

Q4 2019 EDUCATION SECTOR OVERVIEW

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Private Investment Bankers

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Overview

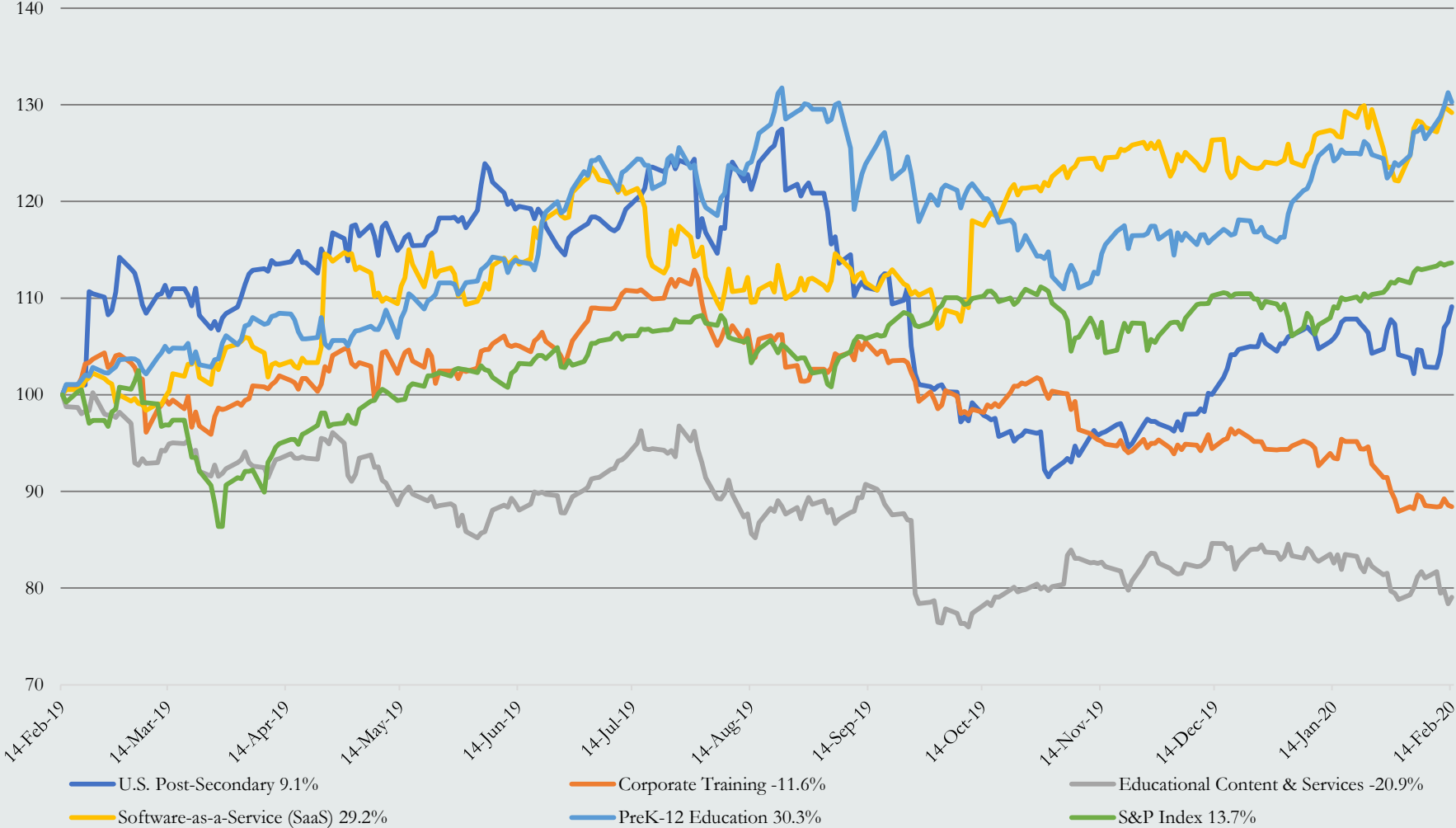
Parchman, Vaughan & Company, L.L.C. (“PVC”) is pleased to share with you our summary of the earnings and other multiples of publicly-traded education firms.

