



Education in 2023



Insights into rapid growth, global investments, and the rise of edtech innovations

Executive summary

1.5 yrs

3 yrs

18 yrs

25 yrs

Pre-School



Preschools gearing up for rapid expansion:
International and domestic players to set up **200+ schools** in next couple of years

K12



Institutional investors find brick and mortar K12 attractive: **Kedaara** acquires stake in Orchid



Global school groups are also eyeing Indian K12 markets: GSF to invest **\$550 Mn+** by 2026



Factors contributing to future growth outlook of K12: Revenue growth, new admissions, etc

Higher Ed



Alt MBAs emerge as robust alternatives, providing **high ROI** for MBA candidates



Internationalization: **9+** foreign universities to open campuses in India by 2025



Liberalization: UG entry options expanded, foreign degrees recognized in regulations, etc

EdTech



EdTechs are **embracing Gen AI** for its impactful potential; Indian Gen AI companies emerge in the B2C segment



Study abroad financing is experiencing **4x growth**, attracted **45%** of EdTech's total funding



EdTechs foresee offline impact, shifting to a **phygital model**

In the News

News headlines around education



Education sector gets **priority** allocation in budget, says Lt. Governor



UGC notifies regulations for **foreign universities** to set up campuses in India



Online to offline: Upskilling startups vie to launch new-age colleges in **shift from edtech model**

moneycontrol



NEP will **shape India's future generations**: Union official



Strengthening EBITDA: The key to an EdTech's continued growth





Preschools

Preschools gearing up for rapid expansion



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1.a. Preschool leaders aim to embrace future growth opportunities

Preschool (1/1)



11.2%

CAGR till FY28

Key drivers:

1

Increase in residential block in urban cities

2

Growing demand for childcare services

3

Increasing disposable income of families

Therefore, existing players are **taking a run-up** to seize a substantial share of the future pie

1



- Safari Kid Preschool, a California-based chain, has 50+ schools in 7 countries
- Plans to expand to **50 schools** in India, investing INR 100Cr by 2028 - with 20 schools ready to be open by Mar'24

2



- Dibber International Preschools, a Nordic chain, has 600+ preschools in 10 countries
- Plans to expand to **30+ schools** in India, investing INR 100Cr in the next 24 months

3



- Euro Kids, KKR backed, has 1400+ schools across 350+ cities
- Plans to expand to **100+ schools** in Kerala by 2025

4



- Makoons Play Schools, an Indian chain, has 600+ preschools in 14 states
- Established **100+ schools** in less than a year

5



- Bachpan Play Schools, an Indian chain, has 1200+ schools across 400+ cities
- Plans to expand to **100+ schools** in West Bengal



International



Indian



K-12

Institutional investors find K12 attractive

Global players eye Indian K12 markets

Factors promising continued growth in K12



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2.a. Indian K12 market's potential attracts Institutional Investors

Institutional investors (1/1)



India's K12 market



1.46 Mn

K12 schools with
230 Mn students¹



2.9%

Spending on education
in terms of GDP (FY23)



25%

of world's school
children are in India¹



#2

Largest education
system in the world¹

These factors enhance the attractiveness of India's K12 sector, drawing in institutional investors eager to participate in a scaled economy with substantial growth potential



Kedaara Capital

Kedaara Capital has acquired a significant minority stake in the chain of **Orchids International School**



Alta Capital

Alta Capital provided an equity commitment of \$200 million to **Cappella Educare**, an Edu-Infra company



Barclays, Axis Fund and GIC

Barclays, Axis Finance and Singapore sovereign fund GIC provided funding of ~\$140 million to **Narayana Group**

2.b. Global school groups are also eyeing India's K12 as an attractive market

Global players (1/1)



Global Schools Foundation

The Global Schools Foundation (GSF) has committed to inject USD 550 million+ into India's school education sector by 2026



Harrow School

Harrow School, renowned as one of the premier international institutions, has inaugurated its first school in Bengaluru



