

Education Technology **Insight**

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

RAYMOND JAMES

INVESTMENT BANKING

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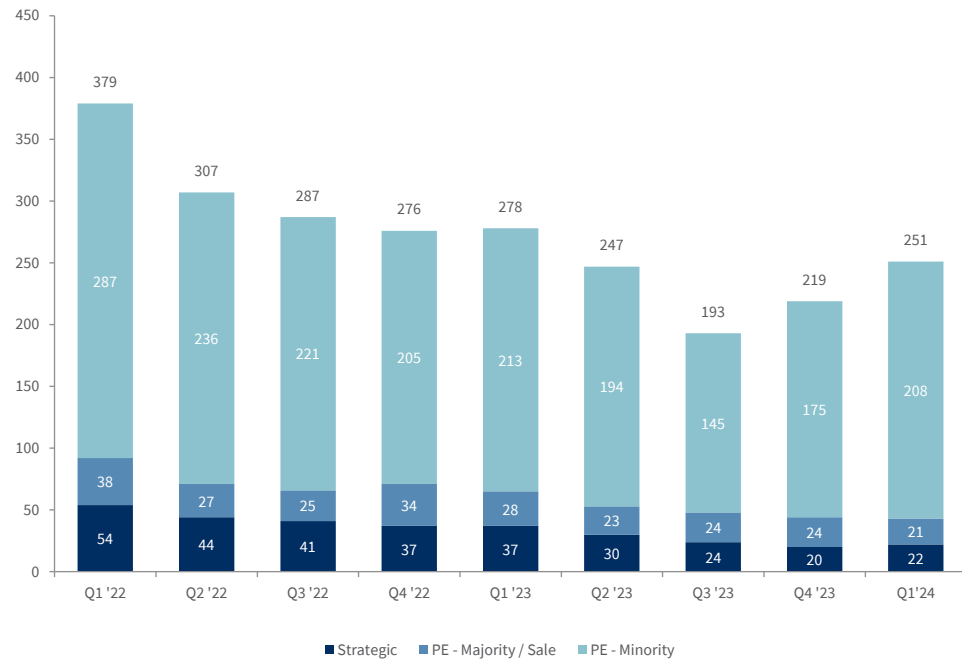
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Market Update

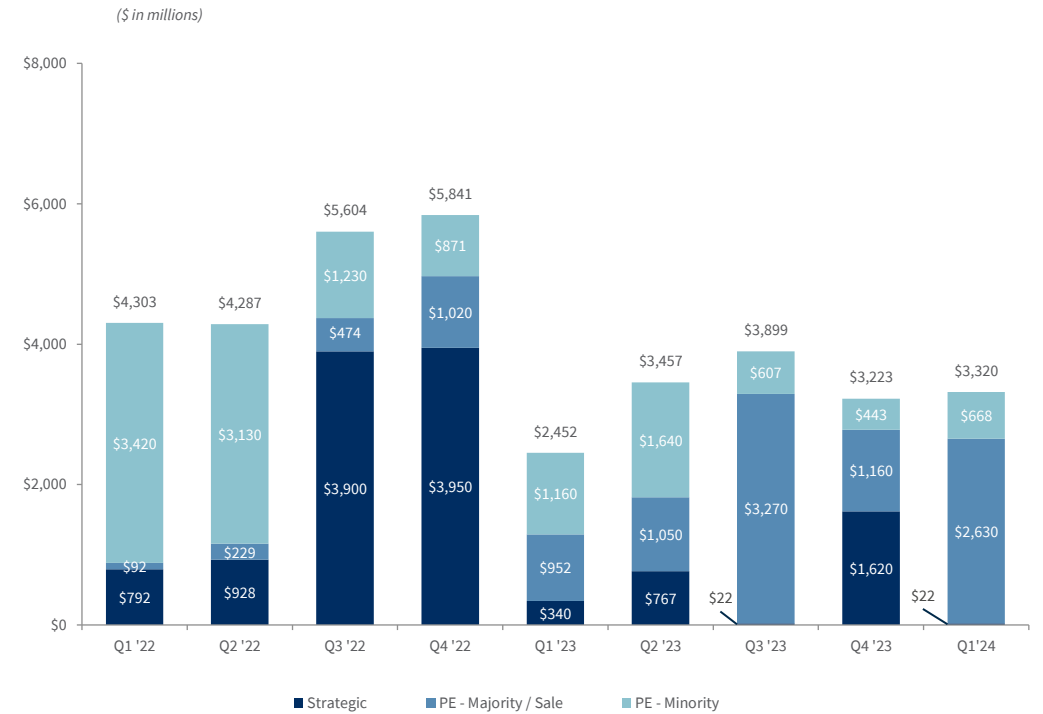
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Education Technology M&A & Capital Raising Activity