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

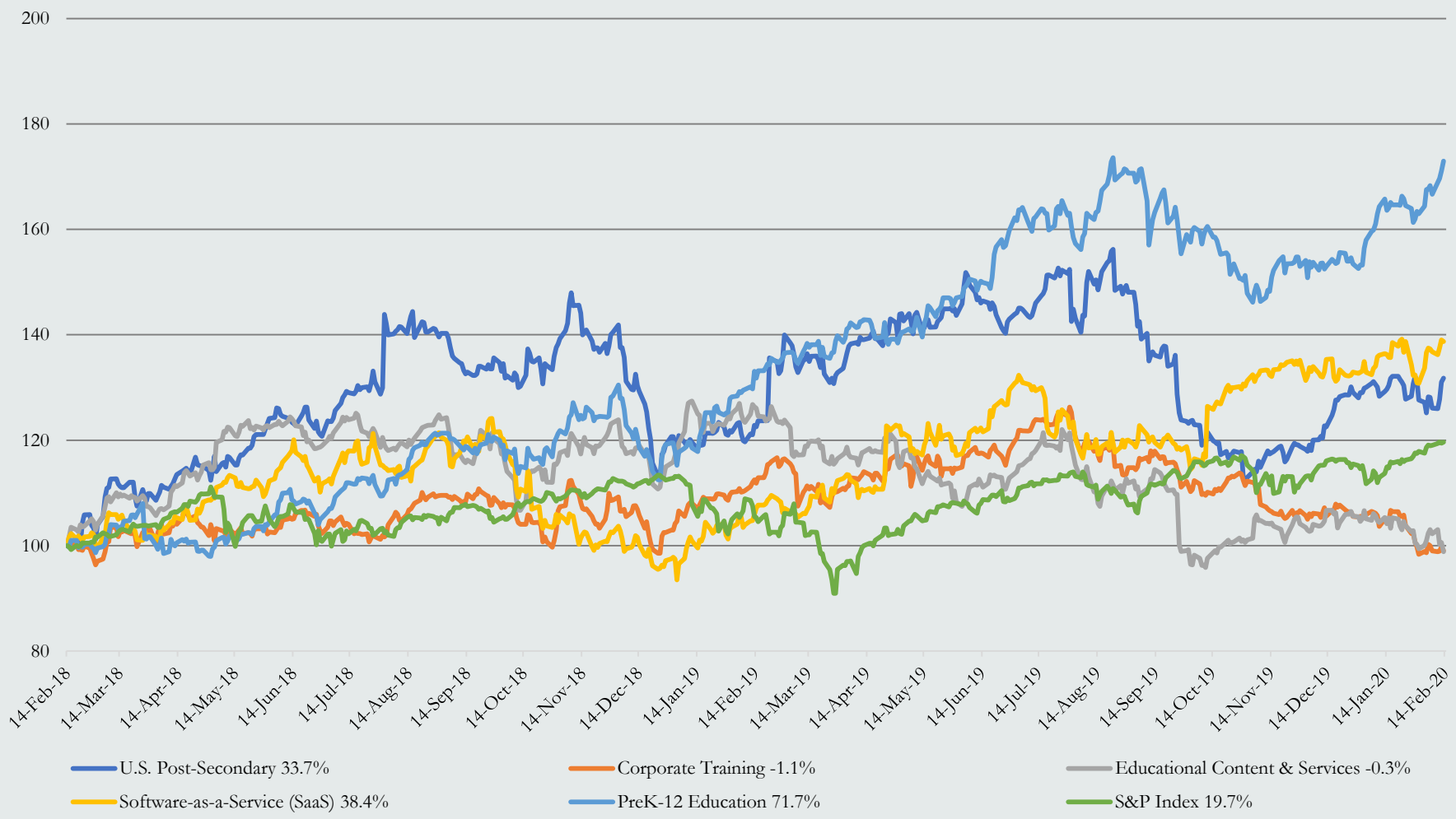
One Year Stock Price



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

Software-as-a-Service (SaaS)

