



# Seale & Associates

EDUCATIONAL SERVICES  
Q1 2024  
VALUATION UPDATE

25 years



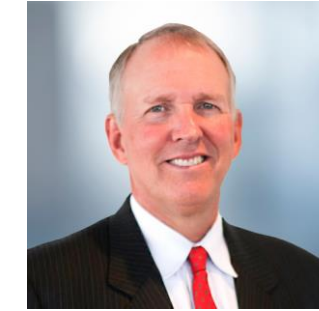
# Introduction

We are pleased to share our Educational Services Industry Multiples Valuation Update for Q1 2024.

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 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.



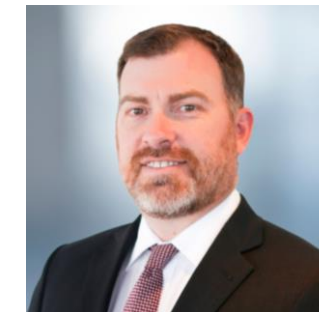
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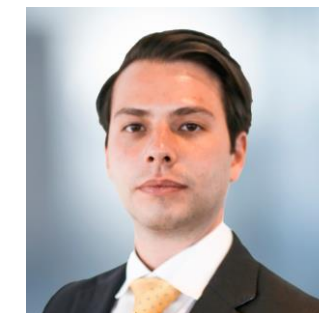
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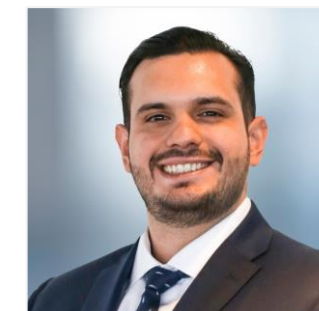
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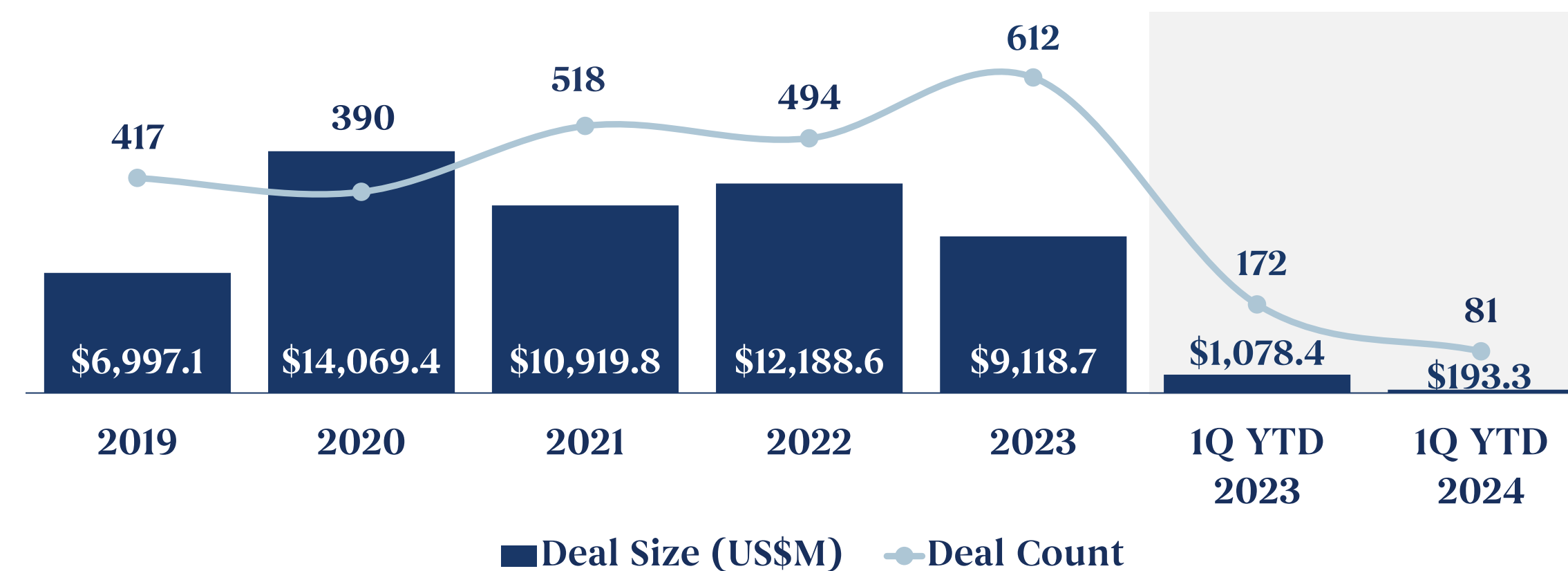
# Educational Services Industry Overview, M&A Trends and Market Intelligence

