



# **COVID-19:**

## **Impact on Valuations in the Training and Education Market**

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MAY 2020



HOULIHAN LOKEY

# Important Notice

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The data in this report is accurate as of 6 May 2020. The trends in this report focus on market performance at a time when global economies are heavily impacted by the outbreak of the COVID-19 pandemic. Given the high market volatility and interrelated uncertain outlook, the market metrics analysed in this document should be treated with caution.







Specific attention is drawn to the following points:

- In recent weeks, the market has seen high volatility and financial data has been subject to significant swings. The findings contained in this report are specific to the dates referenced;
- The combination of various containment measures and partial or full lockdowns, the introduction of major economic stimuli across the world's economies and other factors have caused some volatility in the foreign exchange markets. For the purposes of like-for-like comparison, the figures presented in this report are shown in US dollars, albeit are subject to the impact of moving exchange rates across time;
- In the past few months, equity circuit breaker measures have taken effect on a number of occasions across different markets and thus may have had an impact on performance of certain stocks covered in this report;
- Where time series data on valuation multiples has been provided in this analysis, some companies from the broader Training and Education (T&E) sector have been excluded from subsector/geographic averages due to lack of meaningful figures. For the purposes of this report, "not meaningful" encompasses multiples that were too high (typically above 50.0x), whose value was "nil" or negative, or that have not been available within the analysed timeframe; Any forward-looking earnings or valuation metrics presented in this report have been sourced from or computed on the basis of broker consensus future earnings estimates from third-party sources and broker reports;
- With uncertainty prevalent over the short to medium term, many companies have suspended full year financial guidance and a number of equity analysts have suspended coverage until further notice or are abstaining from updating their forecast outlooks. This may lead to inconsistencies where companies whose guidance has been updated are being presented alongside those whose forecasts have been suspended;
- Due to their size or geographic area of operations/listing, some companies presented as belonging to one of the Training and Education subsectors on page 4 are not tracked by equity analysts entirely, and thus, no third-party financial projections were available. Such companies have been excluded from the trading comparables analysis and averages for forward-looking valuation multiples;
- Additionally, many of the Training and Education companies included in this report have diversified product offerings and could have been assigned to more than one subsector. For simplicity and brevity of the analysis, such firms have been allocated only one "core" subsector (based on their revenue mix, product focus, strategy, competitive positioning, etc.); and
- The subsector-level valuation metrics in this report are particularly sensitive to the performance of individual stocks that are much larger than the average for each group and this impact varies across time. Where metrics have been market capitalisation weighted, it is crucial to note that this will tend to emphasise performance of the largest companies.

# How Will the Training and Education Sector Respond to COVID-19?

The training and education (T&E) market has a fundamentally robust, long-term outlook.

- In recent weeks, COVID-19 has globally sent shockwaves through markets and captured the attention of the world. Since mid-February, the outbreak has accelerated and infections have become widespread, resulting in significant market volatility that is expected to continue in the near term. Substantial disruption to business operations has occurred and all sectors of the economy have been impacted, including the Training and Education industry, which is adapting to a remote workforce and 1.5 billion academic students now learning from home (UNESCO).
- The T&E market has a fundamentally robust long-term outlook, which remains unchanged due to ongoing growth in demand, often multi-year revenue visibility and ongoing innovation. While the near-term outlook for the T&E industry varies by subsector, the rapidly shifting delivery modes resulting from the current disruption may accelerate underlying secular trends.

| Observations   |   |
|--|---|
|  <b>Higher Education/<br/>Post-Secondary/<br/>Adult Training</b> | <ul style="list-style-type: none"> <li>• With the sudden closure of campuses and training facilities across the world, many face-to-face programmes have paused and learners are completing courses and the current semester online.</li> <li>• For some institutions, the temporary reduction in international student mobility may impact summer activities and reduce FY2021 enrolments.</li> <li>• Over the long term, demand for career-enhancing and life-changing experiences (which cannot be replicated online) are expected to return.</li> </ul>   |
|  <b>K-12</b>   | <ul style="list-style-type: none"> <li>• The closure of many K-12 schools across the globe has disrupted traditional classroom delivery methods and many households are adjusting to homeschooling.</li> <li>• There has been a wide range of responses from schools, with varying levels of technology infrastructure and capabilities, as they try to find new ways to meet the ongoing demand for learning.</li> <li>• In this segment, tutoring and after-school businesses with well-developed online platforms have performed particularly strongly.</li> </ul>   |
|  <b>Nurseries/<br/>Preschool</b>                                 | <ul style="list-style-type: none"> <li>• Closure of many early childhood education centres will pose near-term revenue challenges for a sector less able to provide an online alternative. This may be mitigated by the delay in reduction of employer-funded, work-based childcare, since much of that revenue is contracted.</li> <li>• In the near term, cautious parents may be less likely to resume their children's participation until the COVID-19 spread is well under control.</li> <li>• Long term, the sector still possesses strong growth fundamentals.</li> </ul>   |
|  <b>EdTech</b>   | <ul style="list-style-type: none"> <li>• The 1.6 billion academic students unable to attend school or university (UNESCO) has created an unprecedented surge in the use of technology in education and the market is relying on education technology (EdTech) to help it meet the demand from a global audience.</li> <li>• Specific solutions such as LMS platforms with interactive online classrooms, remote proctoring, and digital content may enable bricks-and-mortar institutions to continue delivering their curriculum outside of classrooms and lecture halls. Similarly, online corporate and B2C learning platforms are seeing a surge in demand.</li> <li>• This period of disruption is likely to accelerate adoption trends with 58% of EdTech businesses expecting to see a positive long-term impact (HolonIQ).</li> </ul> |
|  <b>Pathways</b>   | <ul style="list-style-type: none"> <li>• Since the outbreak of the virus, the pathway market has been impacted as cohorts of prospective students postpone or rethink enrolling into pathway programmes while travel bans remain in place.</li> <li>• In the longer term, it is possible that competition for student enrolments will drive a recovery in this sector.</li> </ul>   |
|  <b>Publishing/<br/>Diversified</b>                            | <ul style="list-style-type: none"> <li>• In recent years, this subsector has been characterised by a transition from print to digital content. Well-developed players with strong digital assets are expected to gain in the medium term.</li> <li>• In the longer term, successful companies in the space will need to differentiate themselves in this relatively fragmented market via content customisation, interactive digital content, and innovative and targeted marketing strategies to build brand loyalty.</li> </ul>   |

## How We Look at the Publicly Listed Training and Education Companies

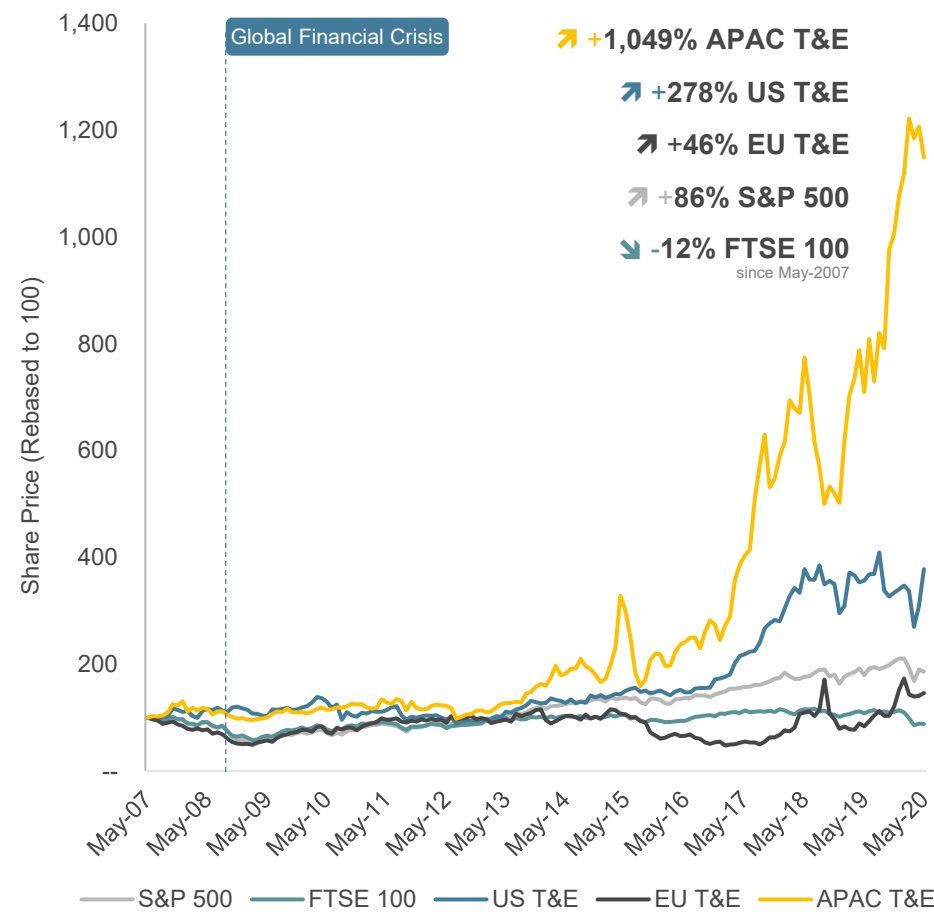
|                 | Higher Education/<br>Post-Secondary/<br>Adult Training                             | K-12   | Nurseries/<br>Preschool   | EdTech   | Pathways   | Publishing/<br>Diversified   |
|-----------------|--|--|---|--|--|--|
| Core Business   |   |   |   |   |   |   |
| Secondary Focus |  |  |  |  |  |  |

*Note: The above depicts publicly listed companies only and is not intended to be exhaustive. The firms have been segmented according to their core and secondary areas of operations; only the core business focus feeds into the analyses on the following pages.*

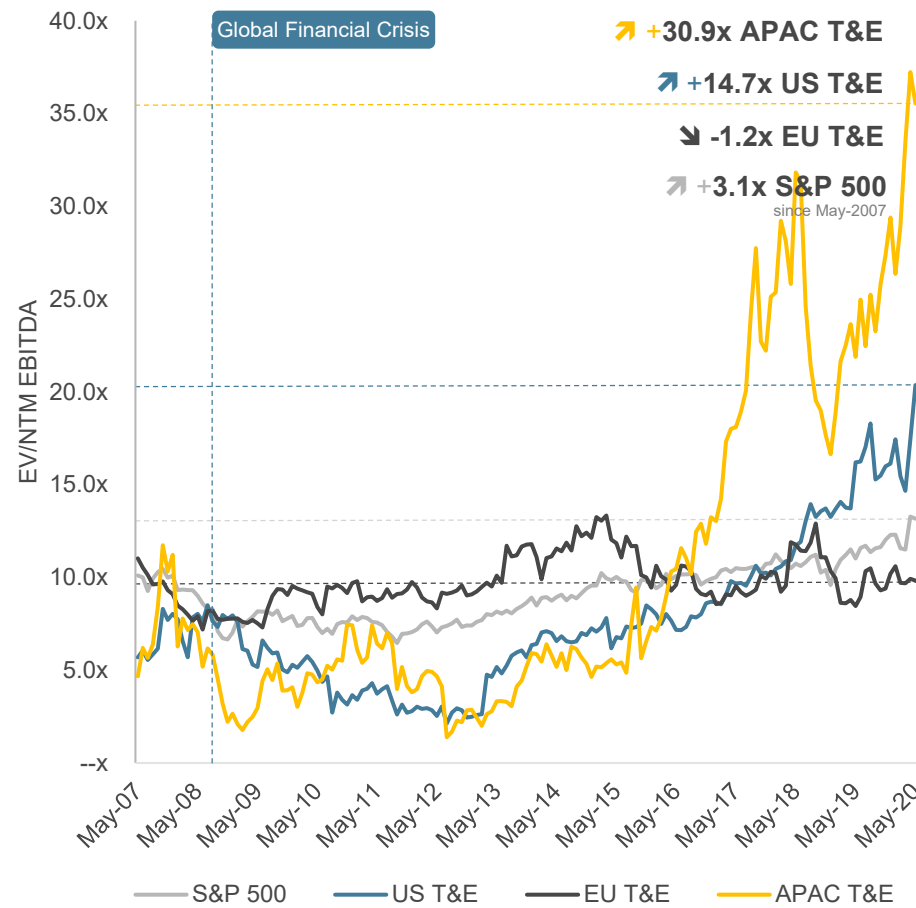
# Crisis-to-Crisis Market Performance

Although T&E firms have outperformed the broader market, the recent outbreak of COVID-19 has reversed some of the stock market gains made in recent years. However, this has varied by market.

## T&E outperforms the broader market



## US and APAC T&E forward earnings multiples have been particularly strong<sup>(1)</sup>



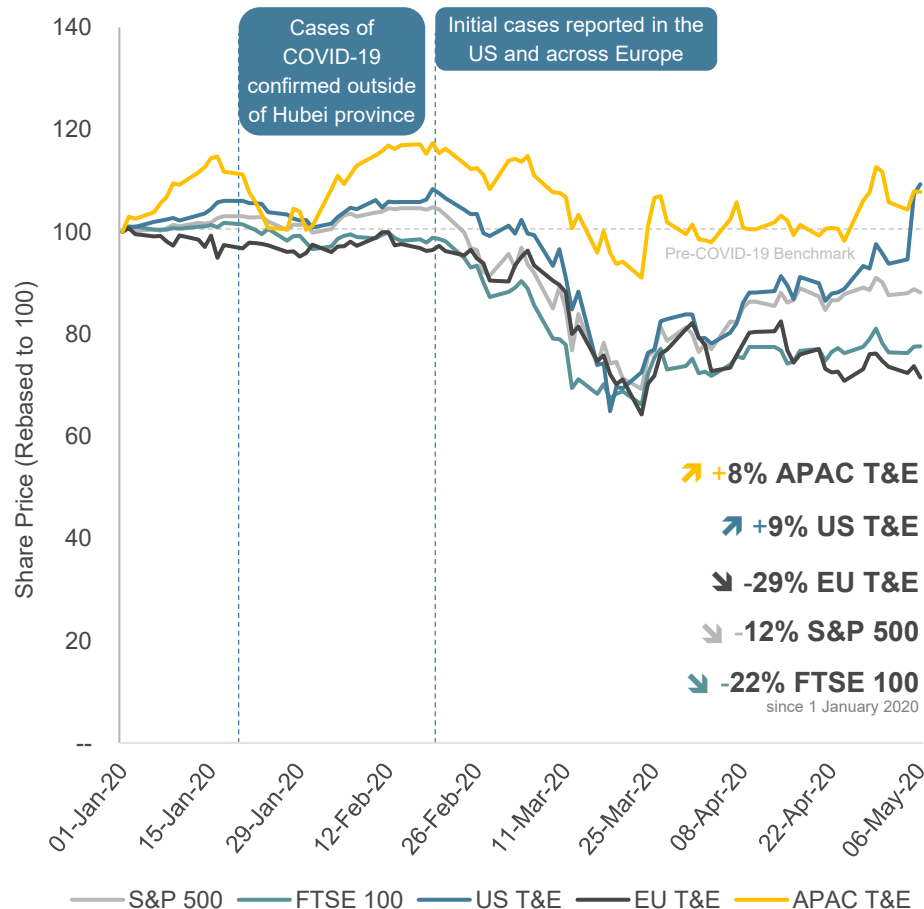
Sources: S&P Capital IQ. All share prices rebased to 100. Earnings multiples are based on broker consensus future earnings estimates from S&P Capital IQ. Average share price indexes and multiples are market capitalisation weighted and thus will tend to emphasise performance of larger companies. Note: Average EV/NTM EBITDA multiples presented exclude T&E companies with figures that were not meaningful.

