



Oakley Capital extends IU Group partnership with continuation vehicle

May 17, 2023

May 17, 2023 – Oakley Capital (“Oakley”) is pleased to announce it has raised a continuation fund to extend its partnership with IU Group (“IU” or “the Group”), the largest and fastest growing university in Germany and a global leader in education technology. Oakley’s continuation fund, backed by investors including TPG GP Solutions, HarbourVest Partners, Goldman Sachs Asset Management, Glendower Capital and Pantheon, is acquiring the business alongside Oakley Capital Fund V from Oakley Capital Fund III (“Fund III”). The business has performed significantly ahead of its original investment case and Fund III will realise a gross return of 85% IRR on its exit subject to completion.

The transaction extends Oakley’s successful partnership with IU Group and its senior management which began with its investment back in 2017. Oakley’s continued ownership and control of IU in combination with the leadership team running the business will ensure the long-term delivery of the Group’s vision to democratise education globally. IU is a digital disruptor in the very large and structurally growing higher education market, providing high quality, flexible and affordable online learning to adults and high school leavers. The Group was an early adopter of artificial intelligence, successfully leveraging AI tools including early ‘natural language processing’ to scale its offering, and improve learning delivery and engagement with students. IU has the highest form of state accreditation in Germany and recently added separate U.K. and Canadian accreditations to its portfolio.

Oakley has supported IU with investment in talent acquisition by leveraging its network to broaden the Group’s management team, as well as investing in student outcomes and marketing excellence. Significant investment in technology has enhanced IU’s IT delivery platform, enabling it to accelerate and scale every step in the value chain, from content creation to marketing and learning delivery. The Group has also hired more professors and opened new campuses to support blended teaching.

These investments have helped deliver strong student outcomes and increased enrolments. Student numbers have grown from 15,000 in 2017 to over 100,000 today. IU’s unique, digital platform now offers 350 accredited bachelor and master courses, representing the largest portfolio of degree programmes worldwide. IU has achieved an industry leading Net Promoter Score of 50+ and best-in-class student retention and outcomes.

IU are democratising higher education by making it accessible to all: 70% of IU students come from non-academic backgrounds and the Group offers thousands of scholarships every year to students from disadvantaged backgrounds and developing countries. In keeping with its commitment to ESG, the business is working towards becoming a B Corp company.

IU Group is now on track to deliver c.€500 million in revenues in 2023. Oakley’s renewed partnership with IU will drive the next phase of the Group’s growth, with continued growth in existing markets, accelerated internationalisation driven by organic growth and acquisitions in key geographies. IU already offers more than 70 English language accredited bachelor’s and master’s degrees and will expand the portfolio over the next phase. IU is also leveraging the power of Artificial Intelligence as the first global university to deploy an AI-powered teaching assistant across all its English programmes in order to enhance the individual learning journey for students.

CEO Sven Schuett said: “We are pleased to continue our partnership with Oakley which will help us drive the next phase of growth and continue our vision to democratise education across the globe. We are excited by the tremendous opportunity to further scale our business in our core markets as well as internationally. We are also convinced that AI will be a game-changer by enabling us to empower our students with the most personalised education.”

Oakley Capital Managing Partner and co-Founder Peter Dubens said: “Sven and his team have redefined modern university education. They have consistently delivered on their ambitious targets, improved student outcomes, innovating with AI driven delivery, and expanding into new verticals and geographies. We are excited to continue to support IU as the Group accelerates its international growth.”

Lazard acted as sole financial advisor to Oakley Capital in connection with the transaction.

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About Oakley Capital

Oakley Capital is the partner of choice for entrepreneurs and management teams with the ambition to build successful, global businesses. With a diverse team of over 140 professionals across five locations including London, Munich and Milan, we back high-growth, mid-market companies across Europe. We have deep sector-expertise across Education, Technology and Consumer and a track-record of supporting businesses accelerate their growth with proven value creation strategies, including M&A, digitisation, talent acquisition and internationalisation. Our unique origination capabilities help unearth attractive investment opportunities yielding consistently strong returns for all stakeholders. To date we have delivered gross realised returns of 4x MM and 67% IRR across all funds. In 2023, Oakley recently raised a record €2.85 billion for Oakley Capital Fund V, bringing our total AuM to €8 billion.

www.oakleycapital.com

About IU Group

With over 100,000 students, IU International University of Applied Sciences (IU) is the largest university in Germany. The private, state-approved educational institution with its main campus in Erfurt brings together more than 200 bachelor’s and master’s programmes under one roof, which are offered in German or English. Students can choose between dual studies, distance learning and myStudies, which combines online and face-to-face

events, and design their studies independently with the help of a digitally supported learning environment. In addition, IU enables further training and promotes the idea of lifelong learning. The aim of the university is to give as many people as possible worldwide access to personalised education. IU started operations in 2000 and is now represented in more than 30 German cities. It cooperates with over 15,000 companies and actively supports them in the development of their employees. Further information at: www.iu.org