## Educational Services Overview

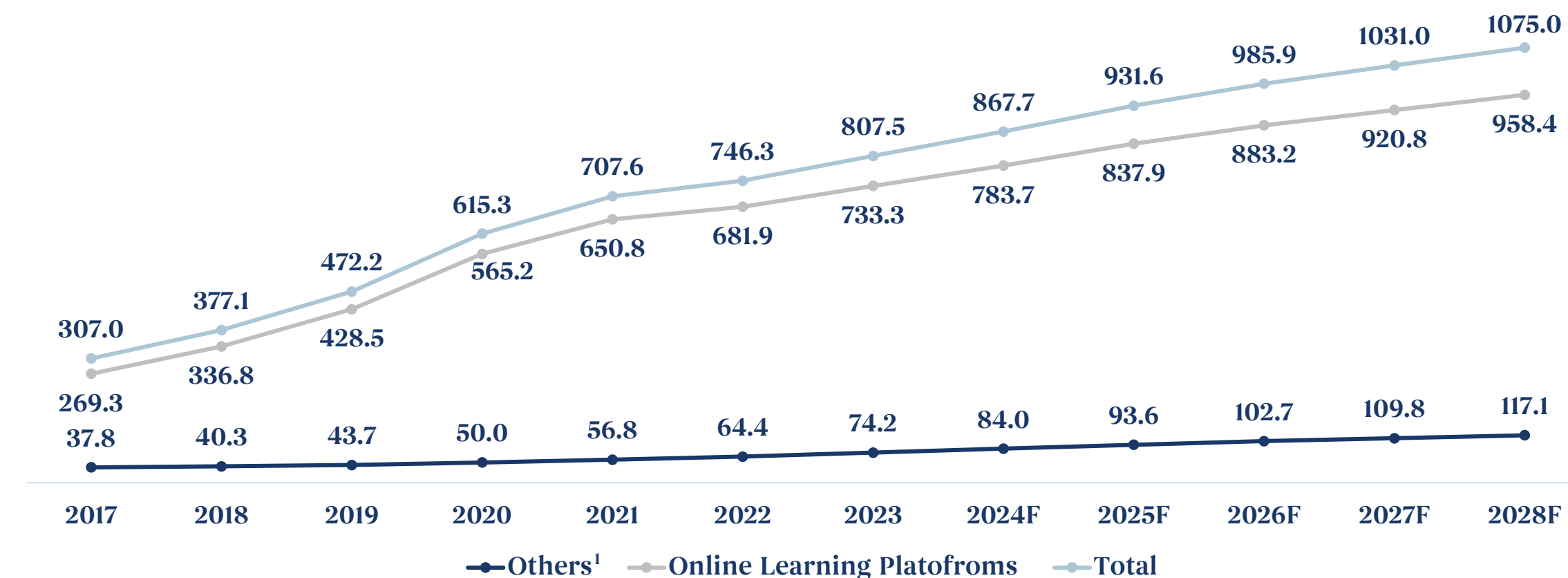
- The Educational Services market maintained its upward trend in Q1 2024, growing from **US\$3,438.8 billion** to **US\$3,707.9 billion** at a CAGR of **7.8%** from **2023** to **2024**. This expansion was propelled by various factors including increased demand for education, the trend towards digitalization, and the necessity for upskilling.
- Online education** is witnessing a surge in demand, driven by factors such as **convenience, changing skills requirements,** and **talent shortages**. The integration of **AI** promises to revolutionize the education landscape with personalized and efficient learning experiences, set to propel the global education market to new heights, with estimates predicting a global increase of approximately **US\$21 billion** by 2028.
- Despite a slow start **valuations** for small, mid and large online education companies are back to their **pre-COVID** levels, with the average small and medium companies being valued at **2x** to **3x** TTM revenue.
- Amidst unpredictable economic forecasts, investors **avored midsize transactions**. This pivot toward midsize deals **reflects the industry's cautious optimism**, opting for safer, more distributed capital deployment, and signals future **consolidation opportunities** as smaller companies prove their mettle post-integration.
- As the global economy becomes more **knowledge-based**, there is a growing demand for workers with **higher levels of education** and **training**.

