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**Education & Training M&A Update**  
**Q4 2024**

# Education & Training M&A Update Q4 2024

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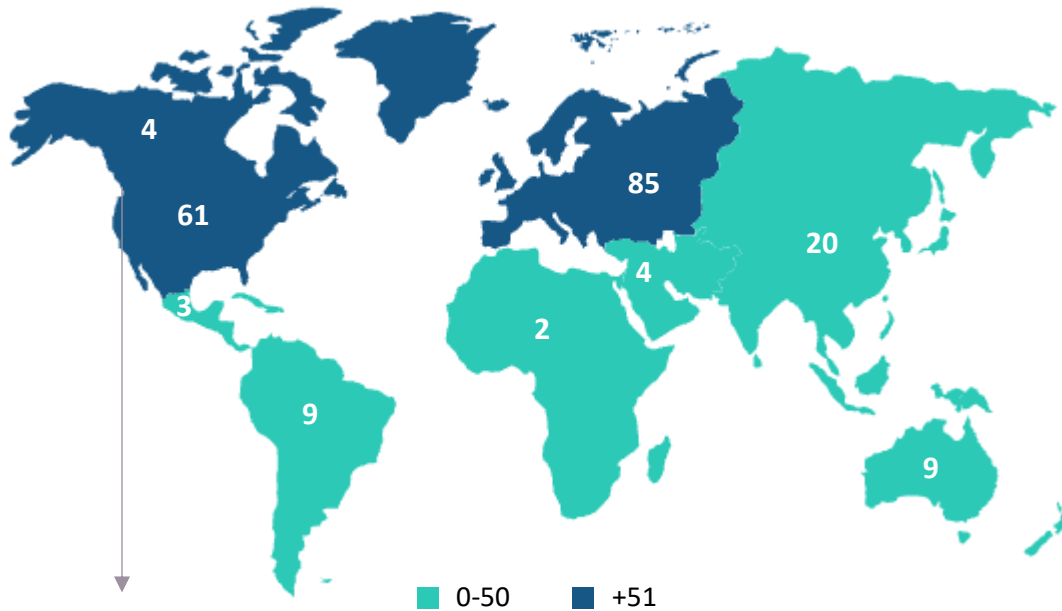
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## REPORT HIGHLIGHTS

- The Education & Training sector index increased by 15.5% and outperformed the S&P 500, which increased by 3.0% over the same period.
- The median EV/EBITDA multiple in the Education & Training sector for reported private equity deals increased to 32.4x in 2024 from 12.1x in 2023, and for strategic deals increased to 21.0x from 9.6x in the prior year.
- M&A deal volume in the sector increased 0.5% in Q4 to 197 deals from 196 deals in Q3, but decreased 2.5% from 202 deals in Q4 of the prior year.
- As a % of total capital invested in M&A transactions, PE participation increased in 2024 to 90.3% from 83.1% in 2023.
- Europe was the most active region in Q4 with 85 deals. Most notably in the European market was Wilmington's \$39.8 million acquisition of Phoenix Health & Safety ("Phoenix"), UK-based provider of health and safety training services, in October 2024.



Of the 197 deals in the Education & Training sector in Q4, Europe was the most active with 85. A notable European deal (in addition to the Phoenix deal mentioned on the previous page) was North Edge Capital’s \$23.9 million acquisition of PebblePad, a UK-based developer of an online workbook and assessment platform, in October 2024. North America was the second most active with 65 transactions and all other regions combined for a total of 47 deals.



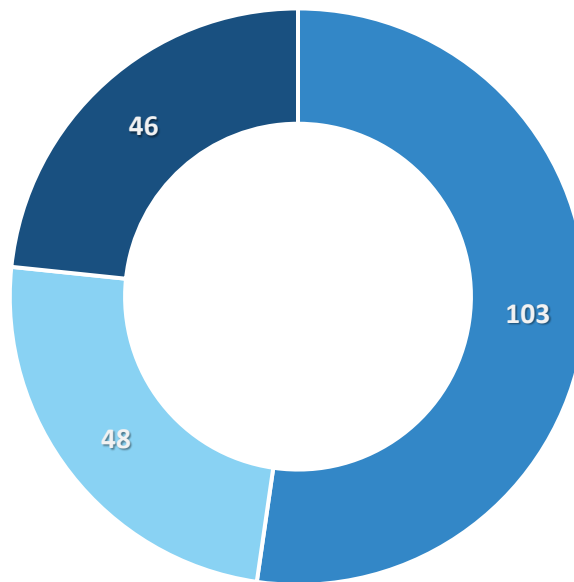
<b>Canada:</b>	<b>4</b>
<b>United States:</b>	<b>61</b>
Mid Atlantic:	16
West Coast:	12
Southeast:	9
South:	9
Others:	15

In the U.S. market, the Mid Atlantic region was the most active area with 16 deals, followed by the West Coast with 12 closed transactions. Most notably in the West Coast region was Bain Capital’s \$5.6 billion acquisition of PowerSchool Group, a California-based provider of cloud-based software to the K-12 education market, in October 2024. The Southeast and South regions each saw 9 transactions close, and all other U.S. regions combined for a total of 15 completed deals.

Outside of the U.S. in the North American market, 4 transactions closed in Canada in Q4 2024.

Of the 197 Education & Training (“E&T”) deals in Q4, 103 deals were in the Direct-to-Consumer E&T sector, making it the most active from an M&A volume standpoint. B2B E&T was the second most active with 48, followed by EdTech and Other with 46 reported deals.

