2019 KEY HIGHLIGHTS

- The largest deal in 2019 was Thoma Bravo’s announced acquisition of Instructure, which is known in particular for its Canvas learning management system (LMS), for $1.86 billion.
- K-12 Media and Tech and Professional Training Services were tied as the industry’s most active market segments in 2019 with 99 transactions each.
- Two of the industry’s top three highest value transactions in 2019 occurred in the Professional Training Services segment: Wendel Group’s acquisition of Crisis Prevention Institute, which offers behavior management and crisis prevention training programs, for $910 million; and 2U’s acquisition of Trilogy Education Services, a workforce accelerator that offers skills-based training programs in high-demand tech fields at universities and companies, for $750 million.

2019 KEY TRENDS

- Total transaction volume in 2019 increased by nine percent over 2018, from 441 to 479.
- Total transaction value in 2019 declined by 21 percent over 2018, from $15.64 billion to $12.30 billion.
- The median revenue multiple improved from 1.8x in 2018 to 2.6x in 2019.
- The segment with the largest rise in volume in 2019 over 2018 was Higher-Ed Institutions, which rose 46 percent, from 41 to 60 transactions.

M&A MARKET OVERVIEW

Berkery Noyes tracked 1,312 Education transactions between 2017 and 2019, of which 255 disclosed financial terms, and calculated the aggregate value to be $34.87 billion. Based on known transaction values, we project values of 1,057 undisclosed transactions to be $9.78 billion, totaling $44.65 billion worth of transactions tracked over the past three years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 36 months were 2.1x revenue and 10.3x EBITDA.
Transaction Analysis :: January 1, 2019 – December 31, 2019

Figure 3. Shows distribution of transactions among the Education Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of $7.4 million to $33.1 million. Based on this data, we estimate the total transaction value of deals done in 2019 at $12.3 billion.

* Indicates largest transaction in the industry from Jan. 1, 2019 to Dec. 31, 2019.

Figure 4. Presents the data depicted in the bell curve histogram.

Note: The projected number column is rounded and may produce insignificant errors in the total sum.

Figure 5. 2017-2019 value and volume comparison by acquirer 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.

Figure 6. 2017-2019 acquirer type comparison by year.
**Purchaser Analysis**

### Top Ten Notable Transactions 2019

<table>
<thead>
<tr>
<th>Deal Date</th>
<th>Target Name</th>
<th>Buyer</th>
<th>Value MM USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/05/19</td>
<td>Instructure</td>
<td>Thoma Bravo, LLC</td>
<td>$1,864</td>
</tr>
<tr>
<td>10/15/19</td>
<td>Crisis Prevention Institute, Inc</td>
<td>Wendel Group</td>
<td>$910</td>
</tr>
<tr>
<td>04/08/19</td>
<td>Trilogy Education Services</td>
<td>2U, Inc.</td>
<td>$750</td>
</tr>
<tr>
<td>11/06/19</td>
<td>Soliant Health</td>
<td>Olympus Partners</td>
<td>$612</td>
</tr>
<tr>
<td>05/30/19</td>
<td>MA’anif for Education and Training</td>
<td>Global Education Management Systems, Hassana Investment Company</td>
<td>$550</td>
</tr>
<tr>
<td>10/23/19</td>
<td>Adtalem Educacional do Brasil</td>
<td>YUQS</td>
<td>$472</td>
</tr>
<tr>
<td>05/08/19</td>
<td>Sistema Positivo de Ensino</td>
<td>Arco Platform Limited</td>
<td>$416</td>
</tr>
<tr>
<td>02/18/19</td>
<td>US K-12 Courseware Business from Pearson plc</td>
<td>Nexus Capital Management LP</td>
<td>$250</td>
</tr>
<tr>
<td>12/19/19</td>
<td>Comcave,College</td>
<td>Amadeus F</td>
<td>Re AG</td>
</tr>
<tr>
<td>07/24/19</td>
<td>Shandong Yingcai University</td>
<td>China Yu</td>
<td>Hua Education Corporation Limited</td>
</tr>
</tbody>
</table>

2019 Aggregate Transaction Value: $12,300  
Top 10 Aggregate Transaction Value: $5,263  
Top 10 Aggregate Value as a Percentage of All Transactions: 51%

**Figure 7.** Lists the top ten transactions for 2019 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown on Figure 1 & 4.

**Note:** Transaction data based on announced date. Deal value represents total consideration paid by the acquirer.

### Median EV/Revenue Multiples By Size

**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Education Industry from Jan. 1, 2017 to Dec. 31, 2019 based on publicly available sales price and revenue data.

### Transaction Volume by Segment :: January 1, 2017– December 31, 2019

**Figure 9.** Presents transaction volume by market segment within the Education Industry from Jan. 1, 2017 through Dec. 31, 2019.
Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, services, and technology industries. The firm has initiated, managed, and closed more than 500 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, and education markets.

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

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Chief Executive Officer

JAMES BERKERY
Managing Partner

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. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity. There can be no guarantee that such information is accurate.

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