

Q1 2022 EDUCATION SECTOR OVERVIEW



PARCHMAN, VAUGHAN & COMPANY

Private Investment Bankers

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Overview

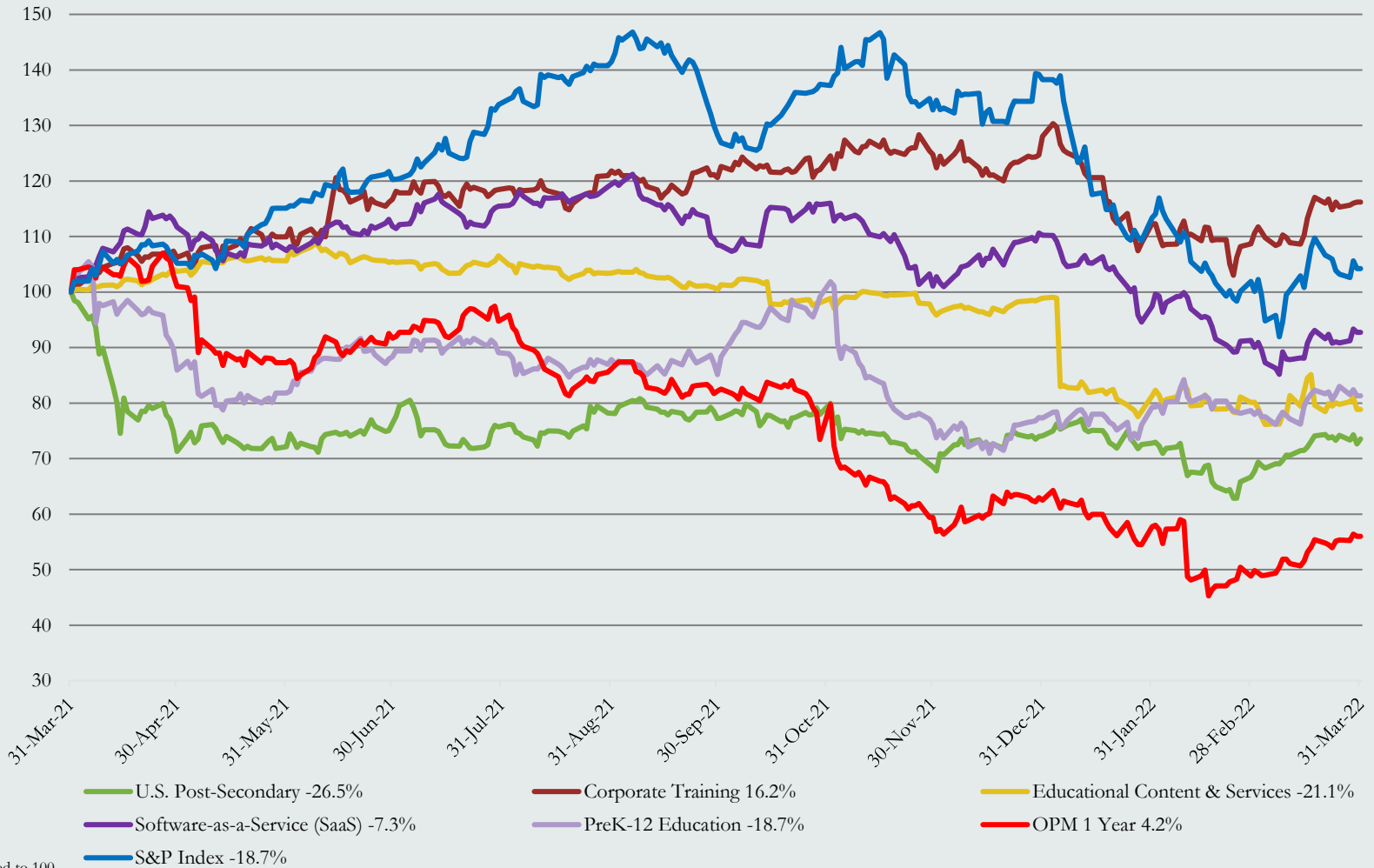
Parchman, Vaughan & Company, L.L.C. (“PVC”) is pleased to share with you our summary of the earnings and other multiples of publicly-traded education firms.

