

EDUCATIONAL SERVICES Q4 2023 VALUATION UPDATE

Introduction

We are pleased to share our Educational Services Industry Multiples Valuation Update for Q4 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our Educational services Industry clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.













EDUCATIONAL SERVICES Q4 2023



James A. Seale | President



Brett M. Carmel | Senior Managing Director bcarmel@sealeassociates.com



Robert Whitney | Managing Director rwhitney@sealeassociates.com



Sergio Garcia del Bosque | Managing Director sgarcia@sealeassociates.com



Carlos Hernández | Managing Director chernandez@sealeassociates.com

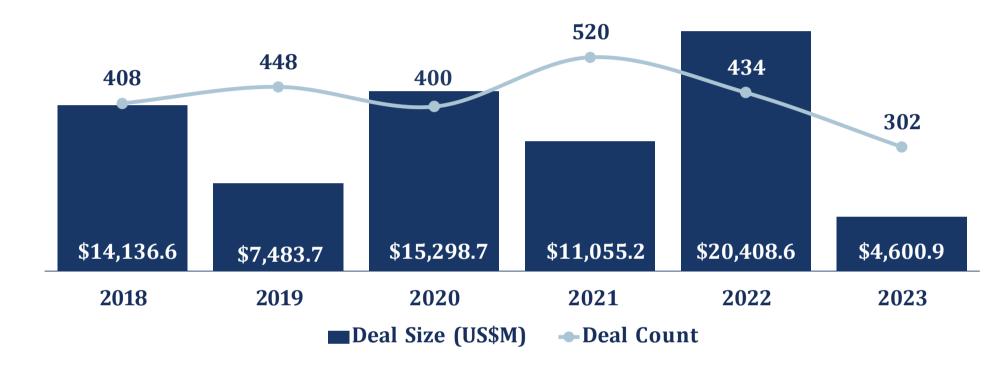


Alejandro Montemayor | Vice President amontemayor@sealeassociates.com

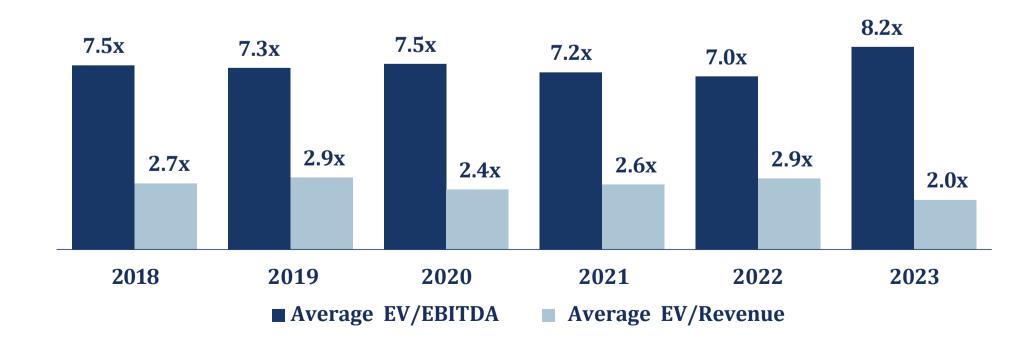
Educational Services Overview, M&A Trends and Market Intelligence

Educational Services Overview

- The Educational Services market maintained its upward trend in Q4 2023, with a **CAGR** of **7.8%** from **2023** to **2024.** This expansion is propelled by various factors including increased demand for education, the trend towards digitalization, and the necessity for upskilling.
- Online education continued to experience strong growth, fueled by convenience and flexibility. Corporate training saw increased demand due to changing skills requirements and talent shortages. Vocational and technical schools remained in high demand for practical skill development.
- Asia-Pacific was the largest region in the educational services market in 2023, followed by Western Europe.
- Another key trend is the growing popularity of artificial intelligence (AI) and machine learning (ML) in higher education learning systems. Al and ML are being used to develop personalized learning experiences, predict student performance, and automate administrative tasks
- As the global economy becomes more knowledge-based, there is a growing demand for workers with higher levels of education and training.
- M&A within the industry remained active, indicating consolidation and competition for market share.



