

VALUE LINE INC
Form 10-K
July 26, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended April 30, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to

Commission file number: 0-11306

VALUE LINE, INC.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of incorporation or organization)

551 Fifth Avenue, New York, New York
(Address of principal executive offices)

13-3139843
(I.R.S. Employer Identification No.)

10176-0001
(Zip Code)

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Registrant's telephone number, including area code (212) 907-1500

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$0.10 par value
(Title of class)

The NASDAQ Capital Market
(Name of each exchange on which registered)

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

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If an emerging growth company, indicate by check mark whether 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. [] Yes [] No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). [] Yes [X] No

The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates at October 31, 2017 was \$19,125,609.

There were 9,689,334 shares of the registrant's Common Stock outstanding at June 30, 2018.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement relating to the registrant's 2018 Annual Meeting of Shareholders, to be held on

October 9, 2018, are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

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Cautionary Statement Regarding Forward-Looking Information

This report contains statements that are predictive in nature, depend upon or refer to future events or conditions (including certain projections and business trends) accompanied by such phrases as “believe”, “estimate”, “expect”, “anticipate”, “will”, “intend” and other similar or negative expressions, that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995, as amended. Actual results for Value Line, Inc. (“Value Line” or “the Company”) may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to the following:

- maintaining revenue from subscriptions for the Company’s digital and print published products;
- changes in market and economic conditions, including global financial issues;
- protection of intellectual property rights;
- dependence on non-voting revenues and non-voting profits interests in EULAV Asset Management, a Delaware statutory trust (“EAM” or “EAM Trust”), which serves as the investment advisor to the Value Line Funds and engages in related distribution, marketing and administrative services;
- fluctuations in EAM’s assets under management due to broadly based changes in the values of equity and debt securities, redemptions by investors and other factors, and the effect these changes may have on the valuation of EAM’s intangible assets;
- generating future revenues or collection of receivables from significant customers;
- dependence on key personnel;
- competition in the fields of publishing, copyright data and investment management;
- the impact of government regulation on the Company’s and EAM’s businesses;
- availability of free or low cost investment data through discount brokers or generally over the internet;
- terrorist attacks, cyber attacks and natural disasters;
- other risks and uncertainties, including but not limited to the risks described in Item 1A, “Risk Factors” herein; and
- other risks and uncertainties arising from time to time.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors which may involve external factors over which we may have no control or changes in our plans, strategies, objectives, expectations or intentions, which may happen at any time at our discretion, could also have material adverse effects on future results. Except as otherwise required to be disclosed in periodic reports required to be filed by public companies with the SEC pursuant to the SEC’s rules, we have no duty to update these statements, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, current plans, anticipated actions, and future financial conditions and results may differ from those expressed in any forward-looking information contained herein.

Explanatory Notes

References in this Annual Report on Form 10-K for the fiscal year ending April 30, 2018, to “the Company”, “Value Line”, “we”, “us” and “our” refer to Value Line, Inc. and its consolidated subsidiaries, unless the context otherwise requires. In addition, unless the context otherwise requires, references to:

“fiscal 2018” are to the twelve month period from May 1, 2017 to April 30, 2018;

“fiscal 2017” are to the twelve month period from May 1, 2016 to April 30, 2017;

“fiscal 2016” are to the twelve month period from May 1, 2015 to April 30, 2016;

the “Adviser” or “EAM” are to EULAV Asset Management Trust, a Delaware business statutory trust;

the “Distributor” or “ES” are to EULAV Securities LLC, a Delaware limited liability company wholly owned by EAM;

“EAM LLC” are to EULAV Asset Management LLC, a Delaware limited liability company and wholly-owned former subsidiary of the Company, which prior to the Restructuring Date, was the adviser to the Value Line Funds;

“ESI” are to EULAV Securities, Inc., a New York corporation and wholly-owned subsidiary of the Company which, prior to the Restructuring Date was the distributor of the Value Line Funds;

the “EAM Declaration of Trust” are to the EAM Declaration of Trust dated December 23, 2010;

the “Restructuring Date” are to December 23, 2010, the effective date of the Restructuring Transaction;

the “Restructuring Transaction” are to the restructuring of the Company’s asset management and mutual fund distribution businesses whereby (1) ESI was restructured into ES, (2) the Company transferred 100% of its ownership interest in ES to EAM LLC, (3) EAM LLC was converted into EAM and (4) the capital structure of EAM was established so that the Company owns only non-voting revenue and non-voting profits interests of EAM, and each of five individuals owns 20% of the voting profits interests of EAM; and

the “Value Line Funds” or the “Funds” are to the Value Line Mutual Funds registered under the Investment Company Act of 1940 for which EAM serves (and, prior to the Restructuring Date, EAM LLC served) as investment adviser.

Part I

Item 1. BUSINESS.

Value Line, Inc. is a New York corporation headquartered in New York City and formed in 1982. The Company's core business is producing investment periodicals based on underlying research and making available copyright data, including certain Proprietary Ranking System and other proprietary information, to third parties under written agreements for use in third-party managed and marketed investment products and for other purposes. Value Line markets under well-known brands including *Value Line*®, *the Value Line logo*®, *The Value Line Investment Survey*®, *Smart Research*, *Smarter Investing*™ and *The Most Trusted Name in Investment Research*®. The name "Value Line" as used to describe the Company, its products, and its subsidiaries, is a registered trademark of the Company. Prior to December 23, 2010, (see "Asset Management and Mutual Fund Distribution Businesses" below), the Company provided investment management services to the Value Line Mutual Funds ("Value Line Funds"), institutional and individual accounts and provided distribution, marketing, and administrative services to the Value Line Funds. Since December 23, 2010, EULAV Asset Management Trust ("EAM") provides the investment management services to the Value Line Funds accounts and provides distribution, marketing, and administrative services to the Value Line Funds. Value Line holds substantial non-voting revenues and non-voting profits interests in EAM.

The Company is the successor to substantially all of the operations of Arnold Bernhard & Co, Inc. ("AB&Co."). AB&Co. is the controlling shareholder of the Company and, as of April 30, 2018, owns 89.08% of the outstanding shares of the common stock of the Company.

A. Investment Related Periodicals & Publications

The investment periodicals and related publications offered by Value Line Publishing LLC ("VLP"), a wholly-owned entity of the Company, cover a broad spectrum of investments including stocks, mutual funds, ETFs, options and convertible securities. The Company's periodicals and related publications and services are of interest to individual and professional investors, as well as to institutions including municipal and university libraries and investment firms.

The services generally fall into four categories:

- Comprehensive reference periodical publications
- Targeted, niche periodical newsletters
- Investment analysis software

Current and historical financial databases

The comprehensive research services (*The Value Line Investment Survey*, *The Value Line Investment Survey - Small and Mid-Cap*, *The Value Line 600*, and *The Value Line Fund Advisor Plus*) provide both statistical and text coverage of a large number of investment securities, with an emphasis placed on Value Line's proprietary research, analysis and statistical ranks. *The Value Line Investment Survey* is the Company's flagship service, published each week in print and daily on the web, and covering approximately 1,700 stocks.

The niche newsletters (*Value Line Select*®, *Value Line Select: Dividend Income & Growth*, *Value Line Select: ETFs*, and *The Value Line Special Situations Service*®) provide information on a less comprehensive basis for securities that the Company believes will be of particular interest to subscribers. These services also make use of Value Line's proprietary statistical ranks and ratings. *Value Line Select*® is a targeted service with an emphasis on Value Line's proprietary in-depth research analysis and statistical selections, highlighting a monthly stock with strong return potential and reasonable risk. *Value Line Select: Dividend Income & Growth* represents Value Line's targeted coverage of dividend paying stocks with good growth potential. *Value Line Select: ETFs* recommends a new ETF for purchase each month. *The Value Line Special Situations Service* provides in-depth research analysis on small and mid-cap stocks.

Value Line offers digital versions of most of its products through the Company's website, www.valueline.com. Subscribers to the print versions have, in some cases, received free access to the corresponding digital versions, although digital subscribers do not receive a free print edition. The most comprehensive of the Company's online platforms is *The Value Line Research Center*, which allows subscribers to access most of the Company's research and publications at a packaged price via the Internet.

Investment analysis software (*The Value Line Investment Analyzer*) includes data sorting and filtering tools. In addition, for institutional and professional subscribers, VLP offers current and historical financial databases (*DataFile, Estimates & Projections, Convertibles and Mutual Funds*) via online.

The print and digital services include, but are not limited to the following:

The Value Line Investment Survey

The Value Line Investment Survey is an investment periodical research service providing both timely articles on economic, financial and investment matters and analysis and ranks for equity securities. Two of the evaluations for covered equity securities are "Timeliness™" and "Safety™." "Timeliness" Ranks relate to the probable relative price performance of one stock over the next six to twelve months, as compared to the rest of the approximately 1,700 stocks covered. Ranks are updated each week and range from Rank 1 for the expected best performing stocks to Rank 5 for the expected poorest performers. "Safety" Ranks are a measure of risk and are based on the issuer's relative Financial Strength and its stock's Price Stability. "Safety" ranges from Rank 1 for the least risky stocks to Rank 5 for the riskiest. VLP employs analysts and statisticians who prepare articles of interest for each periodical and who evaluate stock performance and provide future earnings estimates and quarterly written evaluations with more frequent updates when relevant. *The Value Line Investment Survey* is comprised of three parts: The "*Summary & Index*" provides updated Timeliness and Safety Ranks, selected financial data, and "screens" of key financial measures; the "*Ratings & Reports*" section contains updated reports on about 130 stocks each week; and the "*Selection & Opinion*" section provides economic commentary and data, general interest articles, and four model portfolios managed by analysts covering a range of investment approaches. A fifth model portfolio, delivered via a weekly email newsletter, was added to this service in June 2014.

The Value Line Investment Survey - Small and Mid-Cap

The Value Line Investment Survey - Small and Mid-Cap is an investment research product introduced in 1995 that provides short descriptions of and extensive data for approximately 1,700 small and medium-capitalization stocks, many listed on The NASDAQ Exchange, beyond the approximately 1,700 equity securities of generally larger-capitalization companies covered in *The Value Line Investment Survey*. Like *The Value Line Investment Survey*,

the *Small and Mid-Cap* has its own "Summary & Index" providing updated performance ranks and other data, as well as "screens" of key financial measures and two model portfolios. The "Ratings and Reports" section, providing updated reports on around 135 equity securities each week, has been organized to correspond closely to the industries reviewed in *The Value Line Investment Survey*. One unique feature of the *Small and Mid-Cap* is The Performance Ranking System, which incorporates many of the elements of the Value Line Timeliness Ranking System, modified to accommodate the approximately 1,700 equity securities in the *Small and Mid-Cap Survey*. The Performance Rank is based on earnings growth and price momentum, and is designed to predict relative price performance over the next six to twelve months. The principal differences between the *Small and Mid-Cap Survey* and *The Value Line Investment Survey* are that the *Small and Mid-Cap Survey* does not include Value Line's Timeliness Ranks, financial forecasts, analyst commentary, or a *Selection & Opinion* section. These modifications allow VLP to offer this service at a lower price.

The Value Line Fund Advisor Plus

The Value Line Mutual Fund Ranking System was introduced in 1993. It is the system utilized in the *Fund Advisor Plus* product, a 48-page newsletter featuring load, no-load, and low-load open-end mutual funds. This product was originally introduced as *The Value Line No-Load Fund Advisor* in 1994 and augmented in 2009. Each issue offers strategies for maximizing total return, and highlights of specific mutual funds. It also includes information about retirement planning and industry news. A full statistical review, including latest performance, ranks, and sector weightings, is updated each month on approximately 800 leading load, no-load and low-load funds. Included with this product is online access to Value Line's database of nearly 20,000 mutual funds, including screening tools and full-page printable reports on each fund.

The Fund Advisor was discontinued in June 2018 and replaced by *The Value Line Fund Advisor Plus*, which contains data on more than 20,000 no-load and low-load funds and a new digital screener. The new screener offers additional fields (about a dozen more) and functionality (e.g. export).

The Value Line Special Situations Service

The Value Line Special Situations Service's core focus is on smaller companies whose equity securities are perceived by Value Line's analysts as having exceptional appreciation potential. This publication was introduced in 1951. A second portfolio of stocks for more conservative investors seeking small company exposure was added in 2009.

The Value Line Options Survey

The Value Line Options Survey is a daily digital service that evaluates and ranks approximately 200,000 U.S. equity and equity index options. Features include an interactive database, spreadsheet tools, and a weekly email newsletter. This product is only offered as an online subscription due to the volatility in the pricing of options.

The Value Line Convertibles Survey

This service evaluates and ranks over 550 convertible securities (bonds and preferred stocks) for future market performance. In fiscal 2010, *The Value Line Convertibles Survey* became an online only service. The service's subscribers benefit from a website that includes daily price updates, analysis of each security with a printable fact

sheet, and a newsletter alerting subscribers to recent rank changes. The service will be restructured in summer 2018, to reduce costs.

