



Mergers Alliance 2020 Global Education Market Report

October 2020



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FOR WHAT TRULY COUNTS



Preface – Digital Education

Recent events around the Covid-19 Crisis have been eye opening. Much of the world has changed but no other industry has witnessed such a radical overhaul as the education sector. The recent crisis has injected the idea of e-learning into our education systems worldwide, triggering a trend that will continue to grow. Yet, the developments in the education sector have not been covered to the level that would do it justice. Education is one of the most fundamental industries we have in the 21st century and we believe that the shape of today's education sector is the best determinant for tomorrow's economical, scientific, and social future.

As our industries and technologies progress, we require a better-skilled and educated workforce, whereas our constantly changing lifestyles entail the need for quick access and mobility in all areas of our lives. The M&A landscape has been no stranger to these developments in recent years, and we expect more and more private and public entities to take part in this exciting race to restructure education and how we approach teaching and learning across cultures, languages and geographic borders.

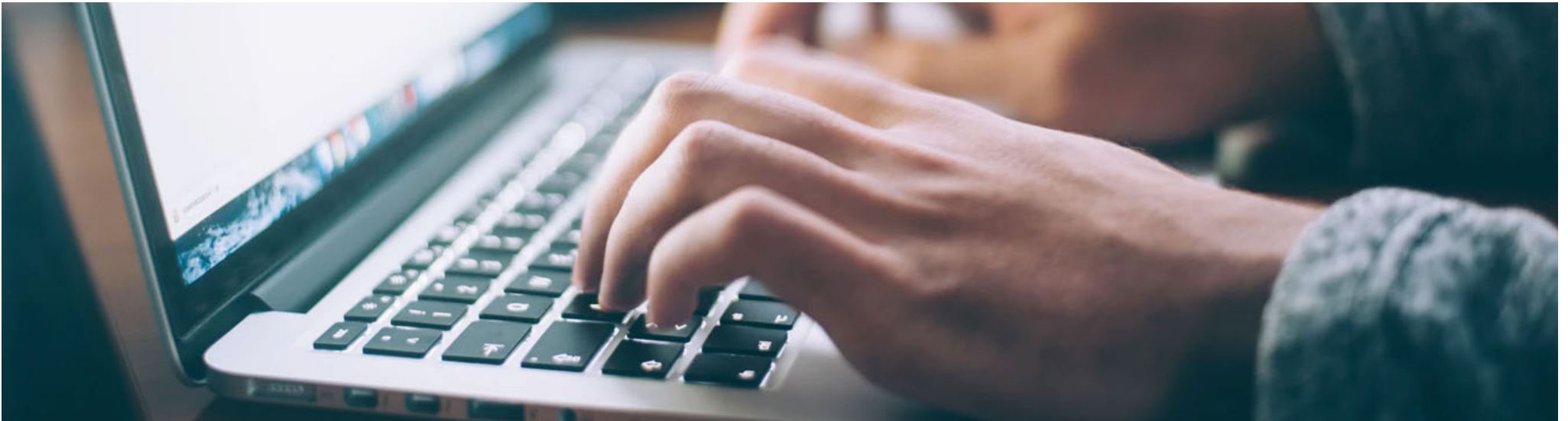
Participating countries are (in alphabetical order):

Australia, Belgium & Netherlands, Brazil, Canada, Chile, France, Germany, India, Italy, Japan, Peru, Spain, Sweden, United Kingdom and United States of America. We would like to thank all participating members and contributors.

Mergers Alliance (MA) is a partnership of award-winning corporate finance specialists who provide high-quality advice to organizations that require international reach for their M&A strategies. We focus on local and international deals up to USD 500 million in value across a wide range of sectors. Since the start of 2010, our partner firms have collectively completed over 823 deals in 30 countries worldwide with an aggregate value of over USDbn 37.5.

Executive Summary

Digitalization has been hitting all sectors around the world, but none as hard as the education industry. A sector that was formerly dominated by government-funded brick and mortar institutions is moving rapidly towards online classes and learning opportunities across various platforms. In light of these recent developments, this global report aims to offer valuable and recent insights on new business opportunities in the education sector, by analyzing trends, technologies, and transactions in most of the countries Mergers Alliance members are active in today.



Private businesses gaining market share – E-learning sector to grow twofold by 2026

So far, most of the world's education is funded by governmental agencies and only a small proportion is privately paid for. Even in nations that are considered frontrunners of private education, such as the U.S., Australia or Chile, public funding amounts to around twice as much as private funding for education across all levels. Taking a deeper look at private spending unveils that on a global level 68% of private funds flow primarily to tertiary level education (i.e. university-level). Whereas primary and secondary level education are predominantly (nearly 80%) publicly funded.

Simultaneously, the percentage of people with tertiary and secondary level education is rising rapidly, as the number of people with only primary or no education at all continues to fall, as university degrees are becoming a pre-requisite for employees in most industries. Since the COVID-19 crisis, both sides have been looking for ways to integrate and make use of the benefits that digital education offers. According to forecasts, the current valuation of the E-learning market at just over €175bn is expected to be catapulted to around €316bn by 2026 with a CAGR of 8% for the period between 2020 and 2026.

Four major developments are the key drivers in this new era:

- 1) Mobile Learning is not only offering an opportunity for people to access their education from different locations, but it is also allowing the integration of different devices and platforms.
- 2) Adaptive Learning Algorithms, such as smart learning and smart testing tools are improving the way knowledge and skills can be measured for different types of learners.
- 3) Personalized Learning approaches provide tailor-fitted solutions to individual users, which are used predominantly in the private and informal education sectors.
- 4) Gamification is introducing a way of learning, that is combining game-like tasks, with the study material, capturing more attention and concentration from the user.

Content filtering, data protection and access problems are slowing down digitization

Nevertheless, the new transition towards digital education is not so easy and faces several barriers such as access problems, GDPR laws and data protection regulations, content filtering – especially in formal and lower levels of education, and unreliable IT-infrastructures in certain areas. The combination of these issues has been making it much more difficult for public institutions to integrate the digital trends into their programs than private companies, which operate predominantly in the informal and quaternary levels of education.

In general, public institutions furthermore have been allocating a much smaller proportion of their funds towards digital equipment for both instructors and pupils. Though, this varies strongly by region: globally every fourth teacher is being IT-equipped by its employer, in Finland that number is 100% of all teachers compared to Germany, where only 3 out of 100 teachers are given personal computers by their school.

Education goes far beyond primary and secondary schooling

The education sector can be broken up into formal and informal. The former, refers to school curriculum-based learning of basic subjects such as languages, social sciences, mathematics and the like, taught by qualified and certified teaching staff in specialized institutions, whereas the latter refers to the type of education that is offered to different age groups, are not set by a specific curriculum and do not mandate a certification by the instructor, e.g. tutoring programs.

Another way to segment the market is by the level of sophistication and/or specialization: primary, secondary, and tertiary or quaternary education. The first three being the type of education that is continuous and is usually experienced only once in a person's lifetime, such as primary school, secondary school, and university level. The second is the type that can be continuous and at any point in a person's life, such as corporate training or other types of development in any area of interest.

Tough budgets & segmented markets in all subsectors – English publishers somewhat consolidated

Finally, the market participants can be divided into content providers, distribution, and service providers, as well as management systems and platforms. Content providers have been around for quite some time now and include a wide range of publishers, with the tertiary levels include many universities that are now filling voids in the formal quaternary sectors as well with certificate and non-certificate programs by making use of their reputation. On the primary and secondary levels of education we mainly see local players, except for English speaking regions, where players are somewhat more consolidated. When it comes to distribution and service, companies are facing more obstacles to navigate through, such as data protection laws and content filtering for younger age groups.

Thus, digital education is not being integrated as fast and especially public institutions with predetermined budgets are facing difficulties to adopt such tools. The potential for future implementation especially with products like gamification however is very promising. On the informal side, service companies are experiencing much better results on all levels of education, as the Covid-19 Pandemic led to spikes in the e-book and language learning programs.

Although Management systems and platforms face the same issues as the distributors and service providers, in the respect that budget pressure on public institutions are limiting the adoption of digital education tools, learning platforms have become such a crucial alternative to the classroom during the pandemic across all levels, that they have been implemented nevertheless.



Strategist preferring domestic M&A deals – financial investors increasingly looking abroad

All these developments have been fueling the M&A market with acquisitions across the entire education spectrum. While most of these transactions remain domestic with 429 total national transactions in 2019 as opposed to 281 on a cross-border level, the cross-border acquisition trend in the education sector is clearly growing with great potential for synergies. Out of these, most acquisitions by strategic buyers are targeted at domestic companies amounting to 80% of total transactions and only 20% aimed at cross-border deals, whereas financial buyers have been more open to international ventures with a domestic to cross-border acquisition ratio of 40/60.

This can mainly be attributed to the very regional and fragmented education industry in many countries. Strategic buyers, who have been building on a business model based on capturing domestic or regional market share, often find it difficult to reap the benefits of potential synergies that could be created by engaging in cross-border M&A deals. Financial investors on the other hand have benefited from understanding the value of acquiring entities in different regions, as this offers a unique entry option into local markets, which were until recently inaccessible to outsiders and foreigners. With the rapid digitalization of the education sector, this trend will continue to increase, with more and more cross-border acquisitions in the industry, just as it has been across previous years.



Mainly small deals – geographically dominated by Asia

Regionally, the global M&A scene in the education market is dominated by activities in Asia with around 41% of global education deals, followed by North America with 28% and Europe with 22%, whereas 71% of these acquisitions remain at very small volumes under €10mm, while only around 7% lie above a transaction volume of €100mm. Most transactions are still attributed to small regional players, that tend to shy away from engaging in deals with counterparts that operate in an entirely different subsector or geographic region, especially if there are language barriers involved, leaving the upper-cap and mid-cap levels unsaturated and full of great

potential for entering new markets and operational areas in this new age of digitalization.

Nevertheless, acquisitions specifically in the digital education market have been growing at a fast pace as well, with most investments being made in the US with €10.2bn, followed by China with €2.2bn. in 2019. The EdTech sector in Europe has been emerging even faster, with a growth rate of around 40% p.a. between 2017 and 2019, dominated by the UK with 80% of all European investments at around €435mm, and Germany only at €16mm for FY 2019, underlining once again the difficulties those regions are facing, where education is handled very regionally by municipalities and states.

Primary and secondary education mainly funded publicly – private businesses aim for later stages

These trends are reflected on a national basis as well. Primary and secondary education are under the custody of governmental funding, while most private companies concentrate on growing at the post-secondary level. Consequently, we are seeing more acquisitions at the latter levels. Especially non-formal Quaternary level Education is experiencing a boom in investments and acquisition activities alike, caused by the wave of interest towards the idea of receiving education, that is tailored to one's needs with

the comfort and the ease of learning from home, while being quicker and cheaper than alternative options offered by most tertiary educational institutions. Finally, we see a trend of companies in the TIC (training, inspection and certification) sector increasingly profiting from digitalization. Digital platforms and e-learning opportunities are further increasing their already elevated profit margins, by cutting costs simply through online trainings and certifications that can handle more clients with fewer instructors.

	Primary, Secondary, Tertiary		Quaternary	
Content Providers	Formal: <ul style="list-style-type: none"> Heavily dominated by large local players Tertiary is dominated by university content 	Informal: <ul style="list-style-type: none"> Growing especially content offered by universities. As people start to realize that online education can be much more lucrative 	Formal: <ul style="list-style-type: none"> Often offered by universities that are broadening their customer base. As variable costs are quite low, universities are making use of their reputation 	Informal: <ul style="list-style-type: none"> Universities, e-learning platforms and other formal education-oriented players, are now offering content for this segment due to the low variable costs
Distribution & Service	<ul style="list-style-type: none"> Problems entering the market, due to pressure on gov. budgets, & problems with Great potential for gamification for both public and private. Content filtering and unwanted access especially for younger age groups is still a problem eBook providers are gaining importance, as they are cost-efficient, are more sustainable and offer much better mobility to students 	<ul style="list-style-type: none"> Great opportunities for Gamification providers as well Language and other skill teaching programs are experiencing growth Growth in audiobooks and e-book sectors 	<ul style="list-style-type: none"> Companies in the TIC (Testing, Inspection and Certification) are making use from even higher margin via online trainings 	<ul style="list-style-type: none"> Profiting from recent developments and corona crisis High M&A activity
Management Systems & Platforms	<ul style="list-style-type: none"> Problems entering the market, due to pressure on gov. budgets, & problems with implementation, however lately gaining a lot of importance with distance learning 	<ul style="list-style-type: none"> No strong presence on primary levels 	<ul style="list-style-type: none"> Networks that offer certifications are moving towards a platform model, to cut operating costs even more 	<ul style="list-style-type: none"> Profiting immensely since the corona crisis Platforms gaining popularity amongst all age groups and professions High M&A activity

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Phases of general Education

Education is divided into four phases, of which the first three build on top of each other and are only experienced once in a lifetime, whereas the last phase can occur in several instances throughout adulthood.

Primary	Secondary	Tertiary	Quaternary
Age Range: 3 – 9 Average length: 6 years	Age Range: 11 – 19 Average length: 6 years Compulsory until the age of 16 or 19	Age Range: 19 – 29 Average length: 10 years	Age Range: 30 – 90 Average length: unlimited, could be from a day to a few years
Pre-School / Education: <ul style="list-style-type: none">• Early childhood education• Pre-Kindergarten and pre-school First stage of formal education: <ul style="list-style-type: none">• Kindergarten• Primary schools (elementary schools)	Level I: <ul style="list-style-type: none">• Final phase of basic education¹• Compulsory until the age of 16 or 19 Level II: <ul style="list-style-type: none">• Preparation for tertiary education	Universities / colleges: <p>Degrees such as: diplomas, undergraduate & graduate certificates, bachelor’s, master’s and PhD/ doctoral degrees</p> Vocational Training: <p>Learning trade skills and theory from accredited professors or established professionals over several years</p>	Continuous education: <ul style="list-style-type: none">• Corporate development• Career development and up-skilling• Hobbies and interests Common forms are: <ul style="list-style-type: none">• Online courses• Evening / weekend school or courses• Short courses, workshops or seminars

1) According to the International Standard Classification of Education (ISCED), basic education comprises the two stages primary education and lower secondary education.

Types of Education

Formal Education

Formal school curriculum or basic education as defined by each country, most commonly include subjects such as:

- Language training
- Sciences (life sciences, physical sciences, mathematics)
- Social sciences, business and law, history
- Arts and music

... and is taught in specialized facilities by certified and qualified personnel

Non-formal Education


Non-formal education caters to all ages, not necessarily in a continuous pathway-structure and is taught by people who do not require a recognized qualification.

- life skills, soft skills and social or cultural development
- work skills and corporate as well as career development
- adult and youth literacy and education

Centralized versus distributed governing systems

Centralized


Highly Fragmented




Singapore's education system is centrally controlled, with a single Ministry of Education offering policy for the whole country.




United Kingdom has separate systems under separate governments for England, Wales, Scotland and Northern Ireland.



Germany has ministries at the state-level which provide centralized guidance for each state.



The **United States** is highly fragmented – The education systems are not federally mandated beyond the local district level.



France has one ministry of national education.

Legislation and decision making related to the curriculum for formal education varies greatly throughout different countries and leads to complex systems in which change as well as updates of curriculums (especially in the formal education) become hard to implement.

Source: Our World in data, UNESCO Research, ISCED

Categories of companies in the education segment

Companies operating in the education services market, or catering to companies and customers active in this market, can be generally categorized in three different provider types.

Content Publishing houses and companies that provide formal education institutions with content, such as schoolbooks and other materials. This category can also include schools and universities creating their own teaching material.	Service Distribution & Service providers that create or supply services in the areas of Gamification (e.g. learning toy manufacturer), e-Books & e-books rentals, online learning course provider, mobile education, (online) tutoring.	Software / Management & Platform Systems Digital education and online players , using a platform business model , such as software platforms, library of teaching resources, online interaction facilities, testing and self-assessment.
		

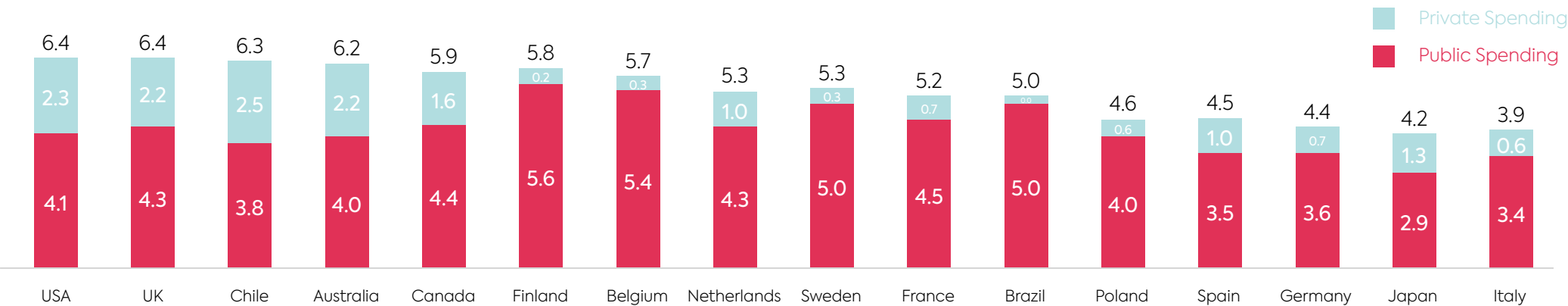
1) Based on global revenue (LTM)

Key Driver 1) Global Education Funding

Public and Private Spending in Education

In % of GDP, 2015 or latest available

Government, municipalities and other public sources make up most of the funding in the global education market. But their budgets are famously under constant pressure, and an increasing number of educational institutions are looking for external funding to continue to grow and innovate.



OECD (2020), Public spending on education (indicator)

Public and Private Spending in Education

In percentage for 2015

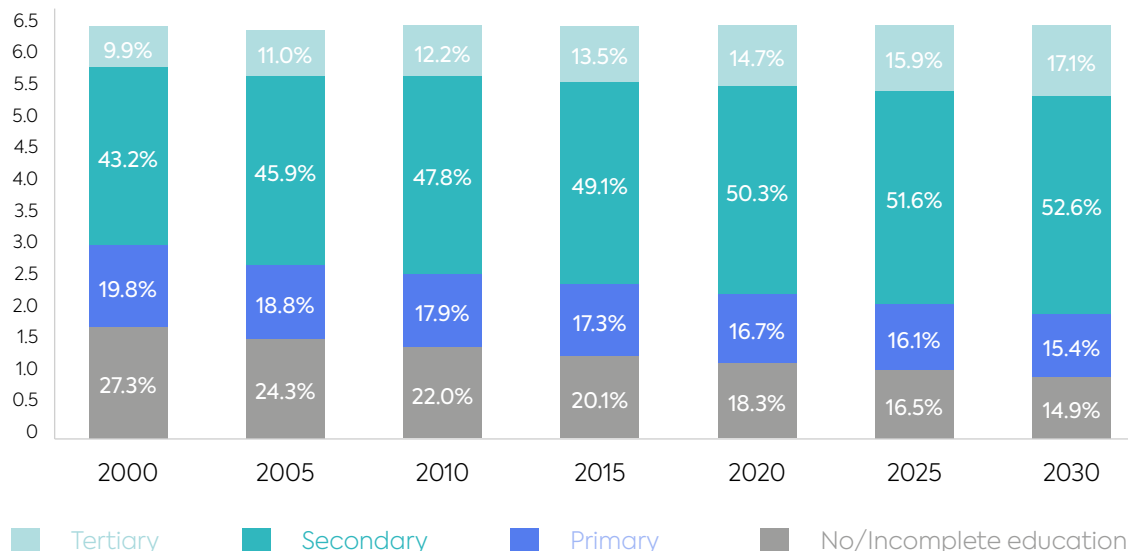
Public funding is in general used for primary and secondary education, whereas private sector funds flow to tertiary education (with vast differences between regions)



Key Driver 2) Learners numbers: Growth rates at a learner level

Public and Private Spending in Education

In % of GDP, 2015 or latest available



Increase in Tertiary Education

More learners will enter and graduate from a tertiary education program as online content and online degrees become accessible from anywhere and are available at lower costs.

The importance of having a university degree is becoming even more significant as it is already a minimum required entry hurdle for many jobs applications.

The number of global learners in the **tertiary level is expected to grow at 2.7% CAGR** between 2020 and 2030.

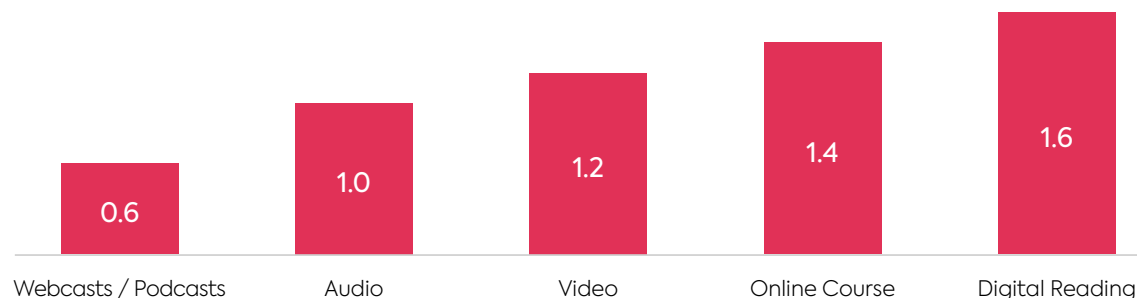
Whereas secondary segment is expected to grow at 1.6% p.a.

Source: [Ourworld in Data](#)

Key Driver 3) Continuous learning and re-skilling or up-skilling

Average time spent per week on online learning worldwide

In 2018, in hours



Life-long Learning

As most jobs are impacted by advances in technology, adults have to continuously re-skill and adapt to the ever-changing markets.

Learning is no longer concentrated on the initial phase of a person's life, but will re-emerge frequently and throughout all ages and industries as job-related tasks require re-skilling.

On **average 6 hours per week** are already being spent learning online.

Key Driver 4) Distance Learning

Formal education through digital tools is crucial during the lockdown phases of the COVID-19 pandemic and will have a lasting impact on how education is delivered as well as consumed in the future.

Mobile Learning

Apps on anyone's cell phone or tablet allow for immediate access to learning content. This trend has seen significant growth rates, especially during the global pandemic.

Adaptive Learning Algorithms

Especially in testing and in certification, smart-learning and smart-testing allows for deeper understanding of a learner's true level of knowledge.

Personalized Learning

Individualized content increases learners' outcomes and performance substantially. As the commercial world has already learned this lesson, education providers are starting to catch up.

Gamification

Similarly to personalized learning content, this is a race for attention and focus. Learning outcomes improve with higher concentration and engagement – gamification gives education providers a tool to reach all level of learners.

Source: Future of Jobs Survey 2018, World Economic Forum, Statista, Digital Learning Consortium



General Challenges in the Education market

Hurdles in administration leading to increasing problems

Rigidity of formal education

Especially in highly fragmented education markets, changes to the formal school curriculum, budget increases for updates in infrastructure and/or equipment are taking a **very long time and have to be approved on many different levels of municipalities or even governments.**

It can take years for changes to be decided, implemented and until they finally reach schools, teachers and learners.

Skill gap widening

In an increasingly data-driven future, the formal school curriculum does not teach sufficient skills for successfully conquering future workplaces. Skill gaps are widening, especially in the ICT sector.

On a global level, the formal education sector is currently not equipped for teaching the required work skills of tomorrow.

Additional skills have to be learned outside of the formal education system with equipment bought by care takers (BYOD – “bring your own device”) or through the informal education sector

New technologies come with their own particular challenges to overcome

Insufficient Internet Access

Most schools do not have sufficient bandwidth for the use of tablets / laptops in light of the number of learners in a single school.

Content Filtering

In order to protect learners from harmful online content, school IT departments have to implement content filtering. This prevents harmful content or harmful websites from being seen by learners in school and through the school provided network. This adds another layer of complexity to the school administration.

GDPR Laws

Data and user protection, especially related to the youngest users in communities, have to be maintained and create barriers for the implementation of eLearning and other tools.

Unreliable IT Infrastructures

Networks enable a school system to participate digitally. Learners must be able to rely on their district's network in order to better their education. When connections are unreliable, this hinders learning and success.

Digital education providers must adapt their products based on the challenges faced by most schools, parents and each region

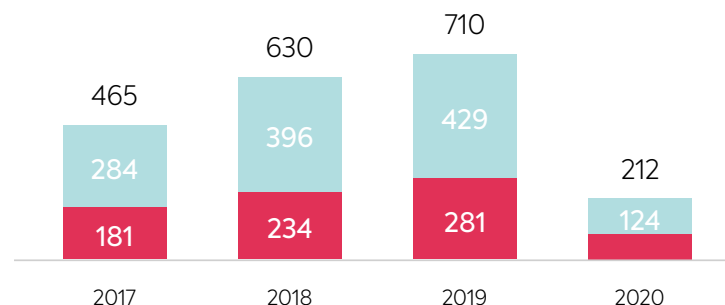
Source: Future of Jobs Survey 2018, World Economic Forum, Statista, Digital Learning Consortium

Global Education M&A Trends and Transactions in Education

Investments trends

In absolute numbers

Domestic
Cross-border



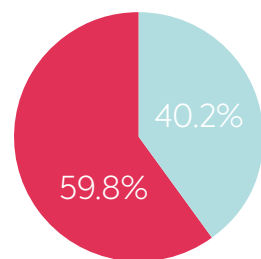
The majority of transactions are entered into on a domestic basis. But international transactions are trending upwards and might play a bigger role in the aftermath of the COVID – 19 pandemic.

Acquisition trends

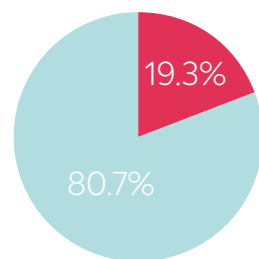
In percentage of transactions 2017 – 2020

Domestic
Cross-border

By financial buyers



By strategic buyers



Financial investors seem to be looking more at cross-border targets vs. strategic buyers are targeting national assets.

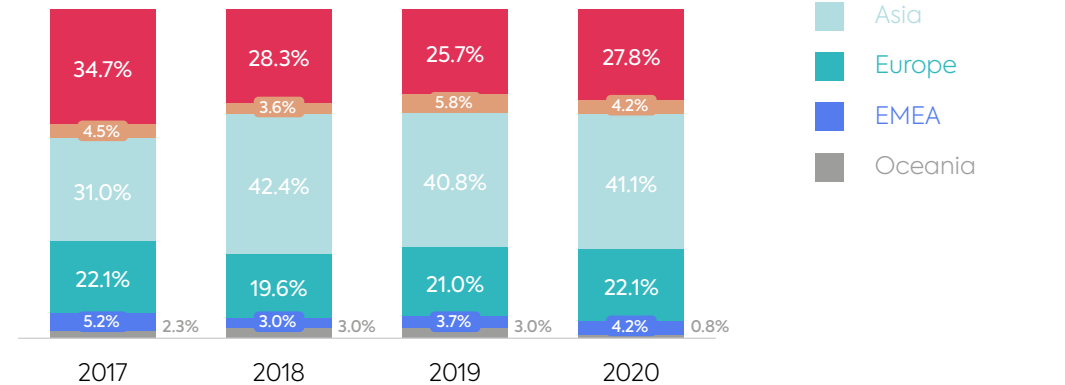




Global Education M&A Trends and Transactions in Education

Geographic distribution of transactions

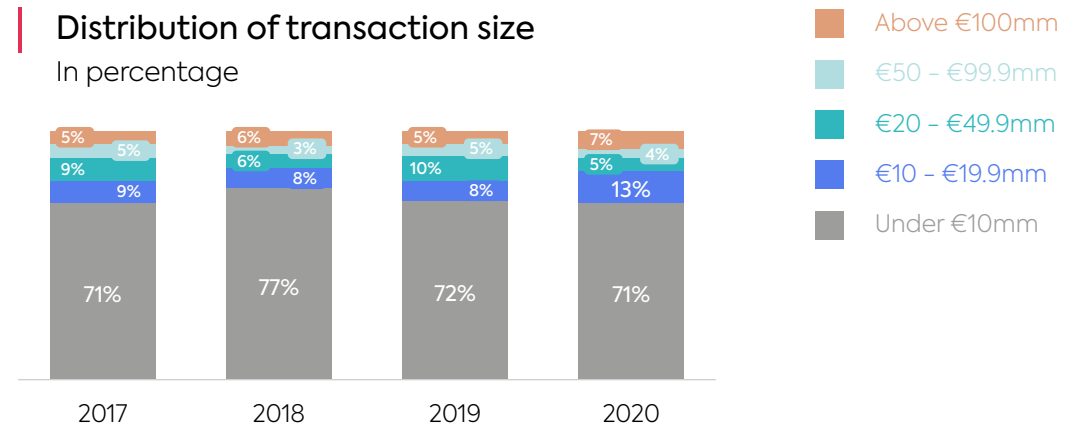
In percentage (based on target company HQ)



Asia is the leading region for transactions in the education market

Distribution of transaction size

In percentage



Small transactions still dominate the market, with very few reaching significant sizes above EURm 100

Source: CapitalIQ Analysis, Data as of 25 May 2020



2019 Digital Education Trends

In general, Digital Education targets the consumer side, which has more potential because it is easier to sell to single-decision makers like parents as opposed to highly fragmented and rather rigid school systems. The dividing line between B2B and B2C, will likely increase over time as more parents learn how to work with tutoring services at home.

- **US** Players have made more acquisitions in the European market, such as Chegg and Udemy)
- Tech transactions are getting larger, especially in the past year – for the first time there have been deals above the threshold of USD 1 billion
- Even in **Europe** transactions are gaining in size with single transactions reaching numbers in the hundred millions
- **UK** is **Europe's** most active market in terms of investments (all types of investments)
- **Germany** is still behind, but is gaining momentum with several start-ups getting ready for their first buy-outs

2020 Digital Education Outlook

COVID-19 influence¹:

- Several European based Digital Education companies serving **K-12** (primary + secondary education segments) have seen increases **+100% in user numbers and monthly activities have grown up to 3.0x** Similarly the **Upskilling (B2C)** segment has seen similar growth rates as well as in their user numbers and user activities.
- This trend seems natural as many companies are offering free access to their platforms in order to help parents, children and schools cope.

The only segment that has **lost users** due to the corona pandemic is the corporate education (B2B) segment, especially those focusing on offerings for smaller and medium sized companies. One of the few exceptions include Applyboard (sells software to universities to attract international learners) and Niche (college search platform) that have successfully **raised additional capital** and have seen **growth in their customer numbers**.

Industry experts from [Quizlet](#), [DreamBox Learning](#), [Codecademy](#) and [Udemy](#), agreed in a recent interview with TechCrunch that the appetite for extra schooling and tutoring is an explosive market, especially in the context of language learning and test-preparation. The consumer side (B2C) has more potential because it is easier to sell to single-decision makers like parents, as opposed to highly fragmented school systems.

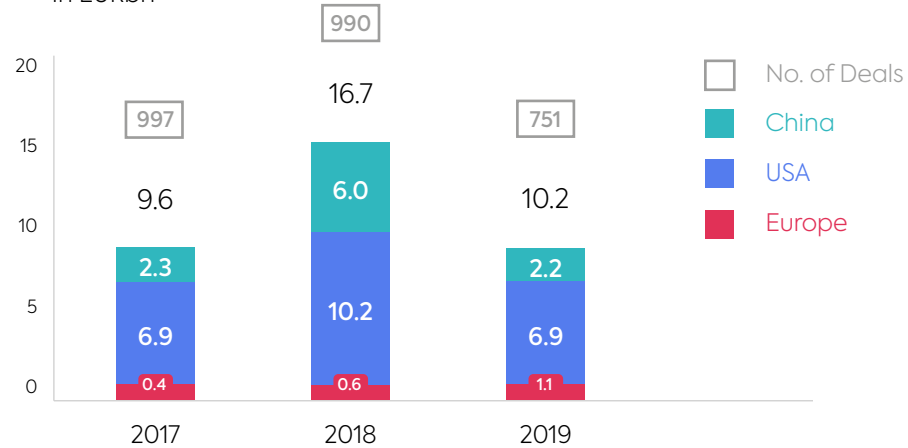
Note: 1) Based on Brighteyes Venture survey conducted within their network
Sources: TechCrunch



Investment Activities Overview

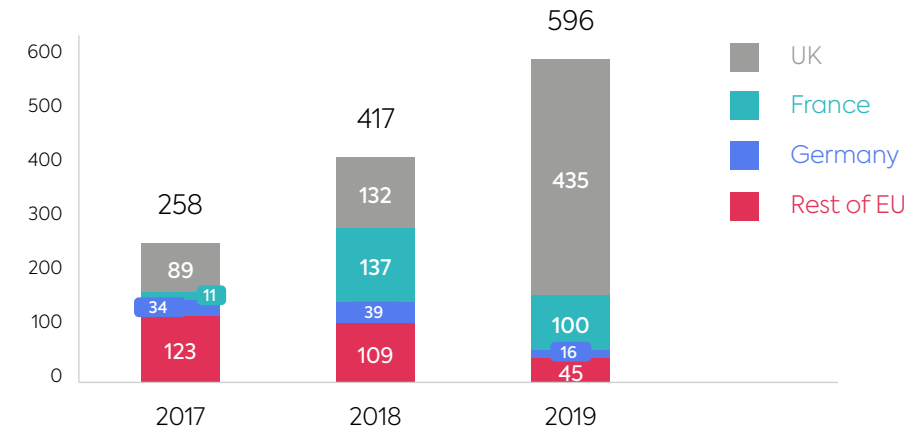
All Investments in digital education¹

In EURbn



Venture capital invested in European EdTech

In EURm



Largest transactions in 2019:










Instructure (USDbn 1.8 LBO), Turnitin (USDbn 1.5 M&A),
Trilogy Education (USDm 670 M&A)









United Kingdom

UK is by far the largest and most active market for VC investments in EdTech companies.



