2.3) | 24.1 | 8.9 | (12.2) | (1.3) | (5.1) | 22.3 | 3.8 | (11.5) | 1.3 | (5.5) | 20.1 | 4.5 |
| Ending Balance | 87.2 | 86.1 | 83.8 | 107.9 | 107.9 | 95.7 | 94.4 | 89.3 | 111.7 | 111.7 | 100.2 | 101.5 | 96.0 | 116.1 | 116.1 |
| **Unbilled Deferred Contracts** | | | | | | | | | | | | | | | |
| Beginning Balance (off balance sheet) | 87.4 | 82.5 | 72.7 | 69.4 | 87.4 | 75.2 | 73.0 | 64.5 | 62.0 | 75.2 | 72.8 | 72.1 | 64.9 | 61.1 | 72.8 |
| New Unbilled Contracts | 7.2 | 8.8 | 8.9 | 20.5 | 45.4 | 7.8 | 9.8 | 7.3 | 23.5 | 48.4 | 8.5 | 10.6 | 7.3 | 18.4 | 44.8 |
| Amounts Invoiced | (11.7) | (18.5) | (12.2) | (14.8) | (57.1) | (10.0) | (18.3) | (9.8) | (12.7) | (50.8) | (9.1) | (17.8) | (11.1) | (12.2) | (50.3) |
| Ending Balance (off balance sheet) | 82.5 | 72.7 | 69.4 | 75.2 | 75.2 | 73.0 | 64.5 | 62.0 | 72.8 | 72.8 | 72.1 | 64.9 | 61.1 | 67.3 | 67.3 |
| **Breakout of Subscription & Committed Services Invoiced (above)** | | | | | | | | | | | | | | | |
| Enterprise Division Subscription & Committed Services Invoiced | 21.4 | 29.9 | 25.3 | 30.7 | 107.3 | 18.5 | 30.2 | 23.6 | 27.4 | 99.7 | 23.7 | 36.3 | 27.8 | 29.9 | 117.7 |
| Education Division Subscription & Committed Services Invoiced | 3.4 | 4.7 | 9.2 | 32.3 | 49.5 | 6.2 | 3.6 | 8.1 | 34.0 | 51.9 | 2.3 | 3.0 | 9.3 | 32.9 | 47.5 |
| Total Additions to balance sheet | 24.7 | 34.6 | 34.5 | 62.9 | 156.8 | 24.7 | 33.9 | 31.7 | 61.4 | 151.7 | 26.0 | 39.3 | 37.0 | 62.8 | 165.1 |

NOTES

- *Subscription & Committed Services Invoiced includes AAP Subscriptions, Education Memberships and associated prepaid days, Executive Coaching, Committed Services and Other Invoiced Subscriptions. Unbilled portions of multi-year agreements are not included.*
- *May not total due to rounding*
- *Education Subscription & Committed services Contracts consist of membership subscriptions which are recognized as Revenue over the course of the contract and Consulting which is recognized as Revenue upon delivery. These combined performance obligations are contracted, invoiced and paid together. See Deferred Subscription Revenue in the Definitions.*
- *Deferred Revenue is primarily a current liability. However, a small portion is long-term and recorded as a part of Other Liabilities.*
  *- Ending deferred revenue above excludes the China entity's balance ($138K) given its held-for-sale classification; the amount is immaterial to overall results.*

