



HOULIHAN LOKEY

TRAINING AND EDUCATION

INDUSTRY UPDATE | Summer 2019



Houlihan Lokey Training and Education Update

Houlihan Lokey is pleased to present its Training and Education Summer 2019 Industry Update.

Since our last issue, the M&A and financing markets have been very active for training and education companies. In this issue, we summarize key events, public trading multiples, and deal activity, including numerous Houlihan Lokey-advised transactions. In addition, we provide an industry overview of the Occupational Safety and Health Administration (OSHA) training sector, featuring a Spotlight Interview with John Comly, CEO of American Safety Council, a leading OSHA training player.

Regards,

The Houlihan Lokey Training and Education Team



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Industry Sectors Covered

 AUTHORING TOOLS	 CLASSROOM TOOLS	 CODING BOOT CAMPS	 CONTENT	 CORPORATE UNIVERSITY	 EARLY CHILDHOOD EDUCATION	 ED TECH
 FOR-PROFIT	 HEALTH AND SAFETY	 HEALTHCARE	 IT	 K-12	 LEADERSHIP	 LMS/LCMS
 POSTSECONDARY	 PROFESSIONAL	 PUBLISHING	 SALES	 SIMULATION	 TECH-ENABLED SERVICES	 WORKFORCE

Industry Snapshot

OSHA Training

OSHA Training and the Voluntary OSHA Outreach Training Program

With the Occupational Safety and Health Act of 1970, Congress created OSHA to assure safe and healthy working conditions for men and women by setting and enforcing standards and by providing training, outreach, education, and assistance.

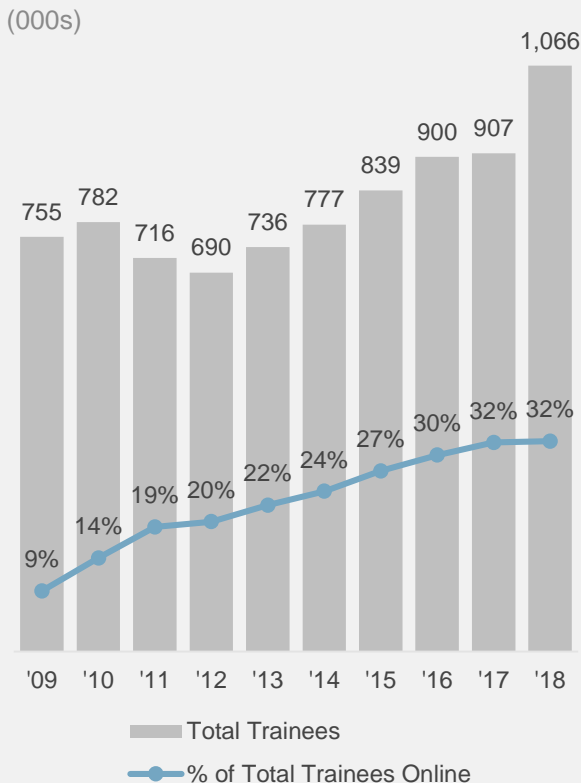
Many OSHA standards include explicit safety and health training requirements to ensure that workers have the required skills and knowledge to safely do their work. Under the OSHA law, all required training must be provided by and paid for by employers.



The training requirements contained in OSHA's standards are organized into five categories: General Industry, Maritime, Construction, Agriculture, and Federal Employee Programs.

ONLINE OSHA TRAINING

Over 32% of OSHA training is completed online, with a 4.9x increase in online trainees since 2009



In 1971, in order to support its training mission, OSHA established the Voluntary OSHA Outreach Training Program to provide basic safety and health information and education. Through the program, safety professionals can become authorized to deliver 10-hour and 30-hour classes on the recognition, avoidance, abatement, and prevention of safety and health hazards in the workplace.

Outreach training courses are not required by OSHA, nor do they meet training requirements for any OSHA standards. However, some states, municipalities, or organizations require outreach training as a condition of employment.

















The 10-hour training program is primarily intended for entry-level workers. The 30-hour training program is intended to provide workers with some safety responsibility a greater depth and variety of training. All outreach training is intended to cover an overview of the hazards a worker may encounter on a job site.

Outreach training is delivered only by OSHA-authorized trainers, either in-person or online. There are a total of nine OSHA-authorized online outreach training program providers, as shown in the table on the next page.



Industry Snapshot (cont.)

OSHA Training

OSHA-Authorized Online Outreach Training Providers

Company	Ownership	Headquarters	Construction		General	
			10-hour	30-hour	10-hour	30-hour
 360training.com™	P/W/P PERELLA WEINBERG PARTNERS	Austin, TX	✓	✓	✓	
 AdvanceOnline	Private	Houston, TX	✓	✓	✓	
 AMERICAN SAFETY COUNCIL <i>(affiliation with University of South Florida)</i>	 FALFURRIAS CAPITAL	Orlando, FL	✓	✓	✓	✓
 > CareerSafe® SAFETY EDUCATION FOR AMERICA'S FUTURE	Private	College Station, TX	✓		✓	
 CLICKSAFETY® <i>Safety. Compliance. Your Future.</i> <i>(Ascend Learning)</i>	 Blackstone  CPP INVESTMENT BOARD	Burlington, MA	✓	✓	✓	
 PSG PURE SAFETY GROUP	 SMITHFIELD	Franklin, TN	✓	✓	✓	
 RedVector® <i>(Vector Solutions)</i>	 GOLDEN GATE CAPITAL	Tampa, FL	✓			
 Summit™ Training Source <i>An HSI Company</i> <i>(Health & Safety Institute)</i>	 Riverside	New York, NY	✓	✓	✓	✓
 Turner	 HOCHTIEF	New York, NY	✓	✓		

