



Digital & Education (D&E)

Global Business Services Index 2026



D&E: Enterprise demand for data and training fuelled sector growth, despite AI investments

Sub-sectors:

Data providers



Providers of data and specialised digital services

Ed-tech



Providers of learning and upskilling services, excluding institutes and universities

Sector performance summary

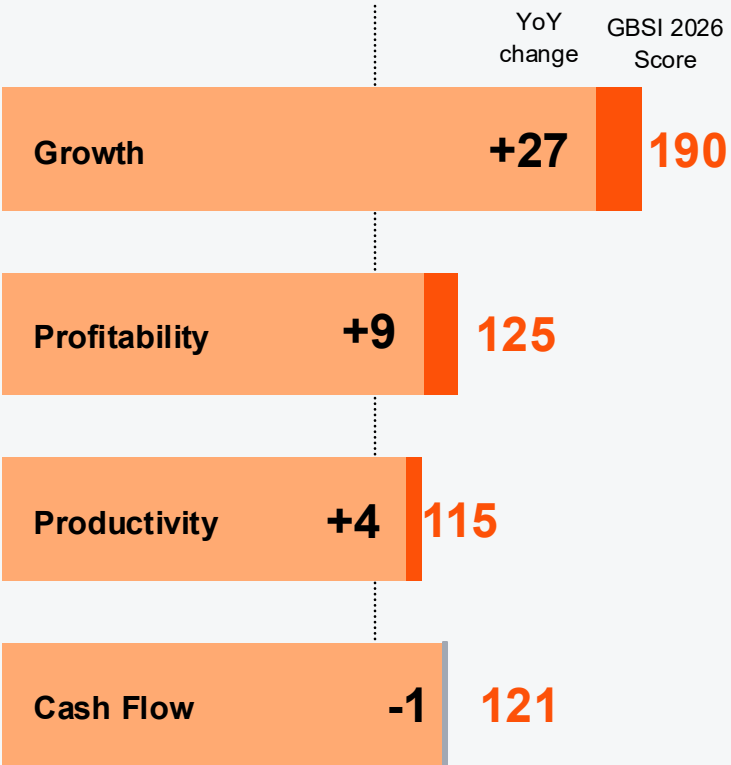
The sector experienced topline growth, with players shifting focus toward stable enterprise and B2B contracts. While consumer-facing platforms faced pressures from free AI alternatives, enterprise software platforms and data providers successfully preserved margins. Companies are actively integrating real-time analytics and automated content curation into core workflows to reduce transaction costs and improve user retention. Furthermore, diversification into highly regulated verticals allowed leading providers to secure predictable, high-margin revenue streams that shielded them from broader macroeconomic volatility and wage inflation, ensuring sustainable long-term profitability.

Momentum drivers and pressure points

 Predictable recurring revenue Long-term contracts and annual subscription models provided highly stable and visible cash flows	 Consumer volume drop Free AI alternatives created volume drops for certain B2C learning platforms
 Workforce upskilling demand Strong B2B and institutional demand for professional certifications drove continuous contract expansions	 High customer acquisition cost Intense competition for retail subscribers drove up marketing costs and put pressure on margins
 Automated workflow efficiencies Integrating machine learning into core operations enhanced workforce productivity and lowered content curation costs	 Heavy infrastructure investment Massive upfront cash outlays for generative AI models and major acquisitions depressed capital returns

138⁺¹⁰
year-on-year

GBSI sector score



▶ 100 (base score for each dimension with FY19 as reference year)

