



22 August 2018

ASX Limited - Market Announcement

Think Childcare Limited (ASX Code: TNK)

Half Year Accounts CY18 Results Announcement

Performance

On 2 July 2018 childcare costs went from being the most expensive in a decade to the lowest cost they have ever been in Australian history. The funding changes were initially proposed for January 2017, the lack of political will to make this occur has put a lot of families under child care fee stress.

This, coupled with a growth in the supply of centres, has resulted in our performance being depressed in 1H18. Enrolments stayed, untraditionally, relatively flat from February through to June. We expected to see a rebound and as a sector, didn't fully appreciate the depth of the fee stress families were experiencing.

This once in a generation Child Care Subsidy (**CCS**) introduction has already started to positively affect the sector. We proactively embraced the new funding under the CCS and we have achieved an increase in enrolments and a growth in revenue resulting from this, coupled with our July fee increase in the order of 5%.

The financial performance for 1H18 is characterised by the following:

- Revenue is 35.7m, up 20% from 29.7m on the prior comparison period (**pcp**) driven by full year impact of CY17 acquisitions; CY18 acquisitions and 1.2m higher management fees;
- Centre EBITDA is 3.9m, down 17% from 4.7m on the pcp driven by the underperformance of 2017 base centres and greenfield centres;
- Underlying EBITDA is 2.6m, down 19% from 3.2m on the pcp reflecting lower centre contribution of 0.8m and higher overhead costs;
- NPAT of 0.7m is down from 2.7m on the pcp; 1H17 NPAT included the reversal of 1.4m earnout not paid;
- Management fees are 1.7m, up from 0.5m on the pcp, demonstrating the strength of the forward pipeline 26 centres under management, including 4 new centres opened and 9 DA secured in 1H18.

Investor briefing call

Shareholders are invited to participate in a conference call briefing on Think Childcare Limited's half-yearly results.

Details of the conference call are as follows:

Date and time	Wednesday 22nd August 2018 at 11.30am AEST	
Dial in details	Australia, Sydney	+61 283733507 or toll free 1800175864
	New Zealand, Auckland	+64 92805280 or toll free 0800444845
	Singapore, Singapore	+65 31580666 or toll free 8006162312
	China, Domestic	4001203169
	Malaysia, Kuala Lumpur	+60 320544056 or toll free 1800816793
	United States, New York	+1 4696669932 or toll free 18558230291
	All other countries	+61 283733550
Conference ID/ Passcode	7093855	

Management and the Board thank you for your support and continued interest; we expect that the work and investment we are making into TNK will serve shareholders by underpinning a return to growth in CY19.

Mathew Edwards

Managing Director and Chief Executive Officer

Tel: + 61 2 9712 7444

End.