

EDUCATION TECHNOLOGY INSIGHT

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

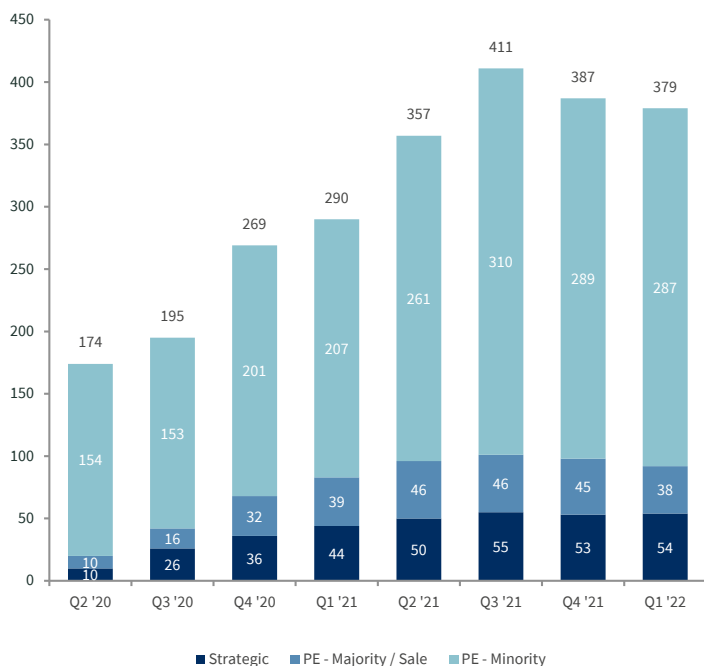
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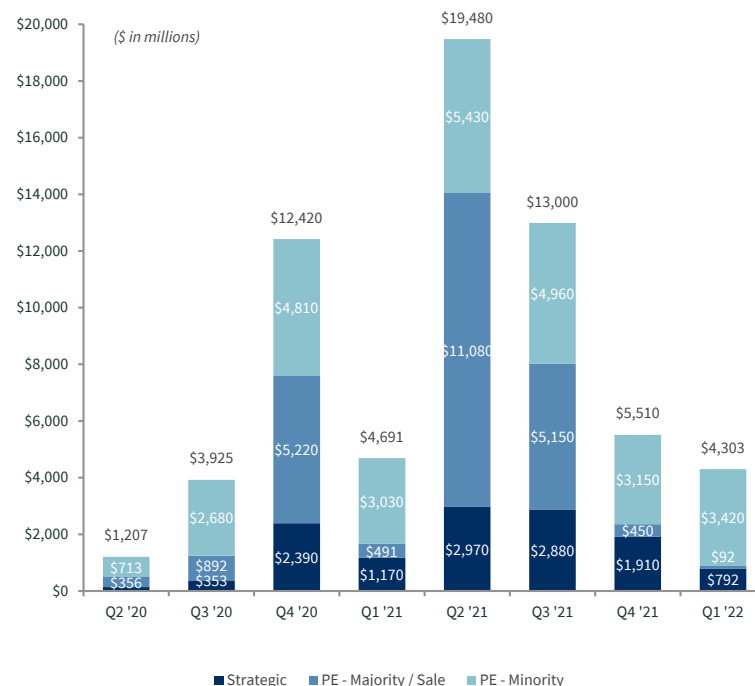
Education Technology M&A & Capital Raising Activity

Number of U.S. Deals by Quarter⁽¹⁾



379 transactions were announced in Q1 2022, approximately 75% of which were minority PE deals