Wellington College

UK's Wellington College International, one of the top UK schools with a 170-year-old heritage opened its first school in Pune



International School Partnership

International Schools Partnership (ISP) enters in a strategic joint venture with Vivus Education and Manthan

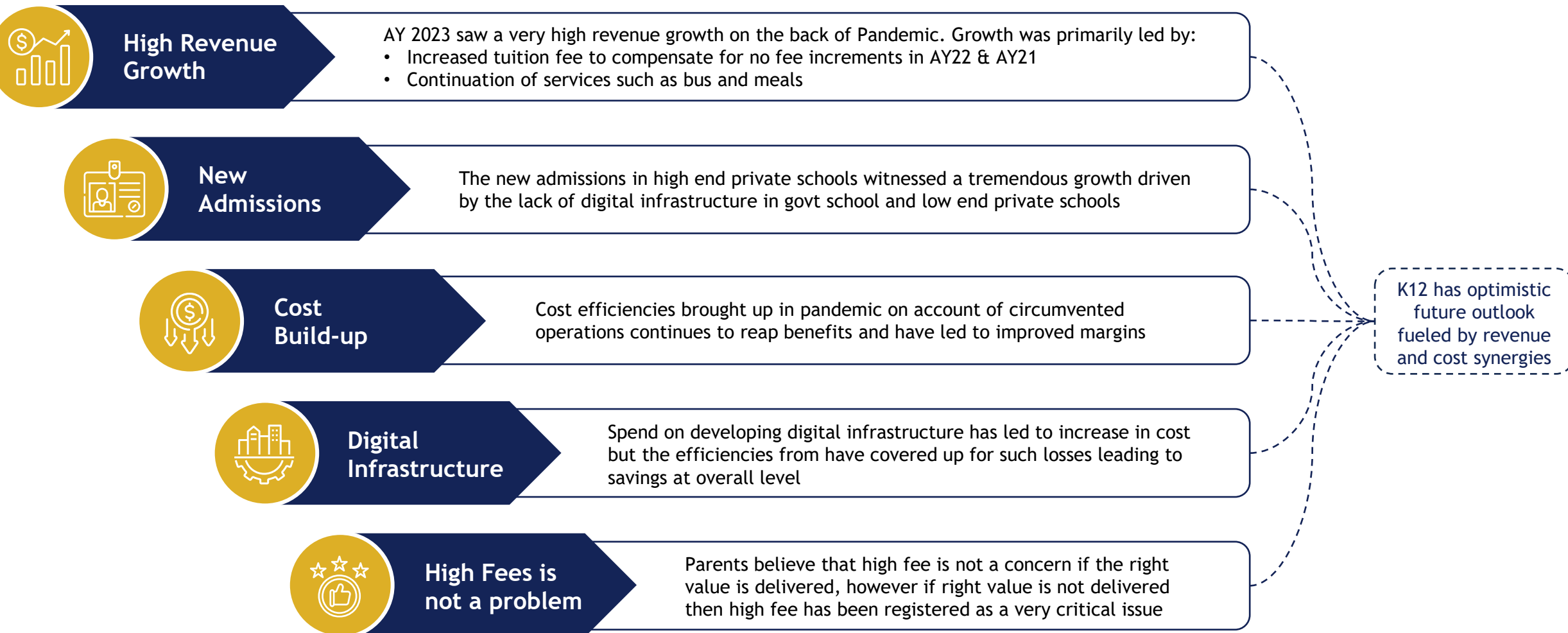


Whitgift School

Whitgift School has partnered with Sagebrook Academy, Hyderabad to jointly offer the IB curriculum

2.c. These factors contribute to the future growth outlook of India's K12 market

Growth in brick and mortar (1/1)





