

Education Technology **Insight**

Early Childhood | K-12 | Higher Education | Corporate | B2C

RAYMOND JAMES

INVESTMENT BANKING

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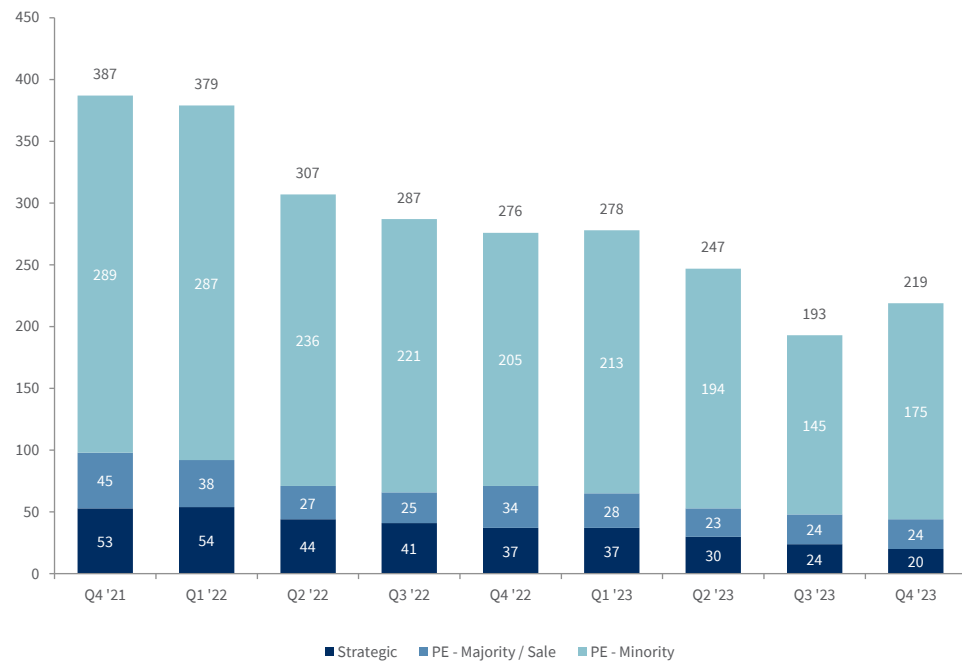
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Market Update

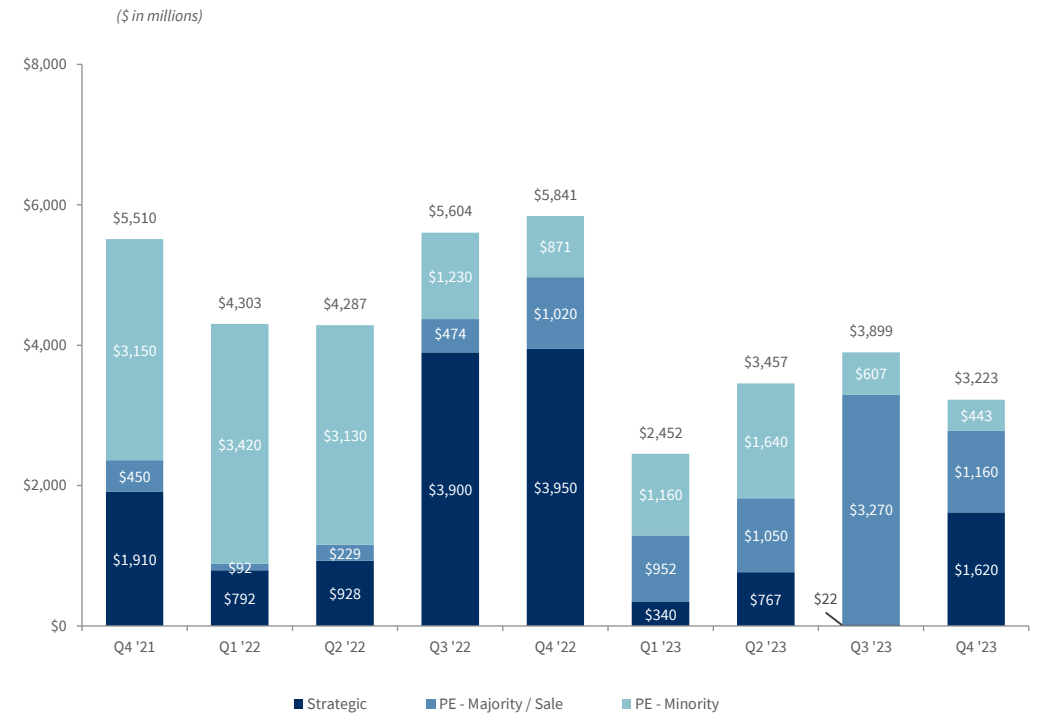
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Education Technology M&A & Capital Raising Activity