## Deal by Subsector



■ Direct-to-Consumer E&T

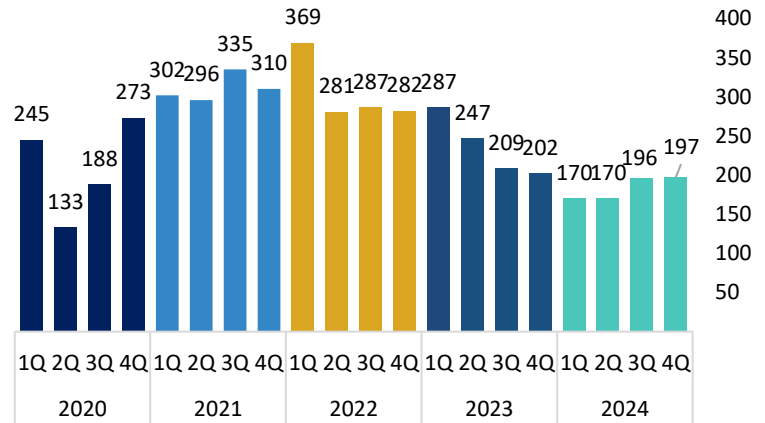
■ B2B E&T

■ EdTech & Other



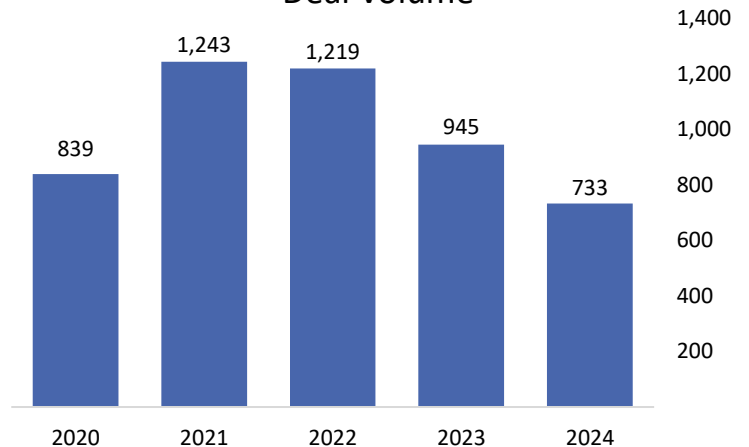
Deal volume in the E&T sector increased 0.5% in Q4 to 197 deals from 196 deals in Q3, but decreased 2.5% from 202 deals in Q4 of the prior year. Q4 represents the highest level of deal volume seen in 2024, and is indicative of the generally positive market sentiment as we begin to have more clarity on the macro environment post election.

### Deal Volume



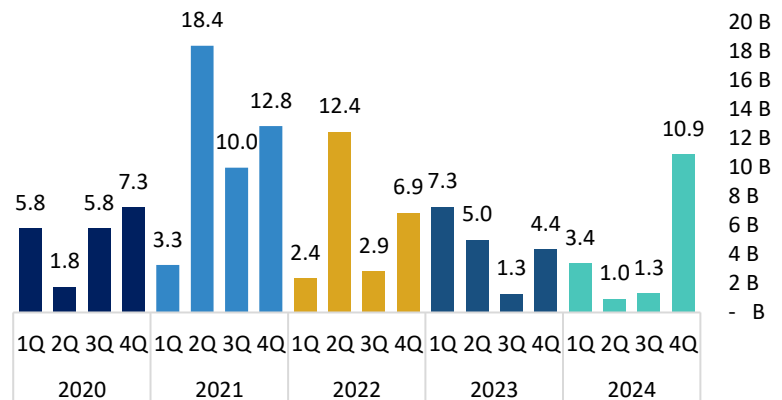
Despite the uptick in the quarter, annual deal volume decreased 22.4% to 733 deals in 2024, down from 945 in 2023. We attribute this significant drop in annual deal volume to be a result of the first two quarters having been suppressed by looming election uncertainty along with tightened liquidity markets. As we progress into 2025, we anticipate increasingly strong M&A activity in the E&T sector.

### Deal Volume



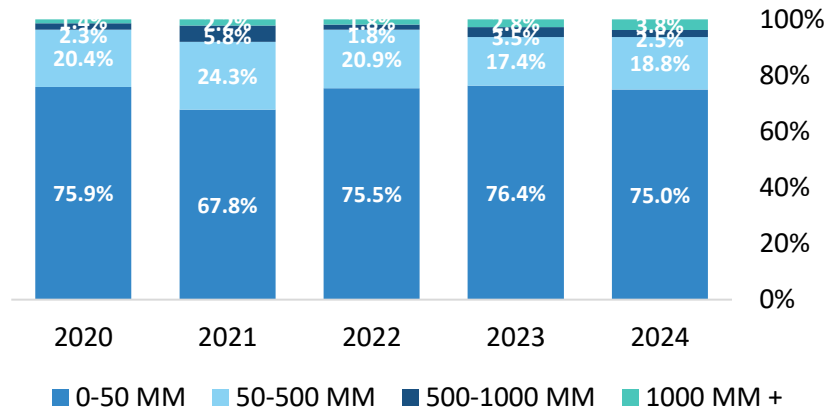
Despite the decline in deal volume, total capital invested in M&A deals in the E&T sector increased 738.5% in Q4 to \$10.9B from \$1.3B in Q3, and increased 147.7% from \$4.4B in Q4 of the prior year. This dramatic increase from last quarter is due to the closing of two large deals in the space, the previously mentioned PowerSchool deal, and Dragoneer Investment Group (“Dragoneer”) and Kohlberg Kravis Roberts’ (“KKR”) \$4.8 billion acquisition of Instructure Holdings (“Instructure”) in November 2024. In contrast, there was not a deal closed with a value over \$1.0 billion in the previous two quarters.

