



EdTech Sector – Q2 2024 Public & Private Market Update

August 2024



Table of Contents

1. Q2 2024 Global EdTech Venture Capital Update	3
2. Q2 2024 M&A and Private Equity Update	8
3. Q2 2024 Public Markets Update	13
4. Appendix	27



1. Q2 2024 Global EdTech Venture Capital Update

Global Venture Trends (\$'s Raised)

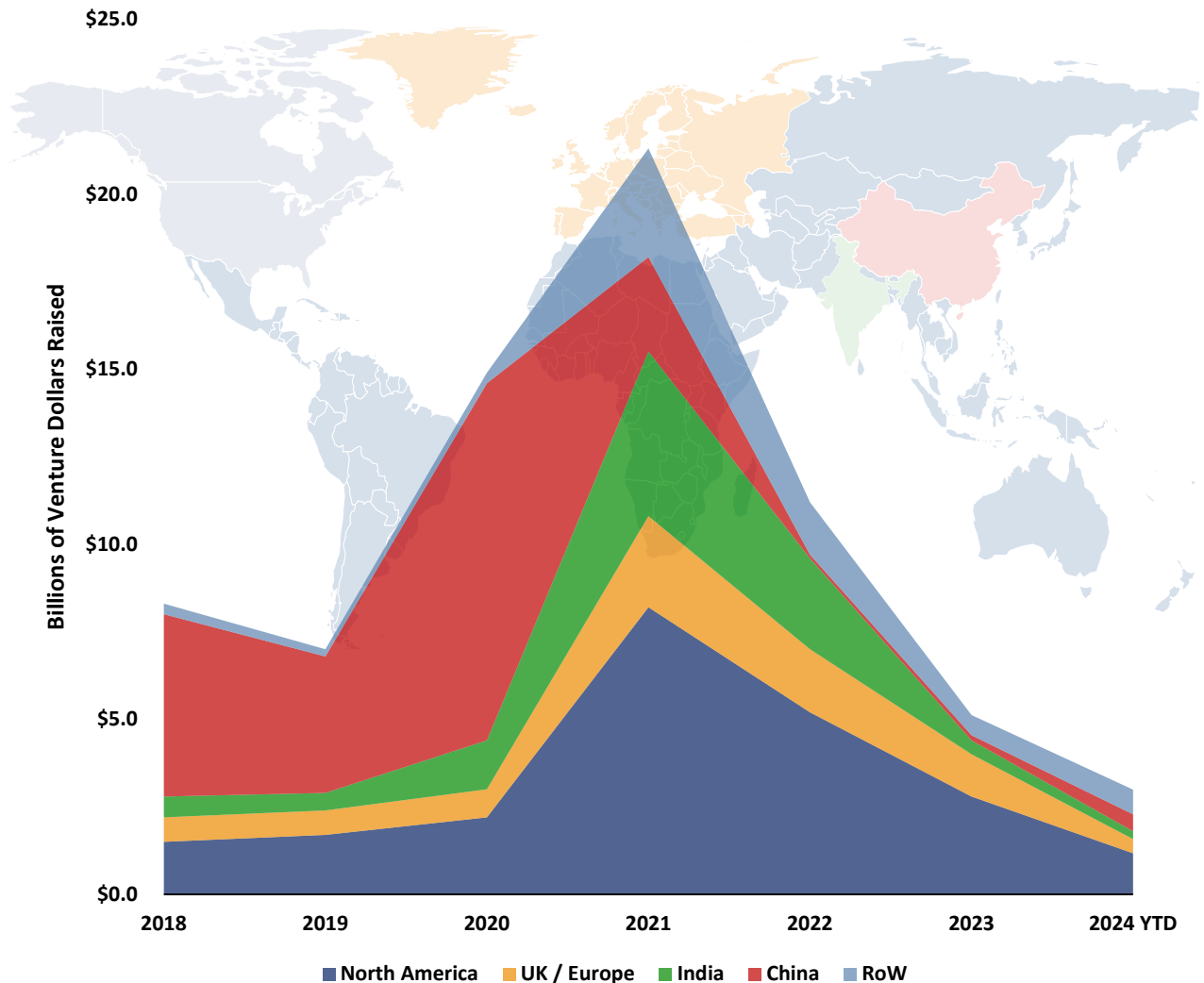
(Billions, USD)

Global Venture Investment Picks up Modestly Q2, Primarily with Earlier Bets

Transaction volume (number of deals and dollars invested) increased in Q2. Mega rounds remain infrequent with AI startups notably leading the way

Smaller checks, insider rounds, and more modest valuations continue to be the trend, which is unlikely to change in the remainder of 2024

Increased optimism on interest rate cuts and potential public market improvements as well as the return of a robust M&A market **creates opportunities for startups**



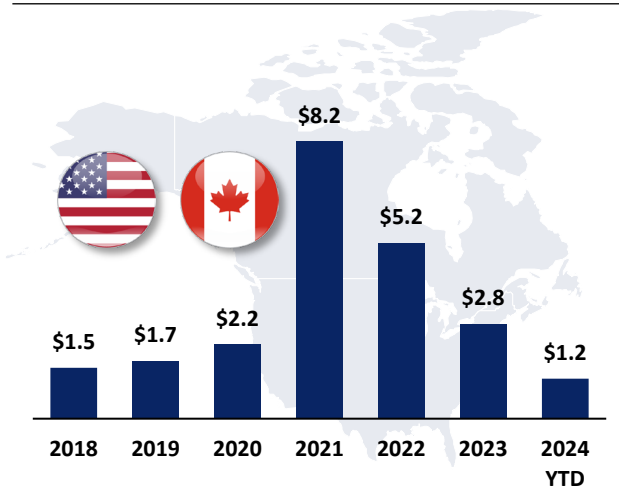
Source: HolonIQ, Reach Capital, Brighteye Ventures, Inc42, Pitchbook as of 6/30/2024.
 (1) Excludes any announced fundraise by Byju's.

Global Venture Trends by Region (\$'s Raised)

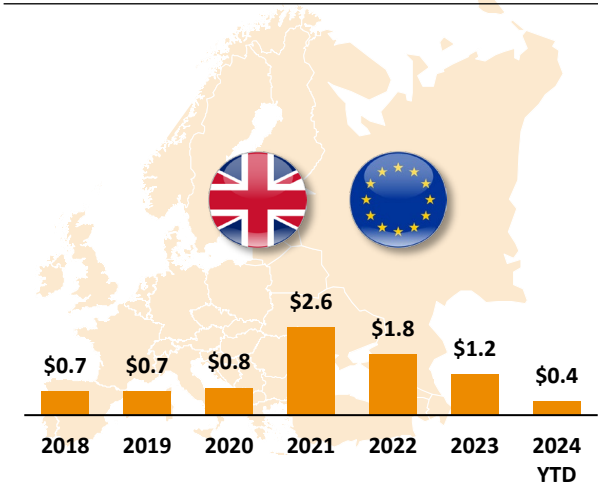
(Billions, USD)

US Market Continues to Lead Globally, Europe Sees Mostly Early Stage Deals

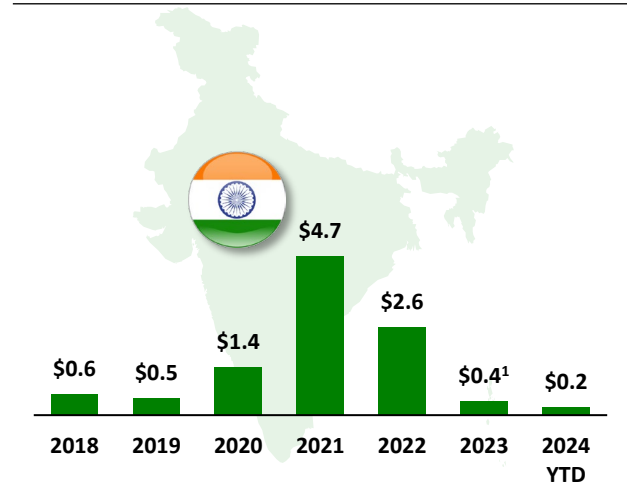
North America



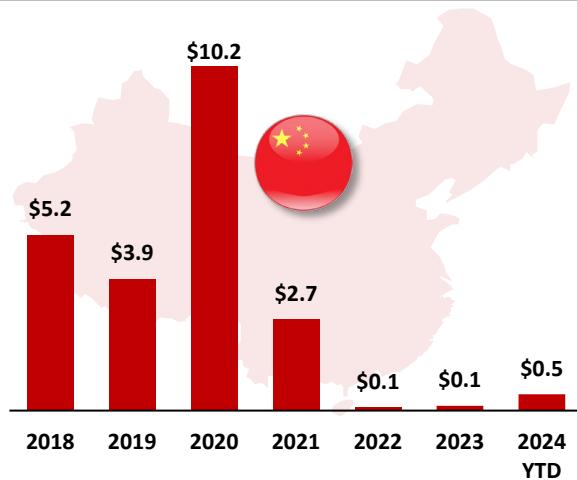
UK / Europe



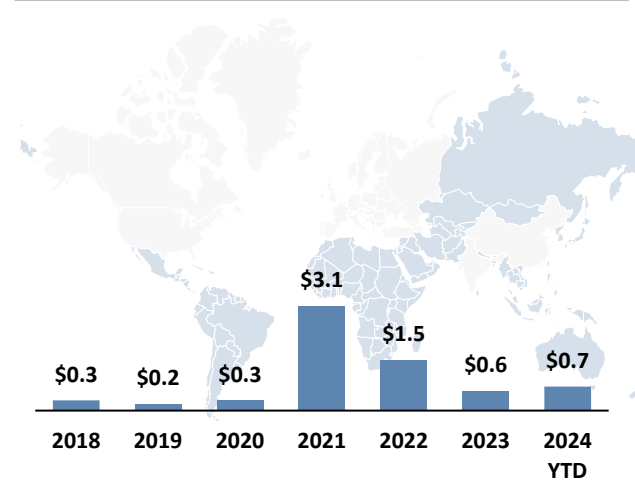
India



China














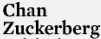




RoW



Source: Pitchbook, HolonIQ, Brighteye Ventures as of 6/30/2024.

(1) Excludes any announced fundraise by Byju's.

