



Investor Update

Third Quarter of Fiscal Year 2017

Forward-Looking Statements / Non-GAAP

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 stabilize and grow revenues; The acceptance of, and renewal rates for the All Access Pass; The ability of the Company to hire productive sales professionals; General economic conditions; Competition in the Company's targeted marketplace; Market acceptance of new products or services and marketing strategies; Changes in the Company's market share; Changes in the size 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.

Franklin Covey uses the non-GAAP financial measure "earnings before interest, taxes, depreciation and amortization" ("EBITDA") to assess the operating results and effectiveness of the Company's ongoing training and consulting business. In addition, the Company also uses the non-GAAP financial measure "Adjusted EBITDA" as a representation of the Company's operating performance. Adjusted EBITDA is defined as pre-tax net income (loss), plus depreciation and amortization, net interest income (expense), and special charges, such as the gain on the sale of the Japan Products division in fiscal 2010, restructuring costs, and asset impairment changes. The Company finds these non-GAAP financial measures to be useful when evaluating its operating and financial performance. 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 (loss) or other GAAP operating measures.

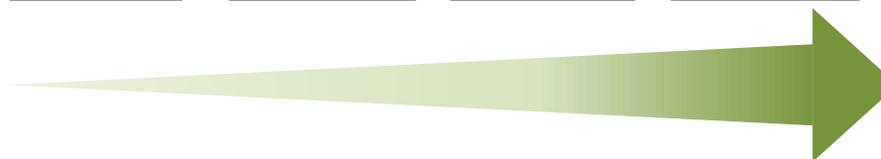
Five Questions

1. How are the sales of All Access Pass going?
2. How are the factors which are expected to drive increased lifetime value of your customers playing out?
3. How is the transition to All Access Pass' business model progressing?
4. How are you organizing to take advantage of the big opportunities for All Access Pass and in Education?
5. How do you expect to utilize your excess cash and credit line capacity; how do acquisitions play into this?

Fiscal 2016 All Access Pass Results

All Access Pass related revenue accelerated rapidly from inception to \$23.2M in its first year (fiscal 2016).

	<i>Fiscal 2016</i>				
<i>All Access Pass</i>	<i>1st Quarter</i>	<i>2nd Quarter</i>	<i>3rd Quarter</i>	<i>4th Quarter</i>	<i>Fiscal 2016</i>
Total Invoiced Pass Amounts	375,000	3,075,000	5,800,000	12,225,000	21,475,000
AAP Services and Materials	-	-	225,000	1,500,000	1,725,000
Total Invoiced Amounts	375,000	3,075,000	6,025,000	13,725,000	23,200,000
Percent of AAP Invoiced Amounts to Total Revenue of locations selling AAP	2%	14%	26%	47%	24%



Selected and unaudited financial information.
Reference Financial Note, Slide 15.

Comparative All Access Pass Results: FY17 vs FY16, All Access Pass related revenue has continued its growth in FY2017

Fiscal 2017						
All Access Pass	1st Quarter	2nd Quarter	3rd Quarter	YTD	AAP Inception to Date	
Total Invoiced Pass Amounts	4,975,000	7,800,000	9,200,000	21,975,000	43,450,000	
AAP Services and Materials	2,075,000	3,450,000	3,875,000	9,400,000	11,125,000	
Total Invoiced Amounts	7,050,000	11,250,000	13,075,000	31,375,000	54,575,000	
Percent of AAP Invoiced Amounts to Total Revenue of locations selling AAP	41%	56%	60%	53%	35%	

Fiscal 2016				
All Access Pass	1st Quarter	2nd Quarter	3rd Quarter	YTD
Total Invoiced Pass Amounts	375,000	3,075,000	5,800,000	9,250,000
AAP Services and Materials	-	-	225,000	225,000
Total Invoiced Amounts	375,000	3,075,000	6,025,000	9,475,000
Percent of AAP Invoiced Amounts to Total Revenue of locations selling AAP	2%	14%	26%	14%

