

# Q4 2022 EDUCATION SECTOR OVERVIEW



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PARCHMAN, VAUGHAN & COMPANY

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# Overview

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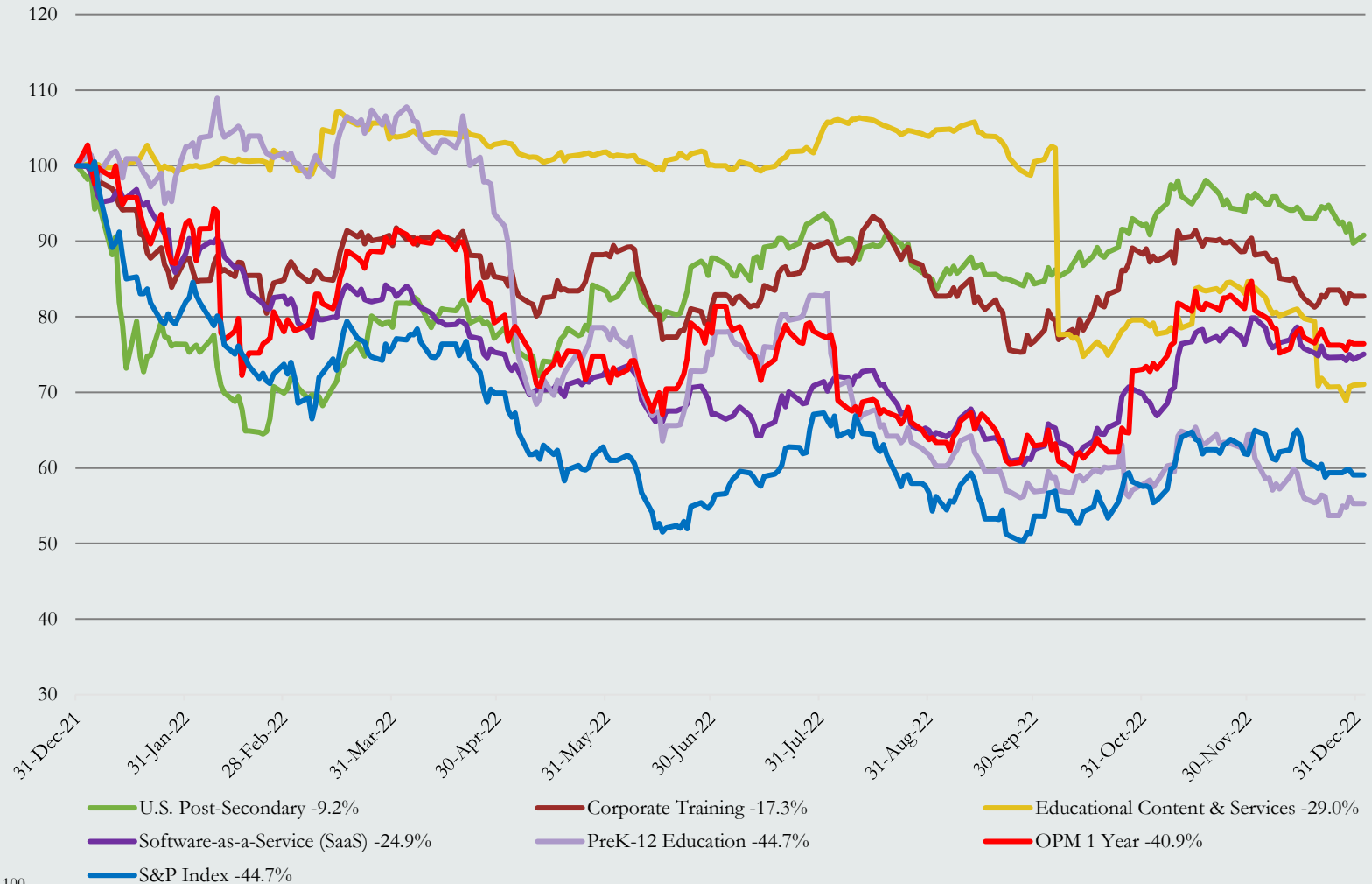
Parchman, Vaughan & Company, L.L.C. (“PVC”) is pleased to share with you our summary of the earnings and other multiples of publicly-traded education firms.

