



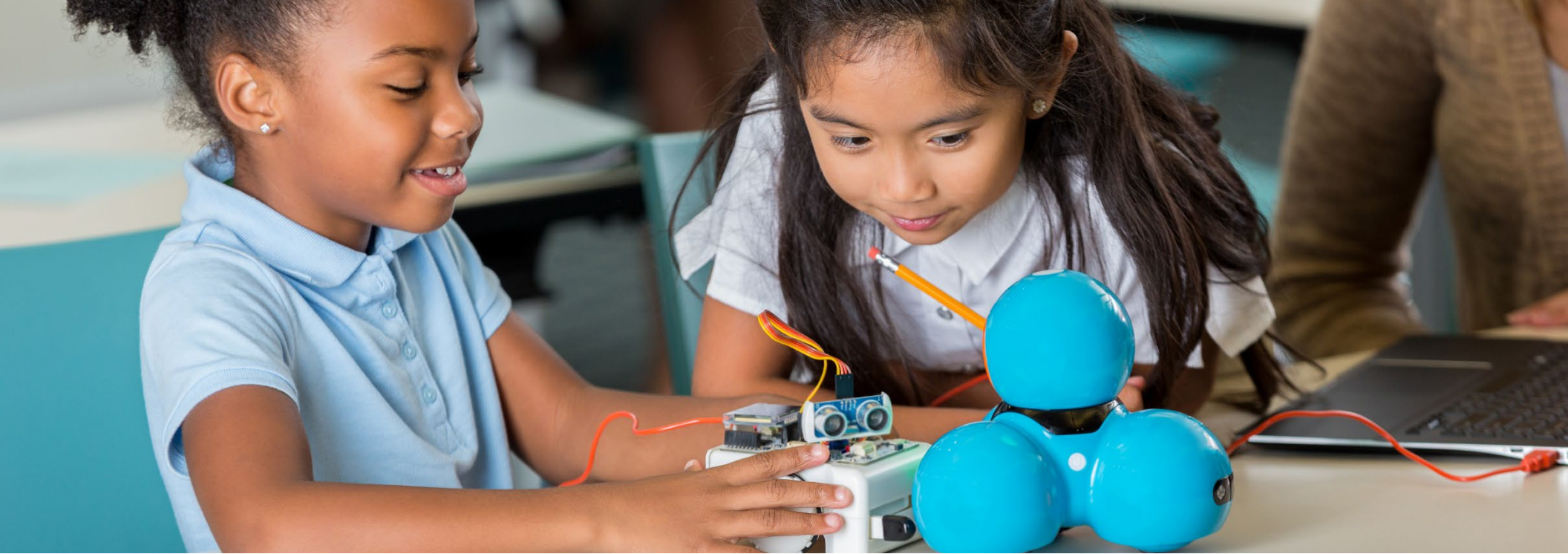
# EdTech Sector – Q1 2024 Public & Private Market Update

May 2024



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## **1. Q1 2024 Global EdTech Venture Capital Update**

# Global Venture Trends (\$'s Raised)

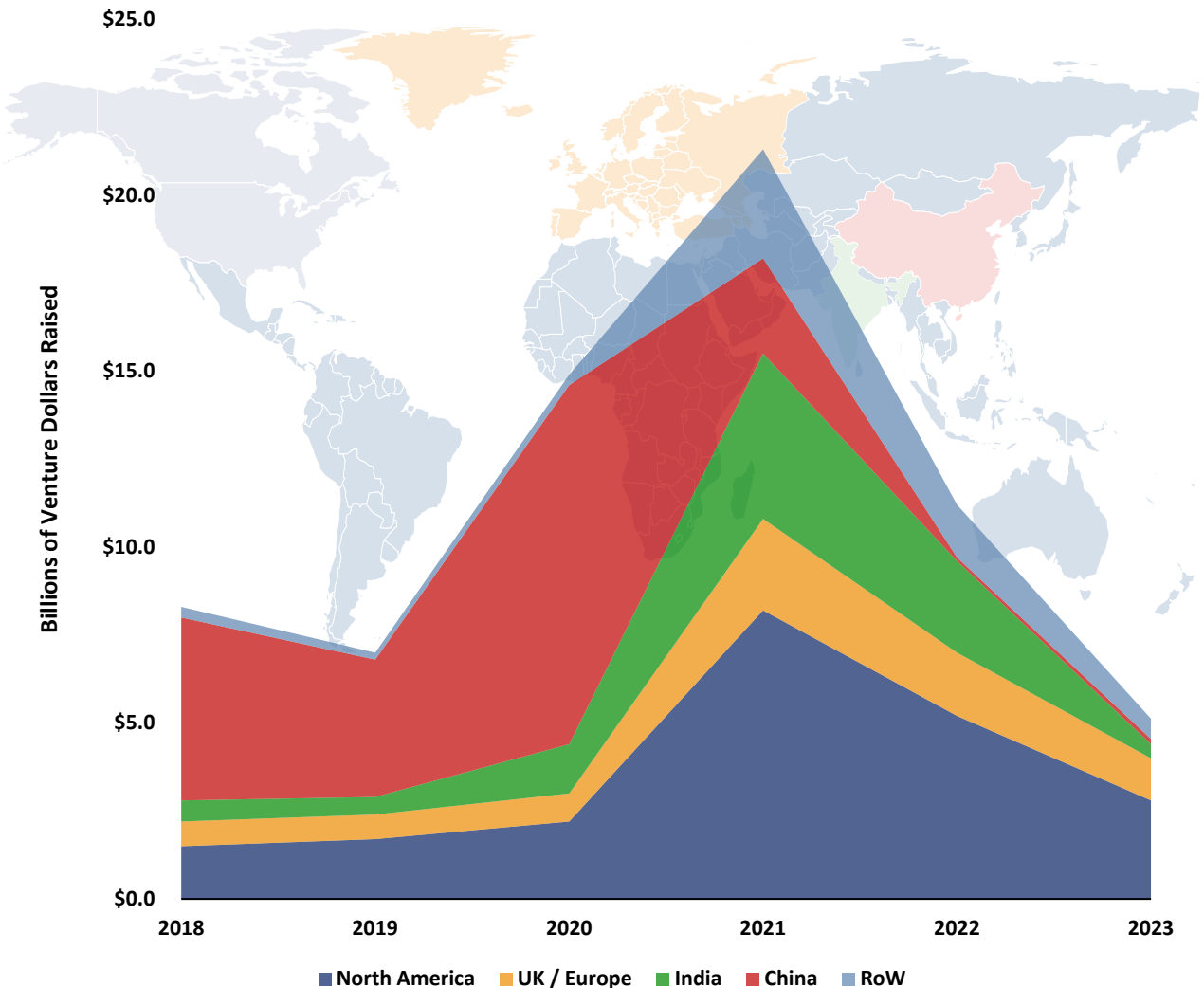
(Billions, USD)

Global Venture Funding in Q1 Down Almost 50% from Q1 Last Year

Transaction volume (number of deals and dollars invested) at all stages remains muted as specialist VCs focus primarily on supporting current portfolios

We anticipate total funding to increase as the year continues but **headwinds in the higher education sector, uncertainty about K-12 emergency funding cliff impact, and macro economic and political (election) impacts** are all challenging factors exerting pressure

Shifting market conditions **favor companies achieving growth and scale in a capital-efficient manner** and seed investors continue to fund emerging companies with small checks (<\$10M)



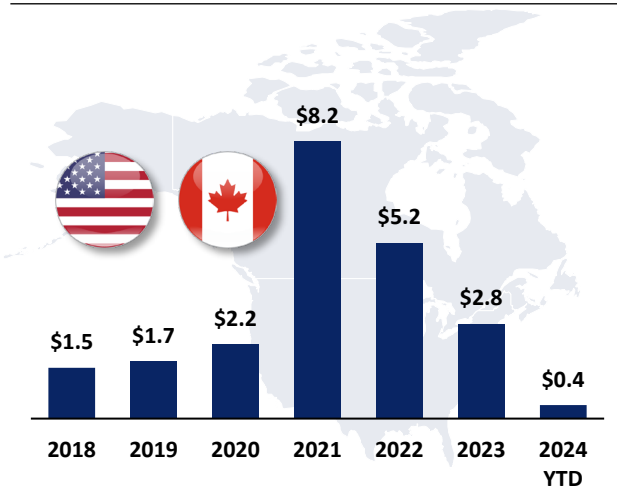
Source: HolonIQ, Reach Capital, Brighteye Ventures, Inc42, Pitchbook as of 12/29/2023.  
 (1) Excludes any announced fundraise by Byju's.

