

# eLearning Industry Overview (Executive Summary)

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**McCAFFERTY**  
&COMPANY

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# Executive Summary

## eLearning is Changing and Improving the Education Environment

### Industry Overview

- ▶ eLearning is the delivery of knowledge through incorporation of technology.
- ▶ Technology advances have enabled the growth of this industry. The industry is still evolving as new technologies are introduced and as business models evolve.

### eLearning Value Propositions

Improving education quality

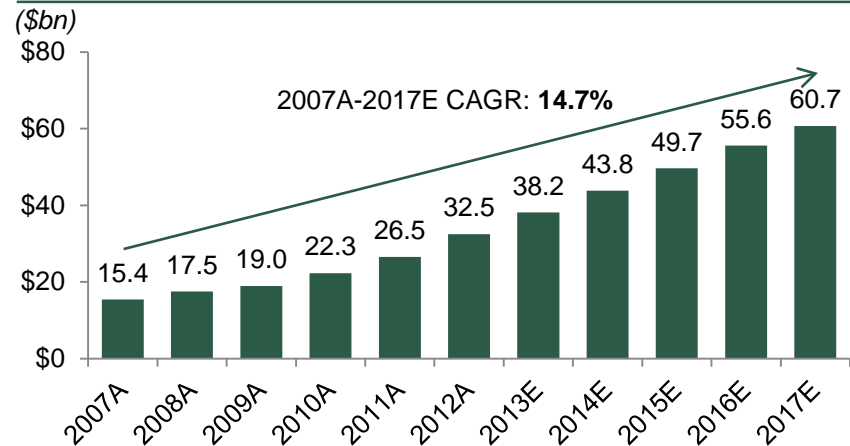
Extending education reach

Lowering education costs

### Industry Participants

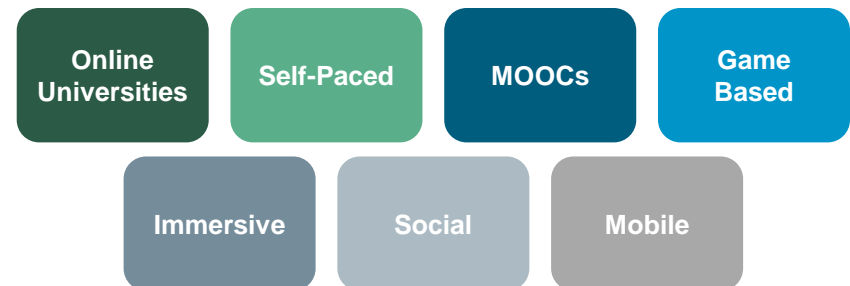


### US eLearning Market



### eLearning Environments

- ▶ Multiple eLearning environments exist. The appropriate eLearning environment used is based on subject nature and desired learning objectives.



# Executive Summary

## eLearning is Changing and Improving the Education Environment

### K-12 and Postsecondary Segment

- ▶ In a global economic setting having an educated populace is required to remain competitive. Incorporation of technology through eLearning is seen as a way to improve the rate and efficacy of knowledge transfer.
- ▶ In recent years the cost of postsecondary education and student debt have increased dramatically. eLearning is seen as a way to deliver more cost effective education.
- ▶ The Department of Education and State Government administrators have launched plans and allocated funding to support eLearning initiatives.

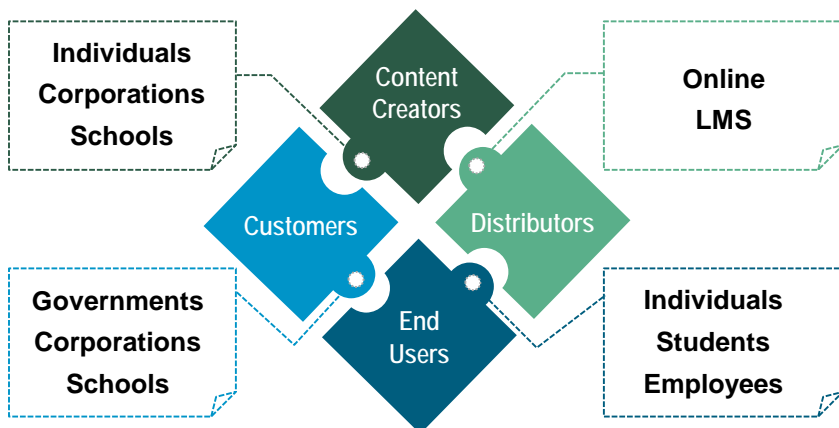
**K-12 and Postsec Market Size (2015E) \$39.4bn**

### Corporate Segment

- ▶ eLearning training in the corporate environment is fast paced, company related, and ROI focused.
- ▶ Corporations are profit driven and use eLearning to:
  - Deliver higher quality training to workers so that they are more productive on the job
  - Reduce training costs to lower training related expenditures
- ▶ eLearning systems can require significant upfront so companies need to put careful thought when making eLearning related investment decisions.

**Corporate eLearning Market Size (2015E) \$7.0bn**

### Ecosystem



### Capital Markets

- ▶ eLearning has been a very active space for investment and acquisition activity.

**2000-2015**

**843 Acquisitions  
\$47.1 (bn) Disclosed Deal Value**

Target Type	Median TEV/	
	Revenue	EBITDA
Content/ Distribution Companies	1.8x	11.0x
Tech/LMS Companies	3.3x	13.7x

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