



## EDUCATION INDUSTRY

### 1ST HALF 2012 :: Mergers and Acquisitions Trend Report

#### 1ST HALF 2012 KEY HIGHLIGHTS

- Montagu Private Equity's acquisition of The College of Law of England and Wales was the largest transaction for 1st Half 2012, with an acquisition price of \$316 million.
- The most active acquirer in the Education Industry was Providence Equity Partners Inc. with three transactions: Moodlerooms, Inc., NetSpot Pty Ltd and E\*Value. The acquisitions of Moodlerooms, Inc. and NetSpot Pty Ltd were completed by Blackboard Inc, which became a portfolio company of Providence Equity Partners in 2011.
- There were 39 financially sponsored transactions in 1st Half 2012, with an aggregate value of and \$847 million, representing 31 percent of the total volume and 53 percent of the total value, respectively.

#### 1ST HALF 2012 KEY TRENDS

- Total transaction volume in 1st Half 2012 increased by three percent over 2nd Half 2011, from 122 to 126.
- Total transaction value in 1st Half 2012 decreased by 74 percent over 2nd Half 2011, from \$6.23 billion to \$1.65 billion. Deal value in second half 2011 was skewed by a few large acquisitions, mainly those of SunGard Higher Education and Blackboard.
- The median revenue multiple declined from 1.9x in 2nd Half 2011 to 1.6x in 1st Half 2012. The median EBITDA multiple decreased from 14.0x to 13.6x.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 597 transactions between 2010 and 2012, of which 189 disclosed financial terms, and calculated the aggregate transaction value to be \$19.91 billion. Based on known transaction values, we project values of 408 undisclosed transactions to be \$835 million, totaling \$20.74 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report were 10.4x EBITDA and 1.9x revenue.

The most active acquirer by volume over the past two and a half years was Pearson plc with 20 transactions, including two thus far in 2012: GlobalEnglish Corporation and Certiport, Inc.

M&A Market Dynamics By Half Year

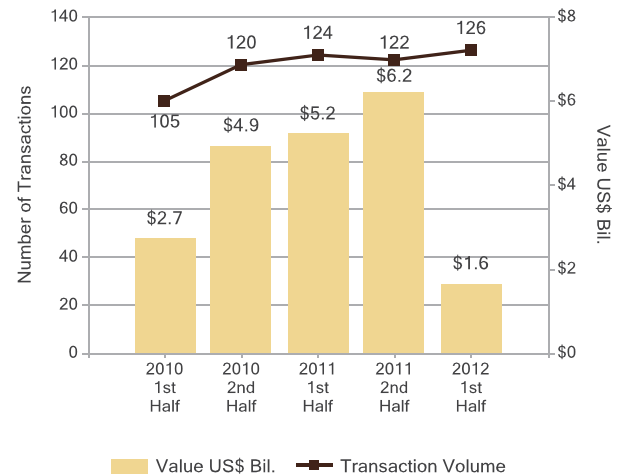


Figure 1. 2010 - 2012 value and volume comparison by half year.

