

Market Update



Education Technology & Services

Q2 2022

Key Highlights

The top subsector stock performer in Q2 2022 was institutions / workforce solutions, down 0.7% quarter-over-quarter

On average, EBITDA multiples for the subsectors decreased 0.6x from the prior quarter and decreased 1.2x on a year-over-year basis

COVID-19 Dips, Blips and Stimulus...the Long Tail of COVID-19's Impact on Education M&A

Many new COVID-19-related terms have entered our lexicon seamlessly over the last two years. Sadly, most seem likely to be part of our daily dialogue for years to come. "COVID-19-driven" alone has become a term we cannot escape, whether we are talking about the global economy, inflation or our kids' education experience for more than two years. As education mergers and acquisitions (M&A) practitioners, we find ourselves in daily conversations about our clients having to address COVID-19 dips, blips and stimulus benefits. We can say with almost 100% certainty that one of the first five questions we get about any client in the education space will address at least one of those COVID-19-related phenomena.

The COVID-19 Dip

Recessionary business declines are not a new thing, but declines (or "dips") caused by a pandemic are. Like so many industries, the onset of the pandemic shuttered education buildings across the world in March 2020. As a result, demand for so many of the services that help keep those schools functioning declined or even evaporated almost overnight. So, those businesses had some level of decline in performance while schools sorted out remote learning and what their ongoing COVID-19 strategy would be. The issue now though, is not whether those companies experienced a dip in performance, but whether or not they will fully bounce back from those dips and how long it may take to do so. We seem to get these sorts of questions ad nauseum on any business that showed a decline in 2020, and unfortunately, we do not see an end to those questions anytime soon. The honest answer for most is we still do not know for sure. If school districts proceed as planned, and we do not see another disruptive COVID-19 surge, 2022-2023 will be the first "normal" school year since 2018-2019. Maybe, a full school year relatively unimpacted by COVID-19 will put those questions to rest.

The COVID-19 Blip

Equally difficult to answer are questions around the bounce in performance that many companies experienced in the second half of 2020 and 2021. Any tech providers (just as Zoom did) became investment darlings. M&A for education technology (edtech) providers jumped to never-before-seen levels. Similarly, education service providers (tutoring, teacher support and virtual schools) became top-of-mind for investors looking to seize on a new education paradigm. It was not long, however, before those same investors started to question how sustainable these COVID-19 blips would be. We have spent an inordinate amount of time with investors trying to establish that these businesses are forever altered by the shifts that have taken place in education due to COVID-19. Unlike the COVID-19 dip phenomenon that may finally be put to rest with the 2022-2023 school year, it could be years before questions around the COVID-19 blip are fully put to bed. That said, digital learning is here to stay and we see that continuing to pervade investment decisions.

COVID-19 Stimulus

The other lingering effect of COVID-19 in the education M&A market has been and will continue to be stimulus funding. We have talked to dozens of active investors about their interest in the education market generally that have said they are concerned with the temporal impact of stimulus funding on many businesses, and therefore are highly unlikely to acquire or invest in those businesses. Spread across multiple funding bills, those stimulus dollars are likely to not be fully utilized until 2024. In many cases, schools and school districts have "accessed" those funds with no practical ability to actually put them to use. Similar to questions around the COVID-19 blip, it will be some time before concerns around temporary support from stimulus funds subside and we can return those discussions to true business fundamentals.

Like so many areas of our lives today, the vestiges of COVID-19 will remain for years (and probably decades) to come. We can only hope that COVID-19's impact on education M&A is a little more short lived, and that we can soon re-focus on the fundamentals of the education market and the businesses that support it. So many of them are having positive impacts on students and teachers and need support to push that mission forward. It will be a shame if the impact those businesses can have is stalled over fears related to the dips or blips they experienced during the pandemic.



