

May 15, 2017



# Legacy Education Alliance, Inc. Announces First Quarter of 2017 Results

- *Non-U.S. Revenue increased 18% YoY*
- *Other Foreign Markets Segment Revenue increased 95% YoY*
- *Total Revenue of \$22.8 Million*
- *Cash Sales increased 15% YoY*

Company to hold Conference Call on Wednesday, May 17, 2017

CAPE CORAL, Fla.--(BUSINESS WIRE)-- 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, today announced financial results for the three months that ended March 31, 2017.

## **First Quarter 2017 Overview**

- Net income was \$0.2 million or \$0.01 per basic and diluted common share for the quarter ended March 31, 2017 compared to net income of \$0.6 million or \$0.03 per basic and diluted common share for the quarter ended March 31, 2016, a decrease of \$0.4 million or \$0.02 per basic and diluted common share;
- Revenue was \$22.8 million for the quarter ended March 31, 2017 compared to \$22.7 million for the quarter ended March 31, 2016;
- Non-U.S. revenue was \$9.8 million for the quarter ended March 31, 2017 compared to \$8.3 million for the quarter ended March 31, 2016, an increase of \$1.5 million or 18.0%;
- Other Foreign Markets segment revenue was \$4.1 million for the quarter ended March 31, 2017 compared to \$2.1 million for the quarter ended March 31, 2016, an increase of \$2.0 million or 95.0%;
- Cash sales were \$24.4 million for the quarter ended March 31, 2017 compared to \$21.3 million for the quarter ended March 31, 2016, an increase of \$3.1 million or 15.0%;
- Total operating costs and expenses were \$22.7 million for the quarter ended March 31, 2017 compared to \$22.0 million for the quarter ended March 31, 2016, an increase of \$0.7 million or 3.2%;
- Revenue from attendance was \$20.0 million for the quarter ended March 31, 2017

compared to \$18.5 million for the quarter ended March 31, 2016, an increase of \$1.5 million or 8.0%.

"We are pleased with our overall performance in the first quarter, 2017, as we saw continuation of the growth trend in our international markets. Cash sales grew over 14%, which we believe is indicative of our success in furthering our brand penetration and diversification. We are also excited about the progress being made on the implementation of our new ERP system, which will support our continuing streamlining and delivery of world-class services and exceptional customer service, and which we foresee driving additional value creation across our enterprise. Our results were negatively impacted this quarter by \$0.3 million, as a result of the expense related to the ERP implementation," said Anthony Humpage, Legacy Education Alliance CEO. "Our core focus remains on expanding both our domestic and international market growth as we continue to refine our course offerings and enhance course delivery through our proprietary online portal," Mr. Humpage added.

### **FIRST QUARTER 2017 VERSUS FIRST QUARTER 2016 RESULTS**

Revenue was \$22.8 million for the three months ended March 31, 2017 compared to \$22.7 million for the three months ended March 31, 2016. Revenue increased \$0.1 million or 0.4% during the three months ended March 31, 2017 compared to the same period in 2016. The increase in revenue was due to increased attendance (i.e. fulfillment) of \$1.5 million or 8.0%, which was partially offset by the decrease in recognition of revenue from expired contracts of \$1.1 million or 27.3% and the decline in recognition of revenue of \$0.3 million, due to the change in our revenue recognition policy with regards to DVD fulfillment.

Total operating costs and expenses were \$22.7 million for the three months ended March 31, 2017 compared to \$22.0 million for the three months ended March 31, 2016, an increase of \$0.7 million or 3.2%. The increase was primarily due to a \$1.1 million increase in direct course expenses and a \$0.4 million increase in general and administrative expenses, partially offset by a \$0.7 million decrease in advertising and sales expenses, and a \$0.1 million decrease in royalty expense.

Net income was \$0.2 million or \$0.01 per basic and diluted common share for the three months ended March 31, 2017, compared to a net income of \$0.6 million or \$0.03 per basic and diluted common share for the three months ended March 31, 2016, a decrease in net income of \$0.4 million or \$0.02 per basic and diluted common share. The decrease in net income was primarily driven by \$0.3 million increase in general and administrative expenses related to the implementation of our new ERP system.

### **CASH FLOW AND CAPITAL STRUCTURE**

Net cash provided by operating activities was \$1.4 million in the three months ended March 31, 2017 compared to net cash provided by operating activities of \$0.3 million in the three months ended March 31, 2016, representing a period-over-period increase of \$1.1 million. This increase was primarily the result of an increase in current liabilities for deferred revenue in 2017 as a result of increased cash sales.

Our consolidated capital structure as of March 31, 2017 and December 31, 2016 was 100.0% equity.

## CONFERENCE CALL

Legacy Education Alliance, Inc. will hold a conference call on Wednesday, May 17, 2017 at 4:30 p.m. ET to discuss its financial results for the first quarter that ended March 31, 2017.

To listen to the conference call, interested parties within the U.S. should dial 1-888-455-2263 or 719-457-2630 for international calls, approximately 10 minutes prior to the scheduled start time. Participants should ask for the Legacy Education Alliance conference call. Conference ID: 4382739. The conference call will also be available through a live webcast at <http://public.viavid.com/index.php?id=124384>. Management will answer pre-submitted questions gathered prior to the earnings conference call in the Question and Answer period of the call. Interested parties may submit questions for Management's review prior to the call by submitting them in writing to Legacy Education Alliance Investor Relations at [scottg@coreir.com](mailto:scottg@coreir.com).

A replay of the call will be available approximately one hour after the conclusion of the call through May 31, 2017. The number for the replay is (844) 512-2921 (US), or (412) 317-6671 for international calls; the passcode for the replay is 4382739. The replay will also be available via the internet at <http://public.viavid.com/index.php?id=124384> and through the company's website at <http://ir.legacyeducationalliance.com/ir-calendar>.

### 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, 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 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™; Perform in Property™; Robbie Fowler Property Academy™; Women in Wealth™; The Independent Woman™; Trade Up Investor Education™ and Elite Business Star. For more information, please 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 Annual Report on Form 10-K (including but not limited to the discussion under "Risk Factors" therein) filed with the SEC on March 31, 2017 and which may be viewed at <http://www.sec.gov>.

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