### Total Capital Invested



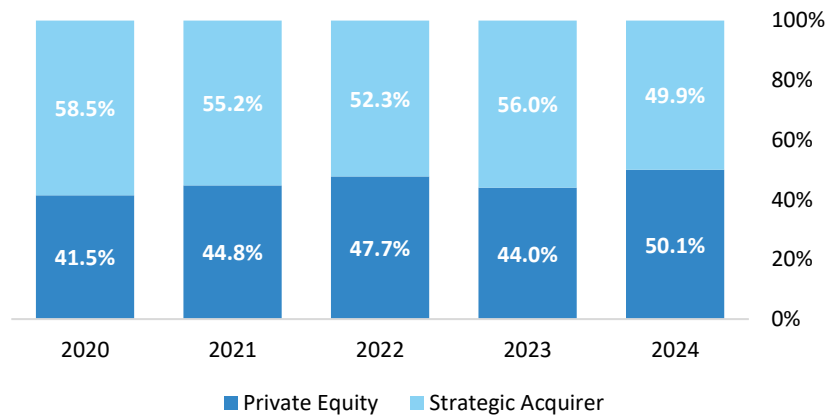
In 2024, we generally saw a shift in mix toward larger-sized deals from the prior year. The middle market (\$50 - \$500 MM) and the large cap (\$1000 MM+) increased to 18.8% and 3.8% from 17.4% and 2.8%, respectively, in 2023. The lower middle market (\$0 - \$50 MM) and upper middle market (\$500 - \$1000 MM) saw decreases to 75.0% and 2.5% from 76.4% and 3.5%, respectively, in 2023.

### Deal Volume by Deal Size



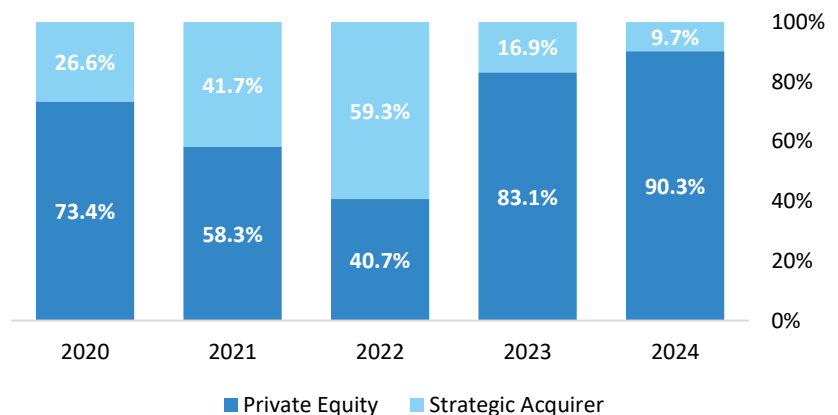
As a % of total deal volume, PE buyers trended higher in 2024 relative to strategic buyers, representing 50.1% of deal volume in the sector compared to 44.0% in 2023. 2024 marks the highest percentage of deal volume from PE buyers in over 5 years.

### Deal Volume by Acquirer



Following the trend in deal volume, total capital invested by PE investors (as a % of overall capital invested) increased in 2024 to 90.3% from 83.1% in 2023. 2024 represents the highest % of capital invested by PE buyers in the past five years. The increase in total capital invested by PE buyers was driven by significant transactions like the previously mentioned PowerSchool deal.

### Total Capital Invested by Acquirer

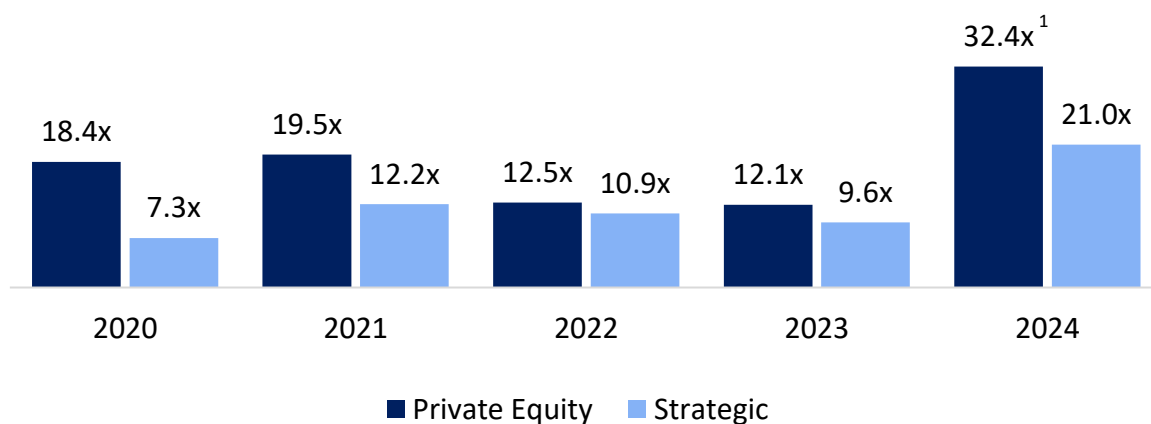


The median EV/EBITDA multiple for reported private equity deals increased to 32.4x in 2024 from 12.1x in 2023, and increased for strategic deals to 21.0x from 9.6x in the prior year.