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

## One Year Performance

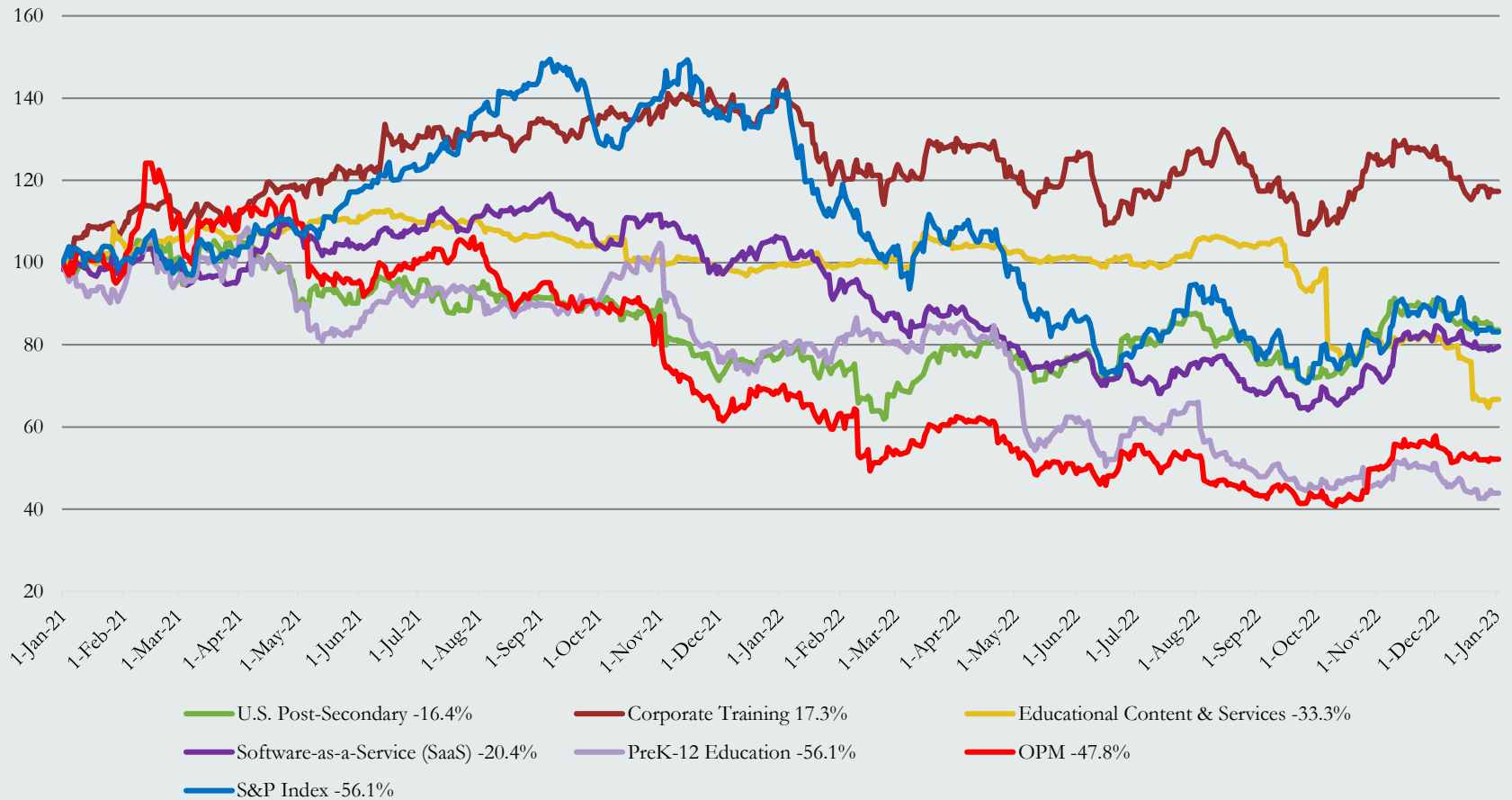


Prices indexed to 100  
 Weighted by market capitalization  
 Sources: PitchBook and PVC



# Two Year Education Stock Price Performance by Sector

Two Year Performance



Prices indexed to 100  
 Weighted by market capitalization  
 Sources: PitchBook and PVC

