

MERGER & ACQUISITION ACTIVITY IN

PreK-12 EDUCATION

The PreK-12 Education sector, including tutoring and test preparation companies, continues to be of interest to private equity groups and strategic buyers. Transaction volume in 2016 is similar to that of 2015 with 41 transactions occurring through the first half of 2016 compared to 46 transactions for the same period in 2015.

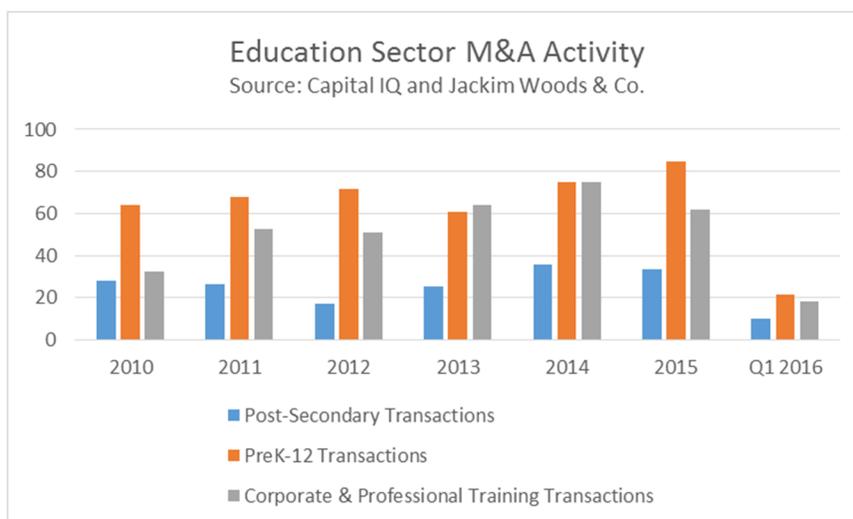
The types of companies being acquired in the PreK-12 sector are across the board, ranging from companies that provide outsourced/supplemental educational services, education technology and software, child care, tutoring/test prep, early intervention/special education and professional development, the common value proposition behind each of these companies is their focus on improving student outcomes. Investors and educational institutions alike are seeking to enhance student

achievement through the use of innovative personalized learning technology, diagnostic/assessment software tools and information systems to improve efficiency and enhance educational outcomes.

The most notable transactions in the last 12 months include K12's acquisition of LTS Education, and WorldStrides acquisition by private equity groups Metalmark Capital and Silverhawk Capital Partners. LinkedIn's acquisition of Lynda.com is also a testament to the range and diversity of buyers interested in the online education space right now. These transactions highlight the positive industry dynamics and the interest of a wide range of strategic and financial buyers to make acquisitions.

Outlook

Growth in the PreK-12 Education sector is expected to continue to be strong due to growing concern from both students and parents over the super-competitive college admission process. Over the last 20 years college acceptance rates at selective and highly selective colleges has gradually decreased while student participation in advanced placement programs and test prep programs have gradually increased. As a result, we expect continual growth in consumer demand for programs that develop each student's educational potential and differentiate them in the college application process. This will create a very positive environment for mergers and acquisitions activity in the PreK-12 sector as buyers opt to accelerate growth through acquisitions and consolidate the market. As a result, we expect valuations of PreK-12 companies that have a history of growth and profitability will continue to command premiums when it is time to sell.



PreK-12 Transactions

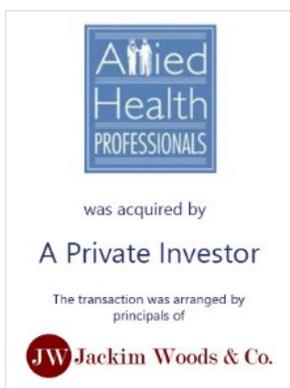
Date	Seller	Buyer	Seller Description
1/2016	Innovative Learning	La Clinica del Valle	Provides leadership and personal development training to individuals, corporations and governmental agencies.
1/2016	Distance	OnCourse Learning	Provides long distance learning courses for emergency medical services professionals.
1/2016	ExitCertified	Avnet	Provides information technology training to corporate and government clients.
1/2016	Code3	Career Step	Provides online training and virtual education for emergency medical services.
1/2016	Solutions In Mind	Frontline Technologies	Provides online training and professional development to the K-12 industry.
12/2015	AKLearning	Business Training Library	Provides online training services for employees.
11/2015	Price Mine	Compliance Staffing Agency	Provides MSHA and OSHA training for working in mines.
11/2015	Sherwood Learning	InfoPro Learning	Provides accounting training, coaching and workshops for professional development.
11/2015	GlobalHealth Training	Keypath Education	Provides online learning services for employees and members of healthcare companies.
10/2015	AnalystSuccess	John Wiley & Sons	Provides CFA study programs and training to candidates for CFA exam preparations.
10/2015	Proflight Aviation	Tempus Applied Solutions	Provides aviation training services.
10/2015	STC	Circuit Technology	Provides hand soldering training and IPC certification services.
10/2015	RediLearning	Relias Learning	Provides online training courses for the senior care industry.
10/2015	SmartPros	Kaplan	Provides educational solutions for accounting/finance, legal, engineering, securities and insurance markets.
10/2015	Develop Mentor	Global Knowledge Training	Provides software development training services.
9/2015	BigKite	Traction Sales	Provides customer relationship management training, implementation and consulting services.
9/2015	TopLine Matters	Futuri Media	Provides expert advisory and guidance services for executive management in various digital sectors.
9/2015	Archipelago	Tectonic	Delivers IT solutions including data strategy, management and training.
9/2015	CaseNEX	Longleaf	Provides online and case-based professional development programs to educators and school leaders.
8/2015	Learner's Digest	Wolters Kluwer	Develops mobile-based educational products for healthcare professionals.
8/2015	Trinity Consultants	Levine Leichtman	Provides training courses on environmental issues and EH&S professional training services.
8/2015	TSS Redmond	360training	Provides Microsoft content and testing training.
8/2015	Fitness Association	Academy Of Sports Medicine	Provides fitness training, certification and education services.
8/2015	CompuWorks	NH Learning Solutions	Provides IT education services to legal, corporate, and federal and state government clients.
7/2015	ZEE Medical	Cintas	Provides van-based first aid, safety and emergency training solutions.