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

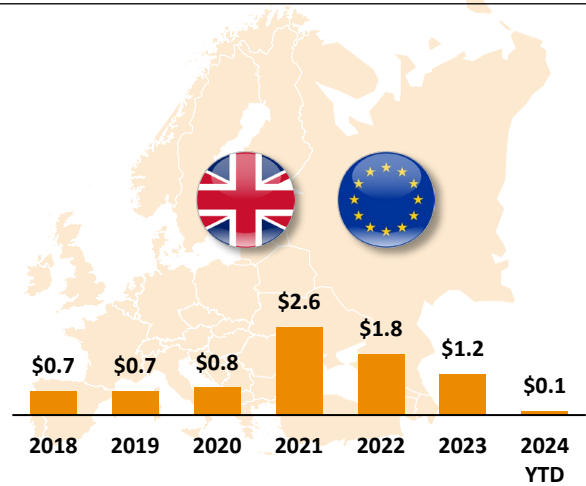
(Billions, USD)

Globally, Only \$800M of Venture Funds Invested through Q1 2024, Down 58% from Q1 2023

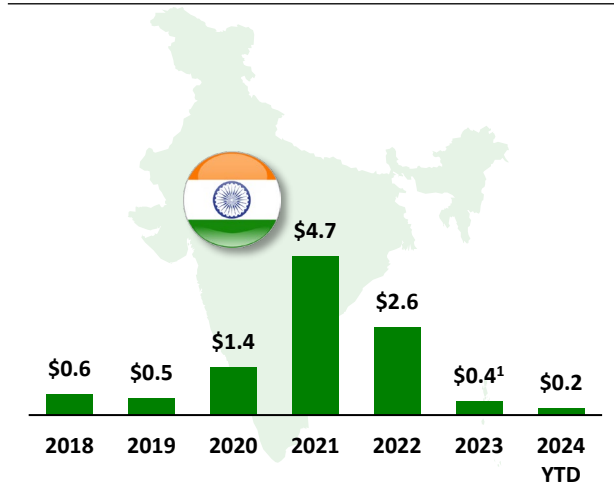
## North America



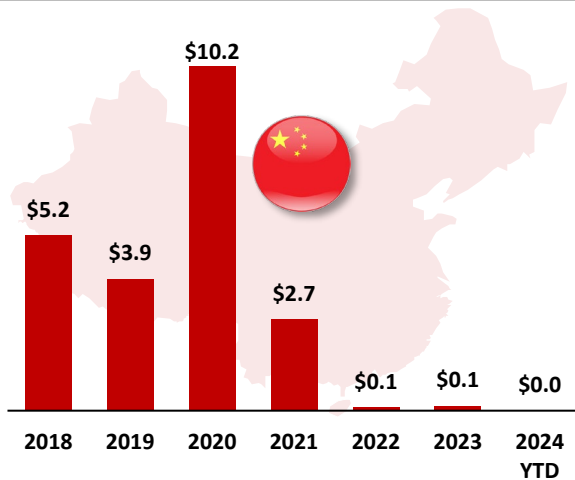
## UK / Europe



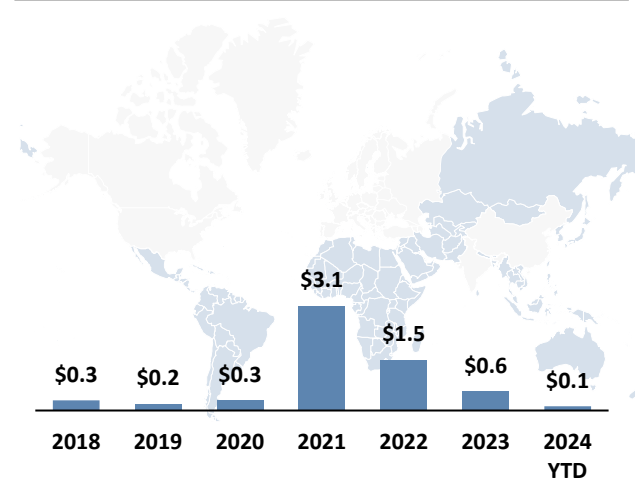
## India



## China

















## RoW



Source: Pitchbook, HolonIQ as of 3/29/2024.  
 (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 (\$mm) <sup>(1)</sup>
 Learn	10	0	10	\$20
 Owl Ventures	9	4	5	\$90
 Reach Capital	8	6	2	\$48
 Emerson Collective	4	3	1	\$330
 Transcend	3	3	0	NA
 ECMC Group	3	1	2	\$14
 spero ventures	2	2	0	\$14
 ZEAL CAPITAL PARTNERS	2	2	0	\$4
 New Markets VENTURE PARTNERS	1	1	0	NA
 emerge	1	0	1	\$22
 Brighter Futures	1	0	1	\$8
 GSV Ventures	1	0	1	\$5
 LUMOS CAPITAL GROUP	1	0	1	\$5
 RETHINK VENTURE CAPITAL	1	0	1	\$4











Note: Edovate, Education Growth Partners, Kaizenvest, Chan Zuckerberg Initiative, Copper Wire, Edulab Capital Partners, Lumina Foundation, A Street and ETS Capital Excluded as no publicized deal data available for the period.

Source: CB Insights, Pitchbook and Company data as of 3/29/2024.





(1) Reflects total raised by companies (in aggregate) across the financings participated in by the specialist during 2023.

## Notable Venture Funding – Q1 2024








### United States & Canada

Company	Date	Raised (\$M)	Total Raised (\$M)	Industry	Country
 DERIVITA	Mar-24	\$10	\$18	K-12	United States
 QUIZZZ	Mar-24	\$16	\$64	Workforce & AC	United States
 Inkitt	Feb-24	\$37	\$118	Workforce & AC	United States
 INTERVIEW KICKSTART	Feb-24	\$10	\$11	Workforce & AC	United States
 EMPOWERLY	Feb-24	\$15	\$30	Higher Education	United States
 ignite reading	Feb-24	\$40	\$50	K-12	United States
 Upwards	Feb-24	\$21	\$42	K-12	United States
 BRIDGECARE	Feb-24	\$10	\$10	K-12	United States
 cohere HEALTH	Feb-24	\$50	NA	Workforce & AC	United States
 Zūm	Jan-24	\$140	\$341	K-12	United States

### Europe

Company	Date	Raised (\$M)	Total Raised (\$M)	Industry	Country
 Colossyan	Feb-24	\$22	\$28	Workforce & AC	United Kingdom
 Edifice	Feb-24	\$11	\$13	K-12	France
 Morressier	Jan-24	\$17	\$40	Workforce & AC	Germany
 Oxford Medical Simulation	Jan-24	\$13	\$20	Workforce & AC	United Kingdom

### Rest of World

Company	Date	Raised (\$M)	Total Raised (\$M)	Industry	Country
 LINC	Mar-24	\$100	\$104	Higher Education	Japan
 PLANETSPARK	Mar-24	\$17	\$31	K-12	India
 AVANSE	Feb-24	\$132	\$459	Higher Education	India
 leora	Feb-24	\$12	\$21	Workforce & AC	Israel
 /•elice•/	Feb-24	\$15	\$27	Workforce & AC	South Korea
 amber	Feb-24	\$21	\$21	Higher Education	India
 华诺集团	Jan-24	\$25	\$25	Workforce & AC	China



## **2. Q1 2024 M&A and Private Equity Update**



## M&A Markets Overview – Promising M&A in Q1 2024

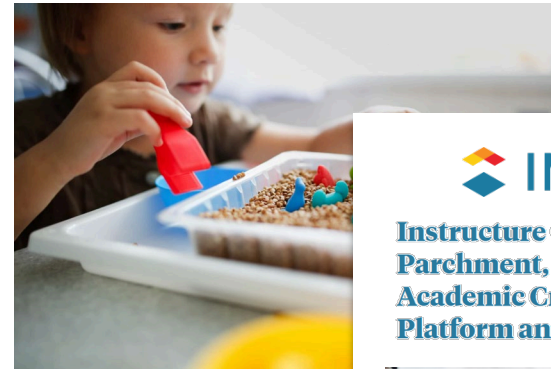
### Key Takeaways

- While the market remains quiet, a few notable financial sponsor control deals kicked off the year, including **Leeds Equity's acquisition of Blue Marble Academy**
- **Strategic M&A continued at a strong clip**, led mostly by smaller bolt-ons, continuing trends from 2023
- **Instructure's acquisition of Parchment** (announced in 2023, but completed in Q1 2024) **is the largest to-date**
- **Persistent inflation** has reversed the previous declines in the cost of debt and pushed out the expected timing of interest rate cuts, **making debt more challenging for financing large acquisitions**
- **We anticipate that transactions not requiring significant debt components will increase in the second half of the year** as valuation expectations from 2021 recede and venture and growth funding remains limited, especially at later stages

#### LEEDS | Equity Partners

Leeds Equity Partners Acquires Big Blue Marble Academy

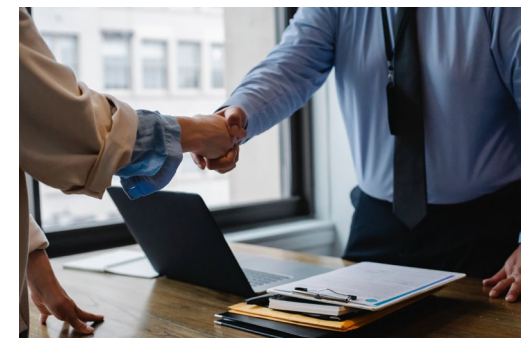
January 03, 2024



New York, USA – January 3, 2024. Leeds Equity") announced today that it has acquired Academy ("BBMA" or the "Company"), a leading childhood education across the Southeast. The transaction were not disclosed.

