

7 Mile Advisors



Sectorwatch:

Corporate IT Training and Educational Services

July 2021



Corporate IT Training and Educational Services

- 4 [Sector Dashboard](#)
- 5 [Public Basket Overview](#)
- 6 [Public Basket Performance](#)
- 8 [Operational Metrics](#)
- 11 [Valuation Comparison](#)
- 14 [Recent Deals](#)
- 15 [Appendix](#)

Overview

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally.

We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets.

We publish our sectorwatch, a review of M&A and operational trends in the industries we focus.

DASHBOARD

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.

PUBLIC BASKET PERFORMANCE

- Summary valuation and operating metrics for a basket of comparable public companies.

VALUATION COMPARISON

- Graphical, detailed comparison of valuation multiples for the public basket.

RECENT DEALS

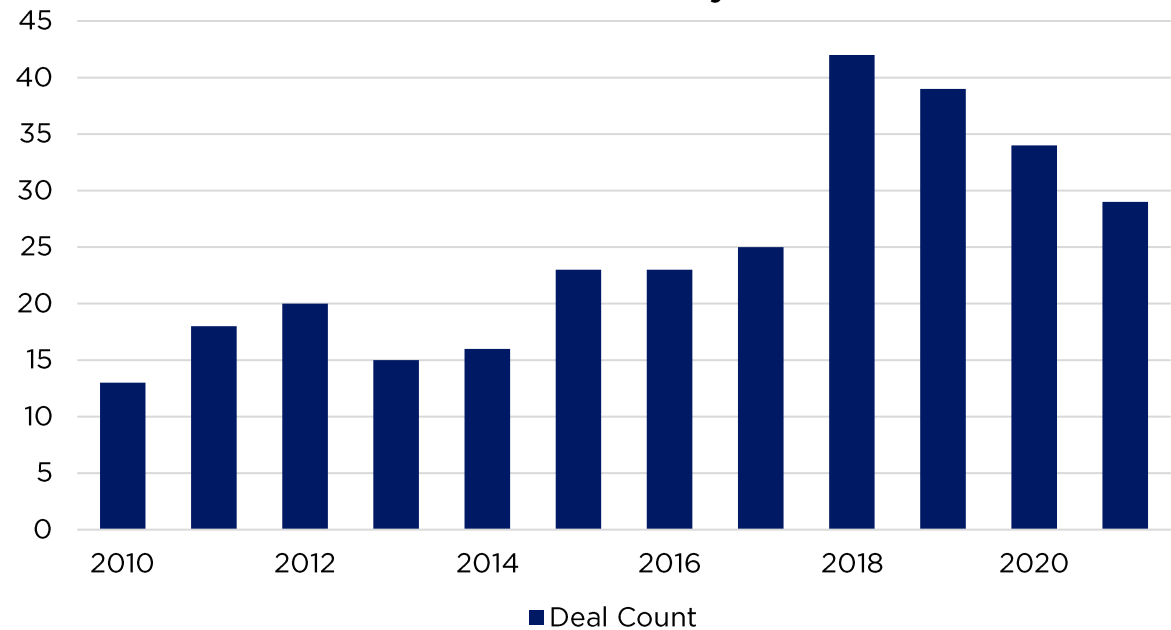
- The most recently announced deals in the sector

Dashboard

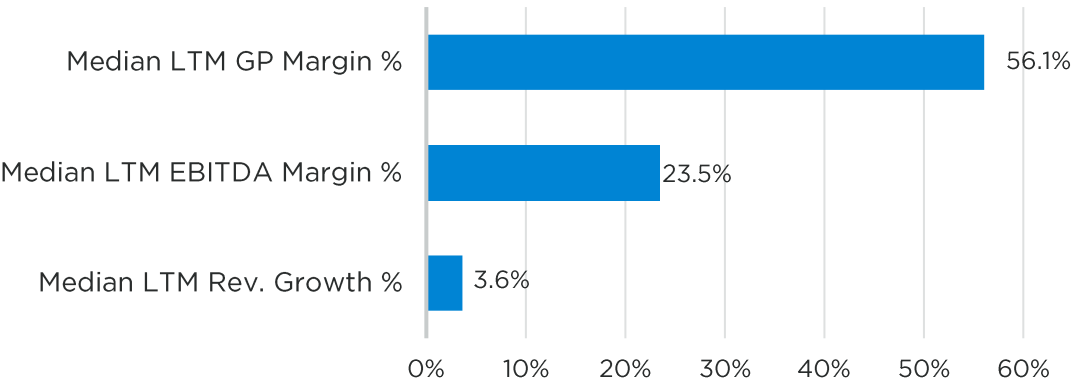
REVENUE GROWTH MOMENTUM ↑ 2.9%

1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing

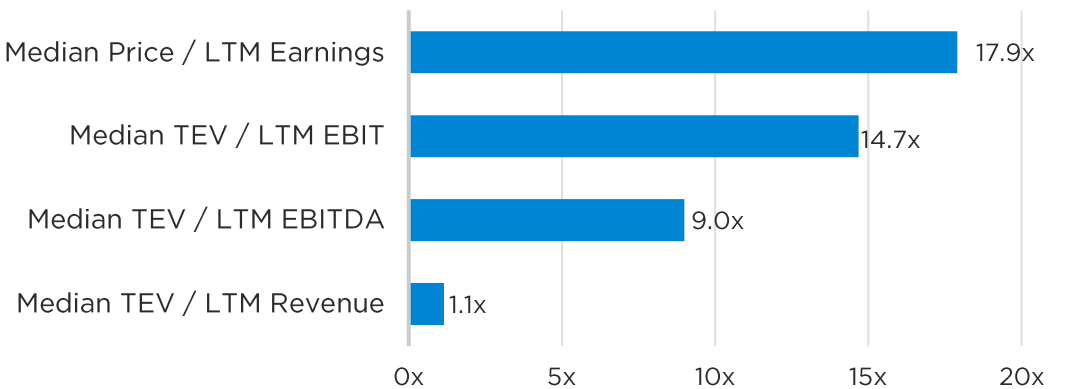
M&A Activity



Operating Metrics



Valuation



Public Basket Overview

Corporate IT
Training and
Education

North America

SEI
STRATEGIC EDUCATION, INC.

GH GRAHAM HOLDINGS

GP
STRATEGIES[®]

GCE GRAND
CANYON
EDUCATION

ADTALEM
GLOBAL EDUCATION

apei AMERICAN PUBLIC
EDUCATION, INC.

Asia

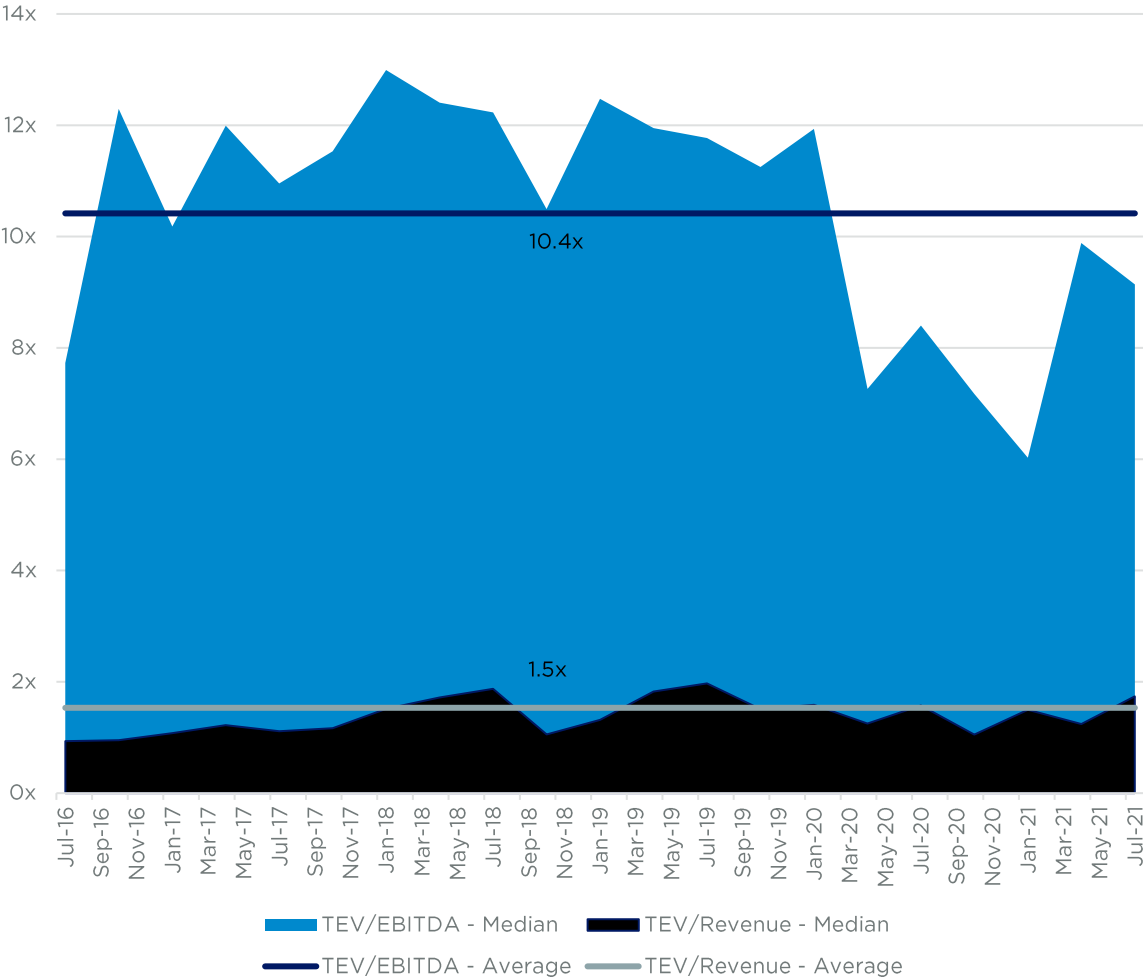
NIIT World's Leading Skills and
Talent Development Corporation

