



2 November 2020

ASX Limited
Market Announcement

Think Childcare Group (ASX Code: TNK)
CY2020 Earnings Guidance update

Think Childcare Group (ASX: TNK) (**Group**) is pleased to provide an update to its previous CY2020 earnings guidance (19 August 2020).

NSW, SA, WA, ACT and QLD Services are now trading strongly with enrolments and attendances at or above pre COVID-19 levels and have contributed positively to the adjustment to our guidance. Enrolments and attendances in VIC have also begun to recover. As businesses begin to open and restrictions continue to ease, we expect enrolments and attendance to continue to increase.

Whilst the Child Care Relief Package (**CCRP**) in Victoria has assisted, Management does not believe that it has fully counteracted for the occupancy the Group was expecting to achieve in a non-COVID-19 environment. For children that were absent due to COVID-19 related issues, the Group has waived the gap fees and has only collected the Child Care Subsidy component from the Federal Government.

In most Services, the CCRP coupled with active management of primarily the Group's casual workforce and other non-staff related expenses, has resulted in savings that has allowed the Group to maintain a profitable position.

The Group's previous guidance was given in the context of uncertainties caused by COVID-19. As the impacts of COVID-19 continue to dissipate, accompanied by the gradual easing of restrictions and lock downs, and with 10 months of trading now completed, the Group provides updated guidance for CY2020.



Think Childcare Group

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The context to this is that there is a degree of confidence, that should the status quo remain regarding COVID-19 and general business conditions, and assuming VIC continues its pathway of re-opening and other states continue on their current trajectories, the Group's guidance ranges for CY2020 are expected to be:

| CY2020 Guidance EBITDA (underlying) | Previous Guidance | Updated Guidance |
|-------------------------------------|-------------------|------------------|
| Think Childcare Limited | 17.0m to 20.0m | 25.0m – 26.0m |
| Think Childcare Development Limited | (1.1m) – 1.0m | (0.5m) – 1.0m |
| Group (after elimination) | 15.0m – 17.0m | 22.0m – 23.0m |

Note: achievement of the Updated Guidance involves known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results of the Group to be materially different to the Updated Guidance. Updated Guidance is based on numerous assumptions regarding present and future business strategies and the environment in which the Group will operate in the future, including expected and unexpected costs and ability to achieve goals.

We thank you for your support and continued interest.

END

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This announcement has been authorised for release by the Boards of directors, Think Childcare Limited and Think Childcare Development Limited