Number of U.S. Deals by Quarter⁽¹⁾



Dollar Volume of U.S. Deals by Quarter⁽¹⁾⁽²⁾



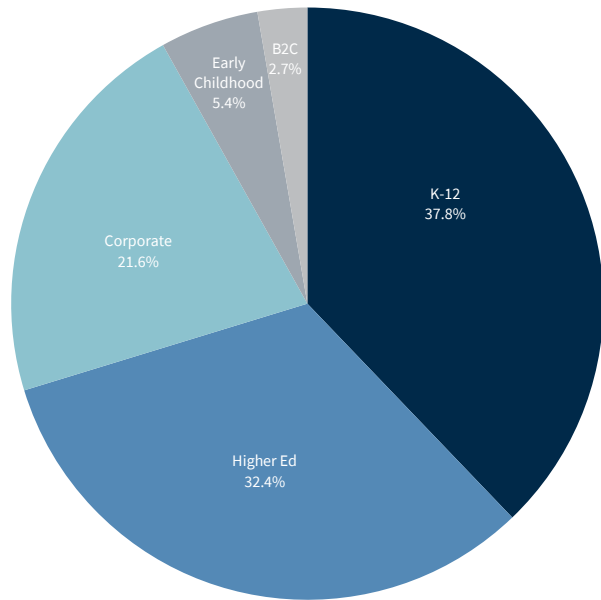
219 transactions were announced in Q4 2023, ~80% of which were minority PE deals

\$3.2 billion in Q4 2023 in announced transaction value, 50%+ of which came from strategic deals

1. Source: PitchBook for the period Oct 1st 2021 to Dec 29th 2023
 2. Comprised of deals where the \$ amount of investment was disclosed

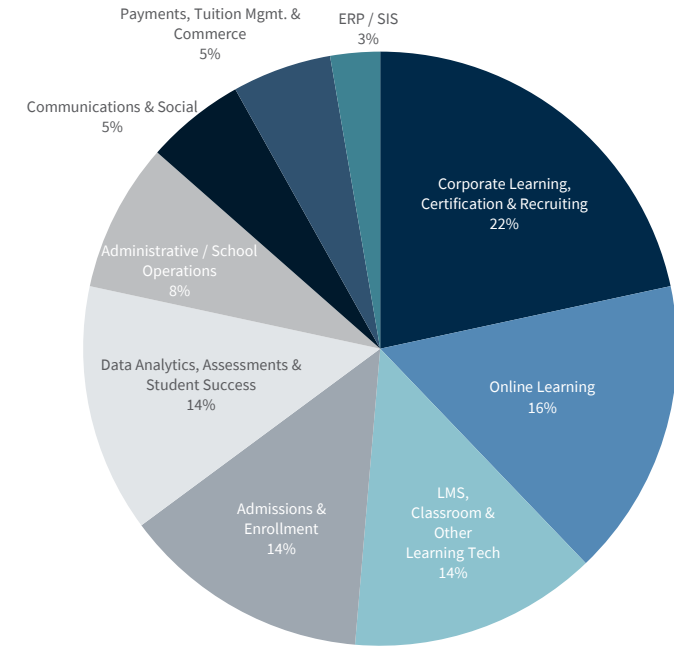
Education Technology M&A & Capital Raising Activity