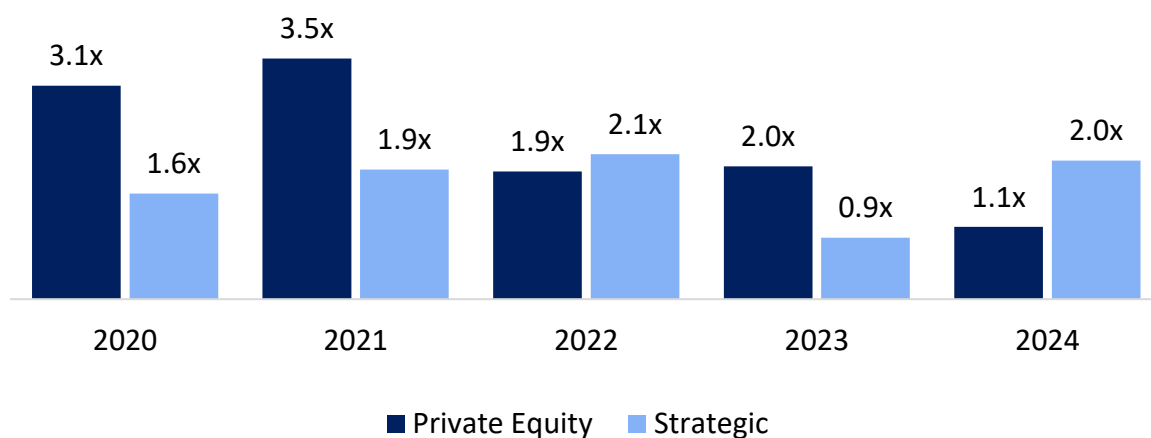
The median EV/Revenue multiple for reported private equity deals decreased to 1.1x in 2024 from 2.0x in 2023, but increased for strategic deals to 2.0x from 0.9x in the prior year.

2024 marks the highest reported median EV/EBITDA multiple for both PE and strategic deals in the past five years.

## Reported EV/EBITDA Multiples















## Reported EV/Revenue Multiples



















<sup>1</sup> Only two EV/EBITDA multiples were reported for Private Equity buyers in 2024.