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APPENDIX

# FranklinCovey Revenue Analysis

*In millions and unaudited*

| | Enterprise Division | | | | Education Division | | | | Corporate | | | Total Company | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Fourth Quarter** | FY26 | FY25 | Change | % | FY26 | FY25 | Change | % | FY26 | FY25 | Change | FY26 | FY25 | Change | % |
| Revenue | | | | | | | | | | | | | | | |
| Subscription Revenue | 25.1 | 25.6 | (0.5) | -2.0% | 13.8 | 13.5 | 0.3 | 2.0% | - | - | - | 38.9 | 39.1 | (0.2) | -0.6% |
| Services and Products Revenue | 18.5 | 17.5 | 1.0 | 5.8% | 9.1 | 10.1 | (1.0) | -10.1% | - | - | - | 27.6 | 27.6 | (0.0) | 0.0% |
| Royalties Revenue | 1.9 | 2.6 | (0.7) | -26.2% | 0.7 | 0.8 | (0.1) | -13.0% | 0.3 | 0.3 | - | 2.9 | 3.7 | (0.8) | -21.2% |
| Other Revenue | - | - | - | | - | - | - | | 0.6 | 0.8 | (0.3) | 0.6 | 0.8 | (0.3) | -31.2% |
| Total Revenue | 45.5 | 45.7 | (0.2) | -0.4% | 23.6 | 24.4 | (0.9) | -3.5% | 0.9 | 1.1 | (0.3) | 70.0 | 71.2 | (1.2) | -1.7% |
| Invoiced Amounts | 46.8 | 47.5 | (0.8) | -1.6% | 42.6 | 44.9 | (2.3) | -5.2% | 0.9 | 1.1 | (0.3) | 90.2 | 93.6 | (3.4) | -3.6% |
| Total Contracts Signed | 52.9 | 58.5 | (5.5) | -9.5% | 42.5 | 44.7 | (2.2) | -4.9% | 0.9 | 1.1 | (0.3) | 96.3 | 104.3 | (8.0) | -7.7% |

| | Enterprise Division | | | | Education Division | | | | Corporate | | | Total Company | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Fiscal Year** | FY26 | FY25 | Change | % | FY26 | FY25 | Change | % | FY26 | FY25 | Change | FY26 | FY25 | Change | % |
| Revenue | | | | | | | | | | | | | | | |
| Subscription Revenue | 99.4 | 102.1 | (2.7) | -2.6% | 50.6 | 45.9 | 4.8 | 10.4% | - | - | - | 150.0 | 147.9 | 2.1 | 1.4% |
| Services and Products Revenue | 73.0 | 74.7 | (1.7) | -2.2% | 21.5 | 24.7 | (3.1) | -12.8% | - | - | - | 94.5 | 99.3 | (4.8) | -4.9% |
| Royalties Revenue | 10.3 | 11.4 | (1.0) | -9.2% | 4.0 | 4.1 | (0.1) | -1.7% | 1.2 | 1.2 | 0.0 | 15.5 | 16.6 | (1.1) | -6.5% |
| Other Revenue | - | - | - | | - | - | - | | 1.4 | 3.2 | (1.8) | 1.4 | 3.2 | (1.8) | -56.2% |
| Total Revenue | 182.7 | 188.1 | (5.4) | -2.9% | 76.2 | 74.6 | 1.6 | 2.1% | 2.6 | 4.4 | (1.8) | 261.5 | 267.1 | (5.6) | -2.1% |
| Invoiced Amounts | 190.6 | 185.8 | 4.9 | 2.6% | 72.8 | 80.7 | (7.9) | -9.8% | 2.6 | 4.4 | (1.8) | 266.0 | 270.8 | (4.8) | -1.8% |
| Total Contracts Signed | 185.2 | 183.4 | 1.8 | 1.0% | 72.7 | 80.6 | (7.9) | -9.8% | 2.6 | 4.4 | (1.8) | 260.5 | 268.4 | (7.9) | -2.9% |

| | Enterprise Division | | | | Education Division | | | | Corporate | | | Total Company | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **As of August 31** | FY26 | FY25 | Change | % | FY26 | FY25 | Change | % | FY26 | FY25 | Change | FY26 | FY25 | Change | % |
| Deferred Revenue Balance | 64.9 | 57.1 | 7.8 | 13.7% | 51.2 | 54.6 | (3.4) | -6.2% | - | - | - | 116.1 | 111.7 | 4.5 | 4.0% |
| Unbilled Deferred Revenue Balance | 66.6 | 72.0 | (5.4) | -7.5% | 0.7 | 0.8 | (0.1) | -11.3% | - | - | - | 67.3 | 72.8 | (5.5) | -7.6% |