Q4 2023 U.S. Deals by Sector



Companies focused on the Higher Ed and K-12 markets comprised 70%+ of the transactions announced in Q4 2023

Q4 2023 U.S. Deals by Domain

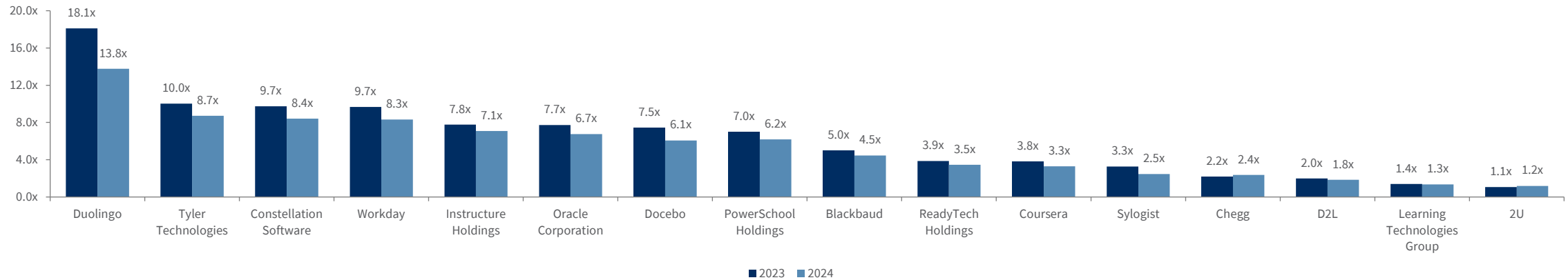


The industry witnessed a focus on Corporate Learning, Certification & Recruiting and Online Learning in Q4 2023, which comprised ~38% of transactions

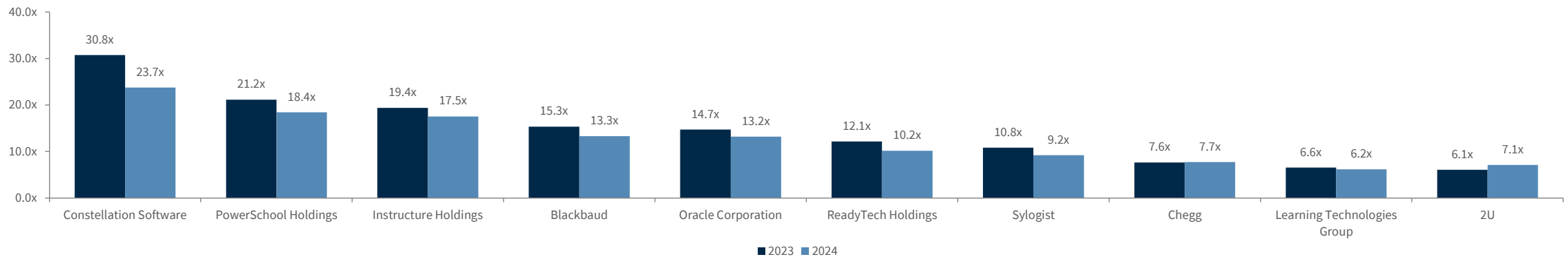
1. Source: Mergermarket; Selected Recent Strategic M&A Activity and Selected Recent Private Equity Activity from the period Oct 1st to Dec 29th 2023

