UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): August 10, 2017

Cambium Learning Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-34575	27-0587428
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

17855 Dallas Parkway, Suite 400, Dallas, Texas	75287
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (888) 399-1995

Not Applicable
Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On August 10, 2017, Cambium Learning Group, Inc. (the "Company") issued a press release announcing its financial results for the three and six months ended June 30, 2017. A copy of the press release is attached hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

On August 10, 2017, the Company hosted a conference call to discuss its financial results for the three and six months ended June 30, 2017. A transcript of the conference call is attached hereto as Exhibit 99.2.

The information in this current report on Form 8-K and the exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*.

Exhibit No.	Description
99.1	Press Release, dated August 10, 2017
99.2	Transcript of Cambium Learning Group, Inc.'s earnings conference call held on August 10, 2017

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Cambium Learning Group, Inc.

August 15, 2017	*/s/ Barbara Benson*
	Name: Barbara Benson
	Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated August 10, 2017
99.2	Transcript of Cambium Learning Group, Inc.’s earnings conference call held on August 10, 2017

Exhibit 99.1

Cambium Learning Group Reports Second Quarter 2017 Financial Results

First Half Net Income More than Doubles to $8.3 Million
First Half Adjusted EBITDA Grows $3.9 Million, or 22%, on Strength of Learning A-Z and ExploreLearning Segments
Strong Bookings in July, First Month of Back-to-School Selling Season

DALLAS, TX – August 10, 2017 – Cambium Learning® Group, Inc. (NASDAQ: ABCD, the "Company"), a leading educational solutions and services company committed to helping all students reach their full potential, announced today financial results for its second quarter ended June 30, 2017.

"Cambium Learning Group generated strong Net Income and Adjusted EBITDA growth in the first half of the year with continued robust performance from our Learning A-Z and ExploreLearning segments and interest expense savings from reduced debt," said John Campbell, Chief Executive Officer. "Our development, marketing and sales initiatives are driving momentum leading into the seasonally highest volume third quarter. While only one month of the third quarter, July Bookings got us off to a strong start, trending up $4.9 million, or 21%, compared to prior year July and setting the stage to deliver the largest Bookings quarter in the company's history. Our products continue to receive industry recognition, with Learning A-Z's Headsprout solution recently earning a 2017 Software and Information Industry Association (SIIA) CODiE Award for Best Reading/English Language Arts Instructional Solution. In all, we are executing efficiently and are well-positioned for the back-to-school selling season."

Financial Snapshot

For the quarter ended June 30, 2017, the Company reported the following financial results:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	2017	2016	$ Change	2017	2016	$ Change
GAAP net revenues	$ 40.4	$ 39.1	$ 1.3	$ 76.3	$ 72.8	$ 3.6
GAAP net income	5.8	3.8	2.0	8.3	3.7	4.7
Net income margin %	*14 %*	*10%*		*11 %*	*5 %*	
EBITDA	12.5	11.2	1.3	21.1	17.2	3.9
Adjusted EBITDA	12.9	11.6	1.3	21.9	18.0	3.9
Adjusted EBITDA margin %	*32 %*	*30%*		*29 %*	*25 %*	
Bookings	$ 29.7	$ 31.6	$ (1.9)	$ 48.9	$ 52.9	$ (4.1)
Cash income	(0.8)	0.4	(1.2)	(11.6)	(10.4)	(1.2)
Cash income margin %	*(3)%*	*1%*		*(24)%*	*(20)%*	

First Half 2017 Financial Highlights

- Generally Accepted Accounting Principles (GAAP) net revenues for the first half of 2017 increased by 5% to $76.3 million compared with $72.8 million in 2016. GAAP net revenues by segment for the six months ended June 30, 2017, and the change from the same period of 2016, were as follows:
  - Learning A-Z® - $36.8 million, increased $5.2 million or 17%
  - ExploreLearning® - $13.5 million, increased $2.2 million or 19%
  - Voyager Sopris Learning® - $26.0 million, decreased $(3.8) million or (13)%.

- Bookings for the first half of 2017 decreased by (8)% to $48.9 million compared with $52.9 million in the first half of 2016, with strong growth at the Learning A-Z and ExploreLearning segments offset by a decline in the Voyager Sopris Learning segment.
- Technology-enabled Bookings represented 71% of total first half 2017 Bookings compared with 62% of first half 2016 Bookings. Technology-enabled Bookings for the first six months ended June 30, 2017 grew 6% compared to the six months ended June 30, 2016.
- The Company reported net income of $8.3 million during the first half of 2017, increasing $4.7 million compared to net income of $3.7 million during the first half of 2016. Adjusted EBITDA was $21.9 million, increasing $3.9 million from $18.0 million in 2016. The increase in GAAP net revenues, along with a greater portion of the top-line mix coming from the high margin Learning A-Z and ExploreLearning segments, drove improvement in both net income and Adjusted EBITDA.
- Net interest expense was $2.6 million for the first half of 2017, down $1.2 million from the first half of 2016 as a result of the scheduled debt amortization payments and voluntary prepayments made during 2016.
- Cash Income was $(11.6) million, compared to $(10.4) million reported in the first half of 2016. A shift in timing of Bookings to the latter part of the year resulted in a decrease to Cash Income, which is a highly seasonal metric and historically in a loss position for the first half of the year. Capital expenditures totaled $8.8 million in the first half of 2017 versus $10.8 million in the first half of 2016.
- The Company had cash and cash equivalents of $4.6 million at June 30, 2017. For the six months ended June 30, 2017, cash used in operations was $4.3 million, cash used in investing activities was $8.8 million, and cash provided by financing activities was $12.8 million. At June 30, 2017, the principal amount of term loans outstanding was $72.7 million, the revolving credit facility outstanding was $16.0 million and there was $13.8 million available under the revolving credit facility.