Median Enterprise Value Multiples By Half Year

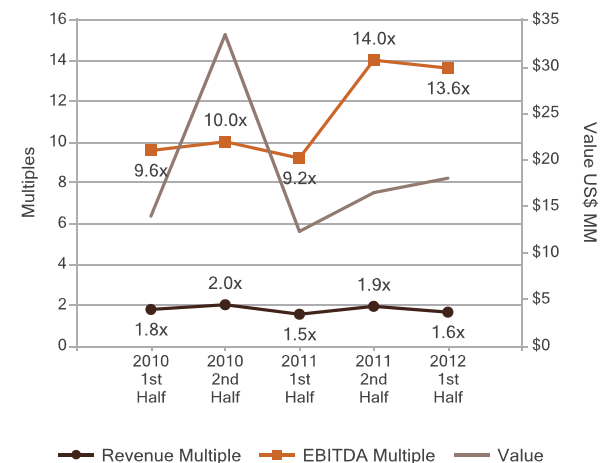
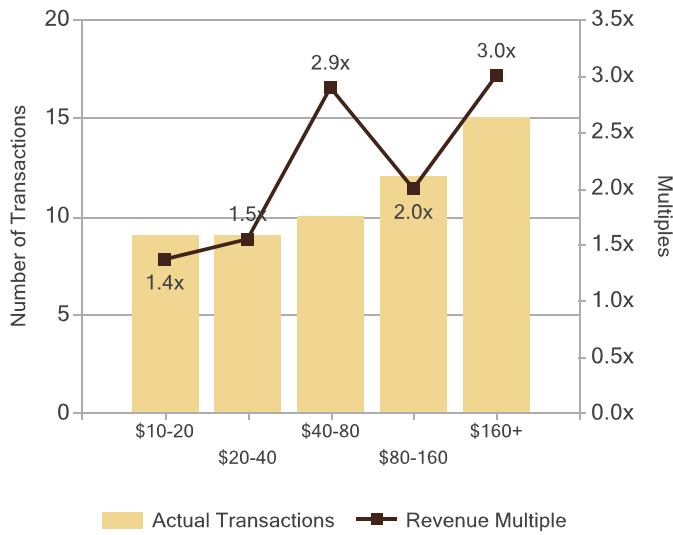


Figure 2. 2010 - 2012 median: value, revenue, EBITDA comparison by half year.

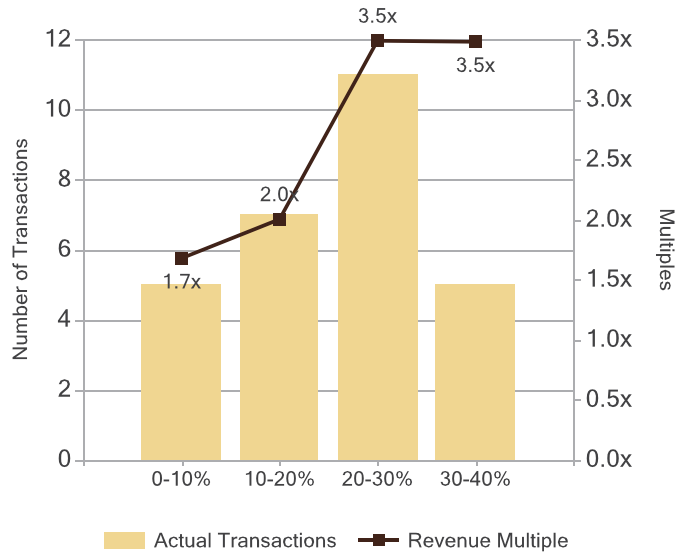
# Median EV/Revenue Multiples :: January 1, 2010 – June 30, 2012

### Median EV/Revenue Multiples By Size



**Figure 3.** Presents the median enterprise value/revenue multiples paid for companies in the Education Industry from Jan. 1, 2010 to June 30, 2012 based on publicly available sales price and revenue data.

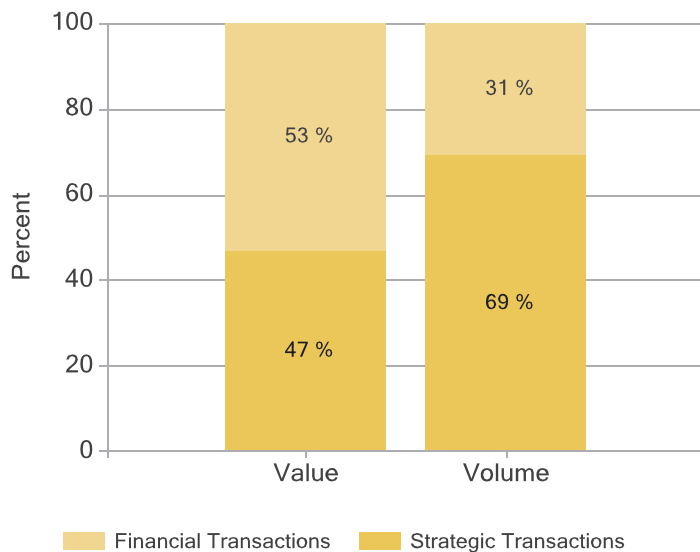
### Median EV/Revenue Multiples By Margin



**Figure 4.** Presents the median enterprise value/revenue multiples separated by EBITDA margin for companies in the Education Industry from Jan. 1, 2010 to June 30, 2012 based on publicly available sales price and revenue data.

