

## Edtech Market Brief

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June 2025

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## Highlights

**7.4x**

Mean Public Comp  
Index EV / Revenue  
(May 2025)

**160**

# of Edtech Deals  
Announced  
(YTD May 2025)

**+14%**

Public Edtech Index  
Return vs. S&P 500  
(Over Last 12 Months)

**(6%)**

% Change in Edtech  
Announced Deal Count  
(YTD May 2025 vs. 2024)

## Summary Commentary

**1**

### Education Department Shut-Down Facing Legal Challenges

- President Trump's executive order to shut down the Department of Education (DOE) was blocked by a federal judge who issued an injunction requiring the reinstatement of the employees from March's mass layoff<sup>(1)</sup>
- A recent federal appeal court declined President Trump's request to lift the injunction<sup>(2)</sup>
- The administration requested that the Supreme Court allow them to continue with the shut-down and layoffs<sup>(3)</sup>
- Legal battles over the winding down of the DOE are likely to continue for foreseeable future

**2**

### Trump Administration vs. Higher Education

- The Trump administration continues its battle against higher education institutions
- The Department of Homeland Security stripped Harvard's ability to enroll foreign students, a move that was subsequently blocked by a federal judge<sup>(4)</sup>
- The administration has canceled ~\$11 billion of funding and grants towards higher education research<sup>(5)</sup>

**3**

### M&A Activity Gaining Ground

- The beginning of 2025 saw a more frigid M&A climate, but is quickly picking up pace, particularly for middle market transactions
- Announced edtech deals in May 2025 equaled May 2024, a sharp contrast to the first few months of this year, showing signs of renewed M&A interest
- PE sponsors continue to drive significant investment into the space directly through new platforms, and indirectly through add-on acquisitions for existing platforms

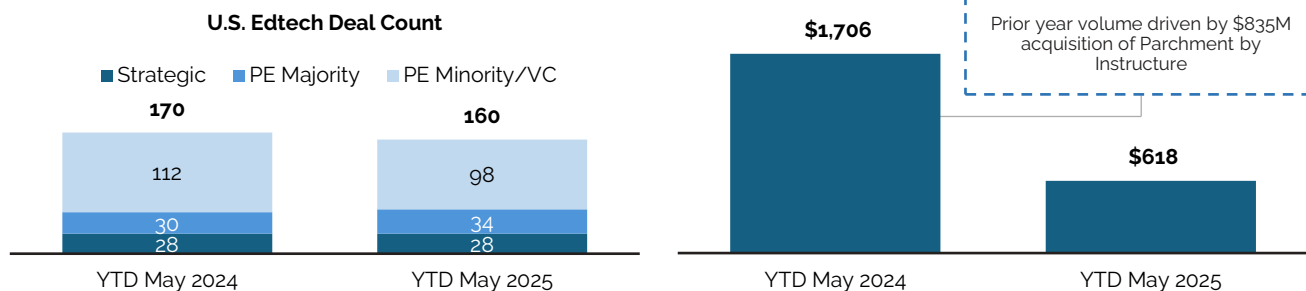
**4**

### Fiscal Year 2026 Budget Proposal<sup>(6)</sup>

- The new fiscal year 2026 budget proposal has many implications for education
- The proposal suggests cuts to federal Pell Grants and other changes to federal involvement in tuition aid
- Title I funding will remain at its current level, and IDEA funding will receive an increase in funding to states
- Changes to K-12 programs involve consolidating 18 programs into one grant, cutting funding drastically

## Market Data

(\$ in millions)



## Sample May Deal Activity

(\$ in millions)

Date	Target	Acquirer	Size	Industry Segment	Target Description
May-30	IntelliLearn	Wolters Kluwer	N/D	Corporate Training	IntelliLearn is a provider of online nursing education services in the U.S. and Australia
May-29	goReact	echo360	N/D	Skills Development	GoReact is an AI video-based skill assessment and feedback platform
May-8	ednetics	MGT	N/D	K-12 / Higher Education Software	Ednetics is a provider of IT and software solutions for K-12 and higher education institutions