#### INSTRUCTURE
















**Instructure Completes Acquisition of Parchment, the World's Largest Academic Credential Management Platform and Network**



SALT LAKE CITY — February 1, 2024 — Instructure Holdings, Inc. (Instructure) (NYSE: INST), the leading learning ecosystem and maker of Canvas, announced today it has completed the acquisition of Parchment, the world's largest credential management platform and network.

## 2024 YTD EdTech Highlights – Sponsor Investments

(\$ in millions)

M&A / Buyout				
Company	Acquirer	Seller	TEV	Announced Date
 KMK Optometry	 ACCEL LEARNING Unlocking Potential	–	–	3/28/2024
 TOUCHMATH 123	LEEDS   Equity Partners	 747 CAPITAL  merion  MILLPOND EQUITY PARTNERS	–	2/29/2024
 WILEY   EDGE	 Inspirit CAPITAL	 WILEY	–	1/7/2024
 Big Blue Marble Academy	LEEDS   Equity Partners	 AVATHON  STERLING PARTNERS  LCP	–	1/2/2024
Minority Investment				
Company	Sponsor	Amount	Date	
 BRIDGECARE	 AVENUE GROWTH PARTNERS	\$10	2/5/2024	

## Notable Strategic Acquisitions (Q1 2024) – United States and Canada

K-12				
Target	Acquirer	Announced Date	Enterprise Value (\$M)	Country
		Mar-24	NA	United States
	LEEDS   Equity Partners	Feb-24	NA	United States
		Feb-24	NA	United States
		Feb-24	NA	United States
		Feb-24	NA	United States
		Feb-24	NA	United States
		Feb-24	NA	United States
		Feb-24	NA	United States
		Feb-24	\$835	United States
	LEEDS   Equity Partners	Jan-24	NA	United States
		Jan-24	NA	United States

Workforce & Adult Consumer				
Target	Acquirer	Announced Date	Enterprise Value (\$M)	Country
		Mar-24	NA	United States
		Mar-24	NA	United States
		Mar-24	NA	United States
		Mar-24	NA	United States
		Mar-24	NA	United States
		Mar-24	NA	United States
		Feb-24	NA	United States
		Feb-24	NA	United States
		Feb-24	NA	United States
		Jan-24	NA	United States
		Jan-24	NA	United States
		Jan-24	NA	United States

Higher Education				
Target	Acquirer	Announced Date	Enterprise Value (\$M)	Country
		Mar-24	NA	United States
		Feb-24	NA	United States
		Jan-24	NA	Canada

## Notable Strategic Acquisitions (Q1 2024) – International

Europe					
Target	Acquirer	Announced Date	Enterprise Value (\$M)	Industry	Country
		Mar-24	NA	Workforce & AC	United Kingdom
		Mar-24	NA	Higher Education	Finland
		Mar-24	NA	K-12	United Kingdom
		Feb-24	NA	K-12	Ireland
		Feb-24	NA	Workforce & AC	Netherlands
		Feb-24	NA	Workforce & AC	United Kingdom
		Feb-24	NA	K-12	Germany
		Feb-24	\$3	Higher Education	United Kingdom
		Feb-24	NA	Workforce & AC	Spain
		Feb-24	NA	Workforce & AC	Denmark
		Jan-24	NA	Workforce & AC	United Kingdom

Rest of World					
Target	Acquirer	Announced Date	Enterprise Value (\$M)	Industry	Country
		Mar-24	NA	Workforce & AC	Brazil
		Mar-24	NA	Workforce & AC	Saudi Arabia
		Mar-24	NA	Workforce & AC	India
		Feb-24	NA	K-12	Singapore
		Feb-24	\$17	K-12	Brazil
		Jan-24	NA	K-12	Colombia
		Jan-24	NA	Higher Education	South Korea
		Jan-24	NA	K-12	Egypt



### **3. Q1 2024 Public Markets Update**

## Public Markets Overview – Roughly Flat in Q1 2024

### Key Takeaways

- **EdTech SaaS stocks are down from late 2023 highs**, in line with broader software peers during the same period. One notable exception is Docebo, up slightly from the end of year while in the midst of a long-planned CEO transition
- **Stocks that experienced significant challenges in 2023 remain under severe pressure.** Most notably, 2U is down 68% YTD following an 80% decline in 2023 due to a confluence of debt, regulatory and market hazards
- **Duolingo continues to see very strong revenue and subscriber growth.** Combined with lack of debt concerns, these factors continue to buoy the company at **multiples substantially higher than sector medians**



#### Docebo Inc. Announces CEO Succession and Substantial Issuer Bid

PUBLISHED  
NOV 22, 2023 7:00AM EST



TORONTO--(BUSINESS WIRE)-- Docebo Inc. (NASDAQ:DOCE) ("Docebo" or the "Company") today announces the resignation of Claudio Erba, founder of the Company. Mr. Erba will be stepping away from his role as Chief Executive Officer and will remain on the board of directors (the "Board") and will be transitioning to the role of Chief Innovation Officer.



#### duolingo reports 65% dau growth, 45% revenue growth and record profitability in fourth quarter 2023

Feb 28, 2024

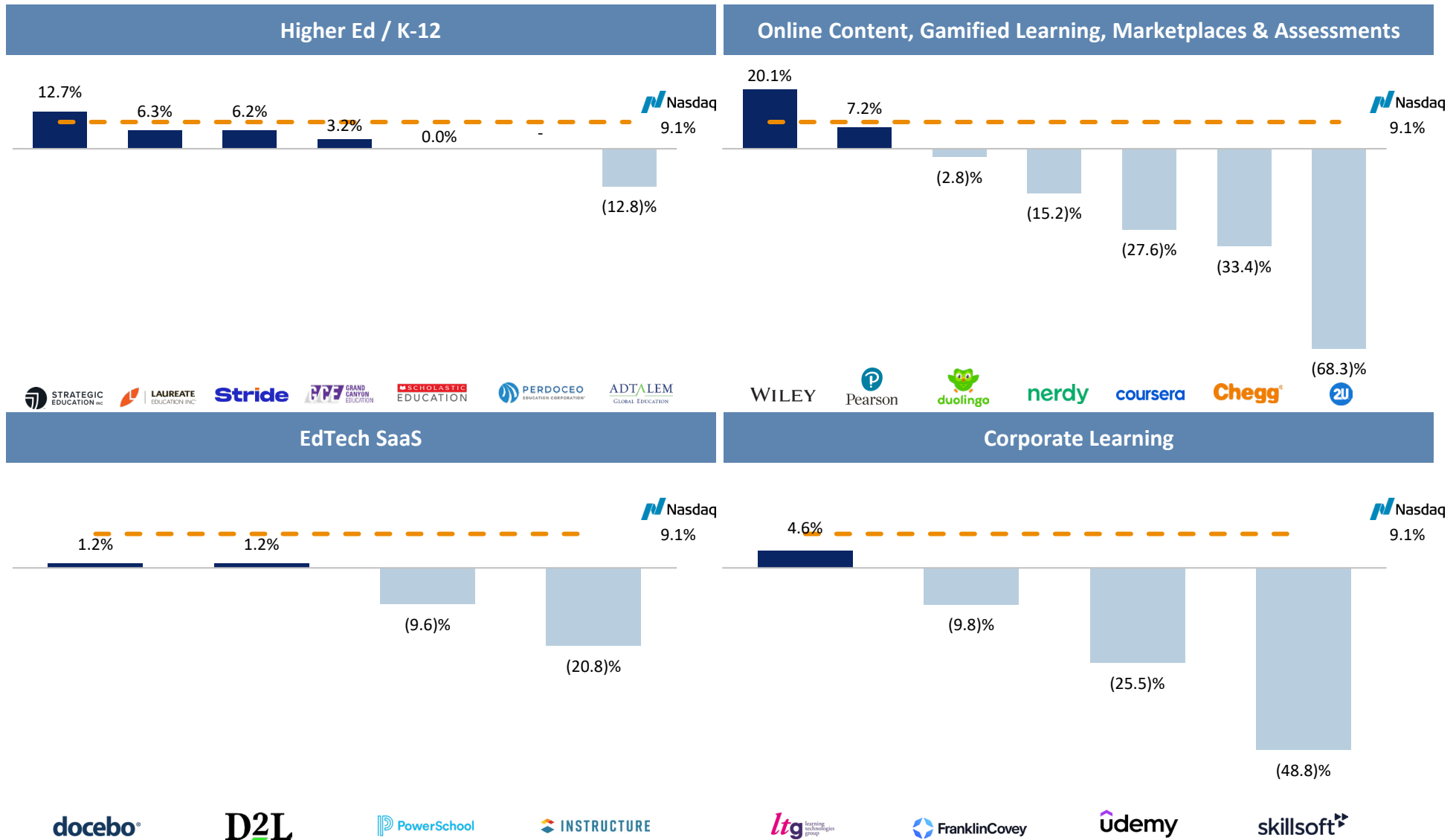


PITTSBURGH, Feb. 28, 2024 (GLOBE NEWSWIRE) -- Duolingo, Inc. (NASDAQ: DUOL), the world's leading mobile learning platform, announced results for the fourth quarter and full year ended December 31, 2023 in a shareholder letter that is posted at [investors.duolingo.com](https://investors.duolingo.com).