Sub-Sector Overview

Data providers

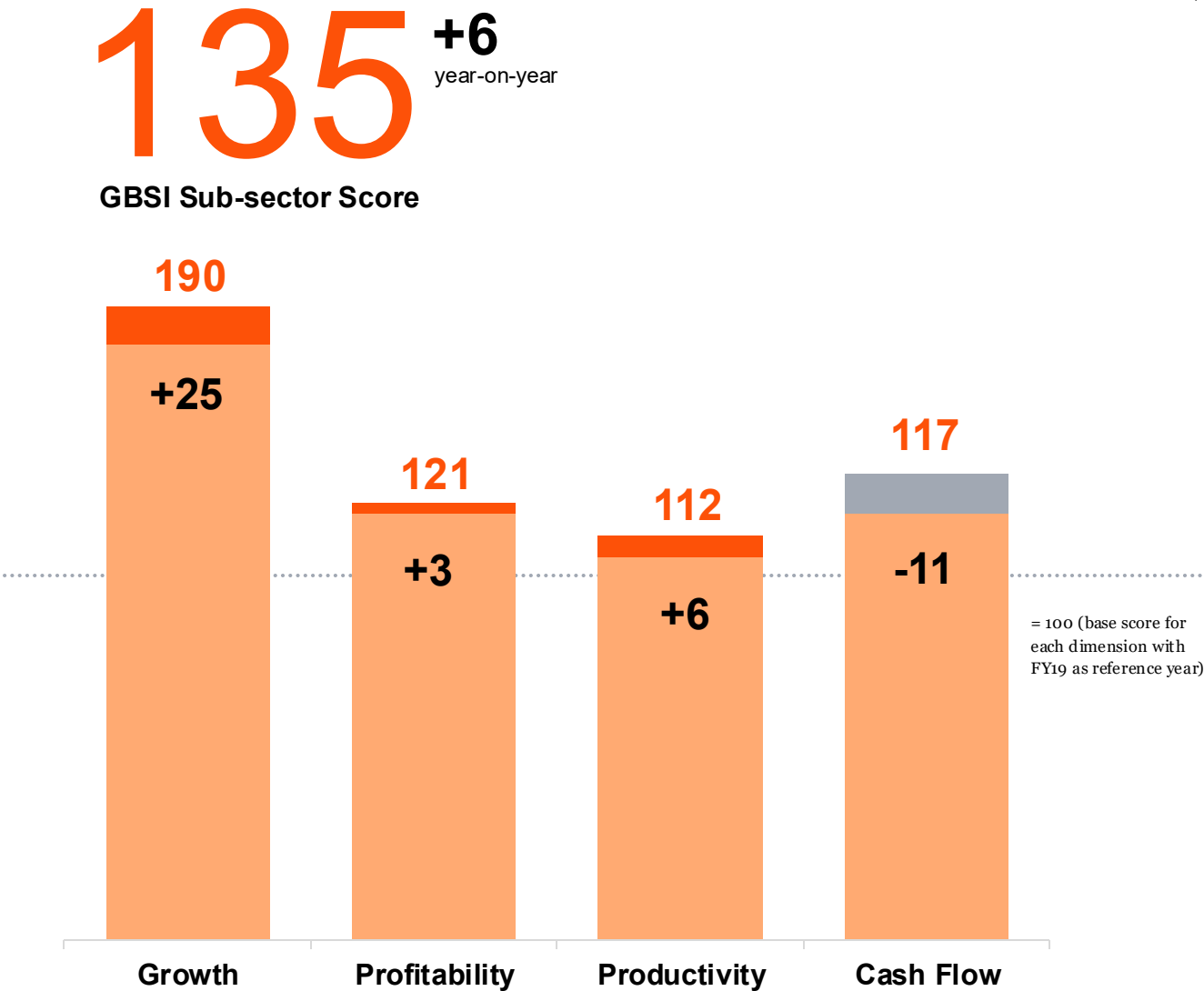


Providers of data and specialised digital services

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Data providers benefitted from strong demand for trusted data and analytics

Data providers



AI continues to be embedded into product offerings and workflows

In FY25, platform modernisation and cloud migration remained important for the majority of firms, with AI embedded deeply into products and workflows. Many companies used acquisitions, distribution partnerships and strategic alliances to accelerate AI capabilities, and entry into adjacencies.

Entering 2026, firms continued to prioritise embedding AI-powered decision assistants to increase customer retention and drive upsell opportunities.

