



Seale & Associates

EDUCATION SERVICES  
Q2 2023  
VALUATION UPDATE



# Introduction

We are pleased to share our Education Services Multiples Valuation Update for Q2 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our clients' 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 Education Services clients that 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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SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

# 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.



UNIVERSIDAD JOSÉ VASCONCELOS

ITM Instituto de Formación para el Trabajo Mexicano

has been acquired by

NACER GLOBAL

*"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**



SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

# 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.



has been acquired by











*"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**

## 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, 2023 |            |      |
|---------------------------------|---|-------------------|------------------------|---------------|---------------|--------------------------|------|------------------------------|------------|------|
|                                 |   |                   |                        |               |               | 2021                     | 2022 | EV/EBITDA                    | EV/Revenue |      |
| AcadeMedia AB (publ)            |  SWE   | \$493             | \$1,480                | \$1,467       | 10.1%         | 6.0x                     | 5.3x | 5.1x                         | 1.1x       |      |
| Adtalem Global Education Inc.   |  USA   | \$1,498           | \$2,087                | \$1,452       | 23.9%         | 8.8x                     | 7.7x | 5.5x                         | 1.4x       |      |
| American Public Education, Inc. |  USA   | \$84              | \$225                  | \$601         | 5.5%          | 6.8x                     | 6.7x | 4.2x                         | 0.4x       |      |
| Ânima Holding S.A.              |  BRA   | \$328             | \$1,377                | \$714         | 21.2%         | 13.2x                    | 7.8x | 6.9x                         | 1.8x       |      |
| Laureate Education, Inc.        |  USA   | \$1,900           | \$2,461                | \$1,284       | 26.3%         | 9.4x                     | 5.4x | 6.1x                         | 1.9x       |      |
| Perdoceo Education Corporation  |  USA | \$828             | \$349                  | \$708         | 21.6%         | 2.4x                     | 1.9x | 2.1x                         | 0.5x       |      |
| Ser Educacional S.A.            |  BRA | \$133             | \$400                  | \$340         | 16.8%         | 5.5x                     | 4.7x | 5.1x                         | 1.1x       |      |
| Strategic Education, Inc.       |  USA | \$1,652           | \$1,668                | \$1,063       | 11.4%         | 6.9x                     | 7.1x | 11.6x                        | 1.6x       |      |
| Yduqs Participações S.A.        |  BRA | \$1,194           | \$2,066                | \$925         | 25.1%         | 10.4x                    | 6.8x | 6.9x                         | 2.1x       |      |
| ■ Excluded from mean and median |   |                   |                        |               |               | <b>Mean</b>              | 7.0x | 6.5x                         | 5.2x       | 1.3x |
|                                 |   |                   |                        |               |               | <b>Median</b>            | 6.8x | 6.8x                         | 5.3x       | 1.4x |

## 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, 2023 |            |      |
|---------------------------|---|-------------------|------------------------|---------------|---------------|--------------------------|-------|------------------------------|------------|------|
|                           |   |                   |                        |               |               | 2021                     | 2022  | EV/EBITDA                    | EV/Revenue |      |
| Digital Daesung Co., Ltd. |  KOR | \$128             | \$109                  | \$162         | 18.0%         | 7.4x                     | 5.1x  | 3.9x                         | 0.7x       |      |
| Graham Holdings Company   |  USA | \$2,710           | \$3,202                | \$4,041       | 12.8%         | 6.0x                     | 6.0x  | 4.9x                         | 0.8x       |      |
| Riso Kyoiku Co., Ltd.     |  JPN | \$281             | \$230                  | \$227         | 8.9%          | 25.5x                    | 14.0x | 11.8x                        | 1.1x       |      |
| Vasta Platform Limited    |  BRA | \$274             | \$428                  | \$254         | 18.8%         | 30.7x                    | 24.7x | 8.1x                         | 1.7x       |      |
|                           |   |                   |                        |               |               | <b>Mean</b>              | 6.7x  | 5.5x                         | 5.6x       | 1.1x |
|                           |   |                   |                        |               |               | <b>Median</b>            | 6.7x  | 5.5x                         | 4.9x       | 0.9x |

