Public Basket

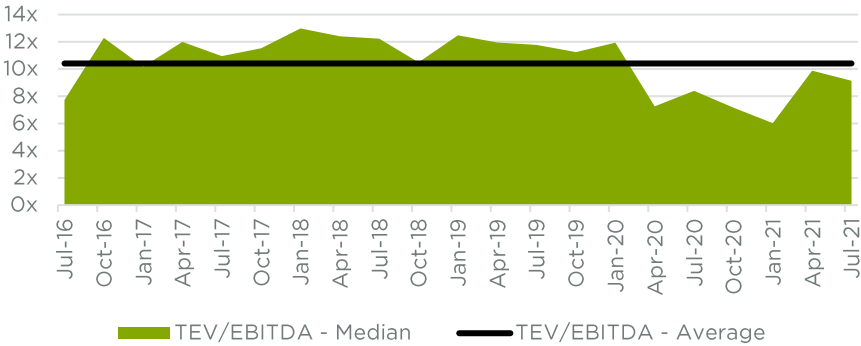
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Grand Canyon Education	4,168	312	859	7.0%	58.4%	36.4%	4.9x	13.3x	4,625	186
Graham Holdings	3,244	946	2,869	-3.5%	-	33.0%	1.1x	3.4x	16,661	172
Strategic Education	1,828	200	1,053	3.6%	-	19.0%	1.7x	9.1x	3,679	286
Adtalem Global Education	2,539	283	1,092	3.3%	56.1%	26.0%	2.3x	9.0x	4,299	254
American Public Education	221	45	336	16.8%	62.7%	13.4%	0.7x	4.9x	2,940	114
GP Strategies	366	22	459	-19.7%	17.7%	4.8%	0.8x	16.7x	4,343	106
NIIT	341	30	128	6.8%	31.3%	23.5%	2.7x	11.4x	2,600	49
Average	1,815	263	971	2.1%	45.2%	22.3%	2.0x	9.7x	5,592	167
Median	1,828	200	859	3.6%	56.1%	23.5%	1.7x	9.1x	4,299	172

