



# Seale & Associates

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EDUCATIONAL SERVICES  
INDUSTRY  
Q2 2024  
VALUATION UPDATE

25 years

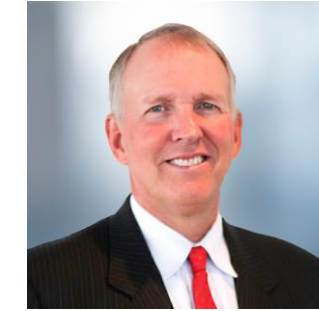
# Introduction

We are pleased to share our Educational Services Industry Multiples Valuation Update for Q2 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.

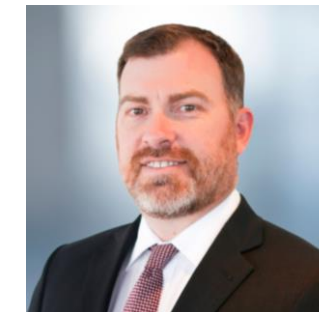
Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



**James A. Seale | President**  
jseale@sealeassociates.com



**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



**Armando Rios | Vice President**  
arios@sealeassociates.com

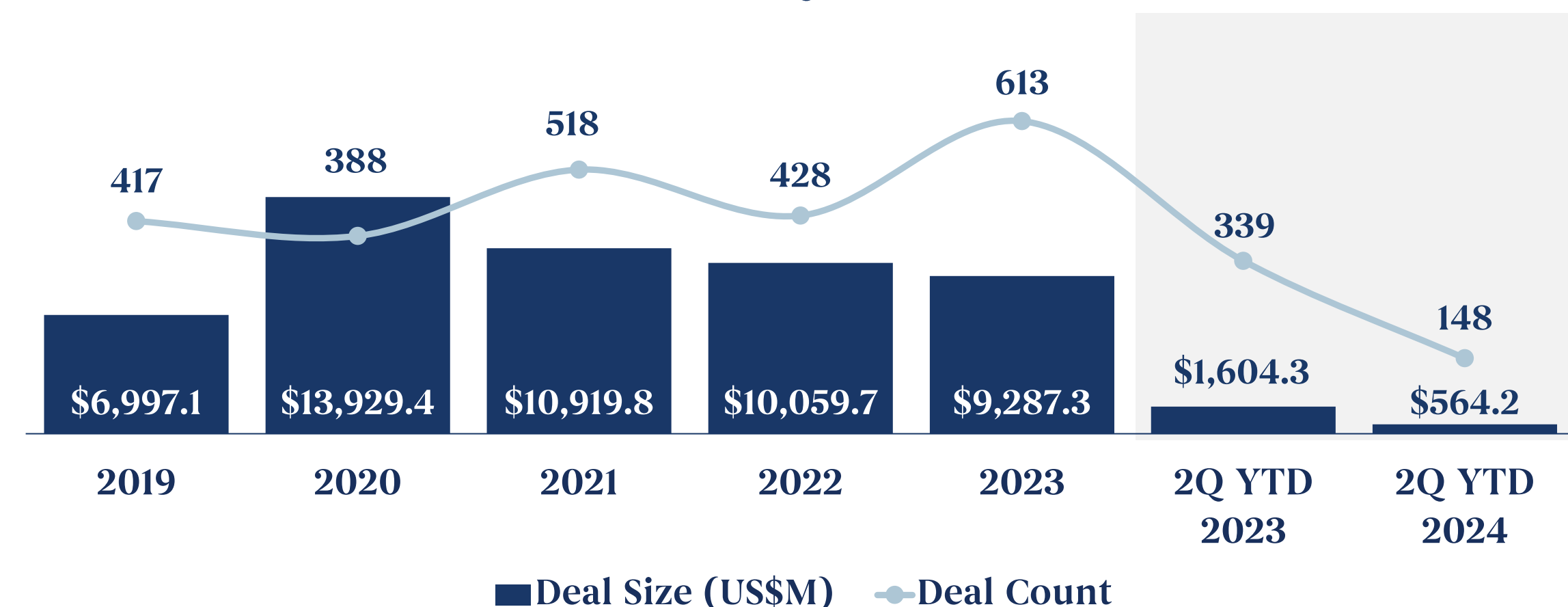


# Educational Services Industry Overview, M&A Trends and Market Intelligence

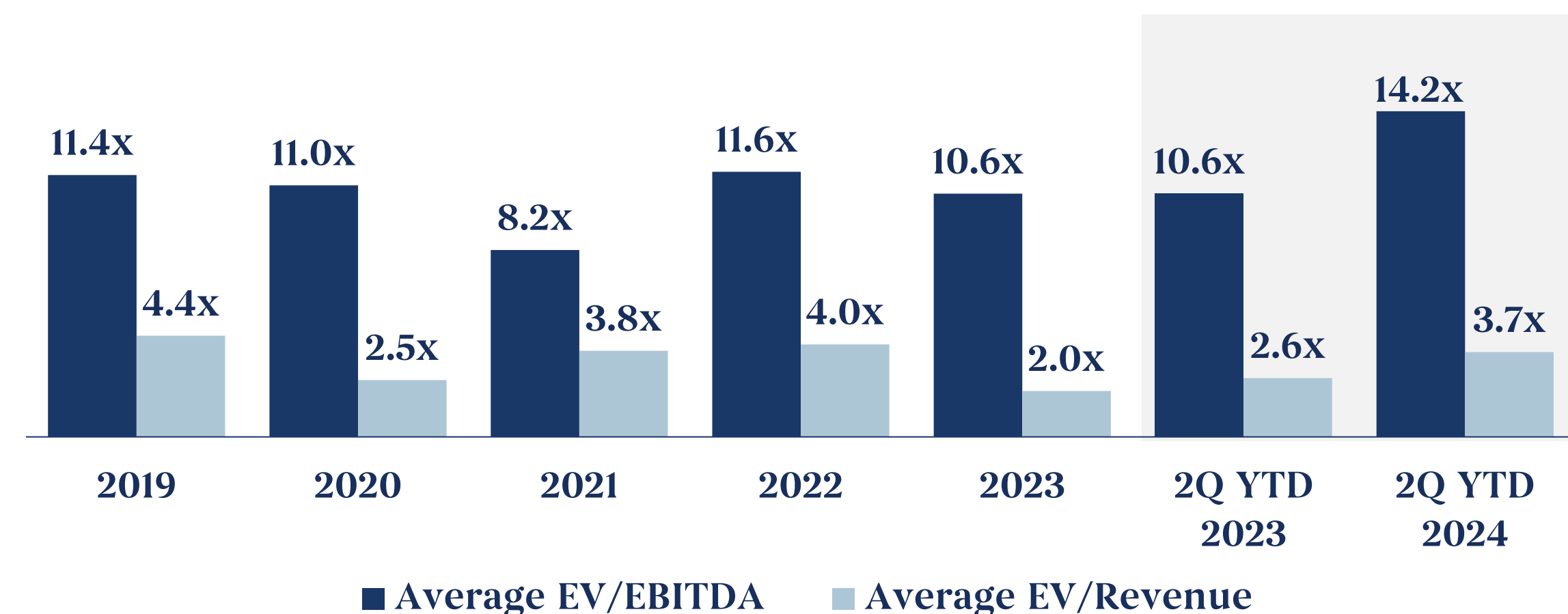
## Educational Services Overview

- 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 **2.0x** to **3.0x** 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**.

Educational Services Industry M&A Deal Size and Volume



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