Second Quarter 2017 Financial Highlights

- GAAP net revenues for the second quarter of 2017 increased by $1.3 million, or 3%, to $40.4 million compared with $39.1 million in 2016. GAAP net revenues by segment for the three months ended June 30, 2017, and the change from the same period of 2016, were as follows:
    - Learning A-Z - $18.7 million, increased $2.8 million or 17%
    - ExploreLearning - $6.7 million, increased $1.0 million or 17%
    - Voyager Sopris Learning - $15.0 million, decreased $(2.5) million or (14)%.
- Bookings for the second quarter of 2017 were $29.7 million, lower by (6)% compared with $31.6 million in the second quarter of 2016.
- The Company reported a net income of $5.8 million during the second quarter of 2017, increasing $2.0 million compared to net income of $3.8 million during the second quarter of 2016. Adjusted EBITDA was $12.9 million, increasing $1.3 million from $11.6 million in 2016. The increase in GAAP net revenues, along with a greater portion of the top-line mix coming from the high margin Learning A-Z and ExploreLearning segments, drove improvement in both net income and Adjusted EBITDA.
- Cash Income was $(0.8) million for the second quarter of 2017 compared to Cash Income of $0.4 million for the second quarter of 2016. A shift in timing of Bookings to the latter part of the year resulted in a decrease to Cash Income, which is a highly seasonal metric. Capital expenditures totaled $4.3 million in the second quarter of 2017 versus $5.8 million in the second quarter of 2016.

Second Quarter 2017 Segment Discussion

Net Revenues, Bookings, Net Income and Cash Income changes by segment for the three and six months ended June 30, 2017, compared to the same period of 2016 were:

	Q2 - 2017 % Change				YTD - 2017 % Change			
	Net Revenues	**Bookings**	**Net Income**	**Cash Income**	**Net Revenues**	**Bookings**	**Net Income**	**Cash Income**
Learning A-Z	17 %	(2)%	18 %	(53)%	17 %	8 %	15 %	(79)%
ExploreLearning	17 %	24 %	23 %	97 %	19 %	19 %	34 %	45 %
Voyager Sopris Learning	(14)%	(19)%	(23)%	(106)%	(13)%	(27)%	(8)%	(38)%
Shared Services			9 %	21 %			6 %	14 %
Cambium Learning Group, Inc.	**3 %**	**(6)%**	**54 %**	**(293)%**	**5 %**	**(8)%**	**127 %**	**(12)%**

2017 Outlook

Mr. Campbell concluded, “With the sales pipeline strengthening in the seasonal back-to-school selling period, we are reaffirming our Bookings outlook for both Learning A-Z and ExploreLearning. Voyager Sopris Learning has started to pick up momentum in the third quarter, but given the slow start in the first half, we expect Bookings to fall in the lower range of our original full-year outlook for this segment. We are on track to achieve our company-wide full-year goals and look forward to helping students meet their full potential in the upcoming school year. In sum, we are executing well on our 2017 plan to achieve full-year accelerated top-line growth, expanded Cash Income profitability and higher cash flow generation. Cambium Learning’s mission is to leverage technology to create solutions that are personalized, adaptive, scalable, and designed to achieve results in the classroom. We are poised to deliver strong results in 2017.”

The Company expects 2017 company-wide Bookings growth to be in a range from 6% to low double-digit percentage growth, with most of the growth expected in the second half of the year during the Company’s seasonally strong periods. Management continues to expect Bookings from higher-margin technology-enabled solutions to approach 80% of total Company volume, with strong Bookings growth of at least 15% for Learning A-Z and ExploreLearning. The Voyager Sopris Learning segment is expected to significantly slow its top-line decline in 2017 as its strategic growth products gain traction and legacy products become a smaller part of the mix, with Bookings expected to likely decline between five and ten percent. Cambium Learning Group’s business is highly seasonal, with Bookings historically peaking during the third quarter, which represents by far the preponderance of Bookings, revenue and income each year.

The Company expects 2017 capital expenditures for product development to be roughly consistent with the $17.3 million expended in 2016 and 2017 general capital expenditures to be roughly consistent with the $2.7 million expended in 2016. Consistent with its historical seasonal pattern, the Company expects Cash Income to become cumulatively positive in the third quarter and for the full-year 2017 Cash Income margin to grow between one and three percentage points compared to 2016, depending on top-line growth. The Company expects its 2017 Adjusted EBITDA margin to be roughly consistent with 2016. Company-wide top-line growth, coupled with continued careful expense management, is expected to drive expansion in 2017 Cash Income, Adjusted EBITDA and cash flow generation.

Cambium Learning Group will continue to refine its outlook as the year progresses to the more seasonably significant quarters.

Conference Call

Cambium Learning Group's management team will conduct a conference call at 9 a.m. EDT today (August 10, 2017) to discuss its financial results. Participants are encouraged to listen to the presentation via a live web broadcast at www.cambiumlearning.com in the Investor Relations section. In addition, a live dial-in is available at 703.639.1224 or 844.707.0670, passcode #55984867.

A replay will be available by dialing 404.537.3406 or 855.859.2056, passcode #55984867, until August 17, 2017. The webcast will also be archived on the Company’s Investor Relations page.

Cambium Learning Group also announces investor information, including news about its business and financial performance, SEC filings, notices of investor events, investor presentations, and press and earnings releases, on its website in the Investor Relations section.

Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA, and Cash Income are not prepared in accordance with GAAP and may be different from similarly named, non-GAAP financial measures used by other companies. Non-GAAP financial measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. The Company believes these non-GAAP measures provide useful information to investors because they reflect the underlying performance of the ongoing operations of the Company and provide investors with a view of the Company's operations from management's perspective. Adjusted EBITDA and Cash Income remove significant restructuring, non-operational, or certain non-cash items from earnings. The Company uses Adjusted EBITDA and Cash Income to monitor and evaluate the operating performance of the Company and as the basis to set and measure progress toward performance targets. Further, the Cash Income measure directly affects compensation for employees and executives. The Company generally uses these non-GAAP measures as measures of operating performance and not as measures of the Company's liquidity. The Company's presentation of EBITDA, Adjusted EBITDA, and Cash Income should not be construed as an indication that our future results will be unaffected by unusual, non-operational, or non-cash items.

About Cambium Learning Group, Inc.

Cambium Learning® Group is a leading educational solutions and services company committed to helping all students reach their full potential. Cambium Learning accomplishes this goal by providing evidence-based solutions and expert professional services to empower educators and raise the achievement levels of all students. The company's award-winning brands include: Learning A-Z® (www.learninga-z.com), ExploreLearning® (www.explorelearning.com), Kurzweil Education® (www.kurzweiledu.com), and Voyager Sopris Learning® (www.voyagersopris.com), which provide breakthrough technology solutions for students and teachers—including best-in-class intervention and supplemental instructional programs; gold-standard professional development; valid and reliable assessments; and products that enable access to learning for all students. Cambium Learning Group, Inc. (NASDAQ: ABCD), is based in Dallas, Texas. For more information, visit www.cambiumlearning.com.

