



Q2 2020 Earnings Presentation

August 6, 2020

Safe Harbors

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by non-historical statements and often include words such as "outlook," "potential," "believes," "expects," "anticipates," "estimates," "intends," "plans," "seeks" or words of similar meaning, or future-looking or conditional verbs, such as "will," "should," "could," "may," "might," "aims," "intends," "projects," or similar words or phrases. These statements may include, but are not limited to, statements relating to: our business strategy; guidance or projections related to revenue, Adjusted EBITDA, sales, and other measures of future economic performance; the contributions and performance of our businesses including acquired businesses and international operations; projections for future capital expenditures; and other guidance, projections, plans, objectives, and related estimates and assumptions. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances. In addition, forward-looking statements are based on the Company's current assumptions, expectations and beliefs and are subject to certain risks and uncertainties that could cause actual results to differ materially from our present expectations or projections. Some important factors that could cause actual results, performance or achievement to differ materially from those expressed or implied by these forward-looking statements include, but are not limited to: the impact of the COVID-19 pandemic on the global economy; the risk that we are unable to execute our business strategy; declining demand for our literacy or language learning solutions; the risk that we are not able to manage and grow our business; the impact of any revisions to our pricing strategy; the risk that we might not succeed in introducing and producing new products and services; the impact of foreign exchange fluctuations; the adequacy of internally generated funds and existing sources of liquidity, such as bank financing, as well as our ability to raise additional funds; the risk that we cannot effectively adapt to and manage complex and numerous technologies; the risk that businesses acquired by us might not perform as expected; and the risk that we are not able to successfully expand internationally. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements, risks and uncertainties that are more fully described in the Company's filings with the U.S. Securities and Exchange Commission (SEC), including those described under the section entitled "Risk Factors" in the Company's most recent quarterly Form 10-Q filings and Annual Report on Form 10-K for the year ended December 31, 2019, and those updated from time to time in our future reports filed with the Securities and Exchange Commission.

Non-GAAP Financial Measures

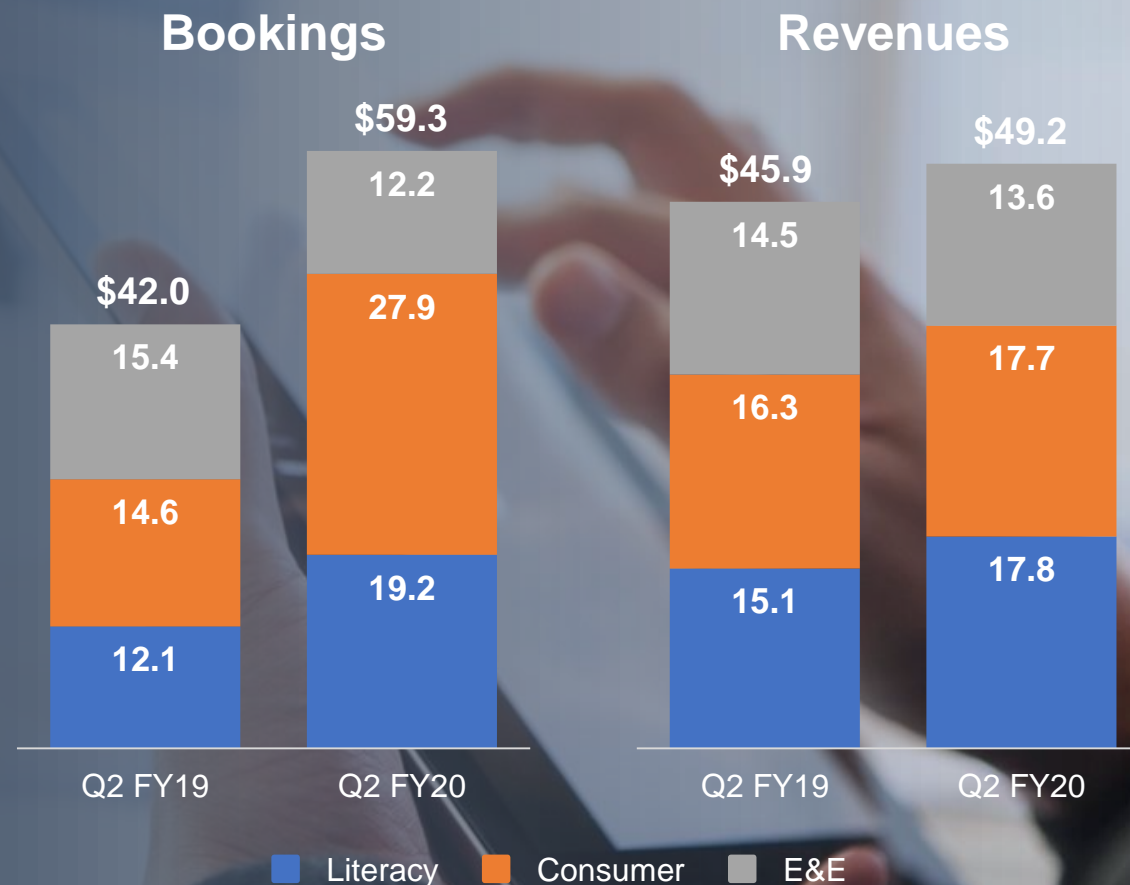
Today's presentation and discussion also contain references to non-GAAP financial measures. The full definition, GAAP comparisons, and reconciliation of those measures are available in this presentation or in our press release which is posted on our website at www.rosettastone.com. Our non-GAAP measures may not be comparable to those used by other companies, and we encourage you to review and understand all our financial reporting before making any investment decision.

Immaterial rounding differences may be present in this presentation in order to conform to reported totals.

Q2 2020 Financial Highlights

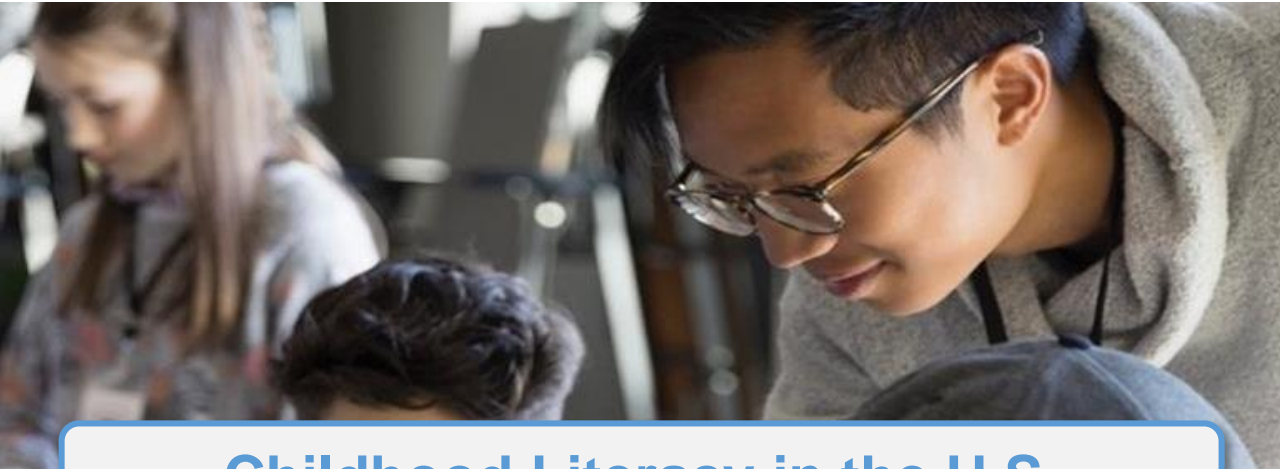
Q2 2020 consolidated revenue growth of 7% on bookings growth of 41%

- Literacy revenue growth of 18% on bookings growth of 59%
- Consumer Language revenue growth of 9% on bookings growth of 92%
- Revenue and Adjusted EBITDA exceeded guidance
- Cash of \$31.3 million and no debt, up \$20MM Y/Y



Note: See Appendix for definitions and reconciliations.
Prior year bookings and bookings growth are before \$0.5 million in SourceNext bookings that occurred in Q2 2019.

