

# Greatness Starts Here

We transform organizations by building exceptional leaders, teams, and cultures that get results.



## INVESTOR UPDATE First Quarter Fiscal 2026

# 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 grow revenues; The acceptance of, and renewal rates for our subscription offerings, including the All Access Pass and Leader in 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](http://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 headquarters moving 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.

# Franklin Covey

(in Millions and Unaudited)



**\$64.0M**

**Q1FY26 Revenue**

\$69.1 Q1FY25

**\$262.0M**

**LTM Q1FY26 Revenue**

\$287.9M LTM Q1FY25

**\$3.7M**

**Q1FY26 Adjusted EBITDA**

\$7.7M Q1FY25

**\$24.8M**

**LTM Q1FY26 Adjusted EBITDA**

\$52.0M LTM Q1FY25

**\$100.2**

**Q1FY26 Deferred Subscription  
Revenue Balance**

\$95.7M Q1FY25

**\$-3.7M**

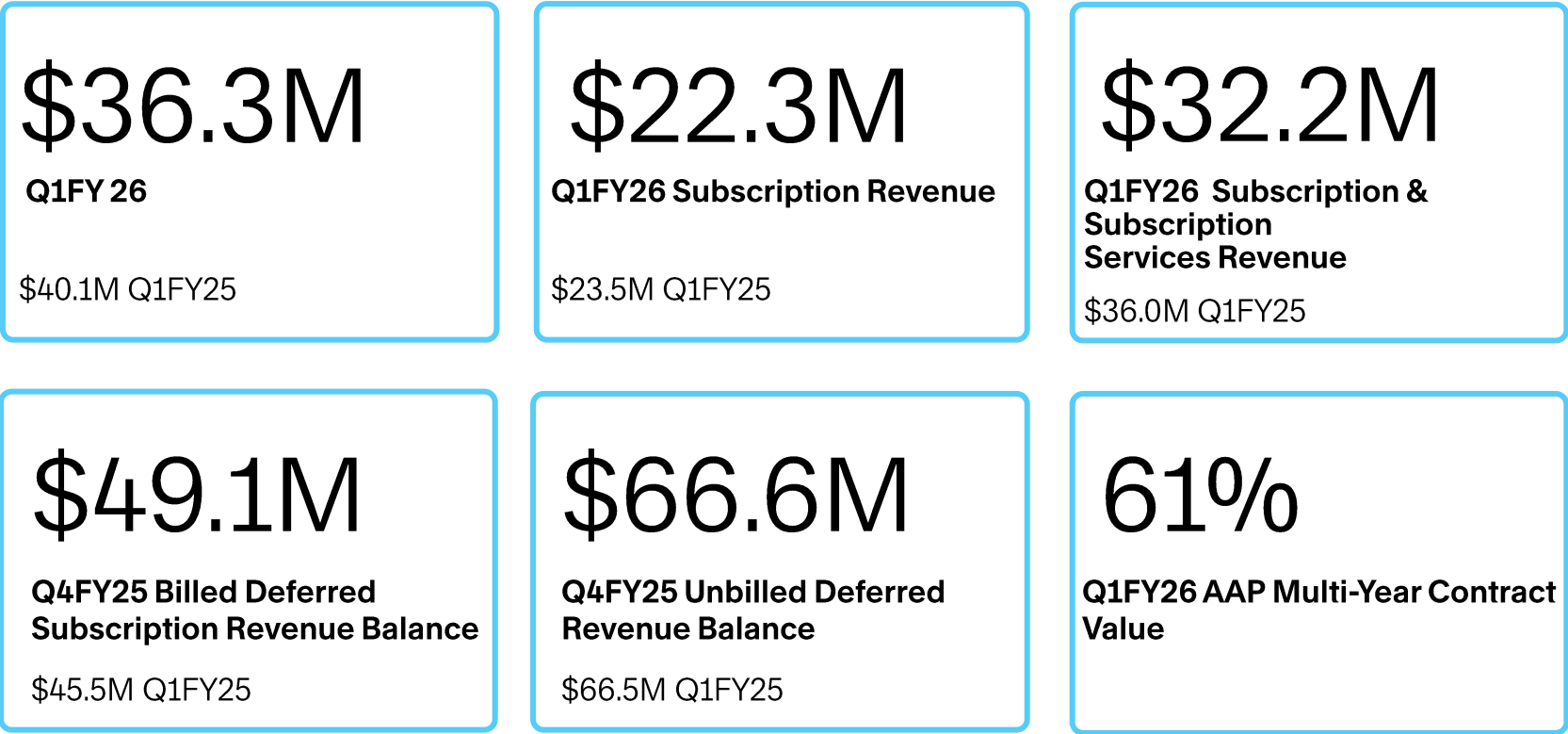
**Q1FY26 Free Cash Flows**

\$11.4M Q1FY25

Note: Adjusted EBITDA is non-GAAP, please see Appendix for additional information.  
Deferred Subscription revenue balance is comprised of \$96.0M in current liabilities and \$4.2M in long term liabilities.

# Enterprise Division – North America

(in Millions and Unaudited)



# Enterprise Division - International

(in Millions and Unaudited)



**\$11.2M**

**Q1FY26 Revenue**

\$11.4M Q1FY25

**\$40.2M**

**LTM Q1FY26 Revenue**

\$44.1M LTM Q1FY25

**\$2.4M**

**Q1FY26 Adjusted EBITDA**

\$1.4M Q1FY25

**\$6.1M**

**LTM Q1FY26 Adjusted EBITDA**

\$7.4M LTM Q1FY25

# Education Division

(in Millions and Unaudited)



