



# Education & Training Industry

## Middle Market Deal Activity & Outlook

---

Mergers & Acquisitions

2023

## Lifelong Learning Supports Strong Education & Training Industry M&A

### Sector Insights

Early Childhood Education  
K-12 Education  
Post-Secondary Education  
Corporate Training

### Industry Insights

M&A Overview  
Public Market Valuations  
Macroeconomic Trends  
Valuation Drivers



**CAPSTONE  
PARTNERS**



Capstone Partners, a subsidiary of Huntington Bancshares Incorporated (NASDAQ:HBAN), has been a trusted advisor to leading middle market companies for over 20 years, offering a fully integrated range of expert investment banking and financial advisory services uniquely tailored to help owners, investors, and creditors through each stage of the company's lifecycle.

MIDDLE  
MARKET  
FOCUS

FULL  
SERVICE  
CAPABILITIES

SUPERIOR  
CLIENT  
RESULTS

TOP  
RANKED  
PERFORMANCE

ESTABLISHED  
BRAND  
REPUTATION

A DIFFERENT KIND OF FIRM. BUILT FOR THE MIDDLE MARKET.

#### Mergers & Acquisitions

- Sell-side Advisory
- Buy-side Advisory
- Recapitalizations
- Mergers & Joint Ventures

#### Capital Advisory

- Equity Advisory
- Debt Advisory
- Infrastructure Finance

#### Financial Advisory

- Transaction Advisory
- Interim Management
- Performance Improvement
- Valuation Advisory
- Litigation Support

#### Special Situations & Restructuring

- Special Situations
- Turnaround
- Restructuring
- Bankruptcy
- Insolvency

## Sign Up for Sector Insights.

Delivering timely, sector-specific intelligence to your inbox

One of our core capabilities is to deliver sector-specific intelligence designed specifically for sector leaders, private equity firms and their advisors. Our sector reports and featured articles deliver real-time access to key sector data including:

- Emerging sector trends
- Acquirer and investor appetites
- Mergers & acquisitions market analysis
- Notable transactions
- Public company data

Receive email updates with our proprietary data, reports, and insights as they're published for the sectors that matter to you most.

[Subscribe](#) ▶



[capstonepartners.com](http://capstonepartners.com)

# Table of Contents

<b>04</b>	2022 M&A Overview	<b>15</b>	Notable EdTech M&A and Financing Transactions
<b>06</b>	Macroeconomic Backdrop	<b>17</b>	Early Childhood Education
<b>07</b>	Sponsors Drive Robust Levels of Education & Training M&A	<b>21</b>	K-12 Education
<b>09</b>	Education & Training Valuations Remain Healthy	<b>25</b>	Post-Secondary Education
<b>11</b>	Notable Sector M&A Transactions	<b>29</b>	Corporate Training
<b>13</b>	Education Technology Adoption Flourishes Across Industry	<b>35</b>	Endnotes





## 2022 M&A Overview



**\$282M**

*Average Deal Value*



**\$5.9B**

*Total Disclosed Deal Value*

## 2022 Transaction Statistics



**3.1x**

*Average Revenue*



**10.9x**

*Average EBITDA*



**55%**

*Financial Buyers*



**45%**

*Strategic Buyers*



**45%**

*Add-on Deals*



**17%**

*EdTech Targets*

# Public Market Valuation Breakdown

**Capstone's Education & Training Index vs. S&P 500**  
 (Average Public Company EBITDA Multiples)



Education & Training Index Includes: APEI, APOL, CPLA, EDMC.Q, LOPE, ESIN.Q, LINC, NAUH, STRA, UTI, ATGE, COUR, DTOL, FC, GHC, LTG, SKIL, LRN, THNC, UDMY, ZVOI, CNGO, CHGG, GPX, HTN, HSTM, WLY, PSON, SCHL, WIL  
 Source: Capital IQ as of December 31, 2022



## Macroeconomic Backdrop

Lackluster equity market returns, stubborn levels of inflation, and wavering consumer confidence fueled a bearish market sentiment for much of 2022—contributing to forecasts of a recession on the horizon. Elevated inflation has undoubtedly had an adverse effect on the U.S. economy as the Federal Reserve has aggressively raised interest rates to the highest level in the past 15 years. Although Americans have continued to grapple with rising costs, inflation is forecasted to moderate to 3.4% by September 2023, according to J.P. Morgan's (NYSE:JPM) 2023 Economic Outlook Report.<sup>1</sup> In concurrence, Capstone expects slowing wage rate growth to soften inflation, strengthening the U.S. economy.

Education & Training industry participants are expected to be fairly protected from economic headwinds in 2023, insulated by elevated spending levels. By 2027, U.S. Education & Training industry spending is forecasted to reach \$1.9 trillion through an annualized growth rate of 1% from 2023 to 2027, according to IBISWorld.<sup>2</sup> This steady, moderate increase in spending, coupled with heightened federal funding through the CARES Act, has provided a favorable outlook for industry participants in 2023.

Despite current market volatility, Education & Training industry public players have demonstrated significant resilience. As of December 31, 2022, Capstone's Education & Training Index recorded an EBITDA trading multiple of 12.0x, just behind the S&P 500's trading multiple of 12.5x EV/EBITDA. Public industry participants have historically kept pace with the S&P 500 during periods of economic downturn. During the 2007–2008 Global Financial Crisis (GFC), Capstone's Education & Training Index averaged 11.5x EV/EBITDA, outperforming the S&P 500 average of 10.0x EV/EBITDA during the same period. During the recessionary period following the height of COVID-19, the Education & Training Index averaged 13.2x EV/EBITDA compared to the S&P 500 average of 15.3x EV/EBITDA, illustrating the current strength of publicly-traded industry participants.

Extending the lifetime value (LTV) of learners has been a key investment thesis adopted across the industry in 2022 and is expected to continue to drive revenue and acquisition opportunities for industry participants regardless of the economic conditions in 2023. Further industry consolidation is projected, as providers look to expand offerings and serve students from early childhood education through continuing professional education. Middle market industry participants that contribute to the LTV of learners will likely continue to be attractive acquisition targets in 2023.

# Sponsors Drive Robust Levels of Education & Training M&A

Merger and acquisition (M&A) activity in the Education & Training industry proved to be noncyclical in 2022 with 156 transactions announced or completed. Although M&A volume declined year-over-year (YOY), 2021 was a record year as pent-up transaction demand from the pandemic drove deal flow to new heights, making for a difficult comparison. However, Education & Training industry M&A volume in 2022 outperformed 2020 and 2019 levels by 9.1% and 27.9%, respectively, demonstrating long-term growth despite current economic headwinds.

Private strategic buyers have historically comprised the majority of Education & Training industry deals, yet only accounted for 36.5% of transactions in 2022. Private equity firms have increased their presence in the industry to capitalize on lifelong learning tailwinds, comprising 54.5% of deals in 2022. With ample dry powder on hand, private equity firms have been well-equipped to seek out deals in a market that has demonstrated financial resilience and normalized valuations. Lower middle market (\$10–\$100 million enterprise value) Education & Training M&A deals accounted for the majority of disclosed transactions in 2022 as deteriorating lending conditions have made it more expensive for sponsors to finance larger deals, with the average senior debt multiple in the \$100–\$250 million enterprise value range falling to 2.9x Senior Debt/EBITDA in Q4 2022 from 4.3x in Q3 2022 (GF Data®). As a result, private equity firms have focused on bolstering portfolio businesses through add-on deals, which comprised 44.9% of industry transactions in 2022, an increase of 7% compared to 2021.

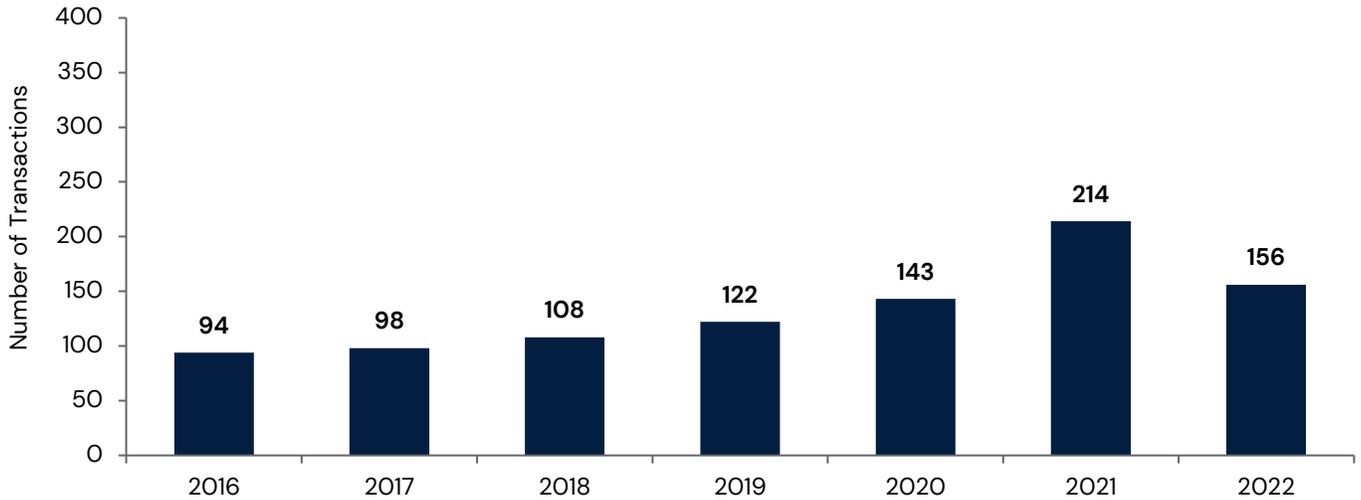
Education technology (EdTech) providers have increasingly been targeted in M&A transactions, comprising 16.7% of total Education & Training industry M&A deals in 2022. This marks a stark increase compared to pre-pandemic levels (4.1% in 2019) as remote learning tailwinds have continued to drive EdTech transaction activity.





