

2023

# ANNUAL EDUCATION SECTOR OVERVIEW



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PARCHMAN, VAUGHAN & COMPANY

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*Private Investment Bankers*

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# Overview

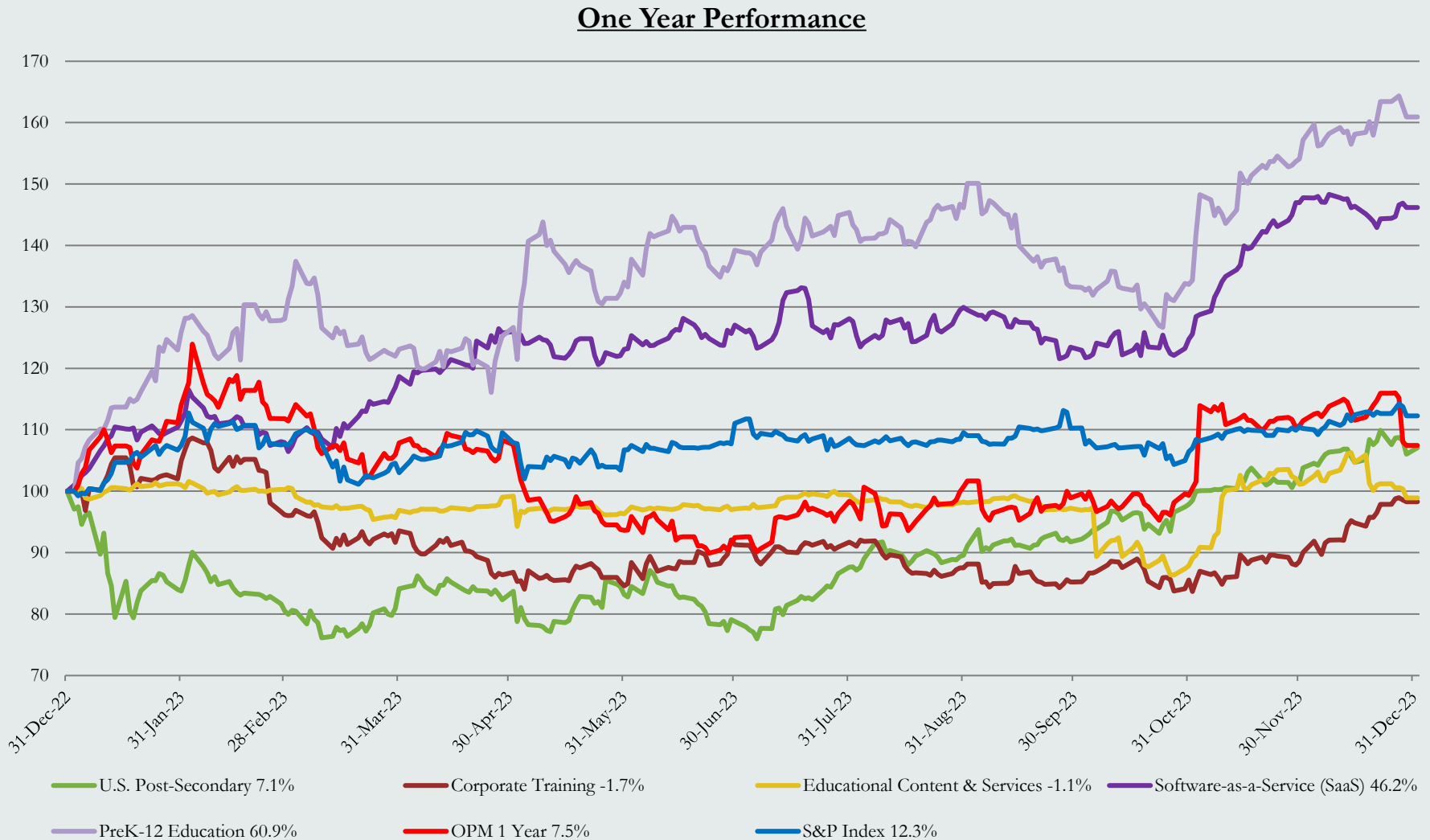
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Parchman, Vaughan & Company, L.L.C. (“PVC”) is pleased to share with you our summary of the earnings and other multiples of publicly-traded education firms.

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.