EdTech Unicorns











Rank	Company	Website	Country	Valuation (EURbn)
01	ByJu's Tutoring Platform	byjus.com		5.4
02	VIPKid English Language Classes	vipkid.com		4.2
03	Yuanfudao Tutoring	yuanfudao.com		2.8
04	Udemy Marketplace for online learning courses	udemy.com		2.0
05	Duolingo Various Languages	duolingo.com		1.4
06	ApplyBoard University Access	applyboard.com		1.3
07	Udacity Data analytics courses	udacity.com		1.0
8 - 17	iTutorGroup Tutoring & Language	itutorgroup.com		0.9
8 - 17	Guild Education Upskilling	guildeducation.com		0.9

Rank	Company	Website	Country	Valuation (EURbn)
8 - 17	HuJiang Online Curriculum	teachaway.com		0.9
8 - 17	Huikedu Group Online course platform	huikedu.com		0.9
8 - 17	17zuoye Tutoring	ucenter.17zeoye.com		0.9
8 - 17	Zhangmen Tutoring	zhangmen.com		0.9
8 - 17	Knowbox Tutoring	knowbox.cn		0.9
8 - 17	Age of Learning Online Curriculum	ageoflearning.com		0.9
8 - 17	Coursera Online course platform	coursera.org		0.9
8 - 17	Quizlet Digital flashcards	quizlet.com		0.9

1 – Represents Nelson's Canadian Domestic Higher Ed Textbook Business; 2 – Represents Waterloo Maple's online education business
Source: Crunchbase (EdTech and education companies in country), Capital IQ, Owler



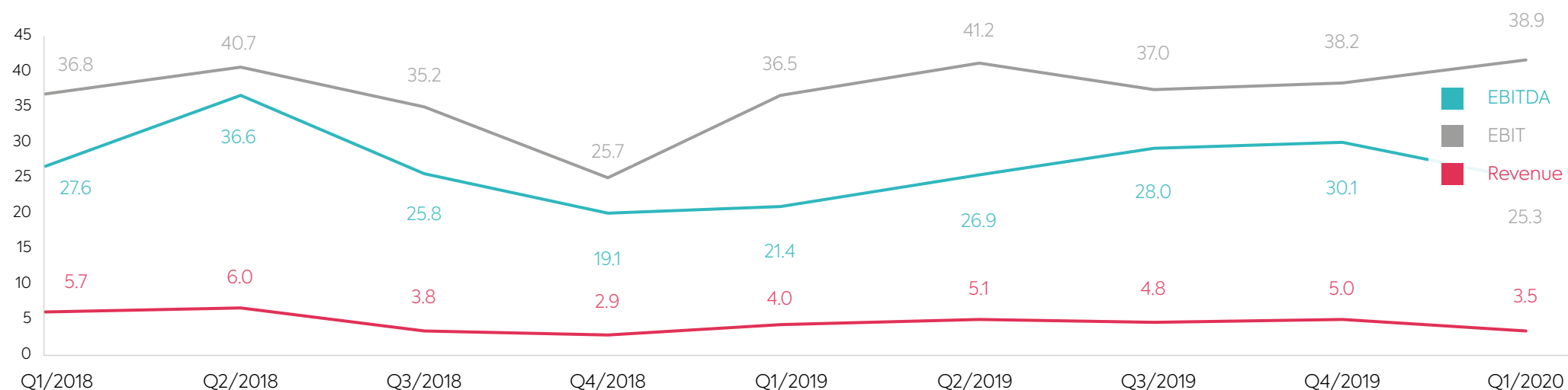
Latest largest M&A transactions in digital education

Date	Target	Country Target	Acquirer	Country Acquirer	Deal Value	Revenue (Target) Sales Multiple	EBITDA (Target) EBITDA Multiple
Dec 2019	Instructure Inc.		Thomas Bravo (PE)		USDbn 2.0 EURbn 1.84	USD 258.5 7.6x	USDm -72.1 NM
Apr 2019	Trilogy Education		2U Inc. (NasdaqGS:TWOU)		USDm 750 EURm 697	Ca. USD 97 7.7x	No available information
Mar 2019	Turnitin		Advance Publication		USDbn 1.75 EURbn 1.62	Ca. USD 151 ¹ 11.7x	No available information
Dec 2018	Orbit Education		Grand Canyon Education		USDm 365.8 EURm 336	USDm 62.5 5.8x	USDm 2.92 125.3x
Nov 2018	Iddink Groep B.V.		Sanoma Oyj		EURm 277	EURm 120.7 2.3x	EURm 21.7 12.7x

Less than **10% of M&A transactions** are occurring in the European territories
















Publicly listed companies and their trading multiples for digital education

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM ¹	TEV/EBITDA LTM ²	TEV/EBITDA prev. Quarter ²	TEV/EBITDA prev. half-year ²	Quarter on Quarter Trend
New Oriental Education & Technology	China	18,334	16,671	3,294	551	19.1x	15.8x	19.6x	▲
Chegg Inc.	United States	7,390	7,539	405	54	131.8x	83.3x	111.4x	▲
Cogna Educação S.A.	Brazil	2,003	3,501	1,198	191	16.0x	11.6x	19.2x	▲
OneSmart International Education	China	567	818	532	30	8.7x	8.8x	20.2x	▼
Constellation Software Inc.	Canada	21,221	21,430	3,297	581	33.3x	30.0x	36.6x	▲
Learning Technologies Group plc	United Kingdom	999	1,007	154	50	20.5x	24.5x	26.1x	▼
Tyler Technologies Inc.	United States	12,256	11,973	1,015	186	62.8x	53.7x	56.1x	▲
ReadyTech Holdings Limited	Australia	69	83	23	2	37.6x	27.8x	74.6x	▲
Pearson plc	United Kingdom	4,746	6,133	4,566	614	8.7x	8.5x	10.6x	▲
Hyve Group Plc	United Kingdom	289	511	237	-142	NM	5.4x	17.8x	n.a
Median						20.5x	20.2x	23.2x	



Note: 1) Turnitin's 2018 revenue is estimated to be at USDm 150, no source had definite figures, but ranges were between USDm 100 – 200.
USD / EUR conversion 0.93 | Sources: CapitalIQ, company filings, press releases

Mergers Alliance Members Overview

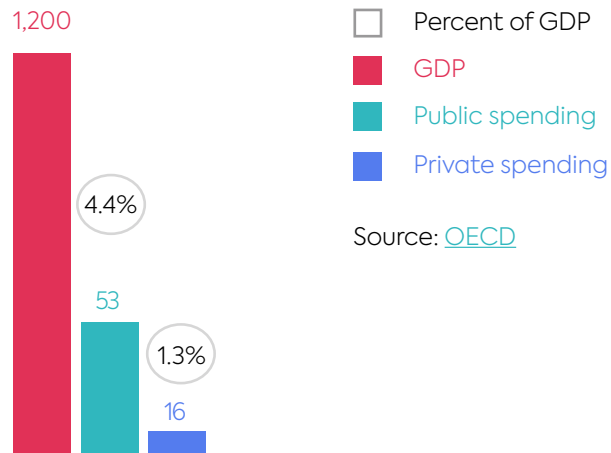
 <p>Australia</p> <p>EAC PARTNERS</p> <p>Page 25 – 30</p>	 <p>Belgium + Netherlands</p> <p>OXEYE advisors</p> <p>Page 31 – 36</p>	 <p>Brazil</p> <p>BROADSPAN CAPITAL</p> <p>Page 37 – 42</p>	 <p>Canada</p> <p>FIREPOWER CAPITAL</p> <p>Page 43 – 48</p>
 <p>Chile</p> <p>ALTIS</p> <p>Page 49 – 53</p>	 <p>France</p> <p>AURIGNAC FINANCE</p> <p>Page 54 – 59</p>	 <p>Germany</p> <p>ProventisPartners. FOR WHAT TRULY COUNTS</p> <p>Page 60 – 65</p>	 <p>India</p> <p>SINGHI ADVISORS</p> <p>Page 66 – 71</p>
 <p>Italy</p> <p>ethica corporate finance</p> <p>Page 72 – 77</p>	 <p>Japan</p> <p>Tokyo Kyodo Accounting Office</p> <p>Page 78 – 83</p>	 <p>Peru</p> <p>EFIC partners</p> <p>Page 84 – 88</p>	 <p>Spain</p> <p>NORGESTION</p> <p>Page 89 – 94</p>
 <p>Sweden</p> <p>Experia CORPORATE FINANCE ADVISORS</p> <p>Page 95 – 100</p>	 <p>UK</p> <p>opus corporate finance</p> <p>Page 101 – 106</p>	 <p>USA</p> <p>DRESNER PARTNERS INVESTMENT BANKING</p> <p>Page 107 – 112</p>	

General Education



Public and Private Spending in Education

In EURbn for 2015

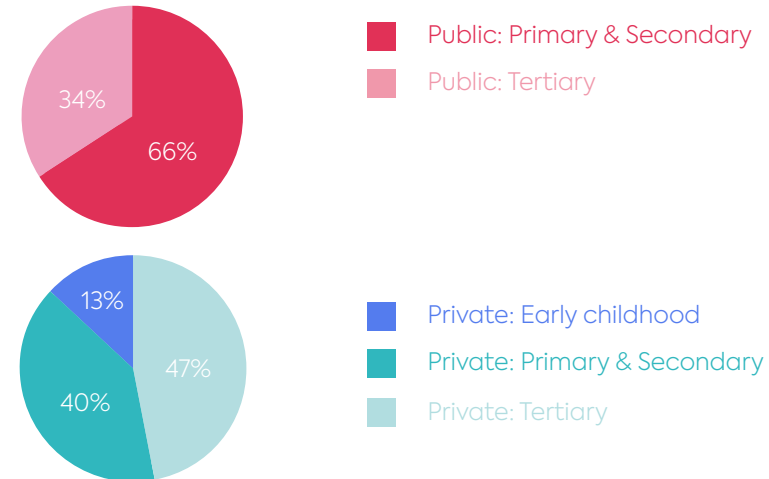


- Percent of GDP
- GDP
- Public spending
- Private spending

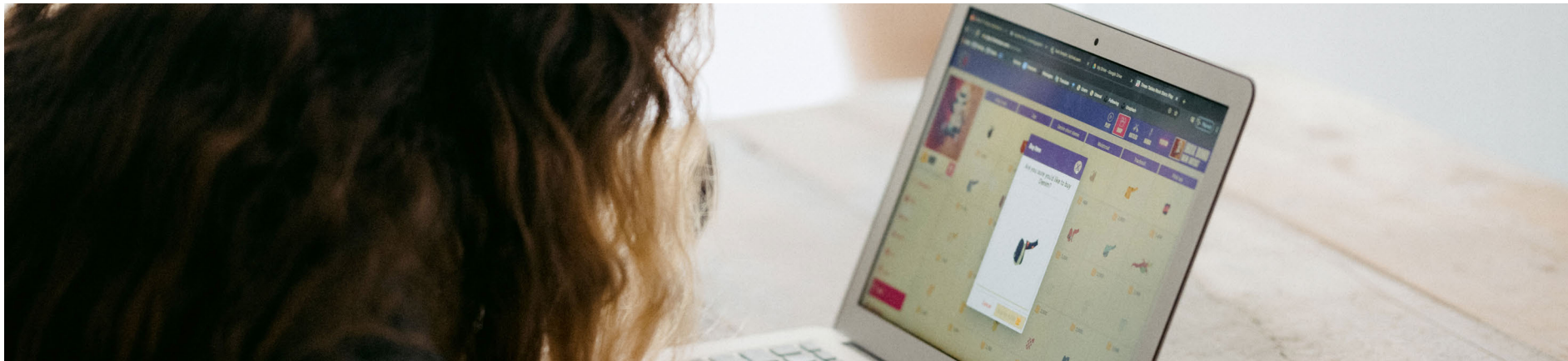
Source: [OECD](#)

Public and Private Spending in Education

In percentage for 2015



Regardless of the funding source in 2015, the largest benefactors of education spending are the primary & secondary school systems. These institutions receive 66% of total public education spend, and 40% of total private education spend.

























77% of spending in the education market comes from public sources in 2015

General Education



Overview of education segments on a national level

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	      			
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education	   			  
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment	   			   

Selection of M&A Transactions

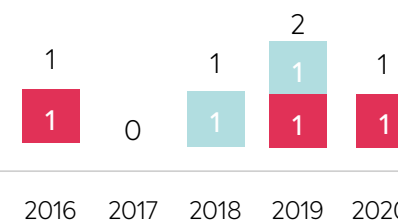


Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Aug 2020	3P Learning Limited		Provider of e-learning courses to schools	IXL Learning		
June 2019	Australian Institute of ICT		Provider of online training in IT and web design	DDLS Australia		
Mar 2019	AutoMate Training		Provider of online automotive technical training to automotive professionals	Autodata Publishing Group		
April 2018	No More Practice Education		Provider of online video led education for financial professionals	OneVue Holdings		
Nov 2016	Interact Learning		Provider of online training and e-learning courses to companies	City And Guilds International		



Share of foreign buyers

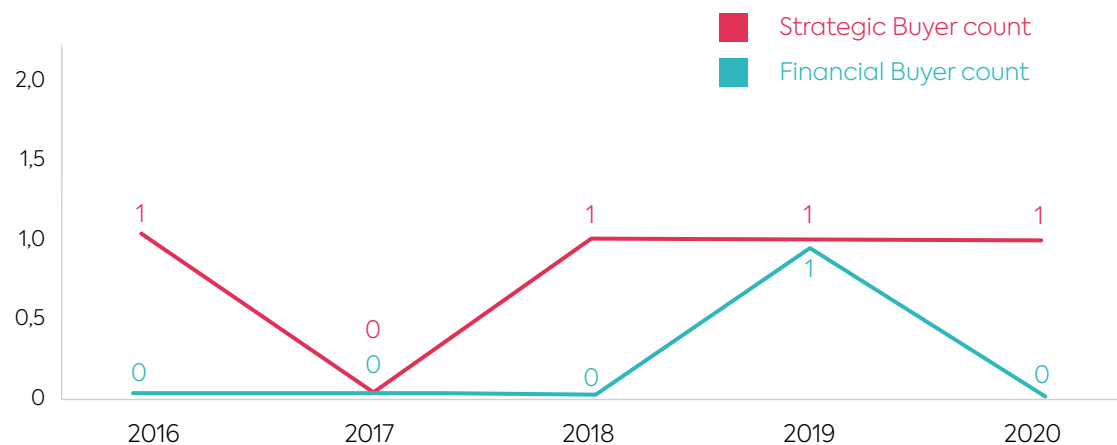
Domestic
 Cross-border



Selection of M&A Transactions

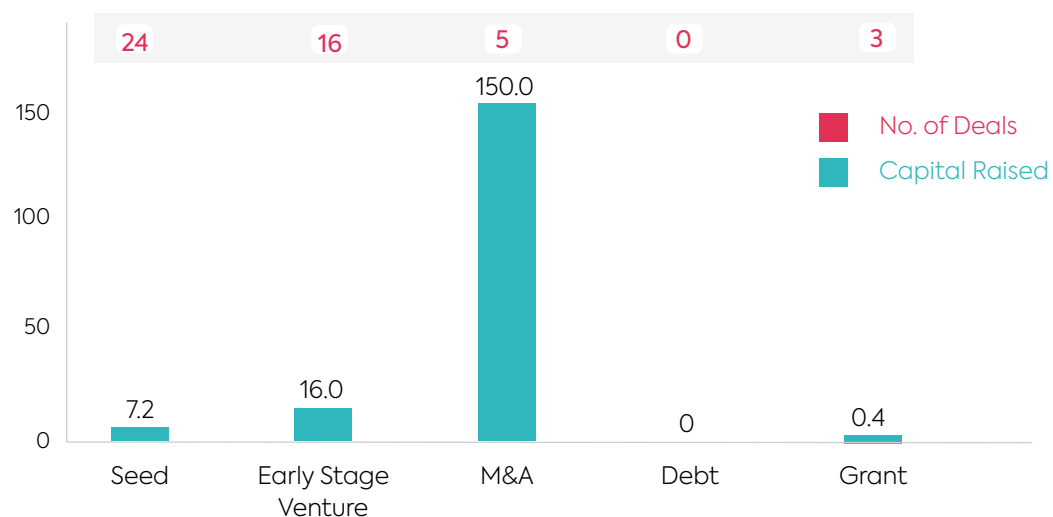
Overview of Transactions by buyer type

In total numbers



Capital Raised by EdTech Companies






In EURm



Buyers in the market

	IXL Learning	1 investment
	DDSL Australia	1 investment
	Autodata Publishing Group	1 investment
	OneVue Holdings	1 investment
	City And Guilds International	1 investment

Examples of Digital Education Players

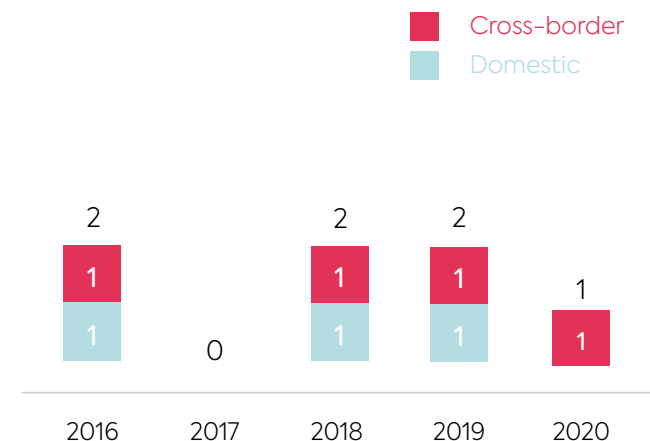
	GO1: Allows companies to upscale their workforce with on-demand training €51.4 M capital raised to date
	Prosper Education: Develops and provides a platform, offering training and home learning €1.68 M capital raised to date
	Coassemble: Online learning management system to small and medium-sized businesses €2.69 M capital raised to date
	MindAtlas: Designs, develops, and delivers interactive training solutions
	Catapult eLearning: Online training and assessment support platform

Cross-border Investments

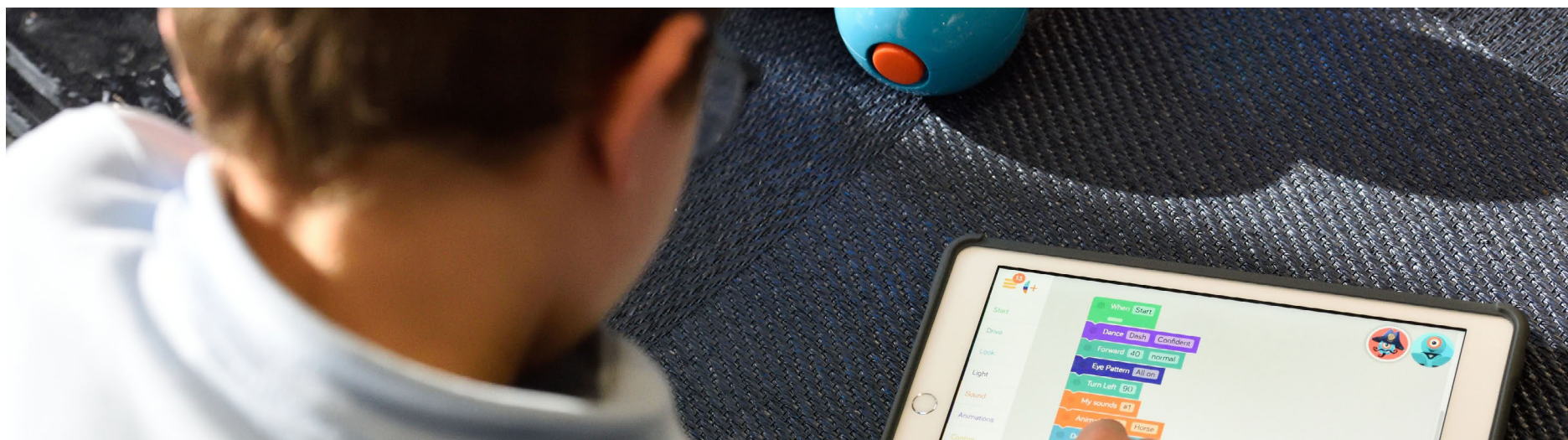


Date	Target	Target Country	Description	Acquirer	Terms
Apr 2019	Future Learn		Online platform that offers courses from universities and organizations	seek	Transaction Value: 56.51 EURm 50%
Nov 2018	id! University of Hertfordshire UH		Provides online qualifications in art and design in the United Kingdom	oes Online Education Services	No terms disclosed
Dec 2016	Cyantist		Developer of online literacy programs for children	modern	No terms disclosed
Aug 2015	Thirty Day Challenge		Online e-commerce training programs and education subscription services	Marillion Partnership	Transaction value: 0.05 EURm No % indication

Count of Transactions by local Buyers In total numbers



Source: CapitalIQ and company press releases



COVID-19 Lessons Learned



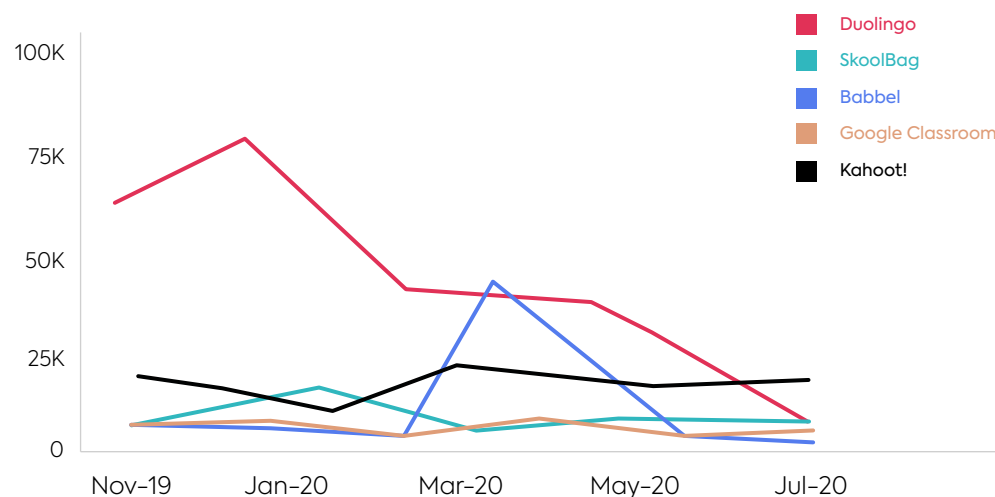
Situation Pre-COVID-19:

- In primary school classrooms, computers were most commonly used to assist students to develop their skills in specific academic areas
- In secondary school English classrooms, information and communication technology was regularly used to practice basic skills, prepare written text and correspond with others
- The use of educational technology became more frequent as students got older. This is due to variety of factors, including the availability of educational technology over the study period, age-related factors, and differing expectations of older and younger students' capabilities.

Source: The Conversation, University of Melbourne Publications

App downloads in Australia (Playstore)

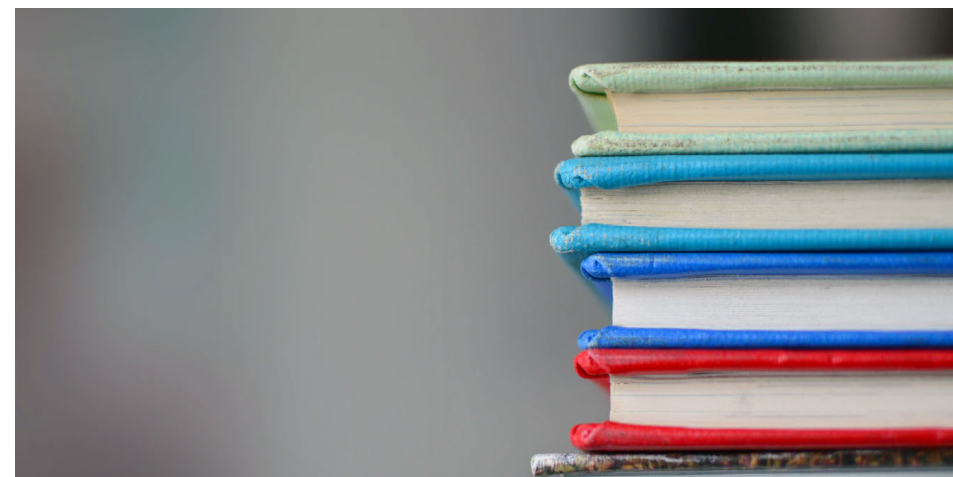
In absolute numbers



Source: SimilarWeb Analysis

Trends and changes since the COVID-19 crisis:

- **Virtual Classrooms:** Australia's universities continue to rapidly move operations online and introduce flexible tuition options
- **Digital classroom:** Classes are held using online video chat platforms, such as Skype and Zoom
- **Online certification:** where possible, online exams have been implemented in order to allow learners to continue their studies. Growing interest to develop new skills and certifications in the workforce. Growth in students' acceptance of online study programs is expected.
- Diminishing capacity for governments to invest in higher education and research due to the public policy response to the coronavirus
- There will likely be less philanthropy and external research funding available for universities as governments and international donors will need to make hard choices to deploy funds to support recovery

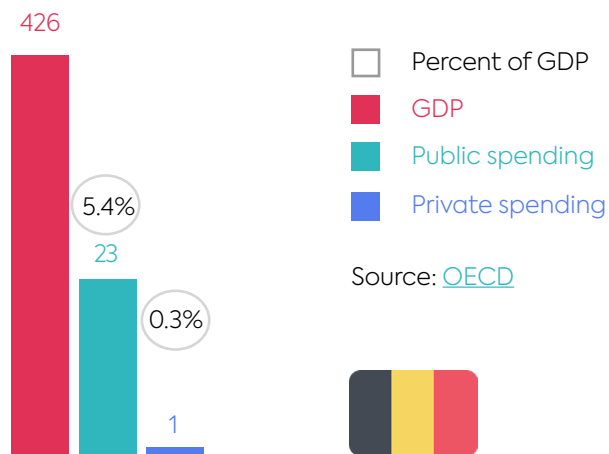


General Education



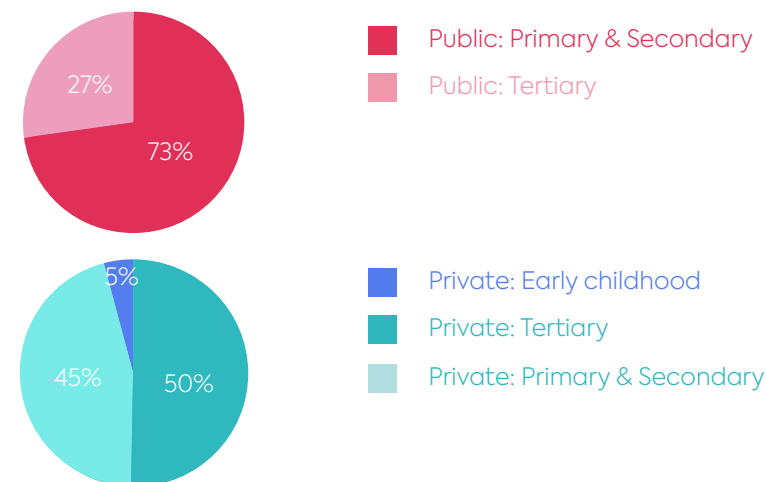
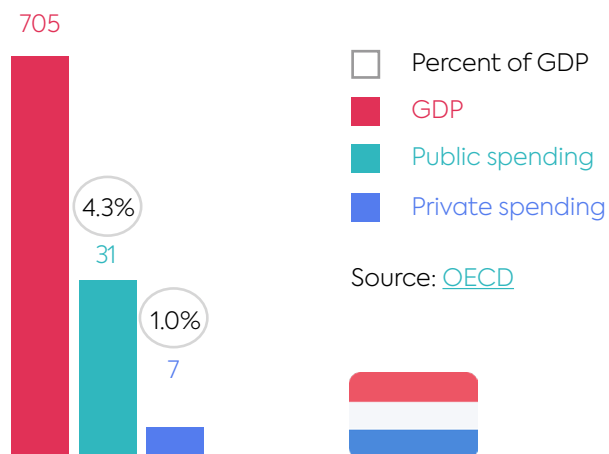
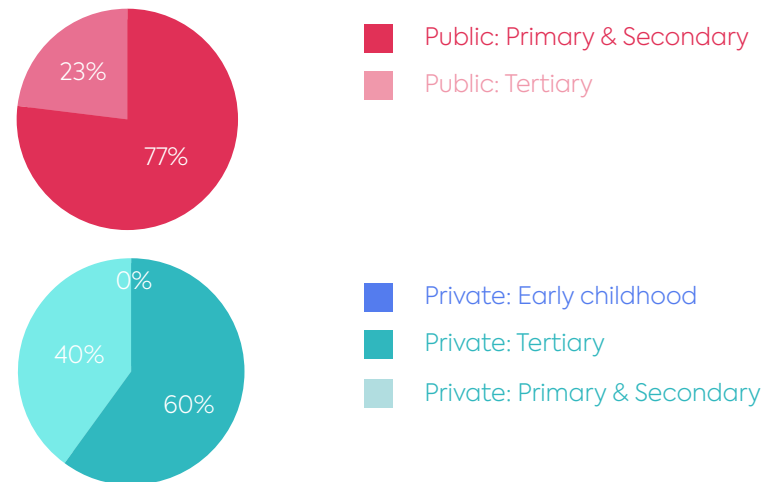
Public and Private Spending in Education

In EURbn for 2015



Public and Private Spending in Education

In percentage for 2015

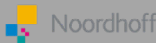























Over the past decade, public investment in education has increased, both in terms as a percentage of total public spending as well as a percentage of GDP, in the Netherlands and Belgium.

General Education



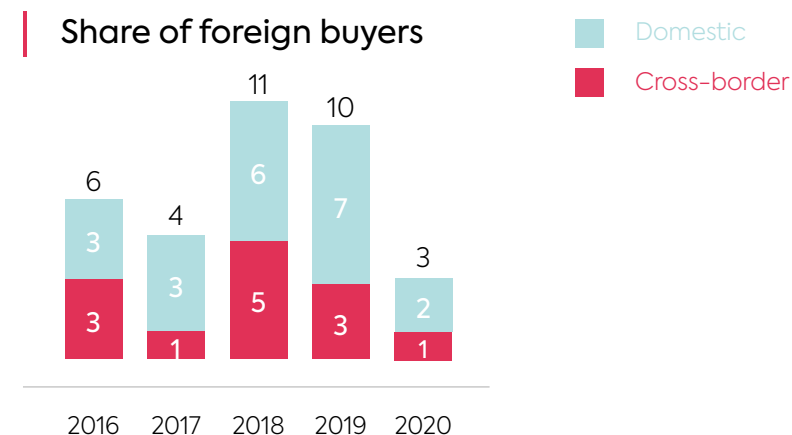
Overview of selected education players in the Netherlands and Belgium

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning	
Content Providers Publishing houses as well as schools & universities, private schools				Lindenhaeghe Trainingen & Opleidingen eikk	
					
					
					
	   				
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education				soofos	
					
	 				
	 				
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment					
					
					
					Blackboard 
	 				

Selection of M&A Transactions



Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
May 2020	SiPM		High-impact e-learning solutions for blue-chip corporations worldwide	Levine Leichtmann Capital Partners		
Nov 2019	LOI (Leidse Onderwijs Instellingen)		Operator of educational institutions for home and classical schooling	NCOI Opleidingen		
Dec 2019	Iddink Group		Book distributor and provider of digital education solutions	Sanoma		
Jun 2018	Squla		Online learning for primary schools	Levine Leichtmann		
Dec 2016	The Learning Network		Book distributor	TowerBrook		

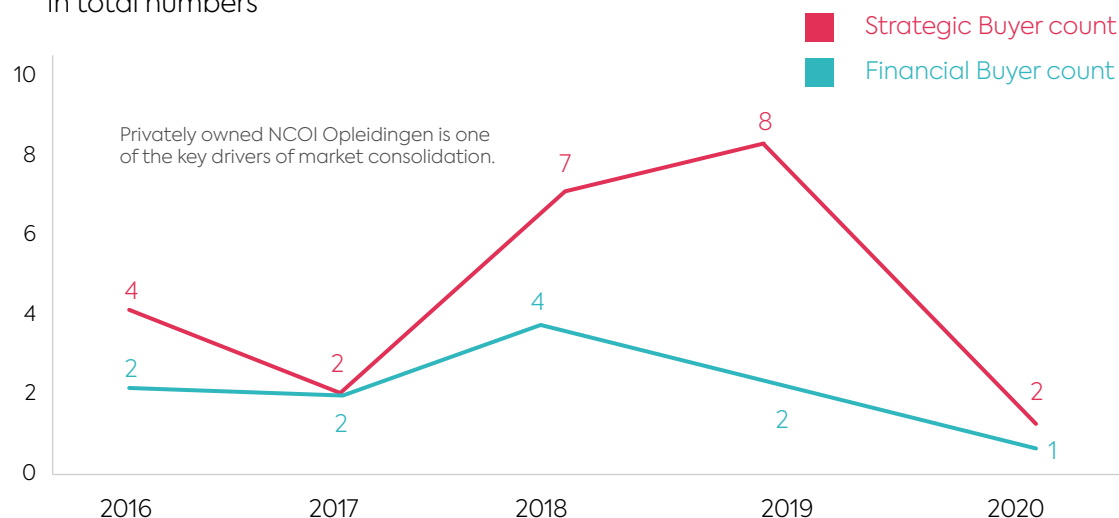


Selection of M&A Transactions



Overview of Transactions by buyer type

In total numbers

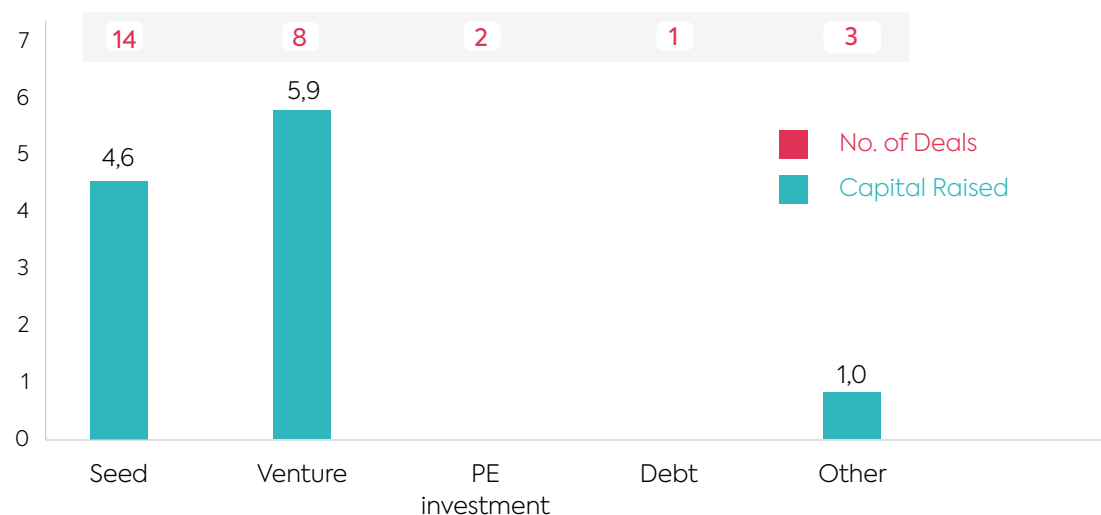


Buyers in the market

	NCOI Opleidingen	6 investments
	Levine Leichtmann	3 investments
	Capital A	2 investments
	Sanoma Learning	3 investments
	Noordhoff (Infinitas Learning)	1 investments

Capital Raised by EdTech Companies

In EURm














Examples of Digital Education Players

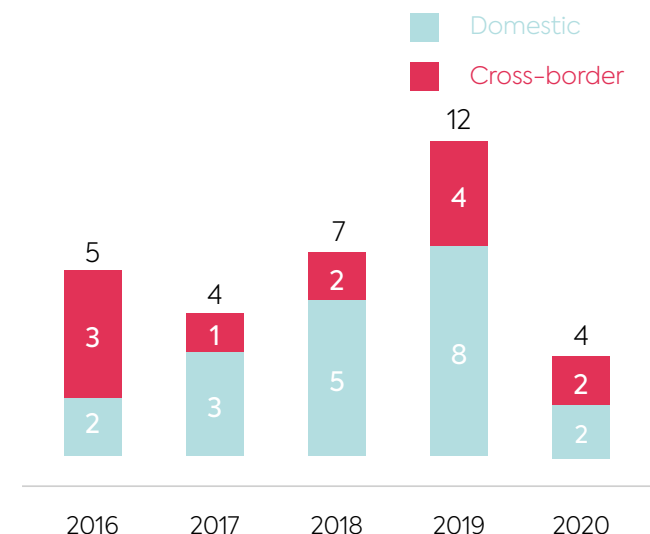
	Studyportals: International study choice platform, used by 36m students in 2019 Received EURm 5.0 in 2017 investment round
	Goodhabitiz: Unlimited access to generic online training for corporate customers Revenue 2018: EURm 18
	Snappet: Device based primary school e-learning solutions and content Revenue 2018: EURm 16
	Scula: Developer of educational games Revenue: > EURm 10
	Signpost: IT partner for education, including a 'Netflix for education' offering with 300k users Revenue: > EURm 25

Cross-border Investments

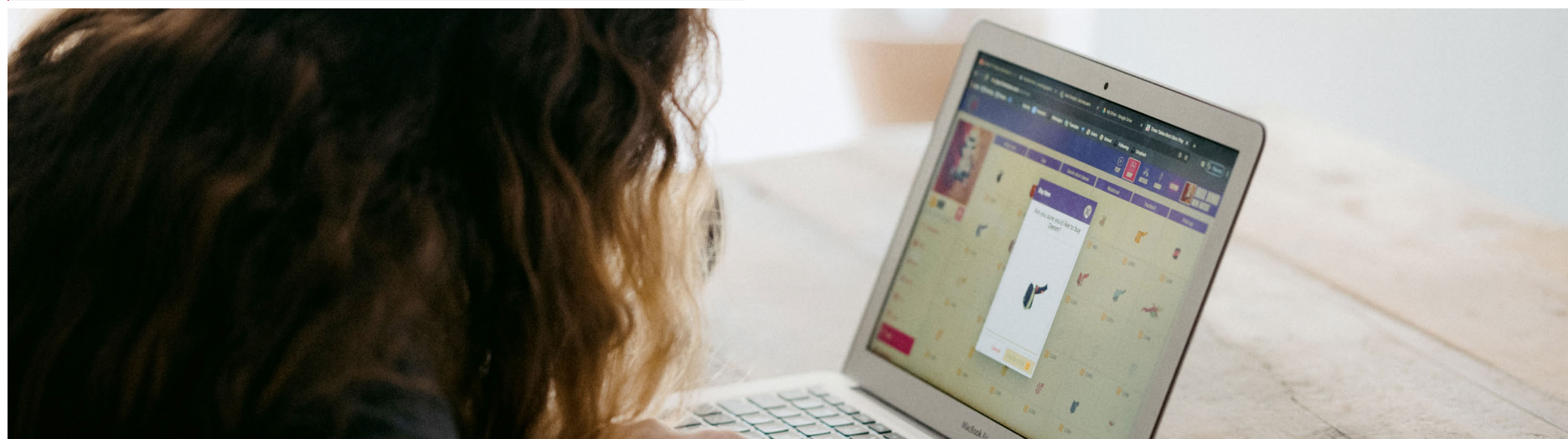


Date	Target	Target Country	Description	Acquirer	Terms
Jan 2020	 PHINMA EDUCATION IMPROVING LIVES BETTER THROUGH EDUCATION		Operator of schools, a training centre and university in SE-Asia	 FMO Entrepreneurial Development Bank	Transactions Value (FMO): 12.30 USDm No % indication
Jun 2019	 LAUREATE INTERNATIONAL UNIVERSITIES		Fashion, retail and energy higher education institutions	 GLOBAL UNIVERSITY SYSTEMS	Transaction value: c. 450 EURm
Feb 2019	 COGNITA		Operates 77 schools (K-12 segment) in 10 countries with over 50,000 students	 SOFINA	40% stake with BDT Capital, rest held by Jacobs Holding AG
May 2017	 jtrs		Certified Apple, Google, LEGO and Microsoft partner for educational institutions	 econocom	40% stake, sales of EUR 11m in 2016

Count of Transactions by local Buyers In total numbers



Source: Mergermarket and company press releases, OXEYE Advisors analysis



COVID-19 Lessons Learned



Situation Pre-COVID-19:

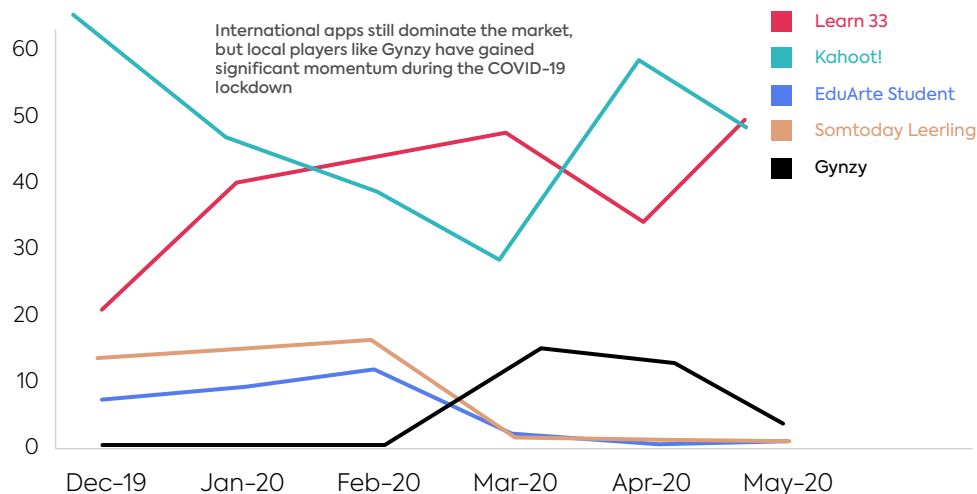
Compared to the European average, **primary and secondary schools in the Netherlands are highly digitalized**, with 65% of primary schools (EU average: 35%) and ~80% of secondary schools (EU average: 50-70%) being highly digitally equipped. Belgium level of digitalization is mostly in line with EU averages.