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Forward-Looking Statements

Some of the statements contained herein constitute forward-looking statements. These statements relate to future events, including the future financial performance of Cambium Learning Group, Inc., and involve known and unknown risks, uncertainties, and other factors that may cause the markets, actual results, levels of activity, performance, or achievements of Cambium Learning Group, Inc., to be materially different from any actual future results, levels of activity, performance, or achievements. These risks and other factors you should consider include, but are not limited to, the ability to successfully attract and retain a broad customer base for current and future products, changes in customer demands or industry standards, success of ongoing product development, maintaining acceptable margins, the ability to control costs, K-12 enrollment and demographic trends, the level of educational funding, the impact of federal, state, and local regulatory requirements on the business of the company, the loss of key personnel, the impact of competition, the uncertainty of general economic conditions and financial market performance, and those other risks and uncertainties listed under the heading "RISK FACTORS" in Cambium Learning Group, Inc.'s Form 10-K and other reports filed with the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," "projects," "intends," "prospects," or "priorities," or the negative of such terms, or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. Cambium Learning Group, Inc., does not assume or undertake any obligation to update the information contained in this press release, and expressly disclaims any obligation to do so, whether as a result of new information, future events, or otherwise.

Cambium Learning Group, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Net revenues	$ 40,362	$ 39,084	$ 76,332	$ 72,758
Cost of revenues:				
Cost of revenues	7,215	7,732	13,400	14,739
Amortization expense	4,328	4,475	8,418	8,125
Total cost of revenues	11,543	12,207	21,818	22,864
Research and development expense	3,294	3,019	6,392	6,139
Sales and marketing expense	12,190	11,846	25,100	24,157
General and administrative expense	5,009	5,102	10,000	10,104
Shipping and handling costs	195	221	313	380
Depreciation and amortization expense	669	856	1,350	1,697
Total costs and expenses	32,900	33,251	64,973	65,341
Income before interest and income taxes	7,462	5,833	11,359	7,417
Net interest expense	(1,336)	(1,958)	(2,563)	(3,722)
Income before income taxes	6,126	3,875	8,796	3,695
Income tax expense	(334)	(111)	(474)	(33)
Net income	$ 5,792	$ 3,764	$ 8,322	$ 3,662
Net income per common share:				
Basic	$ 0.13	$ 0.08	$ 0.18	$ 0.08
Diluted	$ 0.12	$ 0.08	$ 0.18	$ 0.08
Average number of common shares and equivalents outstanding:				
Basic	46,283	45,764	46,243	45,752
Diluted	47,476	47,116	47,460	47,082

Cambium Learning Group, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except per share data)

	June 30, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,646	$ 4,930
Accounts receivable, net	12,384	13,378
Inventory	2,835	2,864
Restricted assets, current	978	988
Other current assets	8,695	11,235
Total current assets	29,538	33,395
Property, equipment and software at cost	65,002	62,885
Accumulated depreciation and amortization	(42,109)	(39,378)
Property, equipment and software, net	22,893	23,507
Goodwill	47,842	47,842
Acquired curriculum and technology intangibles, net	1,010	1,266
Acquired publishing rights, net	293	585
Other intangible assets, net	1,936	2,150
Pre-publication costs, net	17,808	17,397
Restricted assets, less current portion	1,748	2,278
Other assets	3,440	3,520
Total assets	$ 126,508	$ 131,940
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 2,452	$ 2,172
Accrued expenses	11,946	11,720
Revolving credit facility	16,000	—
Current portion of long-term debt	7,084	7,350
Deferred revenue, current	55,715	83,318
Total current liabilities	93,197	104,560
Long-term liabilities:		
Long-term debt	64,214	67,130
Deferred revenue, less current portion	11,579	11,395
Other liabilities	9,666	10,117
Total long-term liabilities	85,459	88,642
Stockholders' equity (deficit):		
Preferred stock ($.001 par value, 15,000 shares authorized, zero shares issued and outstanding at June 30, 2017 and December 31, 2016)	—	—
Common stock ($.001 par value, 150,000 shares authorized, 52,902 and 52,738 shares issued, and 46,370 and 46,206 shares outstanding at June 30, 2017 and December 31, 2016, respectively)	53	53
Capital surplus	287,689	286,943
Accumulated deficit	(325,223)	(333,545)
Treasury stock at cost (6,532 shares at June 30, 2017 and December 31, 2016)	(12,784)	(12,784)
Accumulated other comprehensive loss:		
Pension and postretirement plans	(1,883)	(1,929)
Accumulated other comprehensive loss	(1,883)	(1,929)
Total stockholders' equity (deficit)	(52,148)	(61,262)
Total liabilities and stockholders' equity (deficit)	$ 126,508	$ 131,940

Cambium Learning Group, Inc. and Subsidiaries
Reconciliation of Net Income to EBITDA, Adjusted EBITDA and Cash Income
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2017	2016	2017	2016
Net income	$ 5,792	$ 3,764	$ 8,322	$ 3,662
Reconciling items between net income and EBITDA:				
Depreciation and amortization expense	4,997	5,331	9,768	9,822
Net interest expense	1,336	1,958	2,563	3,722
Income tax expense	334	111	474	33
Income from operations before interest, income taxes, and depreciation and amortization (EBITDA)	12,459	11,164	21,127	17,239
Non-operational or non-cash costs included in EBITDA but excluded from Adjusted EBITDA:				
Merger, acquisition and disposition activities	212	147	339	301
Stock-based compensation and expense	224	239	424	447
Adjusted EBITDA	12,895	11,550	21,890	17,987
Change in deferred revenues	(10,576)	(6,157)	(27,419)	(19,943)
Change in deferred costs	1,168	795	2,731	2,333
Capital expenditures	(4,284)	(5,776)	(8,816)	(10,766)
Cash income	$ (797)	$ 412	$ (11,614)	$ (10,389)

Cambium Learning Group, Inc. and Subsidiaries
Reconciliation of Bookings to Net Revenues by Segment – 2017
(unaudited)

