

2021 HALF-YEAR RESULTS INVESTOR PRESENTATION

18 August 2021

Nido, Perth



CONTENTS

- 1 Half-year review
- 2 Think Childcare – Operations
- 3 Think Childcare Development (TND)
- 4 Financial performance
- 5 Appendix
 - Transaction overview and timing
 - Glossary

1.0 THINK CHILDCARE GROUP — 1H21 AT A GLANCE

ersonal use only



TNK

EBITDA (underlying)

\$11.4m

↑ 73% pcp

NPAT (underlying)

\$5.6m

↑ 145% pcp

Closing cash

\$10.1m

↑ 1% pcp

Earnings per share¹

\$0.09

↑ 144% pcp

TND

EBITDA (underlying)

\$(1.3m)

↓ 12% pcp

NPAT (underlying)

\$(1.7m)

↓ 87% pcp

Closing cash

\$1.6m

↓ 11% pcp

Earnings per share¹

\$(0.03)

↑ 87% pcp

Group

EBITDA (underlying)

\$9.2m

↑ 72% pcp

NPAT (underlying)

\$3.0m

↑ 137% pcp

Closing cash

\$11.7m

↓ 0.8% pcp

Interim dividend

\$0.08

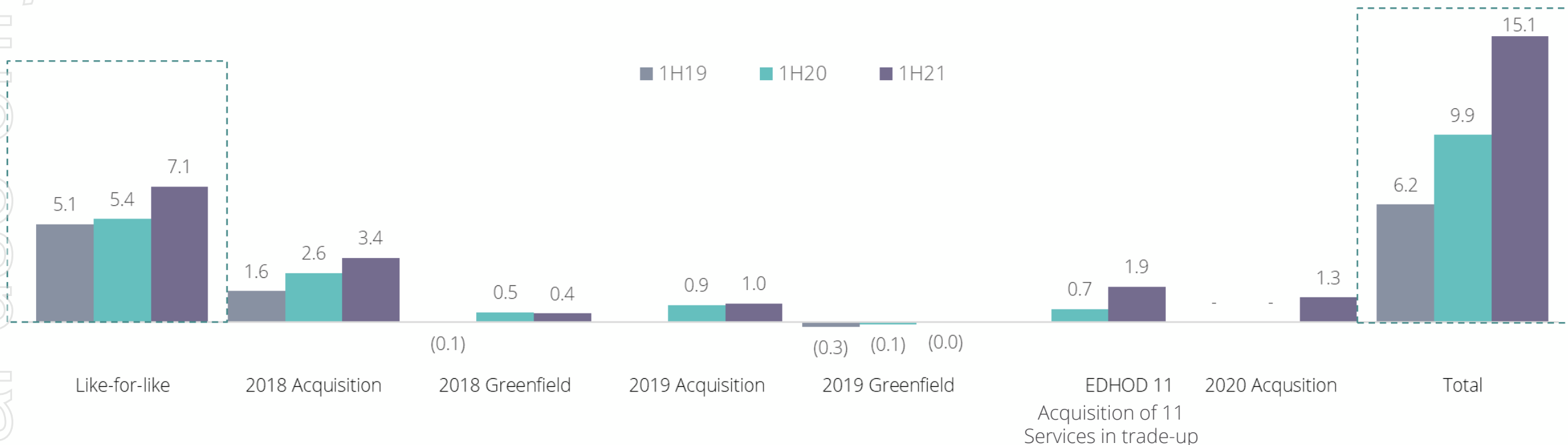
1. EPS calculated = NPAT (underlying)/Weighted average number of securities