Representative Houlihan Lokey Workplace Training Transactions

 alchemy a portfolio company of  Riverside has been acquired by  intertek Sellside Advisor	 Oakley Capital has acquired  Seagull Buyside Advisor	 Atlas™ KNOWLEDGE has been acquired by  MINTRAGROUP Unlocking the Power of Competence a portfolio company of  Riverside Sellside Advisor	 PRIMARY has acquired  ICS Learn Buyside Advisor
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Spotlight Interview: John Comly



American Safety Council, headquartered in Orlando, Florida, is a leader in the development and authenticated delivery of online training, testing, and credentialing solutions for regulated end markets, including workplace safety, driver and traffic safety, and professional licensing. The company works with government agencies and certifying entities to develop regulatory compliant training courses.

John Comly
CEO
American Safety Council



Mr. Comly joined in 2017 as CEO and was instrumental in further developing American Safety Council's digital and technology infrastructure, including best-in-class customer acquisition capabilities and investments in new device-agnostic account management and course delivery platforms. Prior to joining American Safety Council, he previously served as president of several operating units of Red Ventures, a high-growth digital marketing and technology platform he joined in 2011. During his tenure at the PE-backed digital marketing and technology company, he led several business units including a team that built direct-to-consumer digital distribution channels. Before that, Mr. Comly spent more than a decade as an investment banker and then middle-market private equity investor.

HL: *Mr. Comly, you became CEO of American Safety Council in June 2017. What has been your biggest surprise about the company or the markets in which it operates?*

Mr. Comly: That's easy: The quality of the American Safety Council (ASC) team. It's not that my expectations were anything short of very high, rather that I didn't fully appreciate the mission-driven aspect of our business and how that manifested itself in the connection our teammates have to our business and our customers. I have never been part of a business where people feel so personally invested in our success and that of our customers. And what's unique to ASC is that for us "success" is defined in two distinct missions.

The first mission is to compete in the marketplace, win where we deserve to win, and, in doing so, grow our business. That scorecard often takes the form of a P&L, market share, employee engagement and development, headcount growth, etc. These are very measurable metrics that you can look at day in and day out to say whether or not your business is successful. Like all businesses, we grade ourselves along those lines.

In addition, we also have a mission-driven aspect to the business. Simply put, the better we do, the more good we do. I credit that aspect of our business with attracting the team we have today and motivating them to heights I haven't seen in other businesses. Not only are they great at what they do, but their hearts are in it. And, that makes my job a lot easier.

HL: Prior to ASC, you ran several business units at Red Ventures, a tech-enabled sales and online marketing platform. What aspects of your prior role have been most helpful to you in leading ASC?

Mr. Comly: Red Ventures could not have been a more perfect spring board for taking the helm at ASC. First and foremost, the most critical lesson learned through observation and experience at Red Ventures was how to build high-performing teams to succeed in dynamic environments. We are a high-growth business and, like all digital consumer platforms, ours is a dynamic environment. It's not cliché to say that our success is the sum product of what our team can contribute individually and collectively. Being able to build, develop, and organize our team in a way that can supercharge growth—those are all lessons learned firsthand at Red Ventures. Second, and more tactically, my RV experience introduced me to best-in-class digital customer acquisition capabilities. While our markets and products are quite different, the game is strikingly similar. American Safety Council is a digital platform: nearly every interaction is online, from when we first find a prospective customer to when we deliver a course. So understanding how to acquire the right customers and do so efficiently and effectively in a competitive digital environment is a cornerstone to the success of ASC. The same was true at Red Ventures.

HL: What have been your strategic priorities for ASC in the last 24 months and how has the business changed under your leadership?

Mr. Comly: For years—decades—American Safety Council has been a leader in regulated training, testing, and credentialing. In the past two years, our top priority has been to maintain that standard while evolving our business into a modern, best-in-class digital platform. Five, six, and certainly ten years ago, success in our industry didn't require digital excellence. Success was a product of being able to navigate regulatory hurdles, author course material with demonstrable efficacy, confirm identity in an online environment, and securely deliver content to the consumer. Those are very hard things to do, and if you did them well, you were successful in our space. Today, those elements are still critical and necessary components to success, but alone are no longer sufficient. It is another manifestation of the "Amazon Effect"—not in disrupting distribution, per se, but rather in evolving our customers' expectations in that anyone can get what they want, when they want it, and where they want it. Our offering now must be a seamless customer experience.

Delivering our core competency across a seamless platform has been the strategic priority of ASC over the past couple of years. What does that mean tactically? It means building out new technology infrastructure, investing heavily in our technology and digital team, and further developing our data capabilities. Not only are we a leader in content development and in secure, authenticated delivery, but we now also do it in a way that is seamless to the customer. They can make a decision to purchase on any device and then take our course when, how, and where they want. In an increasing number of instances, the customer can even access the course regardless of whether or not they are connected continuously to the internet. The same applies to whether they start on a desktop and finish on a mobile device. As a service provider in a digital environment, if we are not consistently meeting those ever-increasing expectations, it doesn't matter how good the content is. We need to be able to do both and do both really well. Navigating that aspect of the business has been ASC's primary goal over the past 24 months.