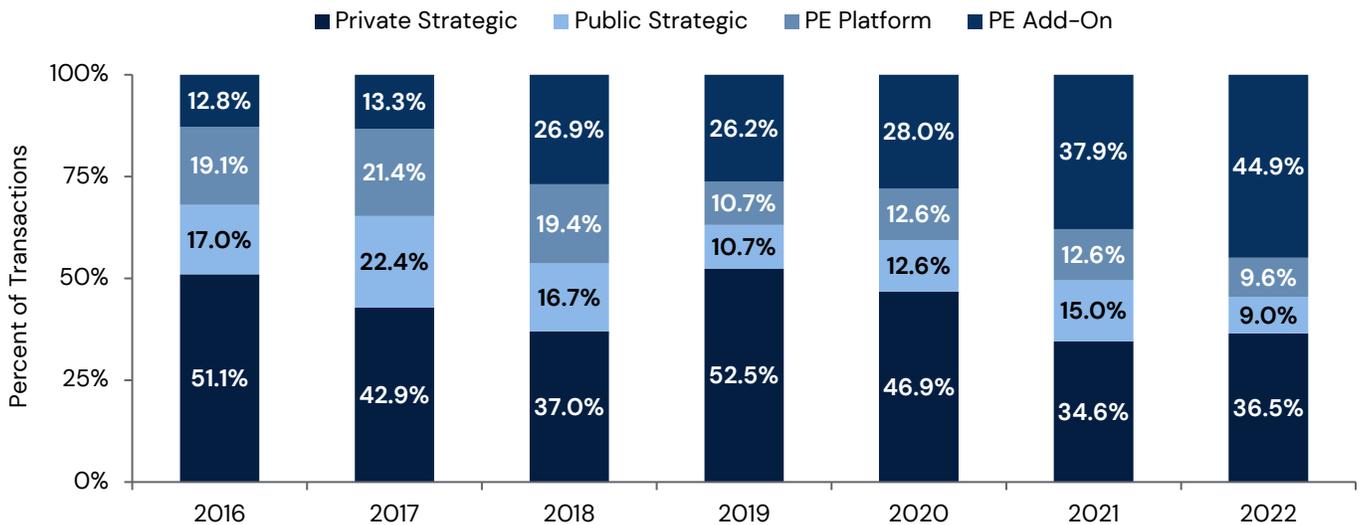
## M&A Volume Outpaces Pre-Pandemic Levels

Transaction volume in 2022 declined 27.1% YOY from record levels in 2021. However, 2022 M&A activity surpassed all years prior to 2021, demonstrating long-term growth in the Education & Training M&A Market.



## Sponsors Increase Industry Presence

Private strategics have historically comprised the majority of deals, yet only accounted for 36.5% of total transactions in 2022. Private equity has increasingly utilized add-on acquisitions to bolster portfolio holdings, comprising 44.9% of deals in 2022.



Source: Capital IQ and Capstone Partners

## Education & Training Valuations Remain Healthy

M&A valuations in the Education & Training industry remained healthy in 2022, with the average EBITDA multiple amounting to 10.9x. Although this marks a decline from the elevated pricing environment in 2021 (15.2x EV/EBITDA), industry M&A purchase multiples outpaced the broader middle market average during the same period (9.9x EV/EBITDA), according to [Capstone's Capital Markets Update](#). Despite increasing fears of a recession and M&A valuation headwinds, strategic and private equity buyers have continued to exhibit a willingness to pay premium valuations for quality businesses. This has been illustrated by the total disclosed deal value in the Education & Training industry amounting to \$5.9 billion in 2022. Total disclosed deal value in 2022 exceeded all years prior to 2021, demonstrating buyers' continued commitment to M&A capital deployment in the industry.

The Education & Training industry has become increasingly reliant on technology to facilitate learning and improve student outcomes. Although the Education Services vertical continued to dominate industry M&A volume in 2022, the EdTech vertical garnered heightened M&A valuations as strategic and private equity buyers competed for scalable software products. From 2019 through 2022, EdTech M&A purchase multiples averaged 3.8x EV/Revenue and 21.8x EV/EBITDA, outpacing the Education Services average of 3.5x EV/Revenue and 10.3x EV/EBITDA during the same period.

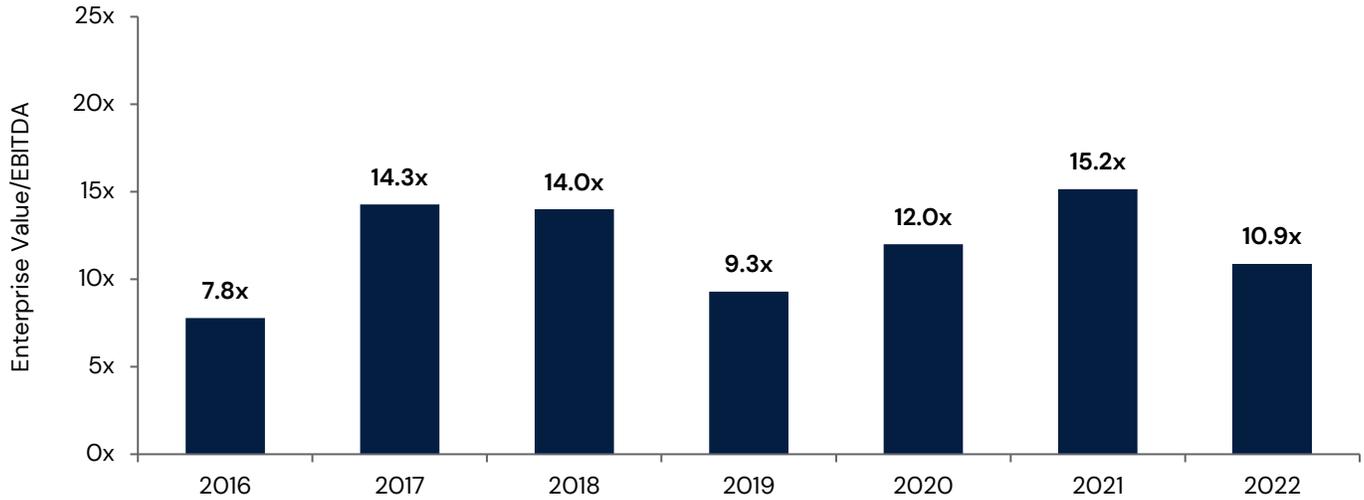
At the sector level, Corporate Training participants obtained the highest average M&A purchase multiples from 2019 through 2022, amounting to 3.8x EV/Revenue and 12.4x EV/EBITDA. The defensibility of the Corporate Training sector against economic hurdles and a tightening labor market has continued to benefit participants engaging in sell-side transactions (more Corporate Training sector information starting on page 29).





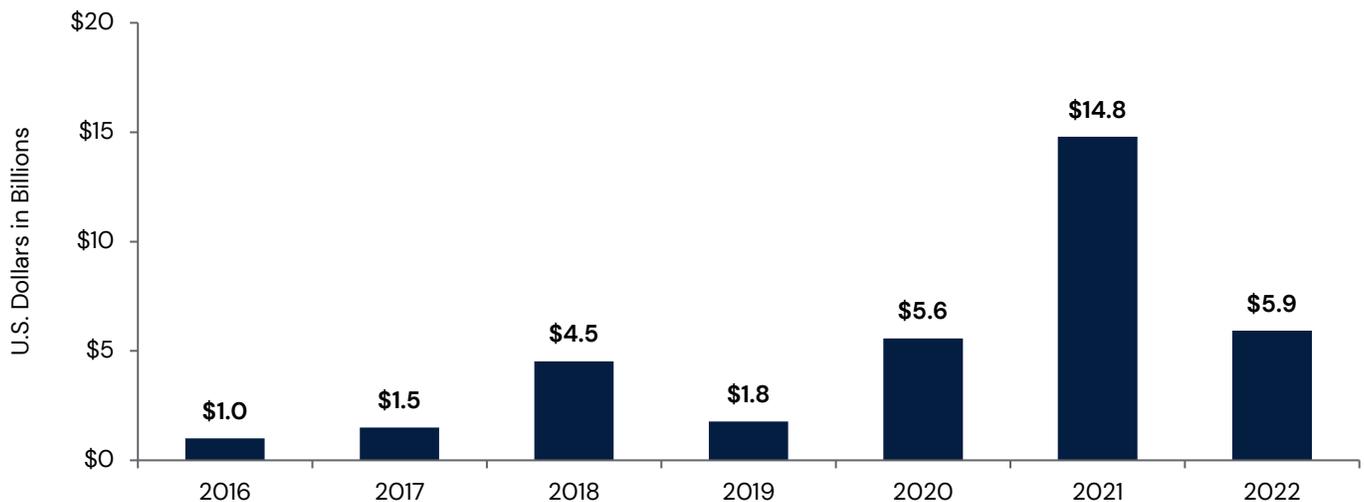
## Average Education & Training Industry M&A Purchase Multiples

Average EBITDA purchase multiples normalized compared to the prior year, declining to 10.9x EV/EBITDA in 2022 from 15.2x EV/EBITDA in 2021. Average EBITDA purchase multiples in the industry remained on pace with the broader middle market during the same period.



## Education & Training Industry Total Disclosed Deal Value

In 2022, total disclosed M&A deal value reached \$5.9 billion, declining from \$14.8 billion in 2021. However, total deal value in 2022 exceeded the five years prior to 2021, demonstrating buyers' continued commitment to M&A capital deployment.



# Notable Sector M&A Transactions



## Early Childhood



In September 2022, Leeds Equity-backed Endeavor Schools acquired Mission Montessori for an undisclosed sum. Mission Montessori operates a school that offers programs for infants, toddlers, preschoolers, and elementary-aged students. The school also offers Spanish immersion programs for toddlers and preschoolers. The acquisition expands Endeavor Schools' presence in California. The transaction follows Endeavor Schools' acquisitions of Cranfield Academy (July 2022, undisclosed) and Baltimore Montessori (June 2022, undisclosed).



## Early Childhood



O2B Kids Early Education, a provider of early education services, acquired Georgia-based Cedars Preschool in February 2022. Terms of the transaction were not disclosed. Since its founding in 1998, Cedars has demonstrated excellence in its program offerings, curriculum, and facilities, evidenced by its Quality Rated Child Care designations by the State of Georgia, according to a press release.<sup>3</sup> Following the acquisition, O2B Kids operates 10 preschools in Georgia. Cedars represents O2B Kids' second acquisition in 2022, and its sixth since its founding.



## K-12



In November 2022, private equity firm Achieve Partners entered into a definitive agreement to acquire MasteryPrep for an undisclosed sum. MasteryPrep provides American College Testing (ACT) and Scholastic Aptitude Test (SAT) exam preparation services for high school students in underserved districts. "Improving end-of-course exam performance can unlock profound opportunity, from college access and financial aid for students to increased enrollment and funding for the schools that serve them," said Troy Williams, Achieve Partners' Managing Director, in a press release.<sup>4</sup>



## K-12



REACH Academy Charter School acquired Western New York Maritime Charter School in November 2022. Terms of the transaction were undisclosed. REACH operates a charter school serving students in grades K-8. The acquisition will consolidate the two schools to serve students in grades K-12. Based in Buffalo, New York, Maritime Charter School specializes in maritime curriculum including boat building, marine management, and marine science. The transaction demonstrates buyers' interest in horizontally consolidating specialized schools to extend learning programs.



## Post-Secondary



In November 2022, Blackstone (NYSE:BX)-backed Simplilearn Solutions acquired Fullstack Academy for an enterprise value of \$31 million. Fullstack operates a post-secondary software development school in New York, New York, offering full-time and part-time coding program bootcamps. The acquisition will enhance Simplilearn's scale and presence in the Bootcamp space and drive revenue growth to \$200 million by 2024, according to a press release.<sup>5</sup> In addition, the transaction has enabled Fullstack to expand its bootcamp offerings to data analytics and cybersecurity.