2.0 TNK SERVICE PERFORMANCE — BY COHORT

All cohorts have delivered underlying growth in earnings y-o-y

Service performance by cohort¹ \$m

■ 1H19 ■ 1H20 ■ 1H21

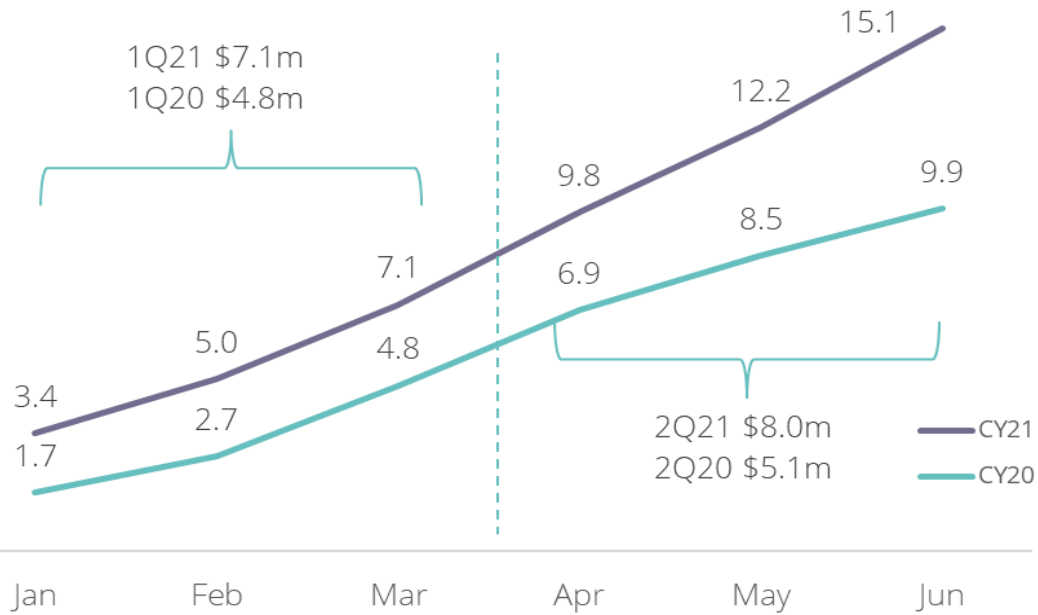


› Service performance growth of \$1.7m in like-for-like cohort of 40 Services

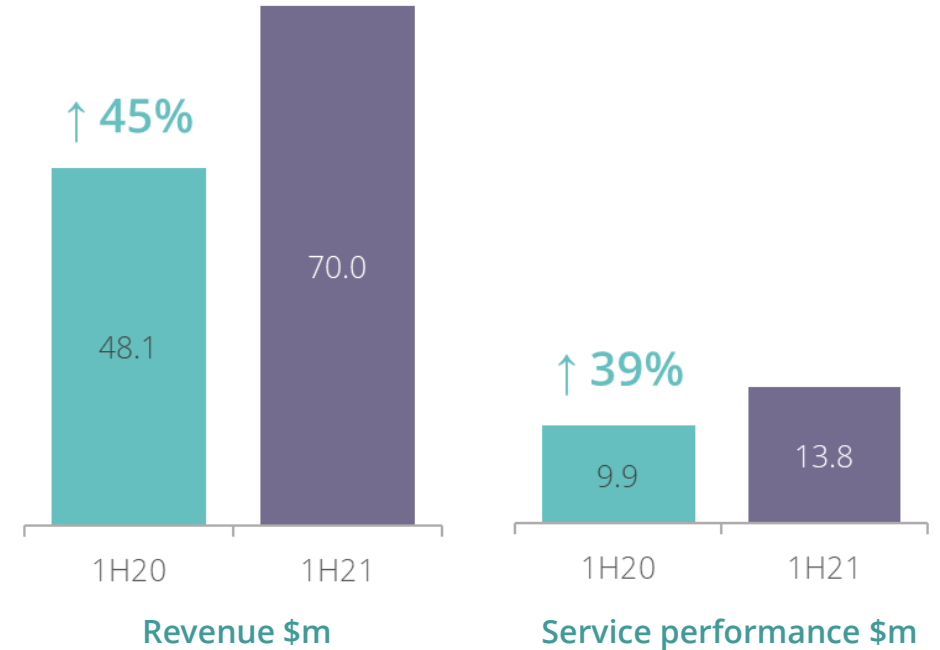
1. Total includes closed Services (1H19 -0.3m, 1H20 -0.1m, 1H21 23k)