EdTech Specialist Venture Capital Funding YTD

Investor	Number of Deals in 2024	New Company Investments	Follow On Investments	Aggregate Deal Value (\$M) ⁽¹⁾
 Learn	21	1	20	\$78
 Reach Capital	20	13	7	\$80
 Owl Ventures	16	7	9	\$166
 emerge	9	6	3	\$47
 RETHINK VENTURE CAPITAL	4	1	3	\$51
 Transcend	4	4	0	\$4
 ECMC Group	3	3	0	\$30
 Edaptive Ventures	2	0	2	\$45
 Firework	2	0	2	\$25
 ZEAL CAPITAL PARTNERS	2	2	0	\$13
 kaizenvest	1	0	1	NA
 Chan Zuckerberg Initiative	1	0	1	\$23
 spero ventures	1	1	0	\$10
 ETS STRATEGIC CAPITAL Investments • Partnerships • M&A	1	0	1	\$9
 LUMOS CAPITAL GROUP	1	0	1	\$5
 GSV Ventures	1	1	0	\$4







Note: A Street, Copper Wire, Edovate Capital, Educapital, Education Growth Partners, Edulab Capital Partners, Emerson Collective, Lumina Foundation and New Markets Venture Partners excluded as no publicized deal data available for the period.

Source: CB Insights, Pitchbook and Company data as of 6/30/2024.

(1) Reflects total raised by companies (in aggregate) across the financings participated in by the specialist during 2024.

Notable Venture Funding – Q2 2024

United States & Canada					
Company	Date	Raised (\$M)	Total Raised (\$M)	Industry	Country
 Hebbia	Jun-24	\$100	\$128	Workforce & AC	United States
MERLYN MIND	Jun-24	\$79	\$135	K-12	United States
 Speak	Jun-24	\$20	\$83	Workforce & AC	United States
 GPTZero	Jun-24	\$10	\$14	K-12	United States
 LEARN TO WIN	Jun-24	\$30	\$66	Workforce & AC	United States
 Agora	May-24	\$10	\$15	K-12	United States
 praktika.ai	May-24	\$36	\$38	Workforce & AC	United States
Expressable	May-24	\$28	\$49	Workforce & AC	United States
 ELEVATE K-12	May-24	\$25	\$78	K-12	United States
 MAGIC SCHOOL	May-24	\$18	\$18	K-12	United States
 campus	Apr-24	\$52	\$52	Higher Ed	United States
 anthology	Apr-24	\$250	\$19	Higher Ed	United States
 aceup	Apr-24	\$19	\$32	Workforce & AC	United States
 LEARN TO WIN	Apr-24	\$20	\$36	Workforce & AC	United States
 Abre	Apr-24	\$24	\$30	K-12	United States
 DERIVITA	Apr-24	\$10	\$18	K-12	United States
 ETD	Apr-24	\$22	\$41	K-12	United States
 Modal	Apr-24	\$25	\$32	Workforce & AC	United States

Rest of World					
Company	Date	Raised (\$M)	Total Raised (\$M)	Industry	Country
 PHITE 华东师范大学	Jun-24	\$13	\$16	Workforce & AC	China
 Campus AI Human+AI collaboration	Jun-24	\$10	\$10	Higher Ed	Poland
 ZHIPU AI	May-24	\$400	\$525	Workforce & AC	China
 精准学 Intelligent Learning	May-24	\$28	\$38	K-12	China
 zen EDUCATE	May-24	\$37	\$74	K-12	United Kingdom
 K12	May-24	\$27	\$231	K-12	India
 Futura	May-24	\$15	\$17	K-12	Italy
 Somos Young	Apr-24	\$12	N/A	Higher Ed	Brazil
Futaizhong Technology	Apr-24	\$14	\$14	Workforce & AC	China



2. Q2 2024 M&A and Private Equity Update

M&A Markets Overview – Promising M&A in Q2 2024

Key Takeaways

- **Q2 was marked by significant M&A activity**, including the take-private deals of PowerSchool and Instructure, valued at \$5.6 billion and \$4.8 billion, respectively. These transactions highlight a trend toward consolidation in the EdTech sector, **driven by the need for scale and technological advancements, particularly in AI**
- The ongoing consolidation from point solutions to platforms is likely to reshape the competitive landscape, **with larger players gaining more influence**. The expectation of interest rate cuts in the latter half of 2024 **may further stimulate M&A activity**, as financing conditions improve
- Valuation expectations, investor liquidity needs, and challenging public market conditions **increase the attractiveness of more transformative M&A with more deal activity likely in H2**



PowerSchool to be Acquired by Bain Capital in \$5.6 Billion Transaction



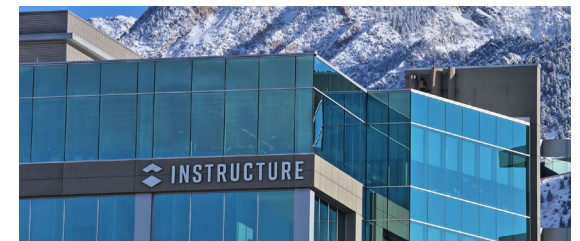
6/7/2024

FOLSOM, Calif. – (BUSINESS WIRE) PWSC) (“PowerSchool” or “the Company”) based software for K-12 education today announced that it has entered into a definitive agreement to be acquired in a transaction valuing the Company at \$5.6 billion.



Instructure to be Acquired by KKR

July 25, 2024














Instructure to be Acquired by KKR for \$4.8 Billion

Instructure shareholders to receive \$23.60 per share in cash; Instructure to become a privately held company upon completion of the transaction

SALT LAKE CITY — July 25, 2024 — Instructure Holdings, Inc. (NYSE: INST) (“Instructure”), a leading learning ecosystem, today announced that it has entered into a definitive agreement to be acquired by investment funds managed by KKR, a leading global investment firm, for \$23.60 per share in an all-cash transaction valued at an enterprise value of approximately \$4.8 billion.

Q2 2024 EdTech Sponsor Investments

Buyout / Control

Target	Acquirer	Seller	Enterprise Value (\$M)	Announced Date
	Brookfield	CVC	\$3,250	6/17/2024
		-	\$5,600	6/7/2024
MSI	tiny		-	6/5/2024
	L² CAPITAL PARTNERS	-	-	5/31/2024
	nextcapital.	-	\$98	5/28/2024
	STERLING PARTNERS	-	\$123	5/23/2024
		-	-	4/26/2024
	AVATHON	-	-	4/25/2024
		-	-	4/8/2024

Notable Strategic Acquisitions (Q2 2024) – United States and Canada

K-12

Target	Acquirer	Announced Date	Enterprise Value (\$M)	Country
Istation	Amira	Jun-24	NA	United States
PowerSchool	BainCapital	Jun-24	\$5,600	United States
acadience learning	Wilson Learning	Jun-24	NA	United States
MSI	tiny	Jun-24	NA	United States
CUETHINK	imagine learning	Jun-24	NA	United States
TEACHTOWN	CAPITAL PARTNERS	May-24	NA	United States
WORKS	RAPTOR TECHNOLOGIES	May-24	NA	United States
accessally	Casenroof	Apr-24	NA	United States
Hello PLATO	Tustawi learning elevated	Apr-24	NA	United States
Sortegories	Percent Group	Apr-24	NA	United States
ChildcareMatters	Wonderschool	Apr-24	NA	United States
MasterLibrary	Follett	Apr-24	NA	United States
CLAY	Kangarootime	Apr-24	NA	United States
Math ANEX	Amplify	Apr-24	NA	United States

Higher Education

Target	Acquirer	Announced Date	Enterprise Value (\$M)	Country
navengage	Pathify	Jun-24	NA	United States
Keypath	STERLING PARTNERS	May-24	\$123	United States
KMKOptometry	ACCEL LEARNING	Mar-24	\$31	United States

Workforce & Adult Consumer

Target	Acquirer	Announced Date	Enterprise Value (\$M)	Country
OncoRegio Carcans	MERATAS	Jun-24	NA	United States
4TH-DOWN SOLUTIONS	ACTO	Jun-24	NA	United States
brainer	ClearCo	Jun-24	NA	United States
IMPERATIVE	CHRONUS	Jun-24	NA	United States
JH	OCLC	Jun-24	NA	United States
DaVinci Education	Elentra	May-24	NA	United States
FORMATIONS INFOPRESSE	CONTEX	May-24	NA	Canada
AUGMENTAL	cme	May-24	NA	United States
SkyHive	cornerstone	May-24	NA	United States
skillerush	POWERtoFLY	May-24	NA	United States
UDACITY	accenture	May-24	NA	United States
inkling	echo360	May-24	NA	United States
CFE Media	WTWH Media LLC	May-24	NA	United States
Kinto	Rippl Care	May-24	NA	United States
MTC MASTERY TRANSCRIPT CONSORTIUM	ETS	May-24	NA	United States
SUMMIT	AVATHON	Apr-24	NA	United States
XAP	EMBRACE	Apr-24	NA	Canada
Forge	EAB	Apr-24	NA	United States
EXPANDSHARE	Restaurant365	Apr-24	NA	United States
Searchlight	multiverse	Apr-24	NA	United States
CENTER FOR EXECUTIVE COACHING	Keystone Partners	Apr-24	NA	United States
bulb digital portfolios	wakelet	Apr-24	NA	United States
Dictionary.com	IXL	Apr-24	NA	United States

Notable Strategic Acquisitions (Q2 2024) – International

Europe					
Target	Acquirer	Announced Date	Enterprise Value (\$M)	Industry	Country
skillhabit.	TICTAC LEARN	Jun-24	NA	Workforce & AC	Sweden
Wave AI	Alan	Jun-24	NA	Workforce & AC	France
Tavistock Tutors	Profs	Jun-24	NA	Workforce & AC	United Kingdom
wonderway	bts	Jun-24	NA	Workforce & AC	Germany
BlueSky	NEG NATIONAL EDUCATION GROUP	Jun-24	NA	K-12	United Kingdom
Argilla	Hugging Face	Jun-24	NA	Workforce & AC	Spain
AZURLINGUA	KAPLAN LANGUAGES	Jun-24	NA	Workforce & AC	France
AUEMIA FORMATIVA Dante Alighieri	MONFORTE	Jun-24	NA	Workforce & AC	Italy
NEJMHealer	lecturio	May-24	NA	Higher Ed	Germany
charly MEDIA	e-fellows.net	May-24	NA	K-12	Germany
THE education WORLD FORUM	THE Times Higher Education	May-24	NA	K-12	United Kingdom
Code Nation	Reed	May-24	NA	Workforce & AC	United Kingdom
domoscio SMART DATA FOR LEARNING	rise up	Apr-24	NA	Higher Ed	France
iGaming ACADEMY	SIGMA	Apr-24	NA	Workforce & AC	Malta
upandgo upgrading people	upandgo	Apr-24	NA	Workforce & AC	France
myknowlegemap	everfield	Apr-24	NA	Workforce & AC	United Kingdom
ofcourseme	edflex	Apr-24	NA	Workforce & AC	Italy
meebook	VISMA	Apr-24	NA	K-12	Denmark
Samverka	VISMA	Apr-24	NA	Workforce & AC	Sweden
Objectif CRPE	CAPZA	Apr-24	NA	K-12	France
texthelp	texthelp	Mar-24	NA	K-12	United Kingdom
EDU NATION	KEYSTONE EDUCATION GROUP	Mar-24	NA	Workforce & AC	Finland
Valuebeat	ZENSAI	Mar-24	NA	Workforce & AC	Denmark