Value Line Select

Value Line Select, is a monthly stock selection service and was first published in 1998. It focuses each month on a single company that the Value Line Research Department has selected from a group of high-quality companies whose stocks are viewed as having a superior risk/reward ratio. Recommendations are backed by in-depth research and are subject to ongoing monitoring by research personnel. Beginning in May 2017, each month, we also include a Bonus Recommendation, which is a smaller capitalization stock with more risk/reward potential.

Value Line Select: Dividend Income & Growth

Value Line Select: Dividend Income & Growth (formerly *Value Line Dividend Select*), a monthly stock selection service, was introduced in June 2011. This product focuses on companies with dividend yields greater than the average of all stocks covered by Value Line, with a preference for companies that have consistently increased their dividends above the rate of inflation over the longer term and, based on Value Line analysis, have the financial strength both to support and increase dividend payments in the future. *Value Line Select: Dividend Income and Growth* is available online and in print.

Value Line Select: ETFs

In May 2017, we launched *Value Line Select: ETFs*, a monthly ETF selection service. This product focuses on ETFs that appear poised to outperform the broader market. The selection process utilizes an industry approach, with the same data-focused analysis that is the hallmark of Value Line.

The Value Line 600

The Value Line 600 is a monthly publication, which contains full-page research reports on approximately 600 equity securities. Its reports provide information on many actively traded, larger capitalization issues as well as some smaller growth stocks. As a lower priced service, it offers investors who want the same type of analysis provided in *The Value Line Investment Survey*, but who do not want or need coverage of the approximately 1,700 companies covered by that product a suitable alternative. Readers also receive supplemental reports as well as a monthly Index, which includes updated statistics, including proprietary ranks and ratings. A model portfolio, delivered via a weekly email newsletter, was added to this service in January 2015.

Value Line Investment Analyzer

Value Line Investment Analyzer is a powerful menu-driven software program with fast filtering, ranking, reporting and graphing capabilities utilizing more than 230 data fields for various industries and indices and for the approximately 1,700 stocks covered in VLP's flagship publication, *The Value Line Investment Survey*. *Value Line Investment Analyzer* allows subscribers to apply numerous charting and graphing variables for comparative research. In addition to containing digital replicas of the entire *Value Line Investment Survey*, the *Value Line Investment Analyzer* includes 20-minute delayed data updates through its integration with the Value Line databases via the Internet. The software also includes a portfolio module that lets users create and track their own stock portfolios in depth with up to five years of historical financial data for scrutinizing performance, risk, yield and return. *Value Line Investment Analyzer Professional* is a more comprehensive product which covers approximately 6,000 stocks and allows subscribers to create both standardized and customized screens.

Value Line DataFile Products

For our institutional customers, Value Line offers both current and historical data for equities, mutual funds, exchange traded funds ("ETFs"), and convertibles. All Value Line DataFile products are offered in Microsoft Access and ASCII formats via FTP. Below is a listing of the DataFile products:

Fundamental DataFile I and II

Value Line's Fundamental DataFile I contains fundamental data (both current and historical) on approximately 6,000 publicly traded companies that follow U.S. generally accepted accounting principles ("GAAP"). This data product provides annual data from 1955, quarterly data from 1963, and full quarterly data as reported to the SEC from 1985.

Value Line also offers historical data on over 9,500 companies that no longer exist in nearly 100 industries via our “Dead Company” File. The *Fundamental DataFile* has over 400 annual and over 80 quarterly fields for each of the companies included in the database. DataFile is sold primarily to the institutional and academic markets. Value Line also offers a scaled down DataFile product, *Fundamental DataFile II*, which includes a limited set of historical fundamental data.

Estimates and Projections DataFile

This DataFile offering contains the proprietary estimates and projections from Value Line analysts on approximately 1,700 companies. Data includes earnings, sales, cash flow, book value, margin, and other popular fields. Estimates are for the current year and next year, while projections encompass the three to five year period.

Mutual Fund DataFile

The Value Line *Mutual Fund DataFile* covers approximately 20,000 mutual funds with up to 20 years of historical data with more than 200 data fields. The *Mutual Fund DataFile* provides monthly pricing, basic fund information, weekly performance data, sector weights, and many other popular mutual fund data fields. This file is available for download from the Internet on a monthly basis.

ETF Survey

This product is an extensive database containing the complete listing of every U.S.-listed ETF and every component and component weight since inception for every ETF on a daily basis. This includes all rebalancing, cash components, excluded assets, and distributions adjusted automatically on a daily basis. The data also includes the total return of the ETF and the total return of the corresponding underlying index on a daily basis. ETFs are added to the database and corresponding data made available usually by the first day of trading.

Convertible DataFile

This database is one of the largest sources of information available on convertible securities. Value Line offers data elements on our universe of more than 600 convertible bonds, preferred stocks, and warrants, with our top 150 fundamental and proprietary data items on each security.

Value Line Research Center

The Value Line Research Center provides on-line access to select Company investment research services covering stocks, mutual funds, options and convertible securities as well as special situation stocks. This service includes full digital subscriptions to *The Value Line Investment Survey*, *The Value Line Fund Advisor Plus*, *The Value Line Daily Options Survey*, *The Value Line Investment Survey - Small and Mid-Cap*, *The Value Line Convertibles Survey* and *The Value Line Special Situations Service*. Users can screen more than 250 data fields, create graphs using multiple different variables, and access technical history. *The Value Line Research Center* has the ability to track model portfolios, (large, small and mid-cap) as well as providing ranks and news.

Digital Services

The Value Line Investment Survey - Smart Investor offers digital access to full page reports, analyst commentary and Value Line proprietary ranks on approximately 1,700 stocks. Online tools include a screener, alerts, watch-lists and charting. Print capabilities are included.

The Value Line Investment Survey - Savvy Investor offers digital access to full page reports and Value Line proprietary ranks on approximately 3,500 stocks. Online tools include a screener, alerts, watch-lists and charting. Print capabilities are included.

The Value Line Investment Survey - Small Cap Investor offers digital access to full page reports and Value Line proprietary ranks on approximately 1,800 stocks. One year of history is included. Online tools include a screener, alerts, watch-lists and charting. Print capabilities are included.

The Value Line Investment Survey - Investor 600, equivalent to *The Value Line 600* print, offers digital access to full page reports, analyst commentary and Value Line proprietary ranks on approximately 600 selected stocks covering the same variety of industries as *The Value Line Investment Survey*. Online tools include a screener, alerts, watch-lists and charting. Print capabilities are included.

Value Line Pro Premium digital service includes *The Value Line Investment Survey*® and *The Value Line Investment Survey*® — *Small & Mid-Cap* and covers 3,500 stocks. This equity package monitors companies with market values ranging from \$100 million to well over \$300 billion, across nearly 100 industries, representing 95% of daily U.S. trading volume. There are over 300 data fields that can be screened to help make informed decisions. Features of the service include three years of historical reports and data, customizable modules, alerts and screening.

Value Line Pro Basic digital service covers the 1,700 stocks included in *The Value Line Investment Survey*®, drawn from 100 industries, representing 90% of total U.S. trading volume. There are over 300 data fields that can be screened to help make informed decisions. Features of the service include three years of historical reports and data, customizable modules, alerts and screening.

Value Line Pro Elite digital service includes *The Value Line Investment Survey*® and *The Value Line Investment Survey*® — *Small & Mid-Cap. Pro Elite* service package aimed at professional industry includes digital access to full page reports and Value Line proprietary ranks on approximately 3,500 stocks. In addition, our database of mostly microcap firms adds approximately 2,500 names, for a total of about 6,000 stocks. Five years' history is included. Online tools include a screener, alerts, watch-lists and charting. Downloading and print capabilities are included. Less expensive variant with fewer features is also available.

The Value Line Investment Survey – Library Basic covers the 1,700 stocks included in *The Value Line Investment Survey*, drawn from nearly 100 industries, and representing 90% of total U.S. daily trading volume. There are over 340 data fields that can be applied to help you make more informed decisions. Value Line has led its subscribers towards financial success by satisfying the demand for actionable insights and tools to manage any investment.

The Value Line Investment Survey – Library Elite offers libraries digital access to full reports, analyst commentary and Value Line proprietary ranks on approximately 3,500 stocks, along with one year of full-detail history. Online tools include a screener, and charting. Print capabilities are included.

The Value Line Pro Equity Research Center is an equities-only package that includes access to exclusive premium services and provides online access to all of Value Line's equity products. This service offered both to financial advisers and high-net-worth individuals, includes full online subscriptions to *The Value Line Investment Survey*, *The Value Line Investment Survey – Small & Mid-Cap*, *Value Line Select*, *Value Line Select: Dividend Income and Growth*, and *The Value Line Special Situations Service*. Users can screen more than 250 data fields, create graphs using multiple different variables, and access technical history. *The Value Line Pro Equity Research Center* has the ability to track model portfolios, (large, small and mid-cap) as well as providing ranks and news.

All the digital services have Charting features, including many options to chart against popular indexes with the ability to save settings and print. All products for financial professionals have an Alerts Hub which allows the user to set up alerts for up to 25 companies, with delivery via text or email.

B. Copyright Data Fees Programs

The Company has copyright data, which include certain proprietary Ranking System information and other proprietary information made available for use in third party products, such as unit investment trusts, variable annuities, managed accounts and exchange traded funds, which it distributes under copyright data agreements. The sponsors of these products act as wholesalers and distribute the products generally by syndicating them through an extensive network of national and regional brokerage firms. The sponsors of these products will typically receive copyright data for one or more proprietary ranking systems, which may include Value Line Timeliness, Safety,

Technical and Performance ranks, as screens for their portfolios. The sponsors are also given permission to associate Value Line's trademarks with the products. Value Line collects a copyright fee from each of the product sponsors/managers primarily based upon the market value of assets invested in each product's portfolio utilizing the Value Line proprietary data. Since these fees are based on the market value of the respective portfolios using the Value Line proprietary data, the payments to Value Line, which are typically received on a quarterly basis, will fluctuate.

Value Line's primary copyright data products are structured as ETFs and Unit Investment Trusts, all of which have in common some degree of reliance on the Value Line Ranking System for their portfolio creation. These products are offered and distributed by independent sponsors.

C. Investment Management Services

The Company completed a restructuring of its asset management and mutual fund distribution businesses (the “Restructuring Transaction”) on December 23, 2010 (the “Restructuring Date”) and executed the EAM Declaration of Trust (the “EAM Declaration of Trust”). Pursuant to the EAM Declaration of Trust, the Company received an interest in certain revenues of EAM and a portion of the residual profits of EAM but has no voting authority with respect to the election or removal of the trustees of EAM.

The business of EAM is managed by five individual trustees and a Delaware resident trustee (collectively, the “Trustees”) and by its officers subject to the direction of the Trustees.

Collectively, the holders of the voting profits interests in EAM are entitled to receive 50% of the residual profits of the business, subject to temporary adjustments in certain circumstances. Value Line holds a non-voting profits interest representing 50% of residual profits, subject to temporary adjustments in certain circumstances, and has no power to vote for the election, removal or replacement of the trustees of EAM. Value Line also has a non-voting revenues interest in EAM pursuant to which it is entitled to receive a portion of the non-distribution revenues of the business ranging from 41% at non-distribution fee revenue levels of \$9 million or less to 55% at such revenue levels of \$35 million or more. In the event the business is sold or liquidated, the first \$56.1 million of net proceeds (the value of the business at the time the Restructuring Transaction was approved as determined by the directors of Value Line after reviewing a valuation report by the directors’ financial advisors) plus any additional capital contributions (Value Line or any holder of a voting profits interest, at its discretion, may make future contributions to its capital account in EAM), which contributions would increase its capital account but not its percentage interest in operating profits, will be distributed in accordance with capital accounts; 20% of the next \$56.1 million will be distributed to the holders of the voting profits interests and 80% to the holder of the non-voting profits interests (currently, Value Line); and the excess will be distributed 45% to the holders of the voting profits interests and 55% to the holder of the non-voting profits interest (Value Line). EAM has elected to be taxed as a pass-through entity similar to a partnership.

Also, in connection with the Restructuring Transaction and pursuant to the EAM Declaration of Trust, Value Line (1) granted each Fund use of the name “Value Line” so long as EAM remains the Fund’s adviser and on the condition that the Fund does not alter its investment objectives or fundamental policies from those in effect on the date of the investment advisory agreement with EAM, provided also that the Funds do not use leverage for investment purposes or engage in short selling or other complex or unusual investment strategies that create a risk profile similar to that of so-called hedge funds, (2) agreed to provide EAM its proprietary Ranking System information without charge or expense on as favorable basis as to Value Line’s best institutional customers and (3) agreed to capitalize the business with \$7 million of cash and cash equivalents at inception.

EAM is organized as a Delaware statutory trust and has no fixed term. However, in the event that control of the Company’s majority shareholder changes, or in the event that the majority shareholder no longer beneficially owns 5%

or more of the voting securities of the Company, then the Company has the right, but not the obligation, to buy the voting profits interests in EAM at a fair market value to be determined by an independent valuation firm in accordance with the terms of the EAM Declaration of Trust.