NOTES

- *Please compare this information to the Segment Information footnote in Form 10-K.*
- *Please refer to Definitions in the Appendix*
- *May not total due to rounding.*

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APPENDIX

# Reconciliation of Net Income (Loss) to Adj. EBITDA

*In thousands and unaudited*

| | Quarter Ended | | Fiscal Year Ended | |
|---|---|---|---|---|
| | August 31, 2026 | August 31, 2025 | August 31, 2026 | August 31, 2025 |
| Reconciliation of net income to Adjusted EBITDA: | | | | |
| Net income | $ 7,109 | $ 4,372 | $ 4,923 | $ 3,068 |
| Adjustments: | | | | |
| Interest expense (income), net | 25 | (68) | 98 | (363) |
| Income tax provision | 1,484 | 3,583 | 2,143 | 2,999 |
| Amortization | 571 | 1,098 | 2,542 | 4,392 |
| Depreciation | 1,218 | 1,088 | 4,642 | 4,066 |
| Stock-based compensation | 972 | 75 | 6,562 | 5,805 |
| Restructuring costs | 1,085 | - | 6,735 | 6,723 |
| Building exit costs | 88 | 1,569 | 1,359 | 2,067 |
| Loss on disposal of assets | 218 | - | 218 | - |
| Gain on license liability restructuring | - | - | (338) | - |
| Adjusted EBITDA | $ 12,770 | $ 11,717 | $ 28,884 | $ 28,757 |
| | | | | |
| Adjusted EBITDA margin | 18.3% | 16.4% | 11.0% | 10.8% |

NOTES

– *The term Adjusted EBITDA (earnings before interest, income taxes, depreciation, amortization, stock-based compensation, and certain other items) is a non-GAAP financial measure that the Company believes is useful to investors in evaluating its results. For a reconciliation of this non-GAAP measure to the most comparable GAAP equivalent, refer to the Reconciliation of Net Income (Loss) to Adjusted EBITDA.*



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APPENDIX

# Free Cash Flow

*In thousands and unaudited*

| | Fiscal Year Ended | |
|---|---|---|
| | August 31, 2026 | August 31, 2025 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | $ 4,923 | $ 3,068 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 7,184 | 8,458 |
| Amortization of capitalized curriculum costs | 5,687 | 4,440 |
| Stock-based compensation | 6,562 | 5,805 |
| Loss on disposal of assets | 218 | - |
| Deferred income taxes | (423) | 1,468 |
| Amortization of right-of-use operating lease assets | 831 | 610 |
| Gain on license obligation restructuring | (338) | - |
| Changes in working capital | (3,057) | 5,128 |
| Net cash provided by operating activities | 21,587 | 28,977 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (5,375) | (8,253) |
| Curriculum development costs | (7,008) | (7,561) |
| Reacquisition of license rights | - | (1,074) |
| Net cash used for investing activities | (12,383) | (16,888) |
| **Free Cash Flow** | **$ 9,204** | **$ 12,089** |

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APPENDIX

# Enterprise Division Financial Summary

*In millions and unaudited*

| Enterprise | Q4 FY26 | Q4 FY25 | $ Δ | % Δ | FY 26 | FY 25 | $ Δ | % Δ |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | *45.5* | *45.7* | (0.2) | -0.4% | *182.7* | *188.1* | (5.4) | -2.9% |
| **Gross Profit** | *36.1* | *37.5* | (1.4) | -3.7% | *146.4* | *153.9* | (7.5) | -4.9% |
| *Gross Profit %* | *79.4%* | *82.1%* | *(271)* | *bps* | *80.1%* | *81.8%* | *(169)* | *bps* |
| **Operating SG&A** | *27.2* | *28.4* | 1.2 | -4.1% | *113.0* | *121.4* | 8.4 | -6.9% |
| *Operating SG&A %* | *59.8%* | *62.2%* | *(235)* | *bps* | *61.9%* | *64.6%* | *(270)* | *bps* |
| **Adjusted EBITDA** | *8.9* | *9.1* | (0.2) | -2.2% | *33.4* | *32.5* | 0.9 | 2.8% |
| *Adjusted EBITDA %* | *19.6%* | *19.9%* | *(36)* | *bps* | *18.3%* | *17.3%* | *101* | *bps* |