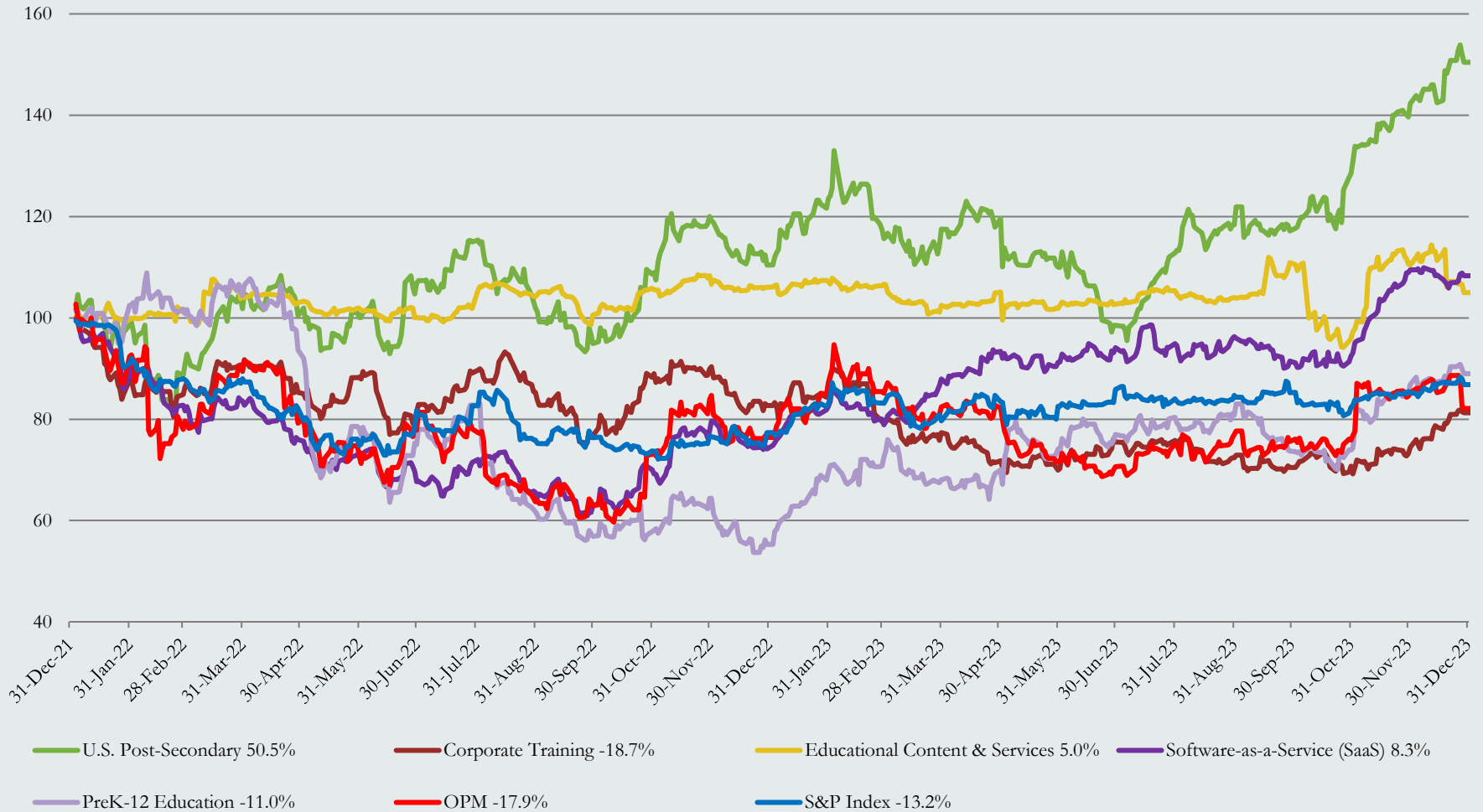
# One Year Education Stock Price Performance by Sector



