



Education & Training M&A Update

Q1 2025

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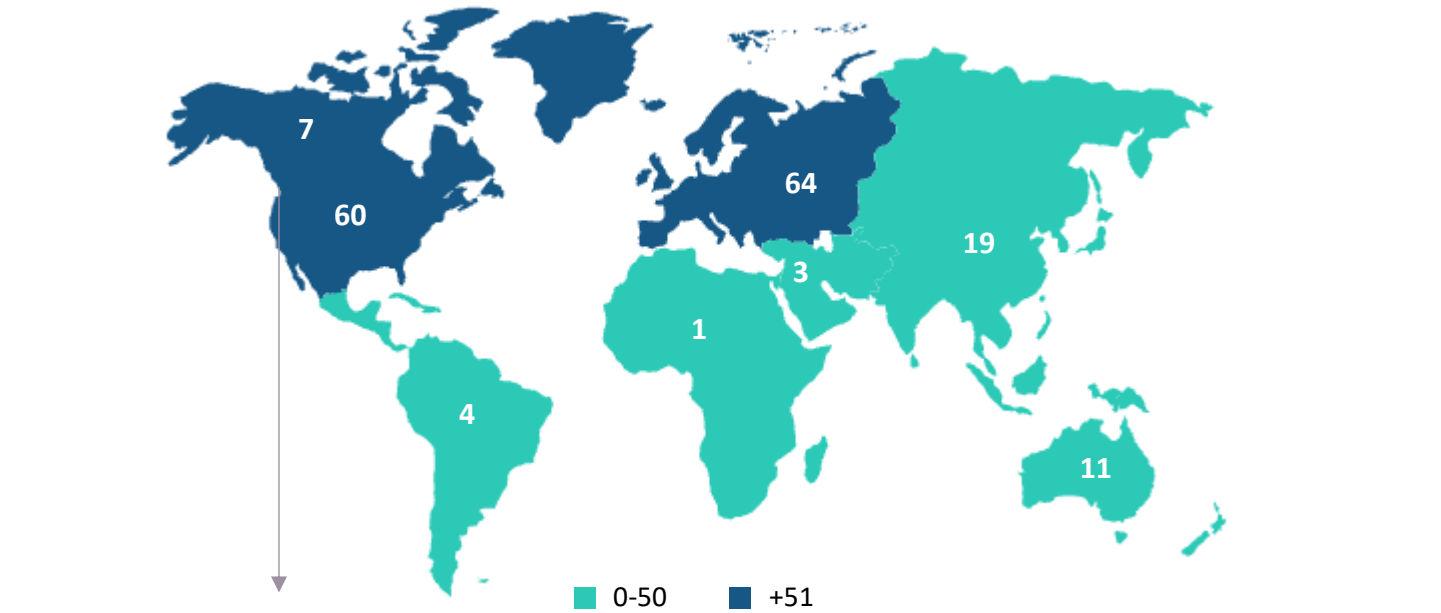
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REPORT HIGHLIGHTS

- In Q1, the Education & Training sector index increased by 3.5% and outperformed the S&P 500, which decreased by 4.4% over the same period.
- The median EV/Revenue multiple for reported strategic deals in the Education & Training sector increased to 4.8x in Q1 from 2.0x in 2024.
- M&A deal volume in the sector decreased 14.2% in Q1 to 169 deals from 197 in Q4 2024, and decreased 0.6% from 170 in Q1 of the prior year.
- As a % of total capital invested in M&A transactions, PE participation decreased in Q1 to 54.1% from 90.3% in 2024.
- North America was the most active region in Q1 with 169 deals. Most notably in the North American market was Pheonix Partner Management's \$100.0 million acquisition of Academy of Learning Career College ("AOLCC"), a Canadian educational institution for higher education, in January 2025.



Of the 169 deals in the Education & Training sector in Q1, North America was the most active with 67. A notable North American deal (in addition to the AOLCC deal mentioned on the previous page) was Newsela’s \$100.0 million acquisition of Generation Genius, a California-based developer of a streaming video platform designed to provide educational content to schools, in February 2025. Europe was the second most active with 64 transactions and all other regions combined for a total of 38 deals.



