Industry Spotlight on

Education

ORIGIN MERCHANT PARTNERS

Summer 2026

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Education Report

August 2026

A Turbulent Summer for Private Education

- Canada's Q1 2026 edition of this report highlighted a widening training-capacity gap and the growing role of private educators in closing it. Since then, the regulatory and funding environment has shifted meaningfully in several directions at once:
  - Ontario's most significant overhaul of OSAP in nearly a decade took effect this summer, moving to a loans-first model and eliminating grants entirely for private career college students
  - At the same time, targeted public dollars for skilled trades and healthcare training are expanding sharply – a reminder that capital is being redirected toward specific outcomes, not withdrawn from workforce training altogether
  - A closer look at the international student cap also raises a fair question: did the policy overshoot its own targets, and is Ottawa still tightening even as prior caps went dramatically unmet?
  - Separately, large private employers – led by technology companies building AI data centres – are beginning to fund skilled-trades training directly, a new channel alongside public funding

Regulatory change is a headwind for OSAP-dependent models – but a broader, more diverse funding base for workforce training is emerging

- As always, we remain active advisors to the education sector, and are very pleased to have announced another successful transaction this summer: the sale of Beal University to Yorkville Education. This transaction highlights a burgeoning level of activity in the sector and we are certainly noticing a marked uptick in transaction interest from both buyers and sellers

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With a dedicated senior team and numerous successful mandates, Origin is an active advisor to the education sector

Education Report

August 2026

Ontario's OSAP Overhaul, Explained

Regulatory Spotlight: Ontario

- On February 12, 2026, Ontario announced its most significant OSAP overhaul in nearly a decade, moving from a grant-heavy system to a loans-first model for all programs starting on or after August 1, 2026
  - Premier Doug Ford called the previous OSAP model "unsustainable" following rapid growth in the program
  - For institutions, this marks a clear policy pivot: OSAP is no longer a tool for broad affordability but a more targeted mechanism focused on low-income students and public-sector institutions
- The non-repayable grant portion of OSAP aid is now capped at a maximum of 25% of a student's package – down from as much as 85% – with the balance delivered as repayable loans
  - Private career college students are hit hardest: they no longer qualify for any provincial OSAP grants, so 100% of their provincial aid now arrives as repayable loans
  - This change is particularly consequential for students in one-year or accelerated programs, where OSAP often covered a large share of total tuition. The new ratio also means students must consider repayment obligations much earlier, and institutions may see shifts in enrollment patterns as debt sensitivity increases
- In parallel, the province is directing $6.4 billion of new operating funding to public colleges and universities over four years while ending its seven-year domestic tuition freeze (increases capped at ~2% per year)
  - The $6.4B investment is intended to stabilize public colleges and universities after years of underfunding and rising cost pressures, while the 2% annual tuition cap allows institutions to gradually rebuild operating margins without imposing large affordability shocks on students

25%	$0	$6.4B	Aug. 1
Max grant share of OSAP aid (was up to 85%)	Provincial grants for private-college students — now all loans	New Ontario institutional funding over four years	2026 effective date for new programs

Sources: Government of Ontario, postsecondary funding news release (Feb. 12, 2026); Ontario.ca, "Learn about OSAP"; CBC News (Feb. 12, 2026)

Private career colleges have lost access to OSAP grants; in a move that clearly prioritizes the public system over private schools

Education Report

August 2026

The Wider Policy Landscape

Regulatory Spotlight: National & Provincial

- Ontario’s OSAP changes aren’t happening in isolation – Canada’s 2026 policy environment is redirecting funding toward specific outcomes, not pulling back from workforce training
- Ottawa’s April 2026 update launched “Team Canada Strong,” a ~$6B, five-year plan to train 80,000–100,000 new Red Seal trades workers by 2030-31, with a $400/week training grant and a $5,000 completion bonus
  - This program is explicitly tied to Canada’s national economic agenda, reinvesting in the workforces that will build housing, expand infrastructure and critical projects in energy, mining and defence
- British Columbia is doubling annual funding to SkilledTradesBC, from $107M to $214M by 2028-29, adding up to 5,000 new trades training seats in 2026
- The key trend we see emerging is that the government is now more actively picking winners &* losers, creating a bifurcated environment – general grant funding for private diploma programs is shrinking, while targeted, outcome-linked capital for trades, apprenticeships, healthcare and other targeted industries is expanding sharply