Change				
All Access Pass	1st Quarter	2nd Quarter	3rd Quarter	YTD
Total Invoiced Pass Amounts	4,600,000	4,725,000	3,400,000	12,725,000
AAP Services and Materials	2,075,000	3,450,000	3,650,000	9,175,000
Total Invoiced Amounts	6,675,000	8,175,000	7,050,000	21,900,000
Percent of AAP Invoiced Amounts to Total Revenue of locations selling AAP	39%	42%	34%	39%

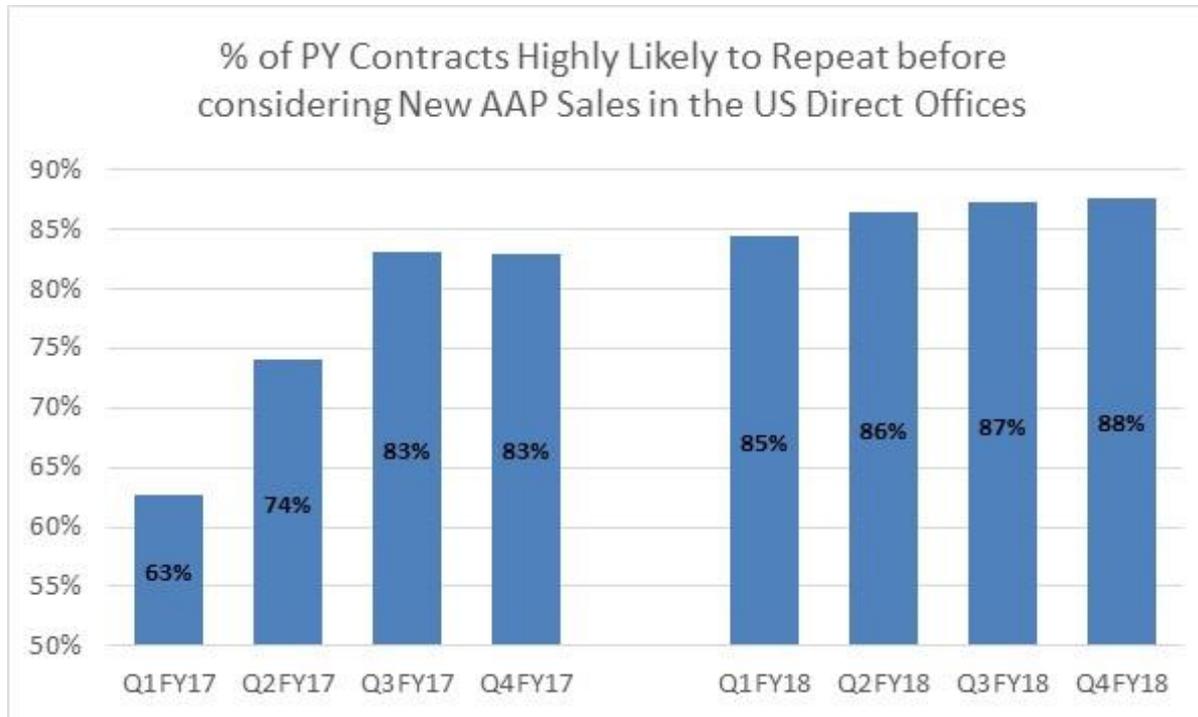
Selected and unaudited financial information.
Reference Financial Note, Slide 15.

AAP: Key Value Proposition Points

All Access Pass:

- Provides unlimited access to Franklin Covey's entire collection of best-in-class content.
- Creates the ability to assemble, integrate, and deliver that content through any of an almost limitless combination of delivery modalities (live, live-online, online, webcasts, podcasts, integration of pieces of content into existing customer training offerings, etc.).
- Includes an implementation specialist, and an array of affordable add-on services to ensure customers execute on their key jobs-to-be-done.
- Has a cost-per-population trained which is less than or equal to that provided by single content/single modality providers.
- Can be accessed globally in the sixteen major languages through our state-of-the-art, secure, easy-to-use portal.

