

Cengage Group Announces \$500 Million Investment From Apollo Funds

April 17, 2023

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BOSTON, April 17, 2023 /PRNewswire/ -- [Cengage Group](#), a global edtech company, today announced it has signed a definitive agreement with funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. (NYSE: APO) whereby Apollo Funds will purchase \$500 million of a new series of convertible preferred stock of Cengage Group, subject to certain adjustments. The transaction is expected to close by June 30, 2023, subject to customary closing conditions.



"This investment is a strong affirmation of our performance and strategy by an investor who has deep knowledge of our industry and a track record of value creation," said Michael E. Hansen, CEO, Cengage Group. "By replacing debt with equity capital from Apollo Funds, we are meaningfully reducing outstanding debt giving us optionality to invest in our portfolio of growing businesses."

Apollo Private Equity Partner Itai Wallach said, "We are thrilled to be working with the Cengage Group management team and its Board as the Company continues to execute against its business plan. We believe our deep experience in the education sector will help to further accelerate the Company's transformation from print to digital and drive further growth across its business."

With more than a century of experience in the education sector, Cengage Group has evolved from a traditional print publisher to an edtech portfolio company that supports all students, from middle school through graduate school and skills education, with quality content and technology. In the past year, Cengage Group has [acquired Infosec](#), a leading provider of cybersecurity education and training, and launched [Ready to Hire](#), a dynamic new solution to close skilled labor gaps and expand access to quality training. With the investment from the Apollo Funds, Cengage Group intends to continue its focus on Education for Employment by investing in products and services that help millions of students leverage education to gain the skills and competencies needed to be job ready.

Terms of the Transaction

For additional information regarding terms of the transaction, please visit www.cengagegroup.com/investors to view the Current Report.

Advisors

Wachtell, Lipton, Rosen & Katz is serving as legal counsel to Cengage Group.

Paul, Weiss, Rifkind, Wharton & Garrison LLP is serving as legal counsel to the Apollo Funds.

KKR Capital Markets is serving as capital markets advisor and lead arranger for the transaction on behalf of Cengage Group.

Apollo Capital Solutions is also serving as a capital markets advisor.

About Cengage Group

With more than 100 years serving learners, Cengage Group is a global edtech company that enables student choice. No matter how, where, when or why someone wants to learn, our portfolio of education businesses supports all students, from middle school through graduate school and skills education, with quality content and technology. Collectively, our three business units – Cengage Academic, Cengage Work and Cengage Select – help millions of students each year in more than 125 countries achieve their education and career goals and lead choice-filled lives. Visit us at www.cengagegroup.com or find us on [LinkedIn](#) and [Twitter](#).

About Apollo

Apollo is a high-growth, global alternative asset manager. In our asset management business, we seek to provide our clients excess return at every point along the risk-reward spectrum from investment grade to private equity with a focus on three investing strategies: yield, hybrid, and equity. For more than three decades, our investing expertise across our fully integrated platform has served the financial return needs of our clients and provided businesses with innovative capital solutions for growth. Through Athene, our retirement services business, we specialize in helping clients achieve financial security by providing a suite of retirement savings products and acting as a solutions provider to institutions. Our patient, creative, and knowledgeable approach to investing aligns our clients, businesses we invest in, our employees, and the communities we impact, to expand opportunity and achieve positive outcomes. As of December 31, 2022, Apollo had approximately \$548 billion of assets under management. To learn more, please visit www.apollo.com.

No Offer or Solicitation

This press release shall not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Cautionary Note Regarding Forward-Looking Statement

This press release contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "believe," "expect," "may," "will," "should," "could," "seek," "intend," "plan," "estimate," "project," "foresee," "likely," or "anticipate" or similar expressions that concern future periods or our strategies, objectives, plans or goals. All statements that are not strictly historic in nature are forward looking. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. These risks include the risk that the investment may not be completed in a timely manner or at all, which may adversely affect Cengage's businesses or financial condition; the failure to satisfy the conditions to the consummation of the investment, including the receipt of regulatory approval; the occurrence of any event, change or other circumstance that could give rise to the termination of the investment agreement; the effect of the announcement or pendency of the investment on Cengage's business relationships, operating results and business generally; the risk that management's attention may be diverted from Cengage's ongoing business operations; and the outcome of any legal proceedings that may be instituted against the parties related to the investment agreement or the transactions contemplated thereby. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Many factors could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements. You should consider such factors, many of which are outlined in the "Risk Factors" section of our FY22 Annual Report for the fiscal year ended March 31, 2022

and in our quarterly reports for the quarters ended June 30, 2022, September 30, 2022 and December 31, 2022 and the "Special Note Regarding Forward-Looking Statements" section of the same reports. Such reports can be accessed at www.cengagegroup.com/investors release is based only on information currently available to the parties and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

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