# 2024 YTD Public Equities Performance

## Select Public Comparables – Share Price Performance

Indexed as of 01/01/2024

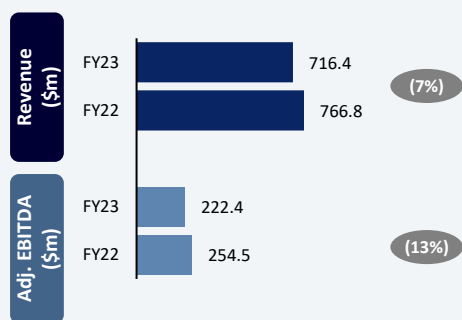


Source: S&P Capital IQ, FactSet as of 3/29/2024.

## Recent Earnings Updates (1/4)

### Chegg

Key Financial Metrics (31 Dec year end)



#### Key Highlights

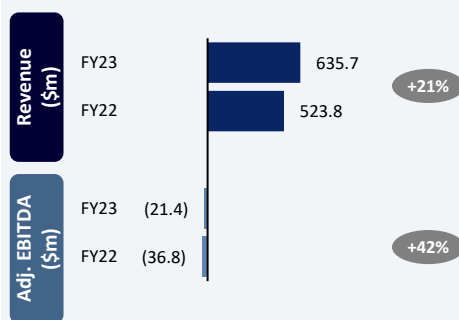
- FY23 revenue decreased by 7% (vs FY22) primarily due to a 5% decrease in number of subscribers (7.1m vs 8.1m in FY22)
- Making progress rolling out AI across product portfolio to ultimately deliver value to subscribers

#### Outlook and growth perspective

- Expects Q1-24 revenue to be within the \$173-175m range and Adj. EBITDA in the \$43-45m range

### coursera

Key Financial Metrics (31 Dec year end)



#### Key Highlights

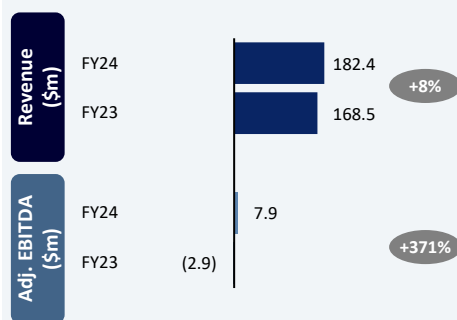
- Total FY23 revenue was \$635m, up 27% YoY on strong demand for newly launched entry-level Professional Certificates created by industry partners
- Increased focus on content strategy, notably with the introduction of courses on Gen AI such as "Generative AI for Everyone" developed in partnership with DeepLearning.AI

#### Outlook and growth perspective

- Management expects FY24 revenue to be in the \$730-740m range and Adj. EBITDA in the \$26-32m range

### D2L

Key Financial Metrics (31 Jan year end)



#### Key Highlights

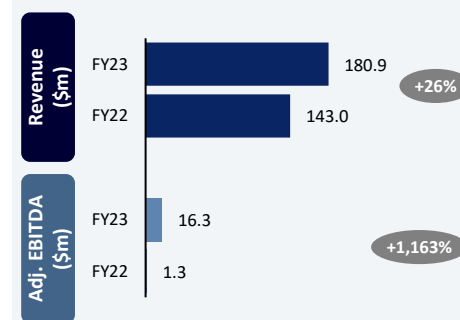
- Over 18m users at FY24 year end, up from 16m vs FY23 year end - Customer list grew to over 1,310 at January 31, 2024 (from +1,240 YoY)
- ARR as at FY24 year end increased by 12% YoY, from \$168m to \$188m

#### 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 14% adj. EBITDA margin at the midpoint vs FY24

### docebo®

Key Financial Metrics (31 Dec year end)



#### Key Highlights

- Strong FY23 performance driven by growth in Average Contract Value and notable new customer wins including a significant deal with a large US-based global technology company
- Subscription revenue of \$169m, represented 94% of total revenue, a 29% increase vs FY22

#### Outlook and growth perspective

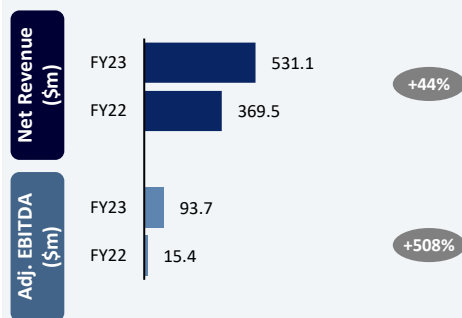
- Management expects Q1-24 revenue to be in the \$51.0m - \$51.3m range
- Will continue its focus on expanding the platform's capabilities, particularly through AI



## Recent Earnings Updates (2/4)



### Key Financial Metrics (31 Dec year end)



### Key Highlights

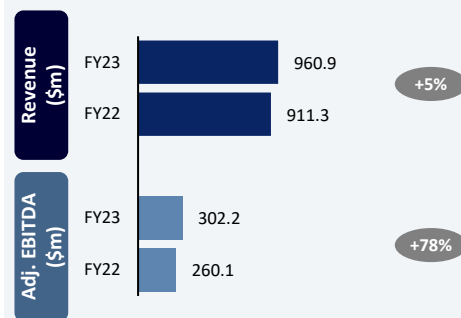
- Delivered impressive revenue and booking growth in FY23, with record profitability in Q4-23 (\$35m Adj. EBITDA)
- Total bookings were \$622m, up 45% and subscription bookings were \$496m up 49% vs FY22

### Outlook and growth perspective

- Important strategic shift toward becoming a multi-subject product, with Math and Music courses being added to the flagship Duolingo App



### Key Financial Metrics (31 Dec year end)



### Key Highlights

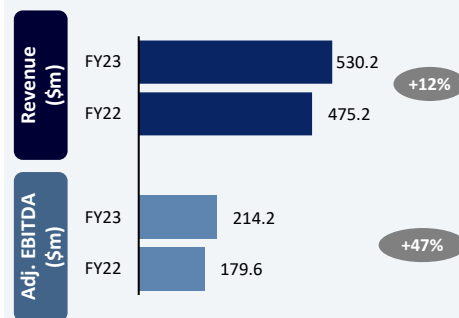
- Service revenue increased 5% in FY23 driven by a 6% increase in GCU enrollment and an increase in revenue per students (8% increase vs FY22)
- GCU enrollments were 117,279 as at December 31, 2023

### Outlook and growth perspective

- Management expects FY24 revenue to be within the \$1,016-1,040m range with an operating margin around 26-27%



### Key Financial Metrics (31 Dec year end)



### Key Highlights

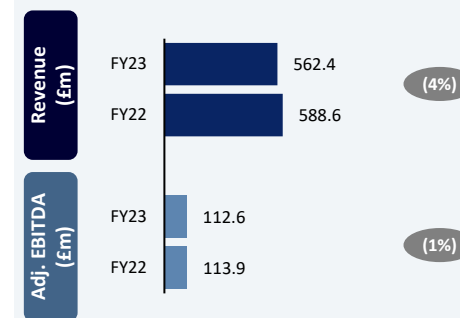
- Record revenue of \$530m in FY23, up 12% vs FY22. Revenue growth is driven by strong K-12 bookings, momentum in the company's cross-sell motion and durable higher-ed share gains
- Announced the acquisition of Parchment, an academic credentialing platform for \$800m

### Outlook and growth perspective

- FY24 revenue expected to be with the \$655-665m range and Adj. EBITDA in the \$267-272m
- Strategic acquisition of Parchment, broadens the portfolio and enhances the scale for FY24