Educational Services Industry M&A Average EV/EBITDA and EV/Revenue



EDUCATIONAL SERVICES Q4 2023

Educational Services Industry M&A Deal Size and Volume

Educational Institutions Global Comparable Public Companies

Company			Market	Enterprise	Revenue	EBITDA	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023	
Company		Country	Cap. US\$M	Value US\$M	US\$M	Margin	2021	2022	EV/ EBITDA	EV/ Revenue
AcadeMedia AB (publ)	AcadeMedia	SWE	\$543	\$1,648	\$1,616	20.3%	6.0x	5.3x	5.0x	1.0x
Adtalem Global Education Inc.	ADT/LEM GLOBAL EDUCATION	USA	\$2,348	\$2,977	\$1,496	22.1%	8.8x	7.7x	9.0x	2.0x
American Public Education, Inc.		USA	\$172	\$289	\$600	8.2%	6.8x	6.7x	5.8x	0.5x
Ânima Holding S.A.	ănima Educação	BRA	\$347	\$1,266	\$757	26.8%	13.2x	7.8x	6.2x	1.7×
Grand Canyon Education, Inc.	GCE GRAND EDUCATION	USA	\$3,903	\$3,845	\$941	30.4%	13.1x	9.2x	13.4x	4.1x
Laureate Education, Inc.		USA	\$2,158	\$2,551	\$1,421	31.0%	9.4x	5.4x	5.8x	1.8x
Perdoceo Education Corporation		USA	\$1,153	\$587	\$738	26.8%	2.4x	1.9x	3.0x	0.8x
Ser Educacional S.A.	Ser ser	BRA	\$208	\$491	\$369	16.2%	5.5x	4.7x	8.2x	1.3x
Strategic Education, Inc.	STRATEGIC EDUCATION INC	USA	\$2,233	\$2,240	\$1,100	13.6%	6.9x	7.1x	15.0x	2.0x
Yduqs Participações S.A.	YDUQS	BRA	\$1,345	\$2,206	\$1,034	23.3%	10.4x	6.8x	9.1x	2.1x
						Mean Median	7.0x 7.9x	5.9x 6.8x	6.5x 7.2x	1.5x 1.7x

The table above shows small, and mid market capitalization companies

Tutoring and Exam Preparation Global Comparable Public Companies

Company		Country	Market ry Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023	
Company		country					2021	2022	EV/ EBITDA	EV/ Revenue
Digital Daesung Co., Ltd.	DIGIT@L D@ESUNG	KOR	\$118	\$112	\$161	18.4%	7.4x	5.1x	3.8x	0.7x
Graham Holdings Company	GRAHAM HOLDINGS	USA	\$3,165	\$3,623	\$4,312	14.3%	6.0x	6.0x	5.9x	0.8x
Pearson plc	Pearson	GBR	\$8,556	\$9,943	\$5,008	15.4%	13.0x	12.8x	12.9x	2.0x
Riso Kyoiku Co., Ltd.	ネリソー教育グリレープ	JPN	\$248	\$205	\$227	9.0%	25.5x	14.0x	10.0x	0.9x
Stride, Inc.	Stride	USA	\$2,510	\$2,677	\$1,939	14.0%	9.2x	8.6x	9.9x	1.4x
Vasta Platform Limited	PLATFORM	BRA	\$363	\$522	\$296	19.5%	30.7x	24.7x	9.0x	1.8x
						Mean	8.9x	9.3x	7.7x	1.3x
						Median	11.1x	10.7x	9.5x	1.1×

Online Courses Global Comparable Public Companies

Company			Country	Market	Enterprise	Revenue	EBITDA	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023	
			Country		Value US\$M	US\$M	Margin	2021	2022	EV/ EBITDA	EV/ Revenue
2U, Inc.		20	USA	\$101	\$1,044	\$926	12.0%	NM	54.9x	9.4x	1.1x
Coursera, Inc.		coursera	USA	\$2,955	\$2,242	\$636	NM	NM	NM	NM	3.5x
Duolingo, Inc.		duolingo	USA	\$9,531	\$8,855	\$484	NM	NM	NM	NM	18.3x
Udemy, Inc.		ûdemy	USA	\$2,259	\$1,788	\$705	NM	NM	NM	NM	2.5x
NM: Not Measurable							Mean	NM	54.9x	9.4x	2.4x
							Median	NM	54.9x	9.4x	3.0x