(1) Horizontal lines depict current level benchmarks (as at 6 May 2020).

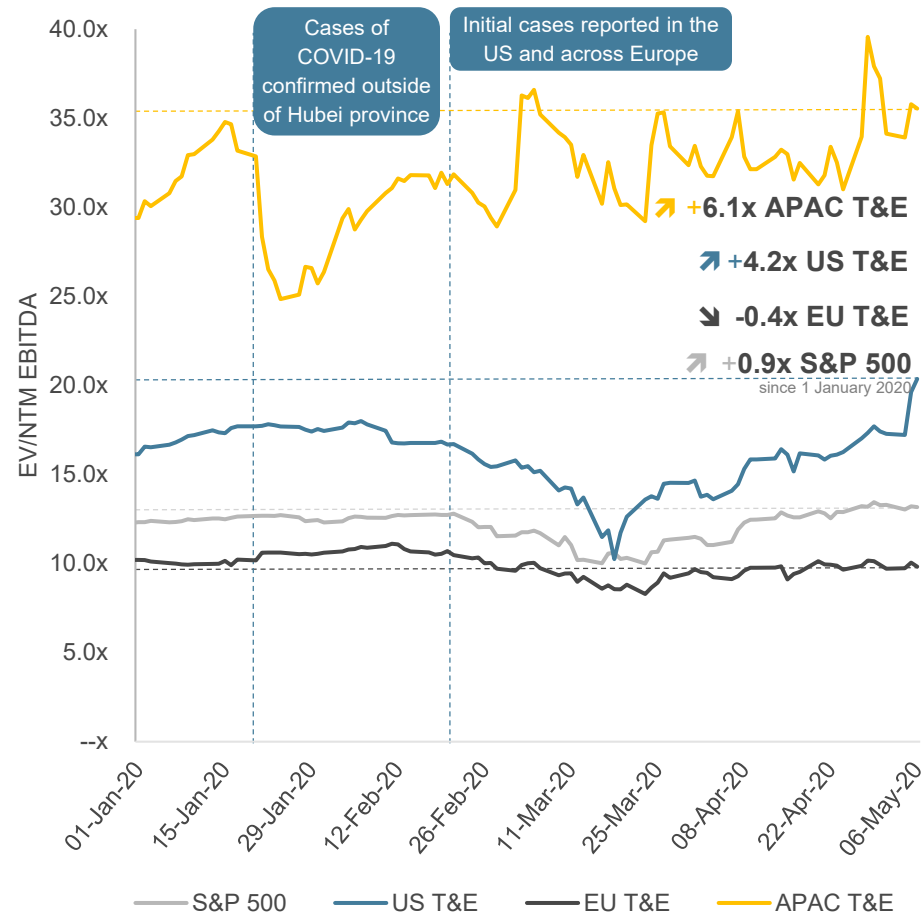
# Year-to-Date Market Performance

Following significant dislocation, markets started to recover in mid-March. US and APAC training and education sectors now trade significantly higher than the S&P 500.

## APAC and US T&E have generally performed better since the outbreak



## Forward T&E earnings multiples across most geographies have fallen since the outbreak; US and APAC have outperformed since<sup>(1)</sup>



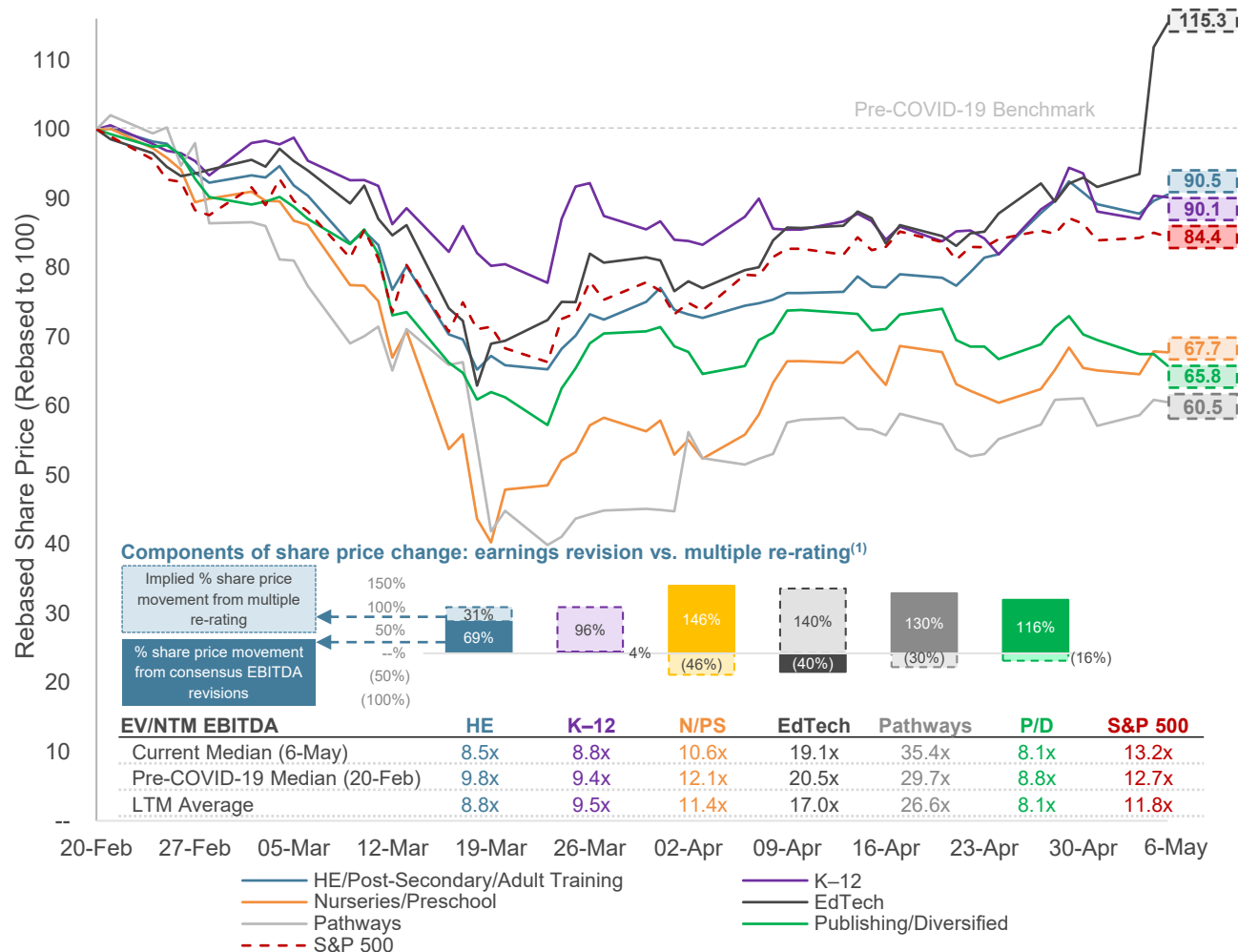
Sources: S&P Capital IQ. All share prices rebased to 100. Earnings multiples are based on broker consensus future earnings estimates from S&P Capital IQ. Average share price indexes and multiples are market capitalisation weighted and thus will tend to emphasise performance of larger companies. Note: Average EV/NTM EBITDA multiples presented exclude T&E companies with figures that were not meaningful.

(1) Horizontal lines depict current level benchmarks (as at 6 May 2020).



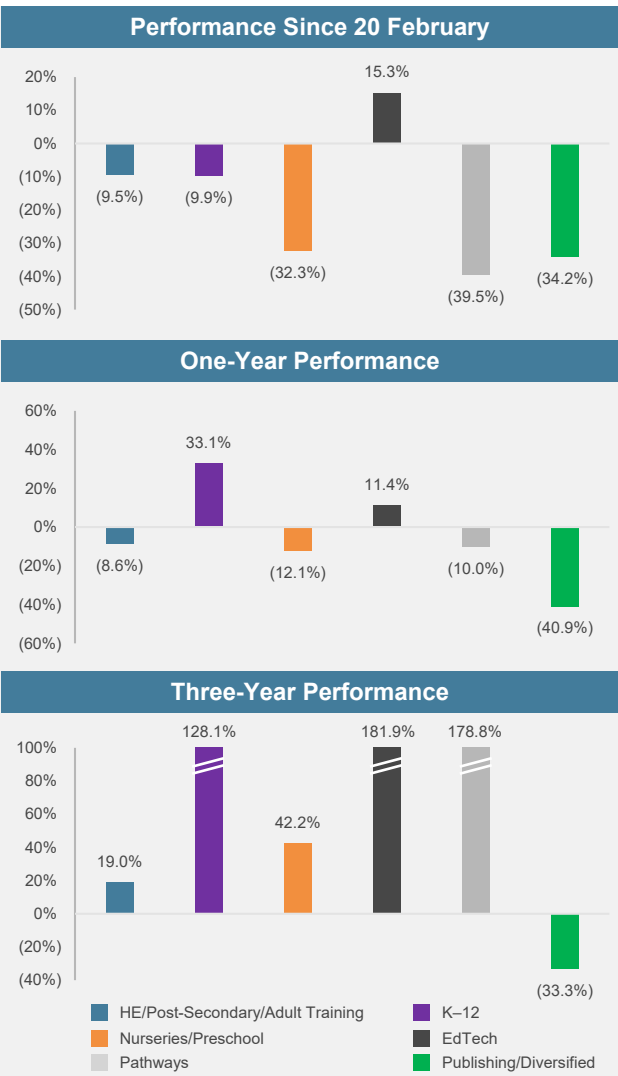
# Not All Subsectors Equally Impacted by COVID-19

While T&E subsectors have fallen in the immediate aftermath of COVID-19, prices have evidenced some recovery in the past month, with a number of subsectors outperforming the broader S&P 500. EdTech has proven the most resilient benefitting from rapid growth in digital delivery.



Sources: S&P Capital IQ. All share prices rebased to 100. Earnings multiples are based on broker consensus future earnings estimates from S&P Capital IQ. Average share price indexes are market capitalisation weighted and thus will tend to emphasise performance of larger companies. Statistics on EV/NTM EBITDA time series per sector exclude companies/figures that were not meaningful.

(1) Darker shaded segments reflect % of market cap movement attributable to broker consensus EBITDA revisions across the subsector (applying multiples as at 20 Feb to revised total sector EBITDA forecasts). Lighter shaded segments reflect the % of market cap movement attributable to implied multiple re-rating. Positive percentages reflect movements in line with the market cap movement (i.e. decrease in all subsectors except EdTech) and vice versa. Based on aggregate subsector metrics for the trading comparables on the following pages.



# Higher Education/Post-Secondary/Adult Training Trading Comparables

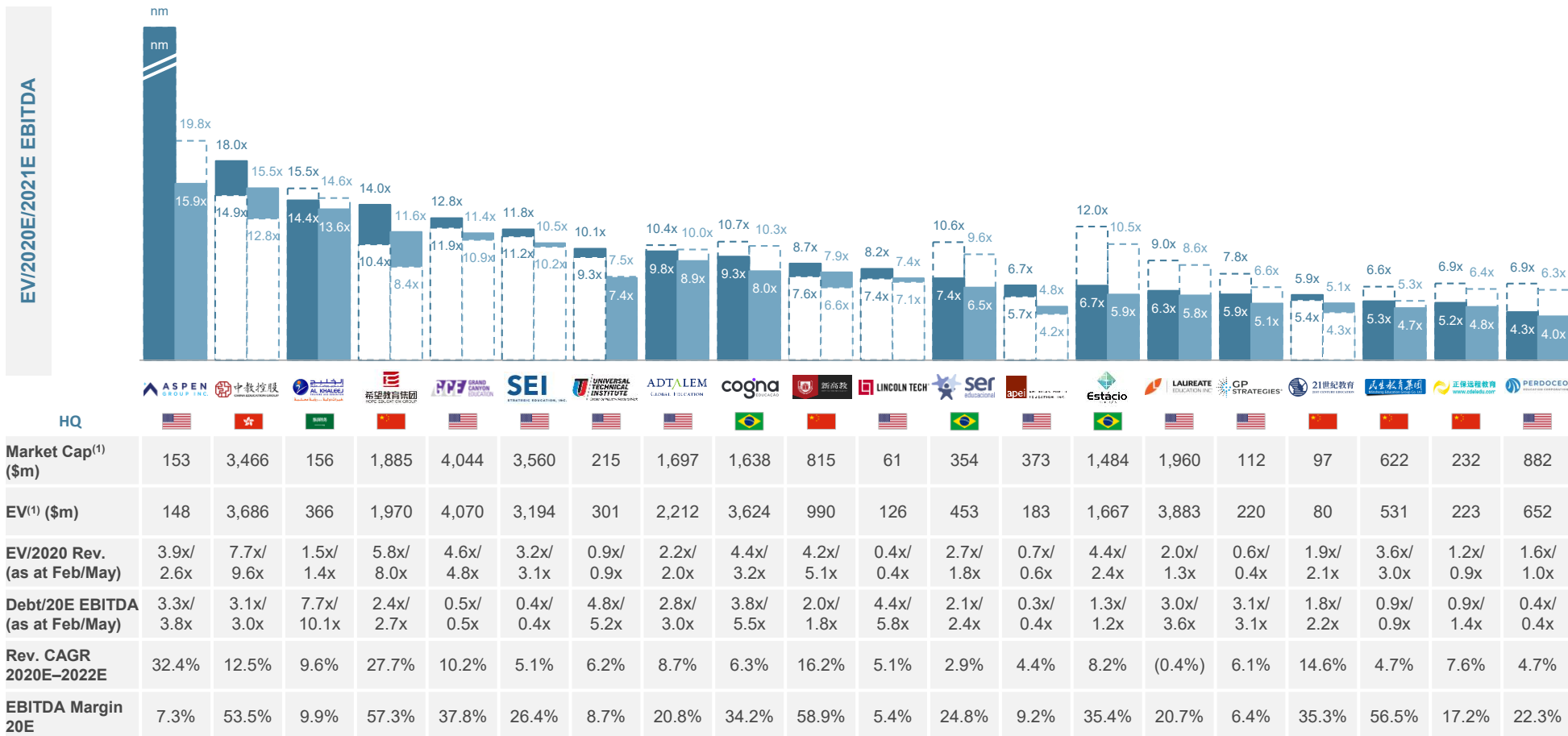
## Higher Education/Post-Secondary/Adult Training

FY20E Median Feb: 9.8x/Current: 8.5x (14% decline)

FY21E Median Feb: 8.5x/Current: 7.4x (13% decline)

Δ share price  
since Feb-20

(28.8%) 20.9% (23.9%) 27.3% 4.9% (3.6%) (22.8%) (5.5%) (54.9%) 41.4% (7.6%) (46.8%) (1.5%) (49.0%) (56.2%) (51.7%) (18.4%) (6.3%) (26.4%) (28.4%)



Notes: Financials are calendarised to 31 December year-end. Trading multiples are based on share price and market data listed as at 20 February/6 May 2020 and broker consensus future earnings estimates from S&P Capital IQ and broker reports as at 20 February/6 May 2020. EV/EBITDA multiples considered to be not meaningful when greater than 30.0x. 17 companies from the HE subsector presented on page 4 have been excluded from this analysis due to lack of meaningful financial forecasts.