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

One Year Performance

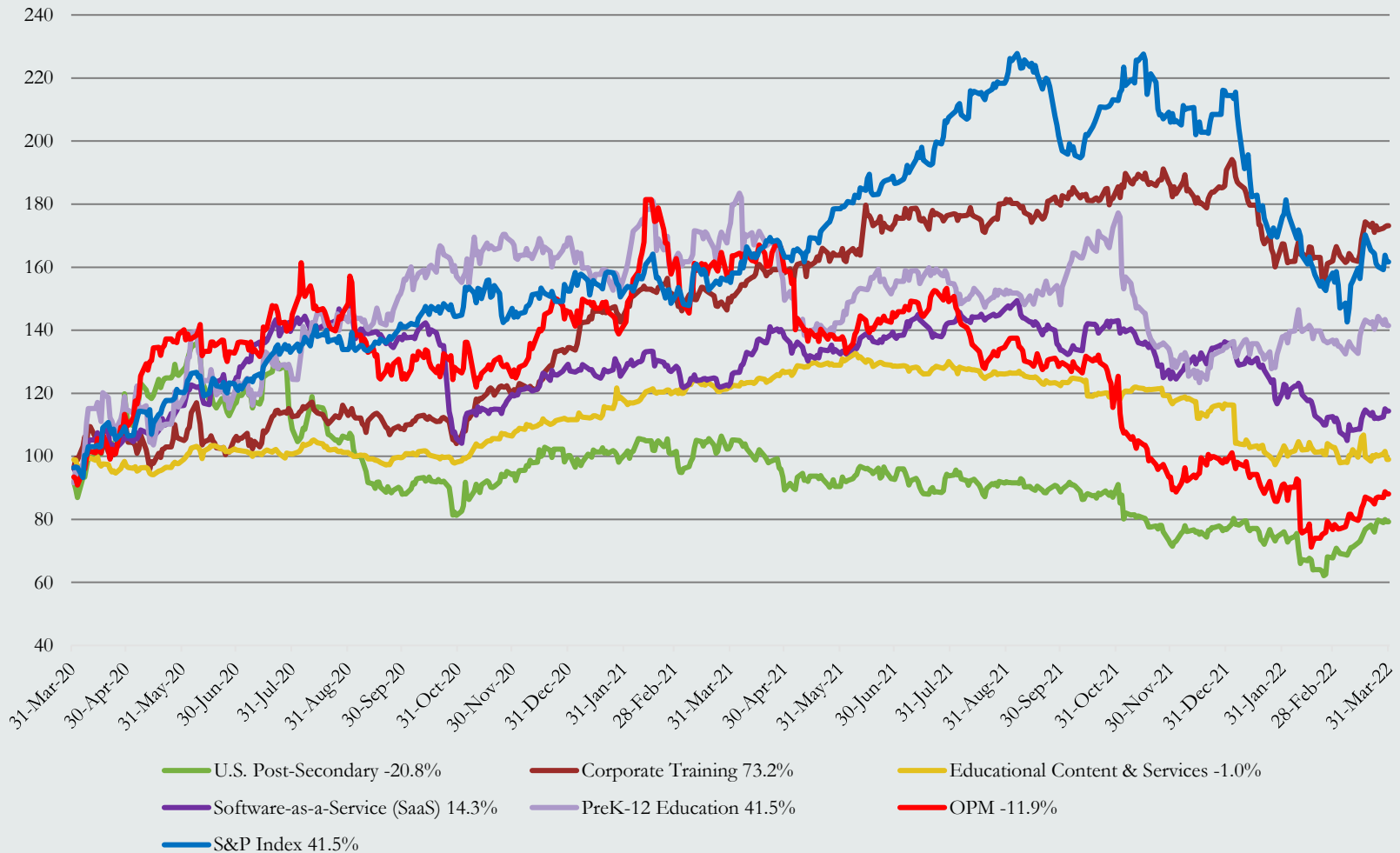


Prices indexed to 100
 Weighted by market capitalization
 Sources: PitchBook and PVC