## Post-Secondary



Universal Technical Institute (NYSE:UTI), an operator of vocational schools and technical training programs in the U.S., acquired Concorde Career Colleges in May 2022 for an enterprise value of \$50 million, equivalent to 0.3x EV/Revenue and 3.8x EV/EBITDA. Concord operates post-secondary institutions that offer educational and vocational training in the Healthcare industry. The transaction follows the Capstone-advised sale of MIAT College of Technology to Universal Technical Institute in December 2021 (see page 28 for more transaction details).

## Corporate Training



In September 2022, APM Human Services International (ASX:APM) acquired Equus Workforce Solutions for an enterprise value of \$153.5 million, equivalent to 0.5x EV/Revenue and 4.8x EV/EBITDA. Equus provides workforce development services including job training and upskilling services to professionals across the U.S. Equus has showcased significant financial performance over the last two years, with 11% revenue growth from 2020 through June 2022, according to APM's September investor presentation.<sup>6</sup> The transaction expands APM's client base to 1.2 million professionals in the U.S.

## Corporate Training



Private equity firm Wendel Group (ENXTPA:MF) and corporate training provider Colibri Group acquired the Financial Services segment of Adtalem Global Education (NYSE:ATGE) for an enterprise value of \$1 billion, equivalent to 4.6x EV/Revenue and 20.0x EV/EBITDA (January 2022). The divestiture includes the sale of Adtalem's Association of Certified Anti-Money Laundering Specialists, Becker Professional Education, and OnCourse Learning businesses. Adtalem deployed ~\$770 million of its net proceeds from the divestiture to pay down debt, according to a press release.<sup>7</sup>

# Education Technology Adoption Flourishes Across Industry





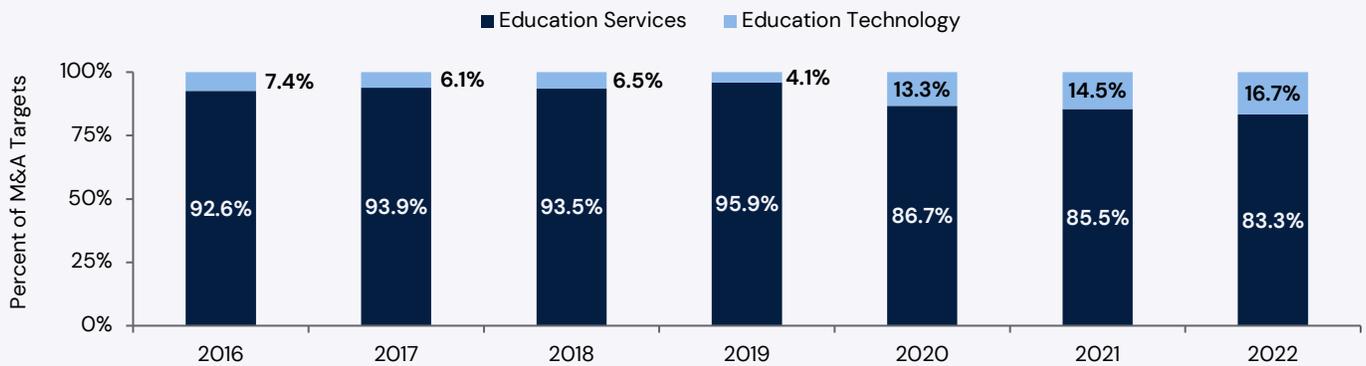
## EdTech Adoption: Federal Funding Supports Spending

Through the March 2020 CARES Act, the U.S. Department of Education received \$30.8 billion in federal funding to be spent in support of remote learning, according to the U.S. Office of Education Technology.<sup>8</sup> With a significant portion of the funding left undeployed, EdTech providers are well-positioned to capture heightened demand in 2023 from public education institutions adopting hardware, software, and connectivity systems. The funding applies to multiple education levels including K-12 and Post-Secondary, supporting EdTech spending across the industry.

## EdTech Markets: Healthy M&A and Financing Activity

EdTech providers have increasingly been targeted in M&A transactions, comprising 16.7% of total Education & Training industry M&A deals in 2022. This marks a stark increase compared to pre-pandemic levels (4.1% in 2019) as remote learning tailwinds have continued to drive EdTech transaction activity across sectors. Capital invested in the EdTech vertical by venture capital firms declined YOY to \$5.6 billion in 2022. However, total funding in 2022 outpaced 2020 levels by 60%, demonstrating the continued attractiveness of technology startups in the space.

**EdTech Providers Increasingly Targeted in M&A**



**EdTech Venture Capital Funding Levels Remain Elevated in 2022**



Source: Capital IQ, PitchBook, and Capstone Partners

# Notable EdTech M&A Transactions



## Early Childhood



In December 2022, Higher Ground Education entered into a definitive agreement to acquire NeighborSchools for an undisclosed sum. Neighborschools develops a platform that connects parents with local childcare and early childhood education professionals offering in-home services. Higher Ground owns and operates more than 100 Montessori schools, with programming from infancy through adolescence, according to a press release.<sup>9</sup> The acquisition will expand Higher Ground's footprint into in-home offerings, increasing access to early childhood programs.



## K-12



KIRKBI, a family office investment firm of the Kirk Kristiansen family, acquired BrainPOP in October 2022 for an enterprise value of \$875 million. BrainPOP develops animated curriculum-based content for K-12 students. The company also provides packaged learning content for U.S. school districts in the areas of science, social studies, mathematics, and reading, serving more than 25 million students annually, according to a press release.<sup>10</sup> Known for operating the LEGO brand, the transaction marks KIRKBI's first acquisition in the Digital Learning space.



## Post-Secondary



In October 2022, Eden Capital-backed PDH Academy acquired Pulse Radiology Education. Terms of the transaction are undisclosed. Pulse Radiology provides online post-secondary magnetic resonance imaging (MRI), computerized tomography (CT), and mammography technician certifications. Through the acquisition, PDH Academy has gained a new online education and clinical navigation system, bolstering its suite of healthcare, skilled trades, and licensed professional programs. Pulse Radiology marks PDH's fourth acquisition in 2022.



## Corporate Training



Leeds Equity-backed CeriFi acquired Thomson Reuters' (TSX:TRI) Checkpoint Learning business in November 2022 for an undisclosed sum. The deal represents CeriFi's fourteenth total acquisition. Checkpoint Learning provides continuing education training for the Financial Services industry. "With the acquisition of Checkpoint Learning, CeriFi is now distinctively positioned to address those education, training, and certification needs while continuing to deliver the best learning outcomes in the industry," said Jacques Galante, Leeds Equity Partner, in a press release.<sup>11</sup>



# Notable EdTech Financing Transactions



## Early Childhood

**Expressable** **\$15 Million**  
Series A Funding  
February 2022

Expressable, a provider of online speech therapy solutions for pre-kindergarten children, raised \$15 million in Series A financing for a post-money valuation of \$55 million (February 2022). The round was led by F-Prime Capital. The funds will be used to accelerate investment of Expressable's platform. "With this new funding and the support of F-Prime and all of our investors, we are well-positioned to help more families experience the life-changing impact that communication has on healthy childhood development," said Leanne Sheredd, Expressable's President, in a press release.<sup>12</sup>



## K-12



**\$125 Million**  
Series D Funding  
July 2022

In July 2022, ClassDojo secured \$125 million in Series D funding for a post-money valuation of \$1.3 billion. The round was led by existing investor Quiet Capital. Founded in 2011, ClassDojo's school communication application enables K-12 teachers, students, and parents to engage in learning curriculum through shared photos, videos, and classroom materials. Notably, 95% of U.S. schools have used the platform, according to a press release.<sup>13</sup> ClassDojo plans to allocate the added capital towards a national presence and developing interoperable platforms.



## Post-Secondary

**collegevine** **\$24 Million**  
Series B Funding  
October 2022

CollegeVine, a provider of online university admissions advising solutions, secured \$24 million in a Series B funding round led by Maywood Street Investments, Fidelity Investments, Morningside Technology Ventures, and University Ventures. The company's post-money valuation reached \$84 million following the completion of the round in October 2022. CollegeVine's mission is to address the increasingly significant college guidance gap in U.S. public high schools. As a result, the funding will be utilized to expand the company's geographic presence in the U.S.



## Corporate Training

**Hone** **\$30 Million**  
Series B Funding  
September 2022

In September 2022, Hone raised \$30 million in Series B financing for a post-money valuation of \$120 million. 3L Capital led the round, with participation from F-Prime Capital, Cowboy Ventures, and Slack Fund. Hone develops an online workplace training platform for the development of hard and soft professional skills. The funds will be used to make user-experience improvements in the platform and drive more successful learning outcomes. Hone also plans to integrate its software with workforce management platforms including Workday (Nasdaq:WDAY) and Rippling.

# Early Childhood Education

## *Digital Literacy Remains Pertinent in Early Childhood Curriculum*

### M&A Overview & Outlook

The importance of digital literacy for preschool students has become increasingly apparent as technology continues to envelop the daily lives of children and adults. The ability to use technology effectively has been considered essential for modern advancement and success. As a result, there have been considerable advancements in state legislation requiring digital literacy curriculum in preschools and K-12 educational institutions. As of January 2022, five states (Colorado, Florida, Illinois, Ohio, and Texas) have adopted digital literacy policies in schools, according to Media Literacy Now.<sup>14</sup> In addition, nine states have continued to make strides towards adopting similar policies including California, Connecticut, Massachusetts, Minnesota, New Jersey, New Mexico, Rhode Island, Utah, and Washington.

Increasing demand for digital literacy exposure for young children contributed to strong levels of Early Childhood Education sector M&A activity, with 17 transactions announced or completed in 2022. Although deal volume declined YOY from 2021, transaction activity in 2022 outperformed 2020 levels by 21.4%. Horizontal consolidation of preschools has remained at the forefront of the M&A market, with leading players acquiring regional participants to gain market share and effectively scale business operations. Private strategic buyers have been particularly active, accounting for the majority (52.9%) of deals in 2022. As a result, sector M&A purchase multiples averaged 2.5x EV/Revenue and 7.1x EV/EBITDA from 2019 through 2022. Although average Early Childhood sector multiples were lower compared to the broader Education & Training industry and overall middle market averages, sector valuations in 2022 remained consistent with historical figures.

### Key Sector Trends



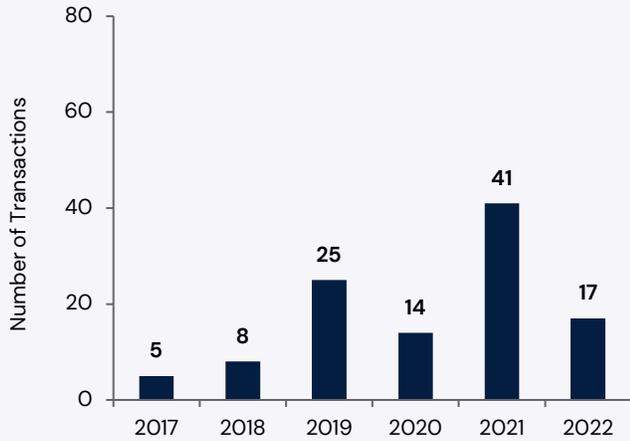
Despite economic headwinds and rising inflation, parents have continued to invest in their children's early childhood education. In 2021, U.S. parents spent an average of \$7,100 on childcare and preschool, marking an increase of 28% compared to 2011 spending, according to a USA Facts April 2022 study.<sup>15</sup> In addition, total preschool enrollment in the U.S. rose to 4.3 million students in 2021, representing an increase of 22.9% compared to 2020, according to the U.S. Census Bureau.<sup>16</sup> Parents' unwavering commitment to early childhood education is expected to provide robust revenue and acquisition opportunities for sector participants heading into 2023.



