



Professional Education and Learning Technology Sector Update

Harris Williams | Q2 2022

Perspectives on Professional Education and Learning Technology

Skill Development



Solutions designed to improve professionals' skills in a broad variety of functional areas

Select Market Participants



Key Trends

- Rapid development in new and more complex technology is driving investment in upskilling initiatives
- Soft skills training for the workforce is becoming a strategic imperative for Fortune 500 and mid-market organizations

Vertical Education



Solutions tailored for specific industries including pre-licensure, continuing education, and certification

Select Market Participants



Key Trends

- Growth in the professional job market is creating a strong demand for training and professional certifications
- Increased focus on professional development is helping companies retain top talent; lack of training is cited as a key reason for departure by ~70% of millennials switching companies

Regulated and Compliance Training



Solutions that enable organizations to comply with various regulatory, industry, and company-mandated training requirements

Select Market Participants



Key Trends

- Mandatory compliance and continuing education programs are creating demand for ongoing and repeatable training
- High-profile instances of cybercrime and ethical violations are leading organizations to adopt additional compliance and D&I training offerings

Learning Technology



Solutions that deliver content, facilitate digital instruction, and enhance the learning experience

Select Market Participants

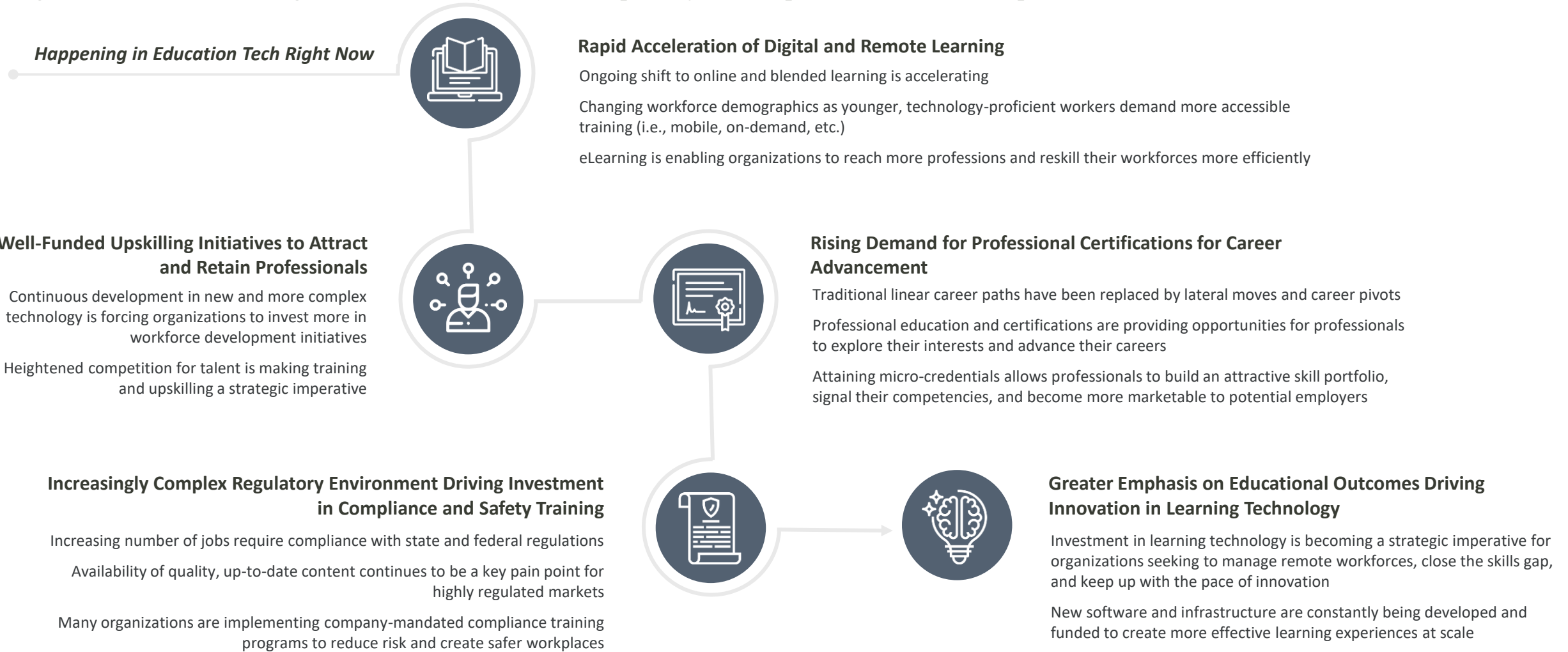


Key Trends

- Organizations continue to seek technologies that improve the learning experience, driving increased adoption in mobile learning, gamification, and microlearning solutions
- Increasing adoption of solutions to support personalized instruction and preference for "bite-sized" learning

Professional Education and Learning Technology Observations and Key Trends

The professional education and learning technology landscape is constantly evolving, primarily driven by the widening skill gap, ongoing shift to digital and blended learning, and a favorable job market, especially in both professional and trade professions



What We're Reading

5 Training Lessons Companies Have Learned from the Pandemic

Entrepreneur

"Things are certainly different now. The pandemic has not only accelerated digital applications and remote work, but also the need for effective remote training strategies. These range from meeting the needs of homebound and geographically dispersed workforces, to training new hires who've never been on site, to onboarding, up-skilling and re-skilling."