Rest of World					
Target	Acquirer	Announced Date	Enterprise Value (\$M)	Industry	Country
PROMOM KINDER ENGLISH MEMBERSHIP CLUB	HYPER CORP	Jun-24	NA	K-12	South Korea
Faculdade Nossa Senhora de Lourdes	FullCycle	May-24	NA	Higher Ed	Brazil
Scentia	nextcapital	May-24	\$98	Higher Ed	Australia
CONQUER	WISE UP	May-24	NA	Higher Ed	Brazil
ウイスタムアカデミー	Chartered Group	Apr-24	NA	K-12	Japan
GoBubble	Kenny's Ltd	Apr-24	NA	Workforce & AC	UAE
macmillan education	happiest minds The World's IT Company	Apr-24	\$1	Workforce & AC	India
L3RN Xpert Learning	L3ORON Institute	Apr-24	NA	Workforce & AC	UAE
Manedik	AXXIS	Apr-24	NA	Workforce & AC	Japan
EarlyDay	Wonderschool	Feb-24	NA	K-12	Australia



3. Q2 2024 Public Markets Update

Public Markets Overview – Roughly Flat in Q2 2024

Key Takeaways

- Publicly traded EdTech companies experienced relatively flat performance in Q2 2024, with the sector lagging behind broader indices like the Nasdaq. Notably, **Duolingo remains a positive outlier**, buoyed by strong earnings and user growth
- 2U challenged conditions came to an inflection point **with an announced Chapter 11 filing, and restructuring**
- The sector faces **headwinds due to economic uncertainty and investor caution**, but potential improvements in public market conditions and the return of robust M&A activity **could present growth opportunities in the near term**

duolingo

Duolingo Stock Rises on Strong Earnings, Solid User Growth



8/8/2024

Duolingo shares were rising a day after the language-beat quarterly estimates and demonstrated solid growth in the recent quarter.

The stock was up 8.9% to \$175.75 Thursday, on track for a 100% increase since February. Prior to the earnings report, shares were down 29% so far this year.

July 25, 2024

2U

2U Files Chapter 11 Bankruptcy



2U Takes Strategic Action to Significantly Strengthen Balance Sheet and Position Company for Innovation and Growth

Company enters into agreement with its debtholders to eliminate over 50% of its debt and infuse approximately \$110 million of new capital into the business

Lanham, Md. — July 25, 2024 — 2U, Inc. ("2U" or the "Company"), a global leader in online education, today announced that it has entered into a Restructuring Support Agreement with lenders and noteholders holding approximately 87% of its outstanding debt that will provide approximately \$110 million of new capital, reduce its debt by over 50% to approximately \$459 million, and extend the maturity date of its revolving and term loans to over two years following closing of the transaction.

Large Platforms get Financial Sponsors Well-Positioned to Fuel Growth & Competition

(USD in billions, except per share data)



- \$5.6 billion valuation with current investors Vista Equity and Onex remaining as minority investors
- Management is focused on growth, particularly around AI opportunities

	Purchase Price	Undisturbed ⁽¹⁾	3-Mo Avg	6-Mo Avg	LTM Avg
Share Price	\$22.80	\$16.64	\$19.87	\$21.52	\$21.46
(x) Diluted Shares Outstanding (M) ⁽²⁾	210	210	210	210	208
Equity Value	\$4.8	\$3.5	\$4.2	\$4.5	\$4.5
(+) Implied Net Debt ⁽³⁾	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8
Enterprise Value	\$5.6	\$4.3	\$5.0	\$5.3	\$5.3
Relative Purchase Price Premium		30.0%	12.1%	5.0%	5.9%
Implied Multiples					
	Financial Metrics				
TEV / 2024E Revenue	\$0.8	7.1x	5.5x	6.3x	6.7x
TEV / 2025E Revenue	\$0.9	6.4x	4.9x	5.7x	6.1x
TEV / 2024E EBITDA	\$0.3	20.7x	15.9x	18.4x	19.5x
TEV / 2025E EBITDA	\$0.3	18.2x	14.0x	16.3x	17.2x



- \$4.8 billion all-cash transaction proposed; would close in late 2024
- KKR intends to keep management in place with intent to aggressively pursue growth opportunities

	Purchase Price	Undisturbed ⁽⁴⁾	3-Mo Avg	6-Mo Avg	LTM Avg
Share Price	\$23.60	\$20.27	\$22.38	\$22.29	\$24.03
(x) Diluted Shares Outstanding	152	152	152	152	152
Equity Value	\$3.6	\$3.1	\$3.4	\$3.4	\$3.6
(+) Implied Net Debt ⁽⁵⁾	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2
Enterprise Value	\$4.8	\$4.3	\$4.6	\$4.6	\$4.9
Per-share Purchase Price Premium		16.4%	5.4%	5.9%	(1.8%)
Implied Multiples					
	Financial Metrics (M)				
TEV / 2024E Revenue	\$662.5	7.2x	6.5x	7.0x	6.9x
TEV / 2025E Revenue	\$726.3	6.6x	5.9x	6.4x	6.3x
TEV / 2024E EBITDA	\$272.9	17.6x	15.7x	16.9x	17.8x
TEV / 2025E EBITDA	\$303.7	15.8x	14.1x	15.2x	16.0x

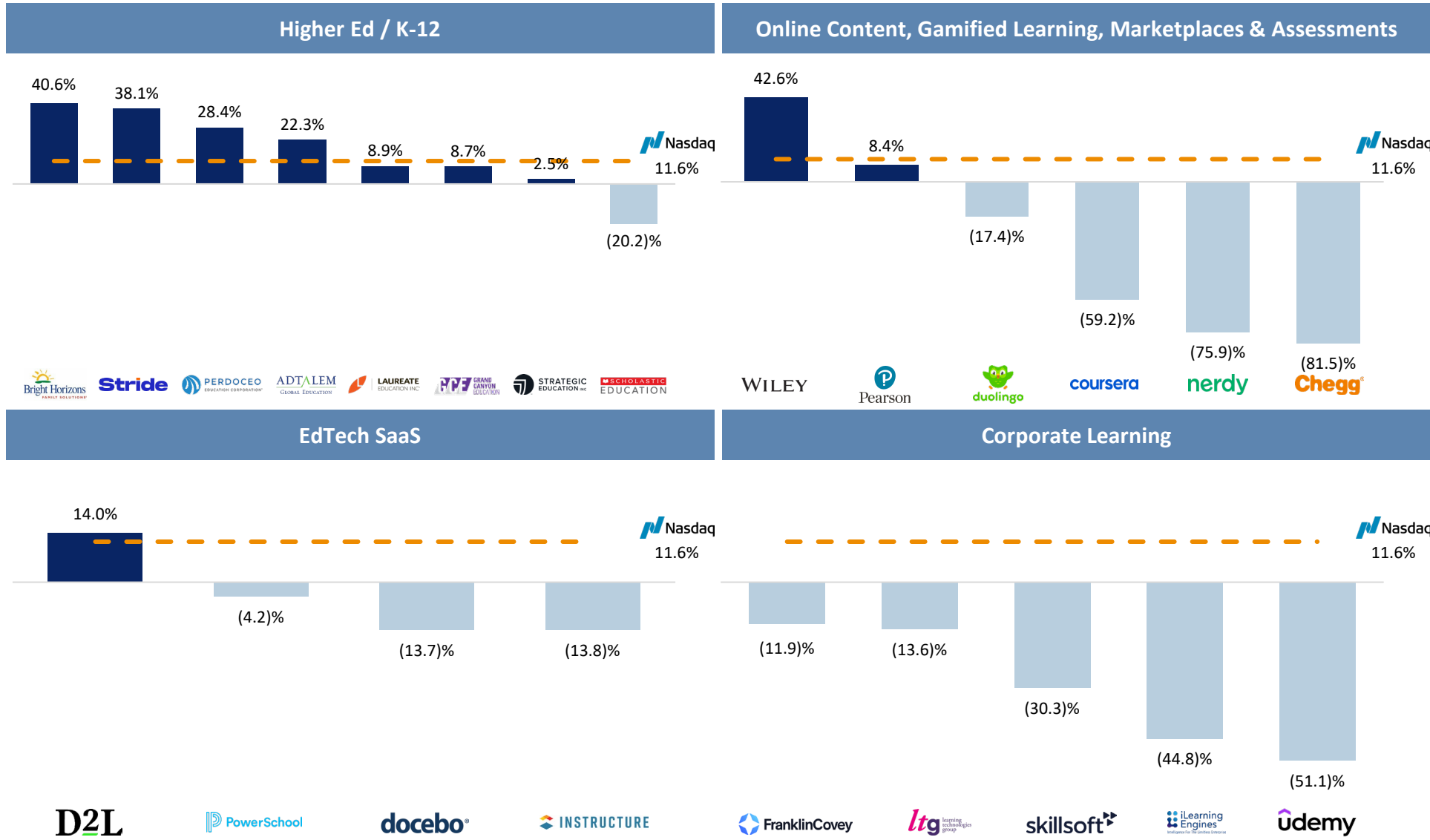
Note: (1) As of May 7, 2024 (offer rumored in media May 8, 2024). (2) Weighted average share count over the respective periods. (3) Based on \$5.6B acquisition price. (4) As of May 17, 2024 (acquisition rumored in media May 18, 2024). (5) Based on \$4.8B acquisition price.

Sources: Company Filings, FactSet, Capital IQ, as of respective acquisition announcement dates.