**Source:** Business Research Company, World Economic Forum, Statista, LEK Consulting, Other industry reports

Educational Services Industry M&A Deal Size and Volume





Number of E-Learning Users









1. Others include online professional certificates and online university education







# Educational Institutions Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2024	
						2022	2023	EV/EBITDA	EV/Revenue
AcadeMedia AB (publ)	 SWE	\$461	\$1,458	\$1,520	20.7%	5.3x	5.0x	4.6x	1.0x
Adtalem Global Education Inc.	 USA	\$2,014	\$2,728	\$1,496	23.2%	7.7x	6.8x	7.8x	1.8x
American Public Education, Inc.	 USA	\$249	\$376	\$601	10.7%	6.7x	4.4x	5.8x	0.6x
Ânima Holding S.A.	 BRA	\$369	\$1,302	\$744	30.1%	7.8x	6.3x	5.8x	1.7x
Grand Canyon Education, Inc.	 USA	\$4,028	\$3,882	\$961	30.7%	9.2x	12.1x	13.2x	4.0x
Laureate Education, Inc.	 USA	\$2,296	\$2,788	\$1,484	32.9%	5.4x	5.9x	5.7x	1.9x
Perdoceo Education Corporation	 USA	\$1,153	\$577	\$710	27.0%	1.9x	2.7x	3.0x	0.8x
Ser Educacional S.A.	 BRA	\$172	\$458	\$365	24.4%	4.7x	5.3x	5.1x	1.3x
Strategic Education, Inc.	 USA	\$2,537	\$2,541	\$1,133	17.6%	7.1x	13.1x	12.7x	2.2x
Yduqs Participações S.A.	 BRA	\$1,052	\$1,941	\$1,026	28.4%	6.8x	6.3x	6.6x	1.9x
					<b>Mean</b>	5.9x	5.4x	5.6x	1.5x
					<b>Median</b>	6.8x	6.1x	5.8x	1.8x

# Tutoring and Exam Preparation Global Comparable Public Companies




















Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Digital Daesung Co., Ltd.	 KOR	\$124	\$118	\$157	17.6%	5.1x	4.0x	4.2x	0.7x	
Graham Holdings Company	 USA	\$3,422	\$4,050	\$4,415	13.0%	6.0x	5.2x	7.0x	0.9x	
Pearson plc	 GBR	\$8,960	\$10,104	\$4,640	18.2%	12.8x	12.7x	11.9x	2.2x	
Riso Kyoiku Co., Ltd.	 JPN	\$228	\$179	\$213	9.1%	14.0x	13.1x	9.3x	0.8x	
Stride, Inc.	 USA	\$2,669	\$2,680	\$1,939	14.8%	8.6x	8.4x	9.4x	1.4x	
Vasta Platform Limited	 BRA	\$328	\$496	\$296	27.1%	24.7x	8.7x	6.2x	1.7x	
						<b>Mean</b>	9.3x	6.6x	7.2x	1.1x
						<b>Median</b>	10.7x	8.5x	8.2x	1.1x

# Online Courses Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
2U, Inc.		USA	\$33	\$975	\$946	16.2%	54.9x	16.8x	6.4x	1.0x
Coursera, Inc.		USA	\$2,206	\$1,490	\$636	NM	NM	NM	NM	2.3x
Duolingo, Inc.		USA	\$9,458	\$8,735	\$531	0.4%	NM	NM	4518.9x	16.4x
Udemy, Inc.		USA	\$1,736	\$1,266	\$729	NM	NM	NM	NM	1.7x
<b>Mean</b>							54.9x	16.8x	6.4x	1.7x
<b>Median</b>							54.9x	16.8x	2262.6x	2.0x