## Active Strategic Investors

Investor	2024 E&T Investments	Select Targets
	4	  
	4	  
	3	  


## Active Private Equity Investors

Investor	2024 E&T Investments	Select Targets
	10	    
	8	   
	6	   

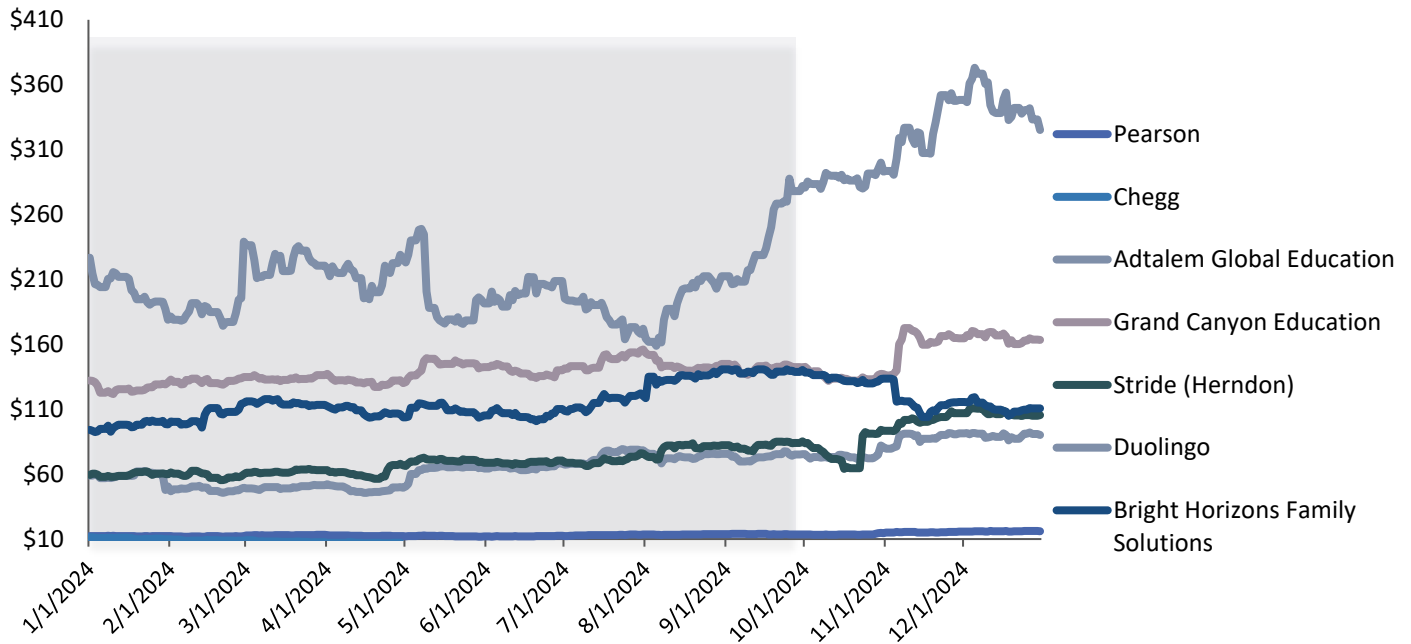


# Largest Deals (Disclosed)

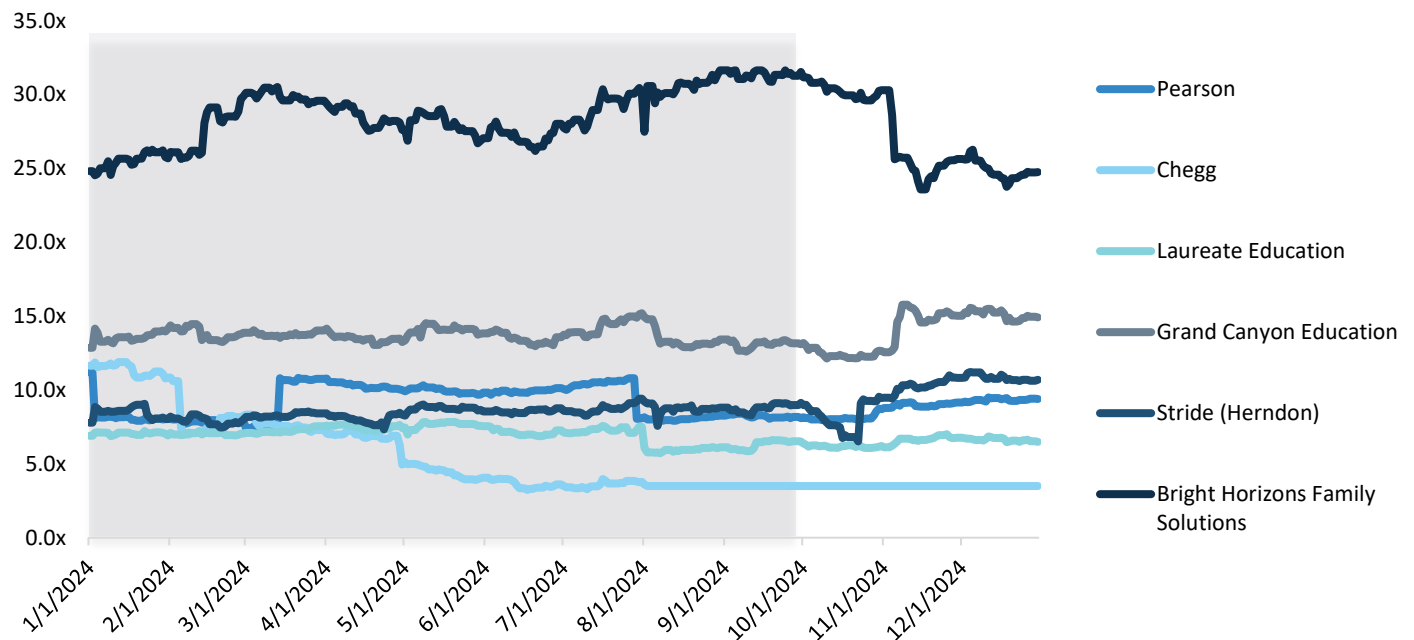
Deal Date	Company Name	Investor	Deal Type	Deal Size (\$mm)	EV		Target Business Description
					Revenue	EBITDA	
17-Dec-2024	Fictor Alimentos		Merger/Acquisition	\$ 20.0	3.1x	33.1x	Provider of solutions for telecommunications, power generation, oil, gas, petrochemicals, process equipment, engineering, mining, steel, and material handling.
11-Dec-2024	BB Publications	Veranda Learning	Merger/Acquisition	14.9			Operator of an online learning platform catering to Chartered Accountant aspirants.
09-Dec-2024	Edufor São Luis	Yduqs	Merger/Acquisition	24.7			Operator of a higher educational institute to offer an education capable of positively transforming society, generating socioeconomic, environmental and cultural impacts.
06-Dec-2024	St. Jude College Dasmariñas Cavite	Kohlberg Kravis Roberts, PHINMA Education Holdings	Buyout/LBO	7.4			Provider of education services.
05-Dec-2024	Universidad Tres Culturas	Kans Capital	PE Growth/Expansion	35.0			Operator of academic institutions committed to training professionals.
02-Dec-2024	University of St. Augustine for Health Sciences	Perdoceo Education	Merger/Acquisition	138.0			Operator of an accredited graduate-level educational institution focused on health science education.
26-Nov-2024	Felden Lodge	Charme Capital Partners, Mubadala Investment Company, Witherslack Group	Buyout/LBO	6.7			Operator of a training center intended for churches, charities, schools, local community groups, youth organizations, and private groups.
21-Nov-2024	Flipper International School	ADVTECH	Merger/Acquisition	7.5			Operator of an international school based in Ethiopia.
13-Nov-2024	Eu Médico Residente Ensino	IBCMED	Merger/Acquisition	6.7			Provider of educational services for medical residency and Revalida exams.
13-Nov-2024	Instructure	Dragoneer Investment Group, Kohlberg Kravis Roberts	Buyout/LBO	4,800.0	7.3x	29.2x	Provider of educational online programs such as Canvas and Mastery Connect.
12-Nov-2024	K12 Techno Services	Kenro Capital	PE Growth/Expansion	40.0			Provider of education services intended to offer a suite of academic support, and assistance to schools in India.
31-Oct-2024	GSE Systems	Pelican Energy Partners	Buyout/LBO	15.6	0.3x		Provider of engineering, staffing, and simulation software to clients in the power and process industries.
31-Oct-2024	Inapós	Clariens Educação, Mubadala Capital	Buyout/LBO	23.2			Operator of a college based in Pouso Alegre, Brazil.
28-Oct-2024	World Gym (Educational and Training Services)	World Gym Taiwan	Merger/Acquisition	9.0			Operator of a fitness brand intended to offer fitness services and workshops in the United States.
25-Oct-2024	Phoenix Health & Safety	Wilmington	Merger/Acquisition	39.8			Provider of consultancy services intended to offer health and safety training services.
18-Oct-2024	PebblePad	NorthEdge Capital	Buyout/LBO	23.9			Developer of ePortfolio, a workbook and assessment platform designed to assist institutions in supporting, guiding, and developing students.
03-Oct-2024	PHINMA Education Holdings	Kohlberg Kravis Roberts	PE Growth/Expansion	80.1			Provider of education services intended to provide quality education to low-income youth and make them highly skilled and employable.
01-Oct-2024	PowerSchool Group	Bain Capital, Onex, Vista Equity Partners	Buyout/LBO	5,600.0	7.5x	35.6x	Provider of cloud-based software to the K-12 education market.
Mean				605.1	4.6x	32.7x	
Median				23.6	5.2x	33.1x	
High				5,600.0	7.5x	35.6x	
Low				6.7	0.3x	29.2x	