2024 YTD Public Equities Performance

Select Public Comparables – Share Price Performance

Indexed as of 01/01/2024



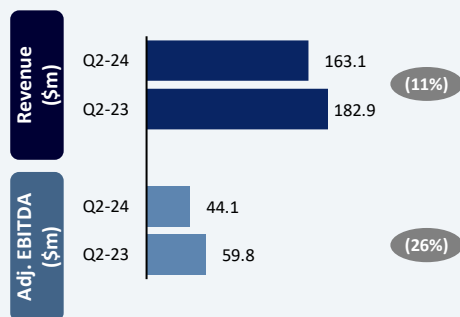
Source: S&P Capital IQ, FactSet as of 8/9/2024.

Recent Earnings Updates (1/4)

As of August 5, 2024

Chegg

Key Financial Metrics (31 Dec year end)



Key Highlights

- Q2-24 revenue decreased by 11% (vs Q2-23) primarily due to a 8% decrease in number of subscribers (4.4m vs 4.8m in Q2-23)
- Completed restructure, with exciting vision and rollout of conversational instruction capability and automated solutions

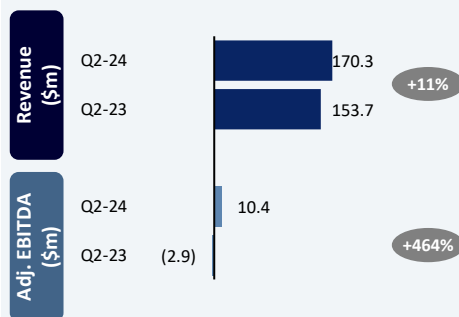
Outlook and growth perspective

- Expects Q3-24 revenue to be within the \$133-135m range and Adj. EBITDA in the \$19-21m range

As of July 25, 2024

coursera

Key Financial Metrics (31 Dec year end)



Key Highlights

- Total revenue was \$170.3m, up 11% YoY from \$153.7m driven by on strong demand for entry-level Professional Certificates and generative AI credentials
- Surpassed over two million enrollments in its generative AI catalog of courses
- Expanded GenAI Academy with GenAI for Teams

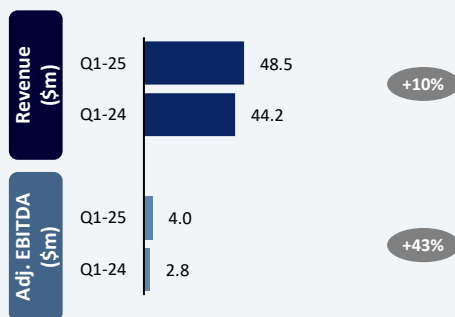
Outlook and growth perspective

- Management expects Q3-24 revenue in the range of \$171-175m Adj. EBITDA in the \$0-4m range

As of June 4, 2024

D2L

Key Financial Metrics (31 Jan year end)



Key Highlights

- Total revenue was \$48.5m, up 10% YoY from \$44.2m
- Subscription and support revenue was \$43.0m, up 10% YoY, reflecting growth from new customers and strong revenue retention and expansion
- ARR as at Q1 end increased 11% YoY, from \$170.9m to \$190.3m

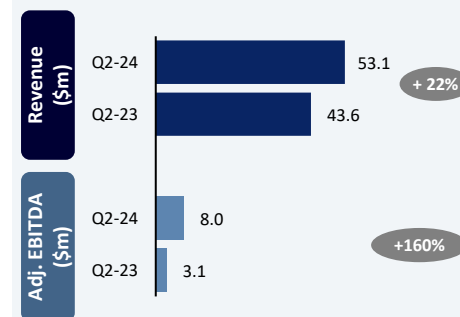
Outlook and growth perspective

- Management expects FY25 revenue to be in the \$197m - \$207m range, implying a 9% growth at the midpoint vs FY24
- FY25 adj. EBITDA to be in the \$21m - \$23m range, implying a 11% adj. EBITDA margin at the midpoint vs FY24

As of August 8, 2024

docebo®

Key Financial Metrics (31 Dec year end)



Key Highlights

- Strong Q2-24 revenue of f \$53.1m, an increase of 22% YoY
- Subscription revenue of \$49.8m, represented 94% of total revenue, a 22% increase vs Q2-23
- Strong growth in Average Contract Value and notable new customer wins

Outlook and growth perspective

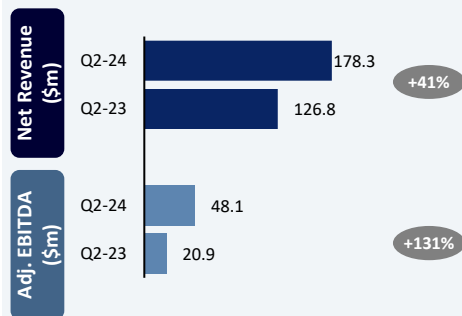
- Management expects Q3-24 revenue to be in the \$54.0-54.2m range
- Expects subscription revenue to grow about 1% higher than overall revenue and professional services revenue to be down sequentially from Q2

Recent Earnings Updates (2/4)

As of August 7, 2024



Key Financial Metrics (31 Dec year end)



Key Highlights

- Delivered impressive revenue growth of 41% YoY driven by Subscription revenue
- Total bookings were \$190.1m, up 38% and subscription bookings were \$156.5m up 47% vs Q2-23
- Strong growth in Paid subscribers at 8m, an increase of 52% YoY

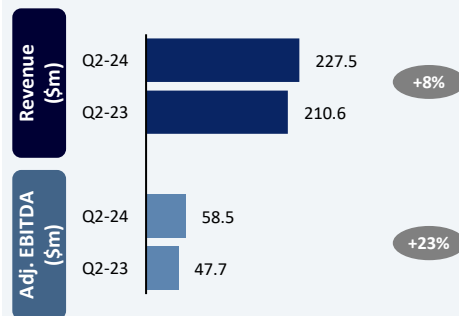
Outlook and growth perspective

- Expects Q3-24 revenue in the range of \$186.7-189.7m and FY24 revenue between \$731.3-738.3m
- Strategic priorities are driving increased family plan penetration and the broader roll out of Duolingo Max

As of August 6, 2024



Key Financial Metrics (31 Dec year end)



Key Highlights

- Revenue increased by 8% in Q2'24 driven by a 7% increase in GCU enrollment
- Increased revenue per student YoY primarily due to the service revenue impact of the increased room, board and other ancillary revenues
- GCU enrollments were 102,676 as on June 30, 2024

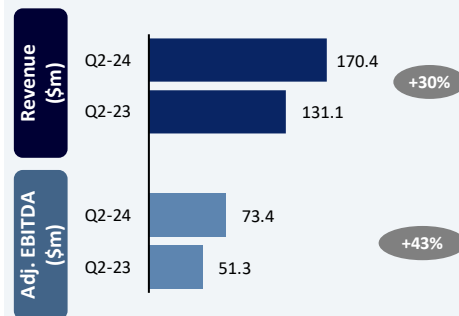
Outlook and growth perspective

- Expects FY24 revenue to be within the \$1,026.6-1,034.1m range with an operating margin around 26.7-27.2%
- Expects Q3'24 Service revenue between \$238.0m-240.5m

As of August 2, 2024



Key Financial Metrics (31 Dec year end)



Key Highlights

- Q2-24 revenue was at \$170.4m, up 30% vs \$131.1m in Q2-23, whereas Adj. EBITDA stood at &73.4m, up 43% vs \$51.3m in Q2-23
- Recorded Cash of \$145.2m and total debt of \$1,240.3m vs \$344.2m and \$491.3m respectively in Q4-24, this decrease is due to Parchment's acquisition

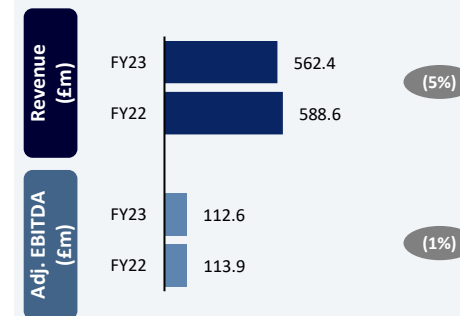
Outlook and growth perspective

- On July 25, 2024, the Company announced acquisition by KKR and will no longer provide outlook and financials going forward

As of April 16, 2024



Key Financial Metrics (31 Dec year end)



Key Highlights

- FY23 revenue dropped by 4% YoY due to an unaccommodating macro environment which affected LTG's cyclically exposed transactional and project-based business model
- Delivered margin expansion in FY23 with adj EBITDA margin expanding from 19.3% to 20%

Outlook and growth perspective

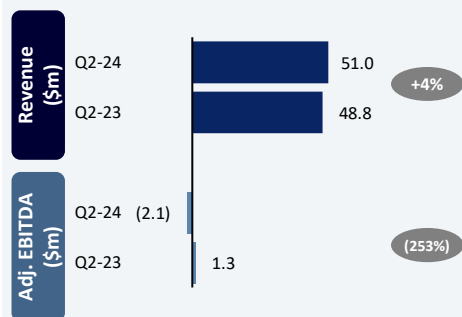
- Management expects flat revenue in FY24 but remains confident in durable revenue growth over the medium term

Recent Earnings Updates (3/4)

As of August 8, 2024



Key Financial Metrics (31 Dec year end)



Key Highlights

- Q2-24 revenue increased by 4% YoY - growth was mainly driven by the continued scaling of Consumer and Institutional businesses, partially offset by lower ARPM in Consumer business
- Strategy to offer free access to the Varsity Tutors platform is yielding positive results

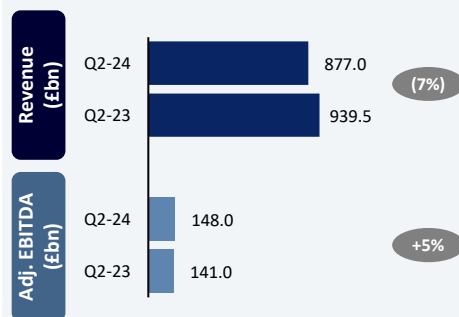
Outlook and growth perspective

- Management expects Q3-24 revenue in a range of \$35-38m
- Also expects Q3-24 EBITDA in a range of negative \$19-17m.