**NM:** Not Measurable

# Educational Services- Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-24	 KMK OPTOMETRY	USA	Offers optometry board exam test preparation and coaching services	 Axcel LEARNING	 ALPINE	-	-	-	-
Mar-24	 BLUFFTON UNIVERSITY	USA	Offers college level education	 FINDLAY THE UNIVERSITY OF FINDLAY	-	-	-	-	-
Mar-24	 PRO SOLUTIONS TRAINING	USA	Offers high quality early childhood training courses and CDA classes online	 CHILDCARE EDUCATION INSTITUTE A StraighterLine Company	 SOLUTIONS Inspiring POTENTIAL	100.0%	-	-	-
Feb-24	 Cambridge College	USA	Offers college level education	 BAY PATH UNIVERSITY	-	100.0%	-	-	-
Feb-24	 St George's University of London	GBR	Offers college level education	 CITY UNIVERSITY LONDON	-	100.0%	-	-	-
Feb-24	 TOUCHMATH	USA	Offers an online multisensory math program for grade level students	LEEDS    Equity Partners	-	ND	-	-	-
Feb-24	 Sylvan Learning	USA	Offers personalized online tutoring and test preparations	 UNLEASHED BRANDS	 FRG FRANCHISE GROUP, INC.	ND	-	-	-
Feb-24	 OCEUPE	ESP	Offers post graduate education	 EDUCA EDTECH Group	 AURICA	100.0%	-	-	-

# Educational Services- Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jan-24		USA	Offers surveys focused on academic and student programs strength and weaknesses		-	100.0%	-	-	-
Jan-24		USA	Offers early literacy training and coaching		-	100.0%	-	-	-
Jan-24		USA	Offers online mortgage training and courses		-	100.0%	-	-	-
Jan-24	<b>KCI</b>	JPN	Offers construction industry safety and health education	<b>Manebi</b>	-	ND	-	-	-
Jan-24		FRA	Offers personalized digital learning		-	100.0%	-	-	-
Jan-24		USA	Offers early care, daycare, preschool and after-school care to children through age 12	LEEDS   Equity Partners	-	100.0%	-	-	-
Jan-24		GBR	Offers internships and sustainable experiences for students worldwide	<b>Unseen Group</b>	-	100.0%	-	-	-

ND: Not Disclosed



# Selected Transactions Commentary



*“These times call upon us to be innovative and forward-thinking. From a vantage point in the future, we will look back at this moment in the history of higher education as one that required new approaches and bold actions. I believe this merger will prove to be both.”*

**Dr. Katherine Fell, President of The University of Findlay**



*“Now more than ever, there is a great need for qualified early care and education workers across the nation. We are excited to join together to provide the best-in-class early childhood training and certification services to upskill this industry, the combination of our companies will allow us to create more opportunities for early childhood educators to advance their careers, attain their degrees, and realize a higher earning potential.”*

**Shweta Kabadi, Interim CEO of StraighterLine Company**



*“Math proficiency is a critical skill in today's knowledge-based economy, but numerical literacy is also a basic life skill. We are excited to partner with Sean and the TouchMath team to support the Company's mission of helping all students develop the foundational math skills that they need and to which they are entitled.”*

**Scott VanHoy, Partner at Leeds Equity**





*“Bringing FluentSeeds into the Collaborative Classroom family of offerings is especially exciting because it allows us to support children throughout their earliest years—a long-term goal of our organization. We know how crucial the first five years are for children’s social, emotional, and early literacy development. FluentSeeds’ expertise and offerings perfectly position us to serve even more children.”*

**Kelly Stuart, CEO of Collaborative Classroom**



# Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 <b>Educational Services</b> <i>NAICS 611 – Educational Services</i>	2018-2024	\$42.3M	\$28.3M	13.3%	2.4x	30.6%	7.5x	22
 <b>Educational Support Services</b> <i>NAICS 6117– Educational Support Services</i>	2018-2024	\$35.8M	\$33.9M	12.3%	2.0x	26.0%	7.2x	9

**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.



# 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.

“Achieved incredible recognition in the market due to their high-quality 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 that invests in education, health financial services, transport and logistics sectors.

**“I would not hesitate for a moment to work with them again”**



*“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



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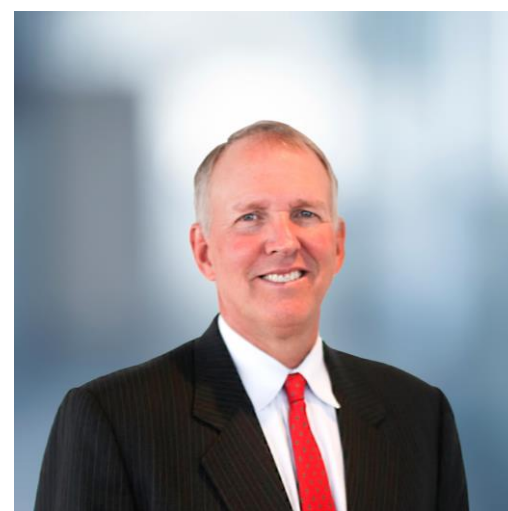
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# Global M&A Representative Engagements