HL: *Companies like ASC that provide online training to address regulatory compliance requirements are receiving a significant amount of investor interest. Companies in this vertical have a number of ways that they can differentiate themselves from their peers, including through customer acquisition and retention, effective and engaging learning content, user experience, customer service, etc. What are ASC's competitive advantages?*

Mr. Comly: The legacy of our business is certainly a key competitive advantage. We've been doing this a long time—longer than most—and with decades of experience and millions and millions of graduates comes a unique level of credibility. Tied closely to that is the proven efficacy of our offering, which has been confirmed via independent studies by various regulators. In short, the ability to develop content and deliver it in a way that is effective—improving outcomes and safety—is a competitive advantage that we are proud to leverage in the marketplace.

I think we have also done a nice job of picking our markets and staying true to who we are and not trying to be everything to everyone. A lot of what we do is help a customer, and in many cases a professional, navigate a regulatory hurdle that stands between where they are and where they want to go (e.g., a vocational license). There are some attractive markets adjacent to ours—ones that aren't regulated, ones more focused on up-skilling, etc.—that others have done a nice job of serving. However, we have remained focused on developing an offering that is the most cost effective and, from a learning standpoint, has the highest degree of efficacy, so that we can be the path of least resistance for a professional looking to go from under- or un-employment to employment within a regulated industry.

HL: *How has OSHA compliance training evolved since it started in 1971?*

Mr. Comly: We have seen a significant broadening of the application of OSHA 10- and 30-hour courses. As the course names suggest, when first introduced the focus was on general industry and construction. Today, we have relationships with companies across a variety of industries that are looking to implement basic and advanced training about common safety and health hazards on the job. That has applications to nearly all work environments including, by way of example, distribution, transportation, services, hospitality, etc. I think the program's broad adoption reflects the real progress OSHA has made in championing the safety of all workers and all workplaces.

HL: *ASC is a significant player in driver education training. What trends are you seeing in the driver education market?*

Mr. Comly: It's important first to define the market. In driver education, people typically think about first time drivers. Actually, the majority of our business is made up of existing, licensed drivers. More specifically, in providing state approved driver improvement courses, the catalyst for which is typically driving behavior (i.e., a moving violation or, regrettably, an accident). In most markets, regulators and/or insurance carriers will offer or require additional training in response to such an incident. Similar to OSHA, the trends are undeniable that providing an online option dramatically increases adoption and improves efficacy.

With respect to first time drivers, most states require both behind-the-wheel and in-the-classroom training and education. Within that market, our focus is the latter, specifically in broadening the adoption of virtual, on-demand classrooms which have demonstrable benefits in both urban and rural markets, not to mention a more natural fit for younger customers who have already replaced textbooks with tablets and interactive apps.

With online penetration remaining relatively low, driver safety remains a growth market for us as well.

HL: In many end markets, online training is growing at a significantly higher rate than instructor-led training. Is ASC benefiting from the increasing penetration of online training across the various types of training that it provides?

Mr. Comly: ASC is a 100% online platform, so we directly benefit from the market transition. But we also augment that growth by taking share and by executing against our robust new product pipeline. Our product development involves understanding new regulations, navigating regulatory environments, and developing subject-matter expertise in key subsectors. This has evolved into a real core competency.

HL: We understand that American Safety Council has experienced strong organic growth recently. Can you comment on where that growth is coming from?

Mr. Comly: ASC very actively invests in growth across all business lines. Most of that effort, for strategic reasons, has been in workplace safety. As a result, that segment has grown substantially due to a combination of factors. One major contributing factor is ASC being on the receiving end of a macro shift whereby more customers opt for online training. It is also a product of ASC's digital customer acquisition capabilities and new product development.

HL: Mr. Comly, thank you for your time and congratulations on the success of American Safety Council.

Mr. Comly: Thank you.

Significant News Stories

PROFESSIONAL

Amazon to Retrain a Third of Its U.S. Workforce (*Wall Street Journal*, July 12, 2019)

“Amazon.com Inc. plans to spend \$700 million to retrain a third of its U.S. workforce, as technology threatens to upend the way many of its employees do their jobs. The company announced Thursday that it will retrain 100,000 workers by 2025 by expanding existing training programs and rolling out new ones meant to help its employees move into more advanced jobs inside the company or find new careers outside of it. The training is voluntary, and most of the programs are free to employees, the company said.”

HEALTH AND SAFETY

OSHA Announces Availability of \$10.5 Million in Worker Safety and Health Training Grants (*Occupational Health & Safety*, May 7, 2019)

“OSHA announced [on] May 3 the availability of \$10.5 million in Susan Harwood Training Grants. The grants are available for nonprofit organizations, including community and faith-based organizations, employer associations, labor unions, joint labor/management associations, Indian tribes, and universities and colleges. The Harwood Training Grant programs offer support for in-person, hands-on training for employees and employers in small businesses, industries with high rates of injury, illness, and fatality, and vulnerable workers who are underserved, have limited English proficiency, or are temporary workers.”

PROFESSIONAL

Quad-C Sells Colibri Group to Gridiron Capital (*PE Hub*, May 3, 2019)

“Quad-C Management, Inc. (Quad-C), a leading middle-market private equity firm, today announced it has completed the sale of its investment in Colibri Group, a leading national provider of online learning solutions to licensed professionals in regulated end markets, to Gridiron Capital, LLC (Gridiron Capital). Terms of the deal were not disclosed. Since 1989, Colibri Group has been at the forefront of education for licensed professionals with numerous leading brands, including Securities Training Corporation, Elite Learning, Western Schools, Advance Healthcare Network, Real Estate Express, Allied Schools, McKissock Learning, The Institute for Luxury Home Marketing, and Superior School of Real Estate.”

