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Education & Training Sector

2026 Market Outlook

Introduction

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Agility, scale and outcomes are reshaping value in Education & Training

The Education & Training sector continues to evolve rapidly as technology adoption accelerates, government policy pivots, labour market dynamics shift and investor confidence strengthens. Against this backdrop, providers that demonstrate agility, scalability and measurable outcomes are expected to outperform peers and attract sustained strategic and financial acquiror appetite throughout 2026.

We outline the key themes shaping the Education & Training sector and the strategic implications for businesses looking to capitalise on the next phase of market development and consolidation.

Geraint Rowe
Partner

Simon Marsden
Partner

"We are seeing a clear shift in how value is being defined in Education & Training. Businesses that can demonstrate scalable delivery models, tech-integration and relevance to evolving labour markets are increasingly attracting acquiror appetite".

Key Themes

AI & Technology Enablement
- Margin enhancement through automation
- Enhanced domestic and cross-border growth
- Improved learner experience and client ROI

Employability & Skills Focus
- Skill-based hiring momentum
- Growth in apprenticeships and modular pathways
- Mission-critical skill delivery

Evolving Client Requirements
- ROI as a procurement driver
- Flexible learning expectations
- Evidence-based decision making

Expansion of Total Addressable Market
- Government skills agenda
- Pressure on traditional higher education
- Priority skills investment

Diversification of Exit Routes
- Private equity re-engagement
- Strategic diversification objectives
- Improving UK investment environment

Notes of Caution
- Policy and reform uncertainty
- Rising delivery cost pressures
- Apprenticeship completion volatility

Trends & Opportunities

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AI & Technology Enablement

- AI enabled assessment, personalised modules and real-time learner analytics are driving reductions in delivery costs and enhancing margins and learner outcomes.
- AI powered digital platforms facilitate scalable content distribution and standardisation, enabling providers to achieve significant expansion with minimal incremental cost.
- **Education & Training providers that evidence scalable AI infrastructure, learner analytics platforms and automation tools will continue to enhance margin profiles and revenue visibility, driving increased acquiror appetite and attracting premium valuation multiples from strategic and financial acquirors.**

£400bn

Estimated increase in UK economic growth by 2030 via the adoption of AI skills training and infrastructure

(GOV.UK, Oct-25)

Employability & Skills Focus

- The rise of skill-based recruitment, especially for AI and green roles, reflects employer demand for demonstrable competencies, aligning training with employer needs.
- Growth in higher-level and digital apprenticeships demonstrates a trend away from lengthy, full-time degree courses towards flexible, blended and employment-integrated learning models.
- **Providers should actively align course portfolios with high-demand employability pathways, particularly across key regulated sectors, whilst strengthening employer partnerships and apprenticeship delivery frameworks to demonstrate defensible and resilient business models to well-funded acquirors.**

16.7%

Increase in Digital Technology apprenticeship starts in 2024/25

(UK Department for Education, Nov-25)

Evolving Client Requirements

- Increased market fragmentation has heightened scrutiny on learning impact, placing greater emphasis on outcome measurement and performance benchmarking.
- Clients are increasingly expecting integrated modular, blended and digitally accessible learning models that accommodate diverse workforce demographics and working patterns.
- **Sector leaders should invest in outcome measurement capabilities, performance tracking systems and ROI reporting infrastructure to strengthen client retention, driving sticky revenue streams and KPI enhancement, which are becoming increasingly important as acquirors pursue a 'flight to quality'.**

59%

Of UK employers provided training for their employees over the past 12 months

(GOV.UK, Jul-25)

Trends & Opportunities

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Expansion of Total Addressable Market

- The formation of Skills England reflects a renewed emphasis on aligning training provision with labour market demand and priority growth sectors.
- Whilst universities face ongoing funding challenges, national skills frameworks increasingly prioritise technical and sector-specific skills, supporting demand for specialist training providers.
- **Providers should aim to capture government-backed and employer-led funding streams by aligning delivery models with Skills England and labour market priorities. Businesses that align themselves with these market drivers will generate enhanced investor appetite and command market-leading multiples.**

900k

Additional skilled workers in priority sectors by 2030, highlighting the mounting skills gap throughout the UK

(GOV.UK, Nov-25)

