



24 February 2021

ASX Limited
Market Announcement

Think Childcare Group (ASX Code: TNK)
2020 Full Year Financial and Operational Results - Investor briefing call
2021 Annual General Meeting

Think Childcare Group (ASX: TNK) (**Group**) is pleased to announce its financial and operational results for the year ended 31 December 2020.

Think Childcare Group operates the only national premium child care offering, Nido Early School nidoearlyschool.com.au. For the past three years we have focused on execution of our strategy to provide suburban families with a superior quality early education experience. We are now seeing the positive results for our children, Educators and security holders.

Highlights

- › Group EBITDA (underlying) of \$26.8m (an increase of 89% on pcp) and 7% outperformance against our guidance range of \$24.0m-\$25.0m. This result demonstrates significant momentum as we continue to execute on our strategy as Australia's leading provider of premium child care Services to suburban families
- › TNK recorded \$30.1m in EBITDA (underlying) for CY20 (an increase of 104% on pcp) with an expected similar result in CY21 despite approximately \$4m of increased corporate costs in CY21 to support future growth
- › The critical nature of the sector was highlighted further through COVID-19, re-affirming it is critical to drive workforce participation
- › Strong balance sheet with \$22.9m of Group cash at 31 December 2020 and \$24.2m of facility headroom

- › Solid rebound in occupancy driven by recovery in existing enrolments and new enrolments
 - Enrolled peaked at 79% and attended at 73%
 - Significant return from marketing investment during COVID-19 period with 43% of total enrolments being new as at 31 December 2020
- › Our workforce increased by 25% between January 2020 to January 2021 with investment in data and collaborative technologies providing operational and wage management efficiencies
- › 2021 occupancy has started ahead of 2020 by 2%, driven largely by our incubation strategy
- › Strong pipeline of 50+ new Services (TND plus third-party incubators) that will generate \$25.0m Service-based EBITDA within 36 months.
- › Fully funded pipeline of 36 Services in TND including 10 in trade-up as of December 2020
- › 12 cents fully franked final dividend determined for CY20, representing a 30% reduction on the total quantum of dividends (ordinary and special) paid in CY19.

CY21 Outlook

Our CY21 enrolments for the first 8 weeks are ahead of same time last year, putting us in a strong position to continue to deliver best in market offering.

The outlook for Think Childcare Group CY21 EBITDA (underlying) is \$26.0m. This includes an investment of \$2.4m in new roles and the \$1.6m in the annualised impact of roles added in CY20, to support future growth which will be subject to ongoing monitoring of trading performance.

Please refer to the accompanying full year results investor presentation for further details.

Investor briefing call

Security holders are invited to participate in a conference call in relation to the Group's 2020 full year financial and operational results. Details of the conference call are as follows:

Date and time: Wednesday, 24 February 2021 at 11.00am (Sydney time)
Participant details All participants must pre-register to join this conference call using the Participant Registration link below. Once registered, an email will be sent with important details for this conference. Participant Registration Site: Please click here to register



Annual General Meeting

The annual general meeting of Think Childcare Limited and Think Childcare Development Limited will be held as a combined meeting of both companies at **10:30am (Sydney time) on Thursday, 13 May 2021** and, to the extent permitted by law or by ASIC at the time, is proposed to be, conducted virtually. Details will be set out in the Notice of Meeting.

The closing date for receipt of nominations from persons wishing to be considered for election as a director of either or both companies is Tuesday, 23 March 2021.

END

For further information:

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This announcement has been authorised for release by Board of Think Childcare Limited and the Board of Think Childcare Development Limited