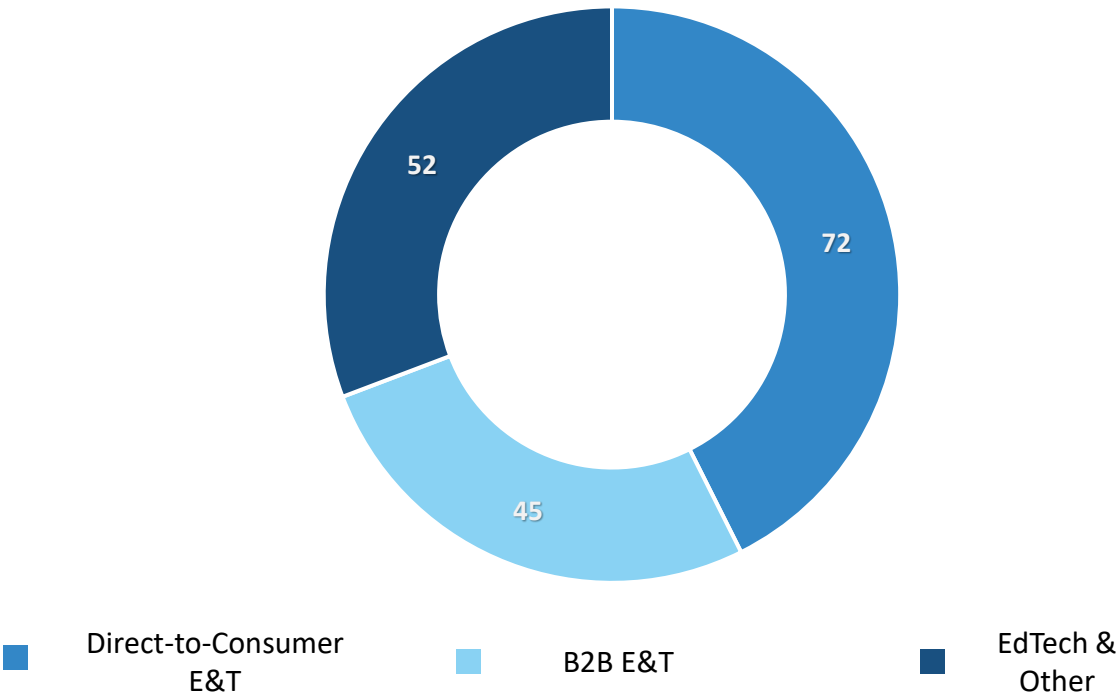
Canada:	7
United States:	61
West Coast:	14
Southeast:	12
Mid Atlantic:	10
Great Lakes:	6
Others:	19

In the U.S. market, the West Coast region was the most active area with 14 deals, followed by the Southeast with 12 closed transactions. The Mid Atlantic and Great Lake regions each saw 10 and 6 transactions close, respectively, and all other U.S. regions combined for a total of 19 completed deals.

In Canada, 7 transactions closed in Q1, including the \$100 million AOLCC deal mentioned on the previous page.

Of the 169 Education & Training (“E&T”) deals in Q1, 72 deals were in the Direct-to-Consumer E&T, making it the most active from an M&A volume standpoint. EdTech & Other was the second most active with 52, followed by B2B E&T with 45 reported deals.

Deal by Subsector

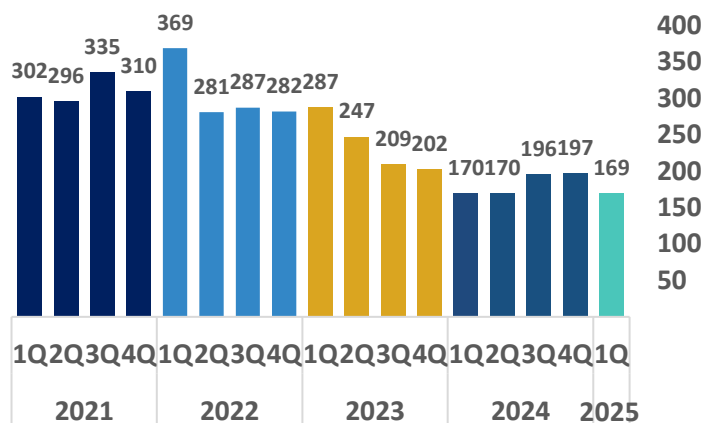


Deal volume in the E&T sector decreased 14.2% in Q1 to 169 deals from 197 in Q4 2024, and decreased 0.6% from 170 deals in Q1 of the prior year. Q1 represents a reversal in the trend of generally increasing quarterly deal volume seen throughout 2024 and is illustrative of investor appetites in light of macroeconomic headwinds such as elevated interest rates, public market volatility, and more recent U.S. tariff policies.

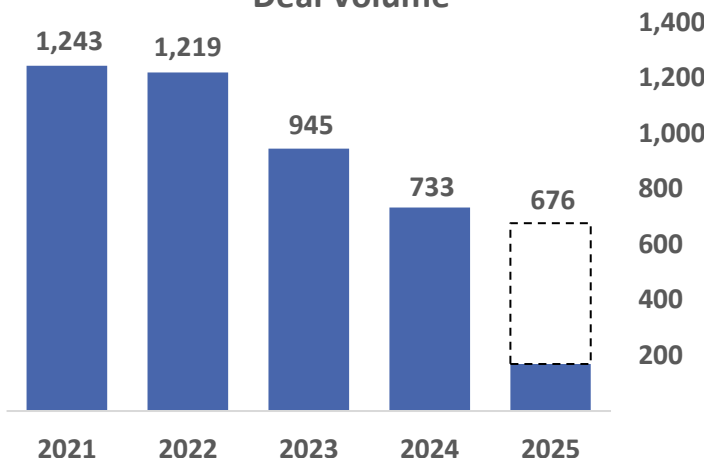
Annual deal volume is on pace to decrease 7.8% to 676 deals in 2025 from 733 in 2024. We attribute this decline in deal volume to persistent challenges such as elevated borrowing costs and cautious buyer sentiment. However, while deal volume is expected to be lower year over year, we anticipate M&A activity may pick up later in 2025 as we get more clarity around tariff and tax policy from the new administration and buyer confidence improves.

