

James Branch Cabell • BREWER

# Seale & Associates

Creative Solutions. Trusted Advice.

EDUCATION  
INDUSTRY IN  
MEXICO

FEBRUARY  
**2019**

INDUSTRY REPORT

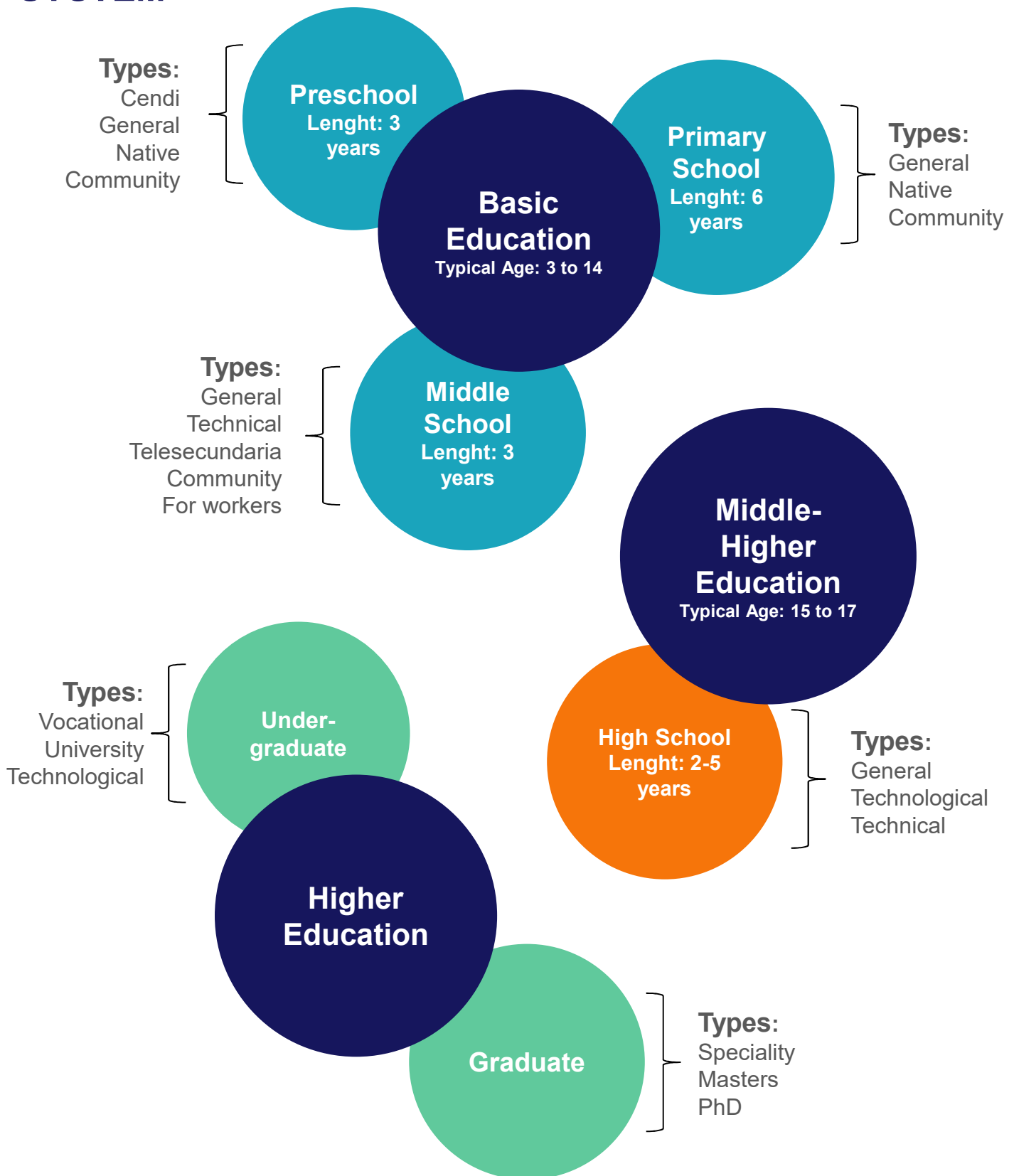
# EDUCATION INDUSTRY IN MEXICO

The education industry is composed of establishments that provide instruction and training on a wide variety of subjects. Education industry is widely considered a counter-cyclical industry. That is to say, typically, when the economy is doing poorly and unemployment is rising, more working adults decide to upgrade their education leading to higher enrollment and increased profit at the schools.

- The Mexican educational system is the set of norms, institutions, resources and technologies destined to offer educational services to the Mexican population, these are concentrated in the **National Educational System (SEN by its spanish acronym)**
- The SEN is composed of the following types: (1) Basic, corresponding to preschool, primary and middle school, (2) the middle-higher education, comprising high school and its equivalents, and (3) the higher education, consisting of undergraduate and graduate studies
- Compulsory education comprises 15 school grades: pre-school, middle school and middle-higher education, with three grades each, and six more in primary education
- The SEN also includes early childhood education, special education, adult education, and job training and education



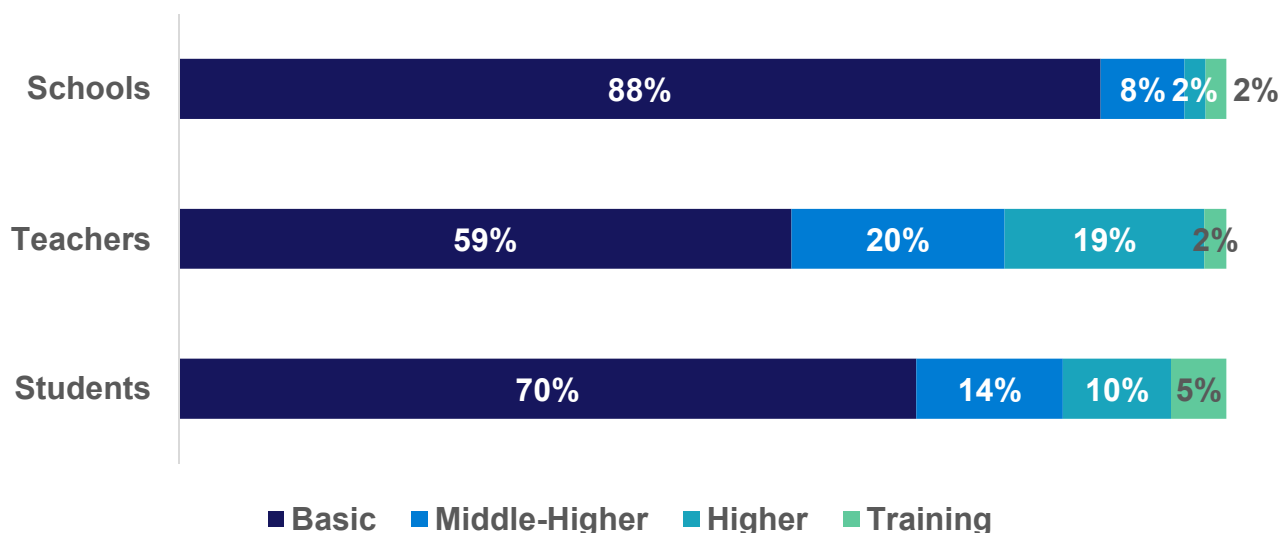
# COMPOSITION OF THE MEXICAN EDUCATIONAL SYSTEM



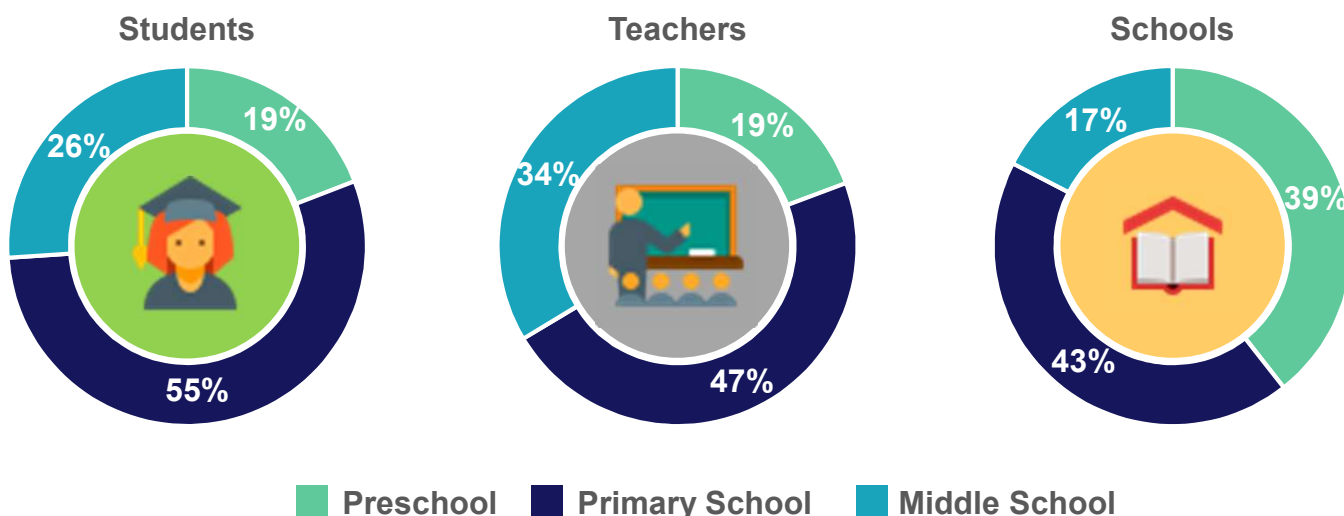
# EDUCATION INDUSTRY IN MEXICO

For the school year 2017-2018 there were 36,450,450 students in the SEN, there were also 2,085,090 teachers and a total of 258,015 schools.

