

Q3 2023 EDUCATION SECTOR OVERVIEW



PARCHMAN, VAUGHAN & COMPANY

Private Investment Bankers

www.parchmanvaughan.com

410-244-8971

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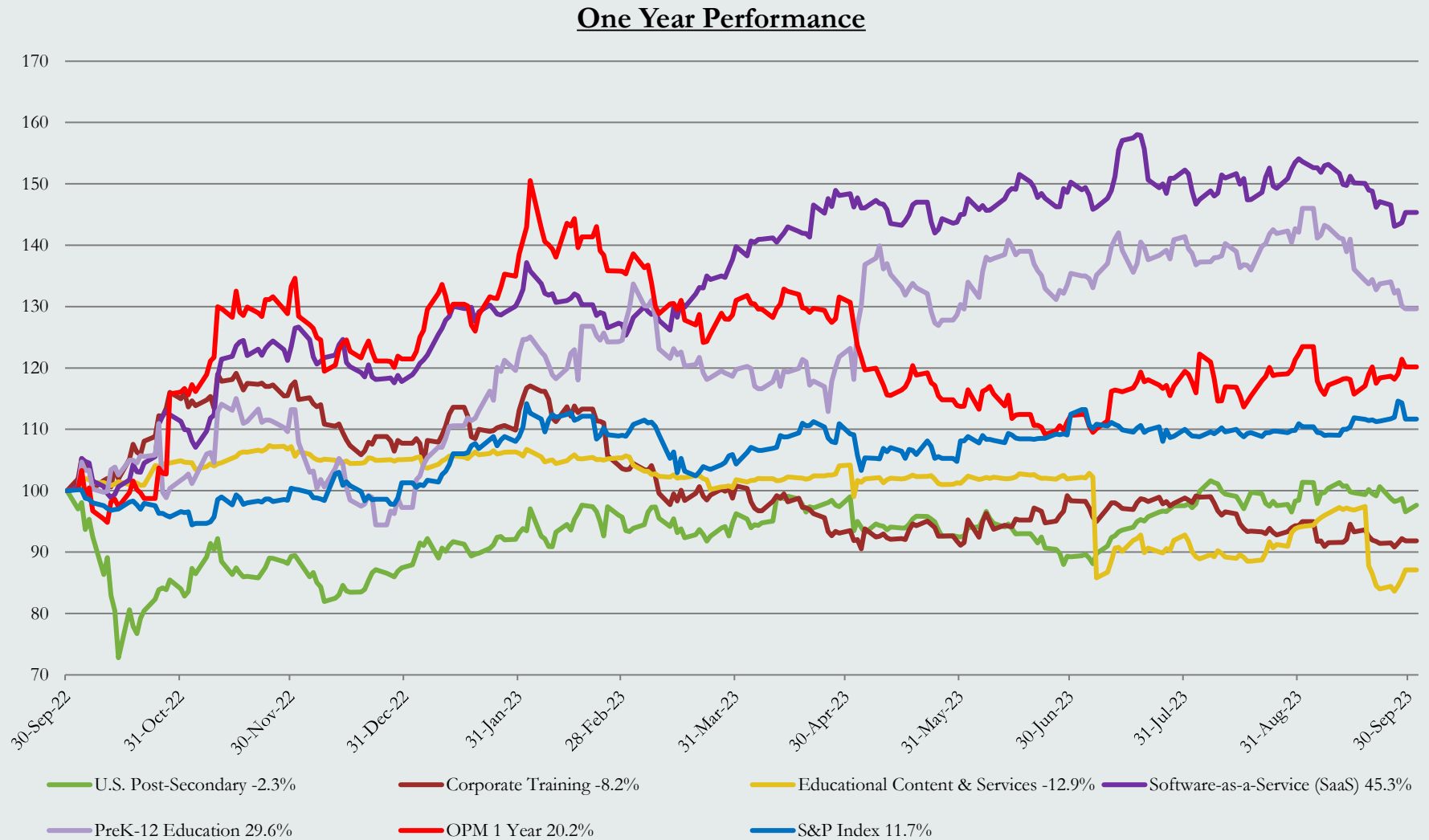
Overview