Market Valuation Metrics

Education Technology TEV / Revenue⁽¹⁾⁽³⁾



Education Technology TEV / EBITDA⁽²⁾⁽³⁾

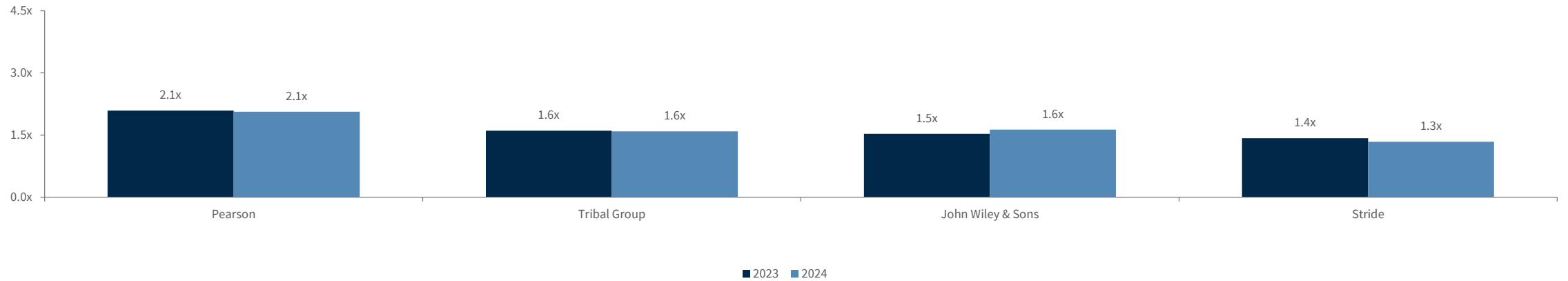


Source: CapIQ and Equity Research as of Dec 29th, 2023

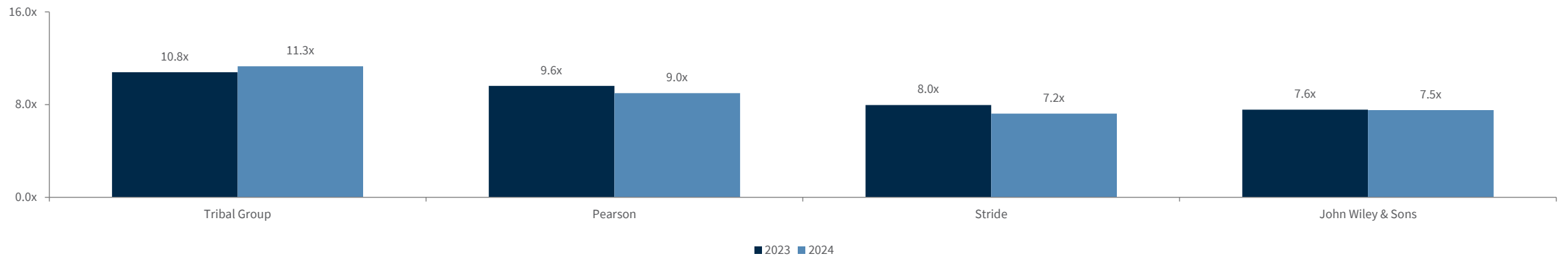
1. Revenue multiples <0.0x or >20.0x are considered Not Meaningful (NM)
2. EBITDA multiples <0.0x or >35.0x are considered Not Meaningful (NM)
3. Omits companies where multiples for FY2023 or FY2024 are either not available or not meaningful