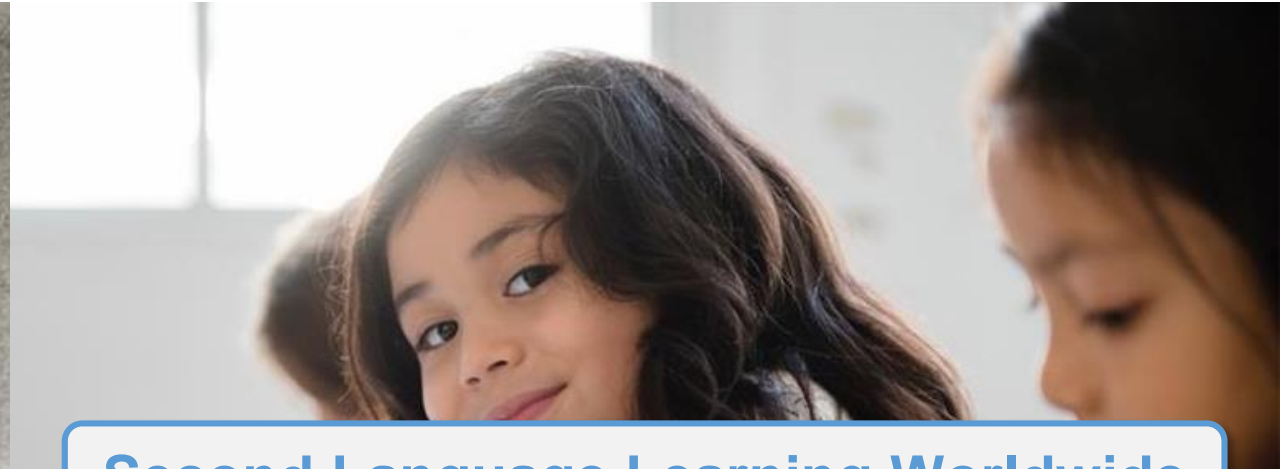
We Address Big Societal Needs



Childhood Literacy in the U.S.

- **Achievement Gap:** Nearly 2/3 of 4th, 8th and 12th graders are non-proficient readers, and 85% of public school curriculum is delivered via reading
- **Literacy is largest area** of curriculum spend in US public schools

Source: U.S. Department of Education, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), selected years., 992-2015 Reading Assessments, NAEP Data Explorer. See Digest of Education Statistics 2015, table 221.10; Ambient Insight, The 2015-2020 Worldwide Digital English Language Learning Market, 2016; ThoughtCo., How Many People Learn English? An Estimated 1.5 Billion People Are Studying the Language Worldwide, October 08, 2018. Sao Paulo School of Economics



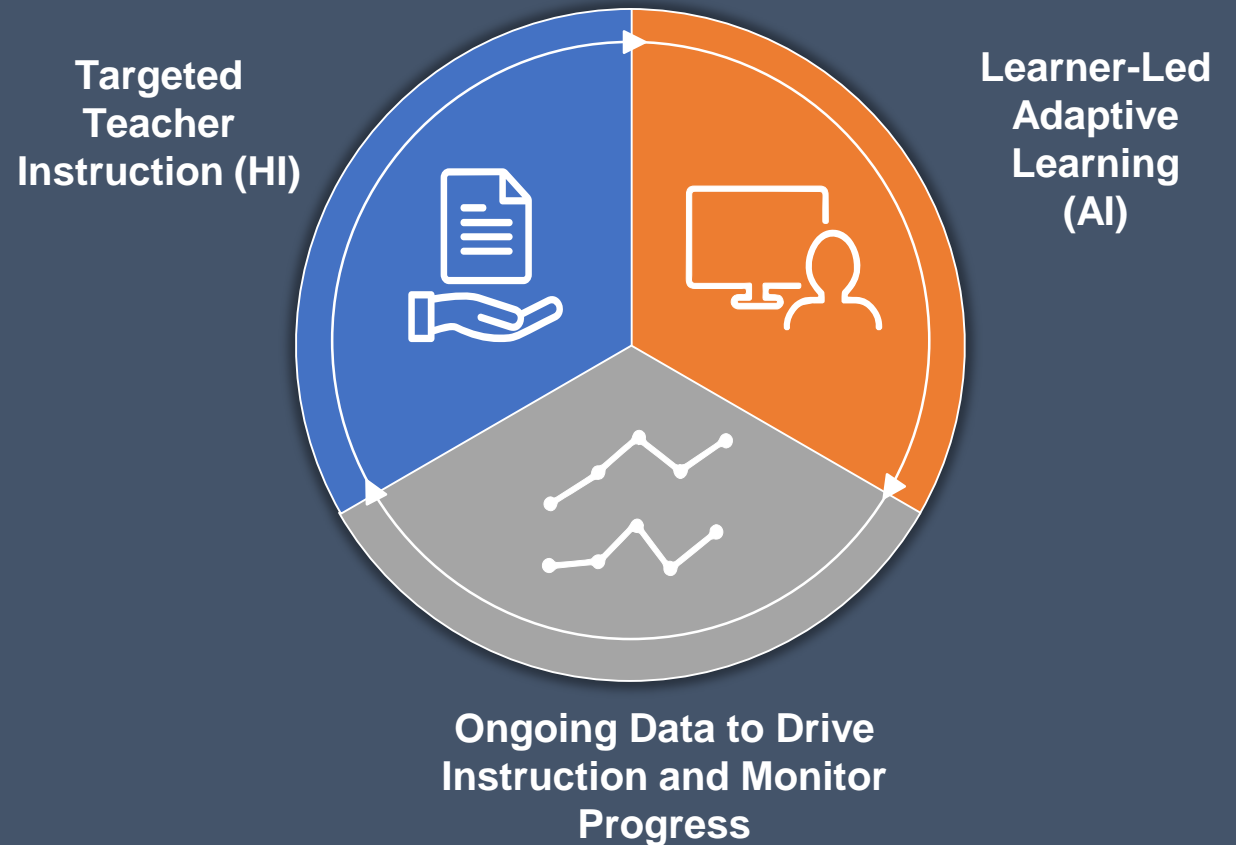
Second Language Learning Worldwide

- **1.5 billion** English Language Learners
- **~\$50 billion** in spend in 2020, 88% still offline
- **Unmet need** among younger learners at school and at home

Positioned for the Future of Learning

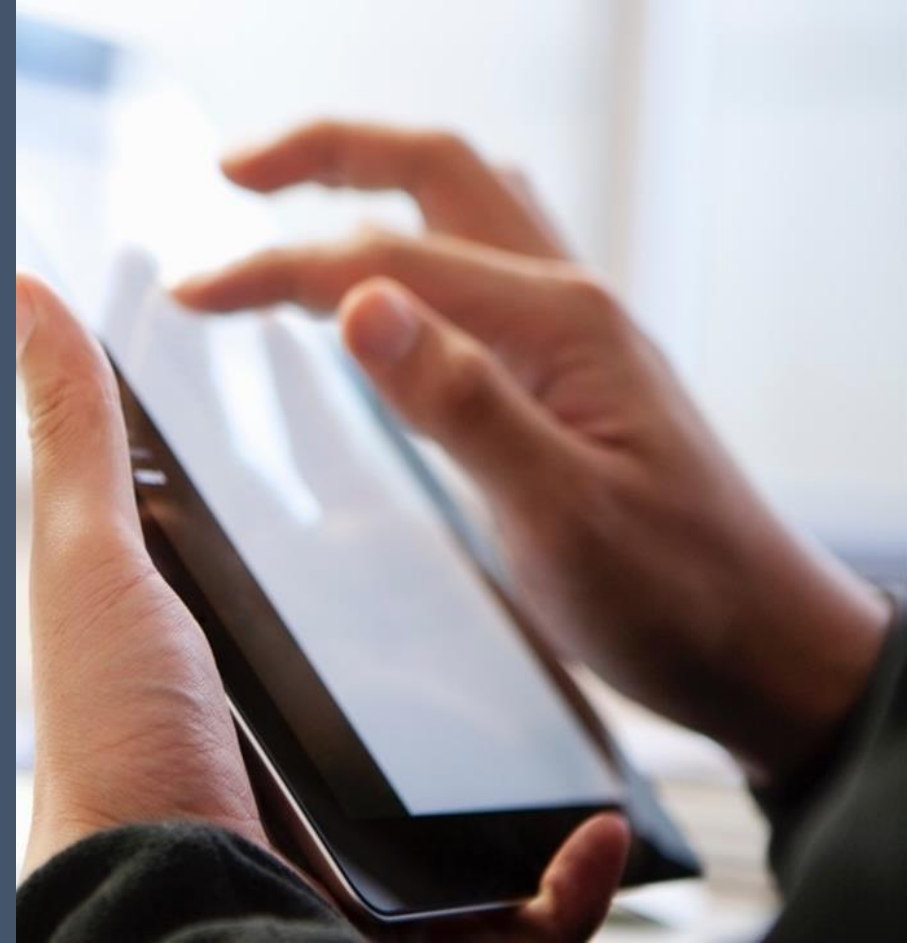
Our Adaptive Blended Learning solutions:

