



Educational Technology Software

Software Market Review & Analysis



Alkali Partners

Technology Investment Banking

TABLE OF CONTENTS

Market Coverage & Analysis	03-04
Segmented Comparables and Index Performance	05
Most Active Strategic Acquirers	06
Market Map	07
Transaction Multiples	08
M&A Timeline	09
Coverage Team	10
Appendix - Selected M&A Transactions	11-12


Top Priority for EdTech: Increased AI Investment


EdTech M&A transaction volume decreased in Q2 2025 12.5% YoY. Consolidation efforts were notable with strategic acquisitions by key players, leading to a focused integration of professional training, adaptive learning, and AI-driven platforms.


Notable transactions include


- KKR acquired Instructure for \$4.8B in July 2024.
- PSG announced a \$175M growth investment in Element451 in December 2024.
- PhysicsWallah acquired Xylem, a learning platform for competitive exams for \$60.6M in June 2023.

EdTech Investment Outlook and Signal

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EdTech investors remain cautious, prioritizing AI-powered platforms that deliver clear, measurable improvements in personal learning.
- 


Market consolidation accelerates as major platforms merge to create integrated, scalable solutions for K-12 and higher education.
- 


Districts increasingly seek technologies that streamline operations and clearly demonstrate ROI under tightened budgets.
- 

Venture investors target sustainable, data driven solutions to support school operations and workforce-readiness initiatives.

Challenges Moving Forward

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Expiring federal funding leaved K-12 schools facing significant budget constraints, tightening resources and technology investment.
- 

EdTech solutions face intense scrutiny; educators cut redundant platform, emphasizing learning outcomes and cost efficiency.
- 

K-12 school have experienced a 69% surge in ransomware attacks over the past year, leaving administrators wary to embrace new technology.

51%

Of K-12 teachers used AI tools in the classroom in 2024, up from 24% in 2023

80%

Of school districts now report having a generative AI initiative underway

51%

Of districts have efforts on training admin and support staff on the use of instruction-focused AI tools

86%

Of higher education students now use AI in their studies, with 54% using AI tools at least weekly



Sources: Pitchbook, Alkali Research, Forrester, Cengage

Quarterly Spotlight: AI Investments for Personalized & Adaptive Learning

Educational leaders are continuing to strategically invest in AI-driven technologies despite tightening budgets and government funding cuts, prioritizing tools that clearly demonstrate student achievement and operational efficiency. Investments concentrate on intelligent tutoring systems, automated assessments, and workforce-focused credentialing platforms, leaning heavily on external providers and scalable solutions while cutting redundant digital services.