Summer 2026 Policy Tracker

Jurisdiction	Summer 2026 Measure
Federal	“Team Canada Strong”: ~$6B over 5 years for 80–100K new Red Seal trades workers
Federal	International student cap tightened again for 2026, to 408,000 total study permits
Ontario	OSAP shifts to loans-first model; $6.4B new institutional funding; tuition freeze ends
British Columbia	SkilledTradesBC funding doubling to $214M/yr by 2028-29; 5,000 new seats in 2026
New Brunswick	Conditional Degree Granting Act designation supports Yorkville–Beal transaction

Sources: PMO, “Team Canada Strong” (Apr. 29, 2026); IRCC 2026 allocations; Government of Ontario (Feb. 12, 2026); Government of British Columbia (May 13, 2026)

Capital is being redirected, not withdrawn – trades and healthcare training are clear policy priorities heading into 2027

Education Report

August 2026

Healthcare Training: New Public Dollars Are Flowing

Regulatory Spotlight: Healthcare Workforce

- Even as general grant funding contracts, Ottawa and the provinces kept announcing dedicated healthcare training investments through 2026 – a sign the pullback is not aimed at healthcare training itself
- Federally, the Canada Student Loan Forgiveness Program was expanded (effective Dec. 31, 2025) beyond doctors and nurses to more health and social-services professionals in rural and remote communities
- Ottawa also keeps funding foreign credential recognition for internationally educated health professionals – roughly 6,600 assessments to date, with at least 120 new training positions for international medical graduates in 2026-27
- Ontario, BC, Alberta, and Quebec are all expanding nursing, PSW, paramedic, and medical-training capacity through public-sector funding, clinical-placement subsidies, and tuition-free accelerated program
- Programs tied to workforce shortages — PSW, mental-health support, addictions counselling, medical-office administration, and certain allied-health roles — continue to receive targeted provincial and federal dollars, allowing PCCs to participate in priority-sector training even as general OSAP grants contract

Provincial Healthcare Training Commitments

Jurisdiction	2026 Healthcare Training Commitment
Ontario – Budget 2026	$124.2M over 3 years for clinical training; +2,000 RN and 1,000 RPN seats
Ontario – Long-Term Care	$26M+ to train ~3,000 LTC staff by 2029 (SPG Fund +$5.5M; Living Classrooms $21M)
British Columbia	$2.8B new health funding over 3 years, incl. $2.3B to hire and train providers
Nfld. & Labrador	~$8M to train and recruit nurses and NPs, within a $5.4B health investment

Sources: Ontario Budget 2026; Government of Ontario LTC release (Jan. 6, 2026); BC Budget 2026; Newfoundland & Labrador Budget 2026; Government of Canada (CSLFP, eff. Dec. 31, 2025)

Healthcare training funding is expanding even as broad-based grant aid contracts – the two are two sides of the same targeted-funding shift

