

Q3 2018 EDUCATION SECTOR OVERVIEW

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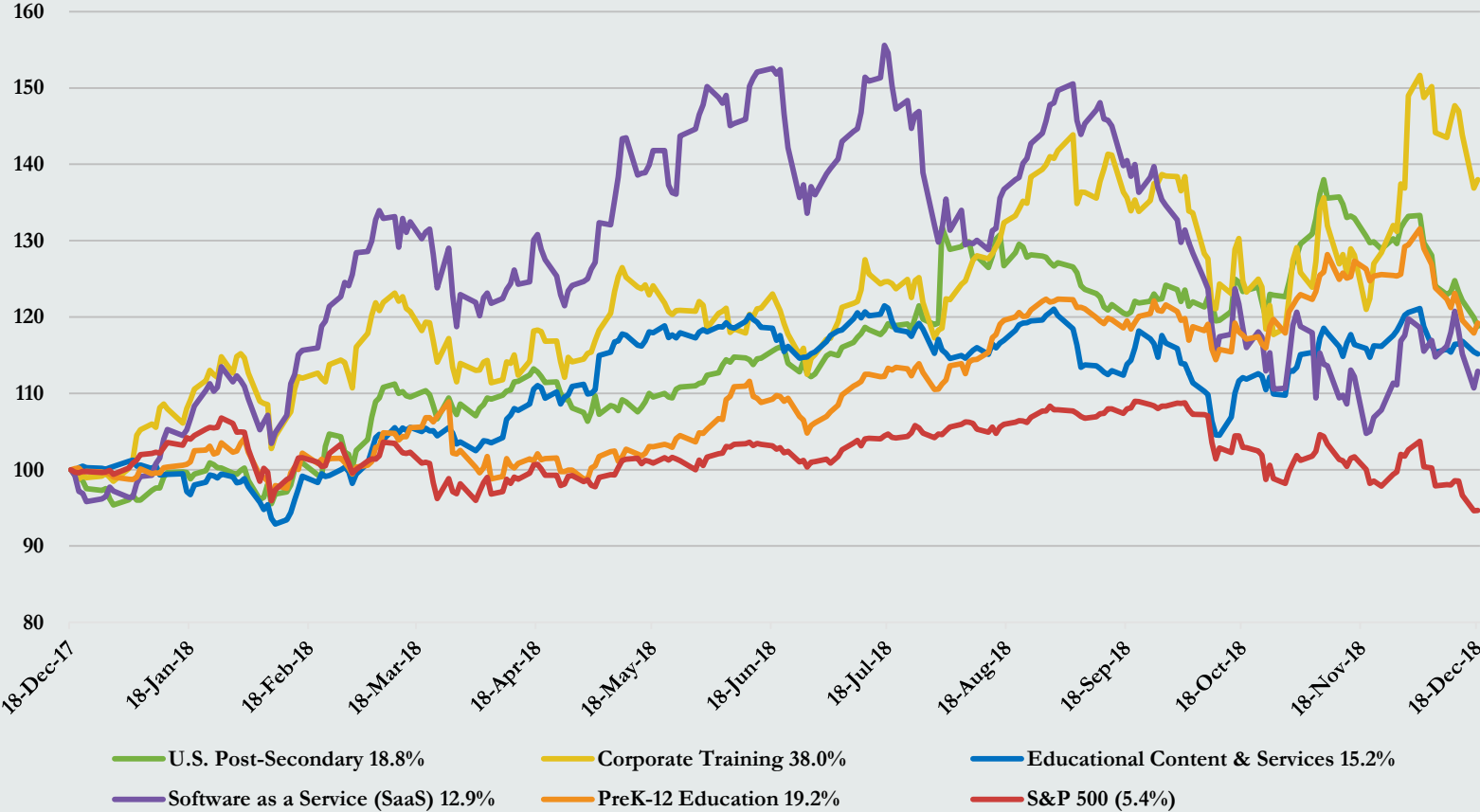
Overview

Parchman, Vaughan & Company, L.L.C. (“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