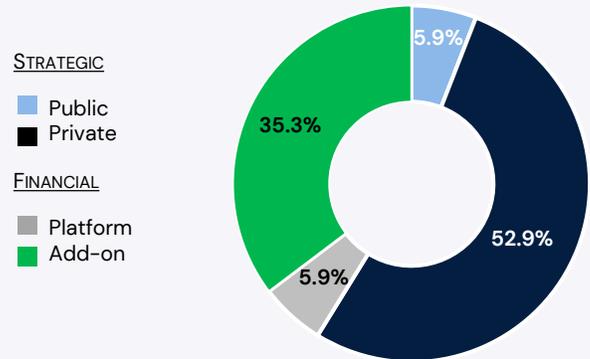
The Early Childhood Education sector M&A market has been dominated by private strategic and private equity-backed buyers, accounting for 52.9% and 35.3% of transaction activity in 2022, respectively. Active buyers in the sector include Leeds Equity-backed Endeavor Schools and O2B Kids Early Education. Prior to becoming a portfolio company of Leeds Equity, Endeavor Schools completed three acquisitions in the sector. Following Leeds Equity's platform investment in February 2018 (undisclosed), Endeavor Schools completed 11 M&A transactions through 2022, demonstrating the effectiveness of financial backing for sector players looking to scale inorganically. O2B Kids Early Education, a privately-held provider of early education services, has completed six acquisitions in the sector since its founding in 1998. With a focus on expanding its national presence, O2B Kids completed two M&A transactions in 2022, including the acquisitions of Cedars Preschool in February 2022 and Children of Tomorrow Learning Centers in January 2022. Terms of the transactions were undisclosed.



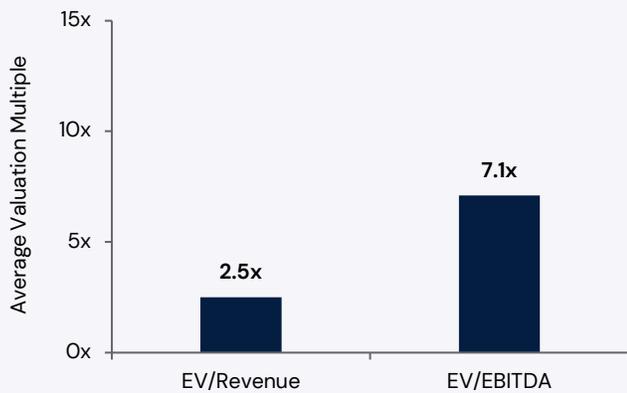
### Early Childhood M&A Remains in Line with Historical Levels



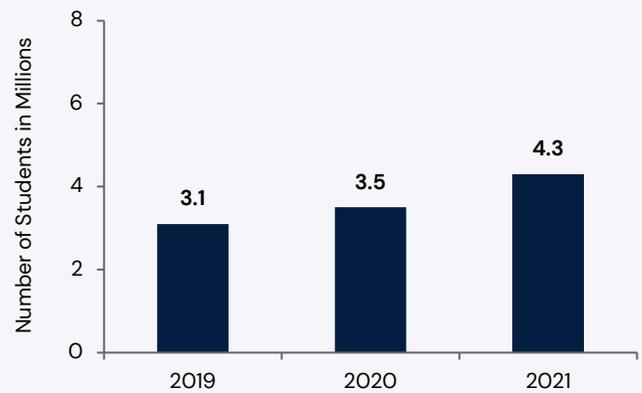
### Private Strategic Buyers Continue to Account for Majority of Deal Activity



### Early Childhood M&A Multiples (2019-2022)



### Preschool Enrollment Rises 23% YOY in the U.S.



Source: U.S. Census Bureau, Capital IQ, PitchBook, FactSet, and Capstone Partners

# Select Early Childhood Education Transactions

Date	Target	Acquirer	Target Business Description	Buyer Type
12/01/22	NeighborSchools	Higher Ground Education	Delivers in-home childcare and early education solutions.	Private Strategic
09/12/22	Mission Montessori	Endeavor Schools	Operates a school that offers programs for infants, toddlers, and preschoolers.	PE Add-on
09/07/22	Crème de la Crème	KinderCare Learning Companies	Operates daycare and child education centers.	Private Strategic
08/30/22	Little Big Minds Early Childhood Center	Cadence Education	Provides Spanish immersion programs that help students to develop early childhood bilingualism.	PE Add-on
08/26/22	The Compass School	TGS Holdings	Offers childcare and education services.	PE Add-on
06/30/22	Goddard Systems	Sycamore Partners	Operates schools that provide infant care, toddler, and preschool programs.	PE Platform
05/04/22	Nanno	Call Emmy	Offers online childcare and education booking services.	Private Strategic
02/01/22	Cedars Preschool Management	O2B Kids Early Education	Provides preschool education services.	Private Strategic
01/25/22	Conscious Discipline	Prairie Capital	Offers social-emotional learning (SEL) solutions for preschool- and school-aged children.	PE Platform
01/25/22	Children of Tomorrow Learning	O2B Kids Early Education	Provides infant care, preschool, afterschool, and summer camp services.	Private Strategic
12/09/21	Creative Learning	DriveltAway (OTCPK:DWAY)	Offers educational enrichment programs for children ages three to 13.	Public Strategic
11/16/21	Village Green Day School	Endeavor Schools	Operates an early childhood school for children up to the junior kindergarten level.	PE Add-on
10/01/21	Little Miss Mag Early Learning Center	Mose And Garrison Siskin	Provides childcare and educational preschool services.	Private Strategic
08/25/21	Collierville Christian Academy	Clear Capital	Operates a childcare and education center for children.	PE Platform
08/11/21	Creative Discovery Child Development	Clear Capital	Operates an early childhood education center.	PE Platform
07/31/21	Alta Vista/Manotick Nursery Schools	Andrew Fleck Children's Services	Operates preschools for children in Canada.	Private Strategic
07/21/21	Teaching Strategies	KKR & Co. (NYSE:KKR)	Develops curriculum and assessment programs for children from birth through third grade.	PE Platform
06/23/21	Prestige Preschools Operations	Learning Care Group	Offers preschool and childcare services for children ages six weeks to 12 years old.	Private Strategic
05/05/21	Two Centers On West Coast	Bright Horizons (NYSE:BFAM)	Comprises two early childhood education centers.	Public Strategic
04/08/21	The Academy Early Childhood Edu.	Endeavor Schools	Operates early childhood schools.	PE Add-on
01/06/21	U-Gro Learning Centres	Learning Care Group	Provides education and care services to children.	Private Strategic

Blue indicates Capstone advised transaction  
Source: Capital IQ, PitchBook, FactSet, and Capstone Partners



## Capstone Advises Conscious Discipline on its Sale to Private Equity Firm Prairie Capital



Capstone Partners [advised Conscious Discipline](#) on its sale to private equity firm Prairie Capital in January 2022. Terms of the transaction were confidential.

Through in-person workshops and online resources, Conscious Discipline provides social-emotional learning (SEL) solutions that equip preschool and K-12 teachers, administrators, mental health professionals, parents, and special needs educators with the skills to foster the development of self-regulation and emotional competence in children. The importance of SEL has become increasingly recognized by administrators as schools confront a tidal wave of student misbehavior driven by months of remote learning and an educational staff that is struggling with disruptive students, burnout, and their own mental health issues exacerbated by the COVID-19 pandemic.

*“ Capstone was the best choice I could have made. They made a difficult process work seamlessly. The team held my hand carefully and assertively guided the process for my best outcome. ”*

**Becky Bailey**  
Founder and Chief Knowledge Officer  
Conscious Discipline

# K-12 Education

## Federal Funding Surplus Drives K-12 Spending

### M&A Overview & Outlook

Public education spending in U.S. K-12 schools typically lags economic growth, as K-12 budgets are traditionally set two-to-three years in advance. This interlude, coupled with heightened government funding, has created a surplus of funds in U.S. school districts. In 2022, U.S. federal, state, and local governments provided an aggregate \$764.7 billion towards public K-12 education, according to the Education Data Initiative.<sup>17</sup> With only \$666.9 billion of the funding deployed, K-12 schools have gained a surplus of \$97.8 billion, providing a favorable outlook for K-12 spending in 2023.

K-12 Education sector M&A activity remained in line with historical levels, with 33 transactions announced or completed in 2022. Although transaction activity declined from a record 2021, M&A volume in 2022 outpaced 2020 by 22.2%. Sector deal flow was supported by a robust strategic and financial buyer pool, accounting for 54.5% and 45.5% of transactions in 2022, respectively. Of note, private equity add-on deals comprised 27.3% of transactions in 2022, with sponsors increasingly implementing buy-and-build strategies to bolster K-12 EdTech platform businesses through inorganic growth.

From 2019 through 2022, K-12 Education sector M&A purchase multiples averaged a healthy 2.0x EV/Revenue and 9.1x EV/EBITDA. Driven by heightened competition for K-12 EdTech assets, buyers have demonstrated an inclination to pursue target companies at elevated valuations. In a recent example, KIRKBI, a family office investment firm of the Kirk Kristiansen family, acquired BrainPOP in October 2022 for an enterprise value of \$875 million. BrainPOP develops animated content for K-12 students and packaged software solutions for U.S. school districts.

### Key Sector Trends



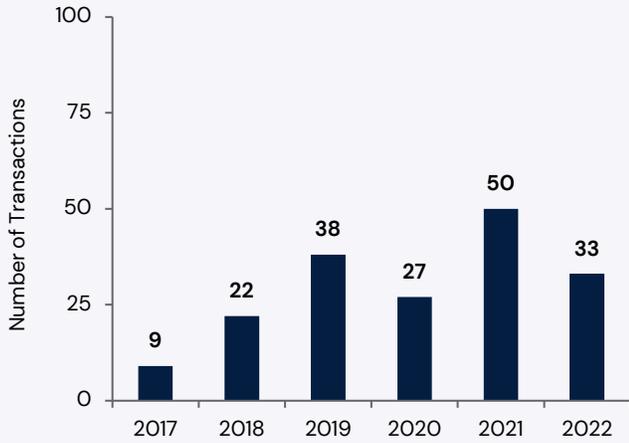
The learn-from-home environment has posed a lingering, unprecedented threat to student development, resulting in learning loss for many K-12 students. Of note, U.S. K-12 students, on average, were five months behind in math curriculum and four months behind in reading at the end of the 2021 school year, according to McKinsey.<sup>18</sup> The mounting pressure to enhance learning outcomes and counter high student-to-teacher ratios has prompted education material, instruction guides, and homework assignments to be delivered in a digital format. During the 2021-2022 school year, 52% of K-12 educators utilized digital instructional materials, up from 28% in the 2019-2020 school year, according to Ernst & Young.<sup>19</sup> This transition has empowered teachers with greater flexibility in student engagement and the ability to create a personalized learning experience while promoting digital literacy among young learners, a vital skillset often overlooked in traditional K-12 curriculum.