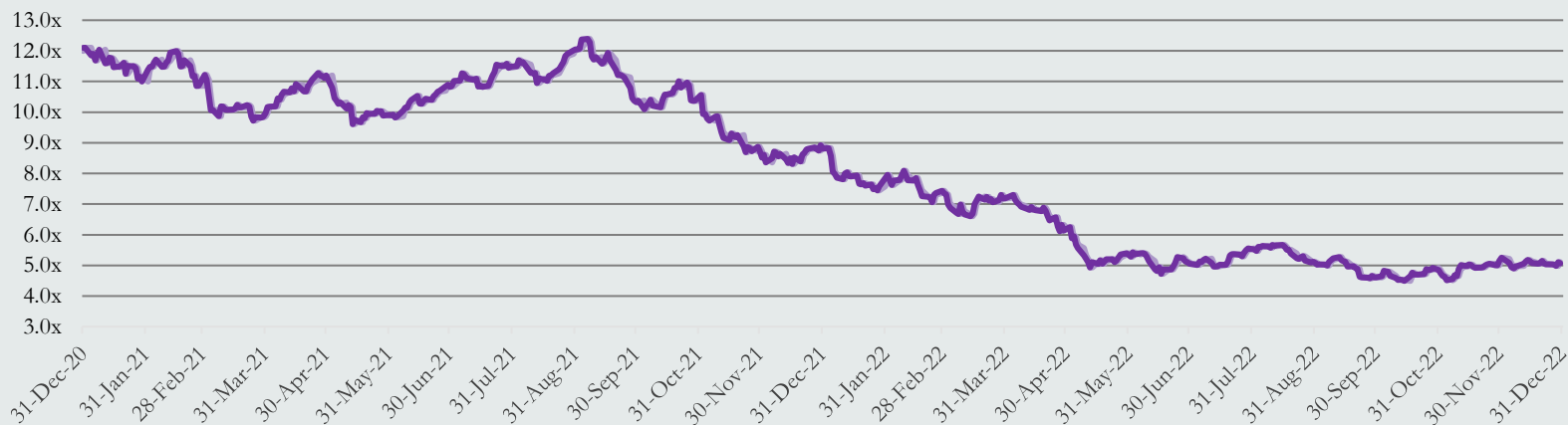


# TTM Market Multiple Trends – SaaS

## TEV/EBITDA Multiples



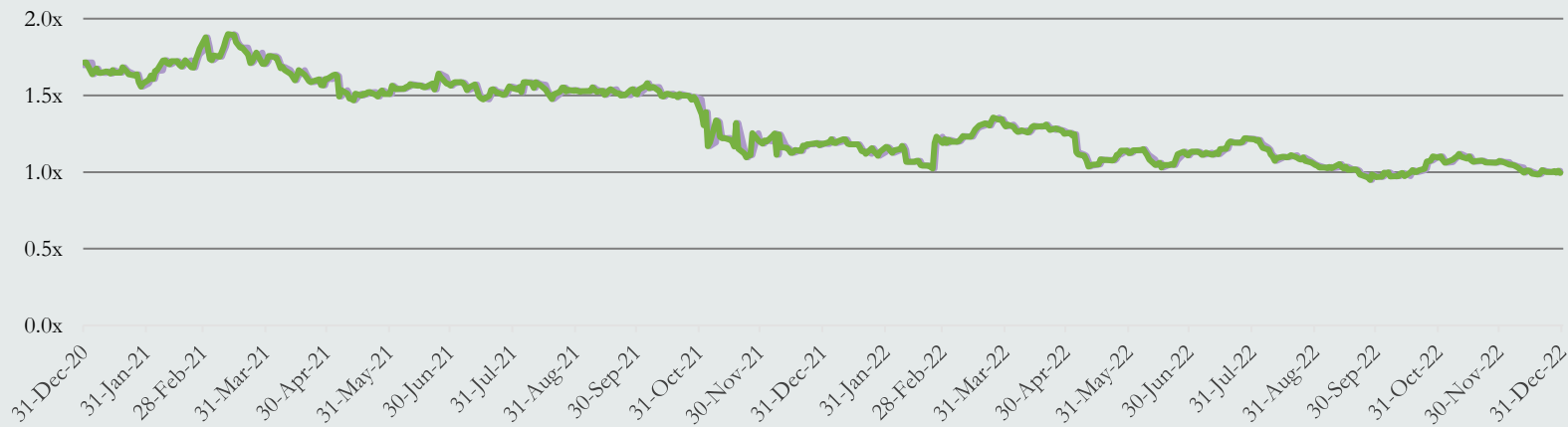
## TEV/Revenue Multiples



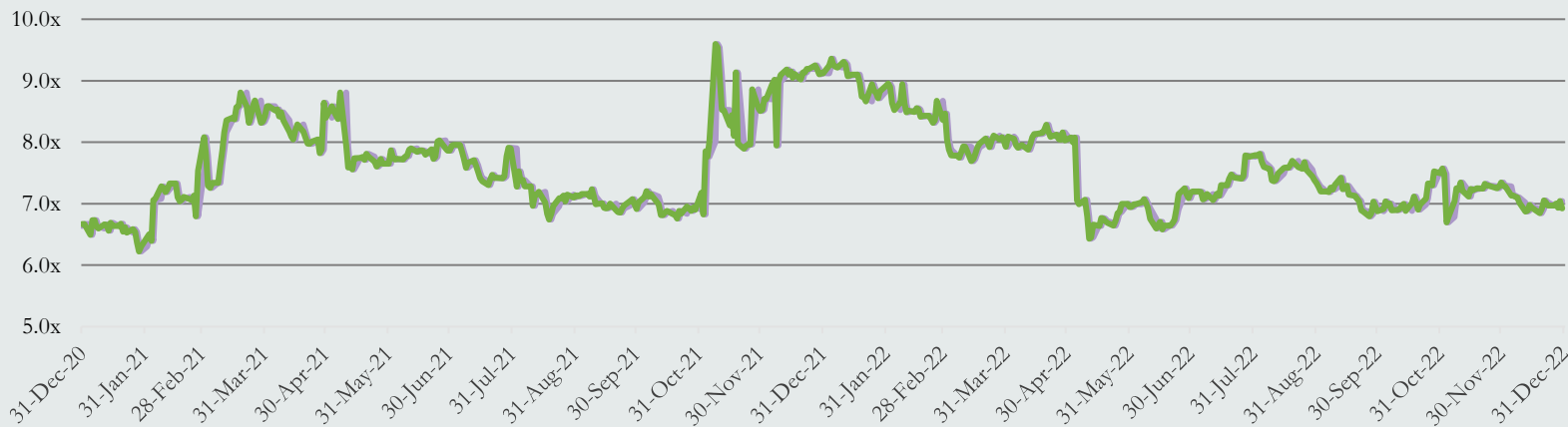
Data as of 12/31/2022. Sources: PitchBook and PVC  
TEV = Total Enterprise Value