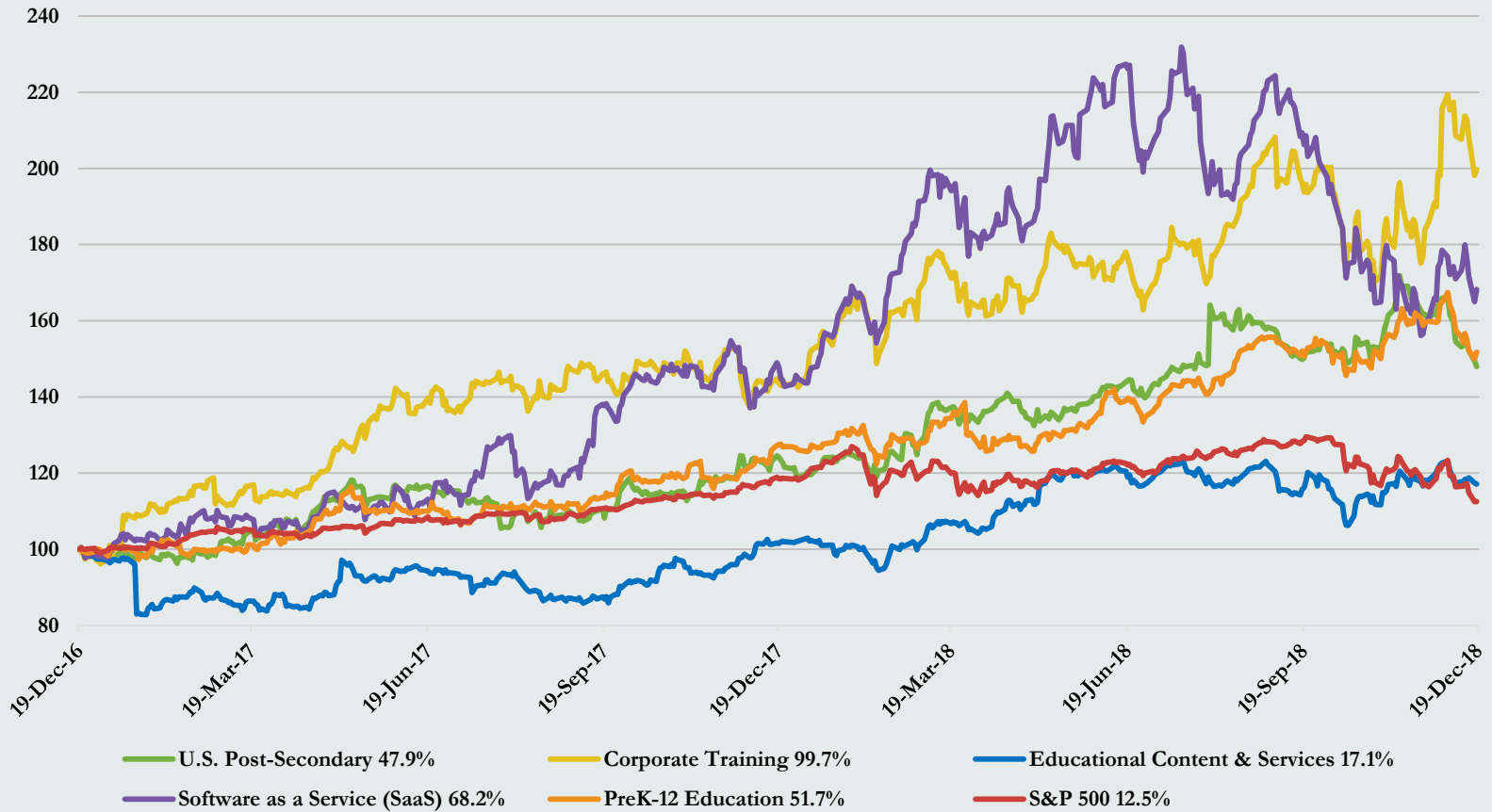
One Year Stock Price



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

Two Year Education Stock Price Performance by Sector

Two Year Stock Price



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

Education Public Company Valuation Data

U.S. Post-Secondary

Company Name	Price (12/24/2018)	Enterprise Value (USD MM)	Market Cap (USD MM)	Revenue Growth 3 Year CAGR	EBITDA Margin	LTM TEV/Revenue	NTM TEV/Revenue	LTM TEV/EBITDA	NTM TEV/EBITDA	LTM Price/Earnings	NTM Price/Earnings
Adtalem Global Education, Inc.	\$44.57	\$2,493.7	\$2,618.3	(14.3%)	15.8%	2.1x	2.0x	10.8x	8.9x	32.3x	15.6x
American Public Education, Inc.	\$26.64	\$239.9	\$437.5	(3.6%)	17.2%	0.8x	0.8x	4.7x	4.5x	17.7x	15.3x
Bridgepoint Education, Inc.	\$6.73	\$17.4	\$182.7	(7.4%)	3.8%	0.0x	0.0x	1.0x	0.6x	9.4x	13.2x
Career Education Corporation	\$11.35	\$599.1	\$791.8	(16.5%)	12.4%	1.0x	1.0x	8.3x	5.3x	NM	10.2x
Graham Holdings Company	\$620.48	\$2,986.2	\$3,289.6	(0.2%)	14.8%	1.1x	NM	6.6x	NM	8.0x	NM
Grand Canyon Education, Inc.	\$91.57	\$4,355.5	\$4,407.6	7.7%	33.6%	4.6x	6.3x	13.8x	18.9x	20.0x	18.0x
Laureate Education, Inc.	\$13.98	\$5,350.7	\$3,132.1	(0.3%)	14.5%	1.2x	1.6x	8.4x	8.7x	7.6x	10.0x
