

Blackpeak EdTech market update

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ANZ Edtech platform assets

<p>potentia</p> <p>education horizons</p> <p>OMNILINK LINKING PEOPLE AND INFORMATION SchoolPRO myEdOnline SYNERGETIC SEQTA Better Education. Better World. double first EDUCATION INFORMATION MANAGEMENT</p> <ul style="list-style-type: none"> ▪ K-12 software solutions including Student, Information & Learning Management Systems as well as a property asset management platform 	<p>ADVENT PARTNERS</p> <p>Compass</p> <p>momentum eSR</p> <ul style="list-style-type: none"> ▪ Comprehensive School Management & Administration software across K-12 	<p>KKR</p> <p>ep Education Perfect</p> <p>ep edpotential Inquire. Analyse. Act.</p> <p>EssentialAssessment Assessment and Curriculum made easy Australian Curriculum • NSW Syllabus • Victorian Curriculum</p> <ul style="list-style-type: none"> ▪ Student learning, assessment and analytics platform for 5-12 	<p>AirTree Madrona M2 INSIGHT PARTNERS SoftBank Group greylock</p> <p>go1</p> <p>coopacademy Blinkist TALIVEST anders pink</p> <ul style="list-style-type: none"> ▪ Corporate learning and development platforms, employee analytics, AI content curation 	<p>& PAN</p> <p>ripplegroup</p> <p>alffie</p> <p>open colleges</p> <ul style="list-style-type: none"> ▪ B2B & B2C online training & vocational education platform for Employment Service Providers & consumers
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Other platforms active in ANZ

<p>VOLARIS</p> <p>wisenet TASS the alpha school system</p>	<p>globalpayments</p> <p>SENTRAL EDUCATION</p>	<p>VERACROSS</p> <p>DIGISTORM</p>
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ANZ Educational technology universe: Early Learning, K-12 and Higher Ed

Learning

Teaching/ Content Management Systems



E-learning / platforms

Broad



Niche

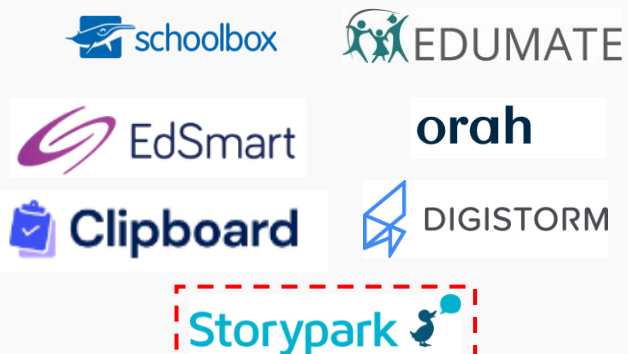


Student Administration/ Management

Management/ Accounting / Finance



Workflow / communication



Other

Assessment



Analytics



Marketplaces



Other



ANZ Educational technology universe: Corporate & vocational Education (VET)