	Three Months Ended June 30, 2017			
(in thousands)	Learning A-Z	ExploreLearning	Voyager Sopris Learning	Consolidated
Bookings	$ 11,661	$ 5,888	$ 12,192	$ 29,741
Change in deferred revenues	6,990	873	2,713	10,576
Other	(1)	(26)	72	45
Net revenues	$ 18,650	$ 6,735	$ 14,977	$ 40,362

	Six Months Ended June 30, 2017			
(in thousands)	Learning A-Z	ExploreLearning	Voyager Sopris Learning	Consolidated
Bookings	$ 21,560	$ 8,764	$ 18,529	$ 48,853
Change in deferred revenues	15,275	4,854	7,290	27,419
Other	—	(105)	165	60
Net revenues	$ 36,835	$ 13,513	$ 25,984	$ 76,332

Reconciliation of Net Income to EBITDA, Adjusted EBITDA and Cash Income by Segment – 2017
(unaudited)

(in thousands)	Three Months Ended June 30, 2017 Learning A-Z	Explore Learning	Voyager Sopris Learning	Other	Consolidated
Net income	$ 9,688	$ 2,814	$ 3,408	$ (10,118)	$ 5,792
Reconciling items between net income and EBITDA:					
Depreciation and amortization expense	—	—	—	4,997	4,997
Net interest expense	—	—	—	1,336	1,336
Income tax expense	—	—	—	334	334
Income from operations before interest, income taxes, and depreciation and amortization (EBITDA)	9,688	2,814	3,408	(3,451)	12,459
Non-operational or non-cash costs included in EBITDA but excluded from Adjusted EBITDA:					
Merger, acquisition and disposition activities	—	—	—	212	212
Stock-based compensation and expense	53	30	75	66	224
Adjusted EBITDA	9,741	2,844	3,483	(3,173)	12,895
Change in deferred revenues	(6,990)	(873)	(2,713)	—	(10,576)
Change in deferred costs	547	104	517	—	1,168
Capital expenditures - product development	(1,869)	(721)	(1,316)	—	(3,906)
Capital expenditures - general expenditures	(220)	(77)	(45)	(36)	(378)
Cash income	$ 1,209	$ 1,277	$ (74)	$ (3,209)	$ (797)

(in thousands)	Six Months Ended June 30, 2017 Learning A-Z	Explore Learning	Voyager Sopris Learning	Other	Consolidated
Net income	$ 18,556	$ 5,490	$ 4,043	$ (19,767)	$ 8,322
Reconciling items between net income and EBITDA:					
Depreciation and amortization expense	—	—	—	9,768	9,768
Net interest expense	—	—	—	2,563	2,563
Income tax expense	—	—	—	474	474
Income from operations before interest, income taxes, and depreciation and amortization (EBITDA)	18,556	5,490	4,043	(6,962)	21,127
Non-operational or non-cash costs included in EBITDA but excluded from Adjusted EBITDA:					
Merger, acquisition and disposition activities	—	—	—	339	339
Stock-based compensation and expense	100	54	145	125	424
Adjusted EBITDA	18,656	5,544	4,188	(6,498)	21,890
Change in deferred revenues	(15,275)	(4,854)	(7,290)	—	(27,419)
Change in deferred costs	1,162	493	1,076	—	2,731
Capital expenditures - product development	(3,798)	(1,481)	(2,809)	—	(8,088)
Capital expenditures - general expenditures	(393)	(167)	(115)	(53)	(728)
Cash income	$ 352	$ (465)	$ (4,950)	$ (6,551)	$ (11,614)

Deferred Revenue by Segment – 2017
(unaudited)

	June 30, 2017			
(in thousands)	Learning A-Z	ExploreLearning	Voyager Sopris Learning	Consolidated
Deferred revenue, current	$ 32,588	$ 12,342	$ 10,785	$ 55,715
Deferred revenue, less current portion	5,701	2,306	3,572	11,579
Deferred revenue	$ 38,289	$ 14,648	$ 14,357	$ 67,294

Deferred Costs by Segment – 2017
(unaudited)

	June 30, 2017			
(in thousands)	Learning A-Z	ExploreLearning	Voyager Sopris Learning	Consolidated
Deferred costs, current	$ 3,014	$ 1,147	$ 1,801	$ 5,962
Deferred costs, less current portion	550	214	598	1,362
Deferred costs	$ 3,564	$ 1,361	$ 2,399	$ 7,324

Cambium Learning Group, Inc. and Subsidiaries
Reconciliation of Bookings to Net Revenues by Segment – 2016
(unaudited)

	Three Months Ended June 30, 2016			
(in thousands)	Learning A-Z	ExploreLearning	Voyager Sopris Learning	Consolidated
Bookings	$ 11,865	$ 4,766	$ 14,974	$ 31,605
Change in deferred revenues	3,998	1,016	1,143	6,157
Other	18	(29)	1,333	1,322
Net revenues	$ 15,881	$ 5,753	$ 17,450	$ 39,084

	Six Months Ended June 30, 2016			
(in thousands)	Learning A-Z	ExploreLearning	Voyager Sopris Learning	Consolidated
Bookings	$ 20,031	$ 7,365	$ 25,527	$ 52,923
Change in deferred revenues	11,648	4,019	4,276	19,943
Other	(70)	(21)	(17)	(108)
Net revenues	$ 31,609	$ 11,363	$ 29,786	$ 72,758

Reconciliation of Net Income to EBITDA, Adjusted EBITDA and Cash Income by Segment – 2016
(unaudited)

(in thousands)	Three Months Ended June 30, 2016 Learning A-Z	Explore Learning	Voyager Sopris Learning	Other	Consolidated
Net income	$ 8,200	$ 2,283	$ 4,448	$ (11,167)	$ 3,764
Reconciling items between net income and EBITDA:					
Depreciation and amortization expense	—	—	—	5,331	5,331
Net interest expense	—	—	—	1,958	1,958
Income tax expense	—	—	—	111	111
Income from operations before interest, income taxes, and depreciation and amortization (EBITDA)	8,200	2,283	4,448	(3,767)	11,164
Non-operational or non-cash costs included in EBITDA but excluded from Adjusted EBITDA:					
Merger, acquisition and disposition activities	—	—	—	147	147
Stock-based compensation and expense	59	32	74	74	239
Adjusted EBITDA	8,259	2,315	4,522	(3,546)	11,550
Change in deferred revenues	(3,998)	(1,016)	(1,143)	—	(6,157)
Change in deferred costs	504	93	198	—	795
Capital expenditures - product development	(1,956)	(589)	(2,172)	—	(4,717)
Capital expenditures - general expenditures	(228)	(156)	(136)	(539)	(1,059)
Cash income	$ 2,581	$ 647	$ 1,269	$ (4,085)	$ 412