- Provide personalized instruction that travels with the learner
- Give teachers and administrators real time access to the learners' progress
- Support human instruction either in the classroom (teacher) or online (tutor)
- Ideally suited to support remote learning



Takeaways

1. Continued strength through Q2 and improved outlook
2. Setting the standard in helping learners and educators adapt
3. Growth opportunities in K-12 and Language
4. Positioned for leadership post COVID-19



Consumer Financial Overview

\$MM



Note: See Appendix for definitions and reconciliations. Prior year bookings and bookings growth are before \$0.5 million in SourceNext bookings that occurred in Q2 2019.

Enterprise & Education Financial Overview

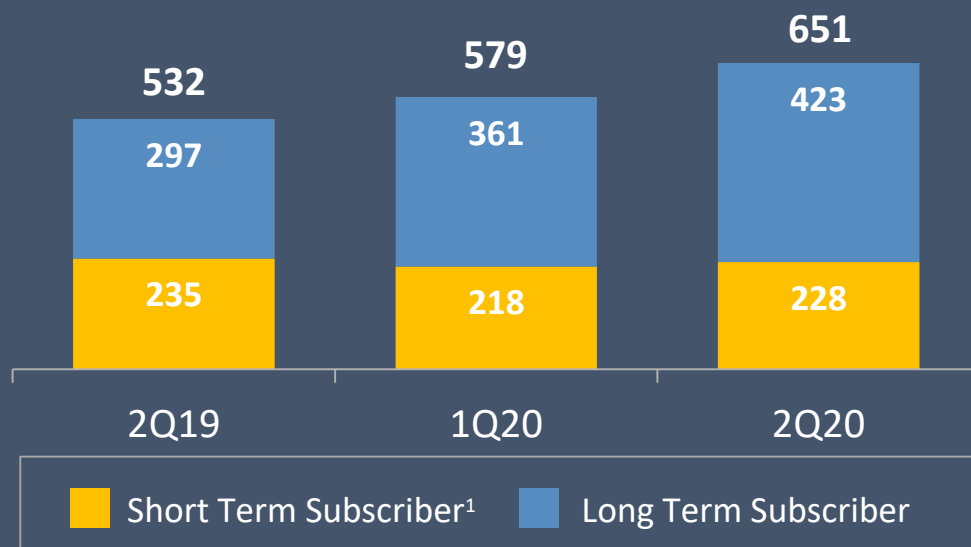
\$MM



Note: See Appendix for definitions and reconciliations.

Consumer Language Highlights

Global Subscriber Base (000)



LTV-to-CAC

1.5x 2.0x 2.3x

Before Media Test 1.8x 2.0x 2.3x

| Per unit | 2Q19 | 1Q20 | 2Q20 |
|--------------------------------------|-------|-------|-------|
| Avg Initial Term Length ² | 12 | 16 | 16 |
| Avg Initial Price | \$95 | \$134 | \$139 |
| Lifetime Value | \$151 | \$160 | \$160 |

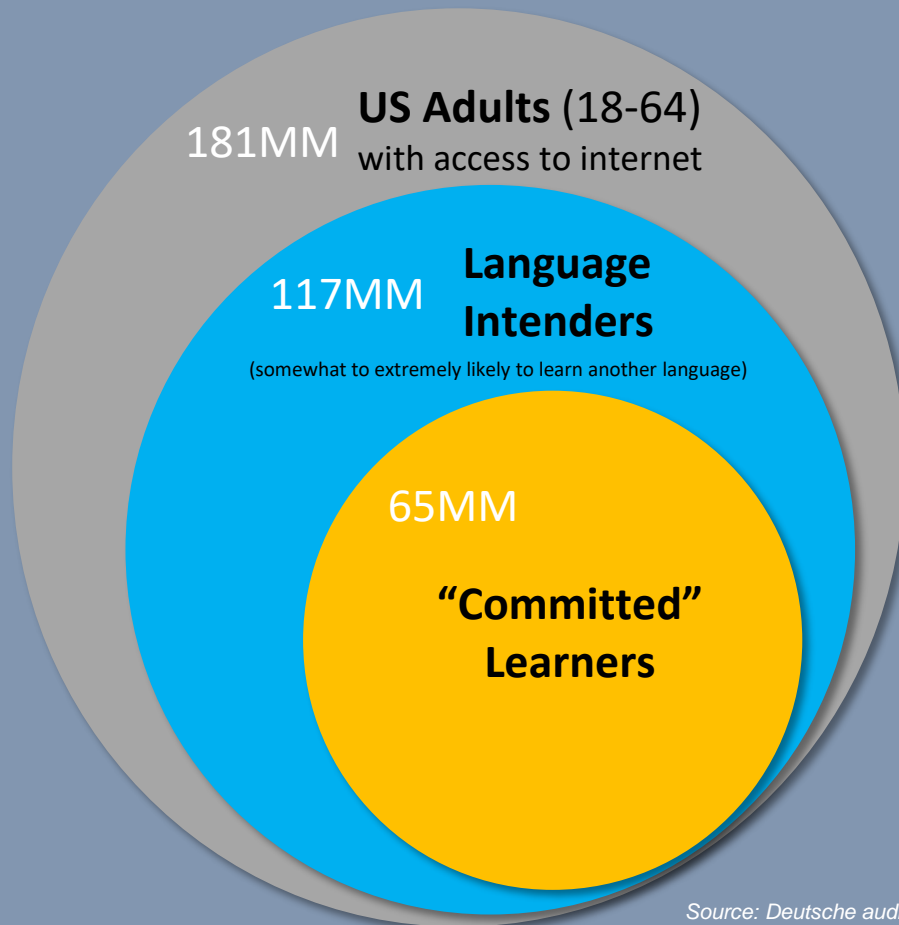
| Aggregate ³ | 2Q19 | 1Q20 | 2Q20 |
|---------------------------|--------|--------|--------|
| Gross LTV | \$12.3 | \$17.7 | \$23.0 |
| Net LTV Added | \$4.0 | \$8.7 | \$13.2 |
| Net LTV Before Media Test | \$5.5 | \$8.7 | \$13.2 |

Subscription data is based on Western Consumer (North America and Europe) plus global App sales for new units across all sales channels. LTV is computed using N.A. DTC and global App channel data. Prior period amounts have been restated to be comparable to the current period methodology. See Appendix for definitions of Statistical Measures.