Two Year Education Stock Price Performance by Sector

Two Year Performance



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

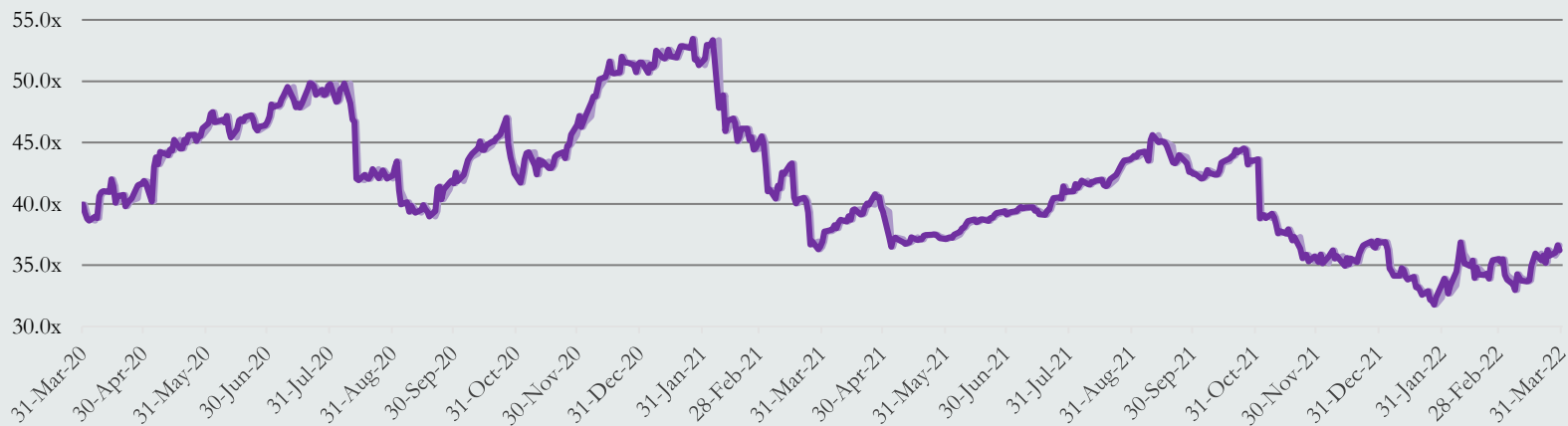


TTM Market Multiple Trends – SaaS

TEV/Revenue Multiples



TEV/EBITDA Multiples

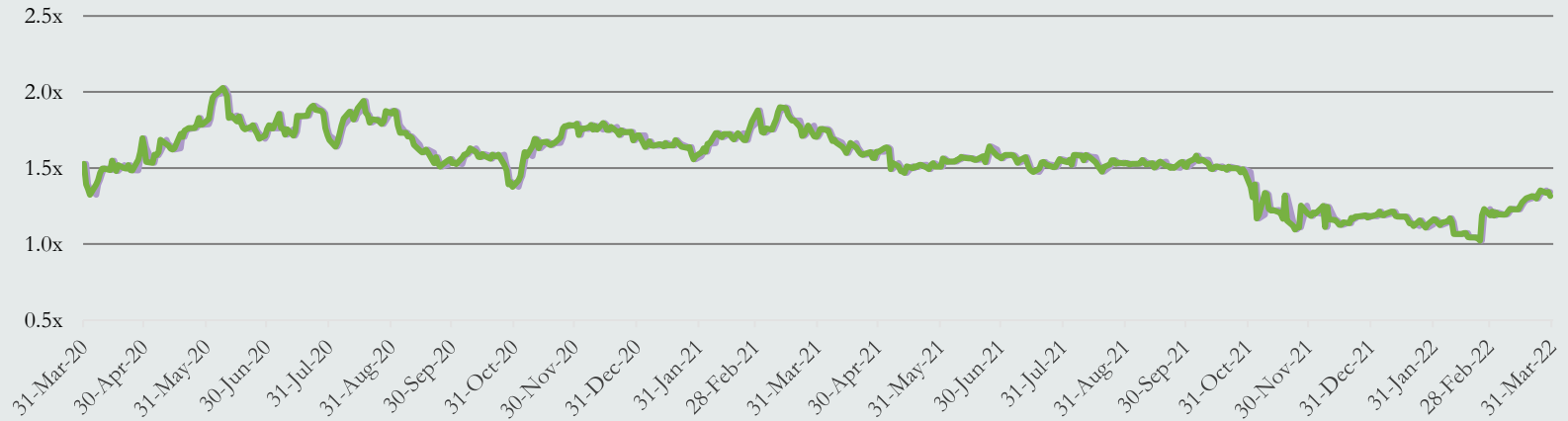


Data as of 3/31/2022. Sources: PitchBook and PVC
TEV = Total Enterprise Value

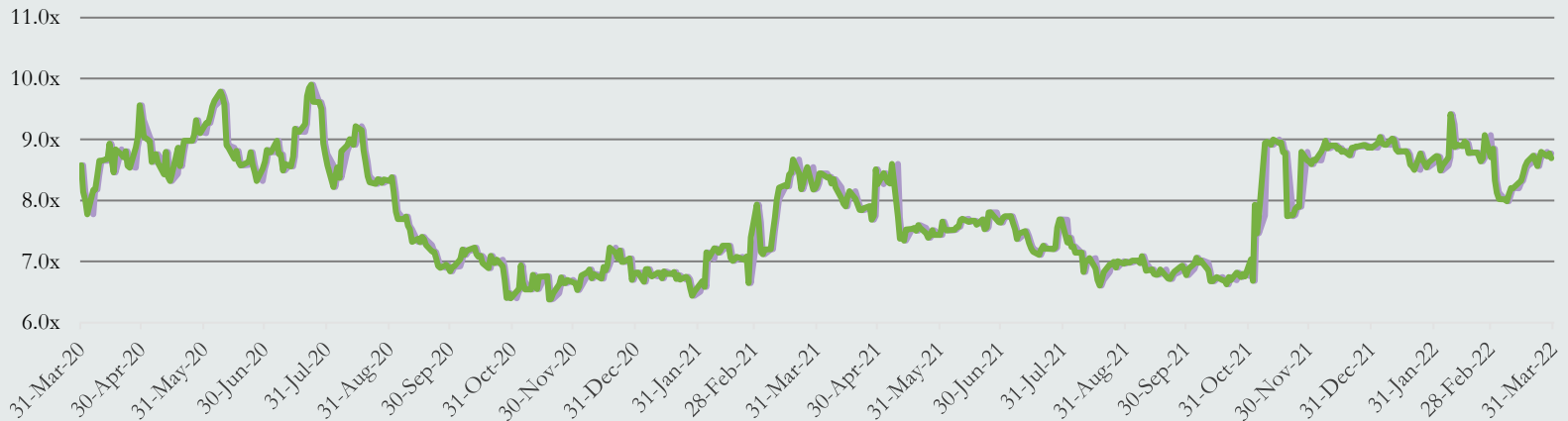