7/2015	BridgeFront	Callidus	Provides online education courses on HIPPA, compliance, risk management and communication skills.
7/2015	Imedex	Vesey Street	Provides accredited continuing medical education to healthcare professionals.
7/2015	Masterlink	360training	Provides professional and leadership development training services.
7/2015	US Medical	Relias Learning	Provides online education services for nurses and healthcare professionals.
6/2015	CTB McGraw-Hill	Data Recognition	Publishes educational assessment products and services for K-12 and adult education.
6/2015	Emergency Certifications	Career Step	Provides online American Heart Association-based training and education programs.
5/2015	Corporate Visions	Sentinel Capital	Provides marketing and sales messaging, tools and training services.
5/2015	SideraWorks	CrowdSource	Provides professional development programs to improve collaboration skills.
5/2015	Acatar	The Learning House	Provides professional education and certification programs.
5/2015	Fire EMS Academy	Praetorian Digital	Provides certificate and degree programs for firefighters and first responders in the US.
5/2015	Health & Safety Institute	Riverside & Maranon	Provides environmental, health and safety training solutions.
5/2015	Management Impact	HR Impact	Provides HR consulting and leadership development, training tools and services.
4/2015	LearningExpress	EBSCO	Develops eLearning tools for professional development.
4/2015	lynda.com	LinkedIn	Provides training courses for individuals to learn business, software, technology and creative skills.
4/2015	Adnet's Learning Services Division	NH Learning	Provides education training solutions.
4/2015	National Seminars	SkillPath	Designs and provides online training courses and services.

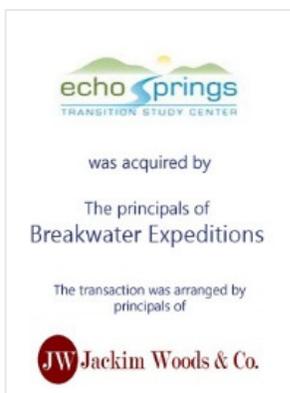
Source: Capital IQ and Jackim Woods & Co.

Completed and In-Process Transactions

The professionals at Jackim Woods & Co have completed many transactions in the education sector and the firm is active in the PreK-12 niche. Below are profiles of a few of Jackim Woods & Co's recently closed transactions and in-process transactions in the PreK-12 sector.



Allied Health Professionals provides contract-based allied health professionals like physical therapists, occupational therapists, and speech therapists to PreK-12 schools in the greater Chicago metro area. The Company had developed long-term relationships with school districts and often had the same therapists working for a school district for years. We sold this company at a premium in an all cash transaction to a high net worth buyer with a healthcare background.



Echo Springs Transition Study Center is a therapeutic boarding school for young adults. The program was founded by Doug Kim-Brown, a remarkable educator who developed the programs used to help young adults recover from troubled backgrounds and develop the life skills necessary to lead productive and fulfilling lives. The center was acquired by a strategic buyer who operated a leading wilderness therapy program for adolescents and young adults.



EnableMart is a leading reseller and distributor of assistive technology products for students with physical disabilities including vision, hearing, fine and gross motor skills and mobility impairment. The company's primary customers were K-12 school districts that were providing assistive technology to students to meet the requirements of the student's individual educational program. The company was acquired by School Health Corporation, a leading reseller and distributor of supplies to school nurses and other allied health professionals in a school setting.

About Jackim Woods & Co.



Rich Jackim is the founder of Jackim Woods & Co, and head of the firm's education group. He is a former Wall Street lawyer and bulge bracket investment banker. During his career Rich has advised on over 60 transactions with a market value of over \$2 billion. Since 2008 Rich has worked with privately-held, small and mid-sized companies in the education sector. He has written several white papers and articles on education related mergers and acquisitions and has been a speaker at the Education Industry Association's annual summit. He may be reached at (224) 513-5142 or at rjackim@jackimwoods.com.