2.0 TNK SERVICE PERFORMANCE – 1Q V 2Q AND LFL GROWTH

Cumulative Service performance by month \$m



69 Services owned fully on 1H20 \$m

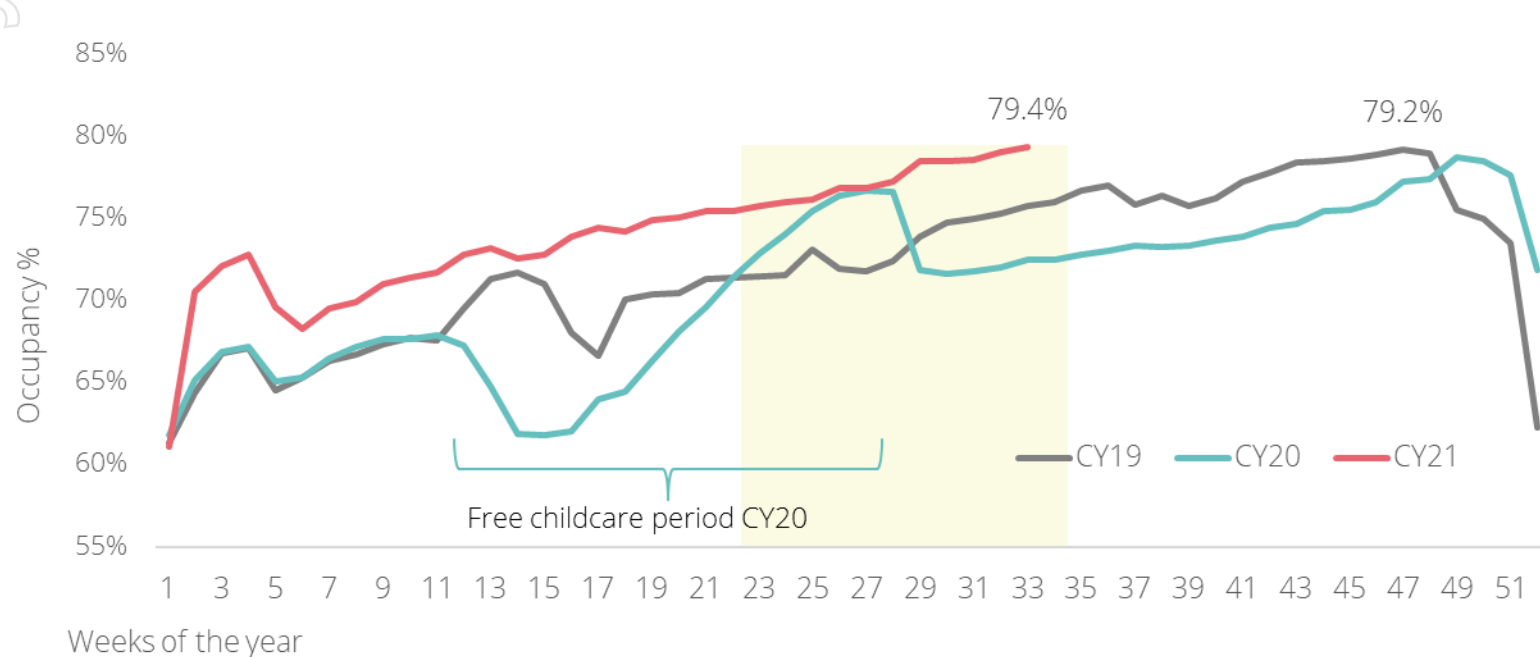


› Revenue growth of 45% and Service performance growth of 39% on a like-for-like cohort of 69 Services

2.0 TNK TRADING UPDATE

Higher occupancy achieved vs pcip notwithstanding COVID lockdowns

TNK portfolio occupancy¹ %



Critical dates	Start	End
VIC/NSW lockdown	28-05-21	Ongoing
Free child care	06-04-20	12-07-20