TTM Market Multiple Trends – Post Secondary

TEV/Revenue Multiples



TEV/EBITDA Multiples



Data as of 3/31/2022. Sources: PitchBook and PVC
TEV = Total Enterprise Value

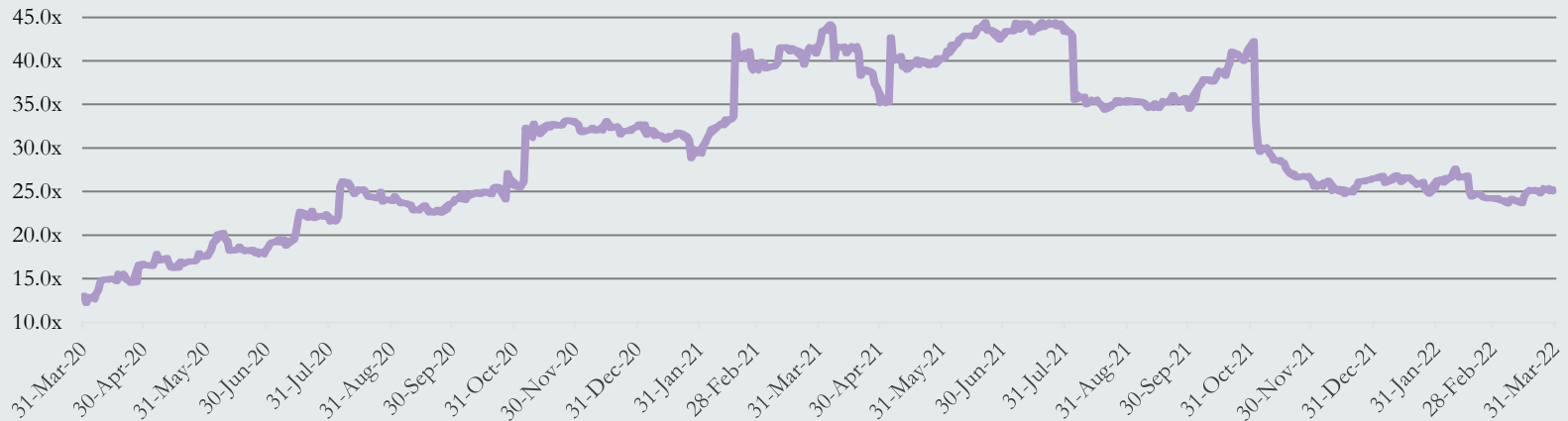


TTM Market Multiple Trends – Pre K-12

TEV/Revenue Multiples



TEV/EBITDA Multiples

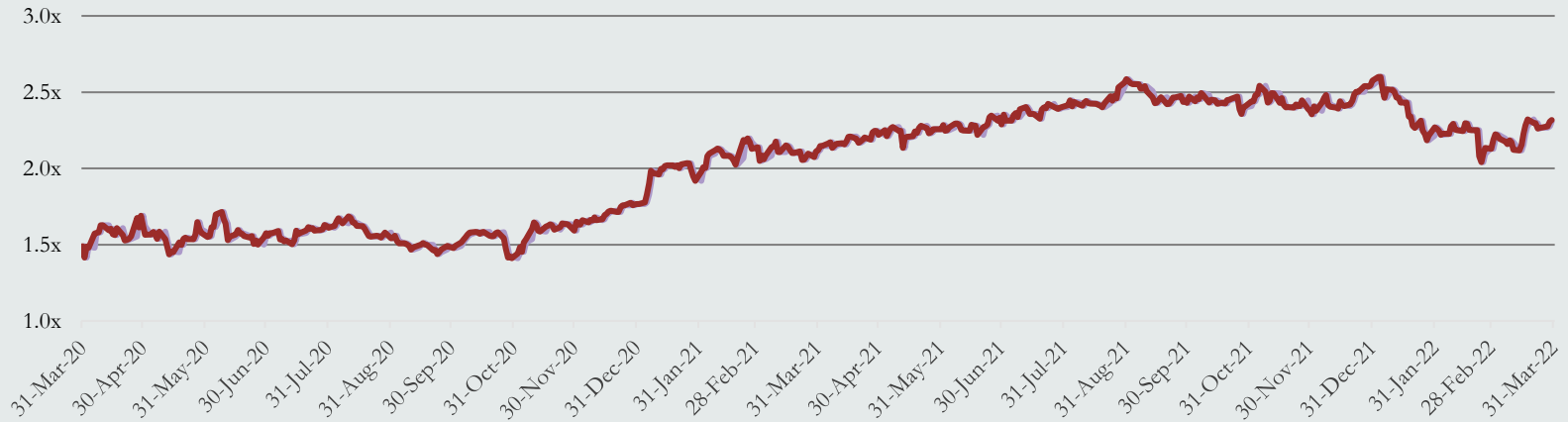


Data as of 3/31/2022. Sources: PitchBook and PVC
