

March 30, 2016



# Legacy Education Alliance, Inc. Announces Fiscal Year 2015 Results

CAPE CORAL, Fla.-- Legacy Education Alliance, Inc. (OTCQB: LEAI) ([www.legacyeducationalliance.com](http://www.legacyeducationalliance.com)), a leading international provider of practical, high-quality, and value-based educational training on the topics of personal finance, entrepreneurship, real estate, and financial markets investing strategies and techniques, announces financial results for the fiscal year ended December 31, 2015.

During 2015, Legacy Education Alliance continued to execute on its strategy of expanding and diversifying its operations globally. Cash sales, a key metric for evaluating the Company's operating performance, increased 15% year-over-year, and non-U.S. cash sales increased 20% year-over-year. Revenue for the year decreased \$9.3 million to \$87.2 million, due primarily to the change in our revenue recognition policy with regards to DVD fulfillment. This policy was changed in 2014, and the effects of the change are anticipated to be immaterial in 2016.

## FISCAL YEAR 2015 OVERVIEW

- Cash sales were \$94.1 million for fiscal year 2015 compared to \$81.9 million in fiscal year 2014, an increase of \$12.2 million or 15%.
- Revenue was \$87.2 million for 2015 compared to \$96.5 million for the previous year.
- Revenue from attendance increased \$3.1 million, or 5%, in 2015 compared to the previous year.
- Non-U.S. revenue was \$28.9 million for 2015 compared to \$26.1 million in the previous year, an increase of \$2.8 million or 11%.
- Net cash provided by operating activities was \$2.8 million in 2015 compared to net cash used in operating activities of \$(1.7) million in the previous year, an increase in cash of \$4.5 million.
- Total operating costs were \$90.3 million for 2015 compared to \$90.9 million for the previous year, a decrease of \$0.6 million or 1%.
- Net loss was \$2.7 million, or \$0.12 per basic and diluted common share, for 2015, compared to net income of \$7.4 million, or \$0.45 per basic common share and \$0.42 per diluted common share, for the previous year.

"Our cash sales, a key metric for evaluating our operating performance, increased 15% in 2015," stated Anthony Humpage, CEO of Legacy Education Alliance. "Our performance has been driven primarily by foreign sales expansion, which remains a priority for Legacy Education Alliance moving forward. We added another five countries to our global footprint last year and now offer solutions to students in 26 countries around the world, with non-U.S.

cash sales increasing to 41% of total revenue during 2015.”

“We also continue to focus on expanding our brand portfolio, most recently with the launch of the Elite Business Star™ brand in January 2016. Created in association with Kevin Harrington, one of the original Sharks from the television show Shark Tank, this latest addition to our offerings is expected to lead to further revenue growth as we move forward. We also remain committed to expanding our online course offerings and symposiums, which should lead to accelerating revenue recognition,” concluded Humpage.

## **2015 VERSUS 2014 RESULTS**

Cash sales were \$94.1 million for the year ended December 31, 2015 compared to \$81.9 million for the year ended December 31, 2014, an increase of \$12.2 million or 15%. Revenue for the year ended December 31, 2015 was \$87.2 million compared to \$96.5 million for the year ended December 31, 2014. Attendance (i.e. fulfillment) increased \$3.1 million, or 5%, and recognition of revenue from expired contracts increased \$1.5 million, or 13%, offset by the decline in recognition of revenue of \$13.9 million, or 67%, due to the change in our revenue recognition policy with regards to DVD fulfillment. The impact of the revenue recognition policy change is expected to diminish in 2016.

Total operating costs and expenses were \$90.3 million for the year ended December 31, 2015 compared to \$90.9 million for the year ended December 31, 2014, a decrease of \$0.6 million or 1%. The decrease was primarily driven by lower general and administrative expenses of \$1.6 million, advertising and sales expenses of \$1.2 million and \$0.8 million in royalty expenses, offset by a \$3.0 million increase in direct course expenses.

Net loss was \$2.7 million, or \$0.12 per basic and diluted common share for the year ended December 31, 2015, compared to a net income of \$7.4 million, or \$0.45 per basic common share and \$0.42 per diluted common share for the previous fiscal year. Net loss for the year ended December 31, 2015 was negatively impacted by the decline in recognition of revenue of \$13.9 million due to the change in our revenue recognition policy with regards to DVD fulfillment, whereas the prior year period was positively impacted by \$20.9 million, or \$1.33 per basic common share and \$1.26 per diluted common share, due to this same policy change.

## **CASH FLOW**

Net cash provided by operating activities was \$2.8 million in the year ended December 31, 2015 compared to net cash used in operating activities of \$(1.7) million in the year ended December 31, 2014. The \$4.5 million increase was primarily the result of a decrease in current liabilities for deferred revenue in 2014 as a result of increased recognition of revenue due to the change in our revenue recognition policy with regards to DVD fulfillment.

## **CONFERENCE CALL**

Legacy Education Alliance will hold a conference call on April 1 at 3:00 p.m. ET to discuss its financial results for the fiscal year ended December 31, 2015. To participate in the call, please dial (888) 572-7033, or (719) 325-2458 for international calls, approximately 10 minutes prior to the scheduled start time. A replay of the call will be available for two weeks from 6:00 p.m. ET on April 1, 2015, until 11:59 p.m. ET on April 15, 2015. The number for

the replay is (877) 870-5176, or (858) 384-5517 for international calls; the passcode for the replay is 2414787.

### **About Legacy Education Alliance, Inc.**

Legacy Education Alliance, Inc. (<http://www.legacyeducationalliance.com>) is a leading international provider of practical, high-quality, and value-based educational training on the topics of personal finance, entrepreneurship, real estate and financial markets investing strategies and techniques. Legacy Education Alliance was founded in 1996, and through a reverse merger, became a publicly-held company in November 2014. Today we are a global company with approximately 200 employees that has cumulatively served more than two million students from more than 150 countries and territories over the course of our operating history. We manage our business in four segments based on geographic location. These segments include our historical core markets of the United States, Canada, and the United Kingdom, with the fourth segment including all other international markets.

We offer our training through a variety of brands including Rich Dad® Education; Rich Dad Stock Education; Making Money From Property With Martin Roberts; Brick Buy Brick; Building Wealth™; Robbie Fowler Property Academy; Women in Wealth; The Independent Woman; Trade Up Investor Education; and Elite Business Star. For more information, visit our website at [www.legacyeducationalliance.com](http://www.legacyeducationalliance.com).

### **Forward-Looking Statements**

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Statements preceded by, followed by or that otherwise include the words “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “project,” “prospects,” “outlook,” and similar words or expressions, or future or conditional verbs such as “will,” “should,” “would,” “may,” and “could” are generally forward-looking in nature and not historical facts. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any anticipated results, performance or achievements. The Company disclaims any intention to, and undertakes no obligation to, revise any forward-looking statements, whether as a result of new information, a future event, or otherwise. For additional risks and uncertainties that could impact the Company's forward-looking statements, please see the Company's Form 10-K, filed on March 27, 2015, including but not limited to the discussion under “Risk Factors” therein, which the Company has filed with the SEC and which may be viewed at <http://www.sec.gov>.

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Source: Legacy Education Alliance, Inc.