Following the trend in quarterly deal volume, total capital invested in M&A deals in the E&T sector decreased 96.3% in Q1 to \$0.4B from \$10.9B in Q4 2024, and decreased 88.2% from \$3.4B in Q1 of the prior year. Q1 marked the lowest level of M&A investment in over four years. The largest deals in Q1 were the \$100.0MM acquisitions of AOLCC and Generation Genius whereas the two largest deals in Q4 2024 include Bain Capital's \$5.6B acquisition of PowerSchool Group and Dragoneer Investment Group/KKR's \$4.8 billion acquisition of Instructure.

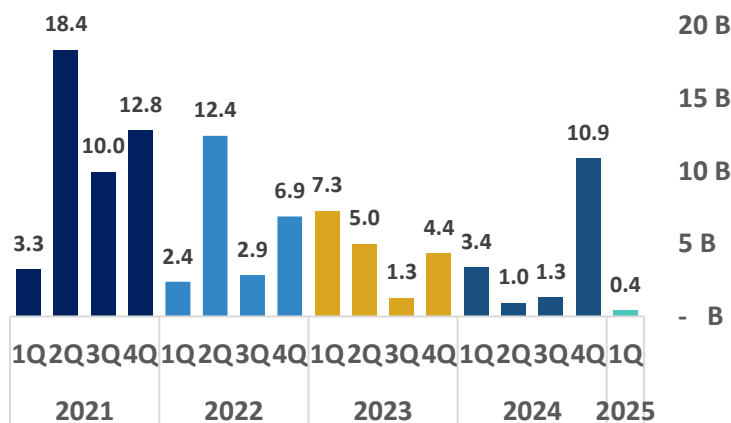
Deal Volume



Deal Volume



Total Capital Invested

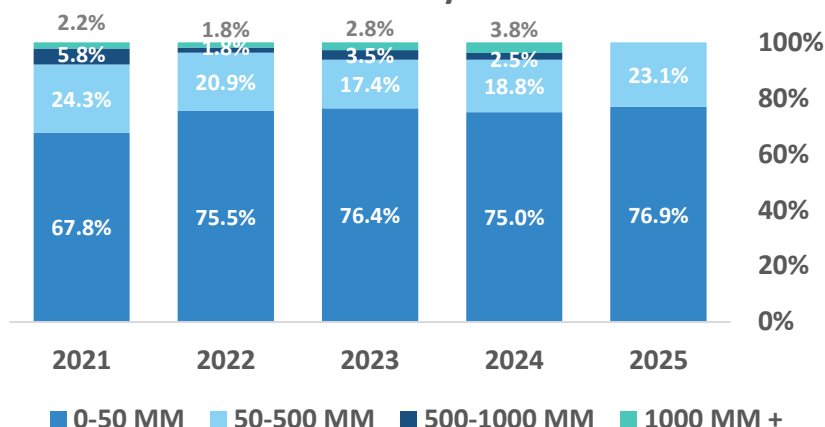


In Q1, we generally saw a shift in mix toward smaller-sized deals from the prior year. The middle (\$50 - \$500 MM) and the lower middle market (\$1000 MM+) tranches of the market increased to 23.1% and 76.9% from 18.8% and 75.0%, respectively, in 2024. No deals were reported in the upper middle (\$50 - \$500 MM) and large cap (\$1000 MM+) tranches of the market in Q1.

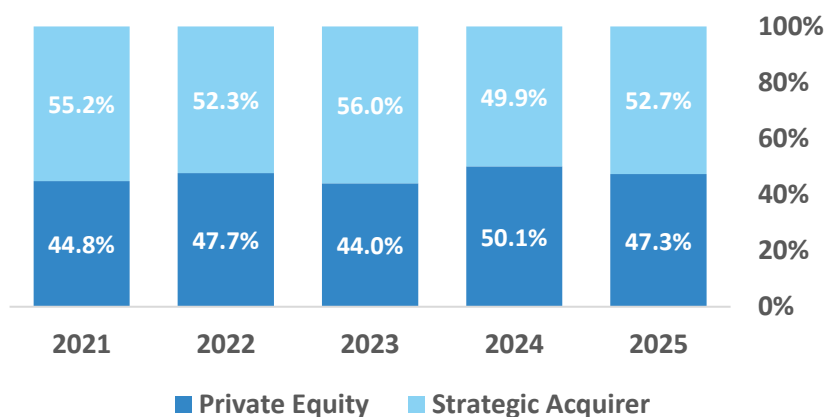
As a % of total deal volume, PE buyers trended lower in Q1 relative to strategic buyers, representing 47.3% of deal volume in the sector compared to 50.1% in 2024. Despite PE's decline from 2024, Q1 is still a continuation of the trend of generally increasing PE participation seen over the last 5 years.

