

Education Technology **Insight**

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

RAYMOND JAMES

INVESTMENT BANKING

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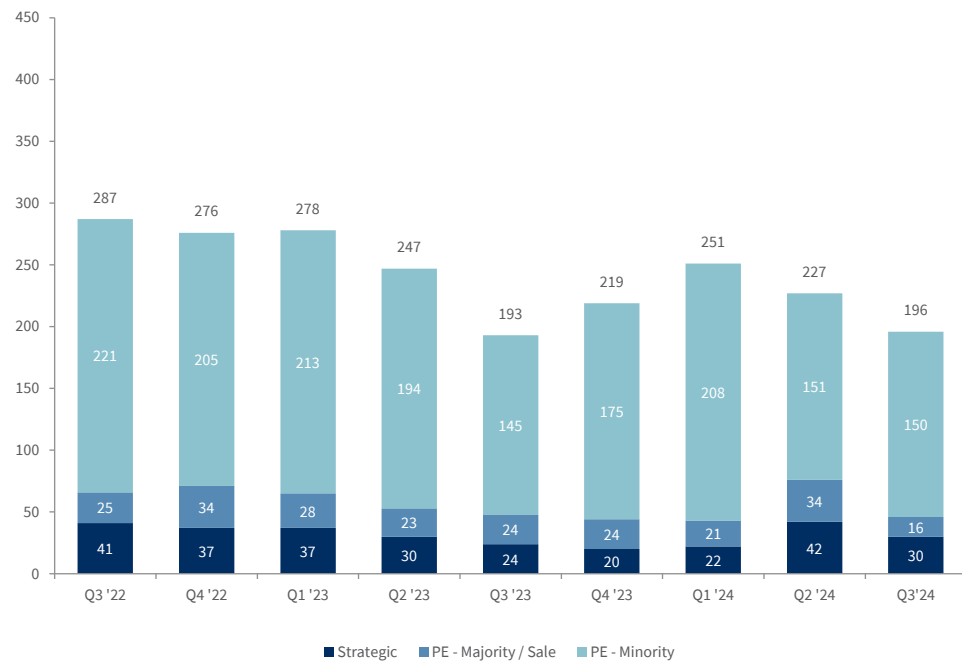
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Market Update

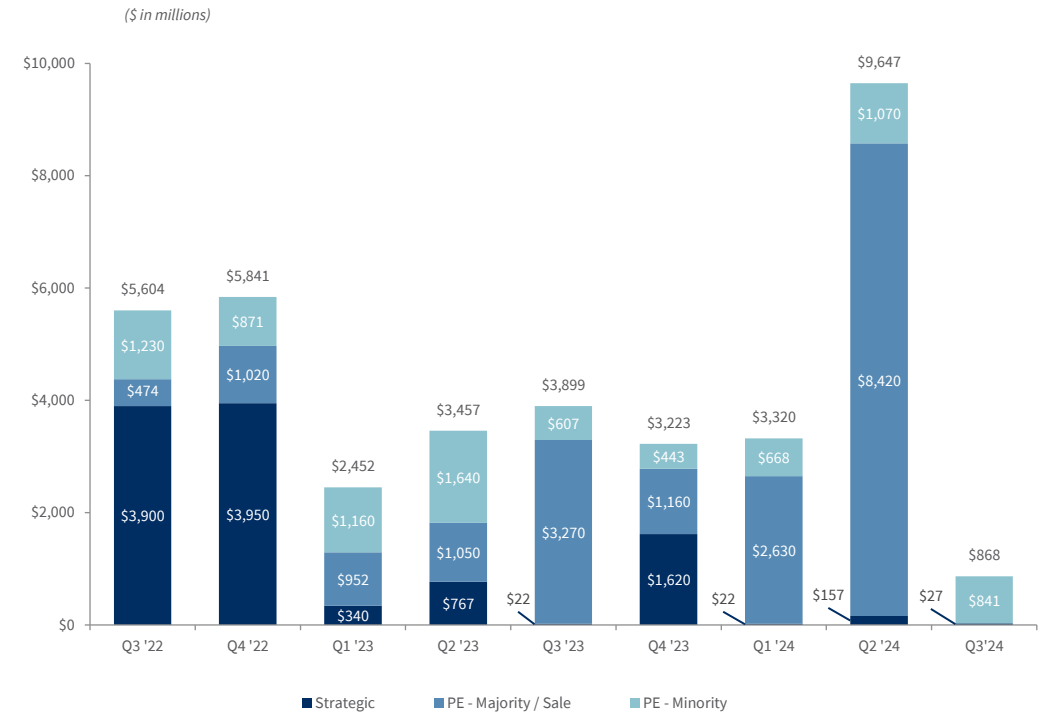
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Education Technology M&A & Capital Raising Activity