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





# 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		Second Quarter Jun. 30, 2024	
						2022	2023	EV/EBITDA	EV/Revenue
AcadeMedia AB (publ)	 SWE	\$495	\$1,683	\$1,573	20.9%	5.3x	5.0x	5.1x	1.1x
Adtalem Global Education Inc.	 USA	\$2,565	\$3,226	\$1,539	23.7%	7.7x	6.8x	8.8x	2.1x
American Public Education, Inc.	 USA	\$309	\$427	\$605	11.4%	6.7x	4.4x	6.2x	0.7x
Ânima Holding S.A.	 BRA	\$214	\$1,023	\$679	31.9%	7.8x	6.3x	4.7x	1.5x
Grand Canyon Education, Inc.	 USA	\$4,102	\$3,908	\$985	31.1%	9.2x	12.1x	12.7x	4.0x
Laureate Education, Inc.	 USA	\$2,318	\$2,819	\$1,508	32.3%	5.4x	5.9x	5.8x	1.9x
Perdoceo Education Corporation	 USA	\$1,405	\$786	\$683	28.3%	1.9x	2.7x	4.1x	1.2x
Ser Educacional S.A.	 BRA	\$111	\$378	\$335	24.7%	4.7x	5.3x	4.6x	1.1x
Strategic Education, Inc.	 USA	\$2,696	\$2,643	\$1,167	19.4%	7.1x	13.1x	11.7x	2.3x
Yduqs Participações S.A.	 BRA	\$546	\$1,336	\$954	28.2%	6.8x	6.3x	5.0x	1.4x
					<b>Mean</b>	5.9x	5.3x	5.5x	1.5x
					<b>Median</b>	6.8x	6.1x	5.5x	1.5x

