

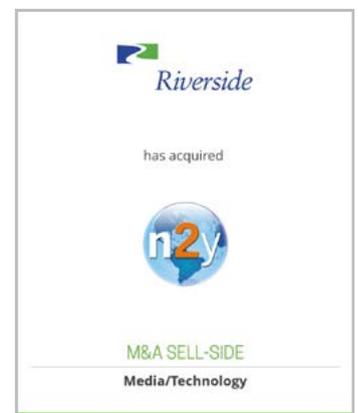


TECHNOLOGY Deal flash, October 2016

TECHNOLOGY SOFTWARE INVESTMENT IN THE USA

Deal snapshot

- The shareholders of n2y LLC, a leading developer of education curricula and teaching materials for K-12 students with special needs, have sold the company to global private equity firm The Riverside Company.
- Based in Huron, Ohio, n2y develops special education curricula and supplemental materials. n2y's core products include Unique Learning System, a standards-based special needs curriculum; news-2-you, a weekly current events newspaper; and SymbolStix, a symbol-based language used in all of the company's learning materials. The company's products, which are delivered to classrooms through an interactive web-based platform, serve the special education community by improving student performance, teacher efficiency, school compliance and parent satisfaction.
- The Riverside Company is a global private equity firm focused on acquiring and investing in growing businesses valued at up to US\$400 million. Since its founding in 1988, Riverside has invested in more than 420 transactions. The firm's international portfolio includes more than 80 companies.



What our client said



Jacquie Clark, Founder and CEO, n2y, USA

"I have always led n2y with a sense of conviction, a knowledge that we could truly make a difference within the special education community. We have accomplished that goal, and I am now certain that The Riverside Company will continue that upward arch with our talented team, leading us to even greater achievements."

Our role in the transaction

Oaklins' team in Cleveland served as the financial advisor to n2y LLC in its sale to The Riverside Company. Oaklins' media specialist team in New York, which has particular expertise in the education and book publishing sectors, co-advised on the transaction.



Market trends and deal drivers

- 6.6 million out of 55 million school children in the USA receive special education services as mandated by the DoED. Many special education professionals experience difficulty adapting lessons to meet the varying needs of all students in the classroom. Special education teaching material is often inconsistent, non-standardized and typically “cobbled together” from various sources.
- n2y sought to fight the widespread mentality that “these kids can’t learn” and became the first mover and market leader in providing standards-based curriculum and supplemental educational materials specifically designed for special education students.
- n2y’s product suite is SaaS-based (cloud), allowing users to access materials anywhere on any device and enabling the company to keep content fresh and constantly aligned with standards.

M&A valuation aspects

- n2y was highly sought-after by several buyers given the company’s market-leading position, industry-leading margins and attractive growth opportunities.
- EV/revenue and EV/EBITDA multiples are confidential, but were substantially higher than average multiples in the education/ed-tech sector.
- Riverside also included a significant incentive payment, which is contingent on them achieving certain IRR thresholds and would be paid to the founding family upon Riverside’s sale of n2y.

Oaklins industry specialists



✉ **Kevin Mayer**, Managing Director, Oaklins, USA

Kevin has 17 years of investment banking and financial advisory experience, including work on over 50 sell-side and buy-side M&A assignments. He has focused his career on serving public and private middle-market companies and private equity firms operating primarily in the industrial sector.



✉ **Robin Warner**, Managing Director, Education & Training Specialist, Oaklins, USA

Robin has 14 years of international investment banking experience and 20 years of high-level operational experience. She has closed more than 40 transactions focused on technology information services in education, ed-tech, book publishing and healthcare to companies that include Amazon, Pearson, McGraw-Hill, Wiley, Macmillan, Cengage Learning, Discovery Education and Scribd.

OAKLINS HAS CLOSED 147 DEALS IN TECHNOLOGY IN THE LAST FIVE YEARS

Oaklins is the world’s most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.