In the Netherlands, **education is a specific part of the country's 2018 digitalization agenda**, with the goal of ensuring that students and teachers become fully digitally literate.

In 2017, the share of 16-24-year olds in Belgium with low digital literacy was 19%, above the EU average of 15%, and both Flemish and Wallonian education strategies aim to reduce this gap by increasing digital literacy among students as well as teachers.

App downloads in Belgium & Netherlands (Playstore)

In absolute numbers

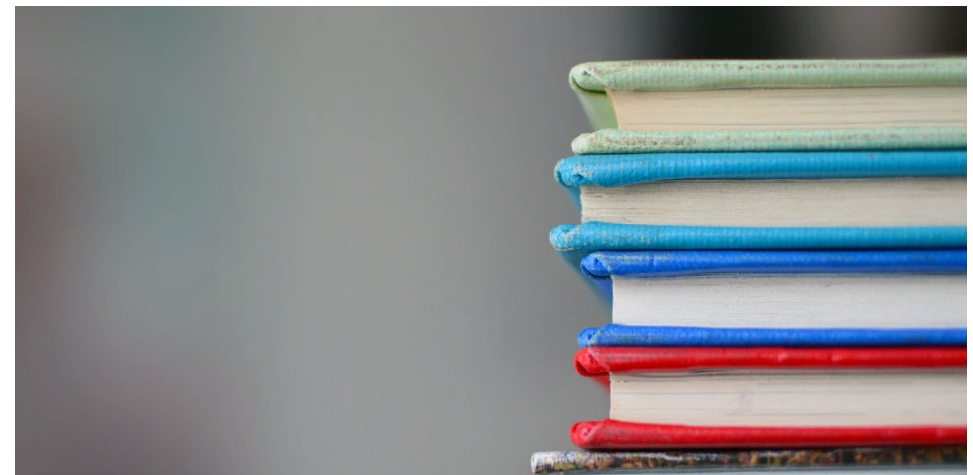


Source: SimilarWeb Analysis

Trends and changes since the COVID-19 crisis:

- **Distance learning:** Education in Belgium and the Netherlands went into total lockdown with schools providing distance learning; responsibility for proper participation and homework was shifted to parents
 - Education and daycare continued for children whose parents were considered crucial & vital for the response to Covid-19, such as care personnel
- **Digital classroom:** Classes are held with online video chat platforms, mostly Microsoft Teams
 - At the start of the new schoolyear in September, most restrictions on regular education are expected to be lifted
 - Digital classrooms accentuated the difference in access to the necessary IT for various groups of students, with schools scrambling to provide personal laptops to student where needed
- **Overall,** Covid-19 is estimated to have accelerated digitalization of education by several years in the Benelux countries

Source: Web search and interviews

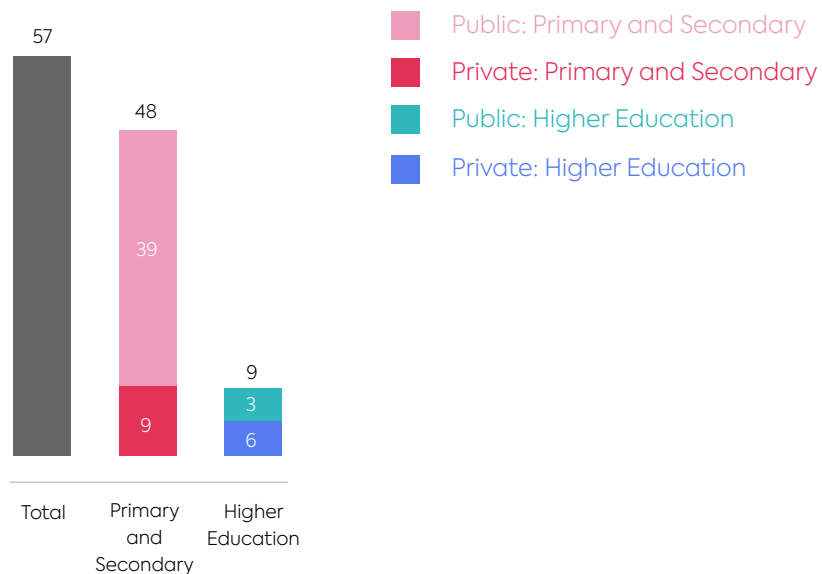


General Education



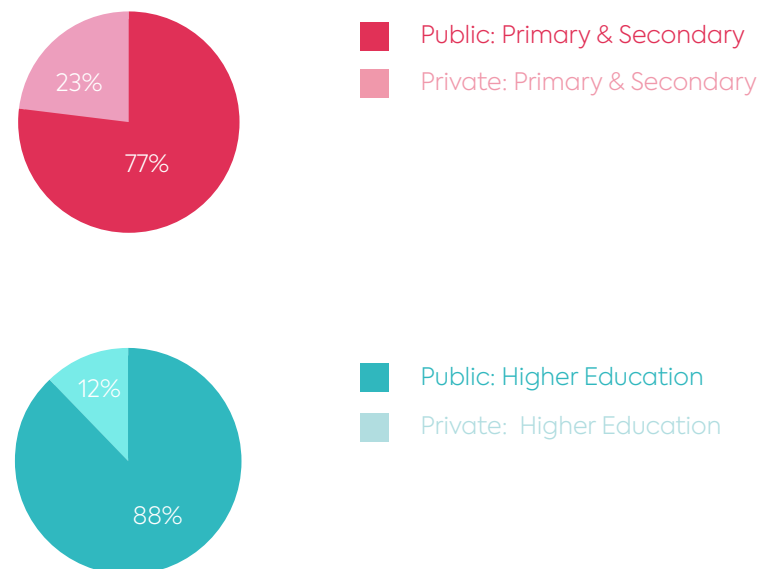
Number of Students Enrolled

In millions for 2018



Public and Private Spending in Education

In percentage for 2018














Brazil increased public spending on education from 10.5% of total public expenditure in 2000, to 14.5% in 2005, and 16.8% in 2009.

While primary and secondary education is still **government-dependent**, Brazil's higher education system is **dominated** by the private sector.

General Education



Overview of education segments on a national level

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	 			
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education				 
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment				

Source: Source: Brazilian Government and Companies websites, OECD

Selection of M&A Transactions

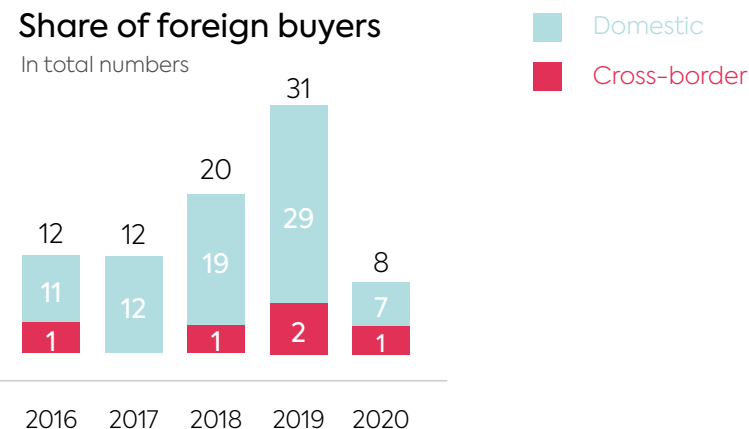


Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Feb 2020	Centro Universitário São Lucas		Higher education institution focused on medical courses	Afya		
Oct 2019	Adtalem		Operates graduate and undergraduate education institutions	YDUQS		
May 2019	Sistema Positivo de Ensino		Provides K-12 educational content to private schools	Arco Platform		
Apr 2018	Somos Educação		Somos operates as a book publisher and learning systems provider	Cogna Educação		
Dec 2016	Cruzeiro do Sul Educacional		Early childhood, middle elementary, and technical education institutions	GIC Fund		



Share of foreign buyers

In total numbers

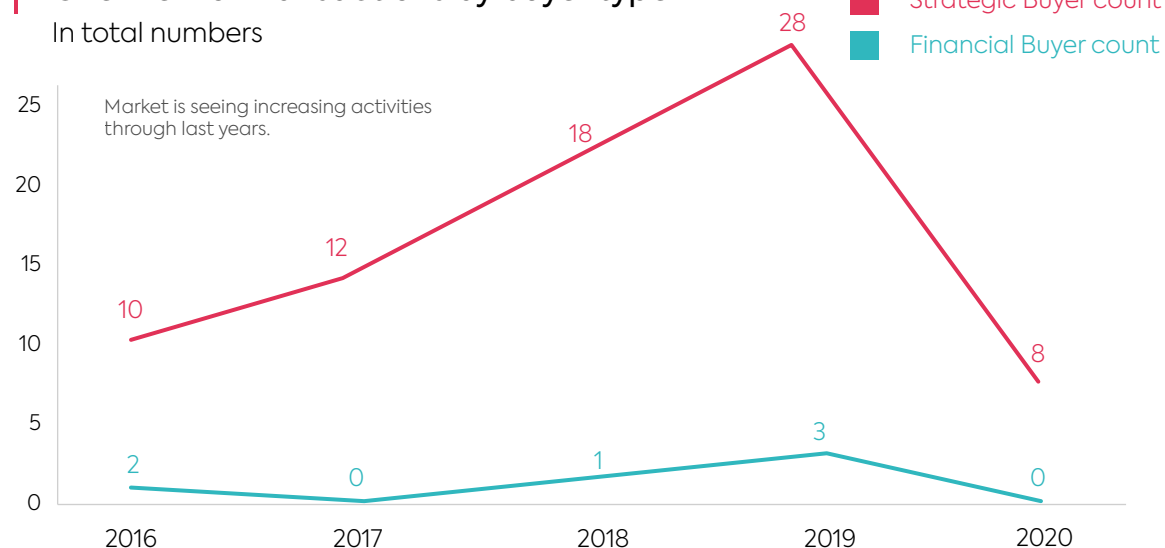


Selection of M&A Transactions



Overview of Transactions by buyer type

In total numbers



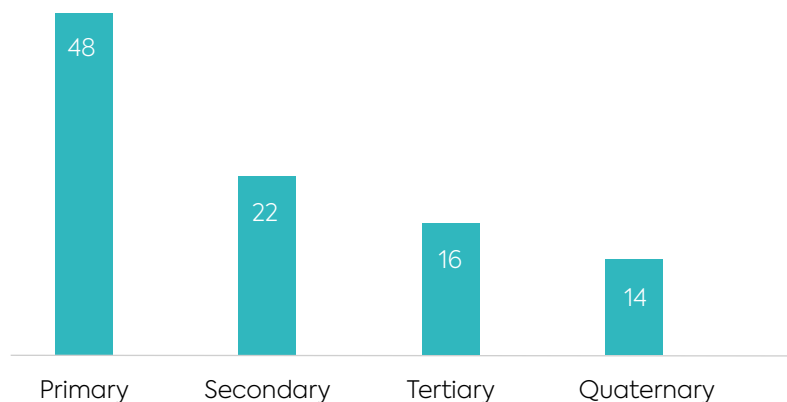
Buyers in the market

	Ânima Educação: formerly GAEC Educacao SA, focuses on 2nd & 3rd education	8 acquisitions
	YDUQS	4 acquisitions
	Cogna Educação: formerly Kroton Educacional - largest private educational company	8 acquisitions
	Ser Educacional	2 acquisitions
	Afya	11 acquisitions

EdTech Companies Segment

In % of total

■ % of Total Edtechs









Source: Abstartups, Capital IQ and Companies Websites

Examples of Digital Education Players

	Arco Educação: Educational software company that offers technology, services, and content Capital Raised: USD 194.5m
	Descomplica: Educational platform that provides students with study materials. Capital Raised: USD 27.1m
	Passei Direto: Largest study platform in Brazil with more than 18 million users. Capital Raised: USD 12.0m
	EduK: Offers an online teaching platform focused on professional courses. Capital Raised: USD 10.0m
	Geekie: Web-based platform that provides personalized educational content. Capital Raised: USD 7.0m

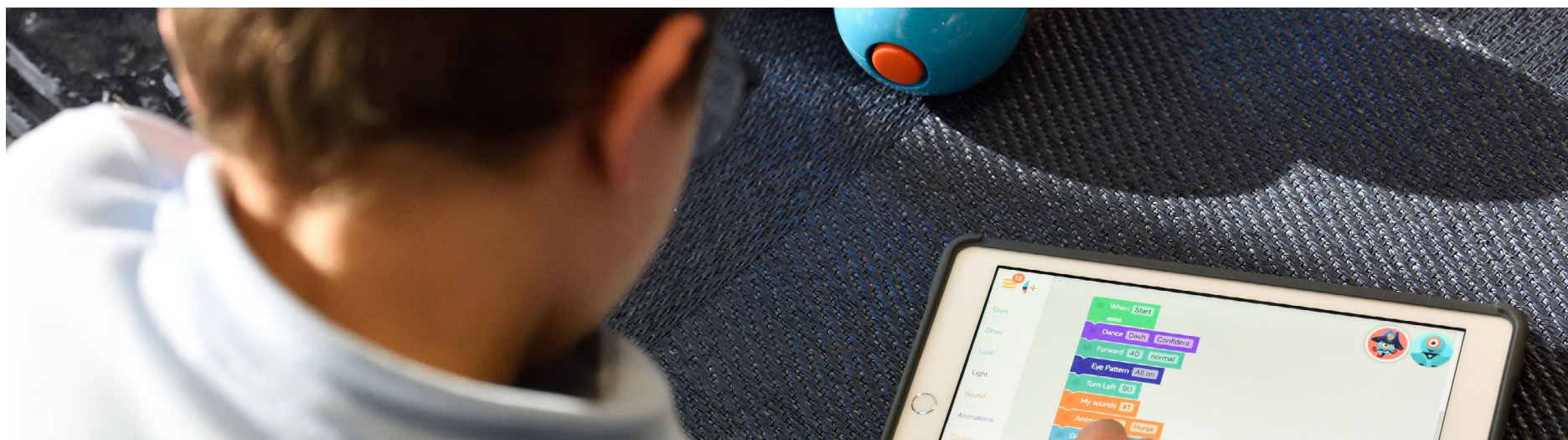
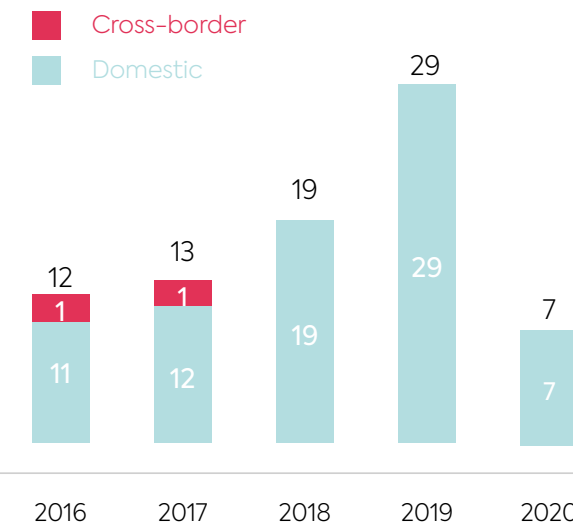
Cross-border Investments



Date	Target	Target Country	Description	Acquirer	Terms
Jan 2017			Digital Media provides summer courses in universities in the United States		Transactions Value: 8,0 USDm 50% acquired
June 2016			Offers educational solutions to support students, teachers, schools and parents in the process of learning and teaching		Transactions Value: N.D. 100% acquired

Source: CapitalIQ and company press releases

Count of Transactions by local Buyers In total numbers



COVID-19 Lessons Learned



Situation Pre-COVID-19:

- Approx. half of the 40 million learners in Brazil's public-school system are facing learning poverty – not having the ability to read and understand a simple text by the age of 10.
- The increase in enrollment of Brazilian students in the Open Distance Learning mode has reinforced the potential of Digital Education overall. Between 2010 and 2017, ODL enrollments in higher education grew by 88.9% while in-person education grew by only 19.8%. In the last 3 years alone, ODL grew by 363 thousand students while classroom teaching lost 104 thousand students.
- A survey done in 2019 by ABStartups, carried out in partnership with CIEB (Innovation Center for Brazilian Education), noted that the education segment leads, in quantity, the number of startups in the country with 748 companies, of which 70.6% are focused on solutions for the primary (22.5%) and secondary (48.1%) education.

Trends and changes since the COVID-19 crisis:

- **Technology:** Educational institutions are modernizing to facilitate learning by children and young people through technology, which should continue to grow more rapidly.
- **Democratization of education:** According to Metas Sociais, reference in education initiatives, the groups that benefited the most were those from public schools, students who work and study, and with a lower socioeconomic level.

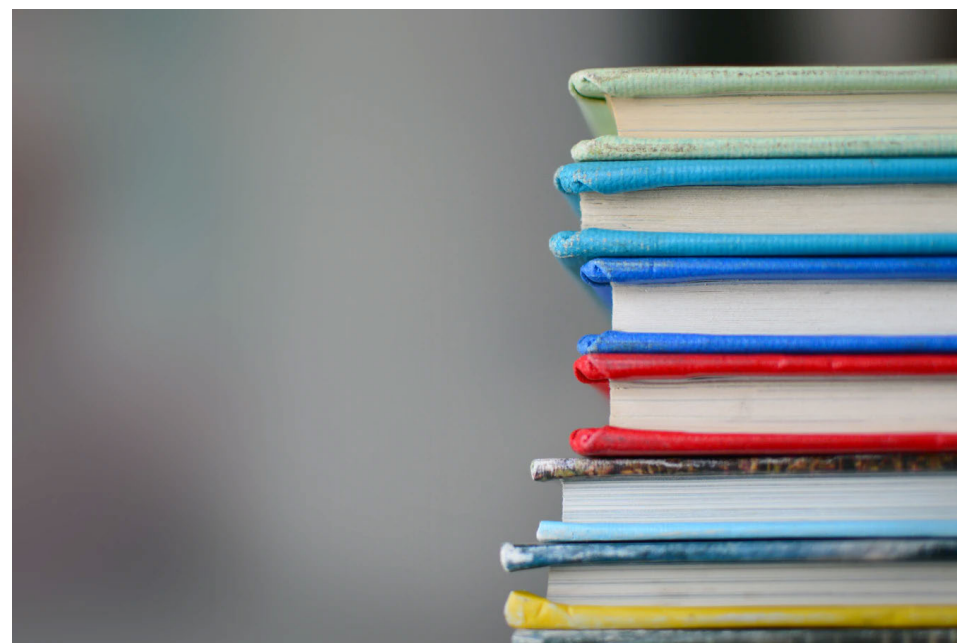
Source: KPMG, Abstartups & CIEB and Metas Sociais

Top Chart Brazil Education Apps – as of Jun 27, 2020

Free			Paid			Top Grossing		
1	Google Classroom	Free	Toca Boca Toca Life: Hospital	USD12.90	(4,841)	Duolingo Duolingo: Inglês e Espanhol	Free	(9,447,904)
2	Brainly Inc Brainly - Perguntas e Respostas para Estudar	Free	Toca Boca Toca Hair Salon 3	USD12.90	(5,984)	Udemy Udemy: aprender online com 130,000 video cursos	Free	(232,404)
3	Playrix Corporation Cakes: Pratique falar inglês grátis	Free	Toca Boca Toca Life: Vacation	USD12.90	(7,299)	JoyTunes Simply Piano, da JoyTunes	Free	(300,818)
4	Duolingo Duolingo: Inglês e Espanhol	Free	Toca Boca Toca Life: Neighborhood	USD12.90	(1,873)	Borusu Borusu: Aprenda idiomas - inglês, espanhol, franc...	Free	(308,439)
5	Photomath, Inc. Photomath	Free	Terminal Eleven SkyView® Explore the Universe	USD6.07	(2,897)	Babbel Babbel - Aprenda idiomas - Inglês, francês & mais	Free	(322,597)
6	Passet Direto S/A Passei Direto: o melhor app para você estudar	Free	Android Apps Storm Citação Redação PRO	USD3.00	(248)	Descomplica Cursos Livres Via Web S.A. Descomplica - Sua plataforma de ensino online	Free	(30,181)
7	Lingokids - English Learning For Kids Lingokids - O aplicativo playlearning™ em inglês	Free	Toca Boca Toca Life: Pets	USD12.90	(2,302)	Lingokids - English Learning For Kids Lingokids - O aplicativo playlearning™ em inglês	Free	(74,848)
8	SMARTSTUDY PINKFONG Pinkfong Bebê Tubarão - Vídeos e Jogos Grátis	Free	Notus Software Stellarium Mobile Sky Map	USD12.90	(10,539)	12min 12min - Resumos de Livros	Free	(24,488)
9	IP TV Centro de Mídias SP	Free	Correção Caversa Polícia Penal MG - 2020	USD19.99	(40)	Rosetta Stone Ltd Rosetta Stone: Aprenda Inglês, Espanhol e Francês	Free	(247,525)
10	JoyTunes Simply Piano, da JoyTunes	Free	Vito Technology Star Walk 2 - Mapa das constelações em tem...	USD10.90	(18,240)	Goodnotes Simpler — aprender inglês é mamão com açúcar	Free	(379,822)

Source: SensorTower

According to Bloomberg, Google Classroom doubled access figures, totaling over 100 million users in a few weeks and helping the country's education during the pandemic.

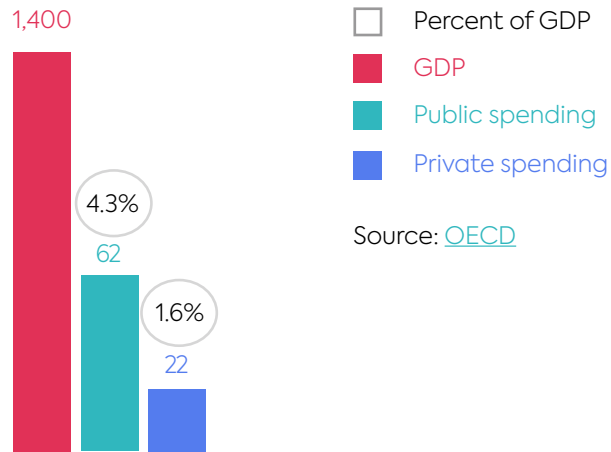


General Education



Public and Private Spending in Education

In EURbn for 2015

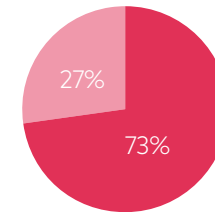


- Percent of GDP
- GDP
- Public spending
- Private spending

Source: [OECD](#)

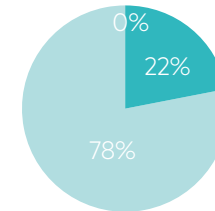
Public and Private Spending in Education

In percentage for 2015



- Public: Primary & Secondary
- Public: Tertiary

Public spending on education has been slowly declining, falling from 4.8% of GDP in 2010 to 4.4% of GDP in 2015



- Private: Early childhood
- Private: Primary & Secondary
- Private: Tertiary

Institutions are placing a greater emphasis on providing students with online content ranging from e-books to fully integrated learning platforms.



Approx. **74% of spending** in the education market comes from public sources

General Education



Overview of education segments on a national level

	Primary Early childhood, preschool, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	OXFORD NELSON SCHOLASTIC Houghton Mifflin Harcourt			UQAM UNIVERSITY OF TORONTO SCARBOROUGH UBC Mc Graw Hill
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education	Pearson NELSON SCHOLASTIC Chegg® TOP HAT			velsoft TRAINING COMPANY OTEC <small>develop. perform. succeed®</small>
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment	moodle Blackboard brightspace <small>by D2L</small>			docebo® Lectora® Cp Adobe Captivate

Selection of M&A Transactions

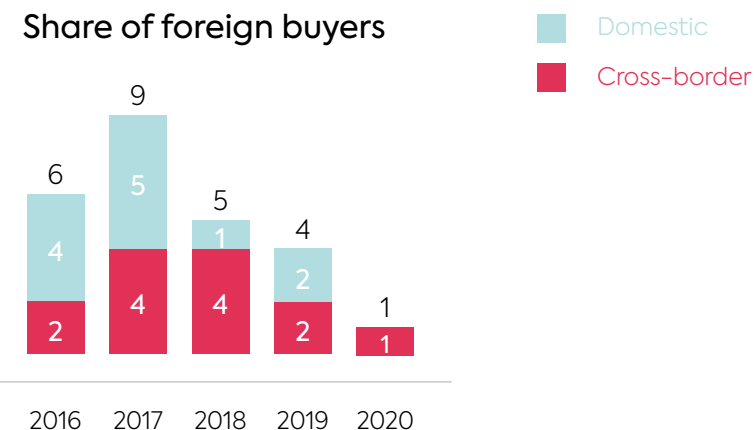


Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
May 2020	Nelson Higher Ed ¹		Nelson is a leading Canadian educational publisher.	Top Hat		
Oct 2019	Destiny Solutions		Develops education management software focusing on adult learners and non-traditional students.	OmniUpdate		
Dec 2018	EdCetra Training		Provides a web-based platform for e-learning, online training, and XML based development.	NexTech AR Solutions		
Nov 2018	Waterloo Maple ²		Mathematics-based software & services for education, engineering, and research.	Digital Education Co.		
Apr 2017	Ooka Island		Delivers a game-based, learn to read program that includes educational games and e-books.	Scholastic		

1 – Represents Nelson's Canadian Domestic Higher Ed Textbook Business; 2 – Represents Waterloo Maple's online education business
Source: Crunchbase (EdTech and education companies in country), Capital IQ, Owler



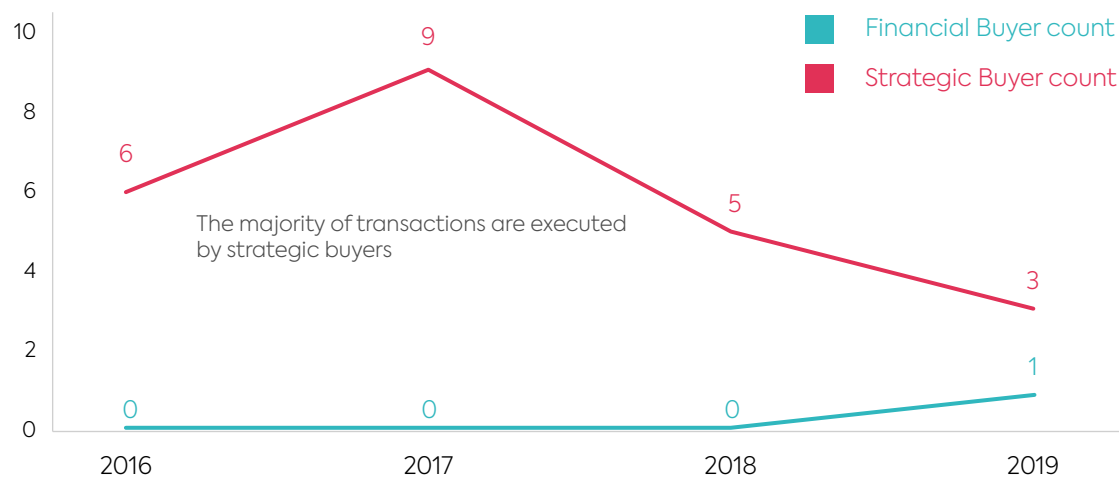
Share of foreign buyers



Selection of M&A Transactions

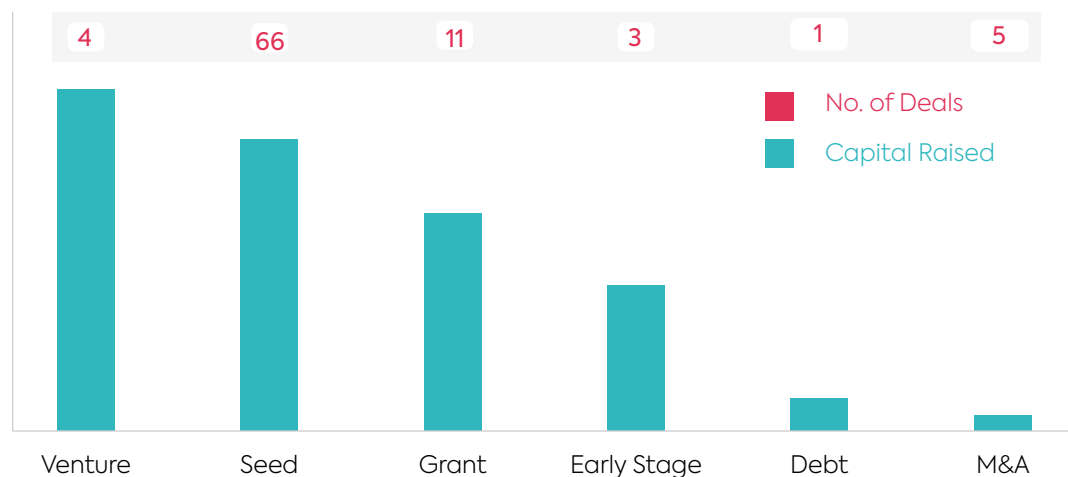
Overview of Transactions by buyer type

In total numbers



Capital Raised by EdTech Companies

In EURbn



Buyers in the market

NELSON	Nelson	3 investments
NEXTECH AR SOLUTIONS	Nextech AR Solutions	2 investments
Udemy	Udemy	1 investment
SCHOLASTIC	Scholastic	1 investment
TOP HAT	Top Hat	1 investment

Examples of Digital Education Players

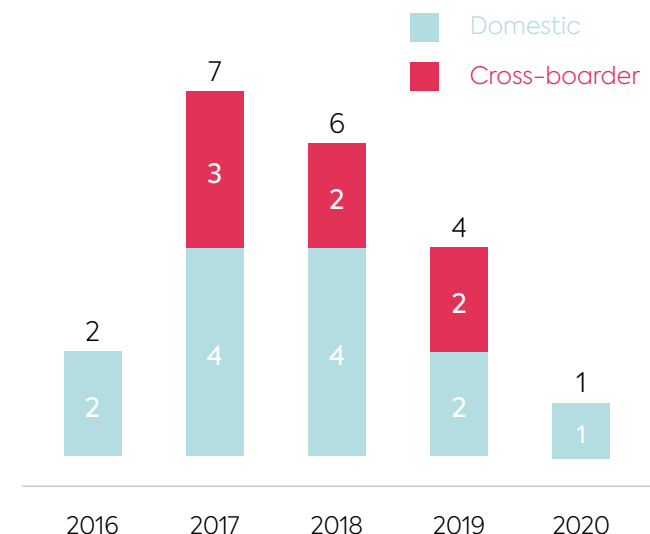
brightspace	LMS for schools and corporate clients Capital raised to date: EURm 130
TOP HAT	Learning software for university/college Capital raised to date: EURm 90
PAPER	Educational support system for K-12 schools Capital raised to date: EURm 8
DigitalEd	STEM focused online educational solutions Capital raised to date: EURm 6
KIDUZ	Content platform, including educational Capital raised to date: EURm 3.5

Cross-border Investments

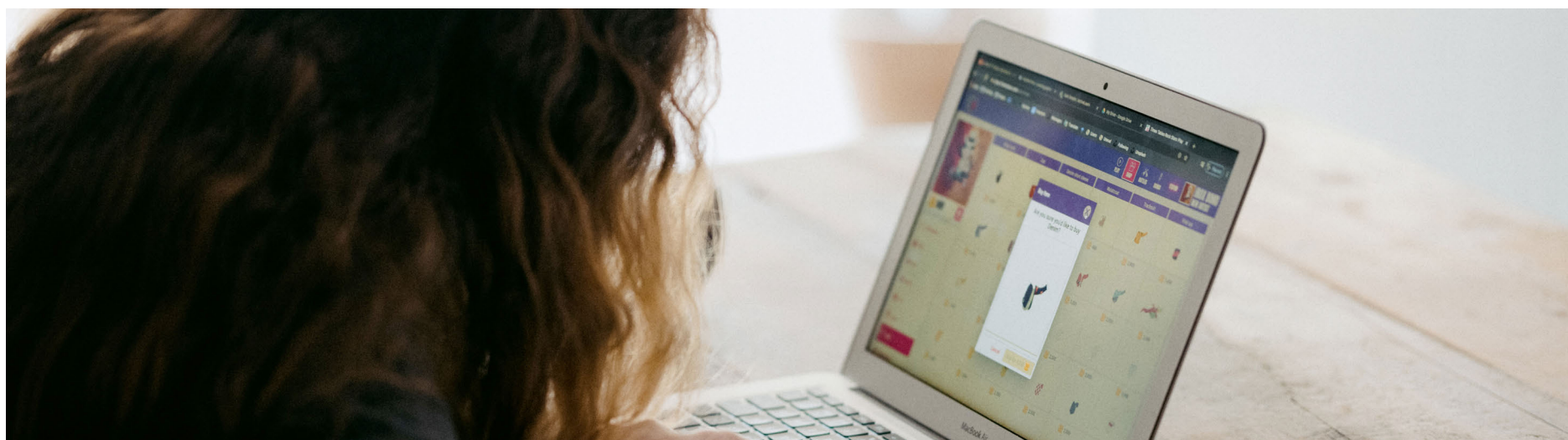


Date	Target	Target Country	Description	Acquirer	Terms
Dec 2018	BYJU'S The Learning App		Personalized learning app for K-12 students and those interested in writing entrance exams for higher learning.	CPP INVESTMENT BOARD	Series F funding round of EURm 355 ¹
Nov 2018	AOLCC		Offers in-person and e-learning solutions for software such as Microsoft Office, Sage Accounting and more.	PITMAN TRAINING	Majority acquisition for an unknown amount
Apr 2017	ascend LEARNING		Provides technology-based educational content and software tools for students, institutions, and employers.	CPP INVESTMENT BOARD	Majority acquisition for an unknown amount ²
May 2016	TYNKOR		Offers self-paced online courses for children to learn coding at home.	relayventures	Series A funding round of EURm 6.3 ³

Count of Transactions by local Buyers
In total numbers



1 – Investors include CPPIB, General Atlantic, & Naspers Ventures; 2 – Investors include CPPIB and Blackstone; 3 – Consortium of investors including Relay Ventures, Cervin Ventures, Reach Capital, and others.
Source: Capital IQ, Company Websites



COVID-19 Lessons Learned



Situation Pre-COVID-19:

The deployment of educational tools and software across K-12 classrooms varies greatly both between school districts and among schools within the same district, highlighting a high level of fragmentation in the space.