The table above shows small, and mid market capitalization companies

Educational Services- Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23	International School - 100% Bilingüe	MEX	Offers education from kindergarten to high school	Merited III Alianza educativa	-	100.0%	-	-	-
Dec-23		USA	Offers education from kindergarten to high school	Federal Credit Union	-	100.0%	-	-	-
Dec-23		CHE	Offers bilingual education from nursery to secondary levels	COGNITA An inspiring world of education	-	100.0%	-	-	-
Nov-23		USA	Offers associates, undergraduate, graduate, and postgraduate campus programs		-	100.0%	-	-	-
Nov-23	MULTNOMAH UNIVERSITY	USA	Offers undergraduate, graduate programs		-	100.0%	-	-	-
Oct-23	English Gate	ITA	Offers a bilingual English-Italian educational program for children	globeducate	-	100.0%	-	_	-
Oct-23	Maryland University Integrative Health	USA	Offers health education services	NOTRE DAME OF MARYLAND UNIVERSITY	-	100.0%	-	-	-
Oct-23	COLLEGE	GBR	Offers academy programs, distance e-learning, training, and higher education courses		-	100.0%	-	-	-
Oct-23	×	CHL	Assets of Colegio Sebastián Elcano de San Bernardo comprises an educational institution	Higher Academia Inc.	-	100.0%	_	_	-
Oct-23	31 centres of G8 Education Limited	AUS	31 centres of G8 Education Limited comprises education centers	TAK Operations Pty Ltd	G8 Education ¹⁴	100.0%	_	_	-

Selected Transactions Commentary



"We are very pleased to welcome the IMA to our network. Together, we will continue to make a positive impact in Veracruz, enriching the community through social, cultural and educational contributions."

Emilio Malpica, CEO of Merited



"Schiller International University has a great history of creating value through its presence on two continents across the Atlantic. Since we are committed to widening the access to education, having Schiller in our fold will help us extend the same international experience and global perspective to students in newer geographies."

Vishwajeet Rana, CEO of Gedu

COLLEGE

"At MLA College, we believe that investing in education and life-long learning will help prepare individuals, teams, and businesses for an evolving global economy. We represent and believe in true education beyond borders."

Basak Akdemir, CEO of MLA College



"Offering programs in both traditional health sciences and integrative health is unique and will position NDMU as one of the nation's most distinctive leaders in healthcare education. With the demand for all health professions expected to increase over the next decade, this opportunity to add integrative health programs ensures that NDMU will continue to educate innovative healthcare leaders and caregivers." Marylou Yam, President of Notre Dame of Maryland University

EDUCATIONAL SERVICES Q4 2023

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	VA
		\$			
Educational Services NAICS 611 – Educational Service	2018-2023	\$43.3M	\$28.4M	12.0 %	
Educational Support Services NAICS – Educational Support S	2018-2023 Services	\$37.4M	\$34.6M	8.8 %	

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

Source: GF Data

EDUCATIONAL SERVICES Q4 2023



and metrics about the transactions of Private Equity funds in the U.S. (act company and transaction corresponding to the transaction details. Given

GRUPO EDUCATIVO IEJV

TARGET Grupo Educativo IEJV

TRANSACTION TYPE Divestiture advisory

INDUSTRIES Education

GEOGRAPHY San Luis Potosi, Mexico

SITUATION

Seale & Associates acted as exclusive financial advisor to the shareholders of Grupo Educativo Instituto Educativo Jose Vasconcelos ("IEJV") in the divestiture of its business, which comprises two secondary schools and a higher education institution with more than 4,300 students.

SEALE & ASSOCIATES' APPROACH

Seale managed a competitive auction process with potential strategic and financial buyers for Grupo Educativo IEJV. Seale's disciplined approach allowed our client to maintain momentum and negotiating leverage throughout the process and ensure closing at a premium value and more favorable terms.

OUTCOME

The process resulted in the sale of Grupo Educativo IEJV's business to Nacer Global, a leading Mexican conglomerate with interests in education and the media, whose educational network is comprised by more than 250,000 students, over 7,000 teachers, 14 brands, and 82 higher education institutions. EDUCATIONAL SERVICES Q4 2023

"Achieved incredible recognition in the market due to their highquality education"



"Grupo IEJV is one of the main educational institutions in San Luis Potosi and has achieved incredible recognition in the market due to their high-quality education and their accessible tuitions."

