

## Latham Leads Education Tech Co. In \$750M Deal

By **Darcy Reddan**

*Law360 (April 8, 2019, 8:02 PM EDT)* -- Education technology company 2U on Monday said it has agreed to buy a New York-based adult technology education company for \$750 million in a cash-and-stock deal guided by Latham & Watkins LLP.

2U Inc. said it will acquire private equity-backed Trilogy Education Services Inc., which partners with universities, companies and other organizations to provide coding, data analytics and cybersecurity training programs. The deal will bring 2U's partnerships with universities up to 68 from 36 and is expected to close within 60 days.

2U co-founder and CEO Christopher "Chip" Paucek said the deal will help 2U reach its goal of \$1 billion in revenue by 2021, noting that "[Trilogy's] business is a natural strategic fit and growth driver for 2U that will extend our reach across the career curriculum continuum, deepen our relationships with new and existing partners, drive marketing efficiencies, and open a more direct corporate training and enterprise sales channel for the company."

In addition to expanding 2U's relationships with universities, the acquisition of Trilogy will provide 2U with more of a presence in Mexico and Europe and allow the company to break into Australia and Canada.

According to a company statement Monday, the deal is composed of \$400 million in cash and \$350 million in newly issued shares of 2U common stock.

2U said it also has secured a \$250 million senior secured term loan from Owl Rock Capital that will be used to fund the acquisition along with cash on hand.

Trilogy was founded in 2015 and has had more than 20,000 professionals enroll in its programs over its lifespan and currently offers more than 120 boot camps. Since its inception, it has received investments from Highland Capital Partners, Macquarie Capital, Exceed Capital, Rethink Impact, City Light Capital and Triumph Capital LLC.

The deal has already been approved by 2U and Trilogy's board of directors and is subject to regulatory approvals.

"Trilogy and 2U share a belief that universities are critical to lifelong learning and to meeting the

workforce development needs of local economies both domestically and internationally, and we're proud to further our mission and continue this important work as part of the 2U family," Trilogy founder and CEO Dan Sommer said in a statement Monday.

Representatives for 2U and Trilogy did not return requests for comment Monday.

2U is represented by corporate partners Brandon Bortner and Marc Granger and associate Sarah Kang; and finance partners Katherine Putnam and Patrick Shannon and associate Samuel Rettew of Latham & Watkins LLP.

Citigroup Global Markets Inc. served as exclusive financial adviser to 2U.

Counsel information was not available for Trilogy.

Morgan Stanley and Co. LLC served as financial adviser to Trilogy.

--Editing by Janice Carter Brown.

*Update: This article has been updated to include additional counsel information.*