The main barrier to purchasing more digital content is a lack of financial resources.

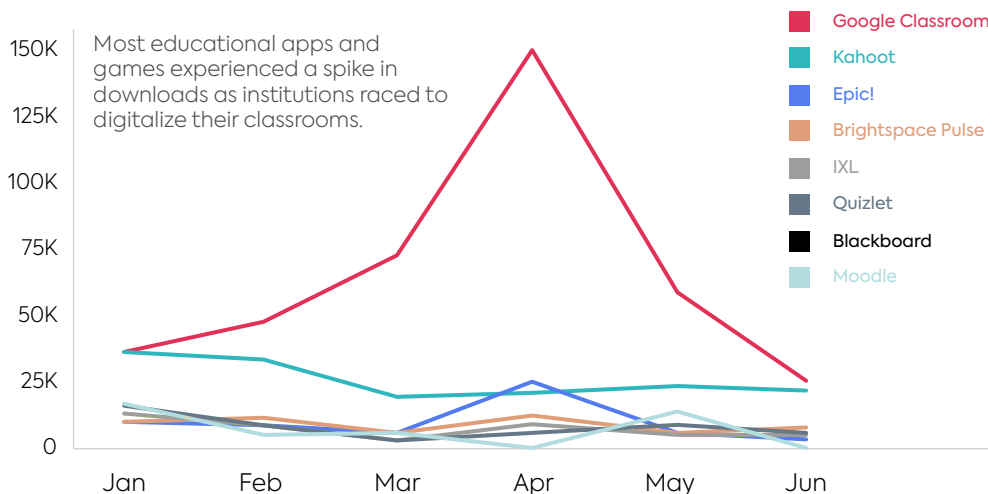
Institutions are becoming increasingly comfortable with allowing students to use their own devices to engage in mobile learning at school.

To ensure all students have access, many classrooms use a BYOD (Bring-Your-Own-Device) model mixed with school owned devices such as iPads and laptops.

Source: Association of Canadian Publishers

App downloads in Canada (Playstore)

In absolute numbers

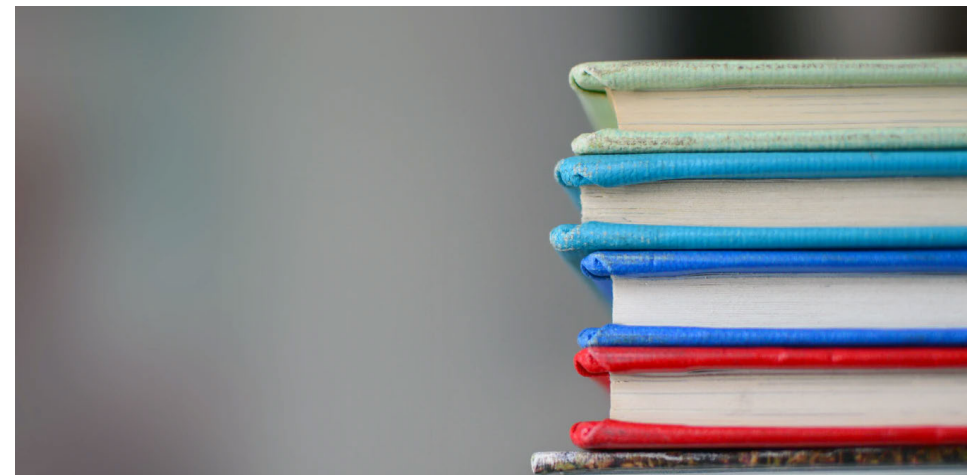


Source: SimilarWeb Analysis

Trends and changes since the COVID-19 crisis:

- **Distance learning:** Parents and guardians have received home schooling documents and access to platforms to assist the transition to digital learning
- **Digital classroom:** Classes are held using online video chat platforms such as Skype, Zoom, and Google Classroom.
 - K-12 schools and post-secondary institutions have been **closed since mid to late March**, but classes resumed using e-learning platforms
 - Many institutions have announced that the fall semester beginning in September will be **fully online**, with in-person components reserved for faculties that require laboratory work and assessments
- **Online Testing:** Where possible, online exams have been implemented and some institutions are making use of software such as Proctortrack to reduce cheating and to monitor students.

Source: Web search and interviews

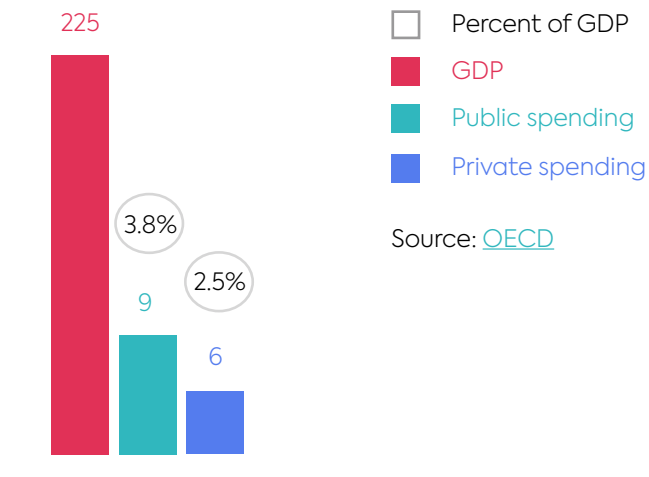


General Education



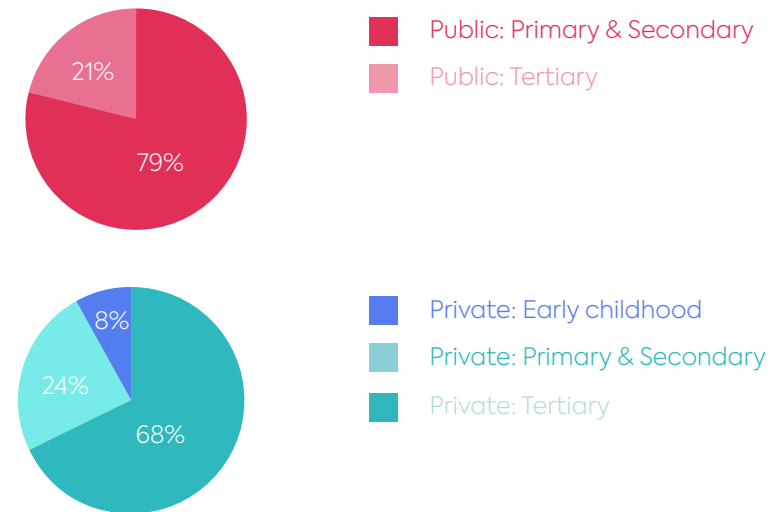
Public and Private Spending in Education

In EURbn for 2016



Public and Private Spending in Education

In percentage for 2016



Schools are either public (nearly all owned by the municipality in which the school is located) or private, which may receive government subsidies.















Private schools (subsidized or not) may be organized as either for profit or non-profit.

Approx. 61% of spending in the education market comes from public sources

General Education



Overview of education segments on a national level

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	   			
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education	 			
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment		 Google Classroom 	 u-planner 	 Habet

Selection of M&A Transactions



Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Sep 2020	LAUREATE's operations in Chile		Divestiture of LAUREATE's operations in Chile through the transfer of control of its not-for-profit institutions to Fundación Educación y Cultura and the sale of its for-profit operations	Fundación Educación y Cultura		
Nov 2019	Jardines Vitamina		Owens and operates pre-schools and kindergartens	LGT Capital + Others		
Mar 2019	Colegio Pedro de Valdivia		Operates a school group that provides education services in Chile	Permuto International Learning		
Mar 2017	Instituto Tecnológico de Chile		Institute focused in computational and informatics education	Inmobiliaria e Inversiones Altas Cumbre	N.A.	
Aug 2016	Desarrollos Educativos		Operates a network of 9 private schools in Chile	Cognita		
Aug 2009	Universidad de Ciencias de la Informática		University focused on technology and informatics education. Closed in 2019	Payne Capital Partners	N.A.	

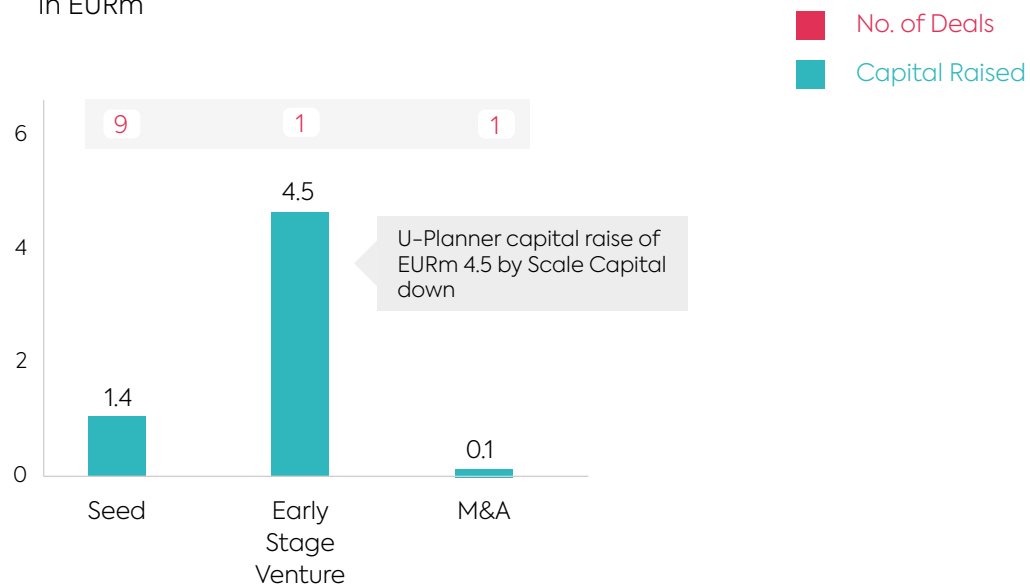
Current Situation

Pre- Primary: Pre-schools are allowed to make a profit and have recently seen a change in regulatory environment as companies must provide financing for pre-school education to their employees. **Primary & Secondary:** Private schools are allowed to generate a profit, even though there are some ongoing debates on prohibiting profits in government-subsidized private schools (which represent approx. 50% of schools). **Tertiary:** Not allowed to generate profits. **Services/ Products:** There is no restriction in profit for services and products offered to educational establishments. **Constitution:** There is a plebiscite planned for October 25th 2020 to vote for rewriting the constitution. Education is one of the main issues addressed in debates and campaigns; there is no clear future for regulation in this industry.

Selection of M&A Transactions

Capital Raised by EdTech Companies

In EURm



Buyers in the market

	WCapital SAFI S.A. Number of Investments: 1
N.A.	Permotio International Learning S.A.R.L. is a holding company. The company owns schools and is backed by Partners Group AG Number of Investments: 1
	International Schools Partnership Number of Investments: 1
	Linzor Capital Partners L.P. Number of Investments: 1
N.A.	Inmobiliaria e Inversiones Altas Cumbres S.A. offers education services, through its subsidiary Number of Investments: 1

Examples of Digital Education Players

	Open Green Road: Clear purpose of reducing the educational, social and economic gap through digital systems Acquired by Tutorya for EURk 129 in 2019
	Incorporates Data Science to optimize and improve the educational system Has raised EURm 5.1 from private investors
	Private social network for Spanish speaking students to improve reading comprehension Has raised EURm 0.8 from undisclosed investors
	Virtual reality mobile gaming company combining games and reading comprehension Has raised EURm 0.4 from undisclosed investors
	B-learning system that develops citizenship for global sustainability Has raised EURm 0.1 from the government

COVID-19 Lessons Learned



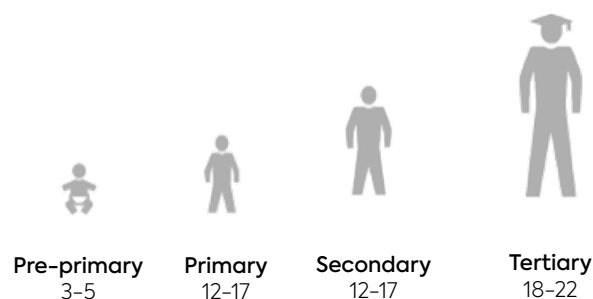
Situation Pre-COVID-19:

Slow digitalization in schools, making them heavily dependant on in-classroom learning.

Students had to look independently for third party resources on the Internet for in-depth learning on subjects, seek tutoring opportunities in their personal network or otherwise advance in the in-formal educations sector.

Lack of management systems; schools based on manual processes; highly dependant on physical class books with in-house systems based on spreadsheets.

Official school ages by level of education and the number of learners in each level



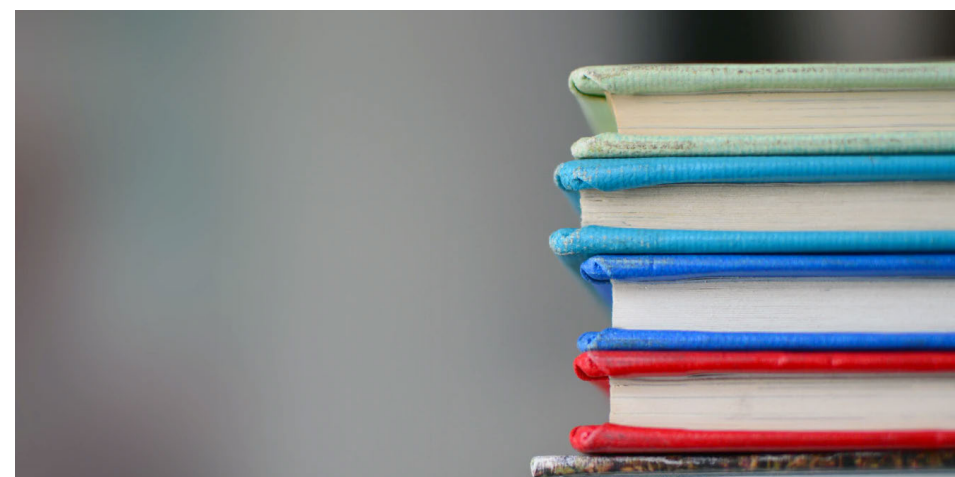
The national education system in Chile provides compulsory primary education for students aged 6 to 13. Since 2003, attending four years of secondary education has been compulsory for students aged 14 to 17.

Source: UNESCO Database

Trends and changes since the COVID-19 crisis:

- **Distance learning:** Schools print home schooling documents for parents and guardians to collect in order to teach subjects and exercise their kids during the lockdown.
- **Digital classroom:** Many schools are holding classes via online video chat platforms, such as Google Classroom and Zoom.
- **Virtual Schools:** Virtual schools have appeared as an option for parents that are not willing or cannot continue paying for private schools. They offer online classes and coordination for free exams certifications.
- **Lack of Infrastructure:** Current crisis has uncovered a lack of Internet access in the country, leaving school and university students dependent on physical material or in extreme cases, stop attending classes.

Source: Web search and interviews

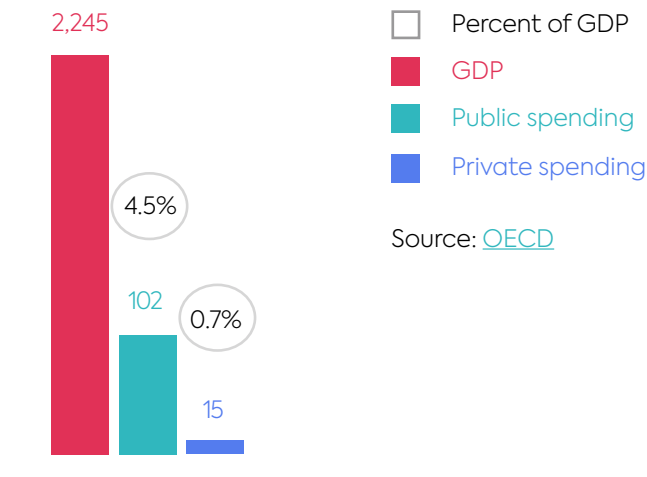


General Education



Public and Private Spending in Education

In EURbn for 2015



□ Percent of GDP

■ GDP

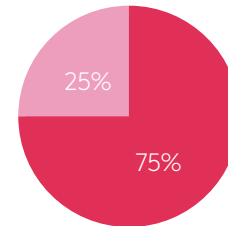
■ Public spending

■ Private spending

Source: [OECD](#)

Public and Private Spending in Education

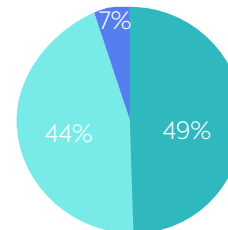
In percentage for 2015



■ Public: Primary & Secondary

■ Public: Tertiary

Primary & Secondary education receive the most funding from both sources. France is in the OCDE average for Primary & Secondary spendings, but it lags behind the average in Primary Education



■ Private: Early childhood

■ Private: Primary & Secondary

■ Private: Tertiary

In the French Tech 120, the public support program for digital startups with strong potential to become world-class technology leaders, launched in September 2019 by the President of the Republic and the Secretary of State in charge of Digital, there are several successful Edtech such as OpenClassroom, Klaxoon, or 360 Learning

Nearly **87% of spending** in the education market comes from public sources (government, municipalities etc.) and is mainly for primary & secondary schools, even if public spending on education in France grew at a slower pace than total public spending in recent years. EdTech start-ups are mainly focused on corporate training & career development (77%), but the trend since a decree published at the end of 2018 is towards catching up France's digital lag in schools and simplifying public procurement rules to encourage start-ups.

General Education



Overview of education segments on a national level

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	Lagardère vivendi	hachette BOOK GROUP editis E Hatier Nathan GES GRANDES ÉCOLES SPÉCIALISÉES Media School Université Sorbonne Paris Nord IONIS EDUCATION GROUP eduservices LES ENTREPRENEURS DE L'ÉDUCATION INSEAD	Galileo Global Education™ HEC PARIS gallien	cegos demos Learning is changing® INSEAD
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education	360Learning EvidenceB inside MAGIC MAKERS	woonez "Mieux échanger, mieux apprendre" digiSchool the learning touch Diplomeo Partenaire de votre orientation groupe EDUCLEVER SparkUp KOSMOS	Studix SKILL&YOU TEACH ON MARS	
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment	Lea.fr La boîte à idées de l'école primaire ode open digital education	OPENCLASSROOMS slack JOBTEASER	SimforHealth Virtual solutions for medical education exatech	klaxoon
	DISCORD			

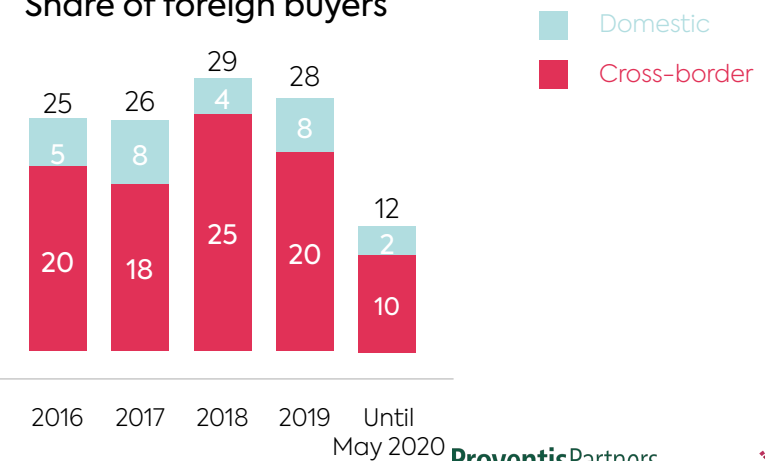
Selection of M&A Transactions



Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Mar 2020	Galileo Global Education		Post-secondary education group in the fields of arts & creation, design and business	CPP Investment (other shareholders: Thétys, bpifrance, Montagu PE)		
Jan 2020	Talis Business School		Business School	Azulis Capital Aquiti Gestion		
Nov 2019	Brassart Group		School of graphic design and digital creation	EDH Group		
Mar 2019	360 Learning		Collaborative e-learning platform	Xange, Bpifrance, ISAI etc.		
Sept 2016 / July 2017	ESLSCA / EDC		Business schools	Grupo Planeta		



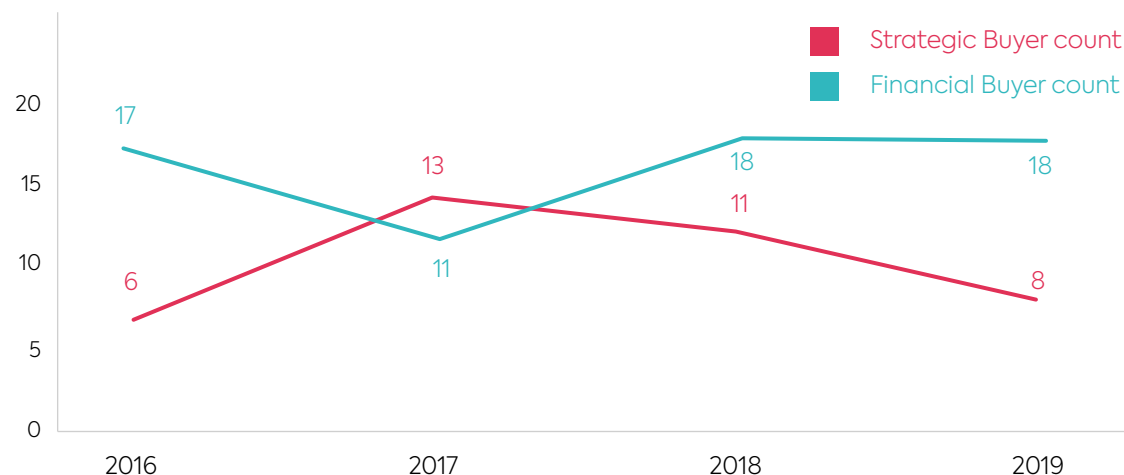
Share of foreign buyers



Selection of M&A Transactions

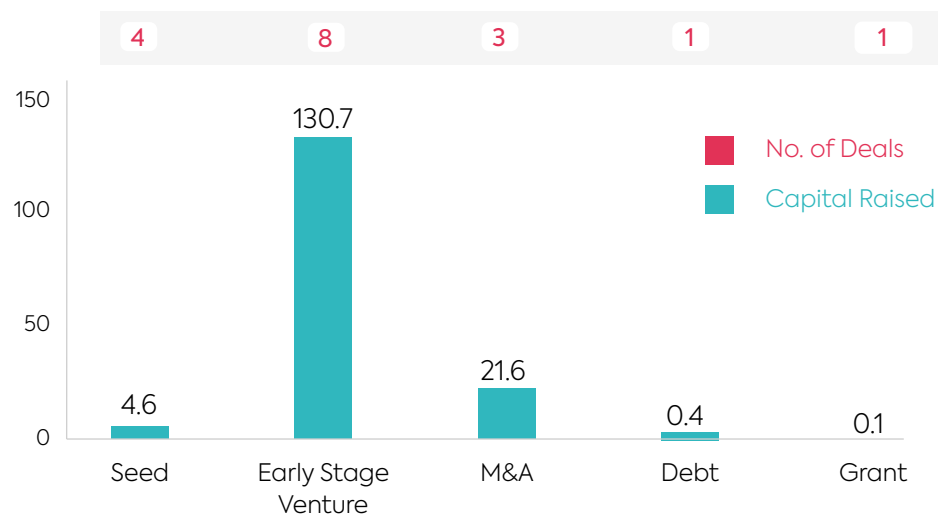
Overview of Transactions by buyer type

In total numbers



Capital Raised by EdTech Companies

In EURm



Buyers in the market


	bpi france	15 investments
	Educapital	14 investments
	Galileo Global Education	10 investments
	INSEEC U.	10 investments
	123 Investments Management	5 investments

Examples of Digital Education Players

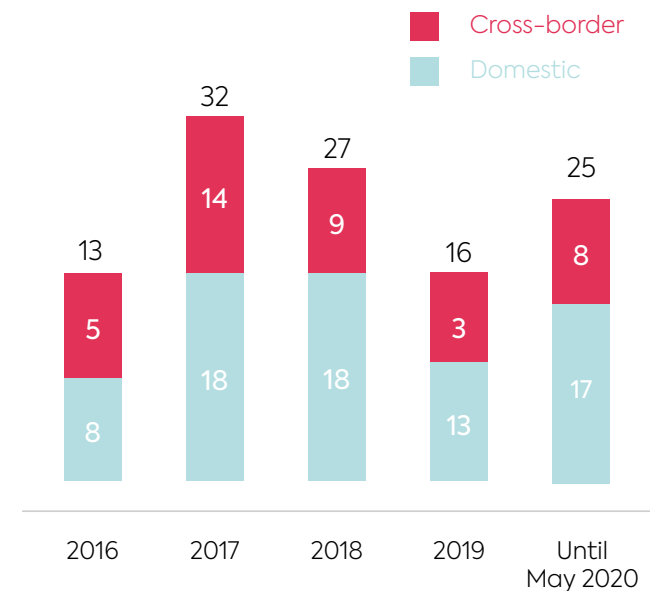
	SKILL&YOU: Vocational e-learning group Raised EURm 21.0 through PE investors
	KLAXOON: Platform that boosts participation and memorization during trainings, meetings, and conferences. Raised EURm 47 through PE Investors
	DIGISCHOOL: Global digital platform providing educational services including free educational content. Raised EURm 19.0 through PE Investors
	360 Learning: Collaborative learning platform. Raised EURm 37.0 through PE Investors
	LALILO: Online literacy platform providing tools for K-2 teachers willing to differentiate reading instructions. Raised EURm 7.0 through PE investors

Cross-border Investments

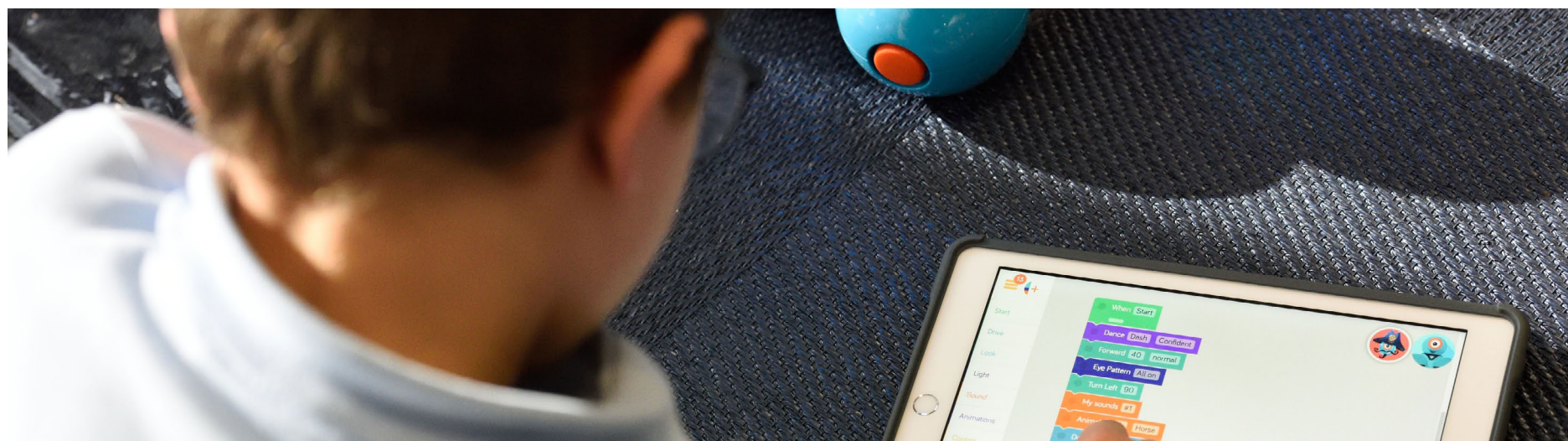


Date	Target	Target Country	Description	Acquirer	Terms
Feb. 2020	 GEBEYA Best of African Talent		Ed Tech and online software outsourcing marketplace company geared towards the development of Africa's technological scene		No terms disclosed
Oct. 2019	 Noroff School of technology and digital media		School of technology and digital media		Transaction value: 52,9 EURm No % indication
Apr 2019	 Labster		Company dedicated to developing fully interactive advanced lab simulations		No terms disclosed
Feb. 2019	 Study Group		Partners with universities across the globe to prepare international students for degree level study		No terms disclosed

Count of Transactions by local Buyers
In total numbers



Sources: Capital IQ, CF news, Epsilon Research, Aurignac Finance Analysis



COVID-19 Lessons Learned



Situation Pre-COVID-19:

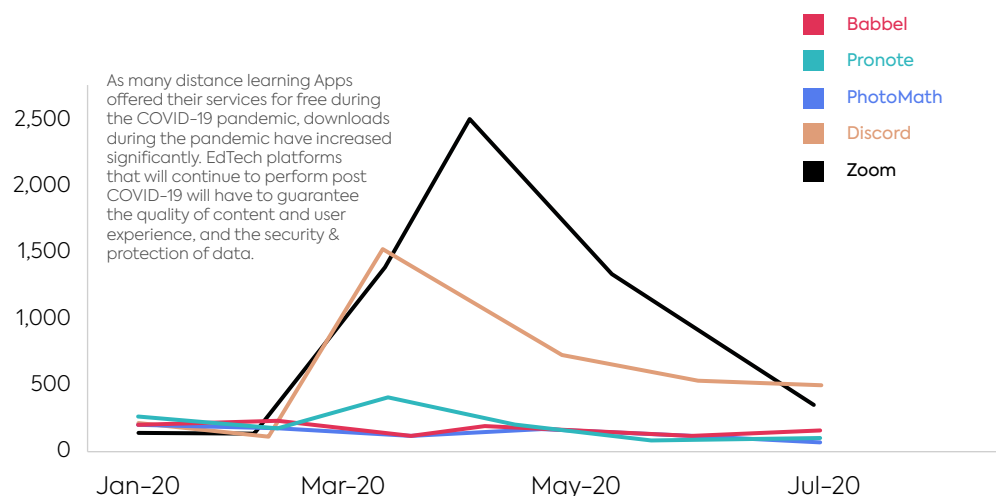
In France, the ENT (Espace Numérique de travail/ Numerical Work Space) was created for the French National Education system and has been implemented in 90% of secondary and approx. 100% of tertiary schools. Nevertheless the country is late in digitalizing primary & secondary schools as the French National Education' budget dedicates only EURm 10 to digital teaching resources (EUR 1 per pupil per year).

French tertiary schools are the most highly digitally equipped and connected (81% vs. EU average 72%), compared to primary schools (14% are highly digitally equipped and connected vs. EU average 35%) and secondary schools (32%, same as EU average).

France is the second most dynamic EdTech ecosystem in Europe, behind UK. Over the past 3 years, the number of start ups launched has increased of approx. 50% to achieve over 430 EdTech registered in France for a market that could increase from EURm 89 to EURm 156 in 2022

App downloads in France (Playstore)

In thousands



Source: SimilarWeb Analysis

Trends and changes since the COVID-19 crisis:

- During the lockdown, parents and guardians have received home schooling documents to teach their kids; and the National Centre for Distance Learning (CNED) has set up an online platform “Ma classe à la maison” (My Class at Home) platform to ensure the continuity of teaching at home.
- With the shock posed by COVID-19, the French education system had to face to the new reality of remote schooling with the digitalization of learning, exams and assignments, and has now been forced to rush to adopt a technology it has rejected for a long time
- Some French business schools have successfully switched to digital learning due to the COVID-19-related lockdown (Neoma 100%, Galileo Global Education 97%) and are planning to invest in digital equipment to shift towards a blended model (with visio learning). But some others, have been weakened due to their financing or/and governance (public) issues and will be in a turnaround situation, encouraged to turn to private equity or to merger
- Several initiatives to develop education digitalization already in place before COVID-19 will accelerate. Among them, EdTech France, the national Edtech association, has put during COVID-19 a large number of its online resources at the disposal of everyone, without any conditions.
- Some of the EdTech expert in France talk about a giant leap forward of approximately 5 years due to the COVID-19 situation.

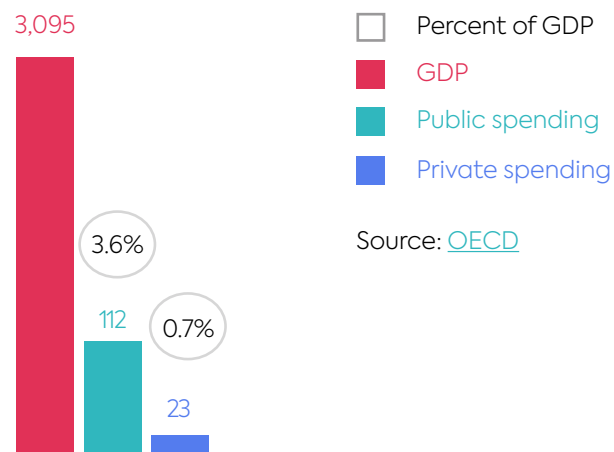
Sources: EU Commission ICT in Education, French Government, SimilarWeb, Aurignac Finance Analysis

General Education



Public and Private Spending in Education

In EURbn for 2015

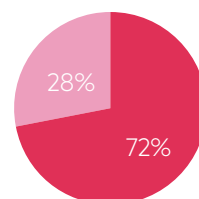


□ Percent of GDP
■ GDP
■ Public spending
■ Private spending

Source: [OECD](#)

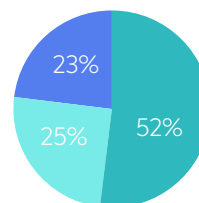
Public and Private Spending in Education

In percentage for 2015



■ Public: Primary & Secondary
■ Public: Tertiary

Primary & secondary segments receive the most funding from both sources.