Higher Ed

Alt MBA, new-age model for upskilling

Eased guidelines to bring 9 foreign universities to India

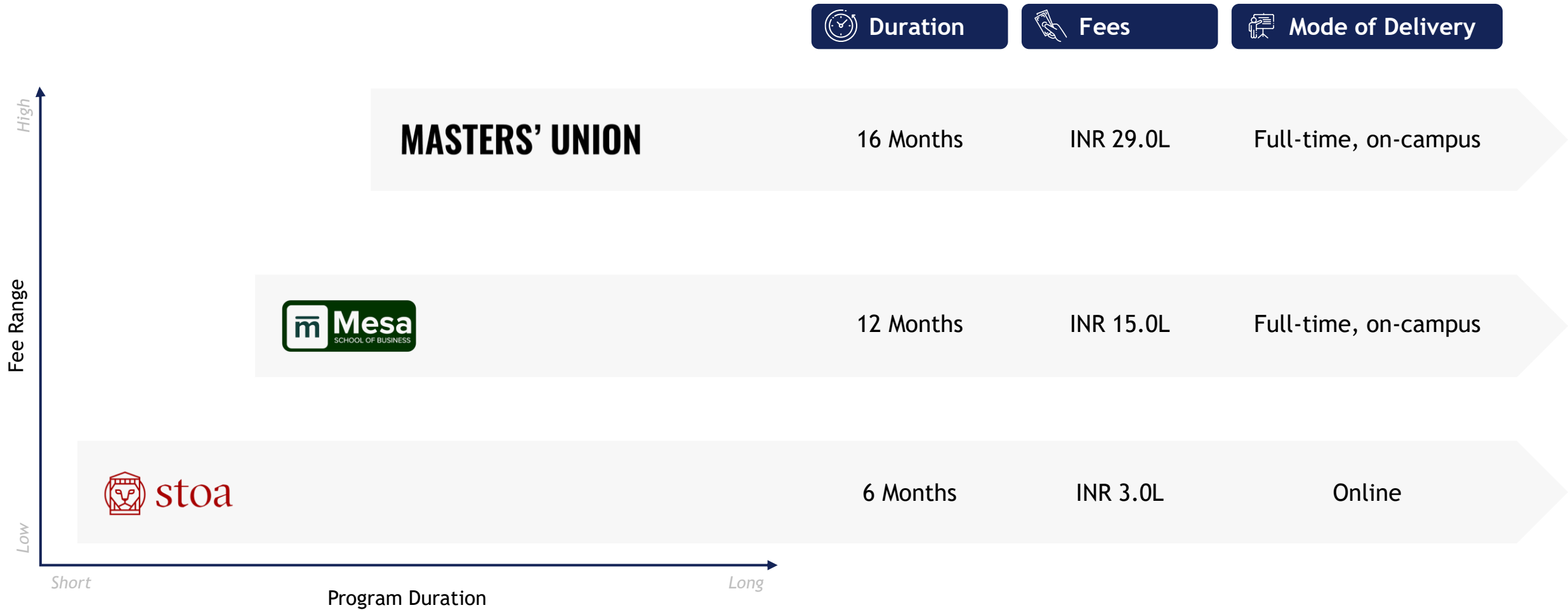
Relaxed regulations to welcome more universities



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3.a. Alt MBA programs cater to diverse needs with varied durations, fees

