PALA
CORPORATE FINANCE

EDUCATION & TRAINING SERVICES

M&A MARKET RESEARCH

Hamburg 2024

PALA IS THE NO. 1 PARTNER TO SMALL & MEDIUM SIZED COMPANIES

PARNTER LED ADVISORY BOUTIQUE

CORPORATE FINANCE MANDATES

+30
M&A transactions closed

+€2BN
Total transaction volume

STARTUP MANDATES

+40
Startups advised

+€100M
Total financing volume

SERIEL ENTREPRENEURS WITH STRONG EXPERIENCE

We focus on industries where we possess deep industry expertise gained through our own founding experience or successfully closed transactions

- Training & Education
- Digital Marketing
- Beauty & Skincare
- Esports/ Gaming

3
Startups founded

+5
Companies advised in 2024

WHY WE ARE DIFFERENT

- ✓ We are entrepreneurs
- ✓ We found companies
- ✓ We act as business angel
- ✓ We have large cap experience
- ✓ We are success driven

ABOUT US

PALA is an independent financial advisor established to identify, service and execute transactions across high-growth sectors

PALA provides advice on mergers and acquisitions, strategic consulting, capital raising and corporate finance

The firm serves venture capital, private equity, start-ups, and family-owned business worldwide. For more information

LEARN MORE ABOUT PALA

LEARN MORE ABOUT OUR SERVICES

LEARN MORE ABOUT OUR MANAGING PARTNERS

REQUEST A MEETING

KEY FACTS AND FIGURES

ENTREPRENEURS INNOVATIVE EXPERIENCED	5 *Total Professionals*	+30 *Transactions Completed*	+20 *Years of Experience*	+€2BN *Transaction Volume*	60% *Cross-border Deals*

OUR SERVICES

M&A

- Sell side
- Buy side
- MBI/MBO

BUY AND BUILD

- Consolidation Strategy
- Market research & Approach

SUCCESSION

- Sale preparation
- Deal structuring

DEBT ADVISORY

- Structuring of debt and equity
- Capitalization
- Venture debt

CORPORATE VENTURE CAPITAL (CVC)

- Startup research
- Investment advisory & management

VALUATION

- Forecast & company valuation
- Fairness opinion

SELECTED REFERENCES

MAQUET GETINGE GROUP

BC PARTNERS

DZM

ARDIAN

Katjes

GETINGE

Advent International GLOBAL PRIVATE EQUITY

apotal.de IHRE VERSANDAPOTHEKE

EVP

wellster healthtech

DÜRR

LETTERS FROM THE PALA TEAM

The global education & training services sector has experienced a period of growth, culminating in a record-breaking 372 transactions in Q1 2022. However, the subsequent quarters witnessed a correction due to the prevailing global recessionary environment and deal volume and activity have yet to rebound.

The M&A activity in the education & training service sector is primarily driven by North America, with the US acting as the undisputed leader. This dominance is reflected in consistently large cap deals and historically constituting approximately 50% of global M&A activity.

Given the attractive fundamentals of this sector Private equity (PE) firms continue to demonstrate a strong appetite for education & training services assets, participating in roughly 50% of all transactions.

The valuations of publicly traded education & training services providers have undergone a downward correction over the past three years. This decline mirrors the deterioration of general capital market sentiment, driven by rising interest rates, geopolitical tensions, and high inflation. Interestingly, B2C education companies continue to command a significant premium over B2B training providers. This reflects the typically higher margins associated with B2C models.

Despite the recent market correction, the education & training services industry exhibits a degree of resilience compared to other sectors. Several key trends are poised to propel the future growth of the education & training services sector:

- Growing preference for online learning services
- Next-generation learning solutions
- Industry changes to accommodate remote work:
- VR & AR Simulations for workplace training:

The education & training services sector faces a period of adjustment amidst a challenging global environment. However, the sector's inherent resilience and the powerful growth drivers suggest a promising future. As the industry embraces innovative technologies and adapts to evolving learning needs, it is well-positioned for continued growth and consolidation in the years to come.

This report reflects transactions involving buyers registered by MergerMarket or Pitchbook, in addition to our transaction experience and insights into key industry trends.