(1) As at 6 May 2020.

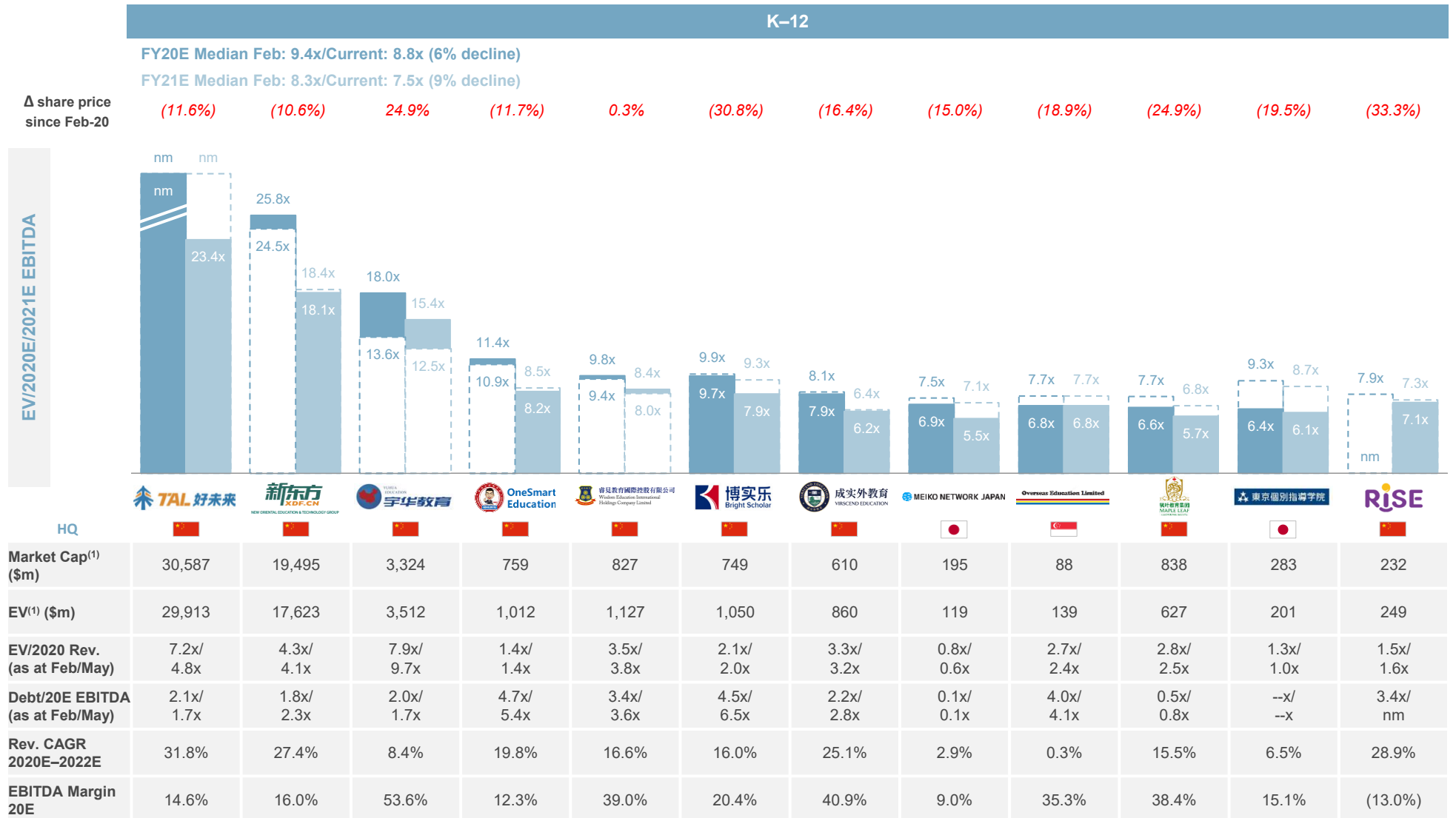


EV/2020E/2021E EBITDA as at 6 May 2020

EV/2020E/2021E EBITDA as at 20 February 2020



# K-12 Trading Comparables



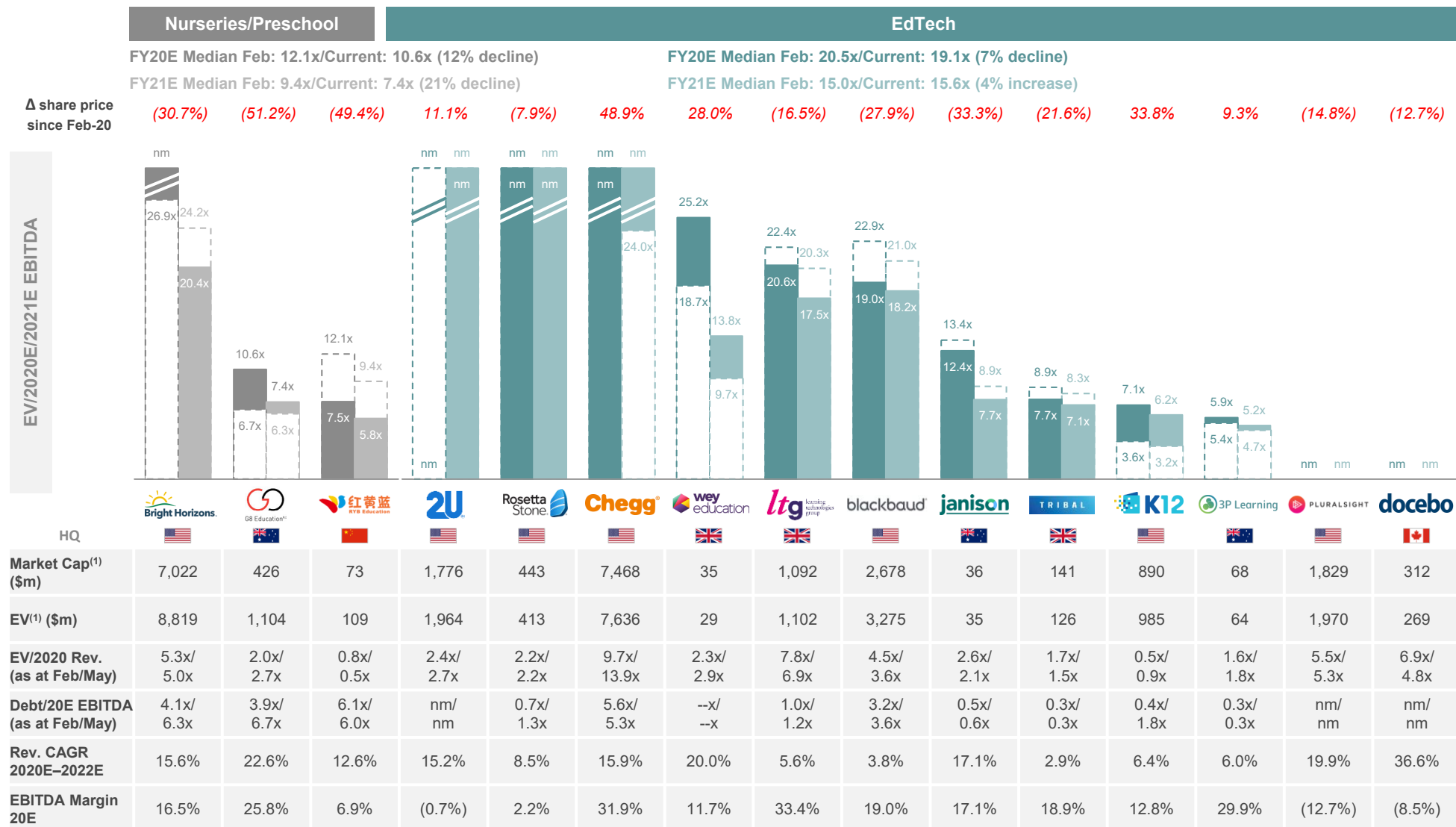
Notes: Financials are calendarised to 31 December year-end. Trading multiples are based on share price and market data listed as at 20 February/6 May 2020 and broker consensus future earnings estimates from S&P Capital IQ and broker reports as at 20 February/6 May 2020. EV/EBITDA multiples considered to be not meaningful when greater than 30.0x. 11 companies from the K-12 subsector presented on page 4 have been excluded from this analysis due to lack of meaningful financial forecasts.

(1) As at 6 May 2020.

EV/2020E/2021E EBITDA as at 6 May 2020

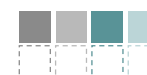
EV/2020E/2021E EBITDA as at 20 February 2020

# Nurseries/Preschool and EdTech Trading Comparables



Notes: Financials are calendarised to 31 December year-end. Trading multiples are based on share price and market data listed as at 20 February/6 May 2020 and broker consensus future earnings estimates from S&P Capital IQ and broker reports as at 20 February/6 May 2020. EV/EBITDA multiples considered to be not meaningful when greater than 30.0x. Two companies from the N/PS and seven companies from the EdTech subsectors presented on page 4 have been excluded from this analysis due to lack of meaningful financial forecasts.

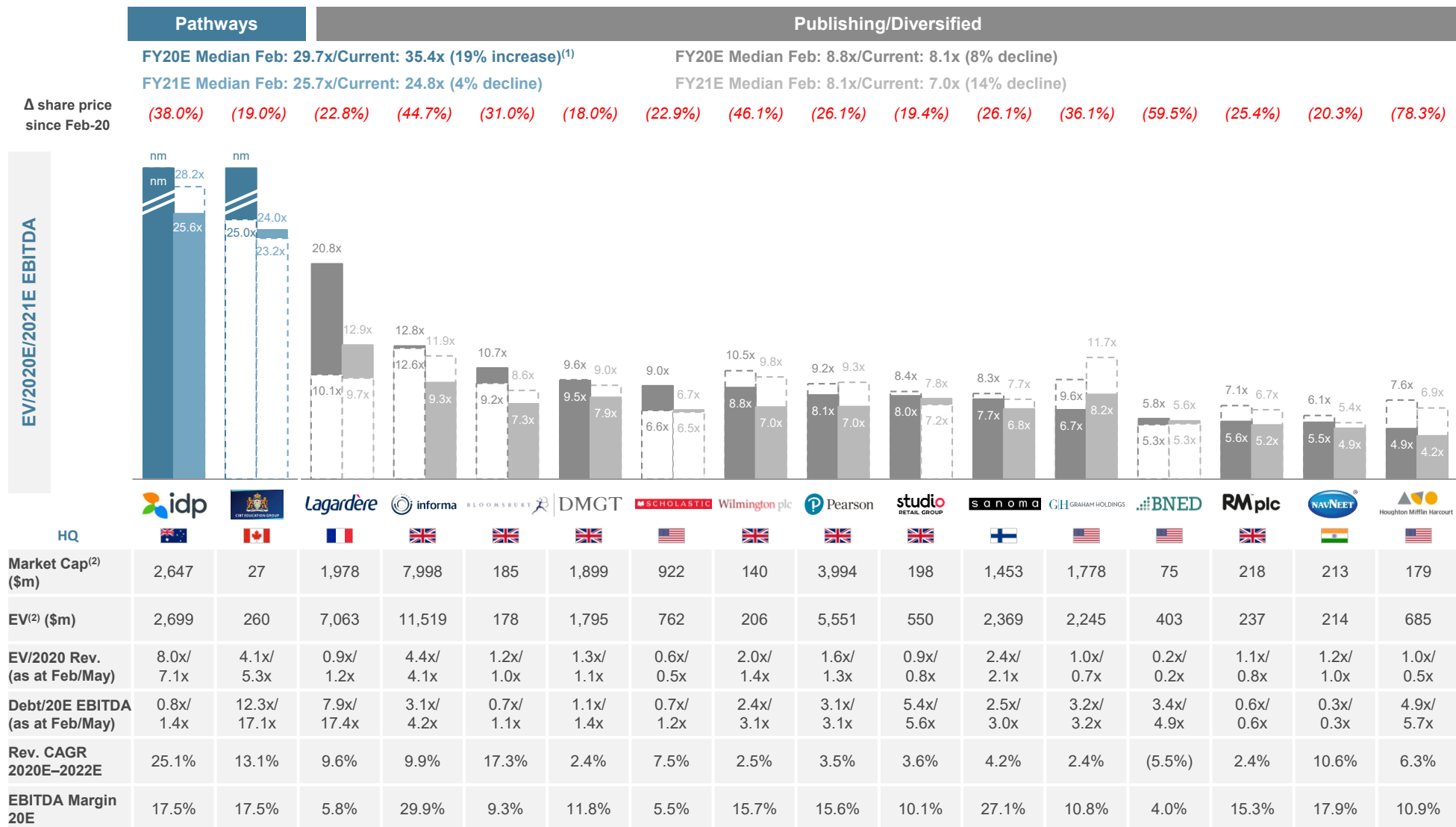
(1) As at 6 May 2020.



EV/2020E/2021E EBITDA as at 6 May 2020

EV/2020E/2021E EBITDA as at 20 February 2020

# Pathways and Publishing/Diversified Trading Comparables



Notes: Financials are calendarised to 31 December year-end. Trading multiples are based on share price and market data listed as at 20 February/6 May 2020 and broker consensus future earnings estimates from S&P Capital IQ and broker reports as at 20 February/6 May 2020. EV/EBITDA multiples considered to be not meaningful when greater than 30.0x. Two companies from Pathways and three companies from the P/D subsectors presented on page 4 have been excluded from this analysis due to lack of meaningful financial forecasts.

(1) Average movement distorted by a small sample.

(2) As at 6 May 2020.