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

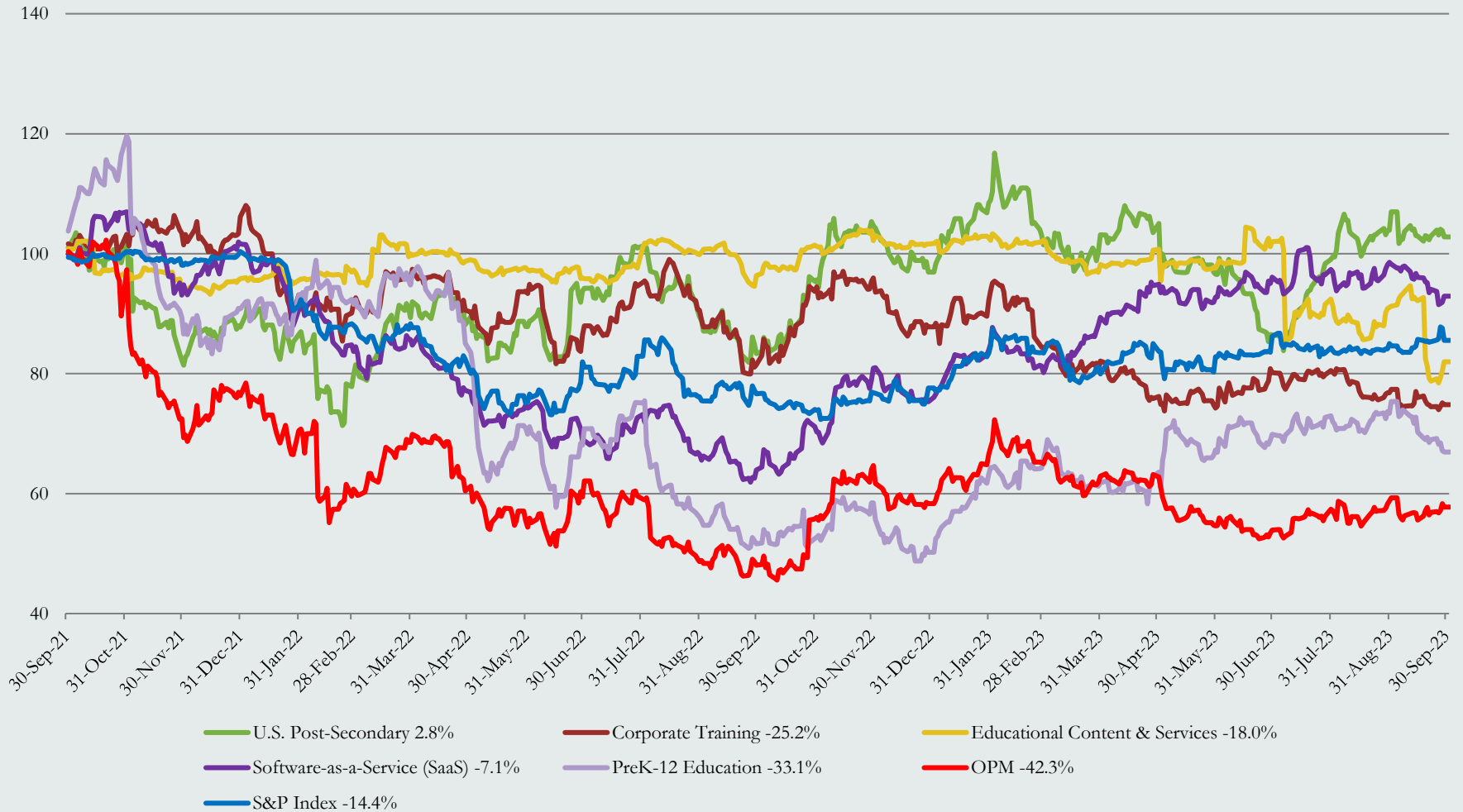


Prices indexed to 100
 Weighted by market capitalization
 Sources: PitchBook and PVC