**\$16.1M**

**Q1FY26 Revenue**

\$16.5M Q1FY26

**\$6.6M**

**Q1FY26 Invoiced Amounts**

\$12.2M Q1FY25

**\$14.6M**

**Q1FY26 Subscription &  
Subscription Service Revenue**

\$14.9M Q1 FY25

**\$45.1M**

**FY25 Deferred Subscription  
Revenue Balance**

\$44.2M Q4FY24

# FY2026 Guidance



FY2026	Guidance (in constant currency)
Revenue	\$265M - \$275M
EBITDA	\$28M - \$33M

- Company affirms guidance provided in November 2025.
- Expect approximately 45% to 50% of Revenue will be recognized in the first half, reflecting normal seasonality, especially in the Education Division, and the timing of client delivery.
- Expect approximately 25% to 30% of Adjusted EBITDA to be generated in the first half, with margin expansion expected as cost savings and operating leverage build through the back half of the year.

# Appendix



APPENDIX

# Franklin Covey Financial Headlines

(in Millions and Unaudited)



Franklin Covey	Q1 FY26	Q1 FY25	\$ Δ	% Δ	LTM Q1 FY 26	LTM Q1 FY 25	\$ Δ	% Δ
<b>Revenue</b>	64.0	69.1	(5.0)	-7.3%	262.0	287.9	(25.9)	-9.0%
<b>Gross Profit %</b>	48.4	52.7	(4.3)	-8.2%	199.2	221.5	(22.3)	-10.1%
<i>Gross Profit %</i>	75.5%	76.3%	(77)	<i>bps</i>	76.0%	76.9%	(90)	<i>bps</i>
<b>Operating SG&amp;A</b>	44.7	45.0	0.4	0.8%	174.5	169.5	(4.9)	-2.9%
<i>Operating SG&amp;A %</i>	69.8%	65.2%	460	<i>bps</i>	66.6%	58.9%	770	<i>bps</i>
<b>Adjusted EBITDA</b>	3.7	7.7	(4.0)	-52.1%	24.8	52.0	(27.2)	-52.4%
<i>Adjusted EBITDA %</i>	5.7%	11.1%	(536)	<i>bps</i>	9.5%	18.1%	(860)	<i>bps</i>

Note:

- Adjusted EBITDA and Operating SG&A are non-GAAP financial measures; please see Appendix for additional information. Amounts may not total due to rounding.