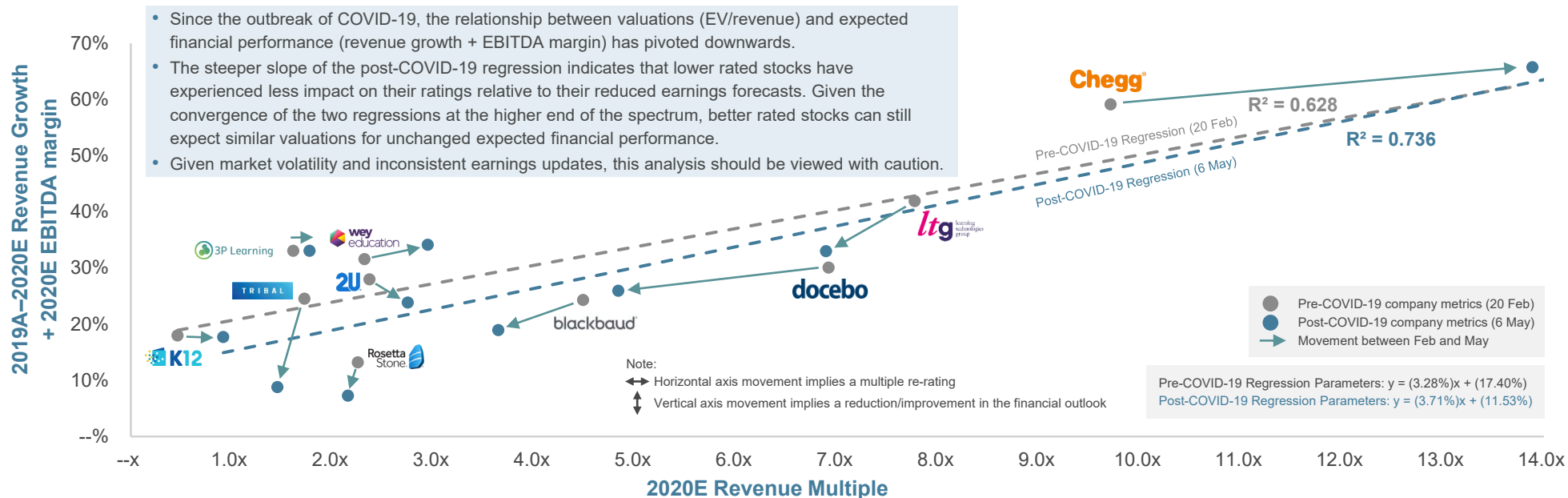


EV/2020E/2021E EBITDA as at 6 May 2020

EV/2020E/2021E EBITDA as at 20 February 2020

# Comparable Company Regression Analysis

## Revenue Growth Rate + EBITDA Margin Correlates With Valuation (EV/Revenue)



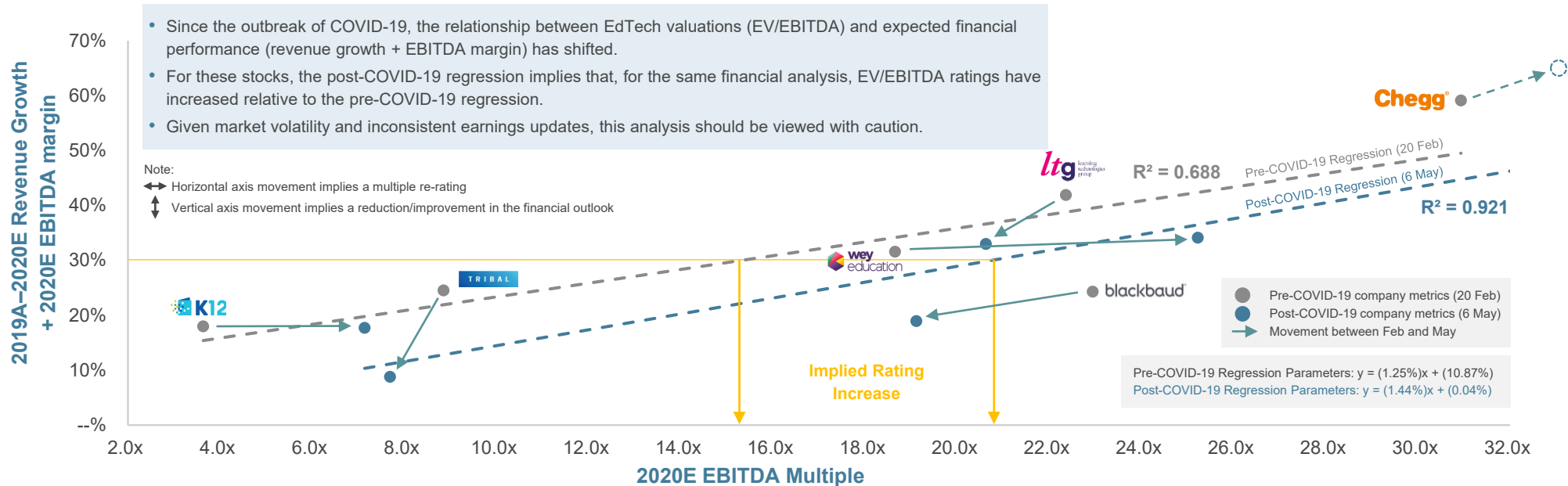
## Financial Performance for Trading Comparables and Regression Inputs

| EdTech Company        | Market Cap (\$m-Feb/May) | Enterprise Value (\$m-Feb/May) | 2020E Revenue Multiple (Feb/May) | 2020E Revenue (\$m-Feb/May) | 2019A-2020E Revenue Growth (Feb/May) | 2020E EBITDA Margin (Feb/May) | Revenue Growth Plus EBITDA Margin (Feb/May) | Market Cap (MC) % ? (between Feb/May) | % Share of MC ? From Revenue Revision | % Share of MC ? From Revenue Multiple Re-Rating |
|-----------------------|--------------------------|--------------------------------|----------------------------------|-----------------------------|--------------------------------------|-------------------------------|---|---------------------------------------|---------------------------------------|---|
| 2U                    | 1,589 / 1,776            | 1,739 / 1,964                  | 2.4x / 2.7x                      | 735 / 716                   | 27.9% / 24.5%                        | 0.1% / (0.7%)                 | 28.0% / 23.8%                               | 11.8%                                 | (24.3%)                               | 124.3%  |
| 3P Learning           | 65 / 68                  | 60 / 64                        | 1.6x / 1.8x                      | 37 / 36                     | 3.2% / 3.2%                          | 29.9% / 29.9%                 | 33.1% / 33.1%                               | 6.1%                                  | (45.0%)                               | 145.0%  |
| Blackbaud             | 3,675 / 2,678            | 4,228 / 3,275                  | 4.5x / 3.6x                      | 943 / 899                   | 4.8% / (0.1%)                        | 19.5% / 19.0%                 | 24.3% / 18.9%                               | (27.1%)                               | 19.7%                                 | 80.3%   |
| Chegg                 | 4,945 / 7,468            | 5,097 / 7,636                  | 9.7x / 13.9x                     | 525 / 550                   | 27.8% / 33.8%                        | 31.4% / 31.9%                 | 59.1% / 65.7%                               | 51.0%                                 | 9.6%                                  | 90.4%   |
| Docebo                | 381 / 312                | 386 / 269                      | 6.9x / 4.8x                      | 56 / 56                     | 38.3% / 34.4%                        | (8.2%) / (8.5%)               | 30.1% / 25.9%                               | (18.1%)                               | 1.0%                                  | 99.0%   |
| K12                   | 662 / 890                | 499 / 985                      | 0.5x / 0.9x                      | 1,079 / 1,075               | 5.2% / 4.9%                          | 12.7% / 12.8%                 | 18.0% / 17.7%                               | 34.5%                                 | (0.9%)                                | 100.9%  |
| Learning Technologies | 1,359 / 1,092            | 1,394 / 1,102                  | 7.8x / 6.9x                      | 179 / 160                   | 7.2% / (0.4%)                        | 34.7% / 33.4%                 | 41.9% / 33.0%                               | (19.6%)                               | 56.6%                                 | 43.4%   |
| Rosetta Stone         | 471 / 443                | 442 / 413                      | 2.2x / 2.2x                      | 197 / 192                   | 8.0% / 5.1%                          | 5.2% / 2.2%                   | 13.2% / 7.3%                                | (5.9%)                                | 37.7%                                 | 62.3%   |
| Tribal Group          | 188 / 141                | 186 / 126                      | 1.7x / 1.5x                      | 108 / 87                    | 5.1% / (10.1%)                       | 19.4% / 18.9%                 | 24.5% / 8.8%                                | (24.8%)                               | 77.8%                                 | 22.2%   |
| Wey Education         | 29 / 35                  | 22 / 29                        | 2.3x / 2.9x                      | 10 / 10                     | 19.2% / 22.5%                        | 12.4% / 11.7%                 | 31.6% / 34.1%                               | 22.9%                                 | 9.4%                                  | 90.6%   |

Notes: Financials are calendarised to 31 December year-end. Trading multiples are based on share price and market data listed as at 20 February/6 May 2020 and broker consensus future earnings estimates from S&P Capital IQ and broker reports as at 20 February/6 May 2020. Janison and Pluralsight have been excluded.

# Comparable Company Regression Analysis (cont.)

## Revenue Growth Rate + EBITDA Margin Correlates With Valuation (EV/EBITDA)



## Financial Performance for Trading Comparables and Regression Inputs

| EdTech Company        | Market Cap (\$m-Feb/May) | Enterprise Value (\$m-Feb/May) | 2020E EBITDA Multiple (Feb/May) | 2020E EBITDA (\$m-Feb/May) | 2019A-2020E Revenue Growth (Feb/May) | 2020E EBITDA Margin (Feb/May) | Revenue Growth Plus EBITDA Margin (Feb/May) | Market Cap (MC) % ? (between Feb/May) | % Share of MC ? From EBITDA Revision | % Share of MC ? From EBITDA Multiple Re-Rating |
|-----------------------|--------------------------|--------------------------------|---------------------------------|----------------------------|--------------------------------------|-------------------------------|---|---------------------------------------|--------------------------------------|--|
| Blackbaud             | 3,675 / 2,678            | 4,228 / 3,275                  | 22.9x / 19.1x                   | 184 / 171                  | 4.8% / (0.1%)                        | 19.5% / 19.0%                 | 24.3% / 18.9%                               | (27.1%)                               | 29.7%                                | 70.3%  |
| Chegg                 | 4,945 / 7,468            | 5,097 / 7,636                  | 30.9x / 43.5x                   | 165 / 176                  | 27.8% / 33.8%                        | 31.4% / 31.9%                 | 59.1% / 65.7%                               | 51.0%                                 | 13.4%                                | 86.6%  |
| K12                   | 662 / 890                | 499 / 985                      | 3.6x / 7.1x                     | 137 / 138                  | 5.2% / 4.9%                          | 12.7% / 12.8%                 | 18.0% / 17.7%                               | 34.5%                                 | 0.8%                                 | 99.2%  |
| Learning Technologies | 1,359 / 1,092            | 1,394 / 1,102                  | 22.4x / 20.6x                   | 62 / 53                    | 7.2% / (0.4%)                        | 34.7% / 33.4%                 | 41.9% / 33.0%                               | (19.6%)                               | 74.4%                                | 25.6%  |
| Tribal Group          | 188 / 141                | 186 / 126                      | 8.9x / 7.7x                     | 21 / 16                    | 5.1% / (10.1%)                       | 19.4% / 18.9%                 | 24.5% / 8.8%                                | (24.8%)                               | 86.7%                                | 13.3%  |
| Wey Education         | 29 / 35                  | 22 / 29                        | 18.7x / 25.2x                   | 1 / 1                      | 19.2% / 22.5%                        | 12.4% / 11.7%                 | 31.6% / 34.1%                               | 22.9%                                 | (11.5%)                              | 111.5%   |

Notes: Financials are calendarised to 31 December year-end. Trading multiples are based on share price and market data listed as at 20 February/6 May 2020 and broker consensus future earnings estimates from S&P Capital IQ and broker reports as at 20 February/6 May 2020. 2U, 3P Learning, Docebo, Janison, Pluralsight, and Rosetta Stone have been excluded.

# Capital Markets Experience Extreme Volatility

Heightened concerns surrounding COVID-19 continue to cause volatility across markets and weaken investor sentiment.



## Equity Capital Markets

- Volatility, as measured by the VIX index, peaked on 16 March at an all-time high, exceeding the levels seen during the 2008/09 financial crisis. Volatility has since reduced from the peak with the VIX index currently below 30, but this is still 2x higher than the index average for 2019.
- Markets have recovered strongly, with major indices up more than 27% since their lows on 23 March. However, heightened volatility is likely to remain until there is more visibility on the progress of the virus, potential COVID-19 exit strategies, oil price stability, and the impact that each will have on the broader economy and corporate earnings.
- Companies across the globe have withdrawn their guidance, cancelled dividends and share buybacks, and dialled down capital expenditure programmes despite unprecedented fiscal and monetary policy response to mitigate the economic impact.
- The buy-side community has been broadly supportive of ECM transactions across Europe. A number of listed companies in directly affected sectors have successfully raised capital through equity and equity-linked instruments as they seek to ensure they can absorb operational disruptions for an extended period. Europe has also seen a return of secondary sell-downs in companies with resilient business models whose share prices have rebounded more markedly.
- While the outlook for European IPOs has been bleak, Norwegian video conferencing software company Pexip, a business that benefits from COVID-19, is moving forward with its listing process with a fixed price offering (implying a market cap of \$604 million) and a number of cornerstone investors to further de-risk the process.
- While there has been significant disruption, bear markets caused by external shocks have (historically) been the fastest to recover.