Two Year Education Stock Price Performance by Sector

Two Year Performance

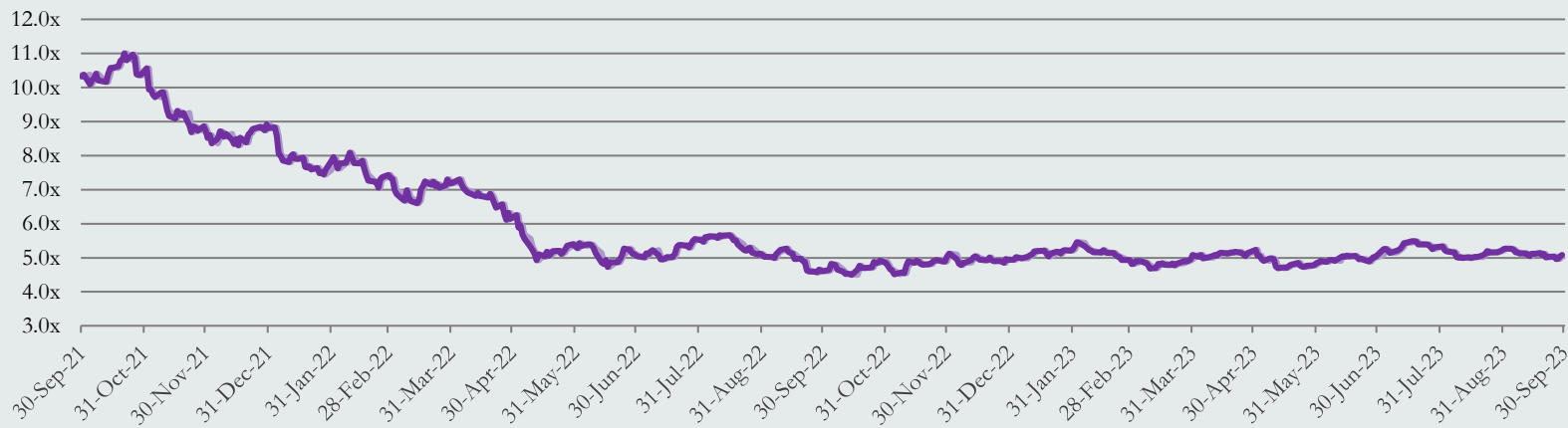


Prices indexed to 100
 Weighted by market capitalization
 Sources: PitchBook and PVC