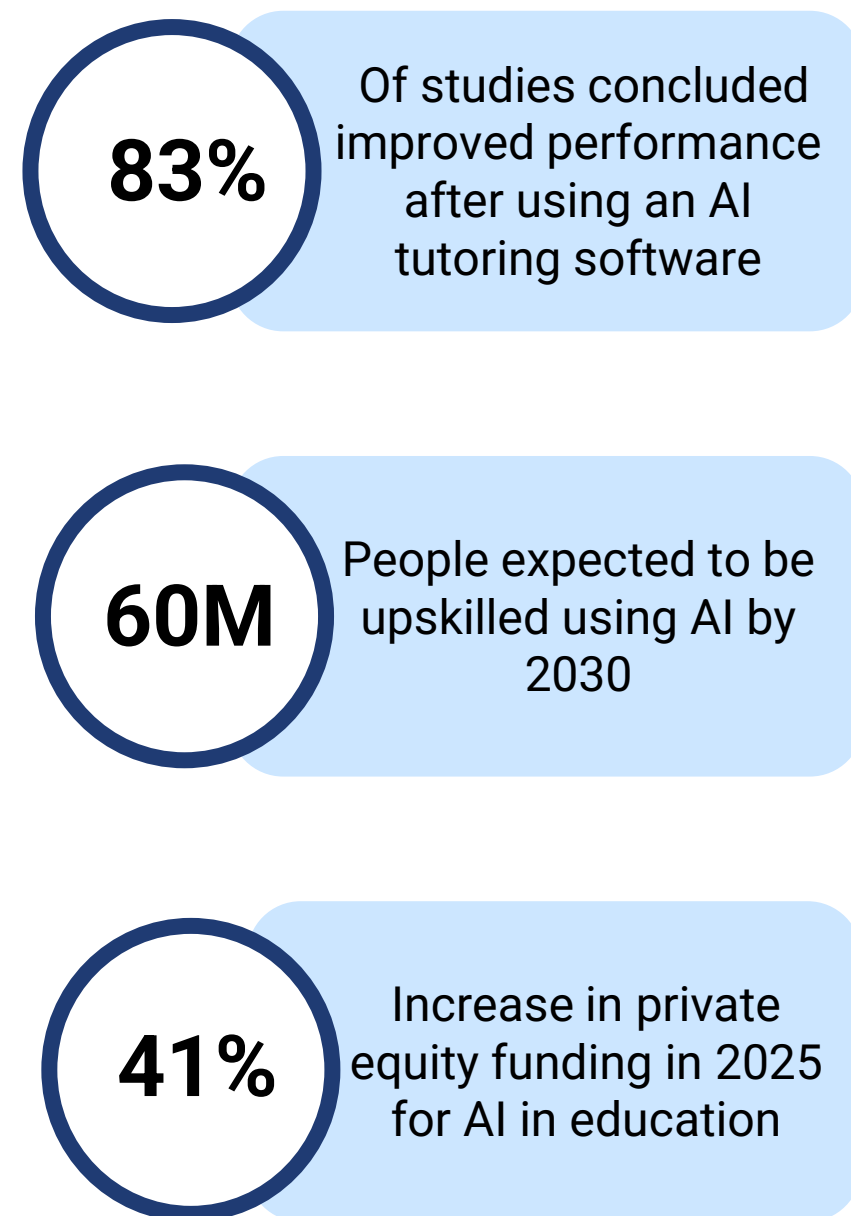
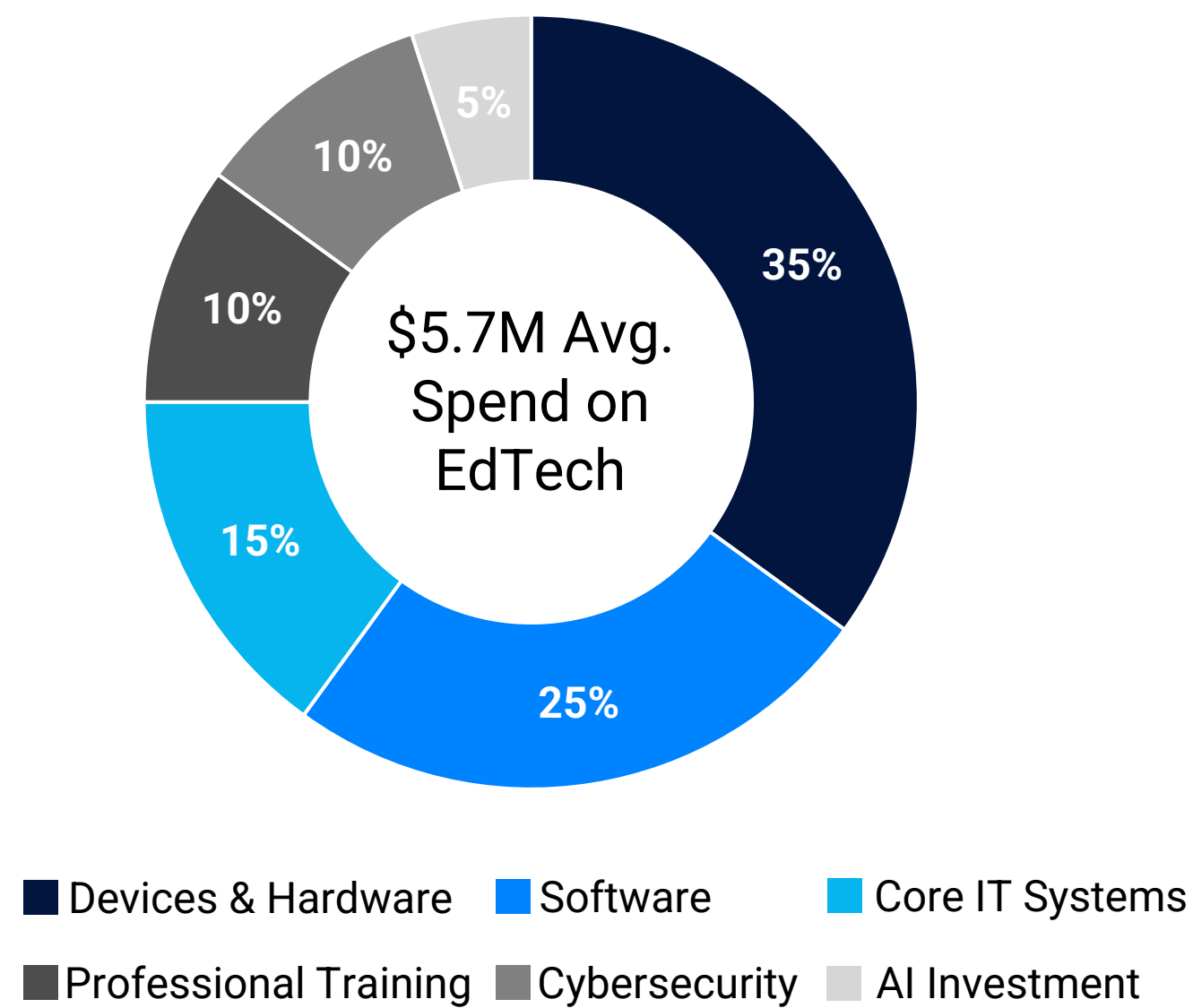
Selective Tech Sustainment