Number of U.S. Deals by Quarter⁽¹⁾



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



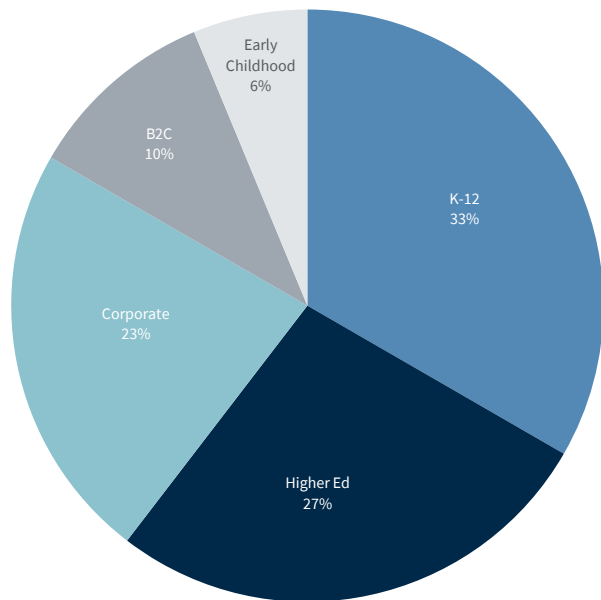
251 transactions were announced in Q1 2024, 83% of which were minority PE deals

Over \$3.3 billion in Q1 2024 in announced transaction value, 20% of which came from minority PE deals

1. Source: PitchBook for the period Jan 1st 2022 to Mar 29th 2024.
 2. Comprised of deals where the \$ amount of investment was disclosed.

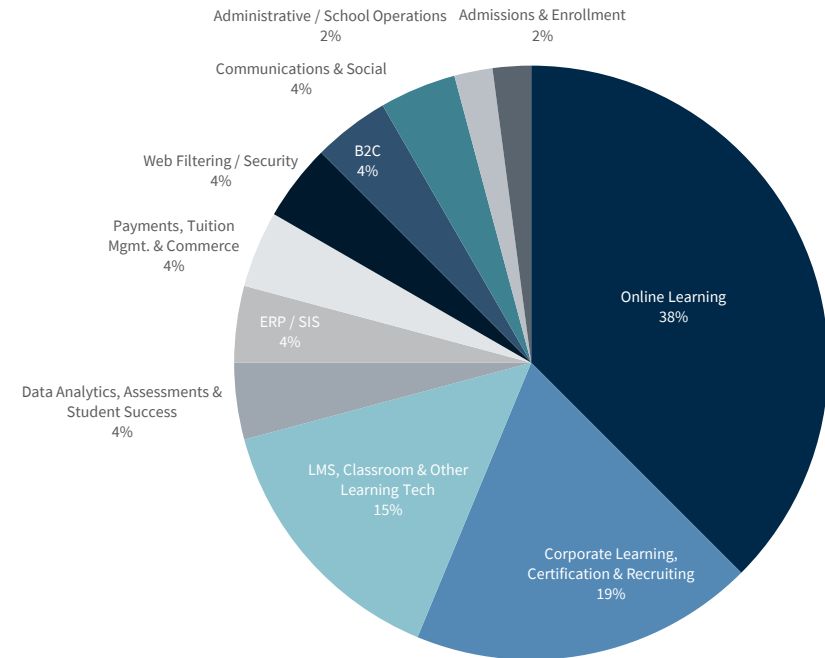
Education Technology M&A & Capital Raising Activity

Q1 2024 U.S. Deals by Sector



Companies focused on the K-12 and Higher Ed markets comprised 60%+ of the transactions announced in Q1 2024