# TTM Market Multiple Trends – Post Secondary

## TEV/Revenue Multiples



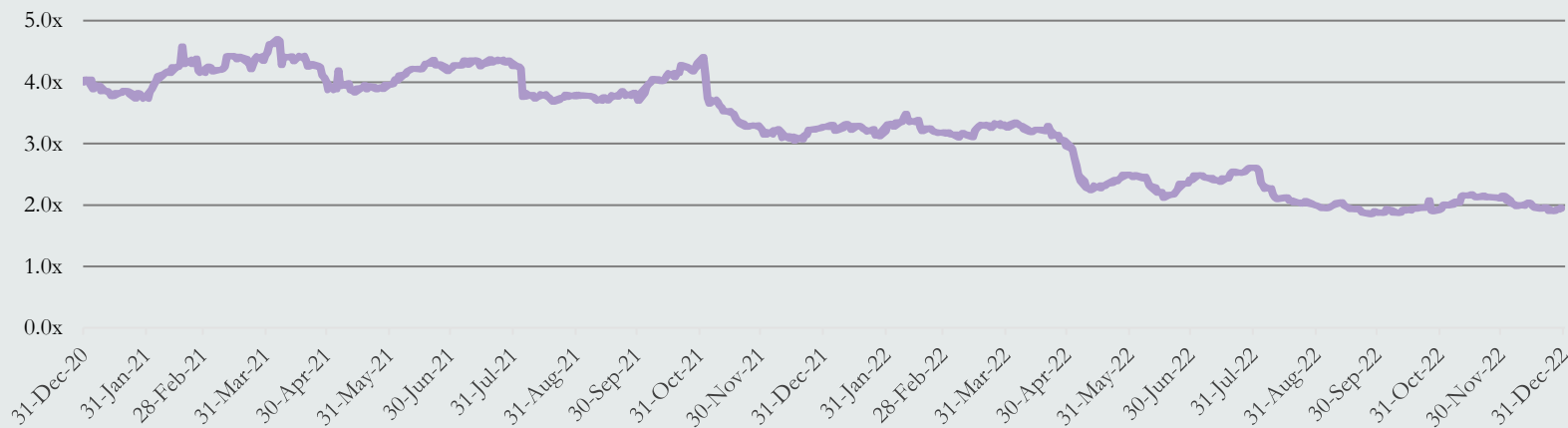
## TEV/EBITDA Multiples



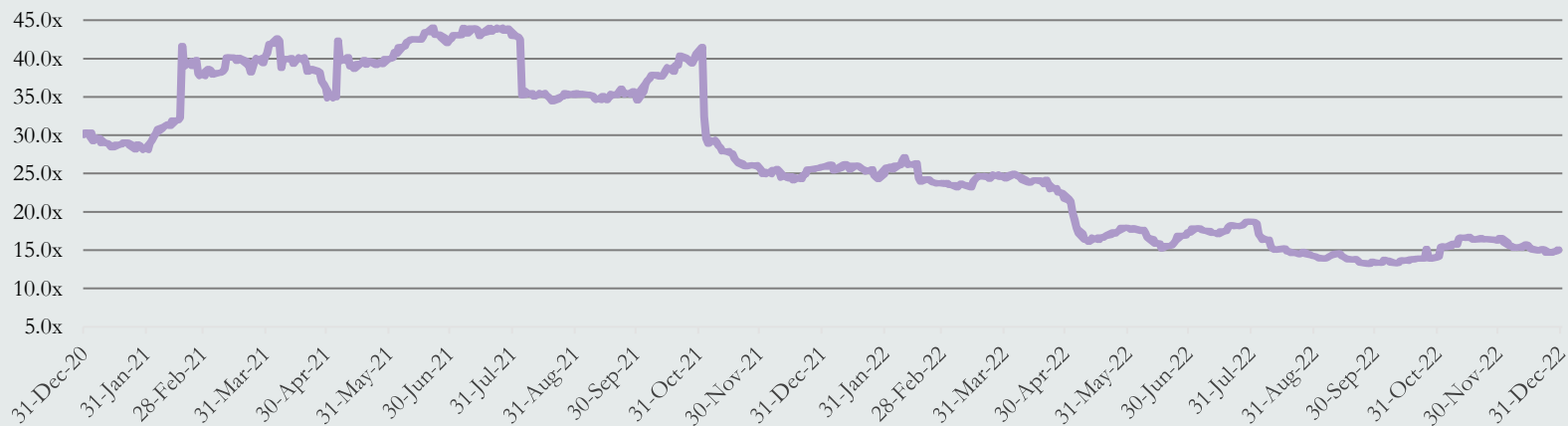
Data as of 12/31/2022. Sources: PitchBook and PVC  
TEV = Total Enterprise Value