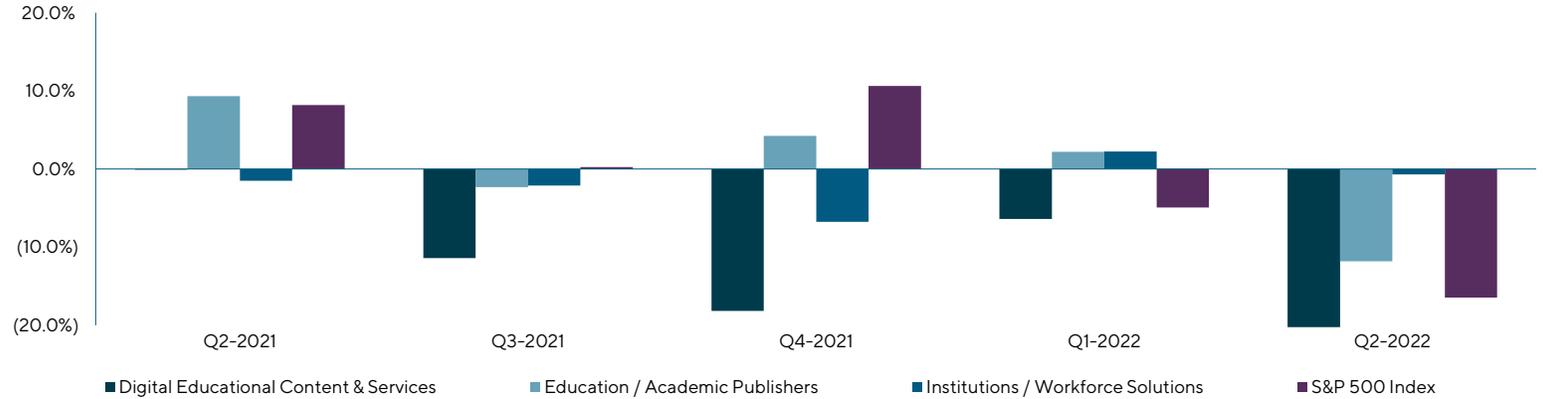
Education Technology & Services Financial Performance

Quarter-over-Quarter Price Performance

Outperformers	Change
Adtalem Global Education Inc.	21.1%
Instructure Holdings, Inc.	13.2%
Stride, Inc.	12.3%
Strategic Education, Inc.	6.3%

Underperformers	Change
Keypath Education International, Inc.	(55.9%)
Chegg, Inc.	(48.2%)
D2L Inc.	(45.6%)
Coursera, Inc.	(38.5%)

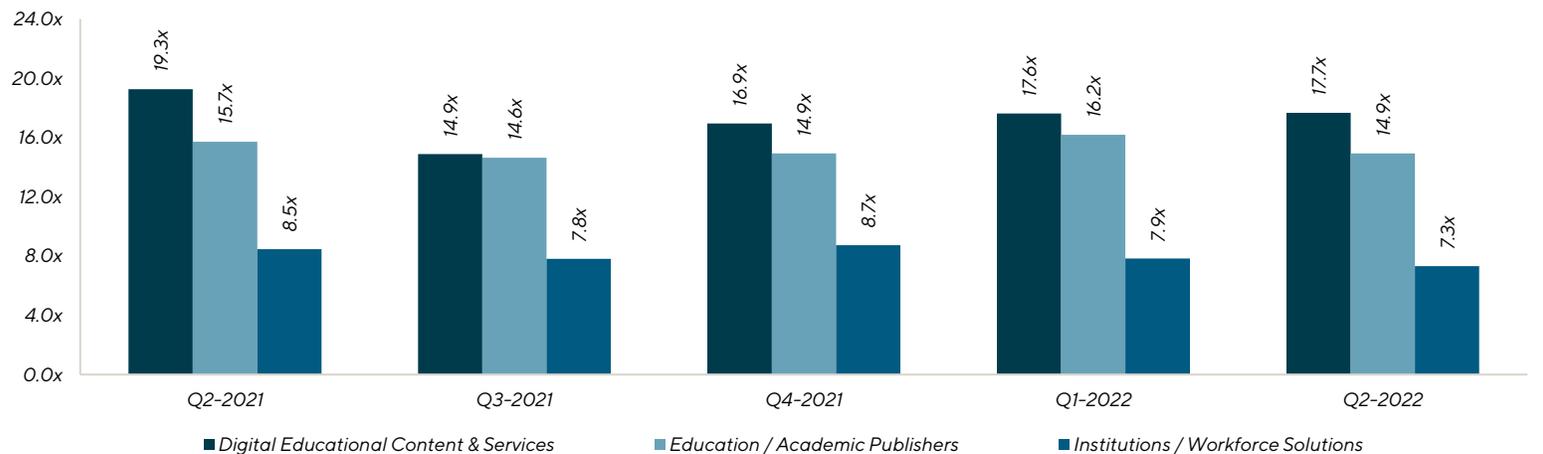
Quarter-over-Quarter Stock Indices Price Change



