

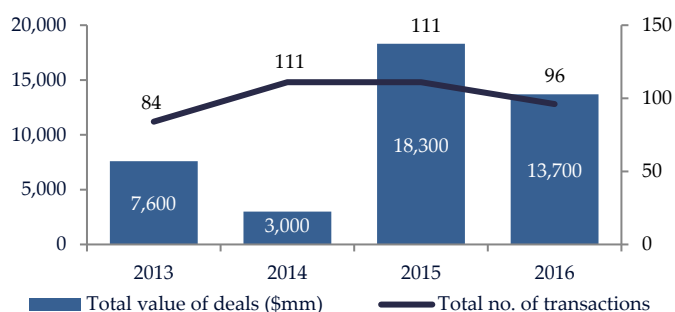
M&A in the Education Industry – Key Trends

- In 2016, M&A activity in the Education industry shifted towards lower number of transactions with deal value decreasing 25% from 2015.
- In 2016, the total deal value in the US and Canada accounted for 60% of the global deal value.
- The total number of global M&A transactions in the Education industry was 470 in 2014, 510 in 2015, and 420 in 2016. Deals in the US and Canada accounted for 24% in 2014, 22%, in 2015, and 23% in 2016 of the global transactions.
- In 2016, valuation multiples for the US and Canada (median TEV/Revenue of 1.7x versus global median of 1.9x and median TEV/EBITDA of 13.5x versus 11.4x) were similar to global multiples.
- 22% disclosed deals in terms of transaction value.

Activity Summary, Last 4 Years

	2013	2014	2015	2016	2017 Q1
Total no. of transactions	84	111	111	96	27
Total value of deals (\$mm)	7,600	3,000	18,300	13,700	1,600
Average deal size (\$mm)	340	100	680	650	230
Median deal size (\$mm)	20	12	36	130	24
Median Revenue Multiple	1.4x	1.6x	2.7x	1.7x	0.2x
Median EBITDA Multiple	14.6x	n/a	11.5x	13.5x	14.7x
Mid-market deals, % of total	77%	94%	78%	76%	86%

Source: Capital IQ

Activity Summary Chart, Last 4 Years

10 Notable Education Transactions in 2016

Closed date	Target/Issuer	Buyers/Investors	Transaction value (\$mm)	Implied EV/Revenue	Implied EV/EBITDA
January 29	Veritas Technologies LLC	The Carlyle Group LP (NasdaqGS:CG); GIC Pte. Ltd.	7,000	n/a	n/a
December 1	Interactive Intelligence Group, Inc.	Genesys Telecommunications Laboratories, Inc.	1,600	3.4x	n/a
September 19	LanguageLine Solutions, Inc.	Teleperformance SE (ENXTPA:RCF)	1,500	3.9x	10.4x
July 29	Telogis, Inc.	Verizon Telematics, Inc.	900	n/a	n/a
July 21	Genesys Telecommunications Laboratories, Inc.	Hellman & Friedman LLC	900	n/a	n/a
December 1	Camber Corporation	Huntington Ingalls Industries, Inc. (NYSE:HII)	380	1.0x	8.6x
July 1	Association of Certified Anti-Money Laundering Specialists, LLC	Becker Professional Development Corporation	330	n/a	n/a
September 14	Smart Technologies Inc.	Foxconn Singapore Pte. Ltd.	220	0.6x	16.5x
September 14	Smart Technologies Inc.	Foxconn Singapore Pte. Ltd.	220	0.7x	27.3x
July 15	Gymboree Play Programs, Inc.	Zeavion Holding Pte. Ltd.	128	n/a	n/a

Source: Capital IQ