Value Line also has certain consent rights with respect to extraordinary events involving EAM, such as a proposed sale of all or a significant part of EAM, material acquisitions, entering into businesses other than asset management and fund distribution, paying compensation in excess of the mandated limit of 22.5%-30% of non-distribution fee revenues (depending on the level of such revenues), declaring voluntary bankruptcy, making material changes in tax or accounting policies or making substantial borrowings, and entering into related party transactions. These rights were established to protect Value Line's non-voting revenues and non-voting profits interests in EAM.

Until December 23, 2010, the Company, through its wholly-owned subsidiary EAM LLC, was the investment adviser for the Value Line Funds. Since December 23, 2010, EAM has acted as the Adviser to the Value Line Funds.

Until December 23, 2010, the Company through its wholly-owned subsidiary ESI, was the distributor for the Value Line Funds. Since December 23, 2010, EULAV Securities has acted as the Distributor for the Value Line Funds. State Street Bank, an unaffiliated entity, is the custodian of the assets of the Value Line Funds and provides them with fund accounting and administrative services. Shareholder services for the Value Line Funds are provided by Boston Financial Data Services.

On December 23, 2010, the Company deconsolidated its asset management and mutual fund distribution businesses and its interests in these businesses were restructured as non-voting revenues and non-voting profits interests in EAM. Accordingly, the Company no longer reports this operation as a separate business segment, although it still maintains a significant interest in the cash flows generated by this business and will continue to receive ongoing payments in respect of its non-voting revenues and non-voting profits interests, as discussed below. Total assets in the Value Line Funds managed and/or distributed by EAM at April 30, 2018, were \$2.48 billion, which is \$70 million, or 2.8%, above total assets of \$2.41 billion in the Value Line Funds managed and/or distributed by EAM at April 30, 2017.

Total
net
assets
of the
Value
Line
Funds
at
April
30,
2018,
were:

	(\$ in thousands)
Value Line Small Cap Opportunities Fund	\$480,911
Value Line Capital Appreciation Fund	435,251
Value Line Premier Growth Fund	331,645
Value Line Asset Allocation Fund	313,849
Value Line Larger Companies Focused Fund	282,478
Value Line Strategic Asset Management Fund	242,806
Value Line Mid Cap Focused Fund	147,132
Value Line Centurion Fund	133,489
Value Line Core Bond Fund	57,652
Value Line Tax Exempt Fund	53,208
Value Line VIP Equity Advantage Fund	2,675

Total EAM managed net assets \$2,481,096

Investment management fees and distribution service fees (which we refer to as “12b-1fees”) vary among the Value Line Funds and may be subject to certain limitations. Certain investment strategies among the equity funds include, but are not limited to, reliance on the Value Line Timeliness™ Ranking System (the “Ranking System”) and/or the Value Line Performance Ranking System in selecting securities for purchase or sale. Each Ranking System seeks to compare the estimated probable market performance of each stock during the next six to twelve months to that of all of the approximately 1,700 or 1,800 (Performance System) stocks under review and ranks stocks on a scale of 1 (highest) to 5 (lowest). All the stocks followed by the Ranking System are listed on U.S. stock exchanges or traded in the U.S. over-the-counter markets. Prospectuses and annual reports for each of the Value Line open end mutual funds are available on the Funds’ website www.vlfunds.com. Each mutual fund may use "Value Line" in its name only to the extent permitted by the terms of the EAM Declaration of Trust.

D. Wholly-Owned Operating Subsidiaries

Wholly-owned operating subsidiaries of the Company as of April 30, 2018 include the following:

1. Value Line Publishing LLC (“VLP”) is the publishing unit for the investment related periodical publications and copyright data.
2. Vanderbilt Advertising Agency, Inc. places advertising on behalf of the Company's publications.
3. Value Line Distribution Center, Inc. (“VLDC”) provides subscription fulfillment services and subscriber relations services for Value Line’s publications and continues to distribute Value Line’s print publications.

E. Trademarks

The Company holds trademark and service mark registrations for various names and logos in multiple countries. Value Line believes that these trademarks and service marks provide significant value to the Company and are an important factor in the marketing of its products and services, as well as in the marketing of the Value Line Funds, now managed by EAM. The Company is utilizing all of its trademarks and service marks, and properly maintaining all registrations.

F. Investments

As of April 30, 2018 and April 30, 2017, the Company held total investment assets (excluding its interests in EAM) with a fair market value of \$17,844,000 and \$16,576,000, respectively, including equity securities and fixed income securities classified as available-for-sale on the Consolidated Balance Sheets. As of April 30, 2018 and April 30, 2017, the Company held equity securities classified as available-for-sale, which consist of investments in the SPDR Series Trust S&P Dividend ETF (SDY), First Trust Value Line Dividend Index ETF (FVD), PowerShares Financial Preferred ETF (PGF), Select Utilities Select Sector SPDR ETF (XLU), First Trust Value Line 100 ETF (FVL) and Proshares Trust S&P 500 Dividend Aristocrats ETF (NOBL). As of April 30, 2018 and April 30, 2017, the Company held fixed income securities classified as available-for-sale, which consist of certificates of deposits and securities issued by federal, state, and local governments within the United States.

G. Employees

At April 30, 2018, the Company and its subsidiaries employed 171 people.

The Company and its affiliates, officers, directors and employees may from time to time own securities which are also held in the portfolios of the Value Line Funds or recommended in the Company's publications. Value Line analysts are not permitted to own securities of the companies they cover. The Company has adopted rules requiring reports of securities transactions by employees for their respective accounts. The Company has also established policies restricting trading in securities whose ranks are about to change in order to avoid possible conflicts of interest.

H. Principal Business Segments

The information with respect to revenues from external customers and profit and loss of the Company's identifiable principal business segments is incorporated herein by reference to Note 19 of the Notes to the Company's Consolidated Financial Statements included in this Form 10-K.

Prior to December 23, 2010, the Company's businesses consolidated into two reportable business segments. The investment periodicals and related publications (retail and institutional) and fees from copyright data, including the proprietary Ranking System information and other proprietary information, consolidated into one segment called Publishing, and the investment management services to the Value Line Funds and other managed accounts were consolidated into a second business segment called Investment Management. Subsequent to December 23, 2010, the Publishing segment constitutes the Company's only reportable business segment.

I. Competition

The investment information and publishing business conducted by the Company and the investment management business conducted by EAM are very competitive. There are many competing firms and a wide variety of product offerings. Some of the firms in these industries are substantially larger and have greater financial resources than the Company and EAM. The Internet continues to increase the amount of competition in the form of free and paid online investment research. With regard to the investment management business conducted by EAM, the prevalence of broker supermarkets or platforms permitting easy transfer of assets among mutual funds, mutual fund families, and other investment vehicles tends to increase the speed with which shareholders can leave or enter the Value Line Funds based, among other things, on short-term fluctuations in performance.

J. Executive Officers of the Registrant

The following table lists the names, ages (at June 30, 2018), and principal occupations and employment during the past five years of the Company's Executive Officers. All officers are elected to terms of office for one year. Except as noted, each of the following has held an executive position with the companies indicated for at least five years.

Name	Age	Principal Occupation or Employment
Howard A. Brecher	64	Chairman and Chief Executive Officer since October 2011; Acting Chairman and Acting Chief Executive Officer from November 2009 to October 2011; Chief Legal Officer; Vice President and Secretary until January 2010; Vice President and Secretary of each of the Value Line Funds from June 2008 to December 2010; Secretary of EAM LLC from February 2009 until December 2010; Director and General Counsel of AB&Co. Mr. Brecher has been an officer of the Company for more than 20 years.
Stephen R. Anastasio	59	Vice President since December 2010; Director since February 2010; Treasurer since 2005. Mr. Anastasio has been an officer of the Company for more than 10 years.

WEBSITE ACCESS TO SEC REPORTS

The Company's Internet site address is www.valueline.com. The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to these reports are made available on the "Corporate Filings" page under the "About Value Line" tab on the Company's website @ www.valueline.com/About/corporate_filings.aspx. free of charge as soon as reasonably practicable after the reports

are filed electronically with the SEC. All of the Company's SEC reports are also available on the SEC Internet site, www.sec.gov.

ITEM 1A. RISK FACTORS

In addition to the risks referred to elsewhere in this Form 10-K, the following risks, among others, sometimes may have affected, and in the future could affect, the Company's businesses, financial condition or results of operations and/or the investment management business conducted by EAM and consequently, the amount of revenue we receive from EAM. The risks described below are not the only ones we face. Additional risks not discussed or not presently known to us or that we currently deem insignificant, may also impact our businesses.

The Company and its subsidiaries are dependent on the efforts of its executives and professional staff.

The Company's future success relies upon its ability to retain and recruit qualified professionals and executives. The Company's executive officers do not have employment agreements with the Company and the Company does not maintain "key man" insurance policies on any of its executive officers. The loss of the services of key personnel could have an adverse effect on the Company.

A decrease in the revenue generated by EAM's investment management business could adversely affect the Company's cash flow and financial condition.

The Company derives a significant portion of its cash flow from its non-voting revenues and non-voting profits interests in EAM. A decrease in the revenue generated by EAM's investment management business, whether resulting from performance, competitive, regulatory or other reasons, would reduce the amount of cash flow received by the Company from EAM, which reduction could adversely affect the Company's cash flow and financial condition.

EAM's assets under management, which impact EAM's revenue, and consequently the amount of the cash flow that the Company receives from EAM, are subject to fluctuations based on market conditions and individual fund performance.

Financial market declines and/or adverse changes in interest rates would generally negatively impact the level of EAM's assets under management and consequently its revenue and net income. Major sources of investment management revenue for EAM (i.e., investment management and service and distribution fees) are calculated as percentages of assets under management. A decline in securities prices or in the sale of investment products or an increase in fund redemptions would reduce fee income. A prolonged recession or other economic or political events could also adversely impact EAM's revenue if it led to decreased demand for products, a higher redemption rate, or a decline in securities prices. Good performance of managed assets relative to both competing products and benchmark indices generally assists in both retention and growth of assets, and may result in additional revenues. Conversely, poor performance of managed assets relative to competing products or benchmark indices tends to result in decreased sales and increased redemptions with corresponding decreases in revenues to EAM. Poor performance could therefore reduce the amount of cash flow that the Company receives from EAM, which reduction could adversely affect the Company's financial condition.

EAM derives all of its investment management fees from the Value Line Funds.

EAM is dependent upon management contracts and service and distribution contracts with the Value Line Funds under which these fees are paid. As required by the Investment Company Act of 1940 (the “1940 Act”), the Trustees/Directors of the Funds, all of whom are independent of the Company and of EAM, have the right to terminate such contracts. If any of these contracts are terminated, not renewed, or amended to reduce fees, EAM’s financial results, and consequently, the amount of cash flow received by the Company from EAM, and the Company’s financial condition, may be adversely affected.

A decrease in the revenue generated by a significant customer could adversely affect the Company’s cash flow and financial condition.

The Company derives a significant portion of its cash flow and publishing revenues from a single significant customer.

If the Company does not maintain its subscriber base, its operating results could suffer.

A substantial portion of the Company's revenue is generated from print and digital subscriptions, which are paid in advance by subscribers. Unearned revenues are accounted for on the Consolidated Balance Sheets of the Company within current and long-term liabilities. The backlog of orders is primarily generated through renewals and new subscription marketing efforts as the Company deems appropriate. Future results will depend on the renewal of existing subscribers and obtaining new subscriptions for the investment periodicals and related publications. The availability of competitive information on the Internet at low or no cost has had and may continue have a negative impact on the demand for our products.

The Company believes that the negative trend in retail print subscription revenue experienced in recent years is likely to continue.

During the last several years, the Company has experienced a negative trend in retail print subscription revenue. It is expected that print revenues will continue to decline long-term, while the Company emphasizes digital offerings. The Company has established the goal of maintaining competitive digital products and marketing them through traditional and digital channels to retail and institutional customers. However, the Company is not able to predict whether revenues from digital retail publications will grow more than print revenues decline, nor whether its initiatives to increase business in the professional investor market segment will continue to be successful.

Loss of copyright data clients or decline in their customers, or assets managed by third party sponsors could reduce the Company's revenues.

Copyright data agreements are based on market interest in the respective proprietary information. The Company believes this part of the business is dependent upon the desire of third parties to use the Value Line trademarks and proprietary research for their products, competition and on fluctuations in segments of the equity markets. If the fees from proprietary information decline, the Company's operating results could suffer.

Failure to protect its intellectual property rights and proprietary information could harm the Company's ability to compete effectively and could negatively affect operating results.