CODING BOOT CAMPS

2U’s ‘Third Chapter’ Begins With a \$750M Acquisition of Trilogy Education (*EdSurge*, April 2, 2019)

“It’s a trilogy in the making, and for 2U’s third chapter, the online program management company wants in on bootcamps. That’s how 2U Co-Founder and CEO, Chip Paucek, framed its latest deal: acquiring Trilogy Education Services, an education company that helps set up and run short-term coding programs at university extension schools, for \$750 million. The deal is expected to close in two months. Of that purchase price, \$350 million will be paid in shares of 2U common stock. The rest will be paid in cash, with the help of a \$250 million loan from Owl Rock Capital, plus \$150 million of the company’s available funds.”


WORKFORCE

Ecolab Acquires Online Training Provider Lobster Ink (*Hotel Business*, February 8, 2019)


“Ecolab Inc., water, hygiene, and energy technologies and services company, has acquired Lobster Ink, a provider of end-to-end online customer training solutions. Lobster Ink is a privately held company with core competencies in applied learning science, training content curation, and the delivery of learning experiences through its software as a service (SaaS) platform to meet the training needs of hospitality and foodservice companies in 130 countries globally. Sales were approximately \$24 million in 2018. Addressing customers’ growing need for effective training, this acquisition combines Lobster Ink’s customer training capabilities and digital platform with Ecolab’s expertise in food safety, hygiene, water management, and public and planet health.”

Unparalleled Global Expertise Across Training and Education

Houlihan Lokey maintains a global perspective with unparalleled expertise and transaction experience within the training and education sector. Listed below are training and education transactions that Houlihan Lokey completed since the new year.



has acquired



Buy-side Advisor

Seagull Maritime AS, based in Horten, Norway, is a leading provider of e-learning to the maritime sector. The company provides comprehensive and up-to-date compliance, risk, and safety training that ensures adherence to International Maritime Organization requirements.

Announced: May 2019

Transaction Overview

- Houlihan Lokey served as the **exclusive financial advisor** to Oakley Capital. This transaction builds on Houlihan Lokey's strong track record in education, corporate training, and educational technology
- This transaction continues Oakley's successful track record of investing in the **education sector**



has been acquired by



Buy-side Advisor


Times Higher Education, based in London, U.K., is a world leader of data, news, and rankings, and events for global higher education. THE has led on higher education analysis for nearly half a century, and has more than 700 clients globally across its data consultancy and hiring services.

Announced: March 2019


Transaction Overview

- Houlihan Lokey served as the **exclusive financial advisor** to Inflexion
- This transaction drew upon Houlihan Lokey's **strong presence in data and analytics as well as education**, and represented the second successfully completed sector mandate with Inflexion following their acquisition of Calco at the start of 2018

Houlihan Lokey advised on several global transactions in the training and education industry over the past year and a half



has been acquired by



Sell-side Advisor



has been acquired by



a portfolio company of



Sell-side Advisor




has been acquired by




a portfolio company of




Sell-side Advisor



a portfolio company of



has been acquired by



Sell-side Advisor



a portfolio company of



has been acquired by



Sell-side Advisor



has backed the management buyout of

Calco Group B.V.

Buy-side Advisor*



a portfolio company of




has been acquired by



Sell-side Advisor

PRIMARY

has acquired



Buy-side Advisor

Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

Public Trading Comparables

(\$ in millions)