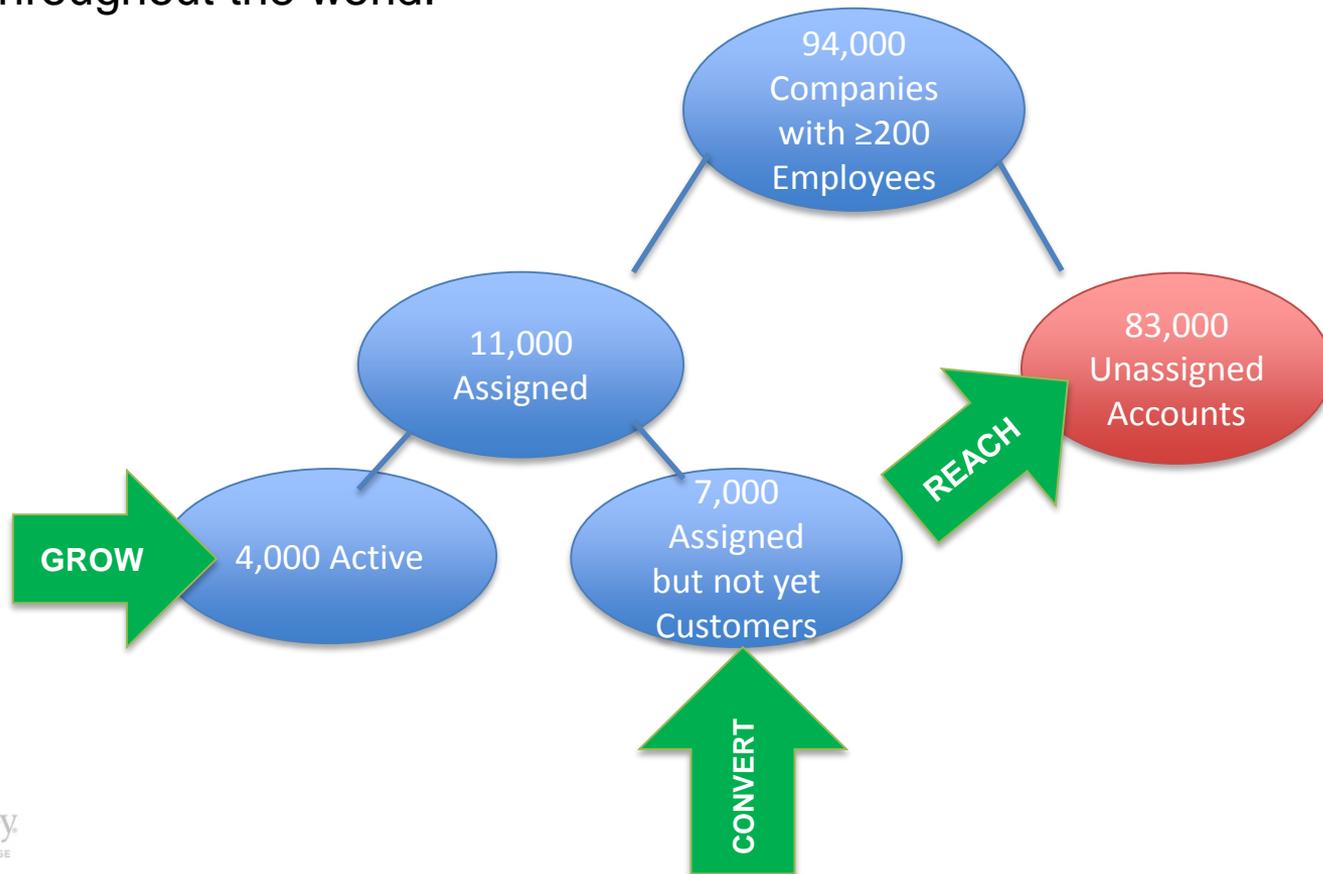
Percentage of Prior Year Invoiced Amounts Retained, Prior to New All Access Pass Amounts Invoiced in U.S. Direct Offices



Selected and unaudited financial information.
Reference Financial Note, Slide 15.