¹ One year or less subscription term | ² The average initial term calculation has been updated to assume a 24-month term for lifetime subscriptions instead of the 36-months assumed previously to match the assumed term with the corresponding revenue recognition period | ³ Dollars in millions

Large Opportunity Focused on Committed Learners

Addressable Market (MM Population)

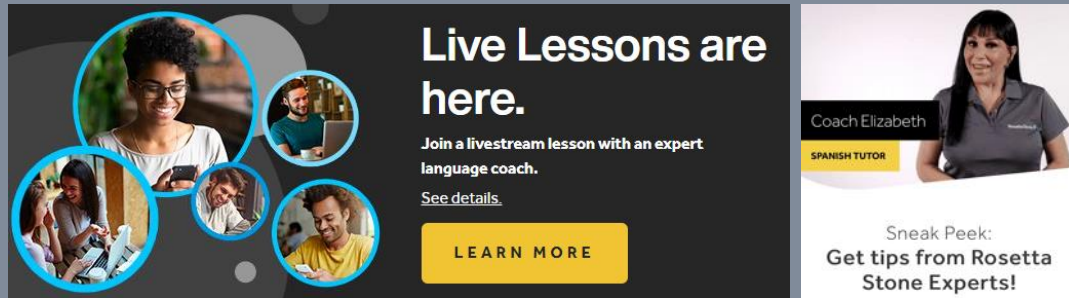


Source: Deutsche audience opportunity analysis 2018

- **Focus on “committed” learners** supports strategy to drive highest LTV across largest number of learners.
- **Aligned with core RST target audience** that deeply wants to learn a language and understand it will take time to be successful
- **Large market opportunity** for lifetime subscriptions

Consumer Product Value

Live Lessons



The advertisement features a dark background with several circular inset images showing diverse students and a coach. The text reads: "Live Lessons are here. Join a livestream lesson with an expert language coach. See details." A yellow button labeled "LEARN MORE" is positioned below the text. To the right, a separate image shows "Coach Elizabeth" identified as a "SPANISH TUTOR" with the text "Sneak Peek: Get tips from Rosetta Stone Experts!"

- Utilizes our coaches to provide live streaming experiences that bring coaches and learners together in a unique, fun way that is built to provide new ways of staying motivated
- High satisfaction rate of 83% for participants in initial classes

Group Tutoring Upsell

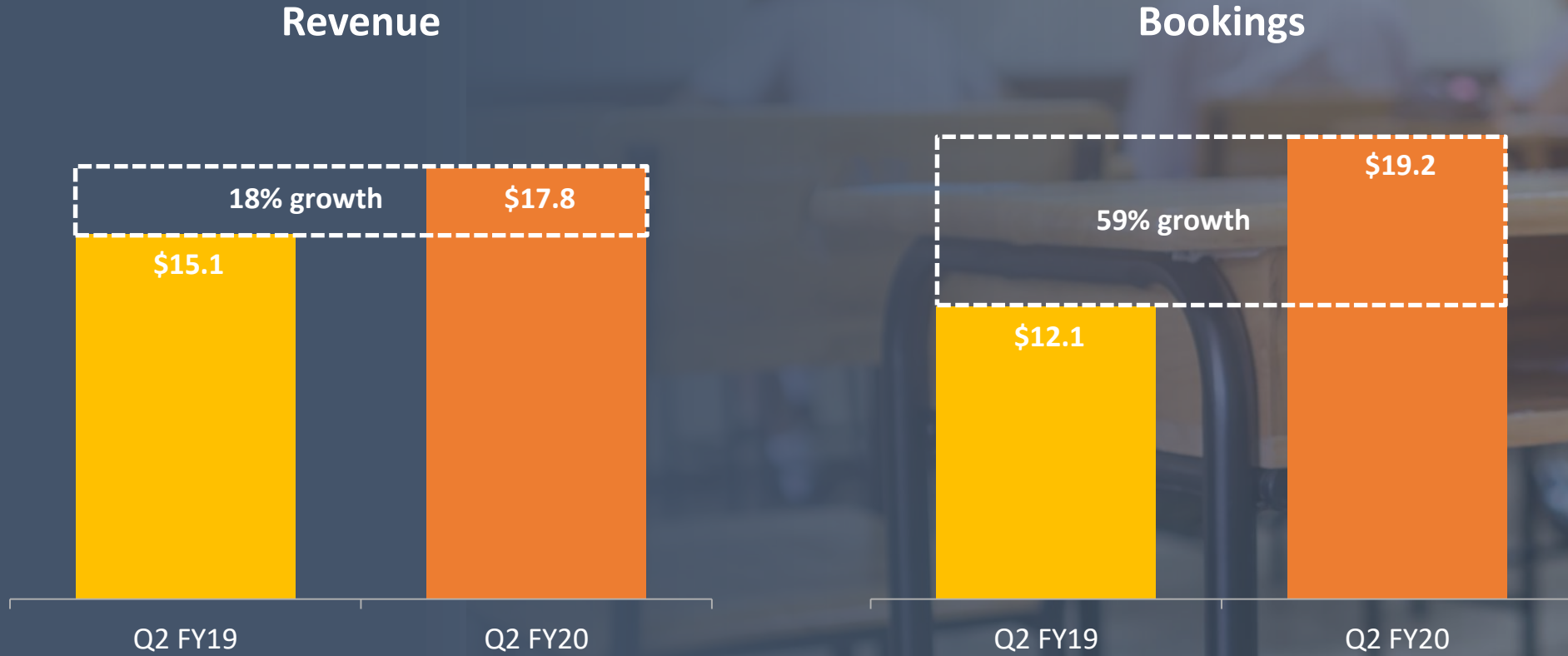


The advertisement has a yellow header with the text "Buy Live Tutoring". Below this is a grid of images showing a woman, a car, a book, and a plane. At the bottom, the text reads: "Confidence comes from practice."

- Initial feedback from free users in Q2 is that 62% would be very disappointed if they could no longer access group tutoring