Read the full article [here](#).

How to Build a Culture of Learning

Forbes

"A recent report by Harvard Business Publishing found that 54% of the workforce will need up-skilling or re-skilling by 2025. In the same report, 85% of employees said they know where they have skills gaps, but only 41% believed their managers understood their gaps. According to a Gartner survey, only 20% of workers are confident they have the necessary skills for the future."

Read the full article [here](#).

4 Ways to Bridge the Global Skills Gap

Harvard Business Review

"Yuwaah (Generation Unlimited India) and PwC are developing a 'platform of platforms' that will aggregate existing platforms providing digital up-skilling opportunities to help connect youth with options for training, career guidance and, ultimately, jobs. The partnership aims to transform education, skilling, and employment for 300 million young people in India by 2030."

Read the full article [here](#).

6 Ways to Tackle the Massive Software Engineering Skills Shortage

Deloitte

"Writing code to create cloud-based digital portals and business applications isn't just for software companies anymore. Increasingly, tech-forward businesses are building their own stable of software engineers and cloud architects to generate custom digital software and products, rather than relying on third-party vendors. That's a huge shift for most businesses."

Read the full article [here](#).

Recent Harris Williams Content

Harris Williams 2022 Outlook *Insights from our Industry Groups*



In a collection of brief articles, Harris Williams' Industry Group leaders reflect on the changes spurred by 2021 and what's to come in 2022.

[Link to Read](#)

Deal Snapshot *TPC Training*



Professionals from Harris Williams' Education Technology team discuss the recent sale of TPC Training to American Safety Council

[Link to Read](#)

[Access All Harris Williams Insights Here](#)

Select Q1 2022 Professional Education and Learning Technology Transactions¹

Colibri's acquisition of Becker and OnCourse Learning



Target



Buyer

Pending

Purchase Price Not Disclosed

- Becker is a provider of educational services, including CPA and CMA exam preparation and continuing education
- OnCourse Learning is a provider of online regulatory and compliance education solutions
- The acquisition of Adtalem's carved-out assets will enable Colibri to work within new categories of accounting, mortgage, and financial services

Wendel's acquisition of ACAMS



Target



Buyer

March 2022

HW Confidential

- ACAMS is a provider of training and certification programs for anti-money laundering and financial crimes prevention
- Wendel's acquisition was driven by ACAMS' shared mission in financial crimes prevention, market-leading position, and attractive long-term growth prospects

Knowfully's acquisition of MasterCPE



Target



Buyer

March 2022

Purchase Price Not Disclosed

- MasterCPE is a provider of online continuing professional education courses for CPAs and finance professionals
- The acquisition will expand Knowfully's presence in the accounting field and allow for more customers to be reached through on-demand solutions

Skill and You's acquisition of ICS Learn



Target



Buyer

March 2022

Purchase Price Not Disclosed

- ICS Learn is a provider of an online professional training platform across HR, accounting, and leadership and management
- The acquisition will facilitate Skill and You's expansion plans into the UK market

Learning Pool's acquisition of True Office Learning



Target



Buyer

January 2022

Purchase Price Not Disclosed

- True Office Learning is a provider of an e-learning platform focused on enterprise education and analytics services
- The combination of Learning Pool and True Office Learning allows critical business needs for a broad case of customers to be met through a compliance-focused LXP

