

Q4 2017 EDUCATION SECTOR OVERVIEW

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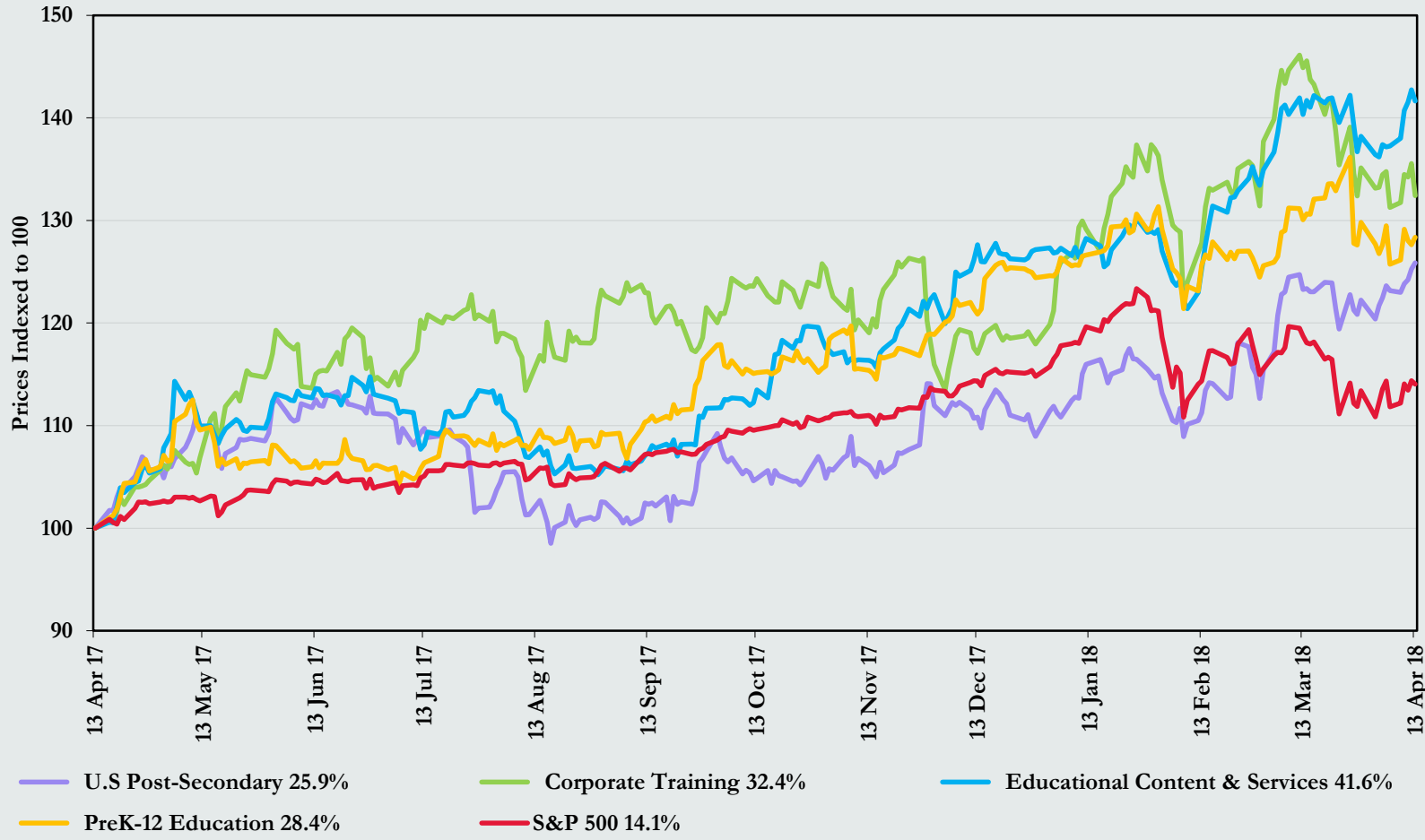
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Overview

Parchman, Vaughan & Company, LLC (“PVC”) is pleased to share with you our quarterly summary of the earnings and other multiples of publicly-traded education firms.