Literacy Financial Overview

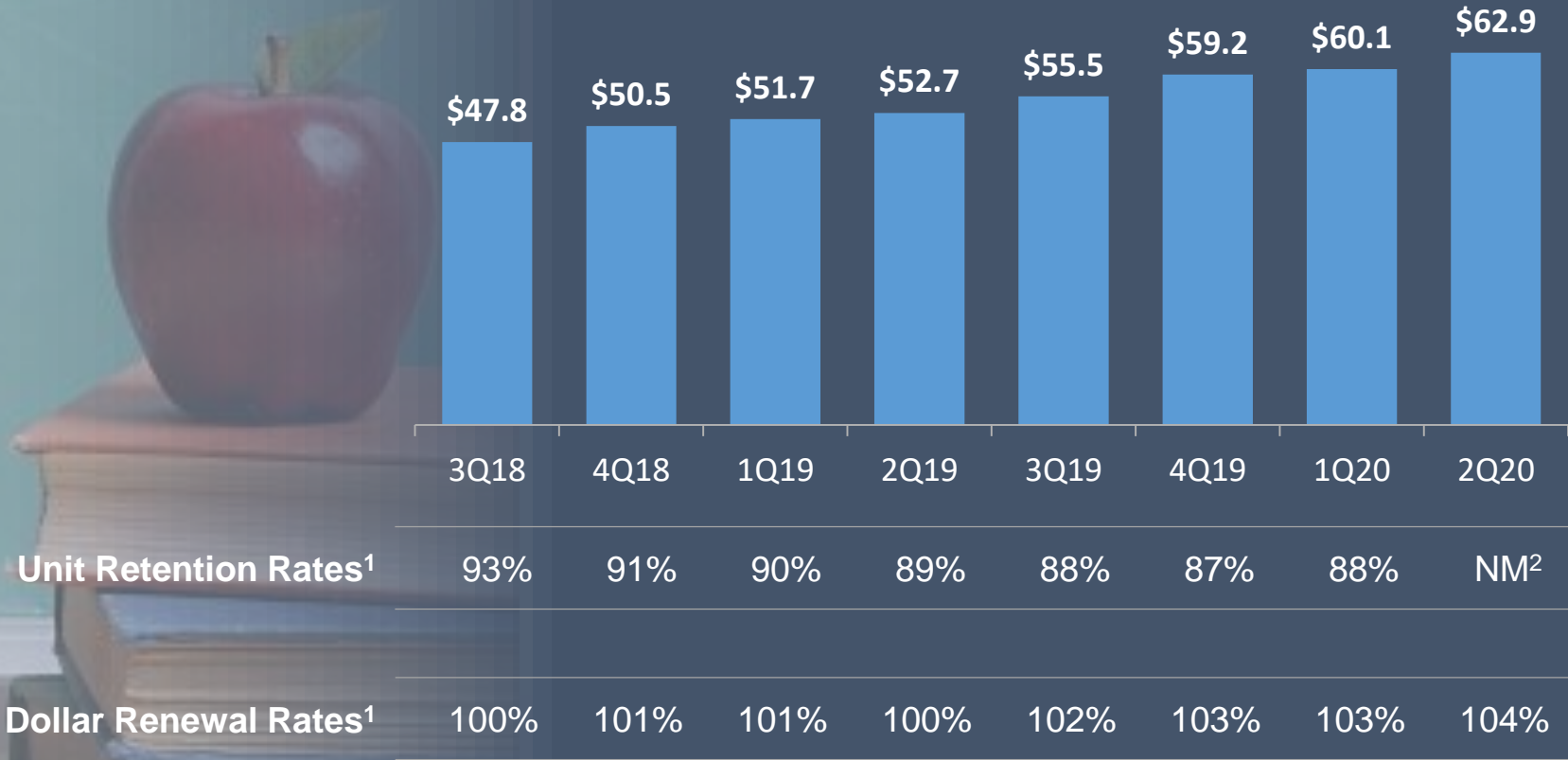
\$MM



Note: See Appendix for definitions and reconciliations.

Strong Dollar Renewal Rates + New Business = ARR Growth

- Retention and renewal rates may be affected by decisions to accommodate customers during COVID-19 crisis.



¹ Rate is computed on a trailing 12-month basis ('TTM').

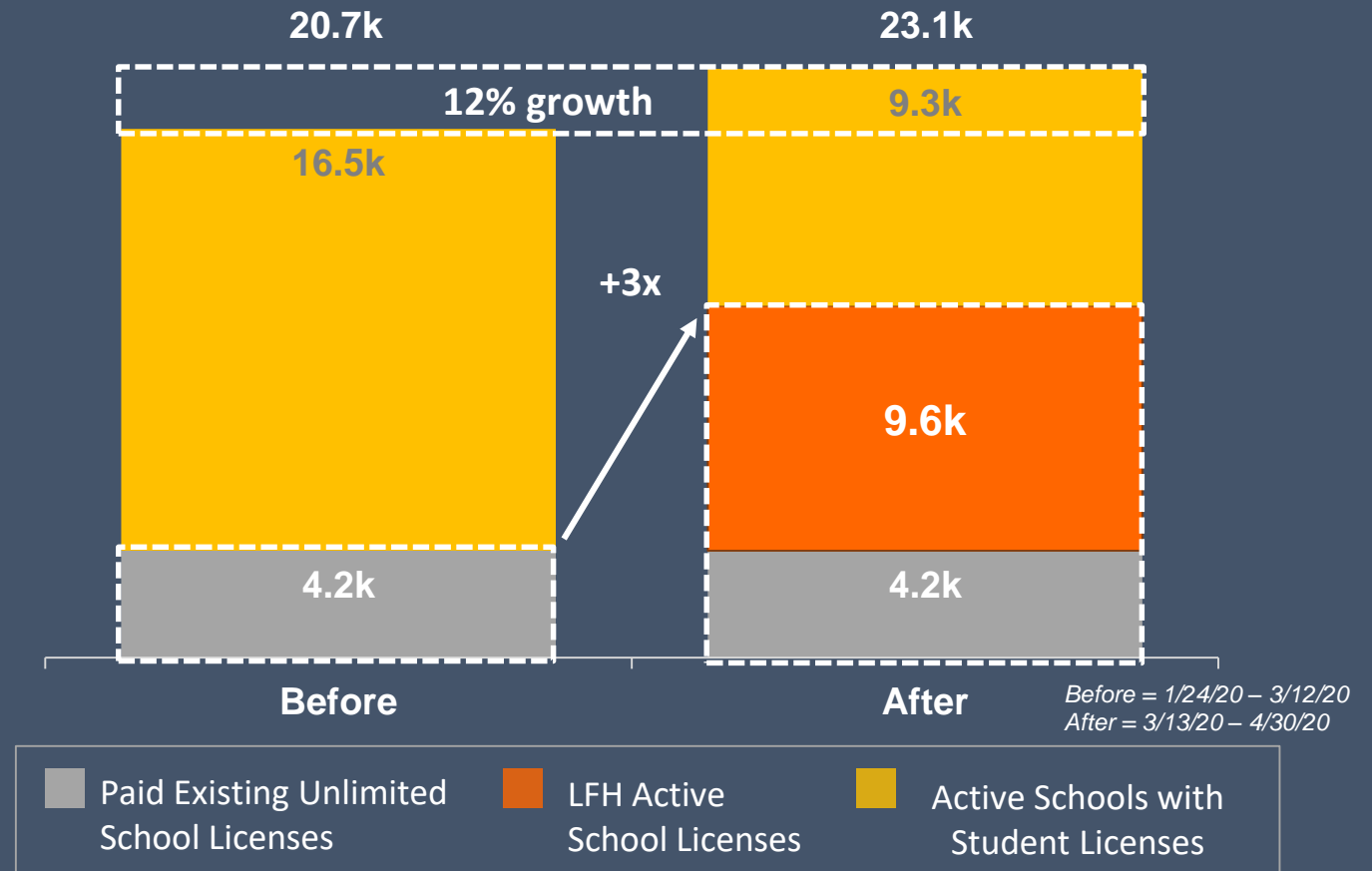
² Unit retention rate in Q2 2020 was positively distorted by our decision to support customers dealing with COVID-19 impacts by not shutting off access when their licenses expired for a limited time. Consequently, the Q2 2020 unit retention rate is not meaningful, but we intend to resume reporting this rate following Q3.

Note: See Appendix for definitions of statistical measures.

Literacy Learn From Home Program

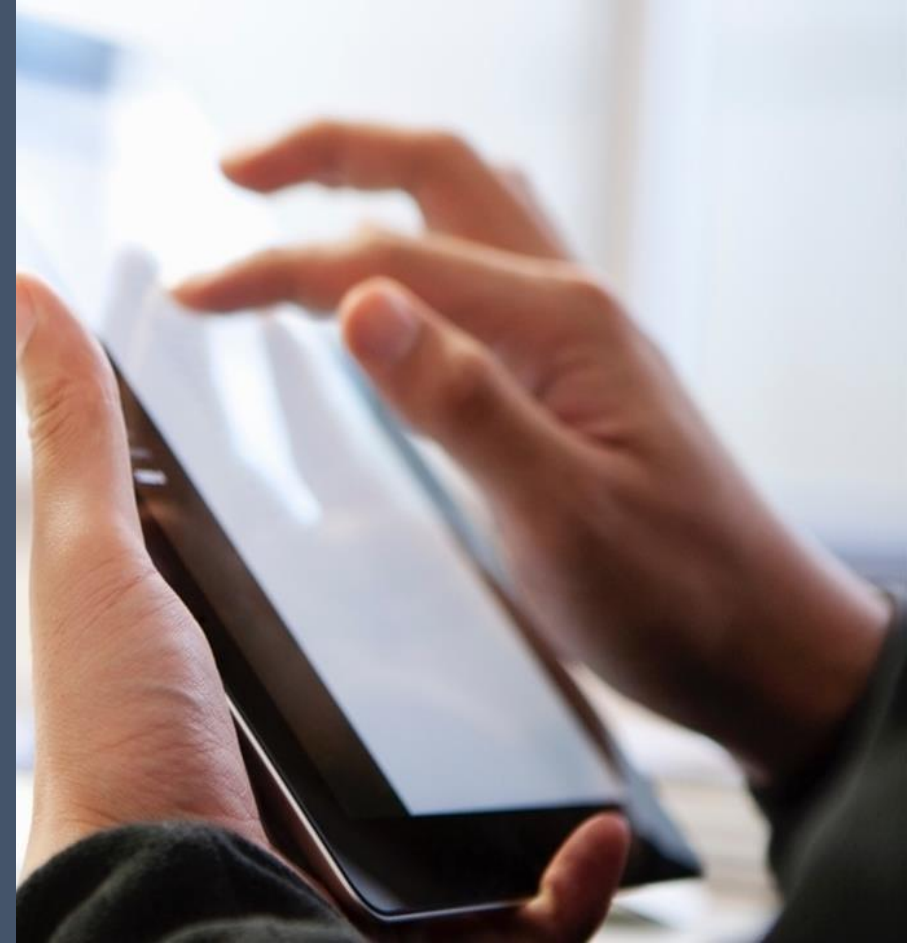
Swift transition to support customers through the Learn From Home program