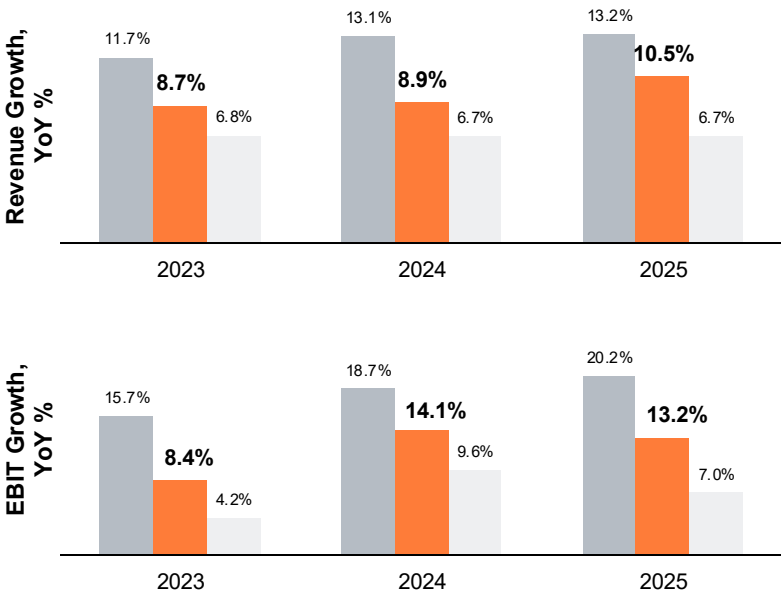
Looking forward, companies are likely to continue expanding into newer use cases, and cross-selling to unlock new customer workflows.



Growth

190 +25

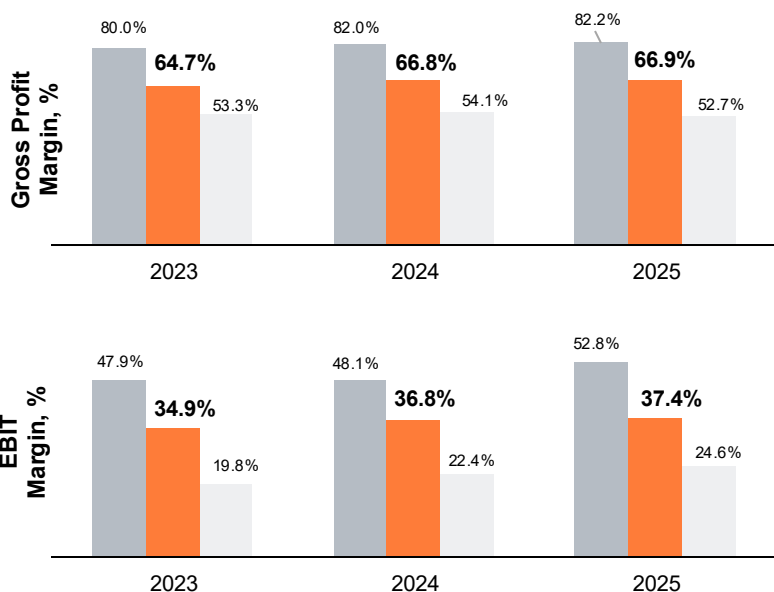
The sub-sector demonstrated robust topline momentum in FY25. This expansion was primarily driven by recurring revenue streams, rising demand for trusted data and analytics, proprietary data assets and deeper integration of these offerings into customer workflows. EBIT also improved as firms expanded digital platforms, broadened offerings through partnerships, and converted stronger revenue growth into higher operating profit.



Profitability

121 +3

The overall profitability of the sub-sector improved in FY25 with business mix shifting towards higher-value, recurring, and software-led offerings. Gross margin benefited from better delivery efficiency, while EBIT margin improved as firms benefited from operating leverage, process efficiency, platform scale, and disciplined cost management.



The sub-sector leveraged AI-driven productivity amidst strategic balance sheet optimisation



Data providers



Data providers to continue leveraging AI to improve productivity and workflows

During FY25, work efficiency improved as firms embedded AI into analytics, search, automation, customer support, risk tools, workflows, and enterprise platforms.

In 2026, companies are continuing to scale these efforts as customers seek greater speed, automation, and better decision support.