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



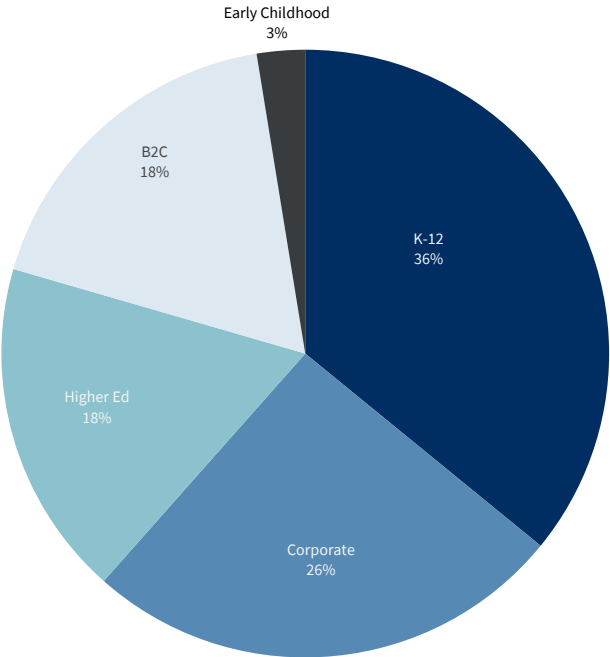
Over \$4.3 billion in Q1 2022 in announced transaction value, approximately 80% of which came from PE deals

1. Source: PitchBook for the period January 1st 2022 to March 31st 2022.

2. Comprised of deals where the \$ amount of investment was disclosed

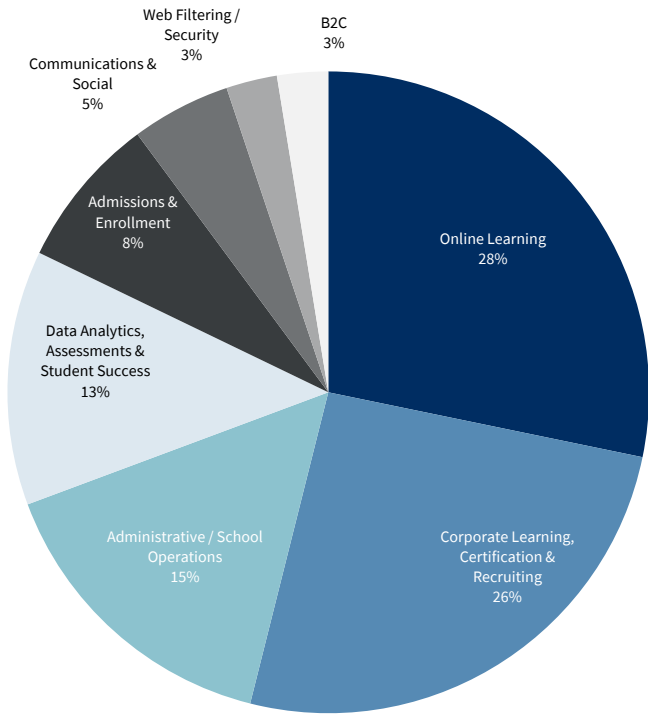
Education Technology M&A & Capital Raising Activity

Q1 2022 U.S. Deals by Sector



Companies focused on the K-12 and Corporate markets comprised 60%+ of the transactions announced in Q1 2022