- As pandemic-era federal relief funds (ESSER) sunset in 2024, school districts have had to scrutinize their tech spending. Many are moving from a “buy everything” approach to a more focused strategy, keeping essential EdTech tools that show clear value.
- Despite budget pressures, educators remain committed to AI initiatives. A 2025 survey of U.S. edtech leaders found 94% see AI’s potential for positive impact, especially for boosting productivity, and generative AI was ranked the top tech priority.

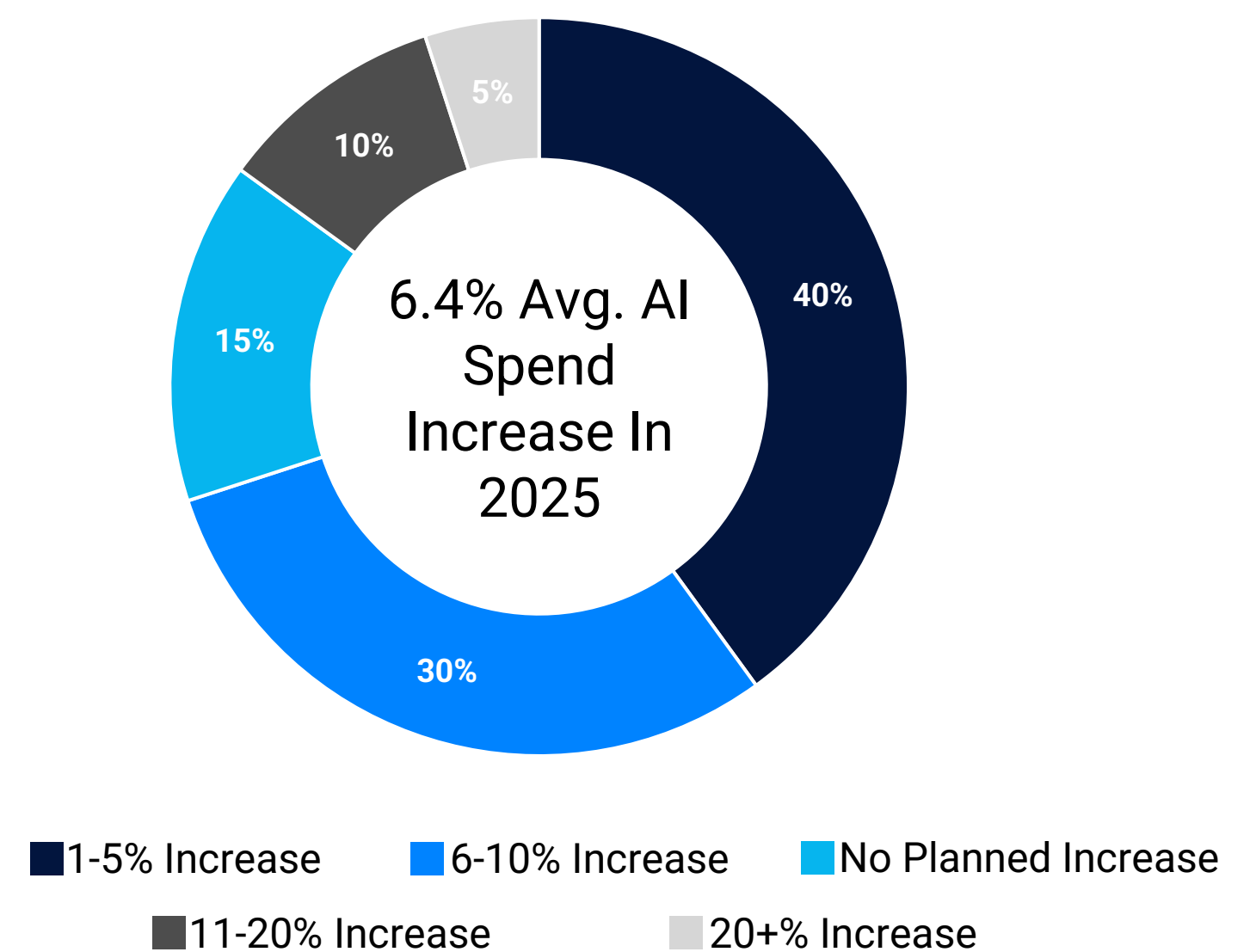
Personalized and Adaptive Learning on the Rise