Number of U.S. Deals by Quarter⁽¹⁾



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



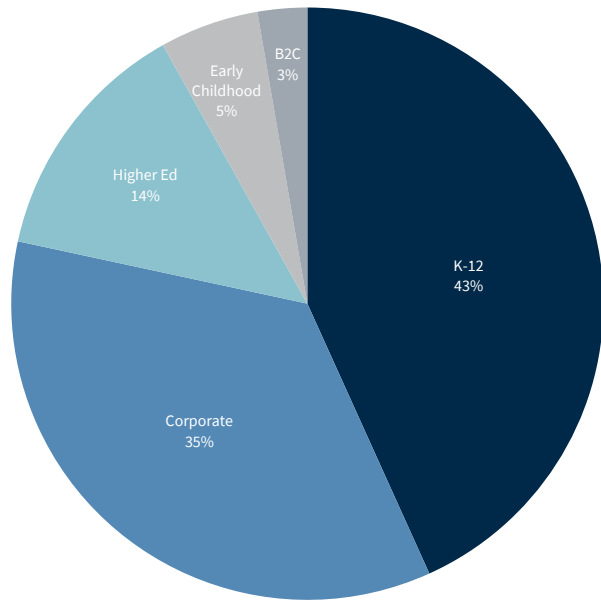
196 transactions were announced in Q3 2024, 76%+ of which were minority deals

Nearly \$868.0 million in Q3 2024 in announced transaction value, ~97% of which came from minority PE deals⁽³⁾

1. Source: PitchBook for the period July 1st 2024 to Sep 30th 2024
 2. Comprised of deals where the \$ amount of investment was disclosed
 3. Majority of the deal sizes were not captured in Pitchbook

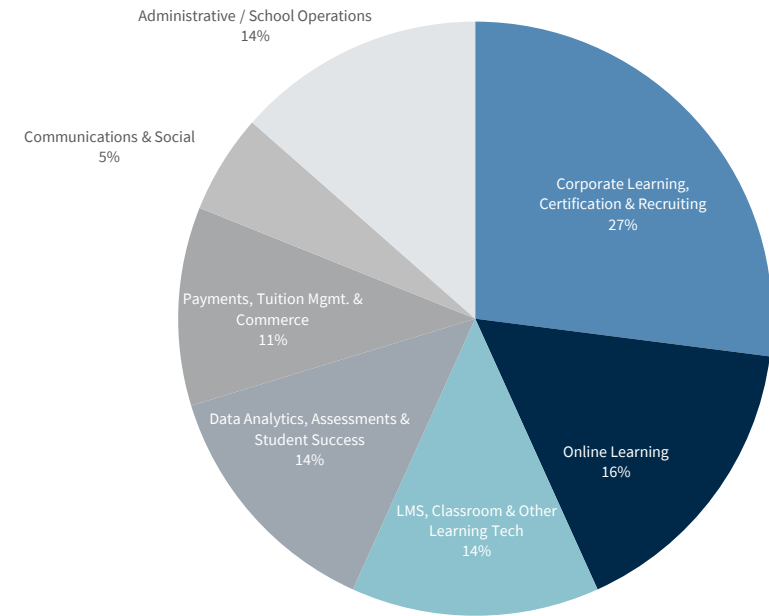
Education Technology M&A & Capital Raising Activity