We closed +30 M&A transactions

We founded 2x start-ups

We act as Business Angels and invest in start-ups

We have significant experience in the Training & Education sector

PATRICK BAUER

Managing Partner
bauer@palacf.com

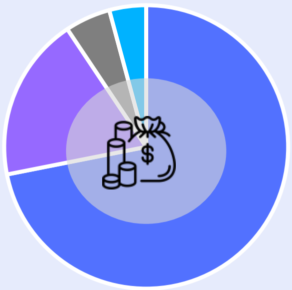
LAURENS AHLRING

Managing Partner
ahlring@palacf.com

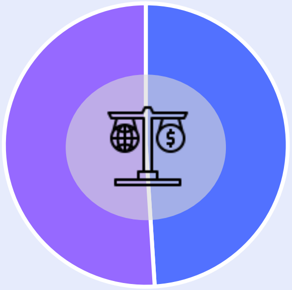
EDUCATION & TRAINING SERVICES M&A DASHBOARD

PUBLIC MARKET ENVIRONMENT

Volume by Deal Size



Volume by Acquirer

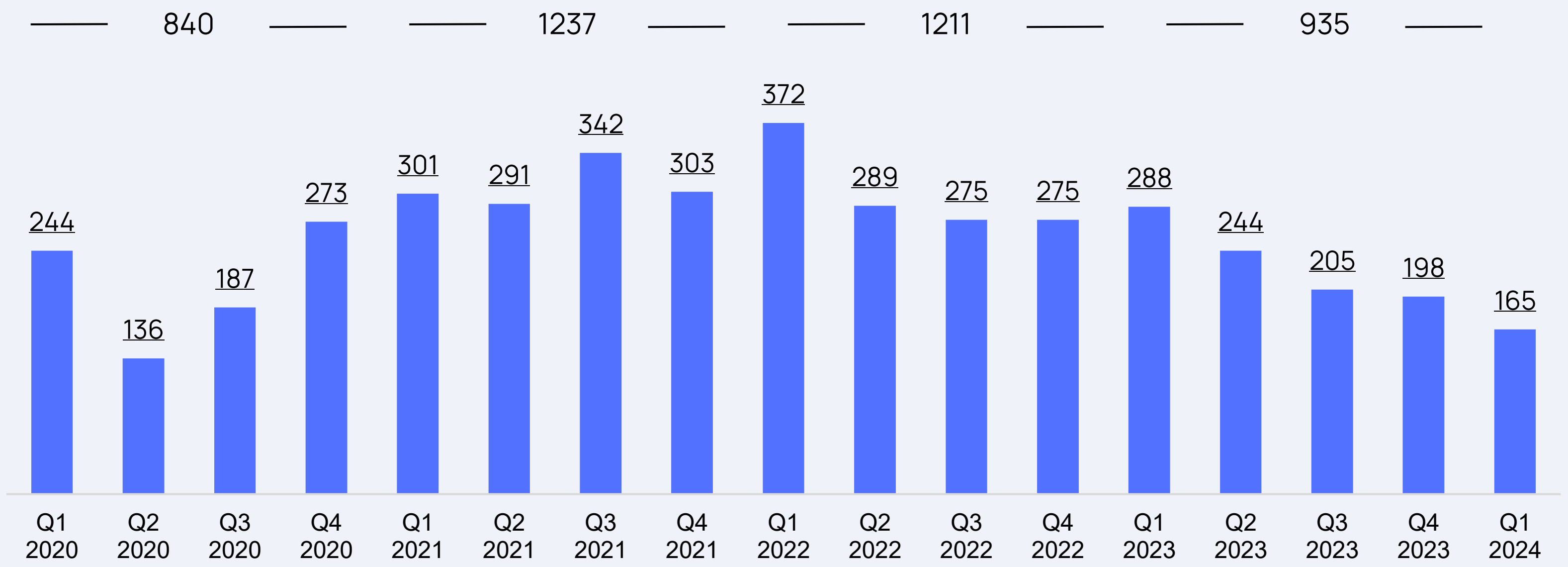


M&A ENVIRONMENT

Downward trend since deal volume peaked in Q1 2022 at 372 completed transactions.

