

# Acquisition of globeducate

Shaping the world 

  
WENDEL

July 1, 2024

Investing for the long term

2024



## Transaction overview

- On July 1, 2024, Wendel announced it has entered into an agreement with Providence Equity Partners to invest in Globeducate, one of the world's leading international K-12 education groups. Providence has been Globeducate's shareholder since 2017 and will sell part of its stake to Wendel.
- **Wendel would invest c.€625m** to hold a c.50% co-controlling stake in the company's capital.



Founded in 1972 in Spain, Globeducate provides **K-12 (primary and secondary) education through a network of 65 premium bilingual and international schools**, as well as online programs, across **11 countries mostly in Europe**. The Group employs more than 6,000 people, including **4,000 highly qualified teachers**.

Positioned in the attractive K-12 market, Globeducate schools provide more than **40,000 students** with a world-class **education taught predominantly in English** and adhering to high academic standards. The Group caters mostly to local students, **providing a stable and predictable revenue base**.

Globeducate has experienced **strong double-digit growth** in the past 7 years under the ownership of Providence, supported by a mix of solid organic growth and M&A.

**Wendel will be an active partner for Globeducate, contributing its recognized expertise in developing global leaders, through both organic and external growth.**

# Key figures



**c.€440m** in sales in FY25e<sup>(1)</sup>

**c.€120m** in EBITDA FY25e<sup>(2)</sup>

**11 countries**

**Double-digit growth** since 2017

**8.2y** average student tenure

**>40,000** students

**>6,000** employees, of which **4,000** teachers

High-quality infrastructure, underpinned by  
**~35% owned real estate portfolio** and  
long-term leases



## Key terms of Wendel's investment

**Wendel has entered into an agreement** with Providence **to acquire a co-controlling stake in Globeducate**

Closing is expected in **H2 2024**

**c.€2bn** Enterprise Value<sup>(3)</sup>

**c.€625m** equity to be invested by Wendel, alongside management and existing shareholder Providence

**A c.50% stake**, alongside Providence, an experienced investor in the Education sector



1. As of Aug-25 year-end, including ongoing acquisitions under exclusivity (c.€25 million).  
2. As of Aug-25 year-end, including ongoing acquisitions under exclusivity (c.€9 million). Including IFRS 16 impacts. EBITDA excluding IFRS 16 impacts stands at c.€96 million.  
3. EV including IFRS 16. Excluding IFRS 16, EV stands at c.€1.86 billion.

# — Globeducate, a unique company that aligns closely with Wendel's strategy and values

-  Improving children's skills through quality education **fits with Wendel's values and mission** ✓
-  **Strong & predictable** business, largely protected from macroeconomic risks ✓
-  **A unique opportunity** to invest behind a leading international player ✓
-  Value creation opportunity stemming from **organic growth, M&A and scale effects** ✓
-  **Attractive financial profile** with long-term growth and a well-appointed asset base ✓
-  A **co-control investment** with a like-minded partner and a strong management team ✓

# — A high-quality group, with proven and attractive growth profile

## Large addressable market with strong expansion potential



**Sizeable (€10bn+) private K-12 sector across Globeducate's core geographies** with significant growth forecast

**c.85% of market is single-asset / small portfolios of schools** with ample M&A opportunities<sup>(1)</sup>

## Low-risk, solid embedded growth



**Visibility on future enrolments**

**Attractive student tenure (c.8 years)** and retention

**Non-discretionary demand**

**Past investments in capacity increase provide a path to continued growth**

## Operational leverage expertise



**Continued margin accretion** from expansions maturation and operating leverage

**Modern and well-appointed platform of best-in-class school facilities**, with continued upgrades and expansions foreseen in the future

**Limited maintenance capex requirements** (c. 2% of revenue)

**Negative working capital requirement** due to favorable payment cycles where tuition fees are largely paid before start of the academic year/term