Two-Year Relative Stock Indices Price Performance



Historical Enterprise Value / LTM EBITDA Valuation Performance



Education Technology & Services Stock Indices Data

Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	NTM		YoY Revenue Growth	EBITDA Margin	Enterprise Value / NTM	
					Revenue	EBITDA			Revenue	EBITDA
Digital Educational Content & Services										
2U, Inc.	\$10.47	22.5%	\$807	\$1,635	\$1,098	\$87	23.9%	7.9%	1.5x	18.8x
Blackbaud, Inc.	58.07	66.8%	3,005	4,012	1,102	270	21.6%	24.5%	3.6x	14.9x
Chegg, Inc.	18.78	20.8%	2,364	2,873	753	229	(0.5%)	30.4%	3.8x	12.5x
Coursera, Inc.	14.18	32.4%	2,043	1,281	576	(47)	61.7%	(8.1%)	2.2x	NM
D2L Inc.	5.65	42.3%	300	216	182	(10)	38.3%	(5.3%)	1.2x	NM
Duolingo, Inc.	87.55	42.7%	3,429	2,883	374	3	79.9%	0.8%	7.7x	NM
Grand Canyon Education, Inc.	94.19	92.3%	2,999	2,794	930	293	6.2%	31.5%	3.0x	9.5x
Instructure Holdings, Inc.	22.70	76.7%	3,209	3,630	477	171	33.6%	35.9%	7.6x	21.2x
Keypath Education International, Inc.	0.76	27.4%	158	91	118	(13)	20.6%	(10.7%)	0.8x	NM
Pearson plc	9.11	84.9%	6,705	7,321	4,459	764	(7.8%)	17.1%	1.6x	9.6x
PowerSchool Holdings, Inc.	12.05	33.0%	1,910	3,159	641	190	29.4%	29.7%	4.9x	16.6x
RELX PLC	26.99	86.9%	51,843	59,198	9,822	3,685	1.6%	37.5%	6.0x	16.1x
Udemy, Inc.	10.21	31.3%	1,426	933	661	(64)	38.0%	(9.6%)	1.4x	NM
Mean		50.8%					26.7%	14.0%	3.5x	14.9x
Median		42.3%					23.9%	17.1%	3.0x	15.5x
Education / Academic Publishers										
Informa plc	\$6.43	84.2%	\$9,207	\$11,312	\$2,695	\$704	27.1%	26.1%	4.2x	16.1x
John Wiley & Sons, Inc.	47.76	78.6%	2,665	3,504	2,120	413	9.2%	19.5%	1.7x	8.5x
Pearson plc	9.11	84.9%	6,705	7,321	4,459	764	(7.8%)	17.1%	1.6x	9.6x
RELX PLC	26.99	86.9%	51,843	59,198	9,822	3,685	1.6%	37.5%	6.0x	16.1x
Scholastic Corporation	35.97	82.3%	1,238	1,024	N/A	N/A	N/A	N/A	NM	NM
Wolters Kluwer N.V.	96.76	87.9%	24,662	26,890	5,401	1,720	(0.7%)	31.8%	5.0x	15.6x
Mean		84.1%					5.9%	26.4%	3.7x	13.2x
Median		84.5%					1.6%	26.1%	4.2x	15.6x
Institutions / Workforce Solutions										
Adtalem Global Education Inc.	\$35.97	89.4%	\$1,624	\$2,346	\$1,437	\$0	29.2%	0.0%	1.6x	NM
American Public Education, Inc.	16.16	54.0%	305	430	625	76	88.5%	12.1%	0.7x	5.7x
Graham Holdings Company	566.84	84.0%	2,767	2,973	3,819	289	26.5%	7.6%	0.8x	10.3x
Grand Canyon Education, Inc.	94.19	92.3%	2,999	2,794	930	293	6.2%	31.5%	3.0x	9.5x
Stride, Inc.	40.79	95.9%	1,691	1,874	1,727	290	12.4%	16.8%	1.1x	6.5x
Laureate Education, Inc.	11.57	60.8%	1,944	2,215	1,221	335	16.2%	27.4%	1.8x	6.6x
Lincoln Educational Services Corporation	6.31	77.0%	172	220	357	42	12.0%	11.7%	0.6x	5.3x
Perdoceo Education Corporation	11.78	93.1%	810	354	664	144	(5.1%)	21.6%	0.5x	2.5x
Strategic Education, Inc.	70.58	84.7%	1,744	1,749	1,082	177	(1.3%)	16.4%	1.6x	9.9x
Mean		81.2%					20.5%	16.1%	1.3x	7.0x
Median		84.7%					12.4%	16.4%	1.1x	6.5x