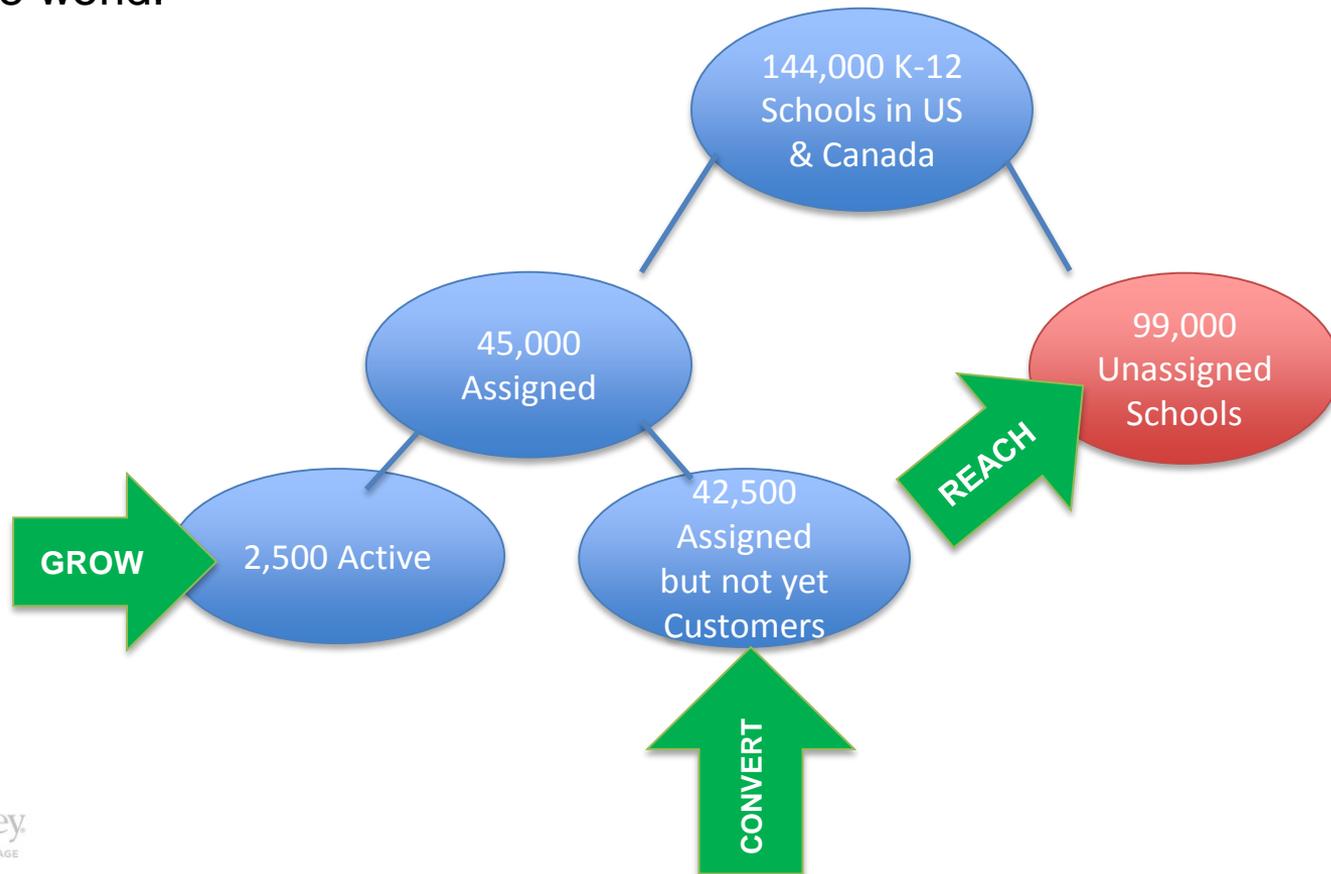
How Big is the AAP Opportunity?