Education Report

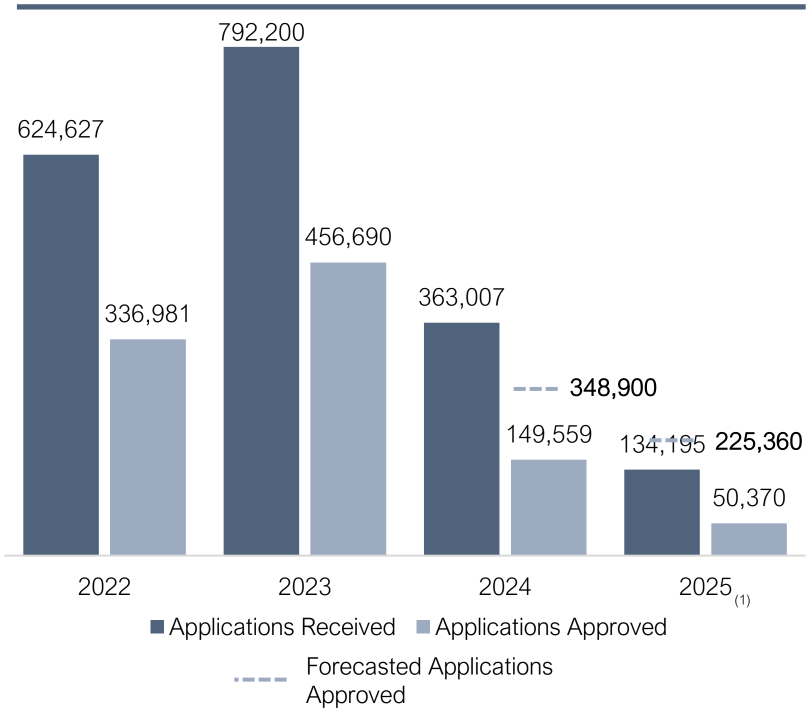
August 2026

International Student Caps: Did Regulators Overshoot?

Regulatory Spotlight: Immigration & Enrolment

- Ottawa's international student cap was designed to ease housing and services pressure – but implementation has cut volumes far more sharply than the caps themselves required or predicted
- The Office of the Auditor General released a report that stated the math behind the cap was wrong, and the result is vastly fewer international students coming to Canada and significant negative impacts for Canadian institutions, provinces, and communities
- Smaller provinces were hit hardest, with declines 6x worse than expected across smaller regions
- Despite this undershoot, Ottawa cut the 2026 target to 155,000 new arrivals – down 49% from the 2025 target, yet still above the number who actually arrived in 2025

Number of New Study Permit Applications



Source: Based on data from Immigration, Refugees and Citizenship Canada, excluding primary and secondary school Applications
1. Data is as at September 2025 (about 26,000 new applications were still being processed

64%
Drop in new cohorts of international students in 2025/26

42%
Decrease in international students at Canadian colleges

~275K
Decline in active study-permit holders, Jan 2024 – Sept 2025

80%
2025 shortfall in international student approvals in 2025

Sources: IRCC new study-permit arrivals data (293,060 in 2024; 115,470 in 2025); IRCC cap announcements & Immigration Levels Plans; IRCC news release (Nov. 25, 2025)

Actual enrolment fell far faster than the caps required – yet Ottawa kept cutting targets further heading into 2026

Education Report

August 2026

Private Capital Enters Skilled-Trades Training

Industry Spotlight: Employer-Funded Training

- A new training ecosystem is emerging: As AI-driven infrastructure, data-centre construction, and public megaprojects accelerate, governments and public-sector employers are no longer relying solely on colleges — they're becoming direct funders and co-designers of skilled-trades pipelines
- Public utilities are stepping in as anchor trainers: Hydro One and Ontario Power Generation now run some of the country's largest apprenticeship expansions — from lineworkers to nuclear technicians — signalling that critical infrastructure agencies see workforce development as a strategic responsibility
- Transit and municipal employers are building their own pipelines: Metrolinx, the TTC, and major city departments (Toronto Water, Fleet Services) are investing in apprenticeships for electricians, mechanics, and signal technicians, effectively creating "in-house colleges" to secure talent for long-term capital plans
- Crown corporations are treating trades as a national capacity issue: Canada Post and NAV CANADA are funding Red Seal pathways for millwrights, mechanics, and aviation-systems technicians — a shift that reflects how public agencies are responding to aging workforces and rising technical complexity
- Tech giants are accelerating the trend — and public employers are following: Meta's $115M Workforce Academy and Microsoft's partnership with North America's Building Trades Unions show how private investment can reshape training models; public-sector employers are now mirroring this approach to secure talent for energy, transit, and digital infrastructure
  - Amazon also recently approved Toronto-based Skilled Trades College as an education partner for Amazon's Career Choice Program
- The strategic importance is clear: Canada's infrastructure, energy grid, and digital backbone depend on trades talent. Large-scale employers are stepping in because they have the most to lose — and the most to gain — from building stable, long-term training pipelines that match the scale of national projects

Why It Matters for Private Educators

- Employer-funded, job-guaranteed programs show the need for increased trades training
- They open partnerships: curriculum design, facility use, and credentialing near data-centre projects
- Expect more hyperscalers to run this playbook in Canada as AI buildouts expand