Note: USD in millions, except for stock price

Source: Bloomberg, Capital IQ and company filings, as of 6/30/22

6/16/22: **Elevate K-12**, an Illinois-based educational live streaming firm, raised \$40 million in a Series C round led by **General Catalyst**

6/6/22: **Cambly**, a California-based English tutoring website, raised \$60 million in a Series B round led by **Benchmark** and **Bessemer Venture Partners**

6/6/22: **Regent Education**, a Maryland-based financial aid management firm, raised an undisclosed amount in a round led by **Attain Capital Partners**

6/2/22: **Guild Education**, a Colorado-based training platform for frontline employees, raised a \$175 million in a Series F round led by **Wellington Management**

5/18/22: **Masterschool**, an Israeli-based network of career-training schools, raised \$100 million in a seed round led by **Group 11**

4/19/22: **Hometown Ticketing**, an Ohio-based digital ticketing and event software firm for education institutions, raised \$75 million in a Series A round led by **Nexa Equity**

Selected M&A Transaction Recap

Closed	Target Company	Target Description	Acquiring Company
Announced	Affero Lab	Provides corporate education solutions in Brazil and internationally	Bossa.etc
Announced	Pearson K12 Assets in Italy	Operates a K-12 courseware business	Sanoma
Announced	Concorde Career Colleges	Operates postsecondary institutions that offer vocational healthcare career training programs	Universal Technical Institute
Announced	Only About Children	Offers early education and preschool services for children zero-five years old	Bright Horizons Family Solutions
Announced	Headed2	Offers career exploration, work-based learning for early learners and career development services	PowerSchool Holdings
Announced	zSpace	Provides augmented reality / virtual reality technology enabling teachers and learners to interact with simulated objects in virtual environments	EdtechX
Announced	SumTotal Systems	Develops talent acquisition, onboarding, learning management and talent management solutions	Cornerstone OnDemand
Announced	Blokkentrein / Le Garage Kinderopvang	Operates preschools and early learning programs	AcadeMedia
Announced	EduBrite Systems	Operates an e-learning platform that creates and deploys professional certificates	LinkedIn
Announced	Wayo Nihongo Institute	Operates a school providing Japanese language lessons to students	SPRIX
Announced	Care Plus Training	Operates as a vocational education provider for nursing	EDU Holdings
Announced	Cyberlibris	Operates digital libraries that provide access to books for subscribers	De Marque
Announced	Wuhan Tianyu Education Technology	Develops a cloud based open source education platform for training and learning purposes	Shenzhen Shenchuang Intelligent Group
Announced	Kushim's e-learning and learning management system (LMS) services business	Operates an e-learning and LMS services business	ODK Solutions Company
Announced	Groupe EDH	Operates schools providing education and training to students	Five Arrows Managers
Announced	The Alliance of Girls' Schools	Provides education services to girls and young women	International Coalition of Girls' Schools
Announced	The King's School in Macclesfield	Operates as a co-educational school providing education and training to students	The PJ Livesey Group
Announced	Inspired Education	Operates as a private education school providing educational services to students	Stonepeak Partners
Announced	Tokyo Guidance	Operates as a tutoring school providing education and learning to students	Yamano
Announced	Al Salam Education and Training Company	Operates as a school that offers educational services to students	National Company for Learning and Education
Announced	Grupo Educacional Anchieta	Operates as a school that offers elementary and secondary education	Inspira Rede de Educadores
Announced	Fairview IB World Schools	Provides education to students under the guidance of their mentors and teachers	Starcrest Education
Announced	Triumphant Institute of Management Education	Provides professional entrance training courses in India through franchises	Veranda Learning Solutions
7/19/2022	FEV Tutor	Provides an evidence-based K-12 tutoring platform	Alpine Investors
6/30/2022	Goddard Systems	Owns and operates schools that provide infant care, toddler and preschool programs	Sycamore Partners
6/28/2022	Pledgemine	Provides on-demand direct mail ordering and segmentation solutions for the education sector	EverTrue
6/28/2022	Pros-Consulte	Offers on-site interventions, training courses and team-building workshop services	Groupe MENWAY
6/27/2022	FilterED	Operates a cloud-based platform for schools that analyzes school technology information	Sourcewell
6/27/2022	Scantron Corporation's certification and licensure business	Develops competency-based testing, training and high-stakes certification programs	Meazure Learning
6/27/2022	Wildist.co	Provides photography workshops and courses through the web	CreativeLIVE
6/27/2022	L'Atelier Des Auteurs	Operates a writing platform for students	Editis
6/23/2022	LearnIn	Operates a suite of solutions for skill development	Degreed
6/23/2022	Oktogone	Operates a digital training and development platform for companies and their employees	AD Education
6/22/2022	Sarah Michelle NP Reviews	Provides online courses and training resources for nurse practitioners	Blueprint Test Preparation
6/21/2022	MOCH	Provides awareness training to employees in the areas of GDPR and information technology (IT) security	Metacompliance
6/20/2022	Firebrand Training	Provides IT and project management learning and training services, courses and boot camps	BPP
6/17/2022	3B Scientific	Provides biological teaching aids for science, training and patient education	G Square Healthcare
6/16/2022	Edubookers	Offers a booking platform for training courses	Archipel Academy

Selected M&A Transaction Recap (cont.)