share price as of 26Jul21

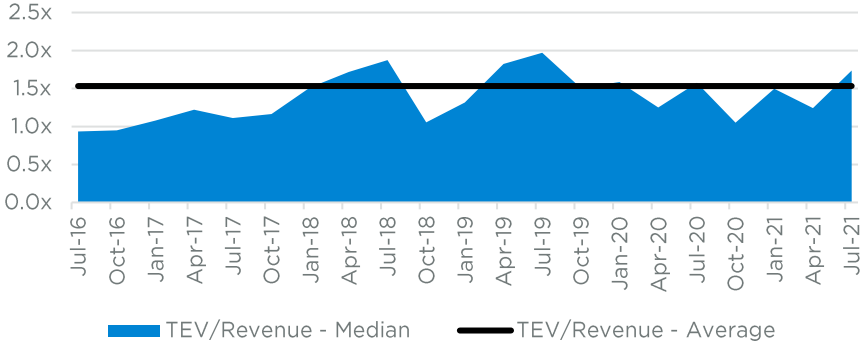
Public Basket



Public EBITDA Multiples over Time

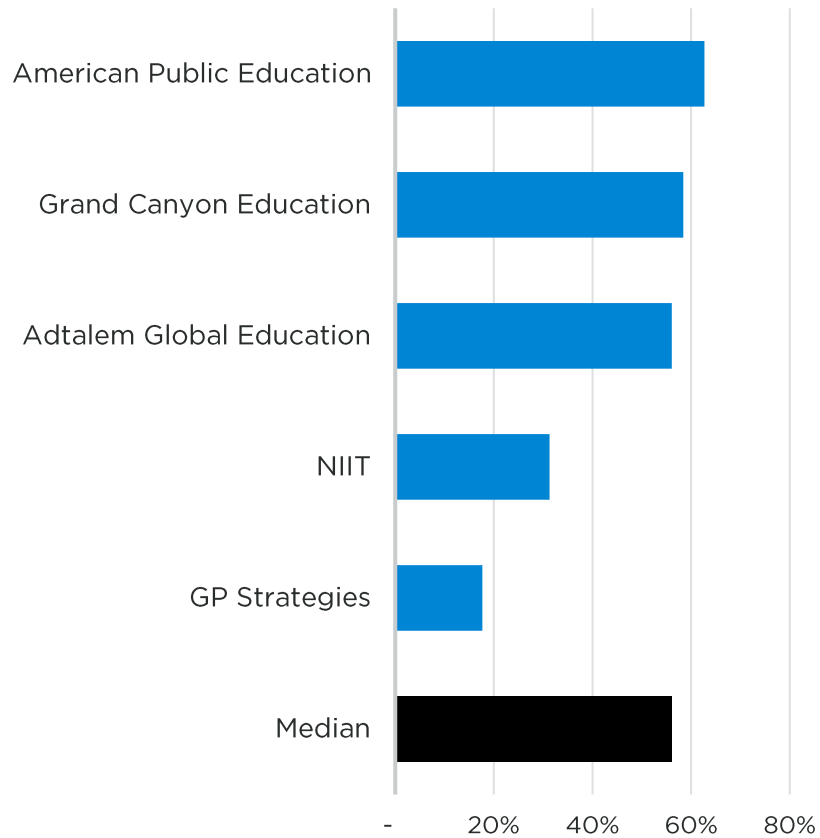


Public Revenue Multiples over Time

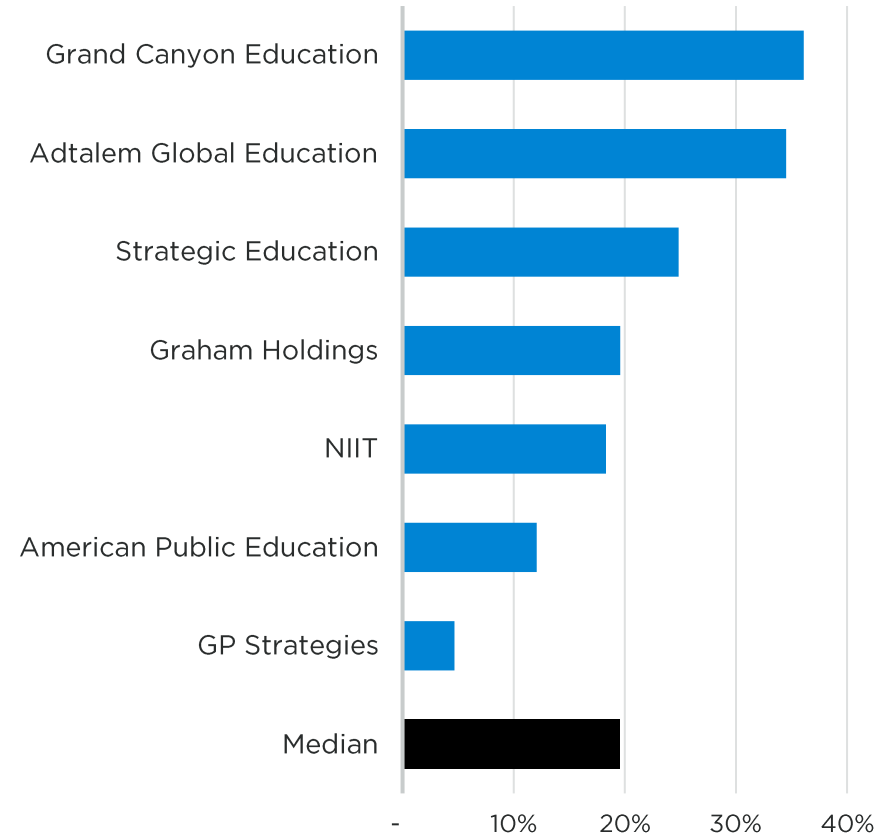


Operational Metrics

LTM Gross Profit Margin %

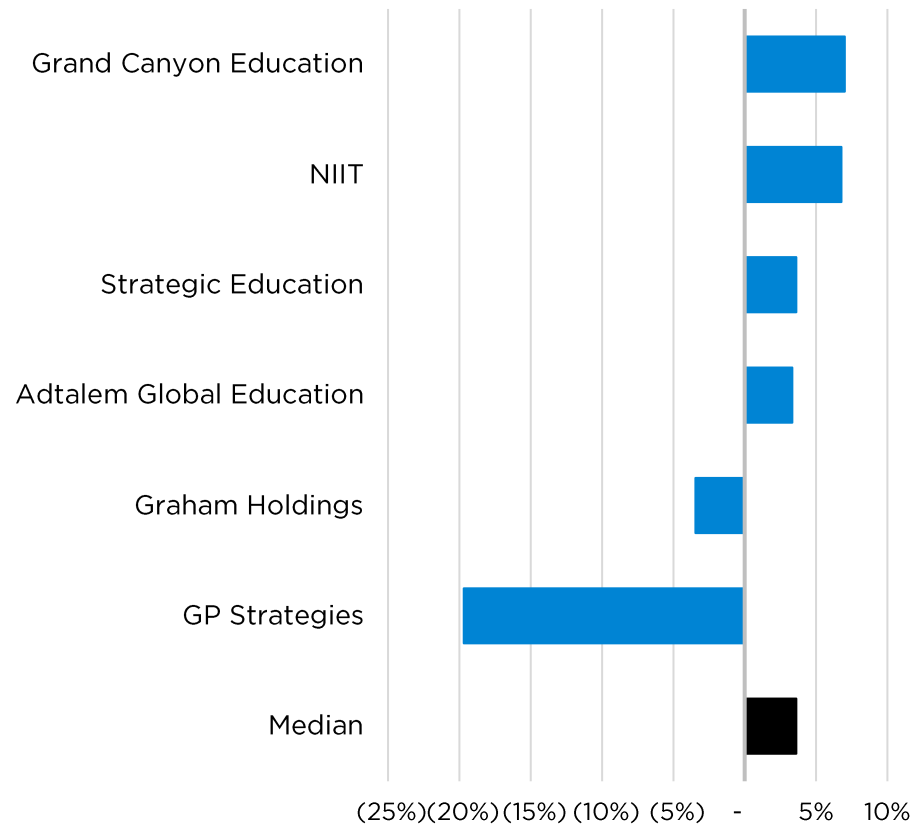


LTM EBITDA %