NOTES

- *The term Adjusted EBITDA (earnings before interest, income taxes, depreciation, amortization, stock-based compensation, and certain other items) is a non-GAAP financial measure that the Company believes is useful to investors in evaluating its results. For a reconciliation of this non-GAAP measure to the most comparable GAAP equivalent, refer to the Reconciliation of Net Income (Loss) to Adjusted EBITDA.*
- *Amounts might not total due to rounding.*

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APPENDIX

# Enterprise Division and North America Segment

*In millions and unaudited*

| *Enterprise Division* | *Q1FY25* | *Q2FY25* | *Q3FY25* | *Q4FY25* | *Q1FY26* | *Q2FY26* | *Q3FY26* | *Q4FY26* | *Fiscal 2025* | *Fiscal 2026* |
|---|---|---|---|---|---|---|---|---|---|---|
| Subscription Revenue | $26.4 | $25.1 | $25.0 | $25.6 | $25.2 | $24.1 | $24.9 | $25.1 | $102.1 | $99.4 |
| Services and Products Revenue | 22.0 | 15.7 | 19.5 | 17.5 | 19.0 | 15.1 | 20.4 | 18.5 | 74.7 | 73.0 |
| Royalties Revenue | 3.2 | 2.7 | 2.8 | 2.6 | 3.2 | 2.3 | 2.8 | 1.9 | 11.4 | 10.3 |
| Other Revenue | - | - | - | - | - | - | - | - | - | - |
| **Total Enterprise Division Revenue** | **$51.6** | **$43.6** | **$47.3** | **$45.7** | **$47.5** | **$41.6** | **$48.1** | **$45.5** | **$188.1** | **$182.7** |

| *North America Segment* | *Q1FY25* | *Q2FY25* | *Q3FY25* | *Q4FY25* | *Q1FY26* | *Q2FY26* | *Q3FY26* | *Q4FY26* | *Fiscal 2025* | *Fiscal 2026* |
|---|---|---|---|---|---|---|---|---|---|---|
| Subscription Revenue | $23.5 | $22.3 | $22.5 | $22.8 | $22.3 | $21.5 | $22.0 | $22.3 | $91.2 | $88.2 |
| Services and Products Revenue | 16.3 | 12.0 | 14.1 | 12.5 | 13.7 | 10.8 | 15.4 | 13.4 | 54.9 | 53.2 |
| Royalties Revenue | 0.3 | 0.3 | 0.4 | 0.6 | 0.3 | 0.2 | 0.6 | 0.1 | 1.6 | 1.2 |
| Other Revenue | - | - | - | - | - | - | - | - | - | - |
| **Total North America Segment Revenue** | **$40.1** | **$34.5** | **$37.1** | **$35.9** | **$36.3** | **$32.5** | **$38.0** | **$35.8** | **$147.6** | **$142.6** |

NOTES

- *May not total due to rounding.*
- *Please refer to Definitions in the Appendix*
- *Beginning in Q4 FY26, Enterprise Division and North America Segment revenue is presented as Subscription, Services and Products, Royalties, and Other Revenue. Prior periods have been recast to conform to this presentation*