$ 18BN (-27%)
Deal Volume in 2023

Activity in Education & Training Services (# transactions)

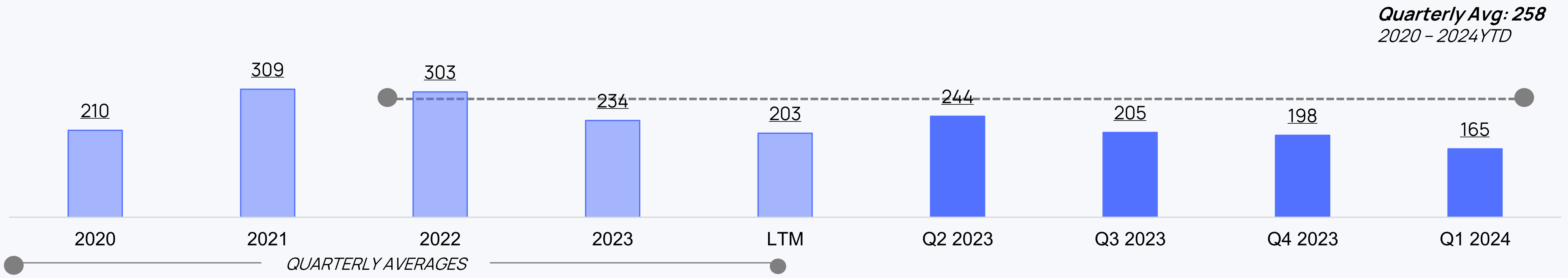


Source: Pitchbook, MergerMarket, PALA Research

VALUATION ENVIRONMENT

GLOBAL EDUCATION & TRAINING SERVICES ACTIVITIY

M&A DEAL COUNT DEVELOPMENT



NOTABLE M&A TRANSACTIONS

AMERICAS

Date	Target	Acquirer	Target Description
Jun-24	inspira	Advent International	Operator of +100 learning centers
Mar-24	KMK Optometry	ALPINE	Operator of an online learning platform
Feb-24	CAE Healthcare	Madison Industries	Simulation based edtech platform
Feb-24	parchment	Instructure	Educational record management platform
Nov-22	CERIFI	Thomson Reuters Checkpoint Learning	Corporate Training division of Thomson
Jan-22	ACAMS	Wendel	Training für anti-money laundering

EUROPE

Date	Target	Acquirer	Target Description
Feb-24	IMT International Motivation Training	Orlando Management AG	Education services and labour market integration
Jan-24	Kahoot!	Goldman Sachs	Game based learning platform
Jan-24	pflege campus	verdane	E-learning solutions to nurses
Feb-23	aspire Education	emz	Specialist in vocational qualification
Jul-22	eduPRO group	INVISION	Professional coaching and state funded coaching
July-21	GP	ltg learning technologies group	E-learning services

Source: Pitchbook, MergerMarket, PALA Research
Note: LTM (Last Twelve Months), YTD (Year to Date)

DEEP DIVE VALUATION

More details upon request

NORTH AMERICAN TRANSACTION MULTIPLES (EV/ EBITDA)

Date	Jun-24	Mar-24	Feb-24	Feb-24	Nov-22	Jan-22
Target TEV *(in €m)*	$201M	$31M	$231M	$835M	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a
BUYER	Advent International Global Private Equity	ALPINE	MADISON INDUSTRIES	INSTRUCTURE	THOMSON REUTERS Checkpoint Learning	WENDEL
TARGET	inspira	KMK OPTOMETRY	CAE Healthcare	parchment	CERIFI	ACAMS

EUROPEAN TRANSACTION MULTIPLES (EV/ EBITDA

Date	Feb-24	Jan-24	Jan-24	Feb-23	Jul-22	Jul-21
Target TEV *(in €m)*	n/a	$1,664M	$99M	n/a	n/a	€340M
	n/a	n/a	n/a	n/a	n/a	n/a
BUYER	ORLANDO MANAGEMENT AG	Goldman Sachs	verdane	emz	INVISION	ltg learning technologies group
TARGET	IMT INTERNATIONAL MOTIVATION TRAINING	Kahoot!	pflege campus	aspire Education	eduPRO group	GP

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Source: Pitchbook, MergerMarket, PALA Research