# TTM Market Multiple Trends – Pre K-12

## TEV/Revenue Multiples



## TEV/EBITDA Multiples

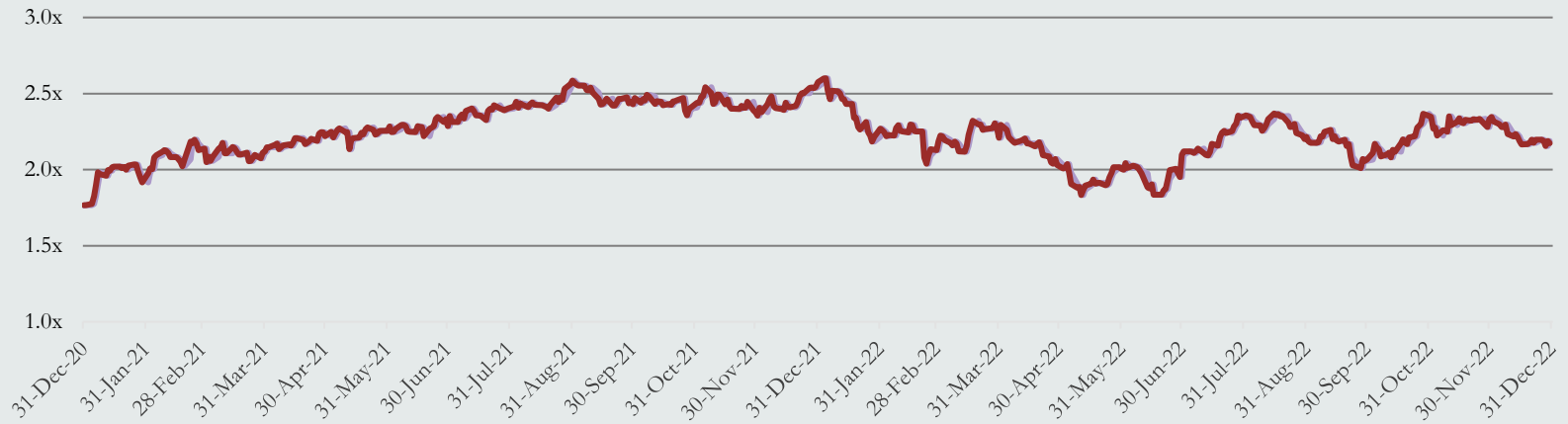


Data as of 12/31/2022. Sources: PitchBook and PVC  
TEV = Total Enterprise Value

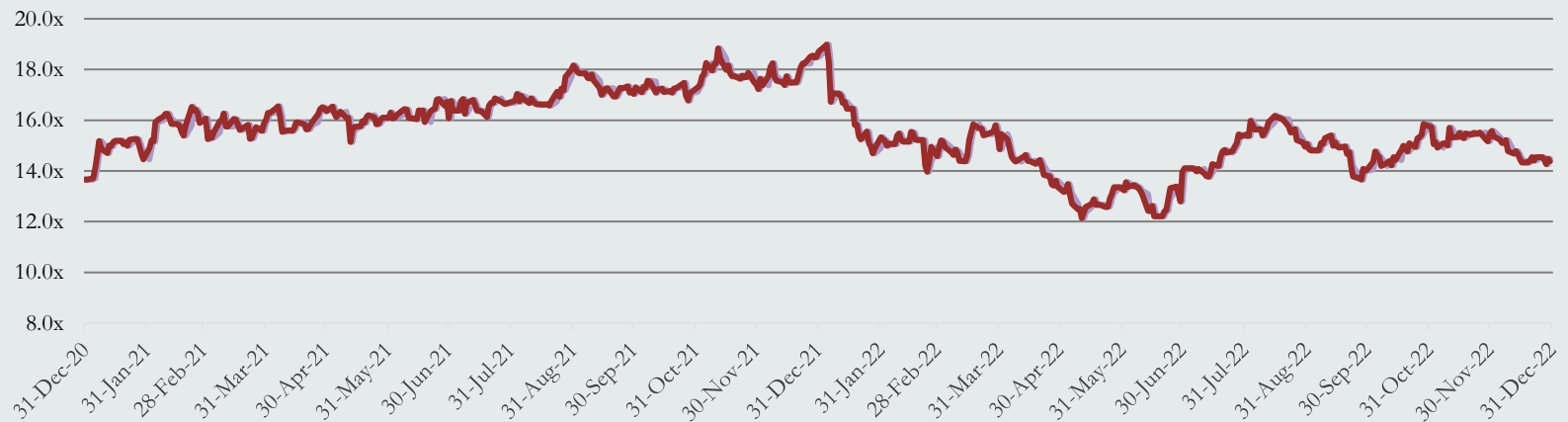


# TTM Market Multiple Trends – Corporate Training

## TEV/Revenue Multiples



## TEV/EBITDA Multiples



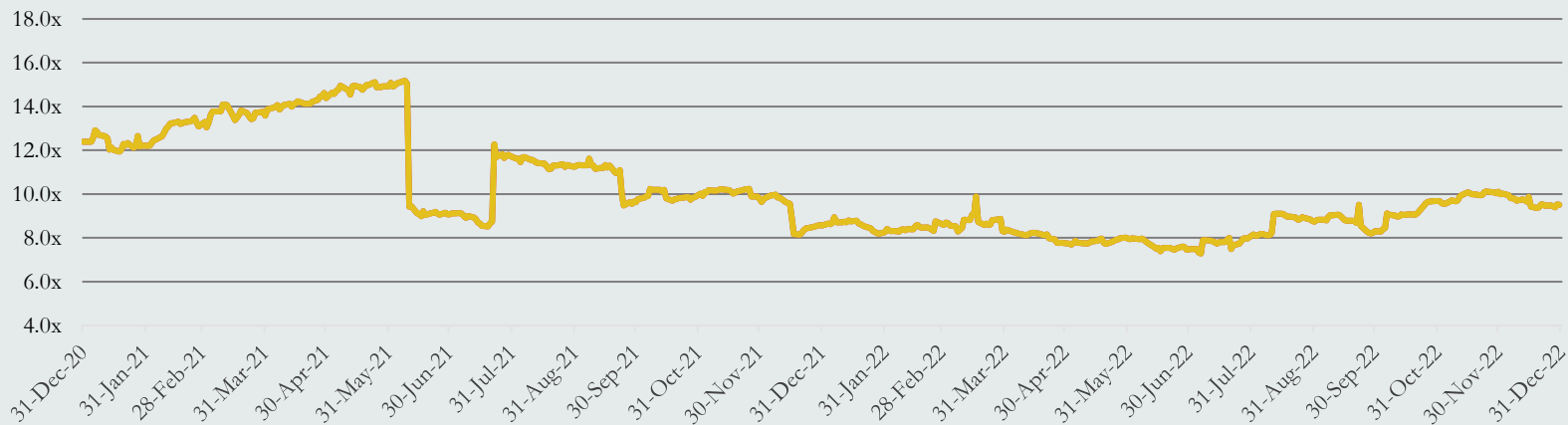
Data as of 12/31/2022. Sources: PitchBook and PVC  
TEV = Total Enterprise Value

