

The Goodheart-Willcox Company, Inc.
Condensed Financial Information of the Second Quarter of Fiscal 2026 Ending October 31, 2025
(Unaudited)

Period Ended October 31 (in Thousands, except share data):	2025 Three Months Ended	2024 Three Months Ended	2025 Six Months Ended	2024 Six Months Ended
Net Sales	\$18,309	\$19,350	\$35,905	\$37,746
Cost of Goods Sold	1,986	2,130	3,877	4,130
Gross Profit	16,323	17,220	32,028	33,616
Operating Expenses	11,382	10,769	22,582	19,721
Operating Profit	4,941	6,451	9,446	13,895
Other Income (net)	938	897	1,864	1,768
Income Before Income Taxes	5,879	7,348	11,310	15,663
Income Taxes	1,110	1,740	2,259	3,647
Net Income	\$4,769	\$5,608	\$9,051	\$12,016
Other Comprehensive Income (Loss)	74	76	(121)	402
Total Comprehensive Income	\$4,843	\$5,684	\$8,930	\$12,418
Income per Common Share	\$11.59	\$13.81	\$22.04	\$29.64
Average Number of Shares Outstanding	411,391	406,076	410,726	405,411
Selected Balance Sheet Data:	October 31, 2025		April 30, 2025	
Total Current Assets	\$102,752		\$106,559	
Total Property & Equipment, net	4,435		4,556	
Total Assets	132,071		134,529	
Total Current Liabilities	34,177		49,225	
Total Long-Term Liabilities	51,313		48,784	
Total Stockholders' Equity	46,581		36,520	
Supplemental Data:	Three Months Ended		Six Months Ended	
	2025	2024	2025	2024
Subscription Revenue Deferred	\$9,486	\$15,062	\$18,896	\$26,561
Subscription Revenue Recognized	\$6,877	\$6,434	\$13,687	\$12,558

The above unaudited interim financial information is derived from the Company's financial statements which, in the opinion of management, reflect all adjustments necessary to present fairly the Company's financial position as of October 31, 2025 and its results of operations for the three months ended October 31, 2025 and 2024, respectively, and have been prepared in conformity with the accounting principles reflected in the financial statements and related notes included in the Company's annual report for the fiscal year ended April 30, 2025. Certain information and disclosures normally included in annual financial statements and related notes prepared in accordance with U.S. GAAP have been condensed or omitted.

Historically the Company has experienced its highest level of sales in the first and second quarters and its lowest level of sales in the fourth quarter. The seasonal and cyclical nature of selling products such as textbooks and supplements into the educational market with two separate semesters, coupled with the introduction of new and revised products published for the next calendar/copyright year, affects the operational results of the Company. Thus, the results of operations for the periods above are not necessarily indicative of the results of operations for the respective full fiscal years.

The Company sells digital instructional content by multi-year subscriptions. The Supplemental Data presents *Subscription Revenue Deferred* as sales invoiced to customers to be recognized in future periods, and *Subscription Revenue Recognized* as subscription revenue recognized during the respective current periods shown.