## Strategic vs. Financial Comparison

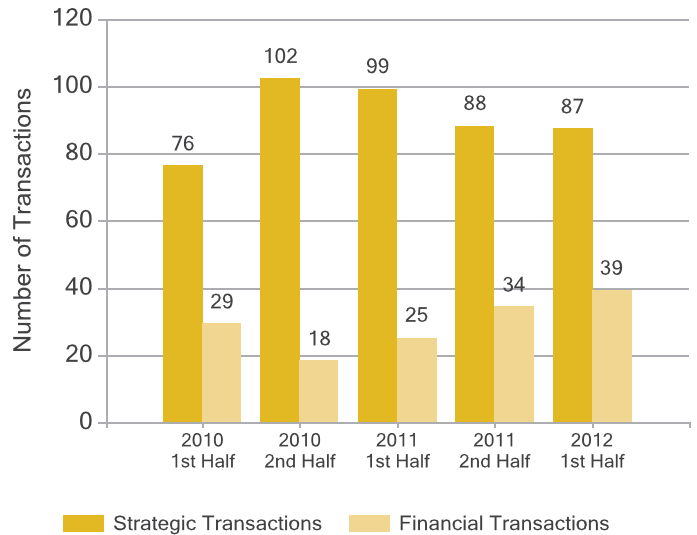
### M&A Dynamics By Transaction Type - 1st Half



**Figure 5.** 1st Half 2012 value and volume comparison by transaction type.

**Note:** Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

### Transaction Type By Half Year



**Figure 6.** 2010-2012 acquirer type comparison by half year.

# Purchaser and Transaction Analysis :: January 1, 2012 – June 30, 2012

## Top Ten Notable Transactions - 1st Half 2012

Deal Date	Target Name	Buyer	Value MM US\$
02/23/12	The College of Law of England And Wales	Montagu Private Equity	\$316
05/16/12	Oxford Aviation Academy, Ltd.	CAE, Inc.	\$315
03/05/12	Archipelago Learning, Inc.	PLATO Learning, Inc.	\$300
05/25/12	GlobalEnglish Corporation	Pearson plc	\$90
02/17/12	Inscape Publishing Inc.	John Wiley & Sons, Inc.	\$85
03/31/12	Cosmopoint Sdn Bhd	Ekuiti Nasional Bhd	\$80
06/29/12	finalsite	Spectrum Equity	\$55
05/21/12	Alc Press Inc.	Nippon Mirai Capital Co., Ltd.	\$50
02/06/12	OutStart Inc.	Kenexa Corporation	\$37
03/21/12	Nolij Corporation	Perceptive Software, Inc.	\$32
2012 Aggregate Transaction Value			\$1,650
Top 10 Aggregate Transaction Value			\$1,360
<b>Top 10 Aggregate Value as a Percentage of All Transactions</b>			<b>82 %</b>

## Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	0	2	2	0 %	0 %
\$0.4	0	6	6	0 %	0 %
\$0.6	3	12	14	13 %	13 %
\$1.0	2	18	19	8 %	21 %
\$1.6	0	21	20	0 %	21 %
\$2.7	0	19	18	0 %	21 %
\$4.5	3	13	16	13 %	33 %
\$7.4	1	7	8	4 %	38 %
\$12.2	3	3	6	13 %	50 %
\$20.1	2	1	3	8 %	58 %
\$33.1	2	0	2	8 %	67 %
\$54.6	4	0	4	17 %	83 %
\$90.0	0	0	0	0 %	83 %
\$148.4	0	0	0	0 %	83 %
\$244.7	3	0	3	13 %	96 %
Total #	24	102	<b>126</b>		
Total \$ Value	\$1,469	\$180	<b>\$1,650</b>		
Middle 3rd of Industry		Middle 2/3rds of Industry			

Figure 7. Lists the top ten transactions for 1st Half 2012 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figure 1 & 8.