- 30,684,470 students were enrolled in compulsory education (basic and middle-higher), with a total of 1,643,616 teachers in 247,040 schools
- Basic education accounts for the highest number of students with 70% of the total number of students, 63% of teachers and 89% of SEN schools



**Distribution of Students, Teachers and Schools by Type of Education**  
 % out of the total system  
 Academic Year 2017-2018



**Distribution of Students, Teachers and Schools by School Grade**  
 Academic Year 2017-2018

# BASIC EDUCATION IN MEXICO

During the 2017-2018 school year of basic education, 89% of the students were in a public institution and the remaining 11% in a private institution; 86% of teachers and 86% of schools are in the public sector, therefore 14% of teachers and schools belong to the private sector.

- Middle schools have an average of 171 students, primary schools 145 and preschools with an average of 55 students
- The public sector has shown a growth in the number of students of 4% during the period 2001-2018, while the private sector had a growth of 37%

		Students	Teachers	Schools
Preschool	Public Sector	85%	80%	82%
	Private Sector	15%	20%	18%
Primary School	Public Sector	90%	89%	91%
	Private Sector	10%	11%	9%
Middle School	Public Sector	91%	84%	86%
	Private Sector	9%	16%	14%
Growth 2001-2017	Public Sector	4%	13%	5%
	Private Sector	37%	65%	92%

## Distribution of Students, Teachers and Schools in Basic Education by Public or Private Sector and its Growth

Basic Education by Grade 2017-2018  
Total Growth



# MIDDLE-HIGHER EDUCATION IN MEXICO

Middle-higher education has been compulsory since the 2012-2013 school year and has 4 types of funding: federal, state, autonomous and private.

- For the 2017-2018 year, there was a 2% increase in students, 42% in teachers and 18% in schools, compared to the previous school year
- The middle-higher education presented the highest increase in enrollment in the period 2001-2017, as it showed a growth of 64%, while middle education increased 23% and primary education decreased by 5%



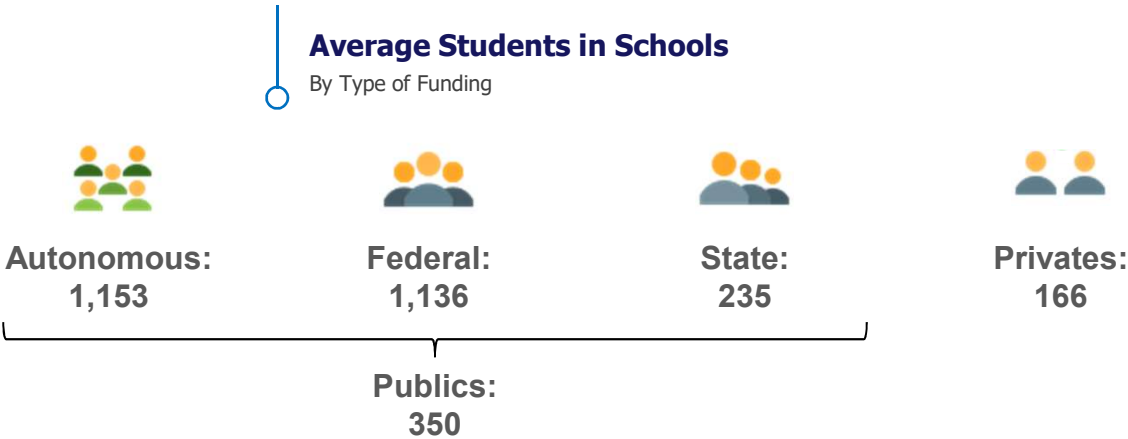
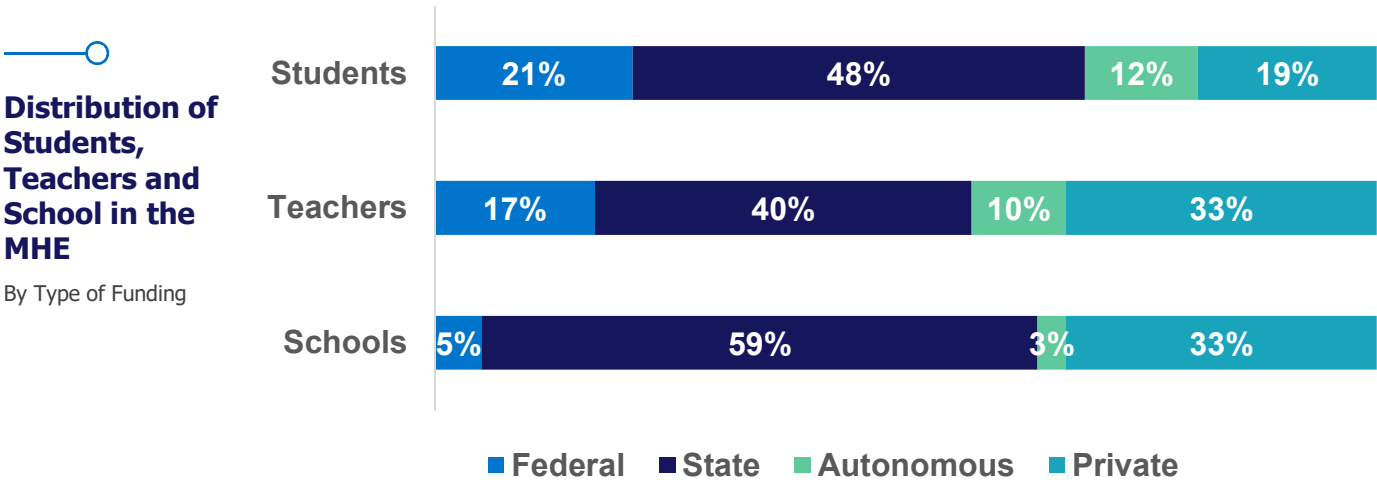
Students:  
5,237,003