Total capital invested by PE investors (as a % of overall capital invested) decreased in Q1 to 54.1% from 90.3% in 2024. Q1 marked the lowest percentage of capital invested by PE buyers since 2022, driven by a shift toward significant strategic transactions such as the previously mentioned Generation Genius deal.

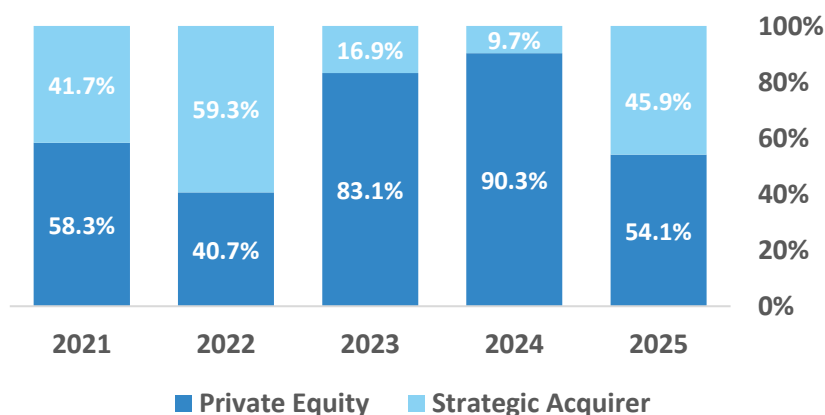
Deal Volume by Deal Size



Deal Volume by Acquirer



Total Capital Invested by Acquirer

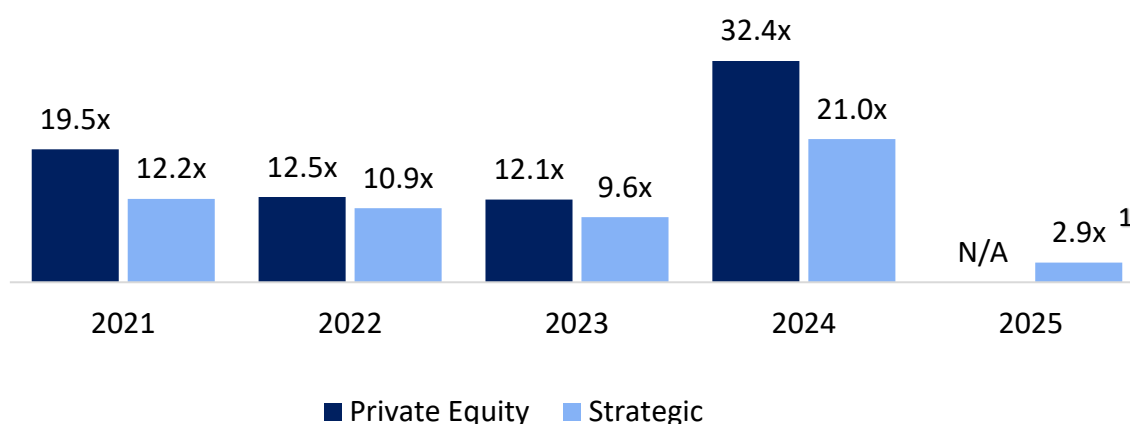


The median EV/EBITDA multiple for reported strategic deals decreased to 2.9x in Q1 (only one strategic deal was reported in Q1) from 21.0x in 2024, and no PE EV/EBITDA multiples were reported during the period.

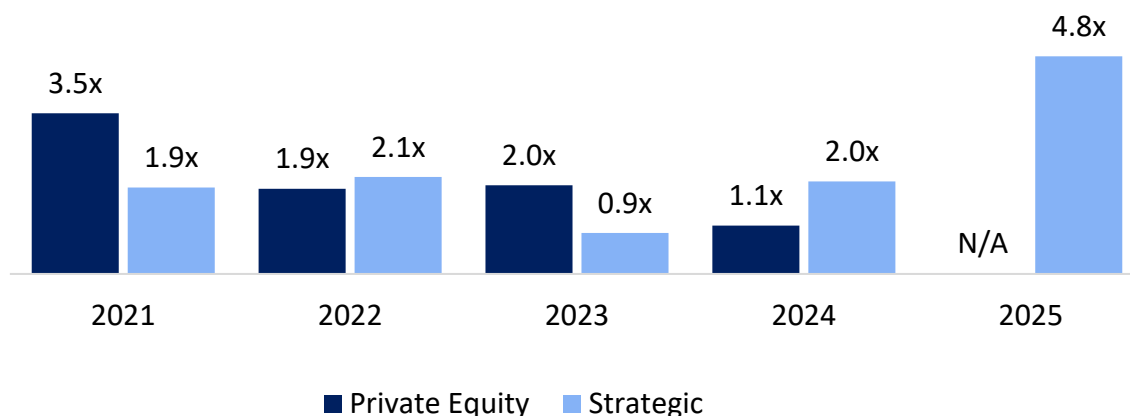
The median EV/Revenue multiple for reported strategic deals increased to 4.8x in Q1 from 2.0x in 2024, and no PE EV/Revenue multiples were reported during the period.