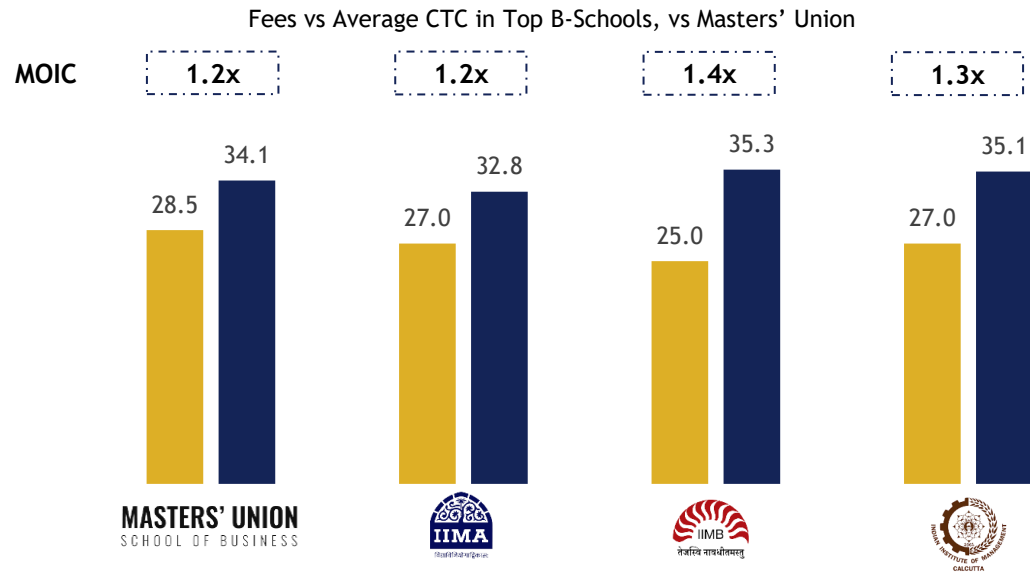
Alt MBA Programs (1/3)



3.a. Alt MBAs are yielding high returns with top-tier recruiters

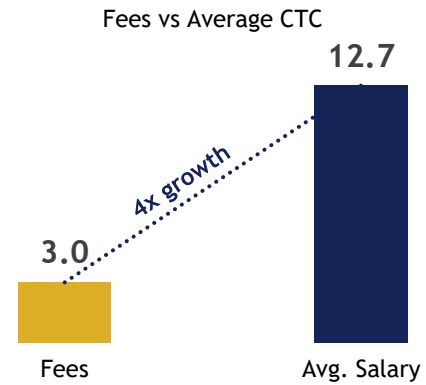
Alt MBA Programs (2/3)

Masters' Union: Proxy for an MBA from IIMs



- 1 Masters' Union offers a 16 month on-site program, like other MBA programs
- 2 With top-recruiters such as the MBB firms, Big4, Citi, HSBC, Cred, etc.
- 3 Will placement results endure at this scale with a 300-400 batch size ?