## Debt Capital Markets

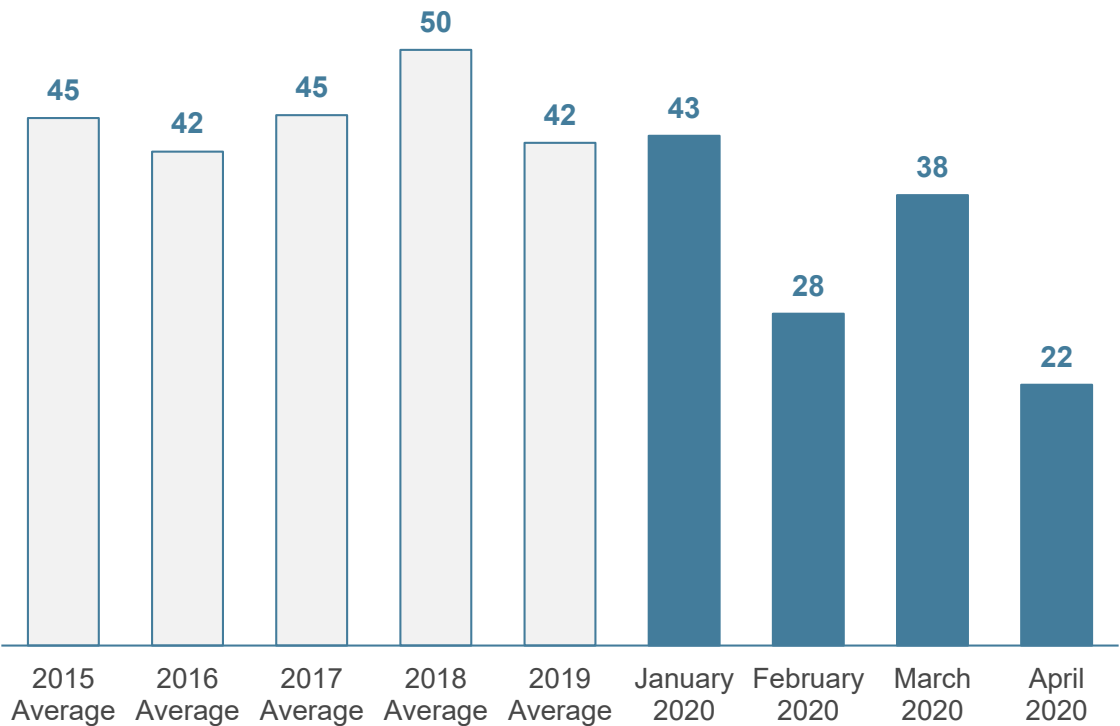
- International governments and central banks continue to support their respective economies with necessary monetary and fiscal policies to soften the impact of COVID-19.
- Bank underwriting has withdrawn, except for deals committed pre-crisis while (in the direct credit market) there has been some investment, albeit again on deals nearly complete before the crisis.
- The direct market has liquidity; however, we are still in a stage of price discovery, since secondary public markets have highly attractive current yields and are typically with much larger companies.
- Having effectively shut down in March, the European high-yield market opened slightly in April as companies raised \$1.2 billion. The US recorded one of the 10 busiest months on record with more than \$30 billion of new issuance.
- In March, credit rating agencies downgraded ratings at the fastest pace on record. As companies have fallen from investment grade into junk territory, the Fed has added junk bonds to its asset purchase scheme and the ECB is expected to follow suit.
- Having plummeted to an 11-year low in March, the secondary market has significantly recovered in recent weeks as investors have found opportunities from overselling.



# Training and Education Deal Activity Summary: M&A

## Monthly Deal Count<sup>(1)</sup>

- Heightened concerns surrounding COVID-19 continue to cause volatility across M&A markets with a distinct downswing in total deal activity in April.
  - 22 M&A deals in April represents a c. 48% decrease in deal activity against the monthly average for 2019.
  - As strategic buyers have watched their share prices fall drastically, focus has shifted to internal initiatives and weathering the storm before continuing the push towards consolidation.
- Training and education is one of the more robust sectors in the long term and we expect that it will prove an attractive area of investment for PE firms looking to deploy record amounts of dry powder—especially at a steep discount to prices observed in the recent past.






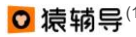
























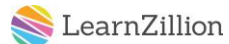


| Annualised Deal Count |     |     |     |     |     |     |     |     |
|-----------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| 534                   | 500 | 537 | 603 | 509 | 516 | 336 | 456 | 264 |

Source: Pitchbook.com.  
(1) North American and European deals in the training and education space only.

# Selected Deal Activity YTD: M&A and VC equity

EdTech players will be attractive targets as success stories emerge from the current disruption.

| Target Subsector   | Date   | Target   | Acquirer   | Target Description   |
|--|--------|--|--|--|
| <br><b>EdTech</b> | 04-May | <b>SiPM</b>  |  LEVINE LEICHTMAN CAPITAL PARTNERS  | • Belgium-based provider of e-learning solutions for blue-chip corporations. |
|  | 23-Apr | <b>Trivantis</b>   |  eLearning Brothers   | • US-based provider of authoring and course building software.               |
|  | 06-Apr |  engage                                     |  EDUCATION HORIZONS GROUP   | • UK-based provider of software for international schools.                   |
|  | 31-Mar |  猿辅导 <sup>(1)</sup><br>Yuanfudao            |  Tencent 腾讯<br>& others  | • China-based online K–12 education company.                                 |
|  | 24-Mar |  INSTRUCTURE                                |  THOMABRAVO  | • US-based publisher of LMS and employee development software.               |
|  | 10-Mar |  Blackboard Open LMS                        |  Itg learning technologies group  | • US-based SaaS open-source LMS.   |
|  | 04-Mar |  GuideK12<br>Genius Analytics for Education |  FORECAST5 ANALYTICS   | • US-based provider of software for analysing school district data.          |
|  | 03-Mar | <b>EduLab</b>  | <b>Alinea</b>  | • Denmark-based provider of educational software.                            |
|  | 24-Feb |  saba<br>Pending                            |  Cornerstone   | • US-based provider of HCM and learning software.                            |
|  | 21-Feb |  unacademy <sup>(1)</sup>                   |  GENERAL ATLANTIC<br> SEQUOIA<br>f & others | • India-based online learning platform.                                      |
|  | 27-Jan |  galvanize                                 |  K12   | • US-based coding bootcamp.  |
|  | 16-Jan |  SMART SPARROW<br>Pending                 |  Pearson   | • Australia-based EdTech courseware provider.                                |
|  | 15-Jan |  rednucleus                               |  Riverside<br> NEW CANAAN FUNDING      | • US-based provider of digital learning and compliance solutions.            |
|  | 10-Jan |  CAMPUS PARTNERSHIP<br>Pending            |  Edcentric<br> VERITAS ONLINE            | • US-based provider of software for higher education institutions.           |
|  | 09-Jan |  PING PONG                                |  total specific solutions  | • Sweden-based e-learning platform.  |
|  | 08-Jan |  LearnZillion                             | <b>WELD NORTH</b>  | • US-based provider of K–12 digital curriculum solutions.                    |

Source: Public announcements, MergerMarket.

(1) Funding round/minority stake.

















# Selected Deal Activity YTD: M&A and VC equity

Demand for employment-critical training has driven activity in adult learning. In early childcare, consolidation by PE-backed platforms continues.

| Target Subsector   | Date   | Target   | Acquirer  | Target Description  |
|--|--------|--|---|---|
| <br><b>Higher Education/<br/>Post-Secondary/<br/>Adult Training</b> | 01-May |  <b>kalkomey™</b>   |  <b>COVE HILL PARTNERS</b>  | • US-based provider of recreational safety education and certification. |
|  | 28-Apr |  <b>RxPrep</b>  |  <b>UWorld</b><br>YOUR WORLD OF LEARNING  | • US-based provider of online courses for aspiring pharmacists.         |
|  | 27-Apr |  <b>Unitek LEARNING</b>   |  <b>VISTRIA</b>  | • US-based nursing and medical services education provider.             |
|  | 13-Mar |  <b>LEARNING CURVE GROUP</b>                                    |  <b>AGILITAS</b>   | • UK-based adult training and education specialist.                     |
|  | 28-Feb |  <b>INTI International University &amp; Colleges</b><br>Pending |  <b>希望教育集团</b><br>HOPE EDUCATION GROUP  | • Malaysia-based operator of a university and colleges.                 |
|  | 14-Feb |  <b>tio</b><br>University of Applied Sciences<br>Pending        |  <b>NCOI</b><br>ONEDITION  | • Netherlands-based university.   |
|  | 05-Feb |  <b>WESTWIND</b> Pending  |  <b>UNITED AIRLINES</b>   | • US-based provider of flight training.                                 |
|  | 03-Feb |  <b>nsc</b><br>National Security Council                        |  <b>QINETIQ</b>   | • UK-based military training specialist.                                |
|  | 31-Jan |  <b>50</b>  |  <b>Morgan Stanley</b><br>Global Private Equity  | • US-based operator of a private community for executives.              |
|  | 16-Jan |  <b>LAUREATE EDUCATION INC.</b><br>Costa Rica Operations        |  <b>STERLING PARTNERS</b>  | • Costa Rican operations of Laureate Education.                         |
|  | 15-Jan |  <b>万学教育</b><br>www.wanxue.cn                                   |  <b>ADV PARTNERS</b>   | • China-based post-university education services company.               |
|  | 14-Jan |  <b>TALIS BUSINESS SCHOOL</b>                                  |  <b>azulis</b>  <b>AQUIT</b><br>SECTEUR | • France-based business school operator.                                |
|  | 13-Jan |  <b>中国科培教育集团</b><br>Kebao Institute of Education<br>Pending   |  <b>中国科培教育集团有限公司</b><br>China Kepei Education Group Limited   | • China-based baccalaureate college.                                    |
|  | 06-Jan |  <b>MTHREE CONSULTING</b>                                     |  <b>WILEY</b>   | • UK-based provider of technology skills training.                      |
| <br><b>Nurseries/<br/>Preschool</b>                               | 12-Feb |  <b>Cadence EDUCATION</b><br>Pending                          |  <b>Apax PARTNERS</b>  | • US-based company managing more than 225 preschools.                   |
|  | 12-Feb |  <b>Macquarie</b> Pending – 70% stake                         |  <b>GRUPO SEB</b><br>SEB EDUCATION   | • Canada-based preschool and day care chain.                            |
|  | 31-Jan |  <b>EduKids</b>   |  <b>Busy Bees</b>  | • US-based early childhood education and care centre.                   |
|  | 27-Jan |  <b>Kids Allowed</b>  |  <b>Kids Planet</b>  | • UK-based nursery chain.   |

# Selected Deal Activity YTD: M&A and VC equity

Acquisitions of individual schools and small groups has been driven by global consolidators.

| Target Subsector   | Date   | Target  | Acquirer   | Target Description   |
|--|--------|---|--|--|
| <br><b>K-12</b>                         | 21-Apr |    |    | <ul style="list-style-type: none"> <li>US-based charter schools facilities.</li> </ul>                         |
|  | 08-Apr | <b>inspired</b><br>Undisclosed stake  | Confidential   | <ul style="list-style-type: none"> <li>Global private education group.</li> </ul>                              |
|  | 10-Feb |    |    | <ul style="list-style-type: none"> <li>Spain-based bilingual private school.</li> </ul>                        |
|  | 29-Jan | <b>皇KINGSLEY</b><br>国际教育集团<br>Pending   |   | <ul style="list-style-type: none"> <li>Malaysia-based school group.</li> </ul>                                 |
|  | 23-Jan |    | <b>inspired</b>  | <ul style="list-style-type: none"> <li>Spain-based private school.</li> </ul>                                  |
|  | 23-Jan |    |    | <ul style="list-style-type: none"> <li>US-based live video tutoring company.</li> </ul>                        |
|  | 10-Jan |    |   | <ul style="list-style-type: none"> <li>Spain-based private school.</li> </ul>                                  |
| <br><b>Publishing/<br/>Diversified</b> | 20-Mar | <b>ZED</b>  |    | <ul style="list-style-type: none"> <li>UK-based academic publisher.</li> </ul>                                 |
|  | 07-Feb |   |   | <ul style="list-style-type: none"> <li>US-based provider of print and digital learning solutions.</li> </ul>   |
|  | 07-Feb | <b>STUDIO 100</b><br>25% stake  | Vic Swerts,<br>Frank Donck   | <ul style="list-style-type: none"> <li>Belgium-based producer of educational TV shows for children.</li> </ul> |
|  | 30-Jan |  |  | <ul style="list-style-type: none"> <li>US-based publisher of content for higher education.</li> </ul>          |
|  | 08-Jan | <b>KOFSCHIP</b>   |  | <ul style="list-style-type: none"> <li>Netherlands-based ICT provider for the educational sector.</li> </ul>   |
|  | 07-Jan |  |  | <ul style="list-style-type: none"> <li>US-based publisher of school books about nature.</li> </ul>             |

# Integrated, Global Team Built to Advise the Training and Education Sector

## Industry-leading training and education investment banking team...



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## ...supported by the extensive resources and relationships of the firm’s global product teams

| Private Equity Coverage   | Private Capital Markets  | Financial and Valuation Advisory  | Financial Restructuring  |
|---|--|---|--|
| <ul style="list-style-type: none"><li>19 senior officers dedicated to sponsor community in North America and Europe.</li><li>Dedicated coverage of 1,000+ funds with proprietary knowledge of buyer behavior.</li><li>Sold 450+ companies to financial sponsors over the last five years.</li></ul> | <ul style="list-style-type: none"><li>45+ professionals globally, representing the industry’s largest dedicated alternative investor coverage team.</li><li>Raised more than \$100 billion of capital in the past five years.</li><li>Raised approximately \$11.5 billion in 2019 with participation from 40+ different investors.</li></ul> | <ul style="list-style-type: none"><li>No. 1 ranked global M&amp;A fairness opinion advisor over the past 20 years.</li><li>1,000+ annual valuation engagements.</li></ul> | <ul style="list-style-type: none"><li>No. 1 ranked global investment banking restructuring advisor in 2019.</li><li>Advised on 1,000+ restructuring transactions with aggregate debt claims of \$2.5+ trillion over past decade.</li><li>Advised on 12 of the 15 largest bankruptcy transactions since 2000.</li></ul> |

# Training and Education Sits at the Heart of Our Specialist Knowledge

## Higher Education/Post-Secondary/Adult Training

|   |  |   |   |
|---|--|---|---|
| <br>has acquired<br><br>Buyside Advisor   | <br>has acquired<br><br>Buyside Advisor                  | Substantially all of the assets of<br><br>Education Management Corporation<br>have been acquired by<br><br>Sellside Advisor | <br>has backed the management buyout of<br>Calco Group B.V.<br>Buyside Advisor* |
| <br>has acquired<br>The University of Law<br>from<br>Montagu Private Equity<br>Buyside Advisor* | <br>has acquired<br>Arden University<br>Buyside Advisor* | <br>has been acquired by<br>Filch Group<br>Sellside Advisor*  | <br>has been acquired by<br>Apollo Global<br>Sellside Advisor*                  |

## K-12/Preschool

|   |  |   |  |
|---|--|---|--|
| <br>a portfolio company of<br><br>has been acquired by<br><br>Sellside Advisor  | <br>has been acquired by<br><br><br>Financial Advisor & Fairness Opinion | <br>has made an investment in<br>Inspired<br>Financial Advisor*               | <br>has been acquired by<br><br>Sellside Advisor   |
| <br>has completed an out-of-court restructuring that resulted in a consensual debt-for-equity exchange of approximately \$140 million of Second Lien debt and the injection of \$35 million of new capital<br>Second Lien Lenders Advisor | <br>has acquired<br>Mander Portman Woodward<br>Buyside Advisor*          | <br>has been acquired by<br>Discovery Communications Inc<br>Sellside Advisor* | <br>has been acquired by<br><br>Financial Advisor* |

**Houlihan Lokey**  
has extensive  
global experience  
in T&E

## EdTech

|  |  |  |  |
|--|--|--|--|
| <br>a portfolio company of<br><br>has been acquired by<br><br>Sellside Advisor | <br>a portfolio company of<br><br>has been acquired by<br><br>Sellside Advisor   | <br>has been acquired by<br><br>Sellside Advisor     | <br>has been acquired by<br><br>Sellside Advisor |
| <br>has been acquired by<br><br>a portfolio company of<br><br>Sellside Advisor | <br>has been acquired by<br>Learning Technologies Group PLC<br>Sellside Advisor* | <br>has been acquired by<br><br>Shareholder Advisor* | <br>acquired<br><br>and<br><br>Financial Opinion |

## Education Data/Assessment/Services

|  |   |  |  |
|--|---|--|--|
| <br>and<br><br>have acquired<br><br>Buyside Advisor                    | <br>has divested its Assessment Division to<br><br>a portfolio company of<br><br>Sellside Advisor | <br>has been acquired by<br><br>a portfolio company of<br><br>Sellside Advisor | <br>has been acquired by<br><br>Buyside Advisor  |
| <br>has been acquired by<br>IDP Education Limited<br>Sellside Advisor* | <br>has confirmed a "pre-packaged" Chapter 11 Plan of Reorganization<br>Secured Creditors Advisor | <br>has confirmed a Chapter 11 Plan of Reorganization<br>First Lien Advisor    | <br>has been acquired by<br><br>Sellside Advisor |

Tombstones included herein represent transactions closed from 2009 forward.