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APPENDIX

# Education Division Financial Summary

*In millions and unaudited*

| Education | Q4 FY26 | Q4 FY25 | $ Δ | % Δ | FY 26 | FY 25 | $ Δ | % Δ |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | *23.6* | *24.4* | (0.9) | -3.5% | *76.2* | *74.6* | 1.6 | 2.1% |
| **Gross Profit** | *15.7* | *15.8* | (0.1) | -0.4% | *48.3* | *47.7* | 0.6 | 1.2% |
| *Gross Profit %* | *66.6%* | *64.5%* | *210* | *bps* | *63.4%* | *64.0%* | *(53)* | *bps* |
| **Operating SG&A** | *8.9* | *9.6* | 0.7 | -7.7% | *40.3* | *39.6* | (0.8) | 1.9% |
| *Operating SG&A %* | *37.5%* | *39.2%* | *(169)* | *bps* | *52.9%* | *53.0%* | *(9)* | *bps* |
| **Adjusted EBITDA** | *6.9* | *6.2* | 0.7 | 11.0% | *8.0* | *8.2* | (0.2) | -2.0% |
| *Adjusted EBITDA %* | *29.1%* | *25.3%* | *379* | *bps* | *10.5%* | *11.0%* | *(44)* | *bps* |

NOTES

- *The term Adjusted EBITDA (earnings before interest, income taxes, depreciation, amortization, stock-based compensation, and certain other items) is a non-GAAP financial measure that the Company believes is useful to investors in evaluating its results. For a reconciliation of this non-GAAP measure to the most comparable GAAP equivalent, refer to the Reconciliation of Net Income (Loss) to Adjusted EBITDA.*
- *Amounts might not total due to rounding.*


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APPENDIX

# Other Information

## Other Income Statement Information:

- **Depreciation**: $4.6M in FY2026, expected to total approximately $4.5M in FY2027.
- **Amortization**: $2.5M in FY2026, expected to total approximately $2.0M in FY2027.
- **Interest Income**: $0.2M in FY2026.
- **Interest Expense:** $0.3M in FY2026.
- **Effective Tax Rate**: Our normalized future effective tax rate is expected to eventually be 27% to 30%, before unusual permanent book/tax differences. Our current estimate of the effective tax rate for fiscal 2027 is approximately 30%.

## Other Information:

- **Capital Expenditures**: $5.4M in FY2026, expected to total between $4M - $6M in FY2027.
- **Capitalized Curriculum excluding acquired content**: $7.0M in FY2026, expected to total between $8.5M - $10.5M in FY2027.
- **Share Count**: 11,294k shares outstanding as of August 31, 2026. The Company's share count may increase due to the vesting and exercise of share-based awards and purchases by Employees under our Employee Stock Purchase Plan and decrease due to the Company buying back shares.
- The impact of FX on Revenue in the fourth quarter of 2026 was a $0.1M decrease to Revenue and a $0.1M decrease to Adjusted EBITDA. The Fiscal 2026 impact of FX was a $1.0M increase to Revenue and a $0.2M increase to Adjusted EBITDA

NOTES

– *Estimates are subject to change, perhaps materially, based on actual events and circumstances in the year.*