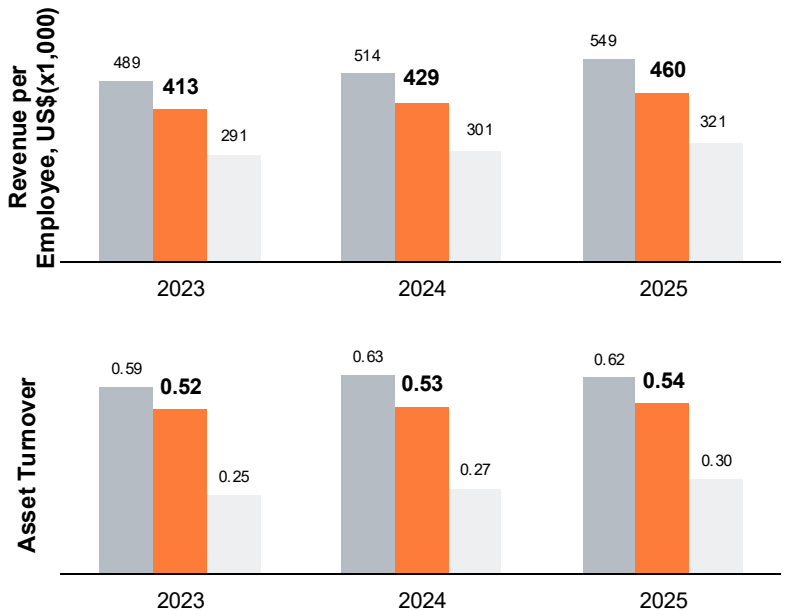
Looking ahead, firms are also likely to continue re-platforming and scaling cloud infrastructure, suggesting that FY25 investments were part of longer-term architecture shifts.



Productivity

112 +6

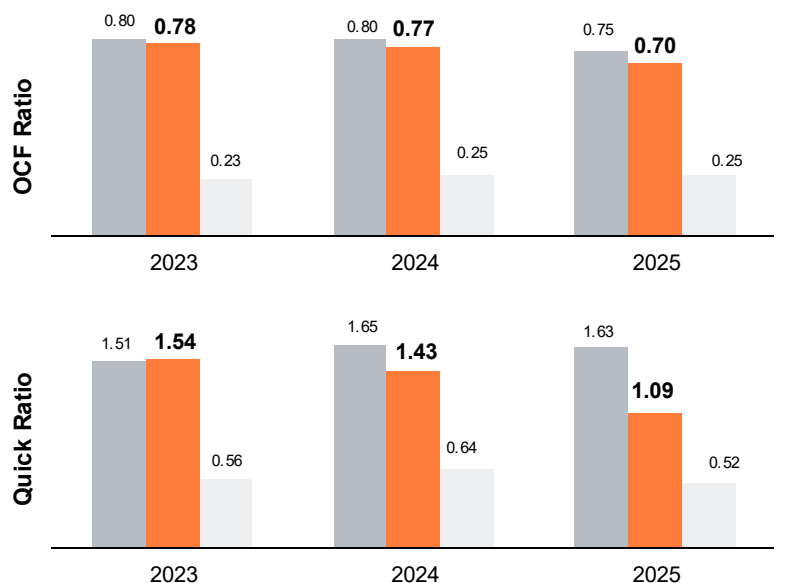
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Cash Flow

117 -11

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Sub-Sector Overview

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Providers of data and specialised digital services