- Over 9.6k Learn From Home whole school site licenses activated through upgrades or new relationships
- 3x the number of whole school site licenses now being supported



Literacy Q2 Growth Drivers

1. Learn From Home program
2. Account segmentation strategy
3. Texas



K-12 is Well Positioned to Meet Emerging Customer Needs

1

Flexible Implementation Model

2

Research-proven Efficacy

3

Remote Assessments at Scale (AWT)

4

Acceleration Capabilities

5

Facilitates Social Interaction

6

Educator Empowerment

Literacy: Demonstrated Efficacy




Core5 and PowerUp both received the **highest rating for efficacy** on Evidence for ESSA, the leading independent review organization, bolstering our competitive moat across the portfolio

Source: <https://www.evidencefoessa.org/programs/reading/lexia-powerup-literacy>
<https://www.evidencefoessa.org/programs/reading/lexiar-core5r-reading-program-struggling-readers>


READING GRADES **PREK - 6** **New**

Lexia® Core5® Reading Program – Struggling Readers

| Essa Rating | No. Studies | No. Students | Average Effect Size |
|--|-------------|--------------|---------------------|
|  STRONG | 1 | 116 | +0.23 |

READING GRADES **MIDDLE**

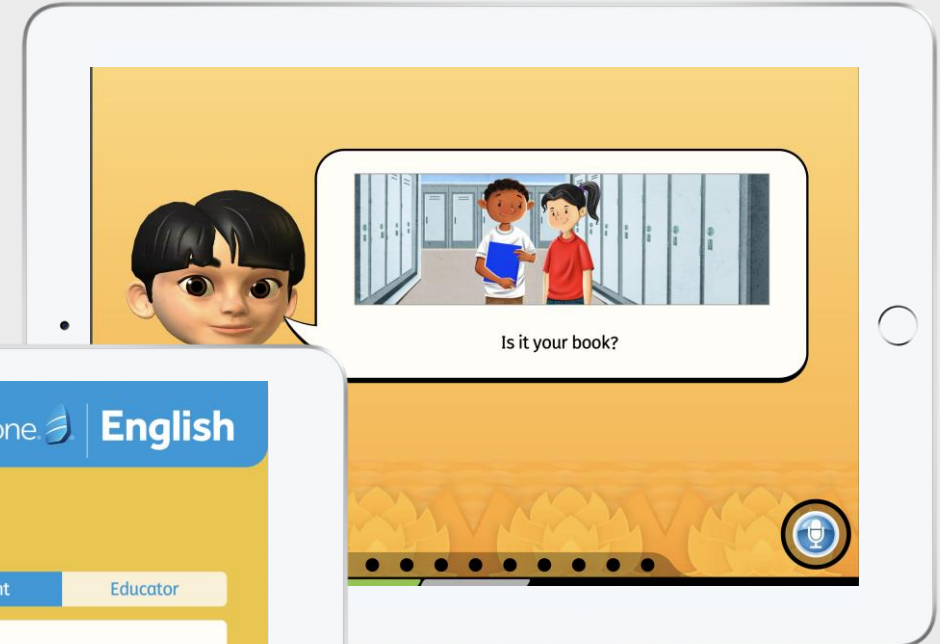
Lexia PowerUp Literacy

| Essa Rating | No. Studies | No. Students | Average Effect Size |
|--|-------------|--------------|---------------------|
|  STRONG | 1 | 155 | +0.36 |

Rosetta Stone English is Live!

*This program **meets my students' diverse needs** by placing them in their respective proficiency levels and provides appropriate scaffolding to support their learning. The program is **easy to navigate** and our students stay **engaged** with the diverse characters.*

- Courtney Bradley, Culture & Data Coordinator, Soleil Academy, Lynwood, CA



2020 Full Year Guidance

| (\$ in millions) | FY 2019 Actual | FY 2020 Guidance | <i>Memo: FY2020 Prior Guidance</i> |
|----------------------------------|----------------|------------------|------------------------------------|
| Consolidated Revenue | \$182.7 | ~\$190 to \$200 | ~\$186 to \$194 |
| Literacy Revenue | \$62.6 | ~\$72 to \$76 | ~\$69 to \$72 |
| Consumer Revenue | \$63.3 | \$69 to \$72 | \$67 to \$69 |
| E&E Revenue | \$56.8 | ~\$49 - \$52 | ~\$50 - \$53 |
| Net Loss | \$13.0 | ~\$22 - \$20 | ~\$24 - \$22 |
| Adjusted EBITDA ¹ | \$6.9 | ~\$8 to \$12 | ~\$5 to \$8 |
| Operating Cash Flow ² | \$17.2 | ~\$29 to \$34 | ~\$14 to \$18 |
| Capital Expenditures | \$16.8 | ~\$16 to \$17 | ~\$17 |

¹ See Appendix for definitions of Statistical Measures and Non-GAAP Financial Measures and reconciliations of GAAP to non-GAAP Financial Measures | ² Assumes no debt

Q3 2020 Guidance

| (\$ in millions) | Q3 2019 Actual | Q3 2020 Guidance |
|------------------------------|----------------|------------------|
| Consolidated Revenue | \$45.5 | ~\$48 |
| Net Loss | \$2.9 | ~\$7 |
| Adjusted EBITDA ¹ | \$2.5 | ~\$2 |

¹ See Appendix for definitions of Statistical Measures and Non-GAAP Financial Measures and reconciliations of GAAP to non-GAAP Financial Measures | ² Assumes no debt

A blurred photograph of a classroom. A teacher is standing at the front, and several students are sitting at desks with their hands raised. The scene is brightly lit, likely from windows on the right side. The overall tone is educational and positive.

Q2 2020 Wrap Up



Appendix

Definitions – Statistical Measures

Annualized recurring revenue (or “ARR”) is computed using the annualized value of active subscription arrangements at the end of the period. ARR is a performance metric used to assess the health and trajectory of our E&E Language and Literacy segments, which we believe aids investors in understanding our segment results. We present ARR as a statistical measure rather than a non-GAAP financial measure. ARR should be viewed independently of revenue and deferred revenue, as ARR is a performance metric and is not intended to be combined with either of these items.

North America Consumer DTC and Global App Sales LTV per Unit: The Lifetime Value per unit, or LTV per unit, is an operating metric calculated as the combined value of customers' initial purchases plus an estimate of future renewals based on the median dollar renewal rates observed for recent renewals of similar products. The per unit metric is expressed as the weighted average LTV per unit of all products sold during a given period.

LTV Added is the LTV per unit multiplied by total new unit sales net of returns.

North America Consumer DTC and Global App Sales CAC: The Customer Acquisition Cost, or CAC, is an operating metric calculated as the sum of Consumer GAAP sales and marketing expenses in a period plus affiliate commission expenses that are classified as cost of goods sold, adjusted to reflect the lifetime app store commissions incurred on the initial app sale plus an estimate of app commission expenses on future renewals.