# TTM Market Multiple Trends – Educational Content & Services

## TEV/Revenue Multiples



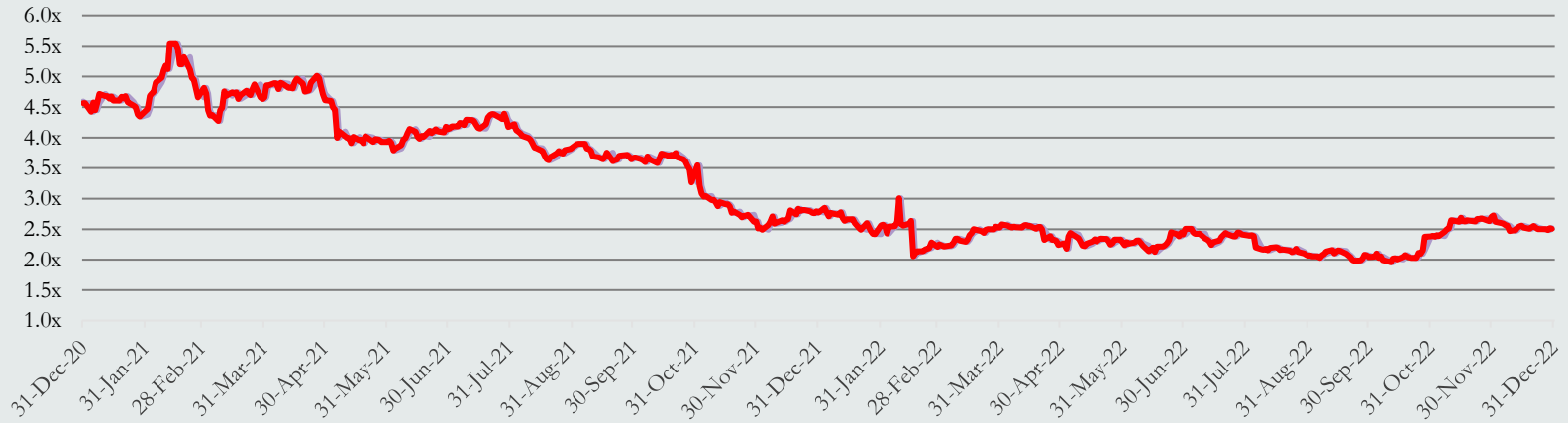
## TEV/EBITDA Multiples



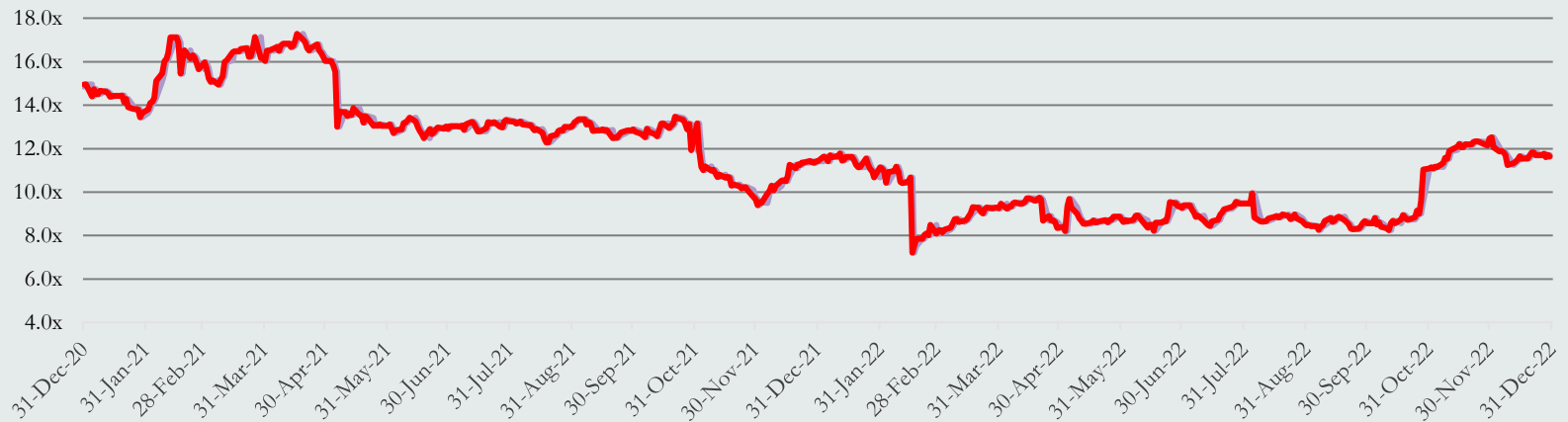
Data as of 12/31/2022. Sources: PitchBook and PVC  
TEV = Total Enterprise Value