Company Name	Price (02/14/2020)	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. (IWOU)	\$25.13	\$1,747.8	\$1,597.5	40.0%	(28.0%)	3.0x	2.4x	NM	NM	NM	NM
Blackbaud, Inc. (BLKB)	\$81.34	\$4,527.9	\$3,997.0	7.7%	14.1%	5.0x	4.8x	38.7x	24.3x	NM	35.9x
Constellation Software, Inc. (CSU)	\$1,110.22	\$23,974.3	\$23,527.3	17.5%	28.1%	7.1x	5.9x	25.4x	21.1x	NM	NM
Cornerstone OnDemand, Inc. (CSOD)	\$58.88	\$3,573.5	\$3,575.0	11.3%	7.2%	6.3x	5.5x	NM	23.2x	NM	38.2x
Docebo, Inc. (DCBO)	\$13.64	\$393.2	\$388.1	NM	(26.5%)	10.6x	7.0x	NM	NM	NM	NM
Instructure, Inc. (INST)	\$47.66	\$1,754.9	\$1,823.3	34.4%	(22.1%)	6.8x	5.8x	NM	NM	NM	NM
Learning Technologies Group plc (LTG)	\$2.09	\$1,430.1	\$1,396.0	71.6%	28.5%	9.0x	7.9x	31.0x	23.1x	NM	34.2x
Pluralsight, Inc. (PS)	\$18.66	\$2,751.7	\$2,624.1	NM	(42.0%)	8.7x	6.9x	NM	NM	NM	NM
SAP SE (SAP)	\$137.83	\$181,269.4	\$169,326.1	7.5%	24.0%	5.9x	5.6x	25.7x	15.9x	44.0x	22.6x
Sylogist Ltd. (SYZ)	\$6.97	\$135.7	\$165.9	1.6%	12.1%	4.9x	5.0x	40.3x	12.6x	NM	NM
Tribal Group plc (TRB)	\$0.93	\$183.3	\$185.5	(5.8%)	13.0%	1.8x	1.7x	13.9x	8.5x	31.2x	14.7x
Tyler Technologies, Inc. (TYL)	\$338.25	\$12,911.2	\$13,187.2	12.9%	21.6%	11.9x	10.6x	NM	38.4x	NM	NM
	Mean	\$19,554.4	\$18,482.8	19.9%	2.5%	6.7x	5.7x	29.2x	20.9x	37.6x	29.1x
	Median	\$2,253.3	\$2,223.7	12.1%	12.5%	6.6x	5.7x	28.4x	22.1x	37.6x	34.2x

Educational Content & Services

Company Name	Price (02/14/2020)	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 Education, Inc. (BNED)	\$3.79	\$445.8	\$183.0	2.7%	1.2%	0.2x	0.2x	19.5x	5.1x	NM	NM
Chegg, Inc. (CHGG)	\$40.08	\$5,024.6	\$4,873.1	13.7%	13.6%	12.2x	9.6x	NM	30.7x	NM	NM
Educational Development Corporation (EDUC)	\$5.70	\$58.3	\$48.2	6.5%	8.8%	0.5x	NM	5.7x	NM	8.5x	NM
Houghton Mifflin Harcourt Company (HMHC)	\$6.28	\$1,380.9	\$780.8	(0.7%)	11.3%	1.0x	1.0x	8.7x	7.8x	NM	NM
John Wiley & Sons, Inc. (JW.A)	\$43.03	\$3,297.6	\$2,427.7	2.5%	17.7%	1.8x	1.7x	10.2x	8.6x	16.8x	NM
Pearson plc (PON)	\$7.44	\$7,908.1	\$5,876.6	(1.9%)	10.5%	1.5x	1.6x	6.7x	9.3x	10.0x	12.5x
Rosetta Stone Inc. (RST)	\$19.98	\$450.5	\$480.7	(3.4%)	2.5%	2.5x	2.3x	NM	44.4x	NM	NM
Scholastic Corporation (SCHL)	\$34.65	\$1,018.2	\$1,199.1	(2.4%)	5.3%	0.6x	0.6x	11.5x	6.4x	NM	NM
	Mean	\$2,448.0	\$1,983.7	2.1%	8.9%	2.5x	2.4x	10.4x	16.1x	11.8x	12.5x
	Median	\$1,199.5	\$990.0	0.9%	9.6%	1.2x	1.6x	9.5x	8.6x	10.0x	12.5x