- Intelligent tutors are increasingly mainstream in both K-12 and higher ed. Platforms like ALEKS (for math and science) and newer AI chatbots (e.g. Khan Academy’s Khanmigo pilot powered by GPT-4) are being adopted to supplement or even replace traditional practice.
- The strong data on ITS efficacy has kept interest and investment high, even as overall EdTech deal flow has declined. Education leaders now view AI tutors as a key strategy for learning recovery post-COVID.

2025 U.S Education Tech Average Budget Allocation



2025 Planned AI Spending Across U.S Schools

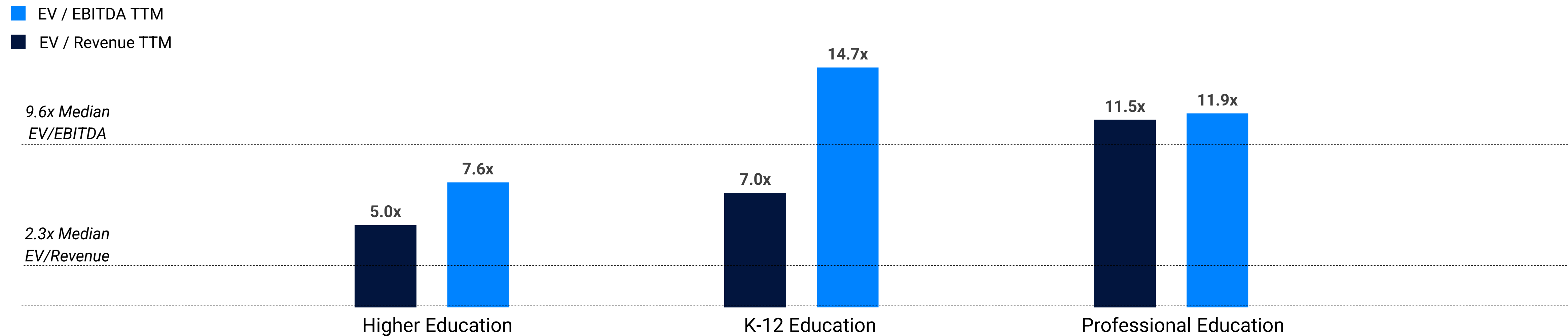


Professional Education Leads Valuation Range

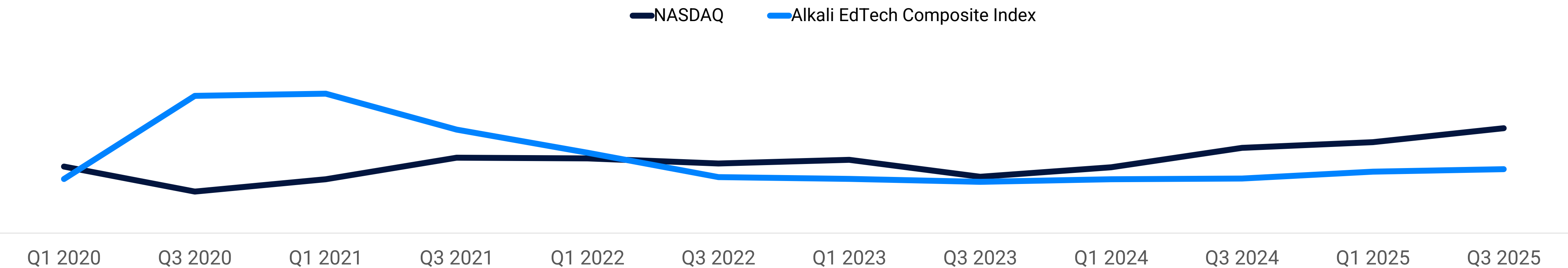
Alkali EdTech Software Index Trailing NASDAQ After 2020 Surge

Education software multiples remain compressed vs. historical medians—Professional and K–12 Ed stand out in an uneven recovery

Education Technology Software Segment Multiples



Alkali EdTech Software Index vs NASDAQ



Sources: Pitchbook

Most Active Strategic Acquirers

Where strategic capital meets next-gen education and learning technology

Strategic acquisitions by IXL Learning, Imagine Learning, upGrad, and PhysicsWallah are reshaping the future of education by scaling personalized learning, AI-driven platforms, and global academic access—amplifying digital reach across tutoring, content marketplaces, test prep, and skilling ecosystems.