Q3 2024 U.S. Deals by Sector



Companies focused on the K-12 and Corporate markets comprised 78%+ of the transactions announced in Q3 2024

Q3 2024 U.S. Deals by Domain

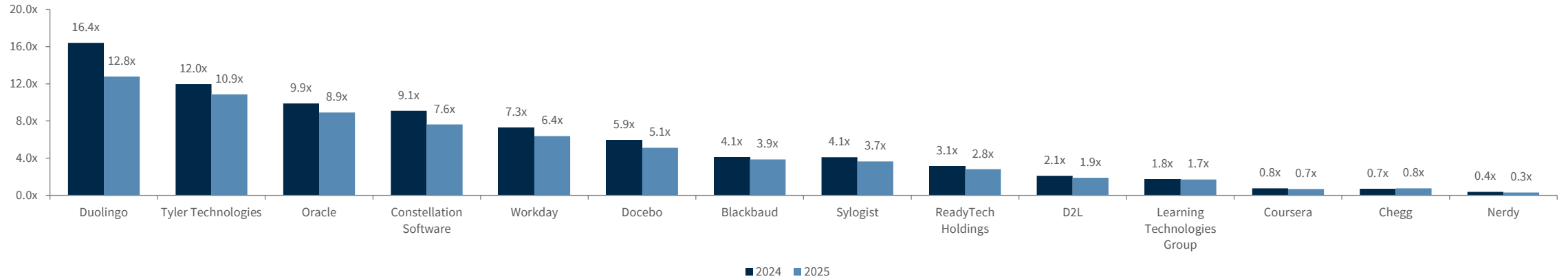


The industry witnessed a focus on Online Learning and Corporate Learning, Certification & Recruiting in Q3 2024, which comprised 43%+ of transactions

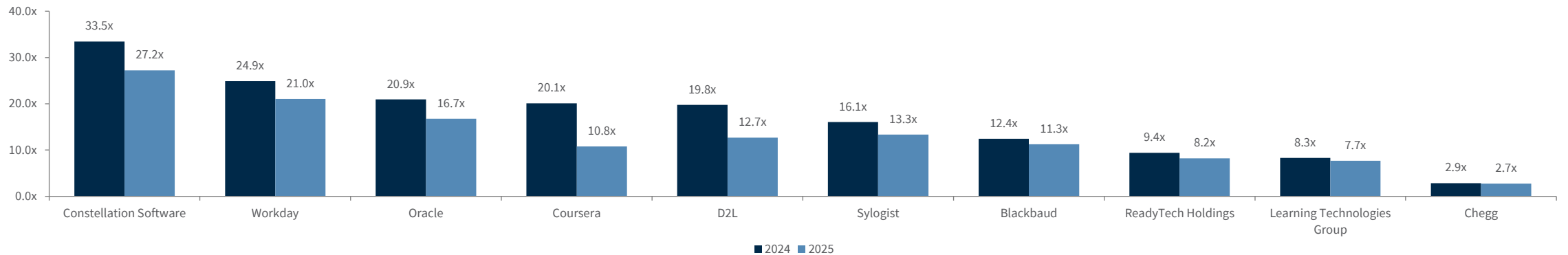
1. Source: Mergermarket; Selected Recent Strategic M&A Activity and Selected Recent Private Equity Activity from the period Jul 1st 2024 to Sep 30th 2024