Ed-tech

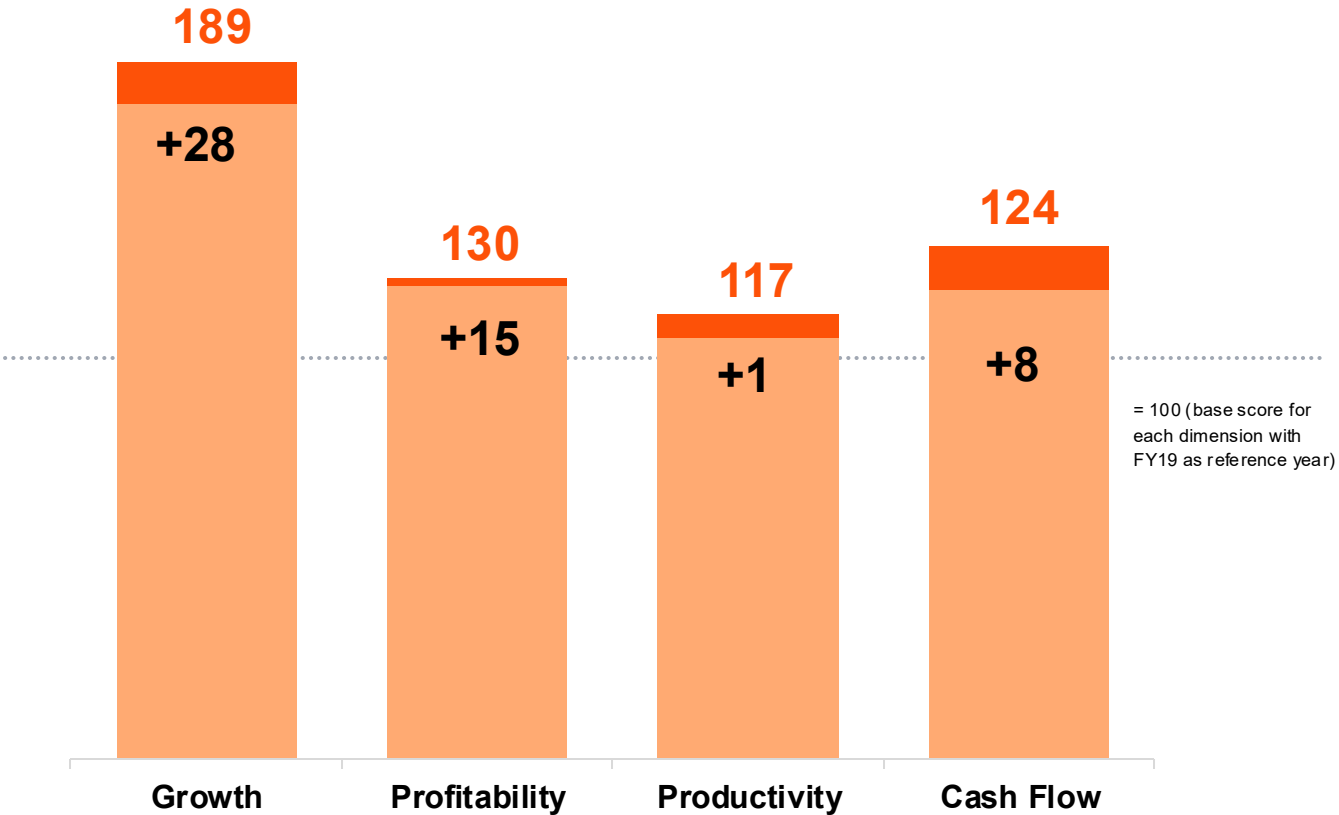


Providers of learning and upskilling services, excluding institutes and universities



140⁺¹³
year-on-year

GBSI Sub-sector Score



EdTech sub-sector saw robust growth with institutional demand and workforce upskilling

Education services



Edtech companies are accelerating AI innovation and adapting to meet market changes

In FY25, Ed-Tech companies accelerated AI-led product development while adapting pricing, packaging and content to shifting learner and enterprise demand.