TEV = Total Enterprise Value

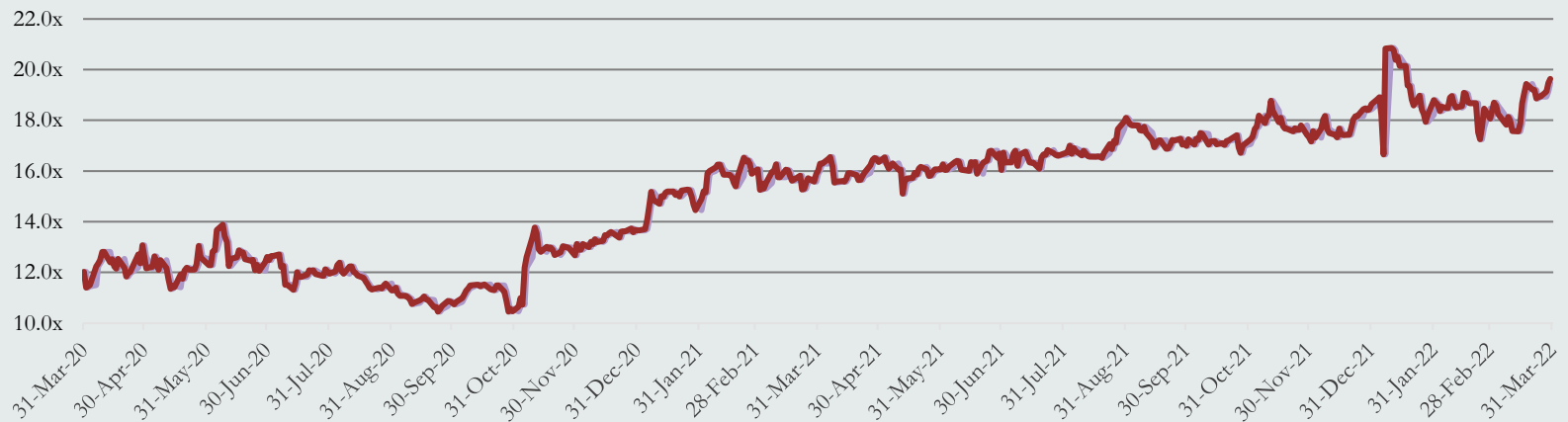


TTM Market Multiple Trends – Corporate Training

TEV/Revenue Multiples



TEV/EBITDA Multiples

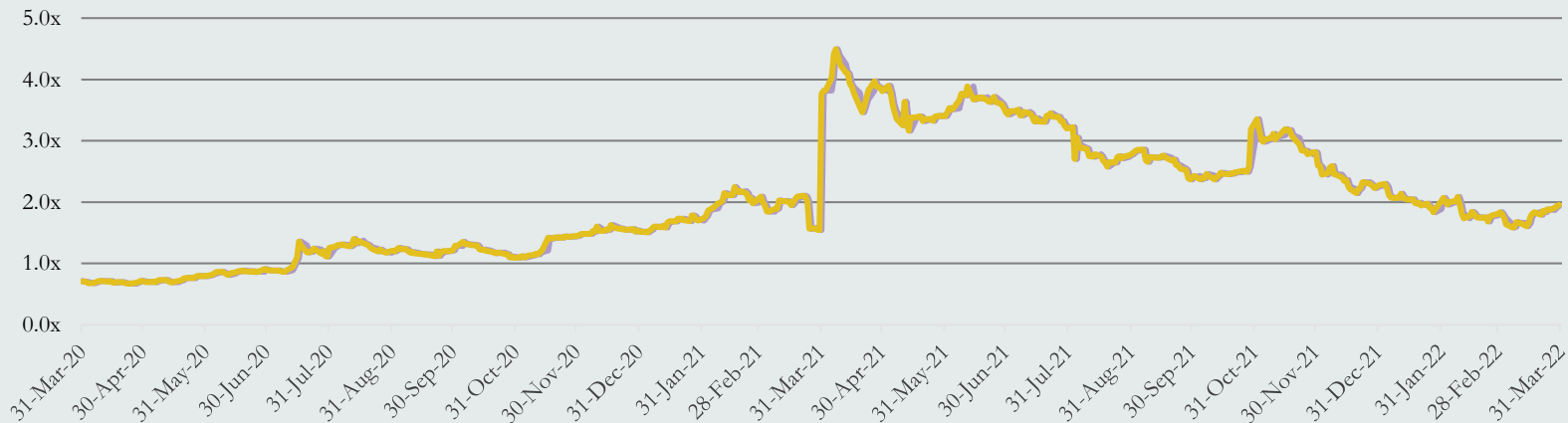


Data as of 3/31/2022. Sources: PitchBook and PVC
TEV = Total Enterprise Value

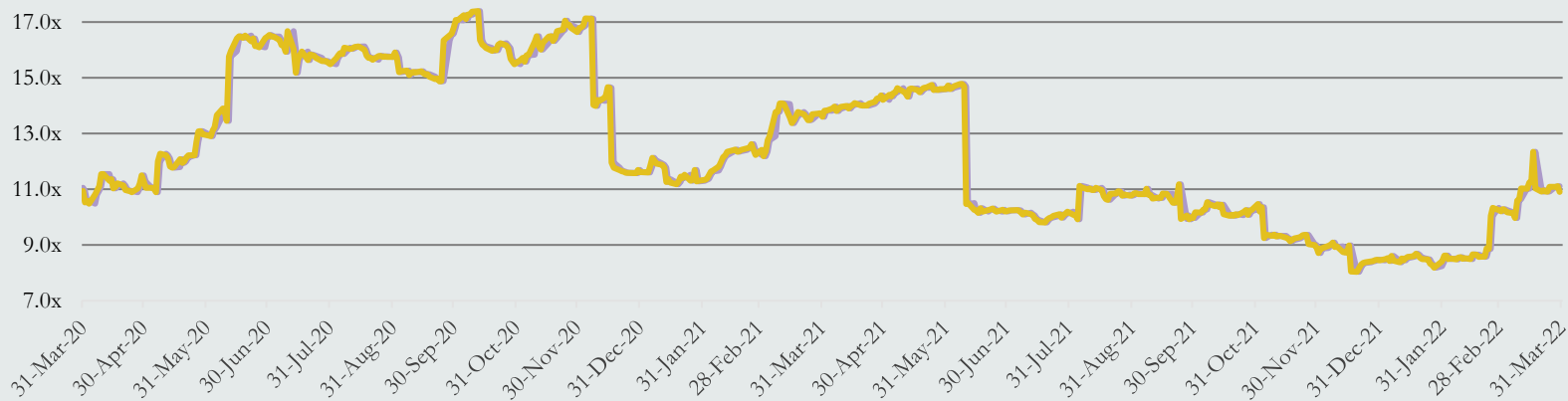


TTM Market Multiple Trends – Educational Content & Services