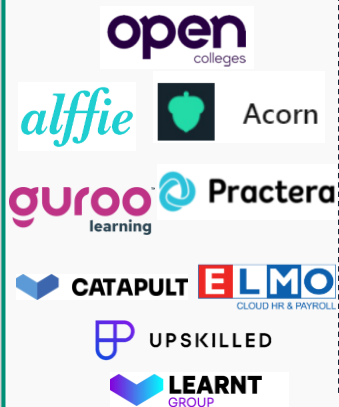
Learning

Teaching/ Content Management Systems



E-learning / platforms

Broad



Niche



Student Administration/ Management

Management/ Accounting / Finance



Other

Assessment



Marketplaces



Other



Trends on funding / M&A activity

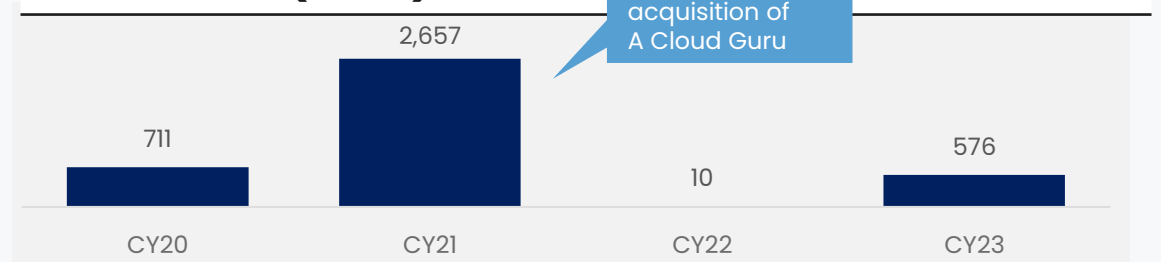
Overview

- Education technology (EdTech), is a highly fragmented market in Australia & New Zealand with a number of companies (often small but growing fast) operating across the ecosystem from Early Learning, K-12, Higher Education/ Tertiary and Corporate Learning
- M&A & financing activity has been subdued over the last few years with the majority of activity being sub \$10m private financings
- PE/ VC investment in EdTech has generally centred around assets with a focus on School/ Student Management as well as scaled Learning Management Systems:
 - EHG/ Potentia
 - Compass/ Advent
 - Education perfect/ KKR
 - Go1/ AirTree
- Global acquirers continue to show interest in ANZ EdTech assets as demonstrated by:
 - Tenzing / Totara Learning
 - Veracross/ DigiStorm
 - Pluralsight/ A Cloud Guru

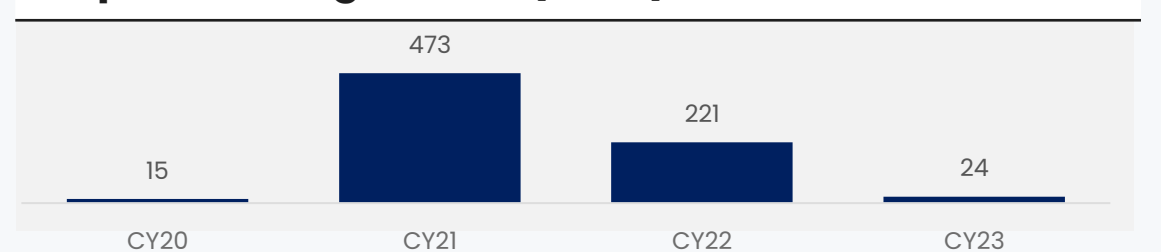
Select EdTech M&A & financing transactions

Date	Target	Acquirer/Investor	Enterprise value (A\$m)
Oct-23	totara	TENZING	n.a.
May-23	EssentialAssessment	Education Perfect	40.0
Dec-21	go1	AirTree Madrona	358.1 ⁽¹⁾
Jul-21	A CLOUD GURU	PLURALSIGHT	2,000.0
Jun-21	Education Perfect	KKR	455.0

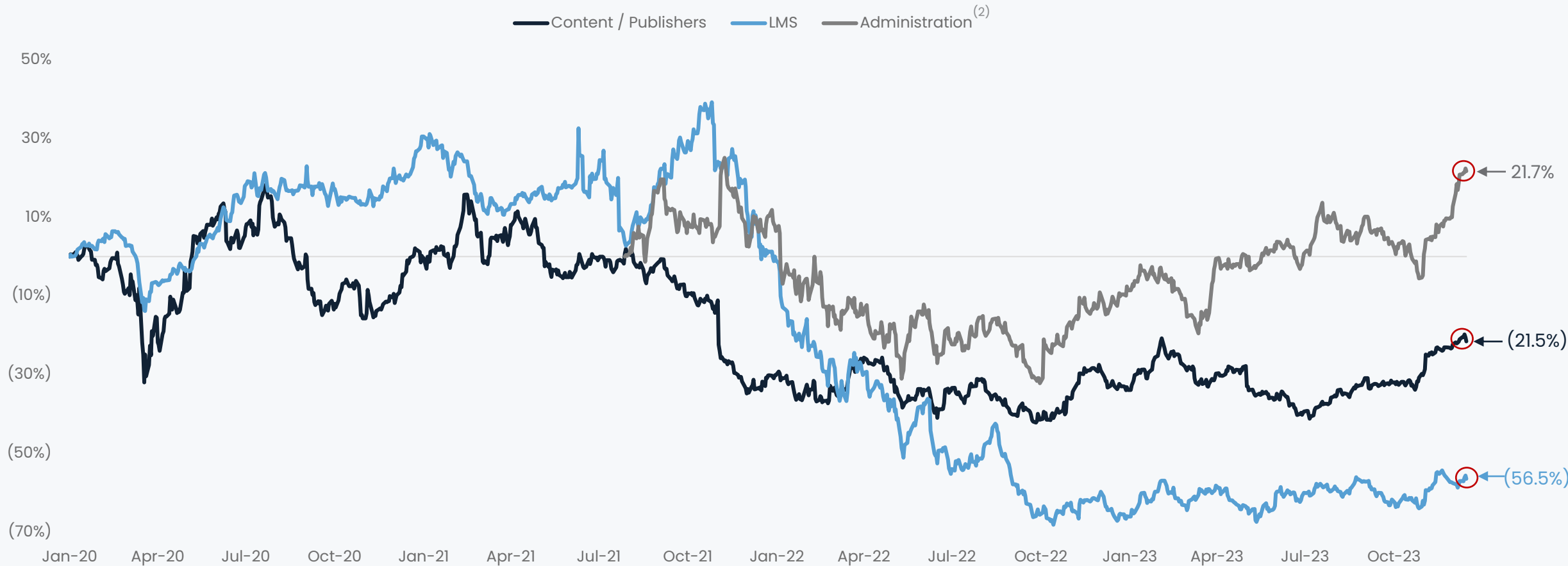
M&A value (A\$m)



