

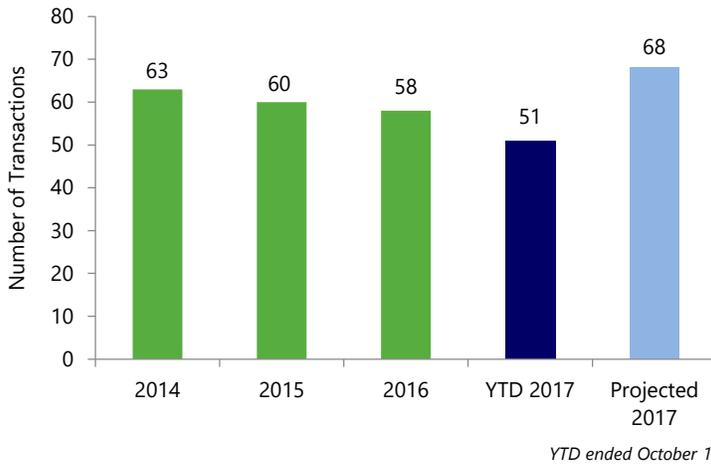


### KEY M&A TAKEAWAYS

- ▶ Early childhood education centers as well as learning solution providers have continued to realize increased growth throughout North America particularly for companies with quality offerings that deliver improved student outcomes. A research team at the Frank Porter Graham Child Development Institute at the University of North Carolina at Chapel Hill found that as the quality of instruction in preschool classrooms increases, children experience better progress across a range of skills. As a result, both strategic and private equity buyers have looked to strengthen their foothold in this sub-sector. This is exemplified by a multitude of transactions, including the announced acquisitions of BrightPath by Busy Bees, Cadence Education by Audax, and Invo Healthcare Associates by The Wicks Group.
- ▶ Supplemental education in particular has been a rapidly growing sub-segment within the industry and with 55 million US students in grades K-12 in 2016, tutoring is now a \$7 billion industry in the US. With mounting anxiety regarding the increasingly competitive and global college admissions process, parents are turning to supplemental education at even earlier ages to give their children an edge. In effect, college prep begins at birth not high school.

### TRANSACTION VOLUME

- ▶ Transaction volume in the PreK-12 Education Industry remains healthy in year-to-date (YTD) 2017 compared to last year. Both private equity investors and strategic buyers have remained active acquirers, accounting for 41.5% and 58.5% of deals, respectively.



### RECENT PREK-12 EDUCATION TRANSACTIONS

Date	Target	Acquirer	Target Description	EV / LTM		
				EV	R	EBITDA
09/17	Desert Heights	Catapult Learning	Provides special and alternative education.	-	-	-
08/17	Frontline Education	Thoma Bravo	Offers K-12 education software.	-	-	-
07/17	Study Abroad Foundation	IES Abroad	Provides study abroad services for students.	-	-	-
05/17	BrightPath	Busy Bees	Provides childcare services in Canada.	\$106.5	1.9x	17.4x
05/17	AdvancePath Academics	Graduation Alliance	Operates in-school academies in high schools.	-	-	-
05/17	Apex Learning	Education Growth	Provides blended and virtual learning.	-	-	-
04/17	Ooka Island	Scholastic	Develops a game-based learn to read program.	-	-	-
04/17	G4S Youth Services	BHSB	Provides academic services for juvenile offenders.	\$56.5	-	-
03/17	Montessori of CIN	Endeavor Schools	Provides education services.	-	-	-

### NOTABLE TRANSACTION

- ▶ **Busy Bees announces acquisition of BrightPath for approximately \$107 million (May 2017)**

Busy Bees, one of the largest providers of childcare in the UK with over 300 nurseries, recently announced the acquisition of the Canadian-based BrightPath Early Learning (BrightPath) for approximately \$106.5 million USD at revenue and EBITDA multiples of 1.9x and 17.4x, respectively. BrightPath provides childcare through 77 locations in Canada and meets high standards for children's curriculum, nutrition, technology and recreational programming. Busy Bees will acquire all outstanding shares of BrightPath in cash at a 46% premium to the same day stock price.

"The purchase price represents a significant premium to the market price for the shares both recently and over the past several years. In addition, we are pleased that the opportunity to create a leading national, high quality professionally managed early learning child care company, as envisioned by its founding shareholders, has been recognized in this transaction," commented Jeffrey Olin, Chairman of BrightPath. "This transaction will also serve Canadian families well by ensuring that a high quality and well-funded owner with a long-term commitment to the industry can advance BrightPath's strategic goals and opportunities."

### SELECT CAPSTONE DEALS AND AWARDS

 has been acquired by 	 has been acquired by  a portfolio company of <b>THE CARLYLE GROUP</b>	A Premier Provider of Early Education & Childcare Services has been acquired by 
<b>2016</b> USA MID-MARKET INVESTMENT BANKING FIRM OF THE YEAR 	<b>2016</b> MIDDLE MARKET INVESTMENT BANKING FIRM OF THE YEAR 	<b>2016</b> US MIDDLE MARKET INVESTMENT BANK OF THE YEAR 