\*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.



# How Houlihan Lokey Can Help

Our firm is extremely well equipped to help our clients navigate uncertain times. We respond quickly to challenging situations and are constantly helping clients analyse, structure, negotiate and execute the best possible solutions from both strategic and financial perspectives.

## What We Offer

1

Corporate Finance

Mergers and Acquisitions

Capital Markets

Private Funds Advisory

Board Advisory Services

2

Restructuring

Company Advisory

Financial Restructuring

Distressed M&A

Liability Management

Creditor Advisory

3

Financial and Valuation Advisory

Portfolio Valuation and Fund Advisory

Transaction Opinions

Corporate Valuation Advisory Services

Real Estate Valuation and Advisory

Dispute Resolution Consulting

**Corporate Finance**

We are widely recognized as a leading M&A advisor to the middle market and have long-standing relationships with capital providers, including commercial banks and other senior credit providers, insurance funds, asset managers, and mezzanine fund investors. Few other investment banks maintain the breadth of relationships and capital markets intelligence that we do.

**Financial Restructuring**

We have the largest restructuring practice of any global investment bank. Since 1988, we have advised on more than 1,000 restructuring transactions (with aggregate debt claims in excess of \$2.5 trillion). We served as an advisor in 12 of the largest 15 bankruptcies from 2000 to 2019.

**Financial and Valuation Advisory**

For nearly four decades, we have established ourselves as one of the largest financial and valuation advisory firms. Our transaction expertise and leadership in the field of valuation helps inspire confidence in financial executives, boards of directors, special committees, investors, and business owners we serve.

- ✓ Dominant in Special Situations and Restructuring

✓ Significant Experience With Financing Markets

✓ Senior-Level Commitment and Dedication

✓ Deep Training and Education Industry Expertise

✓ Superior Work Product/ Technical Abilities

# Listed Trading Analysis as at 6 May 2020

|                                  | Company                            | Market Cap<br>USDm | EV<br>USDm | EV/Revenue |      |      | EV/EBITDA |       |       | EBITDA Margin |       |       | 2020E–2022E CAGR |        |
|----------------------------------|------------------------------------|--------------------|------------|------------|------|------|-----------|-------|-------|---------------|-------|-------|------------------|--------|
|                                  |                                    |                    |            | 2020       | 2021 | 2022 | 2020      | 2021  | 2022  | 2020          | 2021  | 2022  | Revenue          | EBITDA |
| HE/Post-Secondary/Adult Training | Adtalem                            | 1,697              | 2,212      | 2.0x       | 1.9x | 1.7x | 9.8x      | 8.9x  | 8.1x  | 20.8%         | 21.2% | 21.2% | 8.7%             | 9.8%   |
|                                  | Al Khaleej Training and Education  | 156                | 366        | 1.4x       | 1.3x | 1.2x | 14.4x     | 13.6x | 12.4x | 9.9%          | 9.6%  | 9.6%  | 9.6%             | 7.7%   |
|                                  | APEI                               | 373                | 183        | 0.6x       | 0.6x | 0.6x | 6.7x      | 4.8x  | 4.6x  | 9.2%          | 12.4% | 12.4% | 4.4%             | 20.8%  |
|                                  | Aspen Group                        | 153                | 148        | 2.6x       | 1.9x | 1.5x | 35.2x     | 15.9x | 7.3x  | 7.3%          | 12.3% | 20.0% | 32.4%            | 119.2% |
|                                  | China 21st Century Education       | 97                 | 80         | 2.1x       | 1.8x | 1.6x | 5.9x      | 5.1x  | 4.5x  | 35.3%         | 35.3% | 35.3% | 14.6%            | 14.6%  |
|                                  | China Distance Education           | 232                | 223        | 0.9x       | 0.8x | 0.8x | 5.2x      | 4.8x  | 4.5x  | 17.2%         | 17.2% | 17.2% | 7.6%             | 7.6%   |
|                                  | China Education Group              | 3,466              | 3,686      | 9.6x       | 8.5x | 7.6x | 18.0x     | 15.5x | 13.5x | 53.5%         | 54.7% | 56.1% | 12.5%            | 15.2%  |
|                                  | China New Higher Education         | 815                | 990        | 5.1x       | 4.4x | 3.8x | 8.7x      | 7.9x  | 6.4x  | 58.9%         | 56.1% | 59.4% | 16.2%            | 16.6%  |
|                                  | Cogna Educação                     | 1,638              | 3,624      | 3.2x       | 3.0x | 2.8x | 9.3x      | 8.0x  | 7.4x  | 34.2%         | 37.1% | 38.2% | 6.3%             | 12.3%  |
|                                  | Estacio                            | 1,484              | 1,667      | 2.4x       | 2.1x | 2.0x | 6.7x      | 5.9x  | 5.4x  | 35.4%         | 35.7% | 37.4% | 8.2%             | 11.3%  |
|                                  | GP Strategies                      | 112                | 220        | 0.4x       | 0.4x | 0.3x | 5.9x      | 5.1x  | 4.8x  | 6.4%          | 7.0%  | 7.0%  | 6.1%             | 11.0%  |
|                                  | Grand Canyon Education             | 4,044              | 4,070      | 4.8x       | 4.4x | 4.0x | 12.8x     | 11.4x | 10.4x | 37.8%         | 38.4% | 38.4% | 10.2%            | 11.0%  |
|                                  | Hope Education Group               | 1,887              | 1,972      | 8.0x       | 6.1x | 4.9x | 14.0x     | 11.6x | 8.6x  | 57.0%         | 52.6% | 57.0% | 27.4%            | 27.4%  |
|                                  | Laureate Education                 | 1,960              | 3,883      | 1.3x       | 1.3x | 1.3x | 6.3x      | 5.8x  | 6.3x  | 20.7%         | 21.7% | 20.8% | (0.4%)           | (0.1%) |
|                                  | Lincoln Educational Services       | 61                 | 126        | 0.4x       | 0.4x | 0.4x | 8.2x      | 7.4x  | 7.0x  | 5.4%          | 5.7%  | 5.7%  | 5.1%             | 8.3%   |
|                                  | Minsheng Education Group           | 622                | 531        | 3.0x       | 2.6x | 2.7x | 5.3x      | 4.7x  | 4.5x  | 56.5%         | 56.4% | 61.3% | 4.7%             | 9.1%   |
|                                  | Perdoceo                           | 882                | 652        | 1.0x       | 0.9x | 0.9x | 4.3x      | 4.0x  | 3.8x  | 22.3%         | 23.4% | 23.4% | 4.7%             | 7.2%   |
|                                  | SER                                | 354                | 453        | 1.8x       | 1.8x | 1.7x | 7.4x      | 6.5x  | 6.2x  | 24.8%         | 27.1% | 27.9% | 2.9%             | 9.3%   |
|                                  | Strategic Education                | 3,560              | 3,194      | 3.1x       | 3.0x | 2.8x | 11.8x     | 10.5x | 10.0x | 26.4%         | 28.1% | 28.1% | 5.1%             | 8.4%   |
|                                  | Universal Technical Institute      | 215                | 301        | 0.9x       | 0.8x | 0.8x | 10.1x     | 7.4x  | 6.4x  | 8.7%          | 11.1% | 12.0% | 6.2%             | 24.9%  |
| Mean                             |                                    |                    |            | 2.7x       | 2.4x | 2.2x | 10.3x     | 8.3x  | 7.1x  | 27.4%         | 28.2% | 29.4% | 9.6%             | 17.6%  |
| Median                           |                                    |                    |            | 2.1x       | 1.9x | 1.7x | 8.5x      | 7.4x  | 6.4x  | 23.5%         | 25.2% | 25.7% | 6.9%             | 11.0%  |
| K–12                             | Bright Scholar Education           | 749                | 1,050      | 2.0x       | 1.6x | 1.5x | 9.7x      | 7.9x  | 7.2x  | 20.4%         | 20.7% | 20.5% | 16.0%            | 16.3%  |
|                                  | China Maple Leaf Educational       | 838                | 627        | 2.5x       | 2.1x | 1.9x | 6.6x      | 5.7x  | 5.2x  | 38.4%         | 37.1% | 36.5% | 15.5%            | 12.6%  |
|                                  | China YuHua Education              | 3,324              | 3,512      | 9.7x       | 8.9x | 8.2x | 18.0x     | 15.4x | 14.3x | 53.6%         | 58.1% | 57.6% | 8.4%             | 12.3%  |
|                                  | Meiko Network Japan                | 195                | 119        | 0.6x       | 0.6x | 0.6x | 6.9x      | 5.5x  | 5.5x  | 9.0%          | 10.8% | 10.7% | 2.9%             | 12.1%  |
|                                  | New Oriental Education             | 19,495             | 17,623     | 4.1x       | 3.2x | 2.5x | 25.8x     | 18.1x | 14.0x | 16.0%         | 17.8% | 18.2% | 27.4%            | 35.7%  |
|                                  | OneSmart International Education   | 759                | 1,012      | 1.4x       | 1.2x | 1.0x | 11.4x     | 8.2x  | 6.7x  | 12.3%         | 14.1% | 14.7% | 19.8%            | 30.7%  |
|                                  | Overseas Education                 | 88                 | 139        | 2.4x       | 2.4x | 2.4x | 6.8x      | 6.8x  | 6.8x  | 35.3%         | 35.2% | 35.1% | 0.3%             | 0.1%   |
|                                  | RISE Education                     | 232                | 249        | 1.6x       | 1.1x | 0.9x | nm        | 7.1x  | 5.0x  | (13.0%)       | 15.9% | 18.6% | 28.9%            | na     |
|                                  | Tal Education                      | 30,587             | 29,913     | 4.8x       | 3.7x | 2.8x | 33.2x     | 23.4x | 17.7x | 14.6%         | 15.7% | 15.8% | 31.8%            | 37.0%  |
|                                  | Tokyo Individualized Ed. Institute | 283                | 201        | 1.0x       | 0.9x | 0.9x | 6.4x      | 6.1x  | 5.7x  | 15.1%         | 15.0% | 15.0% | 6.5%             | 5.9%   |
|                                  | Virscend Education                 | 610                | 860        | 3.2x       | 2.6x | 2.1x | 7.9x      | 6.2x  | 4.9x  | 40.9%         | 41.8% | 41.8% | 25.1%            | 26.6%  |
|                                  | Wisdom Education International     | 827                | 1,127      | 3.8x       | 3.2x | 2.8x | 9.8x      | 8.4x  | 7.5x  | 39.0%         | 37.9% | 37.2% | 16.6%            | 13.8%  |
| Mean                             |                                    |                    |            | 3.1x       | 2.6x | 2.3x | 13.0x     | 9.9x  | 8.4x  | 23.5%         | 26.7% | 26.8% | 16.6%            | 18.5%  |
| Median                           |                                    |                    |            | 2.5x       | 2.2x | 2.0x | 8.8x      | 7.5x  | 6.7x  | 18.2%         | 19.2% | 19.6% | 16.3%            | 13.8%  |

Sources: S&P Capital IQ.

Note: Sector means and medians on this page exclude not meaningful (nm) or not available (na) figures. Implied multiples above 50.0x have been excluded from the calculation of means.