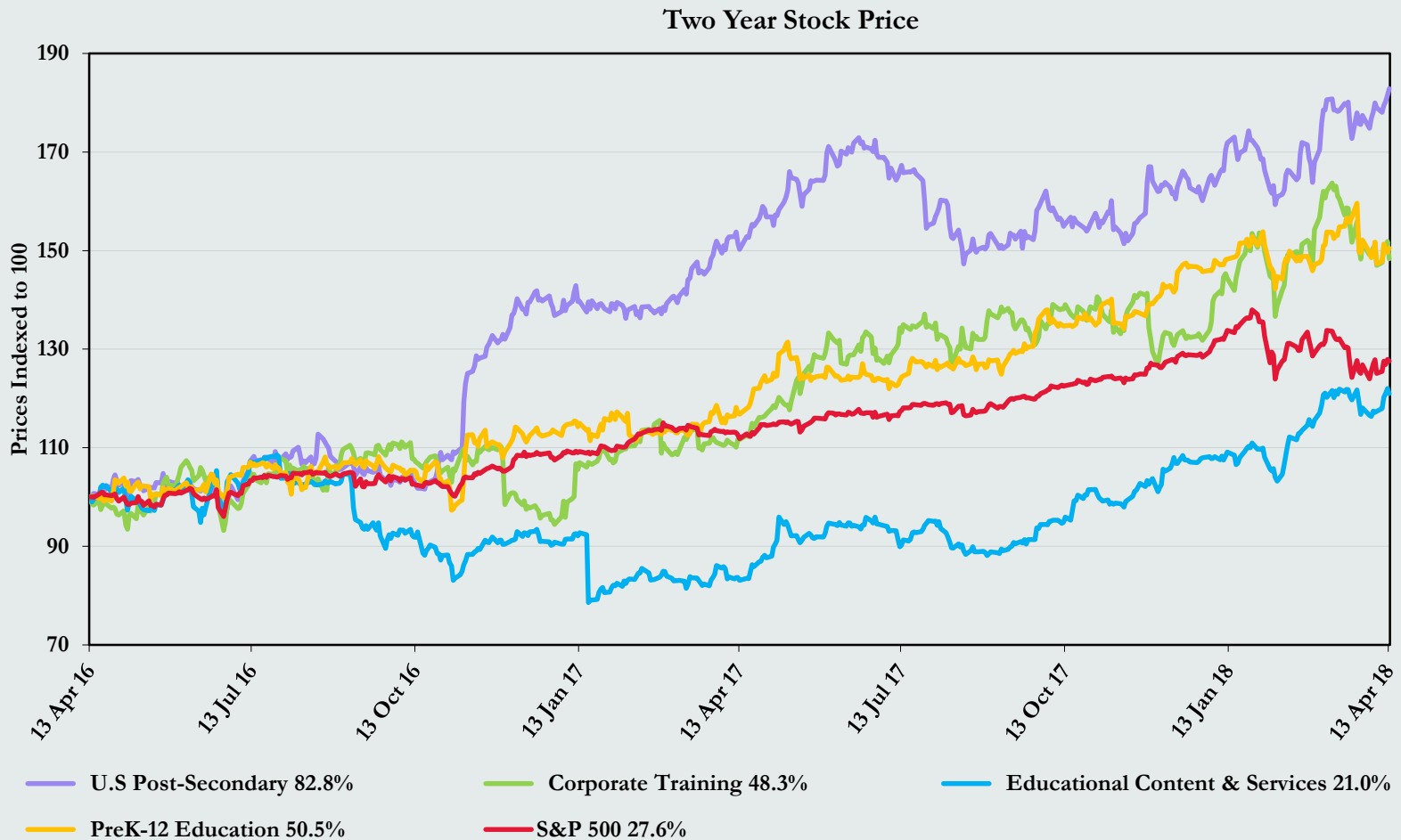
We caution that many factors affect the valuation of firms and these multiples are, at best, a guidepost for how the equity markets view the industry, specifically publicly-traded participants. Growth rates, return on capital invested, visibility of earnings, and a host of other elements influence valuation.