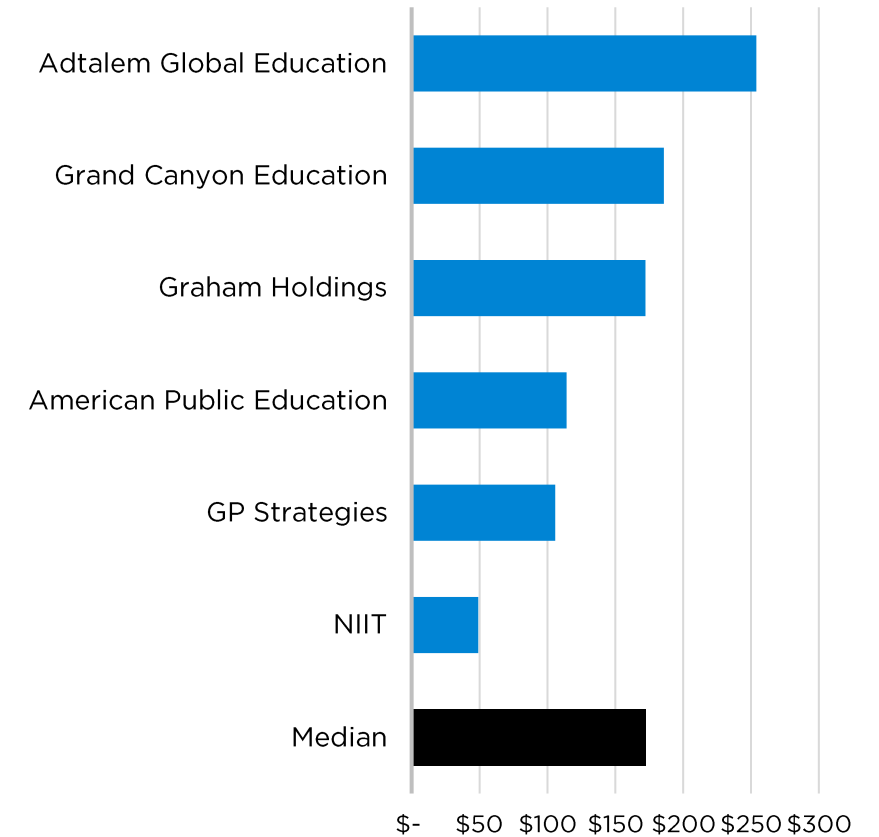


Operational Metrics

LTM Revenue Growth %

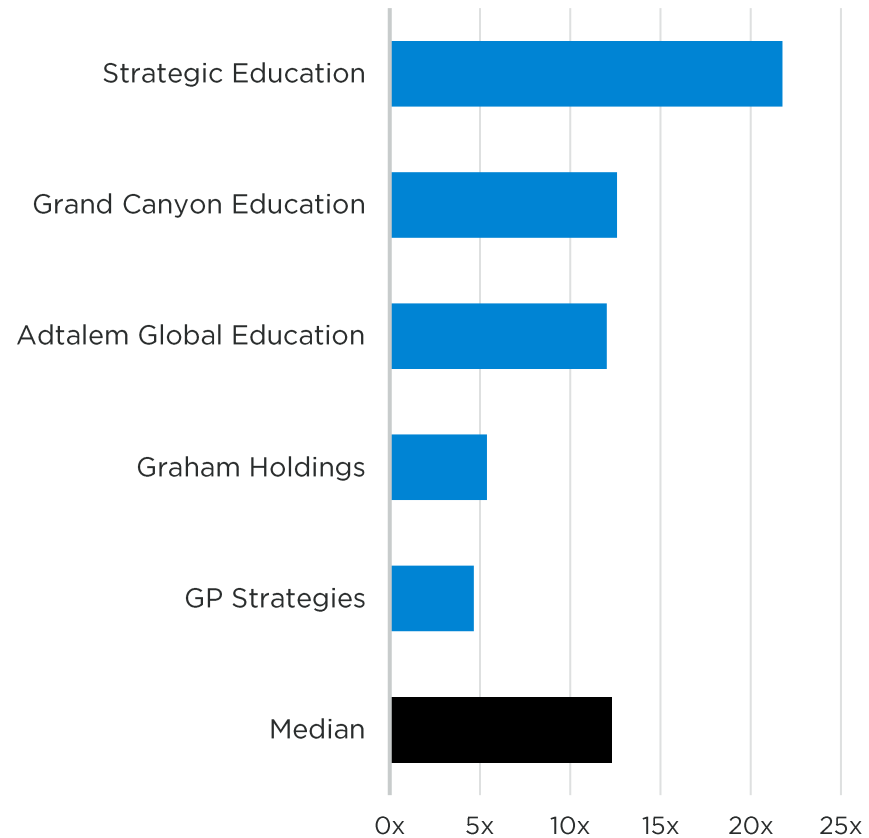


LTM Revenue per Full Time Employee x 000's

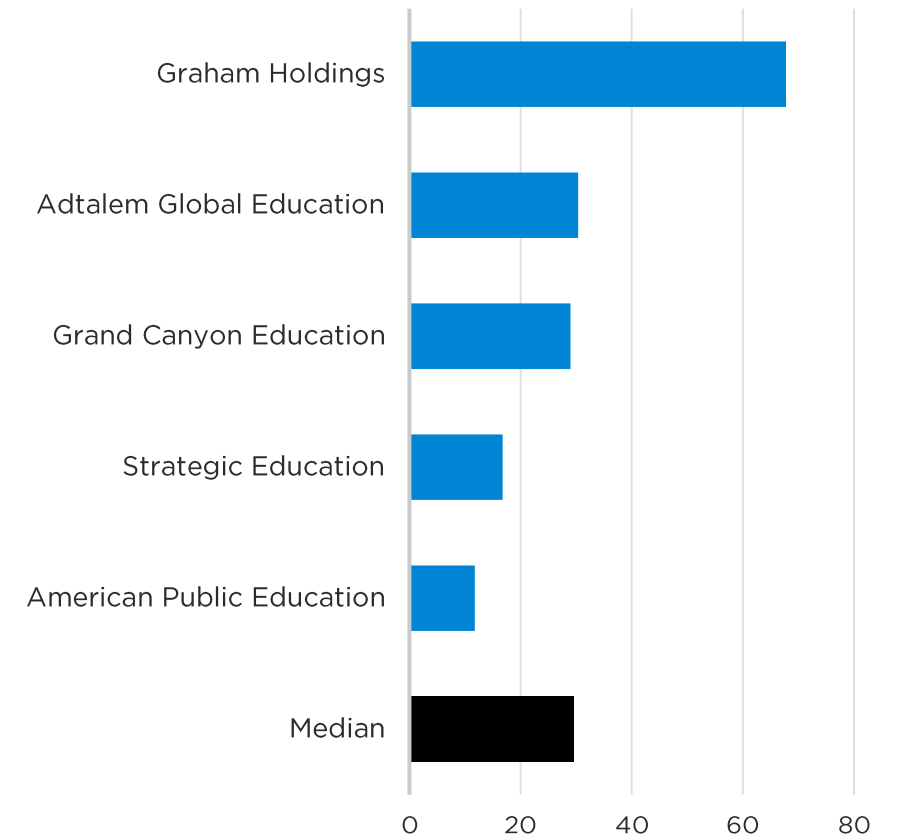


Operational Metrics

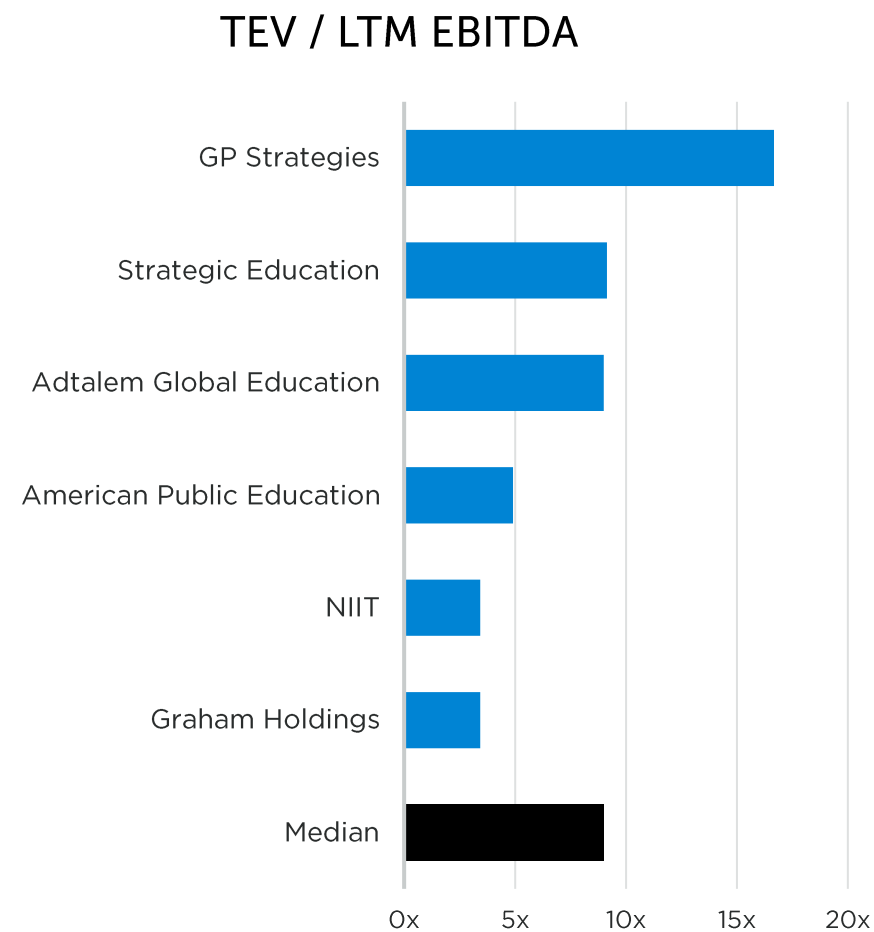
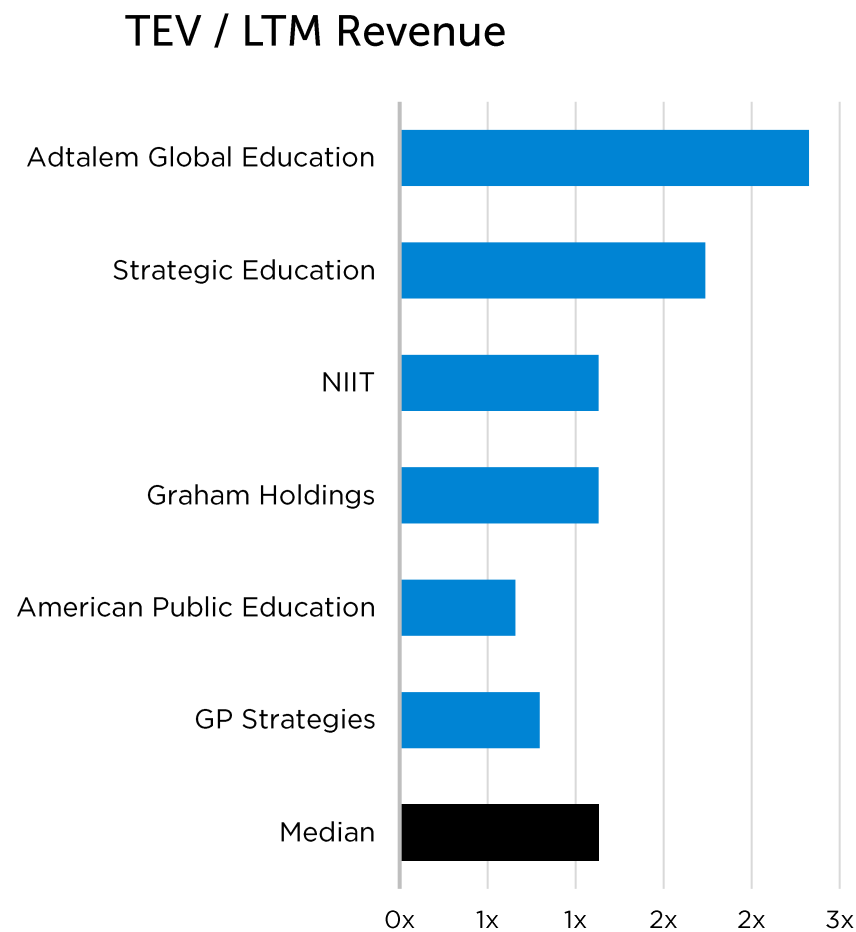
Accounts Receivable Turnover