Professors:  
423,754



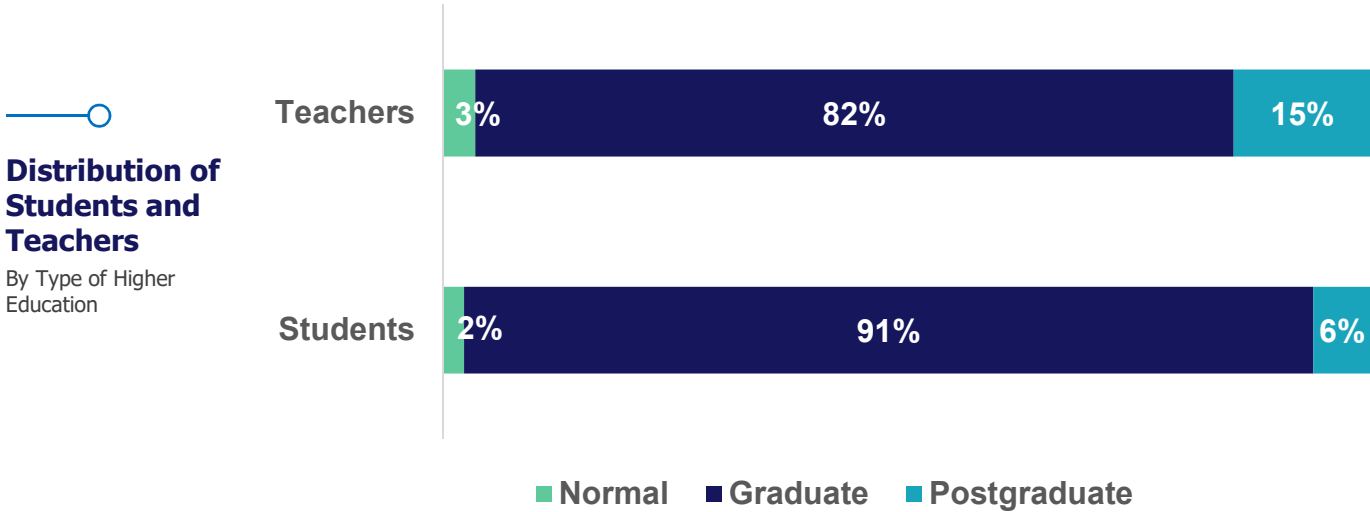
Schools:  
20,852



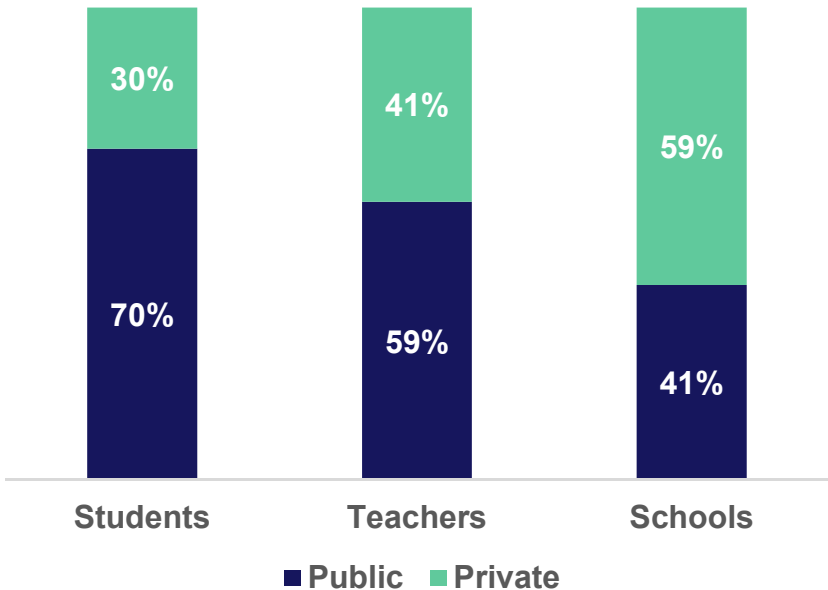
# HIGHER EDUCATION IN MEXICO

Higher education had 3,864,995 students for the 2017-2018 school cycle, as well as 397,971 teachers in 5,455 schools.

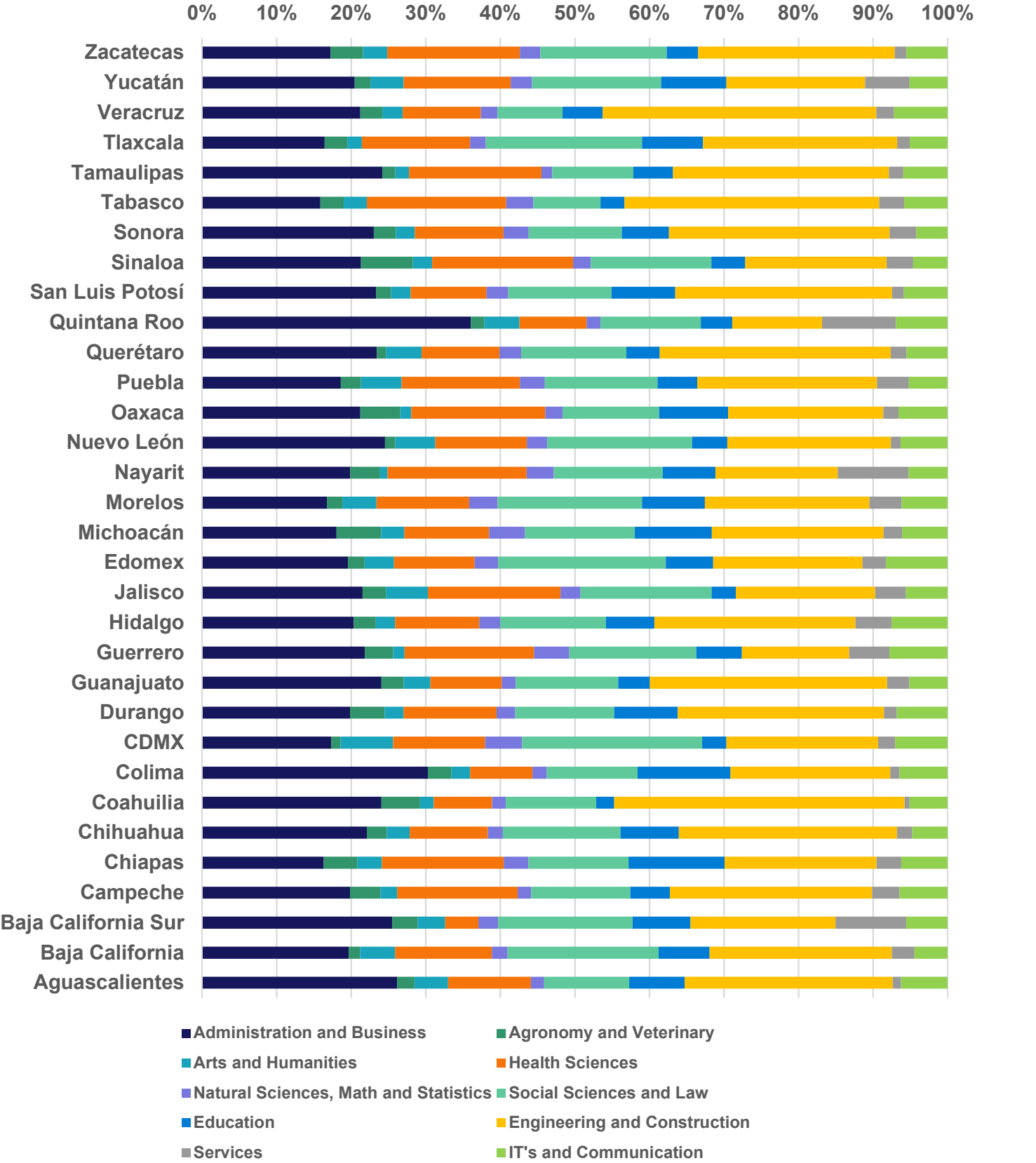
- For the 2017-2018 year, there was a 3% increase in students, 2% in teachers and 3% in schools, compared to the previous school year
- 91% of students in higher education study an undergraduate degree, followed by 6% who study postgraduate and 2% study vocational education
- 70% of students study in public institutions, just as 59% and 41% of teachers and schools respectively belong to public support



**Distribution of Students, Teachers and Schools**  
By Type of Funding



# HIGHER EDUCATION IN MEXICO



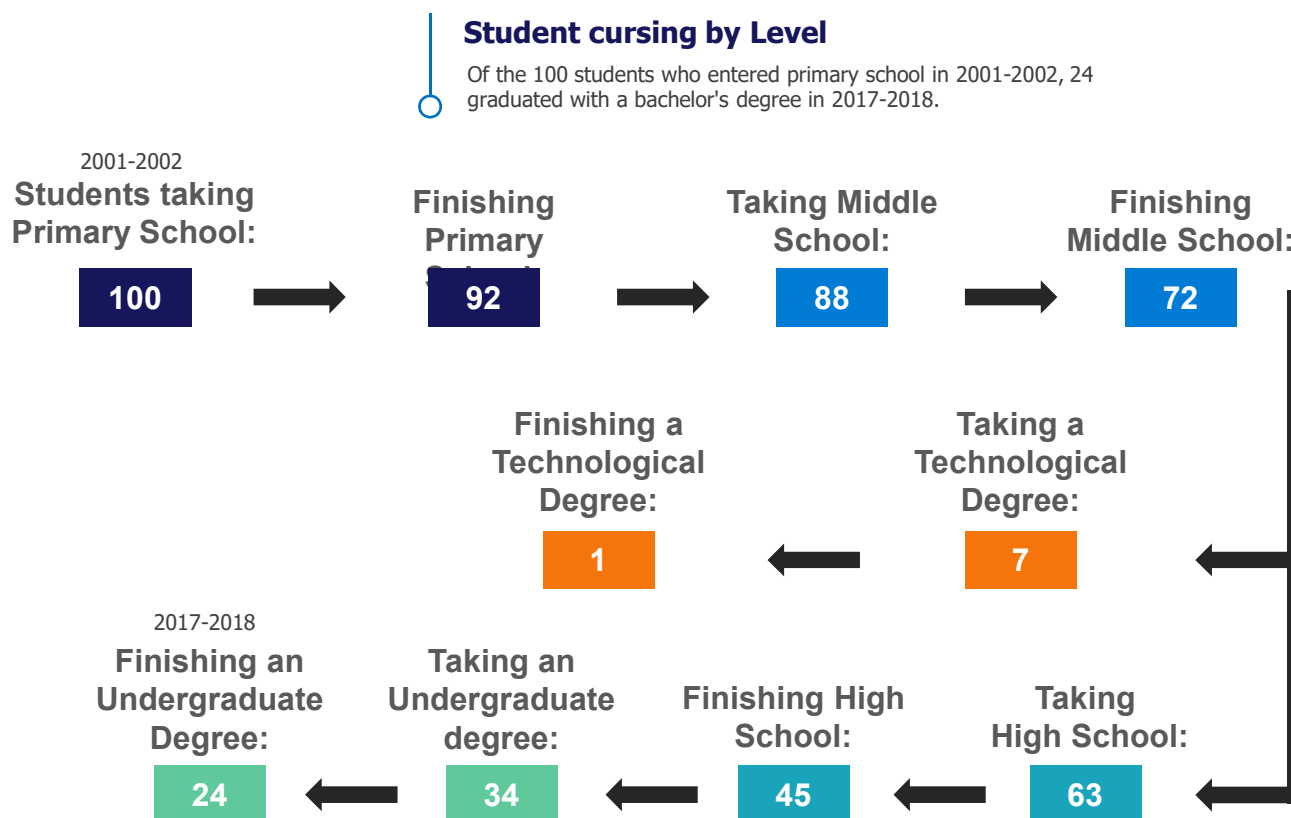
 **Distribution of Higher Education Students by Academic Formation**  
By state