■ Private: Early childhood
■ Private: Primary & Secondary
■ Private: Tertiary

'Digital Pact' federal government to **invest EURbn 5** into technology for primary & secondary schools ...of which **EURm 100 have been released immediately** in order to ease the transition to "home learning" using cloud platforms and solutions.

83% of spending in the education market comes from public sources (government, municipalities, etc.). With additional capital committed towards speeding up digitalization in schools, we can expect investment activities to increase over the next 1-3 years.

General Education



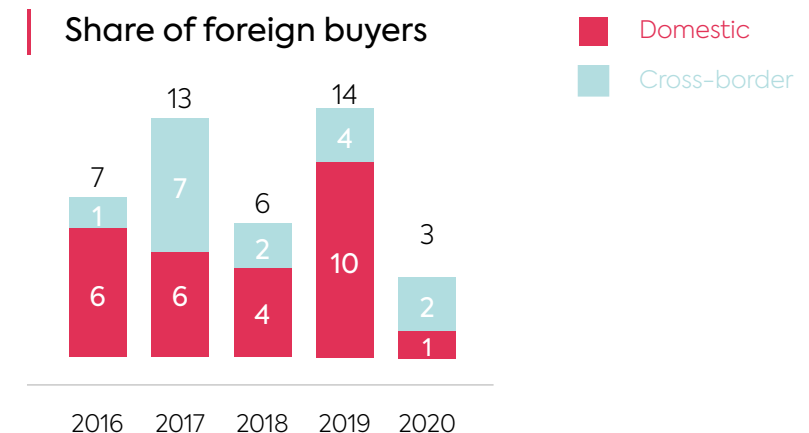
Overview of selected education players in Germany

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools				
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education				
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment				

Selection of M&A Transactions in Education over the past 5 years



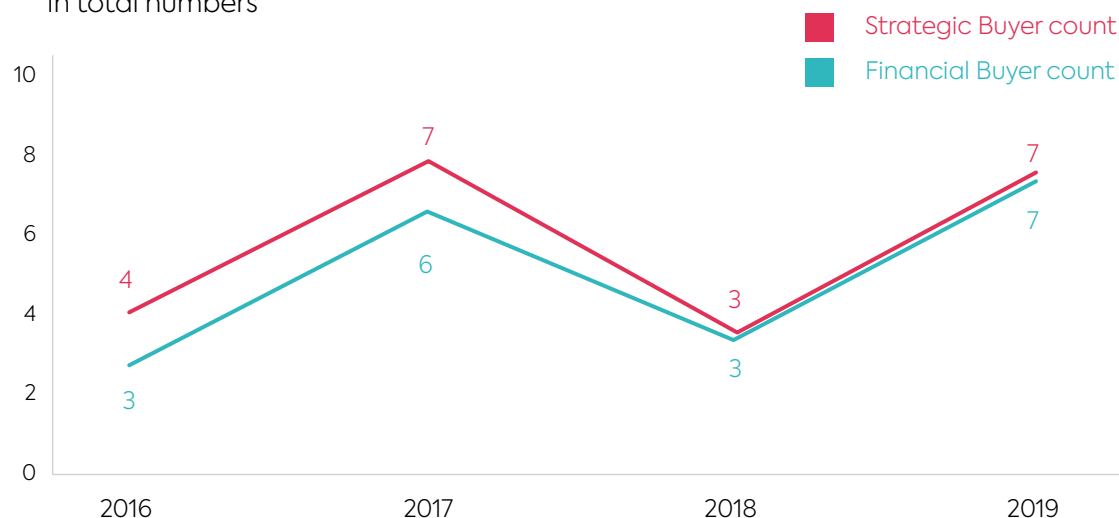
Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Jul 2020	WEKA Holding GmbH & Co.		Publishing company which is a market leader in business information and education	Paragon Partners GmbH		
Dec 2019	PFH Private University of Applied Sciences		Educational institution that offers study programs in management, engineering sciences, etc.	Galileo Global Education		
Dec 2019	Comcave College		Provides occupational re-training and advanced vocational training	Amadeus FiRe AG (XTRA:AAD)		
Oct 2019	Dialog-Sprachreisen International GmbH		Operates 100 language schools and partners worldwide, which provide teaching services	Pro Linguis AG		
May 2019	Isarkids GmbH		Operates kindergartens and nursery schools	Unsere Champions		



Selection of M&A Transactions

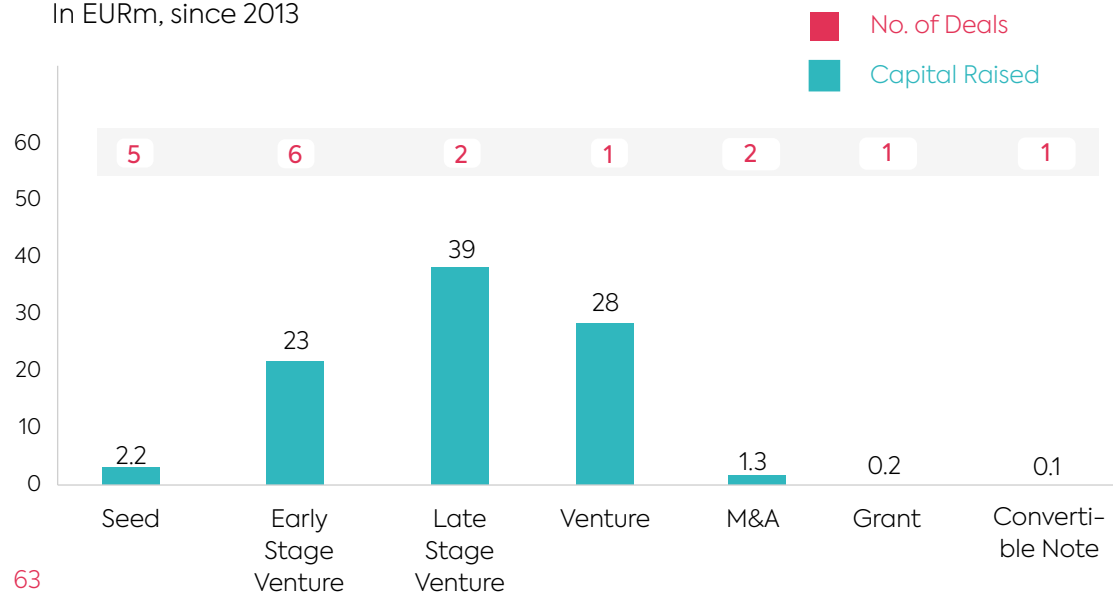
Overview of Transactions by buyer type

In total numbers



Capital Raised by EdTech Companies

In EURm, since 2013



63

Buyers in the market

BERTELSMANN	Bertelsmann SE & Co. KGaA	4 investments
	Apollo Education & Oakley Capital	2 investments
	Aurelius Growth Investments	2 investments
	Bit media e-Learning Solutions	2 investment
	SRH Holding GmbH	1 investment
WEKA	WEKA Holding GmbH & Co. KG	1 investment

Examples of Digital Education Players

	Babbel: Market-leading app for language learning. Received EURm 30 to date
	AMBOSS: Improving healthcare by making medical knowledge universally accessible. Received EURm 30 in Series B
	Blinkist: Abbreviated & summarized literature application
	SPEEXX: Language learning platform for the digital workplace, >8m active users Capital raised: EURm 5
	CoachHub Personalised leadership coaching platform Capital raised: EURm 19

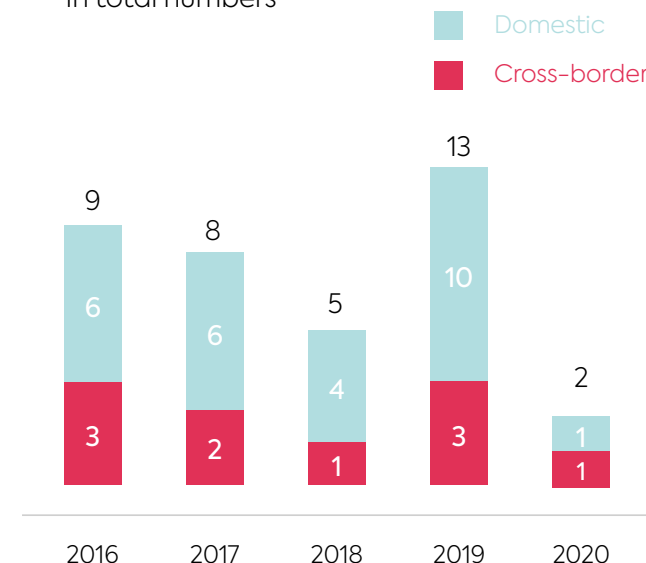
Cross-border Investments



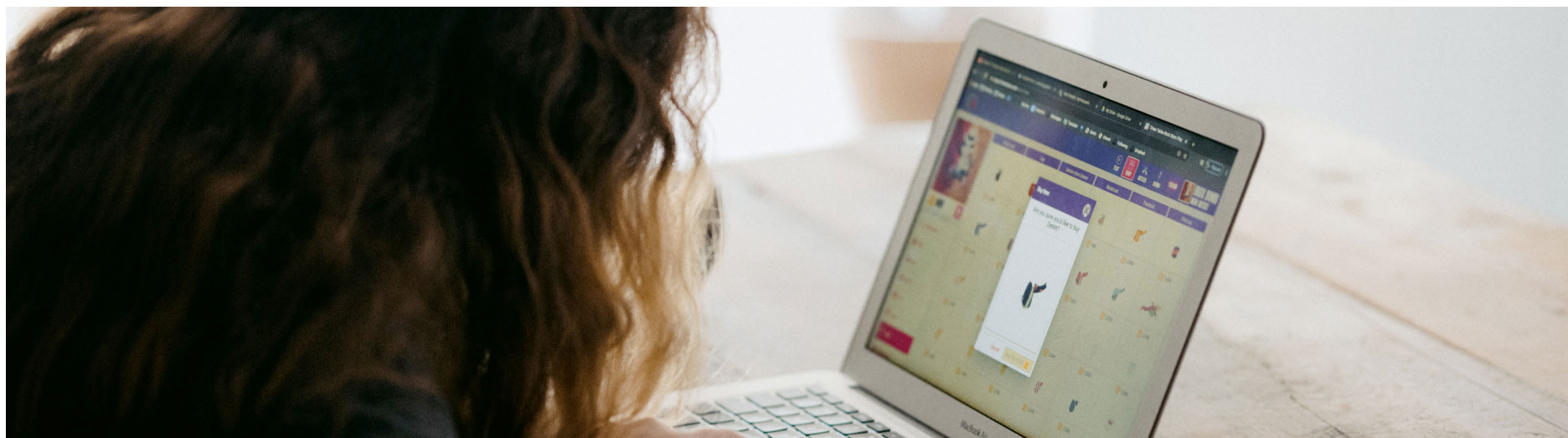
Date	Target	Target Country	Description	Acquirer	Terms
Mar 2020			E-learning platform that offers live tutorial classes and personalized coaching sessions	PTCUS CAPITAL	Transactions Value: 9.47 EURm No % indication
June 2019			Prepares learning modules and conducts assessments for members to develop executive functions	BPO CAPITAL	Transaction value: 2.75 EURm No % indication
Apr 2019			Internet-based English (Business English) language instruction portal	Learnship	No terms disclosed
Jan 2019			Offers programmes which combine language with soft skills training	mvc	No terms disclosed

Count of Transactions local Buyers

In total numbers



Source: CapitalIQ Analysis



COVID-19 Lessons Learned



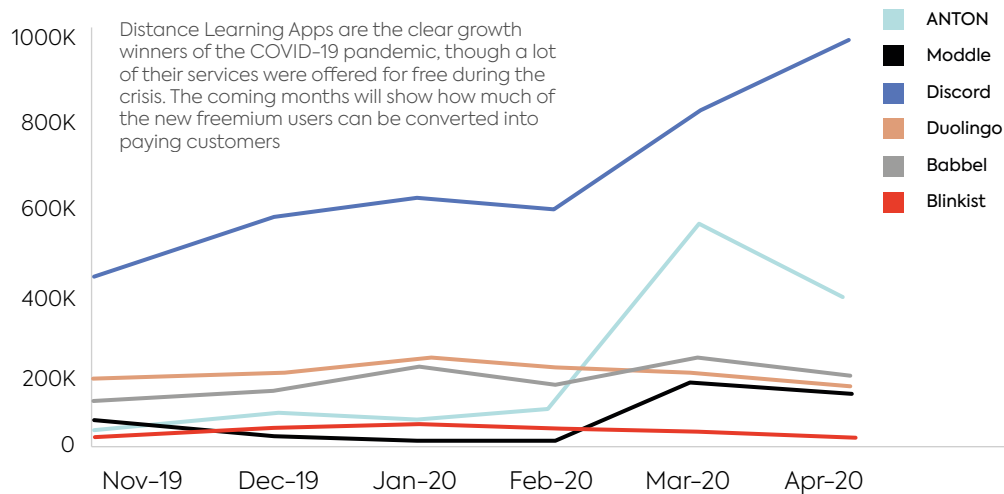
Situation Pre-COVID-19:

In general, Germany's primary and secondary schools do not have significant digital infrastructure such as cloud services, fast Internet, tablet lessons or smart whiteboards. Germany has only 9% highly digitally equipped and connected primary schools (EU average 35%) and therefore Germany is among the last 5 countries on the continent. Secondary and tertiary schools are averaging about 50%, which is still below the EU average. These findings indicate that Germany's school children are less likely to be growing up as "digital natives" and that non-formal education (outside of the formal school curriculum) is required to teach digital skills like coding, etc.

Source: EU Commission 2nd Survey of Schools: ICT in Education

App downloads in Germany (Playstore)

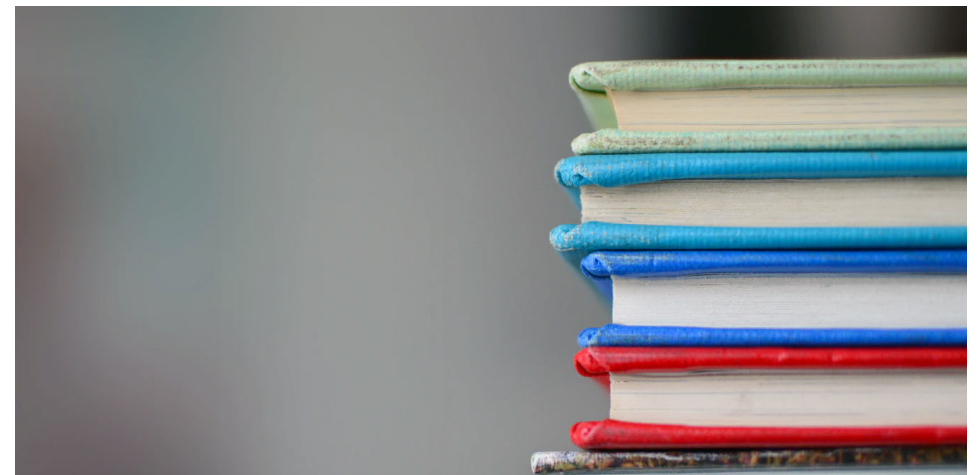
In absolute numbers



Source: SimilarWeb Analysis

Trends and changes since the COVID-19 crisis:

- Weak distance learning: several weeks after the closure of schools throughout the country, parents were given handouts and a learning schedule they had to teach themselves, only a few teacher actively engaged with school children during the lockdown.
- Some secondary school classes (i.e., graduating classes) received forms of online classes
- Ministries did not recommend any online learning platforms or apps, schools and teachers had to navigate the vast landscape of tools by themselves or were not allowed to use them.
- Parents were left to fend for themselves, while having to work from home, therefore the level of education received by children seriously declined. A learning gap of several months is expected.
- Learning apps for formal education have been downloaded as content is available for free for a limited time.

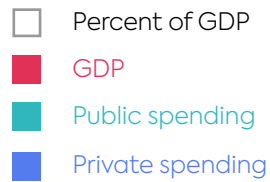
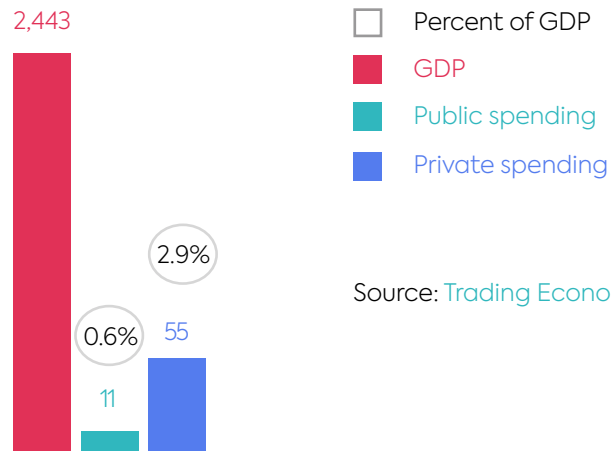


General Education



Public Spending in Education

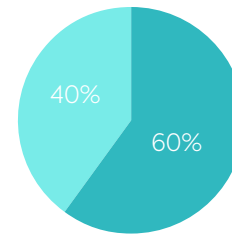
In EURbn for 2019



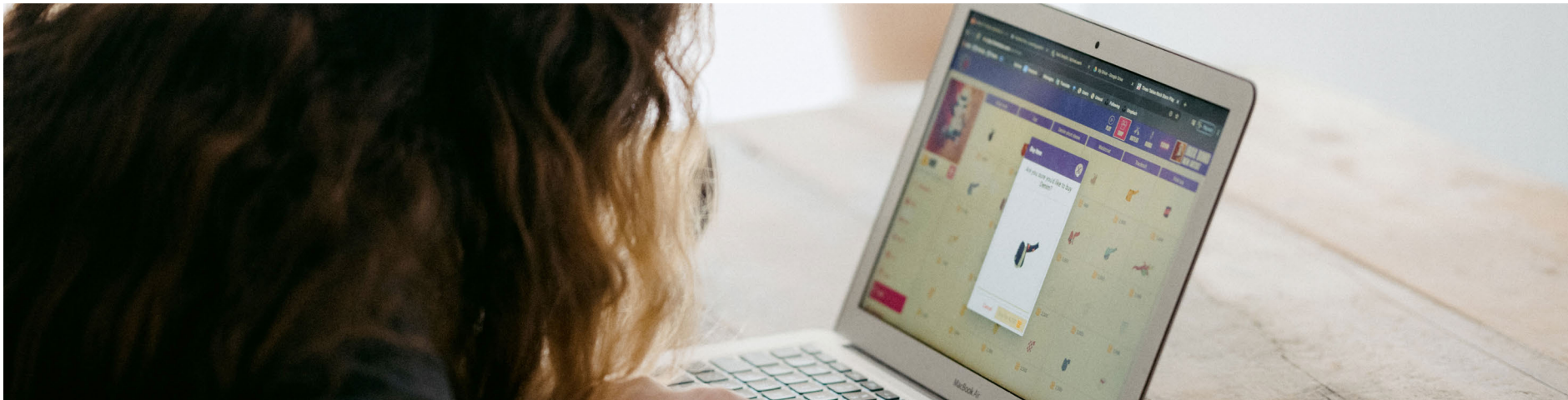
Source: [Trading Economics](#)

Public Spending in Education

In percentage for 2019



The government is increasing its expenditure on education aggressively. India's higher education system is highly centralized and undergoing significant changes and innovations.


















83% of spending in the education market comes from public sources

General Education





















Overview of education segments on a national level

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	 			
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education		 	 	 
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment				

Selection of M&A Transactions

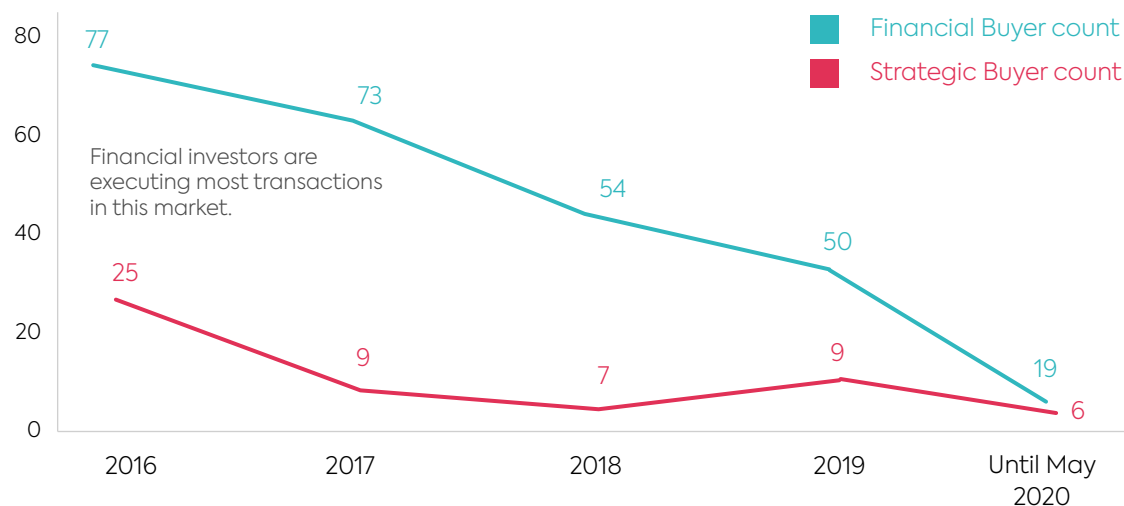


Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Aug 2020	White Hat Jr		Online coding for kids	Byju's		
June 2020	Lattu Media		Vocabulary learning app for kids	Bharti Airtel		
Jan 2020	Meritnation		Develops and delivers study content and assessment modules for students from class I through high school	Aakash Educational		
Oct 2019	Jigsaw Academy		Offers programs in data science and emerging technologies	Manipal Education and Medical Group		
Oct 2019	Paper Boat Apps		Creator and publisher of a subscription-based pre-school edutainment app	Nazara Technologies		
Apr 2018	Individual Learning		Education platform which leverages data analytics to deliver personalised learning outcomes for students	Reliance Industries		

Selection of M&A Transactions

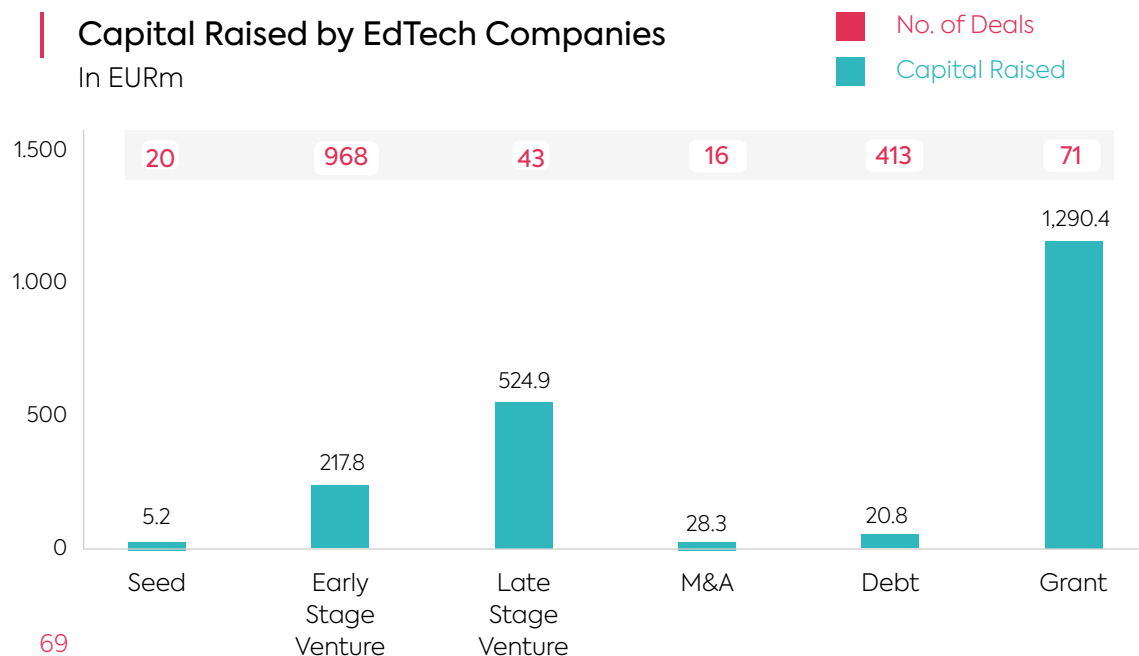
Overview of Transactions by buyer type

In total numbers



Capital Raised by EdTech Companies

In EURm



Buyers in the market

SEQUOIA

Sequoia has a significant stake in Byju's and recently funded Unacademy as well

TIGERGLOBAL

Tiger Global has made significant investments in Byju's and Vedantu

WestBridge

WestBridge Capital has made sizeable investments in Vedantu

GENERAL ATLANTIC

General Atlantic has made several investments in the EdTech market including Byju's and Unacademy

OMIDYAR NETWORK INDIA

Omidyar Network's portfolio includes several EdTech companies in India

Examples of Digital Education Players

BYJU'S
The Learning App

Think and Learn
India's largest Ed-Tech company
Revenue (FY 19) – EURm 162.0

unacademy

Sorting Hat Technologies
Provides high-quality educational videos
Revenue (FY 19) – EURm 3.0

Robomate

MT Educare
Provides online and offline coaching for school, colleges and professional exams
Revenue (FY 19) – EURm 30.0

Vedantu













Vedantu Innovations
Online tutoring platform that enables personalized learning
Revenue (FY 19) – EURm 1.5

toppr

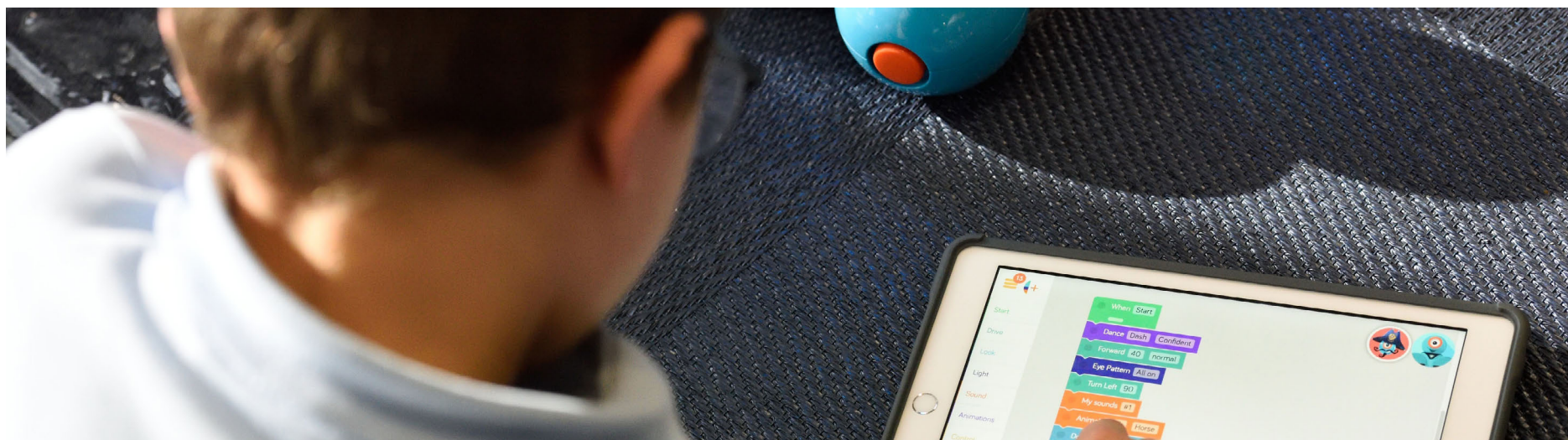
Toppr Education
India's leading after-school learning app providing the widest K12 syllabus coverage
Revenue (FY 19) – EURm 7.0

Cross-border Investments



Date	Target	Target Country	Description	Acquirer	Terms
June 2020	 BYJU'S The Learning App		India's largest EdTech and online tutoring firm		Not disclosed
Feb 2020			Provides high-quality educational videos		Transaction Value: 98 EURm No % indication
Jan 2019			Develops educational game apps		Transaction value: 107 EURm No % indication
Dec 2018	 BYJU'S The Learning App		India's largest EdTech and online tutoring firm		Transaction value: 480 EURm No % indication

Source: Company press releases



COVID-19 Lessons Learned

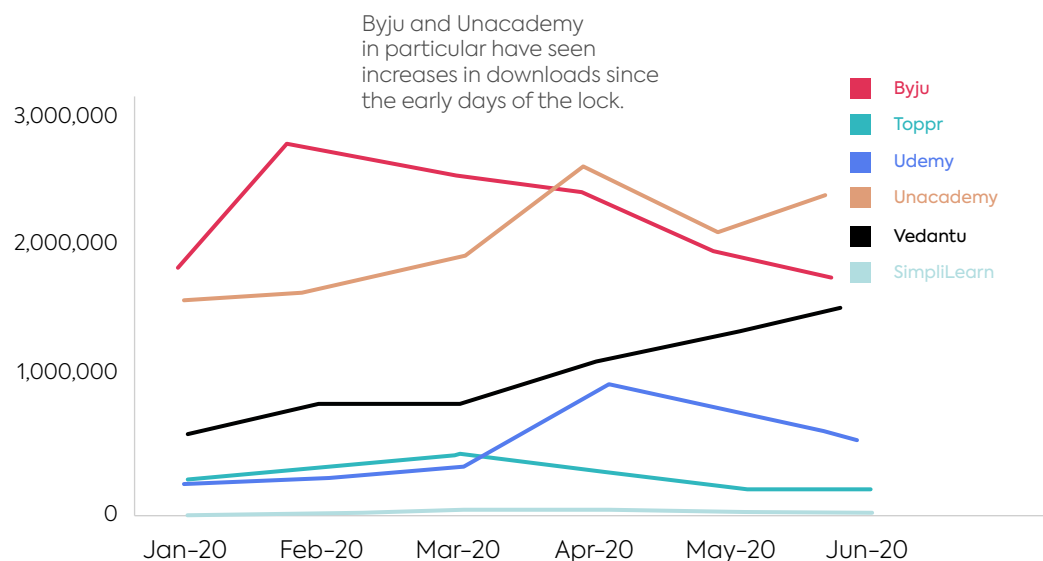


Situation Pre-COVID-19:

- **Test Preparation:** EdTech companies saw great popularity in the test preparation (from K-12 to entrance exams) and online certification segments in India.
- **Vernacular languages:** The adoption of vernacular languages by EdTech start-ups was another reason for the rising popularity of EdTech start-ups, enabling them to cater to Tier 2 and Tier 3 cities in the country.

App downloads in India (Playstore)

In absolute numbers



Source: SimilarWeb Analysis

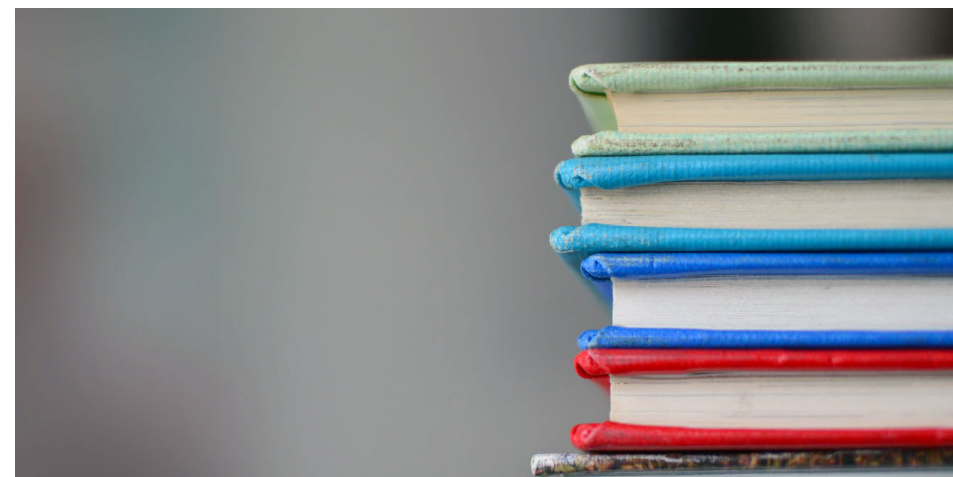
Trends and changes since the COVID-19 crisis:

In India, over 320 million students have been affected by COVID-19 school closures, and though the government quickly recommended shifting to online teaching, the digital divide still hinders access to education for the poorest.

Today across India, schools and higher education institutes remain closed, as they have been since March, though July typically marks the start of the new academic year for Indian students.

- **Digital classroom:** Classes are held using online video chat platforms, such as Skype, Microsoft Teams (through The British School), Zoom and Slack
- Only **limited numbers of learners** will be allowed back for selective days; **no full education until the next academic year starts**

Source: Web search and interviews

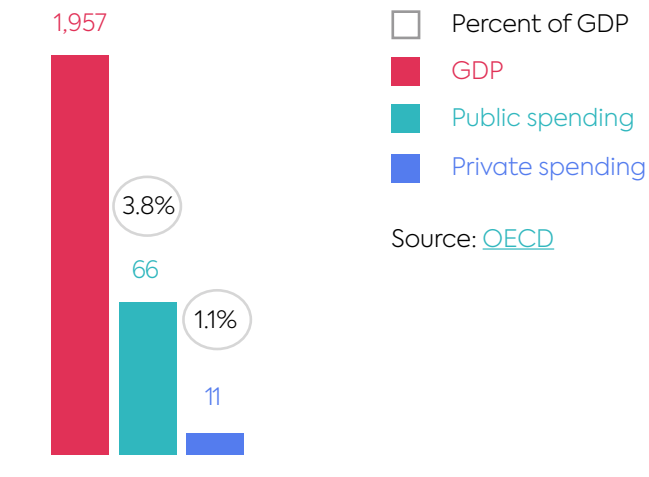


General Education



Public and Private Spending in Education

In EURbn for 2017



□ Percent of GDP

■ GDP

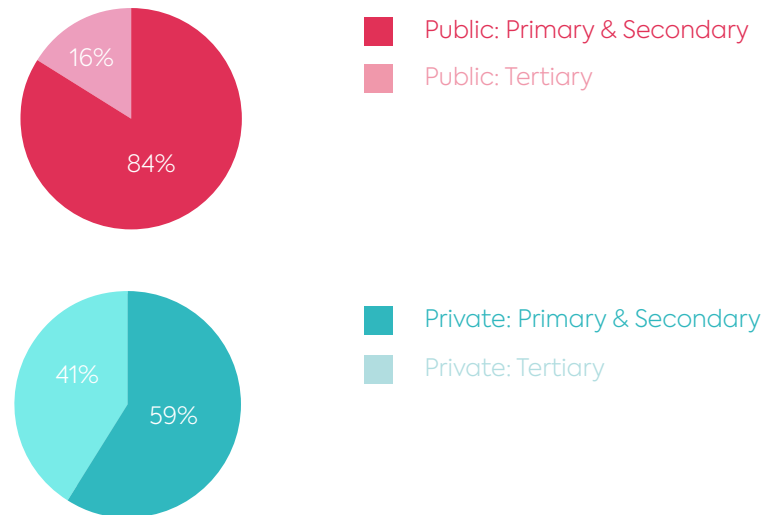
■ Public spending

■ Private spending

Source: [OECD](#)

Public and Private Spending in Education

In percentage for 2017



■ Public: Primary & Secondary

■ Public: Tertiary

■ Private: Primary & Secondary

■ Private: Tertiary

A national plan “Piano Nazionale Scuola Digitale” (PNSD) to digitalize schools was introduced in 2007, but its effectiveness was limited by severe budget constraints throughout the past several years. PNSD has been allocated EURm 30 p.a. for 4 years, i.e., less than 0.1% of Italy’s public budget for schooling.