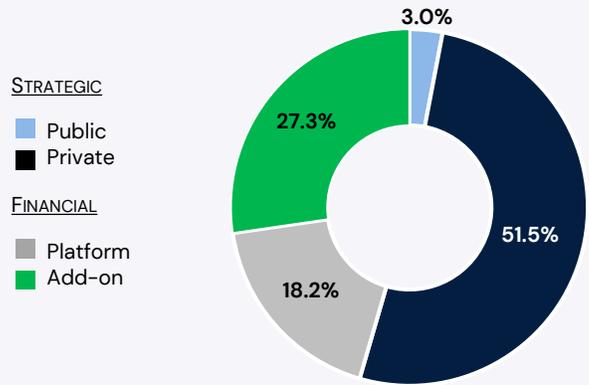
The annual student turnover in K-12 schools has provided sector participants with a fair degree of reoccurring revenue visibility, attracting significant private equity buyer interest. Of note, Achieve Partners, an Education & Training industry-focused private equity firm, has 13 education portfolio businesses as of December 2022, four of which operate in the K-12 Education sector, according to the firm's website.<sup>20</sup> Achieve Partners' latest investment includes the acquisition of MasteryPrep, announced in November 2022. Terms of the transaction are not disclosed. MasteryPrep provides American College Testing (ACT) and Scholastic Aptitude Test (SAT) exam preparation services for high school students in underserved districts.



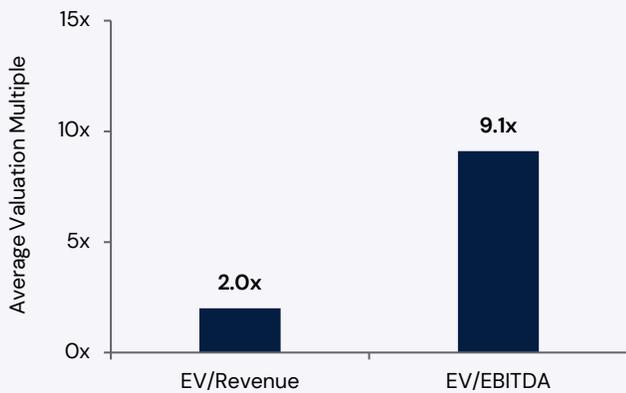
### K-12 Transaction Volume Outpaces Pre-Pandemic Levels



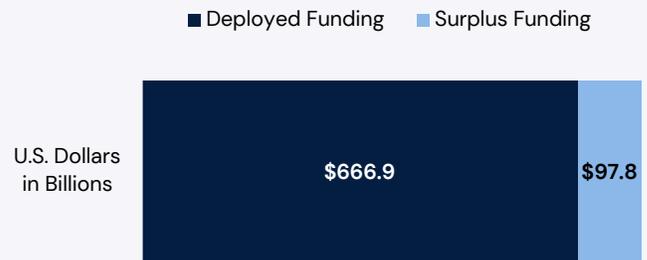
### K-12 Providers Attract Near Equal Levels of Strategic and PE Interest



### K-12 Education M&A Multiples (2019-2022)



### Surplus 2022 K-12 Funding Supports Favorable 2023 Spending



Source: Education Data Initiative, Capital IQ, PitchBook, FactSet, and Capstone Partners

## Select K-12 Education Transactions

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV / LTM Revenue	EBITDA
11/15/22	MasteryPrep	Achieve Partners Management	Offers ACT preparation and college readiness services.	-	-	-
11/07/22	Western New York Maritime Charter	Reach Academy Charter School	Operates a charter educational institution.	-	-	-
10/11/22	BrainPOP	KIRKBI	Delivers animated and curriculum-based content for K-12 students.	\$875.0	-	-
08/16/22	Croton-Harmon Union Free School	International Data Base	Operates public K-12 schools in New York.	-	-	-
07/29/22	Champagnat Catholic School	ABF Academy Hialeah	Operates a catholic high school.	-	-	-
07/19/22	FEV Tutor	Alpine Investors	Provides online tutoring for K-12 schools, districts, and families.	-	-	-
07/01/22	Bucket Fillers	Maria Dismondy	Publishes K-12 books and educational materials.	-	-	-
05/24/22	TutorMe	Liminex	Provides online remote learning for K-12 students.	\$55.0	-	-
05/18/22	Desmos	Amplify Education	Develops a web-based graphing calculator for high school students and teachers.	-	-	-
05/03/22	Pediatric Therapeutic	Kelly Educational Staffing	Provides special education services for school districts and charter schools.	\$85.9	-	-
05/02/22	InterWorld Highway	TestEquity	Offers interactive whiteboards and EdTech products for K-12 schools.	\$55.0	-	-
03/24/22	Paxton/Patterson	Millpond Equity; Wasena Capital	Provides EdTech learning systems for elementary, middle, and high schools nationwide.	-	-	-
03/15/22	Scolab	TC Media Books	Offers digital math content for K-12 schools.	-	-	-
03/15/22	Lessons For SEL	7 Mindsets	Provides social emotional learning solutions for primary and secondary school students.	-	-	-
03/09/22	Discovery Education	Clearlake Capital Group	Offers digital learning curriculum learning for K-12 classrooms.	-	-	-
03/09/22	World Education Program	E-Capital	Provides outbound study-abroad services and other high school educational programs.	CF	CF	CF
03/08/22	Oceanside Collegiate Acad.	Children of America Academy	Operates as a charter school that serves high school students.	-	-	-
02/22/22	HMH (Nasdaq:HMHC)	Veritas Capital	Provides K-12 education solutions, content, and media.	\$2,671.0	2.5x	15.3x
01/11/22	Lavinia Group	Quad-C; Learners Edge	Offers online learning solutions for high school students and teachers.	-	-	-
11/16/21	Mathnasium	Roark Capital Group	Provides mathematics learning program services for children in the U.S. and internationally.	-	-	-
09/27/21	Sylvan Learning	Franchise Group (Nasdaq:FRG)	Offers personalized learning solutions for students in grades K-12.	\$78.6	-	-

Blue shade indicates Capstone advised transaction; CF = confidential  
Source: Capital IQ, PitchBook, FactSet, and Capstone Partners



## Capstone Advises World Education Program International on its Sale to E-Capital



Capstone Partners advised World Education Program International (WEP) on its sale to Brussels, Belgium-based private equity firm E-Capital in March 2022. Terms of the transaction were confidential. E-Capital specializes in the middle market throughout Belgium.

Headquartered in Brussels, Belgium with subsidiaries in Italy, France, Spain, and Australia, WEP is one of the world's largest outbound study-abroad organizations. Offering experiences in 30 countries, WEP recruits large populations of students in Australia, Belgium, France, Italy, and Spain while also maintaining inbound programs in these countries and the U.S. WEP provides numerous high school programs and other educational and intercultural experiences such as volunteering, language courses, higher education, family immersion, and internships and handles over 10,000 students annually.



# Post-Secondary Education

## Specialized Vocational Schools See Strong Buyer Interest

### M&A Overview & Outlook

The Post-Secondary Education sector has historically been countercyclical, with individuals returning to universities and graduate schools during periods of economic downturn to bolster their skillset. However, inflationary headwinds have contributed to rising tuition costs as educational institutes pass along elevated utility and foodstuff costs to students. This has resulted in worsening enrollment rates for universities and graduate schools offering traditional degree programs. Enrollment rates in U.S. universities and graduate schools for the spring 2022 semester have declined by 3.5% YOY, representing a loss of 1.3 million total students, according to National Student Clearinghouse Research Center.<sup>21</sup>

Diminishing university enrollment rates adversely affected the Post-Secondary Education M&A market, with deal volume declining to 26 transactions announced or completed in 2022, down 36.6% compared to 2021. Post-Secondary Education sector M&A purchase multiples averaged a modest 2.5x EV/Revenue and 6.2x EV/EBITDA from 2019 through 2022, dampened by a less competitive M&A market.

Supported by strong enrollment and post-graduation employment rates, specialized vocational schools have been a bright spot in Post-Secondary Education M&A. Both strategic and private equity-backed buyers targeted Vocational Education segment participants in 2022 at healthy valuations. Recent notable segment transactions include Blackstone (NYSE:BX)-backed Simplilearn Solutions' acquisition of Fullstack Academy (November 2022, \$31 million) and Universal Technical Institute's (NYSE:UTI) acquisition of Concord Career Colleges (May 2022, \$50 million, 3.8x EV/EBITDA).

### Key Sector Trends



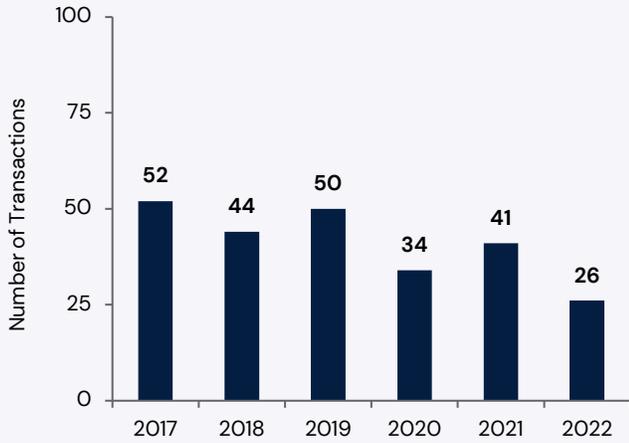
In August 2022, the Biden Administration and the U.S. Department of Education announced a three-part plan to enact a student loan forgiveness solution. Under the plan, approved borrowers can receive up to \$20,000 in student debt relief, according to Federal Student Aid.<sup>22</sup> As of November 2022, 26 million borrowers have been considered for student debt relief and 16 million borrowers have been approved, according to the U.S. Department of Education.<sup>23</sup> The alleviated financial pressure as a result of the plan could enable former students to return to higher education institutions, providing a favorable outlook for Post-Secondary Education participants in the coming years.