Q1 2024 U.S. Deals by Domain

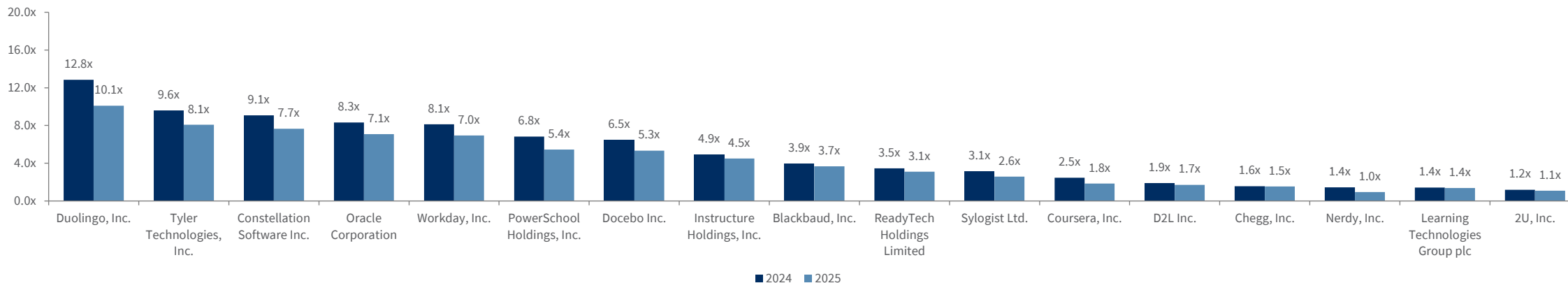


The industry witnessed a focus on Online Learning and Corporate Learning, Certification & Recruiting in Q1 2024, which comprised 56%+ of transactions

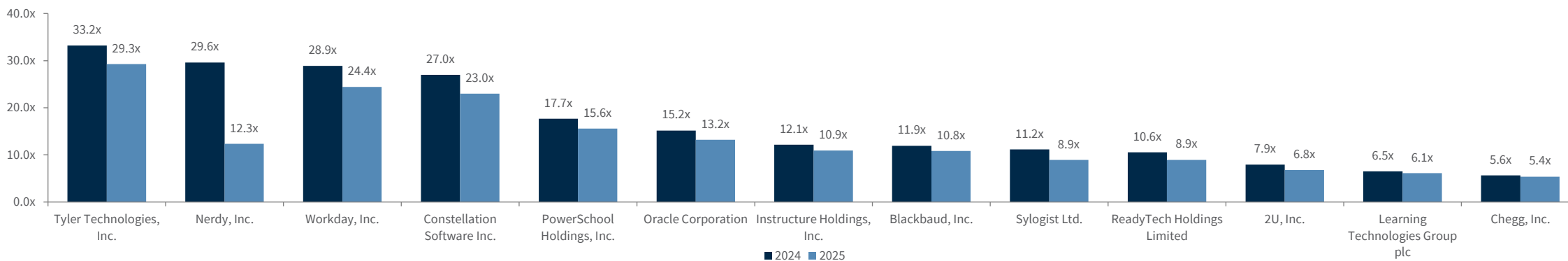
1. Source: Mergermarket; Selected Recent Strategic M&A Activity and Selected Recent Private Equity Activity from the period Jan 1st to Mar 29th 2024.

Market Valuation Metrics

Education Technology TEV / Revenue⁽¹⁾⁽³⁾



Education Technology TEV / EBITDA⁽²⁾⁽³⁾

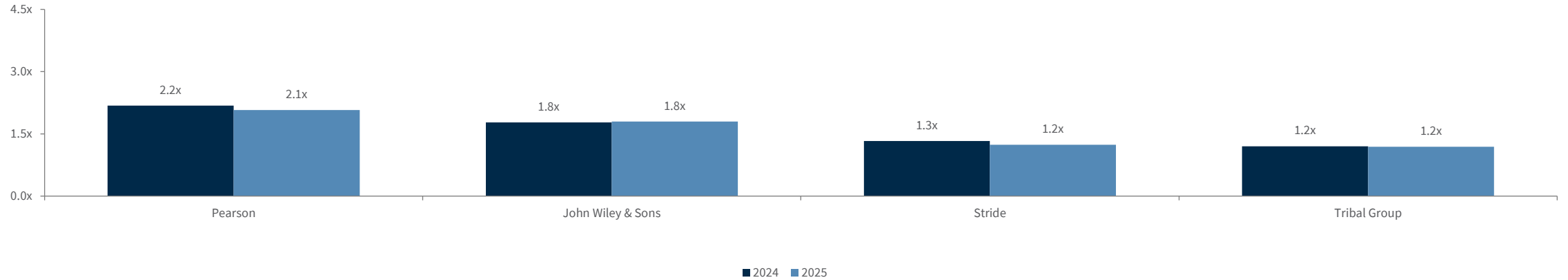


Source: CapIQ and Equity Research as of Mar 29th, 2024.