Target	Investor	Driver	Deal Synopsis
 <b>PowerSchool</b>	 <b>BainCapital</b>	<b>Buyout/LBO</b>	<p>PowerSchool Group, a California-based provider of cloud-based software to the K-12 education market, was acquired by Bain Capital for \$5.6 billion in October 2024. The acquisition will provide PowerSchool with additional resources and the flexibility to deliver accelerated growth and innovation, especially with PowerBuddy, their generative AI platform.</p>
 <b>INSTRUCTURE</b>	 <b>DRAGONEER</b> <small>INVESTMENT GROUP</small>  <b>KKR</b>	<b>Buyout/LBO</b>	<p>Instructure Holdings (“Instructure”), a Utah-based provider of educational online programs such as Canvas and Mastery Connect, was acquired by Dragoneer Investment Group (“Dragoneer”) and Kohlberg Kravis Roberts (“KKR”) for \$4.8 billion in November 2024. By leveraging the expansive network of partners and resources of Dragoneer and KKR, Instructure will aim to broaden its platform and deliver \$1.0 billion of revenue by 2028.</p>
 <b>UNIVERSITY of</b> <b>ST. AUGUSTINE for</b> <b>HEALTH SCIENCES</b>	 <b>PERDOCEO</b> <small>EDUCATION CORPORATION</small>	<b>Merger/ Acquisition</b>	<p>In December 2024, Perdoceo acquired University of St. Augustine for Health Sciences (“USAHS”), a California-based operator of an accredited graduate-level educational institution focused on health science education, for \$138.0 million. The acquisition of USAHS is expected to enhance Perdoceo’s overall financial performance by expanding its market reach into the healthcare higher education space.</p>
 <b>PHINMA EDUCATION</b> <small>MAKING LIVES BETTER THROUGH EDUCATION</small>	 <b>KKR</b>	<b>PE Growth/ Expansion</b>	<p>Phinma Education, a Filipino provider of educational services for low-income youth, sold a significant portion of its ownership stake to KKR for \$80.1 million in October 2024. The addition of Phinma Education marks KKR’s latest investment in the international higher education market, adding onto positions that cover other parts of Southeast Asia, Oceania, Europe, and the United States.</p>

## Stock Price

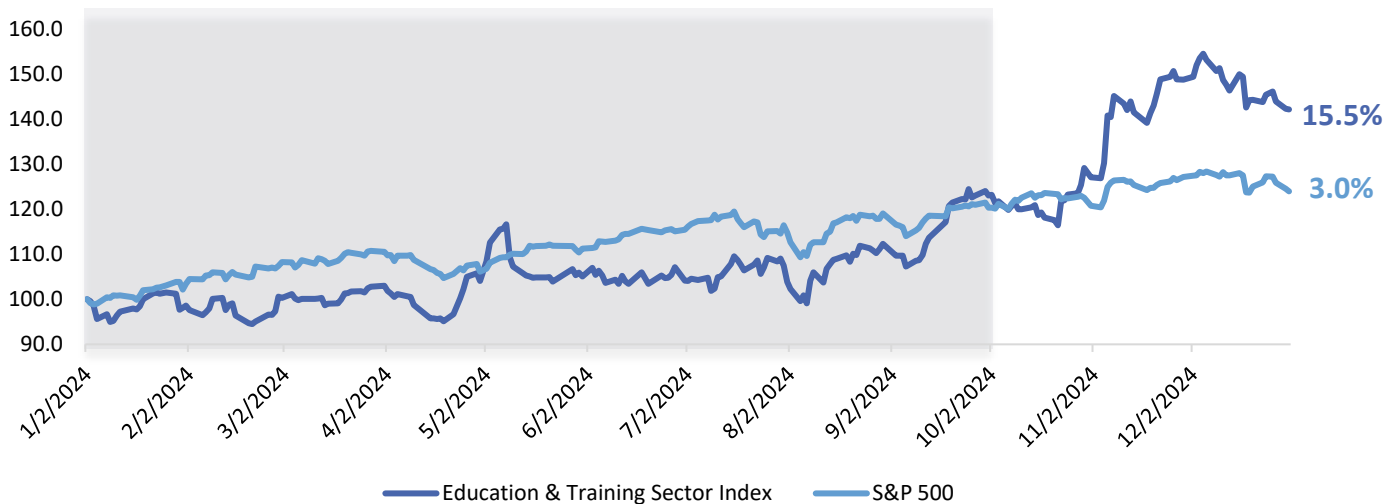


## EV/EBITDA



## Index Performance

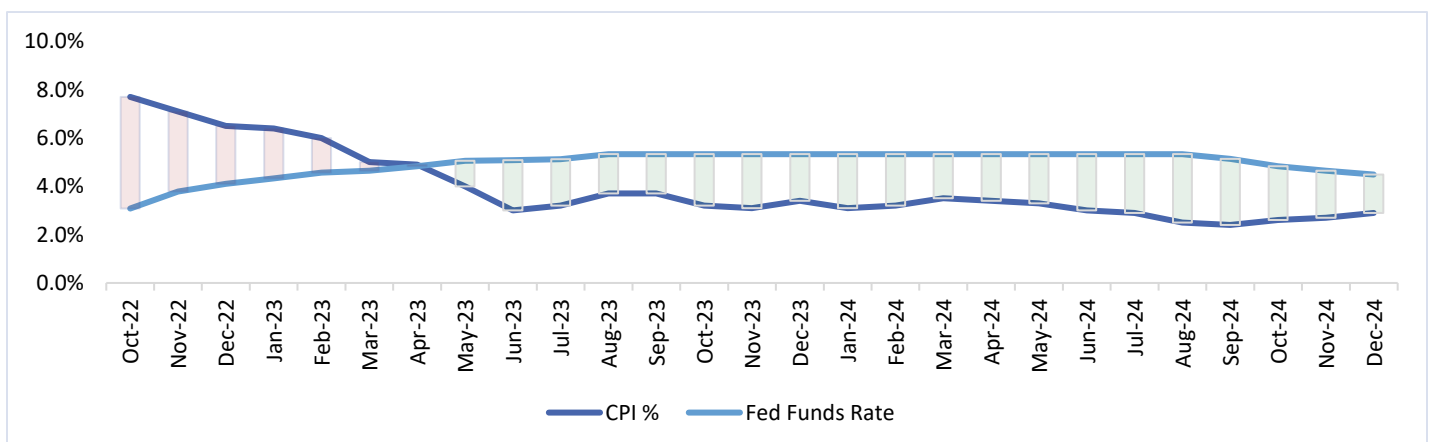
In Q4, the Education & Training sector index increased by 15.5% and outperformed the S&P 500, which increased by 3.0% over the same period.



