

## Top Branded Professional Certification and Continuing Education Training Company

**2011 Revenue: \$4.81MM**
**2011 EBITDA: \$1.52MM (32%)**

**PROFILE:** The Company, founded in 2000 as a successor to a company the Seller started in the late 1980's, is a top branded education and training company, providing an industry leading exam preparation course for a specialized professional certification. Approximately 10% of the Company's revenues are derived from providing online continuing education training for the same certified professionals. The Company is a dominant market leader for exam preparation courses in its specialty professional certification field. The Company also offers a variety of online certificate programs for the same profession, usually co-branded with colleges.

The Company operates globally, although 90% of its business is in the U.S., with classroom exam preparation courses conducted in the top 25 U.S. demographic markets. Outside of the U.S. (primarily Canada and Europe), the Company contracts with licensees to deliver its exam preparation courses under the company brand. Students come from a variety of sectors, included the federal government, IT, telecommunications, healthcare, academia, consulting, insurance, finance/banking, service, energy, and manufacturing. The Company provides its exam preparation courses to employees of numerous large, well-known, blue-chip companies. The Company's experience is that 95%+ of students pass the exam after one or two attempts, compared to an industry standard pass rate for the specific exam of under 70%. As a result of this success, the Company is able to offer a unique 100% refund guarantee that students will pass the exam within three attempts. Refunds are less than 2% of gross revenues.

The exam preparation course is an accelerated, four-day immersive classroom program that prepares the student to take the exam on the fifth day and become a certified professional in their field. Prior to the Company developing its program, individuals seeking this professional certification would spend up to six months preparing for the exam. The certification is an advantage to the professionals because it enhances their career and increases their salary potential. More and more companies and government agencies require the certification for certain types of work. The federal government and many state governments now require that companies bidding on contracts have employees with this professional certification.

FYE 12/31 (\$000)	Actual		
	2011	2010	2009
Net Sales	4,805.5	5,392.9	5,794.1
Gross Profit	3,491.6	3,922.4	3,980.4
S,G&A Expense	2,888.8	3,089.0	3,035.5
Operating Income	602.8	833.4	944.9
EBITDA	712.8	1,004.7	1,089.0
EBITDA (Adjusted)	1,523.1	1,992.0	1,979.4
Gross Margin	72.7%	72.7%	68.7%
S,G&A to Net Sales	60.1%	57.3%	52.4%
Adjusted EBITDA Margin	31.7%	36.9%	34.2%

**MARKET:** Approximately 16.5 million people worldwide consider themselves to be in the specific field or job function for which the Company provides its education services. An estimated 370,000 professionals worldwide hold the certification in the Company's



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field of expertise. On average, more than 4,500 individuals attain this professional certification each month and more than 60,000 people sit for the certification exam each year. The Company does not have a sales force. All classroom and online course participants come from word-of-mouth referrals and internet marketing.

Despite the industry-wide decline in 2009 due to the global recession, long-term demand for this certification is expected to increase due to the high value placed on the skill set of these certified professionals, as evidenced by the fact that, in some industries, this certification is one of the highest salaried professional certifications.

The Company and its brand were built off of the Seller's credentials and to date the Company has intentionally limited its training and education services to one specific certification. The Company is the dominant market leader, consistently capturing 3-5% of the market for its specific exam preparation services in a highly fragmented industry (there are more than 300 registered education providers in this field that offer some type of certification-specific training). There are many other professional certifications with exam and continuing education requirements into which the Company could expand. The Company now has its own credentials and excellent reputation, which can be leveraged to pursue other markets. The Company has secured trademarks and copyrights applicable to its products and has been successful protecting both its courses and its brand.

**INVESTMENT CONSIDERATIONS:**

1. The Company operates virtually, with low fixed costs and minimal overhead requirements. Most of its instructors are contractors paid on a per course basis and they are responsible for their own travel expenses. The Company can be operated and managed from almost anywhere.
2. The Company has built a strong reputation and brand in its industry. It has achieved its own certifications and awards over the years, and is considered a benchmark company and leading example of "how it should be done". The owner estimates that 80% of new business derives from "word of mouth".
3. The Company has developed a proprietary registration system, attendance information manager system, in-house course delivery system, and instructor system. Its internet-based systems provide significant flexibility and scalability without increasing headcount. These advantages allow the Company to quickly and efficiently keep up with body-of-knowledge changes from the certification organization, roll out new or updated programs, leverage internet marketing opportunities, and track promotions.
4. The Company has significant strengths in course development, marketing, course delivery, and customer service.
5. The owner is not involved in day-to-day operations. A strong management team is in place that can run the daily business operations. The owner is primarily involved in strategic decisions.

**TRANSACTION TERMS:** Seeking Indications of interest for sale or recapitalization of the Company. Transition assistance by owner is available. The Executive Officer and leadership team are intimately familiar with the day-to-day operations of the business and have the expertise to continue running the business post sale, with or without the owner.

*Seller is exclusively represented by Aaron, Bell International, Inc. (ABI). All information is strictly confidential, provided by the Seller, subject to change or removal from the market without notice and not warranted by ABI. This information is NOT to be distributed to any third party. All contacts with Company or their employees must be approved by ABI in advance. For additional information, please contact:*



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