# Listed Trading Analysis as at 6 May 2020 (cont.)

|                          | Company                          | Market Cap<br>USDm | EV<br>USDm | EV/Revenue |       |       | EV/EBITDA |        |        | EBITDA Margin |        |       | 2020E-2022E CAGR |        |
|--------------------------|----------------------------------|--------------------|------------|------------|-------|-------|-----------|--------|--------|---------------|--------|-------|------------------|--------|
|                          |                                  |                    |            | 2020       | 2021  | 2022  | 2020      | 2021   | 2022   | 2020          | 2021   | 2022  | Revenue          | EBITDA |
| Nurseries<br>/Pre-School | Bright Horizons Family Solutions | 7,022              | 8,819      | 5.0x       | 4.0x  | 3.7x  | 30.1x     | 20.4x  | 18.4x  | 16.5%         | 19.8%  | 20.2% | 15.6%            | 28.0%  |
|                          | G8 Education                     | 426                | 1,104      | 2.7x       | 1.9x  | 1.8x  | 10.6x     | 7.4x   | 6.3x   | 25.8%         | 26.1%  | 29.0% | 22.6%            | 29.9%  |
|                          | RYB Education                    | 73                 | 109        | 0.5x       | 0.5x  | 0.4x  | 7.5x      | 5.8x   | 5.2x   | 6.9%          | 7.8%   | 7.8%  | 12.6%            | 20.1%  |
| Mean                     |                                  |                    |            | 2.7x       | 2.1x  | 2.0x  | 16.1x     | 11.2x  | 9.9x   | 16.4%         | 17.9%  | 19.0% | 16.9%            | 26.0%  |
| Median                   |                                  |                    |            | 2.7x       | 1.9x  | 1.8x  | 10.6x     | 7.4x   | 6.3x   | 16.5%         | 19.8%  | 20.2% | 15.6%            | 28.0%  |
| EdTech                   | 2U                               | 1,776              | 1,964      | 2.7x       | 2.4x  | 2.1x  | nm        | >50.0x | 40.6x  | (0.7%)        | 2.5%   | 5.1%  | 15.2%            | na     |
|                          | 3P Learning                      | 68                 | 64         | 1.8x       | 1.7x  | 1.6x  | 5.9x      | 5.2x   | 4.7x   | 29.9%         | 32.4%  | 33.8% | 6.0%             | 12.7%  |
|                          | Blackbaud                        | 2,678              | 3,275      | 3.6x       | 3.5x  | 3.4x  | 19.1x     | 18.4x  | 17.8x  | 19.0%         | 19.0%  | 19.0% | 3.8%             | 3.7%   |
|                          | Chegg                            | 7,468              | 7,636      | 13.9x      | 11.5x | 10.3x | 43.5x     | 34.5x  | 28.4x  | 31.9%         | 33.4%  | 36.4% | 15.9%            | 23.7%  |
|                          | Docebo                           | 312                | 269        | 4.8x       | 3.6x  | 2.6x  | nm        | nm     | >50.0x | (8.5%)        | (1.3%) | 3.7%  | 36.6%            | na     |
|                          | Janison                          | 36                 | 35         | 2.1x       | 1.8x  | 1.5x  | 12.4x     | 7.7x   | 5.4x   | 17.1%         | 22.9%  | 28.4% | 17.1%            | 51.1%  |
|                          | K12                              | 890                | 985        | 0.9x       | 0.9x  | 0.8x  | 7.1x      | 6.2x   | 5.8x   | 12.8%         | 13.8%  | 14.0% | 6.4%             | 11.3%  |
|                          | Learning Technologies Group      | 1,092              | 1,102      | 6.9x       | 6.2x  | 6.2x  | 20.6x     | 17.5x  | 17.7x  | 33.4%         | 35.5%  | 34.8% | 5.6%             | 7.8%   |
|                          | Pluralsight                      | 1,829              | 1,970      | 5.3x       | 4.3x  | 3.7x  | nm        | nm     | >50.0x | (12.7%)       | (6.5%) | 1.9%  | 19.9%            | na     |
|                          | Rosetta Stone                    | 443                | 413        | 2.2x       | 2.0x  | 1.8x  | >50.0x    | 45.8x  | 19.1x  | 2.2%          | 4.5%   | 9.6%  | 8.5%             | 127.4% |
|                          | Tribal Group                     | 141                | 126        | 1.5x       | 1.4x  | 1.4x  | 7.7x      | 7.1x   | 7.1x   | 18.9%         | 19.8%  | 19.2% | 2.9%             | 3.8%   |
|                          | Wey Education                    | 35                 | 29         | 2.9x       | 2.5x  | 2.0x  | 25.2x     | 13.8x  | 11.5x  | 11.7%         | 17.8%  | 17.8% | 20.0%            | 48.1%  |
| Mean                     |                                  |                    |            | 4.0x       | 3.5x  | 3.1x  | 17.7x     | 17.3x  | 15.8x  | 12.9%         | 16.2%  | 18.6% | 13.2%            | 32.2%  |
| Median                   |                                  |                    |            | 2.8x       | 2.4x  | 2.1x  | 19.1x     | 15.6x  | 17.8x  | 14.9%         | 18.4%  | 18.4% | 11.8%            | 12.7%  |

Sources: S&P Capital IQ.

Note: Sector means and medians on this page exclude not meaningful (nm) or not available (na) figures. Implied multiples above 50.0x have been excluded from the calculation of means.

# Listed Trading Analysis as at 6 May 2020 (cont.)

|                        | Company                   | Market Cap<br>USDm | EV<br>USDm | EV/Revenue |      |      | EV/EBITDA |       |       | EBITDA Margin |       |       | 2020E–2022E CAGR |        |
|------------------------|---------------------------|--------------------|------------|------------|------|------|-----------|-------|-------|---------------|-------|-------|------------------|--------|
|                        |                           |                    |            | 2020       | 2021 | 2022 | 2020      | 2021  | 2022  | 2020          | 2021  | 2022  | Revenue          | EBITDA |
| Pathways               | CIBT Education Group      | 27                 | 260        | 5.3x       | 4.7x | 4.1x | 30.2x     | 24.0x | 21.3x | 17.5%         | 19.4% | 19.4% | 13.1%            | 19.1%  |
|                        | IDP Education             | 2,647              | 2,699      | 7.1x       | 5.6x | 4.6x | 40.7x     | 25.6x | 18.0x | 17.5%         | 21.8% | 25.3% | 25.1%            | 50.3%  |
| Mean                   |                           |                    |            | 6.2x       | 5.1x | 4.3x | 35.4x     | 24.8x | 19.6x | 17.5%         | 20.6% | 22.3% | 19.1%            | 34.7%  |
| Median                 |                           |                    |            | 6.2x       | 5.1x | 4.3x | 35.4x     | 24.8x | 19.6x | 17.5%         | 20.6% | 22.3% | 19.1%            | 34.7%  |
| Publishing/Diversified | Barnes & Noble Education  | 75                 | 403        | 0.2x       | 0.2x | 0.3x | 5.8x      | 5.6x  | 5.9x  | 4.0%          | 4.3%  | 4.3%  | (5.5%)           | (1.0%) |
|                        | Bloomsbury Publishing     | 185                | 178        | 1.0x       | 0.9x | 0.7x | 10.7x     | 7.3x  | 5.7x  | 9.3%          | 12.1% | 12.7% | 17.3%            | 36.8%  |
|                        | DMGT                      | 1,899              | 1,795      | 1.1x       | 1.1x | 1.1x | 9.5x      | 7.9x  | 7.3x  | 11.8%         | 13.9% | 14.8% | 2.4%             | 14.4%  |
|                        | Graham Holdings           | 1,778              | 2,245      | 0.7x       | 0.7x | 0.7x | 6.7x      | 8.2x  | 6.3x  | 10.8%         | 8.8%  | 10.8% | 2.4%             | 2.7%   |
|                        | Houghton Mifflin Harcourt | 179                | 685        | 0.5x       | 0.5x | 0.5x | 4.9x      | 4.2x  | 3.8x  | 10.9%         | 11.9% | 12.5% | 6.3%             | 13.8%  |
|                        | Informa                   | 7,998              | 11,519     | 4.1x       | 3.4x | 3.4x | 13.6x     | 9.9x  | 9.3x  | 29.9%         | 34.7% | 36.5% | 9.9%             | 21.3%  |
|                        | Lagardère                 | 1,978              | 7,063      | 1.2x       | 1.0x | 1.0x | 20.8x     | 12.9x | 8.9x  | 5.8%          | 8.0%  | 11.3% | 9.6%             | 52.8%  |
|                        | Navneet Education         | 213                | 214        | 1.0x       | 0.9x | 0.8x | 5.5x      | 4.9x  | 4.4x  | 17.9%         | 18.1% | 18.1% | 10.6%            | 11.3%  |
|                        | Pearson                   | 3,994              | 5,551      | 1.3x       | 1.2x | 1.2x | 8.1x      | 7.0x  | 7.0x  | 15.6%         | 17.2% | 16.9% | 3.5%             | 7.5%   |
|                        | RM                        | 218                | 237        | 0.8x       | 0.8x | 0.8x | 5.6x      | 5.2x  | 4.8x  | 15.3%         | 15.9% | 17.0% | 2.4%             | 8.1%   |
|                        | Sanoma                    | 1,453              | 2,369      | 2.1x       | 1.9x | 1.9x | 7.7x      | 6.8x  | 6.6x  | 27.1%         | 28.7% | 29.2% | 4.2%             | 8.3%   |
|                        | Scholastic                | 922                | 762        | 0.5x       | 0.5x | 0.4x | 9.0x      | 6.7x  | 6.2x  | 5.5%          | 6.9%  | 6.9%  | 7.5%             | 20.4%  |
|                        | Studio Retail Group       | 198                | 550        | 0.8x       | 0.8x | 0.8x | 8.0x      | 7.8x  | 7.5x  | 10.1%         | 10.0% | 10.0% | 3.6%             | 3.5%   |
|                        | Wilmington                | 140                | 206        | 1.4x       | 1.3x | 1.3x | 8.8x      | 7.0x  | 6.8x  | 15.7%         | 19.4% | 19.4% | 2.5%             | 14.1%  |
| Mean                   |                           |                    |            | 1.2x       | 1.1x | 1.1x | 8.9x      | 7.2x  | 6.5x  | 13.5%         | 15.0% | 15.7% | 5.5%             | 15.3%  |
| Median                 |                           |                    |            | 1.0x       | 0.9x | 0.8x | 8.1x      | 7.0x  | 6.5x  | 11.4%         | 13.0% | 13.7% | 3.9%             | 12.5%  |
| Overall—Mean           |                           |                    |            | 2.8x       | 2.4x | 2.2x | 12.7x     | 10.4x | 9.2x  | 20.0%         | 21.9% | 23.1% | 11.4%            | 20.4%  |
| Overall—Median         |                           |                    |            | 2.1x       | 1.8x | 1.6x | 9.0x      | 7.4x  | 6.8x  | 17.1%         | 19.0% | 19.2% | 8.5%             | 12.7%  |

Sources: S&P Capital IQ.

Note: Sector means and medians on this page exclude not meaningful (nm) or not available (na) figures. Implied multiples above 50.0x have been excluded from the calculation of means.

# Listed Trading Analysis as at 20 February 2020

|                                  | Company                            | Market Cap<br>USDm | EV<br>USDm | EV/Revenue |      |      | EV/EBITDA |       |       | EBITDA Margin |       |       | 2020E-2022E CAGR |        |
|----------------------------------|------------------------------------|--------------------|------------|------------|------|------|-----------|-------|-------|---------------|-------|-------|------------------|--------|
|                                  |                                    |                    |            | 2020       | 2021 | 2022 | 2020      | 2021  | 2022  | 2020          | 2021  | 2022  | Revenue          | EBITDA |
| HE/Post-Secondary/Adult Training | Adtalem                            | 1,833              | 2,417      | 2.2x       | 2.1x | 2.0x | 10.4x     | 10.0x | 9.5x  | 21.2%         | 21.0% | 21.0% | 4.8%             | 4.4%   |
|                                  | Al Khaleej Training and Education  | 205                | 394        | 1.5x       | 1.4x | 1.3x | 15.5x     | 14.6x | 13.4x | 9.9%          | 9.6%  | 9.6%  | 9.6%             | 7.7%   |
|                                  | APEI                               | 393                | 195        | 0.7x       | 0.6x | 0.6x | 5.7x      | 4.2x  | 4.0x  | 11.6%         | 15.4% | 15.4% | 3.8%             | 19.6%  |
|                                  | Aspen Group                        | 210                | 221        | 3.9x       | 2.9x | 2.2x | 40.5x     | 19.8x | 10.0x | 9.5%          | 14.8% | 22.2% | 32.1%            | 101.3% |
|                                  | China 21st Century Education       | 118                | 80         | 1.9x       | 1.5x | 1.2x | 5.4x      | 4.3x  | 3.4x  | 35.8%         | 35.8% | 35.8% | 25.6%            | 25.6%  |
|                                  | China Distance Education           | 314                | 313        | 1.2x       | 1.1x | 1.0x | 6.9x      | 6.4x  | 6.0x  | 17.2%         | 17.2% | 17.2% | 7.8%             | 7.8%   |
|                                  | China Education Group              | 2,855              | 2,928      | 7.7x       | 6.8x | 6.0x | 14.9x     | 12.8x | 11.1x | 51.7%         | 53.2% | 54.3% | 13.0%            | 15.8%  |
|                                  | China New Higher Education         | 574                | 796        | 4.2x       | 3.7x | 3.3x | 7.6x      | 6.6x  | 5.8x  | 55.9%         | 56.5% | 56.5% | 13.6%            | 14.2%  |
|                                  | Cogna Educação                     | 4,693              | 7,167      | 4.4x       | 4.2x | 4.1x | 10.7x     | 10.3x | 9.9x  | 40.8%         | 41.1% | 41.3% | 3.5%             | 4.1%   |
|                                  | Estacio                            | 3,762              | 3,997      | 4.4x       | 3.9x | 4.3x | 12.0x     | 10.5x | 11.3x | 36.8%         | 37.6% | 38.1% | 1.3%             | 3.1%   |
|                                  | GP Strategies                      | 230                | 366        | 0.6x       | 0.6x | 0.5x | 7.8x      | 6.6x  | 6.2x  | 7.8%          | 8.6%  | 8.6%  | 6.5%             | 12.4%  |
|                                  | Grand Canyon Education             | 3,926              | 3,952      | 4.6x       | 4.2x | 3.8x | 11.9x     | 10.9x | 9.9x  | 38.7%         | 38.6% | 38.6% | 10.1%            | 10.1%  |
|                                  | Hope Education Group               | 1,473              | 1,436      | 5.8x       | 4.8x | 3.9x | 10.4x     | 8.4x  | 6.9x  | 55.9%         | 56.8% | 56.8% | 21.8%            | 22.8%  |
|                                  | Laureate Education                 | 4,663              | 6,510      | 2.0x       | 1.9x | 1.9x | 9.0x      | 8.6x  | 8.3x  | 21.9%         | 22.3% | 22.3% | 3.0%             | 3.9%   |
|                                  | Lincoln Educational Services       | 61                 | 122        | 0.4x       | 0.4x | 0.4x | 7.4x      | 7.1x  | 6.8x  | 5.8%          | 5.8%  | 5.8%  | 4.4%             | 4.4%   |
|                                  | Minsheng Education Group           | 661                | 654        | 3.6x       | 2.9x | 2.3x | 6.6x      | 5.3x  | 4.3x  | 54.0%         | 54.1% | 54.1% | 23.9%            | 24.0%  |
|                                  | Perdoceo                           | 1,251              | 1,021      | 1.6x       | 1.5x | 1.5x | 6.9x      | 6.3x  | 6.1x  | 22.7%         | 23.9% | 23.9% | 3.7%             | 6.3%   |
|                                  | SER                                | 859                | 931        | 2.7x       | 2.5x | 2.4x | 10.6x     | 9.6x  | 9.1x  | 25.2%         | 26.6% | 26.6% | 5.5%             | 8.4%   |
|                                  | Strategic Education                | 3,606              | 3,285      | 3.2x       | 3.0x | 2.9x | 11.2x     | 10.2x | 9.8x  | 28.3%         | 29.6% | 29.6% | 4.3%             | 6.7%   |
|                                  | Universal Technical Institute      | 220                | 307        | 0.9x       | 0.9x | 0.8x | 9.3x      | 7.5x  | 7.3x  | 9.5%          | 11.4% | 11.4% | 3.4%             | 13.0%  |
| Mean                             |                                    |                    |            | 2.9x       | 2.6x | 2.3x | 11.0x     | 9.0x  | 7.9x  | 28.0%         | 29.0% | 29.5% | 10.1%            | 15.8%  |
| Median                           |                                    |                    |            | 2.4x       | 2.3x | 2.1x | 9.8x      | 8.5x  | 7.8x  | 24.0%         | 25.3% | 25.3% | 6.0%             | 9.2%   |
| K-12                             | Bright Scholar Education           | 1,081              | 1,281      | 2.1x       | 1.9x | 1.7x | 9.9x      | 9.3x  | 8.3x  | 21.5%         | 20.3% | 20.4% | 12.0%            | 9.0%   |
|                                  | China Maple Leaf Educational       | 1,112              | 768        | 2.8x       | 2.4x | 2.1x | 7.7x      | 6.8x  | 6.1x  | 36.1%         | 35.8% | 34.7% | 14.4%            | 12.2%  |
|                                  | China YuHua Education              | 2,650              | 2,772      | 7.9x       | 7.3x | 6.8x | 13.6x     | 12.5x | 11.5x | 57.9%         | 58.4% | 58.6% | 8.1%             | 8.7%   |
|                                  | Meiko Network Japan                | 217                | 156        | 0.8x       | 0.8x | 0.8x | 7.5x      | 7.1x  | 6.8x  | 11.1%         | 11.6% | 11.8% | 1.7%             | 4.9%   |
|                                  | New Oriental Education             | 21,809             | 19,768     | 4.3x       | 3.5x | 2.8x | 24.5x     | 18.4x | 14.7x | 17.6%         | 18.8% | 19.2% | 23.6%            | 29.2%  |
|                                  | OneSmart International Education   | 859                | 1,115      | 1.4x       | 1.2x | 1.1x | 10.9x     | 8.5x  | 7.4x  | 13.2%         | 14.0% | 14.7% | 15.6%            | 21.7%  |
|                                  | Overseas Education                 | 110                | 161        | 2.7x       | 2.7x | 2.7x | 7.7x      | 7.7x  | 7.7x  | 35.3%         | 35.2% | 35.1% | 0.3%             | 0.1%   |
|                                  | RISE Education                     | 350                | 390        | 1.5x       | 1.4x | 1.2x | 7.9x      | 7.3x  | 6.6x  | 19.4%         | 18.8% | 18.8% | 11.0%            | 9.4%   |
|                                  | Tal Education                      | 34,593             | 33,290     | 7.2x       | 5.2x | 3.8x | 49.8x     | 33.0x | 24.0x | 14.4%         | 15.9% | 16.0% | 36.6%            | 44.1%  |
|                                  | Tokyo Individualized Ed. Institute | 333                | 266        | 1.3x       | 1.3x | 1.2x | 9.3x      | 8.7x  | 8.2x  | 14.4%         | 14.5% | 14.5% | 5.6%             | 6.1%   |
|                                  | Virscend Education                 | 726                | 893        | 3.3x       | 2.7x | 2.1x | 8.1x      | 6.4x  | 5.1x  | 40.9%         | 41.8% | 41.8% | 25.1%            | 26.6%  |
|                                  | Wisdom Education International     | 821                | 1,057      | 3.5x       | 2.9x | 2.5x | 9.4x      | 8.0x  | 7.2x  | 36.6%         | 36.5% | 35.3% | 16.7%            | 14.7%  |
| Mean                             |                                    |                    |            | 3.2x       | 2.8x | 2.4x | 13.9x     | 11.1x | 9.5x  | 26.5%         | 26.8% | 26.7% | 14.2%            | 15.6%  |
| Median                           |                                    |                    |            | 2.8x       | 2.5x | 2.1x | 9.4x      | 8.3x  | 7.5x  | 20.4%         | 19.6% | 19.8% | 13.2%            | 10.8%  |