Capital raisings value (A\$m)

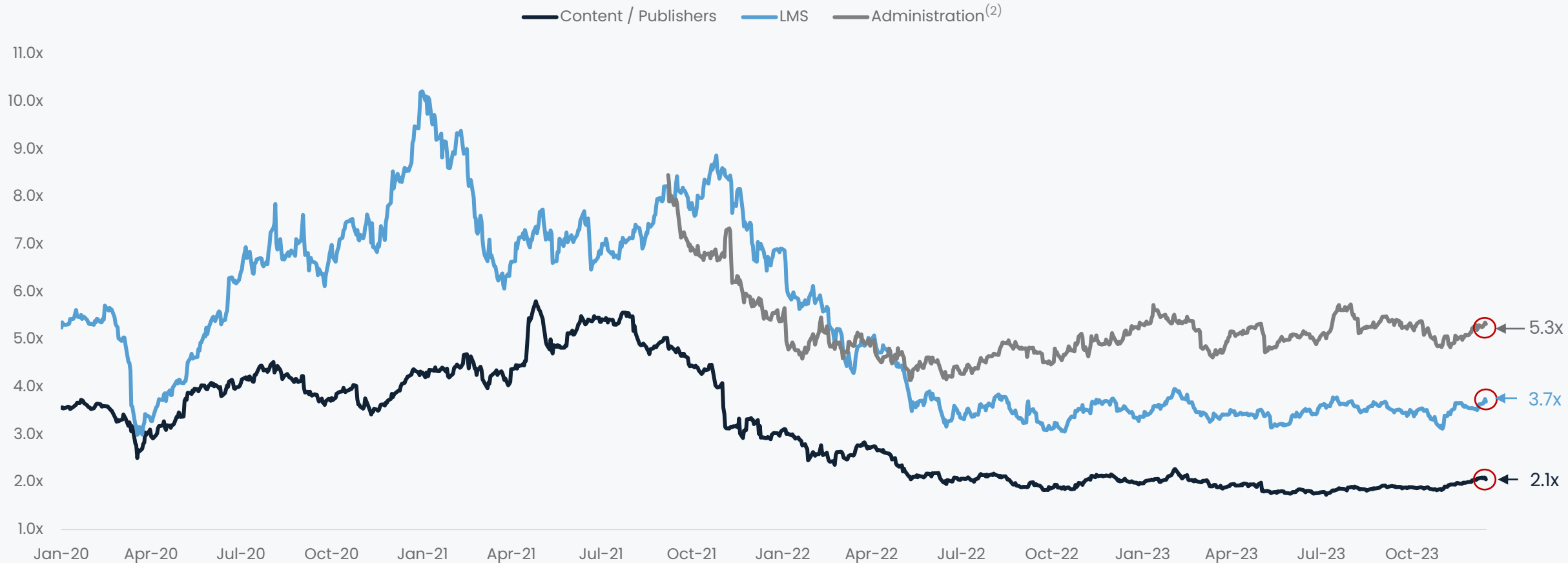


Educational Technology Index performance⁽¹⁾



Index	CY20	CY21	CY22	YTD CY23	Current (Dec-23)
Content/ Publishers	(0.4%)	(29.9%)	(6.6%)	18.7%	(21.5%)
LMS	30.5%	(24.1%)	(65.5%)	28.3%	(56.5%)
Administration	(27.7%)	(17.1%)	(15.2%)	33.1%	21.7%

