



# ASX Announcement

## Nido Education Limited (NDO) commences trading on the ASX after raising \$99.2 million; positive business momentum continues through Q3 into Q4 2023.

16 October 2023

### Highlights:

- Trading of shares in Nido Education commences on the ASX today following a successful IPO raising \$99.2 million.
- At listing, Nido Education will have a market capitalisation of \$219.5 million at the issue price of \$1.00 per share.
- Primary capital raised to fund the acquisition of 24 Nido Early School branded child care centres.
- Nido Education provides positive update on key operating metrics with Weekly Spot Occupancy 300 basis points ahead of Prospectus forecast at 82%, and total revenue of \$52 million for the June to 8 October period, being \$1.7 million (2.6%) ahead of Prospectus forecast.

**Nido Education Limited** ("**Nido Education**" or the "**Company**"), a national owner, operator of 52 purpose built Nido Early School branded child care centres ("**Nido Services**" or "**Services**"), and manager of 43 Services, will commence trading on the Australian Securities Exchange (ASX) today under the **ASX ticker NDO**.

The listing follows a successful fully underwritten initial public offering, raising \$99.2 million at \$1.00 per share. Funds raised have been used to primarily fund the acquisition of 24 Nido Early Services.

### Nido Incubation Growth Model

- All Nido Services are designed by the Nido team and purpose built for Nido.
- After listing, Nido's strategy is to grow through acquisition from its unique incubator agreements.
- NAED (Alceon PE backed) NDO's primary incubator, has committed \$25mil in equity to target the development of 20 to 30 new Nido Services per year.
- NDO manages all Nido Services from day 1, charging a fee of \$250,000 to open a Service and yearly management fee of \$120,000 until NDO acquires the Service.
- NDO has a call option to acquire the Nido Service when they reach 80% average occupancy and \$5,500 EBIT per licensed place over a six month period.
- This should provide NDO with a predictable and controlled acquisition pipeline of purpose built, high occupancy Services that have been de-risked, designed and managed by NDO from Day 1, with an acquisition price of 4.5 x EBIT.

**Mathew Edwards, Nido’s Founder and Managing Director, said:**

“We operate and develop early schools in suburban Australia, delivering families’ affordable, high-quality early education.

Completing the capital raise allows Nido to continue to execute its growth objective, which is to increase the number of children that we can deliver high quality early education to.

We would like to take this opportunity to thank all the Nido team for their dedication to each other, the children and the families we serve.

We welcome our foundational IPO shareholders. We greatly appreciate your overwhelming support of Nido.”

**Operational and Trading Update**

The financial forecasts disclosed in the Prospectus (Prospectus Forecast) are based on a 1 June 2023 to 31 December 2024 period.

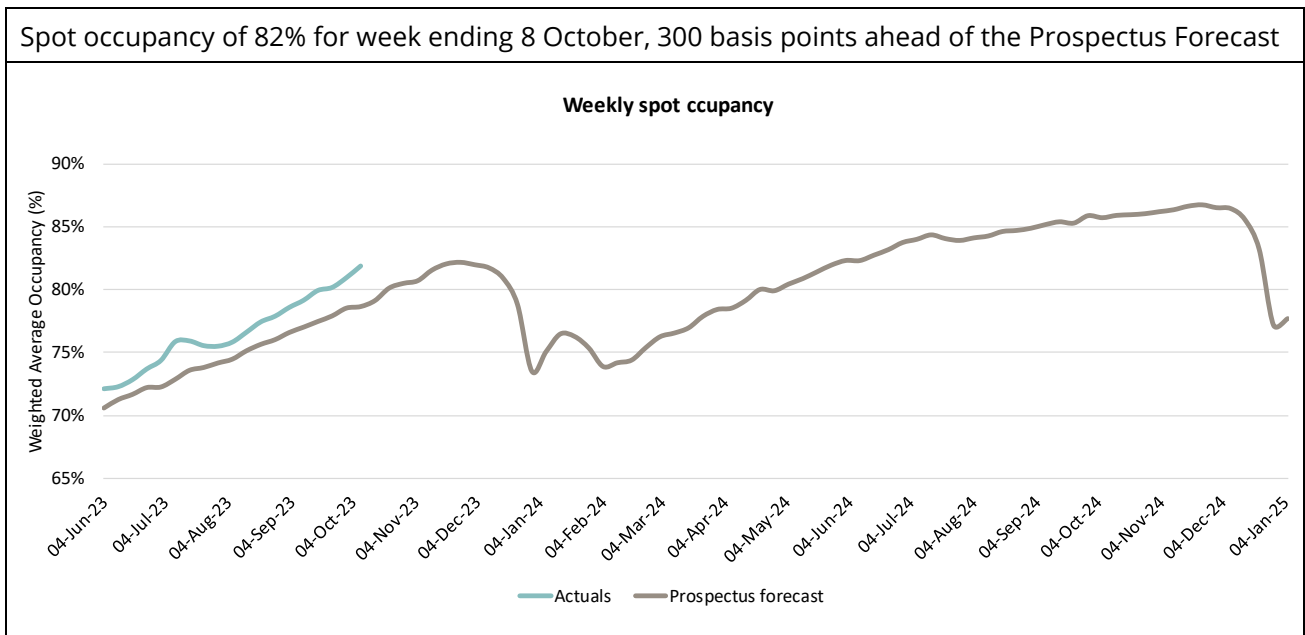
Operational performance has been ahead of Prospectus Forecast through Q3 and into Q4 2023, with Occupancy and Total Revenue having performed ahead of expectations and expenses in-line with forecast, driven by;