(in thousands)	Six Months Ended June 30, 2016 Learning A-Z	Explore Learning	Voyager Sopris Learning	Other	Consolidated
Net income	$ 16,125	$ 4,108	$ 4,399	$ (20,970)	$ 3,662
Reconciling items between net income and EBITDA:					
Depreciation and amortization expense	—	—	—	9,822	9,822
Net interest expense	—	—	—	3,722	3,722
Income tax expense	—	—	—	33	33
Income from operations before interest, income taxes, and depreciation and amortization (EBITDA)	16,125	4,108	4,399	(7,393)	17,239
Non-operational or non-cash costs included in EBITDA but excluded from Adjusted EBITDA:					
Merger, acquisition and disposition activities	—	—	—	301	301
Stock-based compensation and expense	112	60	141	134	447
Adjusted EBITDA	16,237	4,168	4,540	(6,958)	17,987
Change in deferred revenues	(11,648)	(4,019)	(4,276)	—	(19,943)
Change in deferred costs	1,357	359	617	—	2,333
Capital expenditures - software development costs	(3,814)	(1,132)	(4,184)	—	(9,130)
Capital expenditures - general expenditures	(465)	(223)	(283)	(665)	(1,636)
Cash income	$ 1,667	$ (847)	$ (3,586)	$ (7,623)	$ (10,389)

Exhibit 99.2

VIAVID
communications simplified.

Cambium Learning Group, Inc.

Second Quarter 2017 Earnings Conference Call

August 10, 2017

C O R P O R A T E P A R T I C I P A N T S

Scott McWhorter, *General Counsel and Corporate Secretary*

John Campbell, *Chief Executive Officer*

Barbara Benson, *Chief Financial Officer*

C O N F E R E N C E C A L L P A R T I C I P A N T S

Neil Weiner, *Foxhill Capital Partners*

Ali Motamed, *Invenomic*

P R E S E N T A T I O N

Operator:

Good day, ladies and gentlemen, and welcome to the Cambium Learning Group Incorporated Second Quarter 2017 Earnings Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will follow at that time. If you require Operator assistance during the program, please press star, then zero, on your touchtone telephone. As a reminder, today's conference is being recorded.

I would now like to introduce your host for today's conference call, Mr. Scott McWhorter, General Counsel and Corporate Secretary. You may begin.

Scott McWhorter:

Thank you, and welcome, everyone, to Cambium Learning Group's Second Quarter 2017 Earnings Conference Call. I'm Scott McWhorter, Cambium's General Counsel. With me today are John Campbell, Cambium Learning's Chief Executive Officer, and Barbara Benson, Chief Financial Officer.

Statements made on this call, including those during the question-and-answer session, may contain forward-looking statements that are subject to risks and uncertainties. Please refer to the Safe Harbor statement included in today's press release, as well as Cambium Learning Group's periodic filings with the SEC for a complete discussion of the risks and uncertainties that could cause actual results to differ materially from those expressed today.

We will be discussing certain non-GAAP financial results including Adjusted EBITDA and Cash Income. The press release and Form 10-Q issued earlier today contain a reconciliation of these non-GAAP financial measures to the most comparable GAAP measures. Because of the high percentage of amortization expense, deferred revenue, and other non-cash, non-operational items in our reported GAAP income, we report these non-GAAP measures as key performance metrics. Management believes these metrics help portray the underlying trajectory of the business and give you a view of operations from Management's perspective since these are the metrics used internally to assess performance.

Now, it is my pleasure to turn the call over to John Campbell.

John Campbell:

Thanks, Scott. Good morning, everyone, and thank you for joining us today. Second quarter 2017 results reflect our focus on our development, marketing and sales initiatives to put technology solutions into students' hands that will make a difference in their lives, driving momentum into the crucial third quarter back-to-school selling season.

Our development teams have been adding and revising content, enhancing features and testing code so that our products are the best and most effective they can be before our students return to school. Our marketing and sales teams have been hard at work laying the groundwork to obtain strong third quarter Bookings.

For the first half of the year, we more than doubled our net income and grew Adjusted EBITDA 22% on continued robust performances at our Learning A-Z and ExploreLearning segments, with technology-enabled Bookings representing 71% of our total volume. While our highest volume days remain ahead of us in the year, July Bookings trended up 21%, putting us in a position to deliver the strongest Bookings quarter in our history.

Let's look at our segments' performance. Learning A-Z, the standard-bearer of our digital solutions strategy, grew Bookings 8% in the first half on a 2% decrease in the second quarter. Many districts shifted orders to the latter part of the year, and as a result, we saw a resurgence in July.

Headsprout, our Pre-K to 5 adaptive online reading program, earned a 2017 Software and Information Industry Association CODiE Award given to top education technology solutions for Best Reading/English Language Arts Instructional Solution. This marks Headsprout's third CODiE Award and second win in the last two years. The beauty of the CODiEs is that education technology products and services are reviewed by professional educators, as well as SIIA members, to determine the best in each category. The beauty of Headsprout is that it works, using an engaging environment to move non-readers and emergent readers up to a mid-second grade reading level with only 30 hours of instruction, and establishes complex reasoning and text comprehension skills in as little as 20 hours of instructional time. The strength we are seeing leading into back-to-school selling underpins our confidence in our full-year 2017 Bookings outlook of 15% growth for Learning A-Z.

Let's move now to ExploreLearning. This segment grew Bookings 19% in the first half, helped by 24% growth in the second quarter. Both the Gizmos and Reflex products have benefitted from strong renewal rates and new district sales as we see the fruit of our investments in development, marketing, and sales. We continue to add to our library of Gizmos which are interactive math and science simulations to support educators in creating student success in STEM in today's environment of ever more rigorous standards. Customers continue to rave about Reflex and its ability to help students develop an instant and effortless recall of math facts while showing them that math can be fun. We are highly confident in our outlook for ExploreLearning and look forward to continued strong results in the remainder of the year.