Market Valuation Metrics

Education Technology TEV / Revenue⁽¹⁾⁽³⁾



Education Technology TEV / EBITDA⁽²⁾⁽³⁾

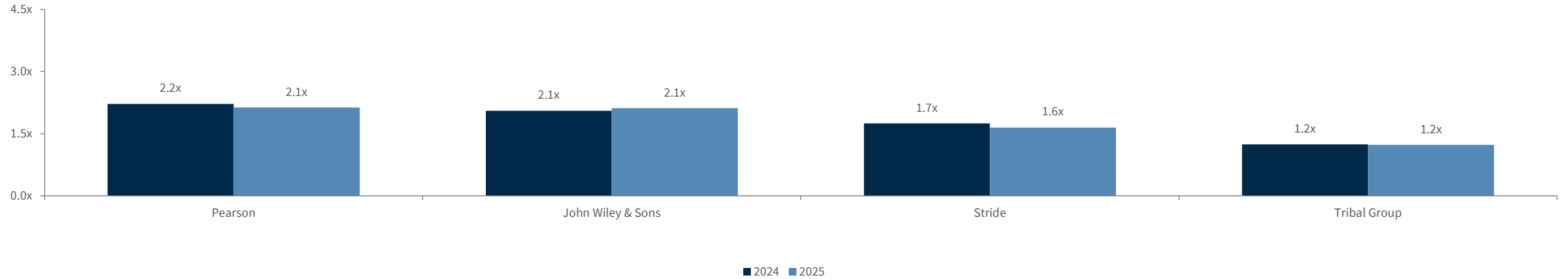


Source: CapIQ and Equity Research as of Sep 30th 2024

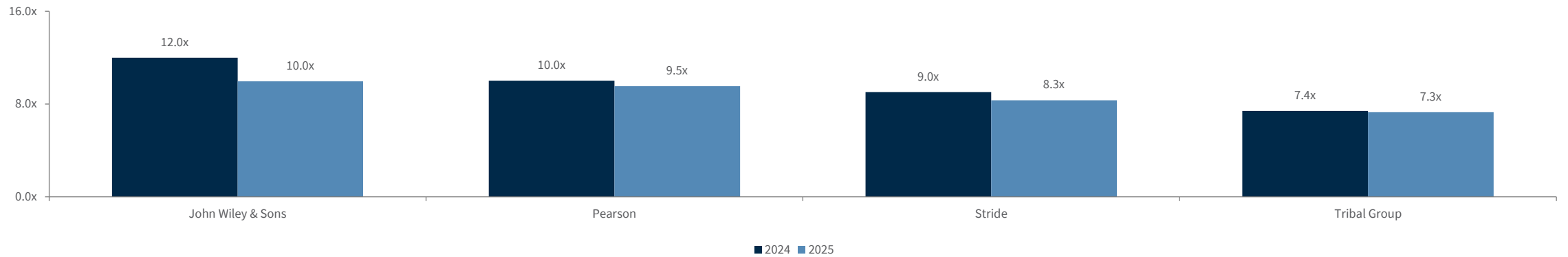
1. Revenue multiples <0.0x or >20.0x are considered Not Meaningful (NM)
2. EBITDA multiples <0.0x or >35.0x are considered Not Meaningful (NM)
3. Omits companies where multiples for FY2024 or FY2025 are either not available or not meaningful

Market Valuation Metrics

Education Services TEV / Revenue⁽¹⁾⁽³⁾



Education Services TEV / EBITDA⁽²⁾⁽³⁾



Source: CapIQ and Equity Research as of Sep 30th 2024

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 FY2024 or FY2025 are either not available or not meaningful