TEV/Revenue Multiples



TEV/EBITDA Multiples

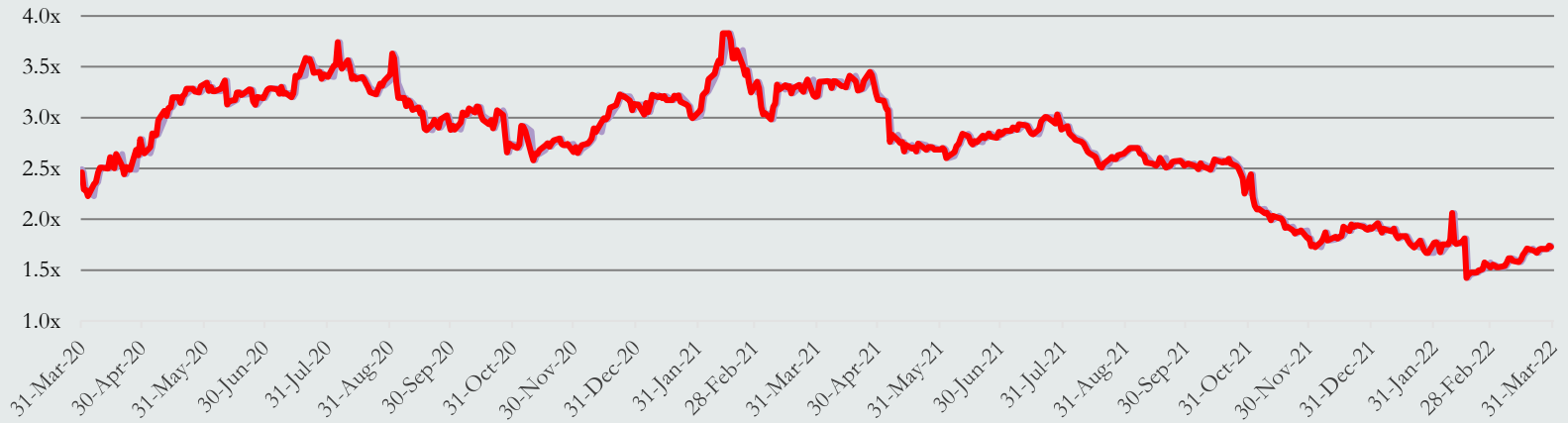


Data as of 3/31/2022. Sources: PitchBook and PVC
TEV = Total Enterprise Value



TTM Market Multiple Trends – OPM

TEV/Revenue Multiples



TEV/EBITDA Multiples



Data as of 3/31/2022. Sources: PitchBook and PVC
TEV = Total Enterprise Value

Education Public Company Valuation Data

Software-as-a-Service (SaaS)