At Voyager Sopris Learning, first half Bookings declined 27% on a 19% decline for the second quarter, reflecting sequential improvement which has continued into July. While changing Voyager Sopris Learning's DNA has been challenging, we are seeing that the strategies we have pursued in terms of development, marketing and sales are working. Assuming current trends continue, LANGUAGE! Live, Voyager Sopris Learning's digital flagship, could surpass the $10 million level in Bookings contribution in 2017, making it a meaningful part of this segment's mix.

Velocity, our new comprehensive English language arts program designed to help readers in Grades K to 5 rapidly achieve grade-level proficiency by using advanced technology to optimize learning, continues to create buzz within the industry and with customer trials. While Velocity is unlikely to contribute materially to 2017 results, we believe we are successfully laying groundwork for a more meaningful contribution in 2018.

The promise of educational technology is that it offers adaptable, scalable solutions that provide engagement, improvement, and efficacy. That is our mission Company-wide and at Voyager Sopris Learning. Today's market has a critical need for high quality, effective intervention and our suite of digital and technology-enabled products is aimed directly at that need. As strategic growth products gain traction and legacy products become a smaller part of the segment's mix, we expect Voyager Sopris Learning to significantly slow its top-line decline in 2017, with Bookings expected to likely decline between 5% and 10%. Our longer-term objective is to create a platform on which this segment can grow in the coming years.

Given our trends to date, Cambium Learning is well-positioned to deliver strong 2017 results. Now firmly into back-to-school selling and with a strong active pipeline, we are focused on continued execution of our product development, marketing, and sales plans, and driving returns on the selected investments we have made in growth to drive penetration of schools and districts across our solutions. We continue to expect Bookings from our higher-margin, technology-enabled solutions to approach 80% of our volume. By segment, we expect our two 100% technology subscription businesses, Learning A-Z and ExploreLearning, to grow at least 15%, and for Voyager Sopris Learning's top-line decline to slow to 5% to 10%.

Cambium Learning's mission is to leverage technology to make a difference in students' lives. We create solutions that are personalized, adaptive, scalable, and designed to achieve results in the classroom for teachers and for students. We have an opportunity in 2017 to accelerate the returns we deliver and we are executing toward that objective, leveraging our core principles: that every learner has untapped potential, the teacher is the foundation of education and must be supported, and data, instruction, and practice drive improvement. Our aim is to help every child, every learner, to reach his or her full potential.

Now, I'll turn the call over to Barbara for a review of the financials and more detail on our outlook. Barbara?

Barbara Benson:

Thanks, John. Good morning, everyone. First, as most of you know, our business is highly seasonal and the third quarter is our most important quarter with the back-to-school buying. In 2016, the first half of the year represented only 33% of our Bookings volume, and the third quarter alone was 46% of our volume. Because of this, first half and Q2 results should not be considered necessarily indicative of full-year results or trending.

Let's start with Bookings. Because our Bookings are so heavily impacted by timing of customer purchases which can change from year to year, it is not generally helpful to look at any given month or quarter in isolation. However, because we had so many school district customers delay purchasing until their new fiscal year which started in July 2017, and because sales volumes usually start an upward seasonal trending in July, I will include July Bookings information in my comments today, along with our first half results to give you a more complete picture of our progress.

Second quarter Bookings for our largest segment, Learning A-Z, were down slightly compared to prior year, $0.2 million, with Q2 sandwiched between a strong Q1 and what has started off as a strong Q3. Bookings for Learning A-Z for the first half of the year were $21.6 million, $1.5 million higher than first half 2016, for first half growth of 8%. Learning A-Z had a very strong start to the third quarter with Bookings in July 2017 that were $2.9 million higher than July 2016. That brings July year-to-date growth over prior year to 15%, with trending supporting our expectation that Learning A-Z will have full-year 2017 Bookings growth over prior year of at least 15%.

The ExploreLearning segment had strong second quarter Bookings performance, growing $1.1 million or 24% compared to prior year Q2, with continued robust momentum in both the Gizmos and Reflex product lines. Bookings for ExploreLearning for the first half of the year were $8.8 million, $1.4 million higher than first half 2016, for first half growth of 19%. ExploreLearning continued the strong momentum into July, reporting an additional $1.3 million of Bookings growth compared to July 2016 and bringing July year-to-date Bookings growth over prior year to 24%.

ExploreLearning is having a great year and we have reaffirmed our expectation that this segment will have full-year 2017 Bookings growth over prior year of at least 15%. There is likely some upside to the expectation given the strong performance through July, but it should be noted that Bookings for this segment can be lumpy and the year-to-date growth percentage through July should flatten out some in the latter half of the year when we are working with bigger numbers.

Second quarter Bookings for the Voyager Sopris Learning segment were down $2.8 million or 19% compared to prior year Q2. We've seen a solid pipeline build for Voyager Sopris' flagship subscription product, LANGUAGE! Live, but most of the customer purchases are expected in the latter half of the year. This timing, combined with an as-expected decline in the segment's legacy print products, resulted in Bookings for the segment for the first half of the year declining $7 million, or 27%, compared to the first half of 2016, to $18.5 million.

Like the other segments, Voyager Sopris Learning got off to a good start in July, with Bookings growing $0.7 million, or 7% compared to July 2016, and reducing the year-to-date decline percentage to 18%. The LANGUAGE! Live product in particular showed exciting growth momentum at the start of the third quarter, growing 54% in the month of July 2017, compared to prior year July, and bringing the year-to-date LANGUAGE! Live growth to 24%.

With this momentum and the trending and activity that we've seen so far this year, we expect to continue to narrow the year-over-year decline at Voyager Sopris in the last half of the year. But given the slow start in the first half, we expect Bookings to fall in the lower half of our original full-year outlook, for an expected year-over-year Bookings decline of 5% to 10%.

Overall, Company-wide Bookings for the second quarter were down $1.9 million, or 6%, compared to prior year Q2. Overall, Company-wide Bookings for the first half of the year were $48.9 million, down $4.1 million, or 8%, compared to the first half of 2016, with first half growth at the Learning A-Z and ExploreLearning segments and a first half decline at Voyager Sopris.

We kicked off the important third quarter with a strong July, growing overall Bookings $4.9 million or 21% compared to the prior year month of July. This closed the first half gap and got the Company into an overall Bookings growth position of $0.8 million, or 1%, year-to-date July versus prior year. Our biggest volume months are coming up in August and September with the start of the new school year and we expect full-year Company-wide Bookings growth to be in a range from 6% to low double digits.