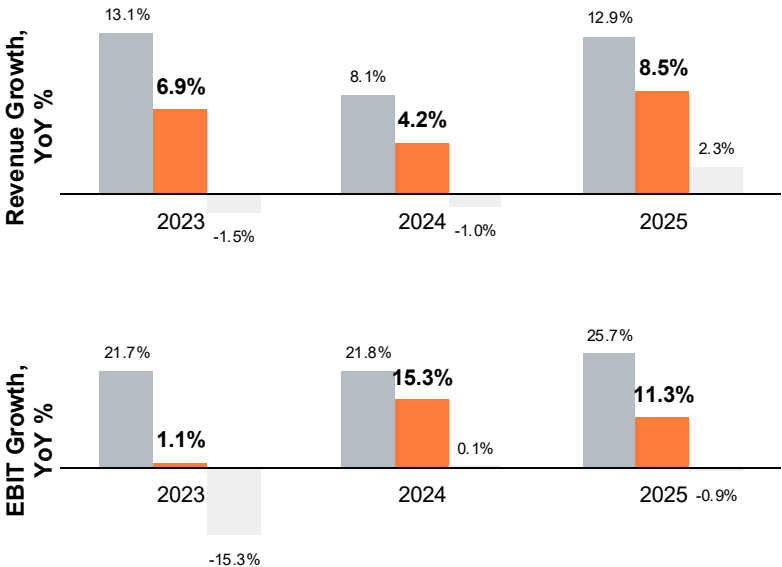
At the start of 2026, providers began moving towards enterprise-wide and volume-based pricing models to encourage larger licence purchasing. Moving ahead, companies are likely to keep building AI-enabled products, while focusing on customer access, reputation, marketing effectiveness and digital delivery capabilities.



Growth

189 +28

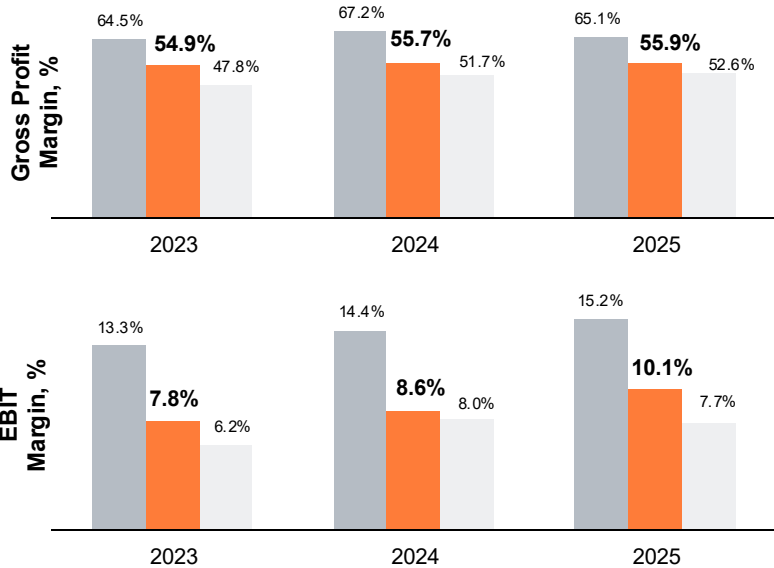
In FY25, the global Ed-Tech sub-sector delivered strong revenue growth, supported by demand for career-linked, skills-based, lifelong and enterprise learning, particularly across regulated segments, vocational training, certifications and AI-based digital skills. Recurring revenue models benefited from contract expansion, customer retention and selective pricing gains, while broader platform adoption supported stronger sales momentum across the sub-sector.



Profitability

130 +15

In FY25, the global Ed-Tech sub-sector saw a clear improvement in profitability. Gross margins rose slightly, supported by digital and subscription revenue mix, scale benefits, and some pricing gains. EBIT margins improved more strongly as revenue growth outpaced growth in sales, marketing, and administrative costs across much of the sub-sector.



Businesses saw an improvement in productivity via automation and restricting measures

Education services



Platforms deploy automated workflows to optimise capital efficiency

During FY25, asset light software organisations achieved high workforce output, while debt heavy publishing networks experienced depressed capital returns.