EdTech index valuations over time (EV/ NTM Revenue)⁽¹⁾



Index	Jan-20	12-months prior (Dec-22)	6-months prior (June-23)	3-months prior (Sept-23)	Current (Dec-23)
Content/ Publishers	3.6x	2.2x	1.8x	1.9x	2.1x
LMS	5.3x	3.8x	3.4x	3.7x	3.7x
Administration	n.a	5.1x	5.1x	5.5x	5.3x



Trading comparables

Content/ Publishers, LMS, & Admin verticals



Trading comparables⁽¹⁾

Company	Share price data					Trading multiples				Operating metrics		
	Trading data			Capitalisation (A\$m)		EV / Revenue		EV / EBITDA		Revenue Growth	Margins (Last Reported)	
	Share Price	As a % of 52-week high/ low	3-month performance	Market cap.	Ent. value	FY24E	FY25E	FY24E	FY25E	FY24E	Gross	EBITDA
Content/ Publishers												
Wiley	32.62	65.8% / 113.1%	(11.0%)	1,790	2,764	1.6x	1.7x	8.7x	7.4x	(12.4%)	66.9%	17.2%
Pearson	9.38	95.1% / 125.2%	4.9%	6,553	7,629	2.0x	1.9x	8.8x	8.3x	1.5%	48.9%	15.0%
Chegg	10.67	37.8% / 145.8%	8.7%	1,236	1,593	2.2x	2.2x	7.4x	6.9x	(0.5%)	65.9%	1.9%
3PL	1.20	90.2% / 125.0%	(0.8%)	330	310	2.7x	2.5x	19.4x	15.0x	6.1%	39.5%	6.7%
2U	1.15	8.7% / 130.7%	(60.6%)	94	1,038	1.2x	1.1x	7.1x	6.1x	(10.0%)	71.0%	6.4%
Grand Canyon Education	137.41	95.9% / 137.9%	23.6%	4,061	4,003	3.9x	3.7x	12.4x	n.a.	6.7%	50.9%	25.6%
Coursera	19.76	92.9% / 199.4%	8.5%	3,014	2,302	3.2x	2.7x	n.a.	n.a.	15.5%	51.5%	(25.5%)
Stride	60.00	95.9% / 195.7%	35.2%	2,537	2,725	1.4x	1.3x	7.5x	6.7x	8.8%	36.2%	3.5%
Laureate	13.42	90.6% / 145.2%	(3.5%)	2,112	2,506	1.6x	1.5x	5.5x	5.0x	7.6%	24.6%	26.3%
Learning Technologies Group plc	0.75	47.4% / 127.6%	(3.7%)	592	713	1.2x	1.2x	5.6x	5.3x	3.3%	8.9%	13.0%
Strategic Education	91.27	92.9% / 141.4%	19.5%	2,206	2,215	1.9x	1.8x	10.4x	9.0x	5.3%	43.4%	12.3%
D2L	10.03	89.3% / 165.8%	43.3%	404	293	1.6x	1.4x	40.0x	12.6x	7.7%	66.9%	(4.0%)
Mean			5.3%			2.0x	1.9x	12.1x	8.2x	3.3%	47.9%	8.2%
Median			6.7%			1.7x	1.7x	8.7x	7.2x	5.7%	49.9%	9.5%