# CONTEXT OF THE EDUCATION IN MEXICO

5.4% of Mexico's GDP goes to education (public and private), 0.2 percentage points above the OECD\* average; which at the same time represents a per capita spending on education of US\$3,703 when the OECD average is US\$11,000.

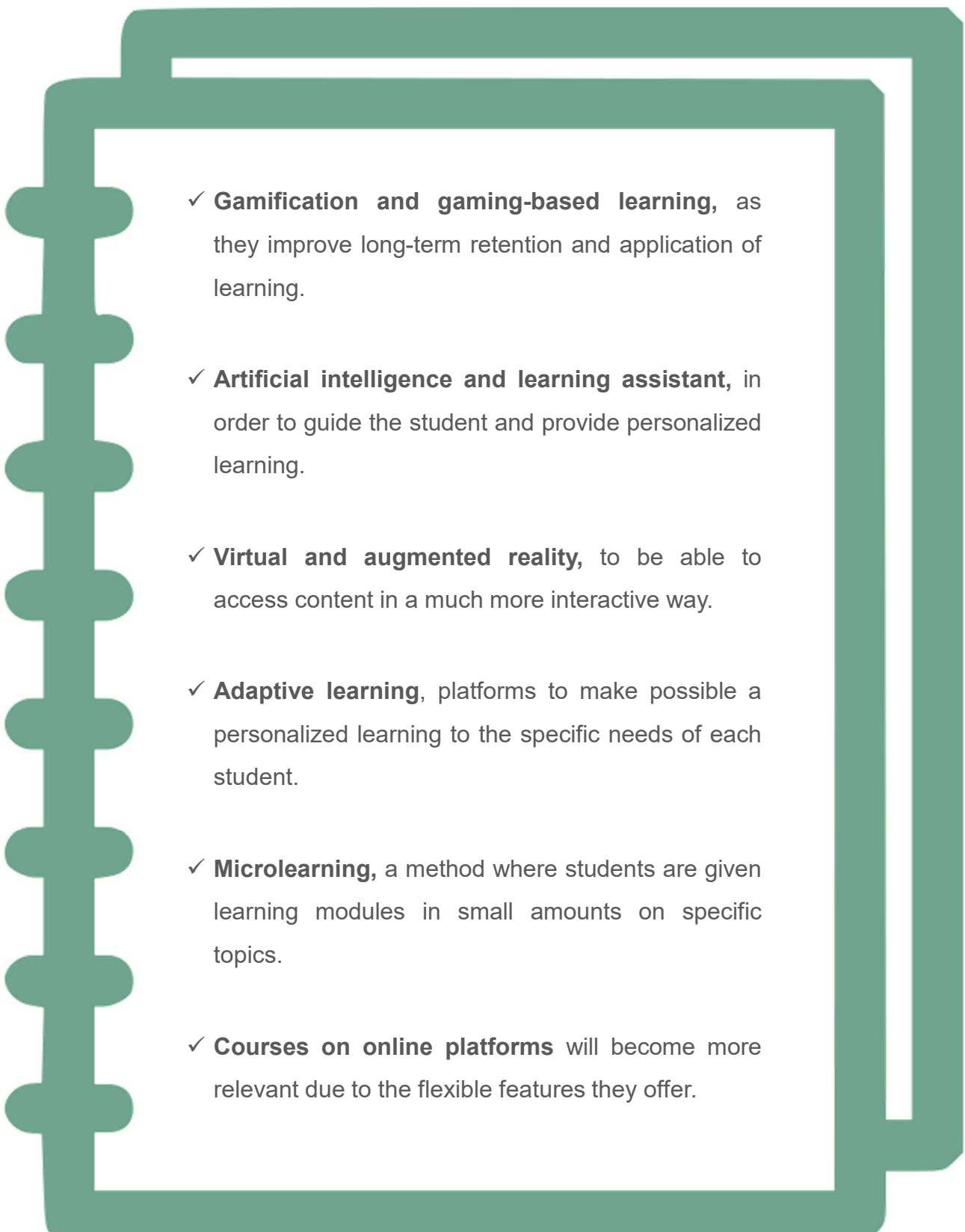
- In 2018, MX\$259 billion was allocated to public education in the Federal Expenditure Budget, an increase of 0.2% with over 2017 and a decrease of 4% for the period 2013-2018.
- Coverage in basic education is 96.0 students per 100 of the population group with the regulatory age to attend this level, while in the middle-higher level it is reduced to 79.6 students
- Mexico has achieved gender equality at all levels of education
- In the PISA\* assessment conducted by the OECD in 72 countries, Mexico ranked 60<sup>th</sup> after registering scores of 416 in science, 423 in reading and 408 in mathematics, when the OECD average was 493 for science and reading, and 490 for mathematics.
- Mexico City is the entity with the highest percentage of literate population, having 97.7 out of every 100 people of 15 years and over who can read and write, while Oaxaca and Chiapas are the entities with the lowest percentage, having both 84.2.



\*OECD: Organisation for Economic Co-operation and Development, involving 37 countries

\*PISA: Programme for International Student Assessment

## TRENDS IN THE EDUCATION INDUSTRY:

- 
- ✓ **Gamification and gaming-based learning**, as they improve long-term retention and application of learning.
  - ✓ **Artificial intelligence and learning assistant**, in order to guide the student and provide personalized learning.
  - ✓ **Virtual and augmented reality**, to be able to access content in a much more interactive way.
  - ✓ **Adaptive learning**, platforms to make possible a personalized learning to the specific needs of each student.
  - ✓ **Microlearning**, a method where students are given learning modules in small amounts on specific topics.
  - ✓ **Courses on online platforms** will become more relevant due to the flexible features they offer.

# NEW EDUCATIONAL REFORM BY AMLO

1

The National Institute for the Evaluation of Education, whose main task is to evaluate the quality, performance and results of the SEN, will be replaced by the National Center for the Revaluation of the Magisterium and the Continuous Improvement of Education, with more functions to also evaluate the educational authorities.

2

Free education at all levels: Extend free education to the higher level, 100 public universities will be built.

3

Changes in the evaluation system: A non-punitive evaluation, where you also evaluate the sector authorities.

4

Amendments to the Constitution: The figure of "supreme interest" in education for children and young people will be added to article 3. The principles of comprehensiveness, equity and excellence are also added.

5

Parent-Teacher Consensus: An initial agreement between parents and teachers.  
Priority Attention to Strengthening Normal Schools

6

Compulsory subjects: Civility, values, art, culture, music, sport and respect for the environment will be included as compulsory subjects.

7

Contents differentiated by region: Regional vision of education for the formulation of differentiated contents for the regions of Mexico with emphasis on indigenous, bilingual and bicultural education.

8
























Scholarships: Young people will be supported through the "Benito Juárez" scholarship system to promote permanence in schools.

9

Freedom of trade unions: All trade unions shall have the freedom and autonomy to elect their leaders.