eLearning Brother's acquisition of Origin Learning



Target



Buyer

January 2022

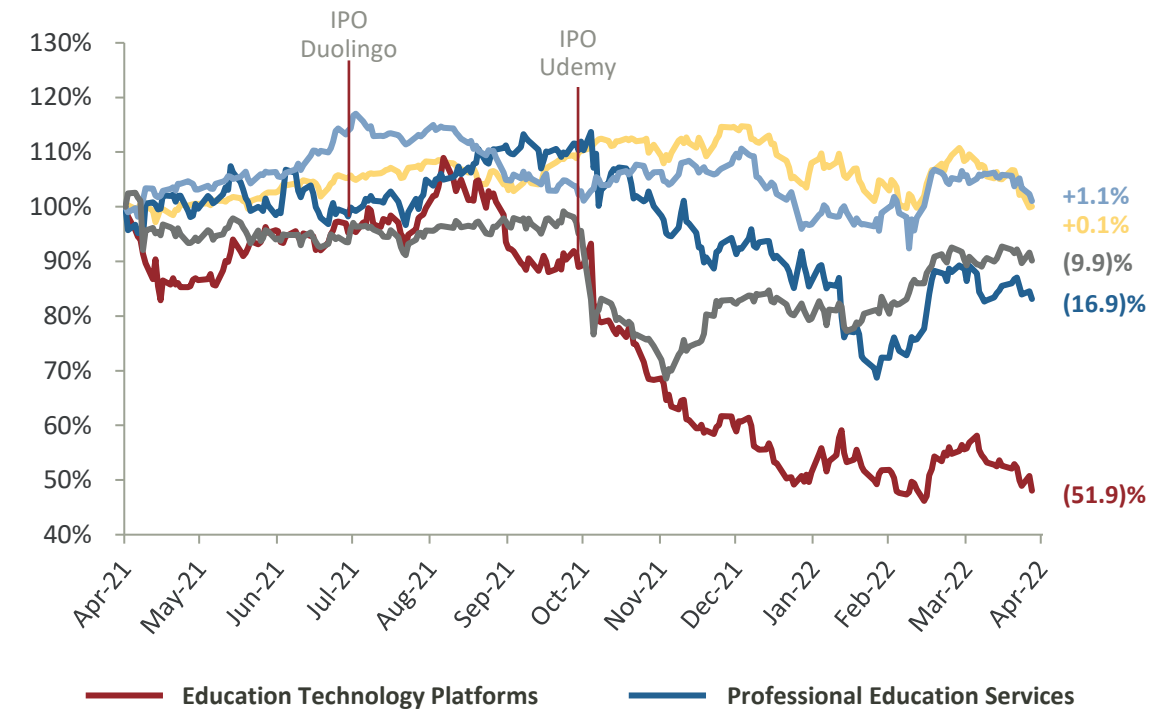
Purchase Price Not Disclosed

- Origin Learning is a provider of education solutions to learning and development professionals globally
- The acquisition was viewed as highly complementary to the existing product offering and will support eLearning Brother's expansion into new markets

Professional Education and Learning Technology Public Company Trended Stock Performance¹

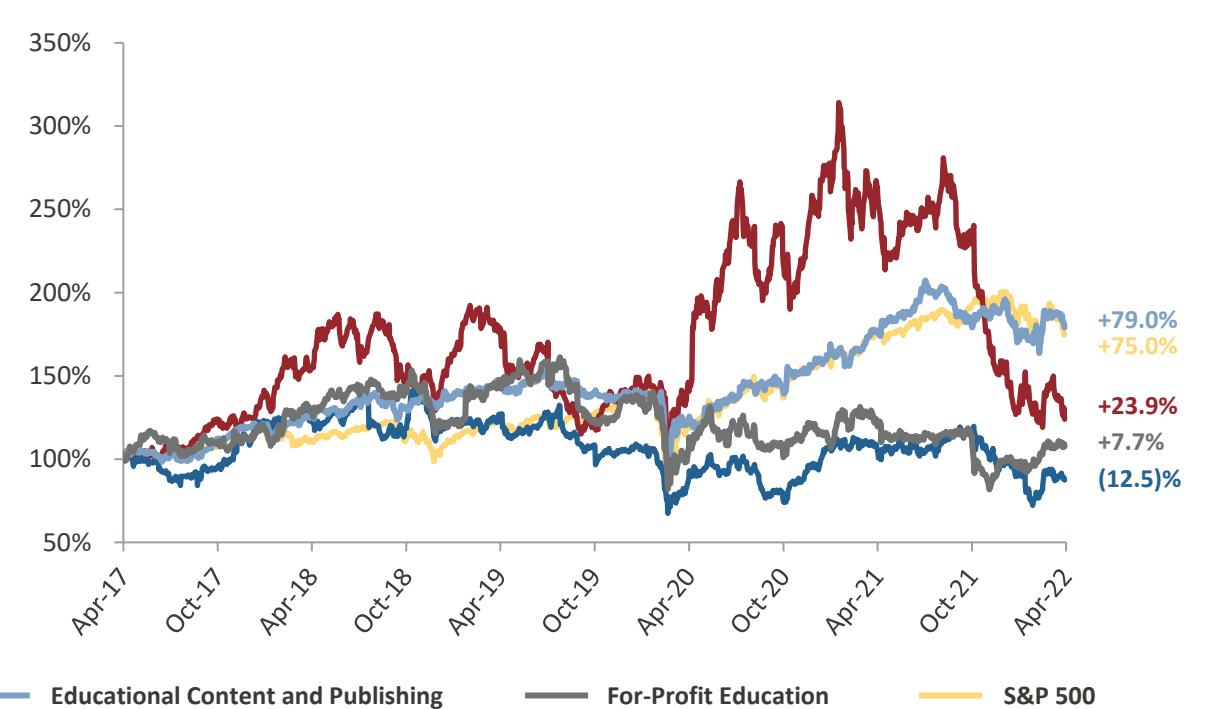
Public Company Stock Performance – Last 12 Months

Indexed Stock Price Performance for the period April 2021 – April 2022



Public Company Stock Performance – 5 Years

Indexed Stock Price Performance for the period April 2017 – April 2022



Education Technology Platforms

2U, Chegg, coursera, duolingo, HealthStream, ltg, PowerSchool, Stride, TRIBAL, udemy

