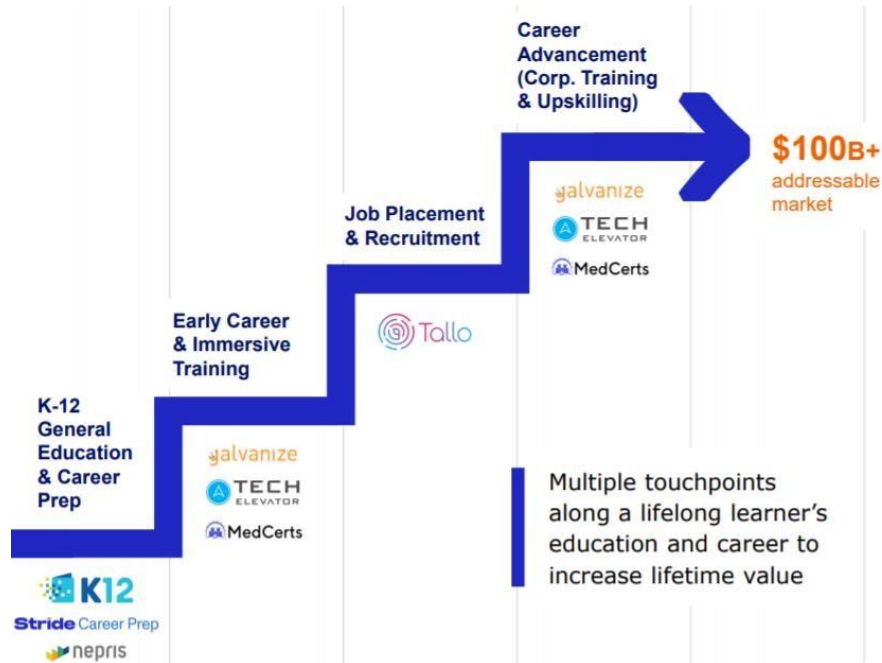


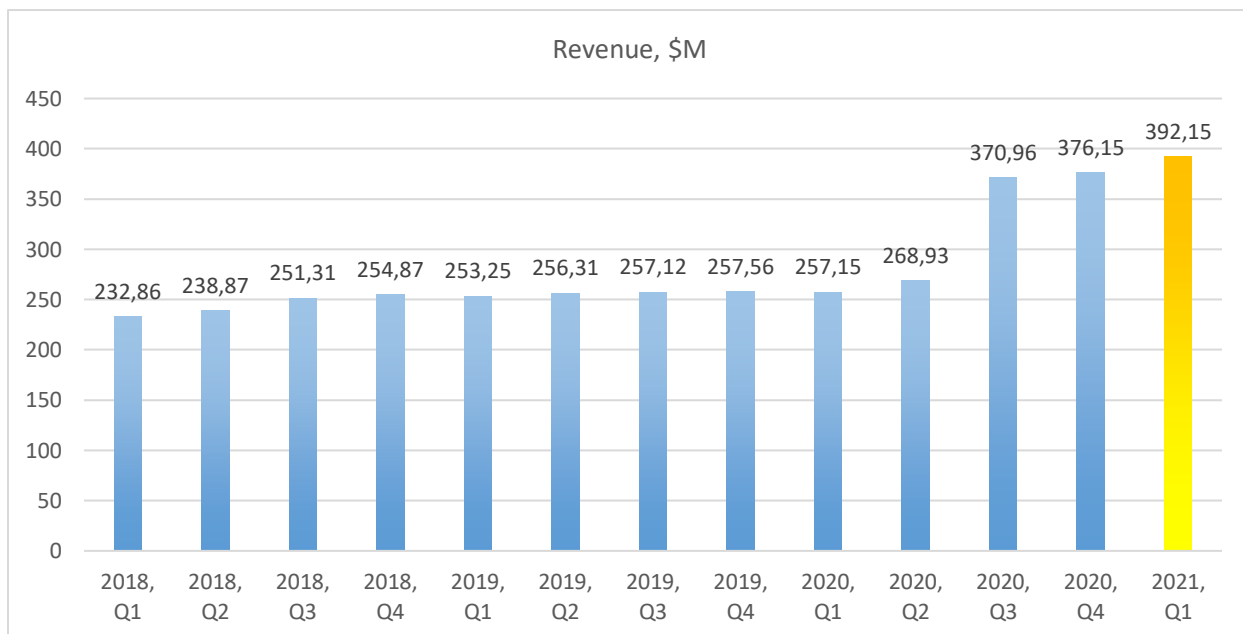
Initiated: 5/5/2021;  
Last Updated: 5/28/2021