Stoa: Quick Career Accelerator

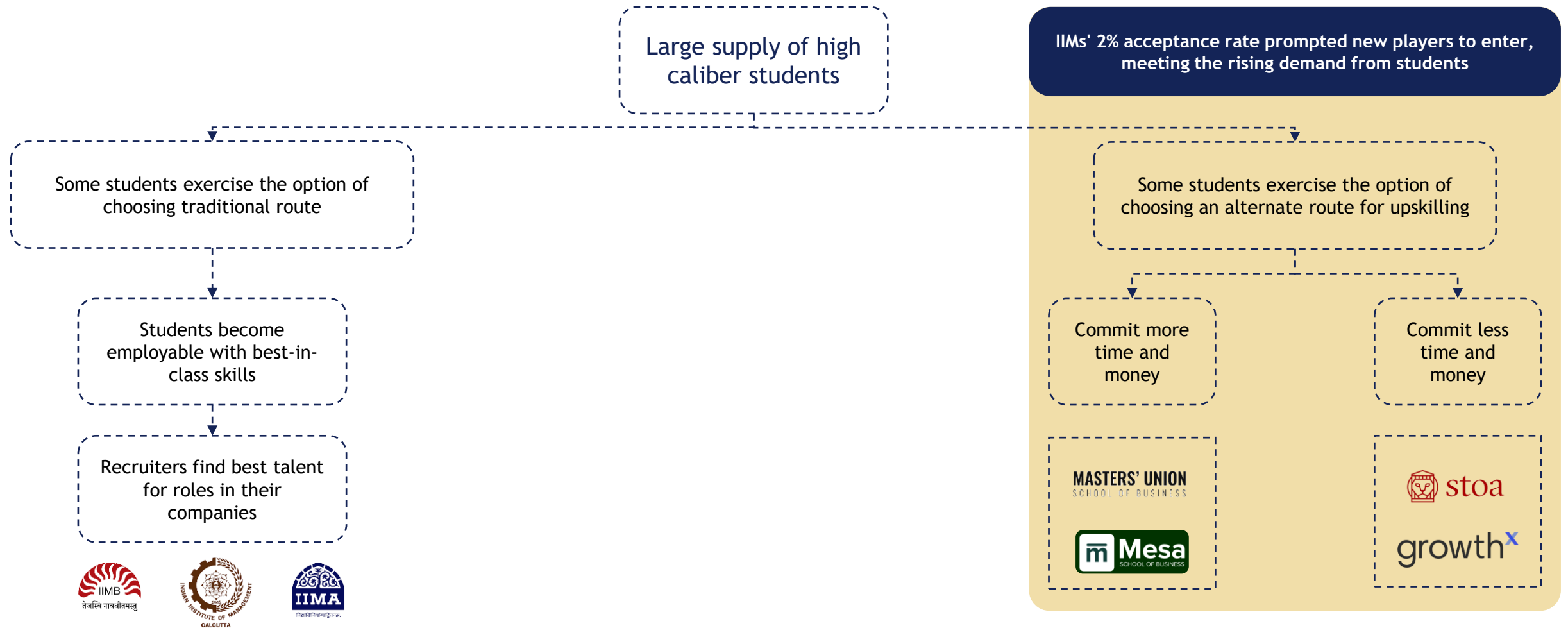


Average salary increase from previous job is 62%

- 1 Stoa offers a quick program which can run parallel to job
- 2 With top-recruiters such as Raise, Zeta, Cred, Swiggy, etc
- 3 Early-stage founders get talent at lesser cost
- 4 Large participation for upskilling comes from start-up ecosystem

3.a. New age models will thrive in parallel with traditional B-schools

Alt MBA Programs (3/3)



3.b. Eased guidelines prompt foreign universities to announce campuses in India

Internationalization (1/1)



July 2021

UGC guidelines: Universities hosting foreign students can set up International Affairs and Alumni Connect Cells



May 2022

UGC recognized dual, joint and twin degree programs between Indian HEIs* and FEIs*



February 2023

Two Australian universities, announced to open international campuses in GIFT City

November 2023

Western Sydney University to open Bengaluru campus by 2025, 5 more Australian universities¹ plan Indian campus and UGC released guidelines around it