Company Name	Price (03/31/2022)	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)	\$59.87	\$4,090.1	\$3,135.6	3.0%	11.5%	4.4x	3.8x	16.6x	15.9x	19.8x	22.0x
Chegg, Inc. (CHGG)	\$36.28	\$5,011.3	\$4,859.9	34.2%	11.2%	6.5x	6.0x	18.5x	18.9x	38.4x	30.5x
Constellation Software, Inc. (CSU)	\$2,137.00	\$37,275.8	\$36,230.8	18.6%	20.8%	7.3x	6.2x	34.8x	20.7x	114.3x	31.3x
D2L, Inc.	\$12.96	\$438.4	\$551.2	NM	(62.0%)	2.9x	2.4x	NM	NM	NM	NM
Docebo, Inc. (DCBO)	\$64.62	\$1,463.1	\$1,674.4	56.7%	(10.9%)	14.0x	9.9x	NM	NM	NM	NM
Instructure Holdings, Inc. (INST)	\$20.06	\$3,180.5	\$2,821.8	NM	NM	7.8x	6.9x	21.7x	19.3x	21.1x	20.1x
Learning Technologies Group plc (LTG)	\$162.90	\$1,694.9	\$1,714.2	33.0%	29.6%	8.4x	2.4x	22.9x	12.0x	37.2x	21.6x
PowerSchool Holdings, Inc. (PWSC)	\$16.51	\$4,474.6	\$3,331.7	NM	19.2%	8.0x	7.2x	27.8x	24.6x	26.7x	21.9x
SAP SE (SAP)	\$101.12	\$140,499.6	\$133,524.0	4.1%	23.2%	4.3x	4.3x	12.6x	12.9x	14.9x	19.2x
Sylogist Ltd. (SYZ)	\$9.44	\$187.7	\$181.2	2.5%	28.8%	5.6x	4.4x	14.7x	13.7x	47.9x	63.1x
Tribal Group plc (TRB)	\$87.50	\$236.9	\$241.8	0.5%	15.7%	2.1x	2.2x	9.8x	11.1x	15.2x	18.1x
Tyler Technologies, Inc. (TYL)	\$444.89	\$19,385.6	\$18,358.9	19.4%	20.0%	12.2x	10.5x	44.5x	40.1x	63.2x	59.2x
Mean		\$18,161.5	\$17,218.8	19.1%	9.7%	7.0x	5.5x	22.4x	18.9x	39.9x	30.7x
Median		\$3,635.3	\$2,978.7	18.6%	19.2%	6.9x	5.2x	20.1x	17.4x	32.0x	21.9x

U.S. Post-Secondary

Company Name	Price (03/31/2022)	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)	\$29.71	\$2,909.1	\$1,364.0	12.8%	13.1%	2.4x	2.0x	12.5x	8.3x	12.0x	8.9x
American Public Education, Inc. (APEI)	\$21.24	\$528.0	\$406.9	12.1%	11.5%	1.3x	0.8x	8.2x	6.1x	16.4x	16.2x
Aspen Group, Inc. (ASPU)	\$1.62	\$58.8	\$40.3	35.0%	(7.4%)	0.8x	0.7x	NM	NM	NM	NM
Laureate Education, Inc. (LAUR)	\$11.85	\$2,427.6	\$2,183.1	(1.7%)	4.6%	2.2x	2.1x	9.6x	7.5x	NM	15.1x
Lincoln Educational Services Corporation (LINC)	\$7.15	\$226.1	\$199.6	8.4%	16.8%	0.7x	0.6x	5.9x	5.9x	16.5x	13.7x
Perdoceo Education (PRDO)	\$11.48	\$356.5	\$805.7	6.0%	23.9%	0.5x	0.5x	1.6x	2.6x	6.9x	7.8x
Strategic Education, Inc. (STRA)	\$66.38	\$1,741.3	\$1,685.3	21.3%	15.9%	1.5x	1.6x	7.3x	9.2x	14.0x	19.7x
Universal Technical Institute, Inc. (UTI)	\$8.85	\$417.1	\$298.4	4.5%	15.9%	1.1x	1.0x	8.7x	7.9x	9.5x	16.8x
Mean		\$1,083.1	\$872.9	12.3%	11.8%	1.3x	1.2x	7.7x	6.8x	12.5x	14.0x
Median		\$472.5	\$606.3	10.2%	14.5%	1.2x	0.9x	8.2x	7.5x	13.0x	15.1x

Pre K-12 Education

Company Name	Price (03/31/2022)	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)	\$132.69	\$9,462.6	\$7,962.7	(2.7%)	13.4%	5.4x	4.5x	34.8x	25.5x	67.5x	41.7x
Stride Inc. (LRN)	\$36.33	\$1,859.2	\$1,530.5	17.8%	11.9%	1.2x	1.1x	7.8x	6.3x	16.4x	14.1x
Mean		\$5,660.9	\$4,746.6	7.6%	12.7%	3.3x	2.8x	21.3x	15.9x	42.0x	27.9x
Median		\$5,660.9	\$4,746.6	7.6%	12.7%	3.3x	2.8x	21.3x	15.9x	42.0x	27.9x