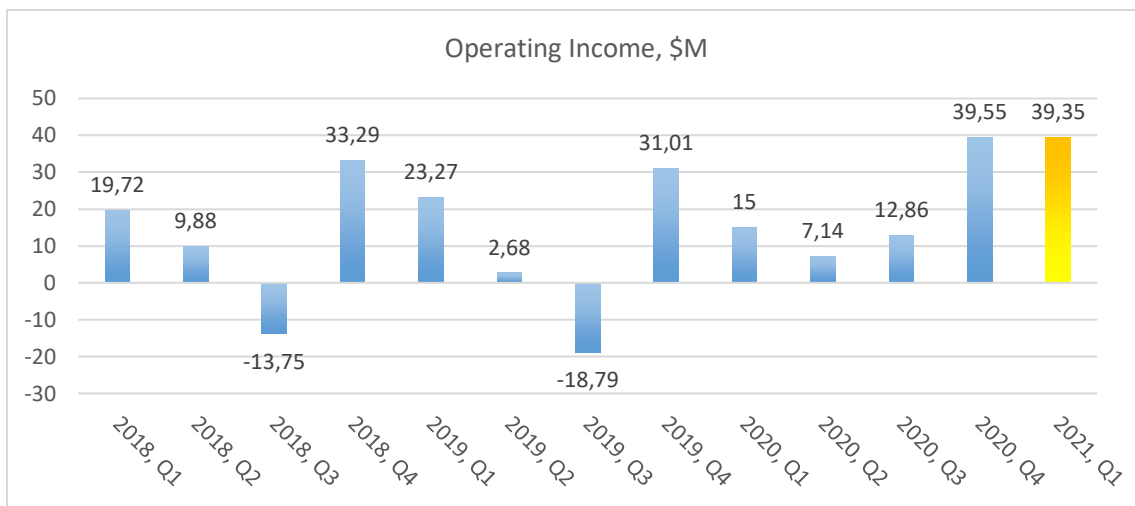
**Stride – is a growing online education company with low multiples valuation**

Stride is an educational IT company that provides its own and third-party educational programs, a training platform, academic and career services for kindergartens and schools.



**Due to the pandemic, the company has significantly increased its revenue.**





Compared to the first quarter of 2020, revenue increased by +52% and operating income by +162%

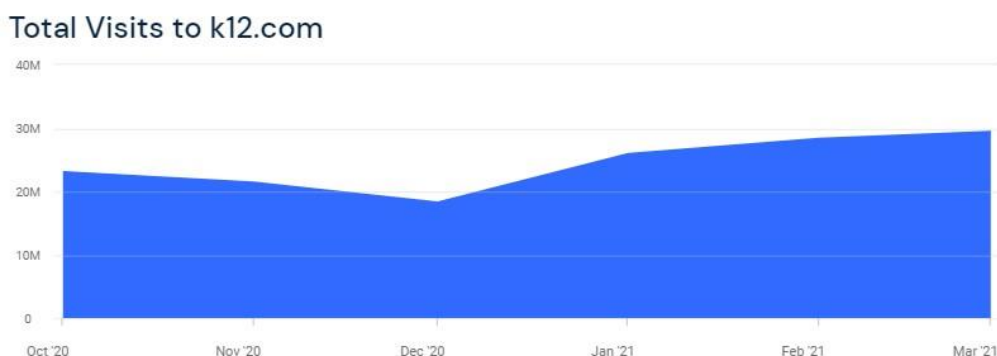
**The pandemic has speed up the transition of education to online format.**

- The general education segment showed an increase of +38% compared with Q1'2020, the career learning segment grew by +152% (the number of students increased by +123% and reached 29,500 people)
- Studies have shown that a significant percentage of high school students prefer an online/hybrid learning format even after returning to pre-pandemic life.