<p><b>BEIJER REF</b></p> <p>has been acquired by</p>  <p>HERITAGE DISTRIBUTION HOLDINGS</p>	<p><b>avangardinnovative</b> MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p>  <p>WASTE MANAGEMENT</p>	<p><b>ZN</b> ZINC NACIONAL</p> <p>has sold</p> <p><b>GSDKO</b></p> <p>Zinc Oxide Corporation a subsidiary of</p>  <p>Korea Zinc</p>	<p><b>Electrolux</b> PROFESSIONAL</p> <p>has acquired</p> <p><b>unified brands</b> a DOVER company</p> <p>from</p>  <p>DOVER</p>	<p><b>Port Contractors</b> STEVEDORES - TERMINAL OPERATORS</p> <p>has been acquired by</p>  <p>ENSTRUCTURE</p>	<p><b>Oxbow</b></p> <p>Oxbow's Senior Subordinated debt issued by</p>  <p>H.J. BAKER ESTABLISHED 1880</p> <p>was refinanced by</p>  <p>BMO</p>	<p><b>Hertz</b></p> <p>has acquired</p>  <p>DONLEN</p>
<p><b>Standex</b></p> <p>has sold</p> <p><b>Enginetics</b></p> <p>to</p>  <p>Enjet AERO</p>	<p><b>ITT</b></p> <p>has sold</p> <p><b>BURNY</b> <b>KALIBURN</b> PLASMA CUTTING INNOVATION</p> <p>and</p> <p><b>CMC</b> Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p><b>Honeywell</b></p> <p>has sold</p> <p><b>TENSOR</b></p> <p>to</p>  <p>GE Power Systems</p>	<p><b>TRIUMPH™</b></p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p><b>TRIUMPH™</b></p> <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services - Asia, and Triumph Engines businesses</p> <p>to</p>  <p>TGG THE GORES GROUP</p>	<p><b>Rheem</b></p> <p>has acquired</p>  <p>HTPG</p>	<p><b>GRACE</b></p> <p>has sold its GRACE Membranes business</p> <p><b>Uop</b></p> <p>a subsidiary of</p> <p><b>Honeywell</b></p>
<p><b>convatec</b> - forever caring -</p> <p>has sold</p> <p><b>SENSI CARE</b></p> <p>and</p> <p><b>ALOE VESTA™</b></p> <p>to</p>  <p>MEDLINE</p>	<p><b>United Technologies</b></p> <p>has sold</p> <p><b>MobileView</b></p> <p>to</p> <p><b>SAFE FLEET</b> Driving Safety Forward™</p>	<p><b>United Technologies</b></p> <p>has sold</p> <p><b>HTPG</b> A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p><b>MONOMOY</b> and <b>Starboard Capital Partners</b></p>	<p><b>LOCKHEED MARTIN</b></p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p><b>ALTEON</b> A BOEING COMPANY</p>	<p><b>FLOWSERVE</b></p> <p>has sold</p> <p><b>D&amp;B</b></p> <p>to</p> <p><b>DB</b> DaviesBaird</p>	<p><b>KBR</b></p> <p>has acquired</p> <p><b>Wabi</b> Wabi Development Corporation</p>	<p><b>H I G</b> HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p><b>H. I. G.</b> PRIVATE EQUITY</p>





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

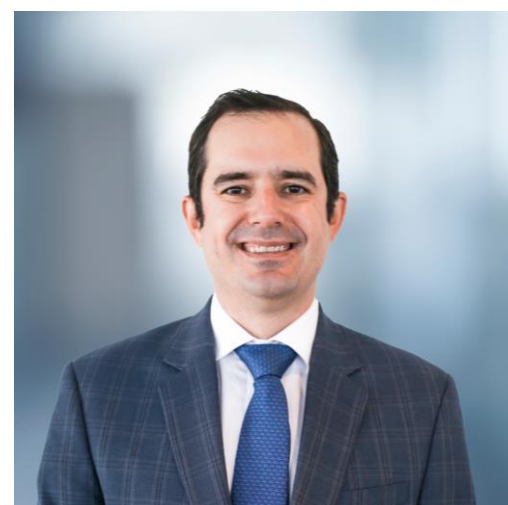


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25+ years of global M&A experience and Professor of M&A at Johns Hopkins University  
The George Washington University - MBA International Business and MA - International Affairs  
University of Florida - BA in Political Science with High Honors