Company	Enterprise Value	Equity Mkt Cap	LTM Revenue	LTM EBITDA	EV/Revenue		EV/EBITDA		Revenue Growth	
					CY 2019E	CY 2020E	CY 2019E	CY 2020E	CY 2019E	CY 2020E
Corporate Training										
Informa plc	\$16,988	\$13,318	\$3,584	\$1,130	4.9x	4.7x	13.9x	13.3x	46.6%	19.3%
CAE	\$8,636	\$7,147	\$2,472	\$446	3.1x	2.9x	13.6x	12.5x	23.0%	34.9%
Learning Technologies Group	\$943	\$929	\$120	\$34	6.0x	5.5x	18.3x	16.5x	126.2%	42.7%
Tarsus Group plc	\$739	\$632	\$127	\$42	4.3x	5.0x	11.9x	15.5x	8.5%	16.4%
Franklin Covey	\$550	\$529	\$225	\$14	2.4x	2.2x	27.0x	18.5x	20.0%	16.4%
GP Strategies	\$413	\$272	\$545	\$25	0.7x	0.7x	9.8x	8.6x	14.8%	19.5%
BTS Group AB	\$345	\$349	\$181	\$24	1.7x	1.6x	10.9x	9.6x	30.0%	22.7%
Computer Modelling Group	\$369	\$410	\$56	\$24	6.3x	6.4x	14.6x	14.7x	NM	7.5%
Wilmington plc	\$269	\$215	\$156	\$33	1.8x	1.7x	8.9x	8.2x	NM	2.1%
Mean	\$3,250	\$2,645	\$829	\$197	3.5x	3.4x	14.3x	13.0x	38.4%	20.2%
Median	\$550	\$529	\$181	\$33	3.1x	2.9x	13.6x	13.3x	23.0%	19.3%
Early Childhood Education										
Bright Horizons	\$10,739	\$8,953	\$1,980	\$361	5.2x	4.8x	26.4x	23.7x	19.0%	18.1%
G8 Education	\$1,114	\$897	\$603	\$103	1.7x	1.6x	9.4x	8.2x	4.5%	16.1%
Maple Leaf	\$925	\$1,137	\$217	\$85	3.9x	3.3x	10.2x	8.3x	33.9%	37.5%
AcadeMedia	\$815	\$553	\$1,245	\$96	0.6x	0.6x	7.7x	7.1x	4.0%	5.7%
RYB Education	\$155	\$172	\$162	\$7	0.8x	0.6x	10.3x	8.2x	41.9%	62.8%
LIKE Kidsnext	\$145	\$103	\$184	\$14	NA	NA	NA	NA	NM	NM
Think Childcare	\$82	\$66	\$60	\$7	1.1x	0.8x	8.4x	6.0x	52.5%	65.3%
Mean	\$1,997	\$1,697	\$636	\$96	2.2x	2.0x	12.1x	10.3x	26.0%	34.2%
Median	\$815	\$553	\$217	\$85	1.4x	1.2x	9.8x	8.2x	26.4%	27.8%
K-12										
TAL Education	\$18,230	\$19,030	\$2,715	\$420	5.8x	4.4x	39.6x	28.9x	107.0%	77.5%
New Oriental	\$13,722	\$16,653	\$3,096	\$381	3.9x	3.1x	28.0x	18.9x	69.9%	59.9%
Hailiang Education	\$1,395	\$1,629	\$192	\$70	NA	NA	NA	NA	NM	NM
Virscond Education	\$1,135	\$1,082	\$170	\$74	5.4x	4.0x	12.3x	8.6x	44.7%	66.5%
Bright Scholar Education	\$871	\$1,152	\$325	\$65	2.3x	1.8x	10.6x	8.3x	73.3%	73.2%
Internationella Engelska Skolan	\$250	\$249	\$283	\$26	0.9x	0.8x	8.1x	7.7x	14.4%	14.9%
Mean	\$5,934	\$6,632	\$1,130	\$173	3.7x	2.8x	19.7x	14.5x	61.9%	58.4%
Median	\$1,265	\$1,390	\$304	\$72	3.9x	3.1x	12.3x	8.6x	69.9%	66.5%
Postsecondary Education										
Laureate	\$6,578	\$3,640	\$3,340	\$532	2.0x	1.9x	10.3x	9.2x	NM	3.5%
Grand Canyon University	\$6,304	\$6,145	\$705	\$275	8.1x	7.3x	20.7x	17.3x	NM	1.9%
Strayer	\$3,631	\$3,903	\$895	\$171	3.7x	3.5x	15.4x	13.6x	116.6%	65.2%
Adtalem	\$2,750	\$2,771	\$1,229	\$263	2.2x	2.1x	9.9x	9.0x	10.4%	8.3%
Career Education	\$1,203	\$1,381	\$591	\$112	2.0x	1.9x	10.4x	9.6x	1.5%	7.8%
APEI	\$353	\$556	\$294	\$46	1.2x	1.2x	7.4x	6.9x	NM	NM
UTI	\$151	\$94	\$320	(\$19)	0.5x	0.4x	NA	NA	3.8%	12.8%
Lincoln Educational Services	\$113	\$48	\$265	\$6	0.4x	0.4x	8.1x	6.1x	3.4%	8.4%
National American University	\$20	\$1	\$62	(\$6)	NA	NA	NA	NA	NM	NM
Mean	\$2,345	\$2,060	\$856	\$153	2.5x	2.3x	11.7x	10.2x	27.1%	15.4%
Median	\$1,203	\$1,381	\$591	\$112	2.0x	1.9x	10.3x	9.2x	3.8%	8.3%
Education Content										
Pearson	\$10,488	\$8,469	\$5,201	\$737	2.2x	2.2x	11.1x	10.7x	NM	NM
John Wiley & Sons	\$2,971	\$2,585	\$1,800	\$310	1.6x	1.6x	8.0x	7.3x	4.0%	5.9%
IDP Education	\$3,339	\$3,332	\$387	\$72	8.1x	6.3x	37.4x	30.2x	18.0%	36.0%
Houghton Mifflin Harcourt	\$1,560	\$725	\$1,317	\$39	1.1x	1.1x	6.1x	6.4x	8.9%	10.2%
3P Learning	\$87	\$94	\$36	\$6	2.2x	2.0x	6.2x	5.6x	NM	19.8%
Mean	\$3,689	\$3,041	\$1,748	\$233	3.0x	2.6x	13.7x	12.0x	10.3%	17.9%
Median	\$2,971	\$2,585	\$1,317	\$72	2.2x	2.0x	8.0x	7.3x	8.9%	15.0%
Education Technology and Services										
Tyler Technologies	\$8,977	\$8,944	\$1,000	\$191	8.3x	7.5x	29.3x	26.0x	28.9%	28.0%
Chegg	\$5,554	\$5,476	\$361	\$30	13.9x	11.5x	NM	35.3x	56.9%	50.7%
Blackbaud	\$4,847	\$4,218	\$872	\$119	5.4x	5.2x	27.2x	25.0x	13.3%	10.2%
Instructure	\$1,439	\$1,436	\$232	(\$53)	5.6x	4.6x	NM	NM	61.0%	49.1%
K12	\$996	\$1,198	\$1,016	\$117	1.0x	0.9x	7.4x	6.8x	16.6%	12.3%
Mean	\$4,363	\$4,254	\$696	\$81	6.8x	5.9x	21.3x	23.3x	35.4%	30.0%
Median	\$4,847	\$4,218	\$872	\$117	5.6x	5.2x	27.2x	25.5x	28.9%	28.0%

Source: S&P Capital IQ, Bloomberg, company filings, and WallStreet Research

Note: Trading multiples are based on share price and market data listed as at July 30, 2019 and broker consensus future earnings estimates from S&P Capital IQ as of July 30, 2019.