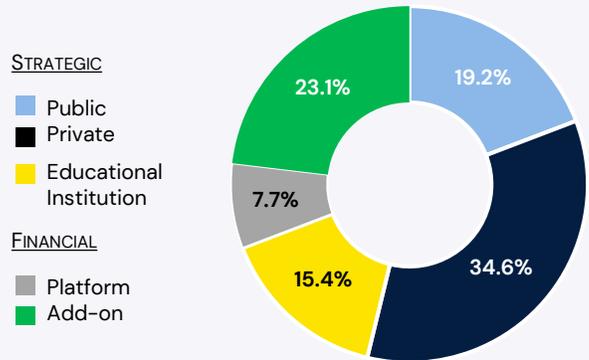
Post-secondary vocational schools, especially technical trade schools, have demonstrated resilient financial performance amidst market volatility as students look to enter defensible industries through relatively low-cost, practical educational programs. Segment leader Universal Technical Institute has showcased the strength of this model through a multi-year transformation, expanding its programs to serve medical and a multitude of skilled-trade students. In fiscal year (FY) 2022, Universal Technical Institute generated a record annual revenue of \$418.8 million, an increase of 30% YOY, according to the company's December 2022 investor presentation.<sup>24</sup> The company cited admissions optimization and strategic acquisitions as the primary drivers behind the growth. "The acquisitions [Concord Career Colleges and MIAT] coupled with the current Universal Technical Institute offerings allows the company to more broadly address the nation's skill gap with a diverse set of workforce solutions," said Jerome Grant, CEO of Universal Technical Institute, during the company's Q4 FY 2022 earnings call.<sup>25</sup>



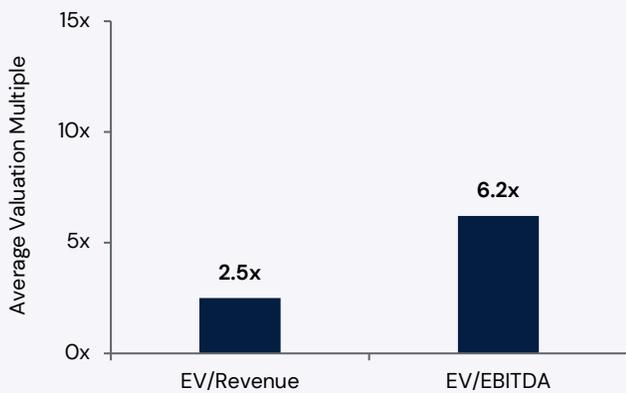
### Post-Secondary Education M&A Declines in 2022



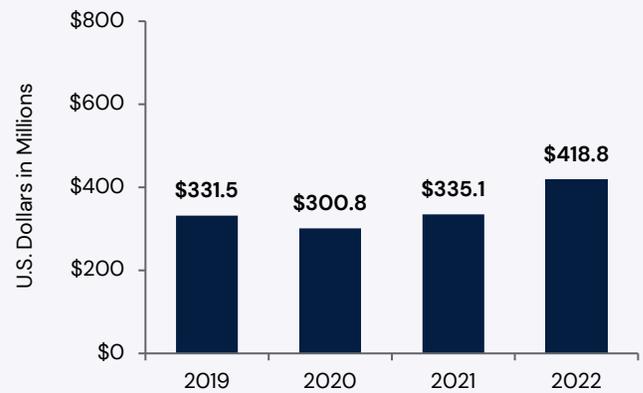
### Private Strategics Comprise Lion's Share of M&A Transactions



### Post-Secondary M&A Multiples (2019-2022)



### Universal Technical Institute Sees Strong Revenue Growth in FY 2022



Source: Universal Technical Institute, Capital IQ, PitchBook, FactSet, and Capstone Partners

# Select Post-Secondary Education Transactions

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV / LTM Revenue	EBITDA
12/13/22	Davis College	Ameri-Can Education Group	Operates a career training college that offers a specialized curriculum.	-	-	-
11/28/22	Fullstack Academy	Simplilearn Solutions Private	Operates a post-secondary software development school in New York City.	\$31.0	-	-
10/26/22	Bloomfield College	Montclair State University	Operates a private education institution offering undergraduate and masters degrees.	-	-	-
10/25/22	Pulse Radiology Education	PDH Academy	Provides online post-secondary MRI technician certifications.	-	-	-
09/15/22	PrepFE	PDH Academy	Offers test preparation for college students taking the Fundamentals of Engineering exam.	-	-	-
08/26/22	Pro. Bartending Schools	360training.com	Operates as a vocational school providing alcohol training and certification.	-	-	-
07/08/22	Acacia University	Westford University College	Offers education undergraduate, masters, and doctorate degrees.	-	-	-
05/03/22	Concorde Career Colleges	UTI (NYSE:UTI)	Operates post-secondary institutions offering healthcare vocational training.	\$50.0	0.3x	3.9x
04/28/22	Blake Austin College	Brent L. Mills	Operates a vocational nursing school in Vacaville, California.	-	-	-
03/09/22	OnlineEd	Real Estate Business Services	Operates an online vocational school for aspiring mortgage and real estate professionals.	-	-	-
02/25/22	Clutch Prep	Pearson (LSE:PSON)	Offers video-tutoring services for undergraduate students.	-	-	-
01/21/22	EduGlobal College	EpicQuest Edu. (Nasdaq:EEIQ)	Provides English for Academic Purposes Programs for international college students.	\$1.2	-	-
12/14/21	Moreland University	Colibri Group	Offers masters degrees, teacher certifications, and professional development courses.	-	-	-
12/01/21	MIAT College of Technology	UTI (NYSE:UTI)	Provides associates degrees in fields of aviation maintenance, welding, robotics, and automation.	CF	CF	CF
11/16/21	Immediate Action Medicine	Knowfully Learning Group	Operates a vocational school for flight and ground paramedics, EMTs, and nurses.	-	-	-
10/19/21	PowerScore	Barbri	Provides test preparation services for the LSAT, GMAT, GRE, and SAT exams.	-	-	-
10/18/21	TekX Mining and Gaming PC	BOTS (OTCPK:BTZI)	Operates a vocational school for bitcoin mining and blockchain development and maintenance.	-	-	-
10/05/21	The Ogle School	RLJ Equity Partners	Operates cosmetology schools.	CF	CF	CF
05/18/21	Watkins College	Chartwell Hospitality	Operates as an independent college of the visual arts.	\$22.5	-	-
05/04/21	Skyborne Airline Academy	Skyborne Aviation Training	Operates an airline training academy.	-	-	-
04/06/21	University of Antelope Valley	Genius Group (NYSEAM:GNS)	Offers masters, bachelors, and associate level degrees.	\$30.0	-	-

Blue shade indicates Capstone advised transaction; CF = confidential  
Source: Capital IQ, PitchBook, FactSet, and Capstone Partners



## Capstone Advises MIAT College of Technology on its Sale to Universal Technical Institute



Capstone Partners [advised HCP & Company-backed MIAT College of Technology](#) on its acquisition by Universal Technical Institute (NYSE:UTI) in December 2021. Terms of the deal were confidential.

Since 1969, MIAT has educated thousands of students through technical career training in the fields of Aviation Maintenance, Airframe & Powerplant Technology, Wind Turbine Maintenance, Welding, Robotics & Automation, and Heating, Ventilation, Air Conditioning, & Refrigeration (HVACR) on-site at two campuses located in Canton, Michigan and Houston, Texas. For more than 50 years, MIAT has helped students gain the industry-relevant skills, experience, and connections to pursue rewarding technical careers through hands-on programs created with the help of feedback from industry leaders.

*“ We chose Capstone Partners due to their knowledge of the education market, relationships with acquirers, and their strong track record of closing transactions. Equally important, they also had the latest relevant information in an industry that was not seeing too many deals. We were delighted by their ability to navigate great uncertainty and a very turbulent market including a preemptive acquirer that retracted its offer during diligence, a proactive approach towards remarketing, the sale of our real estate to another party to maximize value, and a very successful exit driven by a competitive process. ”*

**Victor Maruri**  
Managing Partner  
HCP & Company

# Corporate Training

## M&A Market Favors Mandated Continuing Education Services

### M&A Overview & Outlook

Despite recessionary headwinds, Corporate Training spending has remained at the forefront of businesses' budgets in order to bolster employee retention and upskill workers amidst a difficult hiring environment. Of note, total Corporate Training expenditures in the U.S. reached \$101.6 billion in 2022, up 10.1% YOY, according to Training Magazine's 2022 Training Industry Report.<sup>26</sup> In addition, average training expenditures among large, midsize, and small businesses all rose in 2022 compared to 2021, supporting Corporate Training sector participants serving clients across business classes.

M&A volume in the Corporate Training sector proved noncyclical amidst widespread economic uncertainty, with 94 transactions announced or completed in 2022, trailing record 2021 levels by only 16 deals. Private strategic buyers continued to lead sector transaction activity, accounting for 41.5% of deals in 2022. However, private equity firms increasingly targeted sector participants through add-on engagements, comprising 35.1% of deals in 2022, an increase of 12.4% compared to 2021. Profitability, recurring revenue, and evidence-based business models have continued to be key investment criteria among sponsors in the space.

Corporate Training sector M&A purchase multiples averaged a robust 3.8x EV/Revenue and 12.4x EV/EBITDA from 2019 through 2022, outperforming the Education & Training industry average of 3.5x EV/Revenue and 12.1x EV/EBITDA during the same period. Although average M&A purchase multiples were uplifted by large-scale transactions, buyers have showcased a willingness to consolidate middle market players providing federal- or state-mandated professional training solutions at premium valuations.

### Key Sector Trends



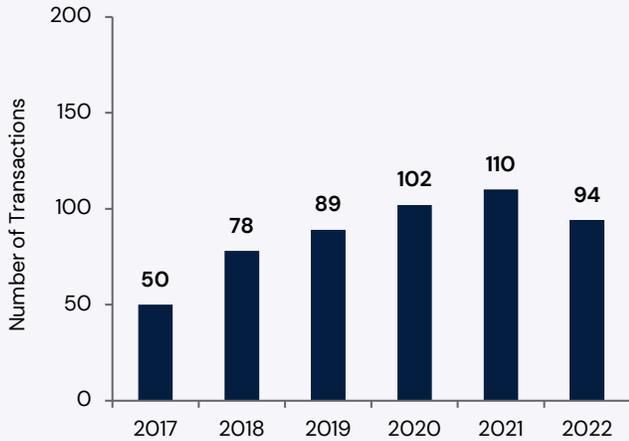
Sector participants offering federal- or state-mandated continuing education services often gain a high degree of revenue visibility and, as a result, have become optimal M&A targets. This has largely materialized for providers serving the Healthcare, Financial Services, and Law industries. Notably, the high-stakes exams required in these fields have piqued leading buyers' interest in test preparation services providers. In a recent example, Platinum Equity-backed McGraw-Hill Education, a global learning solutions provider, acquired Boards & Beyond for an undisclosed sum (December 2022). Boards & Beyond's online medical test preparation solutions supplement McGraw-Hill's medical education platform with dynamic, video-driven instruction and assessment content.