The Company's trademarks are important assets to the Company. Although its trademarks are registered in the United States and in certain foreign countries, the Company may not always be successful in asserting global trademark protection. In the event that other parties infringe on its intellectual property rights and it is not successful in defending its intellectual property rights, the result may be a dilution in the value of the Company's brands in the marketplace. If the value of the Company's brands becomes diluted, such developments could adversely affect the value that its customers associate with its brands, and thereby negatively impact its sales. Any infringement of our intellectual property rights would also likely result in a commitment of Company resources to protect these rights through litigation or otherwise. In addition, third parties may assert claims against our intellectual property rights and we may not be able successfully to resolve such claims. The Company is utilizing all of its trademarks and properly maintaining registrations for them.

Adverse changes in market and economic conditions could lower demand for the Company's and EAM's products and services.

The Company provides its products and services to individual investors, financial advisors, and institutional clients. Adverse conditions in the financial and securities markets may have an impact on the Company's subscription revenues, securities income, and copyright data fees which could adversely affect the Company's results of operations and financial condition. Adverse conditions in the financial and securities markets could also have an adverse effect on EAM's investment management revenues and reduce the amount of cash flow that the Company receives from EAM, which reduction could adversely affect the Company's financial condition.

The Company and EAM face significant competition in their respective businesses.

Both the investment information and publishing business conducted by the Company and the investment management business conducted by EAM are very competitive. There are many competing firms and a wide variety of product offerings. Some of the firms in these industries are substantially larger and have greater financial resources than the Company and EAM. With regard to the investment information and publishing business, barriers to entry have been reduced by the minimal cost structure of the Internet and other technologies. With regard to the investment management business, the absence of significant barriers to entry by new investment management firms in the mutual fund industry increases competitive pressure. Competition in the investment management business is based on various factors, including business reputation, investment performance, quality of service, marketing, distribution services offered, the range of products offered and fees charged. Access to mutual fund distribution channels has also become increasingly competitive.

Government regulations, any changes to government regulations, and regulatory proceedings and litigation may adversely impact the business.

Changes in legal, regulatory, accounting, tax and compliance requirements could have an effect on EAM's operations and results, including but not limited to increased expenses and restraints on marketing certain funds and other investment products. EAM is registered with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). The Advisers Act imposes numerous obligations on registered investment advisers, including fiduciary, record keeping, operational and disclosure obligations. ES is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority, also known as "FINRA". Each Value Line Fund is a registered investment company under the 1940 Act. The 1940 Act requires numerous compliance measures, which must be observed, and involves regulation by the SEC. Each fund and its shareholders may face adverse tax consequences if the Value Line Funds are unable to maintain qualification as registered investment companies under the Internal Revenue Code of 1986, as amended. Those laws and regulations generally grant broad administrative powers to regulatory agencies and bodies such as the SEC and FINRA. If these agencies and bodies believe that EAM, ES or the Value Line Funds have failed to comply with their laws and regulations, these agencies and bodies have the power to impose sanctions. EAM, ES and the Value Line Funds, like other companies, can also face lawsuits by private parties. Regulatory proceedings and lawsuits are subject to uncertainties, and the outcomes are difficult to predict. Changes in laws, regulations or governmental policies, and the costs associated with compliance, could adversely affect the business and operations of the EAM, ES and the Value Line Funds. An adverse resolution of any regulatory proceeding or lawsuit against the EAM or ES could result in substantial costs or reputational harm to them or to the Value Line Funds and have an adverse effect on their respective business and operations. An adverse effect on the business and operations of EAM, ES and/or the Value Line Funds could reduce the amount of cash flow that the Company receives in respect of its non-voting revenues and non-voting profits interests in EAM and, consequently, could adversely affect the Company's cash flows, results of operations and financial condition.

Terrorist attacks could adversely affect the Company and EAM.

A terrorist attack, including biological or chemical weapons attacks, and the response to such terrorist attacks, could have a significant impact on the New York City area, the local economy, the United States economy, the global economy, and U.S. and/or global financial markets, and could also have a material adverse effect on the Company's business and on the investment management business conducted by EAM.

Our controlling stockholder exercises voting control over the Company and has the ability to elect or remove from office all of our directors.

As of April 30, 2018, AB&Co., Inc. beneficially owned 89.08% of the outstanding shares of the Company's voting stock. AB&Co. is therefore able to exercise voting control with respect to all matters requiring stockholder approval, including the election or removal from office of all of our directors.

We are not subject to most of the listing standards that normally apply to companies whose shares are quoted on NASDAQ.

Our shares of common stock are quoted on the NASDAQ Capital Market (“NASDAQ”). Under the NASDAQ listing standards, we are deemed to be a “controlled company” by virtue of the fact that AB&Co. has voting power with respect to more than 50% of our outstanding shares of voting stock. A controlled company is not required to have a majority of its board of directors comprised of independent directors. Director nominees are not required to be selected or recommended for the board’s selection by a majority of independent directors or a nomination committee comprised solely of independent directors, nor do the NASDAQ listing standards require a controlled company to certify the adoption of a formal written charter or board resolution, as applicable, addressing the nominations process. A controlled company is also exempt from NASDAQ’s requirements regarding the determination of officer compensation by a majority of the independent directors or a compensation committee comprised solely of independent directors. Although we currently comply with certain of the NASDAQ listing standards that do not apply to controlled companies, our compliance is voluntary, and there can be no assurance that we will continue to comply with these standards in the future.

We are subject to cyber risks and may incur costs in connection with our efforts to enhance and ensure security from cyber attacks.

Substantial aspects of our business depend on the secure operation of our computer systems and e-commerce websites. Security breaches could expose us to a risk of loss or misuse of sensitive information, including our own proprietary information and that of our customers and employees. While we devote substantial resources to maintaining adequate levels of cyber security, our resources and technical sophistication may not be adequate to prevent all of the rapidly evolving types of cyber attacks. Anticipated attacks and risks may cause us to incur increasing costs for technology, personnel, insurance and services to enhance security or to respond to occurrences. We maintain cyber risk insurance, but this insurance may not be sufficient to cover all of our losses from any possible future breaches of our systems.

Changes to existing accounting pronouncements or taxation rules or practices may affect how we conduct our business and affect our reported results of operations.

New accounting pronouncements or tax rules and varying interpretations of accounting pronouncements or taxation practice have occurred and may occur in the future. A change in accounting pronouncements or interpretations or taxation rules or practices can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. Changes to existing rules and pronouncements, future changes, if any, or the questioning of current practices or interpretations may adversely affect our reported financial results or the way we conduct our business.

Item 1B. UNRESOLVED STAFF COMMENTS.

None.

Item 2. PROPERTIES.

The Company leases 24,726 square feet of office space at 551 Fifth Avenue in New York, NY. In addition to the New York office space, the Company leases a warehouse facility with 24,110 square feet in New Jersey. The facility primarily serves the fulfillment and the distribution operations of VLDC for the various Company publications and serves as a disaster recovery site for the Company.

On November 30, 2016, Value Line, Inc., received consent from the landlord at 551 Fifth Avenue, New York, NY to the terms of a new sublease agreement between Value Line, Inc. and ABM Industries, Incorporated commencing on

December 1, 2016. Pursuant to the agreement Value Line leased from ABM 24,726 square feet of office space located on the second and third floors at 551 Fifth Avenue, New York, NY (“Building” or “Premises”) beginning on December 1, 2016 and ending on November 29, 2027. Base rent under the sublease agreement is \$1,126,000 per annum during the first year with an annual increase in base rent of 2.25% scheduled for each subsequent year, payable in equal monthly installments on the first day of each month, subject to customary concessions in the Company’s favor and pass-through of certain increases in utility costs and real estate taxes over the base year. The Company provided a security deposit represented by a letter of credit in the amount of \$469,000 in October 2016, which is scheduled to be reduced to \$305,000 on September 30, 2021 and fully refunded after the sublease ends. This Building became the Company’s new corporate office facility. The Company is required to pay for certain operating expenses associated with the Premises as well as utilities supplied to the Premises. The sublease terms provide for a significant decrease (23% initially) in the Company’s annual rental expenditure taking into account free rent for the first six months of the sublease. Sublandlord provided Value Line a work allowance of \$417,000 which accompanied with the six months free rent worth \$563,000 was applied against the Company’s obligation to pay rent at our NYC headquarters, delaying the actual rent payments until November 2017.

On February 29, 2016, the Company's subsidiary VLDC and Seagis Property Group LP (the "Landlord") entered into a lease agreement, pursuant to which VLDC has leased 24,110 square feet of warehouse and appurtenant office space located at 205 Chubb Ave., Lyndhurst, NJ ("Warehouse") beginning on May 1, 2016 and ending on April 30, 2024 ("Lease"). Base rent under the Lease is \$192,880 per annum payable in equal monthly installments on the first day of each month, in advance during fiscal 2017 and will gradually increase to \$237,218 in fiscal 2024, subject to customary increases based on operating costs and real estate taxes. The Company provided a security deposit in cash in the amount of \$32,146, which will be fully refunded after the lease term expires. The lease is a net lease requiring the Company to pay for certain operating expenses associated with the Warehouse as well as utilities supplied to the Warehouse.

Item 3. LEGAL PROCEEDINGS.

None.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

The Registrant's Common Stock is traded on NASDAQ under the symbol "VALU". The approximate number of record holders of the Registrant's Common Stock at April 30, 2018 was 35. As of April 30, 2018, the closing stock price was \$19.48.

The reported high and low prices and the dividends paid on these shares during the past two fiscal years were as follows:

Quarter Ended	High	Low	Regular Dividend Declared Per Share	Special Dividend Declared Per Share
April 30, 2018	\$22.34	\$17.30	\$ 0.19	-
January 31, 2018	\$22.58	\$17.21	\$ 0.18	\$ 0.20
October 31, 2017	\$18.15	\$13.26	\$ 0.18	-
July 31, 2017	\$19.50	\$16.67	\$ 0.18	-
April 30, 2017	\$18.36	\$16.30	\$ 0.18	-
January 31, 2017	\$25.25	\$17.38	\$ 0.17	-
October 31, 2016	\$19.45	\$14.99	\$ 0.17	-
July 31, 2016	\$19.15	\$14.05	\$ 0.17	-

On July 20, 2018, the Board of Directors of Value Line declared a quarterly dividend of \$0.19 per share to shareholders of record as of July 30, 2018 to be paid on August 10, 2018.

There are no securities of the Company authorized for issuance under equity compensation plans. The Company did not sell any unregistered shares of common stock during the fiscal year ended April 30, 2018.

Purchases of Equity Securities by the Company

The following table provides information with respect to all repurchases of common stock made by or on behalf of the Company during the fiscal quarter ended April 30, 2018. All purchases listed below were made in the open market at prevailing market prices.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (1)
February 1, 2018 through February 28, 2018	0	\$ -	0	\$ 418,000
March 1, 2018 through March 31, 2018	4,736	18.39	4,736	330,000
April 1, 2018 through April 30, 2018	4,159	18.09	4,159	255,000
Total	8,895	\$ 18.25	8,895	\$ 255,000

(1) On September 19, 2012, the Company's Board of Directors approved a share repurchase program, authorizing the repurchase of shares of the Company's common stock up to an aggregate purchase price of \$3,000,000. The repurchases will be made from time to time on the open market at prevailing market prices, in negotiated transactions off the market, in block purchases or otherwise. The repurchase program may be suspended or discontinued at any time at the Company's discretion and has no set expiration date. During fiscal 2018, the Company repurchased an aggregate of 20,045 shares of the Company's common stock for \$354,000 at an average price of \$17.67 per share under the repurchase program. During fiscal 2017, the Company repurchased an aggregate of 44,924 shares of the

Company's common stock for \$741,000 at an average price of \$16.51 per share under the repurchase program. During fiscal 2016, the Company repurchased an aggregate of 52,907 shares of the Company's common stock for \$796,000 at an average price of \$15.03 per share under the repurchase program.

Arnold Bernhard and Co., Inc. may purchase additional shares of common stock of the Company from time to time.

Item 6. SELECTED FINANCIAL DATA.

(\$ in thousands, except number of shares and earnings per share amounts)	Fiscal Years Ended April 30,				
	2018	2017	2016	2015	2014
Revenues:					
Investment periodicals and related publications	\$29,503	\$30,168	\$31,925	\$32,676	\$33,598
Copyright data fees	6,365	4,406	2,621	2,847	2,733
Total investment periodicals and related publications	35,868	34,574	34,546	35,523	36,331
Gain on sale of operating facility	-	8,123	-	-	-
Total revenues	\$35,868	\$42,697	\$34,546	\$35,523	\$36,331
Income from operations	\$2,572	\$7,459	\$1,880	\$2,399	\$2,501
Revenues and profits interests from EAM Trust	\$8,786	\$7,714	\$7,651	\$7,970	\$7,499
Income from securities transactions and other, net	\$540	\$312	\$477	\$126	\$178
Net income	\$14,738	\$10,367	\$7,291	\$7,292	\$6,768
Earnings per share, basic and fully diluted	\$1.52	\$1.07	\$0.75	\$0.74	\$0.69
Total assets	\$86,788	\$86,724	\$86,507	\$87,421	\$86,875
Long term liabilities	\$18,376	\$24,280	\$25,609	\$26,768	\$26,521
Weighted average number of common shares outstanding	9,703,255	9,721,958	9,781,495	9,813,623	9,839,155
Cumulative cash dividends declared per share during the fiscal year	\$0.93	\$0.69	\$0.65	\$0.60	\$0.60

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help a reader understand Value Line, its operations and business factors. The MD&A should be read in conjunction with Item 1, "Business", and Item 1A, "Risk Factors" of form 10-K, and in conjunction with the consolidated financial statements and the accompanying notes contained in Item 8 of this report.