# CURRENT MARKET SITUATION

## COMPARABLE PUBLIC COMPANIES – GLOBAL

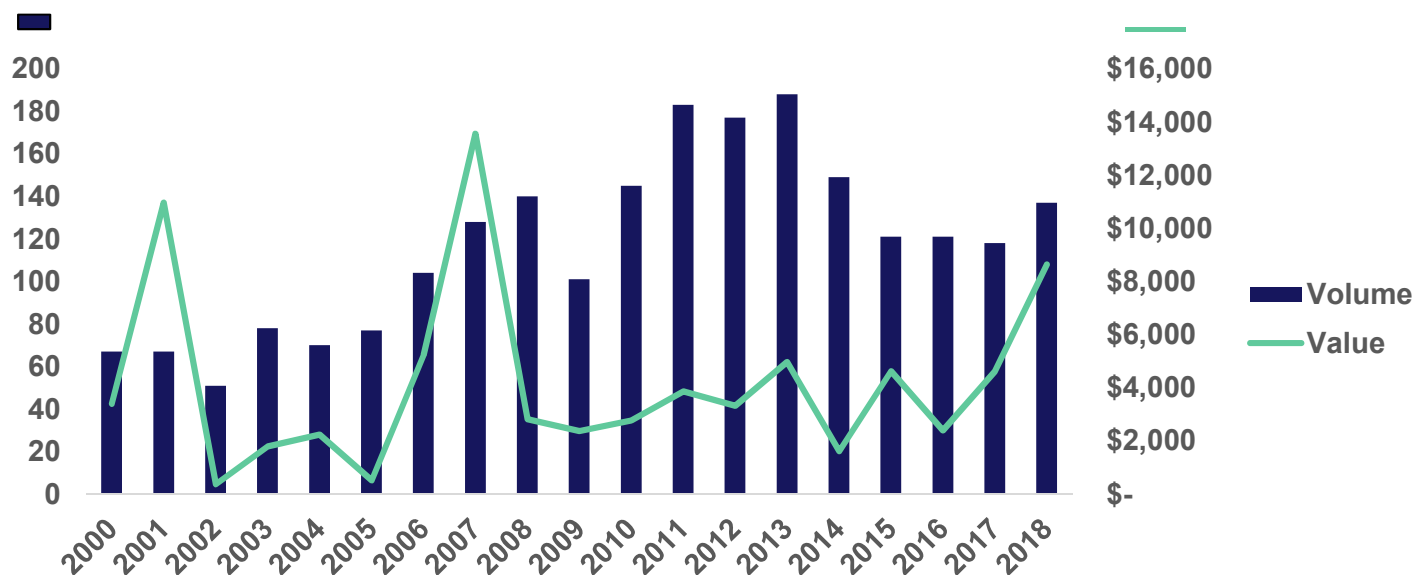
Company		Country	Price 24-01-19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			24-01-19	
								2015	2016	2017	EV / EBITDA	EV / Revenue
TAL Education Group		CHN	\$29.81	\$2,341	15.9%	\$16,911	\$15,561	29.4x	43.7x	69.2x	NR	NR
Bright Horizons Family Solutions Inc.		USA	\$115.20	\$1,903	17.9%	\$6,690	\$7,812	18.6x	18.2x	19.8x	23.9x	4.2x
New Oriental Education & Technology Group Inc.		CHN	\$73.98	\$2,776	12.1%	\$11,740	\$9,325	12.4x	20.2x	31.4x	27.8x	3.4x
Laureate Education, Inc.		USA	\$15.71	\$3,350	16.2%	\$3,422	\$5,648	0.0x	0.0x	9.3x	7.7x	1.3x
Grand Canyon Education, Inc.		USA	\$93.06	\$846	36.9%	\$4,479	\$4,427	8.5x	7.7x	12.1x	13.3x	4.7x
Kroton Educacional S.A		BRA	\$3.05	\$1,372	31.4%	\$4,959	\$4,669	12.9x	11.7x	12.2x	10.2x	3.2x
Chegg, Inc.		USA	\$34.08	\$321	5.7%	\$3,916	\$3,736	32.0x	93.8x	0.0x	NR	NR
Graham Holdings Company		USA	\$662.14	\$2,696	17.8%	\$3,511	\$3,212	6.1x	5.8x	7.4x	7.6x	1.2x
Adtalem Global Education Inc.		USA	\$49.07	\$1,231	20.6%	\$2,883	\$2,771	5.3x	3.9x	7.1x	10.1x	2.3x
China Education Group Holdings Limited		HKG	\$1.37	\$205	54.1%	\$2,776	\$2,592	0.0x	0.0x	24.0x	23.4x	NR
Cengage Learning Holdings II, Inc.		USA	\$0.00	\$1,395	8.6%	\$246	\$2,226	9.7x	8.9x	9.8x	16.8x	1.6x
Humansoft Holding Company K.S.C.P.		KUW	\$10.64	\$228	53.2%	\$2,201	\$2,201	6.8x	7.0x	15.4x	18.6x	NR
Estácio Participações S.A.		BRA	\$8.02	\$935	29.2%	\$2,407	\$2,316	10.3x	8.4x	9.2x	8.7x	2.4x
Benesse Holdings, Inc.		JPN	\$25.81	\$3,933	7.1%	\$2,486	\$2,070	5.1x	8.0x	11.4x	7.6x	0.5x
Strategic Education, Inc.		USA	\$111.01	\$634	15.0%	\$2,355	\$2,040	5.3x	5.3x	10.1x	NR	4.0x
Somos Educação S.A.		BRA	\$5.86	\$522	7.4%	\$1,526	\$1,881	12.0x	15.1x	14.9x	NR	3.4x
IDP Education Limited		AUS	\$8.01	\$387	18.5%	\$2,029	\$2,039	17.9x	19.6x	19.6x	NR	5.9x
Virscend Education Company Limited		CHN	\$0.48	\$161	45.9%	\$1,496	\$1,567	0.0x	33.8x	35.4x	21.3x	NR
Navitas Limited		AUS	\$3.98	\$671	8.5%	\$1,427	\$1,571	11.0x	11.4x	11.7x	26.1x	2.4x
G8 Education Limited		AUS	\$2.14	\$603	17.1%	\$977	\$1,199	14.7x	10.7x	11.4x	10.8x	2.1x
OneSmart International Education Group Limited		CHN	\$8.75	\$441	10.2%	\$1,435	\$1,184	0.0x	0.0x	0.0x	22.9x	2.8x
Hope Education Group Co., Ltd.		CHN	\$0.11	\$150	27.9%	\$714	\$1,165	0.0x	0.0x	0.0x	21.7x	NR
Hailiang Education Group Inc.		CHN	\$40.25	\$177	33.7%	\$1,038	\$886	6.3x	6.3x	11.4x	14.9x	5.0x
China YuHua Education Corporation Limited		CHN	\$0.39	\$175	54.9%	\$1,285	\$1,110	0.0x	0.0x	17.9x	11.5x	6.3x
Bright Scholar Education Holdings Limited		CHN	\$11.15	\$274	21.4%	\$1,382	\$1,067	0.0x	0.0x	44.2x	18.2x	3.9x
Curro Holdings Limited		RSA	\$2.00	\$173	24.5%	\$824	\$974	65.1x	58.5x	48.2x	24.5x	5.8x
China Maple Leaf Educational Systems Limited		CHN	\$0.44	\$196	41.3%	\$1,299	\$989	13.4x	20.6x	20.9x	12.2x	5.0x
Wisdom Education International Holdings Company Limited		CHN	\$0.39	\$183	32.3%	\$805	\$955	0.0x	0.0x	17.2x	16.2x	5.2x
AcadeMedia AB (publ)		SWE	\$5.04	\$1,280	7.7%	\$530	\$823	0.0x	10.2x	9.2x	8.2x	0.7x
China New Higher Education Group Limited		CHN	\$0.48	\$68	51.3%	\$691	\$840	0.0x	0.0x	35.5x	24.1x	NR
NR: Not Relevant										Mean	16.3x	3.4x
										Median	16.2x	3.4x

# CURRENT MARKET SITUATION

## COMPARABLE TRANSACTIONS – GLOBAL MORE THAN US\$250 MILLION

Date	Target	Country	Description	Buyer	% Acquired	Size US\$M	EV / EBITDA	EV / Revenue
Oct-18	Cambium Learning Group, Inc.	USA 	Technology for educational services	Veritas Capital Fund Management, LLC	100	\$751	24.4x	4.5x
Oct-18	Navitas Limited	AUS 	Educational services	Australian Super, BGH Capital, entre otros	85	\$1,487	27.9x	2.4x
Sep-18	Cognita Schools Ltd	GBR 	Operates a school network	Jacobs Holding AG	100	\$2,577	-	-
Apr-18	University of St. Augustine for Health Sciences, LLC	USA 	Health sciences university	Altas Partners LP	100	\$393	-	4.4x
Apr-18	Somos Educação S.A.	BRA 	Educational services	Saber Serviços Educacionais S.A.	73	\$2,064	18.2x	3.9x
Apr-18	General Assembly Space, Inc.	USA 	Educational services	Adecco Group AG	100	\$413	-	4.1x
Oct-17	Capella Education Company	USA 	Online educational platform	Strayer Education Inc.	100	\$964	11.5x	1.8x
Apr-17	Nord Anglia Education, Inc.	HKG 	Operates premium schools	CPP Investment Board, entre otros	33	\$1,153	24.8x	4.9x
Mar-17	PADI Worldwide Corp.	USA 	Swimming and scuba diving classes	Mandarinfish Holding Corp.	-	\$700	-	-
Feb-16	Apollo Education Group, Inc.	USA 	Private schools	Apilo Global Management, entre otros	100	\$1,212	NR	0.3x
Oct-15	Grupo Uniassevi	BRA 	Orthodontics school	The Carlyle Group, entre otros	100	\$285	-	3.8x
Apr-15	Xueda Education Group	CHN 	Personalized tutoring	Xiamen Insight Investment	100	\$401	-	0.6x
Apr-15	Lynda.com, Inc.	USA 	Online educational platform	LinkedIn Corporation	100	\$1,682	-	NR
Mar-15	Nobel Learning Communities, Inc.	USA 	Private schools	Investcorpo Bank, enre otros	100	\$405	-	-
Feb-15	Abril Educação S.A. (nka:Somos Educação S.A.)	BRA	Educational services	Tarpon Gestora de Recursos S.A.	39	\$801	16.2x	3.3x
NR: Not Relevant						Mean	20.5x	3.1x
						Median	21.3x	3.8x