■ Excluded from mean and median

## Educational Materials 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, 2023 |            |      |
|---------------------------|---|-------------------|------------------------|---------------|---------------|--------------------------|-------|------------------------------|------------|------|
|                           |   |                   |                        |               |               | 2021                     | 2022  | EV/EBITDA                    | EV/Revenue |      |
| Bloomsbury Publishing Plc |  GBR | \$450             | \$398                  | \$320         | 12.1%         | 10.3x                    | 9.6x  | 9.2x                         | 1.2x       |      |
| John Wiley & Sons, Inc.   |  USA | \$1,872           | \$2,643                | \$2,020       | 15.6%         | 11.4x                    | 10.2x | 7.9x                         | 1.3x       |      |
| Pearson plc               |  GBR | \$7,463           | \$8,416                | \$4,628       | 12.9%         | 13.0x                    | 12.8x | 12.1x                        | 1.7x       |      |
|                           |   |                   |                        |               |               | <b>Mean</b>              | 11.6x | 10.9x                        | 9.7x       | 1.4x |
|                           |   |                   |                        |               |               | <b>Median</b>            | 11.4x | 10.2x                        | 9.2x       | 1.3x |



# Education – Q2 Global Transactions

| Date   | Target  | Country | Description  | Buyer   | Seller  | % Acquired | Size US\$M | EV/ EBITDA | EV/ Revenue |
|--------|---|---------|--|---|---|------------|------------|------------|-------------|
| Jun-23 |  MBL | GBR     | Offers continuing professional development and learning solutions  |    | -   | 100.0%     | -          | -          | -           |
| Jun-23 | 17 Schools of Alpha Plus Group  | GBR     | Operates 17 schools  |    |  | 100.0%     | -          | -          | -           |
| Jun-23 |      | CAN     | Offers certificate, diploma, and degree programs in different fields   |    | -   | 100.0%     | -          | -          | -           |
| May-23 |      | AUS     | Operates as a curriculums, numeracy and literacy assessment model that delivers a school approach to summative and formative assessment        |    | -   | 100.0%     | \$26.1     | -          | -           |
| May-23 |      | USA     | Offers quality education services and support to students  | Specialized Education Services, Inc.  | -   | 100.0%     | -          | -          | -           |
| May-23 |      | GBR     | Offers a web-based, drag-and-drop coding platform  |    | -   | 100.0%     | -          | -          | -           |
| Apr-23 |    | USA     | Operates a sports academy  | Multiple Buyers   | ENDEAVOR  | 100.0%     | \$1,250.0  | -          | -           |
| Apr-23 |    | CHE     | Operates a school that offers IB Primary Years programme, IB Diploma programme, Cambridge IGCSE, and A-levels education                        |  | -   | 100.0%     | -          | -          | -           |
| Apr-23 |    | DEU     | Operates an online study guide for prospective students in Germany and Austria   |  | -   | 100.0%     | -          | -          | -           |
| Apr-23 |    | IRL     | Operates an educational institution that offers 4th, 5th, and 6th Year full-time school programmes   |  | -   | 100.0%     | -          | -          | -           |
| Apr-23 |    | CAN     | Offers financial modeling training, and consulting and accreditation services  |  | -   | 100.0%     | -          | -          | -           |
| Apr-23 |    | AUS     | Offers online learning courses, research and development services, and wellbeing programs that helps people and organizations in mental health |  | -   | 100.0%     | \$6.0      | -          | -           |
| Apr-23 |    | GBR     | Offers training, and eLearning courses   |  | -   | 100.0%     | -          | -          | -           |