Public Comparables

Company	Stock Price 09/30/2024	Market Cap	Enterprise Value ⁽¹⁾	TEV				Revenue Growth ⁽²⁾		EBITDA Margin ⁽³⁾	
				Revenue ⁽²⁾		EBITDA ⁽³⁾		23A / 24E	24E / 25E	2024E	2025E
				2024E	2025E	2024E	2025E				
Education Technology											
Oracle	\$170.40	\$478,276	\$552,333	9.9x	8.9x	20.9x	16.7x	8%	11%	47%	53%
Constellation Software	3,256.97	69,020	71,986	9.1x	7.6x	33.5x	27.2x	19%	19%	27%	28%
Workday	244.41	64,522	60,499	7.3x	6.4x	24.9x	21.0x	16%	14%	29%	30%
Tyler Technologies	583.72	25,452	25,550	12.0x	10.9x	NM	NM	9%	10%	27%	28%
Duolingo	282.02	12,918	12,087	16.4x	12.8x	NM	NM	39%	29%	25%	27%
Blackbaud	84.68	4,278	4,860	4.1x	3.9x	12.4x	11.3x	6%	8%	33%	34%
Docebo	44.18	1,352	1,272	5.9x	5.1x	NM	28.0x	19%	16%	15%	18%
Learning Technologies Group	1.27	1,043	1,125	1.8x	1.7x	8.3x	7.7x	(11%)	4%	21%	22%
Coursera	7.94	1,249	533	0.8x	0.7x	20.1x	10.8x	10%	12%	4%	6%
Chegg	1.77	183	454	0.7x	0.8x	2.9x	2.7x	(12%)	(6%)	25%	28%
D2L	9.25	508	422	2.1x	1.9x	19.8x	12.7x	10%	12%	11%	15%
ReadyTech Holdings	2.08	250	267	3.1x	2.8x	9.4x	8.2x	17%	11%	33%	34%
Sylogist	8.36	196	207	4.1x	3.7x	16.1x	13.3x	2%	12%	25%	27%
Nerdy	0.98	111	74	0.4x	0.3x	NM	21.3x	2%	21%	NM	1%
			Mean	5.5x	4.8x	16.8x	15.1x	10%	12%	25%	25%
			Education Technology Median	4.1x	3.8x	17.9x	13.0x	10%	12%	25%	28%
Education Services											
Pearson	\$13.58	\$9,013	\$10,752	2.2x	2.1x	10.0x	9.5x	4%	4%	22%	22%
Stride	85.31	3,630	3,668	1.7x	1.6x	9.0x	8.3x	8%	6%	19%	20%
John Wiley & Sons	48.25	2,622	3,568	2.1x	2.1x	12.0x	10.0x	(9%)	(3%)	17%	21%
Tribal Group	0.59	127	143	1.2x	1.2x	7.4x	7.3x	5%	1%	17%	17%
			Mean	1.8x	1.8x	9.6x	8.8x	2%	2%	19%	20%
			Education Services Median	1.9x	1.9x	9.5x	8.9x	4%	2%	18%	21%
			Overall Median	2.7x	2.5x	12.2x	11.0x	8%	11%	25%	20%

EBITDA excludes stock-based compensation

Source: CapIQ and Equity Research

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





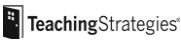

Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Sep-24	 Interplay Learning	 ITI LEARNING HUB	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	Industrial Training International Learning provides an industrial training platform intended to educate workers handling cranes, rigging and load-handling equipment via on-site training, online programs and virtual reality simulations
Sep-24	 barbri	 SKILLBURST INTERACTIVE	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	SkillBurst Interactive provides an online learning platform for law firms and their clients
Sep-24	 American Student Assistance	 Tutored by Teachers	K-12	Online Learning	ND	USA	Tutored by Teachers provides an e-learning platform designed to match high-need, under-served students with supplemental, small-group virtual instruction from highly qualified, certified teachers
Sep-24	 LUMIVERO	 ATLAS.ti QUALITATIVE DATA ANALYSIS	Corporate	Data Analytics, Assessments & Student Success	ND	Germany	ATLAS.ti provides a qualitative data analysis platform that leverages AI to offer coding, visualization and collaboration solutions for researchers and academic institutions
Sep-24	 TOUCHMATH	 Classworks ⁽¹⁾	K-12	Online Learning	ND	USA	Classworks provides an e-learning platform designed to address the academic, social-emotional and behavioral needs of students
Aug-24	 Munetrix	 SchoolData.net	K-12	Data Analytics, Assessments & Student Success	ND	USA	SchoolData Solutions provides an education technology platform designed to track student progress, identify at-risk students and improve teaching and learning
Aug-24	 TRANSIT TECHNOLOGIES	 bytecurve	K-12	Administrative / School Operations	ND	USA	Bytecurve provides a school bus operating platform for transportation directors, operations supervisors, dispatchers, drivers and payroll administrators