Approx. **85 % of spending** in the education market comes from public sources

General Education


















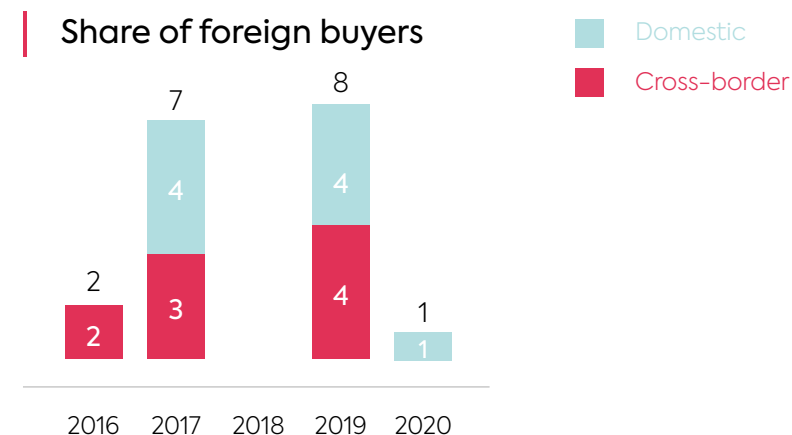
Overview of education segments on a national level

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	<div><div></div><div></div></div>	<div></div>	<div></div>	
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education	<div></div>			<div></div>
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment	<div></div>	<div></div>	<div></div>	

Selection of M&A Transactions



Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Feb 2019	Multiversity (50%)		Largest online university in Italy	CVC Capital Partners		
Aug 2019	Business School24		Provision of professionally-oriented education and training services	Palamon Capital Partners		
Nov 2017	Domus Academy and NABA		Fine arts and fashion design academies	Galileo Global Education		
Mar 2017	Alpha Test (70%)		Preparation aids for university exams	Aksia Group		
Aug 2016	St. Louis School		International primary and secondary private school	Inspired Education		

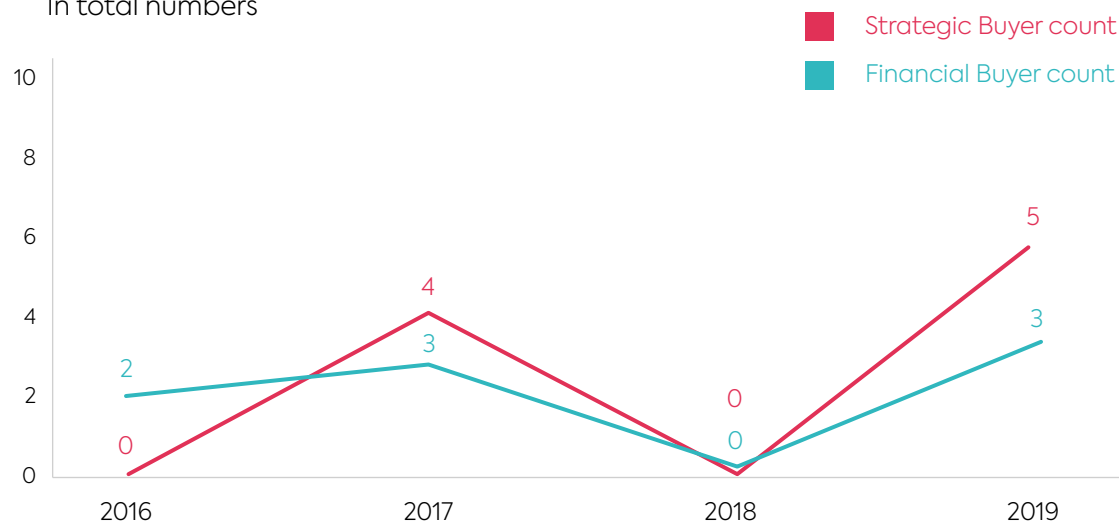


Selection of M&A Transactions



Overview of Transactions by buyer type

In total numbers

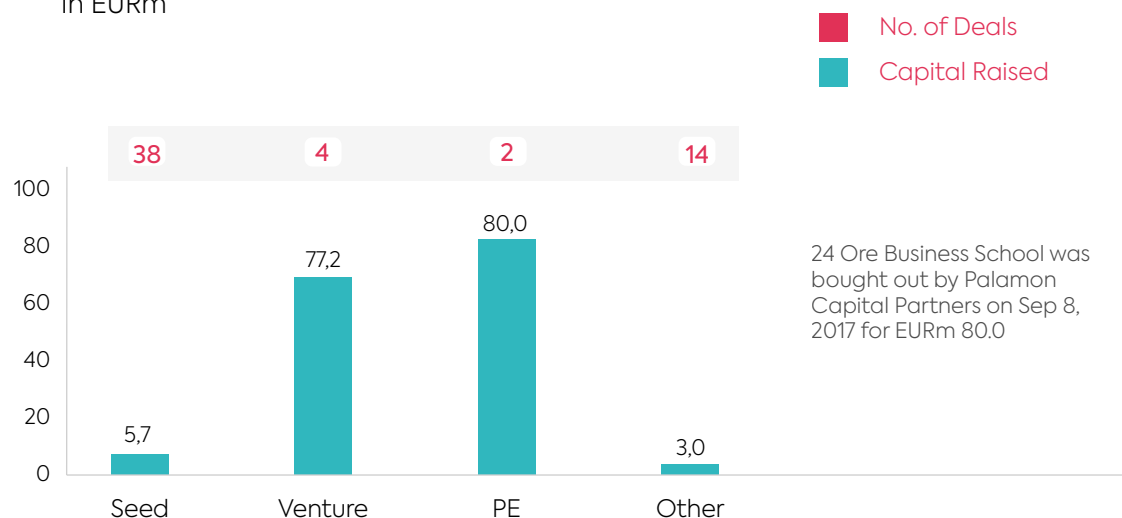


Buyers in the market

	Galileo GlobalEducation Providence Equity Partners	2 investments
	Globeducate Providence Equity Partners	2 investments
	Inspired	2 investments
	H-Farm S.p.A	2 investments

Capital Raised by EdTech Companies

In EURm









Examples of Digital Education Players

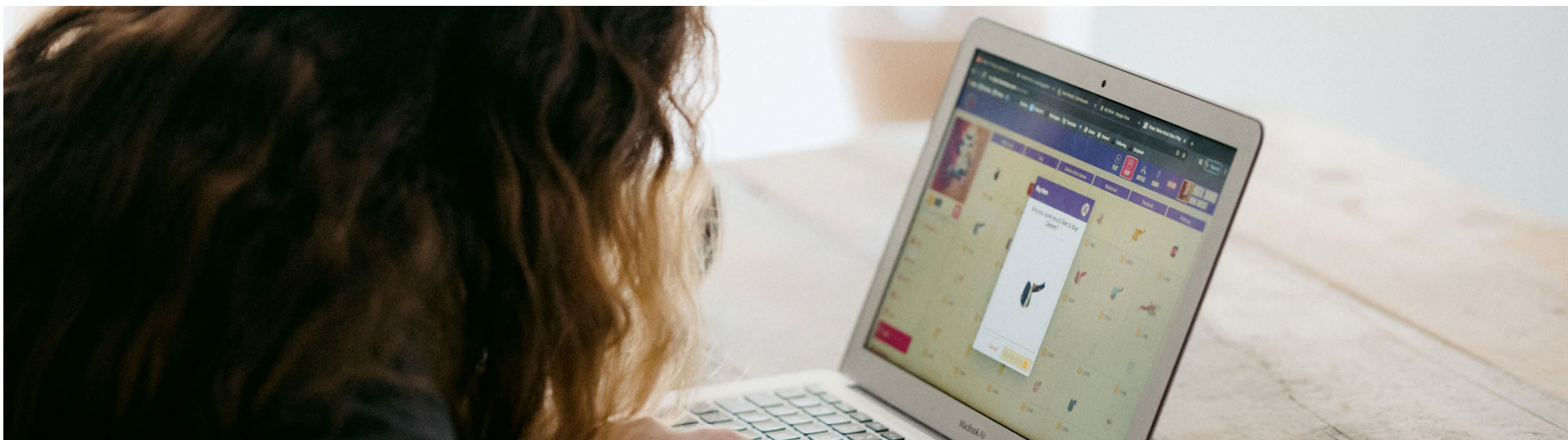
	Osteocom: Online learning and networking platform for dental professionals Raised EURm 1.8 to date
	Blended: Communication platform for schools to connect with students and their families. Raised EURm 1.8 to date
	Marshmallow Games: Offers mobile apps and games for children aged 3-5 years Raised EURm 0.9 to date
	Docsity: Online social learning network for students and professionals worldwide. Raised EURm 0.5 to date
	Tutored: Mobile-based platform for students to search for a peer tutor. Raised EURm 0.4 to date

Cross-border Investments



Date	Target	Target Country	Description	Acquirer	Terms
May 2020			Develops play-based STEAM learning and resources to foster scientific thinking skills in 3-8 years olds		Transactions Value: EURm 1.5 No % indication
Sep 2019			Next-generation active learning platform to drive STEM student engagement		Transaction value: n.a. EURm No % indication

Source: CapitalIQ and company press releases



COVID-19 Lessons Learned



Situation Pre-COVID-19:

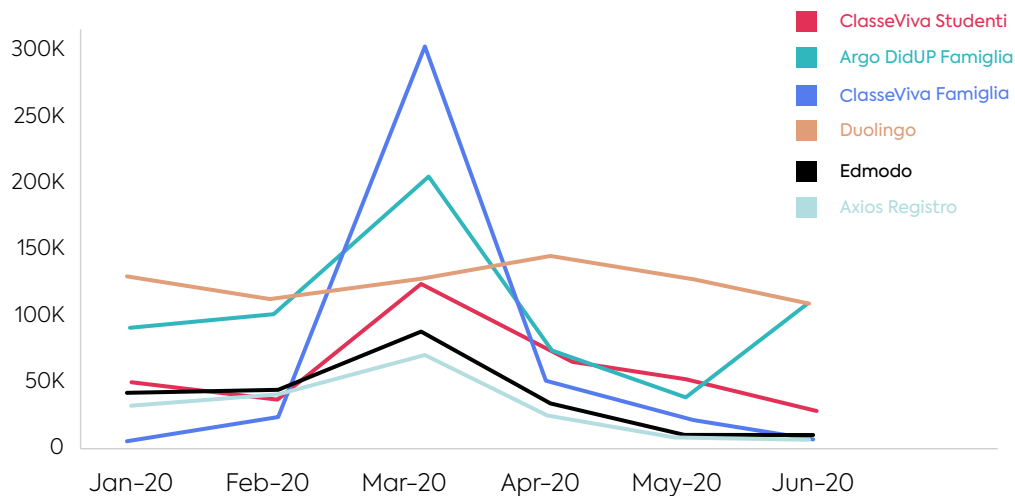
The Italian government started to digitalize the school system in the mid to late 2000s. Starting out with interactive whiteboards, followed by a digital register in 2012, all according to “il Piano Nazionale Scuola Digitale (PNSD)”.

In 2012 the decree “Crescita 2.0” enforced mandatory adoption of e-books (or in mixed format) as textbooks and the creation of digital school centers in rural areas. Traditional textbooks started to be phased out as of 2014/2015 and all schools have to adapt to teaching materials that require an electronic reader or tablet device.

Source: Financial Times

App downloads in Italy (Playstore)

In absolute numbers



Source: SimilarWeb Analysis

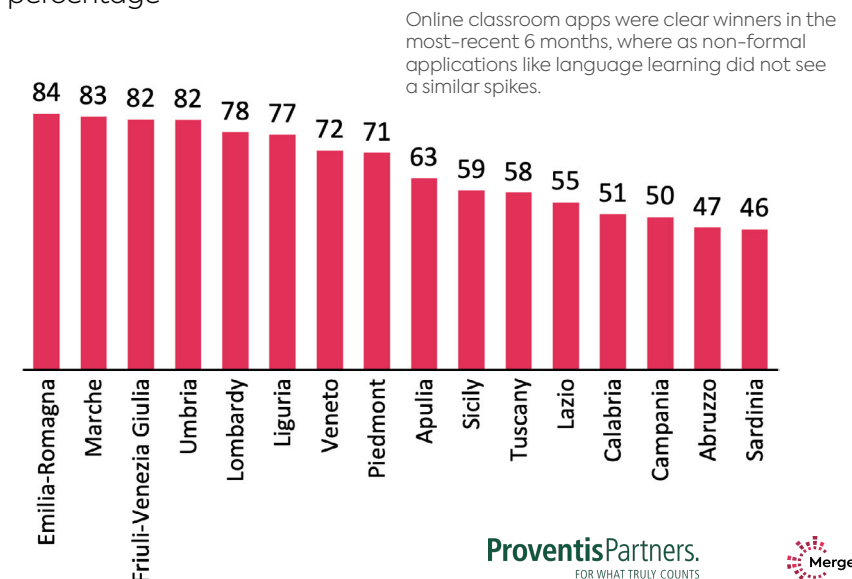
The Italian government created a website to support schools to activate different forms of distance learning during the lockdown caused by the COVID-19 pandemic.

It allows any user to reach and use the platforms and tools made available to educational institutions free of charge thanks to specific protocols signed by the Ministry of Education.

Schools and other educational institutions have turned to MOOCs, virtual classes and smart working, while attempting to maintain the normal school curriculum. Face-to-face classes are not expected to be held again until the next academic year (Sept. 2020). Some universities have converted to virtual learning. In Italy, one of the first countries to close their universities, students are actively turning towards EdTech. Digital platforms, and online study materials are seeing spikes in usage, with increases over 100% more monthly users than this time last year.

Online school classes due to coronavirus in Italy 2020, by region

In percentage

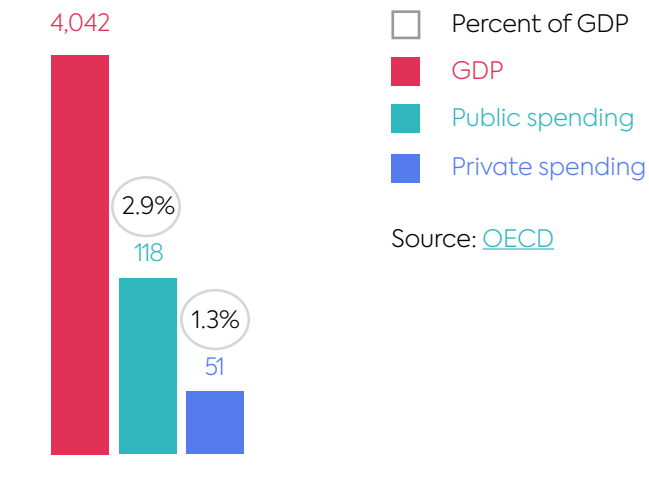


General Education



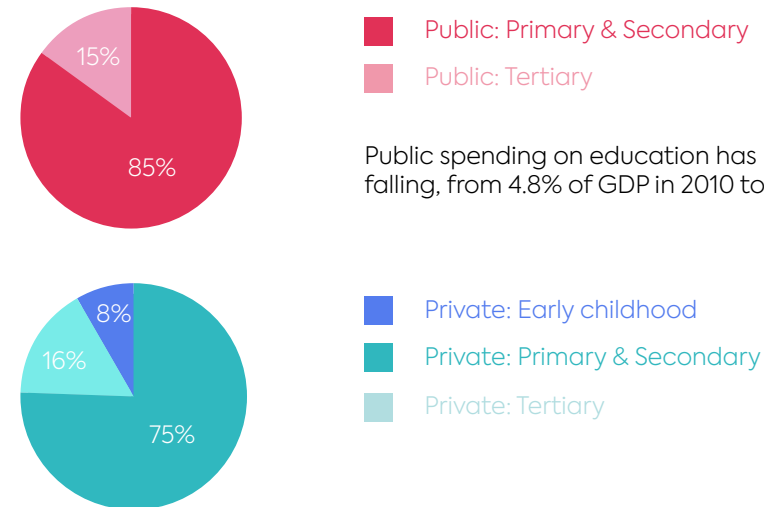
Public and Private Spending in Education

In EURbn for 2015



Public and Private Spending in Education

In percentage for 2015



Public spending on education has been slowly declining, falling, from 4.8% of GDP in 2010 to 4.4% of GDP in 2015

GIGA (Global Information and Governance Academic)

Program aspires to establish ICT technology in educational environments that leave no child behind. As of March 2020, Rakuten Mobile (one of Japan's largest wireless telecommunication services announces plans to install base stations into schools nationwide to comply with the plan.

Approx. **70% of spending** in the education market comes from public sources

General Education



Overview of education segments on a national level

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	小学館 SHOGAKUKAN RECRUIT Gakken ICHISHIN			資格の学校 TAC
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education	MEIKO NETWORK JAPAN GGE LIKE ライクキッズ			Social language learning platform Lang-8 hanaso RareJob
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment	Quipper PlusT	Classi STUDYPLUS		

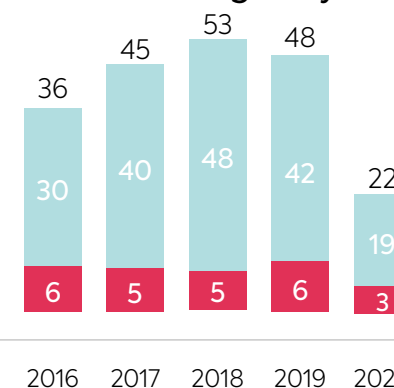
Selection of M&A Transactions



Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Mar 2020	Simul International, Inc.		Simul owns and operates language training schools and offers language translation and interpreting services	Takara & Company Ltd. (TSE:7921)		
Jan 2020	Study Hacker Co., Ltd.		Specialty prep school - Study Hacker helps students prepare for medical school exams and other difficult university exams	Benesse Holdings, Inc. (TSE:9783)		
Dec 2019	Man To Man Academy CO., Ltd		Provides individual learning guidance and examination guidance for infants, high school students, and graduates	Yamano Holdings Corporation (JASDAQ:7571)		
Jan 2018	Gngn Eikaiwa Inc.		English as a Second Language education to non-native English speakers through online teaching	Benesse Holdings, Inc. (TSE:9783)		
Apr 2017	PURE SOLUTIONS Co.,		Manages and operates English speaking nursery education facilities	Lifesupport Co., Ltd.		



Share of foreign buyers



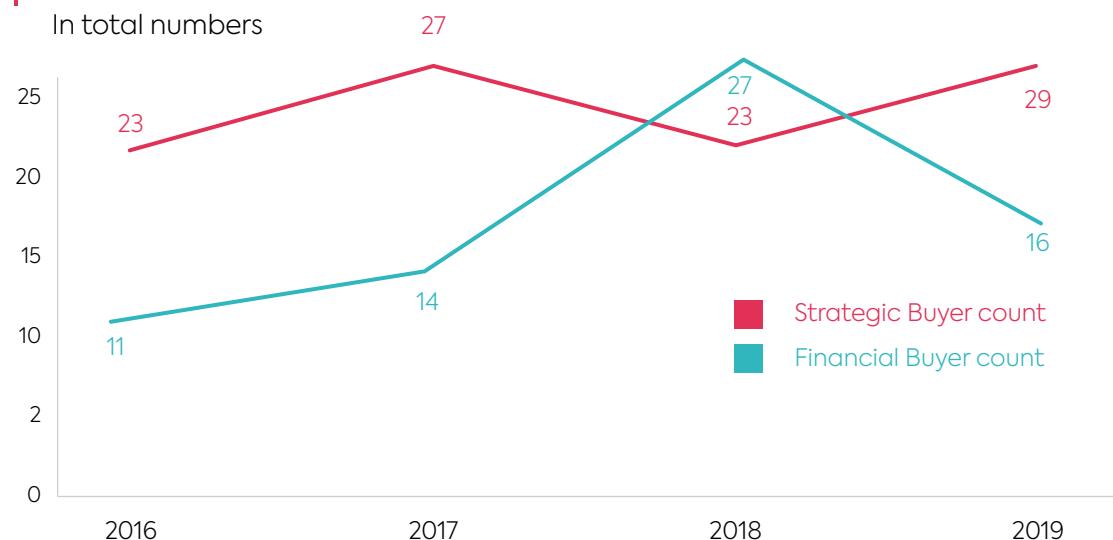
Domestic
Cross-border

Over 85% of transactions have a domestic buyer

Selection of M&A Transactions

Overview of Transactions by buyer type

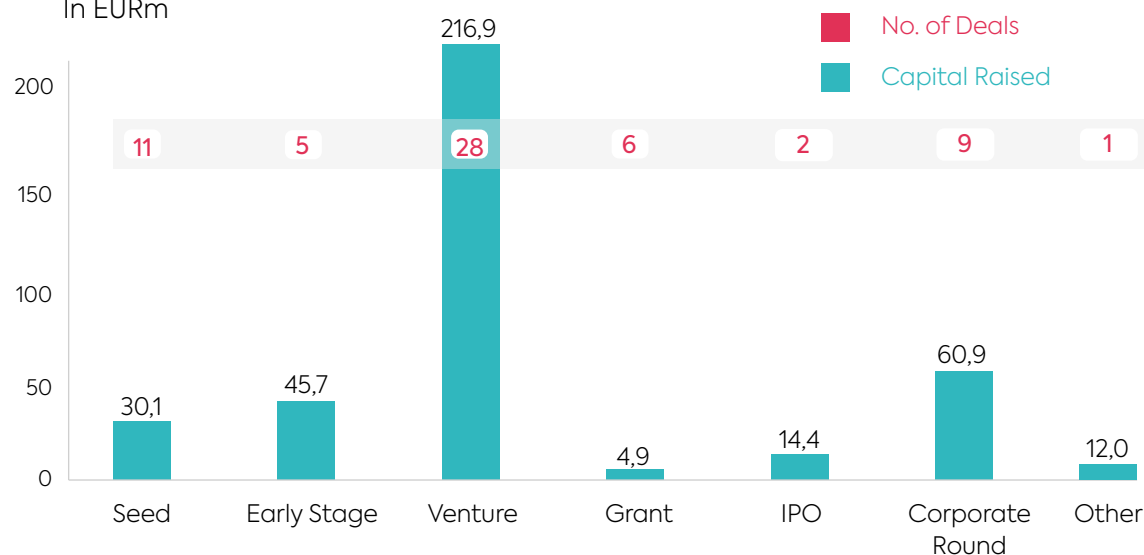
In total numbers



Japan's education market has seen a lot of investment activities from financial buyers

Capital Raised by EdTech Companies




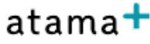

In EURm



Buyers in the market

 Future Venture Capital	Future Venture Capital Co.	7 investments
	Mitsubishi UFJ Capital Co	5 investments
	The University of Tokyo Edge Capital Co	4 investments
	Mynavi Corporation	4 investments
	Gakken Holdings Co	3 investments

Examples of Digital Education Players

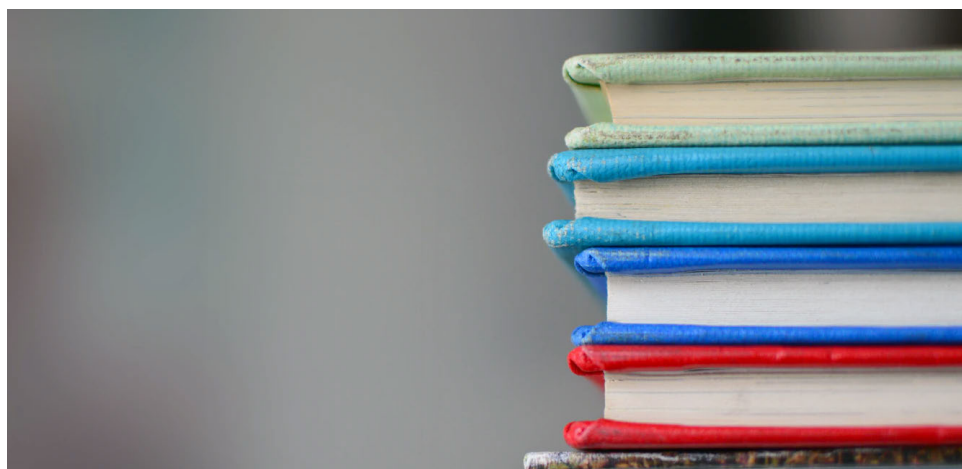
	EduLab Investments in EdTech, providing IT solutions and platforms for the education industry Capital raised to date approx. EURm 8.1
	Gengo, Inc.: People-powered translation platform – read and publish across languages with one click Capital raised to date EURm 22.9
	Life is Tech!: Is a programming IT camp / school for middle school students, high school students. Capital raised to date EURm 9.0
	atama plus: Utilizes artificial intelligence for middle and high school students. Capital raised to date EURm 16.5
	Studyst Co., Ltd: Develops and provides a manual creation and sharing platform “Teachme Biz”. Capital raised to date EURm 10.3

Cross-border Investments



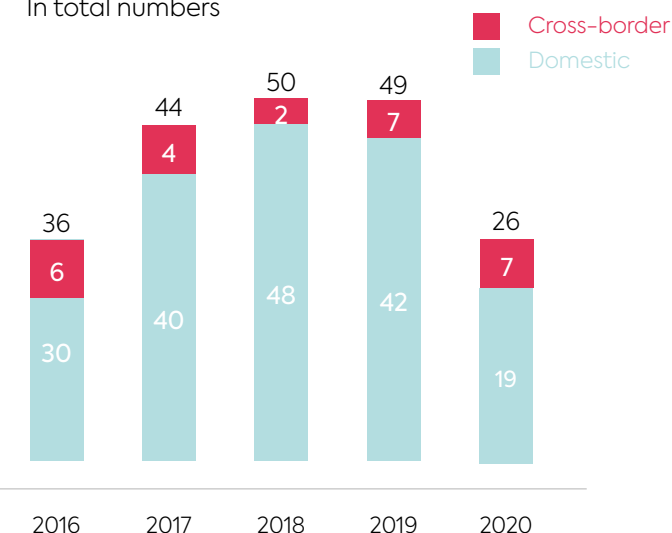
Date	Target	Target Country	Description	Acquirer	Terms
Feb 2020	 Udemy		Udemy, Inc. offers online courses for students and solutions for corporate learning	 Benesse Holdings, Inc.	Received USDm 50 funding, raising valuations to USD bn 2.0
July 2019	Shinkensha U.S.A. Incorporated		Provides instruction that takes into consideration the balance between learning with local schools	 Waseda Academy Co., Ltd. 早稲田アカデミー	100% of shares are acquired – no further terms disclosed
Aug 2018	 English Language Company		Operates as an English language school that offers general, business, and academic English courses	 Kyoshin Co., Ltd. “ひとひとりも大切に”45所 京進	100% of shares are acquired – no further terms disclosed
May 2017	 Career College International House Vancouver & Whistler		Provides training programs in various courses to local and international students	 human ヒューマンアカデミー	100% of shares are acquired – no further terms disclosed

Source: CapitalIQ and company press releases



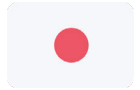
Count of Transactions by local Buyers

In total numbers



Japanese buyers are seeking predominately local targets

COVID-19 Lessons Learned



Situation Pre-COVID-19:

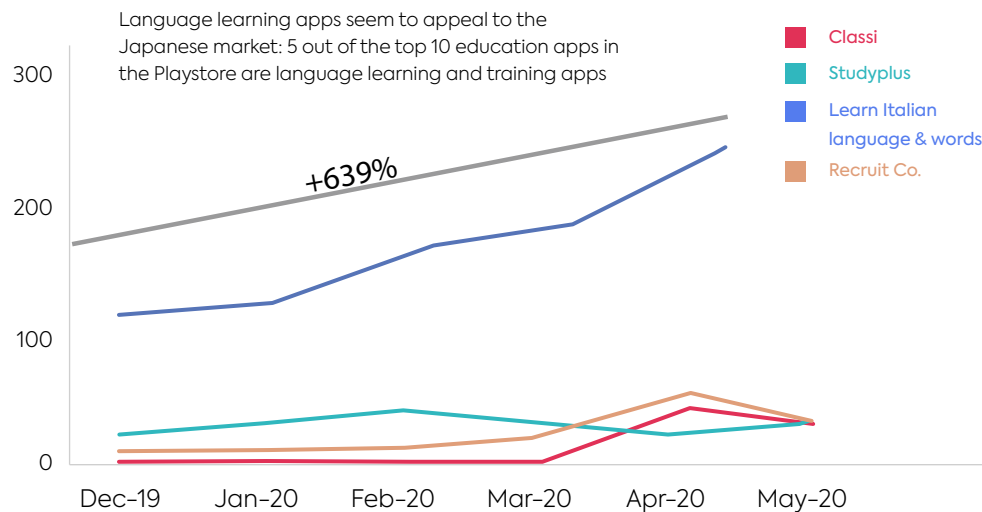
In December 2019, The Ministry of Education, Culture, Sports, Science and Technology (MEXT) announced the GIGA School Program. “GIGA” stands for “Global and Innovation Gateway for All”.

The goal is to supply IT devices to every student and to establish high-speed, high-capacity communication networks in all schools by FY 2023.

Source: Association of Canadian Publishers

App downloads in Japan (Playstore)

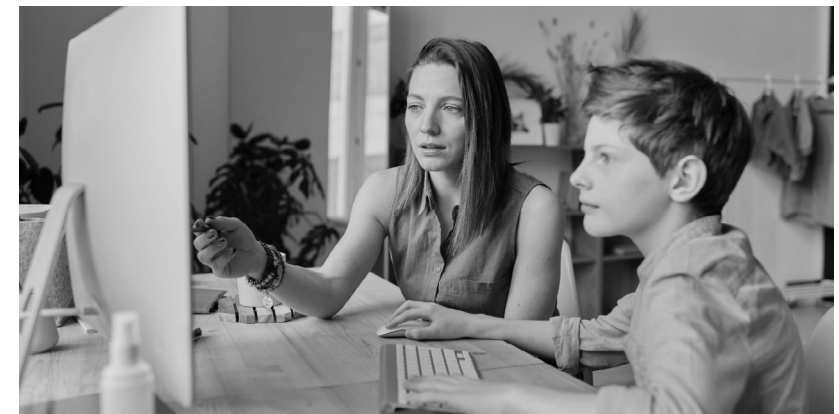
In absolute numbers



Source: SimilarWeb Analysis

Trends and changes since the COVID-19 crisis:

- The Japanese government decided to complete the GIGA School Program ahead of schedule.
- Some of the recent developments relating GIGA by key players are as follows:
 - June 19: Ncxx group and Kushim form a partnership
 - May 29: Globee and Sanseido form a partnership
 - May 1: Dell to promote Cromebooks to primary and middle schools in Japan.
 - April 15: DNP and Sky form a partnership
 - April 2: Sony forms a partnership with Empower Education Online Ltd, that provides ClassIn
 - March 30: Rakuten Mobile Announces GIGA School Program Support Plan Available for All Schools Nationwide
- MEXT has a centralized website that synthesizes all information related to COVID19 response, including a variety of coping strategies that schools have undertaken. School districts and schools have employed different coping strategies. While many of them are ICT-based distance learning (e.g., online-class delivery, video-conferences, groupware-based instructions), there are also many initiatives that maximize the use of school grounds and facilities in a safe and healthy manner. (The World Bank)

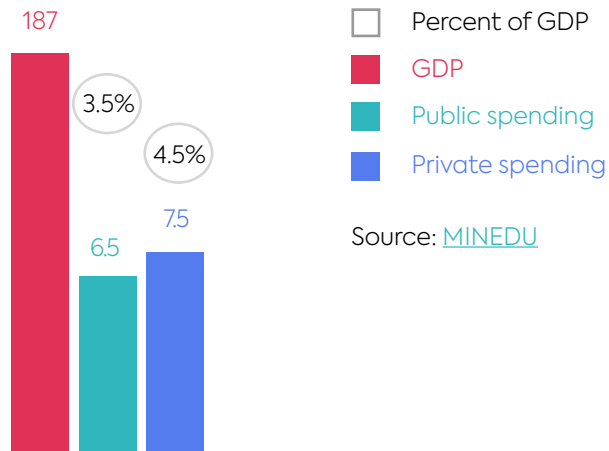


General Education



Public and Private Spending in Education

In EURbn for 2017

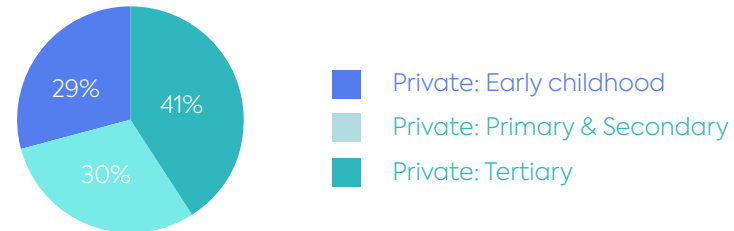


- Percent of GDP
- GDP
- Public spending
- Private spending

Source: [MINEDU](#)

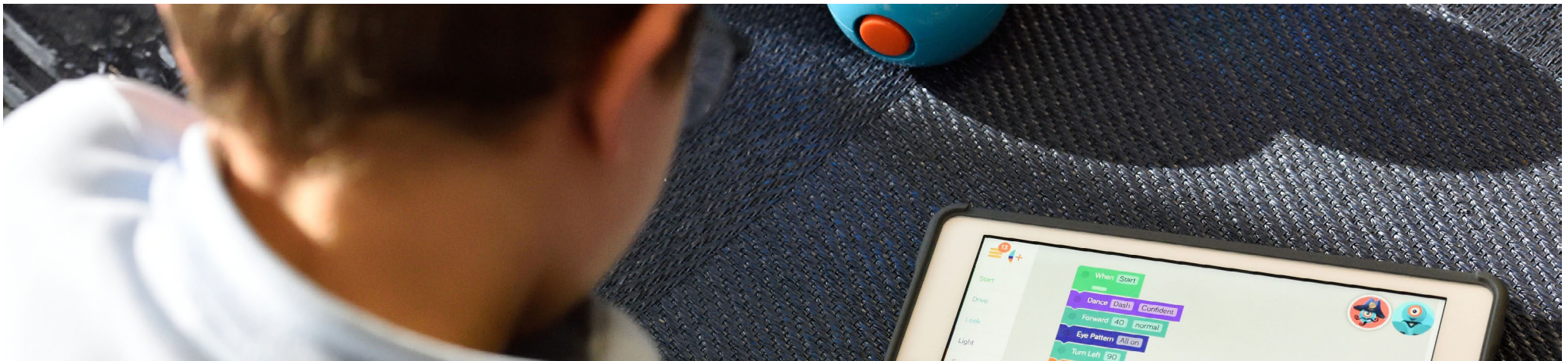
Public and Private Spending in Education

In percentage for 2017



- Private: Early childhood
- Private: Primary & Secondary
- Private: Tertiary

In Peru, spending per student in public education is slightly below USD 1,000 per year. However, expenditure per student in Peruvian private education is 6.5x the public sector, which falls in line with the spending per student in education in OECD countries.
























47% of spending in the education market comes from public sources

General Education





















Overview of education segments on a national level

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	    			 
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education	   			 
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment	  		 	

Selection of M&A Transactions

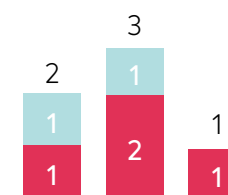


Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Apr 2019	Remaining 25% Altair School		Bilingual school with over 900 students in primary and secondary education	Inspired Group		
Nov 2018	Avansys (now Cibertec)		Avansys was integrated with Cibertec, Laureate's private institute of high education	Laureate Group		
Mar 2018	25% San Ignacio de Loyola Corp		Kandeo Fund focuses on investment in companies in the educational and financial services sectors in Peru, Mexico and Colombia	Kandeo Fund		
Jan 2018	UCAL		University with focus on creative careers	ENFOCA Inversiones		
Jan 2018	Toulouse Lautrec		Leading vocational institute specialized in creative careers	ENFOCA Inversiones		
May 2017	Remaining 46% of UTP		University offering undergraduate and graduate programs with 11 sites in Peru	Nexus Group		



Share of foreign buyers

 Domestic
 Cross-border



2017 2018 2019

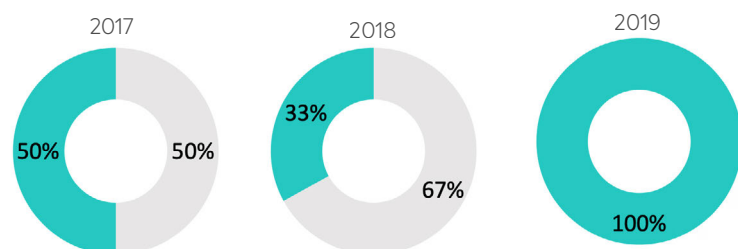
Selection of M&A Transactions



Overview of Transactions by buyer type

In percentage

Financial Buyer count
Strategic Buyer count



Overall the market has seen transactions with both types of buyers. Strategic buyers are primarily comprised of foreign companies.