# Private Equity Transactions

| INDUSTRY CLASSIFICATION   | PERIOD  | AVERAGE ENTERPRISE VALUE (IN USD)   | REVENUE (IN USD)  | TTM REVENUE GROWTH  | ENTERPRISE VALUE / REVENUE   | EBITDA MARGIN   | ENTERPRISE VALUE /EBITDA   | NUMBER OF TRANSACTIONS   |
|---|---|---|---|---|--|---|--|--|
| <br><b>Educational Services</b><br><small>NAICS 611 – Educational Services</small> | <br><b>2017-2022</b> | <br><b>\$46.3M</b> | <br><b>\$30.7M</b> | <br><b>12.5%</b> | <br><b>2.5x</b> | <br><b>30.5%</b> | <br><b>7.7x</b> | <br><b>19</b> |
| <b>Educational Support Services</b><br><small>NAICS 6117 – Educational Support Services</small>   | <b>2017-2021</b>  | <b>\$39.8M</b>  | <b>\$35.5M</b>  | <b>11.5%</b>  | <b>1.8x</b>  | <b>23.6%</b>  | <b>7.4x</b>  | <b>15</b>  |

**Source:** GF Data

**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.



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S U S C R I B E



# Representative Global Engagements

|   |  |   |   |   |   |                              |   |  |   |   |
|---|--|---|---|---|---|------------------------------|---|--|---|---|
| <br>has acquired<br>  | <br>has acquired<br>                               | <br>has sold<br>Triumph Processing - Embee Division<br>to<br> | <br>has sold<br>Triumph Air Repair & Triumph Engines businesses<br>to<br> | <br>has acquired<br>unified brands<br>from<br>      | <br>has partnered with<br><br>a company backed by<br>                             | <br>has acquired<br>         | <br>has sold<br>the North American guarding business of<br><br>to<br>       | <br>has sold<br><br>to<br>                                       | <br>has sold<br><br>to<br>                        | <br>a subsidiary of<br><br>has sold<br><br>to<br> |
| <br>has sold<br><br>to<br>Daives Baird Pty Ltd<br>a sister company of<br> | <br>has acquired<br>                               | <br>has sold<br><br>to<br>Code Flower Inc.                    | <br>has sold its<br>GRACE Membranes Business<br><br>a subsidiary of<br>   | <br>has sold<br><br>and<br><br>to<br>               | <br>MOVING THE CIRCULAR ECONOMY FORWARD<br>has sold a controlling interest to<br> | <br>has been acquired by<br> | <br>has sold<br>SENSI CARE and ALOE+VESTA<br>to<br>                         | <br>has sold their<br>Sanitaryware Manufacturing Plant<br>to<br> | <br>has acquired<br>Multiple snack companies<br>  | <br>has sold<br><br>to<br>                        |
| <br>has sold<br>Commercial Flight Training Business<br>to<br>             | <br>has been acquired by<br>                       | <br>has sold<br>Oxbow Sulphur, Inc.<br>to<br>                 | <br>has been acquired by<br>  | <br>has sold<br><br>to<br>                          | <br>has acquired<br>  | <br>has acquired<br>         | <br>has acquired<br>  | <br>has sold its<br>SYCAR Resins business<br>to<br>              | <br>has sold<br><br>to<br>Private Equity Partners | <br>has been acquired by<br>                      |
| <br>has sold<br><br>to<br>  | <br>has acquired<br><br>KFC Costa Rica<br>from<br> | <br>has been acquired by<br>                                  | <br>has sold<br><br>to<br>  | <br>has sold the<br>Films Business of<br><br>to<br> | <br>has been acquired by<br>  | <br>has sold<br><br>to<br>   | <br>Oxbow's Senior Subordinated debt issued by<br><br>was refinanced by<br> | <br>has sold<br><br>to<br>                                       | <br>has acquired<br><br>from<br>THE MOORE COMPANY | <br>sold its concrete pumping business to<br>     |



# Advisor to Leading Companies Worldwide

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

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**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.

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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.





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Creative Solutions. Trusted Advice.