Sources: Meta, "America's Workforce Academy" (2026); Microsoft & North America's Building Trades Unions (2026); The Logic (2025); Bell (BCE), Sherwood, Sask. data centre (2026)

The largest companies are becoming training providers in their own right and/or partnering with existing training providers – a trend Canadian data-centre operators are already adopting

Education Report

August 2026

Concluding Remarks

- Ontario’s shift to a loans-first OSAP model, which eliminates provincial grants for private career college students as of August 2026, is a real headwind for aid-dependent programs. But funding is being redirected, not withdrawn: billions in outcome-linked dollars are flowing to skilled trades and healthcare, even as regulators continue to favour public institutions over private and tighten international student intake. The operators that adapt fastest to this shift are best positioned to win.
  - As the population ages, public dollars are expanding for nursing, personal support, and clinical training, the best-funded corner of the sector
  - As tradespeople retire and AI data centres rise, trades funding is scaling sharply, now joined by employer-funded academies & partnerships
- The private sector’s speed and alignment with employer needs matter more than ever. The winners will be operators that diversify beyond OSAP-dependent revenue and lean into healthcare, skilled trades, and employer-funded partnerships, benefiting students, employers, and the broader Canadian economy.

Takeaways for Stakeholders	
Educators	• Model the OSAP transition now: private career college programs should stress-test enrolment and pricing against a zero-grant, loans-only funding base for future cohorts • Healthcare and trades programs remain the best-funded corners of the sector – align new program development accordingly • Explore employer- and industry-funded training partnerships, as a complement to shrinking public grant dollars
Regulators	• Provide clarity and lead time on implementation of the OSAP changes and the enhanced Student Access Guarantee, given the direct impact on affordability • Revisit international student targets in light of how far actual enrolment has undershot goals – cuts risk overcorrecting a system that has already adjusted sharply • Coordinate federal, provincial and municipal timing on major infrastructure and data centre projects to avoid whipsawing trades training capacity
Investors	• Favour platforms with diversified funding exposure and business models – those less reliant on any single program are better insulated from this cycle of policy change • Healthcare and trades training platforms amongst other key industries sit closest to the growing pools of public funding highlighted in this edition

Private educators can offer rapid training, responsive offerings and alignment directly with Canada’s employment needs, making private education economically essential to Canada’s workforce strategy

Education Report

August 2026

Case Study – Beal University

July 2026: Origin Merchant Partners (“Origin”) is pleased to announce that Beal University Canada has entered into an agreement to be Acquired by Yorkville University.

- Beal University, a US-based provider of career-focused education, engaged Origin Merchant Partners as its exclusive financial advisor to support the sale of Beal University Canada, its New Brunswick-based nursing university.
- Announced on July 7, 2026, the transaction is designed to ensure the long-term sustainability and growth of nursing education in New Brunswick at a time of increasing demand for healthcare professionals.
- The Government of New Brunswick has granted Yorkville University a conditional designation under the Degree Granting Act, and closing is expected in early September 2026, in time for the fall semester – with students continuing their studies without interruption and faculty and staff expected to be retained.
- The mandate represents an additional education sector transaction, cementing Origin as a leading financial advisor in the industry.

Origin Deal Team: Jim Osler, Katie Balson and Charlotte McKenzie

Beal University Canada

Exclusive Financial Advisor on its pending acquisition by

Yorkville University

Announced July 2026

“ *This strategic acquisition marks an exciting new chapter of growth for our nursing program. By aligning our proven healthcare curriculum with Yorkville University’s expansive infrastructure, we are unlocking unprecedented opportunities for our students and faculty. Together, it will scale the impact and accelerate the delivery of highly skilled nursing graduates to the healthcare sector.* ” Sheryl DeWalt (President, Beal University Canada)

DESCRIPTION OF BEAL UNIVERSITY

- Established in 2023, Beal University Canada is a private nursing institution with campuses in Sackville and Miramichi, NB, offering an accelerated 30-month hybrid Bachelor of Science in Nursing (BScN) with six intakes per year and no waitlists.