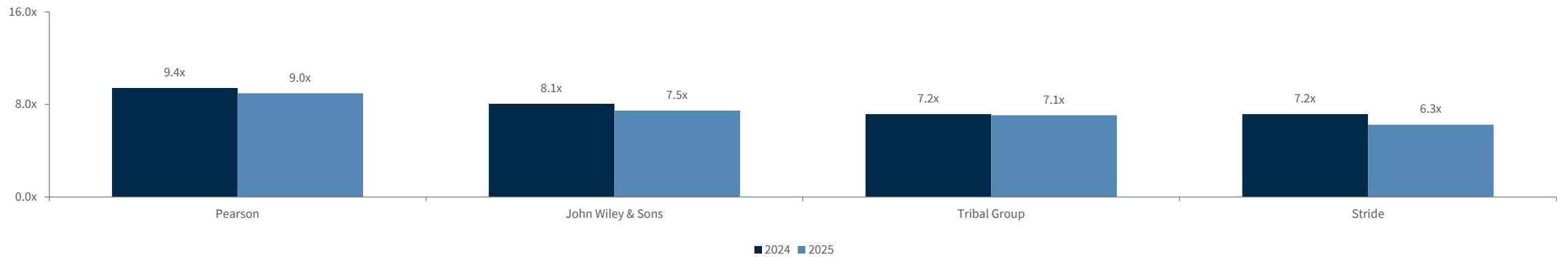
1. Revenue multiples <0.0x or >20.0x are considered Not Meaningful (NM).
2. EBITDA multiples <0.0x or >35.0x are considered Not Meaningful (NM).
3. Omits companies where multiples for FY2024 or FY2025 are either not available or not meaningful.

Market Valuation Metrics

Education Services TEV / Revenue⁽¹⁾⁽³⁾



Education Services TEV / EBITDA⁽²⁾⁽³⁾





Source: CapIQ and Equity Research as of Mar 29th, 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 Financings

DATE ANNOUNCED	ISSUER	TRANSACTION TYPE	SECTOR	CAPITAL RAISED (\$MM)
Equity Offerings				
Mar-24		Follow-on Offering	K-12	7.87
Feb-24	 The No.1 K12 Ed Education Provider in Asia	Follow-on Offering	K-12	1.92

Public Comparables

Company	Stock Price 03/28/2023	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				
Oracle	\$125.61	\$350,373	\$429,008	8.3x	7.1x	15.2x	13.2x	7%	9%	51%	54%
Workday	272.75	72,027	67,498	8.1x	7.0x	29.0x	24.4x	14%	17%	28%	28%
Constellation Software	2,734.04	57,938	60,407	9.1x	7.7x	27.0x	23.0x	18%	19%	28%	28%
Tyler Technologies	425.01	18,207	18,728	9.6x	8.1x	33.2x	29.3x	8%	10%	27%	28%
Duolingo	220.58	10,068	9,346	12.8x	10.1x	NM	NM	37%	27%	23%	26%
Blackbaud	21.29	3,512	4,765	6.0x	5.4x	17.7x	15.6x	13%	11%	34%	35%
PowerSchool Holdings	74.14	3,883	4,672	4.2x	3.7x	11.9x	10.8x	7%	8%	33%	34%
Instructure Holdings	21.38	3,105	3,267	4.9x	4.5x	12.1x	10.9x	25%	10%	41%	41%
Coursera	14.02	2,278	1,563	2.1x	1.8x	NM	28.0x	16%	15%	4%	7%
Chegg	48.93	1,507	1,438	6.5x	5.3x	NM	29.8x	23%	21%	15%	18%
Docebo	7.57	780	1,074	1.5x	1.5x	5.6x	5.4x	(4%)	2%	28%	29%
2U	1.08	884	1,033	1.5x	1.4x	6.8x	6.4x	(3%)	4%	22%	23%
Learning Technologies Group	0.39	33	962	1.2x	1.1x	7.9x	6.8x	(15%)	9%	15%	16%
D2L	8.19	448	337	1.9x	1.7x	NM	15.4x	8%	12%	3%	11%
ReadyTech Holdings	2.19	260	281	3.5x	3.1x	10.6x	8.9x	8%	11%	33%	35%
Nerdy	2.91	316	278	1.4x	1.0x	29.6x	12.3x	23%	23%	4%	8%
Sylogist	6.41	151	155	3.1x	2.6x	11.2x	8.9x	8%	13%	26%	29%
			Mean	5.2x	4.4x	17.2x	16.0x	12%	13%	24%	26%
			Education Technology Median	4.4x	4.1x	13.7x	13.2x	13%	11%	27%	28%