Note: Transaction data based on announced date.

Figure 8. Presents the data depicted in the bell curve histogram.

Note: The projected number column is rounded as a result of the projection and may produce insignificant errors in the total sum.

# Transaction Volume by Segment :: January 1, 2010 – June 30, 2012

## Transactions By Market Segment By Half Year

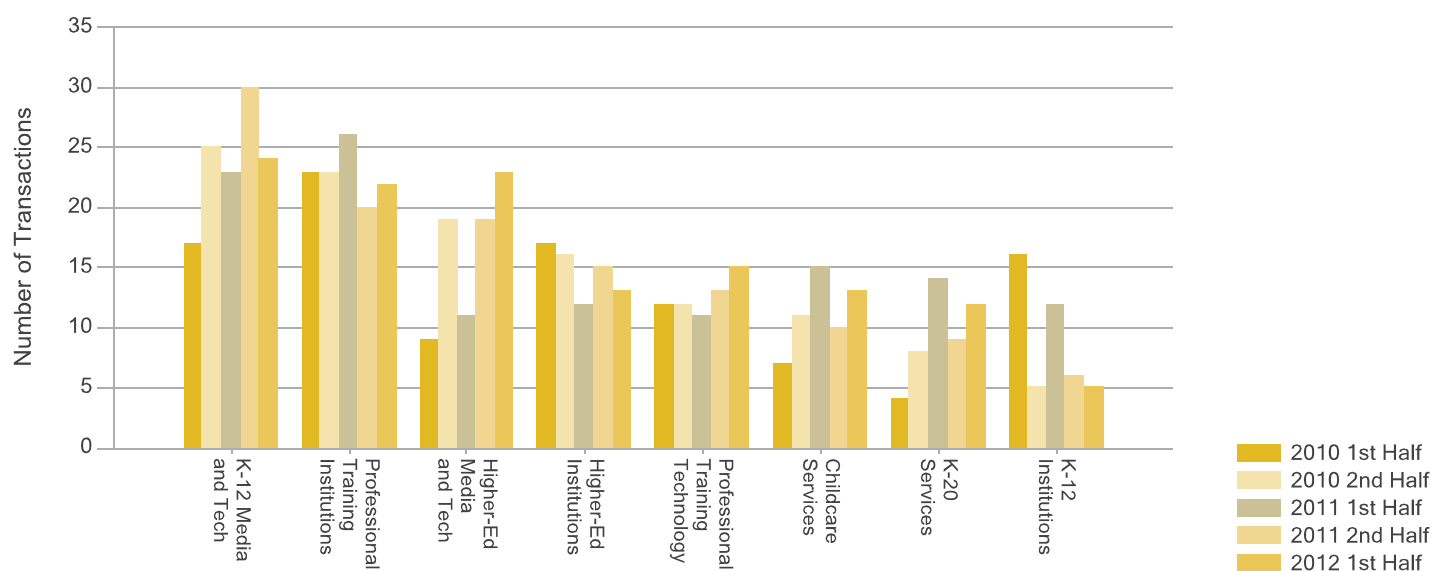


Figure 9. Presents transaction volume by market segment within the Education Industry from January 1, 2010 through June 30, 2012.

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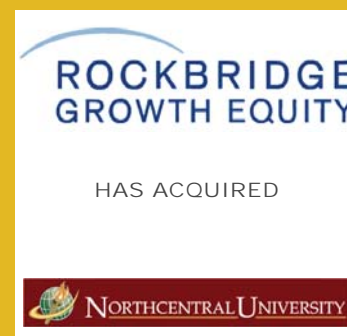
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All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at [www.mandasoft.com](http://www.mandasoft.com)

## RECENT EDUCATION TRANSACTIONS



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