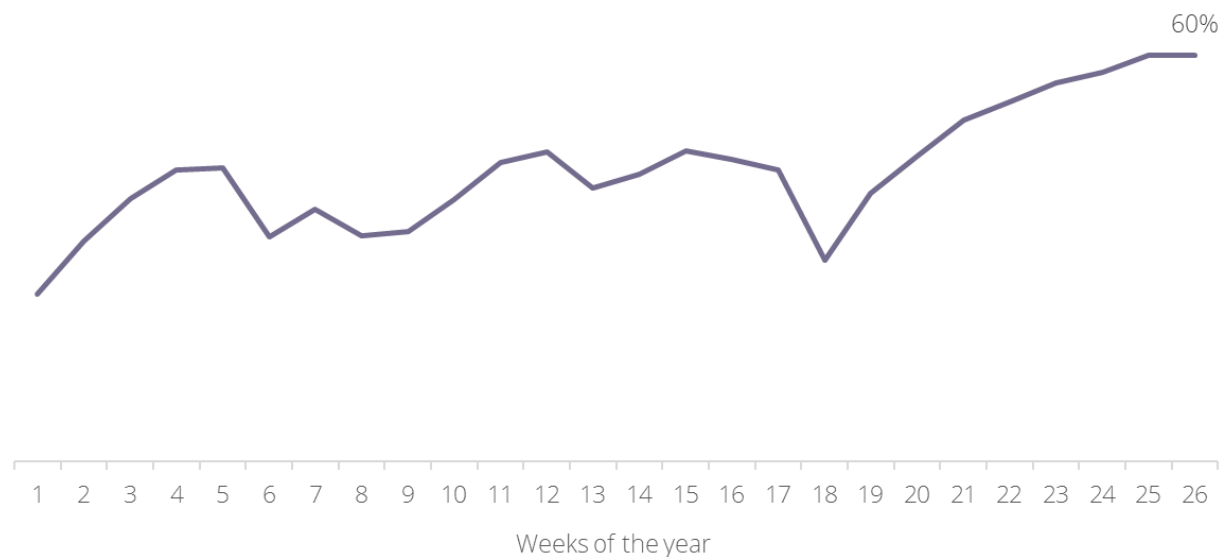
- › Current occupancy of 79.4% achieved in week 33 is 0.2% points higher than peak occupancy in CY19
- › Ramp-up of ~4% points between week 33 and week 47 has been achieved in previous years

1. Excludes Services closed or sold

3.0 TND SERVICES IN TRADE-UP

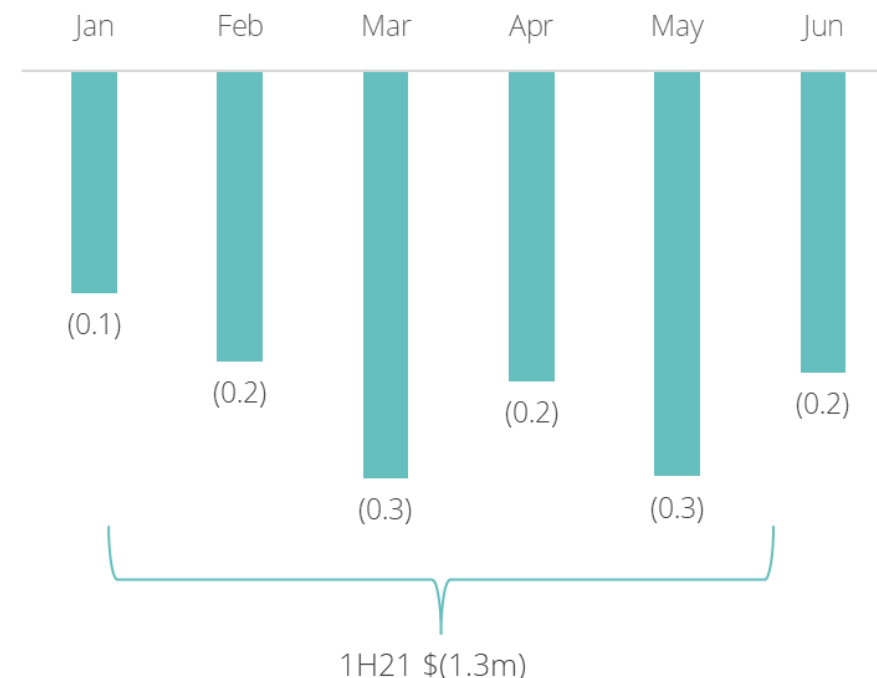
Executing on delivery of pipeline Services

TND portfolio occupancy 1H21 %



Pipeline status at 30 June					
Development stage	Lease status		Opening		
Construction	12	AFL signed	15	2H21	7
DA	8	AFL pending	5	1H22	13
	20		20		20
Trading	16				
Total (trading + pipeline)	36				