## APPENDIX

# Revenue Information

(in Millions and Unaudited)



	FY 2024					FY 2025					FY 2026
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	FY2025	Q1
<b>Balance Sheet</b>											
<b>Roll-Forward of Deferred Revenue</b>											
Beginning Balance	99.0	87.2	86.1	83.8	99.0	107.9	95.7	94.4	89.3	107.9	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
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)
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)
Ending Balance	87.2	86.1	83.8	107.9	107.9	95.7	94.4	89.3	111.7	111.7	100.2
<b>Unbilled Deferred Contracts</b>											
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
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
Amounts Invoiced	(11.7)	(18.5)	(12.2)	(14.8)	(57.1)	(10.0)	(18.3)	(9.8)	(12.7)	(50.8)	(9.1)
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
<b>Breakout of Deferred Sales (above)</b>											
<b>Deferred Invoiced Amounts</b>											
Enterprise Subscription & Committed Services	21.4	29.9	25.3	30.7	107.3	18.5	30.2	23.6	27.4	99.7	23.7
Education Subscription Contracts	3.4	4.7	9.2	32.3	49.5	6.2	3.6	8.1	34.0	51.9	2.3
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

**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.
- Committed Services 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 contract rather than from the delivery of the services or materials
- Education Subscription Contracts consists of membership subscriptions which is 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.

## APPENDIX

# Franklin Covey Revenue Analysis

(in Millions and Unaudited)



	Enterprise Division				Education Division				Corporate			Total Company			
First Quarter	FY26	FY25	Change	%	FY26	FY25	Change	%	FY26	FY25	Change	FY26	FY25	Change	%
Revenue															
Subscription Revenue	25.2	26.4	(1.1)	-4.3%	11.8	10.5	1.3	12.4%			-	37.0	36.9	0.2	0.4%
Subscription Services	12.2	14.6	(2.4)	-16.6%	2.8	4.4	(1.6)	-36.4%			-	15.0	19.0	(4.0)	-21.2%
Other Revenue	10.0	10.6	(0.5)	-5.2%	1.5	1.6	(0.1)	-4.8%	0.5	1.0	(0.5)	12.1	13.2	(1.2)	-8.9%
Total Revenue Recorded	47.5	51.6	(4.1)	-8.0%	16.1	16.5	(0.4)	-2.3%	47.5	51.6	(4.1)	64.0	69.1	(5.0)	-7.3%
Invoiced Amounts	45.4	43.7	1.7	4.0%	6.6	12.2	(5.6)	-45.8%	0.5	1.0	(0.5)	52.5	56.9	(4.4)	-7.7%
Total Contracts Signed	44.8	41.5	3.2	7.8%	6.6	12.1	(5.5)	-45.6%	0.5	1.0	-	51.9	54.7	(2.8)	-5.2%
	Enterprise Division				Education Division				Corporate			Total Company			
Last 12 Months First Quarter	FY26	FY25	Change	%	FY26	FY25	Change	%	FY26	FY25	Change	FY26	FY25	Change	%
Revenue															
Subscription Revenue	100.9	105.9	(5.0)	-4.7%	47.2	42.3	4.8	11.4%			-	148.1	148.2	(0.1)	-0.1%
Subscription Services	52.1	58.3	(6.2)	-10.7%	21.9	26.3	(4.4)	-16.6%			-	74.0	84.6	(10.6)	-12.5%
Other Revenue	30.9	43.1	(12.1)	-28.2%	5.2	7.2	(2.0)	-28.0%	3.8	4.9	(1.0)	40.0	55.1	(15.2)	-27.5%
Total Revenue Recorded	183.9	207.3	(23.3)	-11.3%	74.2	75.8	(1.5)	-2.0%	183.9	207.3	(23.3)	262.0	287.9	(25.9)	-9.0%
Invoiced Amounts	187.5	205.8	(18.3)	-8.9%	74.2	85.7	(11.5)	-13.4%	4.7	4.9	(0.1)	266.5	296.4	(30.0)	-10.1%
Total Contracts Signed	186.7	196.3	(9.6)	-4.9%	75.1	85.8	(10.7)	-12.5%	3.8	4.9	-	265.6	287.0	(21.4)	-7.4%
	Enterprise Division				Education Division				Corporate			Total Company			
As of November 30	FY26	FY25	Change	%	FY26	FY25	Change	%	FY26	FY25	Change	FY26	FY25	Change	%
Deferred Subscription Revenue Balance	55.0	51.5	3.6	6.9%	45.1	44.2	0.9	2.0%			-	100.2	95.7	4.5	4.6%
Unbilled Deferred Revenue Balance	71.4	72.2	(0.8)	-1.2%	0.7	0.8	(0.0)	-4.0%			-	72.1	73.0	(0.9)	-1.2%

### Notes:

- Please compare this information to the Segment Information footnote in Form 10-K.
- Please refer to Definitions in the Appendix for the definition of Deferred Revenue and Unbilled Deferred Revenue.
- May not total due to rounding.