CAC per Unit is CAC divided by total new unit sales net of returns for North America DTC and Global App sales.

The LTV-to-CAC ratio is calculated as LTV per Unit divided by CAC per Unit.

Net LTV Added is calculated as LTV Added minus CAC.

Unit Retention is a customer-based metric based on whether a customer was retained from a prior period to the current period. Renewal is an annualized dollar-based metric (of the dollars available to renew) and includes upsells.

Prior period amounts have been restated to be comparable to the current period methodology. In addition, prior period LTV, CAC Net LTV, unit retention and dollar renewal metrics presented for a given period may change over time as the most current experience for that period is used to update the calculations of those operating metrics.

Definitions – Operational Metrics, Segment Measures and Non-GAAP Financial Measures

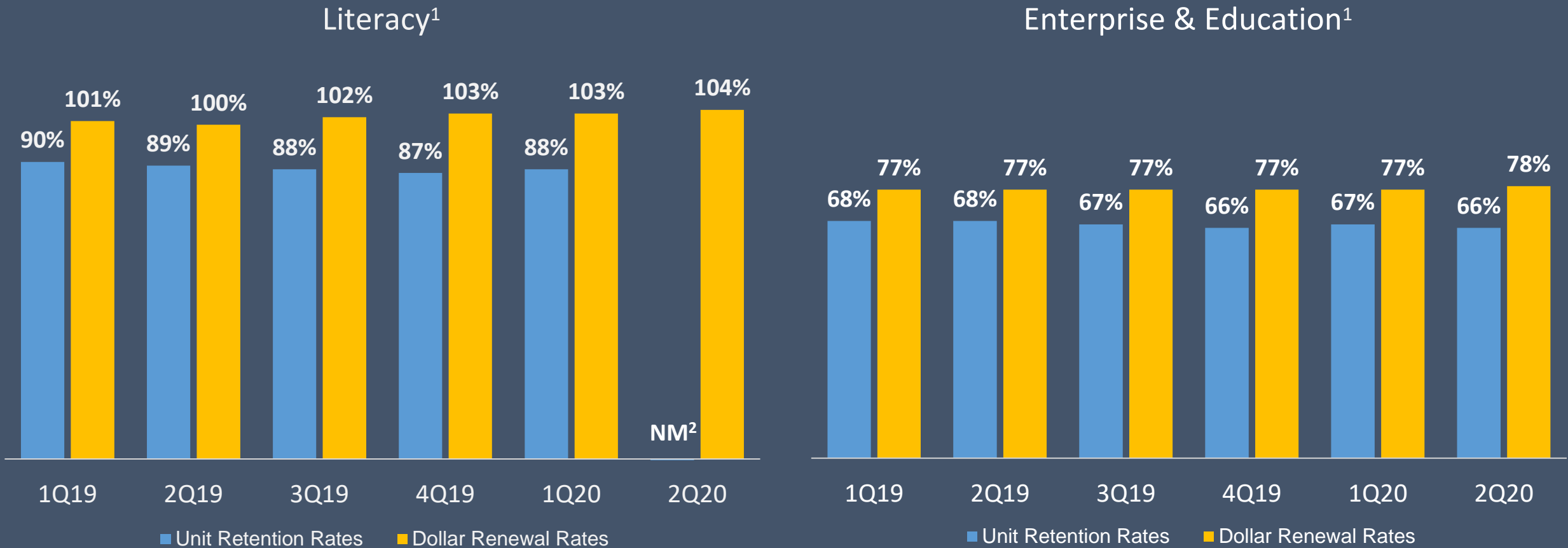
Bookings represents executed contracts received by the Company that are either recorded immediately as revenue or deferred revenue. Therefore, bookings is an operational metric and in any one period is equal to revenue plus the change in deferred revenue.

Adjusted EBITDA is a non-GAAP financial measures of GAAP net income/loss plus interest income and expense, other income/expense, income tax benefit/expense, impairment, lease abandonment and termination, depreciation, amortization, stock-based compensation, restructuring, and strategy and cost-reduction related consulting expenses. In addition, Adjusted EBITDA excludes "Other" items related to non-restructuring wind down and severance costs, and transaction and other costs associated with mergers and acquisitions, as well as all adjustments related to recording the non-cash tax valuation allowance for deferred tax assets. Adjusted EBITDA for prior periods has been revised to conform to current definition

Free cash flow is a non-GAAP financial measures of cash flow from operating activities minus cash used in purchases of property and equipment.

Segment contribution is calculated as segment revenue less expenses directly incurred by or allocated to the segment. Direct segment expenses include costs and expenses that are directly incurred by or allocated to the segment and include materials costs, service costs, customer care and coaching costs, sales and marketing expenses, and bad debt expense. In addition to the previously referenced expenses, the Literacy segment includes direct research and development expenses and Combined Language includes shared research and development expenses, costs of revenue, sales and marketing, and general and administrative expenses applicable to the Consumer Language and E&E Language segments. Prior periods have been reclassified to reflect our current segment presentation and definition of segment contribution. Segment contribution is a segment measure of profitability determined consistent with Accounting Standards Codification 280.

Unit Retention and Dollar Renewal Rates for Literacy and E&E



¹ Rates are computed on a trailing 12-month basis ('TTM')

² Unit retention rate in Q2 2020 was positively distorted by our decision to support customers dealing with COVID-19 impacts by not shutting off access when their licenses expired for a limited time. Consequently, the Q2 2020 unit retention rate is not meaningful, but we intend to resume reporting this rate following Q3.

Adjusted EBITDA and Free Cash Flow

| | Amounts (\$000) | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| | Quarterly | | | | FY19 | Quarterly | | |
| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | | 1Q20 | 2Q20 | |
| GAAP net loss | \$ (544) | \$ (2,807) | \$ (2,917) | \$ (6,688) | \$ (12,956) | \$ (6,181) | \$ (3,586) | |
| Total other non-operating expense (income), net | (769) | (429) | 146 | 753 | (299) | (34) | 26 | |
| Income tax expense (benefit) | (170) | 175 | (93) | 405 | 317 | 380 | 223 | |
| Depreciation and amortization | 3,529 | 3,457 | 3,938 | 4,257 | 15,181 | 4,420 | 4,351 | |
| Stock-based compensation | 1,220 | 1,356 | 1,412 | 371 | 4,359 | 2,261 | 3,009 | |
| Other EBITDA adjustments | 53 | 269 | (22) | (8) | 292 | 327 | 104 | |
| Adjusted EBITDA | <u>\$ 3,319</u> | <u>\$ 2,021</u> | <u>\$ 2,464</u> | <u>\$ (910)</u> | <u>\$ 6,894</u> | <u>\$ 1,173</u> | <u>\$ 4,127</u> | |

| | Amounts (\$000) | | | | | | | |
|---|--------------------|--------------------|------------------|-----------------|---------------|-------------------|-------------------|--|
| | Quarterly | | | | FY19 | Quarterly | | |
| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | | 1Q20 | 2Q20 | |
| Net cash (used in)/provided by operating activities | \$ (6,567) | \$ (14,847) | \$ 29,072 | \$ 9,533 | \$ 17,191 | \$ (3,482) | \$ (323) | |
| Purchases of property and equipment | (4,714) | (4,995) | (4,011) | (3,046) | (16,766) | (3,786) | (3,806) | |
| Free Cash Flow | <u>\$ (11,281)</u> | <u>\$ (19,842)</u> | <u>\$ 25,061</u> | <u>\$ 6,487</u> | <u>\$ 425</u> | <u>\$ (7,268)</u> | <u>\$ (4,129)</u> | |