## HISTORICAL EDUCATION TRANSACTIONS

































Total Volume: 2,222  
Total Value: US\$80,145 millones  
Only 39% of the transactions show reported value



# CURRENT MARKET SITUATION

## COMPARABLE TRANSACTIONS – GLOBAL LESS THAN US\$250 MILLION

Date	Target	Country	Description	Buyer	% Acquired	Size US\$M	EV / EBITDA	EV / Revenue
Jul-18	Humansoft Holding Company K.S.C.P.	KUW 	Educational services	Undisclosed Buyer	17	\$226	12.0x	6.1x
Jul-18	Sichuan Top Education Co., Ltd	CHN 	Highschool education	Hope Education Group Co., Ltd.	100	\$127	-	-
Jun-18	Anne Sullivan	MEX 	School in the State of Mexico, <b>Seale &amp; Associates</b> acted a exclusive financial advisor	Discovery Americas	-	-	-	-
May-18	EYAS for Higher and Technical Education Company K.S.C.P.	KUW 	Science and technology school	Boubyan Petrochemical Company K.S.C.P.	21	\$50	8.9x	2.7x
May-18	VKidz, Inc.	USA 	Extracurricular programs	Cambium Learning Group, Inc.	100	\$88	-	-
Feb-18	Discovery Education, Inc.	USA 	Digital content for schools	Francisco Partners Management LLC	88	\$120	-	-
Feb-18	Zhongwen Weilai Education Technology (Beijing) Co., Ltd.	CHN 	Educational services	Beijing Lanxum Technology Co., Ltd.	51	\$76	-	11.3x
Nov-17	Studienkreis GmbH	GER 	Tutoring services	IK Small Cap Fund I No.2 SCSP; IK Small Cap Management	100	\$85	-	-
Sep-17	Educational Holding Group K.S.C.P.	CHN 	Educational services	Boubyan Petrochemical Company K.S.C.P.	25	\$63	11.4x	6.4x
Sep-17	Beijing Emerald Education Technology Co., Ltd.	CHN 	Educational services for mobile devices	The Great Wall Of Culture Group Holding Co., Ltd. Guangdong	100	\$240	-	5.4x
Sep-17	Vindora AB	SWE 	Vocational education	AcadeMedia AB (publ)	100	\$68	-	-
Aug-17	Asian Aviation Centre of Excellence Sdn Bhd	MAS 	Aviation learning services	CAE Inc.	50	\$100	-	-
Aug-17	Global Education & Technology Group Limited	CHN 	Educational courses	Prepshine Holdings Co., Limited	100	\$72	-	0.7x
Jul-17	Shaanxi Longmen Education Technology Co.Ltd	CHN 	Tutoring for university admissions	Suzhou Kingswood Printing Ink Co., Ltd.	49	\$111	19.8x	5.4x
May-17	Virscend Education Company Limited	CHN 	Educational services	China First Capital Group Limited	6	\$104	31.5x	14.8x
May-17	BrightPath Early Learning Inc.	CAN 	Day care	Busy Bees Holdings Ltd.	100	\$112	17.4x	1.9x
May-17	Get Educated International Proprietary Limited	RSA 	Online platform	2U South Africa	100	\$123	-	7.2x
Apr-17	Virscend Education Company Limited	CHN 	Educational services	Undisclosed Buyer	8	\$155	NR	16.8x
Apr-17	a	CHN 	Vocational education	Sichuan Taihe Real Estate Group Co., Ltd.	48	\$61	-	-
Mar-17	Educational Holding Group K.S.C.P.	KUW 	Educational services	Boubyan Petrochemical Company K.S.C.P.	33	\$79	11.0x	6.2x
Dec-16	Cruzeiro do Sul Educacional S.A.	BRA 	Educational institution	GI C Pte. Ltd.	40	\$153	10.7x	2.2x
Nov-16	Golden Apple Education Group	CHN 	Primary schools	PAG Asia Capital	100	\$250	-	-
Apr-16	Beijing ROBOROBO Education Technology Co., Ltd.	CHN 	Operates an online platform	Beijing Shengtong Printing Co., Ltd	100	\$93	-	-
Jan-16	Tsingda eEDU Corporation	CHN 	Online educational services	Undisclosed Buyer	30	\$210	-	-
Oct-15	Swiss Education Group Ltd.	SUI 	Hospitality education	Undisclosed Buyer	17	\$71	-	-
Oct-15	Career Partner GmbH	GER 	Higher private education	Apollo Global Germany GmbH	100	\$119	-	2.8x
Sep-15	Interworld Technology Development (ShenZhen) Co., Ltd.	CHN 	Online education	Beijing Phillense Technology Co., Ltd.	80	\$50	-	-
May-15	Success Holdings Company Limited (nka:LIKE Kidsnext Co.,Ltd.)	JPN 	Day care	J-COM Holdings Co.,Ltd. (nka:LIKE Co., Ltd.)	24	\$54	25.1x	1.1x
May-15	Eikoh Holdings Inc.	JPN 	Educational services	ZE Holdings Co., Ltd.	39	\$103	6.7x	0.7x
Mar-15	Endeavour Learning Group Pty Ltd	AUS 	Educational institution	Study Group Pty Ltd.	100	\$56	-	-
Feb-15	Abril Educação S.A. (nka:Somos Educação S.A.)	BRA	Educational services	Tarpon Gestora de Recursos S.A.	21	\$240	12.0x	2.9x
NR: Not Relevant						Mean	15.1x	5.6x
						Median	12.0x	5.4x