Company	Stock Price 12/29/2023	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				
Pearson	\$13.17	\$8,968	\$10,107	2.2x	2.1x	9.4x	9.0x	(1%)	5%	23%	23%
Stride	38.13	2,085	3,013	1.8x	1.8x	8.1x	7.5x	(12%)	(1%)	22%	24%
John Wiley & Sons	63.05	2,749	2,785	1.3x	1.2x	7.2x	6.3x	8%	7%	18%	20%
Tribal Group	0.56	118	130	1.2x	1.2x	7.2x	7.1x	(1%)	1%	17%	17%
			Mean	1.6x	1.6x	8.0x	7.4x	(1%)	3%	20%	21%
			Education Services Median	1.5x	1.5x	7.6x	7.3x	(1%)	3%	20%	21%

				TEV		Revenue Growth ⁽²⁾		EBITDA Margin ⁽³⁾			
				2024E	2025E	2024E	2025E	2024E	2025E		
Overall Median				3.3x	2.8x	10.9x	10.8x	8%	10%	25%	27%

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
Mar-24	 straighterline	 PRO SOLUTIONS TRAINING	Early Childhood	Corporate Learning, Certification & Recruiting	ND	USA	ProSolutions Training provides a training platform that offers online courses, multi-course packages and certificates to early childhood educators
Mar-24	 texthelp	 n2y	K-12	LMS, Classroom & Other Learning Tech	ND	USA	n2y provides research-based solutions designed specifically to address children's needs and help unique learners meet their state's standards
Mar-24	 cornerstone	 TALESPIN	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	Talespin provides an AI virtual learning platform that offers VR training, AR performance support and skills analytics solutions to healthcare, insurance, hospitality and finance sector
Mar-24	 Classera	 الطول الخبرة Expert Solutions	Higher Ed	ERP / SIS	ND	Saudi Arabia	Expert Solutions provides enterprise resource planning systems that include programming, systems analysis, website & network design and hosting solutions for educational institutions
Mar-24	 SKILL SHARE	 superpeer	Higher Ed	Online Learning	ND	USA	Superpeer provides a content creation platform that helps users create online courses and manage livestreams
Mar-24	 AVALLAIN	 TEACHERMATIC	Higher Ed	LMS, Classroom & Other Learning Tech	ND	UK	TeacherMatic offers AI tools intended to serve teachers and educators with lesson plans, rubrics, courses and a learning management system
Mar-24	 accenture	 UDACITY	Corporate	Online Learning	ND	USA	Udacity provides higher education online courses focusing on AI and robotics and other in-demand skills training















Education Technology

Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Mar-24	 ellucian	 EDUNAV	Higher Ed	Data Analytics, Assessments & Student Success	ND	USA	EduNav provides student academic planning and optimization software for the higher education market
Feb-24	 Houghton Mifflin Harcourt	 Writable	K-12	LMS, Classroom & Other Learning Tech	ND	USA	Writable provides a guided writing practice program for K-12 students to help build more independent, reflective writers
Feb-24	 LEVEL EDUCATION GROUP	 CEU CREATIONS	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	CEU Creations provides continuing education trainings for social workers, nurses, case managers, counselors and other helping professionals
Feb-24	 Wayside PUBLISHING	 nualang	K-12	LMS, Classroom & Other Learning Tech	ND	USA	Nualang provides an educational tool designed to teach languages through conversation
Feb-24	 UNLEASHED BRANDS	 Sylvan Learning 45	K-12	Online Learning	ND	USA	Sylvan Learning provides tutoring solutions intended for students from kindergarten to 12th grade
Feb-24	 NACCE THE IMPACT OF ENTREPRENEURSHIP	 SkillPointe	Higher Ed	Online Learning	ND	USA	SkillPointe provides a skills-based career platform that offers self-assessment tools and training programs to help student launch their careers
Feb-24	 SchoolStatus	 SchoolNow	K-12	Communications & Social	ND	USA	SchoolNow provides a unified digital publishing platform for K-12 that streamlines how schools engage families and their communities