DESCRIPTION OF YORKVILLE

- Founded in 2004, Yorkville University is one of Canada’s largest private universities, with campuses in NB, ON and BC.
- Yorkville Education Company, its parent, is backed by Birch Hill Equity Partners.

Education Report

August 2026

School Perspectives : Primacorp Ventures Inc.

Introduction

For nearly thirty years, Primacorp Ventures has built its work around a simple belief: that investment can be a force for opportunity, not just returns. What began in 1995 as a single venture grew into a diversified investment company spanning real estate, investment management, and finance, with the largest accredited independent post-secondary education group in Canada at its core alongside online education, seniors' housing, and social enterprise. Under President Yul Kim, Primacorp has stayed rooted in the communities it serves — supporting more than 70,000 job-ready graduates and donating over $80 million to charitable causes, with a particular focus on empowering marginalized communities through education, healthcare, and philanthropy.

Yul Kim
President, Education Division
Primacorp

Today, under the leadership of President Yul Kim, Primacorp's Education Division continues to expand access to high-quality, career-focused education while advancing the organization's mission of Changing Lives Through Education, Service and Care

1. Primacorp has grown into Canada's largest post-secondary education group. How has the company evolved over the years, and are there any key takeaways from that growth and evolution?

Primacorp's growth has been the result of many years of disciplined execution rather than any single defining moment. Over time, the organization has expanded into a multi-brand education group operating across British Columbia, Alberta, Manitoba, Ontario and Quebec. Today, our institutions serve tens of thousands of students pursuing careers across healthcare, business, AI, technology, legal studies, education, design and many other fields. One of the most important lessons from that journey is that scale only matters if it creates better outcomes.

Growth should strengthen the student experience, improve organizational capability and expand opportunities for students—not simply make an organization larger. Operating multiple institutions has also taught us the importance of balancing consistency with local responsiveness. Every province has different labour market needs, regulatory frameworks and community priorities. Rather than applying a one-size-fits-all approach, we have worked to build shared operational strength while allowing each institution to remain closely connected to the communities it serves. Perhaps the biggest takeaway has been the importance of remaining adaptable. That adaptability has also meant working closely with employers, regulators and community partners to ensure our programs continue to meet evolving workforce needs. Education continues to evolve alongside changes in technology, demographics, government policy and employer expectations. Organizations that can continue learning and adapting will be the ones best positioned to serve students over the long term.

2. What's it been like being part of building that out, and how has your role evolved as the company has expanded?

It has been incredibly rewarding. When organizations grow, leadership naturally evolves from solving individual problems to building systems and developing people who can solve those problems themselves. Over time, my role has become less about directing day-to-day operations and more about helping create alignment across our institutions, strengthening our leadership teams and ensuring we continue building an organization that can perform consistently across multiple provinces.

One lesson that has become increasingly clear is that sustainable success is never the result of one individual. It comes from building strong teams, creating clarity around priorities, establishing accountability and giving capable leaders the support they need to succeed. Financial performance is certainly important, but it is only one measure of organizational health. Equally important are the quality of our leadership, the trust we build with regulators and employers, the experience our students receive and the outcomes they achieve after graduation. Seeing the organization mature in those areas has been one of the most rewarding aspects of my career.

3. There has been a great deal of change in the Canadian private education sector in the last 2–3 years. What trends are you seeing right now and what do you think will be the impact on the industry going forward?

The past few years have probably been among the most transformative our sector has experienced. Governments are placing greater emphasis on quality assurance, accountability and student outcomes, while broader immigration and policy changes have significantly altered the operating environment for many institutions. I believe much of that evolution is positive. Students should expect high-quality education, transparency and programs that prepare them for meaningful careers. At the same time, the pace of change has challenged institutions to become more agile.

Regulatory expectations continue to evolve, often differently across provinces, requiring organizations to adapt quickly while maintaining consistent educational quality. We're also seeing students become increasingly focused on career outcomes. Whether they're recent graduates, newcomers to Canada, career changers or working professionals looking to upskill, students are making significant investments in their education and understandably want confidence that those investments will translate into meaningful employment opportunities.

