

EDUCATION INDUSTRY

Q3 2013 :: Mergers and Acquisitions Trend Report

Q3 2013 KEY HIGHLIGHTS

- The most active financial sponsor year-to-date was Providence Equity Partners with four industry transactions, one of which occurred in Q3 2013. The largest of these four deals was the acquisition of Informa's five corporate training businesses in Q3 2013 for \$165 million.
- The highest value transaction during Q3 2013 was TPG Capital's announced acquisition of TSL Education Ltd. for \$549 million.

Q3 2013 KEY TRENDS

- Total transaction volume in Q3 2013 remained nearly constant over Q2 2013, from 66 to 68.
- Total transaction value in Q3 2013 fell by 39 percent over Q2 2013, from \$3.3 billion to \$2.0 billion. Although aggregate value decreased, Q3 2013 was responsible for the highest median deal value on a quarterly basis throughout the past two years.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2012 through the 1st 3 Quarters of 2013 decreased by 12 percent, from 1.7x to 1.5x.
- The median EBITDA multiple from 2012 through the 1st 3 Quarters of 2013 declined by 21 percent, from 13.5x to 10.6x.

M&A Market Dynamics By Quarter

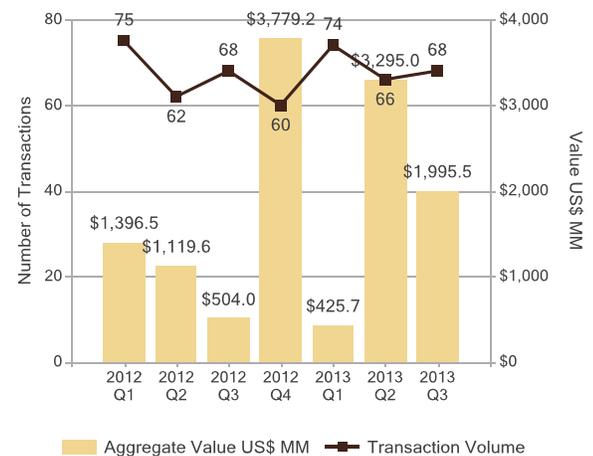


Figure 1. 2012-2013 value and volume comparison.

Median Enterprise Value Multiples

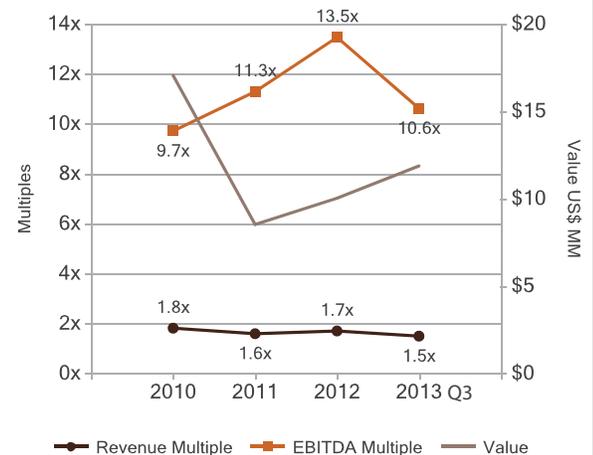


Figure 2. 2010-2013 median value, revenue, EBITDA comparison through Q3 2013.

Top Ten Notable Transactions - 1st 3 Quarters 2013

Deal Date	Target Name	Buyer	Value MM US\$
04/22/13	Anhanguera Educacional SA	Kroton Educacional S.A.	\$2,632
07/08/13	TSL Education Ltd.	TPG Capital	\$549
09/18/13	Busy Bees Childcare Ltd.	Teachers Private Capital	\$351
05/03/13	WCL Group	Nord Anglia Education Plc	\$237
09/12/13	UniSEB	Estácio Participações S.A.	\$228
07/19/13	5 Corporate Training Businesses from Informa plc	Providence Equity Partners Inc.	\$165
07/30/13	Pan Am International Flight Academy	ANA Holdings Inc.	\$140
09/06/13	Guardian Early Learning Group	Navis Capital Partners	\$110
04/09/13	Mendeley Limited	Elsevier B.V.	\$98
04/11/13	Kidsunlimited	Bright Horizons Family Solutions	\$68

2013 Aggregate Transaction Value \$5,736

Top 10 Aggregate Transaction Value \$4,578

Top 10 Aggregate Value as a Percentage of All Transactions 80 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2013 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

Note: Transaction data based on announced date.

TOP TEN DEALS THROUGH Q3 2013

The top ten deals by value have seen six new additions since our half year report, two of which were in the Childcare Services segment: Teachers Private Capital's acquisition of Busy Bees Childcare Ltd. and Navis Capital Partners' acquisition of Guardian Early Learning Group.

These six transactions, with an aggregate value of \$1.5 billion, represented 26 percent of transaction value in the 1st 3 Quarters of 2013 and 75 percent of Q3 2013 transaction value.

BERKERY NOYES

INVESTMENT BANKERS

Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, marketing, and technology industries. The firm has initiated, managed, and closed more than 475 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, education, and entertainment markets.

Berkery Noyes is unique among investment banking firms in that we combine independent strategic research and actionable intelligence with senior banking expertise.

Berkery Noyes Securities LLC assists middle market companies with raising growth capital in the debt and equity markets.

CONTACT US TODAY FOR A CONFIDENTIAL DISCUSSION OF YOUR STRATEGIC OPTIONS

212-668-3022

MANAGING DIRECTORS

PETER YOON

Education Group

MARY JO ZANDY

Media, Education, Software & Online

JOHN GUZZO

FinTech Group

EVAN KLEIN

Media, Entertainment & Marketing Services

JONATHAN KRIEGER

Healthcare Group

THOMAS O'CONNOR

Healthcare Group

DICK O'DONNELL

Finance Group

PETER OGNIBENE

FinTech Group

JEFFREY SMITH

Healthcare Group

KATHLEEN THOMAS

Media & Marketing Services Group

PARTNERS

JOSEPH BERKERY

Chief Executive Officer

JOHN SHEA

Managing Partner

MANDASOFT
The DNA of M&A

All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at www.mandasoft.com

RECENT EDUCATION TRANSACTIONS

bankersedge™
CORPORATE TRAINING TECHNOLOGIES, LLC
HAS BEEN ACQUIRED BY

A PORTFOLIO COMPANY OF


LRP
Publications
HAS ACQUIRED
THE EDUCATION ASSETS OF



HAS SOLD
CERTAIN ASSETS TO
Perfection Learning®
Perfect for YOUR Classroom


HealthcareSource®
A PORTFOLIO COMPANY OF
INSIGHT VENTURE PARTNERS
HAS ACQUIRED
NetLearning™
A BUSINESS OF



JBHM EDUCATION GROUP
Supporting Teaching, Leading, & Learning
HAS BEEN ACQUIRED BY
WELD NORTH

FIP
FRANCISCO
PARTNERS
HAS ACQUIRED
Therapeutic Research Center
Therapeutic Research Faculty


class.com
HAS BEEN ACQUIRED BY



NATIONAL
GEOGRAPHIC
School Publishing
HAS BEEN ACQUIRED BY

CENGAGE
Learning™
A PORTFOLIO COMPANY OF
Apax
PARTNERS

EBSCO
PUBLISHING
HAS ACQUIRED



Bookette
Software Company
HAS BEEN ACQUIRED BY

CTB
McGraw-Hill
A DIVISION OF
The McGraw-Hill Companies

One Liberty Plaza | New York, New York 10006

berkerynoyes.com | 212.668.3022