### 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%

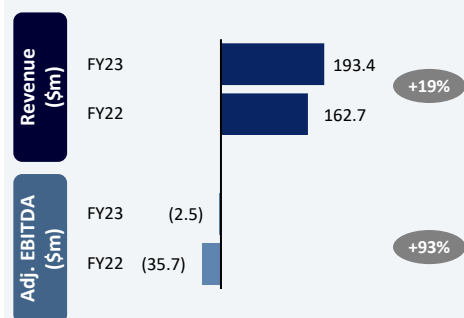
### Outlook and growth perspective

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

## Recent Earnings Updates (3/4)



### Key Financial Metrics (31 Dec year end)



### Key Highlights

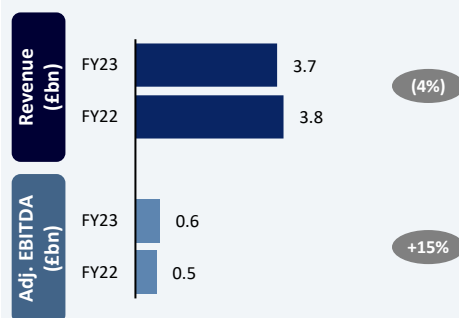
- FY23 revenue increased by 19% YoY - growth was mainly driven by the completion of "Always On" recurring revenue product, strong adoption of learning memberships and LTV expansion in Consumer business
- Business model shift delivered operating leverage enabling Nerdy to approach breakeven in FY23

### Outlook and growth perspective

- Management expects adj EBITDA in the \$5m to \$15m range in FY24
- Also expects to deliver positive operating cash flow in FY24



### Key Financial Metrics (31 Dec year end)



### Key Highlights

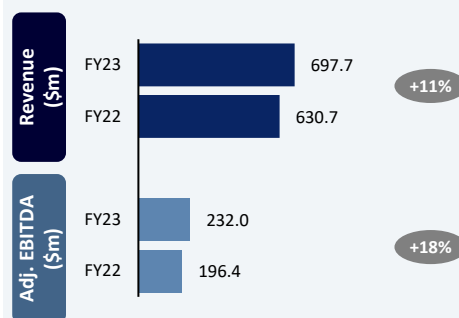
- FY23 revenue grew by 5% organically YoY (reported revenue decreased by 4%). Assessment & Qualifications sales were up by 7% driven by a strong performance in Pearson VUE
- Higher Education segment declined 3% YoY, due to a decline in enrollments and a loss of adoption to non-mainstream publishers

### Outlook and growth perspective

- Management expects growth of low to mid-single digits in Assessment & Qualifications for FY24, while Virtual Schools is expected to decline at a similar rate to 2023 (-2%)



### Key Financial Metrics (31 Dec year end)



### Key Highlights

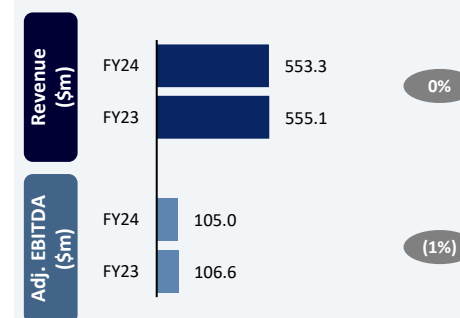
- FY23 revenue is up 11% YoY, driven by strong momentum in bookings, product innovation and platform expansion through an acquisition-led strategy
- Subscription and support revenue was 10% YoY
- Q4-23 ARR was \$704m, up 18% YoY

### Outlook and growth perspective

- Revenue and Adj. EBITDA guidance for Q1-24 respectively in the range of \$183-186m and \$57-59m
- Announced the launch of "PowerBuddy", a persona specific AI-powered virtual assistant



### Key Financial Metrics (31 Jan year end)



### Key Highlights

- FY revenue is flat YoY - Content & Platform segment grew by a 3%, offset by a 13% decline in Instructor-Led Training segment revenue
- FY24 Dollar Retention Rate was 101%, up 1% from FY22

### Outlook and growth perspective

- Projected GAAP revenue for Q1-25 is expected to be between \$530-550m, Adj. EBITDA in the range of \$105-110m
- Company aims to leverage generative AI to enhance its CodeAcademy platform

## Recent Earnings Updates (4/4)

**STRATEGIC EDUCATION INC.**

*Key Financial Metrics (31 Dec year end)*

Metric	FY23	FY22	% Change
Revenue (\$m)	1,132.9	1,065.5	+6%
Adj. EBITDA (\$m)	196.5	163.1	+20%

**Key Highlights**

- Strong performance across all three segments, led by continued enrollment growth in the U.S. Higher Education segment, driven by employee affiliated enrollment
- Education Technology performed well with FY23 employer affiliated enrollment representing 27.2% of USHE enrollment compared to 24.4% in FY22

**Outlook and growth perspective**

- No guidance provided by Management

**Stride**

*Key Financial Metrics (30 Jun year end)*

Metric	Q2-24	Q2-23	% Change
Revenue (\$m)	504.9	458.4	+10%
Adj. EBITDA (\$m)	118.3	100.5	+18%

**Key Highlights**

- Recorded \$500m+ quarterly revenue for the first time in company's history – Strong performance driven by increased demand in enrollments
- Continued in-year demand and retention strength leading to enrollment growth

**Outlook and growth perspective**

- Management expects FY24 revenue to be in the \$1.99-2.04b range
- Adj. operating income is expected to be in the \$265-285m range

**2U**

*Key Financial Metrics (31 Dec year end)*

Metric	FY23	FY22	% Change
Revenue (\$m)	946.0	963.0	(2%)
Adj. EBITDA (\$m)	170.8	125.1	+37%

**Key Highlights**

- FY23 revenue decreased by 2%, primarily due to lower enrollments in coding boot camp offerings, partially offset by 8% growth in FCE enrollments in executive education offerings
- Margin expansion is driven by a reduction in personnel-related expenses and marketing costs

**Outlook and growth perspective**

- Management expects FY24 revenue and Adj. EBITDA to fall respectively within the \$805-815m and \$120-125m range

**Udemy**

*Key Financial Metrics (31 Dec year end)*

Metric	FY23	FY22	% Change
Revenue (\$m)	728.8	629.0	+16%
Adj. EBITDA (\$m)	7.8	(48.7)	+116%

**Key Highlights**

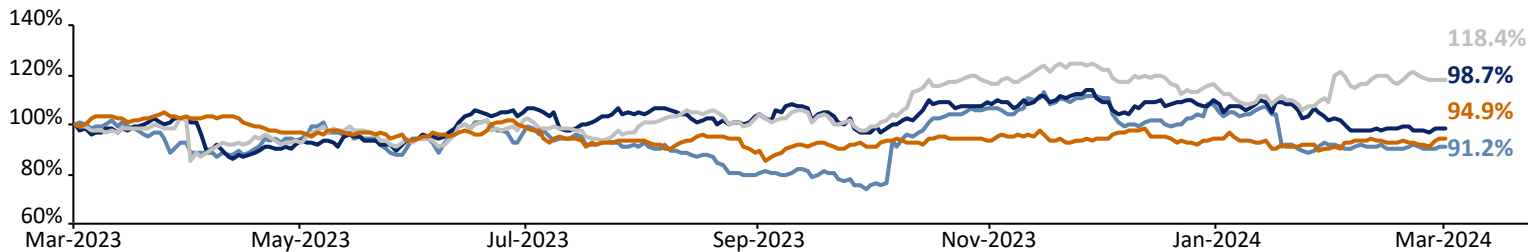
- Strong results in FY23 driven by new customers win and the expansion of existing partnerships in the Business segment
- Acquired 10m new learners and more than 1,800 net new Enterprise customers to the Udemy platform in FY23

**Outlook and growth perspective**

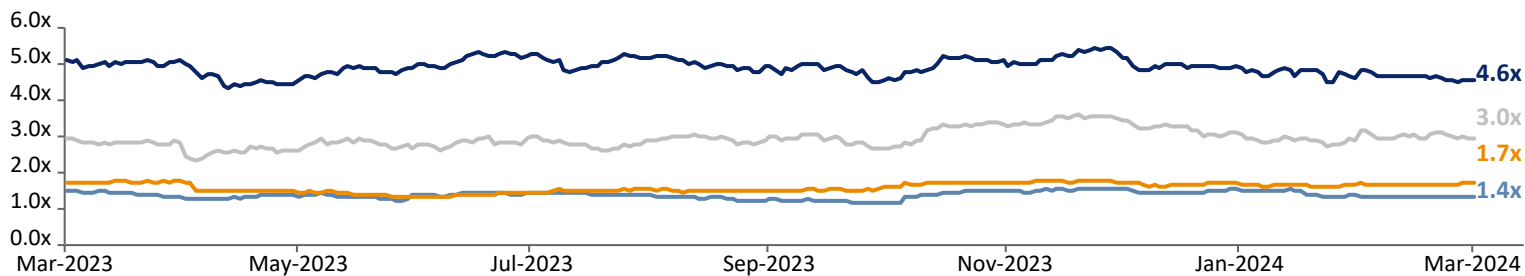
- Expects FY24 revenue to be within the range \$795-810m and Adj. EBITDA to reach breakeven

# EdTech – Valuation Metrics Evolution (LTM)<sup>1</sup>

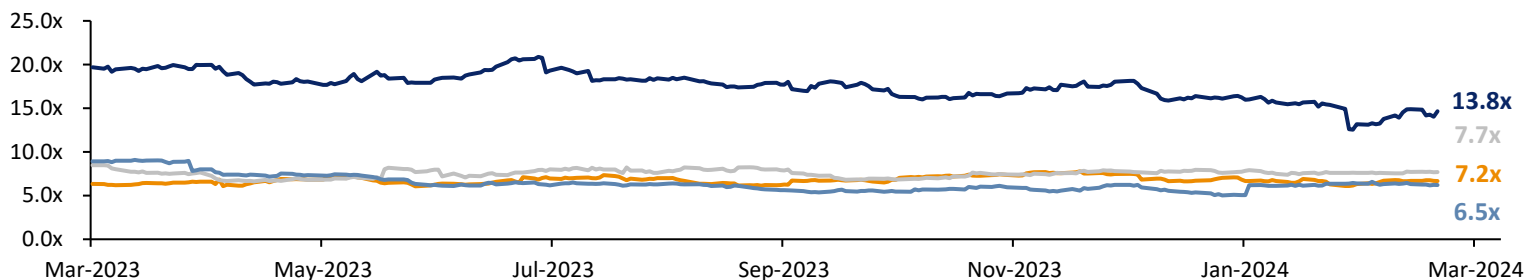
Share Price Evolution<sup>(1)</sup>



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 3/29/2024.  
Notes: (1) as of 3/29/2024; rebased to 100 as of 3/29/2023.