Revenue and Bookings

| | Amounts (\$000) | | | | | | | |
|--|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|--|
| | Quarterly | | | | FY19 | Quarterly | | |
| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | | 1Q20 | 2Q20 | |
| Revenue | | | | | | | | |
| Literacy | \$ 14,806 | \$ 15,101 | \$ 15,587 | \$ 17,131 | \$ 62,625 | \$ 17,486 | \$ 17,814 | |
| E&E Language | | | | | | | | |
| Enterprise | 8,021 | 7,871 | 7,819 | 8,185 | 31,896 | 6,985 | 7,593 | |
| North America K-12 | 6,422 | 6,631 | 6,255 | 5,608 | 24,916 | 6,567 | 6,047 | |
| Total E&E Language | 14,443 | 14,502 | 14,074 | 13,793 | 56,812 | 13,552 | 13,640 | |
| Consumer Language | 15,362 | 16,339 | 15,795 | 15,769 | 63,265 | 16,141 | 17,741 | |
| Total Language | 29,805 | 30,841 | 29,869 | 29,562 | 120,077 | 29,693 | 31,381 | |
| Total Revenue | <u>\$ 44,611</u> | <u>\$ 45,942</u> | <u>\$ 45,456</u> | <u>\$ 46,693</u> | <u>\$ 182,702</u> | <u>\$ 47,179</u> | <u>\$ 49,195</u> | |
| Bookings | | | | | | | | |
| Literacy | \$ 4,511 | \$ 12,089 | \$ 40,984 | \$ 10,843 | \$ 68,427 | \$ 5,481 | \$ 19,208 | |
| E&E Language | | | | | | | | |
| Enterprise | 5,622 | 7,421 | 15,397 | 10,353 | 38,793 | 3,499 | 5,843 | |
| North America K-12 | 2,020 | 7,938 | 8,798 | 4,581 | 23,337 | 2,037 | 6,307 | |
| Total E&E Language | 7,642 | 15,359 | 24,195 | 14,934 | 62,130 | 5,536 | 12,150 | |
| Consumer Language | 15,827 | 15,071 | 16,278 | 19,700 | 66,876 | 22,550 | 27,936 | |
| Less: Adjustment for SOURCENEXT | - | 499 | - | - | 499 | - | - | |
| Subtotal for Consumer, before SOURCENEXT | 15,827 | 14,572 | 16,278 | 19,700 | 66,377 | 22,550 | 27,936 | |
| Subtotal for Language, before SOURCENEXT | 23,469 | 29,931 | 40,473 | 34,634 | 128,507 | 28,086 | 40,086 | |
| Total Bookings, before SOURCENEXT | <u>\$ 27,980</u> | <u>\$ 42,020</u> | <u>\$ 81,457</u> | <u>\$ 45,477</u> | <u>\$ 196,934</u> | <u>\$ 33,567</u> | <u>\$ 59,294</u> | |

Reconciliation of Revenue and Bookings

| | Amounts (\$000) | | | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|
| | Quarterly | | | | FY19 | Quarterly | |
| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | | 1Q20 | 2Q20 |
| Reconciliation of Revenue to Bookings | | | | | | | |
| Literacy | | | | | | | |
| Segment revenue | \$ 14,806 | \$ 15,101 | \$ 15,587 | \$ 17,131 | \$ 62,625 | \$ 17,486 | \$ 17,814 |
| Segment change in deferred revenue | (10,295) | (3,012) | 25,397 | (6,288) | 5,802 | (12,005) | 1,394 |
| Bookings | <u>\$ 4,511</u> | <u>\$ 12,089</u> | <u>\$ 40,984</u> | <u>\$ 10,843</u> | <u>\$ 68,427</u> | <u>\$ 5,481</u> | <u>\$ 19,208</u> |
| E&E Language | | | | | | | |
| Segment revenue | \$ 14,443 | \$ 14,502 | \$ 14,074 | \$ 13,793 | \$ 56,812 | \$ 13,552 | \$ 13,640 |
| Segment change in deferred revenue | (6,801) | 857 | 10,121 | 1,141 | 5,318 | (8,016) | (1,490) |
| Bookings | <u>\$ 7,642</u> | <u>\$ 15,359</u> | <u>\$ 24,195</u> | <u>\$ 14,934</u> | <u>\$ 62,130</u> | <u>\$ 5,536</u> | <u>\$ 12,150</u> |
| Consumer Language | | | | | | | |
| Segment revenue | \$ 15,362 | \$ 16,339 | \$ 15,795 | \$ 15,769 | \$ 63,265 | \$ 16,141 | \$ 17,741 |
| Segment change in deferred revenue | 465 | (1,268) | 483 | 3,931 | 3,611 | 6,409 | 10,195 |
| Adjustment for SOURCENEXT | - | (499) | - | - | (499) | - | - |
| Bookings, before SOURCENEXT | <u>\$ 15,827</u> | <u>\$ 14,572</u> | <u>\$ 16,278</u> | <u>\$ 19,700</u> | <u>\$ 66,377</u> | <u>\$ 22,550</u> | <u>\$ 27,936</u> |
| Total revenue | \$ 44,611 | \$ 45,942 | \$ 45,456 | \$ 46,693 | \$ 182,702 | \$ 47,179 | \$ 49,195 |
| Change in deferred revenue | (16,631) | (3,423) | 36,001 | (1,216) | 14,731 | (13,612) | 10,099 |
| Adjustment for SOURCENEXT | - | (499) | - | - | (499) | - | - |
| Total bookings, before SOURCENEXT | <u>\$ 27,980</u> | <u>\$ 42,020</u> | <u>\$ 81,457</u> | <u>\$ 45,477</u> | <u>\$ 196,934</u> | <u>\$ 33,567</u> | <u>\$ 59,294</u> |

Segment Contribution

| | Amounts (\$000) | | | | | | |
|---|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|
| | Quarterly | | | | FY19 | Quarterly | |
| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | | 1Q20 | 2Q20 |
| Revenue: | | | | | | | |
| Literacy segment | \$ 14,806 | \$ 15,101 | \$ 15,587 | \$ 17,131 | \$ 62,625 | \$ 17,486 | \$ 17,814 |
| E&E Language segment | 14,443 | 14,502 | 14,074 | 13,793 | 56,812 | 13,552 | 13,640 |
| Consumer Language segment | 15,362 | 16,339 | 15,795 | 15,769 | 63,265 | 16,141 | 17,741 |
| Shared services | - | - | - | - | - | - | - |
| Combined Language | 29,805 | 30,841 | 29,869 | 29,562 | 120,077 | 29,693 | 31,381 |
| Total revenue | <u>\$ 44,611</u> | <u>\$ 45,942</u> | <u>\$ 45,456</u> | <u>\$ 46,693</u> | <u>\$ 182,702</u> | <u>\$ 47,179</u> | <u>\$ 49,195</u> |
| Segment contribution | | | | | | | |
| Literacy segment | \$ 3,013 | \$ 2,371 | \$ 2,087 | \$ 2,624 | \$ 10,095 | \$ 2,817 | \$ 3,048 |
| E&E Language segment | 6,107 | 5,848 | 5,679 | 5,101 | 22,735 | 5,498 | 5,486 |
| Consumer Language segment | 4,548 | 3,649 | 4,093 | 2,693 | 14,983 | 2,910 | 4,512 |
| Shared services | (3,680) | (3,387) | (3,003) | (4,541) | (14,611) | (3,185) | (2,662) |
| Combined Language | 6,975 | 6,110 | 6,769 | 3,253 | 23,107 | 5,223 | 7,336 |
| Total segment contribution | <u>\$ 9,988</u> | <u>\$ 8,481</u> | <u>\$ 8,856</u> | <u>\$ 5,877</u> | <u>\$ 33,202</u> | <u>\$ 8,040</u> | <u>\$ 10,384</u> |
| Segment contribution margin percentage: | | | | | | | |
| Literacy segment | 20% | 16% | 13% | 15% | 16% | 16% | 17% |
| E&E Language segment | 42% | 40% | 40% | 37% | 40% | 41% | 40% |
| Consumer Language segment | 30% | 22% | 26% | 17% | 24% | 18% | 25% |
| Combined Language | 23% | 20% | 23% | 11% | 19% | 18% | 23% |