Data as of 3/31/2022. Sources: PitchBook and PVC
 NM = Not Measurable

Education Public Company Valuation Data

Corporate Training

Company Name	Price (03/31/2022)	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)	\$45.22	\$684.5	\$704.8	3.2%	7.0%	2.9x	2.7x	20.0x	18.4x	28.1x	65.7x
Graham Holdings Company (GHC)	\$611.47	\$3,220.5	\$3,000.5	5.7%	21.4%	1.0x	0.9x	7.1x	NM	18.9x	13.6x
HealthStream, Inc. (HSTM)	\$19.92	\$591.5	\$617.2	3.5%	17.4%	2.3x	2.2x	11.2x	11.5x	66.0x	112.2x
NV5 Global, Inc. (NVEE)	\$133.30	\$2,168.3	\$2,071.6	19.1%	16.0%	3.1x	2.8x	16.3x	14.9x	32.3x	24.6x
Skillsoft Corp. (SKIL)	\$6.04	\$1,250.7	\$829.6	NM	NM	NM	1.7x	NM	6.5x	NM	41.0x
Mean		\$1,583.1	\$1,444.7	7.9%	15.5%	2.3x	2.1x	13.7x	12.8x	36.3x	51.4x
Median		\$1,250.7	\$829.6	4.6%	16.7%	2.6x	2.2x	13.8x	13.2x	30.2x	41.0x

Educational Content & Services

Company Name	Price (03/31/2022)	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)	\$3.58	\$641.2	\$181.1	(10.1%)	(4.0%)	0.4x	0.4x	NM	15.8x	NM	NM
Boxlight Corporation (BOXL)	\$1.20	\$141.0	\$78.5	77.0%	(0.7%)	0.8x	0.6x	11.7x	5.4x	NM	NM
Coursera, Inc. (COUR)	\$23.04	\$2,452.5	\$3,254.4	NM	(31.0%)	5.9x	4.5x	NM	NM	NM	NM
Duolingo, Inc. (DUOL)	\$95.11	\$3,018.5	\$3,540.0	NM	(22.8%)	12.0x	8.9x	NM	NM	NM	NM
Educational Development Corporation (EDUC)	\$7.75	\$95.5	\$67.9	10.8%	10.4%	0.6x	0.6x	5.4x	NM	6.1x	8.8x
Houghton Mifflin Harcourt Company (HMHC)	\$21.01	\$2,670.9	\$2,681.5	(7.4%)	13.5%	2.5x	2.5x	9.9x	9.5x	110.4x	72.4x
John Wiley & Sons, Inc. (JW.A)	\$53.03	\$3,931.8	\$2,962.4	5.1%	21.4%	1.9x	1.8x	9.0x	8.6x	17.4x	12.5x
Nerdy, Inc. (NRDY)	\$5.09	\$341.7	\$440.5	NM	NM	2.4x	1.7x	NM	NM	NM	NM
Pearson plc (PSO)	\$750.60	\$7,967.1	\$7,328.7	(6.0%)	13.7%	1.7x	1.7x	9.7x	9.6x	20.3x	18.5x
Scholastic Corporation (SCHL)	\$40.28	\$1,202.2	\$1,416.4	(3.1%)	9.1%	0.8x	NM	7.1x	NM	24.2x	NM
Udemy, Inc. (UDMY)	\$12.46	\$1,291.9	\$1,826.5	NM	(12.3%)	2.5x	2.1x	NM	NM	NM	NM
Mean		\$2,159.5	\$2,161.6	9.5%	(0.3%)	2.9x	2.5x	8.8x	9.8x	35.7x	28.0x
Median		\$1,291.9	\$1,826.5	(3.1%)	4.2%	1.9x	1.8x	9.4x	9.5x	20.3x	15.5x

OPM

Company Name	Price (03/31/2022)	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)	\$13.28	\$1,720.2	\$998.7	31.9%	(4.0%)	1.8x	1.6x	25.8x	21.6x	NM	NM
Grand Canyon Education, Inc. (LOPE)	\$97.11	\$2,903.5	\$3,443.3	2.0%	34.9%	3.2x	3.2x	8.9x	10.1x	16.2x	16.6x
Zovio, Inc. (ZVO)	\$0.82	\$38.2	\$28.4	(12.7%)	(22.3%)	0.1x	0.2x	NM	NM	NM	NM
Mean		\$1,554.0	\$1,490.1	7.1%	2.9%	1.7x	1.6x	17.4x	15.8x	16.2x	16.6x
Median		\$1,720.2	\$998.7	2.0%	(4.0%)	1.8x	1.6x	17.4x	15.8x	16.2x	16.6x

Data as of 3/31/2022. Sources: PitchBook and PVC
NM = Not Measurable

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