Sergio Garcia del Bosque Managing Director, Seale & Associates

ANNE SULLIVAN

TARGET Anne Sullivan

TRANSACTION TYPE Divestiture advisory

INDUSTRIES Education

GEOGRAPHY Mexico City, Mexico

SITUATION

Seale & Associates acted as exclusive financial advisor to the shareholders of Anne Sullivan in the divestiture of its business to Discovery Americas through its educational platform Merited, which invests in schools throughout the Mexican Republic.

SEALE & ASSOCIATES' APPROACH

Seale managed a competitive auction process with potential strategic and financial buyers for Anne Sullivan. Seale's disciplined approach allowed our client to maintain momentum and negotiating leverage throughout the process and ensure closing at a premium value and more favorable terms.

OUTCOME

The process resulted in a partnership and a few years later turned out to be a successful acquisition of Anne Sullivan by Discovery Americas, which is a leading Mexican private equity fund than invests in education, health financial services, transport and logistics sectors. "I would not hesitate for a moment to work with them again"

EDUCATIONAL SERVICES

042023



has been acquired by

Discovery

"For us, the sale of the school was a complex issue, both financially and emotionally. Thanks to the seriousness and professionalism of the team at Seale, we were able to have the required support to make reasonable decisions. This, and the overall quality of guidance throughout the process, confirmed that we had made the right decision.

Without the support and empathy that they showed along the way, the result would not have been optimal. I would not hesitate for a moment to work with them again."

Carlos Barron Owner, Anne Sullivan

Sign up for M&A insights

We deliver sector-specific intelligence designed specifically for industry leaders, private equity firms, and their advisors. Our industry reports and featured articles deliver real-time access to key industry data, including:



Emerging industry trends

Quarterly reports covering 30+ industries Monthly reports for the U.S., Mexico, and Colombia

Receive email updates with our proprietary data, reports, and insights as they are published for the industries that matter to you the most

SUBSCRIBE

Transaction analysis and market trends

Valuable insights for industry leaders



Global M&A Representative Engagements



EDUCATIONAL SERVICES Q4 2023



JAMES A. SEALE

President and Founder | Washington, DC

+1 (703) 623-9253

32+ years of global M&A experience, Attorney, CPA Arthur Andersen, and Professor of Global Investment Banking at George Washington University University of Virginia - JD University of Kentucky - BS in Accounting



SERGIO GARCIA DEL BOSOUE

Managing Director | Mexico City, Mexico

+52 (55) 8000-7463

16+ years of global M&A experience **IPADE - MBA** Instituto Tecnologico y de Estudios Superiores de Monterrey BS in Industrial Engineering

CARLOS HERNANDEZ

Managing Director | Cincinnati, OH



14+ years of global M&A experience Columbia University - MBA Instituto Tecnologico y de Estudios Superiores de Monterrey BS in Industrial Engineering









Washington D.C. 901 N. Glebe Road Arlington, Virginia



Mexico City Av. Javier Barros Sierra 495 Mexico City, Mexico

Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry. © Seale & Associates 14



BRETT M. CARMEL

Senior Managing Director and Co-founder | Miami, FL

+1 (703) 294-6530

25+ years of global M&A experience and Professor of M&A at Johns Hopkins University The George Washington University - MBA International Business and MA - International Affairs

University of Florida - BA in Political Science with High Honors

ROBERT E. WHITNEY

Managing Director | Washington, DC

+1 (703) 801-8939

19+ years of global M&A experience, CPA Deloitte & Touche, Corporate Audit and Assurance Services University of Richmond - BS Business Administration in Accounting

FELIPE BUENO

Senior Director | Monterrey, Mexico



+52 (84) 4432-4444

32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience Instituto Tecnologico y de Estudios Superiores de Monterrey MBA and BS in Industrial Engineering



Monterrey

Av. Lázaro Cárdenas 2225 San Pedro Garza García, N.L

Creative Solutions. Trusted Advice.

For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.



Trusted Advisor to Leading Companies Worldwide



EDUCATIONAL SERVICES 04 2023

SERVICES AND SOLUTIONS

rgers & Acquisitions	Due Diligence / Support
restitures	Expert Witness Testimony
nt Ventures / Alliances	Corporate Finance Advisory
capitalizations	Strategy Consulting

Creative Solutions. Trusted Advice.