# Reconciliation of Net Income (Loss) to Adjusted EBITDA

(in Thousands and Unaudited)

	Quarter Ended	
	November 30, 2025	November 30, 2024
Reconciliation of net income (loss) to Adjusted EBITDA:		
Net income (loss)	\$ (3,289)	\$ 1,181
Adjustments:		
Interest income, net	(19)	(112)
Income tax provision (benefit)	(343)	406
Amortization	687	1,098
Depreciation	1,099	950
Stock-based compensation	1,429	2,167
Restructuring costs	3,444	1,984
Building exit costs	674	-
<b>Adjusted EBITDA</b>	<b>\$ 3,682</b>	<b>\$ 7,674</b>
Adjusted EBITDA margin	5.7%	11.1%

Note:

- 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.

## APPENDIX

# Free Cash Flow

(in Thousands and Unaudited)



	Quarter Ended	
	November 30, 2025	November 30, 2024
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (3,289)	\$ 1,181
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,786	2,048
Amortization of capitalized curriculum costs	1,189	1,033
Stock-based compensation	1,429	2,167
Deferred income taxes	1,105	(216)
Amortization of right-of-use operating lease assets	247	162
Changes in working capital	(2,369)	7,770
Net cash provided by operating activities	98	14,145
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(1,727)	(998)
Curriculum development costs	(2,023)	(1,432)
Reacquisition of license rights	-	(324)
Net cash used for investing activities	(3,750)	(2,754)
Free Cash Flow	\$ (3,652)	\$ 11,391

APPENDIX

# Enterprise Division Financial Summary

(in Millions and Unaudited)



Enterprise	Q1 FY26	Q1 FY25	\$ Δ	% Δ	LTM Q1 FY 26	LTM Q1 FY 25	\$ Δ	% Δ
<b>Revenue</b>	47.5	51.6	(4.1)	-8.0%	183.9	207.3	(23.3)	-11.3%
<b>Gross Profit %</b>	38.2	41.8	(3.6)	-8.5%	150.3	171.4	(21.0)	-12.3%
<i>Gross Profit %</i>	80.5%	81.0%	(49)	<i>bps</i>	81.7%	82.7%	(95)	<i>bps</i>
<b>Operating SG&amp;A</b>	30.5	31.6	1.1	3.5%	120.3	119.0	(1.3)	-1.1%
<i>Operating SG&amp;A %</i>	64.3%	61.3%	299	<i>bps</i>	65.4%	57.4%	802	<i>bps</i>
<b>Adjusted EBITDA</b>	7.7	10.2	(2.5)	-24.2%	30.0	52.4	(22.4)	-42.7%
<i>Adjusted EBITDA %</i>	16.2%	19.7%	(347)	<i>bps</i>	16.3%	25.3%	(896)	<i>bps</i>

Note:

- 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.

## APPENDIX

# Enterprise Division Subscription & Related Revenue

(in Millions and Unaudited)



	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	LTM Q1 FY 25	LTM Q1 FY 26
Subscription Revenue	\$26.4	\$25.1	\$25.0	\$25.6	\$25.2	\$105.9	\$100.9
Subscription Service Revenue	14.6	11.0	14.9	14.0	12.2	58.3	52.1
<b>Total Subscription and Subscription Service Revenue</b>	<b>41.0</b>	<b>36.1</b>	<b>39.9</b>	<b>39.6</b>	<b>37.4</b>	<b>164.2</b>	<b>153.0</b>
<b>Subscription Related Services Attach Rate</b>	<b>55%</b>	<b>44%</b>	<b>60%</b>	<b>55%</b>	<b>48%</b>	<b>55%</b>	<b>52%</b>
Non-Subscription Revenue	10.6	7.5	7.3	6.1	10.0	43.1	30.9
<b>Total Enterprise Revenue</b>	<b>\$51.6</b>	<b>\$43.6</b>	<b>\$47.3</b>	<b>\$45.7</b>	<b>\$47.5</b>	<b>\$207.3</b>	<b>\$183.9</b>