Professional Education Services

ADTALEM, FranklinCovey, skillsoft, Wilmington plc

Educational Content and Publishing

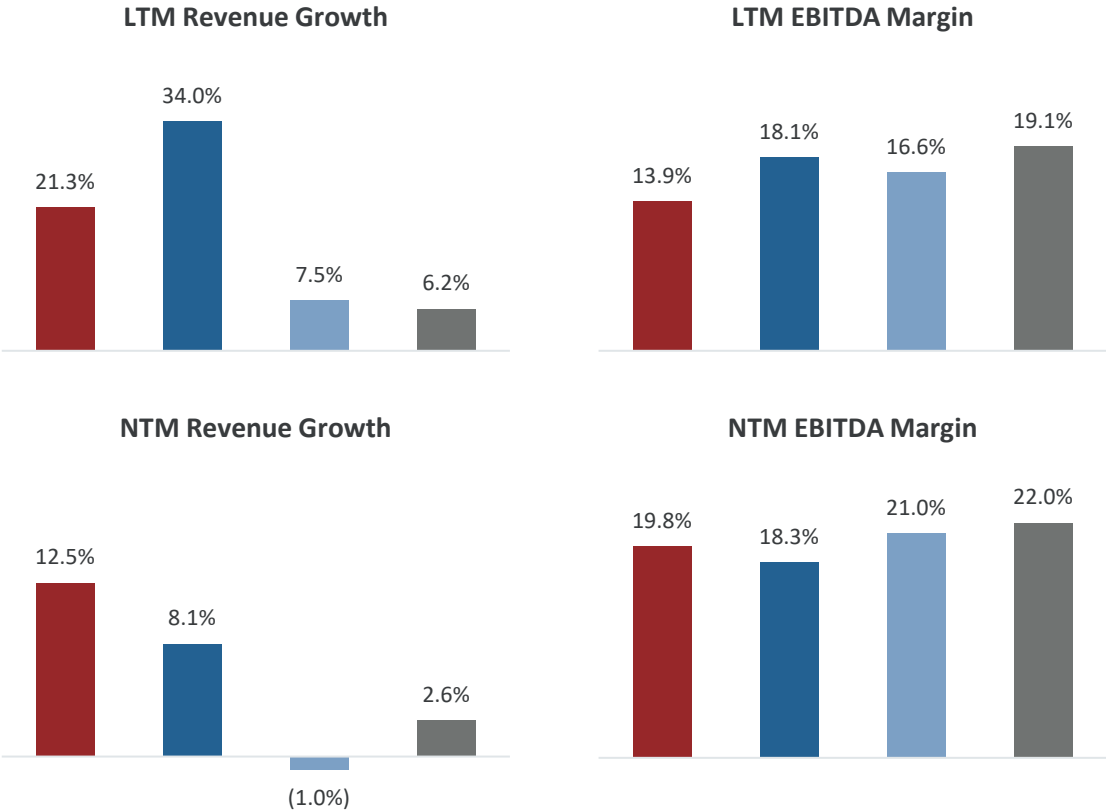
Graham Holdings, Pearson, sanoma, WILEY, Wolters Kluwer

For-Profit Education

apei, American Public Education, Inc., ASPEN GROUP INC., GRAND CANYON EDUCATION, LAUREATE EDUCATION INC., SEI

Professional Education and Learning Technology Public Company Operating and Valuation Metrics¹

Public Company – Operating Metrics



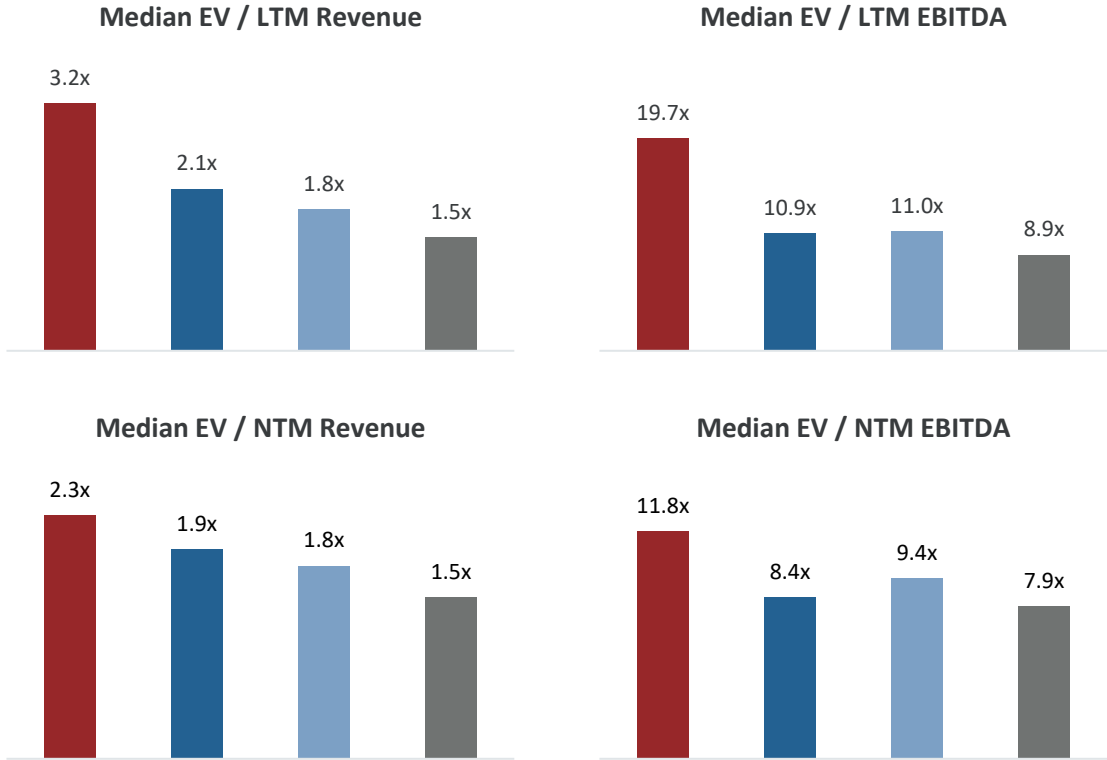
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Public Company – Valuation Metrics