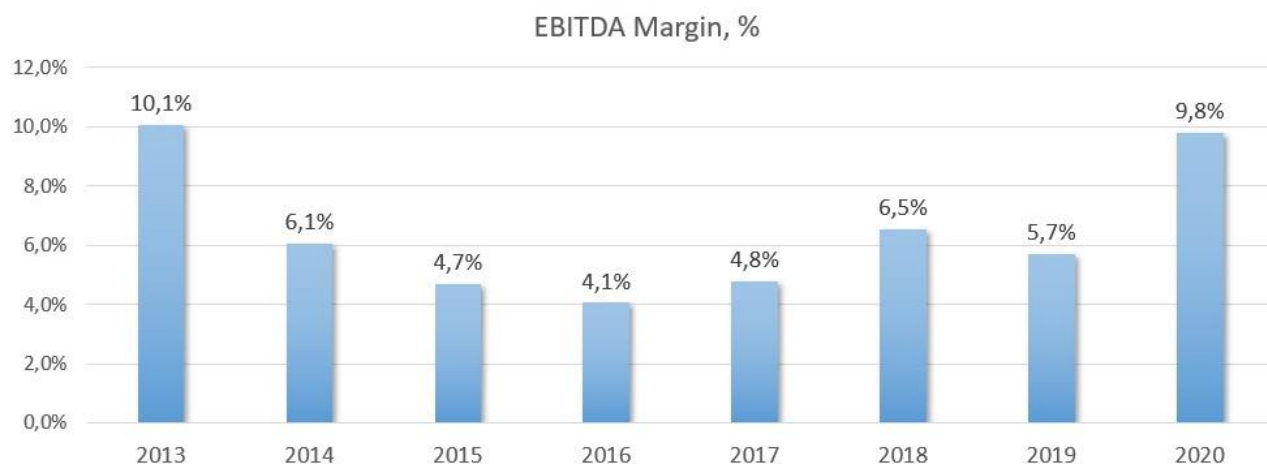
	Three Months Ended March 31		
	2021	2020	% change
<b>Revenue (in millions)</b>			
General Education	\$ 322.3	\$ 233.1	38%
Career Learning			
Middle - High School	52.4	20.8	152%
Adult	17.4	3.2	
Total Career Learning	69.8	24.0	191%
<b>Total Revenues</b>	<b>\$ 392.1</b>	<b>\$ 257.2</b>	<b>52%</b>

- 25% of Generation Z teens say they are more likely to attend career and technical training programs after the pandemic.
- Schools that used Stride suffered less in the quality of students' learning and demonstrated better academic performance.

- The company has **\$329 million** of available funds on the Balance Sheet.
- Due to the new products, the company's potential market has increased from \$11 billion to \$100+ billion.
- The online education market is expected to grow by +9.23%/year until 2025.
- The company's website has increased by 60% in the last 3 months:



The company is profitable and increases its EBITDA margin.



FCF Yield is **6,45%**

Stride is cheaper than peers and is growing faster than the market

Ticker	Company	MCap, \$B	EV/Sales	EV/EBITDA	Historical Rev Growth
LOPE	Grand Canyon Education, Inc.	4.24	4.74	13.1	-2.5%
TWOU	2U, Inc.	2.75	3.2	<0	38.8%
LAUR	Laureate Education, Inc.	2.84	3.58	15.68	-22.6%
STRA	Strategic Education, Inc.	1.84	1.79	8.18	38.30%
PRDO	Perdoceo Education Corporation	0.865	0.65	2.81	6.4%
-	<b>AVG</b>	-	<b>2.792</b>	<b>9.9425</b>	<b>12%</b>
LRN	Stride, Inc.	<b>1.12</b>	<b>0.85</b>	<b>8.67</b>	<b>17.20%</b>

Now the company is valued lower than its competitors and has a high growth rate. The stock is down 16% from its local high and we consider current moment as a good opportunity for investments.



Kind Regards,

Enhanced Investments Team  
[team@eninvs.com](mailto:team@eninvs.com)