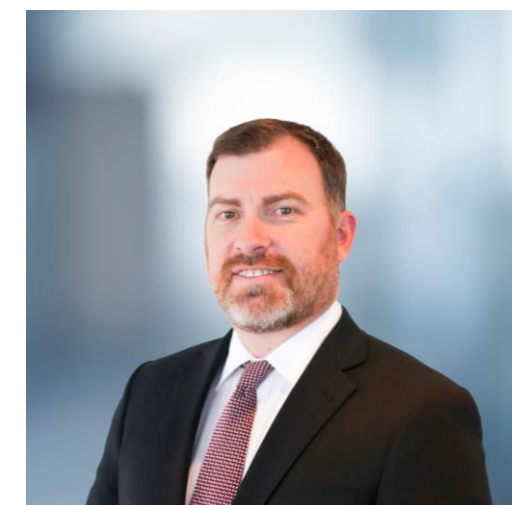


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University of Richmond - BS Business Administration in Accounting

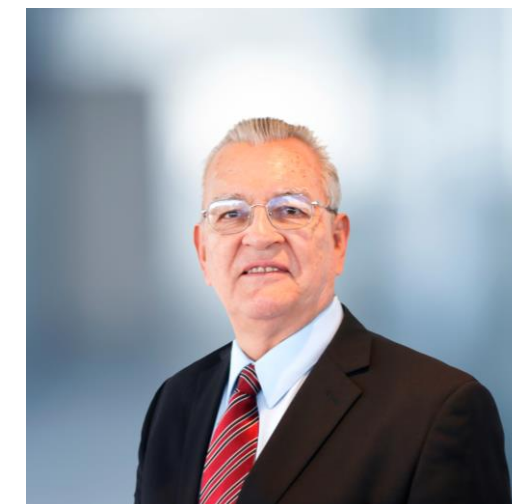


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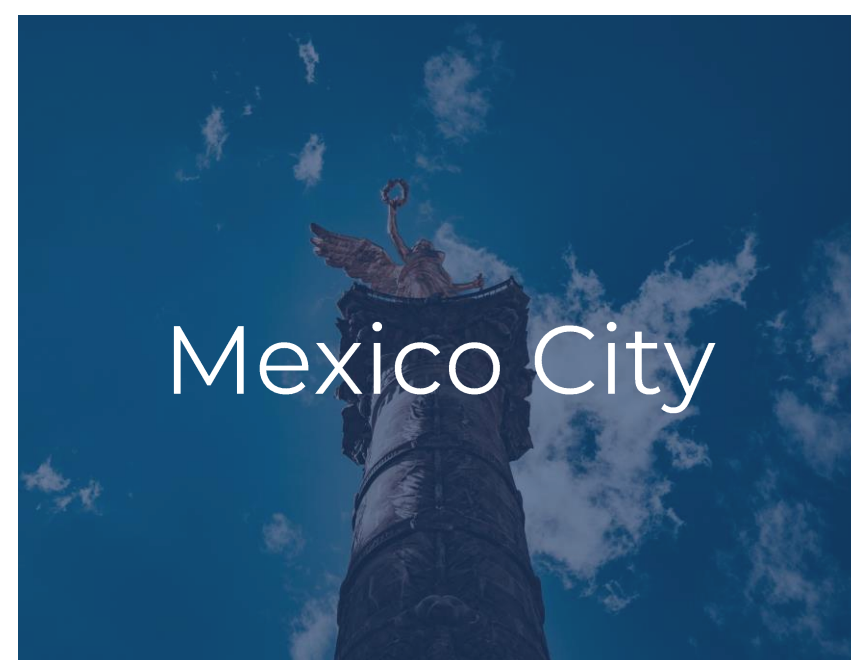
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience  
Instituto Tecnológico y de Estudios Superiores de Monterrey  
MBA and BS in Industrial Engineering



