



China: Meten EdtechX deal to boost ELT training

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Education technology company EdtechX Holdings has announced a landmark \$535m transaction with Meten Education in China to focus on English and Future skills training provision across the country.

Shenzen

Headquartered in Shenzhen, Meten is in top position in the adult ELT segment in China, according to consulting and research firm, Frost & Sullivan.

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The agreement will result in the creation of Meten EdtechX, which will additionally raise up to \$100m before the company rolls out over more than 600 cities in China.

EdtechX Holdings CEO Benjamin Vedrenne-Cloquet and chairman Charles McIntyre will sit on the board, alongside Meten's founders.

In a joint statement, Vedrenne-Cloquet and McIntyre said education in China had become the "ultimate consumer good".

"Demand for tutoring, English language training, job-oriented upskilling, is growing at double digit rate," they said.

"The growing urban Chinese middle class' aspirations for their own careers and their children's academic success is unleashing large consumer spend and investment opportunities for the education and lifelong learning markets in China.

"Meten EdtechX will operate at the heart of this with a market leading position in the ELT segment and a profitable omnichannel business model combining strategic retail presence, technology and digital delivery," they added.

As an omnichannel business – incorporating both retail and digital segments – Meten will strengthen its positioning as an ELT market leader in China thanks to the deal.

Its brands Meten for adults and ABC for juniors, as well as [Likeshuo](#), an English digital tutoring platform for young professionals, are expected to benefit.

Meten co-founders, Jishuang Zhao, Siguang Peng, Yupeng Guo noted the support of EdtechX and its international investor group would boost the company to "become uniquely positioned to strengthen our market leading position and to make the most of the consolidation and digital growth opportunities available in our industry".

Specialist edtech investment bank IBIS Capital and Azimut have committed to invest \$20m in the deal.

With a nationwide network of 149 new generation learning centres, covering 32 cities in 14 provinces, Meten already reached \$200 million in revenue by 2018. The new group – Meten EdtechX – expects to at least double in size by end of 2021.

"Our approach will continue to be focused on profitable growth and to provide industry-leading English language education and training services to Chinese students and professionals," they added.

"We are looking forward to this new phase of growth as a public company and as Meten EdtechX."

The transaction is subject to SEC regulatory review and shareholders vote, expected in Q1 2020.