Q1 marks the lowest reported median EV/EBITDA multiple and highest median EV/Revenue multiple for strategic deals in the past five years.

Reported EV/EBITDA Multiples










Reported EV/Revenue Multiples











¹ Only one Strategic EV/EBITDA multiple was reported in Q1 2025.

Active Strategic Investors










Investor	2025 E&T Investments	Select Targets
 ENTERONE <small>a TRAINOCATE company</small>	2	 
	1	
	1	

Active Private Equity Investors

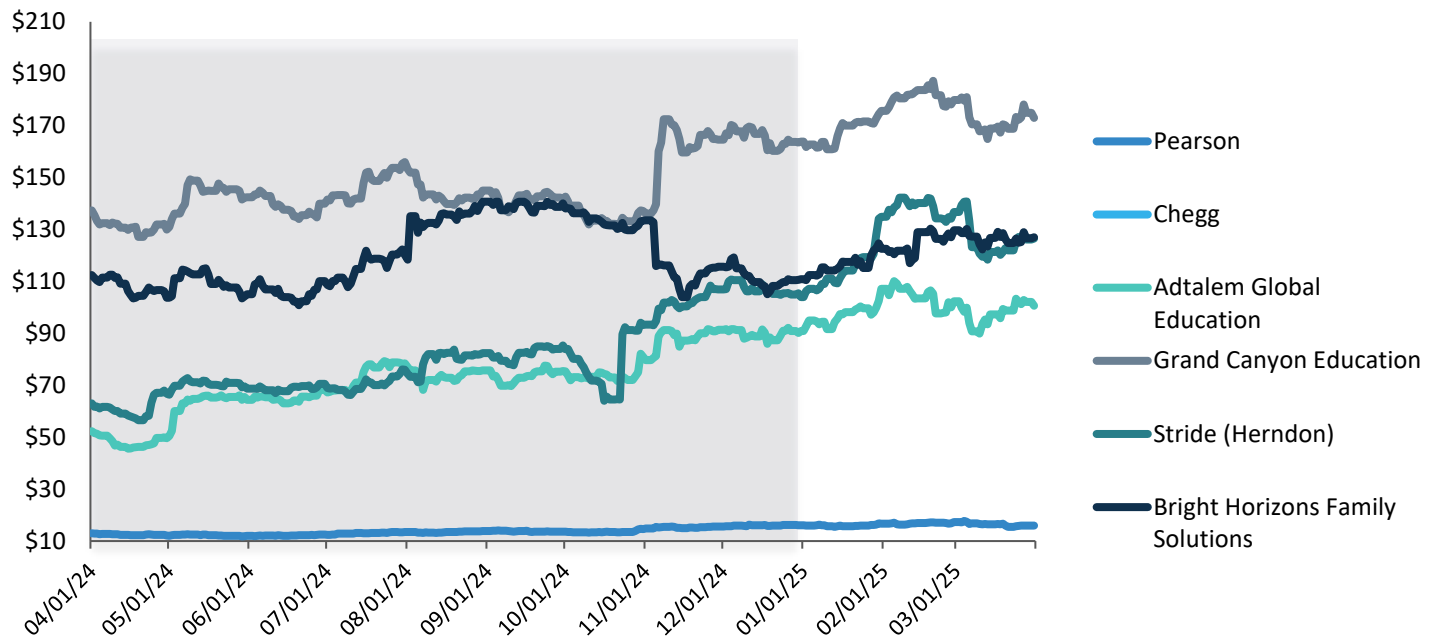
Investor	2025 E&T Investments	Select Targets
	2	 
	2	 
	1	

Largest Deals (Disclosed)