Looking ahead, I believe the sector will continue becoming more outcomes-focused, more accountable and more closely aligned with labour market needs. Institutions that combine educational quality with strong governance, operational discipline and meaningful employer partnerships will be well positioned to succeed.

4. Are there key industries or sectors Primacorp is focused on in terms of the education you deliver to students? How do you determine what sectors to focus your education efforts within?

Rather than concentrating on any single industry, our focus is on preparing students for sectors where there is sustained workforce demand and meaningful long-term career opportunity. Healthcare continues to be an important part of our portfolio given Canada's ongoing need for qualified professionals. We also continue to see strong growth in areas such as information technology, including Cybersecurity and Network Systems Administration, reflecting the increasing demand for skilled professionals in Canada's digital economy. Business, legal studies, early childhood education and design are equally important parts of our educational offerings.

Our program decisions begin with understanding where meaningful employment opportunities exist. We look carefully at labour market information, employer feedback, government priorities, technological change, student demand and regulatory considerations before introducing new programs or expanding existing ones. We also believe experience matters. When a program has demonstrated success in one jurisdiction—whether through student outcomes, employer partnerships or operational excellence—it provides valuable institutional knowledge that often helps us evaluate similar opportunities elsewhere. Every province is different, but the experience gained from delivering quality education successfully is highly transferable. Ultimately, our responsibility is to equip students with practical, career-relevant skills that meet Canada's evolving workforce needs, regardless of the industry.

5. How do you see technology or new instructional methods shaping the student experience over the next few years? How does the rapid adoption of AI factor in?

Technology will continue to make education more flexible, more personalized and more accessible, but I don't believe it changes the fundamental purpose of education. Career education is ultimately about preparing students to succeed in the workplace. Technology should strengthen that objective rather than distract from it.

Artificial intelligence presents tremendous opportunities. It can help personalize learning, provide students with immediate feedback, support language development and assist instructors in identifying students who may benefit from additional support. At the same time, AI also challenges educators to rethink how we assess learning and how we help students develop critical thinking and professional judgment. Rather than treating AI as something to resist, I believe our responsibility is to teach students how to use it responsibly. In many professions, AI will become another workplace tool. Graduates will need to understand not only how to use those tools effectively, but also when human judgment, ethics and communication remain indispensable.

No technology can replace the value of experienced instructors who mentor students, share professional experience and help develop confidence. The most effective learning environments will continue to combine excellent educators with thoughtfully applied technology.

6. Primacorp oversees a network of colleges rather than running a single school or brand. What do you think makes that model work, and how do the schools under Primacorp differentiate themselves from other vocational or career colleges in Canada?

One of the strengths of our model is that each institution retains its own identity while benefiting from the capabilities of a larger organization. Reeves College has deep roots in Alberta. Vancouver Career College has built a strong reputation serving students throughout British Columbia. CDI College operates across multiple provinces, while VCAD was established in British Columbia and today primarily delivers its programs online to students across Canada.

Although each institution serves different markets, they all benefit from shared expertise in areas such as curriculum development, regulatory compliance, technology, employer engagement, student services and operational best practices. Perhaps more importantly, operating across multiple provinces gives us the opportunity to learn continuously. Solutions developed in one part of the organization often become valuable insights elsewhere, while still recognizing that each province has its own regulatory environment and labour market.

I believe that balance between local identity and shared organizational capability is one of the reasons our model has worked well over time.

Final Thoughts

Career-focused education has an increasingly important role to play in Canada's future. Across the country, employers continue to face shortages in many essential occupations, while thousands of Canadians are looking to develop new skills, change careers or enter the workforce for the first time. Bridging those two realities is where career education can make a meaningful contribution.

That responsibility extends beyond simply delivering programs. It requires listening carefully to employers, understanding evolving workforce needs, maintaining high educational standards and continually asking whether we are preparing students for long-term success rather than simply today's job market.