# TTM Market Multiple Trends – OPM

## TEV/Revenue Multiples



## TEV/EBITDA Multiples



Data as of 12/31/2022. Sources: PitchBook and PVC  
TEV = Total Enterprise Value

# Education Public Company Valuation Data

## Software-as-a-Service (SaaS)

Company Name	Price (12/31/2022)	Enterprise Value (USD MM)	Market Cap (USD MM)	Revenue Growth 3 Year CAGR	EBITDA Margin	TTM TEV/Revenue	NTM TEV/Revenue	TTM TEV/EBITDA	NTM TEV/EBITDA	TTM Price/Earnings	NTM Price/Earnings
Blackbaud, Inc. (BLKB)	\$58.86	\$4,002.5	\$3,125.3	5.3%	8.4%	3.9x	3.6x	15.7x	12.8x	21.3x	18.1x
Chegg, Inc. (CHGG)	\$25.27	\$3,429.9	\$3,170.8	26.4%	28.2%	4.5x	4.2x	13.1x	12.6x	14.9x	18.2x
Constellation Software, Inc. (CSU)	\$1,559.49	\$34,603.9	\$33,047.9	22.3%	25.1%	5.6x	4.5x	23.2x	17.0x	74.5x	26.3x
D2L, Inc.	\$4.78	\$148.4	\$253.5	NM	(7.0%)	0.9x	0.8x	NM	22.0x	NM	NM
Docebo, Inc. (DCBO)	\$33.01	\$876.4	\$1,086.1	53.2%	2.8%	6.6x	4.8x	NM	64.6x	NM	134.7x
Instructure Holdings, Inc. (INST)	\$23.44	\$3,597.6	\$3,340.3	NM	NM	7.8x	6.9x	20.8x	18.2x	20.0x	20.4x
Learning Technologies Group plc (LTG)	\$1.39	\$1,300.9	\$1,098.7	55.1%	16.2%	2.1x	1.8x	10.3x	7.9x	16.3x	12.0x
PowerSchool Holdings, Inc. (PWSC)	\$23.08	\$5,732.6	\$4,602.7	NM	18.3%	9.3x	8.2x	32.4x	26.1x	32.1x	26.2x
SAP SE (SAP)	\$102.74	\$132,373.2	\$120,167.7	4.1%	20.3%	4.0x	3.8x	13.6x	12.0x	19.3x	17.9x
Sylogist Ltd. (SYZ)	\$4.54	\$119.5	\$108.7	9.9%	29.8%	3.0x	2.7x	9.0x	10.4x	35.4x	45.8x
Tribal Group plc (TRB)	\$0.57	\$127.7	\$120.2	2.4%	12.1%	1.1x	1.3x	6.6x	8.6x	9.1x	14.0x
Tyler Technologies, Inc. (TYL)	\$322.41	\$14,336.4	\$13,425.1	20.8%	20.6%	7.8x	7.1x	30.2x	28.5x	42.5x	41.7x
Mean		\$16,720.7	\$15,295.6	22.2%	15.9%	4.7x	4.1x	17.5x	20.1x	28.5x	34.1x
Median		\$3,513.8	\$3,148.1	20.8%	18.3%	4.2x	4.0x	14.6x	14.9x	20.7x	20.4x

## U.S. Post-Secondary

Company Name	Price (12/31/2022)	Enterprise Value (USD MM)	Market Cap (USD MM)	Revenue Growth 3 Year CAGR	EBITDA Margin	TTM TEV/Revenue	NTM TEV/Revenue	TTM TEV/EBITDA	NTM TEV/EBITDA	TTM Price/Earnings	NTM Price/Earnings
Adtalem Global Education, Inc. (ATGE)	\$35.50	\$2,241.0	\$1,611.9	12.1%	21.6%	1.5x	1.6x	5.5x	6.4x	9.3x	8.9x
American Public Education, Inc. (APEI)	\$12.29	\$346.1	\$232.2	28.2%	(13.9%)	0.6x	0.6x	4.9x	4.9x	4.6x	28.9x
Aspen Group, Inc. (ASPU)	\$0.31	\$41.1	\$7.8	21.8%	(8.2%)	0.6x	0.6x	NM	NM	NM	NM
Laureate Education, Inc. (LAUR)	\$9.62	\$1,697.4	\$1,507.4	11.5%	22.9%	1.4x	1.3x	5.6x	4.6x	26.0x	9.7x
Lincoln Educational Services Corporation (LINC)	\$5.79	\$196.7	\$152.0	8.5%	13.1%	0.6x	0.6x	7.1x	6.5x	20.2x	12.6x
Perdoco Education (PRDO)	\$13.90	\$447.0	\$933.7	3.4%	23.7%	0.7x	0.7x	2.1x	NM	8.1x	10.1x
Strategic Education, Inc. (STRA)	\$78.32	\$1,942.6	\$1,915.2	3.1%	13.0%	1.8x	1.8x	11.3x	10.1x	27.2x	23.2x
Universal Technical Institute, Inc. (UTI)	\$6.72	\$341.4	\$227.0	8.1%	13.1%	0.8x	0.6x	6.1x	5.7x	6.4x	61.1x
Mean		\$906.7	\$823.4	12.1%	10.7%	1.0x	0.9x	6.1x	6.4x	14.5x	22.1x
Median		\$396.6	\$582.9	10.0%	13.1%	0.7x	0.7x	5.6x	6.0x	9.3x	12.6x

## Pre K-12 Education

Company Name	Price (12/31/2022)	Enterprise Value (USD MM)	Market Cap (USD MM)	Revenue Growth 3 Year CAGR	EBITDA Margin	TTM TEV/Revenue	NTM TEV/Revenue	TTM TEV/EBITDA	NTM TEV/EBITDA	TTM Price/Earnings	NTM Price/Earnings
Bright Horizons Family Solutions (BFAM)	\$63.10	\$5,601.0	\$3,644.0	(1.1%)	12.7%	2.9x	2.5x	18.3x	15.2x	25.3x	20.5x
Stride Inc. (LRN)	\$31.28	\$1,723.8	\$1,346.0	18.8%	13.7%	1.0x	1.0x	6.9x	6.5x	13.1x	15.1x
Mean		\$3,662.4	\$2,495.0	8.8%	13.2%	1.9x	1.8x	12.6x	10.8x	19.2x	17.8x
Median		\$3,662.4	\$2,495.0	8.8%	13.2%	1.9x	1.8x	12.6x	10.8x	19.2x	17.8x