Lincoln Educational Services Corporation	\$2.45	\$74.6	\$60.4	20.0%	2.5%	0.3x	0.3x	11.3x	5.7x	NM	30.6x
National American University Holdings, Inc.	\$0.28	\$22.6	\$6.7	(13.4%)	(10.8%)	0.3x	NM	NM	NM	NM	NM
Strategic Education, Inc.	\$104.43	\$1,952.6	\$2,267.1	5.4%	1.1%	3.8x	2.0x	29.1x	NM	NM	17.2x
Universal Technical Institute, Inc.	\$3.45	\$71.2	\$87.3	(4.4%)	(6.6%)	0.2x	0.2x	NM	NM	NM	NM
Mean		\$1,651.2	\$1,571.0	(2.5%)	9.0%	1.4x	1.6x	10.4x	7.5x	15.8x	16.3x
Median		\$599.1	\$791.8	(3.6%)	12.4%	1.0x	1.0x	8.4x	5.7x	13.6x	15.5x

Corporate Training

Company Name	Price (12/24/2018)	Enterprise Value (USD MM)	Market Cap (USD MM)	Revenue Growth 3 Year CAGR	EBITDA Margin	LTM TEV/Revenue	NTM TEV/Revenue	LTM TEV/EBITDA	NTM TEV/EBITDA	LTM Price/Earnings	NTM Price/Earnings
Franklin Covey Co.	\$20.61	\$321.9	\$286.9	(0.0%)	1.2%	1.5x	1.4x	42.5x	16.6x	NM	45.3x
Gartner, Inc.	\$123.06	\$13,145.1	\$11,185.3	22.9%	11.3%	3.4x	3.0x	25.8x	16.6x	75.0x	29.2x
GP Strategies Corporation	\$12.09	\$296.0	\$200.3	1.7%	5.0%	0.6x	0.5x	11.6x	6.3x	22.1x	9.0x
Workday, Inc.	\$142.41	\$30,654.1	\$31,045.4	34.9%	(8.0%)	11.7x	8.7x	NM	NM	NM	NM
Mean		\$11,104.3	\$10,679.5	14.9%	2.4%	4.3x	3.4x	26.6x	13.2x	48.6x	27.8x
Median		\$6,733.5	\$5,736.1	12.3%	3.1%	2.5x	2.2x	25.8x	16.6x	48.6x	29.2x