First half 2017 Bookings mix by segment was 44% Learning A-Z, 18% ExploreLearning, and 38% Voyager Sopris Learning. Overall, technology-enabled products made up 71% of our first half 2017 Bookings mix compared to 62% in the first half of 2016. Our full-year expectation for 2017 is to achieve approximately 80% of our mix from technology-enabled products.

GAAP net revenues for the first half of 2017 grew $3.6 million or 5% to $76.3 million. A large portion of the GAAP revenues for the first half of the year represents the recognition tail of prior year Bookings.

Costs and expenses for the first half of the year were flattish, down less than 1% compared to prior year, with the benefit of last year's cost right-sizing activities at Voyager Sopris Learning offset by planned investments in development, marketing, and sales at Learning A-Z and ExploreLearning to support full-year growth.

Adjusted EBITDA grew $3.9 million or 22% in the first half of 2017 compared to prior year, and EBITDA margin grew from 25% to 29% with the impact of the GAAP revenue growth combined with the flattish costs and expenses. Additionally, our higher-margin segments, Learning A-Z and ExploreLearning, comprised 66% of net revenues for the first half of 2017 compared to 59% of net revenues for the first half of 2016. Adjusted EBITDA margin for the full-year 2017 is expected to be roughly consistent with the full-year 2016 margin of 28%.
Capital expenditures were $8.8 million in the first half of 2017, lower than the first half of 2016 by approximately $2 million. The decline was driven by timing of general expenditures and by Voyager Sopris Learning which had high first half 2016 expenditures due to the work on Velocity. We continue to expect full-year 2017 capex to be roughly consistent with 2016.

It is normal for us to operate with negative Cash Income in the first half of the year due to seasonality. As would be expected, given the year-over-year Bookings decline for the first half of the year, the Cash Income loss was larger in the first half of 2017, $11.6 million, compared to $10.4 million in the first half of 2016. We expect Cash Income to become cumulatively positive in the third quarter and for the full-year 2017 Cash Income margin to grow between 1 and 3 percentage points compared to 2016, depending on top-line growth.

Interest expense was $2.6 million for the first half of 2017 compared to $3.7 million for the first half of 2016, lower as a result of the voluntary principal payments made in 2016 and the ongoing scheduled quarterly amortization payments.

The growth in GAAP net revenues combined with the lower interest expense resulted in net income that more than doubled to $8.3 million for the first half of 2017 compared to the first half of 2016.

Income tax expense represents primarily state taxes as we expect to use our NOLs to shield federal taxes this year.

Moving to the balance sheet, cash and cash equivalents at June 30 were $4.6 million. During the first half of 2017, we paid $3.5 million of scheduled amortization payments and ended the quarter with $72.7 million outstanding on our term loans. In line with our historical pattern, we have used cash in the first half of the year and expect to generate cash in the third and fourth quarters, using our revolving credit facility to manage this seasonal cash pattern. We borrowed $16 million on the revolver through June of 2017. We started whittling that down in July and expect to reduce it to zero by the end of the third quarter or the start of the fourth quarter.

Cash used in operations was $4.3 million in the first half of 2017 compared to $1.7 million in the first half of 2016, consistent with the lower Bookings performance and related cash collections, partially offset by lower incentive compensation payments in 2017, the return of cash from a certificate of deposit that was collateralizing a letter of credit, and lower cash interest payments due to the declining principal amount of debt.

In summary, we are reaffirming our overall Company-wide expectations for full-year 2017. Bookings for the third quarter, our largest volume quarter, are off to a good start. Our costs are being managed well and we are executing the strategy to shift our top-line mix to higher-margin products.

With that, I’d like to move on to our Q&A session.

Operator:

Ladies and gentlemen, if you have a question or a comment at this time, please press the star then the one key on your touchtone telephone. If your question has been answered or you wish to remove yourself from the queue, please press the pound key.

Our first question comes from Neil Weiner with Foxhill Capital.

Neil Weiner:

Good morning, John and Barbara. How are you?

John Campbell:

Good morning.

Barbara Benson:

Good morning.

Neil Weiner:

A couple questions. Did I hear Barbara—one, I just want to make sure I heard the right number—on LAZ, you said that Bookings in July were up $2.9 million or 15% year-over-year; is that correct?

Barbara Benson:

Year-to-date, they're up 15% year-over-year.

Neil Weiner:

Oh, year-to-date.

Barbara Benson:

Yes, for the month of July, it was 31%.

Neil Weiner:

Okay and can you just give a little more explanation what happened in the second quarter in LAZ versus last year? In terms of Bookings.

Barbara Benson:

In terms of Bookings? There really isn't anything particular to point at. I mean really just generally across product lines and across customers, we just saw a lot of timing shift. We had a strong Q1 in Learning A-Z. We had a lot of customers that waited until July and we saw that with the incredibly strong July that we had, so really just a timing shift between quarters.

Neil Weiner:

Okay. John, in terms of—you poured a lot of money into Velocity and you said in your opening remarks that it will not be a meaningful contributor this year and it was released last year in the third quarter. Why is it not gaining any traction yet and I guess what type of timeframe do you see it gaining traction?

John Campbell:

Yes, I think to put it in perspective—I agree with everything you said. I think to put it in perspective, you have to take a look at products like READ 180. If you recall, READ 180 took really five or six years and then really dominated the industry. Then if you take a look at LANGUAGE! Live, who you've seen that product grow from really very little until now—we believe it will be over $10 million in Bookings this year—that's taken several years as well. I think there's a variety of reasons for that.

The first is, quite frankly, the product. If you think back to LANGUAGE! Live, we released one level and then the marketplace said, "You really needed a second level as much as the first level to make it a really strong solution," so we added the second level and then we got more sales and then we got more pilots and then pilots become districts. We're seeing the same exact thing with Velocity. Velocity, we came out with a year ago, but the audience said, "You really need to change some things. You need more reports. You need more interactivity. You need improvements to the product," so as the product improves then you get more pilots. We have an awful lot of pilots in place right now. I honestly believe that we have put a lot of effort into the development and marketing and sales of Velocity and that's going to start becoming significant next year. We have a lot of pilots in place right now and they're pretty pleased with the results they're getting. I actually think it's mirroring what we've seen with LANGUAGE! Live.