- Continued enrolment demand with a significant number of families on our waitlist; and
- An increase in the number of applicants for new roles, and a corresponding increase in the recruitment of new Teachers into NDO, allowing us to better satisfy our waitlist.

New Nido Services opened through incubation are trading well, with a number trading ahead of expectation.

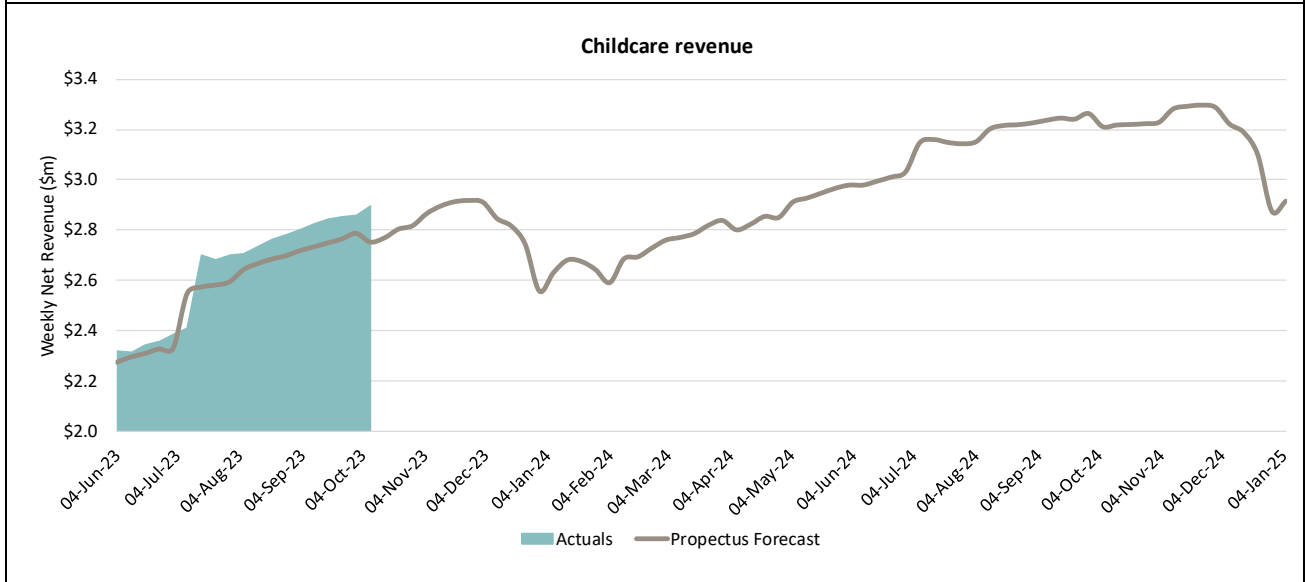
Construction, fit out, and licencing of new Nido Services are progressing well, with 32 Services expected to be opened through incubation by 31 December 2024.