## Key External Drivers

Overall, the Education & Training industry tends to be less volatile in the broader economy than other industries because of its inherent stability due to consistent demand for educational services regardless of economic fluctuations.

The Federal Reserve's interest rate cuts in 2024 lowered the federal funds rate to a target range of 4.25%–4.50%. While multiple rate cuts were initially expected in 2025, robust job growth in December, with 256,000 jobs added and unemployment falling to 4.1%, has shifted projections toward a more gradual pace of reductions. Current estimates suggest one to two quarter-percentage-point cuts by year-end, bringing the rate to approximately 4.00-4.25%. This measured approach may moderate the reduction in borrowing costs. However, the M&A environment remains favorable for strategic deal-making and effective capital deployment.



## *Emerging trends in the Education & Training space:*

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### **A Lifetime of Learning**

#### *Education for Adults of all Ages*

With the concept of professionals keeping a single job for their entire career slowly dying, it will be necessary for those pursuing a rewarding career to continue educating themselves after earning a traditional college degree. This presents a strong opportunity in the market for education and training companies to produce educational resources for those looking for extra growth in their careers.



### **Continued Rise of Podcasting**

#### *Growth of Availability and Effectiveness of Podcasts*

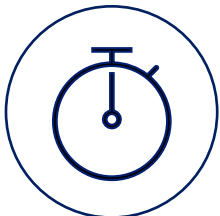
Although podcasting has been around for multiple decades, the medium has seen impressive growth of 122% over the past five years and shows no sign of slowing down. Podcasts are known to be very accessible outside of the workspace or classroom, but have recently been incorporated into educational training courses and provide a strong alternative to traditional large training materials of written content.



### **AI-Powered Learning and Testing**

#### *The Rise of Artificial Intelligence in Education*

AI is rapidly reshaping education by enabling personalized learning experiences at scale. Educational institutions and corporate training programs are adopting AI-driven solutions that tackle the challenges of implementing effective online assessments, quizzes, and tests. AI learning systems can perform diagnostic assessments that identify where a learner is and the best path for them to take going forward.



### **Microlearning and On-Demand Training**

#### *Quick Learning Solutions*

Microlearning, which offers short focused lessons, is gaining traction due to its ability to fit into busy schedules. Corporations are using this method to quickly upskill employees which improves their retention and engagement. Its flexibility and time efficiency make it an appealing alternative to traditional training formats.



## Proven, Professional, Principled.

Investment Bankers for the Middle Market

### About

R.L. Hulett is a middle-market investment bank based in St. Louis, Missouri, providing M&A and financial advisory services to middle-market companies. Since its founding in 1981, the firm has advised in over 280 transactions in a variety of industries including Education & Training, Food & Consumer, packaging, healthcare and software/tech-enabled services. The firm has an experienced team of M&A advisors consisting of former business owners, seasoned corporate executives, professional service firm partners, CPAs and MBAs. Our ability to deliver customized solutions to meet or exceed our clients' expectations is what sets us apart from our competitors.

### Our Clients

**\$10 - 250MM**  
Revenue

**\$2 - 20MM**  
EBITDA

**Middle Market**  
Privately Owned

### Industries Served



**Education  
& Training**



**Tech-Enabled  
Services**



**Plastics &  
Packaging**



**Industrials**



**Transportation  
& Logistics**



**Food &  
Consumer**





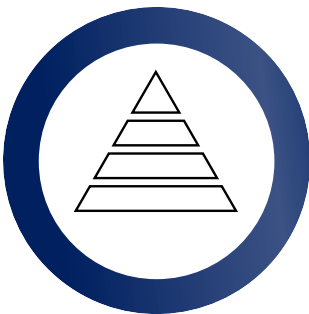
## **Sell-Side Advisory: Sell your business**

Sell your business for the highest price and for the best terms. At R.L Hulett, communicating the value of your business to targeted buyers and finding the best fit for your team is our forte. We strive to maintain your company's culture and heritage even as you transition out of your business.



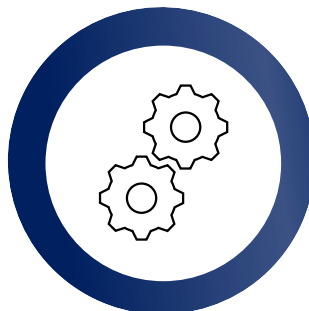
## **Buy-Side Advisory: Buy a business**

Searching for acquisition targets can be a challenging and time-consuming task when trying to run your own business at the same time. Navigating the risks and pitfalls in negotiating valuation and deal structure can also be a daunting task for many business owners. Let our team help you minimize your risk and reduce time wasting efforts with our decades of experience in advising in both buy and sell-side M&A transactions. We utilize industry-leading M&A databases to scout for opportunities and pre-screen for "real" actionable targets so you can stay focused on what matters.



## **Capital Raise: Gain financial support**

With nearly 40 years of experience in middle-market M&A advisory, we know how to package up your deal and put you in front of the right kind of investors who have the capital and the industry expertise you need to grow your business. Our team will develop a go-to-market strategy and advise on deal structure, valuation, due diligence and transition issues. Whether you are seeking capital for growth or trying to buy out other shareholders, we have the tools, expertise, and experience to execute a strategic process and find the optimal outcome to meet your objectives.