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

# Two Year Education Stock Price Performance by Sector

## Two Year Performance

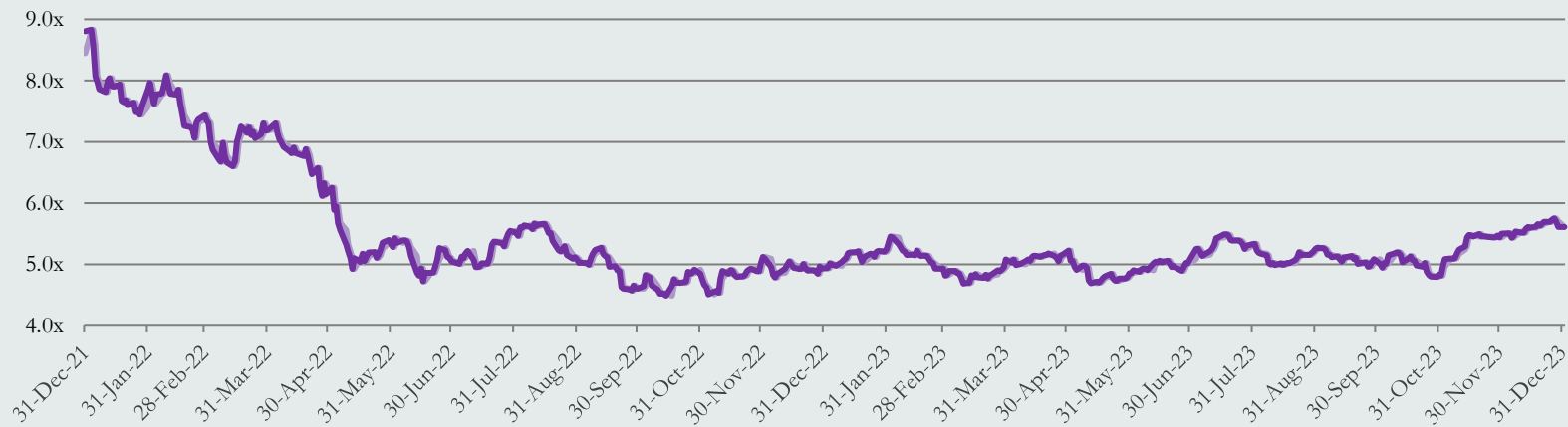


Prices indexed to 100  
 Weighted by market capitalization  
 Sources: PitchBook and PVC