TND EBITDA (underlying) \$m



- › 16 Nido Services in trade-up during 1H21 (6 Services opened in 1H21)
- › EBITDA (underlying) loss of \$(1.3m) in 1H21
- › At 30 June 2021¹ 12 Services in construction and 8 in various stages of development

1. Excludes 2 Services under construction that will be transferred to TND from TNK

4.0 FINANCIAL PERFORMANCE

Strong first half performance

(\$m)	1H21			1H20			Variance	Reconciliations to Interim Financial Report				
	TNK	TND	Group ¹	TNK	TND	Group ¹	Group ¹	Revenue	TNK	TND	Elim	Group ¹
Service revenue	75.4	10.6	86.0	48.5	1.1	49.5	36.5	Service revenue	75.4	10.6	-	86.0
Labour	(43.1)	(7.3)	(50.4)	(24.3)	(0.9)	(25.1)	(25.3)	Management fees	2.3	(0.6)	(0.9)	0.9
Occupancy	(12.5)	(2.6)	(15.2)	(10.7)	(0.5)	(11.3)	(3.9)	Revenue (including Other income) ²	77.7	10.0	(0.9)	86.9
Service overheads	(4.6)	(1.1)	(5.7)	(3.6)	(0.2)	(3.8)	(2.0)					
Service performance	15.1	(0.4)	14.7	9.9	(0.5)	9.4	5.3					
Management fees	2.3	(0.6)	0.9	1.1	(0.2)	0.7	0.1	EBITDA				
Employee expenses	(4.1)	(0.1)	(4.2)	(3.1)	(0.0)	(3.1)	(1.1)	EBITDA (underlying)	11.4	(1.3)	(0.9)	9.2
Corporate overheads	(2.0)	(0.2)	(2.2)	(1.3)	(0.3)	(1.6)	(0.6)	AASB 16	9.4	2.1	-	11.5
Corporate costs/revenue	(3.7)	(0.9)	(5.5)	(3.3)	(0.6)	(4.0)	(1.5)	Non-underlying costs	(1.1)	-	-	(1.1)
Acquisition expenses	-	(0.0)	(0.0)	-	-	-	(0.0)	EBITDA	19.6	0.8	(0.9)	19.5
EBITDA (underlying)	11.4	(1.3)	9.2	6.6	(1.1)	5.4	3.8					
Finance costs	(1.2)	(0.8)	(2.0)	(1.7)	-	(1.7)	(0.3)	NPAT				
Depreciation and amortisation	(2.1)	(0.3)	(2.4)	(1.7)	(0.1)	(1.8)	(0.7)	NPAT (underlying)	5.6	(1.7)	(0.9)	3.0
Tax	(2.5)	0.7	(1.8)	(1.0)	0.3	(0.6)	(1.2)	AASB 16	(1.8)	(0.9)	-	(2.7)
NPAT (underlying)	5.6	(1.7)	3.0	2.2	(0.8)	1.3	1.7	Non-underlying costs	(1.1)	-	-	(1.1)
Key metrics								Tax impact	0.9	0.3	-	1.2
Service margin	20.0%		17.1%	20.4%		19.0%	-1.9%	NPAT	3.5	(2.3)	(0.9)	0.3
EBITDA (underlying) margin	14.6%		10.6%	13.2%		10.6%	-0.1%					
NPAT (underlying) margin	7.2%		3.5%	4.5%		2.5%	0.9%					