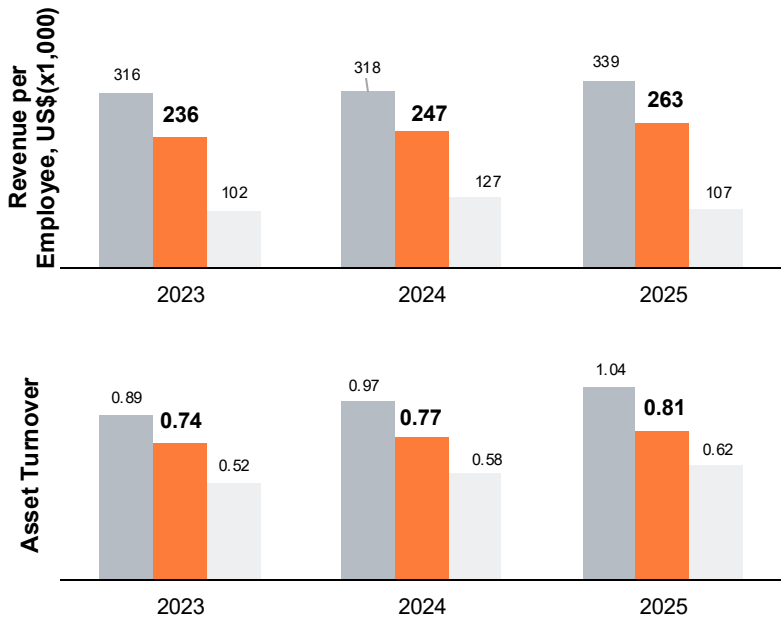
In 2026, the companies continued to focus on productivity, and use AI and workflow automation to do more with leaner expense base. Going ahead, AI likely to improve educator productivity and allow providers to scale delivery, but human elements will remain as many EdTech engagements are relationship-driven and require continued human interaction.



Productivity

117 +1

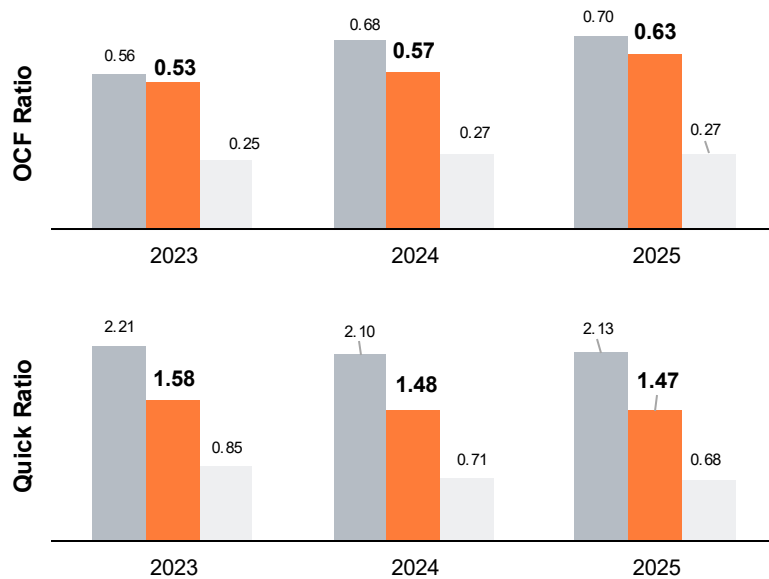
In FY25, labour productivity improved across the Ed-Tech sub-sector as companies scaled digital delivery, expanded recurring revenue, and used automation to support leaner operations. Some businesses also took restructuring and cost actions, which supported revenue per employee. Overall, however, productivity gains remained measured as companies continued investing in growth, technology, and platform capabilities.



Cash Flow

124 +8

In FY25, cash flow trends were supported by recurring subscription revenue, contract visibility, and tighter cost control, while overall liquidity remained broadly stable. Enterprise software platforms showed stronger cash conversion, whereas content-heavy and consumer-facing models were more uneven due to churn, slower sales cycles, and continued investment in products and content.



Future success calls for strong relationships, strategic partners and expanded capabilities



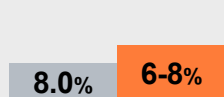
Future outlook

The sector outlook remains positive, with companies expecting continued revenue growth despite an uncertain operating environment.

Data providers expect growth from AI-enabled data and analytics and risk and compliance solutions. Education-tech companies expect momentum from online learning enrolments, workforce and professional education, and personalised, AI-enabled learning products.

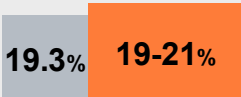
Across both subsectors, margins are expected to improve as revenue grows faster than costs, supported by productivity initiatives and a shift towards higher-value offerings. However, the scale of improvement may vary depending on business mix and the level of continued investment.