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APPENDIX

# Definitions

- "**Deferred Revenue**" primarily consists of billings or payments received in advance of revenue being recognized from subscription and services. Deferred revenue is recognized as revenue as the recognition criteria are met. AAP contracts are generally invoiced in annual installments upon execution of a contract and are recognized over the term of the contract as subscription revenue. Executive coaching contracts are also invoiced in installments, the length depending upon the nature of the contract, and are recognized over the term of the contracts also as subscription revenue.
- **Committed Services** contracts are non-cancellable and non-refundable contracts for training or materials in which payment is due in accordance with our normal terms from the signing of the contracts rather than the delivery of the services and materials and is recognized as the performance obligations are satisfied as services and products revenue. With the *Leader in Me* offering, the contract includes both membership and Education training and coaching days which can be invoiced to the client in one lump sum. The Education Deferred Revenue related to the LIM is recognized as revenue over the life of the contract whereas the consulting is recognized when the training and coaching takes place. As these obligations are satisfied, the revenue is classified as subscription revenue in the tables included in this presentation. The deferred revenue balance is influenced by several factors, including seasonality, the compounding effects of renewals, contract duration, invoice timing and contract size.
- "**Unbilled Deferred Revenue**" is an operational measure that represents future billings under our non-cancellable subscription agreements that have not been invoiced and accordingly are not recorded in our recognized revenue or deferred revenue.
- "**Invoiced**" is the sum of reported Net Revenue plus the change in Deferred Revenue reported on the balance sheet (a portion of which is recorded as a current liability and a portion as a long-term liability and represents the amount of billings during the period). We typically invoice our customers annually upon execution of the contract or subscription renewals. Our clients frequently prepay for products and services, which prepayment is included in amounts invoiced and corresponding Deferred Revenue. Invoiced amounts do not include items such as deposits that are generally refundable at the client's request prior to the satisfaction of the performance obligation.
- "**Contracted**" is the sum of Invoiced Amounts plus the Change in Unbilled Deferred Revenue (not recorded on the balance sheet) and, as the term reflects, the total amount of contracts with customers that were entered into during the period.
- "**Subscription Revenue"** primarily relate to sales of the Company's All Access Pass and *Leader in me* membership offerings including Executive Coaching. Subscription revenue also includes Education training and coaching days that are invoiced to the client in one lump sum when contracted with the LIM membership.
- **"Services and Products Revenue"** include training and consulting services and related products such as training manuals, classroom materials, and contractually committed materials and services sold in connection with an All Access Pass. Education training and coaching days not invoiced when contracted with the *Leader in Me* membership are included in Services and Products Revenue.
- **"Royalties Revenue"** consists of the fees from our international licensees and from other sources such as book publishing arrangements and corporate royalties received from Franklin Planner Co. pursuant to licensing arrangements.
- **"Other Revenue"** is primarily comprised of shipping and handling revenues and prior to FY26, sub-lease revenues.

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APPENDIX

# Definitions

- "**Operating SG&A**" is a non-GAAP financial measure. It generally excludes stock-based compensation, building exit costs related to vacating our prior corporate offices, and unusual or one-time charges. See the Reconciliation of Net Income or Loss to Adjusted EBITDA in additional financial information.
- "**Adjusted EBITDA**" (earnings before interest, income taxes, depreciation, intangible asset amortization, stock-based compensation, and certain other items) is a non-GAAP financial measure that the Company believes is useful to investors in evaluating its results. A reconciliation of "Adjusted EBITDA," to consolidated net income (loss), the most comparable GAAP financial measure is provided within this presentation.
- "**Free Cash Flow**" is defined as GAAP calculated cash flows from operating activities less capitalized expenditures for purchases of property and equipment, curriculum development, and content or license rights.
- The Company references Adjusted EBITDA and Free Cash Flow in its decision making because it provides supplemental information that facilitates consistent internal comparisons to the historical operating performance of prior periods and the Company believes it provides investors with greater transparency to evaluate operational activities and financial results. We are unable to provide a reconciliation of forward-looking estimates of non-GAAP Adjusted EBITDA or Free Cash Flow to GAAP measures because certain information needed to make a reasonable forward-looking estimate is difficult to estimate and dependent on future events which may be uncertain or out of our control, including the amount of AAP contracts invoiced, the number of AAP contracts that are renewed, necessary costs to deliver our offerings such as unanticipated content development costs, and other potential variables. Accordingly, a reconciliation is not available without unreasonable effort.
- "**Constant Currency**" Franklin Covey presents constant currency information to provide a framework for assessing how our underlying business performed excluding the effect of foreign currency rate fluctuations. There are several approaches that an entity can take to calculate constant currency information and Franklin Covey's method may not be consistent with another entity's constant currency calculation. To calculate this measure, Franklin Covey converts the actual monthly results of our foreign operations, including the results of our International Licensees, into $USD at the respective prior year monthly exchange rate. The non-GAAP measure should not be considered as a substitute for, or superior to, the measures of financial performance prepared in accordance with generally accepted accounting principles (GAAP).


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# Thank you.



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