



## EDUCATION INDUSTRY

### Q3 2022 :: Mergers and Acquisitions Trend Report

#### Q3 2022 KEY HIGHLIGHTS

- The largest transaction in Q3 2022 and year-to-date was Roper Technologies' announced acquisition of Frontline Education for \$3.4 billion. Frontline's cloud-based software provides a connected platform of administrative solutions for K-12 education.
- Financial sponsors accounted for 32 percent of total volume and 46 percent of total value in the 1st 3 Quarters of 2022.

#### Q3 2022 KEY TRENDS

- Total transaction volume in Q3 2022 improved by eight percent over Q2 2022, from 103 to 111.
- Total transaction value in Q3 2022 more than doubled over Q2 2022, from \$2.3 billion to \$4.9 billion.
- The segment with the largest rise in volume in Q3 2022 over Q2 2022 was Higher-Ed Media and Tech with a 75 percent increase, from 12 to 21 transactions.

#### MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2021 through the 1st 3 Quarters of 2022 fell 54 percent, from 3.5x to 1.6x.
- Disclosed median enterprise value multiples from 2021 through the 1st 3 Quarters of 2022 were 2.6x revenue and 9.6x EBITDA.

#### Top Ten Notable Transactions - 1st 3 Quarters 2022

Deal Date	Target Name	Buyer	Value MM US\$
08/30/22	Frontline Education	Roper Technologies, Inc.	\$3,375
02/23/22	Houghton Mifflin Harcourt	Veritas Capital	\$2,671
01/04/22	EverFi, Inc.	Blackbaud, Inc.	\$750
01/24/22	Becker Professional Education	Colibri Group	\$500
05/04/22	Only About Children	Bright Horizons Family Solutions	\$320
06/08/22	International Medical University	The Rise Fund	\$307
06/08/22	K12 learning content business from Pearson plc	Sanoma Oyj	\$204
06/13/22	SumTotal Systems, Inc.	Cornerstone OnDemand, Inc.	\$200
01/31/22	InfoSec Institute Inc.	Cengage Learning	\$191
09/28/22	Equus Workforce Solutions	Advanced Personnel Management	\$154

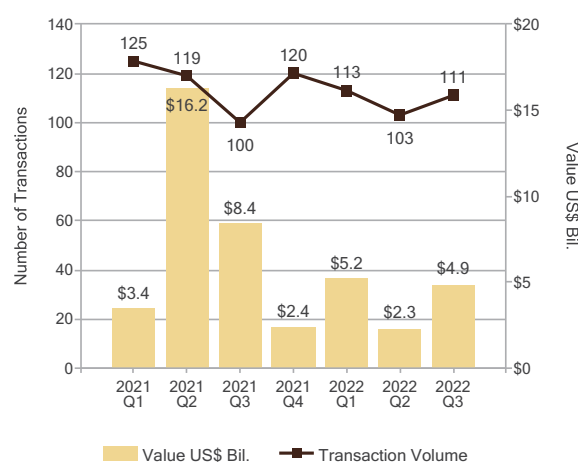
2022 Aggregate Transaction Value \$12,343

Top 10 Aggregate Transaction Value \$8,670

Top 10 Aggregate Value as a Percentage of All Transactions 70 %

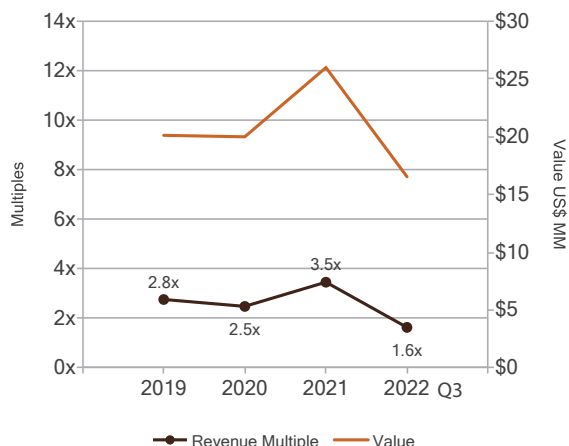
**Figure 3.** Lists the top ten transactions for the 1st 3 Quarters of 2022 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value. **Note:** Transaction data based on **announced date**.

#### M&A Market Dynamics By Quarter



**Figure 1.** 2021-2022 value and volume comparison.

#### Median Enterprise Value Multiples



**Figure 2.** 2019-2022 median revenue and value comparison through Q3 2022.

#### TOP TEN DEALS THROUGH Q3 2022

The top ten deals by value have seen two new additions since our half year report: the previously mentioned Frontline Education acquisition; and Advanced Personnel Management's announced acquisition of Equus Workforce Solutions, a provider of workforce development services, for \$ 154 million.

Of note, six of the top ten deals year-to-date were backed by private equity firms. These six deals, with an aggregate value of \$4 billion, represented almost one-third of transaction value in the 1st 3 Quarters of 2022.

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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. 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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