**Chart 1 – Average Weekly Spot Occupancy (Unaudited)**



**Chart 2 – Revenue (Unaudited)**

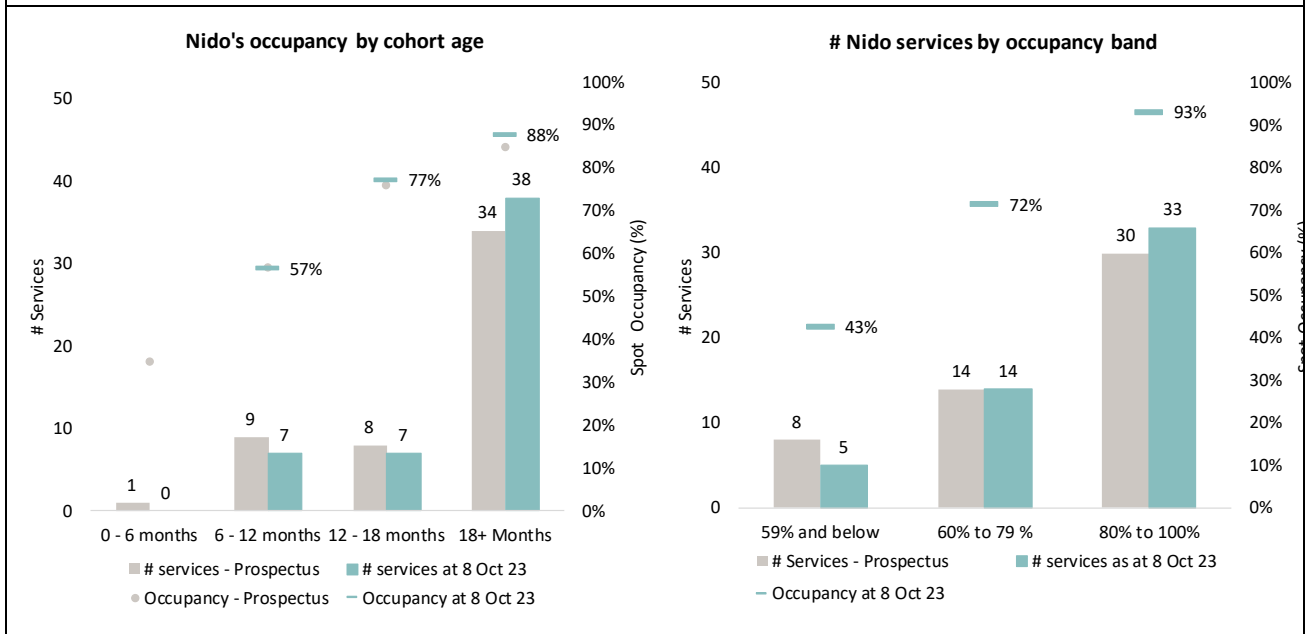
Total Group Revenue of \$52m from June 2023 to 8 October 2023 was \$1.7m (2.6%) ahead of the Prospectus Forecast, predominantly driven by higher daily child care revenue (child care fees only) as shown below.



**Chart 3 – Current Spot Occupancy at Week Ending 8 October 2023 (Unaudited)**

**Cohort age** - Nido currently has 38 Services over 18 months old with an average spot occupancy of 88% at week ending 8 October 2023.

**Occupancy band** – Nido currently has 33 Services above 80% occupancy with an average spot occupancy of 93% at week ending 8 October 2023.



—ENDS—

This announcement has been approved by the Board of Directors.

**Further information**

**Investor & Media enquiries**

P: 02 9712 7444

E: [ir@nido.edu.au](mailto:ir@nido.edu.au)

**About Nido**

*Founded in 2021, Nido Education Limited is a national owner, operator and manager of long day early childhood education and care services, operating under the Nido Early School brand. Visit:*

[www.nidoeducation.edu.au](http://www.nidoeducation.edu.au)

Visit <https://ndoipo.computersharecas.com.au/offer/> to download a copy of our Prospectus