# TTM Market Multiple Trends – SaaS

## TEV/Revenue Multiples



## TEV/EBITDA Multiples



Data as of 12/31/2023. Sources: PitchBook and PVC  
TEV = Total Enterprise Value

# TTM Market Multiple Trends – Post Secondary

## TEV/Revenue Multiples



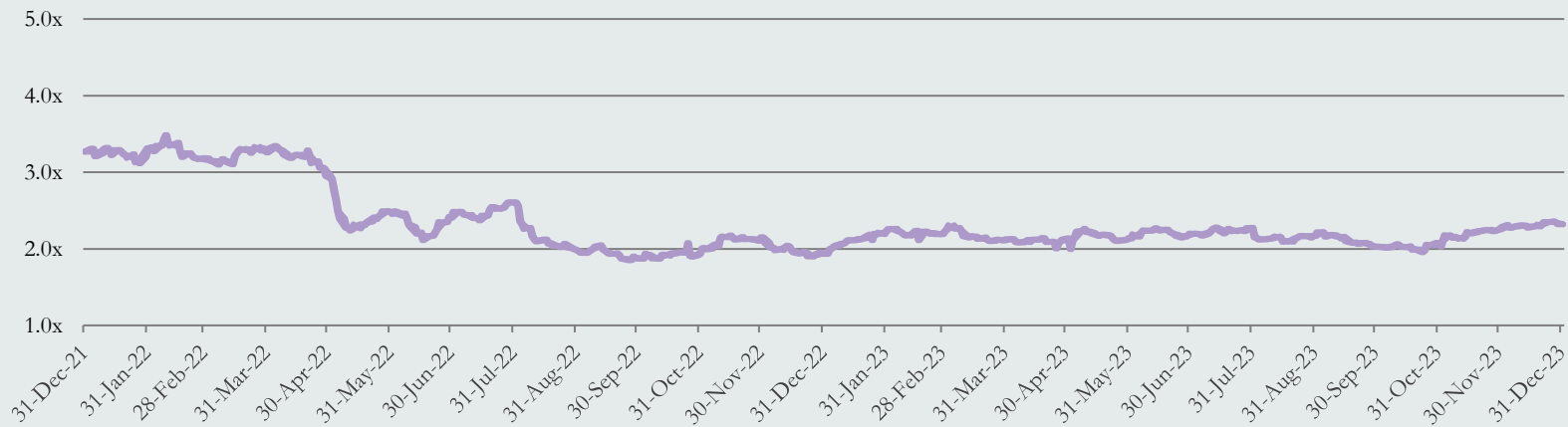
## TEV/EBITDA Multiples



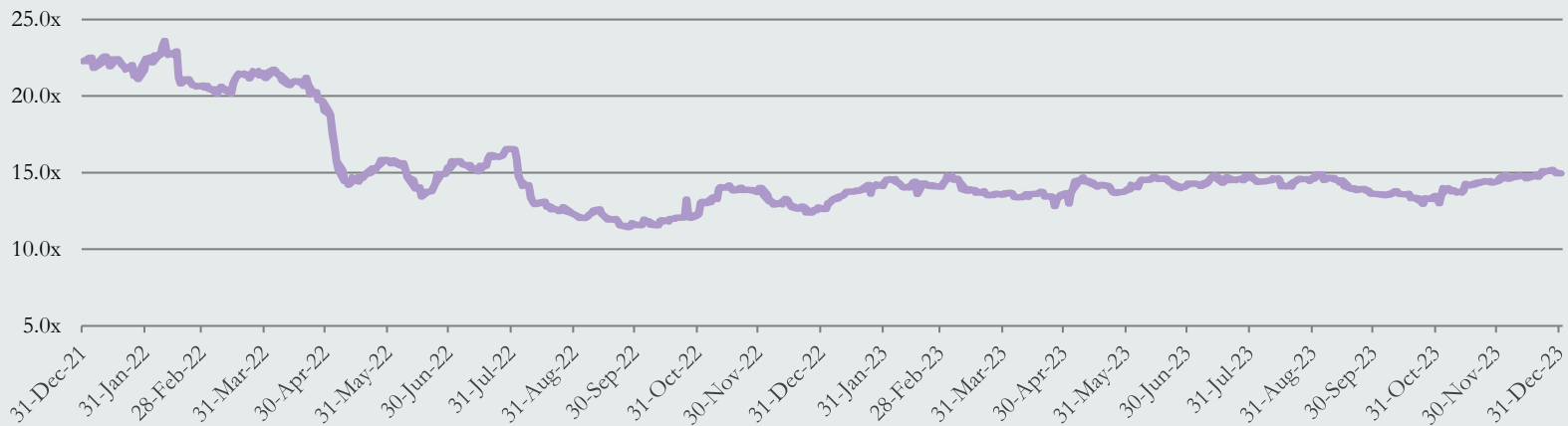
Data as of 12/31/2023. Sources: PitchBook and PVC  
TEV = Total Enterprise Value

# TTM Market Multiple Trends – Pre K-12

## TEV/Revenue Multiples



## TEV/EBITDA Multiples



Data as of 12/31/2023. Sources: PitchBook and PVC  
TEV = Total Enterprise Value



# TTM Market Multiple Trends – Corporate Training

## TEV/Revenue Multiples



## TEV/EBITDA Multiples



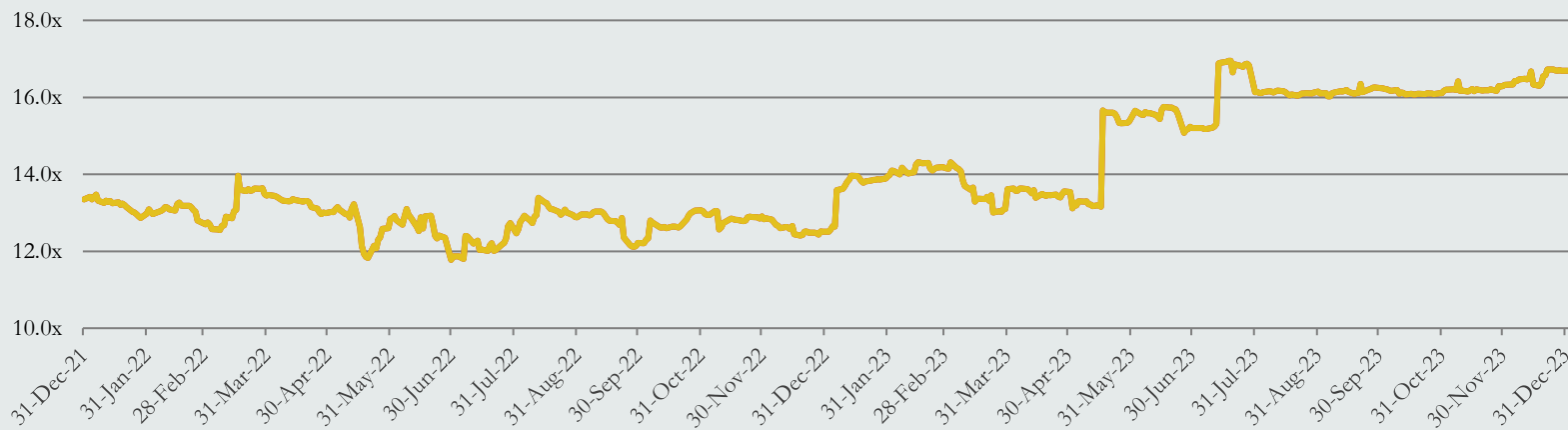
Data as of 12/31/2023. Sources: PitchBook and PVC  
TEV = Total Enterprise Value

