

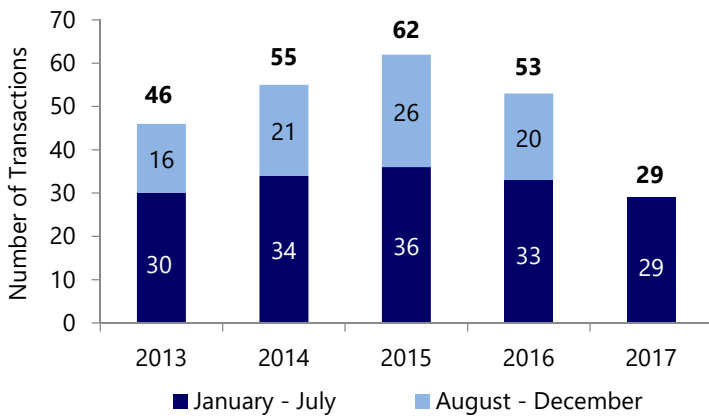


INDUSTRY OVERVIEW

- ▶ eLearning, Corporate & Professional Training remains an attractive industry for buyers and investors as evolving learning techniques and modern technologies continue to broaden the markets' operations.
- ▶ The US corporate training market is projected to grow at a compound annual growth rate (CAGR) of 9.5% between the years 2016-2020, according to *Research and Markets*. Growth is being driven by intensified competition in the corporate sector and an increased need for businesses to invest in and retain workers.
- ▶ Two main trends in the eLearning space are microlearning (training in small, specific bursts) and personalized online training pathways.

DEAL VOLUME

- ▶ Through the end of July, there have been 29 M&A deals in the eLearning, Corporate & Professional Training industry.
- ▶ Deal volume resembles year-to-date activity in previous years.

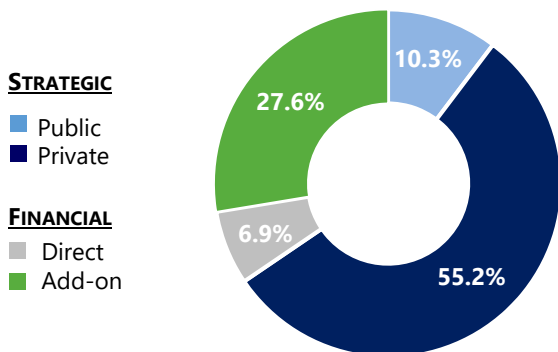


NOTABLE TRANSACTIONS

- ▶ **Frontline Education acquires School Improvement Network (July 2017)** – In its tenth acquisition to date, cloud-based education software developer Frontline Education acquired School Improvement Network, a provider of professional growth videos and training courses for K-12 educators. Terms of the deal were not disclosed. The deal will bolster Frontline's platform of solutions (which includes tools for recruiting and hiring, professional development, and special education and student interventions) and expand its reach to new organizations.
- ▶ **Franklin Covey acquires Jhana Education (July 2017)** – The highly regarded organizational performance improvement company Franklin Covey has acquired "bite-sized training" provider Jhana for \$10.7 million. Based in San Francisco, Jhana ascribes to creating a more productive, engaged workforce by sharing succinct training tools designed for modern learners. According to Bob Whiteman, Franklin Covey CEO, Jhana's "fresh and innovative content and dissemination techniques" are the perfect complement to Franklin Covey's existing portfolio offerings and will improve its All Access Pass for clients.

2017 BUYER BREAKDOWN

- ▶ Strategic buyers, who have historically been the dominate buyers in the industry, drove 65.5% of deals to date in 2017 while financial buyers drove the remaining 34.5%.
- ▶ Over this same period in 2016, strategic buyers accounted for 66.7% of deals and financial 33.3%.



All chart sources: CapIQ and Capstone Partners LLC Research

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