# 2024 YTD Public Equities Performance

## Select Public Comparables – Financial and Valuation Metrics

(\$ in millions, except per share data)

**EdTech SaaS**

Company	Ticker	Price 03/31/24	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	\$ 21.29	\$3,512	\$4,766	\$789	\$875	13.1%	10.8%	34.1%	35.0%	17.7x	15.6x	6.0x	5.4x
INSTRUCTURE	INST	21.38	3,105	3,267	661	727	24.7%	9.9%	40.7%	41.2%	12.1x	10.9x	4.9x	4.5x
docebo	DCBO	48.90	1,506	1,437	222	\$269	22.6%	21.5%	15.0%	17.9%	43.2x	29.8x	6.5x	5.3x
D2L	DTOL	8.18	446	342	203	229	12.0%	12.7%	11.3%	14.5%	14.9x	10.3x	1.7x	1.5x

**Corporate Learning**

Company	Ticker	Price 03/31/24	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
Udemy	UDMY	\$ 10.98	\$1,763	\$1,293	\$803	\$915	10.1%	14.0%	1.8%	5.5%	90.4x	25.7x	1.6x	1.4x
skillsoft	SKIL	9.00	73	577	578	625	3.8%	8.0%	21.8%	23.0%	4.6x	4.0x	1.0x	0.9x
FranklinCovey	FC	39.26	520	491	290	320	3.9%	10.3%	18.9%	-	8.9x	NA	1.7x	1.5x

**Higher Ed / K-12**

Company	Ticker	Price 03/31/24	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
GRAND CANYON EDUCATION	LOPE	\$ 136.21	\$4,028	\$3,882	\$1,030	\$1,104	7.2%	7.1%	31.8%	32.3%	11.8x	10.9x	3.8x	3.5x
LAUREATE EDUCATION INC	LAUR	14.57	2,299	2,792	1,562	1,676	5.3%	7.3%	28.5%	28.9%	6.3x	5.8x	1.8x	1.7x
ADTALEM GLOBAL EDUCATION	ATGE	51.40	2,030	2,744	1,588	1,635	6.1%	3.0%	23.5%	23.9%	7.3x	7.0x	1.7x	1.7x
Stride	LRN	63.05	2,669	2,654	2,102	2,252	8.4%	7.1%	18.5%	19.8%	6.8x	6.0x	1.3x	1.2x
STRATEGIC EDUCATION INC	STRA	104.12	2,537	2,485	1,194	1,256	5.4%	5.2%	18.7%	20.1%	11.2x	9.8x	2.1x	2.0x
PERDOCEO EDUCATION CORPORATION	SCHL	37.71	1,104	1,128	1,696	1,739	3.1%	2.5%	11.3%	11.9%	5.9x	5.4x	0.7x	0.6x
SCHOLASTIC	PRDO	17.56	1,157	580	651	NA	(8.3)%	NA	26.5%	NA	3.4x	3.1x	0.9x	NA

**Online Content, Gamified Learning, Marketplaces and Assessments**






Company	Ticker	Price 03/31/24	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	\$ 220.58	\$9,458	\$8,735	\$728	\$925	37.0%	27.1%	22.8%	25.8%	52.7x	36.6x	12.0x	9.4x
WILEY	WLY	38.13	2,087	3,015	1,700	1,675	(11.9)%	(1.5)%	22.0%	24.1%	8.1x	7.5x	1.8x	1.8x
coursera	COUR	14.02	2,284	1,568	736	849	15.8%	15.2%	4.0%	6.6%	52.9x	28.1x	2.1x	1.8x
Chegg	CHGG	7.57	780	1,074	685	696	(4.3)%	1.5%	27.8%	28.7%	5.6x	5.4x	1.6x	1.5x
2U	TWOU	0.39	34	977	807	877	(14.7)%	8.7%	15.1%	16.2%	8.0x	6.9x	1.2x	1.1x
nerdy	NRDY	2.91	581	544	238	293	22.8%	23.3%	4.0%	7.7%	57.8x	24.1x	2.3x	1.9x
<b>Total Median</b>							<b>6.7%</b>	<b>8.7%</b>	<b>20.4%</b>	<b>20.1%</b>	<b>10.0x</b>	<b>9.8x</b>	<b>1.8x</b>	<b>1.7x</b>
<b>Total Mean</b>							<b>8.1%</b>	<b>10.2%</b>	<b>19.9%</b>	<b>20.2%</b>	<b>21.5x</b>	<b>13.3x</b>	<b>2.8x</b>	<b>2.6x</b>

## 2024 YTD Public Equities Performance – International

### Select Public Comparables – Financial and Valuation Metrics

(\$ in millions, except per share data)

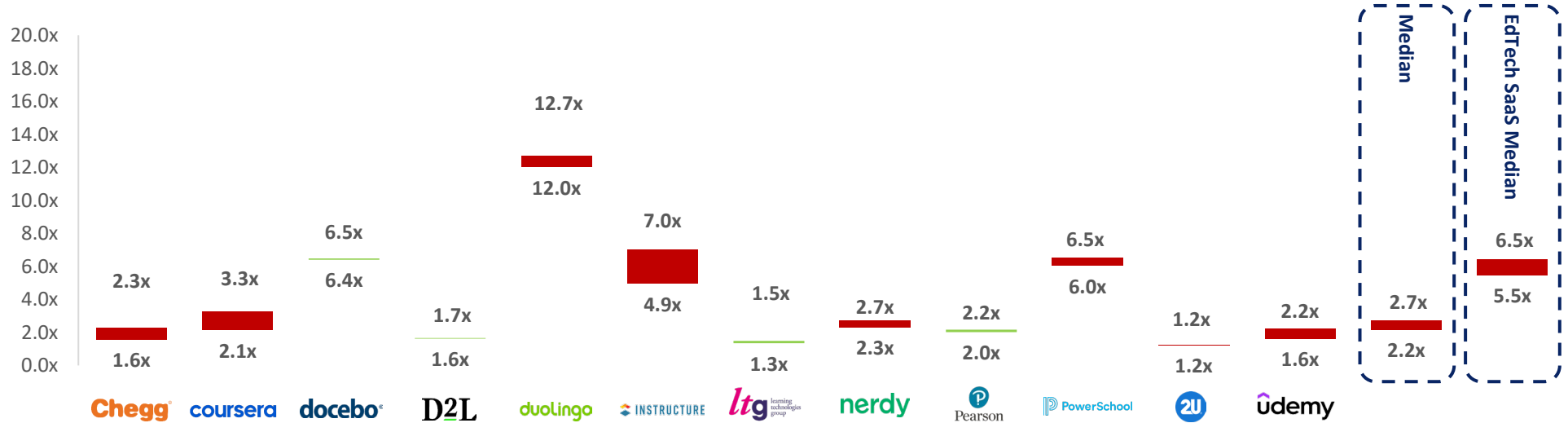
#### International EdTech

Company	Ticker	Price 03/31/24	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
 Pearson	LSE: PSON	\$ 13.16	\$8,960	\$10,114	\$4,656	\$4,874	(0.5)%	4.7%	23.0%	23.1%	9.4x	9.0x	2.2x	2.1x
 新东方 NEW ORIENTAL	EDU	86.82	14,370	10,645	4,509	5,224	25.8%	15.8%	14.8%	18.0%	15.9x	11.3x	2.4x	2.0x
 TAL 好未来	TAL	11.35	7,247	4,159	1,748	2,017	31.5%	15.4%	1.6%	6.7%	NM	30.8x	2.4x	2.1x
 Benesse	TSE:9783	17.10	1,652	1,722	2,834	2,879	(2.6)%	1.6%	10.2%	-	6.0x	NA	0.6x	0.6x
 ltg learning technologies group	AIM:LTG	1.08	878	993	694	720	(2.8)%	3.7%	21.9%	22.6%	6.5x	6.1x	1.4x	1.4x
<b>Total Median</b>							<b>8.3%</b>	<b>10.0%</b>	<b>18.4%</b>	<b>20.3%</b>	<b>9.4x</b>	<b>9.3x</b>	<b>2.3x</b>	<b>2.1x</b>
<b>Total Mean</b>							<b>11.4%</b>	<b>10.2%</b>	<b>17.3%</b>	<b>18.1%</b>	<b>10.2x</b>	<b>13.3x</b>	<b>2.2x</b>	<b>2.0x</b>