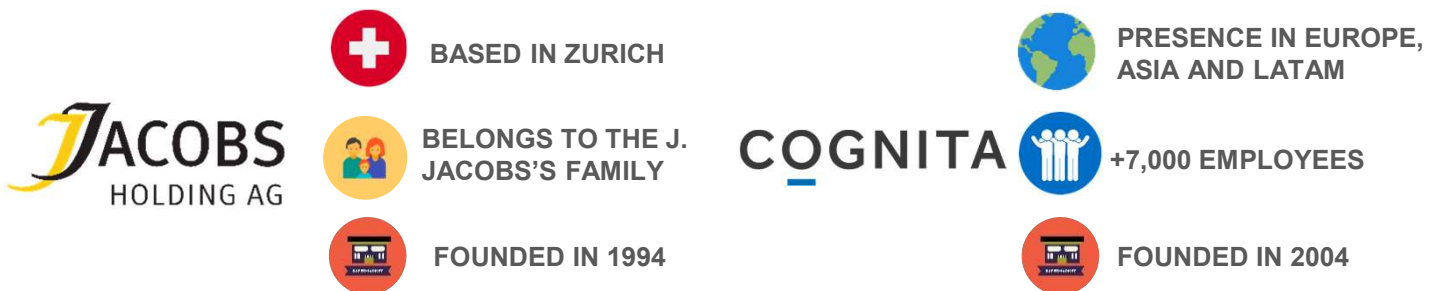
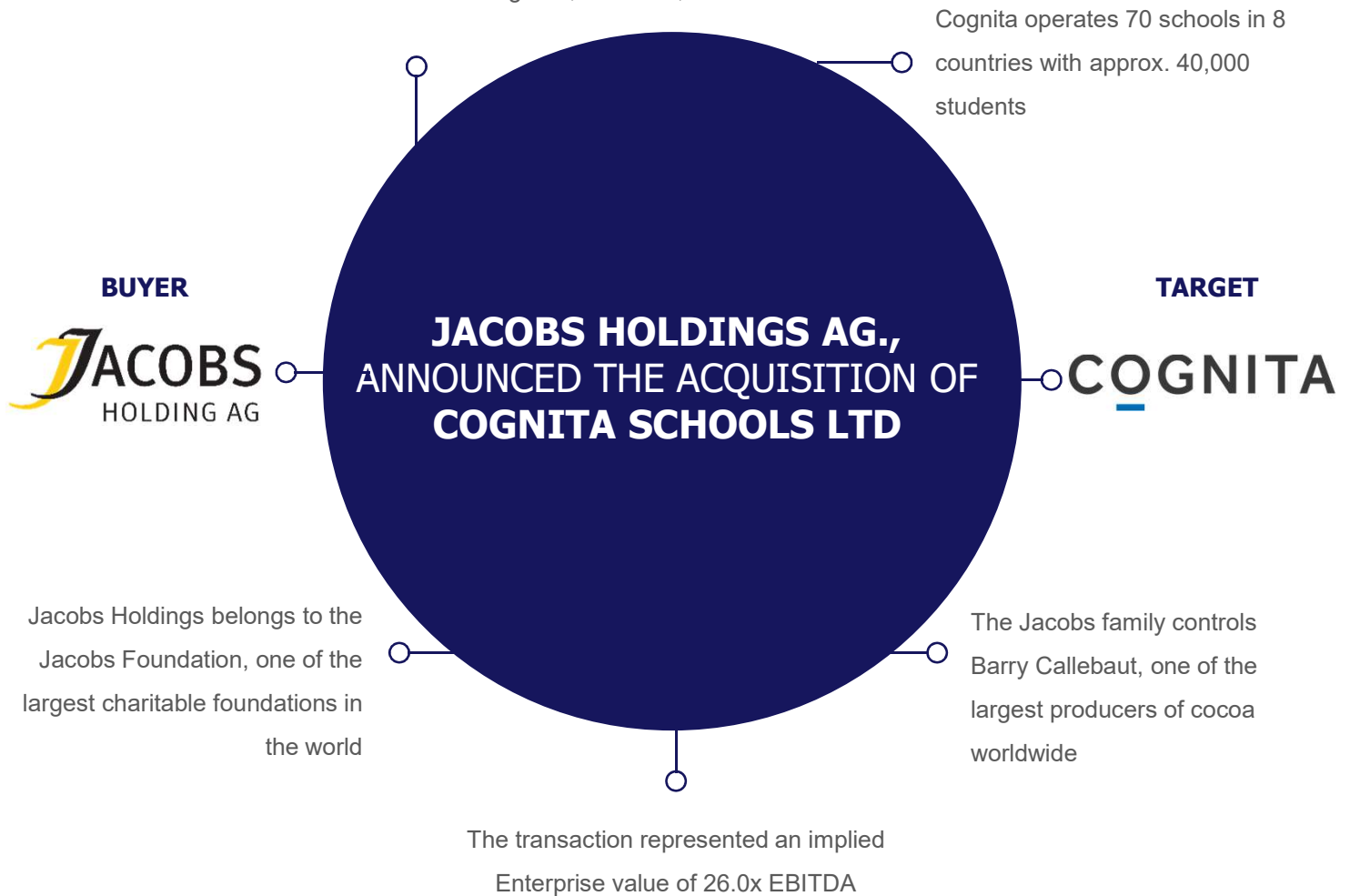
# CURRENT MARKET SITUATION

## REPRESENTATIVE TRANSACTIONS

SUMMARY	TARGET	BUYER
On September 3, 2018, <b>Jacobs Holdings AG</b> , a Swiss investment firm, announced the acquisition of <b>Cognita Schools Ltd.</b> , a network of international schools based in the United Kingdom, for US\$2,577 million, representing an implied enterprise value of 26.0x EBITDA.		
On April 23, 2018, <b>Saber Serviços Educacionais SA</b> , a subsidiary of <b>Kroton Educacional SA</b> , an educational organization in Brazil, announced the acquisition of a 73.4% stake in <b>Somos Educação SA</b> , an educational company based in Brazil, for US\$2,064 million, representing implied enterprise values of 18.2x EBITDA and 3.9x sales.		
On April 9, 2015, <b>LinkedIn Corporation</b> , the US online platform for professionals, announced the acquisition of <b>Lynda.com, Inc.</b> , an online educational platform in the United States, for US\$1,682 million, representing an implied enterprise value of 10.4x sales.		
On October 10, 2018, <b>Australian Super, BGH Capital, Hoperidge Enterprises and Remjay Investments</b> , Australian investment funds, announced the acquisition of the remaining 85% stake of <b>Navitas Limited</b> , educational services based in Australia, for US\$1,479 million, representing implied enterprise values of 27.0x EBITDA and 2.5x sales		
On February 8, 2016, <b>Apollo Global Management, Najafi Companies and The Vistria Group</b> , US investment firms, announced the acquisition of <b>Apollo Education Group, Inc.</b> , educational services in the United States, for US\$1,212 million, representing implied enterprise values of 2.2x EBITDA and 0.3x sales		

# GLOBAL REPRESENTATIVE TRANSACTION

On September 3, 2018, **Jacobs Holdings AG**, a Swiss investment firm, announced the acquisition of **Cognita Schools Ltd.**, a network of international schools based in the United Kingdom, for US\$2,577 million



# GLOBAL REPRESENTATIVE TRANSACTION

On April 23, 2018, **Saber Serviços Educacionais S.A.**, subsidiary of **Kroton Educacional S.A.**, an educational organization in Brazil, announced the acquisition of a 73.4% stake in **Somos Educação S.A.**, an educational company based in Brazil, for US\$2,064 million.

A price per share of BRL\$23.75 was paid, representing a 66% premium



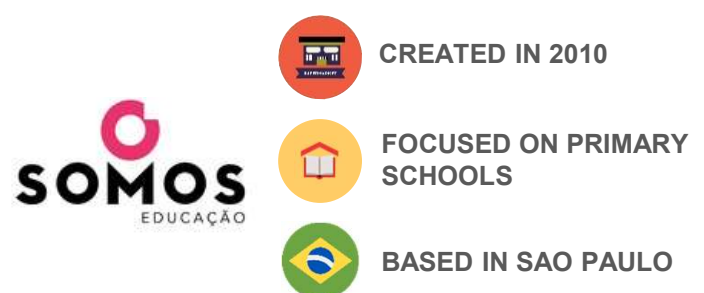
**KROTON EDUCACIONAL S.A.**  
ANNOUNCED THE ACQUISITION OF  
73.4% OF  
**SOMOS EDUCAÇÃO S.A.**



**Kroton** has more than 1.2 million students in its programs and operates 129 campuses, as well as 672 affiliated schools

**Somos Educação** has had an impact on 29 million students, plus 32 million books distributed in 2017, 1,200 titles published and 2,800 schools under its management

The transaction represented implied Enterprise values of 18.2x EBITDA and 3.9x sales



# SEALE & ASSOCIATES REPRESENTATIVE TRANSACTION

In June 2018, **Seale & Associates, Inc.** acted as exclusive financial advisor to the shareholders of **Anne Sullivan**, in their partnership with **Discovery Americas**

**The Anne Sullivan School** was founded more than 35 years ago and is characterized by offering a comprehensive program 360 degrees of transversal application with a high degree of personalization



**Discovery Americas** is a private equity fund with 15 years of experience

**DISCOVERY AMERICAS,**  
ANNOUNCED ITS PARTNERSHIP WITH  
**ANNE SULLIVAN,** THROUGH ITS  
EDUCATIONAL PLATFORM MERITED

**Seale & Associates**  
Creative Solutions. Trusted Advice.



**Merited** currently has 3,200 students spread across 3 schools and continues to seek investment opportunities



The partnership was through the educational platform **Merited** of **Discovery Americas**, which invests in schools throughout the Mexican Republic