Q1 2022 U.S. Deals by Domain

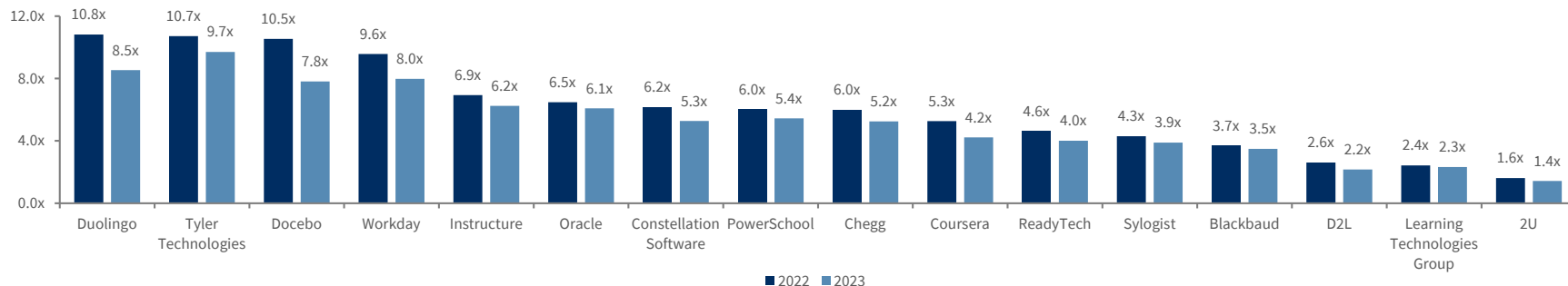


The industry witnessed a focus on Online Learning and Corporate Learning, Certification & Recruiting domains in Q1 2022, which comprised ~55% of total transactions

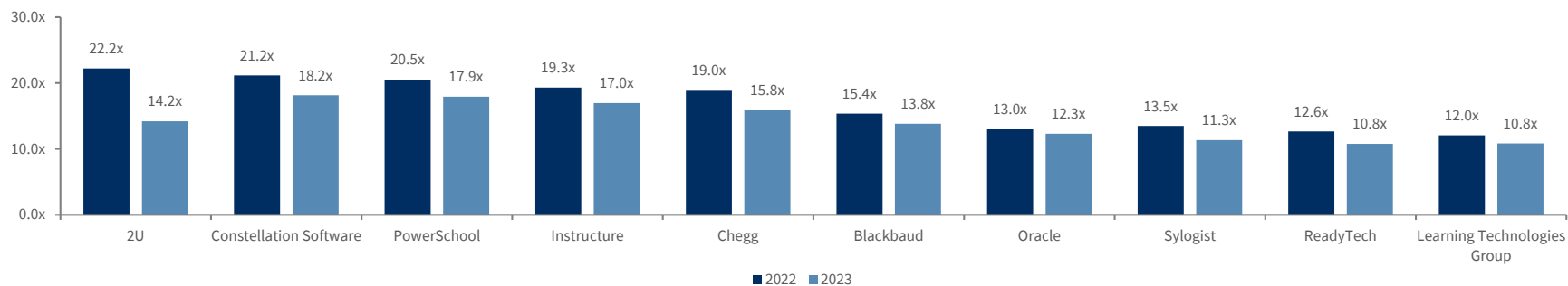
Source: Mergermarket; Selected Recent Strategic M&A Activity and Selected Recent Private Equity Activity from the period January 1st to March 31st 2022.

Market Valuation Metrics

Education Technology TEV / Revenue⁽¹⁾⁽³⁾



Education Technology TEV / EBITDA⁽²⁾⁽³⁾



Source: CapIQ and Equity Research as of March 31, 2022.

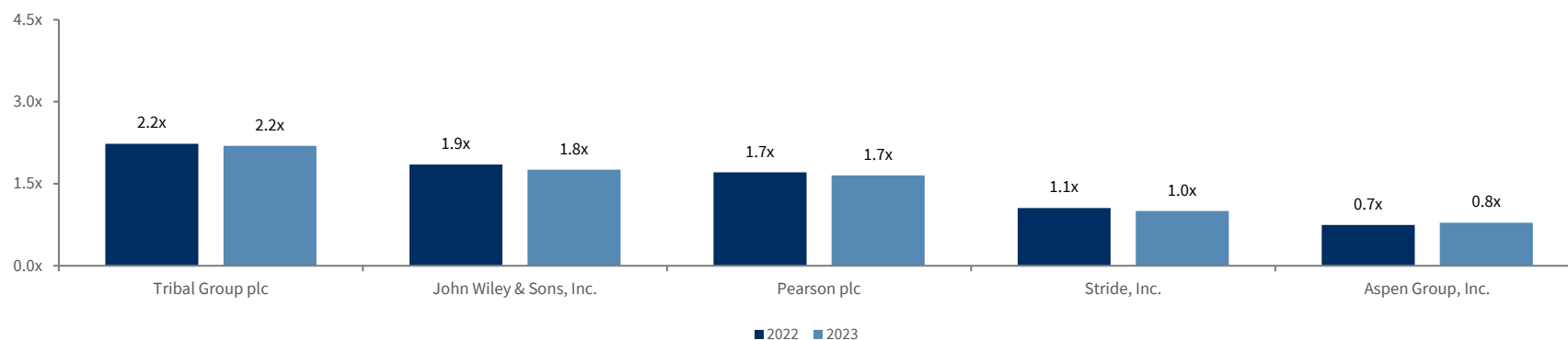
1. Revenue multiples <0.0x or >20.0x are considered Not Meaningful (NM)

