PRESS RELEASE

Bertelsmann Strengthens Education Business with Acquisition of OnCourse Learning

- Mid-nine-digit euro range investment in growth platform Education
- Further strengthening of U.S. presence
- Transaction to close this fall

Gütersloh/Cary/Brookfield, September 17, 2018 – Bertelsmann continues the expansion of its strategic growth area of education: The international media, services, and education Group is acquiring the U.S. online education provider OnCourse Learning from the private equity company CIP Capital for an amount in the mid-nine-digit euro range. The transaction further strengthens Bertelsmann’s presence in the U.S. Alongside the acquisitions of the Random House book group in 1998, the online education provider Relias in 2014, and the takeover of a 75-percent majority stake in Penguin Random House in 2017, this purchase is one of Bertelsmann’s largest transactions in the American market. The acquisition of OnCourse Learning has not been completed yet, pending approval by the U.S. antitrust authorities and is expected to close this fall.

OnCourse Learning was founded in 2007. Based in Brookfield, Wisconsin, the company employs around 375 people and provides digital corporate and advanced training courses for healthcare and financial services clients. It also operates a smaller division serving clients from the real-estate sector. Each year, approximately 750,000 learners and 19,000 B2B customers use OnCourse Learning. The company has an online library of around 22,000 courses.

Thomas Rabe, Chairman and CEO of Bertelsmann, says: “The acquisition of OnCourse Learning is an important strategic step for Bertelsmann in several respects. We are expanding our education business to include a company with considerable growth potential. At the same time, the transaction will further strengthen our presence in the U.S., where we already generate more than 20 percent of our revenues. In the future, we expect this share to rise to around 30 percent.”

Once the transaction has been completed, OnCourse Learning’s Healthcare division will be integrated into the Bertelsmann subsidiary Relias, which operates in the same industry. The transaction will create one of the leading online education providers in the healthcare sector. In recent years, Bertelsmann has repeatedly strengthened Relias through acquisitions, including in the field of performance metrics. The business, which is managed by CEO Jim Triandiflou, is also seeing significant organic growth.

Kay Krafft, CEO of Bertelsmann Education Group, says: “At Bertelsmann Education Group, we focus on career-related learning in selected industries. So OnCourse Learning is an excellent fit with our strategy. Its Healthcare division will significantly strengthen the activities of our subsidiary Relias. In addition, the financial services sector is another rapidly growing segment in which, among other things, regular compliance training is required by law. We are delighted to welcome the company and its staff to the Bertelsmann Education Group.”
Relias CEO Jim Triandiflou adds: “As Relias continues to expand into Acute Care, OnCourse brings over 500 hospital clients and world class nursing solutions, including the nurse.com website. With Relias’ leading position in Post-Acute Care and Behavioral Health, we are the only provider with data-driven solutions to reduce variation across the continuum of care.”

OnCourse Learning’s educational offerings for the financial services and real estate sectors will be continued as a separate business in the future.

The markets for continuing education in the healthcare and financial services sectors have a combined volume of $3.6 billion in the U.S. alone. In both sectors, digital learning offers customers a cost-effective, efficient way to train employees.

Bertelsmann’s education activities have been combined under the Bertelsmann Education Group umbrella since 2016. Besides Relias, which is wholly owned by Bertelsmann, the company also owns a stake in the Udacity lifelong learning platform. In the first half of 2018, Bertelsmann Education Group achieved revenue growth of more than 20 percent. Apart from focusing its activities on the U.S., Bertelsmann is also expanding its education businesses into the strategic growth regions of China, India, and Brazil.

About Bertelsmann
Bertelsmann is a media, services and education company that operates in about 50 countries around the world. It includes the broadcaster RTL Group, the trade book publisher Penguin Random House, the magazine publisher Gruner + Jahr, the music company BMG, the service provider Arvato, the Bertelsmann Printing Group, the Bertelsmann Education Group and Bertelsmann Investments, an international network of funds. The company has 119,000 employees and generated revenues of €17.2 billion in the 2017 financial year. Bertelsmann stands for entrepreneurship and creativity. This combination promotes first-class media content and innovative service solutions that inspire customers around the world.

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