Note: "NM" represents multiples that are greater than 40.0x EBITDA or cases where EBITDA is less than 0.

Recent Training M&A Transactions

Close Date	Target	Acquirer	Target Description	TEV (\$M)	EV/	EV/
					Revenue	EBITDA
May-19	Seagull Maritime	Oakley Capital Investments	Provides competence management solutions, e-learning material, training administration, recruitment tools, assessment, and training tools for the merchant shipping industry	-	-	-
May-19	Colibri Group	Gridiron Capital	Provides continuing education, license upgrades, and professional development courses for real estate professionals, accountants, medical professionals, and financial advisors	-	-	-
Apr-19	OCL Financial Services	Adtalem Global Education	Provides education and compliance solutions courses in the field of financial services	\$121	3.9x	-
Mar-19	Intelivert	TPC Training	Provides workforce safety, compliance, and risk management software	-	-	-
Mar-19	Arenalingua	Learnlight Group	Provides government-sponsored language courses for employees and professionals in medicine, healthcare, and engineering as well as migrants	-	-	-
Mar-19	Med School Tutors	Interactivation Health Networks	Provides online tutoring for the USMLE, COMLEX, Shelf Exams, medical coursework, and admissions and residency advisement	-	-	-
Feb-19	EI Pescador	KnowBe4	Provides a platform to conduct simulations of phishing attacks and security awareness training	-	-	-
Feb-19	Watermark Learning	Project Management Academy	Provides training, coaching, and certification preparation in areas including business analysis, agile, project management, and leadership skills	-	-	-
Feb-19	Revature	Investcorp	Provides enterprise-level skills in technology to students and graduates	-	-	-
Feb-19	Lobster International	Ecolab	Provides online customer training services to hospitality and foodservice employees	-	-	-
Jan-19	Medical Technology Management Institute	The College of Health Care Professions	Provides continuing education and training services for medical imaging and radiation therapy professionals	-	-	-
Jan-19	TERP Associates	MentorcliQ	Provides mentoring and talent development services for companies	-	-	-
Jan-19	EMS Safety Services	Health & Safety Institute	Provides first aid and CPR training	-	-	-
Nov-18	OnCourse Learning	Bertelsmann	Provides training services for the financial services and real estate sectors	\$500	-	-
Nov-18	Technical Training	GP Strategies	Provides staffing, training, and outsourcing solutions	\$19	0.4x	5.4x
Nov-18	Vector Solutions	Golden Gate Capital	Provides more than 7,600 industry-focused e-learning and SaaS performance courses to meet needs for continuing education and knowledge assessment and certification	-	-	-
Oct-18	AMTEC Less Lethal Systems	PACEM Solutions	Provides non-lethal tactical and operational equipment and training services to the law enforcement, corrections, and military communities	-	-	-
Oct-18	Teaching Channel	Learner's Edge	Provides a subscription-based software platform where teachers can watch, share, and learn new techniques to improve student learning	-	-	-
Oct-18	NovoEd	Devonshire Investors	Provides a SaaS learning platform that delivers a learning experience for participants by collaborating on projects, sharing feedback, and applying new skills to the workplace	-	-	-
Oct-18	Firehose Project, JobTrack	Trilogy Education	Provides online coding instruction and offers a job search platform to manage interviews and applications	-	-	-
Oct-18	Mettl	Mercer	Provides cloud-based technology and data sciences-driven online skills and talent assessment	-	-	-
Sep-18	Tricoci University	NCK Capital	Provider of cosmetology, esthetics, and barbering education	-	-	-
Sep-18	CEB Challenger	Marlin Equity Partners	Provides performance improvement platforms focused on sales and marketing and customer service training	-	-	-
Sep-18	Pride Institute	Spear Education	Provides dental practice management, content, and training services	-	-	-
Sep-18	Acrobatiq	Vital Source Technologies	Provides cognitive learning and data analytics platform	-	-	-
Aug-18	Training Network	JER HR Group	Provides environment, health and safety (EH&S) training programs to companies	-	-	-
Aug-18	PRIME Education	Everyday Health Group	Provider of medical education and outcomes research, as well as continuing education services	-	-	-
Aug-18	Omega Performance	Moody's Corporation	Provides credit training courses in various lending areas, including commercial, small business, consumer and retail, real estate, and credit sales skills	-	-	-
Aug-18	Pass Perfect	Cerifi	Provides Financial Industry Regulatory Authority (FINRA) license exam training to the financial services industry	-	-	-
Aug-18	Select Assets from the IT Management & Leadership Institute	Project Management Academy	Provides curriculum of courses in strategic business skills, communication, problem solving, and team building aimed at helping project managers advance in their careers while helping companies complete more successful projects	-	-	-
Aug-18	Alchemy Systems	Intertek Group	Provides training, coaching, operational performance, consulting, audit readiness, custom programs, and professional development solutions to the food service industry	\$480	7.3x	21.8x
Aug-18	XCEL Testing	Securities Training Corporation	Provider of online insurance pre-licensing education that prepares future insurance professionals for their state licensing exams	-	-	-
Aug-18	KPA Services	Providence Equity	Provider of environmental health and safety, HR management, and sales and finance compliance solutions in the United States and Canada	-	-	-