Average Days Sales Outstanding

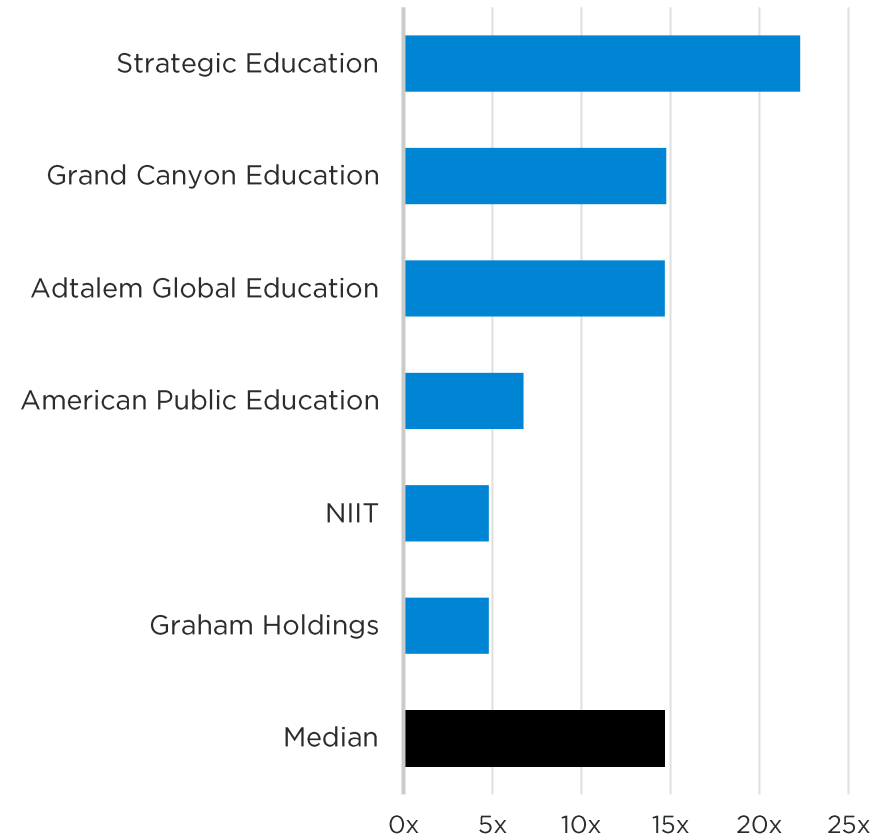


Valuation

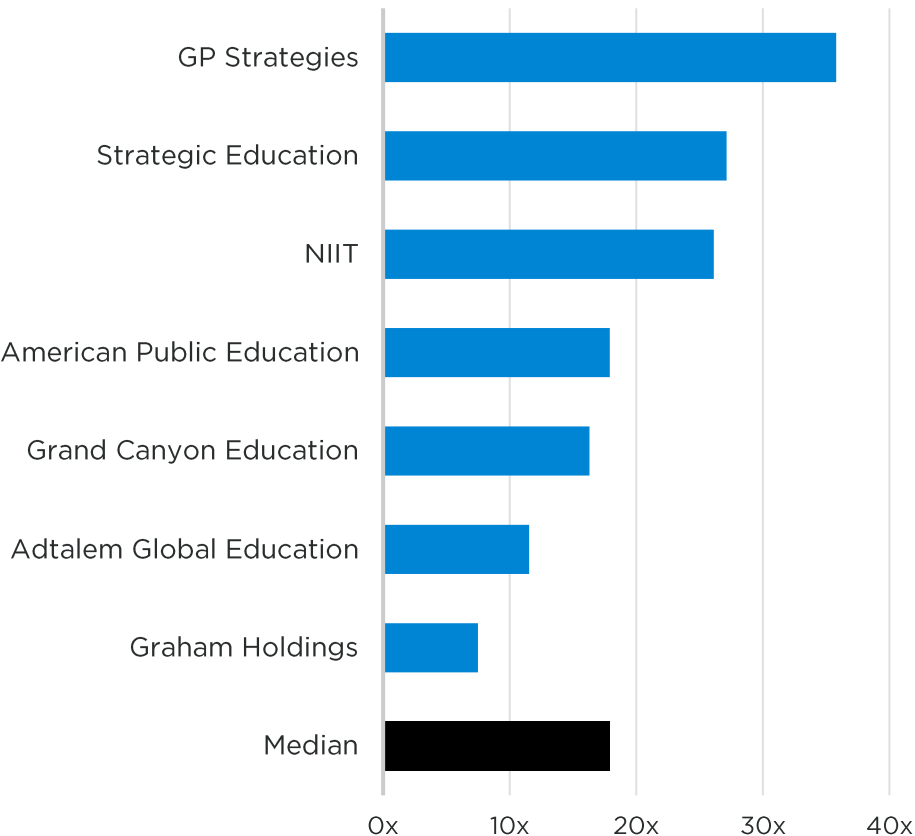


Valuation

TEV / LTM EBIT

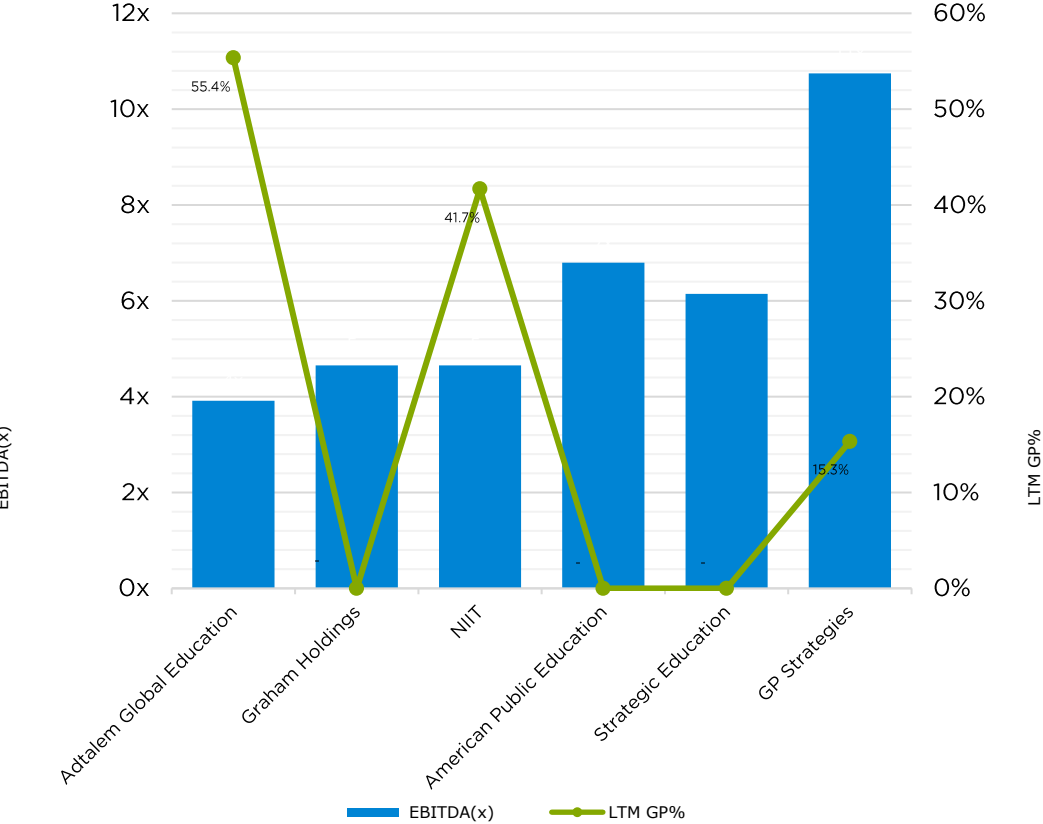


Price / LTM Earnings

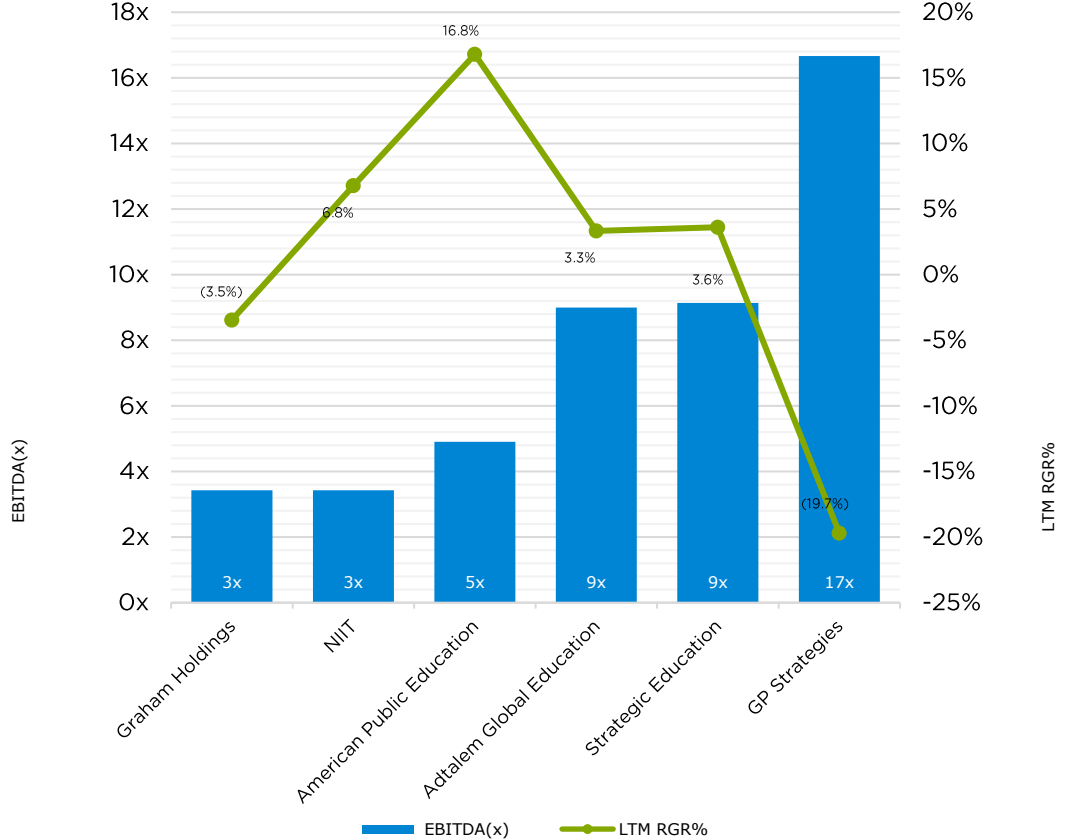


Valuation

Historical Valuation Multiples
versus Gross Profit



Historical Valuation Multiples
versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer / Investors	Total Transaction Amount	Target Revenue	TEV / Revenue	TEV / EBITDA
26-Jul-21	AGS Tek Partners	Kris Infotech	-	-	-	-
24-Jun-21	Neueda	Version 1	-	-	-	-
13-Oct-20	Global Knowledge Training	SkillSoft	233.00	-	1.75	-
02-Jun-21	A Cloud Guru	Pluralsight	3500.00	-	35.00	-
12-May-21	Gruppo Sigla	Relatech	2.77	-	-	-
03-May-21	Pierian Data	Educate 360	-	-	-	-
16-Apr-21	Rackspace Cloud Academy	Codeup	-	-	-	-
14-Apr-21	3Aside Consultors	Izertis	5.14	-	-	-
31-Mar-21	Jolt Consulting Group	Forcivity	-	-	-	-
10-Mar-21	Kenzie Academy	Southern New Hampshire University Endowment	-	-	-	-
18-Feb-21	Redcage	Apax Partners (France)	-	-	-	-
02-Feb-21	BPLI Holding	Difference Capital Financial, Flow Capital, Serebra Learning	-	-	-	-
12-Jan-21	Next Tech (Educational Software)	Pluralsight	-	-	-	-
20-Nov-20	STARTX	La Home Sweet Company	-	-	-	-
17-Nov-20	MedCerts	Stride (Educational Software)	70.00	-	3.50	-
13-Oct-20	Capensys	Wilson Legal Solutions	-	-	-	-
13-Oct-20	Global Knowledge Training	SkillSoft	233.00	-	1.75	-
13-Oct-20	TCT Computing Group	10Pearls	-	-	-	-
23-Sep-20	Clear Skies Security	Cerberus Cyber Sentinel	-	-	-	-
14-Sep-20	GFN	Amadeus Fire Group	7.11	-	0.25	-
04-Jun-20	Big Nerd Ranch	Projekt202	-	-	-	-
02-Jun-20	CAD Studio	Arkance Systems	-	-	-	-
02-Jun-20	Cutter Consortium	Arthur D. Little (France)	-	-	-	-

Appendix

*Public Basket
Contact Information*

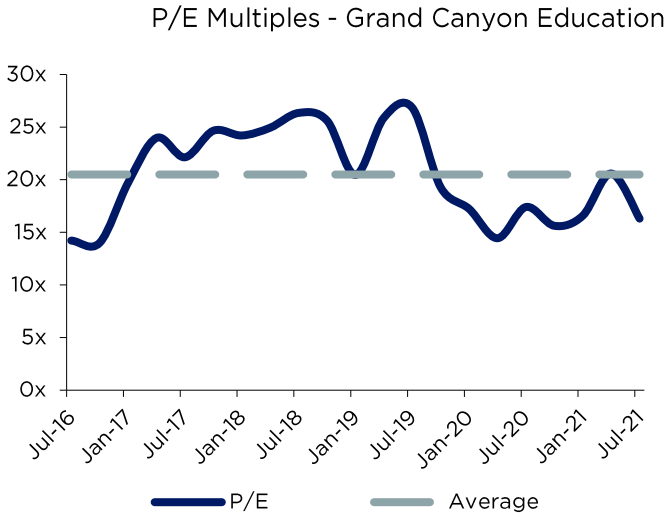
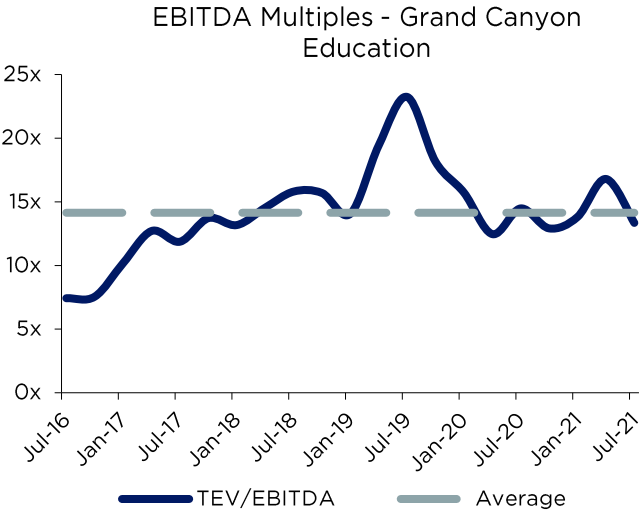
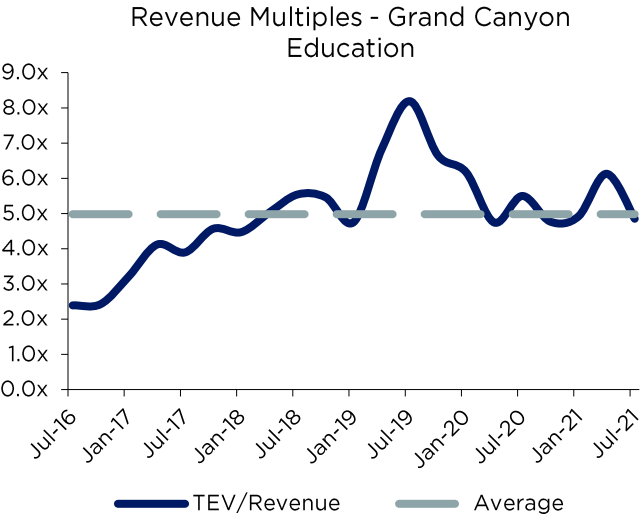
Grand Canyon Education

Grand Canyon Education Inc is an American for-profit educational company that operates a private university in Phoenix, Arizona, as well as online educational programs.

The company offers undergraduate and postgraduate degree programs, including business, education, nursing and health, and liberal arts. Grand Canyon Education's on-campus program enrolls approximately 15,000 students, while its online program enrolls over 50,000 students. The university's undergraduate programs enroll approximately 60% of its overall student base and is the largest revenue driver for the company.