Education Technology

Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Feb-24	 SAVVAS LEARNING COMPANY	 Outlier.org	Higher Ed	Online Learning	ND	USA	Outlier.org provides a portfolio of online college-level courses that enable high school students to receive college credit
Jan-24	 INSTINCT	 VETMEDUX	Corporate	Online Learning	ND	USA	VetMedux provides practical, peer-reviewed educational content and point-of-care tools for veterinarians
Jan-24	 Roper TECHNOLOGIES	 Procure SOLUTIONS	K-12	Payments, Tuition Mgmt. & Commerce	\$1,860	USA	Procure Solutions develops childcare management software platforms intended for preschools, daycare centers, after-school programs, camps and child-centered businesses
Jan-24	 ETS	 psi Testing Excellence	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	PSI provides workforce testing and assessment solutions that includes test development, delivery and results processing aimed at assessing skills
Jan-24	 Follett School Solutions	 livingtree	Higher Ed	Communications & Social	ND	USA	Livingtree provides an all-in-one fundraising management platform for schools and school districts
Jan-24	 intelvio	 Classward	Higher Ed	LMS, Classroom & Other Learning Tech	ND	USA	Classward provides continuing education and test prep solutions for aspiring and current EMS professionals
Jan-24	 PowerSchool	 ALLOVUE	K-12	Payments, Tuition Mgmt. & Commerce	ND	USA	Allovue provides a financial budgeting platform that allows school districts to allocate, budget and manage their financial resources

Education Technology

Selected Recent Strategic M&A Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Jan-24	 learningpool	 nScreen	Corporate	Online Learning	\$1,860	USA	OnScreen develops a digital adoption platform designed to train employees on enterprise software
Jan-24	 madcap software	 XYLEME	B2C	B2C	ND	USA	Xyleme provides a learning content management system designed to offer personalized training experiences
Jan-24	 Uwill Student Mental Health & Wellness	 Christie CAMPUS HEALTH	Higher Ed	Online Learning	ND	USA	Christie Campus Health provides counseling, mental health and wellness support solutions to students in colleges around the country
Jan-24	 Crucial Learning	 corestrengths	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	Core Strengths provides an assessment and training platform that delivers powerful personal insights to increase self-awareness, improve performance and strengthen relationships
Jan-24	 COLLABORATIVE CLASSROOM	 FluentSeeds	Early Childhood	Online Learning	ND	USA	FluentSeeds provides a science-focused early literacy training and coaching platform














Education Technology

Selected Recent Private Equity Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Mar-24	 ADVANTAGE CAPITAL	 CLOVERLEAF	Corporate	Corporate Learning, Certification & Recruiting	\$7	USA	Cloverleaf provides an online coaching platform that allows organizations to detect & improve communication and behavioral effectiveness between employees via data-driven analytics
Mar-24	 BACKSTAGE CAPITAL	 EdLight	K-12	Data Analytics, Assessments & Student Success	\$4	USA	EdLight provides a tutoring platform designed to help teachers digitize their workflows and collaborate on handwritten student work
Mar-24	 Mariner WEALTH ADVISORS	 GLOBAL GRID FOR LEARNING A PUBLIC BENEFIT CORPORATION	B2C	B2C	\$18	USA	Global Grid for Learning (GG4L) provides a data exchange platform that empowers edtech apps and protects student data
Mar-24	 PSG	 packback Fearlessly curious.	Higher Ed	Online Learning	ND	USA	Packback provides an AI-powered discussion, writing and engagement platform for students and instructors across the Higher Education and K-12 markets
Mar-24	 IONIC PARTNERS	 edsembli	K-12	ERP / SIS	ND	Canada	Edsembli provides ERP & SIS solutions for K-12 school boards in Canada
Mar-24	 PRIME VENTURE PARTNERS	 PLANETSPARK	K-12	Online Learning	\$11	India	PlanetSpark provides live one-on-one classes focused on improving public speaking, creative writing and storytelling
Mar-24	 FLOODGATE Reach Capital	 Legends	K-12	Online Learning	\$6	USA	Legends provides an online confidence-training platform that helps kids improve their confidence through daily practice and build skills that will ready them for the future