1. Curriculum Advantage dba Classworks















Education Technology

Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Aug-24	 Roper TECHNOLOGIES	 TRANSACT	Higher Ed	Payments, Tuition Mgmt. & Commerce	\$1,600	USA	Transact Campus provides payment processing, campus security and access solutions for higher education institutions
Aug-24	 KEY SCHOOL SOLUTIONS MANAGE EVERY DOLLAR	 graystep software	K-12	Administrative / School Operations	ND	Canada	Gray Step Software provides web-based accounting and fundraising software offering solutions to manage funds, track events and facilitate online transactions for the K-12 market
Aug-24	 ACEABLE	 Real Estate Institute by ACEABLE	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	The Real Estate Institute provides an education platform that offers pre-licensing and continuing education courses for real estate, insurance, mortgage brokerage and lending professionals
Aug-24	 IXL	 Carson Dellosa Education	K-12	Online Learning	ND	USA	Carson Dellosa Education provides educational content and supplies including online classes, digital and print workbooks, test-prep and hands-on learning materials for K-8
Jul-24	 Summer	 Vault	Corporate	Payments, Tuition Mgmt. & Commerce	ND	USA	Vault provides a student loan benefits platform that facilitates the repayment process and creates repayment plans
Jul-24	 Procure SOLUTIONS	 BE Bertelsen Education	Early Childhood	Online Learning	ND	USA	Bertelsen Education provides professional development educational services intended to serve parents and child-care providers
Jul-24	 Teaching Strategies	 Cognitive ToyBox	Early Childhood	Data Analytics, Assessments & Student Success	ND	USA	Cognitive ToyBox provides game-based assessments designed to capture developmental progress directly from children





Education Technology

Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Jul-24	 intelvio	 PCMA ASSOCIATION	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	PCMA provides a platform offering crisis management training and certification solutions
Jul-24	 Sdui	 FoxEducation	K-12	Communications & Social	ND	Austria	FoxEducation provides digital solutions that simplify communication and administrative tasks in the education sector
Jul-24	 PROMETRIC	 EdPower	K-12	Data Analytics, Assessments & Student Success	ND	USA	EdPower provides online learning and assessment software designed to serve educators, administrators and students
Jul-24	 PROXIMITY LEARNING	 Coursemojo (Virtual Classes Business)	K-12	LMS, Classroom & Other Learning Tech	ND	USA	Coursemojo provides an online educational platform intended to make quality courses accessible to all students
Jul-24	 Uwill Student Mental Health & Wellness	 VIRTUAL CARE	Higher Ed	Communications & Social	ND	USA	The Virtual Care Group provides a telehealth and wellness support platform that offers virtual consultations, mental health support and remote health monitoring intended for higher education students
Jul-24	 D2L	 H5P GROUP	Higher Ed	LMS, Classroom & Other Learning Tech	\$33	Norway	H5P Group provides publishing software designed to create more interactive content
Jul-24	 INSTRUCTURE	 scribbles SOFTWARE	K-12	Administrative / School Operations	ND	USA	Scribbles provides records and enrollment management software to K-12 school districts

Education Technology

Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Jul-24			K-12	Payments, Tuition Mgmt. & Commerce	ND	USA	PayK12 provides online ticketing and payment software for K-12 schools and athletics
Jul-24			Corporate	LMS, Classroom & Other Learning Tech	ND	Sweden	Skillhabit Learning provides a learning platform that leverages AI to design, analyze and deliver learning experiences