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

3. Omits companies where multiples for both FY2021 and FY2022 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 March 31, 2022.

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 both FY2021 and FY2022 are either not available or not meaningful

Public Comparables

Education Technology				TEV				Revenue Growth ⁽²⁾		EBITDA Margin ⁽³⁾	
				Revenue ⁽²⁾		EBITDA ⁽³⁾					
Company	Stock Price 03/31/2022	Market Cap	Enterprise Value ⁽¹⁾	2022E	2023E	2022E	2023E	21A / 22E	22E/ 23E	2022E	2023E
Oracle	\$82.73	\$225,294	\$280,803	6.5x	6.1x	13.0x	12.3x	5%	7%	50%	49%
Workday	239.46	60,910	59,362	9.6x	8.0x	NM	30.2x	21%	20%	24%	26%
Constellation Software	1,711.71	36,274	37,319	6.2x	5.3x	21.2x	18.2x	19%	17%	29%	29%
Tyler Technologies	444.89	18,819	19,846	10.7x	9.7x	NM	NM	9%	10%	26%	26%
Chegg	36.28	4,903	5,055	6.0x	5.2x	19.0x	15.8x	9%	14%	32%	33%
Blackbaud	59.87	3,040	4,003	3.7x	3.5x	15.4x	13.8x	5%	6%	24%	25%
PowerSchool	16.51	2,616	3,759	6.0x	5.4x	20.5x	17.9x	12%	11%	29%	30%
Duolingo	95.11	4,190	3,669	10.8x	8.5x	NM	NM	35%	27%	NM	5%
Instructure	20.06	2,823	3,182	6.9x	6.2x	19.3x	17.0x	13%	11%	36%	37%
Coursera	23.04	3,639	2,837	5.3x	4.2x	NM	NM	30%	25%	NM	NM
2U	13.28	1,014	1,729	1.6x	1.4x	22.2x	14.2x	13%	13%	7%	10%
Learning Technologies Group	2.14	1,727	1,707	2.4x	2.3x	12.0x	10.8x	2%	5%	20%	21%
Docebo	51.76	1,767	1,556	10.5x	7.8x	NM	NM	42%	35%	NM	5%
D2L	10.38	578	465	2.6x	2.2x	NM	NM	19%	20%	NM	NM
ReadyTech	2.44	261	282	4.6x	4.0x	12.6x	10.8x	31%	16%	37%	37%
Sylogist*	7.56	181	187	4.3x	3.9x	13.5x	11.3x	42%	11%	32%	34%
Mean				6.1x	5.2x	16.9x	15.7x	19%	16%	29%	26%
Education Technology Median				6.0x	5.3x	17.2x	14.2x	16%	14%	29%	28%