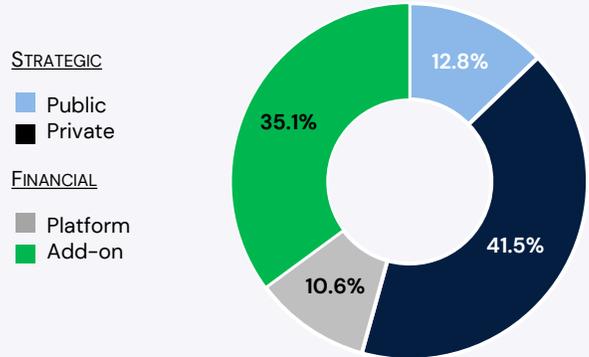
Corporate Training sector players have increasingly adopted subscription business models as this can offer heightened recurring revenue compared to the traditional project-based model. Franklin Covey (NYSE:FC), a global provider of professional training and consulting services, has demonstrated the ongoing strength of its subscription model through FranklinCovey All Access Pass, an enterprise-wide solution delivering digital education resources. In FY 2022, Franklin Covey generated \$262.8 million in total revenue, marking an increase of 17.3% over the prior year, according to the company's most recent investor presentation.<sup>27</sup> Subscription-based revenue accounted for nearly half (46.8%) of total FY revenue, rising 23.7% YOY to \$123.1 million. Utilization of digital subscriptions has also insulated Franklin Covey's gross margin by remaining asset-light, maintaining a gross margin of 76.8% in FY 2022. Capstone expects subscription models to be progressively adopted by businesses across the sector in 2023.



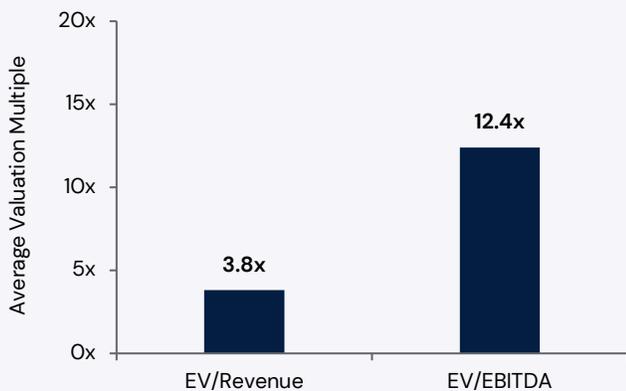
### Corporate Training M&A Remains Healthy in 2022



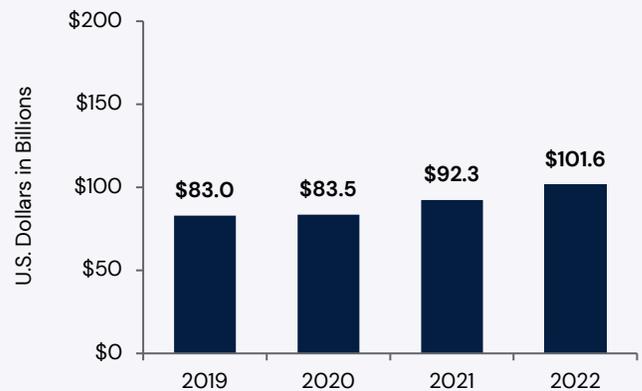
### Private Strategics Lead M&A Activity While Sponsors Show Strong Presence



### Corporate Training M&A Multiples (2019-2022)



### U.S. Corporate Training Spend Records Strong YOY Growth



Source: Training Magazine, Capital IQ, PitchBook, FactSet, and Capstone Partners

## Select Corporate Training Transactions

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV / LTM Revenue	EBITDA
12/13/22	A.D. Banker & Company	Career Certified	Offers pre-licensing, training, and continuing education for insurance professionals.	-	-	-
12/06/22	Ryan Medical Education	McGraw-Hill Education	Provides online educational videos for medical professionals and students.	-	-	-
12/01/22	TR (TSX:TRI) Compliance Learning	LRN	Offers risk and compliance online courses for professionals.	-	-	-
11/29/22	TR (TSX:TRI) Checkpoint Learning	Cerifi	Provides online continuing education training for the Financial Services industry.	-	-	-
11/17/22	Paradigm Learning	Partners In Leadership	Offers custom learning solutions for sales professionals.	-	-	-
09/28/22	Equus Workforce Solutions	APM (ASX:APM)	Provides workforce development services including trainee services.	\$153.5	0.5x	4.8x
09/21/22	EMT & Fire Training	Knowfully Learning Group	Offers remote learning courses for emergency medical technicians and firefighters.	-	-	-
09/20/22	ChildCare Education Inst.	StraighterLine	Provides online training and certificates for early childhood teachers.	-	-	-
09/13/22	Solomon Exam Prep	Cerifi	Develops a test preparation application for the FINRA, NASAA, and MSRB licensing exams.	-	-	-
09/06/22	Spader Business Management	NCM Associates	Provides employee training, consulting, and other business development products and services.	-	-	-
08/17/22	Eagle 6 Technical Services	Hatalom	Offers enterprise-wide cybersecurity training services.	-	-	-
08/04/22	Medical education facility	Broadstone Net Lease (NYSE:BNL)	Provides nursing and continuing medical education programs.	\$13.0	-	-
08/04/22	Academic Merit	Prometric	Offers online professional-development, assessment, instruction, and learning solutions.	-	-	-
07/19/22	Curricula Group	Huntress Labs	Operates a platform that provides security awareness training programs to employees.	\$22.0	-	-
07/01/22	Academy Hour	Lighthouse Health & Wellness	Offers online mental health and leadership training classes for first responders.	-	-	-
06/13/22	SumTotal Systems	Cornerstone OnDemand	Provides talent onboarding, learning management, and talent management solutions.	\$200.0	-	-
05/18/22	CloudCME	HealthStream (Nasdaq:HSTM)	Offers cloud-based continuing medical education solutions.	\$9.9	-	-
02/01/22	Vitalyst	Alithya Group (TSX:ALYA)	Provides on-site employee software coaching and training services.	\$45.0	1.7x	4.5x
01/31/22	InfoSec Institute	Education To Go	Offers training services for information security and information technology professionals.	\$190.8	6.2x	-
01/24/22	Adtalem Global Financial Services	Wendel (ENXTPA:MF)	Provides professional education solutions to accounting and finance professionals.	\$1,000.0	4.6x	20.0x
01/03/22	EverFi	Blackbaud (Nasdaq:BLKB)	Operates a digital learning platform that offers a range of courses in the areas of financial literacy.	\$743.8	-	-

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners



## Capstone Advises Force Management on its Recapitalization by TZP Group



Capstone Partners [advised Driehaus Private Equity-backed Force Management](#) on its recapitalization by TZP Group in August 2021. Terms of the deal were confidential.

Founded in 2002, Force Management is a well-recognized leader in the Sales Effectiveness & Training segment with an extensive track record of driving successful client outcomes. The company's technology-enabled services help their clients hit their revenue targets predictably and consistently by driving sustained revenue growth through effective sales force management. Force Management has a strong growth trajectory being propelled by recent investments into the company's proprietary technology platforms, Command Center™ and Opportunity Manager™.

*“ The Capstone Partners team invested the time to understand our company, its unique qualities and what we sought in a partner. They didn't treat it like 'just another engagement' and worked to qualify buyers that met our non-quantitative criteria. They were true stewards and champions of the company we built. ”*

**Eli Boufis**  
Co-Founder and Executive Principal  
Driehaus Private Equity

# Connect with Capstone

At Capstone Partners, we understand your journey. As entrepreneurs and business owners ourselves, and advisor to thousands of companies over the past two decades, we can relate to where you've been and where you want to go, and we have the team and capabilities in place to help you achieve your goals. We have developed a full suite of corporate finance solutions, including M&A advisory, debt advisory, financial advisory, and equity capital financing to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction.

To learn more about Capstone's wide range of advisory services and Education & Training sector knowledge, [please contact us](#).

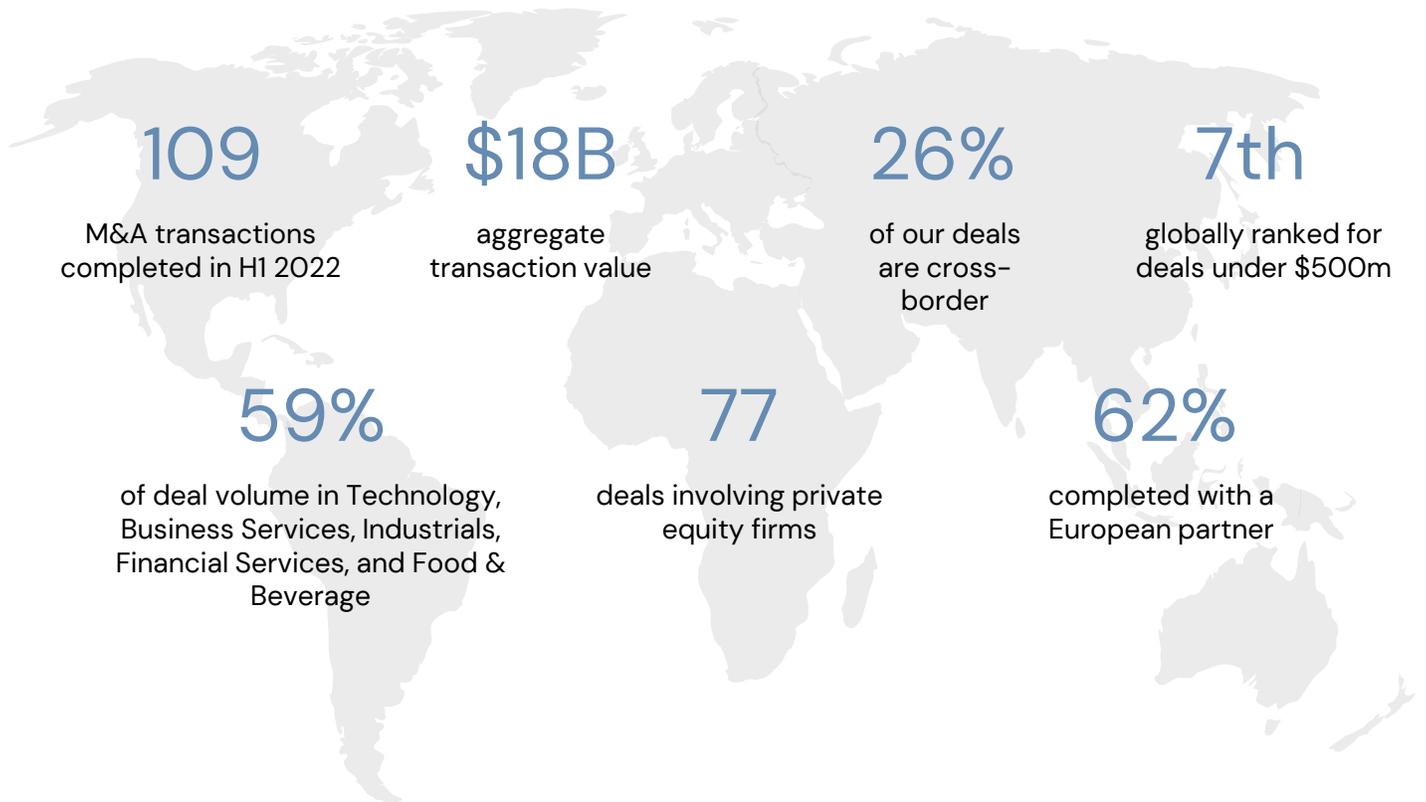
## Capstone-Advised Education & Training Transaction Highlights