Market Valuation Metrics

Education Services TEV / Revenue⁽¹⁾⁽³⁾



Education Services TEV / EBITDA⁽²⁾⁽³⁾



Source: CapIQ and Equity Research as of Dec 29th, 2023

1. Revenue multiples <0.0x or >20.0x are considered Not Meaningful (NM)

2. EBITDA multiples <0.0x or >35.0x are considered Not Meaningful (NM)

3. Omits companies where multiples for FY2023 or FY2024 are either not available or not meaningful

Public Comparables

Company	Stock Price 12/29/2023	Market Cap	Enterprise Value ⁽¹⁾	TEV				Revenue Growth ⁽²⁾		EBITDA Margin ⁽³⁾	
				Revenue ⁽²⁾		EBITDA ⁽³⁾		22A / 23E	23E / 24E	2023E	2024E
				2023E	2024E	2023E	2024E				
Education Technology											
Oracle	\$105.43	\$293,659	\$374,270	7.7x	6.7x	14.7x	13.2x	7%	7%	49%	51%
Workday	276.06	72,951	69,335	9.7x	8.3x	NM	29.4x	17%	16%	27%	28%
Constellation Software	2,487.65	52,717	55,290	9.7x	8.4x	30.8x	23.7x	16%	19%	27%	30%
Tyler Technologies	418.12	17,910	18,556	10.0x	8.7x	NM	33.6x	6%	9%	25%	26%
Duolingo	226.85	10,231	9,555	18.1x	13.8x	NM	NM	43%	32%	17%	21%
Blackbaud	86.70	4,552	5,312	5.0x	4.5x	15.3x	13.3x	5%	7%	31%	34%
PowerSchool Holdings	23.56	3,871	4,867	7.0x	6.2x	21.2x	18.4x	11%	13%	33%	34%
Instructure Holdings	27.01	3,908	4,109	7.8x	7.1x	19.4x	17.5x	11%	10%	40%	40%
Coursera	19.37	3,119	2,406	3.8x	3.3x	NM	NM	20%	16%	(2%)	2%
Chegg	11.36	1,317	1,675	2.2x	2.4x	7.6x	7.7x	(7%)	(0%)	31%	30%
Docebo	48.45	1,513	1,345	7.5x	6.1x	NM	NM	26%	23%	8%	14%
2U	1.23	101	1,032	1.1x	1.2x	6.1x	7.1x	1%	(11%)	17%	17%
Learning Technologies Group	1.03	844	994	1.4x	1.3x	6.6x	6.2x	0%	3%	21%	22%
D2L	8.11	442	331	2.0x	1.8x	NM	NM	12%	8%	(4%)	3%
ReadyTech Holdings	2.39	280	301	3.9x	3.5x	12.1x	10.2x	27%	11%	32%	34%
Sylogist	5.65	133	136	3.3x	2.5x	10.8x	9.2x	19%	11%	25%	27%
			Mean	6.3x	5.4x	14.5x	15.8x	13%	11%	27%	26%
			Education Technology Median	6.0x	5.3x	13.4x	13.3x	11%	10%	27%	27%
Education Services											
Pearson	\$12.28	\$8,556	\$9,931	2.1x	2.1x	9.6x	9.0x	3%	2%	22%	23%
Stride	59.37	2,561	2,749	1.4x	1.3x	8.0x	7.2x	10%	6%	18%	19%
John Wiley & Sons	31.74	1,745	2,719	1.5x	1.6x	7.6x	7.5x	(13%)	(6%)	20%	22%
Tribal Group	0.71	152	169	1.6x	1.6x	10.8x	11.3x	5%	1%	15%	14%
			Mean	1.7x	1.7x	9.0x	8.8x	1%	1%	19%	19%
			Education Services Median	1.6x	1.6x	8.8x	8.3x	4%	1%	19%	20%
			Overall Median	3.8x	3.4x	10.8x	10.7x	10%	8%	25%	24%