Education Services				TEV				Revenue Growth ⁽²⁾		EBITDA Margin ⁽³⁾	
				Revenue ⁽²⁾		EBITDA ⁽³⁾					
				Company	Stock Price 03/31/2022	Market Cap	Enterprise Value ⁽¹⁾	2022E	2023E	2022E	2023E
Pearson	\$9.87	\$7,456	\$8,121	1.7x	1.7x	9.8x	9.2x	2%	3%	17%	18%
John Wiley & Sons	53.03	2,956	3,927	1.9x	1.8x	8.8x	8.4x	2%	5%	21%	21%
Stride	36.33	1,508	1,785	1.1x	1.0x	6.4x	5.8x	5%	5%	17%	17%
Tribal Group	1.15	247	243	2.2x	2.2x	11.3x	11.1x	(1%)	2%	20%	20%
Aspen Group	1.62	41	58	0.7x	0.8x	NM	NM	2%	(5%)	NM	NM
Mean				1.5x	1.5x	9.1x	8.6x	2%	2%	19%	19%
Education Services Median				1.8x	1.7x	9.3x	8.8x	2%	3%	19%	19%
Overall Median				4.6x	4.0x	13.3x	12.3x	12%	11%	25%	26%

EBITDA excludes stock-based compensation

Source: CapIQ and Equity Research










* Revenue and EBITDA figures as of FY ending September 30

1. Sorted by Enterprise Value

2. Revenue multiples <0.0x or >20.0x and revenue growth rates <0% are considered Not Meaningful (NM)

3. EBITDA multiples <0.0x or >35.0x and EBITDA margins <0% are considered Not Meaningful (NM)















Education Technology: Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Mar-22	RENAISSANCE™	 KeyPhonics	Early Childhood	Data Analytics, Assessments & Student Success	ND	USA	KeyPhonics provides a tech-based phonics screener and assessment platform that helps diagnose and monitor student phonic patterns and improve reading outcomes
Mar-22	 Cornerstone	 edcast	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	EdCast offers a learning experience platform that helps power corporate learning and career mobility through an end-to-end employee experience platform
Mar-22	 Course Hero	 Scribbr	B2C	Data Analytics, Assessments & Student Success	ND	Netherlands	Scribbr provides online academic editing solutions including proofreading, plagiarism and citation
Mar-22	 evertrue	 THE SOLAS GROUP	Higher Ed	Administrative / School Operations	ND	USA	The Solas Group offers data engineering, predictive modeling and analytics solutions designed to help college and universities fundraising teams optimize workflows
Mar-22	 SAVVAS LEARNING COMPANY	 Rubicon	K-12	Online Learning	ND	Canada	Rubicon Publishing provides a web-based platform, offering digital learning solutions and supplemental curriculum
Mar-22	 SchoolStatus	 TeachBoost	K-12	Communications & Social	ND	USA	TeachBoost provides an evaluation and feedback platform designed to engage teachers and administrators
Mar-22	 securly	 dyknow	K-12	Data Analytics, Assessments & Student Success	ND	USA	Dyknow provides classroom device management software that helps teachers handle classroom distractions and increase student engagement















Education Technology: Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Feb-22	 StarRez	 ADIRONDACK SOLUTIONS	Higher Ed	Administrative / School Operations	ND	USA	Adirondack Solutions provides software focused on student housing, parking and conference services for universities and colleges
Jan-22	CENGAGE GROUP	INFOSEC	Corporate	Corporate Learning, Certification & Recruiting	\$191	USA	Infosec offers cybersecurity education through online training, certifications and boot camps to IT and security professionals
Jan-22	 Pearson	 Credly	Corporate	Corporate Learning, Certification & Recruiting	\$200	USA	Credly provides a platform that helps manage digital badges and credentials for training providers and employers
Jan-22	 PowerSchool <small>Powering Brighter Futures</small>	 KINVOLVED <small>Every Student Matters</small>	K-12	Communications & Social	ND	USA	Kinvolved develops communication, attendance management and family engagement software for K-12 schools and school districts
Jan-22	 Colibri	Becker+	Corporate	Online Learning	ND	USA	Becker provides CPA exam prep, accounting continuing professional education and CMA test prep solutions
Jan-22	 Colibri	 OnCourse Learning	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	OnCourse Learning provides governance, risk and compliance (GRC) licensing and webinar solutions to banks, credit unions, and state banking associations (SBA)
Jan-22	 modern campus <small>Engagement Evolved</small>	Augusoft®	Higher Ed	Admissions & Enrollment	ND	USA	Augusoft provides cloud-based enrollment management solutions for continuing and corporate education programs