Public Basket

Grand Canyon Education



Company Name	Date	Deal Synopsis
Orbis Education Services	22-Jan-19	The company was acquired by Grand Canyon Education (Nasdaq: LOPE) for \$361.2 million on January 22, 2019. The acquisition combines the strengths of two of the nation's most innovative service providers in higher education in an effort to align their expertise and better address a nationwide shortage in licensed healthcare professionals.
Zenjoy	14-Apr-17	The company received \$1,000 of grant funding from Grand Canyon Education as a part of its 2017 Canyon Challenge on April 14, 2017.

Graham Holdings

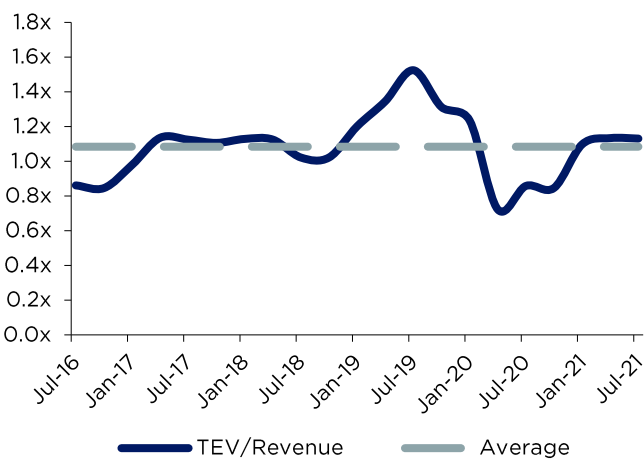
Graham Holdings Co.

is a diversified education and media company made up of subsidiaries. Firm operations include educational services; television broadcasting; online, print, and local news; home health and hospice care; and manufacturing. The company's six segments are Kaplan International, Kaplan Higher Education, Kaplan Test Preparation, Kaplan Professional (U.S.), Television Broadcasting, and Other Activities (including home health, hospice services, and manufacturing). The majority of revenue comes from the Kaplan International segment, which includes higher education, test preparation, language instruction, and professional training. A large portion of company revenue also comes from the television broadcasting segment through advertising.

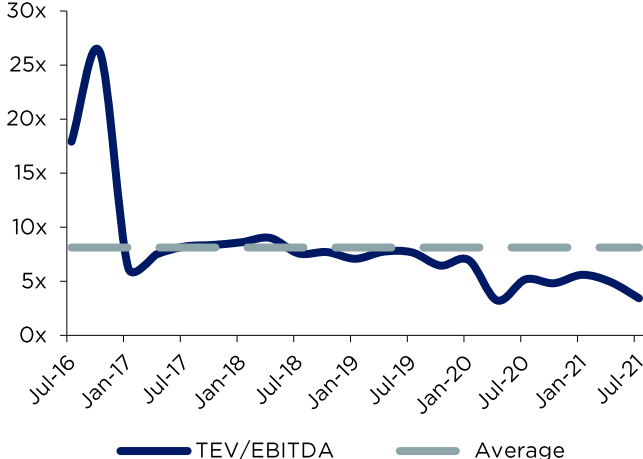
Public Basket

Graham Holdings

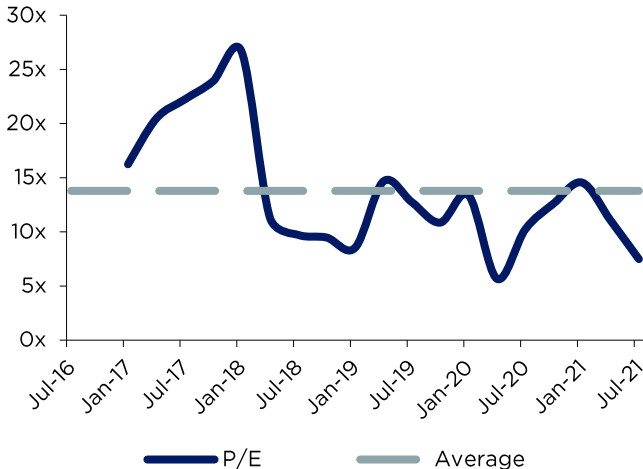
Revenue Multiples - Graham Holdings



EBITDA Multiples - Graham Holdings



P/E Multiples - Graham Holdings



Company Name	Date	Deal Synopsis
Leaf Group	05-Apr-21	The company reached a definitive agreement to be acquired by Graham Holdings (NYS: GHC) for \$323 million on April 5, 2021. The transaction is valued at r \$323 million and it is a in an all-cash transaction where Graham Holdings will acquire all of the outstanding shares of common stock for \$8.50 per share. The acquisition will allow the company add additional resources and expertise that will further grow the reach of its young brands and innovate for its customers, creators and audiences.
Podsights	23-Mar-21	The company raised \$4 million of venture funding in a deal led by Newark Venture Partners on March 23, 2021, putting the company's pre-money valuation at \$10 million. Bertelsmann Digital Media Investments, Graham Holdings, Aglaé Ventures, Greycroft, Betaworks Ventures, and Supernode Global also participated in the round. The funds will be used towards new products and people.

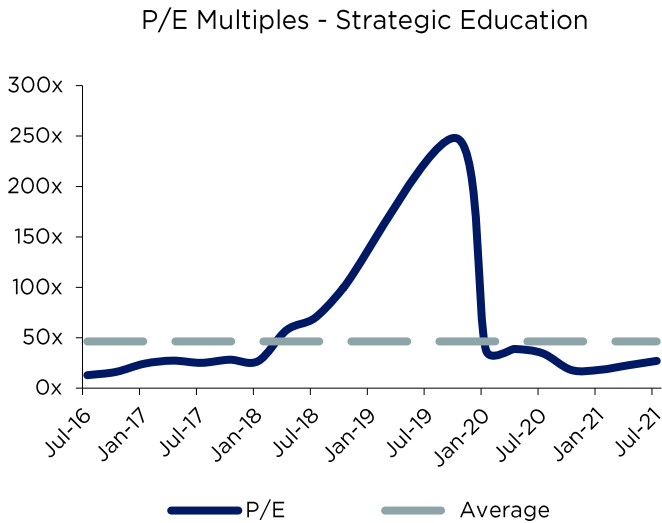
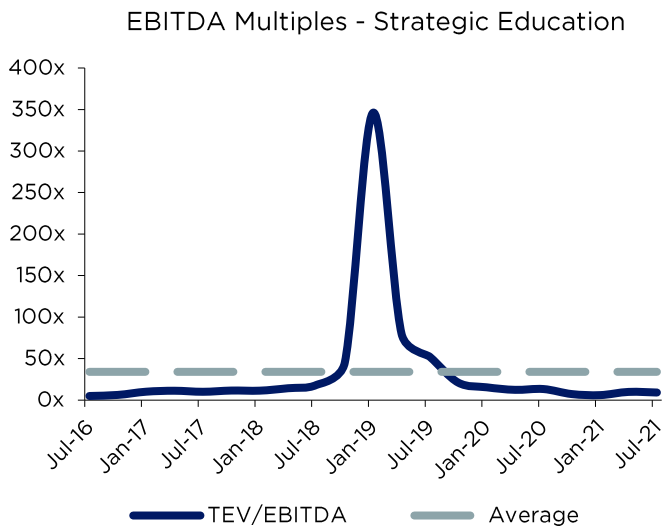
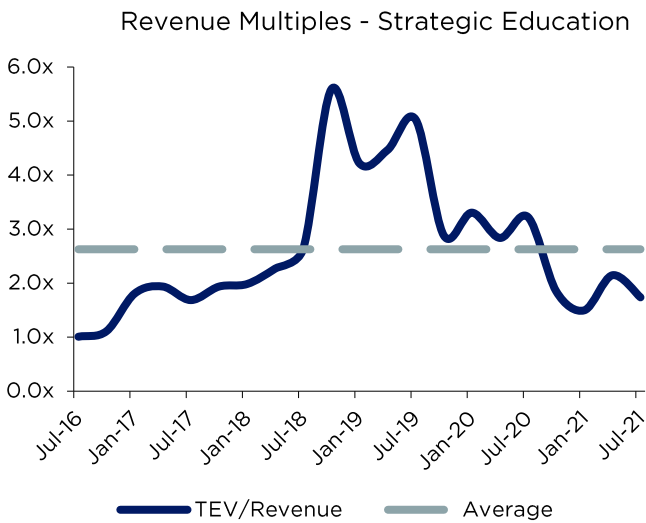
Strategic Education

Strategic Education Inc is engaged in providing educational services.

It offers flexible and affordable associate, bachelor's, master's, and doctoral programs. Strategic Education provides courses in the eastern United States. The group operates through segments namely: Strayer University Segment, Capella University Segment, and Australia/New Zealand Segment.

Public Basket

Strategic Education



Company Name	Date	Deal Synopsis
Media Design School	03-Nov-20	The company, a subsidiary of Laureate Education, was acquired by Strategic Education (NAS: STRA) on November 3, 2020 for an undisclosed sum. The transaction is a part of a deal where Strategic Education (NAS: STRA) acquired the company, Torrens University Australia and Think Education for \$642.7 million.
Think Education	03-Nov-20	The company was acquired by Strategic Education (NAS: STRA) on November 3, 2020 for an undisclosed sum. The transaction is a part of a deal where Strategic Education (NAS: STRA) acquired the company, Torrens University Australia and Media Design School for \$642.7 million.