EBITDA excludes stock-based compensation

Source: CapIQ and Equity Research

1. Sorted by Enterprise Value

2. Revenue multiples <0.0x or >20.0x are considered Not Meaningful (NM)

3. EBITDA multiples <0.0x or >35.0x are considered Not Meaningful (NM)

Education Technology













Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Dec-23	 JM Family Enterprises	 ROCKED	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	RockED provides a mobile learning platform, built to upskill and develop teams in the automotive industry through short-form video content
Dec-23	 Riiid	 Qualson	B2C	Online Learning	ND	South Korea	Qualson provides a mobile educational platform intended to offer English learning solutions to the South Korean market
Dec-23	 TRALIANT	 kantola	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	Kantola Training Solutions provides an eLearning platform focused on diversity, equity, inclusion and harassment prevention
Dec-23	 CARNEGIE	 Fire Engine RED (Asset Purchase)	Higher Ed	Admissions & Enrollment	ND	USA	The Student Search Service of Fire Engine Red provides strategic enrollment management software solutions to the education market
Dec-23	 NetDragon	 mynd.ai ⁽¹⁾ Gravitas Education Holdings Inc.	K-12	LMS, Classroom & Other Learning Tech	ND	Hong Kong	Mynd.ai provides interactive displays and AI-powered software solutions for classrooms worldwide
Dec-23	 FREEDOM-LEARNING GROUP	 ease LEARNING	Higher Ed	Online Learning	ND	USA	Ease Learning provides e-learning courses for higher education and corporate learning designed to create measurable outcomes and improve critical thinking skills
Nov-23	 ParentSquare	 Remind	K-12	Communications & Social	ND	USA	Remind provides a real-time messaging application designed to bridge the communication gap in primary education by connecting teachers, administrations, students and their families

1. NetDragon merged its overseas education business with Gravitas Education Holdings Inc. to form Mynd.ai.

Education Technology

Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Nov-23	 Curriculum Associates	 SoapBox	K-12	LMS, Classroom & Other Learning Tech	ND	Ireland	SoapBox Labs provides a speech technology software platform intended for language learning and development
Nov-23	 VALIDATED INSIGHTS INC	 32EDU	Higher Ed	Data Analytics, Assessments & Student Success	ND	USA	Thirty-Two Edu provides comprehensive market research software and services, specializing in the online higher education sector
Nov-23	 Colibri	 trchealthcare	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	TRC Healthcare provides healthcare training and education solutions for medical professionals including pharmacists, pharmacy technicians, physicians and nurses
Nov-23	 ACADEMIC PARTNERSHIPS	 WILEY University Services	Higher Ed	Online Learning	\$150	USA	Wiley University Services provides career-connected education programs aimed at helping students achieve their goals
Nov-23	 wgu labs	 SparkLearn	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	SparkLearn provides digital learning solutions, helping organizations to optimize their mobile and deskless workforce through effective training and development
Nov-23	 flywire	 StudyLink	Higher Ed	Admissions & Enrollment	\$39	Australia	StudyLink provides international student admissions, application and agent management software serving universities throughout Australia
Nov-23	 element451	 enrollify	Higher Ed	Admissions & Enrollment	ND	USA	Enrollify provides podcasts, e-courses and other educational assets for higher education marketers and admissions professionals













Education Technology

Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Nov-23	 DaySmart	 Sawyer	K-12	Payments, Tuition Mgmt. & Commerce	ND	USA	Sawyer provides a kids activities marketplace designed to help parents find and book experiences for children of all ages
Oct-23	 FullBloom	 empowerU Resilience · Persistence · Success	K-12	Data Analytics, Assessments & Student Success	ND	USA	EmpowerU provides teacher-led curriculum tools focused on improving mental health, behavior and academic outcomes for students and educators
Oct-23	 INSTRUCTURE	 parchment	Higher Ed	Admissions & Enrollment	\$795	USA	Parchment provides a comprehensive academic credential management platform and network
Oct-23	 BibliU	 TEXAS BOOK COMPANY	Higher Ed	Administrative / School Operations	ND	USA	Texas Book Company provides a platform that streamlines the delivery of affordable learning materials for higher education institutions
Oct-23	 Vector Solutions	 PATHWAYos	K-12	LMS, Classroom & Other Learning Tech	ND	USA	PATHWAYos provides a platform that connects K-12 schools and students with work-based learning opportunities
Oct-23	 GMB	 up&up	Higher Ed	Admissions & Enrollment	ND	USA	Up&Up provides a higher-education focused marketing platform that lets colleges attract students through brand strategy and marketing campaigns services
Oct-23	 humly	 M2 Education	K-12	Administrative / School Operations	ND	UK	M2 Education provides an education-focused staffing platform that assists with placing teachers, teaching assistants and tutors into primary, secondary and special education schools