2021-2022

179 Universities established their Office for International Affairs and 158 Universities set their Alumni Connect Cells

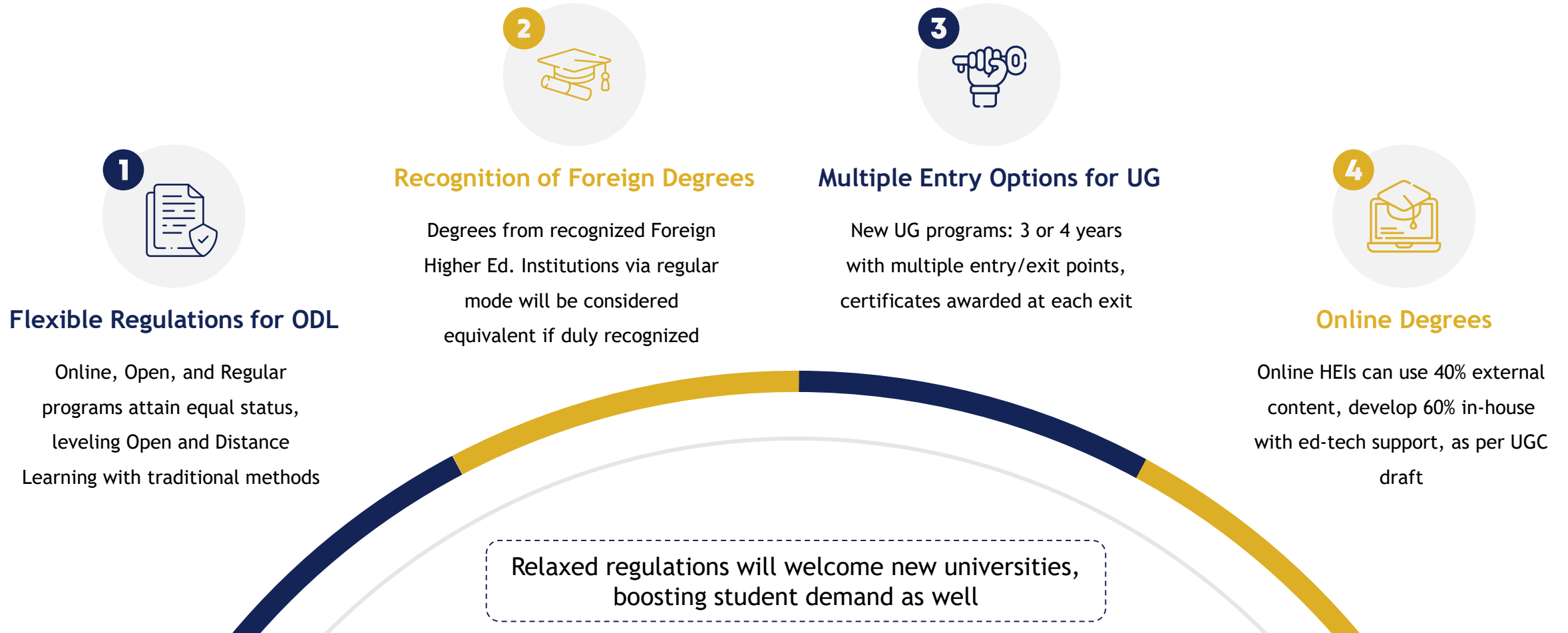
January 2023

Foreign universities and institutions will be allowed in the GIFT City to offer courses



3.c. Relaxations in government's policies to bring in more universities

Liberalization (1/1)





EdTech

Gen AI is rapidly integrating with EdTech

Study abroad financing saw 4x growth

Shift to a **phygital** model



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4.a. EdTechs are embracing Gen AI for its impactful potential

Artificial intelligence (1/2)

AI and NLP models promise high impact



Improved Experience



Personalized Learning

AI can analyze learning styles to generate personalized plans



Virtual Assistant

AI can serve as a virtual assistant for doubt solving



Cost Saving



Automated Grading

AI can handle the task of grading assignments, quizzes, and exams



Optimize Admin Tasks

AI can handle admin tasks effectively, as believed by 67%² education leaders

EdTechs are embracing Gen AI's potential in B2C

Adaptive Learning Platforms



Automated Assessment



Tutoring



Student Engagement



AR & VR



4.a. Since ChatGPT's launch, education space has seen notable progress over a year

Artificial intelligence (2/2)

Global events



Jan 23

India based AI-powered learning platform, PrepSeed raises funding



Mar 23

Chegg loses 50% market cap as customers flee to ChatGPT



Aug - Jul 23

Disprz, a skills & learning platform; Multi lingual tutoring app, ZuAi and English language learning app, Stimuler raise funding



Oct 23

Student engagement platform, DTU Leap and AI courses platform, Supernova raise seed funding



Nov 22

Open AI launches its conversational chatbot ChatGPT



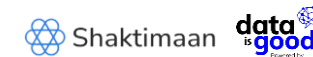
Mar 23

Duolingo and Khan Academy launches GPT 4 wrappers - Duolingo Max and Khanmigo



Jun 23

Byju's launches GPT 4 wrappers - Badri, MathGPT and TeacherGPT



Aug 23 - Sep 23

Test prep platform, Kalam and AI-ML courses platform, Data is Good raise funding

4.b. Study abroad financing surged 4x, fueled by multiple factors

Study Abroad (1/2)