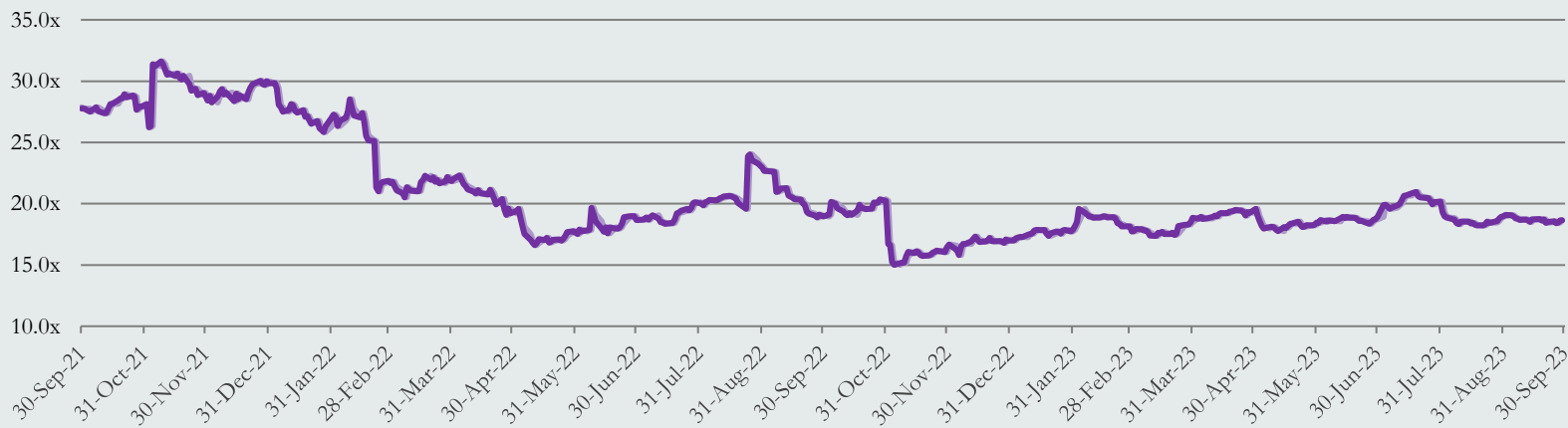


TTM Market Multiple Trends – SaaS

TEV/Revenue Multiples



TEV/EBITDA Multiples

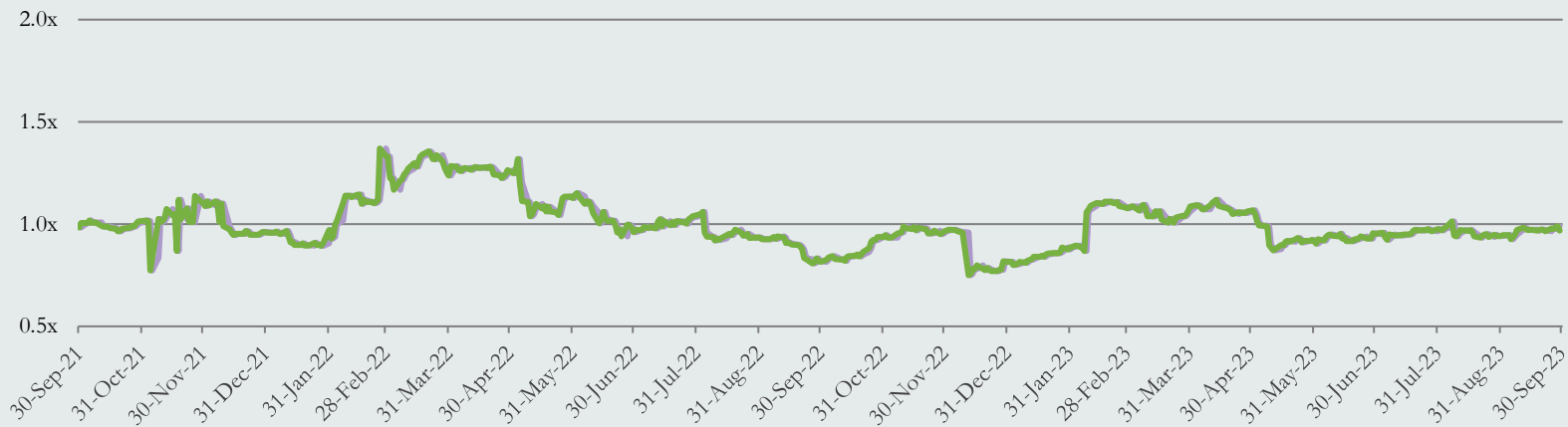


Data as of 9/30/2023. Sources: PitchBook and PVC
TEV = Total Enterprise Value



TTM Market Multiple Trends – Post Secondary

TEV/Revenue Multiples



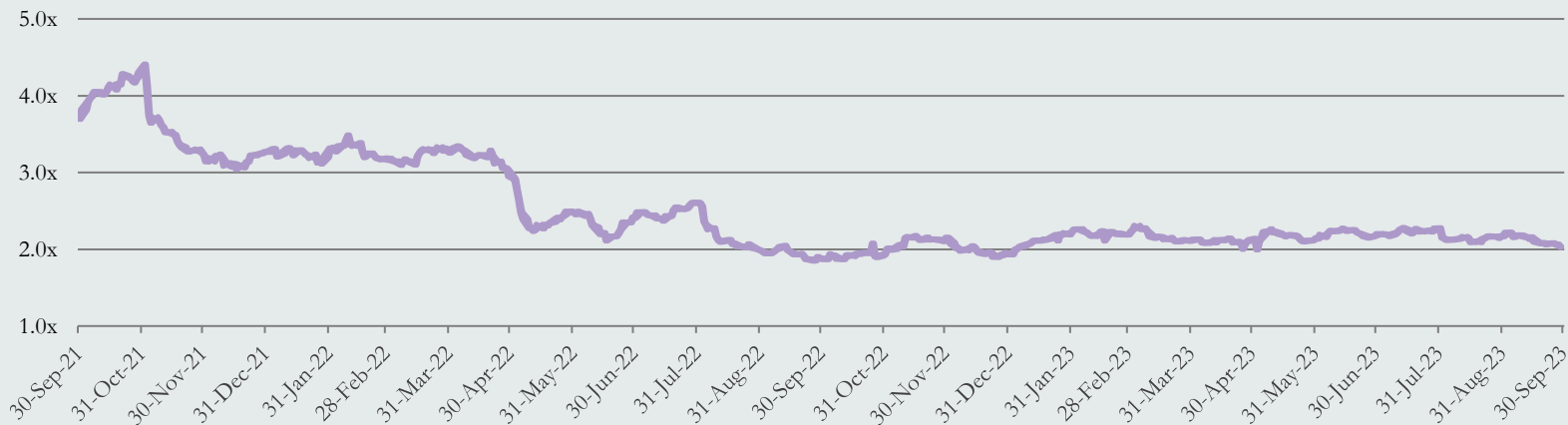
TEV/EBITDA Multiples



Data as of 9/30/2023. Sources: PitchBook and PVC