Recent Education M&A Transactions

Early Childhood Education

Closed Date	Target	Acquirer	Target Description	TEV (\$M)	EV/ Revenue	EV/ EBITDA
May-19	Brookside Academy	O2B Kids (Spire Capital)	Provides services such as infant and toddler care, preschool, afterschool enrichment programs, and summer camp	-	-	-
Apr-19	7 Early Education Centers from the Malek Family Trust	MindChamps Early Learning Australia	Combined operations of seven early learning centers located in Australia	\$29	-	-
Dec-18	15 schools in RI and MA (The Children's Workshop)	Cadence Education	Owens and operates preschools and elementary education institutes	-	-	-
Oct-18	Minerva Education	Dukes Education Group Ltd	Owens and operates a premium group of strongly branded, independent K-12 schools in London, and the South of England	-	-	-
Sep-18	Crèches de France, S.A.S.	Crèche Attitude S.A.S.	Offers child day care services for children from the ages of 0 to 12, paying special attention to the development of infants, to listening, kindness, and availability for families	-	-	-

K-12 Education

Closed Date	Target	Acquirer	Target Description	TEV (\$M)	EV/ Revenue	EV/ EBITDA
Jul-19	CATS Colleges	Bright Scholar Education Holdings	International school network with a globally integrated platform of campuses in the United Kingdom, North America, and China	~\$192	-	-
May-19	Inspired	Warburg Pincus (Minority)	Co-educational and non-denominational independent school group with approximately 38,000 students between the ages of one and 18 in 51 schools	-	-	-
Oct-18	Cognita Schools Ltd	Jacobs Holding AG	Owens and operates a network of schools in Singapore, Vietnam, the United Kingdom, Spain, Brazil, and Thailand	\$2,577	-	-
Oct-18	Minerva Education	Dukes Education Group	Owens and operates a premium group of strongly branded, independent K-12 schools in London and the South of England	-	-	-
Nov-17	A Kindergarten in Hong Kong	New Oriental Education & Technology Group Inc.	Comprises of businesses that offer private educational services in Hong Kong	-	-	-
Nov-17	Educational Holding Group K.S.C.P.	Boubyan Petrochemical Company K.S.C.P.	Provides educational services in the Middle East, North Africa, East Asia, and internationally. The company offers K-12, tertiary education, and vocational training and development services	\$247	6.4x	11.4x
Sep-17	Nord Anglia Education, Inc.	Baring Private Equity; Canada Pension Plan Investment Board	Provides education services to students from kindergarten through to the end of secondary education at its international schools	\$4,349	4.9x	24.8x

For-Profit Postsecondary Education

Closed Date	Target	Acquirer	Target Description	TEV (\$M)	EV/ Revenue	EV/ EBITDA
Apr-19	UniNorte	Brazilian Assets of Laureate Education	Provider of higher education services in Brazil, serving 25,000 students across three campus locations	\$50	-	-
Mar-19	Galen College of Nursing	HCA Healthcare	Enrolls students in nursing programs across five campus locations and online	-	-	-
Mar-19	Assets of Trident University International	American InterContinental University	Regionally accredited university offering online undergraduate, master's, and doctoral programs with a strong focus on graduate programs	\$37	0.9x	5.7x
Dec-18	Laureate Education Spanish and Portuguese Assets	Permira Funds	Includes Universidad Europea de Madrid, Universidad Europea de Valencia, Universidad Europea de Canarias, Universidade Europeia, and Instituto Português de Administração de Marketing	\$880	3.6x	15.1x
Feb-19	University of St. Augustine for Health Sciences, LLC	Altas Partners LP	Graduate health sciences university which offers degrees in physical therapy, occupational therapy, and nursing	\$393	4.4x	11.6x
Dec-18	Devry University Inc. and DeVry New York Inc.	Cogswell Education, LLC	Offers undergraduate and graduate college degree programs organized into five colleges in the areas of business and management, engineering, health sciences, arts and sciences, and media arts	-	-	-
Aug-18	Capella Education Company	Strayer Education, Inc.	Provides online postsecondary education and job-ready skills services in the United States, offering various doctoral, master's, and bachelor's programs primarily for working adults	\$797	1.8x	11.5x

Recent Education M&A Transactions (cont.)

Education Content

Closed Date	Target	Acquirer	Target Description	TEV (\$M)	EV/ Revenue	EV/ EBITDA
Jun-19	The Center for Legal Studies	BARBRI	Provides legal studies courses through live lectures, DVDs, text materials and online resources, and also offers test preparation for various standardized tests	-	-	-
May-19	Cengage Learning	McGraw-Hill Education	Operates as an education and technology company for learners, serving the higher education, school, professional, library, and workforce training markets worldwide	-	-	-
Mar-19	Lightspeed Systems Inc.	Madison Dearborn Partners, LLC	Develops network security and management software solutions for the education market	-	-	-
Feb-19	US K-12 Courseware Business of Pearson PLC	Nexus Capital Management LP	Publishes K-12 learning textbooks and instructional resources for teachers and students	\$250	0.5x	9.8x
Feb-19	Times Higher Education	Inflexion Private Equity	Publishes academia-focused data, rankings, and content for institutions, academics, students, industry, and governments	-	-	-
Oct-18	Riverside Clinical & Standardized Testing	Alpine Investors, LP	Comprises brands in the Woodcock-Johnson family, the Cognitive Abilities Test (CogAT), Iowa Assessments and the distribution of Battelle Developmental Inventory (BDI)	\$140	1.8x	-
Sep-18	Carnegie Learning, Inc.	CIP Capital	Publishes research-based mathematics textbooks and Web-based software tools for middle school and high school students aligned to the Common Core State Standards in the United States	-	-	-
Aug-17	Global Education & Technology Group Limited	Prepshine Holdings Co., Limited	Provides educational courses and related services in China, offering test preparation and educational programs, services, and products in relation to the International English Language Testing System (TOEFL)	\$72	0.7x	-
Oct-17	Penguin Random House LLC	Bertelsmann SE & Co. KGaA	Publishes books in various categories that include biography, classics, cooking and food, family and home, fiction, fantasy, thriller, and non-fiction	\$4,466	1.3x	8.4x
Mar-17	The Princeton Review	ST Unitas Co. Ltd.	Owns and operates a portal that offers one-on-one private tutoring, semi-private and traditional classes, and online preparation	-	-	-
Sep-15	Learning Objects, Inc.	Cengage Learning, Inc.	Develops and provides competency-based learning technologies for the education sector, serving higher education, K-12, and for-profit educational organizations	-	-	-

Recent Education M&A Transactions (cont.)