Educational Content and Publishing

Graham Holdings, Pearson, sanoma, WILEY, Wolters Kluwer

For-Profit Education

apei, American Public Education, Aspen Group Inc., Grand Canyon Education, Laureate Education, SEI

Skill Development Sector Landscape

Key Players

To view full market map, please contact:
hwedtech@harriswilliams.com

Organizations that offer learning content and educational services to enhance professionals' skills across a broad variety of functional areas



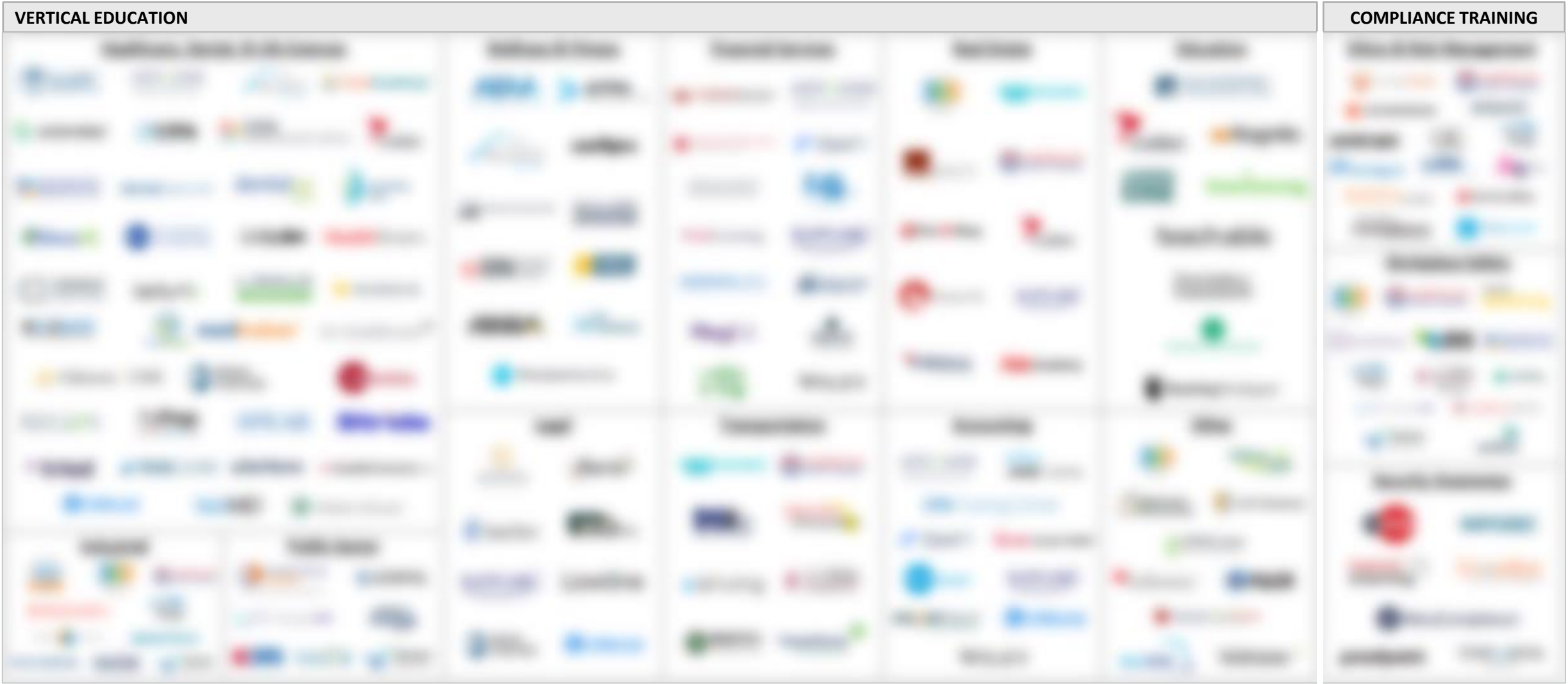
Vertical Education and Compliance Training Sector Landscape