TEV = Total Enterprise Value

TTM Market Multiple Trends – Pre K-12

TEV/Revenue Multiples



TEV/EBITDA Multiples



Data as of 9/30/2023. Sources: PitchBook and PVC
TEV = Total Enterprise Value

TTM Market Multiple Trends – Corporate Training

TEV/Revenue Multiples



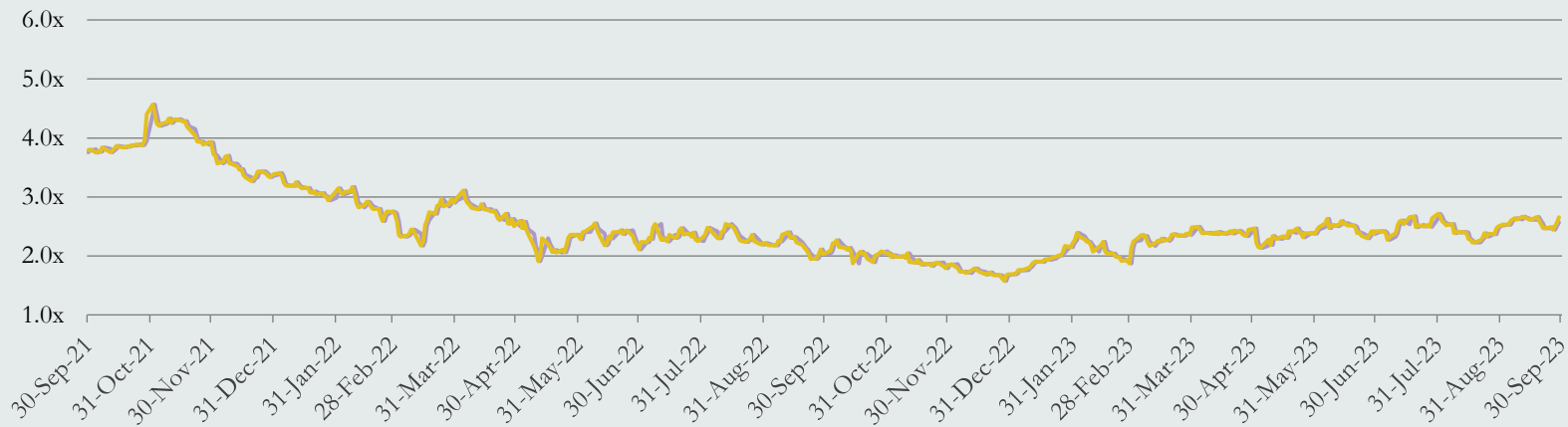
TEV/EBITDA Multiples



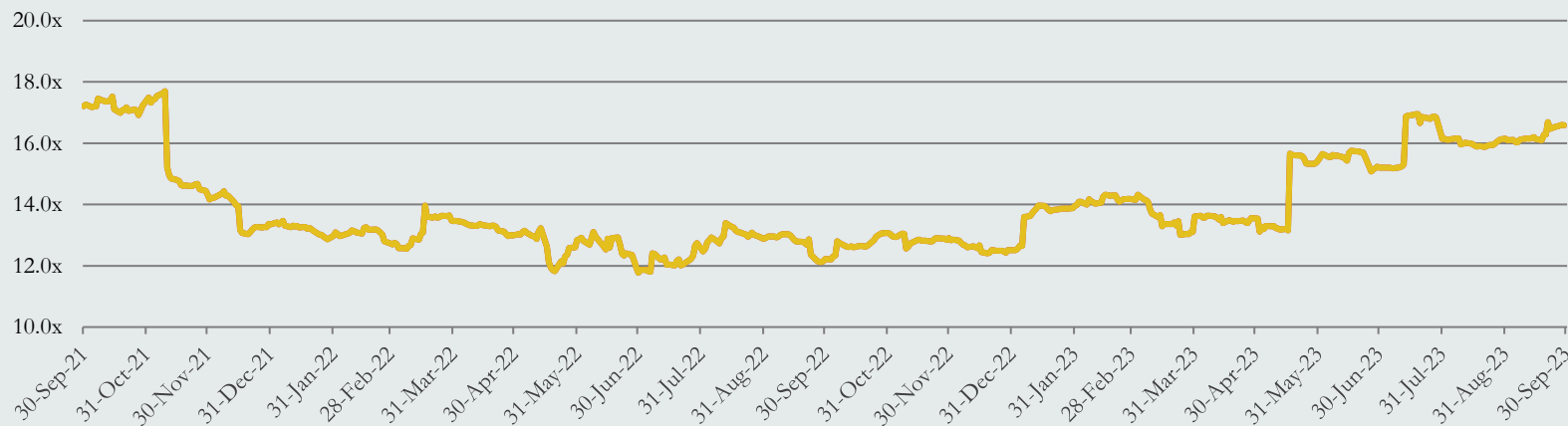
Data as of 9/30/2023. Sources: PitchBook and PVC
TEV = Total Enterprise Value