Education Technology

Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Oct-23	 360Learning	 eLamp <small>skill data for business</small>	Corporate	Corporate Learning, Certification & Recruiting	ND	France	eLamp provides an AI-based skill learning, management and staffing platform for manufacturing and technical industries
Oct-23	 Accelerate Learning	 KIDE SCIENCE	Early Childhood	LMS, Classroom & Other Learning Tech	ND	Finland	Kide Science provides an education platform designed to help 3- to 8-year-old children learn about sciences through play-based learning, storytelling and dramatic arts
Oct-23	 ellucian	 TRIBAL	Higher Ed	ERP / SIS	\$213	UK	Tribal Group provides student information system and education services to tertiary education schools, government, training providers and employers
Oct-23	 PowerSchool	 SchoolMessenger	K-12	Communications & Social	\$300	US	SchoolMessenger provides K-12 communication tools used to reach students' parents across voice, text, email and social media messaging
Oct-23	 3B Scientific <small>A worldwide group of companies</small>	 Wallcur	Corporate	Corporate Learning, Certification & Recruiting	ND	US	Wallcur provides educational training and simulation product solutions intended for the healthcare industry
Oct-23	 TRANSACTION	 myquickcharge®	K-12	Payments, Tuition Mgmt. & Commerce	ND	US	Quickcharge provides a dining and retail technology platform for K-12, healthcare, corporate and government campuses







Education Technology

Selected Recent Private Equity Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Dec-23	 EXETER STREET CAPITAL PARTNERS	 smartlab	K-12	LMS, Classroom & Other Learning Tech	ND	USA	SmartLab Learning provides a platform intended to offer STEM learning solutions and digital media programs
Dec-23	 INVESTCORP RISE	 Outcomes First Group	K-12	Data Analytics, Assessments & Student Success	ND	UK	Outcomes First Group provides specialist education, wellbeing and therapeutic services to children, young people and adults
Dec-23	 Learn	 Sharpen	Early Childhood	Data Analytics, Assessments & Student Success	\$11	USA	Sharpen provides an assessment and learning platform intended to empower parents with the right tools to improve early learning and reading for their children
Dec-23	 GSV Ventures	 Kyron Learning	Higher Ed	Online Learning	\$15	USA	Kyron Learning provides an AI-powered online platform designed to offer equitable access to one-on-one educational tutorials
Nov-23	 Reach Capital	 Clayful	K-12	Data Analytics, Assessments & Student Success	\$7	USA	Clayful provides a mental health coaching platform that enables students to seamlessly connect with mental health experts
Nov-23	NEUBERGER BERMAN	 Colibri	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	Colibri Group provides a proprietary online learning management platform that helps professionals manage and advance their careers
Nov-23	 ENTREPRENEUR FIRST Playfair	 spotted zebra	Corporate	Corporate Learning, Certification & Recruiting	\$2	UK	Spotted Zebra provides a workforce management platform that offers talent acquisition & development, internal mobility services and skill-based workforce planning

Education Technology

Selected Recent Private Equity Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Nov-23	 Connecticut Innovations	 Slooh	K-12	Online Learning	\$5	USA	Slooh provides an astronomy-focused education platform intended to teach students how to explore space via a network of online telescopes
Oct-23	 Alfvén & Didrikson VIKING VENTURE	 humly	K-12	Administrative / School Operations	ND	Sweden	Humly provides an online recruitment platform intended to connect schools with teachers
Oct-23	 Enterprise Ireland	 Olus education	K-12	Online Learning	ND	Ireland	Olus Education provides an education platform offering digital literacy improvement content and coding courses