Sources: PitchBook and PVC

Education Public Company Valuation Data

Educational Content & Services

Company Name	Price (12/24/2018)	Enterprise Value (USD MM)	Market Cap (USD MM)	Revenue Growth 3 Year CAGR	EBITDA Margin	LTM TEV/Revenue	NTM TEV/Revenue	LTM TEV/EBITDA	NTM TEV/EBITDA	LTM Price/Earnings	NTM Price/Earnings
Barnes & Noble, Inc.	\$5.92	\$699.4	\$432.3	(5.3%)	(0.0%)	0.2x	0.2x	5.9x	4.0x	NM	11.4x
Cambium Learning Group, Inc.	\$14.48	\$702.2	\$684.9	4.1%	25.3%	4.4x	4.0x	17.3x	12.3x	16.0x	28.4x
Chegg, Inc.	\$25.27	\$2,723.7	\$2,903.5	(2.0%)	(1.8%)	9.1x	7.0x	NM	24.3x	NM	40.2x
Educational Development Corporation	\$8.55	\$92.1	\$70.1	41.5%	8.4%	0.8x	NM	8.3x	NM	11.2x	NM
Houghton Mifflin Harcourt	\$8.40	\$1,668.6	\$1,037.9	0.1%	12.8%	1.2x	1.1x	22.9x	6.6x	NM	NM
John Wiley & Sons, Inc.	\$45.26	\$3,025.2	\$2,603.5	0.5%	15.4%	1.7x	1.7x	8.9x	7.8x	13.6x	14.8x
Pearson plc	\$11.74	\$10,190.6	\$9,169.6	(6.2%)	19.0%	1.7x	1.9x	13.7x	12.0x	11.5x	NM
Rosetta Stone Inc.	\$15.50	\$324.5	\$354.4	(10.1%)	(2.3%)	1.9x	1.7x	NM	NM	NM	NM
Scholastic Corporation	\$37.28	\$968.9	\$1,313.5	0.7%	4.5%	0.6x	0.6x	11.0x	6.0x	NM	24.4x
Mean		\$2,266.1	\$2,063.3	2.6%	9.0%	2.4x	2.3x	12.6x	10.4x	13.1x	23.8x
Median		\$968.9	\$1,037.9	0.1%	8.4%	1.7x	1.7x	11.0x	7.8x	12.5x	24.4x

Software as a Service (SaaS)

Company Name	Price (12/24/2018)	Enterprise Value (USD MM)	Market Cap (USD MM)	Revenue Growth 3 Year CAGR	EBITDA Margin	LTM TEV/Revenue	NTM TEV/Revenue	LTM TEV/EBITDA	NTM TEV/EBITDA	LTM Price/Earnings	NTM Price/Earnings
2U, Inc.	\$45.73	\$2,181.6	\$2,648.8	40.7%	(5.6%)	5.7x	4.0x	NM	NM	NM	NM
Cornerstone OnDemand, Inc.	\$46.17	\$2,603.1	\$2,706.1	18.4%	3.1%	4.9x	4.6x	NM	NM	NM	NM
Instructure, Inc.	\$35.23	\$1,063.7	\$1,235.1	44.3%	(26.6%)	5.4x	4.1x	NM	NM	NM	NM
Pluralsight, Inc.	\$19.01	\$2,485.5	\$2,567.7	NA	(49.6%)	6.6x	8.1x	NM	NM	NM	NM
Mean		\$2,083.5	\$2,289.4	34.5%	(19.7%)	5.7x	5.2x	NM	NM	NM	NM
Median		\$2,333.6	\$2,608.2	40.7%	(16.1%)	5.6x	4.4x	NM	NM	NM	NM

Pre K-12 Education

Company Name	Price (12/24/2018)	Enterprise Value (USD MM)	Market Cap (USD MM)	Revenue Growth 3 Year CAGR	EBITDA Margin	LTM TEV/Revenue	NTM TEV/Revenue	LTM TEV/EBITDA	NTM TEV/EBITDA	LTM Price/Earnings	NTM Price/Earnings
Bright Horizons Family Solutions	\$105.39	\$7,242.4	\$6,119.9	9.4%	17.5%	3.9x	3.5x	22.1x	18.0x	38.4x	NM
K12 Inc.	\$22.62	\$803.8	\$909.2	0.3%	10.9%	0.9x	0.8x	15.0x	6.9x	34.0x	NM
Mean		\$4,023.1	\$3,514.6	4.8%	14.2%	2.4x	2.2x	18.6x	12.5x	36.2x	NM
Median		\$4,023.1	\$3,514.6	4.8%	14.2%	2.4x	2.2x	18.6x	12.5x	36.2x	NM

Sources: PitchBook and PVC

For more information, please visit www.parchmanvaughan.com