TTM Market Multiple Trends – Educational Content & Services

TEV/Revenue Multiples



TEV/EBITDA Multiples



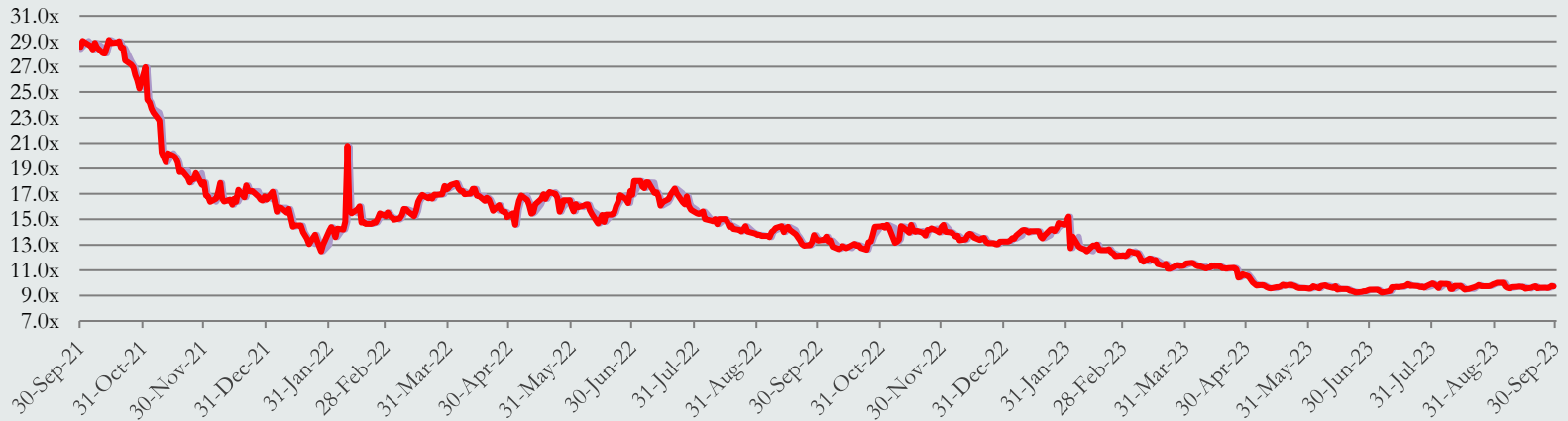
Data as of 9/30/2023. Sources: PitchBook and PVC
TEV = Total Enterprise Value

TTM Market Multiple Trends – OPM

TEV/Revenue Multiples



TEV/EBITDA Multiples



Data as of 9/30/2023. Sources: PitchBook and PVC
TEV = Total Enterprise Value

Education Public Company Valuation Data

Software-as-a-Service (SaaS)