Closed	Target Company	Target Description	Acquiring Company
6/16/2022	Peppy Pals	Develops educational applications, e-books and movies for students	Zooly
6/15/2022	College Finance Company	Provides educational finance facilities to students, parents and graduates	Candidly
6/15/2022	Just It Training	Provides apprenticeships, training and recruitment services to the technical sector	Back 2 Work Complete Training
6/15/2022	Techtec	Develops a platform providing an online blockchain learning service	Reazon
6/15/2022	Kuwait English School	Operates a school providing education to students	Sama Educational Company
6/15/2022	Infobase Holdings	Provides cloud-based educational and vocational information services to the K-12 industry	Northlane Capital Partners
6/15/2022	upGrad Education	Operates as an edtech company that offers online courses in the higher education space	Temasek Holdings; Educational Testing Service; Lupa Systems
6/14/2022	CeroUno	Offers online learning programs in IT	Revelo Talent
6/14/2022	CORE Higher Education Group	Operates as an education technology company providing services to the education sector	The Riverside Company
6/13/2022	Editions Du Renouveau Pedagogique	Publishes and prints educational books and pamphlets	TC Media
6/13/2022	Liwa College of Technology	Operates as an educational institution that offers undergraduate and diploma programs	NEMA
6/13/2022	Prenda	Provides in-home micro-school educational services to students	Learn Capital; Album VC; Peak Ventures
6/9/2022	Knowledgemotion	Operates a cloud-based educational video platform for courseware providers	Achieve Partners
6/9/2022	LiftEd	Develops education management software for children with disabilities	CentralReach
6/7/2022	DC Hours	Operates a platform that provides education for chiropractic doctors	PDH Academy
6/7/2022	Juran Institute	Provides training, certification and consulting services to organizations	Attain Consulting Group
6/7/2022	Stirling Institute of Australia	Operates a registered training organization that offers education and training services	Max Solutions
6/7/2022	Interfolio	Provides an online platform that offers higher education management to schools	Elsevier
6/3/2022	Sedona Learning Solutions	Provides custom e-learning and education consulting to hospitals across the U.S. and Canada	Harris
6/2/2022	Education Networks of America	Provides managed Infrastructure as a Service solutions to K-12 schools and libraries	Zayo Group
5/31/2022	ACTANDO	Develops and offers e-learning solutions	Red Nucleus Solutions
5/30/2022	Silveraxe	Offers digital bundles collections, such as e-books, courses and programs	Rapid Nutrition
5/27/2022	SimforHealth	Develops and offers simulation software for training of healthcare professionals	SFP Expansion
5/25/2022	Wizklub Learning	Develops an artificial intelligence (AI)-powered education technology platform for students	Rankguru Technology Solutions
5/25/2022	FIDL	Develops gaming courses, learning courses and training for students	Strawberry Equities
5/25/2022	Security Journey	Develops application security education training programs	HackEDU
5/23/2022	TutorMe	Operates an on-demand online tutoring business	GoGaurdian
5/20/2022	Centro De Formacion Mestral	Operates a school providing educational projects and services	Inspired Education
5/20/2022	OGT	Operates an online e-sports learning platform for students	OPGG
5/19/2022	brainymotion	Provides IT training services for companies, job seekers and individuals	Aspire Education
5/18/2022	The Enablement Squad	Develops and operates an online platform that allows users to engage, educate and empower enablement leaders across the globe	WorkRamp
5/18/2022	Desmos	Develops a web-based graphing calculator for students and teachers	Amplify Education
5/18/2022	EIDM	Provides fashion, business and styling education courses	ACE Education
5/18/2022	bookboon.com	Publishes e-books and textbooks online related to finance, career and study advice	Access Learning
5/17/2022	Tortal Training	Offers learning management systems, interactive e-learning solutions and employee training for businesses	Pluribus Technologies
5/17/2022	Standard for Success	Offers customizable teacher evaluation software	Education Advanced
5/17/2022	Worthington Contract Furniture	Distributes furniture for commercial and educational applications	MeTEOR Education
5/17/2022	SwimKids Swim School	Offers swim lessons for children	ESN Swim Schools

Selected M&A Transaction Recap (cont.)