All Access Pass provides a path for: (1) **Growing** – our 4,000 active current active accounts; (2) **Converting** more of the 7,000 assigned accounts that are not yet customers; and (3) to expanding our ability to successfully **Reach** the 83,000 unassigned accounts in the U.S. as we continue to add new client partners – and to do the same throughout the world.



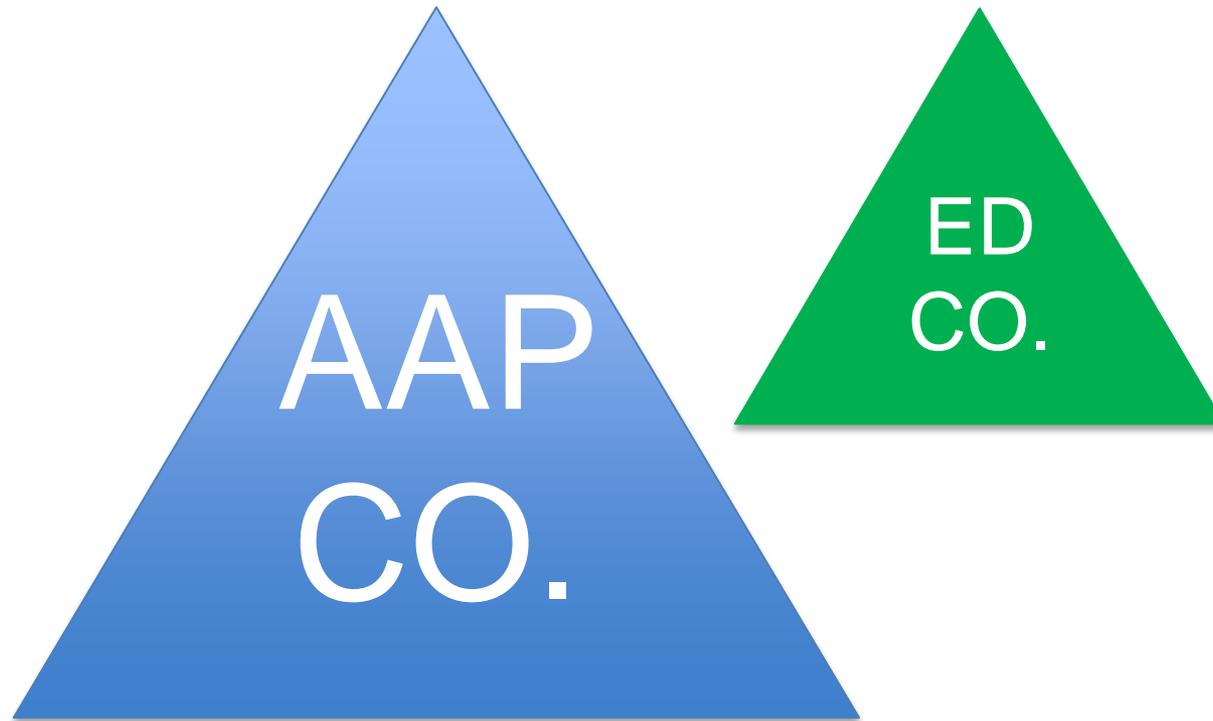
How Big is the Education Opportunity?

Education provides a path for: (1) **Growing** – our 2,500 current active accounts; (2) **Converting** more of the 42,500 assigned schools that are not yet customers; and (3) to expanding our ability to successfully **Reach** the 99,000 unassigned schools in the U.S. and Canada as we continue to add new client partners – and to do the same throughout the world.