One Year Education Stock Price Performance by Sector



Sources: Capital IQ and PVC

Two Year Education Stock Price Performance by Sector



Sources: Capital IQ and PVC

Education Public Company Valuation Data

U.S. Post-Secondary

| Company Name | Price (04/13/2018) | Enterprise Value (USD MM) | Market Cap (USD MM) | 3-Year Revenue Growth | EBITDA Margin | LTM TEV/Revenue | NTM TEV/Revenue | LTM TEV/EBITDA | NTM TEV/EBITDA | LTM Price/Earnings | NTM Price/Earnings |
|---|-----------------------|---------------------------------|------------------------|-----------------------------|------------------|--------------------|--------------------|-------------------|-------------------|-----------------------|-----------------------|
| Adtalem Global Education Inc. | \$49.50 | \$2,943.9 | \$2,983.7 | (2.1%) | 17.6% | 1.6x | 2.1x | 9.2x | 10.1x | 56.9x | 16.5x |
| American Public Education, Inc. | \$42.40 | \$515.8 | \$695.0 | (5.1%) | 18.6% | 1.7x | 1.7x | 9.7x | 9.6x | 32.9x | 27.1x |
| Bridgepoint Education, Inc. | \$5.95 | (\$25.6) | \$161.6 | (9.2%) | 5.7% | NM | NM | NM | NM | 18.6x | 15.7x |
| Capella Education Company | \$91.55 | \$915.0 | \$1,066.8 | 2.6% | 15.9% | 2.1x | 2.0x | 13.0x | 10.3x | 46.7x | 20.7x |
| Career Education Corporation | \$12.93 | \$719.4 | \$893.7 | (13.3%) | 11.7% | 1.2x | 1.2x | 10.4x | 11.1x | NM | 14.4x |
| Graham Holdings Company | \$609.40 | \$2,918.5 | \$3,351.2 | (1.8%) | 12.4% | 1.1x | NM | 9.2x | NM | 11.3x | NM |
| Grand Canyon Education, Inc. | \$109.50 | \$5,093.6 | \$5,269.7 | 12.1% | 34.6% | 5.2x | 4.8x | 15.1x | 14.0x | 25.9x | 23.3x |
| Laureate Education, Inc. | \$14.40 | \$6,032.5 | \$2,699.9 | (0.3%) | 15.1% | 1.4x | 1.5x | 9.2x | 7.8x | NM | 17.8x |
| Lincoln Educational Services Corporation | \$1.94 | \$86.0 | \$47.9 | 6.3% | 0.9% | 0.3x | 0.3x | 36.4x | 15.8x | NM | NM |
| National American University Holdings, Inc. | \$1.04 | \$32.0 | \$25.3 | (12.8%) | (4.9%) | 0.4x | NM | NM | NM | NM | NM |
| Strayer Education, Inc. | \$104.89 | \$966.5 | \$1,122.5 | 0.7% | 16.1% | 2.1x | 2.1x | 13.2x | 12.1x | 57.0x | 27.7x |
| Universal Technical Institute, Inc. | \$3.10 | \$96.0 | \$77.5 | (5.2%) | 2.8% | 0.3x | 0.3x | 13.0x | 8.0x | NM | NM |
| Mean | | \$1,577.2 | \$1,401.0 | (2.4%) | 11.7% | 1.6x | 1.8x | 14.3x | 11.1x | 32.1x | 20.9x |
| Median | | \$719.4 | \$893.7 | (1.8%) | 12.4% | 1.3x | 1.6x | 13.0x | 10.7x | 29.4x | 20.7x |

Corporate Training

| Company Name | Price (04/13/2018) | Enterprise Value (USD MM) | Market Cap (USD MM) | 3-Year Revenue Growth | EBITDA Margin | LTM TEV/Revenue | NTM TEV/Revenue | LTM TEV/EBITDA | NTM TEV/EBITDA | LTM Price/Earnings | NTM Price/Earnings |
|---------------------------|-----------------------|---------------------------------|------------------------|-----------------------------|------------------|--------------------|--------------------|-------------------|-------------------|-----------------------|-----------------------|
| Gartner, Inc. | \$115.06 | \$13,215.0 | \$10,475.1 | 17.9% | 11.5% | 4.0x | 3.2x | 34.6x | 17.2x | NM | 29.8x |
| Franklin Covey Co. | \$25.80 | \$395.7 | \$358.6 | (1.9%) | 3.3% | 2.0x | 1.8x | 60.3x | 22.7x | NM | NM |
| GP Strategies Corporation | \$21.80 | \$406.7 | \$361.7 | 0.5% | 6.2% | 0.8x | 0.8x | 12.8x | 7.9x | 28.7x | 15.1x |
| Workday, Inc. | \$124.71 | \$24,662.0 | \$26,438.5 | 39.6% | (7.8%) | 11.5x | 9.2x | NM | 49.3x | NM | 103.7x |
| Mean | | \$9,669.9 | \$9,408.5 | 14.0% | 3.3% | 4.6x | 3.7x | 35.9x | 24.3x | 28.7x | 49.5x |
| Median | | \$6,810.9 | \$5,418.4 | 9.2% | 4.8% | 3.0x | 2.5x | 34.6x | 19.9x | 28.7x | 29.8x |