Education Technology

Selected Recent Private Equity Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Sep-24	 Owl Ventures	 Brisk Teaching	K-12	Data Analytics, Assessments & Student Success	\$7	USA	Brisk Teaching provides an artificial intelligence-powered teaching assistant intended to help teachers save time, personalize instruction and assess student learning
Sep-24	 VERTU CAPITAL	 LumiQ	Corporate	Corporate Learning, Certification & Recruiting	\$221	USA	LumiQ provides podcasts that enable CPAs to complete their annual training and professional development requirements more easily than via traditional means
Jul-24	 hornbillcapital	 PHYSICS WALLAH	Corporate	Corporate Learning, Certification & Recruiting	\$210	India	Physics Wallah provides an online education platform that offers classes, recorded lectures and test series to students preparing for JEE, NEET and board exams
Sep-24	 PSG	 CampusIvy	Higher Ed	Payments, Tuition Mgmt. & Commerce	ND	USA	Campus Ivy provides financial aid automation software offering financial and outsourcing solutions including financial aid processing, packaging and file review, reconciliation, verification / code processing and consulting
Sep-24	 PSG	 Verity®	Higher Ed	Administrative / School Operations	ND	USA	Verity IQ provides IT consulting and education technology solutions designed to streamline communication and management efforts across the entire student lifecycle
Aug-24	 IEQT	 Compass	K-12	Administrative / School Operations	ND	Australia	Compass provides an all-in-one school management system designed to streamline administrative workflow and enhance community engagement
Aug-24	 bv INVESTMENT PARTNERS	 kami	K-12	LMS, Classroom & Other Learning Tech	ND	New Zealand	Kami provides a classroom engagement platform offering interactive lessons and assessments with powerful and accessible annotation tools

Education Technology

Selected Recent Private Equity Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Jul-24	 KKR	 INSTRUCTURE	K-12	LMS, Classroom & Other Learning Tech	\$4,800	USA	Instructure provides an open learning platform designed to meet the teaching and learning needs of every K-12, higher education and continuing education institution
Jul-24	 allygatr	 Talent2Go	Corporate	Corporate Learning, Certification & Recruiting	ND	Germany	Talent2Go provides a talent development and management platform that offers employee training, skills development and career growth solutions for corporations
Jul-24	 salesforce ventures	 Uplimit	Corporate	Corporate Learning, Certification & Recruiting	\$11	USA	Uplimit provides an AI-powered enterprise learning platform offering tools for setting and tracking goals, conducting performance reviews and facilitating continuous feedback for enterprises
Jul-24	BLING CAPITAL	 TeachMe.To	B2C	Online Learning	\$5	USA	TeachMe.To provides an in-person leisure learning marketplace intended to connect students with skilled professionals for private lessons
Jul-24	 CREANDUM	 doinstruct	Corporate	Corporate Learning, Certification & Recruiting	\$8	Germany	doinstruct provides an educational platform offering frontline worker training
Jul-24	 LEVINE LEICHTMAN CAPITAL PARTNERS	 Improve International	Corporate	Corporate Learning, Certification & Recruiting	ND	UK	Improve International provides postgraduate training for veterinary practice staff
Jul-24	 WENDEL	 globeducate Shopping the world	K-12	Online Learning	\$670	Spain	Globeducate provides K-12 education with a focus on bilingual and international schools

















About Us

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Representative Raymond James Education Technology Transactions

[View our full transaction history here](#)

Sale / Recapitalizations / Private Capital Raises

 <p>November 2024</p>	 <p>July 2024</p>	 <p>March 2024</p>	 <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>January 2020</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

Vertical software				Horizontal software			
Auto	Non-profit / associations	Banktech		CFO	Infrastructure	Cybersecurity	
Capital markets / financial services	Real estate / construction	Professional services		IOT / mobility / telematics	CX / sales / martech / ecommerce	Knowledge & training	
Media & communications	Retail / hospitality / events	Transportation & logistics		Data & info services	Marketing services & analytics	Enterprise networking	
Sports	Insurtech	Field services	Education	Payments	GRC	Supply chain	HR / HCM

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

U.S. COVERAGE

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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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