# 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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Digital Daesung Co., Ltd.	 KOR	\$141	\$145	\$152	17.6%	5.1x	4.0x	5.4x	1.0x	
Graham Holdings Company	 USA	\$3,104	\$3,685	\$4,536	13.0%	6.0x	5.2x	6.3x	0.8x	
Pearson plc	 GBR	\$8,353	\$9,498	\$4,643	18.2%	12.8x	12.7x	11.2x	2.0x	
Riso Kyoiku Co., Ltd.	 JPN	\$258	\$224	\$200	9.6%	14.0x	13.1x	11.6x	1.1x	
Stride, Inc.	 USA	\$2,996	\$2,962	\$1,989	15.1%	8.6x	8.4x	9.8x	1.5x	
Vasta Platform Limited	 BRA	\$244	\$403	\$278	22.8%	24.7x	8.7x	6.3x	1.4x	
						<b>Mean</b>	9.3x	6.6x	7.0x	1.2x
						<b>Median</b>	10.7x	8.5x	8.1x	1.3x

# 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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
2U, Inc.	 USA	\$14	\$890	\$906	15.5%	54.9x	16.8x	6.3x	1.0x	
Coursera, Inc.	 USA	\$1,118	\$397	\$657	NM	NM	NM	NM	0.6x	
Duolingo, Inc.	 USA	\$8,998	\$8,225	\$583	4.7%	NM	NM	302.2x	14.1x	
Udemy, Inc.	 USA	\$1,321	\$895	\$749	NM	NM	NM	NM	1.2x	
<b>NM:</b> Not Measurable						<b>Mean</b>	54.9x	16.8x	6.3x	0.9x
						<b>Median</b>	54.9x	16.8x	154.3x	1.1x



# Educational Services- Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue	
Jun-24	<b>SCAT Co., Ltd.</b>	KOR	Offers education support services	<b>Hyper Corporation Inc.</b>	-	100.0%	\$5.0	-	13.2x	
Jun-24	 <b>INSFF.es</b>	ESP	Operates as an educational institution that provides postgraduate programs and trainings	 <b>iffe(futura)</b>	-	100.0%	-	-	-	
Jun-24	 <b>GEMS EDUCATION</b>	ARE	Operates international schools	<b>Brookfield</b>	 <b>CVC Capital Partners</b>	ND	-	-	-	
Jun-24	<b>Two Lexington Life Academy Locations</b>	USA	Provides alternative education	 <b>Specialized Education SERVICES, INC.</b>	 <b>Lexington</b>	100.0%	-	-	-	
May-24	<b>New Education Research Association</b>	JPN	Operates private tutoring schools	 <b>CLSA CAPITAL PARTNERS</b>	-	100.0%	-	-	-	
May-24	 <b>Marymount Manhattan College</b>	USA	Operates as an educational institution that provides postgraduate programs and trainings	 <b>Northeastern University</b>	-	100.0%	-	-	-	
May-24	 <b>MTC MASTERY TRANSCRIPT CONSORTIUM</b>	USA	Provides education services	 <b>ETS</b>	-	100.0%	-	-	-	
Apr-24	<b>Creative services business</b>	USA	Operates as an education platform	-	<b>EVERFI</b>	100.0%	-	-	-	
Apr-24	<b>Foghorn Tutors</b>	USA	Provides tutoring lessons	<b>Mountbattan Tutors</b>	-	100.0%	-	-	-	
Apr-24	 <b>Columbia Academy</b>	USA	Provides education services	 <b>ENDEAVOR SCHOOLS</b>	-	100.0%	-	-	-	
Apr-24	 <b>TOMAS</b>	JPN	Provides education services for elemenatry, middle and high school	Hulic Co., Ltd.	-	25.5%	\$83.1	14.2x	1.4x	
								<b>Mean</b>	14.2x	7.3x
								<b>Median</b>	14.2x	7.3x