Multiple factors drive increased demand for study abroad services



Better Job Opportunities

Top study abroad spots have half the unemployment rate compared to India



Higher ROI

Education in India yields 2.5x ROI, contrasting with top study abroad spots' 4x



Finance Availability

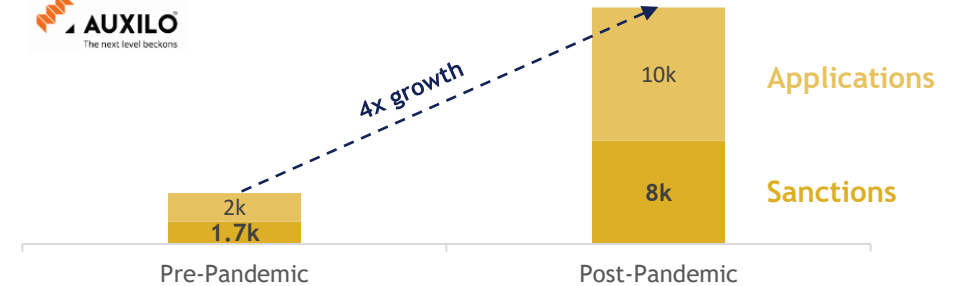
2 to 4x growth in abroad education loans' applications and sanctions



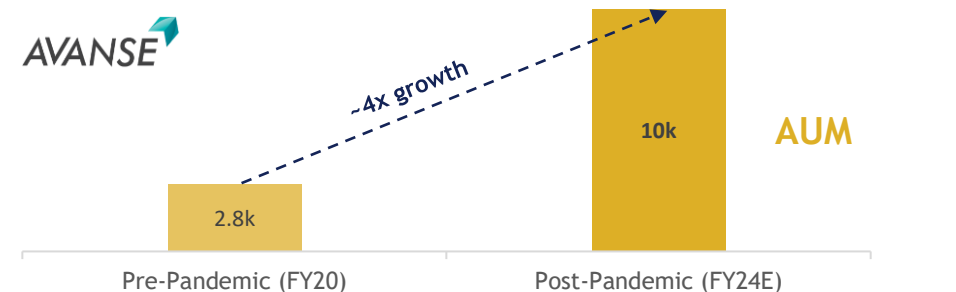
Higher Standards of Living

GDP per capita of top study abroad spots' is 30x of India's

Loan financing companies saw 4x growth



- Auxilo, a study abroad financing company, saw a 4x applications and loans surge