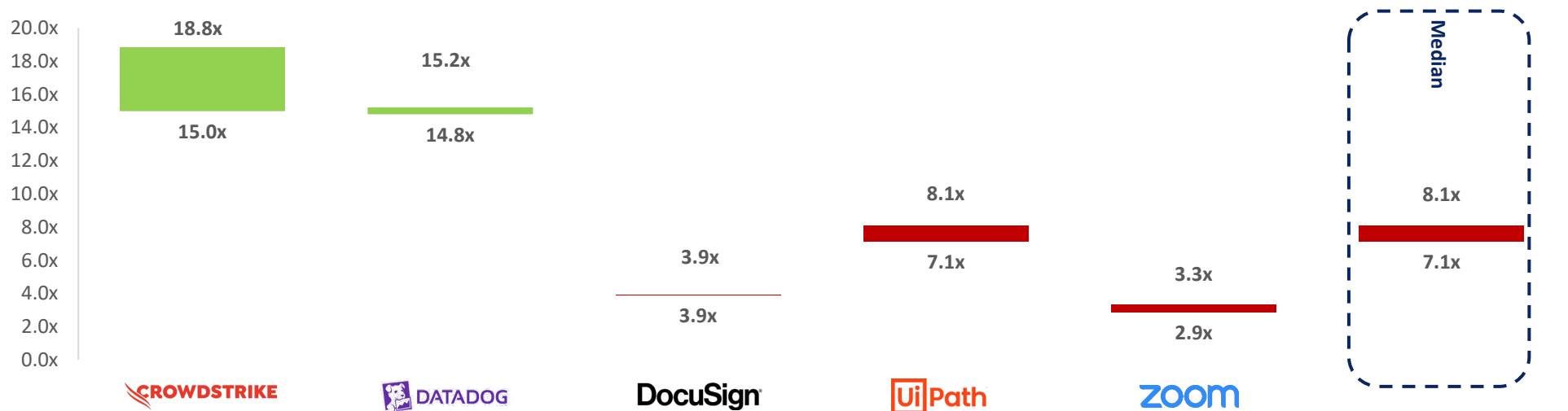
# Change in Public Equities Valuation

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

## Select EdTech Comparable Companies



## Select High Growth Software Comparable Companies

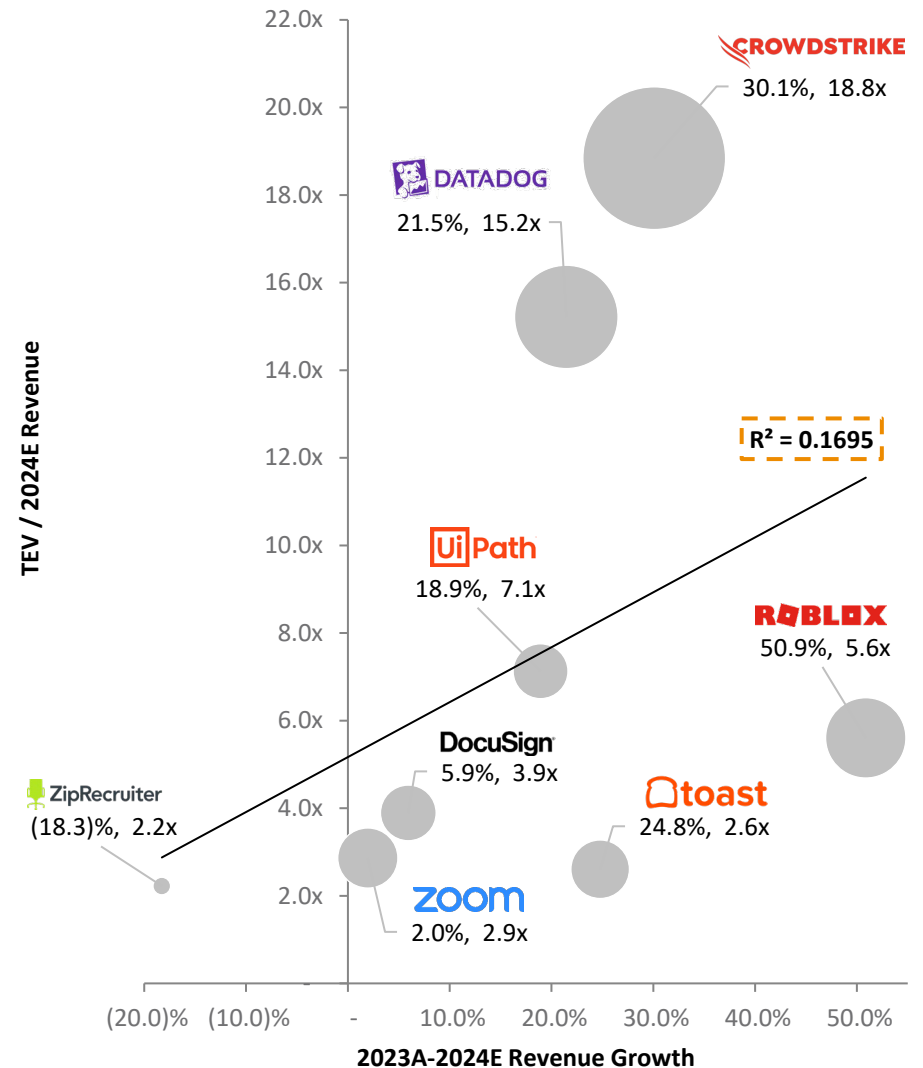
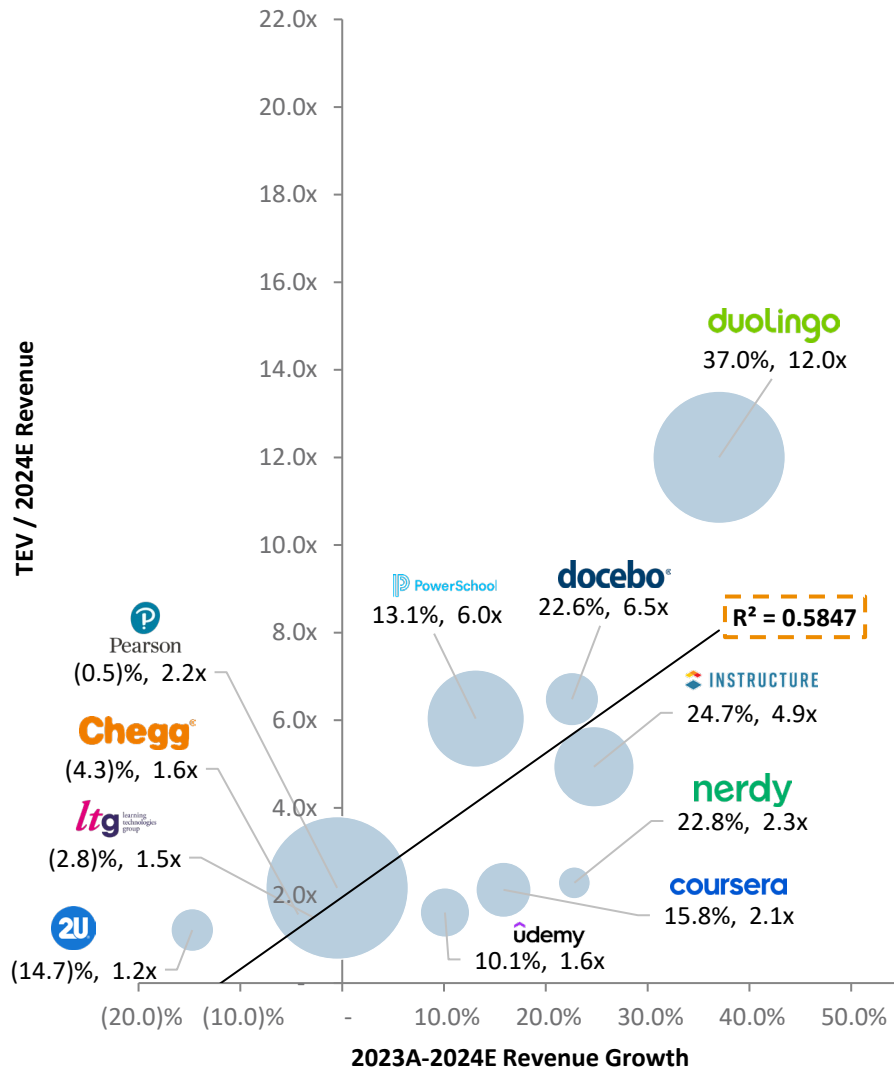


Source: S&P Capital IQ, FactSet as of 3/29/2024.