Trading comparables⁽¹⁾

Company	Share price data					Trading multiples				Operating metrics		
	Trading data			Capitalisation (A\$m)		EV / Revenue		EV / EBITDA		Revenue Growth	Margins (Last Reported)	
	Share Price	As a % of 52-week high/ low	3-month performance	Market cap.	Ent. value	FY24E	FY25E	FY24E	FY25E	FY24E	Gross	EBITDA
LMS												
Readytech	3.47	86.8% / 123.9%	(6.7%)	405	437	3.7x	3.2x	11.0x	9.2x	15.1%	34.4%	14.1%
Skillsoft	16.15	37.2% / 116.6%	(27.9%)	130	639	1.1x	1.1x	6.1x	5.1x	0.4%	72.4%	11.9%
Instructure	26.85	85.3% / 117.5%	9.8%	3,885	4,086	7.0x	6.4x	17.5x	15.7x	9.6%	65.5%	31.0%
Docebo	65.48	90.3% / 164.5%	17.1%	1,562	1,393	6.3x	5.2x	45.6x	31.3x	23.0%	80.7%	2.9%
Janison	0.26	40.0% / 123.8%	(35.0%)	66	55	1.2x	1.0x	8.3x	5.4x	13.6%	62.7%	(10.7%)
Udemy	14.99	93.6% / 183.5%	50.4%	2,298	1,828	2.2x	1.9x	n.a.	25.1x	14.3%	57.4%	(14.9%)
Mean			1.3%			3.6x	3.1x	17.7x	15.3x	12.7%	62.2%	5.7%
Median			1.5%			2.9x	2.6x	11.0x	12.5x	14.0%	64.1%	7.4%
Administration												
Powerschool	22.55	86.6% / 137.5%	(1.0%)	3,705	4,244	5.4x	4.9x	16.0x	14.0x	12.8%	68.8%	22.1%
Blackbaud	86.54	98.4% / 162.1%	18.8%	4,544	5,304	4.5x	4.1x	13.3x	11.8x	7.3%	54.9%	18.4%
Mean			8.9%			4.9x	4.5x	14.6x	12.9x	10.0%	61.8%	20.2%
Median			8.9%			4.9x	4.5x	14.6x	12.9x	10.0%	61.8%	20.2%





















Precedent transactions

















M&A & capital raisings































Precedent M&A transactions⁽¹⁾

Transaction overview			Multiples & metrics		
Date	Target	Acquirer	Enterprise value (A\$m)	EV/ LTM Revenue	EV/ LTM EBITDA
Oct-23	 totara	 TENZING	<div style="border: 2px dashed black; padding: 20px; text-align: center;"> <p>Contact Blackpeak Capital for transaction insights <i>(scott@blackpeakcapital.com.au)</i></p> </div>		
May-23	 DIGISTORM	 VERACROSS			
May-23	 EssentialAssessment <small>Assessment and Curriculum made easy</small>	 Education Perfect			
Feb-23	 ELMO	 K1			
Sep-22	 brightpath	 3P Learning			
Oct-21	 CODECAMP	 CLUEY			
Jul-21	 A CLOUD GURU	 PLURALSIGHT			
Jun-21	 Education Perfect	 KKR			
May-21	 Blade Learning	 3P Learning			

Precedent M&A transactions⁽¹⁾

Transaction overview			Multiples & metrics		
Date	Target	Acquirer	Enterprise value (A\$m)	EV/ LTM Revenue	EV/ LTM EBITDA
May-21			<p>Contact Blackpeak Capital for transaction insights (scott@blackpeakcapital.com.au)</p>		
Apr-21					
Nov-20					
Aug-20					
Dec-19					
Nov-19					
Sep-19					
Mar-19					
Median					





























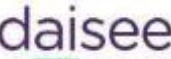

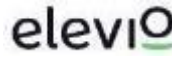











Precedent capital raising transactions⁽¹⁾

Transaction overview			
Date ⁽²⁾	Target	Investor	Transaction value (A\$m)
May-23		 333 Capital	<div style="border: 1px dashed black; padding: 10px; text-align: center;"> <p>Contact Blackpeak Capital for transaction insights <i>(scott@blackpeakcapital.com.au)</i></p> </div>
Jul-22			
Jun-22			
May-22			
Jan-22			
Dec-21			
Dec-21			
Nov-21		 HEAL Partners 	
Nov-21		 333 Capital	
Aug-21		 HEAL Partners	
Feb-21			
Jan-21		 	
Mar-20			










