Education Technology: Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Jan-22	 modern campus	 SignalVine	Higher Ed	Communications & Social	ND	USA	Signal Vine provides an AI-based messaging platform that helps higher education institutions reach, support and engage students throughout their academic life cycles
Jan-22	 Lightspeed Systems	 catchon	K-12	Data Analytics, Assessments & Student Success	ND	USA	CatchOn offers a data analytics tool which captures and shares insights on technology usage, data privacy and student engagement
Jan-22	 ellucian	 campuslogic	Higher Ed	Administrative / School Operations	ND	USA	CampusLogic provides an enrollment and financial aid automation platform to college students
Jan-22	 texthelp	 DON-JOHNSTON Human Learning Tools	K-12	Online Learning	ND	USA	Don Johnston provides assistive learning and evaluation tools for students with a diverse set of learning challenges
Jan-22	 learningpool	 TrueOffice Learning A Learning Pool Company	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	True Office Learning provides adaptive eLearning and behavioral analytics to help drive better business outcomes
Jan-22	 barbri	 WEST ACADEMIC	Higher Ed	Online Learning	ND	USA	West Academic offers law school and practice resources such as casebooks, study guides and other legal materials in both print and digital formats
Jan-22	 blackbaud	 EVERFI	Corporate	Corporate Learning, Certification & Recruiting	\$750	USA	EVERFI provides a digital learning software designed to help organizations manage corporate ESG and CSR initiatives

Education Technology: Selected Recent Private Equity Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Mar-22			Corporate	Corporate Learning, Certification & Recruiting	\$8	USA	Electives provides a learning and development platform that connects corporate employees to experts for training purposes
Mar-22			Corporate	Corporate Learning, Certification & Recruiting	\$60	USA	HackerRank provides a technology hiring platform that enables tech recruiters and hiring managers to objectively evaluate talent while hiring software developers and coders
Mar-22			K-12	Online Learning	ND	USA	Discovery Education provides a K-12 digital curriculum platform covering a variety of subjects for educators and students globally
Mar-22			K-12	Web Filtering / Security	ND	USA	Lightspeed Systems provides network security and management software solutions for K-12 schools
Feb-22			K-12	Online Learning	\$3,134	USA	Houghton Mifflin Harcourt provides K-12 core curriculum, supplemental and intervention solutions along with professional learning services
Feb-22			K-12	Data Analytics, Assessments & Student Success	\$270	Canada	Paper develops an educational platform that provides students with live help and essay review tools and teachers with real-time feedback and intervention solutions
Feb-22			K-12	Online Learning	ND	USA	Wilson Language Training provides evidence-based curriculum and ongoing professional learning solutions to literacy educators who work with individuals with dyslexia

Education Technology: Selected Recent Private Equity Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Jan-22	 Owl Ventures		B2C	Online Learning	\$5	India	GrowthSchool offers a community-led live learning platform that helps fill the gap between industry requirements and the existing academic curriculum
Jan-22			Corporate	Data Analytics, Assessments & Student Success	\$2	USA	Certiverse provides an end-to-end exam development platform that uses industry-leading psychometric standards and intuitive machine learning capabilities
Jan-22			Higher Ed	Data Analytics, Assessments & Student Success	\$21	USA	Mentor Collective provides an online mentorship platform that partners with universities to drive peer mentorship, helping increase graduation rates
Jan-22	 Valiant		Higher Ed, Corporate	Corporate Learning, Certification & Recruiting	\$200	USA	Handshake provides a college career network that helps students and recent graduates find jobs and internship opportunities
Jan-22			Corporate	Corporate Learning, Certification & Recruiting	\$25	Colombia	UBITS provides a corporate learning platform that helps facilitate employee training and performance monitoring
Jan-22			K-12	Administrative / School Operations	ND	USA	LINQ provides a school administrative software system that helps manage operations at the district and school level
Jan-22	 VISTA		Higher Ed	Administrative / School Operations	ND	USA	StarRez provides student housing and residential community management software