As of July 29, 2024



Key Financial Metrics (31 Dec year end)



Key Highlights

- H1-24 revenue grew by 2% excluding OPM and the Strategic Review businesses, performing broadly in line with expectations
- Recorded segment growth of 2% in Assessment & Qualifications, -1% in Virtual Schools, -2% in Higher Education, 11% in English Language Learning and 6% in Workforce Skills

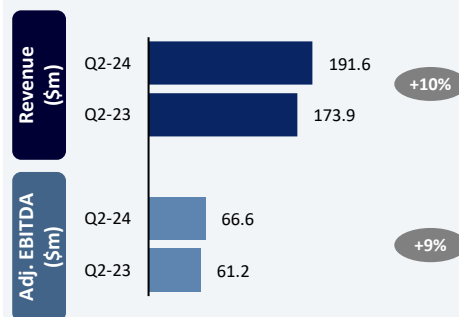
Outlook and growth perspective

- Expects the Group to achieve mid-single digit underlying sales 3-year CAGR from 2022 to 2025, excluding OPM and Strategic Review businesses, and remain on track to achieve our 16-17% adjusted operating profit margin guidance

As of August 8, 2024



Key Financial Metrics (31 Dec year end)



Key Highlights

- Q2-24 revenue is up 10% YoY, driven by subscriptions and support revenue through increased sales of solutions to new customers, and by cross-selling and upselling to existing customers
- Decrease of 70% YoY in license and other revenue, driven primarily by the variability caused by the point in time nature of this revenue stream

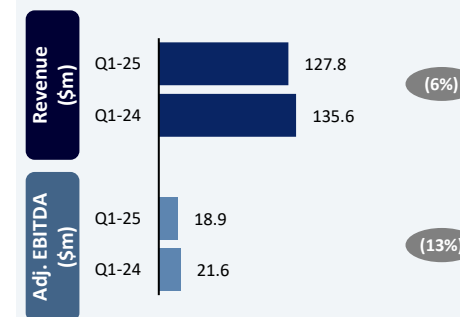
Outlook and growth perspective

- No guidance provided by Management

As of June 10, 2024



Key Financial Metrics (31 Jan year end)



Key Highlights

- Q1-25 revenue declined 6%, primarily due to a 20% decline in the Instructor-Led Training segment revenue to \$30 million
- Delivered first quarter LTM Content & Platform Dollar Retention Rate of approximately 99%, compared to approximately 101% in the prior year

Outlook and growth perspective

- Projected GAAP revenue for FY-25 is expected to be in the range of \$530-550m, Adj. EBITDA in the range of \$105-110m

Recent Earnings Updates (4/4)

As of July 31, 2024

STRATEGIC EDUCATION INC.

Key Financial Metrics (31 Dec year end)

Revenue (\$m)	Q2-24	312.3	+9%
	Q2-23	287.7	
Adj. EBITDA (\$m)	Q2-24	63.3	+39%
	Q2-23	45.4	

Key Highlights

- Revenue increased by 9% to \$312.3m compared to \$287.7m YoY for the same period in 2023 with strong performance across all three segments, led by enrollment in the U.S. Higher Education
- Education Technology performed well with employer affiliated enrollment representing 29.3% of USHE enrollment compared to 27.1% in Q2-23

Outlook and growth perspective

- No guidance provided by Management

As of August 6, 2024

Stride

Key Financial Metrics (30 Jun year end)

Revenue (\$m)	FY24	2,040.1	+11%
	FY23	1,837.4	
Adj. EBITDA (\$m)	FY24	390.7	+32%
	FY23	296.2	

Key Highlights

- Recorded FY24 revenue of \$2,040.1m, an increase of 11% vs \$1,837.4m from FY23, driven by increased demand in enrollments
- Strong growth in General Education and Career Learning enrollments

Outlook and growth perspective

- No guidance provided by Management and it will be provided in Q1'25 results

As of August 1, 2024

TAL 好未来

Key Financial Metrics (31 Dec year end)

Revenue (\$m)	Q1-25	414.2	+50%
	Q1-24	275.4	
Adj. EBITDA (\$m)	Q1-25	0.9	+103%
	Q1-24	(32.3)	

Key Highlights

- Revenue increased by 50.4% YoY to \$414.2m from \$275.4m
- Analysts expect strong top line growth to continue, driven by enrollment growth amid capacity expansion
- Peiyou small class remains the largest revenue growth driver for TAL, up c.70% YoY in 1Q FY25

Outlook and growth perspective

- No guidance provided by Management

As of July 31, 2024

udemy

Key Financial Metrics (31 Dec year end)

Revenue (\$m)	Q2-24	194.4	+9%
	Q2-23	178.2	
Adj. EBITDA (\$m)	Q2-24	5.5	+190%
	Q2-23	1.9	

Key Highlights

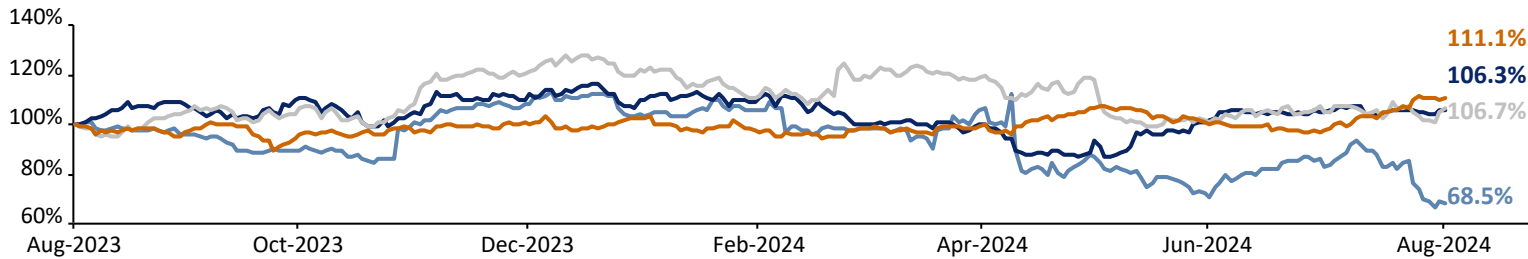
- Reported Q2-24 revenue with \$194.4m, 9% increase YoY, driven by strong growth in Enterprise segment
- Added new, or expanded existing, relationships with Udemy Business customers globally and Collaborated with Amazon Web Services (AWS) on a new generative AI upskilling program

Outlook and growth perspective

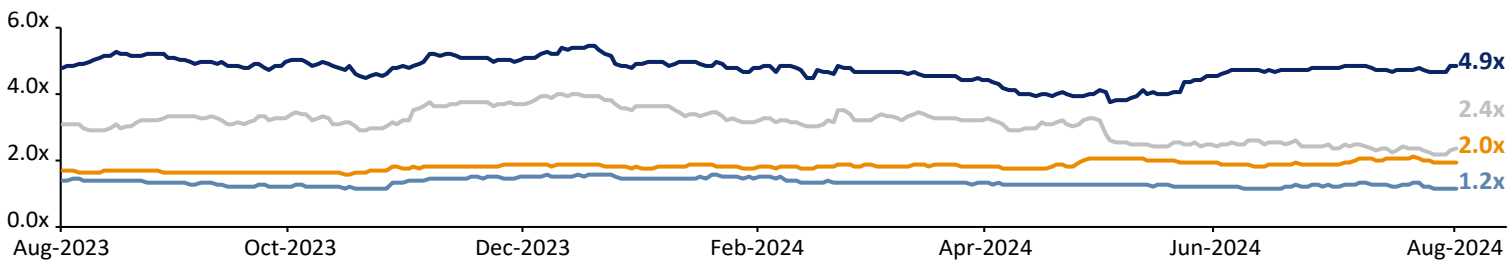
- Shifting strategic focus and resources towards the highest growth large enterprise opportunity which will deliver accelerated profitability

EdTech – Valuation Metrics Evolution (LTM)¹

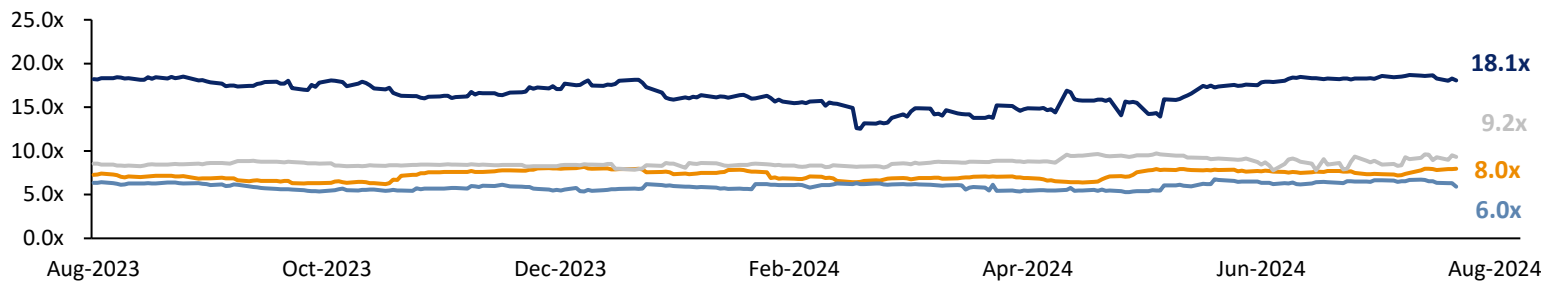
Share Price Evolution⁽¹⁾



EV / NTM Revenue Multiple Evolution



EV / NTM EBITDA Multiple Evolution



Segment Constituents

Higher Ed & K-12



Online Content



EdTech SaaS



Corporate Learning



Source: Capital IQ as of close of market 8/9/2024.
Notes: (1) as of 8/9/2024; rebased to 100 as of 8/9/2023.