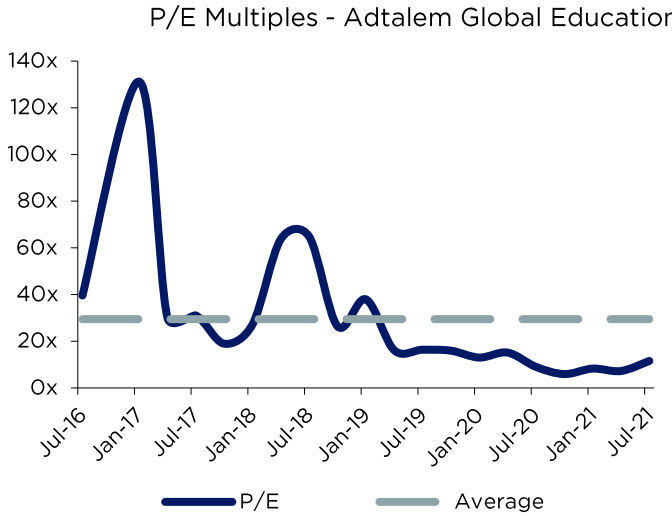
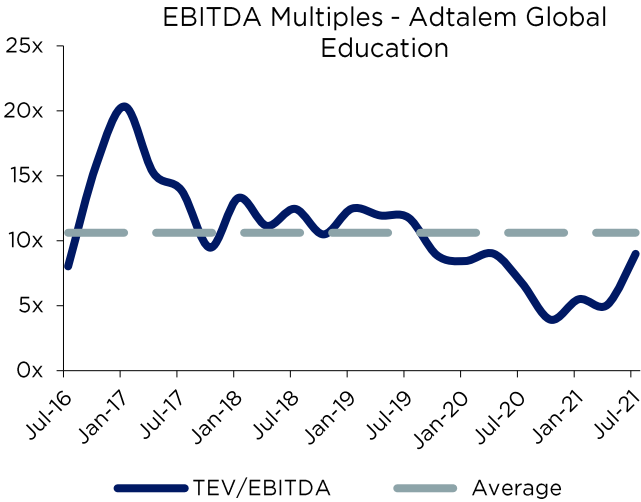
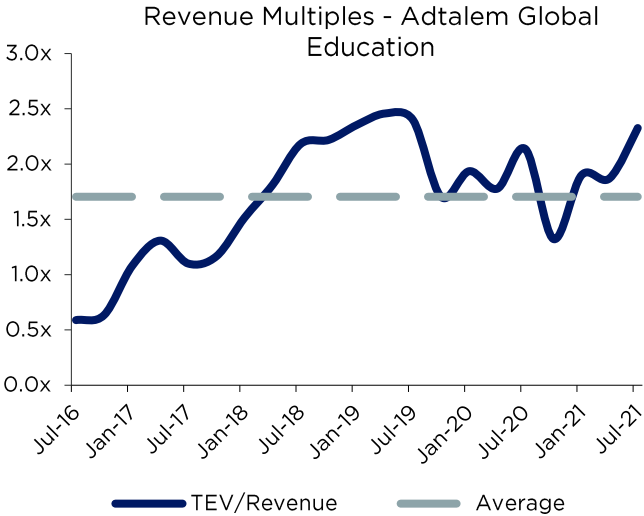
Adtalem Global Education

Adtalem Global Education Inc is an American for-profit educational company that operates various university and educational programs.

The company runs eight colleges and universities that specialize in business, medicine, education, and nursing degree programs. DeVry Education Group has over 90 campuses as well as online courses that offer associate, bachelor, and postgraduate degrees. Enrollment in its business colleges represents almost half of overall student enrollment, followed by technology and healthcare. The company derives the majority of its revenue from student enrollment fees using federal financial aid programs such as Pell Fund grants.

Public Basket

Adtalem Global Education



Company Name	Date	Deal Synopsis
Walden University	11-Sep-20	The company, a subsidiary of Laureate, reached a definitive agreement to be acquired by Adtalem Global Education (NYS: ATGE) for \$1.48 billion on September 11, 2020. The acquisition is expected to provide significant potential for growth and margin expansion through new and expanded offerings as well as revenue and cost synergies.
OnCourse Learning	31-May-19	The company, a subsidiary of Bertelsmann, was acquired by Adtalem Global Education (NYS: ATGE) for \$118.4 million on May 31, 2019. The acquisition furthers Adtalem's growth strategy into financial services.

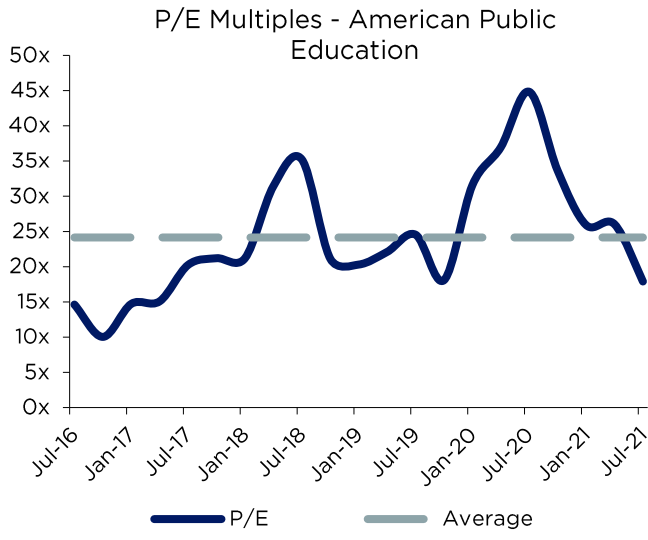
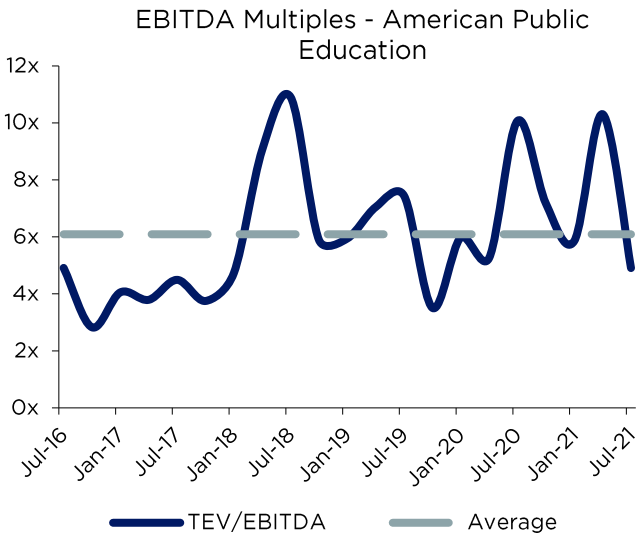
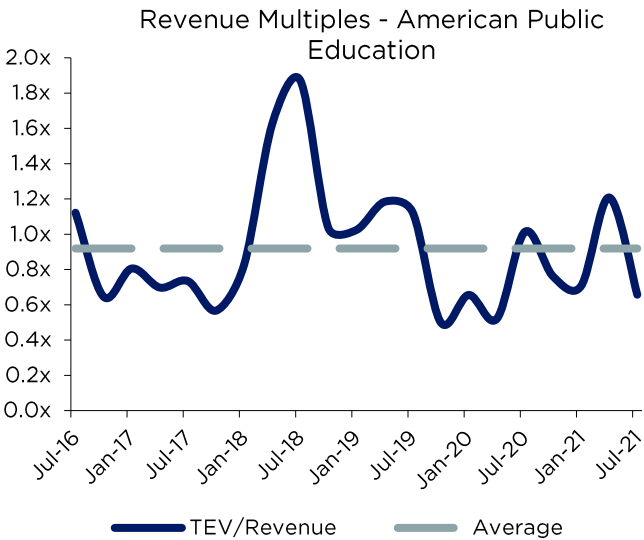
American Public Education

American Public Education Inc provides online and on-campus post-secondary education including various undergraduate and graduate degree programs.

The fields of study include business administration, health science, technology, criminal justice, education, liberal arts, national security, military studies, intelligence, and homeland security. There are two reporting segments: American Public Education segment which is the key revenue generator; and Hondros College of Nursing segment. The revenue is generated from net course registrations and enrollment, tuition rate, net tuition, and other fees.

Public Basket

American Public Education



Company Name	Date	Deal Synopsis
Rasmussen College	28-Oct-20	The company reached a definitive agreement to be acquired by American Public Education (NAS: APEI) for \$329 million on October 28, 2020. The transaction price consists of \$300 million in cash plus \$29 million in preferred shares, which represents the value of expected tax step-up benefits.
Mentorpro	01-Sep-18	The company was awarded \$20,000 of prize money from American Public Education as part of the the Milken-Penn Education GSE Business Plan Competition in September 2018.

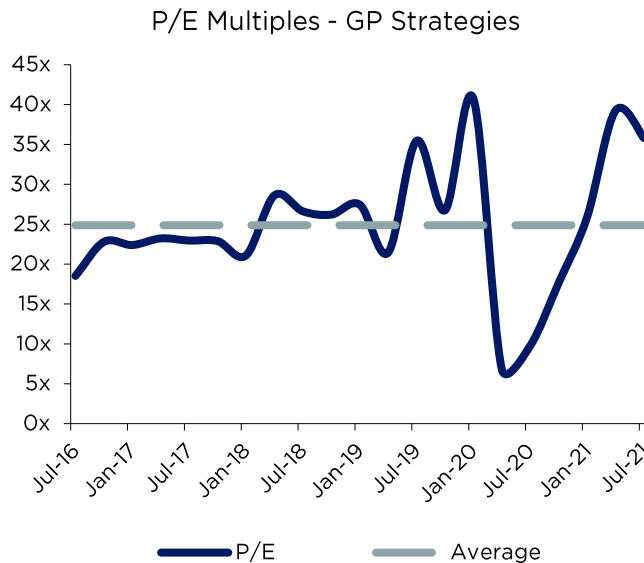
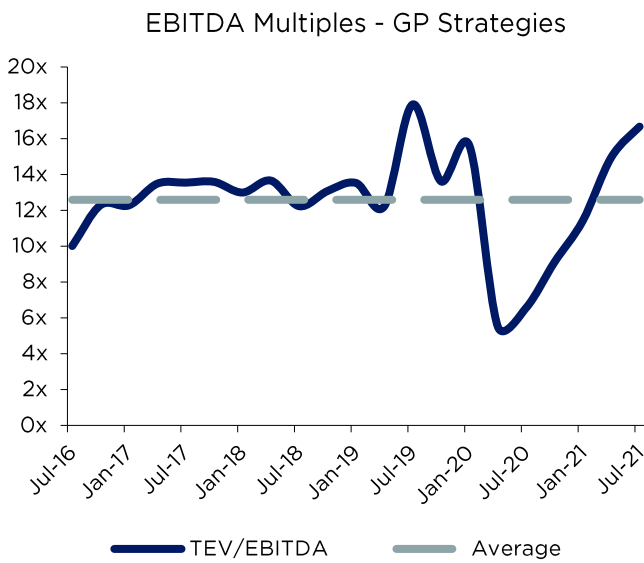
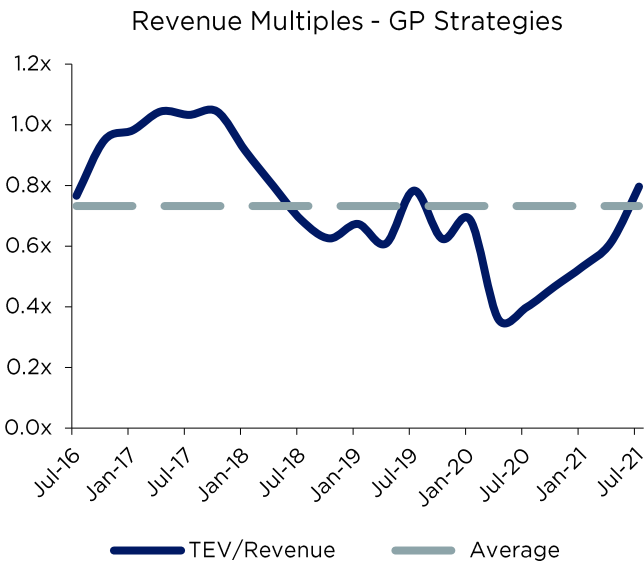
GP Strategies