Avg. revenue growth*, YoY %



■ FY25 ■ FY26e

Avg. EBIT Margin*



*Based on analyst estimates and company guidance of 10 leading players per sub-sector

Priorities for success

To succeed, companies may need to enhance user adoption by broadening the core capabilities and offerings, securing the right marketing channels and partnerships, and embedding more deeply within customer workflows.



Drive contract expansion: Focus on upsells and multi-year contract expansions, embedding training paths and APIs deep into client workflows to maximise lifetime value and prevent churn.



Monetise AI investments: Offset heavy AI infrastructure outlays by translating technology investments into high-margin premium features and using backend machine learning automation to reduce operational transaction costs.



Target regulated verticals: Secure high-margin, predictable revenue by focusing on specialised, highly regulated verticals. These compliance-heavy niches demand hyper-accurate data and official certifications, shielding the business from cheaper substitutes.



AI can offer clear productivity upside in EdTech, particularly in content creation, globalisation and customisation. However, the benefits will vary by model, with relationship-led education services still relying heavily on human engagement

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I. Overview

- This report presents an outside-in view of the Business Services industry and the performance across 8 key sectors: (i) Built Environment Services, (ii) Business Process Outsourcing, (iii) Digital and Education Services, (iv) Human Capital Management, (v) Legal Services, (vi) Logistics and Distribution, (vii) Professional Services; and (viii) Testing, Inspection and Certification
- The performance of each sector is measured by the '**Sector Index Score**', which has been developed based on an analysis of key metrics for a sample set of companies. This score considers 4 key dimensions and 8 metrics (2 metrics in each dimension), as outlined below:
 - **Growth** – (i) Revenue; (ii) EBIT
 - **Profitability** – (i) Gross margin; (ii) EBIT margin.
 - **Productivity** – (i) Revenue per employee; (ii) Asset turnover
 - **Cash flow** – (i) OCF ratio; (ii) Quick ratio
- A sample of 74 companies has been considered for this sector, and they have been selected based on multiple factors including size, geographic presence/coverage, availability of information, etc
- The **Global Business Services Index** is based on an aggregate of the 8 sector indices (considering a total sample of 438 companies)

II. Index calculations¹

1. **Time period and baseline** – The index calculation is based on company data for FY23 to FY25 and FY19, the latter being considered as a baseline and assigned a score of 100
2. **Metric scores**
 - Actual values for each metric were compared between FY19 and FY23 to FY25 to derive a **ratio**
 - The ratios were aggregated across all 45 companies to arrive at an **aggregated ratio** (to avoid larger-sized companies skewing the results)
 - **Metric scores** are calculated by multiplying the aggregated ratio by 100
3. **Dimension scores**
 - The dimension score is an **average of the metric scores** for metrics included in the respective dimension:
 - i.e., Dimension score (Growth) = Average [Metric score (Revenue), Metric score (EBIT)]
4. **Sector scores**
 - The sector score is an **average of the dimension scores**:
 - i.e., Sector score = Average [Dimension score (Growth), Dimension score (Profitability), Dimension score (Productivity), Dimension score (Cash Flow)]
 - If the sector score >100, it outperformed against the FY19 benchmark
 - If the sector score = 100, results were at par with FY19
 - If the sector score <100, it underperformed against the FY19 benchmark

III. Future outlook

- The FY26 outlook is based on analyst reports and company guidance for 10 leading companies in every sub-sector, selected on the basis of revenue, scale and availability of information
- Revenue growth and EBIT margin estimates were reviewed and aggregated to develop an indicative sector-level outlook

IV. Key sources

- The key sources referred to throughout the report include the following:
 - Company websites and annual reports
 - Analyst reports
 - Databases such as S&P Capital IQ, Bloomberg, EMIS
 - Company registrar portals such as Companies House (UK), Securities and Exchange Commission (US)

1. The scores for the 2023 and 2024 index were recalculated due to changes in sample size and the incorporation of revised financial figures of included companies

Thank you