Diversification of Exit Routes

- Financial investors are increasingly attracted to technology-enabled learning platforms offering stickiness of income and a robust validated growth strategy.
- Corporate acquirors are acquiring training capabilities to integrate talent development into wider service ecosystems and diversify into high-growth verticals.
- **Providers considering their strategic options in 2026 should proactively prepare for transaction readiness by improving revenue visibility, demonstrating market leading KPIs, enhancing management reporting and articulating clear growth narratives linked to tech-enablement and employability demand.**

54%

Of UK businesses have identified skill shortages within their organisation despite a recent reduction in vacancies

(The Open University, Jun-25)

Notes of Caution

- Ongoing regulatory change and shifting sector priorities introduce execution risk, particularly for providers exposed to narrow funding frameworks.
- Increased expectations around technology integration, blended delivery capability and quality assurance standards are elevating cost bases across the sector.
- **Providers should mitigate operational and regulatory risk by diversifying revenue streams, strengthening learner frameworks and maintaining flexible, tech-enabled delivery models. Demonstrating resilience to policy change and cost inflation will reduce buyer risk perception and protect valuation outcomes.**

66%

Increase in the apprenticeship national living wage over the past two years is making apprenticeships unviable for SMEs

(PES Media, Dec-25)

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Gambit Anticipates a Wave of Consolidation in the Education & Training Sector in 2026 From Strategic and Financial Acquirors

Key Points in Focus

UK Education & Training providers should integrate AI-driven learning platforms, automation tools and analytics systems to streamline operations and deliver measurable client ROI to position themselves as a premium target for acquirors in 2026.

Prioritisation of high-demand, job-relevant training, including digital apprenticeship and modular upskilling programs, to demonstrate direct workforce impact will be a key target for international acquirors seeking defensible and scalable models.

Market positioning will be key in 2026, with Education & Training businesses aligned with government-backed initiatives that can demonstrate highly scalable, recurring revenue models continuing to attract premium valuation multiples.

Whilst the regulatory environment continues to be increasingly dynamic, businesses that remain focused on demonstrating resilience to policy changes, cost pressures and learner attrition will maintain strong acquiror appetite in 2026.

Gambit's Added Value Approach

Gambit's Education & Training sector expertise enables us to identify off-market acquisition targets and assess acquiror appetite, whilst our close-knit relationships with the Private Equity market provides our client base with targeted and unparalleled access to financial investors.

Gambit's detailed knowledge and insight into the Education & Training sector enables us to advise on appropriate valuation metrics and present opportunities with maximum impact to appropriate acquirors, targets and/or funders.

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Part of an integrated sector team within Corporate Finance International, sharing cross-border opportunities, sector trends and insights, underpinning leading transaction credentials in the sector and optimising client outcomes.

Gambit acts as an extension to senior management teams, with a genuine partner-led service by like-minded business owners, available 24/7 to discuss commercial issues or provide a sounding board, priding ourselves on strong, long-lasting and collaborative relationships.

In an increasingly active M&A market, Education & Training business owners should look to utilise experienced corporate finance advisors to support strategic decision making and maximise value realisation, leveraging the strong level of acquiror appetite and unprecedented funding availability.

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Geraint Rowe
Partner

Office +44 (0) 845 643 5500
Mobile: +44 (0) 789 992 8029
E: geraint.rowe@gambitcf.com

Simon Marsden
Partner

Office +44 (0) 845 643 5500
Mobile: +44 (0) 779 644 1330
E: simon.marsden@gambitcf.com

William Haggaty
Executive

Office +44 (0) 845 643 5500
Mobile: +44 (0) 790 786 5748
E: william.haggaty@gambitcf.com

Taran Sandhu
Analyst

Office +44 (0) 845 643 5500
Mobile: +44 (0) 754 875 8278
E: taran.sandhu@gambitcf.com

Gambit Corporate Finance

Established in 1992, Gambit is an independent corporate finance advisory firm specialising in advising private and public companies on mid-market transactions in the UK and overseas. With offices in London and Cardiff, Gambit is widely recognised as a market leader in M&A advice in the Education & Training sector having built up detailed industry knowledge and an enviable track record in deal origination and execution.
www.gambitcf.com

Corporate Finance International

Gambit is the exclusive UK shareholder of CFI, a global partnership of middle-market investment banks and corporate finance advisory firms. With 300 professionals located in 30 offices throughout the world, CFI members specialise in cross-border acquisitions, disposals, capital raising, and related services. CFI has advised on a significant number of Education & Training sector deals and is ranked number 22 in Europe and 26 globally by Thomson Reuters for transactions valued up to €200 million.
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