Closed	Target Company	Target Description	Acquiring Company
5/17/2022	Ecole Internationale De Mode	Operates an educational institution that offers undergraduate and graduate programs	AMOS Sport Business School
5/17/2022	GamerzClass	Offers e-sports masterclasses with professionals to shape the future of gaming	Metafy
5/17/2022	Working Spirit	Offers training courses and education for information and communications technology professionals	Unica ICT Solutions
5/16/2022	EdCast	Develops AI-powered, cloud-based talent experience platforms designed to enable end-to-end employee journeys	Cornerstone OnDemand
5/13/2022	Educlever	Owns and operates an online platform that publishes digital educational content that caters to students and teachers	Editis
5/11/2022	Northwest Executive Education	Provides executive education, continuous learning and corporate learning domain	Great Lakes E-Learning Services
5/10/2022	Take The Wind	Provides clinical education services for scientific societies, hospitals, medical schools, nursing schools and medical education providers	Médisup Sciences
5/10/2022	Citylangues	Provides foreign language training services through face-to-face and blended courses	Groupe Monceau Éducation
5/6/2022	Eleva Educação	Operates educational institutions providing education and training across Brazil	Inspired Education
5/6/2022	InGenius	Provides career counseling services and helps students in various admission processes	Sterling Partners
5/2/2022	CoreAxis	Provides corporate training and employee engagement consulting services to various brands	eLearning Brothers
5/2/2022	EMAGISTER Servicios de Formación	Offers online learning, distance learning and on-site courses	Miura & Partners
5/2/2022	Chalk.com Education	Provides online lesson planning, assessment and collaboration tools for teachers	PowerSchool
4/30/2022	Yukon Training	Offers professional courses and training services on management and career development	Red Nucleus Solutions
4/29/2022	Mondly	Provides language learning courses through its website, app and free and paid courses	Pearson
4/29/2022	Orovia Group	Offers human resource, payroll and budgeting software to the education industry	TES Global
4/28/2022	Aspire And Learn	Offers educational services to students	Educ8 Training Group
4/27/2022	Elan Languages	Provides commercial translation services and language training services	Andera Partners
4/26/2022	XP League	Provides coaching and e-sports gaming league training for elementary, middle and high school-aged players	Unleashed Brands
4/21/2022	Rhithm	Develops an application that functions as a social-emotional learning and mental health tool	Securly
4/20/2022	Stravos Education	Offers tutoring, placement and academic preparation services	Boathouse Capital
4/20/2022	Learn code online	Provides online coding courses for students	iNeuron Intelligence
4/19/2022	CampusLogic	Develops a cloud-based student financial success platform used by college officials to help students manage scholarships, loans and other financial supports	Ellucian
4/13/2022	TDFQ	Develops a financial literacy app to help make financial concepts accessible to a broad range of users	CentSai
4/13/2022	Spark451	Provides enrollment strategy, marketing and technology services for higher education institutions	Jenzabar