<p>International study abroad programs</p>  <p>HAS BEEN ACQUIRED BY</p> 	<p>Social-emotional learning solutions</p>  <p>HAS BEEN ACQUIRED BY</p> 	<p>Technical career training services</p>  <p>a portfolio company of HCP&amp;Company</p> <p>HAS BEEN ACQUIRED BY</p> 	<p>Continuing medical education solutions</p>  <p>HAS BEEN ACQUIRED BY</p> 	<p>Cosmetology and esthetics education</p>  <p>a portfolio company of NCKCAPITAL</p>  <p>HAS BEEN ACQUIRED BY</p> 
<p>Sales force training solutions</p>  <p>HAS RECAPITALIZED WITH</p> 	<p>Healthcare higher education institution</p>  <p>HAS BEEN ACQUIRED BY</p> 	<p>Online bar exam preparation</p>  <p>HAS BEEN ACQUIRED BY</p> 	<p>Talent management solutions</p>  <p>HAS BEEN ACQUIRED BY</p> 	<p>Global sales training solutions</p>  <p>HAS BEEN ACQUIRED BY</p> 
<p>Online legal education services</p>  <p>HAS BEEN ACQUIRED BY</p> 	<p>Career exploration and leadership programs</p>  <p>HAS BEEN ACQUIRED BY</p> 	<p>Online real estate certification education</p>  <p>HAS BEEN ACQUIRED BY</p> 	<p>LSAT test preparation provider</p>  <p>HAS BEEN ACQUIRED BY</p> 	<p>Computer science education provider</p>  <p>HAS BEEN ACQUIRED BY</p> 



# Capstone's Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 41 countries.



## United States

~200 professionals  
12 offices

Boston · Chicago · Dallas · Denver · Detroit · Los Angeles · Orange County · Philadelphia · Richmond · San Diego · Tampa

## International

450+ professionals  
60+ offices in 43 countries

Asia: China · India · Japan · Thailand  
 Africa: Congo · Egypt · Ghana · Ivory Coast · Mauritius · Morocco · Nigeria · Senegal · South Africa  
 Americas: Toronto · Vancouver · Argentina · Brazil · Chile · Colombia · Mexico · Panama & Central America · Peru  
 Europe: Belgium · Bosnia & Herzegovina · Croatia · Czech Republic · Finland · France · Germany · Hungary · Ireland  
 Italy · Netherlands · Poland · Portugal · Russia · Serbia · Slovakia · Slovenia · Spain · Sweden · United Kingdom

# Endnotes

1. J.P. Morgan, "Economic Outlook 2023," <https://www.jpmorgan.com/commercial-banking/insights/economic-trends>, accessed January 6, 2023.
2. IBISWorld, "U.S. Educational Services Market Report," U.S. Treasury Department," <https://my.ibisworld.com/us/en/industry/61/industry-outlook#outlook>, accessed January 6, 2023.
3. CISION, "Spire Capital Partners Portfolio Company, O2B Kids, Expands its Georgia Footprint with the Acquisition of Cedars Preschool," <https://www.prnewswire.com/news-releases/spire-capital-partners-portfolio-company-o2b-kids-expands-its-georgia-footprint-with-the-acquisition-of-cedars-preschool-301473152.html>, accessed December 1, 2022.
4. CISION, "Achieve Partners Acquires MasteryPrep to Reduce Learning Loss and Advance College Readiness at Historically Underserved Schools," <https://www.prnewswire.com/news-releases/achieve-partners-acquires-masteryprep-to-reduce-learning-loss-and-advance-college-readiness-at-historically-underserved-schools-301675826.html>, accessed December 1, 2022.
5. CISION, "Simplilearn Acquires New York based Fullstack Academy, Aims to Achieve \$200mn in Revenue by FY24," <https://www.prnewswire.com/news-releases/simplilearn-acquires-new-york-based-fullstack-academy-aims-to-achieve-200mn-in-revenue-by-fy24-301687640.html>, accessed December 2, 2022.
6. APM, "APM Acquisition of Equus Workforce Solutions Investor Presentation," [https://www.apminvestors.net.au/resources/pdf/presentations/APMInvestor%20Presentation\\_NorthAmericanExpansion\\_vF.pdf](https://www.apminvestors.net.au/resources/pdf/presentations/APMInvestor%20Presentation_NorthAmericanExpansion_vF.pdf), Accessed December 2, 2022.
7. Adtalem Global Education, "Adtalem Global Education Completes Divestiture of Financial Services Segment," <https://investors.adtalem.com/press-releases/press-releases-details/2022/Adtalem-Global-Education-Completes-Divestiture-of-Financial-Services-Segment/default.aspx>, accessed December 3, 2022.
8. Office of Educational Technology, "CARES Act Funding to Support Remote Learning," <https://tech.ed.gov/funding/>, accessed December 4, 2022.
9. Businesswire, "Higher Ground Education Announces the Acquisition of NeighborSchools," <https://www.businesswire.com/news/home/20221201005685/en/Higher-Ground-Education-Announces-the-Acquisition-of-NeighborSchools>, accessed December 5, 2022.
10. Businesswire, "KIRKBI A/S Acquires BrainPOP," <https://www.businesswire.com/news/home/20221011005785/en/KIRKBI-AS-Acquires-BrainPOP-A-Leading-Educational-Technology-Platform-for-Kids-Educators-and-Families>, accessed December 15, 2022.
11. CISION, "CeriFi Completes Transformational Acquisition of Checkpoint Learning," <https://www.prnewswire.com/news-releases/cerifi-completes-transformational-acquisitions-of-checkpoint-learning-and-west-legealedcenter-creating-the-largest-professional-education-platform-uniquely-serving-learners-across-the-financial-services-and-legal-sectors-301690927.html>, accessed December 6, 2022.
12. CISION, "Expressable Closes \$15M Series A to Expand Industry-Leading Speech Therapy Solution," <https://www.prnewswire.com/news-releases/expressable-closes-15m-series-a-to-expand-industry-leading-speech-therapy-solution-301478254.html>, accessed December 15, 2022.
13. EdTechReview, "ClassDojo Raises \$125M Funding to Bring More Kids to the Metaverse," <https://www.edtechreview.in/news/classdojo-raises-125m-funding-to-bring-more-kids-to-the-metaverse/>, accessed December 16, 2022.
14. Media Literacy Now, "U.S. Media Literacy Policy Update 2021," <https://medialiteracynow.org/wp-content/uploads/2022/01/MediaLiteracyPolicyUpdate2021.pdf>, accessed December 15, 2022.
15. USA Facts, "How Much are Families Spending on Childcare?," <https://usafacts.org/articles/how-much-are-families-spending-on-childcare/>, accessed December 17, 2022.
16. U.S. Census Bureau, "School Enrollment Rises Slightly in 2021," <https://www.census.gov/newsroom/press-releases/2022/school-enrollment.html>, accessed December 17, 2022.
17. Education Data Initiative, "U.S. Public Education Spending Statistics," <https://educationdata.org/public-education-spending-statistics>, accessed December 18, 2022.
18. McKinsey & Company, "COVID-19 and Education: The lingering Effects of Unfinished Learning," <https://www.mckinsey.com/industries/education/our-insights/covid-19-and-education-the-lingering-effects-of-unfinished-learning>, accessed December 18, 2022.
19. Ernst & Young, "Approaching the Next Frontier: K-12 Education Technology in the Wake of COVID-19," [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_us/topics/education/ey-parthenon-k-12-education-tech-report.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_us/topics/education/ey-parthenon-k-12-education-tech-report.pdf), accessed December 19, 2022.



20. Achieve Partners, "Achieve Workforce Fund," <https://www.achievethepartners.com/portfolio.html>, accessed December 15, 2022.
21. National Student Clearinghouse Research Center, "Spring 2022 – Current Term Enrollment Estimates," <https://nscresearchcenter.org/current-term-enrollment-estimates/>, accessed December 15, 2022.
22. Federal Student Aid, "The Biden–Harris Administration’s Student Debt Relief Plan Explained," <https://studentaid.gov/debt-relief-announcement>, accessed December 16, 2022.
23. U.S. Department of Education, "Biden–Harris Administration Continues Fight for Student Debt Relief for Millions of Borrowers," <https://www.ed.gov/news/press-releases/biden-harris-administration-continues-fight-student-debt-relief-millions-borrowers-extends-student-loan-repayment-pause>, accessed December 14, 2022.
24. Universal Technical Institute, "December 2022 Investor Presentation," [https://filecache.investorroom.com/mr5ir\\_uti/520/Q4FY22%20Investor%20Presentation%20vFinal.pdf](https://filecache.investorroom.com/mr5ir_uti/520/Q4FY22%20Investor%20Presentation%20vFinal.pdf), accessed December 16, 2022.
25. Seeking Alpha, "Universal Technical Institute Q4 2022 Earnings Call Transcript," <https://seekingalpha.com/article/4563955-universal-technical-institute-inc-uti-q4-2022-earnings-call-transcript>, accessed December 16, 2022.
26. Training Magazine, "2022 Training Industry Report," <https://trainingmag.com/2022-training-industry-report/>, accessed December 17, 2022.
27. Franklin Covey, "Fiscal Year & Q4 2022 Investor Presentation," <https://ir.franklincovey.com/static-files/423ba9ca-b892-458e-960c-27757d9ba36b>, accessed December 20, 2022.

## Report Authors & Contributors

Max Morrissey, Market Intelligence Associate  
Capstone Partners

Market Intelligence Team  
Capstone Partners

### Disclosure

This report is a periodic compilation of certain economic and corporate information, as well as completed and announced merger and acquisition activity. Information contained in this report should not be construed as a recommendation to sell or buy any security. Any reference to or omission of any reference to any company in this report should not be construed as a recommendation to buy, sell or take any other action with respect to any security of any such company. We are not soliciting any action with respect to any security or company based on this report. The report is published solely for the general information of clients and friends of Capstone Partners. It does not take into account the particular investment objectives, financial situation or needs of individual recipients. Certain transactions, including those involving early-stage companies, give rise to substantial risk and are not suitable for all investors. This report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Prediction of future events is inherently subject to both known and unknown risks and other factors that may cause actual results to vary materially. We are under no obligation to update the information contained in this report. Opinions expressed are our present opinions only and are subject to change without notice. Additional information is available upon request. The companies mentioned in this report may be clients of Capstone Partners. The decisions to include any company in this report is unrelated in all respects to any service that Capstone Partners may provide to such company. This report may not be copied or reproduced in any form or redistributed without the prior written consent of Capstone Partners. The information contained herein should not be construed as legal advice.



**CAPSTONE  
PARTNERS**

Common Goals. Uncommon Results.