Education Technology and Services

Closed Date	Target	Acquirer	Target Description	EV/		
				TEV (\$M)	Revenue	EBITDA
May-19	Freckle Education	Renaissance Learning (Francisco Partners)	Provides an education technology platform for all four core school subjects: math, social studies, science, and English language arts	-	-	-
Apr-19	Turnitin	Advantage Publications	Develops an online educational platform which provides instructors with the tools to engage students in the writing process, provide personalized feedback, and assess student progress over time	-	-	-
Apr-19	Visual Schedule Builder	Digital Architecture	Designs and develops schedule builder software solutions for personal and academic needs, including student pathways, schedule planning, advising, and registration solutions	-	-	-
Apr-19	Trilogy Education	2U	Develops and manages a platform that provides skills-based training programs to prepare job-ready students for roles in web development	\$750	7.7x	-
Apr-19	Early Learning Labs	Renaissance Learning (Francisco Partners)	Develops and sells curriculum-based early childhood assessment programs that help childhood educators identify children at-risk of poor learning outcomes	-	-	-
Apr-19	MasteryConnect	Instructure, Inc.	Operates an online community that allows educators to connect with their colleagues, share and discover common resources, and collaborate	-	-	-
Mar-19	Glynlyon	Weld North	Provides educational opportunities and curriculum for a diverse mix of pre-kindergarten and K-12 students in the United States and internationally	-	-	-
Mar-19	Assessment Technology	Imagine Learning	Designs and develops Web-based systems that provide an array of standards-aligned assessment and reporting tools	-	-	-
Jan-19	YourCause	Blackbaud	Develops and provides software as a service (SaaS) based employee engagement and grants management solutions for employees and nonprofits	\$157	13.1x	-
Dec-18	Cambium Learning Group	Veritas Capital Fund Management	Provides educational technology solutions across its award-winning brands, including intervention and supplemental instructional programs and assessments	\$725	4.5x	24.4x
Nov-18	The Learning House, Inc.	Wiley Education Services	Develops a cloud-based technology platform for enabling colleges and universities to create, manage, and develop online degree programs and courses	\$200	3.3x	28.6x
Sep-18	Pride Institute, Inc.	Spear Education, LLC	Provides members of the LGBTQ+ community a safe place for recovery through evidence-based treatment for substance abuse, sexual health, and mental health	-	-	-
Aug-18	PowerSchool Group	ONEX	Offers student information systems and performance solutions for K-12 schools and districts, with its main product PowerSchool, a Web-based student information system that enables educators to make timely decisions that impact student performance	\$1,744	-	-
Jul-18	Renaissance	Francisco Partners	Provides computer-based assessment technology and school improvement programs for pre-kindergarten through senior high schools and districts	\$1,660	-	-
Apr-18	Discovery Education	Francisco Partners	Provides digital content for grades K-12 and community colleges, as well as assessment resources, instructional services, customer success, and hardware solutions for administrators	\$120	-	-
Apr-18	Callidus Software	SAP	Provides cloud-based human resource software, sales, Lead to Money (Quote-to-Cash) systems, marketing, and customer experience solutions globally	\$2,426	9.6x	-
Apr-18	CEB Talent Assessment	Exponent Private Equity	Engages in the development, implementation, and sale of objective assessment products and services	\$400	-	10.5x
Mar-18	myON	Renaissance	Provider of cloud-based digital literacy solutions for the K-12 market with access to more than 6,000 digital books	-	-	-
Mar-18	360 Stay Safe	Omnigo Software	Provides an online training platform that offers personal safety information for students, faculty, and staff within higher education and college campuses	-	-	-
Feb-18	Grace Hill	Stone Point Capital	Provides online education and learning management solutions for multifamily professionals worldwide; offers a suite of online education courses in the areas of customer service, HR, maintenance, marketing, and sales and leasing	-	-	-
Jan-18	Prometric	Baring Private Equity Asia	Provides test development and test delivery solutions for academic, corporate, financial, government, healthcare, and technology markets worldwide	\$1,000	-	-
Jan-18	Area9 Lyceum	The Danish Growth Fund	Develops personalized, adaptive online learning modules for schoolchildren, higher education students, and professionals to be trained	\$30	-	-



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Advisor	Deals
1 Houlihan Lokey	207
2 Goldman Sachs & Co	197
3 JP Morgan	154
4 Morgan Stanley	135
5 Jefferies LLC	117

Source: Thomson Reuters

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Advisor	Deals
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2 PJT Partners Inc.	45
3* Moelis & Co.	36
3* Lazard	36
3* Rothschild & Co.	36

Source: Thomson Reuters
* Denotes tie

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1999 to 2018 Global M&A Fairness Advisory Rankings

Advisor	Deals
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2 JP Morgan	971
3 Duff & Phelps	728
4 Bank of America Merrill Lynch	660
5 Morgan Stanley	659

Source: Thomson Reuters. Announced or completed transactions.

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