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



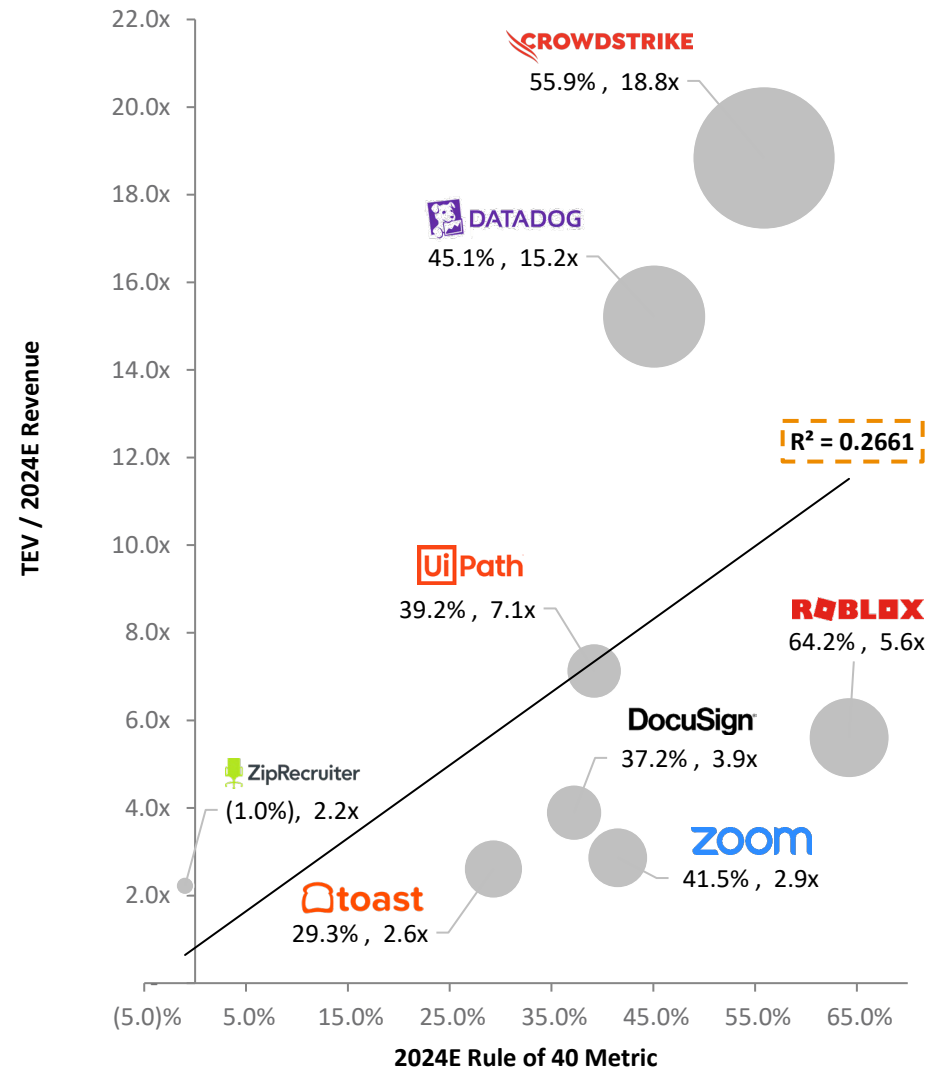
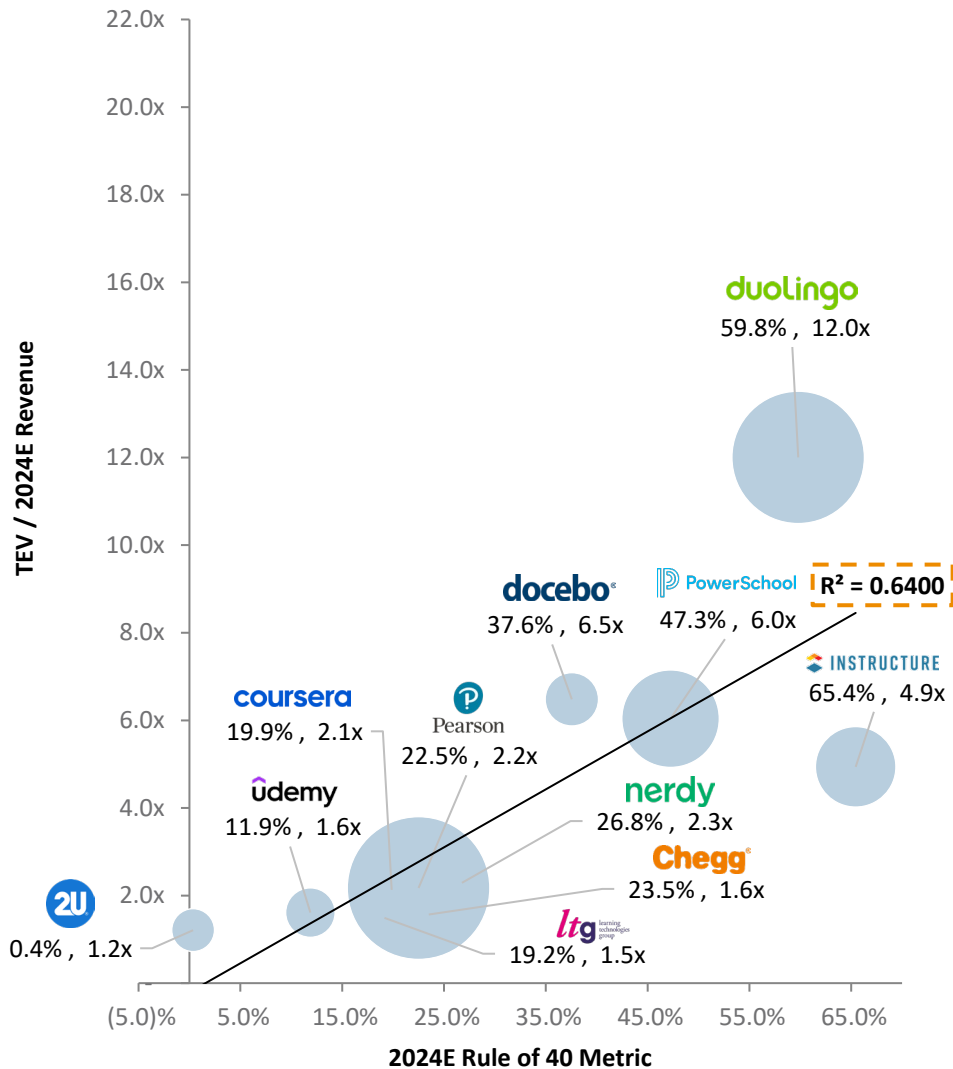
Source: S&P Capital IQ, FactSet as of 3/29/2024.

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



# Comparable Company “Rule of 40” Valuation Framework

## 2024E Rule of 40 Metric<sup>(1)</sup> vs TEV / 2024E Revenue Multiple



Source: S&P Capital IQ, FactSet as of 3/29/2024.

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



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### Execution Support

# Oppenheimer's EdTech Franchise

<p>Acquired by</p> <p>KKR</p> <p>Sell-Side M&amp;A</p>	<p>\$52,800,000</p> <p>Acquired by</p> <p>Sell-Side M&amp;A</p>	<p>Acquired</p> <p>Buy-Side M&amp;A</p>	<p>Series E</p>	<p>\$436,000,000</p> <p>Acquired</p> <p>Buy-Side M&amp;A</p>	<p>Acquired</p> <p>Buy-Side M&amp;A</p>
<p>Acquired by</p> <p>THOMABRAVO JMI</p> <p>Sell-Side M&amp;A</p>	<p>Acquired by</p> <p>Sell-Side M&amp;A</p>	<p>\$200,000,000</p> <p>Acquired</p> <p>Buy-Side M&amp;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&amp;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&amp;A</p>	<p>\$231,000,000</p> <p>Acquired by</p> <p>Sell-Side M&amp;A</p>	<p>\$519,000,000</p> <p>Initial Public Offering</p>	<p>Acquired</p> <p>Buy-Side M&amp;A</p>	<p>Acquired by</p> <p>LEEDS   Equity Partners</p> <p>Sell-Side M&amp;A</p>
<p>Acquired</p> <p>Buy-Side M&amp;A</p>	<p>\$910,000,000</p> <p>Acquired</p> <p>Buy-Side M&amp;A</p>	<p>Acquired by</p> <p>Sell-Side M&amp;A</p>	<p>\$80,000,000</p> <p>Acquired by</p> <p>Sell-Side M&amp;A</p>	<p>Acquired by</p> <p>Sell-Side M&amp;A</p>	<p>\$750,000,000</p> <p>Acquired by</p> <p>Sell-Side M&amp;A</p>

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