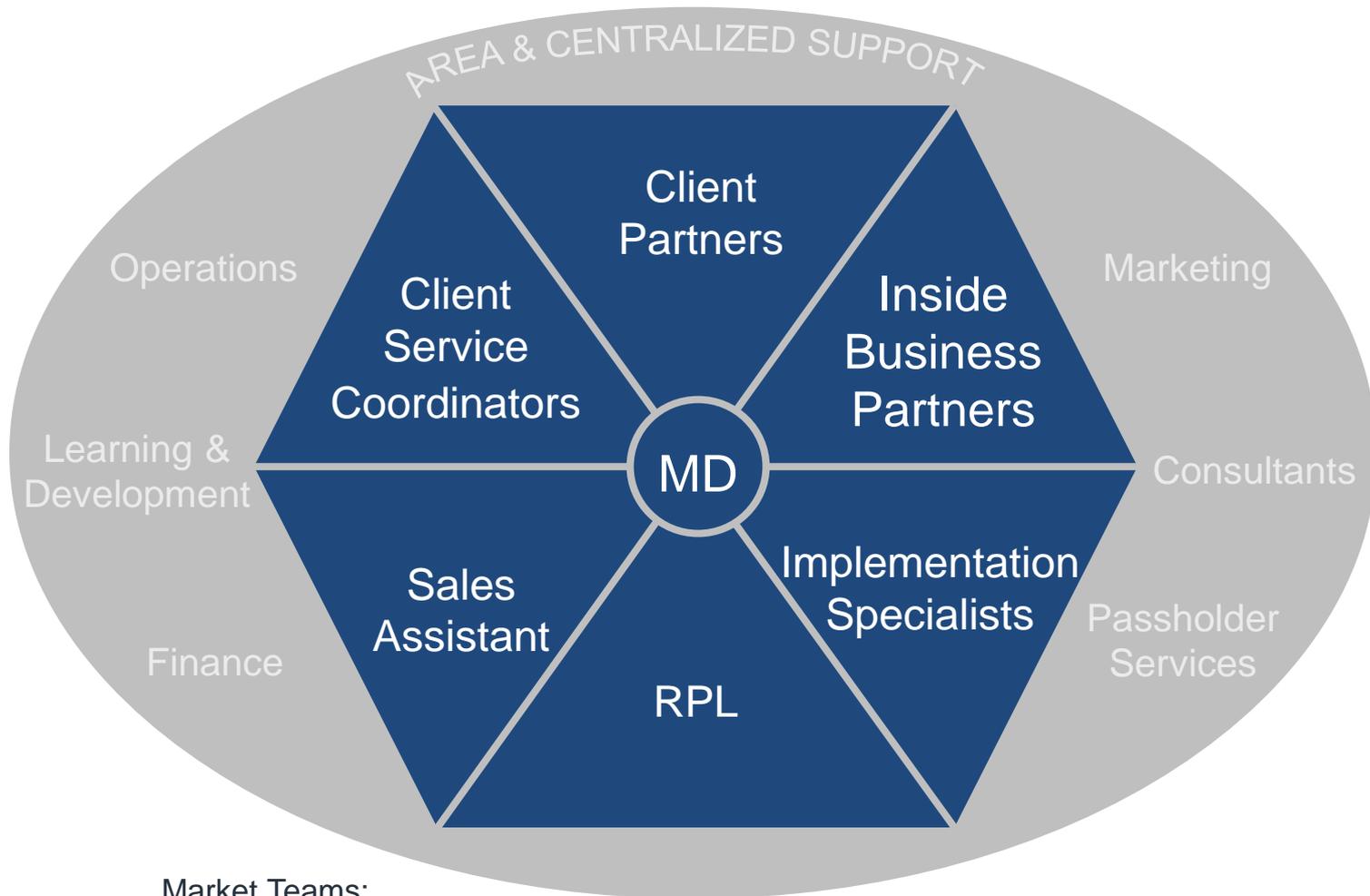


Organizing

To take advantage of these opportunities, we have now streamlined our organization, with everything being organized either under “All Access Pass Co.” or under “Education Co.”