Company profiles































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 <p>2023 Growth equity investment (Pending) Financial Adviser</p> 	 <p>2023 Sale of Xero's subsidiary Waddle to CBA Financial Adviser</p> 	 <p>2023 Series A Raising ~A\$50.4m Financial Adviser</p> 	 <p>2022 Merger with Hey You Financial Adviser</p> 	 <p>2022 Series C Raising ~A\$37m Financial Adviser</p> 	 <p>2022 Acquisition of IT Vision \$54m Financial Adviser</p> 	 <p>2022 Sale of Instacluster to NetApp ~US\$500m+ Financial Adviser</p> 
 <p>2022 Acquisition of Realbase \$180m+ Financial Adviser</p> 	 <p>2021 Sale of Playground XYZ to GumGum Financial Adviser</p> 	 <p>2021 Pre-IPO Raising Financial Adviser</p> 	 <p>2021 Pre-IPO Raising A\$10m Financial Adviser</p> 	 <p>2021 Sale of SuperChoice to Potentia Capital Financial Adviser</p> 	 <p>2021 Initial Public Offering A\$188m Financial Adviser</p> 	 <p>2021 Acquisition of Massive Music Financial Adviser</p> 
 <p>2021 Rights issue & convertible note restructuring Financial Adviser</p> 	 <p>2021 Sale of Elevio to Dixia Financial Adviser</p> 	 <p>2021 Sale of Minority Interest Financial Adviser</p> 	 <p>2021 Growth equity investment A\$45m Financial Adviser</p> 	 <p>2020 Primary/Secondary Raising ~A\$14m Financial Adviser</p> 	 <p>2020 Growth equity investment A\$50m Financial Adviser</p> 	 <p>2020 Pre-IPO Raising A\$25m Financial Adviser</p> 

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 <p>2020 Strategic Review Financial Adviser</p> 	 <p>2020 Convertible note investment into Jaxsta Financial Adviser</p> 	 <p>2020 Private Raising \$A11m Financial Adviser</p> 	<p>Industrie&Co</p> <p>2019 Approach from US acquirer (incomplete) Financial Adviser</p> 	 <p>2019 Private raising Financial Adviser</p> 	 <p>2019 Sales of Riteq to Ceridian Financial Adviser</p> 	 <p>2019 Sale of Controlling stake to potentia Capital – A\$90m Financial Adviser</p> 
 <p>2018 Acquisition of HROnboard Financial Adviser</p> 	 <p>2018 Initial public offering A\$79m Financial Adviser</p> 	 <p>2018 Pre-IPO Raising A\$25m Financial Adviser</p> 	 <p>2018 Strategic Review Financial Adviser</p> 	 <p>2018 Equity Raising A\$100m Financial Adviser</p> 	 <p>2018 Equity Raising A\$45m Financial Adviser</p> 	 <p>2018 Series B Equity Raising A\$11m Financial Adviser</p> 
 <p>2018 Acquisition of Pivot Remesys Financial Adviser</p> 	 <p>2017 Strategic Review Financial Adviser</p> 	 <p>2017 Trade Sale A\$44m Financial Adviser</p> 	 <p>2017 Block Trade A\$73m Financial Adviser</p> 	 <p>2017 Block Trade A\$23m Financial Adviser</p> 	 <p>2017 Acquisition of Quintessential Marketing Financial Adviser</p> 	 <p>2017 Pre-IPO equity raising NZ\$11m Financial Adviser</p> 

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 <p>2017 Initial public Offering A\$73m Financial Adviser</p> 	 <p>2017 Trade Sale A\$44m Financial Adviser</p> 	 <p>2017 Acquisition of Quintessential Marketing Financial Adviser</p> 	 <p>2017 Initial public Offering A\$108m Financial Adviser</p> 	 <p>2017 Initial Public Offering Withdrawn</p> 	 <p>2016 Acquisition of minority stake (size undisclosed) Financial Adviser</p> 	 <p>2016 Initial public offering A\$1.0bn Financial Adviser</p> 
 <p>2015 Sales of minority interest in siteminder (size undisclosed) Financial Adviser</p> 	 <p>2015 Acquisition of CompuClearing A\$25m Financial Adviser</p> 	 <p>2015 Acquisition of Core Freight Systems (size Undisclosed) Financial Adviser</p> 	 <p>2015 Acquisition of Zsoft (size undisclosed) Financial Adviser</p> 	 <p>2015 Sales of minority interest in siteminder (size undisclosed) Financial Adviser</p> 	 <p>2015 Pre-IPO Dept Raising A\$45m Financial Adviser</p> 	 <p>2015 Pre-IPO equity Raising A\$45m Financial Adviser</p> 



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