All data are the latest available as of 2/14/20

Sources: PitchBook and PVC

Education Public Company Valuation Data

U.S. Post-Secondary

Company Name	Price (02/14/2020)	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. (ATGE)	\$35.31	\$2,443.1	\$1,868.4	0.7%	20.2%	2.1x	2.3x	10.7x	10.5x	19.0x	NM
American Public Education, Inc. (APEI)	\$25.19	\$188.4	\$387.9	(3.4%)	11.0%	0.7x	0.6x	5.9x	5.2x	31.5x	NM
Aspen Group, Inc. (ASPU)	\$9.72	\$221.7	\$210.4	55.0%	(7.4%)	5.4x	3.6x	NM	31.7x	NM	NM
Grand Canyon Education, Inc. (LOPE)	\$87.49	\$4,369.9	\$4,219.2	(4.2%)	39.3%	5.9x	5.1x	15.0x	13.0x	16.4x	NM
Laureate Education, Inc. (LAUR)	\$21.25	\$6,492.1	\$4,645.6	(7.7%)	17.8%	2.0x	1.9x	11.0x	8.9x	NM	NM
Lincoln Educational Services Corporation (LINC)	\$2.48	\$122.8	\$62.6	(9.9%)	3.4%	0.5x	0.4x	13.6x	7.4x	NM	NM
Perdoceo Education (PRDO)	\$17.83	\$1,040.0	\$1,254.8	(6.4%)	13.7%	1.7x	1.6x	12.4x	7.4x	22.3x	NM
Strategic Education, Inc. (STRA)	\$167.93	\$3,367.2	\$3,688.5	30.8%	21.4%	3.5x	3.2x	16.1x	12.1x	39.5x	NM
Universal Technical Institute, Inc. (UTI)	\$9.30	\$325.6	\$239.4	(0.6%)	7.3%	1.0x	0.9x	13.2x	10.7x	NM	NM
Zovio, Inc. (ZVO)	\$1.64	(\$22.1)	\$49.6	(8.3%)	(9.4%)	NM	NM	NM	NM	NM	NM
Mean		\$1,854.9	\$1,662.6	4.6%	11.7%	2.5x	2.2x	12.2x	11.9x	25.7x	NM
Median		\$682.8	\$821.4	(3.8%)	12.3%	2.0x	1.9x	12.8x	10.5x	22.3x	NM

Corporate Training

Company Name	Price (02/14/2020)	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 Company (FC)	\$33.10	\$467.2	\$457.8	5.7%	6.4%	2.0x	1.9x	31.7x	16.2x	NM	NM
GP Strategies Corporation (GPX)	\$14.58	\$383.5	\$247.5	4.6%	4.4%	0.7x	0.6x	15.6x	8.2x	40.5x	NM
Graham Holdings Company (GHC)	\$537.82	\$3,215.7	\$2,858.2	5.0%	17.7%	1.1x	NM	6.3x	NM	12.1x	NM
HealthStream, Inc. (HSTM)	\$25.85	\$695.7	\$837.0	4.0%	17.7%	2.8x	2.8x	15.7x	16.3x	NM	NM
NV5 Global, Inc. (NVEE)	\$65.35	\$908.1	\$837.7	34.3%	12.1%	1.8x	1.3x	15.3x	8.9x	29.2x	NM
Mean		\$1,134.0	\$1,047.6	10.7%	11.7%	1.7x	1.6x	16.9x	12.4x	27.2x	NM
Median		\$695.7	\$837.0	5.0%	12.1%	1.8x	1.6x	15.6x	12.6x	29.2x	NM

Pre K-12 Education

Company Name	Price (02/14/2020)	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 (BFAM)	\$172.32	\$11,805.9	\$10,025.9	9.4%	18.3%	5.7x	5.3x	31.4x	26.8x	NM	NM
K12 Inc. (LRN)	\$17.16	\$540.2	\$703.0	4.7%	10.5%	0.5x	0.5x	5.0x	4.4x	22.0x	NM
Mean		\$6,173.0	\$5,364.4	7.0%	14.4%	3.1x	2.9x	18.2x	15.6x	22.0x	NM
Median		\$6,173.0	\$5,364.4	7.0%	14.4%	3.1x	2.9x	18.2x	15.6x	22.0x	NM

All data are the latest available as of 2/14/20

Sources: PitchBook and PVC

For more information, please visit www.parchmanvaughan.com