## **Restructuring: reorganization of your business**


In today's uncertain economic times, more and more companies are finding themselves in unfamiliar, and unwanted, positions. Many business owners are hoping recovery is just around the corner; however, proactive measures are often required to maximize the remaining value of the business. Our team can aid banking institutions with workout situations by implementing internal controls over cash management and performing on-going cash flow modeling for their clients. We can also help business owners avoid having trouble making payments on their debts and avoid the cumbersome and low-value asset liquidation process.

Over the years, R.L. Hulett has completed hundreds of transactions in a wide variety of industries. Below are several representative transactions. Please note that this list is not comprehensive.

**BYL**

has acquired



 R. L. Hulett



has been acquired by



 R. L. Hulett



has sold substantially all of its assets to



 R. L. Hulett

## Companies Served







## Investors





Cottonwood Acquisitions







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Mr. Hulett has led M&A transactions in a variety of industries including manufacturing/industrial, software development/IT, business services and value-added distribution for over 15 years. Prior to joining the firm, he held senior level accounting and financial management positions in both public accounting and large corporations. Mr. Hulett began his career as a Certified Public Accountant with MPP&W, a St. Louis-based public accounting firm specializing in middle market companies. He then held various management positions in internal audit and corporate accounting with a Fortune 1000 industrial manufacturing company and also spent nine years with Enterprise Rent-A-Car Company as a department manager in the Corporate Accounting group. Mr. Hulett holds his Series 62, 63 and 79 securities registration. Mr. Hulett earned a Bachelor's Degree in Accounting from the University of Missouri, Columbia.



**David T. Vass**  
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Mr. Vass has over 30 years of business management experience including more than 10 years as President of a highly successful consumer products manufacturing company with revenues exceeding \$25 million. During this time, he not only reversed a declining sales and earnings trend, but increased both sales and operating income over 100%. In addition, he has spent over 20 years at the executive level of Vice President of Sales and Business Development. Mr. Vass also has experience in a number of other industry niches including consumer products, commercial furniture and fixtures and metal recycling. He holds a Bachelor's Degree in Economics from DePauw University and an MBA from the University of Michigan.



**Christopher Riley**  
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Mr. Riley has owned, operated, and sold multiple businesses spanning five decades in the technology, fabrication, hospitality, real estate, social media, financial services, automotive, private equity and business services industries. He owns multiple companies, United Cutwater and Cutwater Advisory Partners, that focus on identifying, funding, growing, and exiting businesses at their Optimum Value. Prior to joining the firm, he worked in New York in the investment banking industry for 10 years. He began his career with American Express as an Estate and Tax Planning Specialist. With degrees in Finance and Philosophy and a Master's in Organizational Psychology, Chris was educated at Santa Clara University, the London School of Economics and the Harvard Business School. Chris is Series 79 and Series 63 licensed, has seven board certifications in cyber intelligence, and is a licensed forensic investigator.



**Ron Litton**  
Director  
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rlitton@rlhulett.com

Mr. Litton has been advising business owners in mergers and acquisitions since 2013. His primary industry focus areas have included industrials, paper and packaging, distribution, energy, promotional products and direct to consumer e-commerce. Prior to 2013, Mr. Litton held a variety of C-level roles with several companies in the paper and packaging industry including Unisource, Maverick Paper, Universal Graphics and Sabin Robbins. He has bought and sold a number of businesses, advised in the sale of family/founder owned businesses, and advised in start-ups and turnaround situations for banks, owners, and private equity firms. He enjoys working with owners that want to sell or transition out of their businesses. Ron covers the Kansas City and surrounding markets for the firm. He graduated from Central Missouri State University with a BS in Graphic Arts Technology and Management.



**Ryan Hartman**  
Senior Analyst  
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Ryan provides analytical support for senior-level deal managers and, as a senior analyst, supervises the preparation of confidential memorandums, financial models and industry research reports. Ryan graduated with a Bachelor of Science degree in Finance from The Freeman School of Business, Tulane University. Prior to joining the firm, Ryan worked as an equity analyst for Burkenroad reports, an equity research program that produces widely circulated financial reports on small- to medium-sized companies. During his time at Tulane University, Ryan was elected as Vice President of Administration for Tulane's community government, took extensive courses in Investment Banking M&A transactions, and volunteered as a data analyst for American Red Cross.



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Lynda Hulett leads the firm's marketing, administrative and communication efforts. She maintains the firm's proprietary CRM database, manages outbound firm communications and provides administrative support to senior deal managers. Prior to joining R.L. Hulett, Lynda spent the previous ten years in various marketing and administrative functions. Most recently, she worked as a client liaison providing administrative support for a CPA firm. Prior to that, she was employed by Moneta Group, a financial services advisory firm, where she provided marketing and administrative support to the client managers. Lynda graduated from the University of Missouri – Columbia, receiving her business degree with an emphasis in Marketing.



**Robert L. Hulett**  
In Memoriam:  
1943-2024

Mr. Hulett founded the firm in 1981 and negotiated and completed more than 200 transactions throughout his career. He began his career as a Certified Public Accountant and practiced with Peat, Marwick, Mitchell & Co. in St. Louis as an Audit Manager and in New York as the Director of Training for Private Business. Mr. Hulett also served as Chief Executive & Board Member for various middle market companies. As an educator, he was an adjunct professor at New York University and a tenured faculty member at Lindenwood University in St. Louis. He conducted training sessions for middle market CPA firms throughout the country for more than ten years. Mr. Hulett earned his BS/BA Cum Laude in Accounting from the University of Missouri-Columbia, and an MBA from Lindenwood University.



***Trusted Advisors. Tenacious Advocates.***

*The data in this document has been derived from PitchBook Data and has been compiled by R.L. Hulett. This document is strictly for illustrative purposes only. The data presented in this document is not comprehensive and should not be used for benchmarking, valuation, or for any other decision making. R.L. Hulett accepts no responsibility for loss or damage caused by dependence on the information in this document.*