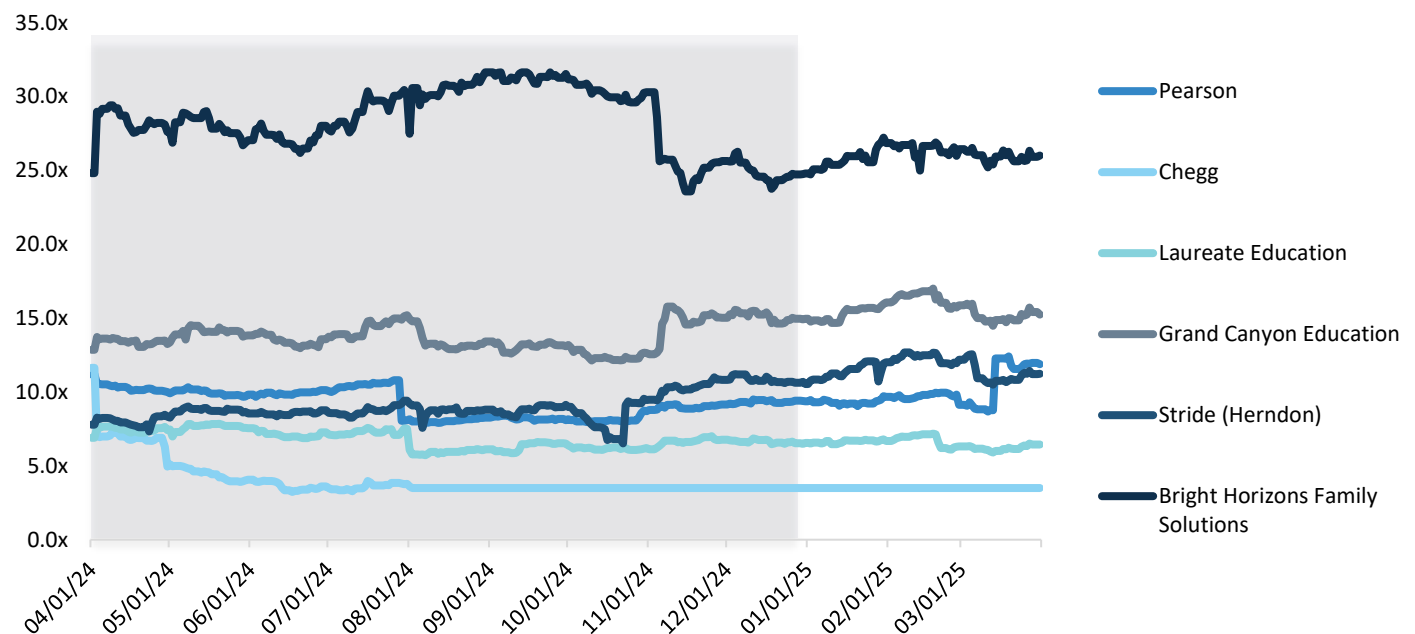
Deal Date	Company Name	Investor	Deal Type	Deal Size (\$mm)	EV		Target Business Description
					Revenue	EBITDA	
20-Mar-2025	ABWA Management	Red M Company	Merger/ Acquisition				Operator of women's education and welfare association based in Overland Park, Kansas.
14-Mar-2025	Total Drive Software	Software Circle	Merger/ Acquisition	9.5	9.4x		Developer of a business management software designed for driving instructors and multi-car schools.
05-Mar-2025	Advancement Resources	Huron Consulting Group	Merger/ Acquisition				Provider of research-based philanthropy education and implementation services.
25-Feb-2025	Nino Early Learning Adventures Ashburton	Undisclosed Investor	Merger/ Acquisition	1.4			Provider of educational services committed to inspiring and encouraging the leader in the child.
24-Feb-2025	PeoplePlus Group	Talent International UK	Merger/ Acquisition	17.5			Provider of skills training services intended to serve employees.
16-Feb-2025	Applied Research International	Zen Technologies	Merger/ Acquisition	15.0			Provider of education and training services intended for the maritime industry.
06-Feb-2025	Rafa Nadal Academy	Undisclosed Investor	PE Growth/ Expansion	97.4			Operator of a tennis academy based in Manacor, Spain.
05-Feb-2025	Generation Genius	Newsela	Merger/ Acquisition	100.0			Developer of a streaming video platform designed to provide educational content to schools.
03-Feb-2025	Abl	BetterLesson	Merger/ Acquisition				Developer of scheduling, staffing, and student support designed to translate strategies into meaningful access to intense coursework for all students.
03-Feb-2025	American School of Wroclaw	International Schools Partnership	Buyout/ LBO				Operator of a school catering to students from nursery to high school grade.
31-Jan-2025	NSEIT	CL Educate	Merger/ Acquisition	35.4			Developer of a digital examination software intended for end-to-end verification.
22-Jan-2025	Enko Education	Adiwale Partners	PE Growth/ Expansion	24.0			Provider of educational program services intended to prepare learners for admission to universities around the globe.
22-Jan-2025	Beanstack	Evoce Capital, Kapur Capital, Mark Cuban	PE Growth/ Expansion	1.5			Operator of a reading platform intended to help public libraries and schools better engage families and build children's literacy.
09-Jan-2025	Aprendere Skolor	Cedergrenska	Merger/ Acquisition	7.1	0.2x	2.9x	Aprendere Skolor AB conduct activities within compulsory school, compulsory special school, upper secondary special school, upper secondary school and HVB homes.
02-Jan-2025	Birger Jarls Gymnasium	Procurama	Merger/ Acquisition	1.8			Provider of upper secondary and high school education intended to prepare its students for further studies at college or university based in Stockholm, Sweden.
01-Jan-2025	Academy of Learning Career College	Phoenix Partners Management	PE Growth/ Expansion	100.0			Operator of an educational institution intended to provide courses for higher education.
01-Jan-2025	Vidyahub	Quicktouch Technologies	Merger/ Acquisition	1.4			Provider of education services thereby assisting students throughout India with their entrance exam preparation.
01-Jan-2025	Acceleration Academies	New Markets Venture Partners	PE Growth/ Expansion				Provider of educational services intended to provide technology-enabled flexible education to students.
Mean				31.7	4.8x	2.9x	
Median				15.0	4.8x	2.9x	
High				100.0	9.4x	2.9x	
Low				1.4	0.2x	2.9x	

