

EDUCATION INDUSTRY

Q3 2015 ■ Mergers and Acquisitions Trend Report

Q3 2015 KEY HIGHLIGHTS

- The largest transaction in Q3 2015 and year-to-date was TPG Capital and Leonard Green Capital Partners' announced acquisition of Ellucian, which provides higher education software, services and analytics, for \$3.5 billion.
- The most active market segment in Q3 2015 was Professional Training Services with 28 transactions.
- Strategic acquirers accounted for 75 percent of the industry's volume, or 92 transactions, in Q3 2015.

Q3 2015 KEY TRENDS

- Total transaction volume in Q3 2015 increased by 34 percent over the Q2 2015, from 91 to 122. This was the industry's peak for volume throughout the past seven quarters.
- Total transaction value in Q3 2015 rose by 45 percent over Q2 2015, from \$4.7 billion to \$6.8 billion.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2014 through the 1st 3 Quarters of 2015 decreased by 17 percent, from 2.4x to 2.0x.
- The median EBITDA multiple from 2014 through the 1st 3 Quarters of 2015 declined by ten percent, from 11.5x to 10.3x.

Top Ten Notable Transactions - 1st 3 Quarters 2015

Deal Date	Target Name	Buyer	Value MM US\$
08/14/15	Ellucian	TPG Capital, Leonard Green & Partners, L.P.	\$3,500
04/09/15	Lynda.com	LinkedIn Corporation	\$1,500
04/24/15	Scholastic Educational Technology and Services	Houghton Mifflin Harcourt	\$575
06/25/15	Six Schools from Meritas LLC	Nord Anglia Education, Inc.	\$559
03/19/15	OverDrive Inc.	Rakuten Inc.	\$410
08/04/15	CECity.com, Inc.	Premier, Inc.	\$400
06/17/15	PowerSchool Inc.	Vista Equity Partners	\$350
01/27/15	Studer Group	Huron Consulting Group Inc.	\$325
06/18/15	Saraiva Educação from Saraiva S.A. Livresiros Editores	Abril Educação SA	\$238
05/28/15	CTC Aviation Group Ltd	L-3 Communications Holdings	\$220

2015 Aggregate Transaction Value \$12,982

Top 10 Aggregate Transaction Value \$8,077

Top 10 Aggregate Value as a Percentage of All Transactions 62 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2015 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

Note: Transaction data based on announced date.

M&A Market Dynamics By Quarter

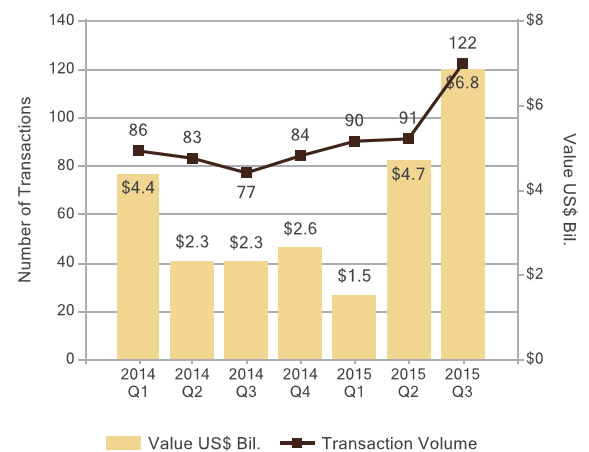


Figure 1. 2014-2015 value and volume comparison.

Median Enterprise Value Multiples

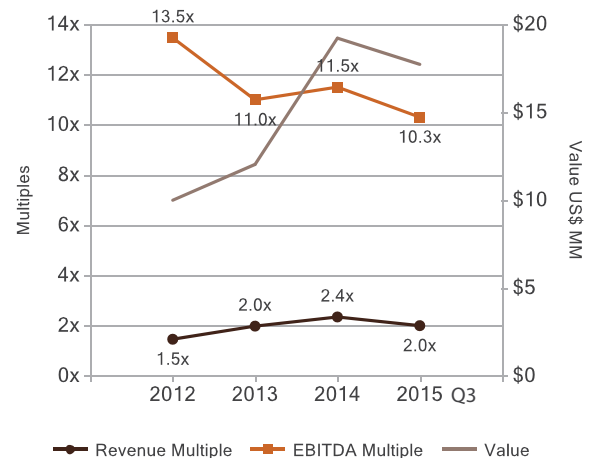


Figure 2. 2012-2015 median value, revenue, EBITDA comparison through Q3 2015.

TOP TEN DEALS THROUGH Q3 2015

The top ten deals by value have seen two new additions since our half year report. In addition to Ellucian, the other top ten deal in Q3 2015 was Premier, Inc.'s announced acquisition of CECity.com, Inc., a SaaS-based healthcare solutions provider that specializes in performance management, pay-for-value reporting and professional education.

These two transactions, with an aggregate value of \$3.9 billion, represented 30 percent of transaction value in the 1st 3 Quarters of 2015 and 57 percent of Q3 2015 transaction value.

BERKERY NOYES

INVESTMENT BANKERS

Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, marketing, and technology industries. The firm has initiated, managed, and closed more than 475 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, education, and entertainment markets.

Berkery Noyes is unique among investment banking firms in that we combine independent strategic research and actionable intelligence with senior banking expertise.

Berkery Noyes Securities LLC assists middle market companies with raising growth capital in the debt and equity markets.

**CONTACT US TODAY FOR A CONFIDENTIAL
DISCUSSION OF YOUR STRATEGIC OPTIONS**

212-668-3022

MANAGING DIRECTORS

PETER YOON

Education Group

MARY JO ZANDY

Media, Education, Software & Online

VINEET ASTHANA

Media & Marketing Services Group

JOHN GUZZO

FinTech Group

JONATHAN KRIEGER

Healthcare Group

THOMAS O'CONNOR

Healthcare Group

DICK O'DONNELL

Finance Group

PETER OGNIBENE

FinTech Group

JEFFREY SMITH

Healthcare Group

PARTNERS

JOSEPH BERKERY

Chief Executive Officer

JAMES BERKERY

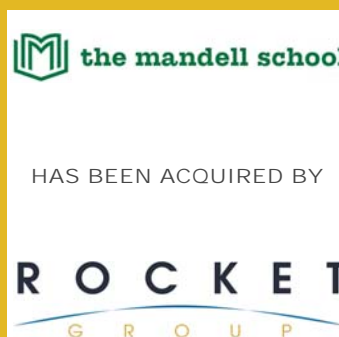
Chief Information Officer



All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity. There can be no guarantee that such information is accurate.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at www.mandasoft.com

RECENT EDUCATION TRANSACTIONS



One Liberty Plaza | New York, New York 10006

berkerynoyes.com | 212.668.3022