Acquirers



Targets

MyTutor Undisclosed
5/29/2025

The acquisition of MyTutor represents a strategic move into personalized, high-impact tutoring, combining scalable technology with human connection to deliver more comprehensive support for learners.

 **Teachers Pay Teachers** Undisclosed
3/01/2023

IXL Learning’s acquisition of Teachers Pay Teachers unlocks a powerful synergy between curriculum personalization and educator empowerment—bringing together adaptive learning technology and the largest marketplace of teacher-created content.

 **emmersion** Undisclosed
9/08/2022

By acquiring Emmersion, IXL Learning adds AI-driven language assessment to its platform, advancing its ability to deliver personalized, measurable learning outcomes and meet rising demand for proof of proficiency.

 **Pango** Undisclosed
12/02/2024

Imagine Learning’s acquisition of Pango signals a focused investment in early childhood education, blending imaginative storytelling with research-backed learning to support the cognitive and emotional development of young learners.

 **EarlyBird** Undisclosed
11/13/2024

With the acquisition of EarlyBird Education, Imagine Learning is doubling down on its promise to catch reading struggles before they start—bringing early detection, science-backed insights, and targeted intervention into the heart of its literacy mission.

 **CUETHINK** Undisclosed
6/04/2024

Building on its existing digital platform, Imagine Learning is deepening its math offering through the acquisition of CueThink, which brings in collaborative problem-solving and metacognitive skill development.

ZuAI Undisclosed
2/26/2025

UpGrad’s acquisition of ZuAI marks a bold step into the future of personalized, AI-driven education, unlocking new possibilities for intelligent, student-centric learning experiences.

 **GLOBAL STUDY PARTNERS** \$15.02M
4/01/2023

As part of its global expansion strategy, upGrad has acquired Global Study Partners to broaden access to international education and boost cross-border career opportunities for learners.

 **CENTUM LEARNING** Undisclosed
9/15/2022

upGrad’s move to acquire Centum Learning signals a strong push into enterprise training and public-sector skilling, accelerating its mission to deliver workforce development at scale.

 **XYLEM** \$60.6M
6/18/2023

This strategic acquisition aims to integrate Xylem Learning’s strong regional presence and proven test-prep pedagogy with PhysicsWallah’s robust edtech platform and national reach, enhancing the learning experience for students across India.

 **KNOWLEDGE PLANET** Undisclosed
3/20/2023

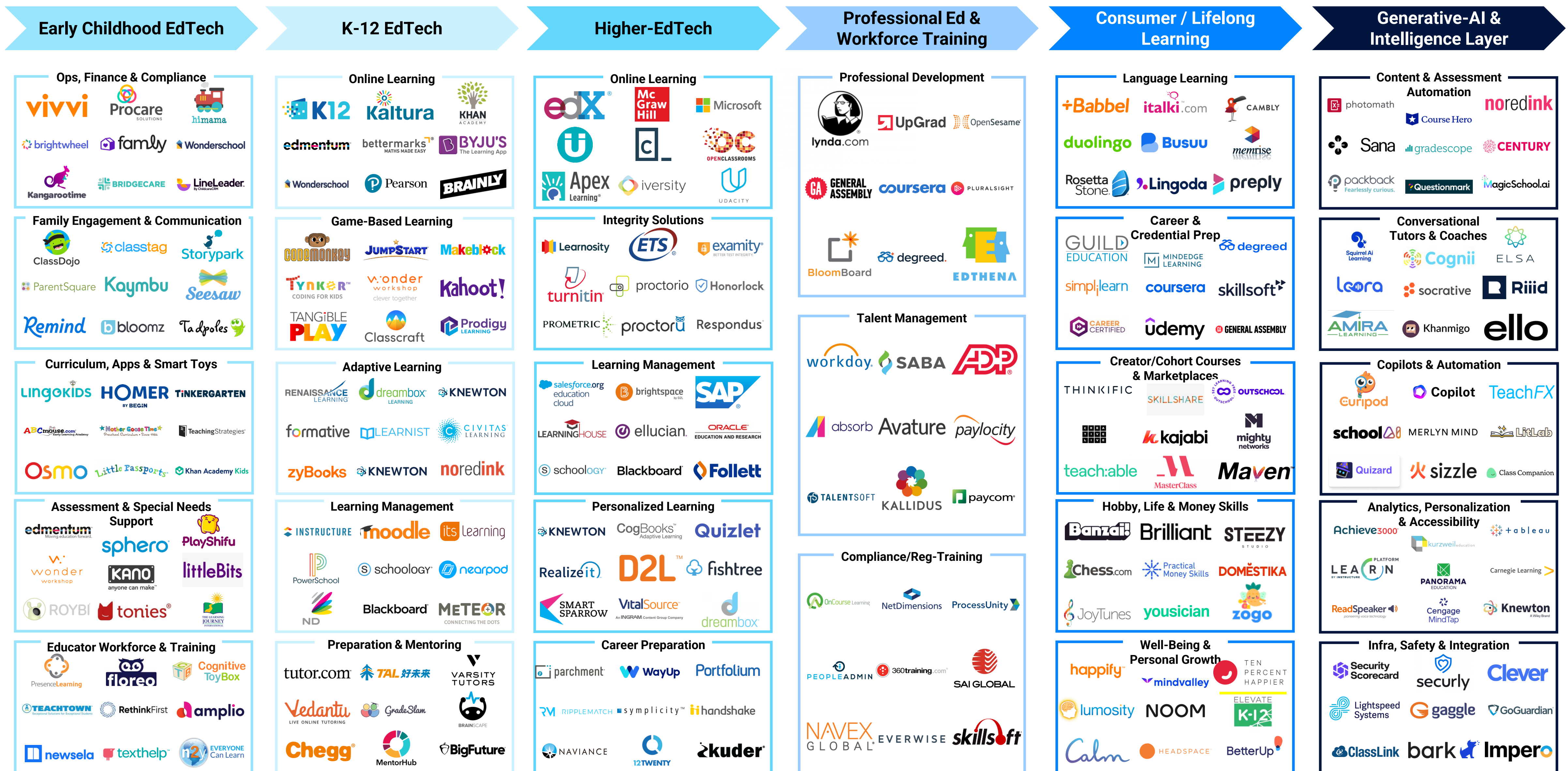
By acquiring Knowledge World, PhysicsWallah strengthens its footprint in the foundational learning segment, bringing together deep offline expertise with digital scale.