Education Technology

Selected Recent Private Equity Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Mar-24	 Charlesbank	 everdriven	K-12	Administrative / School Operations	ND	USA	EverDriven provides an alternative student transportation management software platform and related mobile applications for school districts in the U.S.
Feb-24	 LEEDS Equity Partners	 TOUCHMATH	K-12	LMS, Classroom & Other Learning Tech	ND	USA	TouchMath provides research-based math instructional materials primarily for pre-kindergarten through 8th grade students with learning disabilities
Feb-24	 BLUME	 {ik} INTERVIEW KICKSTART	Corporate	Corporate Learning, Certification & Recruiting	\$10	USA	Interview Kickstart provides an educational platform that offers interview preparation courses intended for key engineering roles and levels
Feb-24	 J.S.V. Jackson Square Ventures	 Ziplines Education	Higher Ed	Corporate Learning, Certification & Recruiting	\$6	USA	Ziplines Education provides an online micro-university intended to offer micro degrees in applied business science, through digital literacy
Feb-24	 CONDUCTIVE VENTURES	 EMPOWERLY	Higher Ed	Admissions & Enrollment	\$15	USA	Empowerly provides an online counseling platform designed to offer personalized college and career guidance to its users
Feb-24	 AlleyCorp	 Stepful	B2C	Online Learning	\$12	USA	Stepful provides an artificial intelligence-powered vocational training platform intended to train people to become certified medical assistants or certified phlebotomists
Feb-24	Multiple Investors	 smartBeemo	B2C	Online Learning	ND	USA	smartBeemo provides an online education platform designed to reduce the digital gap among Hispanic entrepreneurs around the world


Education Technology

Selected Recent Private Equity Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Feb-24	 AVENUE GROWTH PARTNERS	 BRIDGECARE	Early Childhood	Online Learning	\$10	USA	BridgeCare provides a SaaS childcare management platform that offers pre-k program administration, childcare resource & referral and coordinated and eligibility & enrollment services for governments and organizations
Jan-24	 GIC	 Zūm	K-12	Web Filtering / Security	\$140	USA	Zum provides a student transportation platform that allows parents, drivers and schools to stay informed and coordinated through tracking and managing rides
Jan-24	 INSIGHT PARTNERS	 Forta	K-12	Online Learning	55	USA	Forta provides an AI-driven learning platform focused on training courses for parents with autistic children
Jan-24	 Department for Education	 Northcoders	Corporate	Online Learning	\$13	USA	Northcoders provides a technology training platform offering bootcamp courses in software development, data engineering and cloud computing
Jan-24	 frog capital	 Oxford Medical Simulation	Higher Ed	LMS, Classroom & Other Learning Tech	\$13	USA	Oxford Medical Simulation provides a virtual reality medical simulation platform designed to train healthcare professionals
Jan-24	GI PARTNERS	 BUSPATROL	K-12	Web Filtering / Security	ND	USA	BusPatrol provides AI school bus safety program that includes stop-arm cameras, cloud connectivity and software to capture incidents of vehicles illegally passing stopped school buses
Jan-24	 O'SHAUGHNESSY VENTURES	 Affinity	Corporate	Corporate Learning, Certification & Recruiting	ND	USA	Affinity Learning provides a compliance and learning management platform specially created for technology companies

Education Technology

Selected Recent Private Equity Activity

ANNOUNCED DATE	BUYER	TARGET	SECTOR	DOMAIN	TRANSACTION SIZE (\$M)	COUNTRY	COMMENTS
Jan-24	Undisclosed Investors	 IMMERSE	B2C	Online Learning	\$5	USA	Immerse provides a VR-enabled English language learning platform

About Us

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Representative Raymond James Education Technology Transactions

[View our full transaction history here](#)

Sale / Recapitalizations / Private Capital Raises

  March 2024	  January 2024	  November 2022	  October 2022
  September 2021	  August 2021	  June 2021	  March 2021
  January 2021	  December 2020	  December 2020	  October 2020
  May 2020	  February 2020	  January 2020	  October 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

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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