2024 YTD Public Equities Performance

Select Public Comparables – Financial and Valuation Metrics

(\$ in millions, except per share data)





EdTech SaaS														
Company	Ticker	Price 08/09/24	Equity Value	Enterprise Value	Revenue		Revenue Growth		EBITDA Margins		Enterprise Value / EBITDA		Enterprise Value / Revenue	
					2024E	2025E	2023A-2024E	2024E-2025E	2024E	2025E	2024E	2025E	2024E	2025E
PowerSchool	PWSC	\$ 22.57	\$3,758	\$5,208	\$790	\$873	13.2%	10.5%	34.3%	35.0%	19.2x	17.0x	6.6x	6.0x
INSTRUCTURE	INST	23.29	3,411	4,507	665	727	25.5%	9.2%	41.3%	41.8%	16.4x	14.8x	6.8x	6.2x
docebo	DCBO	41.69	1,277	1,197	215	249	18.6%	16.0%	15.4%	18.3%	36.3x	26.2x	5.6x	4.8x
D2L	DTOL	9.22	508	422	201	225	10.0%	12.1%	10.9%	14.9%	19.2x	12.6x	2.1x	1.9x
Corporate Learning														
Company	Ticker	Price 08/09/24	Equity Value	Enterprise Value	Revenue		Revenue Growth		EBITDA Margins		Enterprise Value / EBITDA		Enterprise Value / Revenue	
					2024E	2025E	2023A-2024E	2024E-2025E	2024E	2025E	2024E	2025E	2024E	2025E
Learning Engines	AILE	\$ 5.78	\$780	\$851	\$540	\$675	28.4%	24.9%	5.5%	6.5%	28.6x	19.5x	1.6x	1.3x
Udemy	UDMY	7.20	1,092	684	780	853	7.0%	9.4%	3.1%	7.6%	28.5x	10.5x	0.9x	0.8x
skillsoft	SKIL	12.25	100	594	518	546	(6.5)%	5.5%	20.5%	21.5%	5.6x	5.1x	1.1x	1.1x
FranklinCovey	FC	38.34	502	474	288	314	2.9%	9.2%	19.0%	NM	8.6x	NA	1.6x	1.5x
Higher Ed / K-12														
Company	Ticker	Price 08/09/24	Equity Value	Enterprise Value	Revenue		Revenue Growth		EBITDA Margins		Enterprise Value / EBITDA		Enterprise Value / Revenue	
					2024E	2025E	2023A-2024E	2024E-2025E	2024E	2025E	2024E	2025E	2024E	2025E
Bright Horizons	BFAM	\$ 132.49	\$7,695	\$9,387	\$2,682	\$2,920	10.9%	8.9%	15.3%	16.7%	22.9x	19.2x	3.5x	3.2x
GRAND CANYON EDUCATION	LOPE	143.49	4,168	3,936	1,031	1,101	7.3%	6.8%	32.6%	32.7%	11.7x	10.9x	3.8x	3.6x
ADTALEM GLOBAL EDUCATION	ATGE	72.07	2,735	3,364	1,636	1,716	9.4%	4.9%	23.7%	24.2%	8.7x	8.1x	2.1x	2.0x
Stride	LRN	81.99	3,488	3,324	2,096	2,225	8.1%	6.2%	19.3%	19.7%	8.2x	7.6x	1.6x	1.5x
LAUREATE EDUCATION INC	LAUR	14.93	2,281	2,754	1,556	1,667	4.8%	7.2%	28.6%	29.2%	6.2x	5.7x	1.8x	1.7x
STRATEGIC EDUCATION INC	STRA	94.64	2,308	2,249	1,221	1,296	7.8%	6.1%	18.7%	20.3%	9.8x	8.5x	1.8x	1.7x
SCHOLASTIC	SCHL	30.07	938	949	1,620	1,679	(1.5)%	3.7%	8.5%	NM	6.9x	NA	0.6x	0.6x
PERDOCEO EDUCATION CORPORATION	PRDO	22.55	1,487	837	659	686	(7.1)%	4.0%	27.9%	28.5%	4.6x	4.3x	1.3x	1.2x
Online Content, Gamified Learning, Marketplaces and Assessments														
Company	Ticker	Price 08/09/24	Equity Value	Enterprise Value	Revenue		Revenue Growth		EBITDA Margins		Enterprise Value / EBITDA		Enterprise Value / Revenue	
					2024E	2025E	2023A-2024E	2024E-2025E	2024E	2025E	2024E	2025E	2024E	2025E
duolingo	DUOL	\$ 187.38	\$8,158	\$7,327	\$736	\$945	38.5%	28.5%	24.7%	27.2%	40.4x	28.5x	10.0x	7.8x
WILEY	WLY	45.25	2,463	3,267	1,700	1,696	(11.9)%	(0.2)%	24.5%	24.4%	7.8x	7.9x	1.9x	1.9x
coursera	COUR	7.91	1,251	545	700	787	10.1%	12.5%	3.8%	6.2%	20.6x	11.1x	0.8x	0.7x
Chegg	CHGG	2.10	218	489	633	598	(11.6)%	(5.6)%	25.3%	27.9%	3.1x	2.9x	0.8x	0.8x
nerdy	NRDY	0.83	93	57	198	239	2.5%	20.5%	NM	1.5%	NM	16.3x	0.3x	0.2x
Total Median							7.3%	7.2%	22.1%	24.2%	9.3x	10.5x	1.8x	1.7x
Total Mean							6.7%	8.7%	21.2%	22.4%	14.6x	11.7x	2.7x	2.4x

2024 YTD Public Equities Performance – International

Select Public Comparables – Financial and Valuation Metrics

(\$ in millions, except per share data)

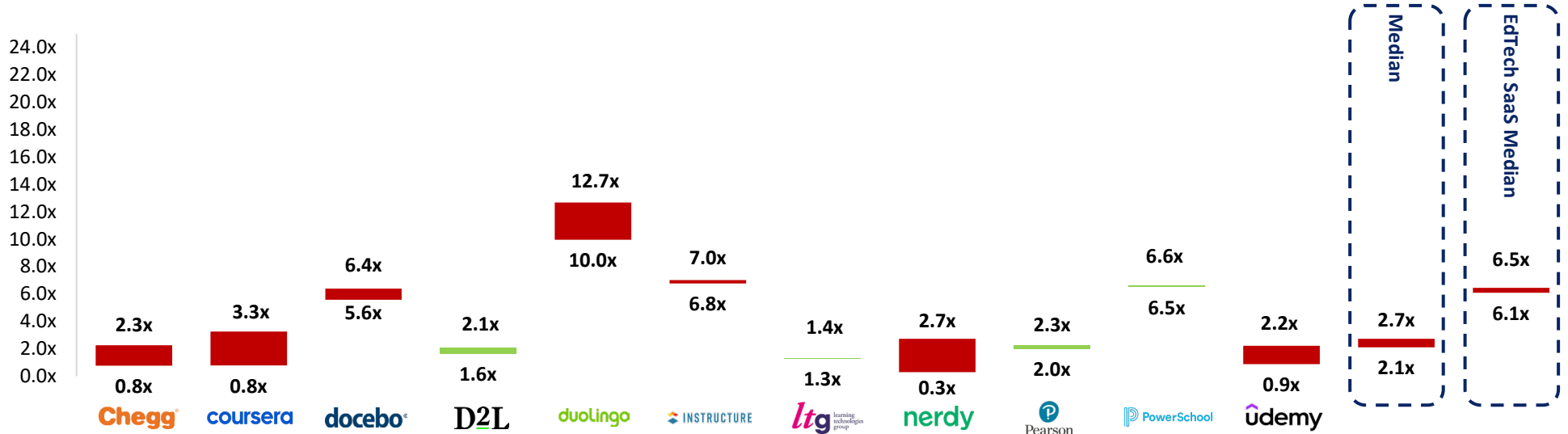
International EdTech

Company	Ticker	Price 08/09/24	Equity Value	Enterprise Value	Revenue		Revenue Growth		EBITDA Margins		Enterprise Value / EBITDA		Enterprise Value / Revenue	
					2024E	2025E	2023A-2024E	2024E-2025E	2024E	2025E	2024E	2025E	2024E	2025E
 新东方 NEW ORIENTAL	EDU	\$ 67.25	\$11,131	\$7,291	\$4,848	\$6,056	35.3%	24.9%	13.7%	15.4%	11.0x	7.8x	1.5x	1.2x
 Pearson	LSE: PSON	13.31	8,829	10,526	4,645	4,843	(0.7)%	4.3%	22.2%	22.4%	10.2x	9.7x	2.3x	2.2x
 TAL 好未来	TAL	9.06	5,486	2,390	1,972	2,654	48.3%	34.6%	2.6%	6.2%	47.2x	14.4x	1.2x	0.9x
 ltg learning technologies group	AIM:LTG	0.89	723	838	620	652	(13.5)%	5.1%	22.4%	22.3%	6.0x	5.8x	1.4x	1.3x
Total Median							17.1%	20.1%	22.2%	22.3%	11.0x	9.3x	1.5x	1.3x
Total Mean							17.3%	17.8%	18.6%	20.9%	17.5x	9.4x	2.1x	1.8x