 **iNeuron** \$1.68M
12/22/2022

PhysicsWallah’s acquisition of iNeuron boosts its tech skilling capabilities, adding industry-aligned training in areas like AI and data science. The move strengthens its focus on job-ready outcomes amid rising demand for practical, career-focused education.

Sources: Pitchbook

Alkali Partners' EdTech Market Map

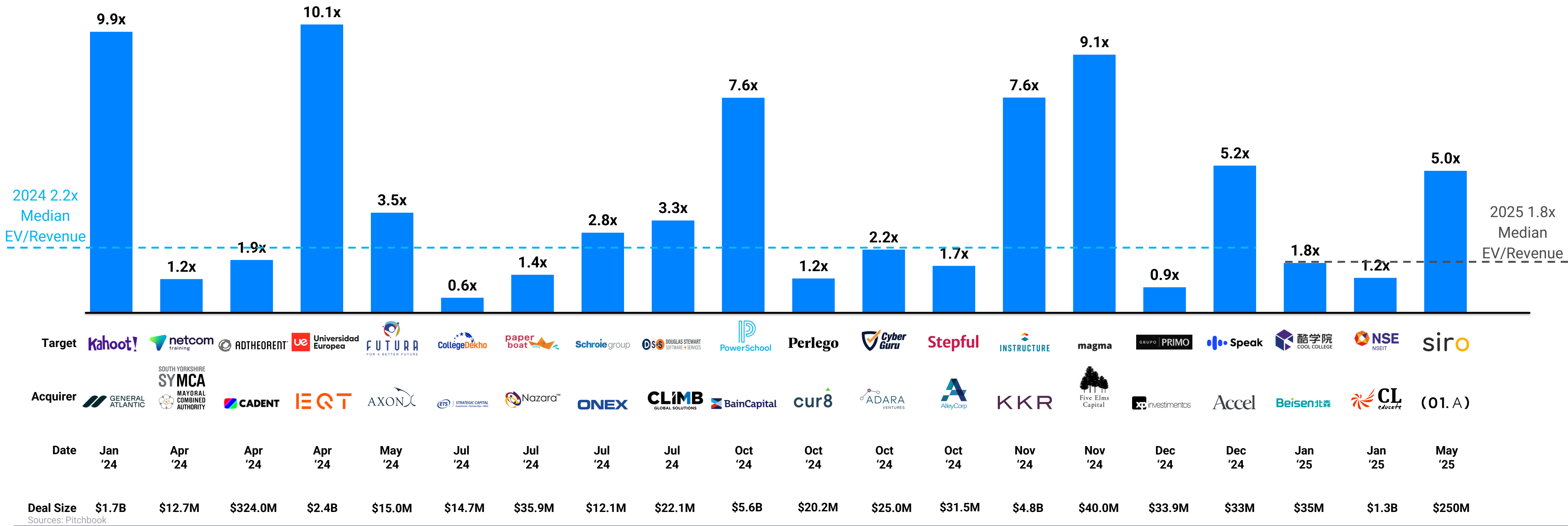


Recent Education Technology Software Transaction Multiples

2024 to 2025 Transaction Multiples

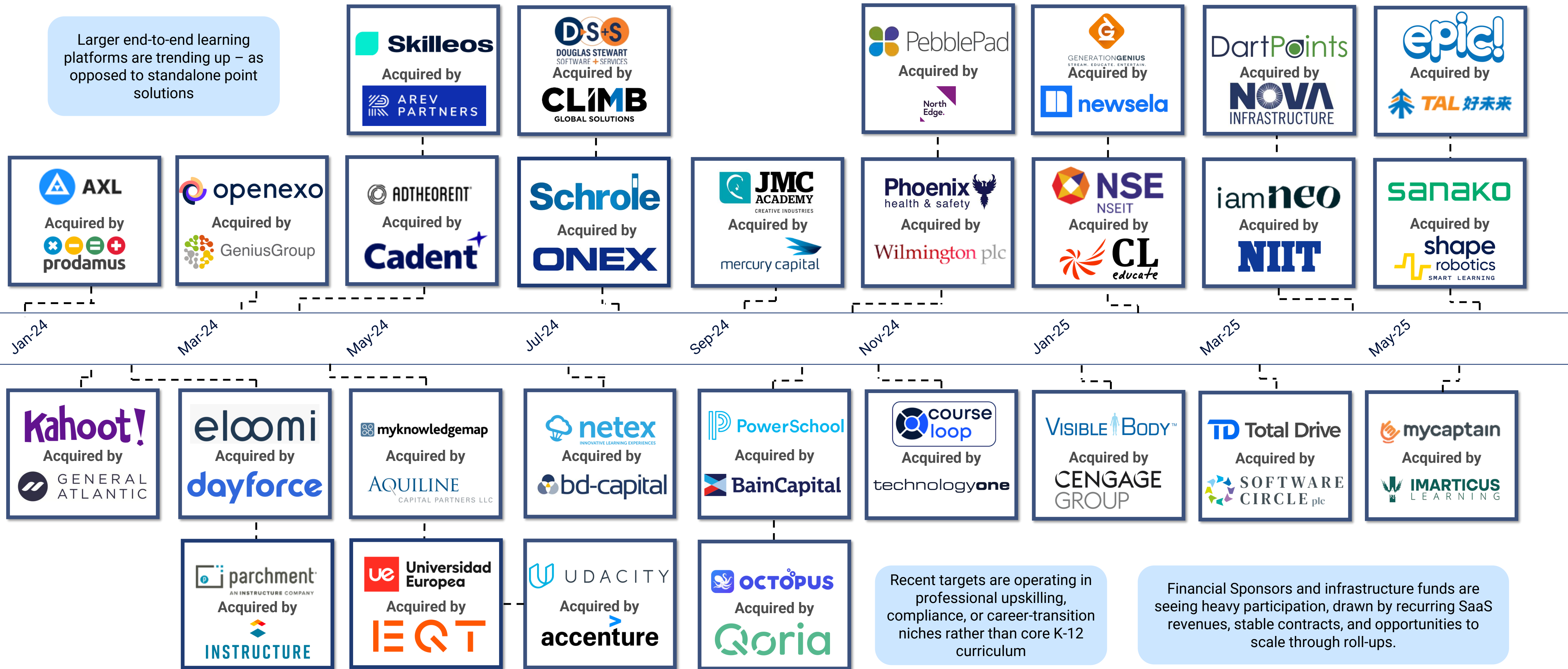
Although the median EV/Revenue multiple was lower in 2025 compared to 2024, the 5.0x valuation multiple of paid to acquire siro is an exemplification of current market conditions for ai-driven education platforms. This trend highlights a sustained demand for high-quality software, with buyers remaining willing to pay a premium for opportunities that meet key criteria.

Selected Transactions with Disclosed EV/Revenue (2024-2025)



EdTech M&A Timeline Over the Last 12 Months

EdTech M&A Deal Activity

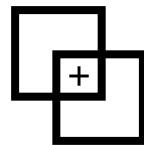


Sources: Pitchbook, Future Market Insights, MarketsandMarkets, EnterpriseAppsToday, GlobeNewswire

Education Technology Software


Coverage Team

Overview




Mergers & Acquisitions

Advise sellers of privately held tech companies through M&A transactions




Growth Equity Investments

Advise founders seeking capital for growth or risk diversification



Recapitalizations & Buyouts

Advise sellers of privately held tech companies to financial sponsors



Operational & Strategic Advisory

Advise boards seeking to restructure, reorganize, or prepare for liquidity events

Domain expertise: Over 100 deals closed in enterprise software and technology in the last decade.