The MD&A includes the following subsections:

- Executive Summary of the Business
- Results of Operations
- Liquidity and Capital Resources
- Recent Accounting Pronouncements
- Critical Accounting Estimates and Policies

Executive Summary of the Business

The Company's core business is producing investment periodicals and their underlying research and making available copyright data, including certain proprietary Ranking System and other proprietary information, to third parties under written agreements for use in third-party managed and marketed investment products and for other purposes. Value Line markets under well-known brands including *Value Line*®, *the Value Line logo*®, *The Value Line Investment Survey*®, *Smart Research*, *Smarter Investing*™ and *The Most Trusted Name in Investment Research*®. The name "Value Line" as used to describe the Company, its products, and its subsidiaries, is a registered trademark of the Company. Effective December 23, 2010, EULAV Asset Management Trust ("EAM") was established to provide the investment management services to the Value Line Funds, institutional and individual accounts and provide distribution, marketing, and administrative services to the Value Line® Mutual Funds ("Value Line Funds"). The Company maintains a significant investment in EAM from which it receives payments in respect of its non-voting revenues and non-voting profits interests.

The Company's target audiences within the investment research field are individual investors, colleges, libraries, and investment management professionals. Individuals come to Value Line for complete research in one package. Institutional licensees consist of corporations, financial professionals, colleges, and municipal libraries. Libraries and universities offer the Company's detailed research to their patrons and students. Investment management professionals use the research and historical information in their day-to-day businesses. The Company has a dedicated department that solicits institutional subscriptions.

Payments received for new and renewal subscriptions and the value of receivables for amounts billed to retail and institutional customers are recorded as unearned revenue until the order is fulfilled. As the orders are fulfilled, the Company recognizes revenue in equal installments over the life of the particular subscription. Accordingly, the subscription fees to be earned by fulfilling subscriptions after the date of a particular balance sheet are shown on that balance sheet as unearned revenue within current and long-term liabilities.

The Company's move to new headquarters in the third quarter of fiscal 2017 resulted in lower rent expense over the term of the sublease.

Prior to December 23, 2010, the Company's businesses consolidated into two reportable business segments. The investment periodicals and related publications (retail and institutional) and fees from copyright data including the proprietary Ranking System information and other proprietary information consolidate into one segment called Publishing and the investment management services to the Value Line Funds were consolidated into a second business segment called Investment Management. Subsequent to December 23, 2010, the Publishing segment constitutes the Company's only reportable business segment.

Asset Management and Mutual Fund Distribution Businesses

The Company completed the restructuring of its asset management and mutual fund distribution businesses (the “Restructuring Transaction”) on December 23, 2010 (the “Restructuring Date”) and executed the EAM Declaration of Trust (the “EAM Declaration of Trust”). Pursuant to the EAM Declaration of Trust, the Company received an interest in certain revenues of EAM and a portion of the residual profits of EAM but has no voting authority with respect to the election or removal of the trustees of EAM or control of its business.

The business of EAM is managed by its trustees each owning 20% of the voting profits interest in EAM and by its officers subject to the direction of the trustees. The Company’s non-voting revenues and non-voting profits interests in EAM entitle it to receive a range of 41% to 55% of EAM’s revenues (excluding distribution revenues) from EAM’s mutual fund and separate account business and 50% of the residual profits of EAM (subject to temporary increase in certain limited circumstances). The Voting Profits Interest Holders will receive the other 50% of residual profits of EAM. Distribution is not less than 90% of EAM’s profits payable each fiscal quarter under the provisions of the EAM Trust Agreement.

Business Environment

The nation's long business expansion, which is now closing in on a decade in duration, is finally pressing ahead strongly after years of clearly underperforming. On point, after three quarters of reasonable solid increases in the nation's gross domestic product to close out the twelve months of calendar 2017, and a further respectable showing in the seasonally weak opening quarter of the current year, recent trends in manufacturing, non-manufacturing, personal income, retail spending, and employment growth suggest that the recently ended second calendar quarter saw a materially stronger rate of economic improvement, with the nation's gross domestic product likely advancing by more than 4%.

Encouragingly, this recent buildup in economic momentum seems likely to largely continue during the second half and into 2019. Specifically, after the aforementioned likely acceleration in GDP growth in the second quarter, further improvement, likely driven by gains in industrial activity, consumer spending, and housing, should follow down the stretch of this year, with growth on the order of 3%, or better, being realized. Further improvement within that range would then seem reasonable to expect as 2019 gets under way.

Of course, few up cycles continue without interruption, and this one figures to be no exception. And although we do not see a recession on the horizon - with the long-lived expansion likely lasting through at least the current decade,

given the absence of severe growth or inflation excesses to date--there are risks that should not be dismissed. Chief among these would be the failure of fiscal initiatives or monetary policy adjustments to keep the economic ball rolling without inviting major overheating. Other risks would be a marked increase in political headwinds at home or damaging flare-ups overseas, most notably on the trade front, where the imposition of debilitating tariffs on China or a number of our allies could bring on unwanted retaliation leading to damaging trade wars.

For now, although the business outlook continues to be bright, the stock market remains volatile. All told, P/E ratios are still at the upper end of their historical range, suggesting that the bull market's hold could be less secure than it was during the upturn's more formative stages, especially if trade wars intensify or we suffer a marked increase in inflation.

Results of Operations for Fiscal Years 2018, 2017 and 2016

The following table illustrates the Company's key components of revenues and expenses.

(\$ in thousands, except earnings per share)	Fiscal Years Ended April 30,			Change	
	2018	2017	2016	'18 vs. '17	'17 vs. '16
Income from operations including gain on sale of operating facility in fiscal 2017	\$2,572	\$7,459	\$1,880	-65.5%	296.8%
Non-voting revenues and non-voting profits interests from EAM Trust	8,786	7,714	7,651	13.9%	0.8%
Income from operations plus non-voting revenues and non-voting profits interests from EAM Trust	11,358	15,173	9,531	-25.1%	59.2%
Operating expenses	33,296	35,238	32,666	-5.5%	7.9%
Income from securities transactions, net	540	312	477	73.1%	-34.6%
Income before income taxes	\$11,898	\$15,485	\$10,008	-23.2%	54.7%
Net income*	\$14,738	\$10,367	\$7,291	42.2%	42.2%
Earnings per share	\$1.52	\$1.07	\$0.75	42.1%	42.7%

*"Net income" activity exceeds pre-tax income because the one-time tax adjustment from the Federal Income tax rate changes effective January 1, 2018 in our favor is actually larger than our current year income tax.

During the twelve months ended April 30, 2018, the Company's net income of \$14,738,000, or \$1.52 per share, was \$4,371,000 or 42.2% above net income of \$10,367,000, or \$1.07 per share, for the twelve months ended April 30, 2017 due to the fiscal 2018 reduction in the U.S. statutory federal corporate income tax rate from 35% to 21% on the Company's long-term deferred tax liabilities, resulting in a tax benefit of 54.51% of pre-tax income for the twelve months ended April 30, 2018. The Company re-calculated its net deferred tax assets and liabilities using the Federal Tax Rate under the Tax Act. The effect of the re-calculation was reflected entirely in the third quarter ended January 31, 2018 (the period that included the enactment date) and was allocated directly to both current and deferred income tax expenses from continuing operations. Income from operations of \$2,572,000 during the twelve months ended April 30, 2018 was \$4,887,000 below income from operations of \$7,459,000, which included a pre-tax gain of \$8,123,000 from the sale of the Company's operating facility during the twelve months ended April 30, 2017 for which it received net proceeds of \$11,555,000 on July 29, 2016 and additional depreciation and amortization expense of \$3,498,000 in fiscal 2017. During the twelve months ended April 30, 2018 there were 9,703,255 average common

shares outstanding as compared to 9,721,958 average common shares outstanding during the twelve months ended April 30, 2017.

During the twelve months ended April 30, 2017, the Company's net income of \$10,367,000, or \$1.07 per share, was \$3,076,000 or 42.2% above net income of \$7,291,000, or \$0.75 per share, for the twelve months ended April 30, 2016. During the twelve months ended April 30, 2017 there were 9,721,958 average common shares outstanding as compared to 9,781,495 average common shares outstanding during the twelve months ended April 30, 2016. Income from operations of \$7,459,000 for the twelve months ended April 30, 2017 which included additional depreciation and amortization expense of \$806,000 was \$5,579,000 above income from operations of \$1,880,000 for the twelve months ended April 30, 2016. During the twelve months of fiscal 2017 both net income and income from operations included a pre-tax gain of \$8,123,000 from the sale of the Company's operating facility for which it received net proceeds of \$11,555,000 on July 29, 2016. The fulfillment and mailing operations housed within the facility were relocated to a nearby area of New Jersey. During the fourth quarter ended April 30, 2017, the Company's reported loss from operations of \$489,000 was the result of an increase in salaries and employee benefits primarily in the Information Technology department related to augmenting the Company's digital infrastructure and production processes accompanied by increased expenses related to relocating the Company's New York City office facility.

Total operating revenues

(\$ in thousands)	Fiscal Years Ended April 30,			Change	
	2018	2017	2016	'18 vs. '17	'17 vs. '16
Investment periodicals and related publications:					
Print	\$13,850	\$14,094	\$15,659	-1.7 %	-10.0 %
Digital	15,653	16,074	16,266	-2.6 %	-1.2 %
Total investment periodicals and related publications	29,503	30,168	31,925	-2.2 %	-5.5 %
Copyright data fees	6,365	4,406	2,621	44.5 %	68.1 %
Gain on sale of operating facility	-	8,123	-	-100.0 %	n/a
Total operating revenues	\$35,868	\$42,697	\$34,546	-16.0 %	23.6 %

Within investment periodicals and related publications, subscription sales orders are derived from print and digital products. The following chart illustrates the changes in the sales orders associated with print and digital subscriptions.

Sources of subscription sales

	Fiscal Years Ended April 30,					
	2018		2017		2016	
	Print	Digital	Print	Digital	Print	Digital
New Sales	15.5 %	15.2 %	13.0 %	14.6 %	12.0 %	16.3 %
Conversion and Renewal Sales	84.5 %	84.8 %	87.0 %	85.4 %	88.0 %	83.7 %
Total Gross Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

During twelve months ended April 30, 2018 new sales of print publications increased as a percent of the total gross print sales as a result of an increase in new print retail sales orders while conversion and renewal sales of print orders decreased from the prior fiscal year. New sales of digital publications slightly increased as a percent of the total gross digital sales as a result of an increase in new digital institutional sales orders. Conversion and renewal sales of digital services decreased as a percent of the total gross digital sales over the prior fiscal year.

During the twelve months ended April 30, 2017 new sales of print publications increased as a percent of the total gross print sales as a result of an increase in new print gross sales to Institutions. Conversion and renewal sales of print orders decreased from the prior fiscal year. New sales of digital publications decreased as a percent of the total gross digital sales as a result of a decrease in new digital retail sales orders, related to a two-year trend of lower advertising expenditures. Conversion and renewal sales of digital services increased over the prior fiscal year as a result of increased efforts by our in-house Retail and Institutional Sales departments.

(\$ in thousands)	As of April 30,			Change	
	2018	2017	2016	'18 vs. '17	'17 vs. '16
Unearned subscription revenue (current and long term liabilities)	\$25,525	\$25,659	\$25,442	-0.5%	0.9%

Unearned subscription revenue as of April 30, 2018 is slightly below April 30, 2017 and is 1% above April 30, 2016. A certain amount of variation is to be expected due to the timing of advertising for order generation, the volume of new orders and timing of renewal orders, direct mail campaigns and large Institutional Sales orders.

Investment periodicals and related publications revenues

Investment periodicals and related publications revenues decreased \$665,000, or 2.2%, for the twelve months ended April 30, 2018, as compared to fiscal 2017. The Company continued its efforts to attract new subscribers through various marketing channels, primarily direct mail, e-mail, and by the efforts of our sales personnel. Total product line circulation at April 30, 2018 was comparable to total product line circulation at April 30, 2017. Institutional Sales generated total sales orders of \$14,487,000 for the twelve months ended April 30, 2018. The retail telemarketing sales team generated total sales orders of \$8,872,000 for the twelve months ended April 30, 2018.