## Accretive and disciplined M&A playbook



**Experienced business development team** with **a strong reputation for executing M&A** and expansions

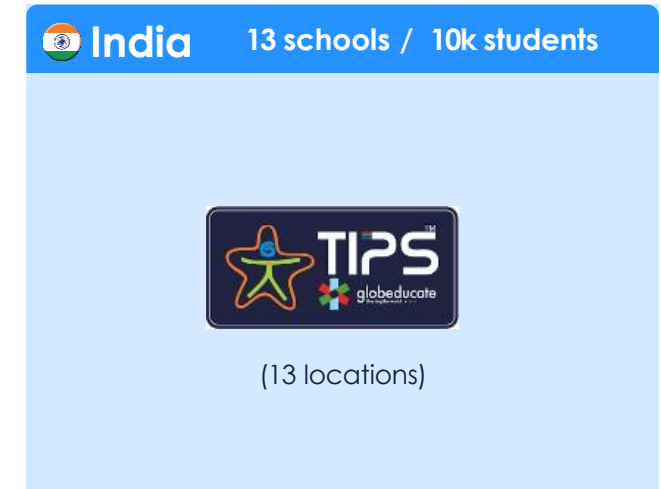
**Buyer of choice for school founders in Europe**, with most acquisitions executed on a bilateral basis

Successfully **completed 21 deals over the last 7 years**

**3 schools under exclusivity (c.€9m EBITDA<sup>(1)</sup>)** + robust M&A pipeline to be executed in the coming years

1. Including IFRS 16 impacts.

# A unique and balanced global footprint of high-quality K-12 schools



1. FY25e including ongoing acquisitions expected to close in the coming months.  
 2. Includes Princess Margaret (being integrated into Agora cluster).  
 3. To be integrated into the EIB brand.

# — A compelling financial profile, fueled by a combination of organic and external growth...



**Revenue CAGR of c.13%  
(2021-2025e)<sup>(1)</sup>**



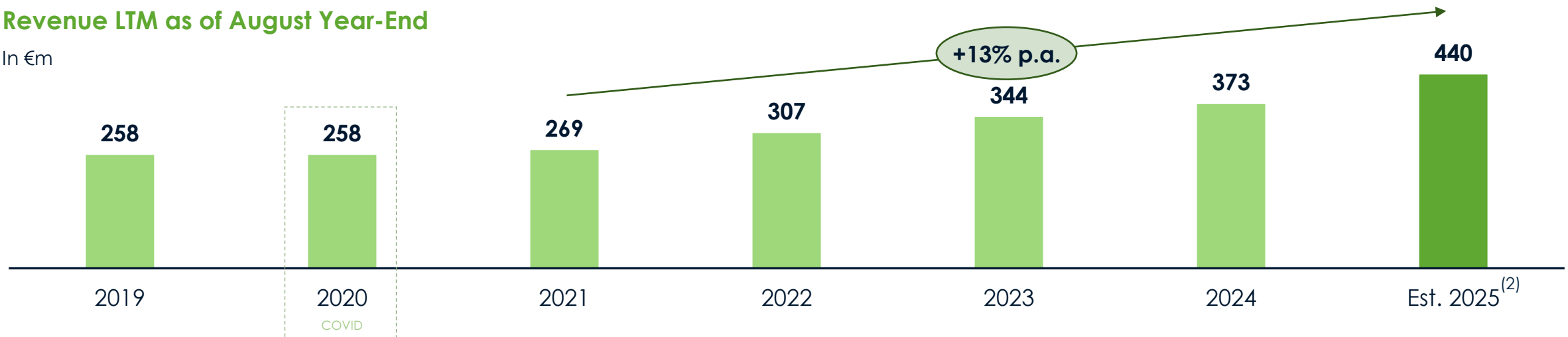
**21 successful acquisitions  
integrated since 2017**

## Acquisitions



## Revenue LTM as of August Year-End

In €m



1. Figures are presented on a like-for-like basis over 2021-24, pro-forma for acquisitions completed during the historical period (i.e., acquired schools are reflected as if they had been acquired from 1st September 2020). Figures are not presented on a like-for-like basis for 2019-20 and 2025 (includes the ongoing acquisitions under exclusivity which are not included in the historical period).