# TTM Market Multiple Trends – Educational Content & Services

## TEV/Revenue Multiples



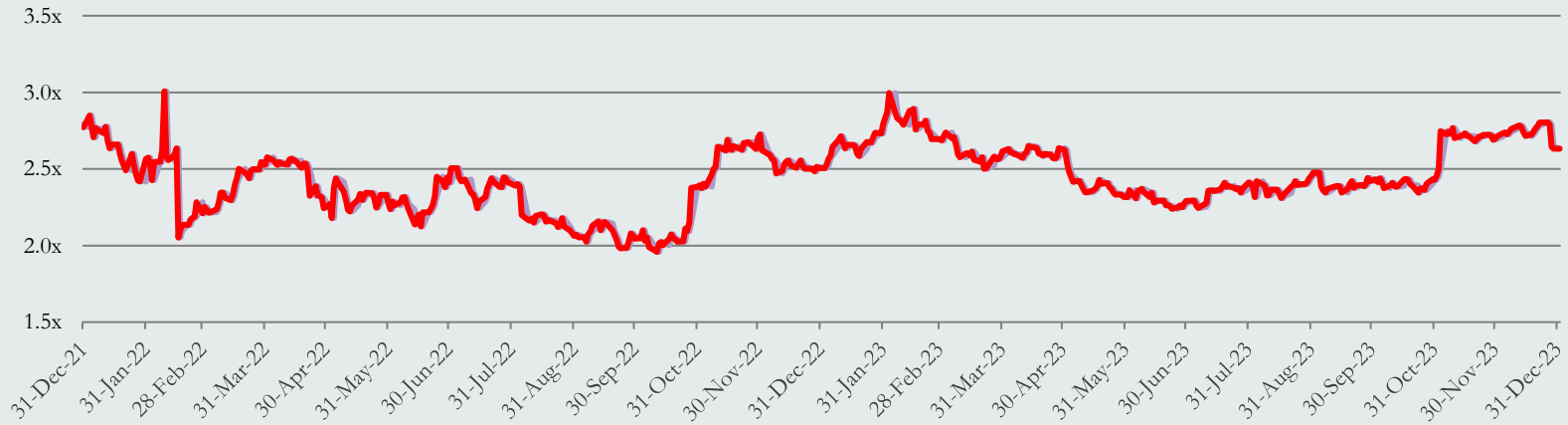
## TEV/EBITDA Multiples



Data as of 12/31/2023. Sources: PitchBook and PVC  
TEV = Total Enterprise Value

# TTM Market Multiple Trends – OPM

## TEV/Revenue Multiples



## TEV/EBITDA Multiples



Data as of 12/31/2023. Sources: PitchBook and PVC  
TEV = Total Enterprise Value

# Education Public Company Valuation Data

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

Company Name	Price (12/31/2023)	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)	\$86.70	\$5,429.1	\$4,669.0	6.1%	9.9%	5.0x	4.5x	16.7x	13.6x	24.7x	19.0x
Chegg, Inc. (CHGG)	\$11.36	\$1,673.2	\$1,315.7	9.1%	18.8%	2.3x	2.3x	7.3x	7.6x	9.9x	9.7x
Constellation Software, Inc. (CSU)	\$2,482.67	\$55,184.6	\$52,611.6	27.4%	19.9%	7.0x	5.6x	34.5x	20.8x	96.7x	32.0x
D2L, Inc. (DTOL)	\$8.09	\$324.5	\$435.0	NM	(7.0%)	NM	1.6x	NM	14.0x	NM	50.6x
Docebo, Inc. (DCBO)	\$48.36	\$1,297.9	\$1,466.1	44.5%	(1.1%)	7.6x	5.9x	NM	41.8x	98.7x	67.6x
Instructure Holdings, Inc. (INST)	\$27.01	\$4,109.2	\$3,908.2	NM	27.2%	7.9x	7.1x	19.9x	17.7x	32.5x	27.6x
Learning Technologies Group plc (LTG)	\$1.03	\$968.3	\$815.6	66.2%	NM	1.3x	1.3x	6.7x	6.1x	11.3x	9.6x
PowerSchool Holdings, Inc. (PWSC)	\$23.56	\$5,754.1	\$4,757.7	NM	21.9%	8.5x	7.3x	25.5x	21.7x	25.6x	23.9x
SAP SE (SAP)	\$154.35	\$179,187.5	\$180,541.3	4.9%	19.1%	5.4x	4.8x	17.3x	14.6x	31.7x	22.6x
Sylogist Ltd. (SYZ)	\$5.64	\$135.9	\$132.9	NM	NM	NM	2.5x	NM	9.3x	NM	31.1x
Tribal Group plc (TRB)	\$0.71	\$167.3	\$149.7	3.6%	9.0%	1.6x	1.6x	16.5x	11.3x	65.2x	17.5x