To deliver on AAP Co. objectives, we have organized into market teams



Market Teams:

- Are the primary operating unit of the company and execute the same go-to-market strategy
- Have a similar size and structure
- Access additional support resources allocated at central level

Area Structure

Each Market Team is organized into one of three global areas

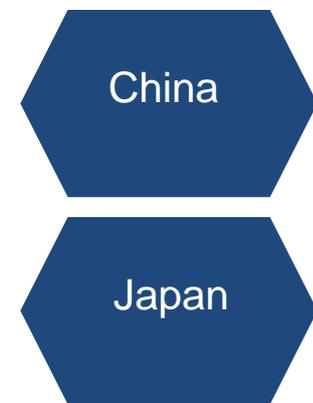
PACIFIC AREA



ATLANTIC AREA



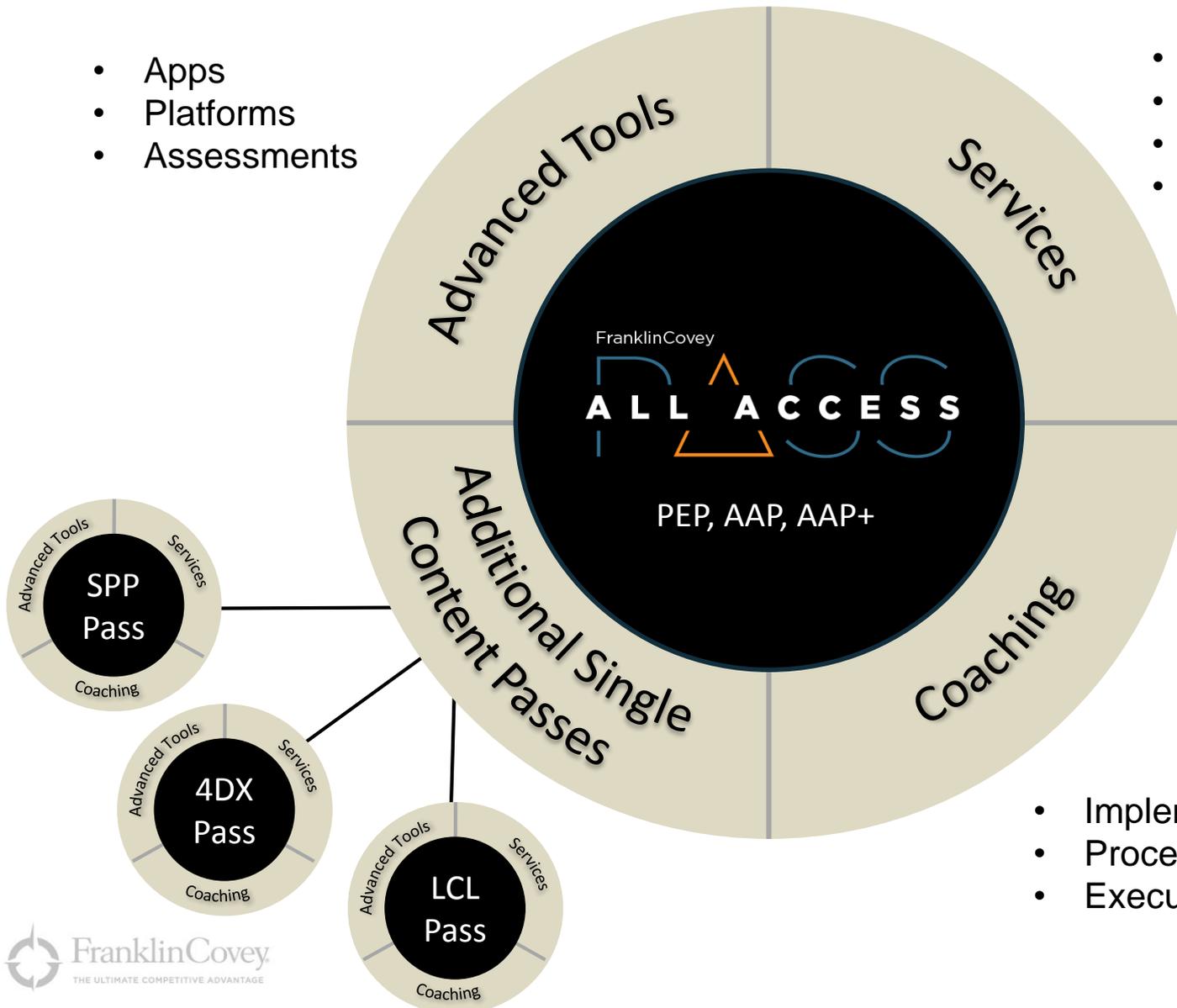
ASIA & GLOBAL AREA



The Key Factors Driving Increased Customer Lifetime Value are Tracking to Date

- Apps
- Platforms
- Assessments

- Solution Installation
- Consultation
- Customization
- LMS Integration



- Implementation Coaching
- Process Coaching
- Executive Coaching

Third Quarter Results in the U.S. Direct Offices

3rd Quarter

Selected Information for FY 2016

Amount Invoiced		\$46.9	
Amounts Reported		Amounts Deferred	
		Net (Decrease) in Deferred	
Revenue	\$ 44.7	Subscription Revenue	2.1
Gross Profit	29.6		
Gross Profit Percentage	66.1%	Increase in Deferred Revenue	
		Related Prepaid Expenses	(0.3)
Adjusted SG&A	27.8		
		Embedded Adj. EBITDA	
Adjusted EBITDA	1.8	Contribution Created	1.8

Selected Information for FY 2017

Amount Invoiced		\$49.2	
Amounts Reported		Amounts Deferred	
		Net Increase in Deferred	
Revenue	\$ 43.8	Subscription Revenue	5.4
Gross Profit	27.3		
Gross Profit Percentage	62.4%	Increase in Deferred Revenue	
		Related Prepaid Expenses	(0.8)
Adjusted SG&A	27.3		
		Embedded Adj. EBITDA	
Adjusted EBITDA	-	Contribution Created	4.6

FY17 includes negative \$200k of FX Adjusted EBITDA.

Selected and unaudited financial information.
Reference Financial Note, Slide 15.

Financial Note