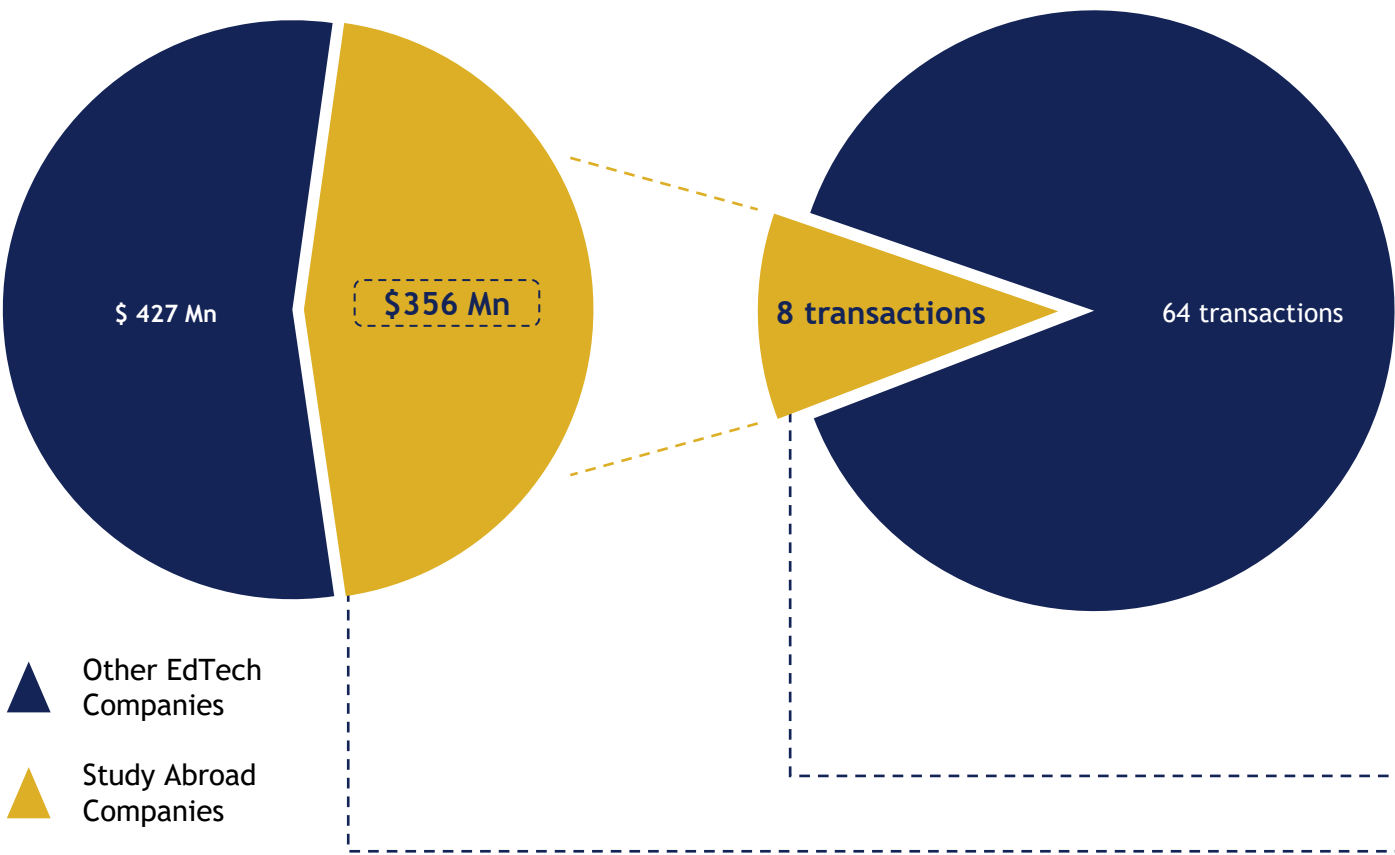
- Similarly, Avanse experienced a nearly fourfold growth in its AUM

4.b. Study abroad attracted 45% of EdTech’s total funding

Study Abroad (2/2)

Study abroad contribute \$356Mn to EdTech’s total funding

But represent just 8 out of 72 transactions



	Transactions	Amount	Round	Valuation
	2	\$25Mn + \$15Mn	Series C + Debt	\$150Mn
	2	\$97Mn + \$145Mn	NA + Debt	\$666Mn
	1	\$57Mn	Series C	-
	1	\$6Mn	Series A	\$18Mn
 	1	\$5Mn	Series A	\$9Mn
	1	\$6Mn	Series A	\$15Mn
	8 transactions	\$356Mn		

4.c. EdTechs foresee offline impact, shifting to a **phygital** model

Phygital model (1/1)

“The amount of learning that we could see in six months in our online setup has been achieved in just two months offline. For undergraduate education, we have understood that **offline does make a huge impact**,” said Abhimanyu Saxena, co-founder and CEO, Scaler.



**PHYSICS
WALLAH**

- Launched Institute of Innovation offering 4 years program in CSE and AI
- Launched PW Gurukulam School for classes playschool to 7th
- Launched 26 new PW Vidyapeeth centers

1

SCALER



- Launched **Scaler School of Technology** offering UG program in Computer Science

2

Vedantu
LIVE ONLINE TUTORING

- Planning to launch 30+ offline centers for JEE, NEET and Foundation courses

3



- Launched its first physical center for classes nursery to 12th

4

upGrad

- Planning to launch 8+ offline experience centers for career counselling

5



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