Target	Investor	Driver	Deal Synopsis
 AOLCC Canada's Largest Career College Network	 PHOENIX PARTNERS	PE Growth/Expansion	Academy of Learning Career College, a Canadian educational institution for higher education, sold a significant portion of its ownership stake to Phoenix Partners Management for \$100.0 million in January 2025. The expansion aligns with Phoenix Partners' focus on investing in the education sector and will allow them to expand internationally, specifically in Canada and the UK.
 GENERATION GENIUS STREAM. EDUCATE. ENTERTAIN.	 newsela	Merger/Acquisition	Generation Genius, a California-based developer of a streaming video platform designed to provide educational content to schools, was acquired by Newsela for \$100.0 million in February 2025. The acquisition allows Newsela to expand its offerings to a wider population of students and offer more in-depth science and math material to enhance real-world connections.
 NSE NSEIT	 CL educate	Merger/Acquisition	In January 2025, New Delhi-based CL Educate acquired NSEIT, an Indian developer of a digital examination software, for \$35.4 million. With this acquisition, CL Educate aims to leverage its 30 years of experience in India's education space to enhance its product offerings and expand its footprint in the global digital assessment market.
 enko education	 adiwale Partners  AFRICA CAPITALWORKS	PE Growth/Expansion	Enko Education, a South African provider of educational program services, sold a significant portion of its ownership stake to Adiwale Partners and Africa Capitalworks for \$24.0 million in January 2025. Enko plans to double its school footprint and triple its student body by 2029, aligning with the investing companies' growth-focused mandates.