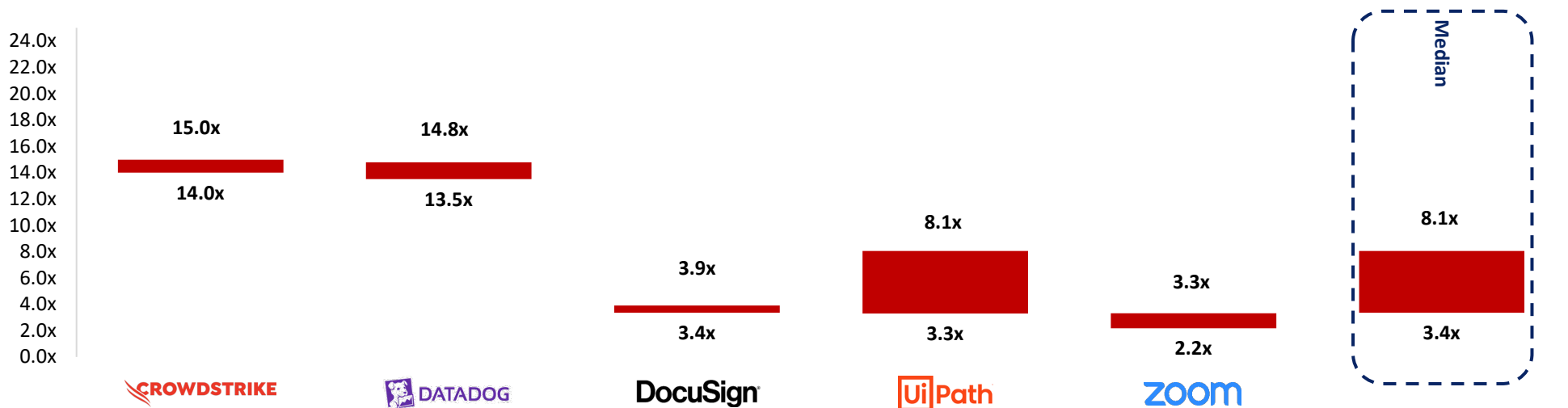
Change in Public Equities Valuation

Change in TEV / 2024E Revenue Multiples Since 01/01/2024

Select EdTech Comparable Companies



Select High Growth Software Comparable Companies

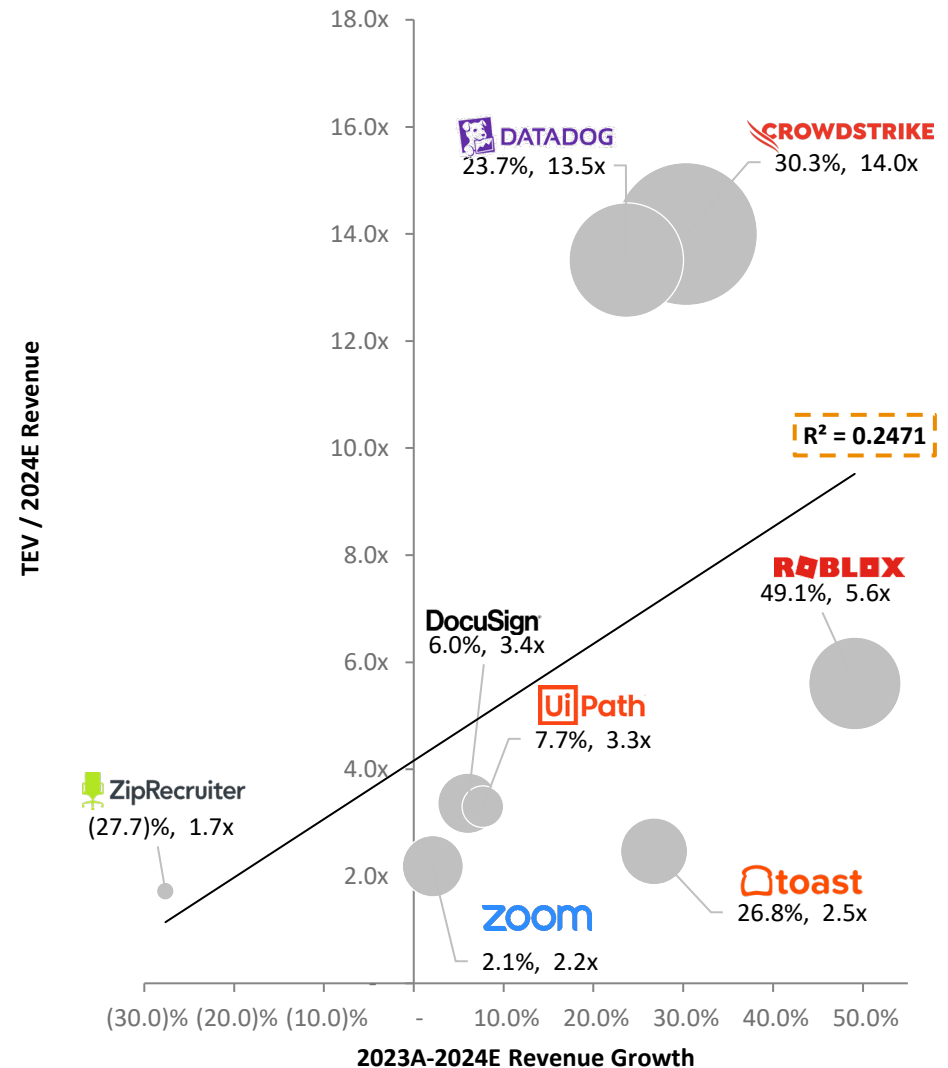
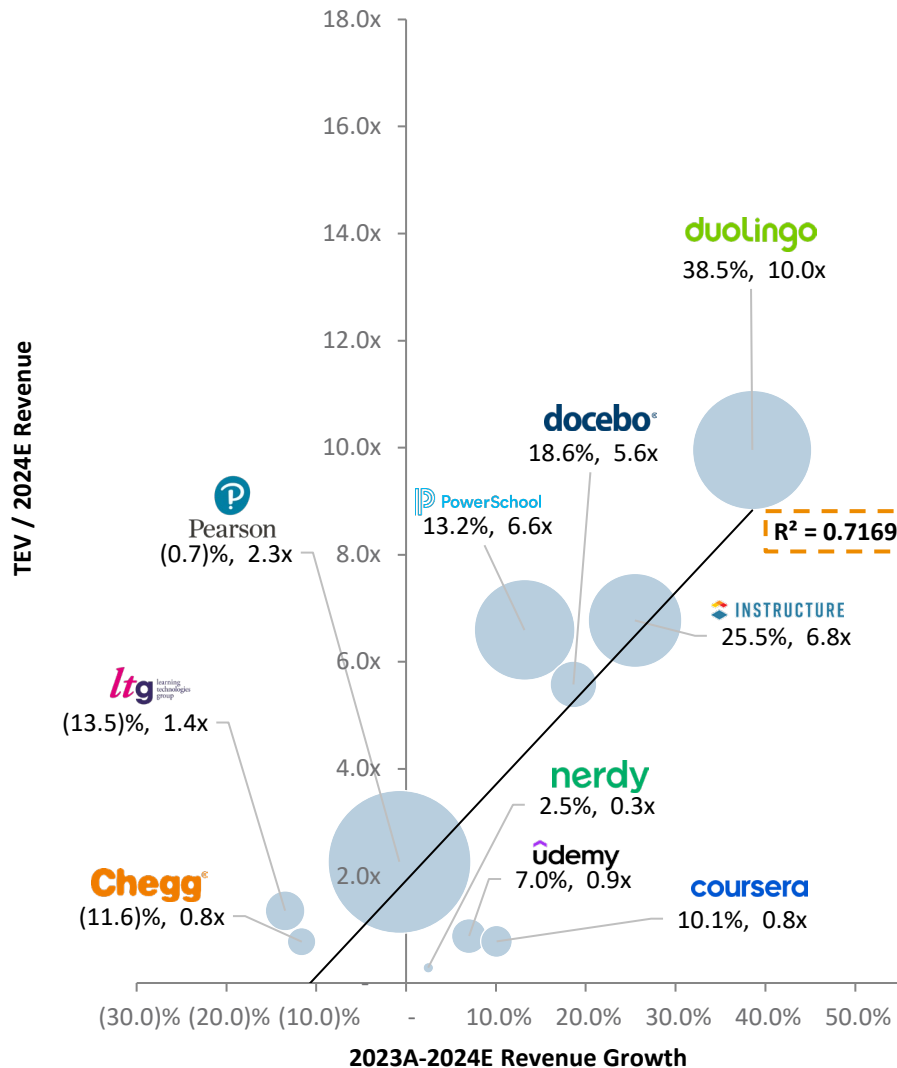


Source: S&P Capital IQ, FactSet as of 8/9/2024.

Note: Red bars indicate multiple contraction, while green bars indicate multiple expansion since 01/01/2024.

Comparable Company Relative Valuation – Revenue Multiple and Growth

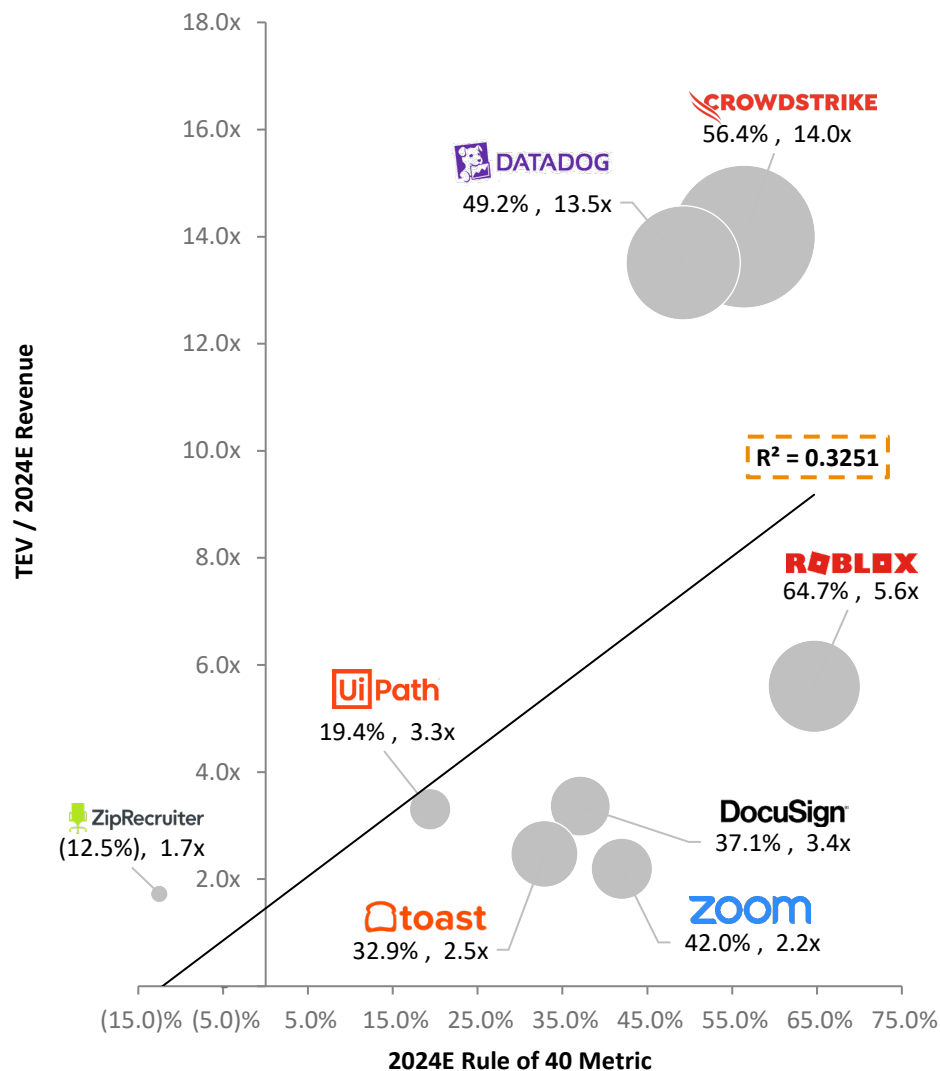
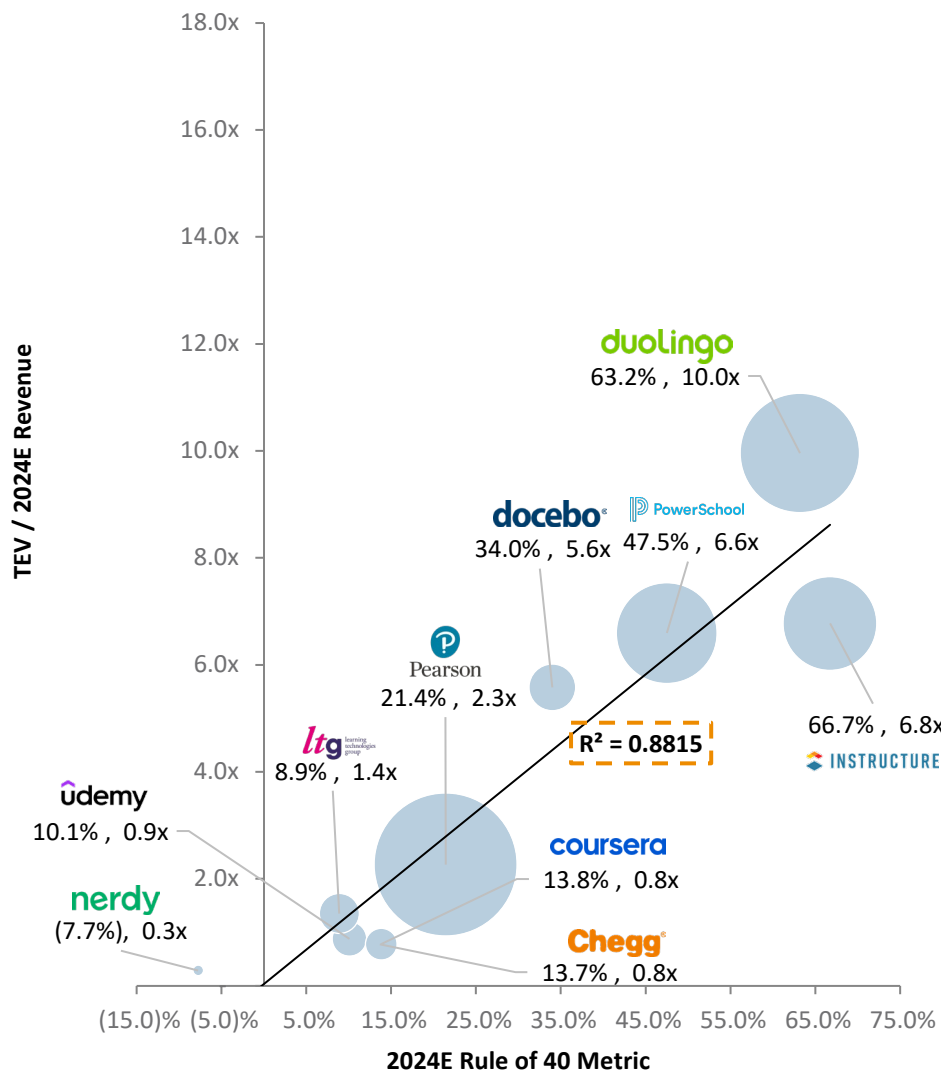
2023E-2024E Revenue Growth vs TEV / 2024E Revenue Multiple