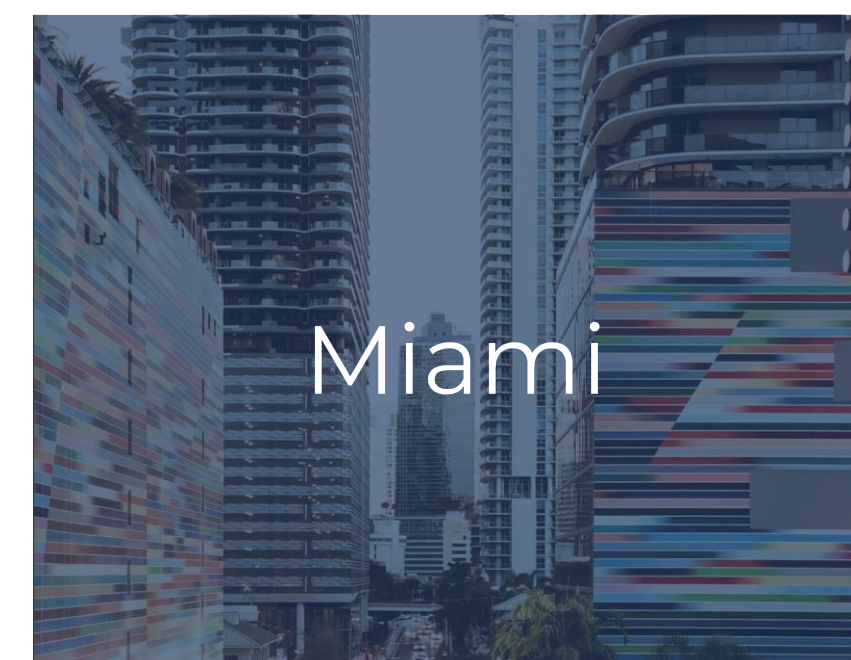
Washington D.C.



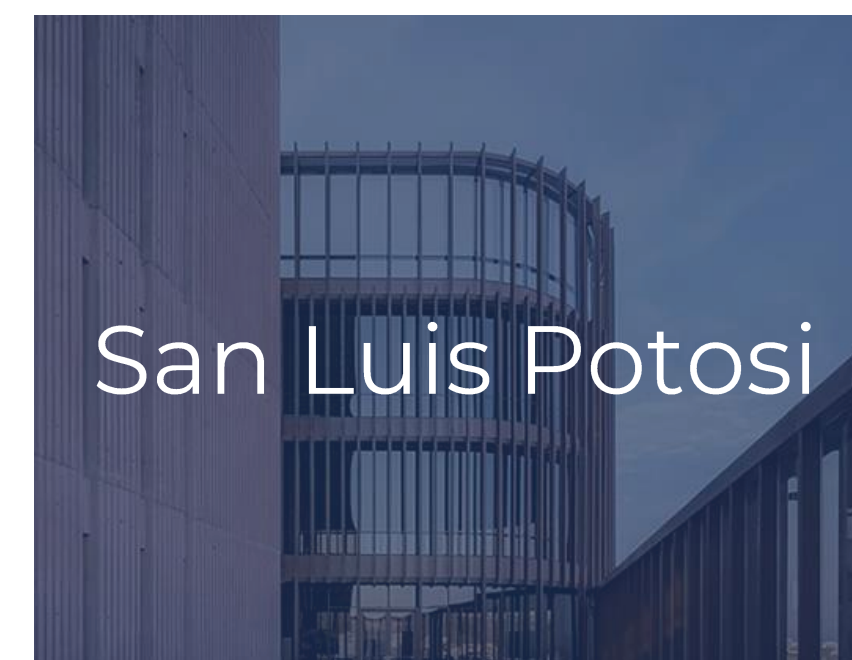
Monterrey



Mexico City



Miami



San Luis Potosi



**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.

**25**

YEARS OF  
EXPERIENCE

**\$50B+**

TRANSACTIONS  
GLOBALLY

**SERVICES AND SOLUTIONS**

Mergers & Acquisitions

Divestitures

Joint Ventures / Alliances

Recapitalizations

Due Diligence / Support

Expert Witness Testimony

Corporate Finance Advisory

Strategy Consulting

**Trusted Advisor to Leading Companies Worldwide**

We have worked repeatedly with many of the most well-known companies in the world...

...as well as with reputable funds, family-offices and privately held companies.





# Seale & Associates

Creative Solutions. Trusted Advice.