Buyers in the market

ENFOCA	ENFOCA Private Equity 3 investments
nexusgroup	Nexus Group (InterCorp PE Firm) 3 investments
inspired	Inspired Education Group 2 investments
USL	San Ignacio de Loyola Corporation

Examples of Digital Education Players

crehana	Crehana: (HQ: Peru) Online learning platform, offering over 10 careers and 500 online courses. Capital raised to date: EURm 6
check	Check: (HQ: Peru) Peruvian start up, online platform providing educational content for secondary educational levels. The platform has been used by more than 50 schools in Peru
Khan Academy	Khan Academy: (HQ: United States) Free online learning platform for initial, primary and secondary levels. Capital raised to date: EURm 9
coursera	Coursera: (HQ: United States) Online education company with over 20 million registered learners and over 1,000 online courses Capital raised to date: EURm 315
DOMESTIKA	Domestika: (HQ: United States) Online platform connecting communities of professionals with students with interest in creative careers
Aprendiendo.la	Aprendiendo.la: (HQ: Peru) Peruvian online platform that offers live on-demand classes for university students
silabuz.com	Silabuz: (HQ: Peru) Peruvian coding school that focuses on offering programming courses online

Source: Crunchbase, company press releases

COVID-19 Lessons Learned



Situation Pre-COVID-19:

In Peru, most of primary and secondary schools do not have a digital infrastructure. Universities and higher education institutes use online platforms to share educational content and have been able to adapt to virtual teaching methods after the national lockdown due to the COVID-19 pandemic.

In addition to the digital adaptation in education, Peru faces an infrastructure challenge, with only 39.5% of Peruvian households having Internet access as of Sep-2019.

During 2019, through its digital education platform “PeruEduca”, the Ministry of Education established online courses in 12 regions of the country to provide the schools’ teaching staff with the necessary tools to be able to adapt to the digital transformation in education.



Trends and changes since the COVID-19 crisis:

- As part of Peru’s national lockdown, all educational institutes have been closed since March 16th 2020.
- The Ministry of Education (MINEDU) presented the online platform “Aprendo en Casa”, a virtual platform that provides educational content for initial, primary and secondary levels. Its educational content is free of charge and may be accessed via Internet, television or national radio stations.
- Public and private players have presented virtual learning alternatives through alliances. Such is the case of USIL, one of the main private educational corporations in the country and one the main collaborators of the “Aprendo en Casa” initiative.
- Some universities and schools have established forms of online classes where students can connect to live lessons and have full access to educational content in a digital format. However, access to such platforms depends on each educational institution and on households Internet access.
- Some schools have established financial reductions in order to encourage families to adapt to their virtual education alternatives. These reductions have ranged from 15% in primary and secondary levels to 20% in initial levels. In some cases of lower socioeconomic level households, reductions have been up to 50%.
- Digital classrooms: Currently there are three types of virtual learning alternatives established by educational institutions in the country (i) online education platforms, including online classes and full access to digital education (ii) other type of virtual platforms where teachers may share educational videos and (iii) lessons taught through TV combined with education books sent to the children’s homes, an alternative established in the inner regions of the country.
- Attendance at academic institutions has been postponed until next year. Only a limited number of schools in rural areas will be allowed to open, considering only 5% of households in these areas have Internet access or TV or radio, and thus have not been able to access virtual alternatives of education.
- Online certification: where possible, online exams have been implemented in order to allow learners to continue their studies. This is the case for universities and higher educational institutes in the country.

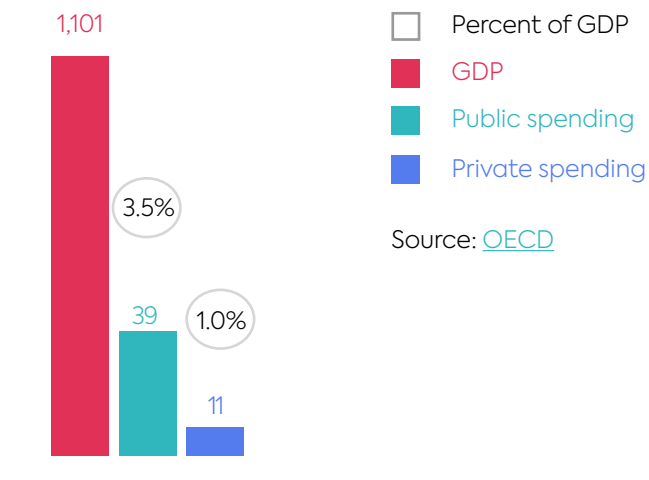
Source: INEI, web search, press releases and interviews

General Education



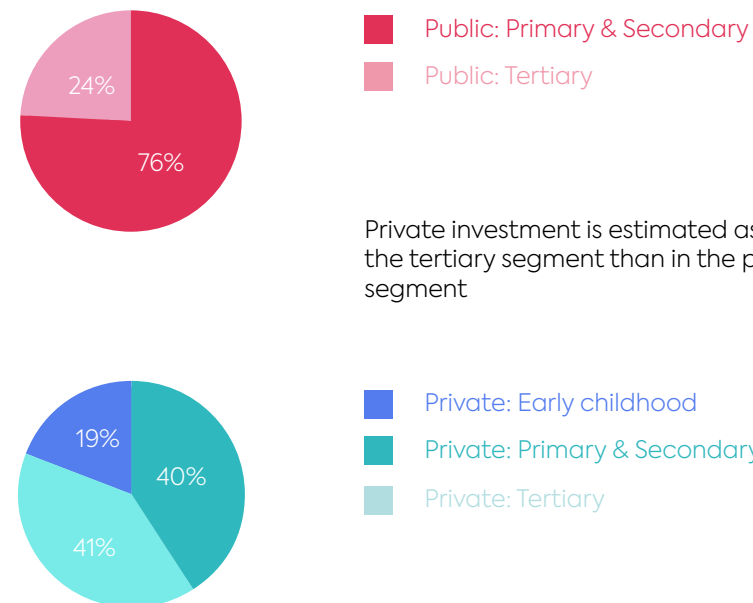
Public and Private Spending in Education

In EURbn for 2017



Public and Private Spending in Education

In percentage for 2017



Private investment is estimated as slightly higher in the tertiary segment than in the primary & secondary segment

Spain operates under a decentralized management education system with educational competences assigned to both the Central Government and the regional administrations ("Comunidades Autónomas")

Approx. **80% of spending** in the education market comes from public sources. Within the next few years, Spain will see a dramatic increase in investments dedicated to digital transformation in education.

General Education



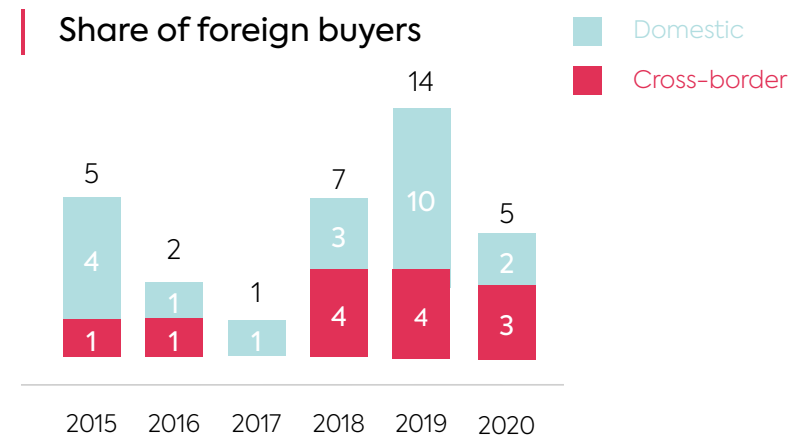
Overview of selected education players in Spain

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	Grupo Planeta 			 ESPECIALISTAS EN FORMACIÓN Escuela de Negocios
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education				
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment		 		

Selection of M&A Transactions



Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Mar 2020	Universidad Alfonso X El Sabio		Private university	CVC Capital Partners		
Feb 2020	Colegio Internacional Aravaca		Madrid-based bilingual, private, mixed and secular school	International Schools Partnership		
Dec 2019	Implica Proyectos de Futuro, S.L.		Offers professional and vocational training services	Suma Capital		
Oct 2019	King's Education, S.L.		Operates a network of schools in Spain, England, and Panama	Inspired Education Holdings Limited		
May 2019	Schools in Spain and Portugal		Main asset is the European University of Madrid	Permira		

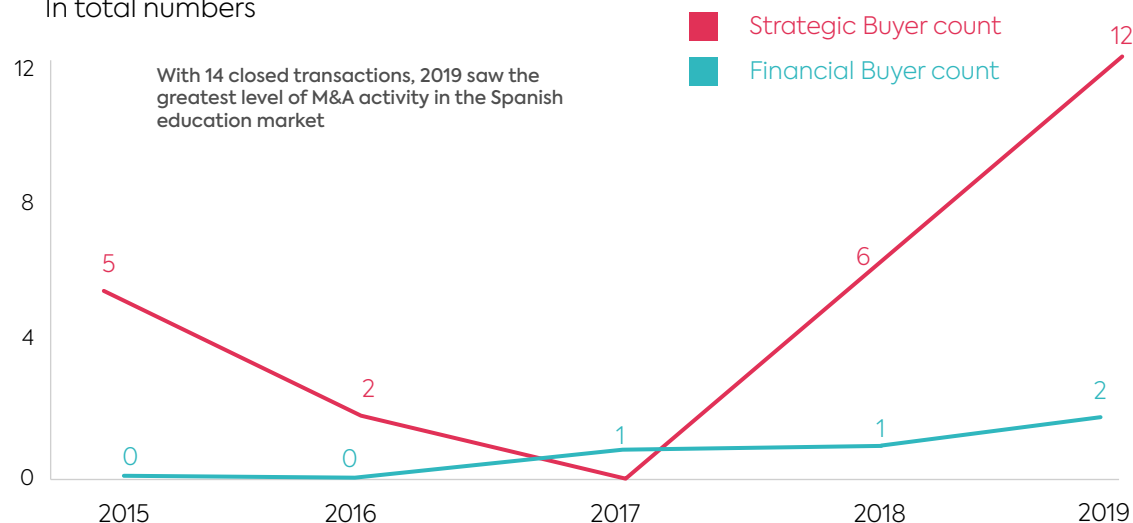


Selection of M&A Transactions



Overview of Transactions by buyer type

In total numbers

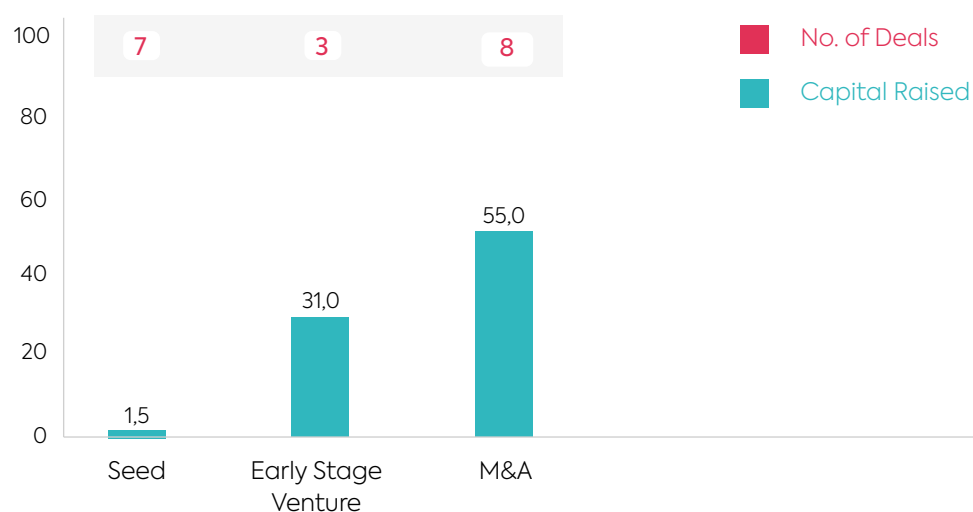


Buyers in the market

	Inspired Education Holdings Limited	3 investments
	International Schools Partnership	2 investments
	Superprof SAS	2 investments
	International Education Partnership	2 investments
	CVC Capital Partners	1 investments

Capital Raised by EdTech Companies

In EURm















Examples of Digital Education Players

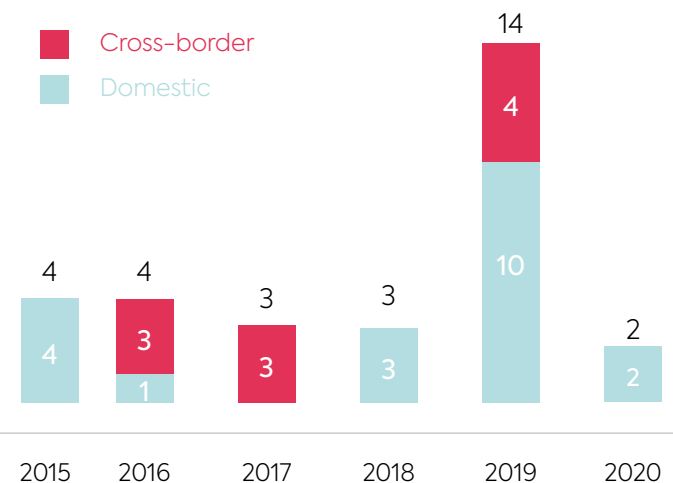
	Netex Knowledge Factory: Learning platform for corporate and educational markets. Revenue 2019: EURm 8.6
	Learnlight Group: Virtual corporate language and skills training services for employees. Revenue 2018 (estimated): EURm 22.0
	Clickart Taller de Comunicació: Develops and operates a cloud-based educational management software platform for schools. Revenue 2018: EURm 3.2
	Avanzo Learning Progress: Develops technological solutions for training of people within organizations. Revenue 2018: EURm 4.1
	Educaweb: Training and orientation digital portal. Revenue 2018: EURm 2.3

Cross-border Investments

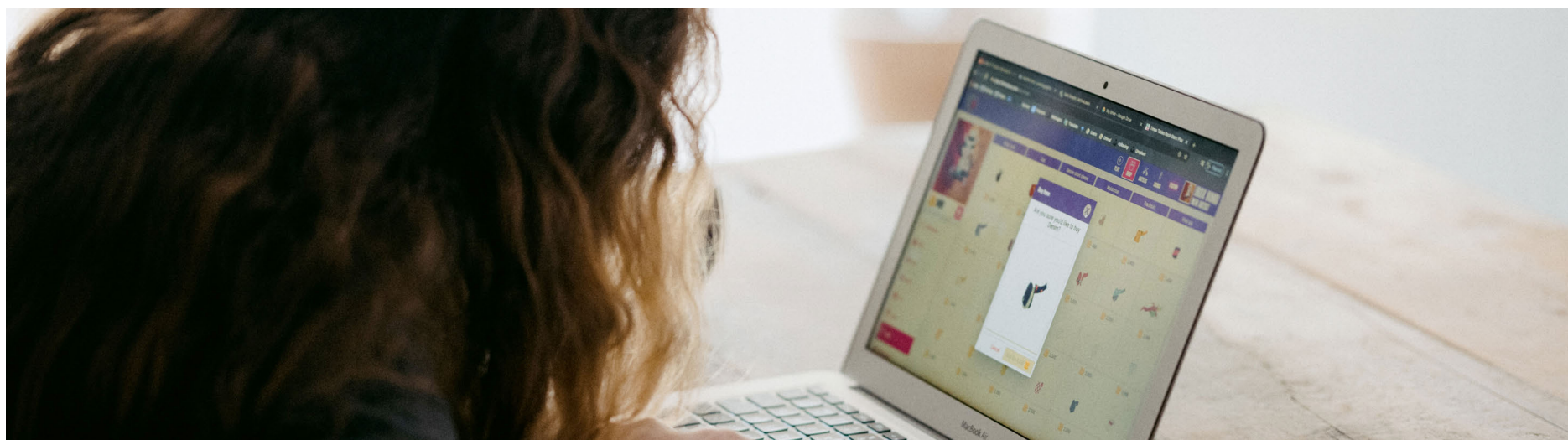


Date	Target	Target Country	Description	Acquirer	Terms
Nov 2019			Education institution which offers education programs from grades 8 – 12		No terms disclosed
Mar 2019			Provider of language training services		No terms disclosed
Jan 2017			Educational institution that offers bachelor and graduate programs		No terms disclosed
Nov 2016			Private university		Transaction value: 20 EURm 18% stake

Count of Transactions by local Buyers In total numbers



Source: CapitalIQ and company press releases



COVID-19 Lessons Learned



Situation Pre-COVID-19:

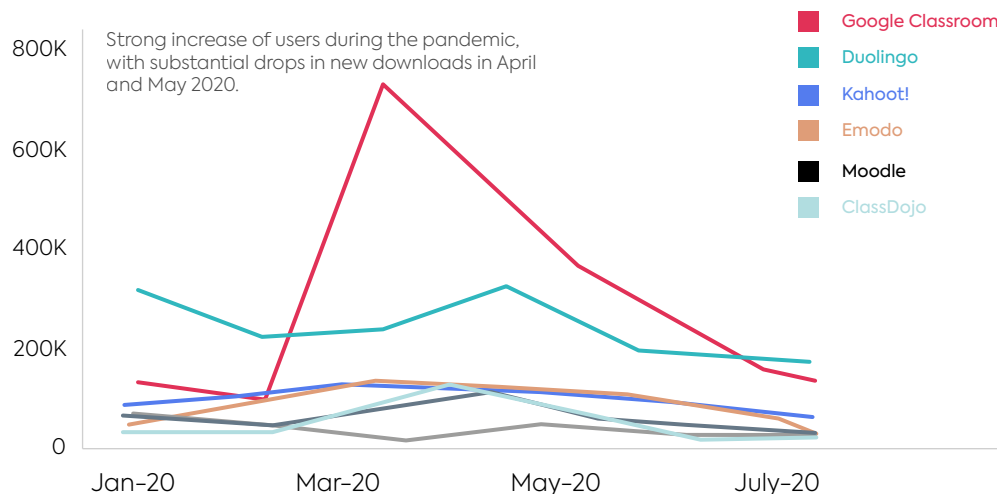
14% of households in Spain did not have Internet access in 2018, although the percentage is lower in those with minors. Students that do not have computing devices or and access to the internet are the most disadvantaged to follow classes virtually or do homework.

Only 10% of primary and secondary schools have classes digitally equipped.

79% of the population believe that the educational system does not respond to the training needs that the future technological society will demand. Also, a third of workers feel unable to compete in the labor market mainly because of limited financial resources for training.

App downloads in Spain (Playstore)

In absolute numbers



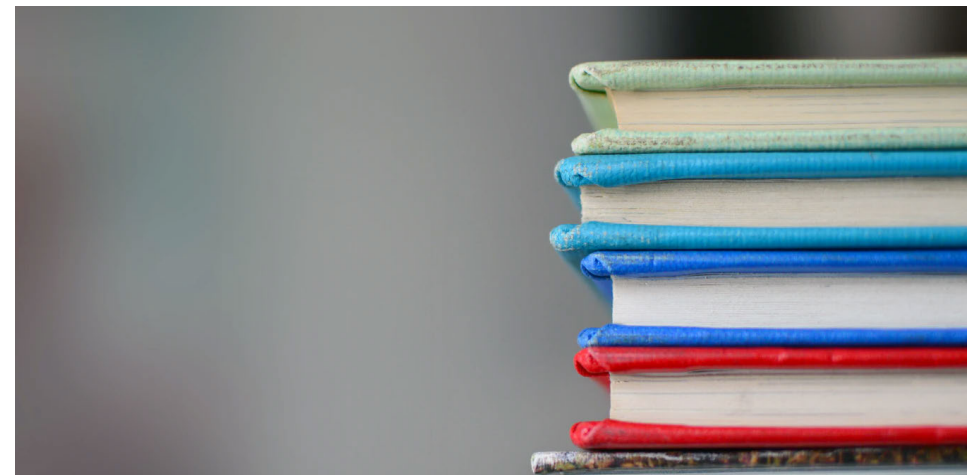
Source: SimilarWeb Analysis

Trends and changes since the COVID-19 crisis:

As one of the hardest-hit countries in Europe, the Spanish government made the decision to close all schools in early to mid-March 2020.

- Learners will return to schools in the next academic year (September 2020), with limited class sizes
- Digital classroom: Classes are held with online video chat platforms, such as Skype and Slack
- Only limited numbers of learners will be allowed back for selective days; no full education until the next academic year starts
- Spanish Government is launching a EURm 260 investment plan to digitalize education at schools.

Source: Web search and interviews

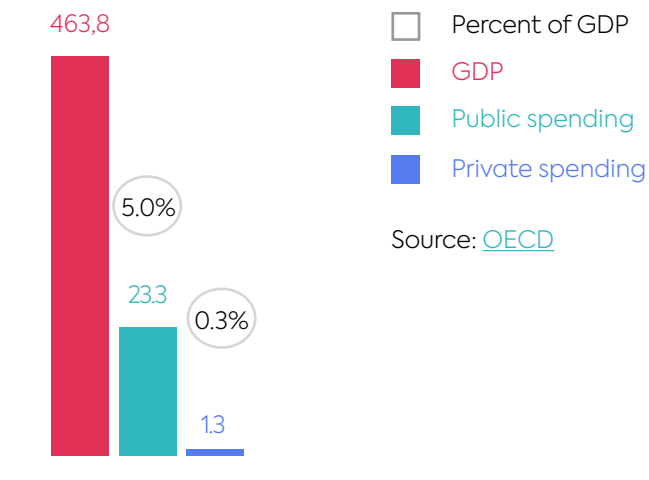


General Education



Public and Private Spending in Education

In EURbn for 2015



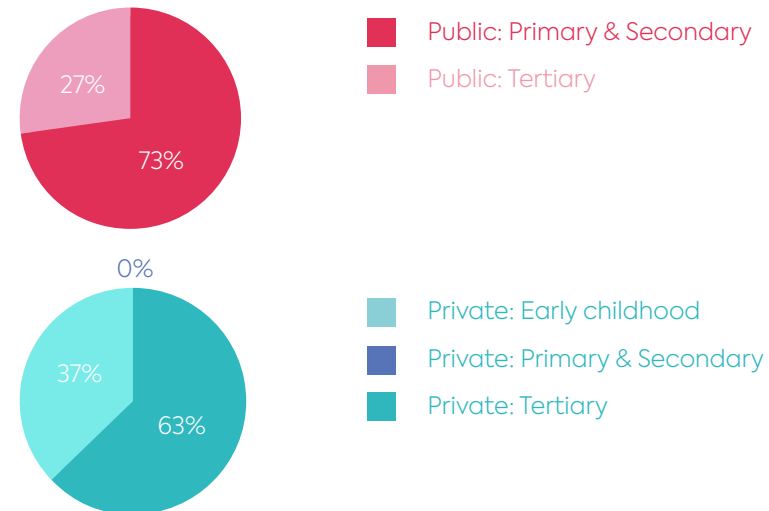
□ Percent of GDP
■ GDP
■ Public spending
■ Private spending

Source: [OECD](#)

Sweden is among the EU countries with the highest share of spending on education (expressed as per % of GDP)

Public and Private Spending in Education

In percentage for 2015



Nordic countries have championed digital education, especially on a primary school level with more than 90% of primary school classrooms equipped with digital tools

















Approx. **95% of spending** in the education market comes from public sources

General Education



Overview of education segments on a national level

Additional info goes here

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	Academedia  			 
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education	   			   
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment	  			

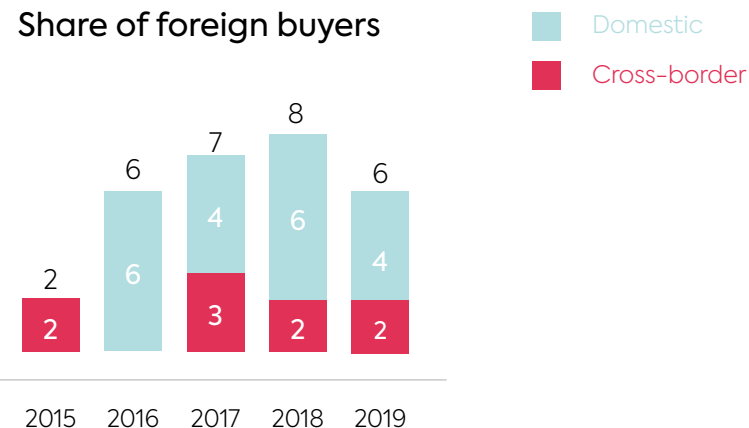
Selection of M&A Transactions



Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Aug 2019	Pusselbitens skola	N.A. Company was fully integrated	School with combined activities for primary students with a focus on autism spectrum permits	Nytida AB (healthcare services)		
May 2018	Clio Online ApS		Develops digital learning portals for 1st & 2nd education	Bonnier Business Press AB		
Sep 2017	Vindora AB	N.A. Company was fully integrated	Offers secondary education, vocational education, and corporate training	AcadeMedia AB (publ.)		
April 2017	Step Kids Education GmbH		Owns and operates preschools in Germany	AcadeMedia AB (publ.)		



Share of foreign buyers

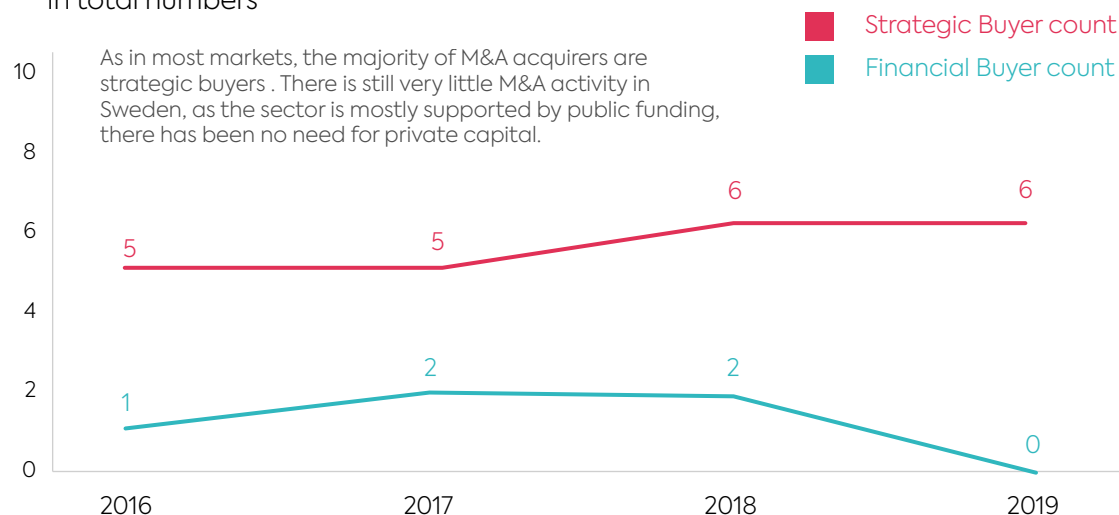


Selection of M&A Transactions



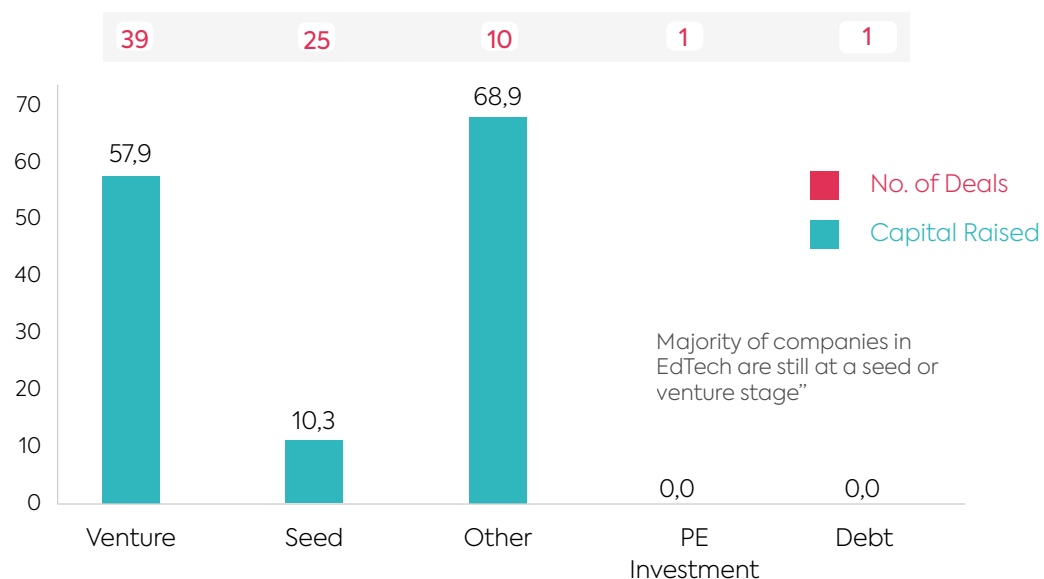
Overview of Transactions by buyer type

In total numbers



Capital Raised by EdTech Companies

In EURm



Buyers in the market

AcademeMedia	AcadeMedia AB (publ.): stock exchange listed publisher	5 investments since 2015
BONNIER	Bonnier AB: Media Company	3 investments since 2015
IEQT	EQT Partners AB: Financial Investor	2 education investments
BRATT INTERNATIONAL	Bratt International AB: Investment Firm	1 Investment (Studentlitteratur)
Söderberg & Partners	PO Söderberg & Partner AB: Insurance Broker	1 Investment (Learnster)

Examples of Digital Education Players

Learnster	Learnster: Provides a cloud-based educational platform Capital raised to date EURm 34.7
KOGNITY	Kognity: Elevating learning with intelligent textbooks Capital raised to date EURm 6.4
DigiExam	DigiExam: Enables students to take tests and exams digitally. Capital raised to date EURm 4.4
schoolido	Schoolido: Complete cloud-based learning environment with extensive media content Capital raised to date EURm 2.2

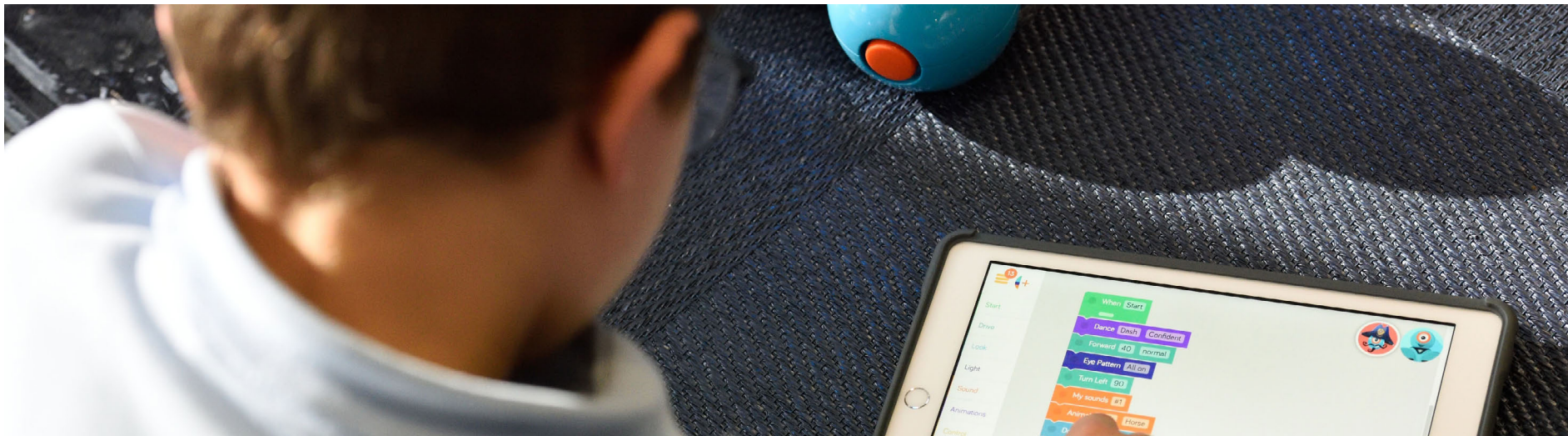
General Comments on Education System in Sweden



- New consolidated curricula for compulsory schools for all students, Sami schools, special schools and upper secondary schools came into force 1 July 2011 with the Swedish Education Act (Skollagen). The curricula contain new general goals, guidelines and syllabuses. The pre-school curriculum includes clearer goals for children's linguistic and communicative development and for science and technology.
- As of 1 December 2013, professional certification is required for school and pre-school teachers on permanent contracts. The decision, a milestone in Swedish education policy, aims to raise the status of the teaching profession, support professional development and thus increase quality in education.

The Swedish National Agency for Education has been tasked with providing support and guidelines for school organizers, school leaders and teachers. The agency:

- has used its website to publish advice on how to interpret recently enacted legislation to address the coronavirus crisis as well as related recommendations from the Public Health Agency of Sweden, and to disseminate examples of best practices in distance learning;
- put out related films, podcasts and radio programmes to inspire and support teachers and school organizers;
- launched, in cooperation with other stakeholders, the platform skola hemma (home schooling), which is designed to meet the needs of schools during the coronavirus crisis.



COVID-19 Lessons Learned













Trends and changes since the COVID-19 crisis:

- Sweden has followed a unique policy concerning school closures, keeping schools for children aged 7 to 15 and preschools open. On 13 March 2020 a new act was adopted, allowing the Government to temporarily close schools should the situation deteriorate.

- A new ordinance was put in place, giving the responsible organizer the right temporarily to close an educational activity under certain conditions, for example if a large number of teachers should be unable to teach due to illness or if Covid-19 should become widespread locally. Following recommendations from the Public Health Agency of Sweden, upper secondary schools, municipal adult education, vocational adult education and higher education institutions have provided distance learning since mid-March and will continue to do so until further notice.

- Many schools were already utilizing digital platforms and digital tools even before the pandemic outbreak. The use of existing digital tools and teaching strategies facilitated a smooth transition to distance learning.

- Particularly in scarcely populated areas, access to the internet became be a problem. To compensate for these differences, some schools have provided families and students with the necessary tools and access to Wi-Fi. In other cases, students have been allowed to study in the school building even though the recommendation is distance learning.