Source: S&P Capital IQ, FactSet as of 8/9/2024.
 Note: Size of bubbles represents Total Enterprise Value (TEV).

Comparable Company “Rule of 40” Valuation Framework

2024E Rule of 40 Metric⁽¹⁾ vs TEV / 2024E Revenue Multiple



Source: S&P Capital IQ, FactSet as of 8/9/2024.

Note: Size of bubbles represents Total Enterprise Value (TEV).

(1) Sum of 2023-2024E Revenue Growth and 2024E EBITDA Margin.



4. Appendix

Oppenheimer's Global EdTech Team

Senior Leadership



Robin Graham

*Head of Global Technology,
Media & Communications*

30+ years experience across
Oppenheimer, Needham and
ThinkEquity

+1 (415) 438-2975
Robin.Graham@opco.com

US EdTech Coverage



Rupert Sadler

Head of HR Tech US

25+ years experience across
Oppenheimer, Rothschild, J.P.
Morgan, GCA and Houlihan Lokey

+1 (646) 421-0518
Rupert.Sadler@opco.com



Matthew Johnson

Head of EdTech

12+ years of experience across
Oppenheimer, Cooley LLP and
education sector

+1 (212) 667-7122
Matthew.Johnson@opco.com

European EdTech Coverage



Mark Kingston

*Head of HCM &
Services Europe*

18+ years experience across
Oppenheimer, Cavendish,
Alantra, Boxington

+44 0207-220-1986
Mark.Kingston@opco.com



Kieran Yoo

*Director
Technology*

8+ years of experience
experience across Oppenheimer
and GCA Altium

+44 0207-220-1959
Kieran.Yoo@opco.com



Jack Frankel

Analyst

2+ years of experience at
Oppenheimer

+1 (212) 667-8644
Jack.Frankel@opco.com



Jack Larkins

Analyst

1+ year of experience at
Oppenheimer

+1 (212) 667-7430
Jack.Larkins@opco.com

Execution Support

Oppenheimer's EdTech Franchise

<p>Acquired by</p> <p>KKR</p> <p>Sell-Side M&A</p>	<p>\$52,800,000</p> <p>Acquired by</p> <p>Sell-Side M&A</p>	<p>Acquired</p> <p>Buy-Side M&A</p>	<p>Series E</p>	<p>\$436,000,000</p> <p>Acquired</p> <p>Buy-Side M&A</p>	<p>Acquired</p> <p>Buy-Side M&A</p>
<p>Acquired by</p> <p>THOMABRAVO JMI</p> <p>Sell-Side M&A</p>	<p>Acquired by</p> <p>Sell-Side M&A</p>	<p>\$200,000,000</p> <p>Acquired</p> <p>Buy-Side M&A</p>	<p>Growth Equity Raise</p>	<p>Received Minority Investment from</p> <p>Exclusive Financial Advisor</p>	<p>\$500,000,000</p> <p>Acquired</p> <p>Buy-Side M&A</p>
<p>\$250,000,000</p> <p>Initial Public Offering</p>	<p>\$1,640,000,000</p> <p>Acquired by</p> <p>CHURCHILL CAPITAL II</p> <p>Sell-Side M&A</p>	<p>\$231,000,000</p> <p>Acquired by</p> <p>Sell-Side M&A</p>	<p>\$519,000,000</p> <p>Initial Public Offering</p>	<p>Acquired</p> <p>Buy-Side M&A</p>	<p>Acquired by</p> <p>LEEDS Equity Partners</p> <p>Sell-Side M&A</p>
<p>Acquired</p> <p>Buy-Side M&A</p>	<p>\$910,000,000</p> <p>Acquired</p> <p>Buy-Side M&A</p>	<p>Acquired by</p> <p>Sell-Side M&A</p>	<p>\$80,000,000</p> <p>Acquired by</p> <p>Sell-Side M&A</p>	<p>Acquired by</p> <p>Sell-Side M&A</p>	<p>\$750,000,000</p> <p>Acquired by</p> <p>Sell-Side M&A</p>

CONFIDENTIAL

THIS DOCUMENT IS FOR DISCUSSION PURPOSES ONLY AND DOES NOT CONSTITUTE ADVICE OF ANY KIND, INCLUDING TAX, ACCOUNTING, LEGAL OR REGULATORY ADVICE, AND OPPENHEIMER & CO. INC. IS NOT AND DOES NOT HOLD ITSELF OUT TO BE AN ADVISOR AS TO TAX, ACCOUNTING, LEGAL OR REGULATORY MATTERS.

THIS DOCUMENT WAS PREPARED ON A CONFIDENTIAL BASIS SOLELY FOR DISCUSSION BY THE COMPANY AND OPPENHEIMER & CO. INC. AND NOT WITH A VIEW TOWARD PUBLIC DISCLOSURE. THIS DOCUMENT SHALL BE TREATED AS CONFIDENTIAL BY ITS RECIPIENTS.

THE INFORMATION CONTAINED HEREIN WAS OBTAINED FROM THE COMPANY AND PUBLIC SOURCES AND WAS RELIED UPON BY OPPENHEIMER & CO. INC. WITHOUT ASSUMING RESPONSIBILITY FOR INDEPENDENT VERIFICATION AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. ANY ESTIMATES AND PROJECTIONS FOR THE COMPANY CONTAINED HEREIN HAVE BEEN SUPPLIED BY THE MANAGEMENT OF THE COMPANY OR ARE PUBLICLY AVAILABLE, AND INVOLVE NUMEROUS AND SIGNIFICANT SUBJECTIVE DETERMINATIONS, WHICH MAY NOT BE CORRECT. NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION AND NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED UPON AS, A REPRESENTATION OR WARRANTY, WHETHER AS TO THE PAST OR THE FUTURE.

THE INFORMATION CONTAINED HEREIN WAS DESIGNED FOR USE BY SPECIFIC PERSONS FAMILIAR WITH THE BUSINESS AND AFFAIRS OF THE COMPANY AND OPPENHEIMER & CO. INC. ASSUMES NO OBLIGATION TO UPDATE OR OTHERWISE REVISE THESE MATERIALS.

OPPENHEIMER & CO. INC.'S RESEARCH DEPARTMENT IS REQUIRED TO BE INDEPENDENT FROM ITS INVESTMENT BANKING DEPARTMENT, AND ITS RESEARCH ANALYSTS MAY HOLD AND MAKE STATEMENTS OR INVESTMENT RECOMMENDATIONS WITH RESPECT TO THE COMPANY AND/OR ANY OFFERING CONDUCTED BY THE COMPANY THAT DIFFER FROM THE VIEWS OF ITS INVESTMENT BANKERS. FURTHER, PURSUANT TO APPLICABLE LAW OPPENHEIMER & CO. INC. IS (AMONG OTHER THINGS) PRECLUDED FROM OFFERING FAVORABLE RESEARCH, A SPECIFIC RATING OR A SPECIFIC PRICE TARGET, OR THREATEN TO CHANGE RESEARCH, A RATING OR A PRICE TARGET, TO THE COMPANY AS CONSIDERATION OR INDUCEMENT FOR THE RECEIPT OF BUSINESS OR COMPENSATION.

OPPENHEIMER & CO. INC. TRANSACTS BUSINESS ON ALL PRINCIPAL EXCHANGES AND MEMBER SIPC. 6620680.1.