Tyler Technologies, Inc. (TYL)	\$418.12	\$18,258.7	\$17,613.0	19.7%	20.2%	9.5x	8.6x	38.0x	33.3x	55.3x	47.5x
Mean		\$22,707.5	\$22,368.0	22.7%	13.8%	5.6x	4.4x	20.3x	17.6x	45.2x	29.9x
Median		\$2,891.2	\$2,687.2	14.4%	19.0%	6.2x	4.7x	17.3x	14.3x	32.1x	25.7x

## U.S. Post-Secondary

Company Name	Price (12/31/2023)	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)	\$58.95	\$2,977.4	\$2,347.9	18.5%	21.0%	2.0x	2.0x	8.7x	8.6x	13.8x	13.5x
American Public Education, Inc. (APEI)	\$9.65	\$289.3	\$171.6	24.6%	(5.6%)	0.5x	0.5x	5.9x	4.6x	NM	NM
Laureate Education, Inc. (LAUR)	\$13.71	\$2,551.0	\$2,157.5	9.2%	24.2%	1.8x	1.6x	6.7x	5.8x	11.4x	10.7x
Lincoln Educational Services Corporation (LINC)	\$10.04	\$351.6	\$314.8	8.8%	11.5%	1.0x	0.9x	13.3x	11.4x	20.1x	20.9x
Perdoceo Education (PRDO)	\$17.56	\$586.9	\$1,153.5	3.0%	26.6%	0.8x	0.9x	2.3x	3.6x	8.2x	9.2x
Strategic Education, Inc. (STRA)	\$92.33	\$2,264.4	\$2,255.3	2.4%	12.7%	2.1x	1.9x	13.0x	10.4x	32.3x	21.5x
Universal Technical Institute, Inc. (UTI)	\$12.52	\$866.3	\$668.2	26.4%	11.1%	1.4x	1.2x	13.5x	8.7x	19.4x	21.0x
Mean		\$1,412.4	\$1,295.5	13.3%	14.5%	1.4x	1.3x	9.0x	7.6x	17.5x	16.2x
Median		\$866.3	\$1,153.5	9.2%	12.7%	1.4x	1.2x	8.7x	8.6x	16.6x	17.2x

## Pre K-12 Education

Company Name	Price (12/31/2023)	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)	\$94.24	\$7,303.0	\$5,457.0	12.0%	12.6%	3.1x	2.8x	21.3x	18.3x	33.9x	29.8x
Stride Inc. (LRN)	\$59.37	\$2,866.6	\$2,573.4	17.9%	17.4%	1.5x	1.4x	8.6x	7.8x	14.8x	15.1x
Mean		\$5,084.8	\$4,015.2	15.0%	15.0%	2.3x	2.1x	14.9x	13.0x	24.4x	22.5x
Median		\$5,084.8	\$4,015.2	15.0%	15.0%	2.3x	2.1x	14.9x	13.0x	24.4x	22.5x