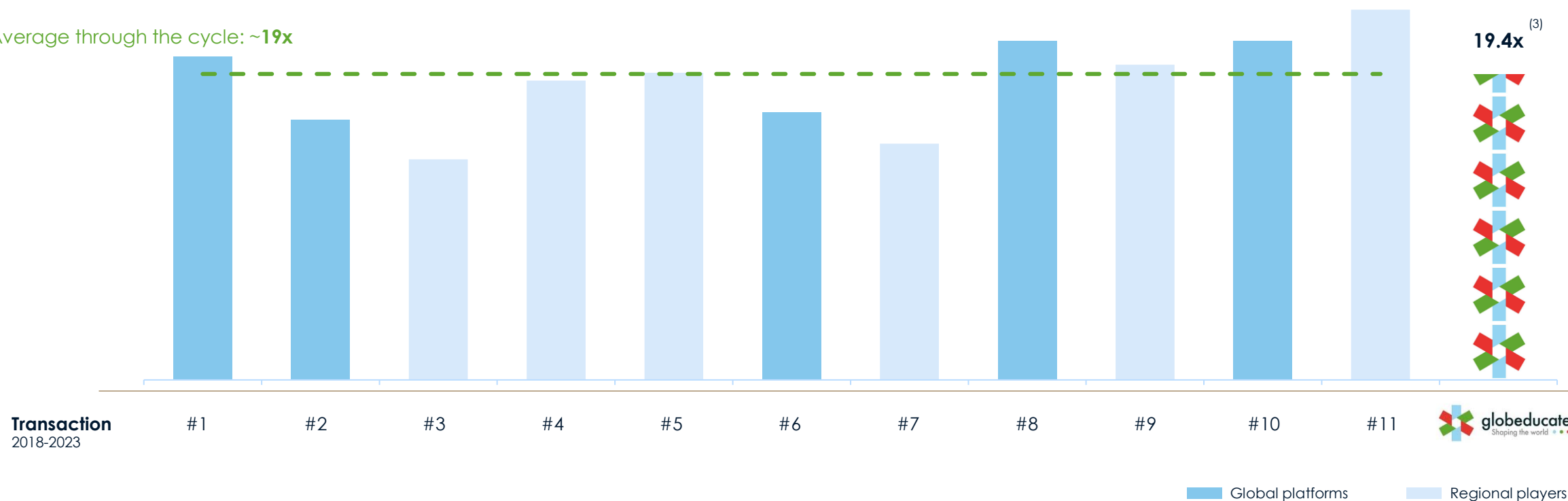
2. Including ongoing acquisitions under exclusivity (c.€25 million revenue).

# ... supporting fair through-the-cycle valuation multiples for transactions in the K-12 sector

## Precedent private transactions through the cycle<sup>(1)</sup>

EV / FY+1 EBITDA **excluding IFRS 16** (x)<sup>(2)</sup>

Average through the cycle: ~19x



Source: Company Filings, Public News Sources

1. Converted to: EUR where relevant at spot rate at date of announcement. Multiples based on EV and EBITDA excluding IFRS 16 impacts due to data availability for previous transactions.
2. Where available, multiples are based on Adjusted EBITDA excluding M&A and run-rate adjustments.
3. Based on EV excluding IFRS 16. Including IFRS 16, multiple stands at c.17x.



## —Key takeaways



A **world-class education** group relying on the **highest academic standards** and a **strong management team**



**Unique global leading player** with long established relationships in a **rapidly developing market**



**Predictable business**, largely protected from macroeconomic risks



Strong track record in **organic & external growth**, successful integration of acquisitions



**Strategy based on multiple growth initiatives** including **geographic expansion**



**Strong fit with Wendel's track record** in Education

Fully **in line with the strategic roadmap**



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# Q&A

Investing *for the long term*

2024



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# Financial agenda



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# — Financial agenda

Wednesday July 31, 2024

**H1 2024 results** – Publication of NAV as of June 30, 2024, and condensed Half-Year consolidated financial statements (post-market release).

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Thursday October 24, 2024

**Q3 2024 Trading update** – Publication of NAV as of September 30, 2024 (post-market release).

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Thursday December 5, 2024

**2024 Investor Day**



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