Key Players

To view full market map, please contact:

hwedtech@harriswilliams.com

Solutions tailored for specific industries, including pre-licensure, continuing education, and certification



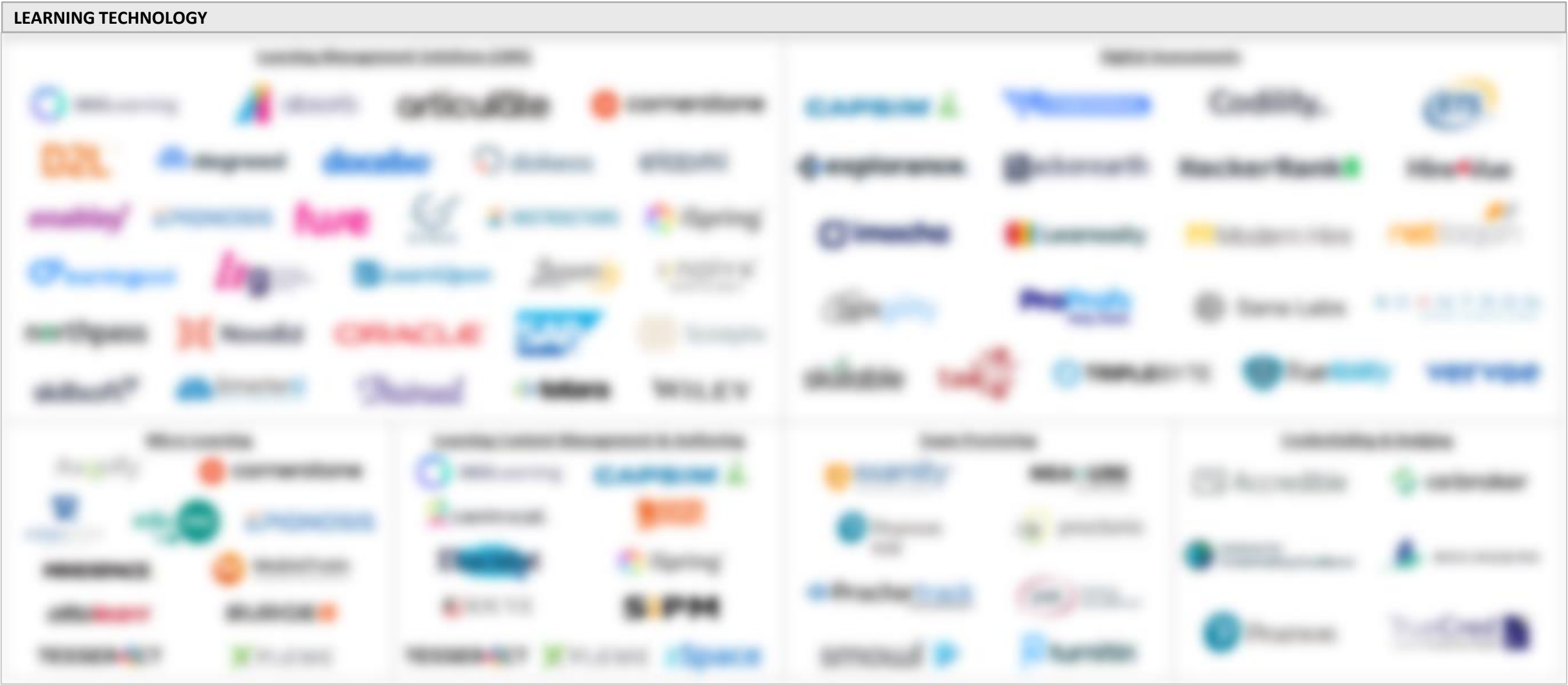
Learning Technology Sector Landscape

Key Players

To view full market map, please contact:

hwedtech@harriswilliams.com

Technology solutions that deliver content, facilitate digital instruction, and enhance the learning experience



Harris Williams: At a Glance



- **30 years** and thousands of deals closed
- **100%** of revenue is from M&A advisory
- **95%** of revenue from sell-side transactions
- **10** industry groups with deep sector expertise
- **70%** of revenue from repeat clients
- **8** offices across the U.S. and Europe

The Harris Williams Technology Group

48+ closed technology transactions since March 2020

Technology Coverage Areas

Application Software • Infrastructure & Security Software • IT & Managed Services

Sector Coverage Areas

Architecture, Engineering, and Construction • Compliance • eCommerce & Retail • **Education**

Government & Public Sector • Healthcare • Human Capital Management • Industrial

Legal • Office of the CFO • Pharma • Real Estate & Property • Supply Chain & Logistics

Thematic Focus Areas

• SaaS/Cloud • Integrated Payments • Digital Transformation • AI/Machine Learning

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Harris Williams Professional Education and Learning Technology Experience