# Selected Transactions Commentary



*“MMC and Northeastern are natural partners. The institutions reflect each other in many ways, including how we foster meaningful engagements with our communities and create opportunities for our students to take advantage of the resources of world-class cities to find an edge in career and life.”*

**Peter Naccarato, President of MMC**



*“We are thrilled to welcome the MTC team to ETS and to work with them to expand our K-16 skills work to co-design, develop, and distribute robust tools that measure durable skills acquisition both in and outside the classroom.”*

**Paul Gollash, Senior Vice President at ETS**





*“Columbia Academy’s talented team of educators has a proven ability to create exceptional educational experiences for children, we look forward to working with them and supporting their continued success and growth.”*

**Amy Brereton, Chief Academic Office of Endeavor Schools**



# 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 (Seale)”**



*“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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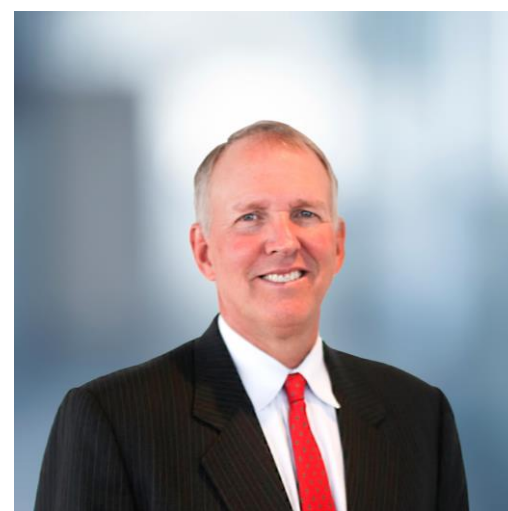
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# Global M&A Representative Engagements

<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>CNC</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> CAPITAL PARTNERS 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>