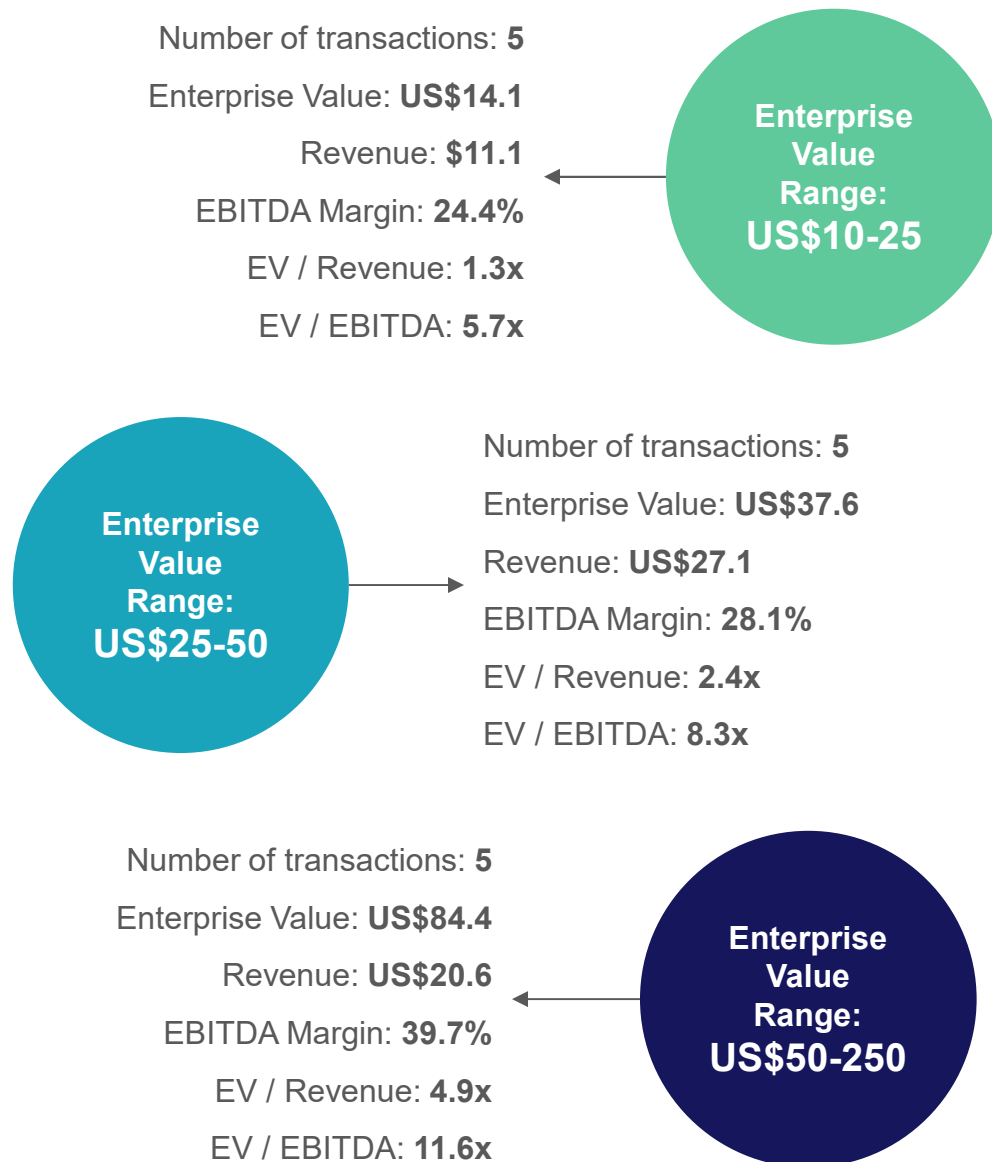
"We are pleased to have advised the shareholders of Anne Sullivan in such an important transaction for their company and their heritage, we wish them the best of luck in their partnership with **Discovery Americas**"

-Sergio García,  
Managing Director of  
**Seale & Associates**

# TRANSACTIONS OF PRIVATE INVESTMENT FUNDS IN THE US EDUCATION INDUSTRY

## ENTERPRISE VALUE OF US\$10-250 MILLION

In the period from 2012 to the present, private funds from the mid-low market in the United States made 15 transactions in the education industry. By rank of enterprise value, transactions on average had the following data:



The higher the company value, the multiples of sales and EBITDA increase. Similarly, EBITDA margins increase in relation to company value.

# INDUSTRY CONSOLIDATORS IN MEXICO



- Merited, of Discovery Americas, seeks to integrate a network of schools of basic and upper secondary education that capture opportunities for improvement in operational and financial efficiency
- Amco develops and implements learning systems in Spanish and English, with presence in 11 countries.



- More tan 250K students
- More tan 7K teachers
- 78 schools
- 13 private brands
- 66 learning centres



AliatUniversidades

- 30 Campus located in 15 states
- More than 50K students
- More than 3.5k teachers
- Offers High School, Chef Master, Bachelor degrees and other programs





# REPRESENTATIVE MEXICO ENGAGEMENTS

 <i>has acquired</i>  KFC Costa Rica <i>from</i> 	 ARCA CONTINENTAL <i>has acquired</i> 	 ARCA CONTINENTAL <i>has acquired</i> 	 <i>has merged with</i>  <i>a business of</i> 	 <i>merged its beverage division with</i> 	 <i>merged its beverage division with</i> 
 caffenio <i>has partnered with</i>  <i>a subsidiary of</i> 	 caffenio <i>has partnered with</i> 	 Ragasa Acquisition Advisory Services	 Acquisition Advisory Services	 <i>has been acquired by</i> 	CORPORACION  Corporate Finance Advisory Services
 GRUPO INDUSTRIAL SOLTILLO <i>has formed a partnership in the casting tools business between</i> 	 sold  to 	 <i>has carved out and sold its concrete pumping assets in Mexico to</i> 	 <i>has formed a partnership to market and develop oil storage and distribution in Mexico with</i> 	 sold  to 	 grupo protexa Corporate Finance Advisory Services
 <i>has been acquired by</i> 	 COSMOCEL® <i>has sold Cosmotel Química to</i>  <i>a business unit of</i> 	 FORTACERO Corporate Finance Advisory Services	 Corporate Finance Advisory Services	 <i>has acquired</i>  dealers of 	 Holding company of  <i>acquired a 61% stake on</i> 
 Discovery Americas <i>has acquired</i> 	 sold  to 	 <i>has acquired</i> workshop and store in Mexico City from 	 ARCA CONTINENTAL <i>has acquired</i> 	 Acquisition Advisory Services	 <i>has sold its sanitaryware business</i>  <i>and</i>  to 

# Seale & Associates

Creative Solutions. Trusted Advice.

Since 1999, **Seale & Associates** has been the trusted advisor to highly respected public and private companies from around the world, with a track record of success in a diverse range of industries. Seale is an elite boutique global investment banking firm with extensive experience in mergers and acquisitions (M&A), corporate finance advisory, and enterprise level strategy consulting. Our experienced team of professionals are committed to serving clients with excellence and integrity, while offering innovative ideas and solutions to address complex dealings. All securities related transactions are cleared through Seale Capital, Inc., a registered broker dealer and member of FINRA and SIPC.

## ADVISOR TO LEADING COMPANIES WORLDWIDE



## CONTACT INFORMATION



950 N. Glebe Road  
Suite 950  
Arlington, Virginia 22203  
Phone: +1 (703) 294 6770



37, Moliere  
Granada  
Mexico City, 11520  
Phone: +52 (55) 8000 7463

**Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry.**

Washington, D.C. | Miami | Mexico City | Monterrey

## Mexico Contact Information

**James A. Seale**

President

[jseale@sealeassociates.com](mailto:jseale@sealeassociates.com)

**Brett M. Carmel**

Senior Managing Director & Co-founder

[bcarmel@sealeassociates.com](mailto:bcarmel@sealeassociates.com)

**Felipe Bueno Viesca**

Senior Director

[fbueno@sealeassociates.com](mailto:fbueno@sealeassociates.com)

**Sergio Garcia del Bosque**

Managing Director

[sgarcia@sealeassociates.com](mailto:sgarcia@sealeassociates.com)

**Adan Sierra**

Managing Director

[asierra@sealeassociates.com](mailto:asierra@sealeassociates.com)

**Carlos Hernandez**

Managing Director

[chernandez@sealeassociates.com](mailto:chernandez@sealeassociates.com)

**Alejandro Montemayor**

Senior Associate

[amontemayor@sealeassociates.com](mailto:amontemayor@sealeassociates.com)

**Sofia Felix**

Business Development

[sfelix@sealeassociates.com](mailto:sfelix@sealeassociates.com)

**Armando Rios**

Analyst

[arios@sealeassociates.com](mailto:arios@sealeassociates.com)

**Diego Perezcano**

Analyst

[dperezcano@sealeassociates.com](mailto:dperezcano@sealeassociates.com)

**Aaron Garcia**

Analyst

[agarcia@sealeassociates.com](mailto:agarcia@sealeassociates.com)

**Miguel Leal**

Brand Assistant

[mleal@sealeassociates.com](mailto:mleal@sealeassociates.com)

**Diego Hernandez**

Junior Analyst

[dhernandez@sealeassociates.com](mailto:dhernandez@sealeassociates.com)

**Alberto Lopez**

Junior Analyst

[alopez@sealeassociates.com](mailto:alopez@sealeassociates.com)

**Alejandro Salinas**

Junior Analyst

[asalinas@sealeassociates.com](mailto:asalinas@sealeassociates.com)

**Nicolas Reynoso**

Junior Analyst

[mreynoso@sealeassociates.com](mailto:mreynoso@sealeassociates.com)

**Daniela Aldasoro**

Junior Analyst

[daldasoro@sealeassociates.com](mailto:daldasoro@sealeassociates.com)