Neil Weiner:

Okay, so you think it will be a contributor in 2018?

John Campbell:

That's correct.

Neil Weiner:

Have you changed anything in Voyager in terms of sunsetting additional products because your guidance on Bookings is towards the lower end of —or greater decline than before. What's happening in there?

John Campbell:

I think we continue to focus on really five or six products and that's really the core of what we focus on. So the many other products, we are sunsetting products all the time because we believe the future of the Company is LANGUAGE! Live and Velocity along with solutions like LETRS and Step Up to Writing. There's only a handful of solutions so when you talk about have we done something different, the answer is yes in terms of this year. This whole year, we've really had a focus on really our top main five or six products.

In terms of what's happening, I think you're trying to understand why we're at the lower end of our guidance and I think quite honestly it's because Velocity is going to be stronger next year and we had hoped it would be this year.

Neil Weiner:

Got it. Then LAZ, what are you seeing in terms of pipeline going forward in third and fourth quarters? I know you've reiterated guidance of 15%. Are you still comfortable with that and/or is there any upside to that?

John Campbell:

I'd answer yes to both. I'm comfortable with that not only for LAZ but also for ExploreLearning. We expect both of them to grow and I would say the words, at least 15%. The exact amount is going to depend on a lot of different opportunities that we have out there because we have a strong pipeline and sometimes it's hard to tell whether it's going to come in December or January for instance. But when you ask me, "How do you feel about that guidance that you gave at the beginning of the year?" we remain, in fact reaffirm that guidance that we're going to grow those two 100% subscription businesses at least 15% and I think the facts that we have in place now, here that we're in August, only confirm that. We're actually pretty positive about that in terms of them both growing 15% or more, and in fact, continuing to grow in the future as well.

Neil Weiner:

Okay. In terms of macro-wise, has anything changed with the new administration you've seen just at the federal level or are school districts saying anything in terms of funding? Just trying to understand if there's anything changed kind of across the country in terms of funding.

John Campbell:

No, I really don't think the funding situation has changed. Quite honestly, a lot of legislation hasn't been approved yet so we don't know the details. If we think back to earlier administrations, the president, I would say rarely if not never gets what they propose, so we haven't actually seen any real legislation. We've seen lots of proposals and we're all familiar with those proposals but there's been no impact to us either positively or negatively in terms of our business, in terms of funding.

Now, obviously funding varies from state to state and city to city but there's no sort of macro change, what's happened in this marketplace that's changing your business; that's not really the case. In terms of funding, I don't think it's changed.

I think the reality is that we've changed and the change that we've had to make and been struggling to make for some time is changing the DNA at Voyager Sopris Learning. I think we've gotten a lot further in that and I see that in the success that we've had mostly recently with LANGUAGE! Live. It's now at a point that customers know what the product is. They understand it. We're doing a better job selling it. It's an effective solution. That's an example of—really when you ask me what's changed, it's really been us. It's taken us a little while to get Voyager Sopris Learning to have a DNA of a Company that leverages technology to make a difference for kids and there's a lot in that whether it be development, marketing or sales, and it's taken a little while to get our feet under us but I think that's where we're at now.

Neil Weiner:

Okay, one last question. Barbara, do you expect capex, kind of looking out the next couple of years, to remain at these levels or lower in terms of are you expecting new, additional products to be launched over the next several years? I know Reflex is having one next year.

Barbara Benson:

Yes, generally what we are looking to see as we look into the future is for obviously continued robust investment and capex because we definitely want to look at additional products, additional features within the products, as we think that's a really critical part to maintaining the edge in the marketplace. But just as a percentage of Bookings, we would expect that to come down. We've certainly seen that or expect to see that with Voyager Sopris Learning this year. Obviously we had the big Velocity release last year which brought capex a little high. ExploreLearning, we expect this year to have probably a slight increase as a percentage of Bookings with getting that new product out next year. We'll be ready to talk about 2018 with our normal pattern at the year-end call. But just looking out, what I would kind of expect to see is probably high capex at ExploreLearning again next year, getting ready for that release.

Then for Learning A-Z, we tend to keep that pretty consistent as a percentage of Bookings but obviously if that scale gets larger, that could be expected to decrease slightly.

Neil Weiner:

Thank you.

Operator:

Again, ladies and gentlemen, if you have a question or a comment at this time, please press the star, then the one key on your touchtone telephone.

Our next question comes from Ali Motamed with Invenomic.

Ali Motamed:

Hi, you guys have done a pretty amazing job paying down the debt over the past five or six years. I think by the end of the year we'll have paid down like $140 million. As we get to that sort of neutral position, have you started to think about how you'll deploy capital since we have some pretty nice free cash flow coming in here?

Barbara Benson:

Yes, we do. We were obviously talking about that a lot with our Board. There's a lot of opportunities out there. We typically become cash flow positive around the start of the fourth quarter so that's something that we could be prepared to talk about at the year-end call. But certainly acquisitions, M&A, is something that we take a look at; further paying down of the debt, reducing that leverage further is nice and then just other capital structure opportunities are something that we would look at.

Ali Motamed:

Then secondly, how about an investor outreach effort? It seems like obviously we've got a lot of great things going on in the Company, kind of transformed over the past few years. Any thoughts on how you're going to address that?

Barbara Benson:

We started some investor—more investor relations outreach in 2014 with resuming conference calls. John and I attend conferences on a regular basis and then certainly take phone calls from investors. As far as other activities, is there something in particular you had in mind?

Ali Motamed:

I mean any analyst research potential or kind of going out to that community. It seems like the Company has such a low profile for such a good job you seem to be doing.

Barbara Benson:

Yes, we do actually talk to research coverage analysts on a regular basis, but one of the challenges that we have is that we are closely held by Veronis Suhler Stevenson. They have 70% of our stock and that can be challenging for analysts who want to pick up coverage with low float.

Ali Motamed:

Okay, thank you.

Operator:

I’m not showing any further questions at this time. I’d like to turn the call back over to Mr. Campbell.

John Campbell:

Well, thanks again, everyone, for joining us on our call today. We look forward to reporting our third quarter results on our next call. Have a great day.

Operator:

Ladies and gentlemen, that concludes today’s presentation. You may now disconnect. Have a wonderful day.