



4 July 2019

ASX Limited
Market Announcement

THINK CHILDCARE LIMITED (“TNK”) SETTLES ACQUISITION OF 4 NIDO SERVICES FROM INCUBATOR PARTNERS AND OPENS 1 GREENFIELD SERVICE

- TNK settles four high-quality purpose-built Nido childcare Services
- TNK opens greenfield Nido childcare Service in Victoria
- TNK executes on diversified incubator strategy
- Edhod update

TNK continues to execute on its Nido strategy with the acquisition of four Nido services and the opening of a greenfield Nido childcare Service in Victoria.

ACQUISITIONS

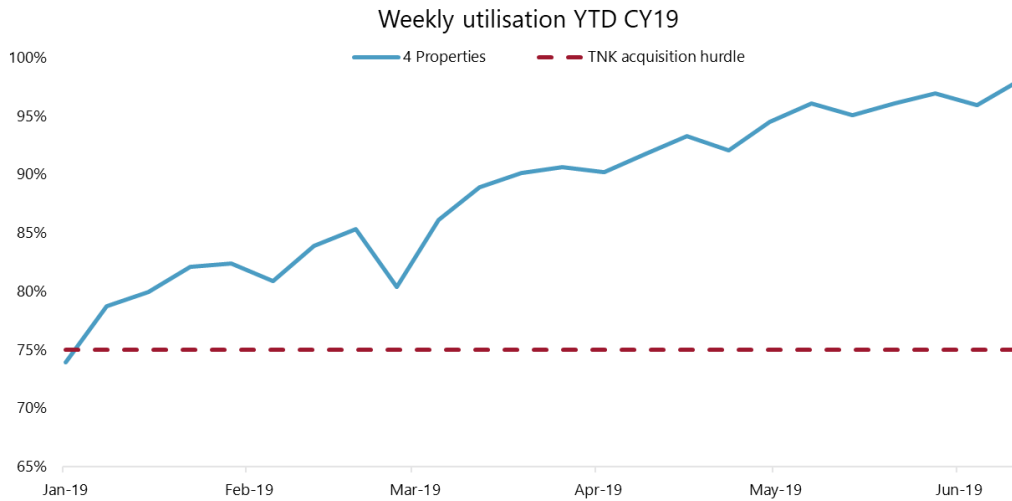
TNK is pleased to announce that it has now completed the acquisition of four newly constructed, purpose-built Nido childcare Services from two incubator partners as announced to the market on 25 March 2019.

The Services were acquired from Incubators 2 and 4 as highlighted in the FY18 investor presentation released to the market on 27 February 2019.

Overview of the four acquired Services	Value
Average Utilisation	98%
Initial purchase price	\$6.5mil
Maximum earnout	\$1.6mil
Maximum purchase price	\$8.1mil
EBITDA Multiple	4.0X
Average Daily Fees	\$121
Number of licensed places	308
Weighted average lease term (inc options)	31 years
Location	WA (Perth Metropolitan)
Age of Services	9 months to 2 years



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The four acquisitions have continued to trade up well since reaching TNK’s acquisition hurdle of 75% utilisation.

GREENFIELDS

In addition to the acquisitions, TNK continues to roll out new Nido childcare Services confirming the opening, in June of a greenfield Service in Melbourne, Victoria.

The Service is a high-quality Nido childcare Service in Moonee Valley within the Race Course precinct with daily fees of \$135 and is expected to reach break even 9 months after opening.

IMAGES OF ACQUIRED SERVICES



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DIVERSIFIED INCUBATOR STRATEGY

TNK has been actively working to diversify its Incubator strategy in order to de-risk the business and allow geographical spread of incubation.

Outside of Edhod we have the following number of Services planned to open and have a large number of other sites under consideration;

Year	Services open or opening*
2019	7
2020	29
2021	9

*by Incubators or Greenfield TNK, it is usual for some of these Services to fall away and be replaced with other sites.

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EDHOD UPDATE

We are advised that PwC as Receivers and Managers of Edhod Pty Ltd will be advertising the business for sale in the coming days. TNK will consider the data presented and ascertain if there is any value in TNK participating in the sale process. We will keep shareholders updated on the process.

Mathew Edwards

Managing Director and Chief Executive Officer

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