Stock Price

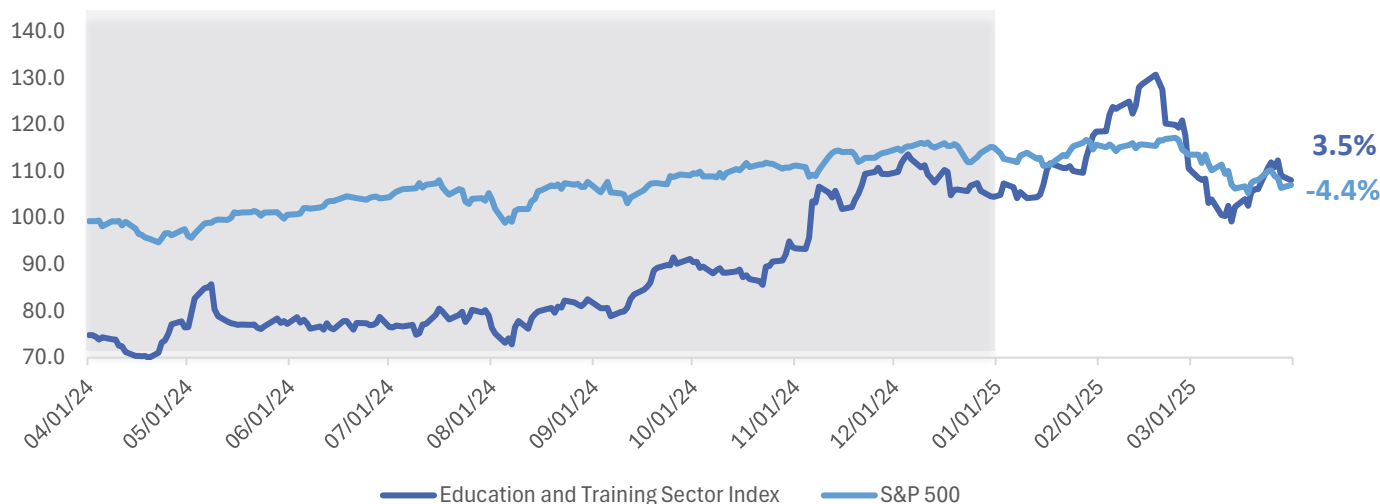


EV/EBITDA



Index Performance

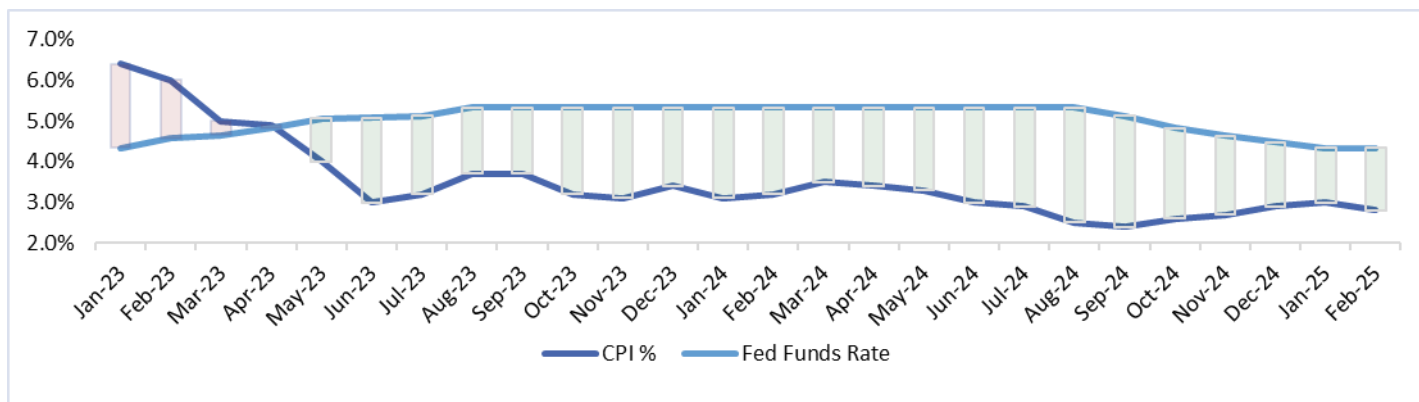
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Key External Drivers

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.

In March 2025, the Federal Reserve left the federal funds rate unchanged, maintaining its target range of 4.25%–4.50%, as expected. The central bank reaffirmed its forecast for two quarter-percentage-point cuts later in the year, following three rate reductions in 2024 due to slowing inflation. Despite this cautious stance, looming tariffs could reignite price growth and hinder economic expansion. The Fed also revised its forecast for U.S. gross domestic product (GDP) growth down to 1.7%, a decrease from the 2.1% growth rate projected in December. This strategy reflects the Fed's ongoing efforts to balance inflation control with sustaining economic momentum amid challenges, including the threat of higher tariffs. While market volatility remains, the M&A environment continues to be favorable for strategic deal-making and capital deployment.



Emerging trends in the Education & Training space:



Mastering Human Skills

Importance of human skills in the age of AI

As machines excel at tasks like trend analysis and report generation, the value of irreplaceable human skills including critical thinking, communication, emotional intelligence, and leadership will grow. Educators should focus on nurturing these skills, which are essential for high-value, person-to-person interactions and navigating complex real-world situations. These abilities will help professionals stand out in the AI age.



Virtual Classrooms and Remote Learning

Transforming education with virtual and augmented reality

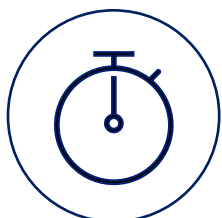
In 2025, virtual and augmented reality are transforming education, allowing students to explore ancient civilizations or distant planets from home. Online learning platforms are also enhancing opportunities, creating more collaborative digital environments. This shift improves accessibility for learners who can't attend school due to location or political barriers, offering more immersive and engaging study options.



The Continued Expansion of AI

The rise of artificial intelligence in education

Schools will integrate AI into curricula, teaching students to use it ethically and effectively. Many have developed AI policies and adapted codes of conduct. Educators will incorporate AI into lessons and receive professional development to enhance instruction. AI tools will also support administrative tasks, improving productivity.



Lifelong Learning

Adapting education for a rapidly evolving workforce

Education no longer ends with graduation, as professionals must continually upskill and reskill to keep up with rapid technological changes. Tech skills learned in degree programs can quickly become outdated, so online learning, modular courses, and micro or nano-learning offer flexible, bite-sized pathways to fit into busy careers.



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**



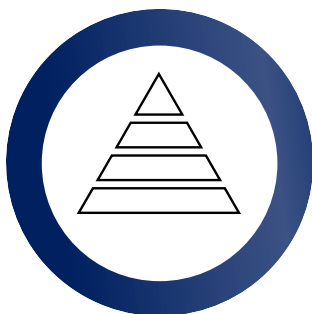
Sell-Side Advisory: Sell your business

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.



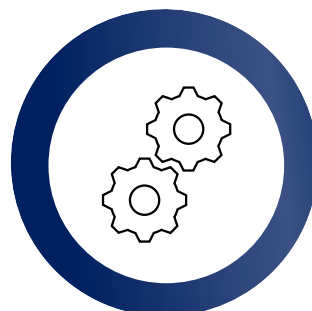
Buy-Side Advisory: Buy a business

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 and client logos in the E&T sector. 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





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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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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.



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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.

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