4/12/2022	Class 101	Operates a platform that provides mentors and counselors to students to help choose their college	Unleashed Brands
4/12/2022	Coorpacademy	Develops online corporate training courses and learning solutions	GO1
4/12/2022	Biblio Learning	Operates a social platform that allows users to source and discover learning materials	Playbuzz
4/12/2022	Openmind Learning	Provides an app-based learning platform	Forerunner Ventures; Greenoaks Capital Partners
4/7/2022	Enrollhand	Provides personalized school marketing and branding solutions specifically designed for K-12 schools and districts	SchoolMint
4/6/2022	Substantially all of the assets of Readorium	Provides web-based education software that helps students in reading comprehension through scientific text	Beable Education
4/5/2022	DQB	Provides a dermatology board certification exam preparatory website	PDH Academy
4/4/2022	Next Group	Provides vocational retraining and work-study programs for students	Cegos
4/4/2022	HIPAA Exams	Provides online HIPAA training course and certification for professional and management development	360training.com
4/4/2022	Studybees	Provides an exchange of study documents between students	StuDocu
4/1/2022	SwimWest Swim School	Offers swimming lessons for children who want to learn swimming	ESN Swim Schools

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Lincoln International's Education Technology & Services Team

Lincoln recognizes the importance of understanding a client's industry, value drivers, growth opportunities and challenges. Our extensive expertise provides in-depth market insights, deep relationships with the most active strategic and financial partners and superior knowledge on how to best position a business and overcome potential issues. These attributes, combined with our globally integrated resources and flawless execution, enable us to consistently deliver outstanding outcomes for our clients.

Lincoln's dedicated education technology and services team has established itself among the most active M&A advisors in the middle market. Our senior bankers provide sector-specific expertise, global buyer access and unmatched execution within the education technology and services space. This update tracks pricing and valuation metrics and transaction activity for three key education technology and services subsectors:

- Digital education content and services
- Education / academic publishers
- Institutions / workforce solutions

Advisory Services

Mergers & Acquisitions
Capital Advisory
Private Funds Advisory
Valuations & Opinions

About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and their portfolio companies and to public and privately held companies around the world. Our services include mergers and acquisitions advisory, private funds and capital markets advisory, and valuations and fairness opinions. As one tightly integrated team of more than 800 professionals in more than 20 offices in 15 countries, we offer an unobstructed perspective on the global private capital markets, backed by superb execution and a deep commitment to client success. With extensive industry knowledge and relationships, timely market intelligence and strategic insights, we forge deep, productive client relationships that endure for decades. Connect with us to learn more at : www.lincolninternational.com.