Rank	Application	Publishing Company
1	 SchoolSoft	SchoolSoft AB
2	 Canvas Student	Instructure
3	 Google Classroom	Google LLC
4	 Mecenat	Mecenat
5	 Skola24 MobilApp	Nova Software AB
6	 itslearning	itslearning
7	 Vklass	Vklass
8	 InfoMentor Home	InfoMentor.
9	 Tieto Edu	TietoEVRY
10	 Duolingo: Learn Languages Free	Duolingo

Source: CEDEFOP – European Centre for the development of vocational training, Web

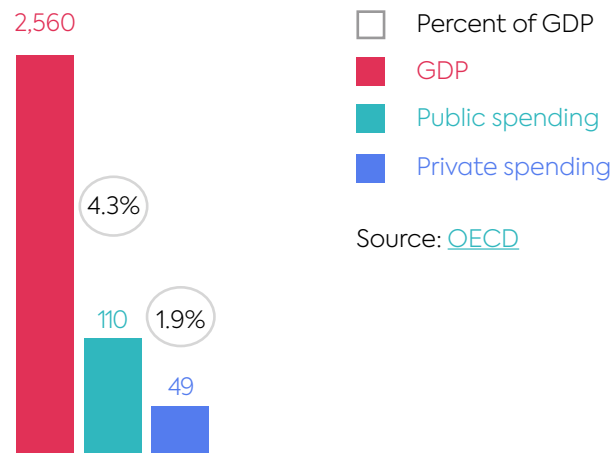
Source: SimilarWeb Analysis

General Education



Public and Private Spending in Education

In EURbn for 2016

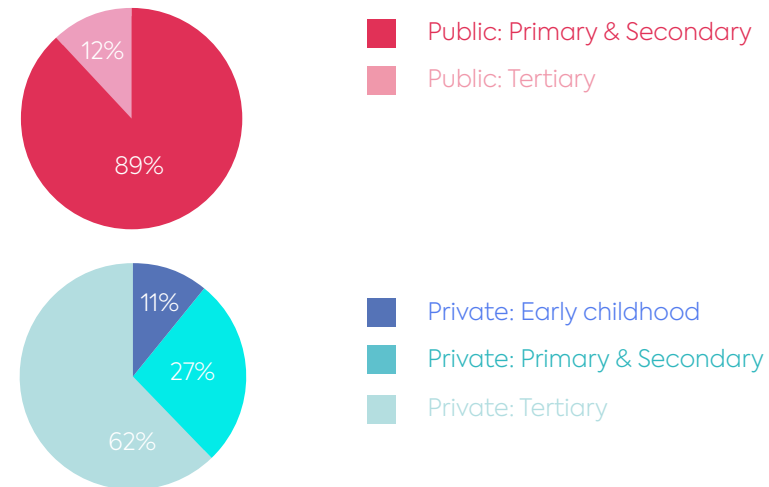


- Percent of GDP
- GDP
- Public spending
- Private spending

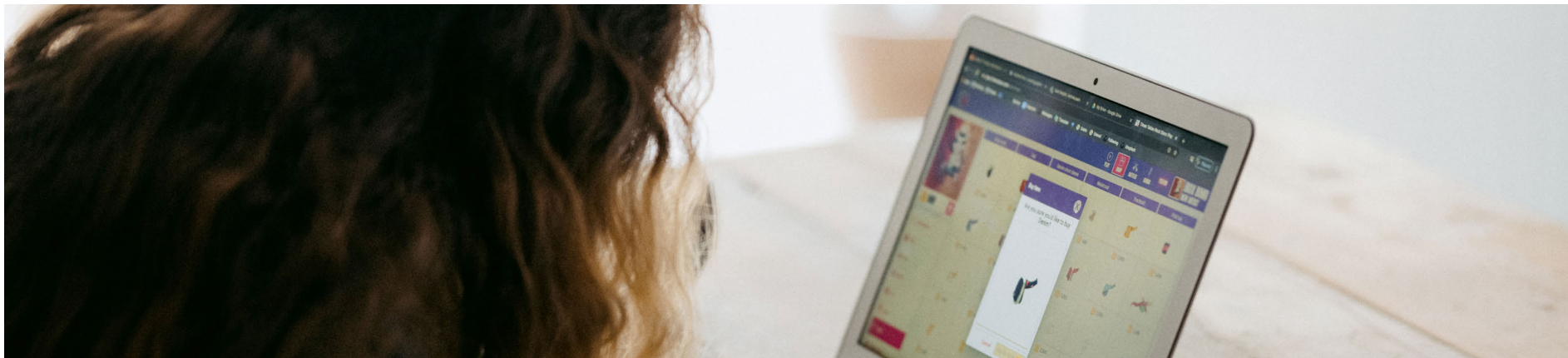
Source: [OECD](#)

Public and Private Spending in Education

In percentage for 2016



- Public: Primary & Secondary
- Public: Tertiary
- Private: Early childhood
- Private: Primary & Secondary
- Private: Tertiary










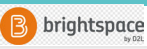











Approx. **69%** of spending in the education market comes from public sources

General Education















Overview of selected education players

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools	Pearson			
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education	Kortext			    
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment	    			      
SIS Fully integrated software platforms covering student admin (UK, ANZ and USA covered)	 			

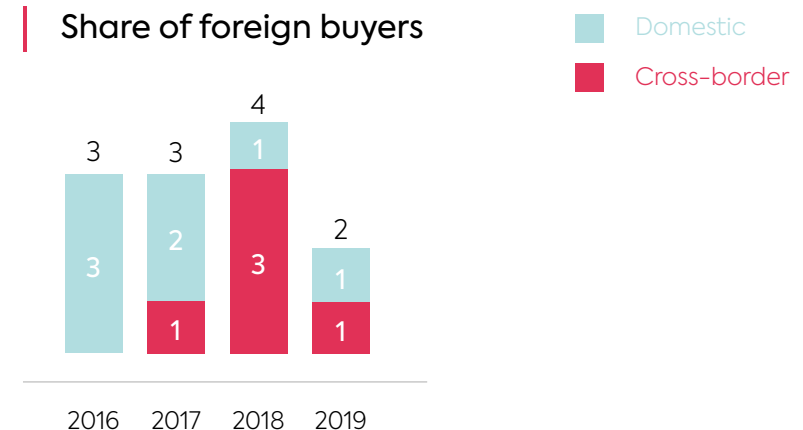
Selection of M&A Transactions



Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Apr 2019	Future Learn Ltd		Provides online courses and degrees from leading universities or organizations	Seek Ltd		
Feb 2018	Mangahigh (Blue Duck Education Ltd)		Game-based learning platform for primary and secondary school mathematics	Westermann Gruppe		
Dec 2017	Academy 21 Ltd		Provider of live, interactive and online teaching for young, vulnerable learners who cannot attend school	Wey Education Plc		
Apr 2017	Gojimo (Education Apps Ltd)		Revision app for GCSE and A-level students (secondary education)	Telegraph Media Group Ltd		



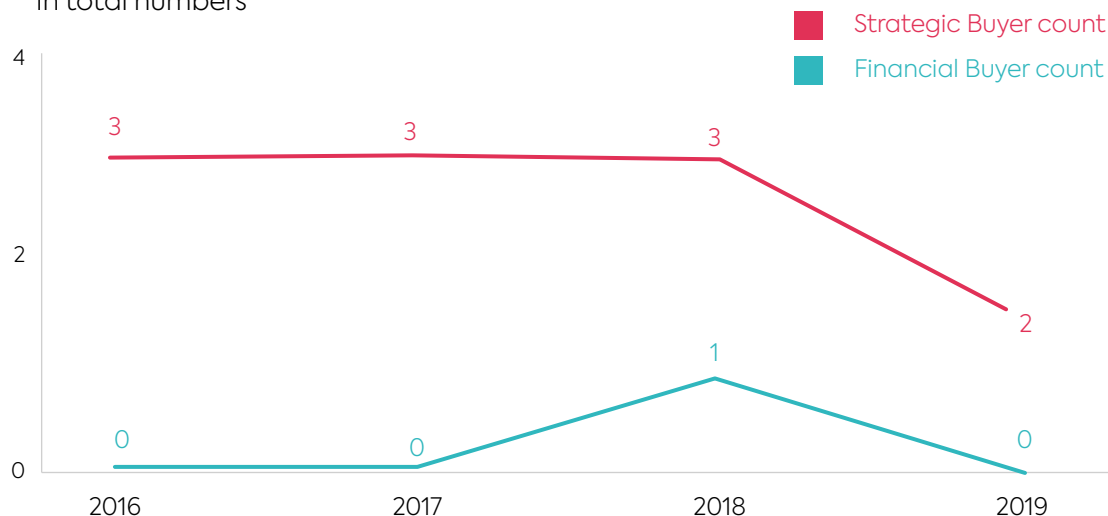
Share of foreign buyers



Selection of M&A Transactions

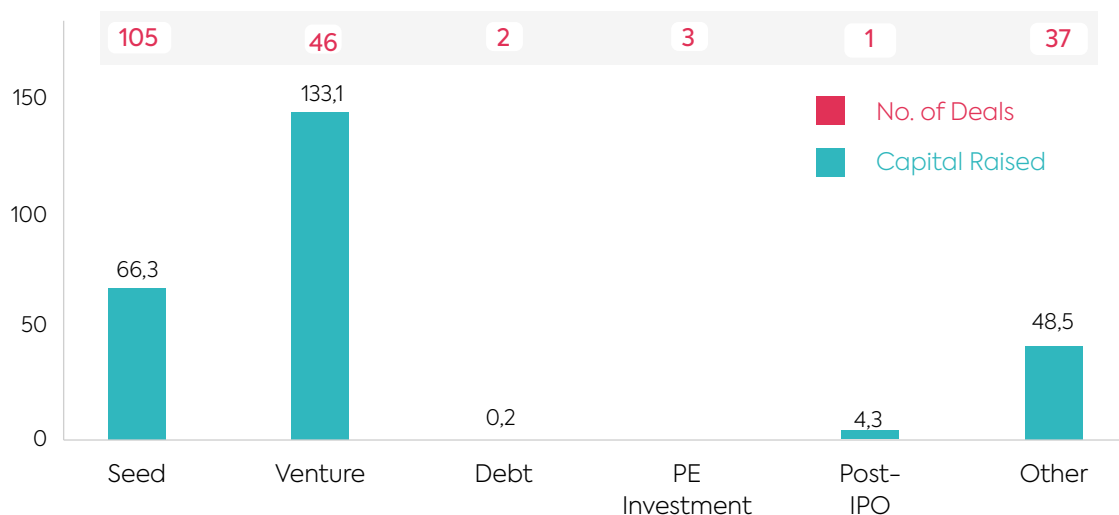
Overview of Transactions by buyer type

In total numbers



Capital Raised by EdTech Companies

In EURm since 2016



Buyers in the market

AlbionCapital	Albion Capital	Total of 7 investments in the education sector, including: Matr, Uniservity and Academia
Pearson	Pearson Ventures	5 investments
inflexion	Inflexion	<ul style="list-style-type: none"> Invested in Times Higher Education Aware they are interested in the HE market
BGF	Business Growth Fund	4 investments in the education sector, including Firefly, an EdTech business

Examples of Digital Education Players

Blackboard	<ul style="list-style-type: none"> Learning Management System Revenue: approx. USDm 700
moodle	<ul style="list-style-type: none"> Learning Management System
canvas	<ul style="list-style-type: none"> Learning Management System Revenue: EURm 231 (Instructure Inc.)
edX	<ul style="list-style-type: none"> Open Program Management – open online course provider created by Harvard and MIT Non-profit organisation
coursera	<ul style="list-style-type: none"> Online Program Management – online courses Revenue: approx. USDm 140

Cross-border Investments

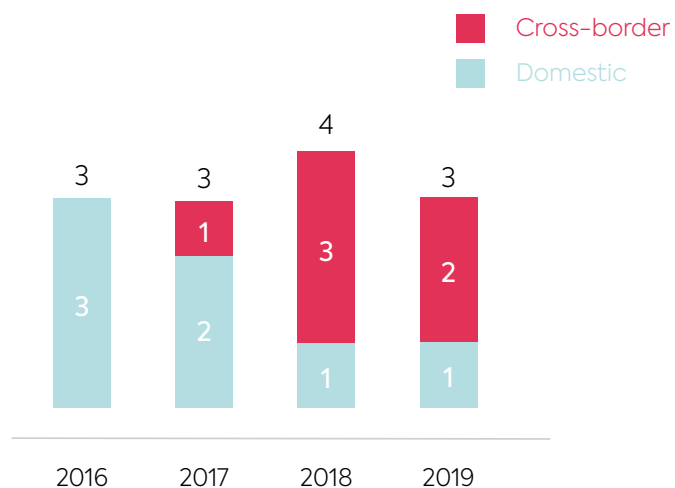


Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Terms
Nov 2018	Constructive Media LLC		Designs and develops digital learning platforms	Sandbox & Co. Ltd		A/V
Nov 2019	Multiversity SpA		Owner of Italy's largest online university "Pegaso"	CVC Capital Partners		Acquired 50%

Source: FactSet

Count of Transactions by UK Buyers

In total numbers



COVID-19 Lessons Learned



Situation Pre-COVID-19:

Digitalization strategy for schools:

- Prior to the pandemic, there was already a lot of appetite for edtech solutions, however Covid-19 has accelerated the move towards online teaching and learning

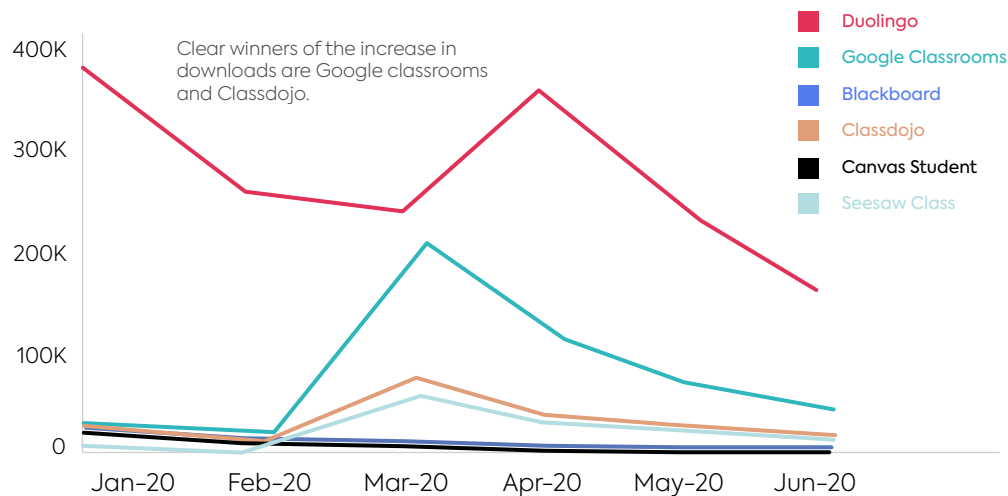
What was the situation like before the pandemic started?

- Teaching took place in classrooms with little/ no reliance on software
- In higher education, although teaching took place in a lecture hall, most students could access a recording of the lecture through an LMS, such as Blackboard

Source: Digital Agenda

App downloads in UK (Playstore)

In absolute numbers



Source: SimilarWeb Analysis

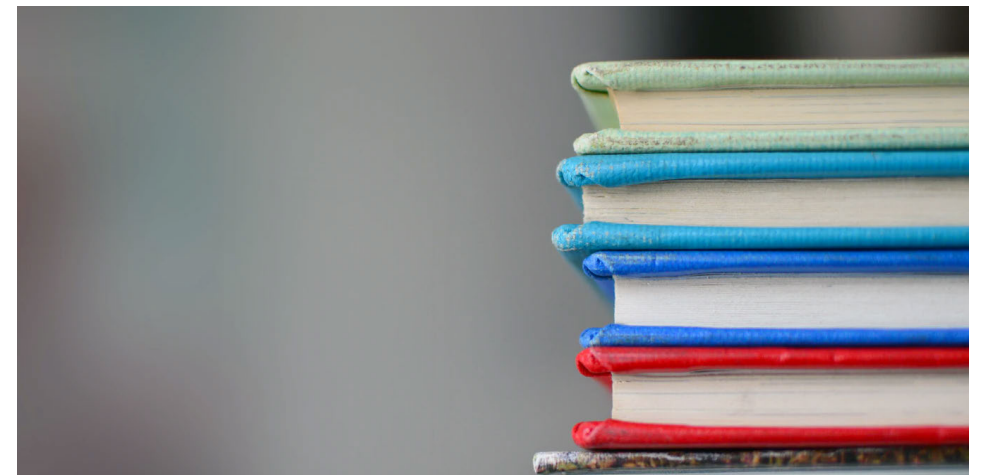
Trends and changes since the COVID-19 crisis:

Distance learning: parents and guardians have received home schooling documents to teach their children during the lockdown

Digital classroom: Classes are held with online video chat platforms, such as Zoom and Slack.

Only limited numbers of learners will be allowed back for selective days; no full education until the next academic year starts

Online certification: where possible, typically in higher education, online exams have been implemented in order to allow learners to continue their studies. These exams have typically been available to students for 48-72 hours and were open book

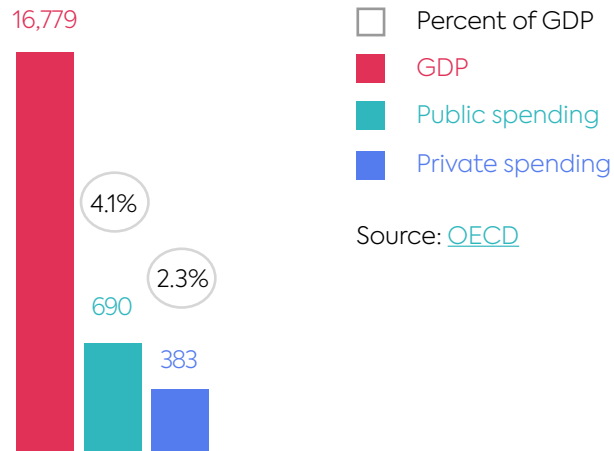


General Education



Public and Private Spending in Education

In EURbn for 2015



□ Percent of GDP

■ GDP

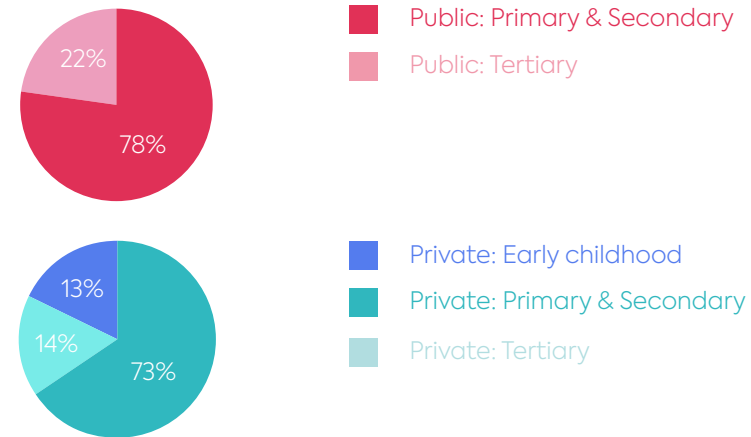
■ Public spending

■ Private spending

Source: [OECD](https://www.oecd.org/)

Public and Private Spending in Education

In percentage for 2015



■ Public: Primary & Secondary

■ Public: Tertiary

■ Private: Early childhood

■ Private: Primary & Secondary

■ Private: Tertiary

The CARES Act allocated approximately USDbn 31 of emergency funding to schools, and educational institutions across the country, helping accelerate the transition to digital education.





















64% of spending in the education market comes from public sources

General Education


















Overview of education segments on a national level

	Primary Early childhood, pre/school, kindergarten through the end of primary school	Secondary Middle School and High School	Tertiary University and college as well as higher education incl. vocational training	Quaternary Corporate Training and Career Development as well as life-long learning
Content Providers Publishing houses as well as schools & universities, private schools		  		
Distribution & service providers (e-Learning providers): Gamification, e-Books & Rentals, online learning, mobile education	 			  
Management Systems Fully integrated software platforms, library of teaching resources, online interaction facilities, testing and self-assessment		  		 

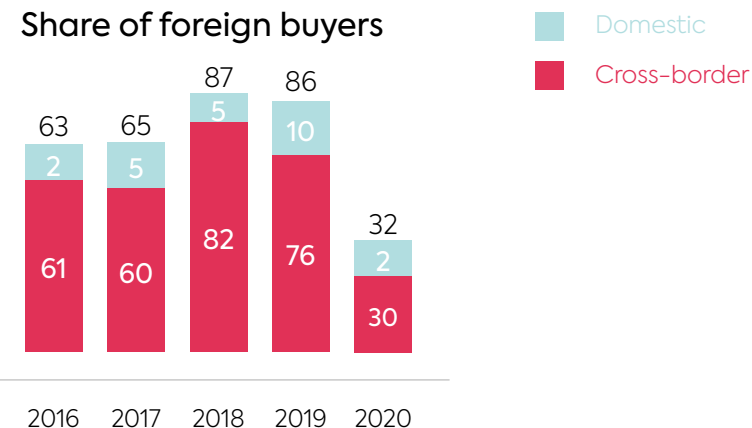
Selection of M&A Transactions



Date	Target	Target Logo	Description	Acquirer	Acquirer Logo	Country
Sep 2019	Thinkful, Inc.		Provides online education programs in data science and engineering	Chegg, Inc. (NYSE:CHGG)		
July 2019	Zyante, Inc.		Web-based platform offering content for the STEM market worldwide	John Wiley & Sons, Inc. (NYSE:JW.A)		
Apr 2019	Trilogy Education Services, Inc.		Provides skills-based training programs in IT	2U, Inc. (NasdaqGS:TWO)		
Apr 2019	University of St. Augustine		Graduate health sciences university offering degrees in physical therapy, etc.	Atlas Partners LP		
Mar 2019	Fullstack Academy		A software development school offering courses on web technologies	Zovio Inc. (NasdaqGS:ZVO)		



Share of foreign buyers

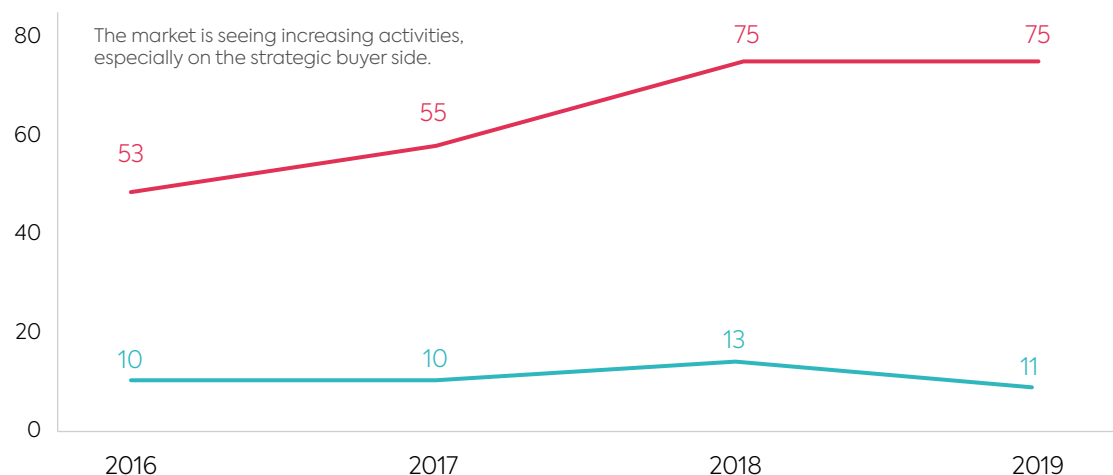


Selection of M&A Transactions

Overview of Transactions by buyer type

In total numbers

Strategic Buyer count
Financial Buyer count

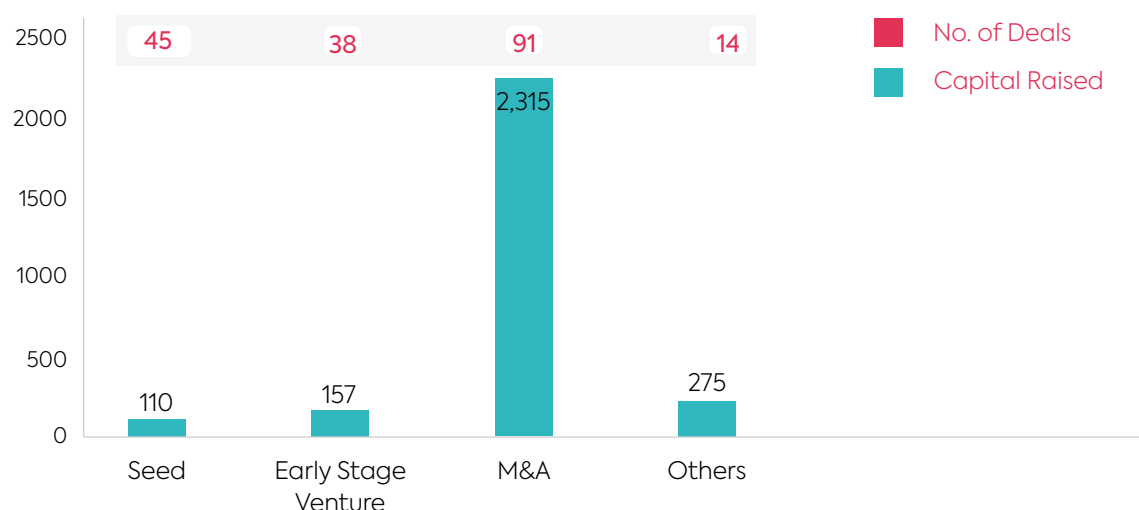


Buyers in the market






PROVIDENCE EQUITY	Providence Equity Partners	3 investments
	Catapult Learning LLC	3 investments
 WorldStrides Educational Travel & Experiences	WorldStrides, Inc.	3 investments
 OnCourse Learning	OnCourse Learning Corporation	3 investments
LEEDS Equity Partners	Leeds Equity Partners	2 investments

Capital Raised by EdTech Companies

In EURm















Examples of Digital Education Players

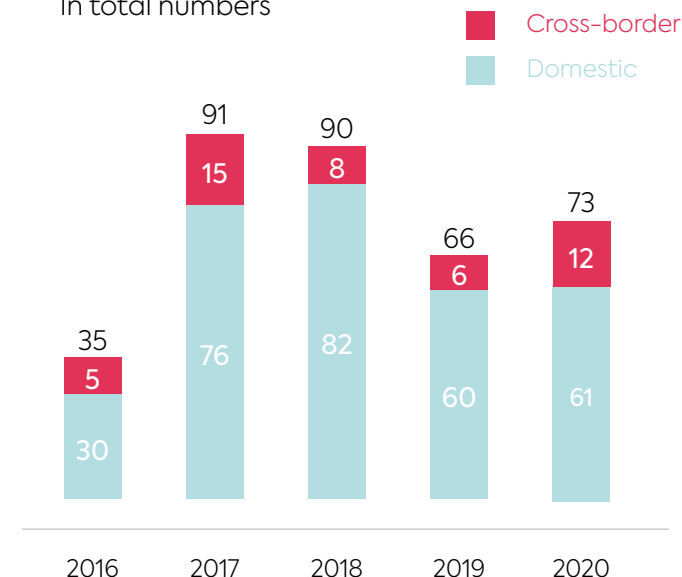
	Chegg: A direct to student learning platform aimed at helping students access materials. Received EURm 258 to date
	Duolingo: Leading app for language learning at all ages. Received EURm 132 to date
	Quizlet: A digital learning platform that provides useful study tools to students. Received EURm 55 to date
	Rosetta Stone: Offers software and web services to help students attain language proficiency. Revenue 2019 EURm 165
	Coursera: Offers classes from 150+ universities in open online format. Received EURm 317 to date

Cross-border Investments

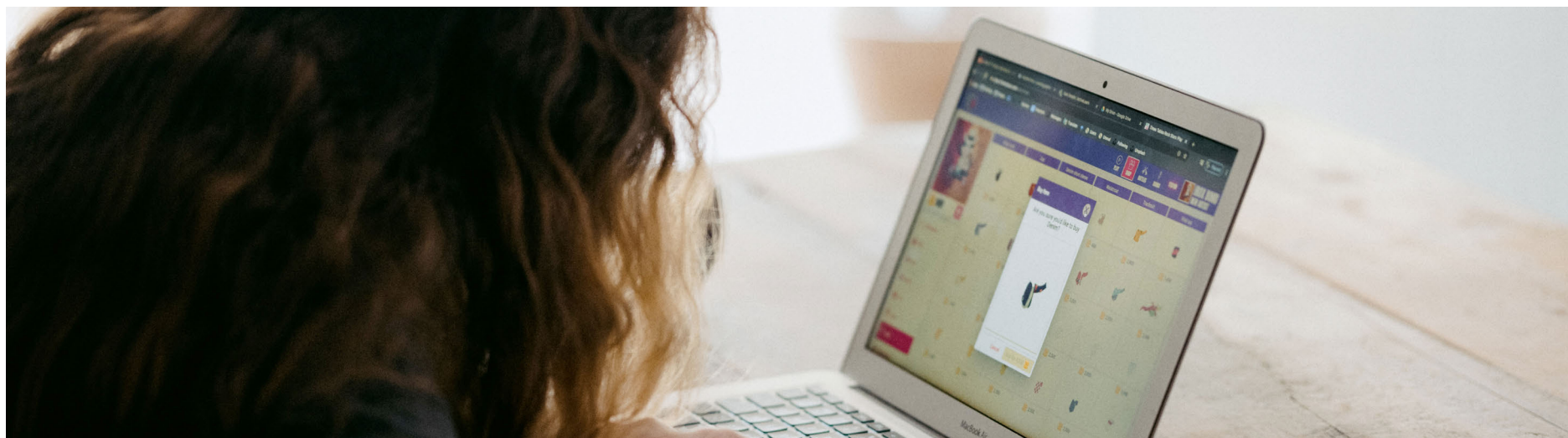


Date	Target	Target Country	Description	Acquirer	Terms
May 2019			Provides tutoring services for K12 schools in China. Courses focus on mathematics and science	 GLOBAL ALTERNATIVE ASSET MANAGEMENT	Transactions Value: 53.38 EURm No % indication
Mar 2019			A book publisher that also offers a portfolio of learning systems		Transaction value: 299.35 EURm 24.5% acquired
May 2019			SiPM provides e-learning solutions for blue-chip corporations worldwide		No terms disclosed
May 2019			The Defence Works provides online security awareness and phishing simulation training		No terms disclosed

Count of Transactions by local Buyers
In total numbers



Source: CapitalIQ and company press releases



COVID-19 Lessons Learned



Situation Pre-COVID-19:

The traditional model for education in the U.S. is centered around face-to-face learning. However, significant investments have been made in building out a digital infrastructure that has prepared the educational system well for COVID.

As early as 2016, public schools were able to provide at least one computer for every five students. Additionally, schools are spending in excess of \$3 billion annually on digital content.

Source: Institute for Digital Transformation

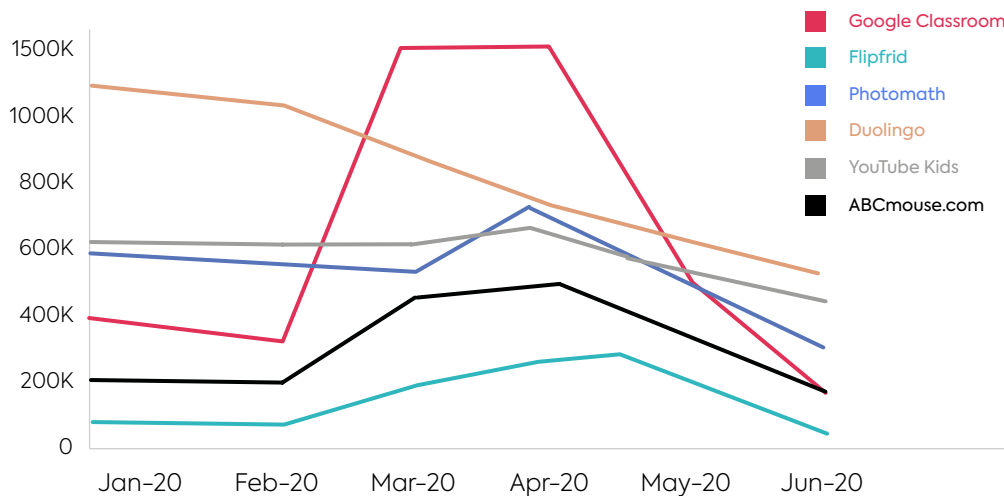
Trends and changes since the COVID-19 crisis:

- **Distance learning:** Parents and guardians have received home schooling documents to teach their kids during the lockdown
- **Digital classroom:** Classes are held using online video chat platforms, such as Skype, Slack, and Zoom. Only a limited number of students are allowed back for selective days. It is expected that there will not be any in-person classes until the beginning of the next academic school year
- **Online certification:** Where possible, online exams have been implemented in order to allow learners to continue their studies

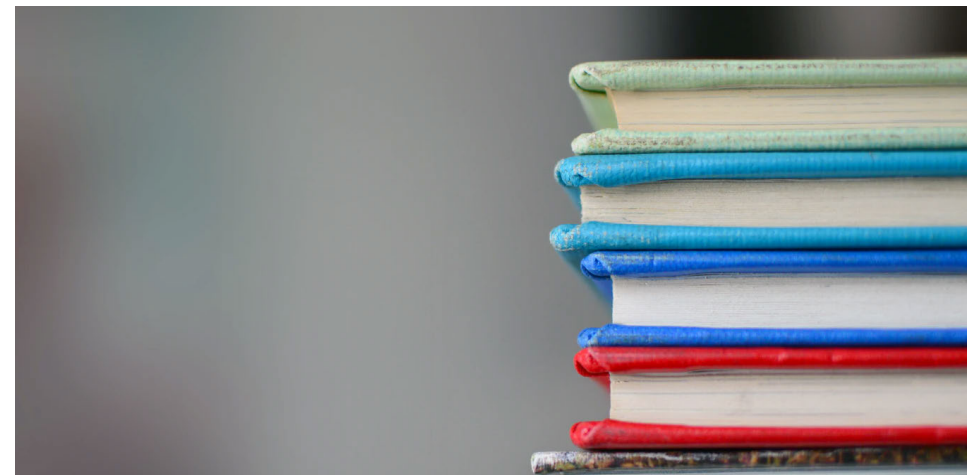
Source: Institute for Digital Transformation

App downloads in the US (Playstore)

In absolute numbers



Source: SimilarWeb Analysis



Selected Mergers Alliance Education and Training M&A Deals

 Nursery schools Company Sale  	 Education group Acquisition  	 Education group Acquisition  	 Translation services Acquisition  	 Translation services Acquisition  	 Translation services Acquisition  
 Translation services Acquisition  	 Healthcare IT and training Company Sale  	 Translation services Acquisition financing  	 Translation services Acquisition  	 Educational products Acquisition  	 Educational products Acquisition  
 Company sale Acquisition  	 Company sale Acquisition  	 Educational products Refinancing  	 Educational products Acquisition  		

Mergers Alliance Education Contacts

For information on sector trends contact the Mergers Alliance Education sector team.



Mr. Greg Quinn

+61 2 8274 1701
greg.quinn@eacpartners.com.au

EAC PARTNERS



Mr. Leonardo Antunes

+55 21 2543 5409
lantunes@brocap.com

BROADSPAN
CAPITAL



Mr. Juan Carlos Parra

+56(2) 2599-8000
jcparra@altis.cl

ALTIS



Mr. Jan Pörschmann

+49 89 388 881 11
j.poerschmann@proventis.com

ProventisPartners.
FOR WHAT TRULY COUNTS



Mr. Stefano Trifone

+39 3925348442
stefano.trifone@ethica-group.com

ethica
corporate finance



Mr. Bratzo Torres

(+511) 717-6810
bratzo.torres@efic.pe

EFIC
partners



Mr. Hakan Persson

+46 8 510 663 50
hakan.persson@experia.se

Experia
CORPORATE FINANCE ADVISORS



Mr. Brian Schofield

+1 3127807227
bschofield@dresnerco.com

DRESNER PARTNERS
INVESTMENT BANKING



Mr. Erik van der Werf

+31 20 820 3606
erik.vanderwerf@oxeyeadvisors.com

OXEYE
advisors



Mr. Ryan Balsam

+1 416-219-2508
rbalsam@firepowercapital.com

FIREPOWER
CAPITAL



Ms. Christine de Briganti

+33 (0)7 71 91 79 45
c.debriganti@aurfi.com

AURIGNAC
FINANCE



Mr. Bimal Raj

+91 22 61496621
bimal.raj@singhi.com

SINGHI
ADVISORS



Mr. Keisuke Saito

+81-3-5219-8635
keisuke-saito@tkao.com

Tokyo Kyodo
Accounting Office



Mr. Mario Senra Fernández-Miranda

+34 91 590 16 60
msenra@norgestion.com

NORGESTION



Mr. Nigel McNelly

+44 207 025 3602
nigel.mcnelly@opuscf.com

opus
corporate finance

ProventisPartners.
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www.proventis.com



www.mergers-alliance.com