Data as of 12/31/2023. Sources: PitchBook and PVC  
NM = Not Measurable

# Education Public Company Valuation Data

## Corporate Training

Company Name	Price (12/31/2023)	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)	\$43.53	\$555.0	\$577.9	12.2%	12.8%	2.0x	1.9x	11.5x	10.0x	23.6x	25.2x
Graham Holdings Company (GHC)	\$696.52	\$3,617.8	\$3,165.2	14.6%	17.0%	0.8x	0.7x	4.7x	NM	13.7x	12.3x
HealthStream, Inc. (HSTM)	\$27.03	\$767.8	\$818.6	4.1%	20.4%	2.8x	2.6x	13.0x	11.8x	49.6x	55.2x
NV5 Global, Inc. (NVEE)	\$111.12	\$1,963.0	\$1,766.4	9.9%	13.2%	2.3x	2.1x	14.8x	12.8x	27.5x	20.1x
Skillsoft Corp. (SKIL)	\$17.58	\$650.6	\$141.8	NM	NM	1.2x	1.1x	6.1x	5.2x	NM	NM
<b>Mean</b>		\$1,510.8	\$1,294.0	10.2%	15.8%	1.8x	1.7x	10.0x	9.9x	28.6x	28.2x
<b>Median</b>		\$767.8	\$818.6	11.0%	15.1%	2.0x	1.9x	11.5x	10.9x	25.6x	22.7x

## Educational Content & Services

Company Name	Price (12/31/2023)	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)	\$1.49	\$584.7	\$79.2	(0.5%)	(0.6%)	0.4x	0.4x	50.1x	15.0x	NM	NM
Boxlight Corporation (BOXL)	\$1.07	\$73.4	\$10.3	84.1%	(0.3%)	0.4x	0.4x	4.5x	5.7x	NM	NM
Coursera, Inc. (COUR)	\$19.37	\$2,242.2	\$2,954.8	NM	(24.9%)	3.7x	3.1x	NM	NM	NM	NM
Duolingo, Inc. (DUOL)	\$226.85	\$8,855.1	\$9,530.8	NM	(6.2%)	18.3x	12.8x	NM	NM	NM	NM
Educational Development Corporation (EDUC)	\$1.16	\$52.2	\$9.9	(23.7%)	4.3%	0.7x	NM	14.0x	NM	NM	NM
John Wiley & Sons, Inc. (WJY)	\$31.74	\$2,724.4	\$1,745.3	1.7%	5.7%	1.4x	1.5x	7.0x	8.5x	9.6x	14.1x
Nerdy, Inc. (NRDY)	\$3.43	\$306.5	\$358.1	NM	(38.7%)	1.7x	1.3x	NM	34.2x	NM	98.0x
Pearson plc (PSO)	\$12.28	\$9,886.7	\$8,573.6	3.6%	25.6%	2.1x	2.1x	6.9x	8.9x	21.3x	14.9x
Scholastic Corporation (SCHL)	\$37.70	\$1,090.7	\$1,126.4	8.7%	7.9%	0.7x	0.7x	6.7x	6.2x	19.6x	17.4x
Udemy, Inc. (UDMY)	\$14.73	\$1,787.7	\$2,258.5	NM	(18.3%)	2.5x	2.1x	NM	74.5x	NM	NM
<b>Mean</b>		\$2,760.4	\$2,664.7	12.3%	(4.5%)	3.2x	2.7x	14.9x	21.9x	16.9x	36.1x
<b>Median</b>		\$1,439.2	\$1,435.9	2.7%	(0.5%)	1.5x	1.5x	7.0x	8.9x	19.6x	16.1x

## OPM

Company Name	Price (12/31/2023)	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. (TWOU)	\$1.23	\$1,035.9	\$100.9	8.6%	(10.3%)	1.1x	1.2x	7.5x	7.8x	NM	NM
Grand Canyon Education, Inc. (LOPE)	\$132.04	\$3,904.7	\$3,962.6	4.7%	29.0%	4.1x	3.8x	13.3x	12.1x	19.9x	17.3x
<b>Mean</b>		\$2,470.3	\$2,031.8	6.7%	9.4%	2.6x	2.5x	10.4x	10.0x	19.9x	17.3x
<b>Median</b>		\$2,470.3	\$2,031.8	6.7%	9.4%	2.6x	2.5x	10.4x	10.0x	19.9x	17.3x

Data as of 12/31/2023. Sources: PitchBook and PVC  
NM = Not Measurable

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