Data as of 12/31/2022. Sources: PitchBook and PVC  
NM = Not Measurable

# Education Public Company Valuation Data

## Corporate Training

Company Name	Price (12/31/2022)	Enterprise Value (USD MM)	Market Cap (USD MM)	Revenue Growth 3 Year CAGR	EBITDA Margin	TTM TEV/Revenue	NTM TEV/Revenue	TTM TEV/EBITDA	NTM TEV/EBITDA	TTM Price/Earnings	NTM Price/Earnings
Franklin Covey Company (FC)	\$46.77	\$613.7	\$649.9	5.3%	13.2%	2.3x	2.1x	14.5x	12.8x	26.8x	36.0x
Graham Holdings Company (GHC)	\$604.21	\$3,370.3	\$2,901.2	9.2%	12.0%	0.9x	0.8x	6.1x	NM	12.3x	11.8x
HealthStream, Inc. (HSTM)	\$24.84	\$731.6	\$759.4	1.5%	18.9%	2.8x	2.6x	14.1x	13.0x	57.4x	73.1x
NV5 Global, Inc. (NVEE)	\$132.32	\$2,099.1	\$2,058.9	16.9%	15.2%	2.7x	2.5x	14.7x	13.3x	26.6x	21.9x
Skillsoft Corp. (SKIL)	\$1.30	\$686.1	\$213.8	NM	NM	NM	1.3x	NM	6.0x	NM	NM
	Mean	\$1,500.1	\$1,316.6	8.2%	14.8%	2.2x	1.8x	12.4x	11.3x	30.8x	35.7x
	Median	\$731.6	\$759.4	7.2%	14.2%	2.5x	2.1x	14.3x	12.9x	26.7x	28.9x

## Educational Content & Services

Company Name	Price (12/31/2022)	Enterprise Value (USD MM)	Market Cap (USD MM)	Revenue Growth 3 Year CAGR	EBITDA Margin	TTM TEV/Revenue	NTM TEV/Revenue	TTM TEV/EBITDA	NTM TEV/EBITDA	TTM Price/Earnings	NTM Price/Earnings
Barnes & Noble Education, Inc. (BNED)	\$1.75	\$646.5	\$92.0	(7.9%)	(1.1%)	0.4x	0.4x	NM	28.7x	NM	NM
Boxlight Corporation (BOXL)	\$0.31	\$87.2	\$23.0	78.7%	3.5%	0.4x	0.3x	6.1x	3.2x	NM	4.4x
Coursera, Inc. (COUR)	\$11.83	\$963.7	\$1,734.0	NM	(31.0%)	1.9x	1.5x	NM	NM	NM	NM
Duolingo, Inc. (DUOL)	\$71.13	\$2,286.2	\$2,857.3	NM	(17.3%)	6.8x	5.0x	NM	103.0x	NM	NM
Educational Development Corporation (EDUC)	\$3.16	\$74.5	\$27.4	(1.5%)	6.3%	0.7x	0.6x	9.5x	NM	8.7x	7.5x
John Wiley & Sons, Inc. (WJY)	\$40.06	\$3,243.1	\$2,218.2	4.1%	17.6%	1.6x	1.6x	8.1x	7.6x	14.6x	10.8x
Nerdy, Inc. (NRDY)	\$2.25	\$139.2	\$209.8	NM	NM	0.9x	0.7x	NM	NM	NM	NM
Pearson plc (PSO)	\$11.32	\$9,225.0	\$8,109.2	(4.0%)	19.0%	1.9x	1.9x	7.0x	9.5x	26.0x	16.3x
Scholastic Corporation (SCHL)	\$39.46	\$1,172.2	\$1,342.1	1.0%	8.2%	0.7x	NM	6.5x	NM	18.1x	NM
Udemy, Inc. (UDMY)	\$10.55	\$1,011.9	\$1,491.0	NM	(20.4%)	1.7x	1.3x	NM	NM	NM	NM
	Mean	\$1,884.9	\$1,810.4	11.7%	(1.7%)	1.7x	1.5x	7.4x	30.4x	16.8x	9.8x
	Median	\$987.8	\$1,416.5	(0.3%)	3.5%	1.2x	1.3x	7.0x	9.5x	16.4x	9.2x

## OPM

Company Name	Price (12/31/2022)	Enterprise Value (USD MM)	Market Cap (USD MM)	Revenue Growth 3 Year CAGR	EBITDA Margin	TTM TEV/Revenue	NTM TEV/Revenue	TTM TEV/EBITDA	NTM TEV/EBITDA	TTM Price/Earnings	NTM Price/Earnings
2U, Inc. (IWOU)	\$6.27	\$1,363.9	\$490.3	22.6%	(19.8%)	1.4x	1.4x	15.6x	9.1x	NM	29.0x
Grand Canyon Education, Inc. (LOPE)	\$105.66	\$3,262.0	\$3,291.0	6.8%	31.0%	3.6x	3.4x	10.9x	11.1x	18.3x	16.6x
	Mean	\$2,313.0	\$1,890.7	14.7%	5.6%	2.5x	2.4x	13.2x	10.1x	18.3x	22.8x
	Median	\$2,313.0	\$1,890.7	14.7%	5.6%	2.5x	2.4x	13.2x	10.1x	18.3x	22.8x

Data as of 12/31/2022. Sources: PitchBook and PVC  
NM = Not Measurable



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