Sources: Capital IQ and PVC

Education Public Company Valuation Data

Educational Content & Services

| Company Name | Price (04/13/2018) | Enterprise Value (USD MM) | Market Cap (USD MM) | 3-Year Revenue Growth | EBITDA Margin | LTM TEV/Revenue | NTM TEV/Revenue | LTM TEV/EBITDA | NTM TEV/EBITDA | LTM Price/Earnings | NTM Price/Earnings |
|-------------------------------------|-----------------------|---------------------------------|------------------------|-----------------------------|------------------|--------------------|--------------------|-------------------|-------------------|-----------------------|-----------------------|
| 2U, Inc. | \$83.28 | \$4,189.4 | \$4,390.2 | 37.5% | (3.7%) | 14.6x | 10.4x | NM | 255.4x | NM | NM |
| Barnes & Noble Education, Inc. | \$6.95 | \$416.7 | \$326.1 | 6.7% | 5.9% | 0.2x | 0.2x | 3.2x | 3.5x | NM | 10.9x |
| Cambium Learning Group, Inc. | \$11.55 | \$580.5 | \$541.2 | 3.7% | 19.3% | 3.7x | NM | 19.0x | NM | 12.2x | NM |
| Chegg, Inc. | \$21.75 | \$2,183.5 | \$2,391.7 | (5.8%) | (0.9%) | 8.6x | 7.3x | NM | 29.0x | NM | 47.0x |
| Educational Development Corporation | \$25.75 | \$133.3 | \$105.3 | 56.1% | 8.3% | 1.1x | NM | 13.7x | NM | 20.9x | NM |
| Houghton Mifflin Harcourt Company | \$7.45 | \$1,453.6 | \$919.3 | 0.8% | 5.7% | 1.0x | 1.0x | 18.0x | 6.9x | NM | NM |
| Instructure, Inc. | \$40.35 | \$1,342.0 | \$1,383.4 | NM | (29.3%) | 8.5x | 6.5x | NM | NM | NM | NM |
| John Wiley & Sons, Inc. | \$65.85 | \$4,082.2 | \$3,782.2 | (1.2%) | 18.4% | 2.3x | 2.3x | 12.5x | 10.0x | 20.6x | 20.0x |
| Pearson plc | \$10.88 | \$9,567.3 | \$8,559.4 | (0.2%) | 12.3% | 1.5x | 1.6x | 10.6x | 9.8x | 15.3x | 15.3x |
| Rosetta Stone Inc. | \$13.13 | \$254.4 | \$295.1 | (11.0%) | 4.7% | 1.4x | 1.5x | 29.2x | NM | NM | NM |
| Scholastic Corporation | \$40.02 | \$1,035.2 | \$1,390.1 | 4.3% | 6.5% | 0.6x | 0.6x | 9.8x | 8.1x | NM | 25.2x |
| | Mean | \$2,294.4 | \$2,189.4 | 9.1% | 4.3% | 4.0x | 3.5x | 14.5x | 46.1x | 17.3x | 23.7x |
| | Median | \$1,342.0 | \$1,383.4 | 2.3% | 5.9% | 1.5x | 1.6x | 13.1x | 9.8x | 18.0x | 20.0x |

PreK-12 Education

| Company Name | Price (04/13/2018) | Enterprise Value (USD MM) | Market Cap (USD MM) | 3-Year Revenue Growth | EBITDA Margin | LTM TEV/Revenue | NTM TEV/Revenue | LTM TEV/EBITDA | NTM TEV/EBITDA | LTM Price/Earnings | NTM Price/Earnings |
|---------------------------------------|-----------------------|---------------------------------|------------------------|-----------------------------|------------------|--------------------|--------------------|-------------------|-------------------|-----------------------|-----------------------|
| Bright Horizons Family Solutions Inc. | \$98.80 | \$6,875.7 | \$5,715.1 | 8.8% | 17.5% | 3.9x | 3.6x | 22.6x | 19.1x | 38.2x | 31.4x |
| K12 Inc. | \$13.72 | \$406.6 | \$568.2 | (1.9%) | 4.2% | 0.5x | 0.5x | 11.1x | 3.6x | 70.3x | 39.6x |
| | Mean | \$406.6 | \$568.2 | (1.9%) | 4.2% | 0.5x | 0.5x | 11.1x | 3.6x | 70.3x | 39.6x |
| | Median | \$406.6 | \$568.2 | (1.9%) | 4.2% | 0.5x | 0.5x | 11.1x | 3.6x | 70.3x | 39.6x |

Sources: Capital IQ and PVC

For more information, please visit www.parchmanvaughan.com