Print publication revenues of \$13,850,000 decreased \$244,000 or 1.7% for the twelve months ended April 30, 2018 as compared to the prior fiscal year. Revenues from institutional print publications increased \$189,000 or 8.3% while print publications revenues from retail subscribers decreased \$433,000 or 3.7% for the twelve months ended April 30, 2018, as compared to the prior fiscal year. Total print circulation at April 30, 2018 was 3.8% above total print circulation at April 30, 2017. Digital publications revenues of \$15,653,000 during the twelve months ended April 30, 2018 were \$421,000 or 2.6% below the prior fiscal year. Revenues from institutional digital publications were comparable to the prior fiscal year. Digital publications revenues from retail subscribers decreased \$404,000 or 9.3% as compared to the prior fiscal year. Total digital circulation at April 30, 2018 was 6.0% below total digital circulation at April 30, 2017.

Investment periodicals and related publications revenues decreased \$1,757,000, or 5.5%, for the twelve months ended April 30, 2017, as compared to fiscal 2016. Total product line circulation at April 30, 2017 was 7.1% below total product line circulation at April 30, 2016. Institutional Sales generated total sales orders of \$14,757,000 for the twelve months ended April 30, 2017 compared to total sales orders of \$14,240,000, for the twelve months ended April 30, 2016. The retail telemarketing sales team generated total sales orders of \$9,255,000 for the twelve months ended April 30, 2017.

Print publication revenues decreased \$1,565,000 or 10.0% for the twelve months ended April 30, 2017 as compared to fiscal 2016. Revenues from institutional print publications increased \$152,000 or 7.1% while print publications revenues from retail subscribers decreased \$1,717,000 or 12.7% for the twelve months ended April 30, 2017, as compared to fiscal 2016. This includes the effect of 52 weeks of print revenues recorded in the twelve months ended April 30, 2017 as compared to 53 weeks recorded in the twelve months ended April 30, 2016. Total print circulation at April 30, 2017 was 6.9% below total print circulation at April 30, 2016. Digital publications revenues during the twelve months ended April 30, 2017, were \$192,000 or 1.2% below fiscal 2016. Revenues from institutional digital publications increased \$123,000 or 1.1% as compared to fiscal 2016. Digital publications revenues from retail subscribers decreased \$316,000 or 6.8% with circulation decreasing by 7.4% for the twelve months ended April 30, 2017, as compared to fiscal 2016.

Value Line serves primarily individual and professional investors in stocks, who pay, primarily on annual subscription plans, for basic services or as much as \$100,000 or more annually for comprehensive premium quality research, not obtainable elsewhere. The ongoing goal of adding new subscribers has led us to experiment with varying terms for our reliable, proprietary research including a period of intensive promotion of “starter” services and publications.

The Value Line proprietary Ranking System information (the “Ranking System”), a component of the Company’s flagship product, *The Value Line Investment Survey*, is also utilized in the Company’s copyright data business. The Ranking System is made available to EAM for specific uses without charge. During the six month period ended April 30, 2018, the combined Ranking System “Rank 1 & 2” stocks’ increase of 0.4% underperformed the S&P 500 Index’s increase of 2.8% during the comparable period. During the twelve month period ended April 30, 2018, the combined Ranking System “Rank 1 & 2” stocks’ increase of 8.8% underperformed the S&P 500 Index’s increase of 11.1% during the comparable period. During the twelve month period ended May 31, 2018, the combined Ranking System “Rank 1 & 2” stocks’ increase of 14.5% outperformed the S&P 500 Index’s increase of 12.2% during the comparable period.

Copyright data fees

During the twelve months ended April 30, 2018, copyright data fees revenues of \$6,365,000 were \$1,959,000 or 44.5% above the prior fiscal year. At April 30, 2018, total third party sponsored assets were \$4.2 billion, as compared to \$3.6 billion in assets at April 30, 2017. During the twelve months ended April 30, 2016, copyright data fees were \$2,621,000. The largest of the individual financial institutes active under Value Line’s copyright data program has again earned a five star Morningstar rating.

Investment management fees and services – (unconsolidated)

The Company has a substantial non-voting revenues and non-voting profits interests in EAM, the asset manager to the Value Line Mutual Funds. Accordingly, the Company does not report this operation as a separate business segment, although it maintains a significant interest in the cash flows generated by this business and will receive ongoing payments in respect of its non-voting revenues and non-voting profits interests.

Total assets in the Value Line Funds managed and/or distributed by EAM at April 30, 2018, were \$2.48 billion, which is \$70 million, or 2.8%, above total assets of \$2.41 billion in the Value Line Funds managed and/or distributed by EAM at April 30, 2017. The increase reflects successful investment selection capturing market appreciation, offset by net redemptions in ten of the eleven Value Line Funds over the twelve month period ended April 30, 2018.

Total assets in the Value Line Funds managed and/or distributed by EAM at April 30, 2017, were \$2.4 billion, which is \$192 million, or 8.6%, above total assets of \$2.2 billion in the Value Line Funds managed and/or distributed by EAM at April 30, 2016, reflecting market appreciation offset by net redemptions in all but two of the twelve Value Line Funds over the twelve month period ended April 30, 2017.

Shares of Value Line Strategic Asset Management Trust (“SAM”) and Value Line Centurion Fund (“Centurion”) are within certain variable annuity and variable life insurance contracts issued by The Guardian Insurance & Annuity Company, Inc. (“GIAC”); new contracts of this type are no longer sold.

Sales and inflows for the Value Line Equity and Fixed Income Funds during fiscal 2018 decreased 12.2% and 12.9%, respectively, as compared to fiscal 2017 and the Value Line Funds continue to experience net redemptions and the associated net asset outflows (redemptions less new sales) for the last three fiscal years.

The following table shows the change in assets for the past three fiscal years including sales (inflows), redemptions (outflows), dividends and capital gain distributions, and market value changes. Inflows for sales, and outflows for redemptions reflect decisions of individual investors. The table also illustrates the assets within the Value Line Funds broken down into equity funds, variable annuity funds and fixed income funds as of April 30, 2018, 2017 and 2016.

Value Line Mutual Funds*Total Net Assets*

For the Years Ended April 30,	2018	2017	2016	2018	2017	
				vs.	vs.	
				2017	2016	
Value Line equity fund assets (excludes variable annuity)— beginning (1)	\$ 1,877,029,899	\$ 1,681,698,049	\$ 1,737,521,140	11.6 %	-3.2 %	%
Sales/inflows	357,940,388	410,927,024	441,634,248	-12.9 %	-7.0 %	%
Redemptions/outflows	(381,198,181)	(384,689,816)	(350,894,662)	-0.9 %	9.6 %	%
Dividend and Capital Gain Distributions	(99,410,947)	(97,996,109)	(142,675,717)	1.4 %	-31.3 %	%
Market value change	236,904,099	267,090,750	(3,886,961)	-11.3 %	6771.5 %	%
Value Line equity fund assets (non-variable annuity)— ending	1,991,265,258	1,877,029,899	1,681,698,049	6.1 %	11.6 %	%
Variable annuity fund assets — beginning (2)	\$ 405,395,163	\$ 399,566,320	\$ 459,820,828	1.5 %	-13.1 %	%
Sales/inflows	28,395,736	35,751,469	26,337,080	-20.6 %	35.7 %	%
Redemptions/outflows	(59,902,699)	(49,998,352)	(70,599,332)	19.8 %	-29.2 %	%
Dividend and Capital Gain Distributions	(21,078,180)	(26,230,225)	(18,508,679)	-19.6 %	41.7 %	%
Market value change	26,160,450	46,305,950	2,516,423	-43.5 %	1740.1 %	%
Variable annuity fund assets — ending	378,970,470	405,395,163	399,566,320	-6.5 %	1.5 %	%
Fixed income fund assets — beginning (3)	\$ 131,309,317	\$ 141,430,806	\$ 153,016,581	-7.2 %	-7.6 %	%
Sales/inflows	4,920,663	26,354,593	6,109,851	-81.3 %	331.3 %	%
Redemptions/outflows	(22,403,260)	(33,640,443)	(19,121,358)	-33.4 %	75.9 %	%
Dividend and Capital Gain Distributions	(21,515)	(42,068)	202,957	-48.9 %	-120.7 %	%
Market value change	(2,945,007)	(2,793,571)	1,222,774	5.4 %	-328.5 %	%
Fixed income fund assets — ending	110,860,197	131,309,317	141,430,806	-15.6 %	-7.2 %	%
Assets under management — ending	\$ 2,481,095,925	\$ 2,413,734,379	\$ 2,222,695,176	2.8 %	8.6 %	%

The Value Line Fund shareholders are provided a money market fund investment managed by Federated Government Obligations Fund.

In February 2018 the Value Line Income and Growth Fund changed its name to the Value Line Capital Appreciation Fund. The name was changed to better reflect the equity allocation and be more descriptive of its investment strategy.

As of April 30, 2018, four of six Value Line equity and hybrid mutual funds, excluding SAM and Centurion, held an overall four or five star rating by Morningstar, Inc. As of April 30, 2017, all six Value Line equity and hybrid mutual funds, excluding SAM and Centurion, held an overall four or five star rating by Morningstar, Inc.

Several of the Value Line Funds have received national recognition. The Value Line Mid-Cap Focused Fund, the Value Line Small Cap Opportunities Fund and the Value Line Capital Appreciation Fund have been named “Category Kings” in *The Wall Street Journal* in multiple months in calendar 2017 and 2018.

EAM Trust - Results of operations before distribution to interest holders

The overall results of EAM’s investment management operations during the twelve months ended April 30, 2018, before interest holder distributions, included total investment management fees earned from the Value Line Funds of \$15,988,000, 12b-1 fees and other fees of \$6,455,000 and other income of \$171,000 which included dividend, interest and licensing fees income. For the same period, total investment management fee waivers were approximately \$487,000 and 12b-1 fee waivers for four Value Line Funds were approximately \$754,000. During the twelve months ended April 30, 2018, EAM's net income was \$1,492,000 after giving effect to Value Line’s non-voting revenues interest of \$8,040,000, but before distributions to voting profits interest holders and to the Company in respect of its 50% non-voting profits interest.

The overall results of EAM’s investment management operations during the twelve months ended April 30, 2017, before interest holder distributions, include total investment management fees earned from the Value Line Funds of \$14,701,000, 12b-1 fees and other fees of \$5,822,000 and other income of \$205,000 which includes dividend, interest and licensing fees income. For the same period, total investment management fee waivers were \$474,000 and 12b-1 fee waivers for four Value Line Funds were \$923,000. During the twelve months ended April 30, 2017, EAM's net income was \$1,038,000 after giving effect to Value Line’s non-voting revenues interest of \$7,195,000, but before distributions to voting profits interest holders and to the Company in respect of its 50% non-voting profits interest.

The overall results of EAM’s investment management operations during the twelve months ended April 30, 2016, before interest holder distributions, include total investment management fees earned from the Value Line Funds of \$14,548,000, 12b-1 fees and other fees of \$5,669,000 and a net loss of \$14,000 on investments. For the same period, total investment management fee waivers were \$260,000 and 12b-1 fee waivers for four Value Line Funds were \$1,081,000. Removing management fee waivers on Asset Allocation Fund and the Core Bond Fund resulted in \$30,000 in increased management fees per month. During the twelve months ended April 30, 2016, EAM's net income

was \$880,000 after giving effect to Value Line's non-voting revenues interest of \$7,211,000, but before distributions to voting profits interest holders and to the Company in respect of its 50% non-voting profits interest.

As of April 30, 2018, three of the Value Line Funds have all or a portion of the 12b-1 fees being waived, and one fund has partial investment management fee waivers in place. Although, under the terms of the EAM Declaration of Trust, the Company no longer receives or shares in the revenues from 12b-1 distribution fees, the Company could benefit from the fee waivers to the extent that the resulting reduction of expense ratios and enhancement of the performance of the Value Line Funds attracts new assets.

The Value Line equity and hybrid funds assets represent 80.0%, variable annuity funds issued by GIAC represent 15.5%, and fixed income fund assets represent 4.5%, respectively, of total fund assets under management ("AUM") as of April 30, 2018. At April 30, 2018, equity, hybrid and GIAC variable annuities AUM increased by 3.4% and fixed income AUM decreased by 9.8% as compared to the prior fiscal year.

The Value Line equity and hybrid funds assets represent 78.1%, variable annuity funds issued by GIAC represent 16.8%, and fixed income fund assets represent 5.1%, respectively, of total fund assets under management (“AUM”) as of April 30, 2017. At April 30, 2017, equity, hybrid and GIAC variable annuities AUM increased by 10.2% and fixed income AUM decreased by 12.8% as compared to fiscal 2016.

EAM - The Company's non-voting revenues and non-voting profits interests

The Company holds non-voting revenues and non-voting profits interests in EAM which entitle the Company to receive from EAM an amount ranging from 41% to 55% of EAM's investment management fee revenues from its mutual fund and separate accounts business, and 50% of EAM's net profits, not less than 90% of which is distributed in cash every fiscal quarter.