Company Name	Price (09/30/2023)	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)	\$70.32	\$4,655.5	\$3,787.1	5.3%	7.2%	4.4x	3.9x	15.7x	11.6x	22.8x	15.5x
Chegg, Inc. (CHGG)	\$8.92	\$1,431.9	\$1,028.7	13.7%	28.8%	1.9x	2.0x	5.9x	6.4x	7.7x	7.8x
Constellation Software, Inc. (CSU)	\$2,078.35	\$46,134.4	\$44,043.4	26.8%	19.6%	6.1x	4.8x	31.4x	17.6x	91.8x	28.0x
D2L, Inc.	\$5.19	\$181.5	\$278.4	NM	(7.0%)	1.1x	1.0x	NM	27.6x	NM	NM
Docebo, Inc. (DCBO)	\$40.82	\$1,107.4	\$1,308.6	46.7%	2.2%	6.9x	5.0x	NM	38.7x	207.4x	59.6x
Instructure Holdings, Inc. (INST)	\$25.40	\$4,039.8	\$3,657.4	NM	25.9%	8.0x	7.0x	20.6x	17.7x	28.9x	27.3x
Learning Technologies Group plc (LTG)	\$0.78	\$784.6	\$621.6	NM	NM	1.1x	1.1x	5.1x	5.0x	8.6x	7.4x
PowerSchool Holdings, Inc. (PWSC)	\$22.66	\$4,885.9	\$3,703.9	NM	21.3%	7.4x	6.4x	22.7x	19.0x	25.5x	23.1x
SAP SE (SAP)	\$129.72	\$149,453.7	\$151,738.1	3.6%	21.5%	4.6x	4.2x	15.2x	12.9x	29.0x	20.0x
Sylogist Ltd. (SYZ)	\$5.54	\$139.8	\$130.7	NM	NM	NM	2.6x	NM	9.4x	NM	28.7x
Tribal Group plc (TRB)	\$0.67	\$156.7	\$139.0	3.6%	9.0%	1.5x	1.5x	15.4x	10.9x	61.4x	17.1x
Tyler Technologies, Inc. (TYL)	\$386.14	\$17,035.2	\$16,248.2	19.6%	20.2%	9.0x	8.0x	35.9x	31.3x	51.6x	44.3x
Mean		\$19,167.2	\$18,890.4	17.0%	14.9%	4.7x	4.0x	18.7x	17.3x	53.5x	25.3x
Median		\$2,735.9	\$2,483.0	13.7%	19.9%	4.6x	4.0x	15.7x	15.2x	28.9x	23.1x

U.S. Post-Secondary

Company Name	Price (09/30/2023)	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)	\$42.85	\$2,402.7	\$1,780.1	18.7%	19.2%	1.7x	1.6x	7.0x	6.9x	10.2x	10.0x
American Public Education, Inc. (APEI)	\$4.98	\$224.2	\$88.5	26.1%	(6.7%)	0.4x	0.4x	5.5x	4.2x	NM	NM
Laureate Education, Inc. (LAUR)	\$14.10	\$2,724.3	\$2,216.8	6.5%	24.9%	2.0x	1.7x	7.2x	5.8x	14.3x	11.8x
Lincoln Educational Services Corporation (LINC)	\$8.46	\$272.7	\$265.3	8.8%	12.5%	0.8x	0.7x	9.9x	8.2x	20.6x	17.6x
Perdoceo Education (PRDO)	\$17.08	\$582.0	\$1,120.6	3.2%	25.2%	0.8x	0.8x	2.5x	3.5x	9.0x	9.5x
Strategic Education, Inc. (STRA)	\$75.18	\$1,883.9	\$1,838.7	1.6%	11.3%	1.7x	1.6x	11.8x	8.7x	34.0x	18.1x
Universal Technical Institute, Inc. (UTI)	\$8.38	\$529.9	\$285.5	20.6%	10.4%	1.0x	0.8x	7.2x	5.9x	13.3x	13.6x
Mean		\$1,231.4	\$1,085.1	12.2%	13.8%	1.2x	1.1x	7.3x	6.2x	16.9x	13.4x
Median		\$582.0	\$1,120.6	8.8%	12.5%	1.0x	0.8x	7.2x	5.9x	13.8x	12.7x

Pre K-12 Education

Company Name	Price (09/30/2023)	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)	\$81.46	\$6,528.9	\$4,714.6	6.7%	12.0%	2.9x	2.5x	20.2x	15.1x	31.8x	23.7x
Stride Inc. (LRN)	\$45.03	\$2,069.0	\$1,936.0	20.9%	15.9%	1.1x	1.1x	7.0x	6.4x	13.6x	13.8x
Mean		\$4,298.9	\$3,325.3	13.8%	13.9%	2.0x	1.8x	13.6x	10.8x	22.7x	18.8x
Median		\$4,298.9	\$3,325.3	13.8%	13.9%	2.0x	1.8x	13.6x	10.8x	22.7x	18.8x