About Us

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Representative Raymond James Education Technology Transactions

[View our full transaction history here](#)

Sale / Recapitalizations / Private Capital Raises

 <p>January 2024</p>	 <p>November 2022</p>	 <p>October 2022</p>	 <p>September 2021</p>
 <p>August 2021</p>	 <p>June 2021</p>	 <p>March 2021</p>	 <p>January 2021</p>
 <p>December 2020</p>	 <p>December 2020</p>	 <p>October 2020</p>	 <p>May 2020</p>
 <p>February 2020</p>	 <p>January 2020</p>	 <p>October 2019</p>	 <p>September 2019</p>

Public Capital Raises

 <p>\$150 Million Initial Public Offering</p> <p>November 2021</p>
 <p>\$599 Million Initial Public Offering</p> <p>July 2021</p>
 <p>\$711 Million Initial Public Offering</p> <p>July 2021</p>
 <p>\$250 Million Initial Public Offering</p> <p>July 2021</p>

Technology & Services Investment Banking

As the leading⁽¹⁾ Technology & Services Investment Banking practice in the market with over 330 transactions since 2010, our team is committed to delivering innovative solutions and optimal results for our clients across



FinTech



**Application
Software**



**Marketing &
Info Services**



**Infrastructure
Technology**

By the Numbers

100+

Investment Banking Professionals (U.S.)

10

Global Offices (North America, Europe, Asia)

200+

Public Equity and Debt Offerings Raising over **\$100 BILLION** in Proceeds Since September 2010

30+

Senior Bankers (U.S.)

20+

Year Track Record

295+

M&A Advisory and Private Placement Services Transactions Representing a Total Value of Over **\$85 BILLION** Since January 2017

Investment Banking Capabilities



ADVISORY

- Sales / Recaps
- Acquisitions
- Divestitures
- Strategic Advisory
- Fairness Opinions



CAPITAL RAISING

- Private Placements
- Initial Public Offerings
- Follow-On Offerings
- Debt Capital
- Restructuring

With any questions about the data in this newsletter, please contact

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1. According to MergerMarket based on number and value of transactions.

Raymond James Overview



Raymond James

- **Full-service financial services firm** with investment banking, equity research, institutional sales and trading and asset management operations

Founded in 1962

public since
1983 (NYSE: RJF)

\$11.6 billion

in FY 2023 net revenue;
equity market capitalization
of \$23.7 billion

Stable

and well-
capitalized
platform

- **Industry-focused, knowledge-driven approach**, backed by highly-ranked equity research team
- **33 domestic and international** investment banking and institutional sales offices
- **International operations** in Brussels, Chiasso, Frankfurt, Geneva, Lausanne, London, Munich, Paris, Toronto, Vancouver and Warsaw



Equity Capital Markets⁽¹⁾

- Over **670 Investment Bankers**; over 520 in the U.S.
- **Global sales force** with over 100 professionals
- **Bulge-bracket** distribution capability
- Over **8,700 financial advisors**; offices in all 50 states

1. As of December 2023.

Notes & Disclosures

Sources of data include Capital IQ, FactSet and other news organizations. Information obtained from third-party sources is considered reliable, but we do not guarantee that the information herein is accurate or complete. This report was prepared within Raymond James & Associates' Investment Banking Department and is for information purposes only. This report is not a product of Raymond James & Associates' Research Department; recipients of this report should not interpret the information herein as sufficient grounds for an investment decision or any other decision. The report shall not constitute an offer to sell or the solicitation of an offer to buy any of the securities mentioned herein; past performance does not guarantee future results. Any performance mentioned does not include transaction fees and costs which would reduce an investor's return. An investment cannot be made directly in a market index.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization
EPS: Earnings per Share
LTM: Last Twelve Months
NA: Not Applicable
NM: Not Meaningful
PE: Price Earnings Ratio
TEV: Total Enterprise Value

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