The Company recorded income from its non-voting revenues interest and its non-voting profits interest in EAM as follows:

	Fiscal Years Ended April 30,			Change	
	2018	2017	2016	'18 vs. '17	'17 vs. '16
(\$ in thousands)					
Non-voting revenues interest	\$8,040	\$7,195	\$7,211	11.7%	-0.2%
Non-voting profits interest	746	519	440	43.7%	18.0%
	\$8,786	\$7,714	\$7,651	13.9%	0.8%

Operating expenses

	Fiscal Years Ended April 30,			Change	
	2018	2017	2016	'18 vs. '17	'17 vs. '16
(\$ in thousands)					
Advertising and promotion	\$3,780	\$3,473	\$3,685	8.8%	-5.8%

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Salaries and employee benefits	18,488	17,477	15,702	5.8 %	11.3 %
Production and distribution	5,857	9,063	8,725	-35.4 %	3.9 %
Office and administration	5,171	5,225	4,554	-1.0 %	14.7 %
Total expenses	\$33,296	\$35,238	\$32,666	-5.5 %	7.9 %

Expenses within the Company are categorized into advertising and promotion, salaries and employee benefits, production and distribution, office and administration.

Operating expenses of \$33,296,000 for the twelve months ended April 30, 2018 decreased \$1,942,000, or 5.5%, as compared to the twelve months ended April 30, 2017 primarily due to a \$3,498,000 decrease in depreciation and amortization expense partially offset by a \$307,000 increase in advertising expenses and a \$1,011,000 increase in salaries and employee benefits in fiscal 2018.

Operating expenses of \$35,238,000 for the twelve months ended April 30, 2017, increased \$2,572,000, or primarily from the additional depreciation and amortization of \$806,000 attributable to additional amortization of internally developed software costs related to the product production cycle for which the upgrade is expected to be completed during fiscal 2018, a \$1,035,000 decrease in capitalization of deferred software costs for digital product and database development and an increase in space rental and moving costs (New York City and New Jersey office facilities).

Advertising and promotion

During the twelve months ended April 30, 2018, advertising and promotion expenses of \$3,780,000 increased \$307,000 above those of fiscal 2017 primarily due to a \$249,000 increase in direct mail expenses and a \$285,000 increase in media marketing expenses. Direct mail expenses of \$1,256,000 during the twelve months ended April 30, 2018 increased above those of the prior fiscal year due to the increases in expenses for *The Value Line Investment Survey*, *The Value Line 600*, *The Value Line Small and Mid-Cap* and *The Value Line Special Situations* in fiscal 2018. During the twelve months ended April 30, 2018 sales commissions decreased \$241,000 as compared to fiscal 2017 based on the structure of commission schedules and the mix of renewal and new sales.

Advertising and promotion expenses of \$3,473,000 during the twelve months ended April 30, 2017 decreased \$212,000 or 5.8%, as compared to fiscal 2016. The decrease in direct mail expenses of \$275,000 during the twelve months ended April 30, 2017, is mainly attributable to a reduction in the number of campaigns for *The Value Line Investment Survey* and *The Value Line 600*, as compared to fiscal 2016 partially offset by an increase in direct marketing for *Value Line Select: Dividend Income & Growth*, *The Value Line Small and Mid-Cap* and *Special Situations* in fiscal 2017. During the twelve months ended April 30, 2017 sales commissions increased \$96,000 as compared to fiscal 2016.

Advertising and promotion expenses of \$3,685,000 during the twelve months ended April 30, 2016 decreased \$1,299,000 or 26.1%, as compared to fiscal 2015. The decreases in direct mail expenses of \$1,445,000 for the twelve months ended April 30, 2016, are mainly attributable to a reduction in the number of pieces mailed to prospects for *The Value Line Investment Survey* and *The Value Line 600*, as compared to fiscal 2015 partially offset by an increase in direct marketing for *Value Line Select* and *Value Line Select: Dividend Income & Growth* in fiscal 2016. The Company also negotiated vendor savings resulting in a \$157,000 reduction in expenses related to third party inbound telemarketing services and eliminated third party product support, bringing the operations in house. During the twelve months ended April 30, 2016 sales commissions increased \$296,000 and were associated with a \$1,949,000 increase in retail sales orders and a \$915,000 increase in institutional sales orders as compared to fiscal 2015. Commissions vary based on the type of customer, size of sale, and whether a sale is new or renewal.

Salaries and employee benefits

During the twelve months ended April 30, 2018 salaries and employee benefits of \$18,488,000 increased \$1,011,000 above those of fiscal 2017 primarily due to the increases in salaries and employee benefits in the Information Technology department (“IT”) related to the Company’s digital infrastructure and production processes and Quantitative Research departments.

During the twelve months ended April 30, 2017 salaries and employee benefits of \$17,477,000 increased \$1,775,000 or 11.3% above fiscal 2016 which included the effect of a decrease in the capitalization of internal salaries and benefits expenses for digital project development of \$1,035,000 during the twelve months ended April 30, 2017, as compared to fiscal 2016. The remaining increases in salaries and employee benefits, primarily in the Information Technology department (“IT”) related to augmenting the Company’s digital infrastructure and production processes and Institutional Sales and Research departments including recruiting fees, were partially offset by decreases in salaries and employee benefits in Human Resources, Advertising and fulfillment and distribution operations at VLDC during the twelve months ended April 30, 2017.

Salaries and employee benefits of \$15,702,000 during the twelve months ended April 30, 2016 were \$233,000 or 1.5% below fiscal 2015’s primarily as a result of a decrease in salary and employee benefits in Institutional Sales, Information Technology, Advertising and VLDC and a restructuring of the incentive compensation program which were partially offset by an increase in Executive, Quantitative Research and Research departments. The capitalization of internal salaries and employee benefits expenses of \$1,250,000 for digital project development decreased \$442,000 during the twelve months ended April 30, 2016, as compared to fiscal 2015.

During the twelve months ended April 30, 2018, 2017 and 2016, the Company recorded profit sharing expenses of \$496,000, \$345,000 and \$473,000, respectively.

Production and distribution

During the twelve months ended April 30, 2018, production and distribution expenses of \$5,857,000 decreased \$3,206,000 below those of fiscal 2017. During the twelve months ended April 30, 2018, a decrease of \$3,548,000 was attributable to a decline in amortization of internally developed software costs related to digital security and product production software. During the twelve months ended April 30, 2018, the decrease in production costs was partially offset by a \$294,000 increase in production support of the Company's website, maintenance of the Company's publishing and application software and operating systems and web "framework".

During the twelve months ended April 30, 2017, production and distribution expenses of \$9,063,000 increased \$338,000 or 3.9% above those of fiscal 2016. A major increase of \$877,000 was attributable to additional amortization of internally developed software costs related to the product production cycle for which the upgrade is expected to be completed during fiscal 2018. Additional increases in production costs include a \$333,000 increase in production support of the Company's website, upgrade of the Company's publishing and application operating system and Windows operating systems and framework. These increases in production costs were offset by a \$477,000 annual savings resulting from the Company's transition to an alternative provider of equity data effective January 1, 2016. Service mailers and distribution expenses decreased \$251,000 in fiscal 2017 due to switching to United States Postal Service delivery of subscriber binders from a private carrier, consolidating freight carriers and a 6.9% decline in print circulation during the twelve months ended April 30, 2017 as compared to the prior fiscal year. Also a decline in print circulation resulted in an \$81,000 decrease in paper and printing costs.

Production and distribution expenses of \$8,725,000 during the twelve months ended April 30, 2016 increased \$1,644,000 or 23.2% as compared to those of fiscal 2015. During the twelve months ended April 30, 2016, an increase of \$1,239,000 of production expenses was attributable to additional accelerated amortization of internally developed software costs related to the cessation of software development for certain data galleries. In addition, the Company continues to amortize capitalized software costs attributable to the upgrade of our fulfillment system, single sign on, website development and new service oriented database production architecture. Third party production and hosting expenses for Company's print and digital product files for internal use and delivery to the Company's third party that hosts our digital and mobile version of our equity based product offerings, that began on July 9, 2014 (ten months in fiscal year 2015 and twelve months in fiscal 2016) increased \$376,000 during fiscal 2016. Increase in expenses included a cost of \$159,000 to host production hardware moved to a third party cloud, \$163,000 of overlapping costs as the Company transitioned to equity data provided by an alternative vendor effective January 1, 2016 offset by \$151,000 savings in data costs. Distribution expenses decreased \$90,000 in fiscal 2016 due to switching to United States Postal Service delivery from a private carrier.

Office and administration

During the twelve months ended April 30, 2018, office and administration expenses of \$5,171,000, decreased \$54,000 below those of fiscal 2017. During the twelve months ended April 30, 2018, a decrease in office and administration expenses was primarily as a result of a \$431,000 decrease in the cost of space rental due to lower rent payments resulting from the sub-lease agreement with ABM Industries, Incorporated (“ABM” or the “Sublandlord”). In accordance with GAAP, we allocated the benefit of the free rent period and other concessions over the term of our new NYC sublease, commenced on December 1, 2016. In fact, however, the Company did not pay cash rent for the new New York City office facility from December 2016 through October 2017. Additional decreases include \$194,000 savings in real estate taxes due to the relocation of VLDC operations to a new downsized leased NJ facility upon the sale of the operating facility in July 2016 and relocation of the NYC office to a new smaller facility at 551 Fifth Ave., NY in February 2017. These savings in fiscal 2018 were partially offset by a \$370,000 increase in professional fees above those of fiscal 2017.

During the twelve months ended April 30, 2017, office and administration expenses of \$5,225,000 increased \$671,000 or 14.7% above those of fiscal 2016. During the twelve months ended April 30, 2017, total increase in office and administration costs included a \$409,000 increase in space rental is primarily due to overlapping rent expenses for financial statement purposes related to the Company’s New York City office facility and a \$192,000 increase in moving costs (New Jersey and New York City office facilities). Increase in space rental includes \$193,000 rent expense for the new New Jersey warehouse partially offset by \$186,000 savings in VLDC utilities, depreciation and real estate taxes due to the VLDC building sale in July 2016 and additional three months overlapping rent expense of \$86,000 per month for the current office facility and \$105,000 for the previously occupied office facility during the period from December 1, 2016 to February 28, 2017 which is being offset by lower rent payments according to the sub-lease agreement with American Building Maintenance (“ABM” or the “Sublandlord”). In accordance with GAAP, we spread the benefit of a free rent period and other concessions over the term of our new NYC sublease, commencing on December 1, 2016. In fact, however, the Company is not paying cash rent for the new New York City office facility from December 2016 through September 2017.

Total office and administration expenses of \$4,554,000, during the twelve months ended April 30, 2016 decreased \$570,000 or 11.1% as compared to fiscal 2015. For the twelve months ended April 30, 2016, office and administration expenses included a decrease of \$423,000 in disaster recovery site hosting fees that resulted from changing the third party vendor.

Concentration

During the twelve months ended April 30, 2018, 17.7% of total publishing revenues of \$35,868,000 were derived from a single customer.

Lease Commitments

On November 30, 2016, Value Line, Inc. received consent from the landlord at 551 Fifth Avenue, New York, NY to the terms of a new sublease agreement between Value Line, Inc. and ABM Industries, Incorporated commencing on December 1, 2016. Pursuant to the agreement Value Line leased from ABM 24,726 square feet of office space located on the second and third floors at 551 Fifth Avenue, New York, NY (“Building” or “Premises”) beginning on December 1, 2016 and ending on November 29, 2027. Base rent under the sublease agreement is \$1,126,000 per annum during the first year with an annual increase in base rent of 2.25% scheduled for each subsequent year, payable in equal monthly installments on the first day of each month, subject to customary concessions in the Company’s favor and pass-through of certain increases in utility costs and real estate taxes over the base year. The Company provided a security deposit represented by a letter of credit in the amount of \$469,000 in October 2016, which is scheduled to be reduced to \$305,000 on September 30, 2021 and fully refunded after the sublease ends. This Building became the Company’s new corporate office facility. The Company is required to pay for certain operating expenses associated with the Premises as well as utilities supplied to the Premises. The sublease terms provide for a significant decrease (23% initially) in the Company’s annual rental expenditure taking into account free rent for the first six months of the sublease. Sublandlord provided Value Line a work allowance of \$417,000 which accompanied with the six months free rent worth \$563,000 was applied against the Company’s obligation to pay rent at our NYC headquarters, delaying the actual rent payments until November 2017.

On February 29, 2016, the Company’s subsidiary VLDC and Seagis Property Group LP (the “Landlord”) entered into a lease agreement, pursuant to which VLDC has leased 24,110 square feet of warehouse and appurtenant office space located at 205 Chubb Ave., Lyndhurst, NJ (“Warehouse”) beginning on May 1, 2016 and ending on April 30, 2024 (“Lease”). Base rent under the Lease is \$192,880 per annum payable in equal monthly installments on the first day of each month, in advance during fiscal 2017 and will gradually increase to \$237,218 in fiscal 2024, subject to customary increases based on operating costs and real estate taxes. The Company provided a security deposit in cash in the amount of \$32,146, which will be fully refunded after the lease term expires. The lease is a net lease requiring the Company to pay for certain operating expenses associated with the Warehouse as well as utilities supplied to the Warehouse.