Selected Professional Education and Learning Technology Transaction Experience

 WENDEL has acquired 	 MARLIN EQUITY PARTNERS has acquired 	 EURAZEO has acquired 	 TPC has been acquired by 	 learn on demand systems has received an investment from 
 ISSA has been acquired by 	 kalkomey™ has been acquired by 	 50 has received an investment from Morgan Stanley Capital Partners	 cpi has been acquired by  WENDEL	 hsi Health & Safety Institute has been acquired by  Waud Capital
 veriforce has been acquired by 	 OnCourse Learning has been acquired by 	 THE LEARNING EXPERIENCE Academy of Early Education has been acquired by 	 io education has been acquired by 	 EXOS has been acquired by 
 PrecisionNutrition has received a strategic investment from 	 yourmembership has been acquired by 	 Prosci has received an Investment from 	 hsi Health & Safety Institute has been acquired by 	 Care2Learn has been acquired by 

Harris Williams Transaction Spotlight



has been acquired by



December 2021

Company Background

TPC provides online industrial skills and workplace safety training, performance management, and environmental, health, and safety (EHS) compliance software solutions.

Successful Outcome

TPC was a recognized market leader in industrial skills training and certifications, drawing interest from both strategic and financial buyers. Ultimately, TPC’s proven track record of double-digit organic growth, coupled with a rapidly expanding B2B customer base and a best-in-class technology solution, were highly complementary with ASC, creating a compelling combination.

Harris Williams served as exclusive financial advisor to TPC Training, a portfolio company of Frontenac Company, in this transaction.

Harris Williams Transaction Spotlight



has received an investment from



March 2021

Company Background

Learn on Demand Systems provides cloud-based virtual labs, tools, and proprietary content that power hands-on learning environments for leading technology and IT training organizations.

Successful Outcome










In a highly fragmented market, Learn on Demand Systems was viewed as one of the few comprehensive platforms of scale. As this market is rapidly expanding, Shamrock’s investment will help Learn on Demand Systems accelerate growth, enter new markets, and enhance its technology capabilities.

Harris Williams served as exclusive financial advisor to Learn on Demand Systems, a portfolio company of Quad Partners, in this transaction.

Harris Williams Capabilities and Locations



Harris Williams has a broad range of industry expertise, which create powerful opportunities. Our clients benefit from our deep-sector experience, integrated industry intelligence and collaboration across the firm, and our commitment to learning what makes them unique. For more information, visit our website at www.harriswilliams.com.

	Aerospace, Defense & Government Services		Business Services		Building Products & Materials		Consumer		Energy, Power & Infrastructure
	Healthcare & Life Sciences		Industrials		Specialty Distribution		Technology		Transportation & Logistics

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Sources and Disclosures

Sources

1. S&P Capital IQ
2. Pitchbook
3. Entrepreneur
4. Forbes
5. Harvard Business Review
6. Deloitte

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Appendix

Public Market Operating and Valuation Metrics

(\$ in millions)