GP Strategies Corp provides training, e-Learning solutions, management consulting, and engineering services.

The company serves companies in the automotive, financial services and insurance, steel, oil and gas, power, chemical, electronics and technology, manufacturing, software, retail, healthcare, education, and food and beverage industries, as well as government agencies. Its training offerings include content and curriculum development, e-Learning, learning and training outsourcing, and documentation development.

Public Basket

GP Strategies



Company Name	Date	Deal Synopsis
TTi Global	30-Nov-18	The company was acquired by GP Strategies (NYS: GPX) for \$14.195 million on November 30, 2018. This acquisition enhances GP Strategies' service offerings and customer base in the automotive industry, adding service training and multiple new markets, customer relationships and capabilities.
IC Axon	01-May-18	The company was acquired by GP Strategies (NYS: GPX) for \$31.44 million on May 1, 2018. The acquisition will strengthen GP Strategies' ability to deliver comprehensive sales training and digital learning services to its diverse global pharmaceutical customer base. In addition, the purchase agreement requires up to an additional \$0.905 million of consideration, contingent upon the achievement of an earnings target during a twelve-month period subsequent to the closing of the acquisition.

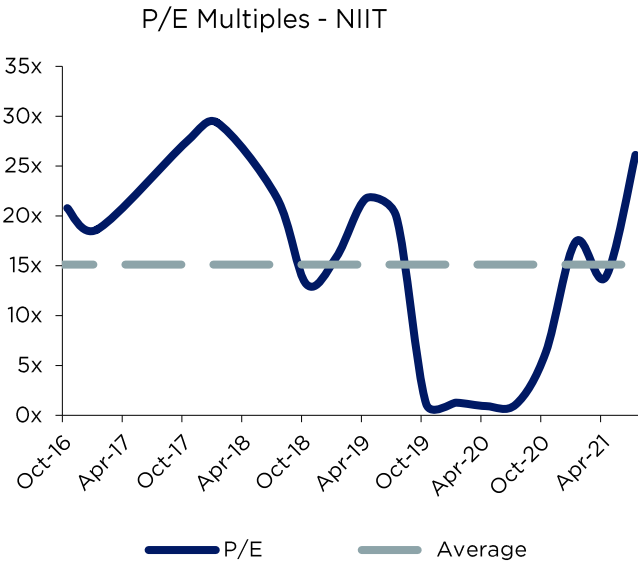
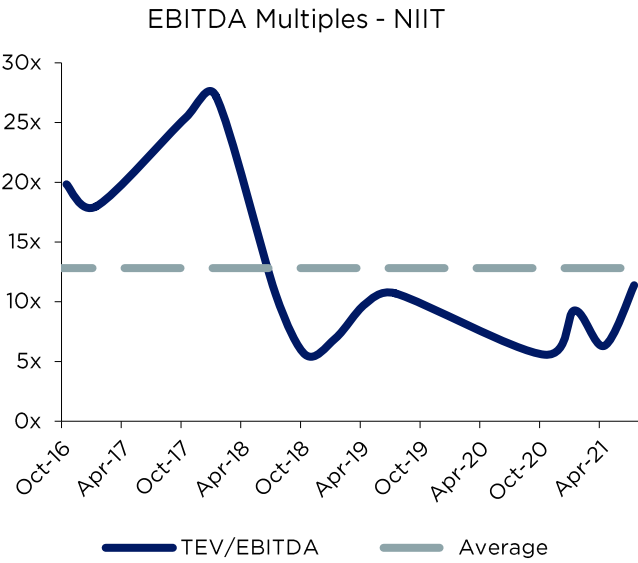
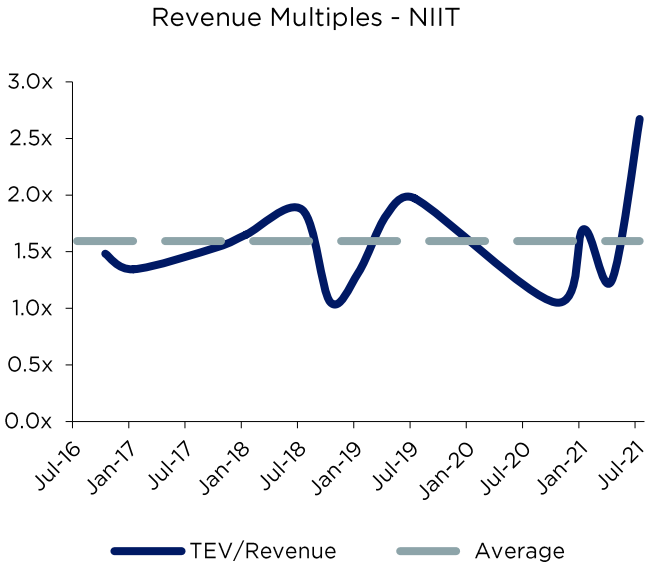
NIIT

NIIT Ltd provides multi-disciplinary learning management and training delivery solutions to corporations, institutions, and individuals globally.

Its business is divided into Corporate learning group, Skills and Careers group, and School learning group. The activities of these divisions include training outsourcing to companies in North America and Europe, courses related to IT, BFSI, KPO, management education, multi-vocational skills, digital media marketing, professional life skills, teaching and education to schools in India. It derives key revenue from offering services to corporate learning group.

Public Basket

NIIT



Company Name	Date	Deal Synopsis
Ilimi	27-Sep-16	The company was acquired by NIIT (NSE: NIITLTD) for an undisclosed amount on September 27, 2016. At the time of the transaction, NIIT (NSE: NIITLTD) was backed by Orient Global. Perceptron's acquisition builds on NIIT's strategic focus for a leadership role in the Digital Learning world.
Element K	28-Jul-06	The company was acquired by NIIT (BSE:500304) for \$40 million on July 28, 2006.

Contact Info

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking.

As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. Securities offered through 7M Securities LLC.



Leroy Davis, Partner	704.899.5962	leroy@7mileadvisors.com
Tripp Davis, Partner	704.899.5762	tripp@7mileadvisors.com
Andy Johnston, Partner	704.899.5961	andy@7mileadvisors.com
Simon Baitler, Executive Managing Director	310.829.1635	simon.baitler@7mileadvisors.com
John Cooper, Managing Director	704.973.3996	john@7mileadvisors.com
Mark Landry, Managing Director	561.972.0609	mark@7mileadvisors.com
Horacio Yenaropulos, Managing Director	(+) 54.261.4617300	horacio@7mileadvisors.com
Tim Frye, Senior Director	704.973.3994	tim@7mileadvisors.com
Kristina Sergueeva, Director	704.899.5149	kristina@7mileadvisors.com
Ben Garber, Vice President	412.626.7898	ben.garber@7mileadvisors.com
Garth Martin, Vice President	704.973.3997	garth.martin@7mileadvisors.com
Nicholas Prendergast, Vice President	704.973.3995	nicholas@7mileadvisors.com
Sydney Scadden, Vice President	704.973.3998	sydney@7mileadvisors.com
Ariail Barker, Director, Sales & Marketing	704.981.2908	ariail@7mileadvisors.com
Ben Bruggeworth, VP, Business Development	704.365.8859	ben.bruggeworth@7mileadvisors.com
Steve Sypek, VP, Business Development	704.414.8736	Steve.sypek@7mileadvisors.com
Emily Halstenberg, Marketing & Sales Manager	704.409.9912	emily@7mileadvisors.com
Alexis Papa, Marketing & Sales Coordinator	704.414.8732	lexi.papa@7mileadvisors.com
Steve Buffington, Senior Associate	704.960.1828	steve@7mileadvisors.com
Ilia Ulianchuk, Senior Associate	704.414.8743	ilia@7mileadvisors.com
Nic Anderle, Analyst	704.826.7492	nic.anderle@7mileadvisors.com
Adam Alderfer, Analyst	704.644.1917	adam@7mileadvisors.com
Tanner Lange, Analyst	704.672.0611	tanner.lange@7mileadvisors.com
Trent McCauley, Analyst	704.644.1916	trent.mccauley@7mileadvisors.com
Kevin Postigo, Analyst	704.912.4903	Kevin.postigo@7mileadvisors.com
Robin Siegel, Analyst	704.285.8173	robin@7mileadvisors.com
Conor Smith, Analyst	704.855.2134	conor.smith@7mileadvisors.com
Sawyer Willingham, Analyst	704.285.8171	sawyer.willingham@7mileadvisors.com