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	LTM Q1 FY 25	LTM Q1 FY 26
North America Sales	\$40.1	\$34.5	\$37.1	\$35.9	\$36.3	163.2	143.7
International Sales	\$11.4	\$9.0	\$10.2	\$9.8	\$11.2	44.1	40.2
<b>Total Enterprise Division</b>	<b>\$51.6</b>	<b>\$43.6</b>	<b>\$47.3</b>	<b>\$45.7</b>	<b>\$47.5</b>	<b>207.3</b>	<b>183.9</b>

Q1FY26 contains \$1.6M of services revenue included in non-subscription revenue that historically would have been recorded in subscription services revenue. This is related to a large IP contract that converted from a subscription to non-subscription in Q4FY24 but continues to be a large strategic client. On a normalized basis, if this client would have remained a subscription account, the attach rate in Q1FY26 would have been 55%.

Note: Amounts might not total due to rounding

## APPENDIX

# Education Division Financial Summary

(in Millions and Unaudited)



Education	Q1 FY26	Q1 FY25	\$ Δ	% Δ	LTM Q1 FY 26	LTM Q1 FY 25	\$ Δ	% Δ
<b>Revenue</b>	16.1	16.5	(0.4)	-2.2%	74.2	75.8	(1.5)	-2.0%
<b>Gross Profit %</b>	9.9	10.4	(0.5)	-4.8%	47.2	48.5	(1.2)	-2.6%
<i>Gross Profit %</i>	61.6%	63.2%	(167)	<i>bps</i>	63.6%	64.0%	(34)	<i>bps</i>
<b>Operating SG&amp;A</b>	10.8	10.1	(0.7)	-6.9%	40.2	38.5	(1.8)	-4.5%
<i>Operating SG&amp;A %</i>	67.4%	61.6%	576	<i>bps</i>	54.2%	50.8%	341	<i>bps</i>
<b>Adjusted EBITDA</b>	(0.9)	0.3	(1.2)	-455.7%	7.0	10.0	(3.0)	-30.0%
<i>Adjusted EBITDA %</i>	-5.8%	1.6%	(743)	<i>bps</i>	9.4%	13.2%	(375)	<i>bps</i>

Note:

- 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.





# Other Information

## OTHER INCOME STATEMENT INFORMATION:

- Depreciation: \$4.1M in FY2025, expected to total approximately \$4.5M in FY2026.
- Amortization: \$4.4M in FY2025, expected to total approximately \$3.0M in FY2026.
- Net Interest Income: \$0.4M in FY2025 and Net Interest Income expected to total approximately \$0.3M in FY2026.
- Effective Tax Rate: Our normalized future effective tax rate is expected to eventually be 28% to 32%, before unusual permanent book/tax differences. Our current estimate of the effective tax rate for fiscal 2026 is approximately 35%.

## OTHER INFORMATION:

- Capital Expenditures: \$8.3M in FY2025, expected to total approximately \$5M to \$7M in FY2026.
- Capitalized Curriculum excluding acquired content: \$7.6M in FY2025, expected to total approximately \$8M to \$10M in FY2026.
- Share Count: 11,990k shares outstanding as of November 30, 2025. 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 first quarter of 2026 was a \$0.1M increase to Revenue and had no impact on Adjusted EBITDA.

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

# 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 is 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 from the delivery of the services and materials and is recognized as the performance obligations are satisfied as subscription service revenue. With the Leader in Me offering, the contract includes both membership and Onsite consulting which can be invoiced to the client in one lump sum. In this circumstance, the entire lump sum is included in Deferred Revenue. 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 consulting 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-cancelable 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 does 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 represents, the total amount of contracts with customers that were entered into during the period.
- “Subscription Services Revenue” is a sale which has been recognized from a client that has purchased training or materials in connection with or subsequently to entering into a subscription arrangement. This is in contrast to a Legacy sale which is generally training or materials for a client which has not entered into a subscription arrangement.
- “Operating SG&A” is 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.

# Definitions continued



- “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.
- “North America Revenue” consists of revenue generated by our direct offices in the United States and Canada, including government Revenue.
- “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 Licenses, 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).