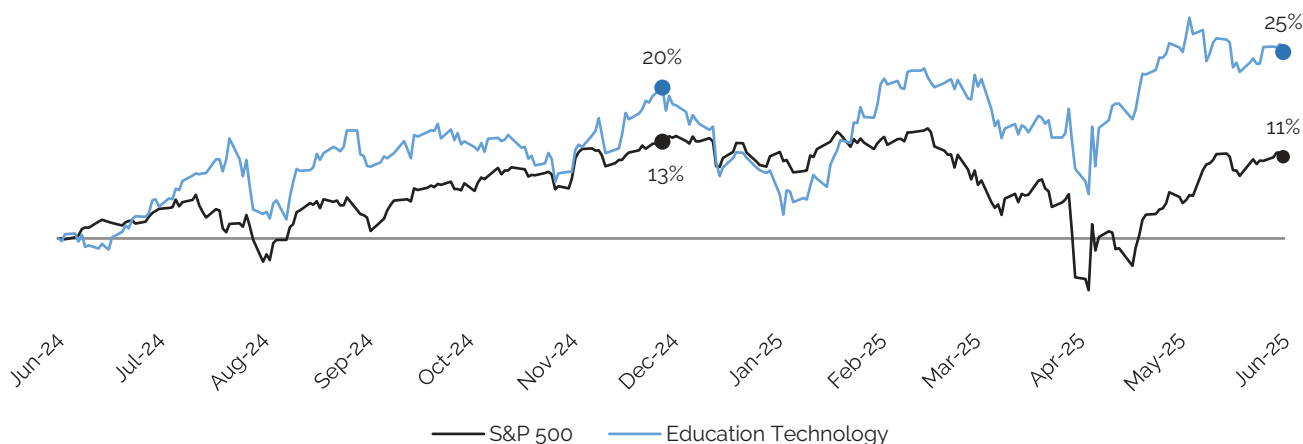
Notes: N/D = Not Disclosed; Edtech deal count includes announced deals done by PE majority, PE minority/VC (excluding seed/angel investments) and Strategic parties

Sources: PitchBook; company filings; Wall Street research  
 (1, 2) Reuters; (3) Inside Higher Ed; (4) Politico.; (5, 6) NPR

## Publicly-Traded Companies: Education Technology

(\$ in millions)		Valuation Metrics (Per Latest LTM)						
Company	Enterprise Value <sup>(1)</sup>	Revenue	Gross Margin	EBITDA	EBITDA Margin <sup>(2)</sup>	3-Year Rev CAGR <sup>(3)</sup>	EV/Rev	EV/EBITDA
Constellation Software <sup>(4)</sup>	\$78,701	\$10,367	89%	\$2,581	24.9%	24.6%	7.6x	30.5x
Roper Technologies <sup>(5)</sup>	68,312	7,241	69%	3,002	41.5%	13.5%	9.4x	22.8x
Tyler Technologies <sup>(4)</sup>	24,577	2,191	45%	488	22.3%	7.7%	11.2x	NM
Duolingo	22,827	811	72%	81	10.0%	41.4%	28.1x	NM
Blackbaud	4,249	1,147	56%	(144)	NM	5.9%	3.7x	NM
Healthstream	767	292	66%	65	22.3%	4.2%	2.6x	11.8x
Docebo	705	223	81%	22	9.9%	24.8%	3.2x	31.9x
D2L	453	205	68%	11	5.3%	10.6%	2.2x	NM
ReadyTech	204	77	94%	9	11.7%	17.3%	2.6x	22.6x
zSpace	116	37	43%	(12)	NM	1.7%	3.1x	NM
<b>Median</b>	<b>\$2,508</b>	<b>\$552</b>	<b>69%</b>	<b>\$44</b>	<b>17.0%</b>	<b>12.0%</b>	<b>3.4x</b>	<b>22.8x</b>
<b>Mean</b>	<b>\$20,091</b>	<b>\$2,259</b>	<b>68%</b>	<b>\$610</b>	<b>18.5%</b>	<b>15.2%</b>	<b>7.4x</b>	<b>23.9x</b>

## VCP Public Company Education Technology Index vs. S&P 500 (Last 12 Months)<sup>(6)(7)(8)</sup>



(1) Enterprise Value is as of June 6, 2025; (2) EBITDA margin <0% or EV/EBITDA multiples <0.0x or >40.0x are considered Not Meaningful ("NM"); (3) CAGR based on 2022-2025 TTM Revenue; (4) While revenue by industry is not publicly disclosed, these software holding companies maintain material education and public sector operations; (5) This company has a material portion of revenue coming from education-focused software products annually; (6) Index includes companies presented in the public comps above; (7) Market cap weighted index; (8) As of June 6, 2025  
Source: PitchBook, Wall Street Research

## About Vicksburg Capital Partners

Vicksburg Capital Partners ("VCP") is an independent investment bank that provides sophisticated, trusted M&A advice and best-in-class transaction execution by dedicated, experienced principals for middle market businesses. We cover the global education industry with deep sector expertise and a specialization in education technology businesses across the entire learner journey.

### VCP Values

**Integrity Matters**

**Focus Drives Success**

**Insight + Experience**

**Leadership**

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