WHATS NEXT IN EDUCATION & TRAINING SERVICE SECTOR

ONLINE LEARNING

- The COVID-19 pandemic, fueled by the spread of high-speed internet, supercharged the use of online learning platforms at all educational levels
- The surge in online learning, fueled by convenient online courses, webinars, and virtual classrooms, is transforming education. As both institutions and individuals seek flexibility and wider reach, the need for digital infrastructure and engaging content is paramount. This compels educational institutions to invest in these areas to meet the evolving demands of learners

REMOTE WORK

- The rise of remote work has revolutionized workplace training. Organizations are ditching traditional methods and turning to digital platforms for on-demand learning. This approach caters to geographically dispersed teams and even fosters collaboration in new ways
- The rise of remote work is also driving investment in immersive VR and AR simulations. These technologies offer employees realistic, hands-on learning experiences, eliminating location barriers and creating a more engaging training environment

INNOVATION

- The EdTech sector is witnessing a surge in innovation, driven by the convergence of artificial intelligence, machine learning, and big data analytics. These technologies are revolutionizing learning experiences by personalizing content delivery, providing real-time feedback, and facilitating adaptive learning pathways.
- EdTech startups are at the forefront of innovation, crafting cutting-edge solutions like AI-powered tutors and gamified learning platforms. These tools are designed to supercharge student engagement, leading to improved learning outcomes.

PEOPLE BEHIND PALA

OUR TEAM FOR YOUR SUCCESS

PALA CORE TEAM

PATRICK BAUER

Managing Partner

Patrick founded **PALA** in 2021 with the vision to provide top notch advice to entrepreneurs from future - oriented sectors

Patrick is a serial entrepreneur with a strong background in the investment banking industry. Prior to founding PALA, Patrick served as a Vice President at Ferber & Co.

LAURENS AHLRING

Managing Partner

Laurens founded **PALA** in 2021 with the vision to revolutionize the investment industry through new innovative approaches.

Prior to PALA he worked in the Investment Banking industry, which equipped him with a strong financial experience and most recently he founded his own startup.

VALERIIA BAZHANOVA

Associate

Valeriia acts as Associate for **PALA** and is responsible for the execution of M&A transactions and startup projects.

Prior joining PALA, she worked for the leading accounting firm Mazars. Valeriia holds a Bachelor of Science in Leadership Management and has a background in accounting.

INDUSTRY EXPERTS

MORITZ MÜHLECK

Industry Expert

Moritz is member of the advisory board and a renowned entrepreneur in the fitness and leisure industry.

As founder and CEO of the fitness chain Fit/One he has made a significant contribution to the company's success since 2014.

FRANK AHLRING

Financing Expert

Frank has been working in the financing industry for over 40 years and acts as financing expert to PALA

Prior to starting his own financing advisory Frank worked in the Corporate Banking division of Commerzbank Bremen.

PRIVATE AND PALA REFERENCES

SELL SIDE ADVISOR ALPHAPET Sold to capiton	BUY SIDE ADVISOR Oakley Capital Acquisition of WINDSTAR MEDICAL	SELL SIDE ADVISOR EVP Sold to capiton	BUY SIDE ADVISOR Acquisition of medpex	ADVISORY FAKTOR MENSCH Consulting	SELL-SIDE ADVISOR WAVE Sold League Spot to	FOUNDER PLAY BAY Seed Funding
BUY SIDE ADVISOR point rouge Acquisition of	SELL SIDE ADVISOR MAQUET GETINGE GROUP Sold Medap Therapy to to ATMOS	ADVISOR Funding Round	ADVISOR wellster healthtech €80M Series B	BUY SIDE ADVISOR Dermapharm AG Acquisition of allergopharma	BUY SIDE ADVISOR Dermapharm AG Acquisition of EUROMED	SELL SIDE ADVISOR DZM Sold to halder
SELL SIDE ADVISOR team technik Sold to DÜRR	BUY SIDE ADVISOR Advent International Acquisition of BONITAS	BUY SIDE ADVISOR Advent International Acquisition of Deutsche Fachpflege Gruppe	SELL SIDE ADVISOR Vitanas Sold to OAKTREE	ADVISOR €50M Bond placement	BUY SIDE ADVISOR Acquisition of apo-rot	SELL SIDE ADVISOR apotal.de Sold to

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