Sector specific coverage: Weekly tracking of Education Tech M&A, buyers, and market trends.

Experience: Multiple closed deals across EdTech, Childcare Management, and adjacent verticals.



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- Previously at Arbor Advisors and Goldman Sachs



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Long Cap


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- 4+ years of experience in banking and commercial due diligence

Select Software Transactions





— Acquired By —







— Acquired By —







— Acquired By —







— Acquired By —







— Acquired By —







— Acquired By —







— Acquired By —







— Acquired By —







— Acquired By —







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— Acquired By —



Education Technology Software – M&A Transactions

Appendix – YTD M&A Transactions

Strategic buyers have been more active than private equity firms, driven by fewer borrowing constraints and less stringent investment criteria. Companies like Pearson, Cengage, and NP Digital are prominently featured, indicating that large corporations are aggressively expanding their technology stacks through acquisitions.

Select Industry Transactions, TTM July 2025

Date	Target	Acquirer	Deal type	Sector	EV/Revenue	Deal Value (\$, Millions)
21-Jul-2025	Guider	Thrive	Merger/Acquisition	B2B SaaS; Preparation	<div>0.94x</div> <div>For more info, please contact shane@alkalipartners.com or long@alkalipartners.com</div>	<div>80.00</div> <div>250.00</div>
18-Jun-2025	Ellipsis Education	Qubits Learning	Merger/Acquisition	B2B SaaS; Personalized Learning		
13-Jun-2025	eDynamic Learning	Pearson	Merger/Acquisition	B2C Software; Personalized Learning		
26-Jun-2025	IconoClass	Actual Group	Merger/Acquisition	B2C Software; Professional Education		
09-Jun-2025	Epic! Kids	Tal Education Group	Merger/Acquisition	Publishing		
05-Jun-2025	Tynker	CodeHS	Merger/Acquisition	Career Preparation Tech		
29-May-2025	MyTutor	IXL Learning	Merger/Acquisition	B2C; Training Tech		
02-Apr-2025	GoodKind	Niche	Merger/Acquisition	AI; Professional Training		
07-Mar-2025	Wizco	CognoGroup	Merger/Acquisition	AI; Professional Training		
03-Feb-2025	Generational Genius	NP Digital	Merger/Acquisition	Gamified EdTech		
22-Jan-2025	Sups AI	U.S News & World Report	Merger/Acquisition	AI; Higher Education		
21-Jan-2025	Ezri	Cornelsen Group	Merger/Acquisition	AI; B2C Preparation		
14-Jan-2025	Lighthouse Labs	Uvaro	Merger/Acquisition	B2C; Technology Education		
13-Jan-2025	Visible Body	Cengage	Merger/Acquisition	Healthcare Education Software		

Sources: Pitchbook

Education Technology Software – LBO/Buyout Transactions

Appendix – YTD LBO/Buyout Transactions

These acquisitions underscore a growing pattern of private equity sponsors targeting EdTech platforms to achieve scale, diversify product offerings, and enrich digital learning experiences. This consolidation is most pronounced in professional training, where a high proportion of buyouts have zeroed in on businesses with proven recurring-revenue models.

Select Industry Transactions, TTM July 2025

Date	Target	Acquirer	Deal type	Sector	EV/Revenue	Deal Value (\$, Millions)
17-Jul-2025	Stile	Hellman & Friedman	LBO/Buyout	B2C SaaS; K-12 EdTech		
25-Jun-2025	Qintil	August Equity	LBO/Buyout	Professional Training		
04-Jun-2025	3B Training	Morson Group	LBO/Buyout	B2B; Professional Training		
12-May-2025	Kineo	Cambridge Information Group	LBO/Buyout	B2B Education Platform		
08-May-2025	GoReact	Centre Lane Partners	LBO/Buyout	B2C SAAS; Training		
01-May-2025	myTIPreport	Blackstone	LBO/Buyout	Healthcare Education		
27-Mar-2025	Clover Learning	Blackstone	LBO/Buyout	Integrity Solutions		
04-Feb-2025	Wall Street Prep	Capital Southwest	LBO/Buyout	Professional Training		
04-Feb-2025	WorkDove	LLR Partners	LBO/Buyout	Professional Training		
17-Jan-2025	OnlineMedED	Leeds Equity Partners	LBO/Buyout	Healthcare Education; B2C		
06-Jan-2025	Boston Institute of Finance	Colibri Group	LBO/Buyout	B2B; Professional Training		
03-Jan-2025	Monarch Institute	Pacific Equity Partners	LBO/Buyout	B2C; Educational & Training		

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