**JAMES A. SEALE**

President and Founder | Washington, DC

✉ [in](#) +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

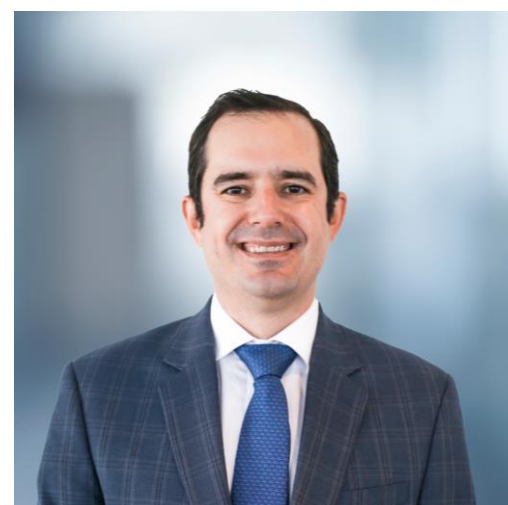


**BRETT M. CARMEL**

Senior Managing Director and Co-founder | Miami, FL

✉ [in](#) +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

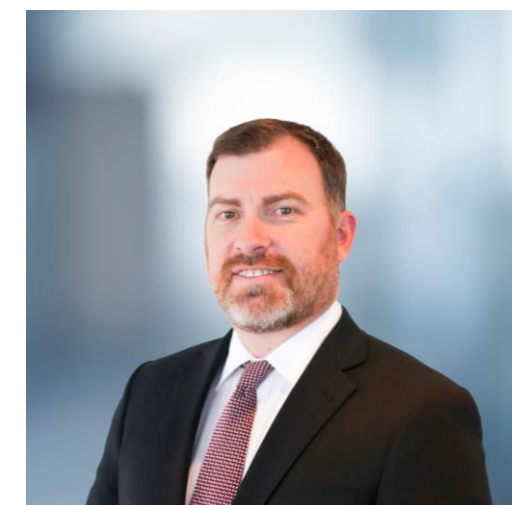


**SERGIO GARCIA DEL BOSQUE**

Managing Director | Mexico City, Mexico

✉ [in](#) +52 (55) 8000-7463

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



**ROBERT E. WHITNEY**

Managing Director | Washington, DC

✉ [in](#) +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

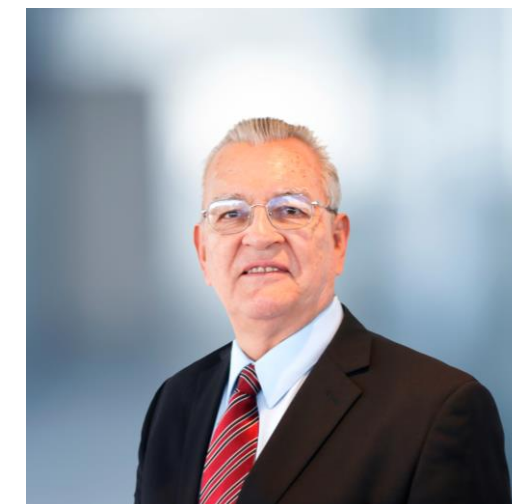


**CARLOS HERNANDEZ GOUDET**

Managing Director | San Luis Potosi, Mexico

✉ [in](#) +52 (444) 576-9060

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



**FELIPE BUENO**

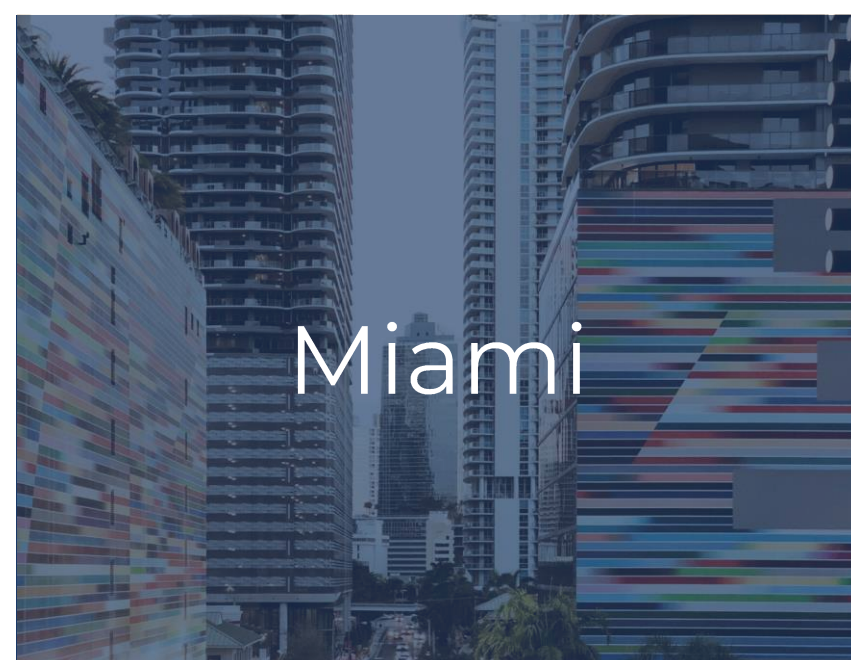
Senior Director | Monterrey, Mexico

✉ [in](#) +52 (84) 4432-4444

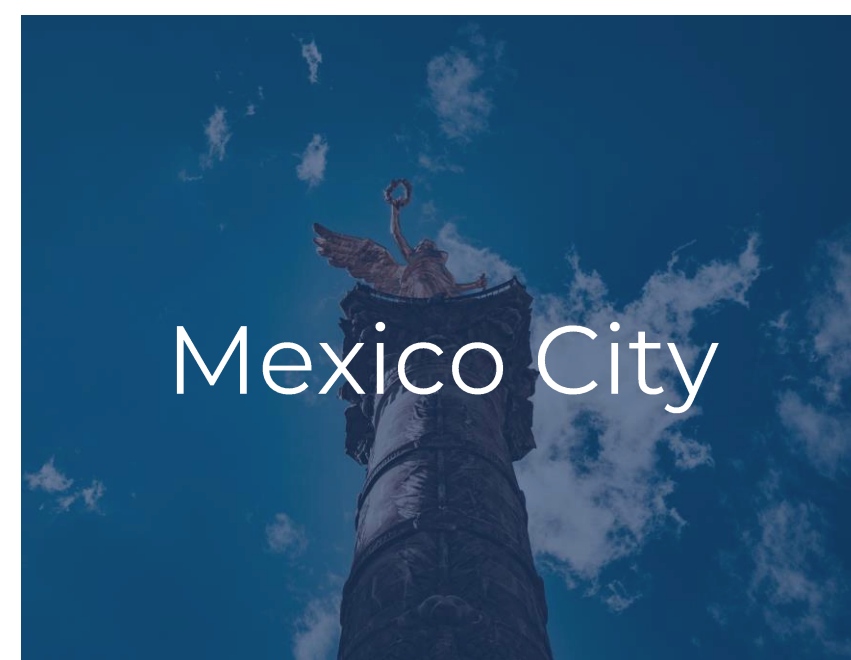
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience  
Instituto Tecnológico y de Estudios Superiores de Monterrey  
MBA and BS in Industrial Engineering