Sources: S&P Capital IQ.

Note: Sector means and medians on this page exclude not meaningful (nm) or not available (na) figures. Implied multiples above 50.0x have been excluded from the calculation of means.

# Listed Trading Analysis as at 20 February 2020 (cont.)

|                          | Company                          | Market Cap<br>USDm | EV<br>USDm | EV/Revenue |      |      | EV/EBITDA |        |        | EBITDA Margin |        |       | 2020E–2022E CAGR |        |
|--------------------------|----------------------------------|--------------------|------------|------------|------|------|-----------|--------|--------|---------------|--------|-------|------------------|--------|
|                          |                                  |                    |            | 2020       | 2021 | 2022 | 2020      | 2021   | 2022   | 2020          | 2021   | 2022  | Revenue          | EBITDA |
| Nurseries<br>/Pre-School | Bright Horizons Family Solutions | 10,140             | 11,920     | 5.3x       | 4.9x | 4.5x | 26.9x     | 24.2x  | 21.6x  | 19.7%         | 20.3%  | 20.7% | 8.9%             | 11.6%  |
|                          | G8 Education                     | 558                | 1,271      | 2.0x       | 1.9x | 1.8x | 6.7x      | 6.3x   | 5.8x   | 30.2%         | 30.5%  | 30.5% | 7.1%             | 7.6%   |
|                          | RYB Education                    | 149                | 176        | 0.8x       | 0.7x | 0.7x | 12.1x     | 9.4x   | 8.4x   | 6.9%          | 7.8%   | 7.8%  | 12.6%            | 20.1%  |
| Mean                     |                                  |                    |            | 2.7x       | 2.5x | 2.3x | 15.2x     | 13.3x  | 11.9x  | 18.9%         | 19.5%  | 19.7% | 9.5%             | 13.1%  |
| Median                   |                                  |                    |            | 2.0x       | 1.9x | 1.8x | 12.1x     | 9.4x   | 8.4x   | 19.7%         | 20.3%  | 20.7% | 8.9%             | 11.6%  |
| EdTech                   | 2U                               | 1,589              | 1,739      | 2.4x       | 2.0x | 1.8x | >50.0x    | >50.0x | 27.0x  | 0.1%          | 3.2%   | 6.5%  | 16.0%            | 947.2% |
|                          | 3P Learning                      | 65                 | 60         | 1.6x       | 1.5x | 1.4x | 5.4x      | 4.7x   | 4.2x   | 29.9%         | 32.4%  | 33.8% | 6.0%             | 12.7%  |
|                          | Blackbaud                        | 3,675              | 4,228      | 4.5x       | 4.2x | 4.0x | 22.9x     | 21.0x  | 19.9x  | 19.5%         | 20.1%  | 20.1% | 5.7%             | 7.3%   |
|                          | Chegg                            | 4,945              | 5,097      | 9.7x       | 8.0x | 7.0x | 30.9x     | 24.0x  | 18.5x  | 31.4%         | 33.3%  | 37.6% | 18.2%            | 29.3%  |
|                          | Docebo                           | 381                | 386        | 6.9x       | 5.1x | 4.2x | nm        | nm     | >50.0x | (8.2%)        | (0.2%) | 4.2%  | 29.1%            | na     |
|                          | Janison                          | 49                 | 48         | 2.6x       | 2.2x | 1.9x | 13.4x     | 8.9x   | 5.8x   | 19.1%         | 24.7%  | 32.6% | 16.4%            | 52.0%  |
|                          | K12                              | 662                | 499        | 0.5x       | 0.4x | 0.4x | 3.6x      | 3.2x   | 2.9x   | 12.7%         | 13.4%  | 13.4% | 8.6%             | 11.5%  |
|                          | Learning Technologies Group      | 1,359              | 1,394      | 7.8x       | 7.2x | 6.1x | 22.4x     | 20.3x  | 20.4x  | 34.7%         | 35.5%  | 29.9% | 12.7%            | 4.6%   |
|                          | Pluralsight                      | 2,070              | 2,198      | 5.5x       | 4.4x | 3.4x | nm        | nm     | >50.0x | (14.4%)       | (6.8%) | 1.1%  | 26.8%            | na     |
|                          | Rosetta Stone                    | 471                | 442        | 2.2x       | 2.1x | 1.9x | 43.6x     | 40.4x  | 37.4x  | 5.2%          | 5.2%   | 5.2%  | 8.0%             | 8.0%   |
|                          | Tribal Group                     | 188                | 186        | 1.7x       | 1.7x | 1.6x | 8.9x      | 8.3x   | 8.1x   | 19.4%         | 20.3%  | 20.3% | 2.5%             | 4.8%   |
|                          | Wey Education                    | 29                 | 22         | 2.3x       | 1.7x | 1.3x | 18.7x     | 9.7x   | 7.2x   | 12.4%         | 17.8%  | 17.8% | 34.3%            | 60.8%  |
| Mean                     |                                  |                    |            | 4.0x       | 3.4x | 2.9x | 18.9x     | 15.6x  | 15.1x  | 13.5%         | 16.6%  | 18.5% | 15.3%            | 113.8% |
| Median                   |                                  |                    |            | 2.5x       | 2.1x | 1.9x | 20.5x     | 15.0x  | 19.2x  | 15.9%         | 19.0%  | 19.0% | 14.3%            | 12.1%  |

Sources: S&P Capital IQ.

Note: Sector means and medians on this page exclude not meaningful (nm) or not available (na) figures. Implied multiples above 50.0x have been excluded from the calculation of means.



# Listed Trading Analysis as at 20 February 2020 (cont.)

|                        | Company                    | Market Cap<br>USDm | EV<br>USDm | EV/Revenue |      |      | EV/EBITDA |       |       | EBITDA Margin |       |       | 2020E–2022E CAGR |        |
|------------------------|----------------------------|--------------------|------------|------------|------|------|-----------|-------|-------|---------------|-------|-------|------------------|--------|
|                        |                            |                    |            | 2020       | 2021 | 2022 | 2020      | 2021  | 2022  | 2020          | 2021  | 2022  | Revenue          | EBITDA |
| Pathways               | CIBT Education Group       | 35                 | 256        | 4.1x       | 4.0x | 3.9x | 25.0x     | 23.2x | 22.5x | 16.4%         | 17.2% | 17.2% | 3.1%             | 5.4%   |
|                        | IDP Education              | 4,060              | 4,114      | 8.0x       | 6.9x | 6.1x | 34.4x     | 28.2x | 24.3x | 23.1%         | 24.4% | 25.0% | 14.3%            | 18.9%  |
| Mean                   |                            |                    |            | 6.0x       | 5.4x | 5.0x | 29.7x     | 25.7x | 23.4x | 19.8%         | 20.8% | 21.1% | 8.7%             | 12.2%  |
| Median                 |                            |                    |            | 6.0x       | 5.4x | 5.0x | 29.7x     | 25.7x | 23.4x | 19.8%         | 20.8% | 21.1% | 8.7%             | 12.2%  |
| Publishing/Diversified | Barnes and Noble Education | 186                | 449        | 0.2x       | 0.3x | 0.3x | 5.3x      | 5.3x  | 5.6x  | 4.6%          | 4.8%  | 4.8%  | (4.9%)           | (3.2%) |
|                        | Bloomsbury Publishing      | 267                | 259        | 1.2x       | 1.1x | 1.1x | 9.2x      | 8.6x  | 8.2x  | 12.6%         | 13.1% | 13.2% | 3.6%             | 6.1%   |
|                        | DMGT                       | 2,414              | 2,305      | 1.3x       | 1.3x | 1.3x | 9.6x      | 9.0x  | 8.5x  | 13.9%         | 14.6% | 15.2% | 1.4%             | 6.0%   |
|                        | Graham Holdings            | 2,821              | 3,220      | 1.0x       | 1.0x | 1.0x | 9.6x      | 11.7x | 9.1x  | 10.8%         | 8.8%  | 10.8% | 2.4%             | 2.7%   |
|                        | Houghton Mifflin Harcourt  | 819                | 1,421      | 1.0x       | 1.0x | 0.9x | 7.6x      | 6.9x  | 6.6x  | 13.0%         | 14.0% | 14.0% | 3.2%             | 7.1%   |
|                        | Informa                    | 12,567             | 16,455     | 4.4x       | 4.3x | 4.1x | 12.6x     | 11.9x | 11.5x | 35.2%         | 35.9% | 35.9% | 3.8%             | 4.8%   |
|                        | Lagardère                  | 2,560              | 7,401      | 0.9x       | 0.9x | 0.8x | 10.1x     | 9.7x  | 9.5x  | 8.8%          | 8.8%  | 8.8%  | 2.7%             | 3.0%   |
|                        | Navneet Education          | 283                | 284        | 1.2x       | 1.1x | 1.0x | 6.1x      | 5.4x  | 4.9x  | 19.1%         | 19.3% | 19.3% | 10.9%            | 11.5%  |
|                        | Pearson                    | 5,763              | 7,902      | 1.6x       | 1.6x | 1.6x | 9.2x      | 9.3x  | 9.6x  | 17.5%         | 17.2% | 16.6% | 0.5%             | (2.1%) |
|                        | RM                         | 302                | 322        | 1.1x       | 1.1x | 1.1x | 7.1x      | 6.7x  | 6.1x  | 15.6%         | 16.2% | 17.3% | 2.4%             | 7.9%   |
|                        | Sanoma                     | 1,963              | 2,811      | 2.4x       | 2.3x | 2.3x | 8.3x      | 7.7x  | 7.7x  | 28.8%         | 30.1% | 30.2% | 1.2%             | 3.7%   |
|                        | Scholastic                 | 1,208              | 1,039      | 0.6x       | 0.6x | 0.6x | 6.6x      | 6.5x  | 6.4x  | 9.2%          | 9.3%  | 9.3%  | 1.5%             | 2.0%   |
|                        | Studio Retail Group        | 256                | 623        | 0.9x       | 0.8x | 0.8x | 8.4x      | 7.2x  | 6.6x  | 10.3%         | 11.6% | 12.0% | 5.0%             | 13.0%  |
|                        | Wilmington                 | 271                | 340        | 2.0x       | 2.0x | 1.9x | 10.5x     | 9.8x  | 9.3x  | 19.6%         | 20.2% | 20.6% | 3.2%             | 5.8%   |
| Mean                   |                            |                    |            | 1.4x       | 1.4x | 1.3x | 8.6x      | 8.3x  | 7.8x  | 15.6%         | 16.0% | 16.3% | 2.6%             | 4.9%   |
| Median                 |                            |                    |            | 1.1x       | 1.1x | 1.0x | 8.8x      | 8.1x  | 7.9x  | 13.5%         | 14.3% | 14.6% | 2.6%             | 5.3%   |
| Overall—Mean           |                            |                    |            | 2.9x       | 2.6x | 2.3x | 13.0x     | 11.0x | 10.1x | 21.5%         | 22.6% | 23.2% | 10.2%            | 29.1%  |
| Overall—Median         |                            |                    |            | 2.2x       | 2.0x | 1.9x | 9.6x      | 8.7x  | 8.2x  | 19.1%         | 19.3% | 20.1% | 7.1%             | 8.4%   |

Sources: S&P Capital IQ.

Note: Sector means and medians on this page exclude not meaningful (nm) or not available (na) figures. Implied multiples above 50.0x have been excluded from the calculation of means.

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