At Primacorp, our mission is "Changing Lives through Education, Service and Care." While the organization has grown considerably over the years, that mission remains unchanged. Ultimately, our success is measured not by the number of students we educate, but by the opportunities we help create, the careers our graduates build, and the positive contributions they make within the communities they go on to serve

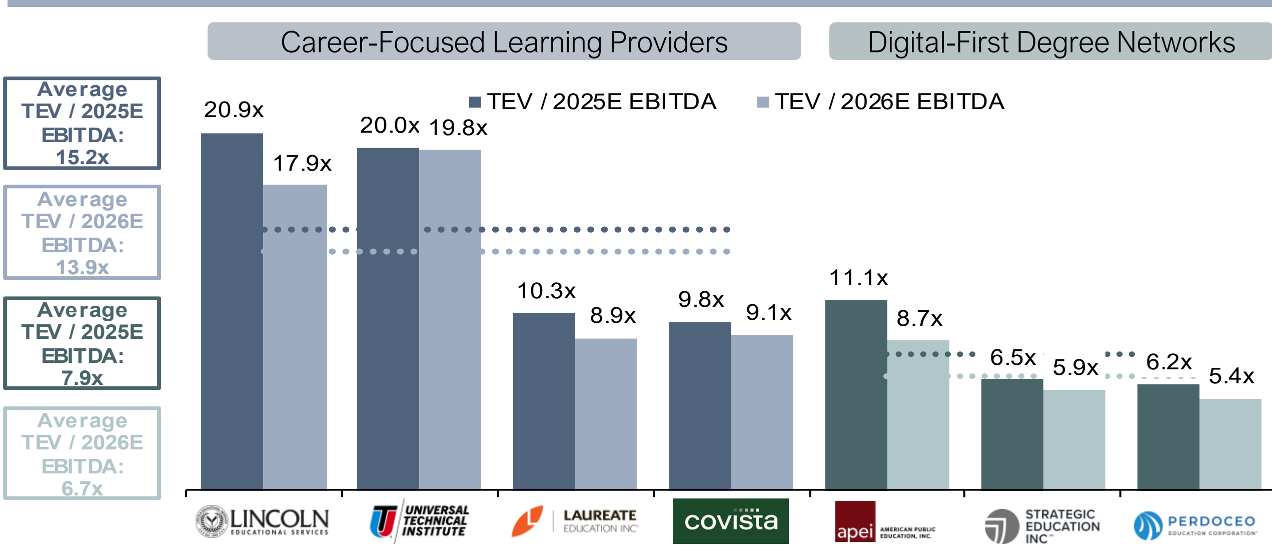
Education Report

August 2026

US Career & Technical Education Peers

TEV / NTM EBITDA [(1)]

Publicly listed U.S. education companies have re-rated to three-year highs following the November 2025 sell-off, while valuations have increasingly diverged – career-focused providers now trade at roughly twice the TEV / 2026E EBITDA multiple of digital-first degree networks



Public education comparables remain sharply bifurcated, with career-focused learning providers generally commanding a significant valuation premium to digital-first degree networks

Source: Capital IQ

1. Includes Covista (NYSE:CVSA), Strategic Education (NASDAQ:STRA), Laureate Education (NASDAQ:LAUR), Perdoceo Education (NASDAQ:PRDO), American Public Education (NASDAQ:APEI), Universal Technical Institute (NYSE:UTI), and Lincoln Educational Services (NASDAQ:LINC)

Education Report

August 2026

Origin Merchant Partners

Premier North American Investment Bank

- Origin Merchant Partners is a leading investment banking advisor to private companies, public corporations, and financial sponsors in the middle market, offering depth and breadth of experience, dedicated industry coverage, relationships, knowledge, and resources. Origin has a proven track record of success in middle market transactions and offers thought leadership and dedicated teams focused on select industry segments.
- With professionals in seven cities across the US and Canada, Origin provides extensive direct coverage of North America. In addition, Origin offers international reach and direct coverage of more than 65 countries through coordination with global partners.

Key Service Offerings

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- Sell-side advisory
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Capital Raising

- Debt private placements
- Growth equity investments
- Recapitalizations

Board & Committee Advisory

- M&A oversight
- Valuations
- Fairness opinions

Origin by the Numbers

#1
Independent M&A advisory firm in Canada

70+
Investment banking professionals

7
Cities across North America

500+
Transactions completed by Origin MDs

65+
Countries covered with in-market global partners

>40%
Cross-border transactions