Company	Market	Enterprise	% of 52-Week	Revenue Growth		EBITDA Margin		Enterprise Value / Revenue		Enterprise Value / EBITDA	
	Capitalization	Value	High	LTM	NTM	LTM	NTM	LTM	NTM	LTM	NTM
Education Technology Platforms											
Duolingo, Inc.	\$3,381.4	\$2,859.9	42.2%	55.1%	35.0%	NM	NM	11.4x	8.4x	NM	NM
Chegg, Inc.	3,134.1	3,285.5	26.7%	20.5%	8.6%	20.3%	31.6%	4.2x	3.9x	20.9x	12.3x
Coursera, Inc.	2,651.7	1,889.7	40.0%	36.4%	28.8%	NM	NM	4.2x	3.3x	NM	NM
PowerSchool Holdings, Inc.	2,399.3	3,542.2	41.4%	28.4%	11.8%	14.5%	29.3%	6.3x	5.7x	43.6x	19.3x
Stride, Inc.	1,629.6	1,835.6	95.4%	15.7%	6.0%	11.5%	16.8%	1.1x	1.1x	9.8x	6.3x
Udemy, Inc.	1,523.2	988.5	33.4%	19.9%	21.1%	NM	NM	1.9x	1.6x	NM	NM
Learning Technologies Group plc	1,297.7	1,278.4	54.9%	27.9%	182.1%	24.7%	20.8%	6.1x	2.2x	24.8x	10.5x
2U, Inc.	768.4	1,500.6	21.5%	22.1%	13.2%	NM	7.3%	1.6x	1.4x	NM	19.1x
HealthStream, Inc.	583.6	563.8	61.4%	4.8%	6.4%	11.7%	18.8%	2.2x	2.0x	18.6x	10.9x
Tribal Group plc	248.0	243.2	84.7%	10.3%	(5.5%)	13.3%	19.8%	2.2x	2.3x	16.6x	11.8x
Median	\$1,576.4	\$1,668.1	41.8%	21.3%	12.5%	13.9%	19.8%	3.2x	2.3x	19.7x	11.8x
Professional Education Services											
Adtalem Global Education Inc.	\$1,459.8	\$3,050.4	72.9%	34.0%	8.2%	20.5%	0.0%	2.3x	2.1x	11.3x	NM
Skillsoft Corp.	875.4	1,282.0	41.5%	NA	20.5%	19.4%	21.8%	2.0x	1.7x	10.3x	7.6x
Franklin Covey Co.	574.7	542.7	76.3%	34.5%	8.0%	11.3%	14.8%	2.2x	2.0x	19.6x	13.9x
Wilmington plc	281.5	279.6	91.8%	6.7%	(4.2%)	16.7%	21.9%	1.8x	1.8x	10.5x	8.4x
Median	\$725.1	\$912.3	74.6%	34.0%	8.1%	18.1%	18.3%	2.1x	1.9x	10.9x	8.4x
Educational Content and Publishing											
Wolters Kluwer N.V.	\$26,085.8	\$28,509.3	91.8%	(3.6%)	(1.0%)	29.8%	31.7%	5.3x	5.3x	17.6x	16.7x
Pearson plc	7,356.7	8,043.2	88.9%	0.1%	(1.5%)	12.7%	17.2%	1.7x	1.8x	13.6x	10.2x
Graham Holdings Company	2,906.8	3,134.5	86.5%	10.3%	13.6%	10.9%	9.2%	1.0x	0.9x	9.0x	9.4x
John Wiley & Sons, Inc.	2,835.1	3,806.0	77.1%	10.3%	2.3%	16.6%	21.0%	1.8x	1.8x	11.0x	8.5x
Sanoma Oyj	2,066.8	2,811.5	74.0%	7.5%	(2.3%)	20.8%	28.6%	2.0x	2.1x	9.7x	7.2x
Median	\$2,906.8	\$3,806.0	86.5%	7.5%	(1.0%)	16.6%	21.0%	1.8x	1.8x	11.0x	9.4x
For-Profit Education											
Grand Canyon Education, Inc.	\$3,149.7	\$2,610.0	87.5%	6.2%	2.6%	34.9%	31.4%	2.9x	2.8x	8.3x	9.0x
Laureate Education, Inc.	1,969.5	2,214.1	59.6%	6.0%	8.1%	22.5%	27.6%	2.0x	1.9x	9.1x	6.8x
Strategic Education, Inc.	1,596.8	1,623.1	77.5%	4.5%	(1.6%)	15.7%	16.4%	1.5x	1.5x	9.4x	9.1x
American Public Education, Inc.	366.6	487.7	61.8%	30.1%	49.4%	13.3%	13.6%	1.2x	0.8x	8.7x	5.7x
Aspen Group, Inc.	21.9	40.4	11.6%	21.5%	1.6%	NM	NM	0.5x	0.5x	NM	NM
Median	\$1,596.8	\$1,623.1	61.8%	6.2%	2.6%	19.1%	22.0%	1.5x	1.5x	8.9x	7.9x
Total Median	\$1,613.2	\$1,862.7	67.3%	15.7%	8.1%	16.6%	20.3%	2.0x	2.0x	11.0x	9.4x

Recent Sector Transaction Detail¹

Closed Date	Target	Acquirer	Business Description	Ent. Value (\$M)
Pending	Becker	Colibri Group	Provider of educational services including CPA and CMA exam preparation and continuing education	NA
Pending	OnCourse Learning	Colibri Group	Provider of online regulatory and compliance education solutions for the mortgage and financial sectors	NA
Pending	EdCast	Cornerstone OnDemand	Provider of online end-to-end employee and talent solution spanning learning, skilling and career mobility	NA
Mar-22	ICS Learn	Skill & You	Provider of an online professional training platform across HR, accounting, and leadership & management	NA
Mar-22	SpeakPulse	ENTITY Academy	Provider of an interview preparation technology software that supports job applicants	NA
Mar-22	MasterCPE	KnowFully	Provider of online continuing professional education courses for CPAs and finance professionals	NA
Mar-22	ACAMS	Wendel	Provider of a training and certification program for anti-money laundering and financial crimes prevention	HW Confidential
Feb-22	Velopi LTD	Educate 360	Provider of project management training and consultancy services	NA
Feb-22	Wilson Language Training	Alpine Investors	Provider of a professional learning and certification program for literacy educators	NA
Feb-22	Esme Learning Solutions	Hercules Capital	Provider of an AI-based online education platform led in partnership with leading universities	\$15
Jan-22	Augusoft	Modern Campus	Provider of cloud-based enrollment management solutions for continuing and corporate education programs	NA
Jan-22	Spidell Publishing	CeriFi	Provider of federal and state tax research and education solutions	NA
Jan-22	180 Skills	BERKS Group	Provider of an online technical education platform delivering online skills and courses for students	NA
Jan-22	Origin Learning	eLearning Brothers	Provider of education solutions to learning and development professionals globally	NA
Jan-22	CE Broker	Marlin Equity Partners	Provider of a continuing education and compliance tracking system for the healthcare sector	NA
Jan-22	Lavinia Group	Learner's Edge	Provider of educator training and curriculum development programs	NA
Jan-22	Loop Online	360 Learning	Provider of a learning management system for delivering business training	\$20
Jan-22	True Office Learning	Learning Pool	Provider of an e-learning platform focused on enterprise education and analytics services	NA
Jan-22	Simpler Trading	ZMC	Provider of financial education solutions to individual traders and investors	NA