Income from Securities Transactions, net

(\$ in thousands)	Fiscal Years Ended April 30,			Change	
	2018	2017	2016	'18 vs. '17	'17 vs. '16
Dividend income	\$226	\$193	\$142	17.1 %	35.9 %
Interest income	103	33	-	212.1 %	n/a
Capital gain distributions from ETFs	152	39	105	289.7 %	-62.9 %
Capital gain/(loss)	-	-	224	n/a	-100.0 %
Other	59	47	6	25.5 %	683.3 %
Total income/(loss) from securities transactions and other, net	\$540	\$312	\$477	73.1 %	-34.6 %

During the twelve months ended April 30, 2018 and April 30, 2017 the Company's income from securities transactions, net, primarily derived from dividend income, was \$540,000 and \$312,000, respectively. Proceeds from maturities and sales of government debt securities classified as available-for-sale were \$3,384,000 and \$750,000 during the twelve months ended April 30, 2018 and April 30, 2017, respectively. Proceeds from sales of equity securities classified as available-for-sale were \$152,000 and \$53,000 during the twelve months ended April 30, 2018 and April 30, 2017, respectively. In fiscal 2018 income from securities transactions, net, included capital gain distributions from ETFs of \$152,000 which compares to capital gain distributions from ETFs of \$39,000 in fiscal 2017.

During the twelve months ended April 30, 2017 and April 30, 2016 the Company's income from securities transactions, net, primarily derived from dividend income, was \$312,000 and \$477,000, respectively. In fiscal 2017 income from securities transactions, net, included capital gain distribution from ETFs of \$39,000 which compares to capital gain distribution from ETFs of \$105,000 in fiscal 2016. There were no gains or losses from sales of equity securities, proceeds of which were \$53,000 during the twelve months ended April 30, 2017. During the twelve months ended April 30, 2016 sales of equity securities generated proceeds of \$10,206,000 and resulted in a \$224,000 capital gain.

Effective income tax rate

The overall effective income tax rates, as a percentage of pre-tax ordinary income for the twelve months ended April 30, 2018, 2017 and 2016 were (23.87%), 33.05% and 27.15%, respectively. In fiscal 2018 the U.S. statutory federal corporate income tax rate was reduced from 35% to 21% on the Company's long-term deferred tax liabilities, resulting in a tax benefit of 54.51% of pre-tax income for the twelve months ended April 30, 2018, primarily attributable to the effect on the long-term deferred tax liability. The Company re-calculated its net deferred tax assets and liabilities using the Federal Tax Rate under the Tax Act. The effect of the re-calculation was reflected entirely in the third quarter ended January 31, 2018 (the period that included the enactment date) and was allocated directly to both current and deferred income tax expenses from continuing operations. The Company's annualized overall effective tax rate fluctuates due to a number of factors, in addition to the new tax law, including but not limited to an increase or decrease in the ratio of items that do not have tax consequences to pre-tax income, the Company's geographic profit mix between tax jurisdictions, taxation method adopted by each locality, new interpretations of existing tax laws and rulings and settlements with tax authorities.

Liquidity and Capital Resources

The Company had working capital, defined as current assets less current liabilities, of \$1,690,000 as of April 30, 2018 and \$1,200,000 as of April 30, 2017. These amounts include short-term unearned revenue of \$19,717,000 and \$20,188,000 reflected in total current liabilities at April 30, 2018 and April 30, 2017, respectively. Cash and short-term securities were \$23,785,000 and \$23,133,000 as of April 30, 2018 and April 30, 2017, respectively.

The Company's cash and cash equivalents include \$4,982,000 and \$6,066,000 at April 30, 2018 and April 30, 2017, respectively, invested primarily in commercial banks and in Money Market Funds at brokers, which operate under Rule 2a-7 of the 1940 Act and invest primarily in short-term U.S. government securities.

Cash from operating activities

The Company had cash inflows from operating activities of \$1,071,000 during the twelve months ended April 30, 2018 compared to cash outflows from operations of \$3,678,000 and cash inflows from operations of \$2,004,000 during the twelve months ended April 30, 2017 and 2016, respectively. The increase in cash flows from fiscal 2017 to fiscal 2018 was primarily attributable to the timing of vendor payments, an increase in earnings before non-cash items that resulted from cost controls offset by a decrease in the Federal taxes due to the Federal tax rate change in fiscal 2018. The increase in cash outflows of \$5,682,000 from fiscal 2016 to fiscal 2017 resulted from the payment of additional income taxes of \$3,279,000, primarily attributable to the sale of the Company's VLDC operating facility and the timing of payments of invoices and prepayments to vendors in fiscal 2017.

Cash from investing activities

The Company's cash inflows from investing activities of \$7,596,000 during the twelve months ended April 30, 2018 compared to cash inflows from investing activities of \$4,470,000 and \$12,207,000 for the twelve months ended April 30, 2017 and April 30, 2016, respectively. Cash inflows for the twelve months ended April 30, 2018 were higher than in fiscal 2017 as a result of reduced equipment and software purchases and increased distribution from EAM in fiscal 2018. Cash inflows for the twelve months ended April 30, 2017 were lower than in fiscal 2016 primarily due to investing \$13,228,000 in fixed income and equity securities from the net proceeds of \$11,555,000 from the sale of the Company's operating facility as compared to \$3,854,000 invested in equity securities from the \$10,206,000 of proceeds from sales of securities classified as available for sale during fiscal 2016. Additionally, the Company invested \$469,000 in a bank money market fund and pledged this investment to represent cash securing a Bank Letter of Credit issued to the sublandlord as a security deposit for the Company's new leased corporate office facility in fiscal 2017.

Cash from financing activities

During the twelve months ended April 30, 2018, the Company's cash outflows from financing activities were \$9,283,000 and compared to cash outflows from financing activities of \$7,357,000 and \$6,963,000 for the twelve months ended April 30, 2017 and 2016, respectively. Cash outflows for financing activities included \$354,000, \$741,000 and \$796,000 for the repurchase of 20,045 shares, 44,924 shares and 52,907 shares of the Company's common stock under the September 19, 2012 board approved common stock repurchase program, during fiscal years 2018, 2017 and 2016, respectively. Quarterly regular dividend payments of \$0.18 per share during fiscal 2018 and a special dividend of \$0.20 per share declared in January 2018 aggregated \$8,929,000. Quarterly dividend payments of \$0.17 per share during fiscal 2017 aggregated \$6,616,000. Quarterly dividend payments of \$0.15 per share during the first quarter and \$0.16 per share during the latter three quarters in fiscal 2016 aggregated \$6,167,000.

At April 30, 2018 there were 9,691,620 common shares outstanding as compared to 9,711,665 common shares outstanding at April 30, 2017. The Company expects financing activities to continue to include use of cash for dividend payments for the foreseeable future.

Management believes that the Company's cash and other liquid asset resources used in its business together with the future cash flows from operations and from the Company's non-voting revenues and non-voting profits interests in EAM will be sufficient to finance current and forecasted liquidity needs for the next twelve months. Management does not anticipate making any borrowings during the next twelve months. As of April 30, 2018, retained earnings and liquid assets were \$44,902,000 and \$23,785,000, respectively.

Seasonality

Our publishing revenues are comprised of subscriptions which are generally annual subscriptions. Our cash flows from operating activities are minimally seasonal in nature, primarily due to the timing of customer payments made for orders and subscription renewals.

Recent Accounting Pronouncements

In November 2015, the FASB issued ASU 2015-17, Income taxes (Topic 740): Balance Sheet Classification of Deferred Taxes. Under existing standards, deferred taxes for each tax-paying jurisdiction are presented as a net current asset or liability and net long-term asset or liability. To simplify presentation, the new guidance requires that all deferred tax assets and liabilities, along with related valuation allowances, be classified as long-term on the balance sheet. As a result, each tax-paying jurisdiction will now only have one net long-term asset or liability. The new guidance does not change the existing requirement that prohibits offsetting deferred tax liabilities from one jurisdiction against deferred tax assets of another jurisdiction. ASU 2015-17 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016, which is our fiscal year 2018 beginning May 1, 2017. The Company implemented ASU 2015-17 in the first quarter of fiscal 2018 retroactively to include the results as of April 30, 2017 for comparative purposes. The adoption of ASU 2015-17 does not have a material impact on our consolidated condensed financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) ("ASU 2016-02"). The core principle of Topic 842 requires that a lessee should recognize the assets and liabilities on the balance sheet and disclose key information about leasing arrangements. The amendments in ASU 2016-2 are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The guidance is required to be adopted at the earliest period presented using a modified retrospective approach. The Company is in the process of evaluating the impact of this standard on the consolidated financial statements.

In August, 2016, the FASB issued Accounting Standards Update No. 2016-15, Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force) (“ASU 2016-15”). The amendments in ASU 2016-15 address eight specific cash flow issues and apply to all entities that are required to present a statement of cash flows under ASC Topic 230, Statement of Cash Flows. The amendments in ASU 2016-15 are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption during an interim period. The Company is in the process of evaluating the impact of this standard on the consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606)”, which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. In addition, ASU No. 2014-09 requires disclosures of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. ASU No. 2014-09 supersedes most existing U.S. GAAP revenue recognition principles, and it permits the use of either the retrospective or cumulative effect transition method. ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual periods. The Company is evaluating the effect that ASU No. 2014-09 will have on its consolidated condensed financial statements and related disclosures, as well as the expected method of adoption. The Company plans to adopt ASU No. 2014-09 in the first quarter of fiscal 2019, and does not believe it will have a material impact on its consolidated condensed financial statements and related disclosures.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)". This ASU requires that the reconciliation of the beginning-of-period and end-of-period amounts shown in the statement of cash flows include cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. ASU No. 2016-18 is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual periods. The Company is evaluating the effect that ASU No. 2016-18 will have on its consolidated financial statements and related disclosures. The Company plans to adopt ASU No. 2016-18 in the first quarter of fiscal 2019, and does not believe it will have a material impact on its consolidated condensed financial statements and related disclosures.

On June 21, 2018, the United States Supreme Court reversed the 1992 ruling in *Quill*, which protected firms mailing items by common carrier into a state where it had no physical presence from having to collect sales tax in such state. The Company is evaluating the impact, if any, of the 2018 ruling (*South Dakota vs. Wayfair*) on its operations.

Critical Accounting Estimates and Policies

The Company prepares its consolidated financial statements in accordance with Generally Accepted Accounting Principles as in effect in the United States (U.S. "GAAP"). The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent, and the Company evaluates its estimates on an ongoing basis. Actual results may differ from these estimates under different assumptions or

conditions. The Company believes the following critical accounting policies reflect the significant judgments and estimates used in the preparation of its Consolidated Financial Statements:

- Revenue recognition
- Income taxes
- Valuation of EAM

Revenue Recognition

The majority of the Company's revenues come from the sale of print and digital subscriptions and fees for copyright proprietary information. The Company recognizes subscription revenue, net of discounts, in equal amounts over the term of the subscription, which generally ranges from three months to one year or longer, varying based on the product or service. Copyright data fees are calculated monthly based on market fluctuation and billed quarterly. The Company believes that the estimates related to revenue recognition are critical accounting estimates, and to the extent

that there are material differences between its determination of revenues and actual results, its financial condition or results of operations may be affected.

Income Taxes

The Company's effective annual income tax expense rate is based on the U.S. federal and state and local jurisdiction tax rates on income and losses that are part of its Consolidated Financial Statements. Tax-planning opportunities, non-taxable income, expenses that are not deductible in the Company's tax returns, and the blend of business income, including income derived from the Company's non-voting revenue and non-voting profits interests in EAM and income from securities transactions, will impact the effective tax rate in the jurisdictions in which the Company operates. Significant judgment is required in evaluating the Company's tax positions.

Tax law requires items to be included in the tax return at different times from when these items are reflected in the Company's Consolidated Financial Statements. As a result, the effective tax rate reflected in the Company's Consolidated Financial Statements is different from the tax rate reported on the Company's tax returns (the Company's cash tax rate). These differences reverse over time, such as depreciation and amortization expenses. These timing differences create deferred tax assets and liabilities. Deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and the tax basis of assets and liabilities.

On December 22, 2017 H.R. 1, originally known as the Tax Cuts and Jobs Act, (the "Tax Act") was enacted. The Tax Act lowers the U.S. federal income tax rate ("Federal Tax Rate") from 35% to 21% effective January 1, 2018. Accordingly, the Company computes its income tax expense for the fiscal year ending April 30, 2018 using a blended Federal Tax Rate of 30.33%. The 21% Federal Tax Rate will apply to fiscal year ending April 30, 2019 and each year thereafter. The Company re-calculated its net deferred tax assets and liabilities using the Federal Tax Rate under the Tax Act. The effect of the re-calculation was reflected entirely in the third quarter ended January 31, 2018 (the period that included the enactment date) and was allocated directly to both current and deferred income tax expenses from continuing operations.