Data as of 9/30/2023. Sources: PitchBook and PVC
NM = Not Measurable

Education Public Company Valuation Data

Corporate Training

Company Name	Price (09/30/2023)	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)	\$42.92	\$544.8	\$566.7	9.4%	12.1%	1.9x	1.7x	12.1x	10.1x	25.5x	26.7x
Graham Holdings Company (GHC)	\$583.00	\$3,178.7	\$2,710.1	13.4%	16.5%	0.8x	0.7x	4.5x	NM	10.5x	9.8x
HealthStream, Inc. (HSTM)	\$21.58	\$628.1	\$662.2	3.5%	20.1%	2.3x	2.1x	11.3x	9.8x	46.3x	45.9x
NV5 Global, Inc. (NVEE)	\$96.23	\$1,738.6	\$1,529.1	10.6%	13.7%	2.2x	1.8x	13.3x	10.3x	22.9x	16.5x
Skillsoft Corp. (SKIL)	\$17.73	\$635.0	\$142.6	NM	NM	1.1x	1.1x	6.0x	6.2x	NM	NM
Mean		\$1,345.0	\$1,122.1	9.2%	15.6%	1.7x	1.5x	9.4x	9.1x	26.3x	24.7x
Median		\$635.0	\$662.2	10.0%	15.1%	1.9x	1.7x	11.3x	9.9x	24.2x	21.6x

Educational Content & Services

Company Name	Price (09/30/2023)	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)	\$1.09	\$649.5	\$57.4	(3.8%)	(1.2%)	0.4x	0.4x	860.3x	17.0x	NM	NM
Boxlight Corporation (BOXL)	\$1.91	\$81.9	\$18.1	86.5%	8.6%	0.4x	0.4x	3.9x	3.6x	NM	23.9x
Coursera, Inc. (COUR)	\$18.69	\$2,091.1	\$2,797.7	NM	(25.8%)	3.6x	2.9x	NM	NM	NM	NM
Duolingo, Inc. (DUOL)	\$165.87	\$6,238.5	\$6,889.8	NM	(5.8%)	14.1x	9.6x	NM	NM	NM	NM
Educational Development Corporation (EDUC)	\$1.09	\$53.9	\$9.3	(13.8%)	0.2%	0.7x	NM	59.2x	NM	NM	NM
John Wiley & Sons, Inc. (WJL)	\$37.17	\$2,999.3	\$2,054.0	2.5%	9.6%	1.5x	1.8x	7.2x	9.4x	14.0x	16.5x
Nerdy, Inc. (NRDY)	\$3.70	\$308.6	\$372.8	NM	(46.9%)	1.8x	1.2x	NM	NM	25.4x	52.9x
Pearson plc (PSO)	\$10.60	\$8,844.8	\$7,531.8	3.6%	25.6%	1.9x	1.9x	6.2x	8.5x	18.4x	13.7x
Scholastic Corporation (SCHL)	\$38.14	\$1,169.1	\$1,183.0	4.3%	7.8%	0.7x	0.7x	7.2x	5.8x	23.7x	13.7x
Udemy, Inc. (UDMY)	\$9.51	\$974.3	\$1,429.4	NM	(22.9%)	1.4x	1.2x	NM	60.1x	NM	NM
Mean		\$2,341.1	\$2,234.3	13.2%	(5.1%)	2.7x	2.2x	157.3x	18.6x	18.7x	24.1x
Median		\$1,071.7	\$1,306.2	3.1%	(0.5%)	1.5x	1.2x	7.2x	9.4x	18.4x	16.5x

OPM

Company Name	Price (09/30/2023)	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)	\$2.48	\$1,106.3	\$201.5	11.2%	(18.6%)	1.2x	1.1x	7.7x	6.3x	NM	5.0x
Grand Canyon Education, Inc. (LOPE)	\$116.93	\$3,388.6	\$3,540.0	4.5%	28.8%	3.7x	3.3x	11.7x	10.6x	18.3x	16.0x
Mean		\$2,247.4	\$1,870.8	7.8%	5.1%	2.4x	2.2x	9.7x	8.4x	18.3x	10.5x
Median		\$2,247.4	\$1,870.8	7.8%	5.1%	2.4x	2.2x	9.7x	8.4x	18.3x	10.5x

Data as of 9/30/2023. Sources: PitchBook and PVC
NM = Not Measurable

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