- Amount Invoiced or the Amount of Contracts Invoiced represents the amount of invoices generated in a period of time. For All Access Pass agreements, the Company invoices the customer and generates a receivable when a binding agreement has been signed and the customer agrees to take possession of an invoice and to pay that invoice within the Company's normal payment terms. At times, the customer may wish to be invoiced prior to the commencement of the services.
- By definition, the Amount Invoiced equals the amount of Revenue recorded plus the change in Unearned Revenue.

Other Information

Other Income Statement Information:

- Depreciation: \$3.7M in FY2016, expected to total approximately \$3.9M in FY2017.
- Amortization: \$3.3M in FY2016, expected to total approximately \$3.3M in FY2017.
- Net Interest and Discount: \$1.9M in FY2016, expected to total \$2.2M in FY2017.
- Share-based Compensation, Impaired Assets, Restructuring, ERP Implementation, Accrued Earnout and Other, totaling: \$6.1M in FY2016; Share-Based Compensation, ERP Implementation, Contract Termination, Earnout Adjustments, Restructuring and Other, expected to total approximately \$10.0M in FY2017.
- Effective Tax Rate: 41% in FY2016. As pre-tax income becomes a very small amount, the effective tax rate for the year is impossible to accurately predict.

Other Information:

- Capital Expenditures: \$4.0M in FY2016, expected to total approximately \$7.3M (including new ERP system) in FY2017.
- Capitalized Curriculum excluding acquired content: \$2.2M in FY2016, expected to total approximately \$6.5M in FY2017, reflecting localization of AAP content, AAP, content development and Education content development.
- Share Count: 13,847K shares outstanding as of May 31, 2017. The Company's share count may increase due to the vesting of share-based awards, and decrease due to the company buying back shares under its authorized share buy-back program.

All the above-mentioned estimates are subject to change, perhaps material change, based on actual events and circumstances in the year.