Education Technology: Selected Recent Private Equity Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Jan-22			K-12	Online Learning	ND	USA	7 Mindsets provides online social-emotional learning (SEL) curriculum and professional development to K-12 schools
Jan-22			Corporate	Corporate Learning, Certification & Recruiting	\$20	UK	EduMe provides a workforce success platform, offering corporate training and communication services
Jan-22			B2C	Corporate Learning	\$40	USA	Career Karma develops an information platform offering courses and boot camps for aspiring software engineers
Jan-22			K-12	Online Learning	\$25	USA	eSpark provides supplemental, adaptive and research-based curriculum and learning solutions for K-8 math and ELA





RAYMOND JAMES EDUCATION TECHNOLOGY PRACTICE

Representative Raymond James Education Technology Transactions

Sale / Recapitalizations / Private Capital Raises

  September 2021	  August 2021	  June 2021	  March 2021
  January 2021	  December 2020	  December 2020	  October 2020
  May 2020	  February 2020	  January 2020	  October 2019
  September 2019	  September 2019	  July 2019	  April 2019

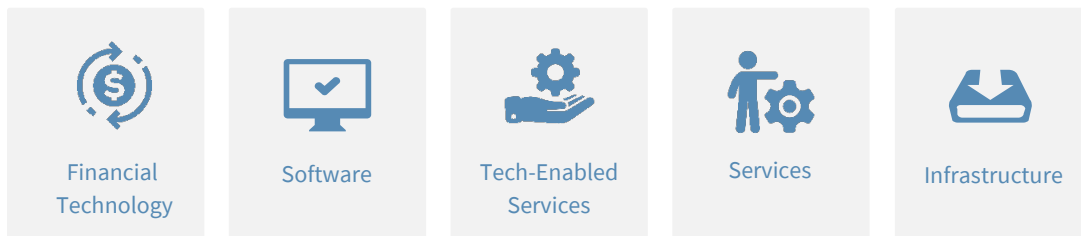
Public Capital Raises

 \$150 Million Initial Public Offering November 2021	 \$599 Million Initial Public Offering July 2021	 \$711 Million Initial Public Offering July 2021	 \$250 Million Initial Public Offering July 2021
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[View our full transaction history here >](#)

Technology & Services Investment Banking

As the leading Technology & Services Investment Banking practice in the market⁽¹⁾, our team is committed to delivering innovative solutions and results for our clients across....



By the Numbers

85+ Investment Banking Professionals (U.S.)	9 Global Offices (North America, Europe, Asia)	200+ Public Equity and Debt Offerings ⁽²⁾
~30 Senior Bankers (U.S.)	20+ Year Track Record	310+ M&A Advisory and Private Placement Services Transactions ⁽²⁾

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



If you have any questions about the data in this newsletter, please contact

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1. Criteria is based on number of deals <\$1B in the US
2. For the timeframe January 1st 2017 – March 31st 2022.

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)
 - \$9.8 billion in FY 2021 net revenue; equity market capitalization of \$22.5 billion
 - Stable and well-capitalized platform
- Industry-focused, knowledge-driven approach, backed by highly-ranked equity research team
- 28 domestic and international investment banking and institutional sales offices
- International operations in Brussels, Buenos Aires, Düsseldorf, Geneva, London, Munich, Paris, Sao Paulo, Toronto and Vancouver



Equity Capital Markets⁽¹⁾

- Over 600 Equity Capital Markets professionals; over 330 investment bankers in the U.S.
- Global sales force with over 90 professionals
- Bulge-bracket distribution capability
- Approximately 33% of all institutional equity commissions are generated outside of the U.S.
- Over 8,000 financial advisors; offices in all 50 states



Nine 2020 StarMine
Analyst Awards from
Refinitiv⁽²⁾

1. As of January 2021.

2. Criteria for the awards can be found at [here](#).

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.

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Additional information is available upon request.

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