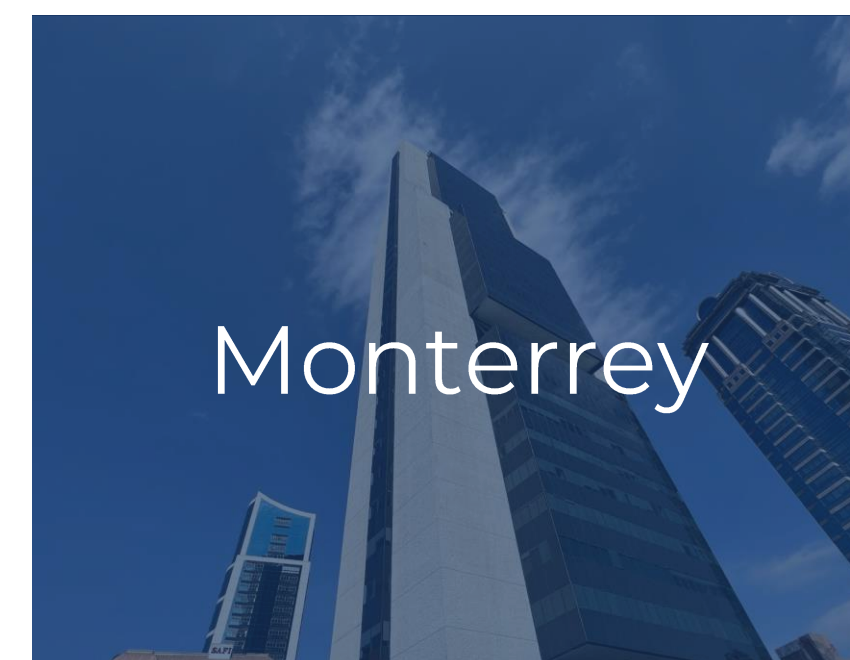
Washington D.C.



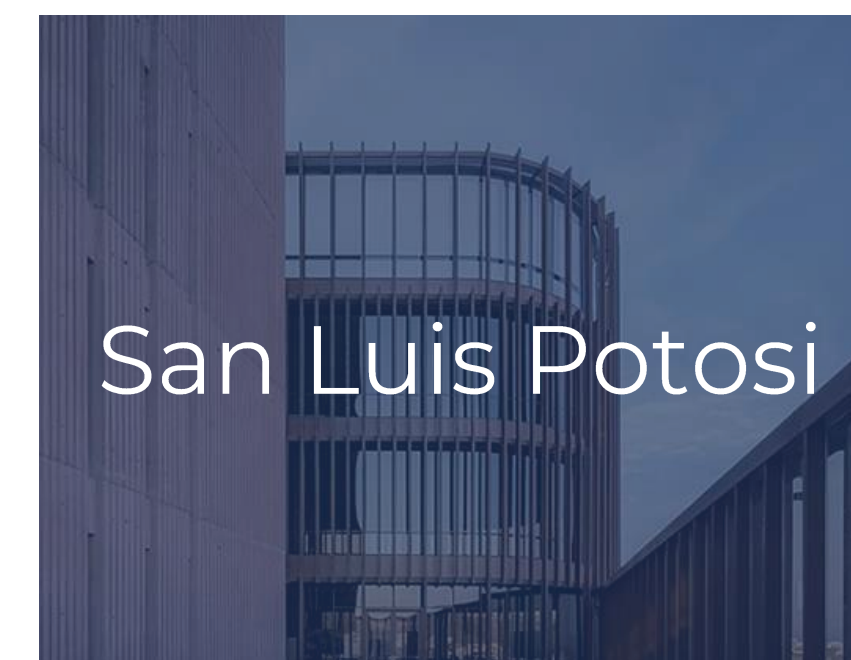
Miami



Mexico City



Monterrey



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.