1. After eliminations

2. As reported in the interim financial statements

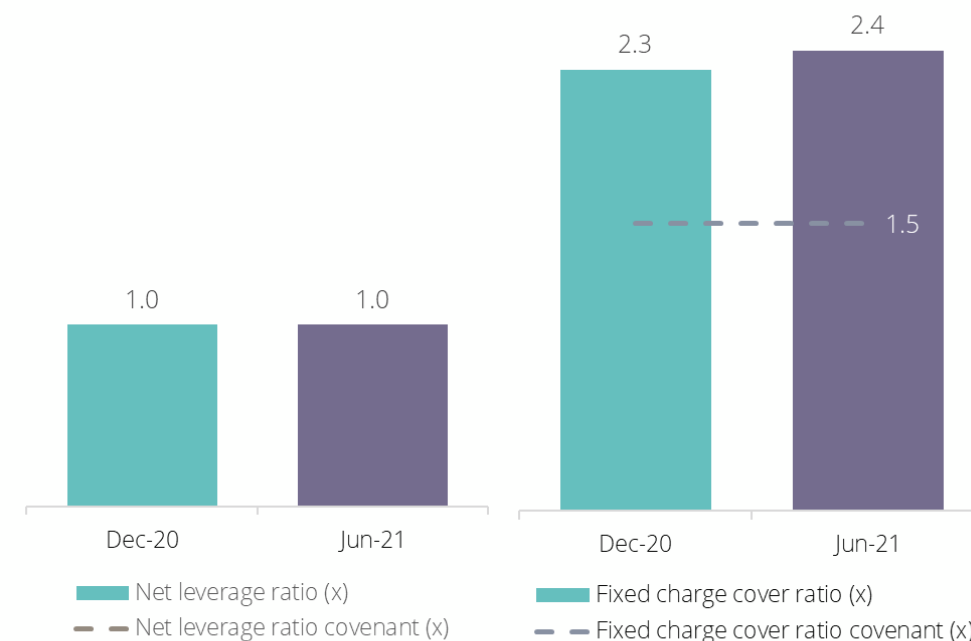
4.0 BALANCE SHEET

\$m	Jun-21					Dec-20
	TNK	TND	AASB 16	Elim	Group	Group
Cash	10.1	1.6	-	-	11.7	22.9
Receivables and other assets	9.6	5.7	-	-	15.4	12.8
Property, plant and equipment	18.5	9.0	-	(2.1)	25.4	22.1
Intangible assets	85.4	4.9	-	(2.9)	87.4	87.7
Right-of-use asset	-	-	215.9	-	215.9	200.2
Total assets	123.7	21.2	215.9	(5.0)	355.8	345.6
Borrowings	43.2	12.2	-	-	55.4	54.3
Other liabilities	14.4	5.2	-	-	19.6	22.1
Lease liability	-	-	228.1	-	228.1	209.4
Total liabilities	57.7	17.3	228.1	-	303.1	285.9
Equity	66.0	3.9	(12.2)	(5.0)	52.6	59.7
Total leverage ratio					1.0x	1.0x
Fixed cover ratio					2.4x	2.3x
Net debt					43.8	31.5
Headroom	23.8	-			23.8	24.2

TNK leverage ratio

----- 3.5

TNK fixed cover ratio



4.0 CASHFLOW

\$m	1H21				1H20
	TNK	TND	Elim	Group	Group
Child care receipts & other revenue	77.3	10.3	(0.6)	87.1	48.2
Operating expenses	(59.6)	(7.9)	0.6	(67.0)	(35.8)
Interest & finance costs	(6.3)	(2.0)	-	(8.3)	(6.6)
Income tax paid	(4.3)	-	-	(4.3)	(1.2)
Net operating cashflow	7.1	0.4	-	7.5	4.7
Security deposits	-	(1.4)	-	(1.4)	0.4
Nido transition/Capital expenditure	(2.1)	(4.4)	1.0	(5.5)	(3.3)
Net investing cashflow	(2.1)	(5.8)	1.0	(7.0)	(2.9)
Borrowings	-	-	-	-	4.9
Repayment of lease liability	(4.3)	(0.1)	-	(4.4)	(3.8)
Shares issued	-	-	-	-	0.2
Dividends paid	(7.3)	-	-	(7.3)	(3.0)
Net financing cashflow	(11.6)	(0.1)	-	(11.8)	(1.7)
Closing cash	10.1	1.6	-	11.7	11.8

- Management reaffirms full year CY21 guidance for Group EBITDA (underlying) of \$23m

QUESTIONS AND ANSWERS (Q&A)



5.0 APPENDIX - TRANSACTION OVERVIEW

Overview of the Transaction	<ul style="list-style-type: none">• As announced on 17 June 2021, Think Group entered into an Implementation Agreement with Busy Bees on 16 June 2021• It is proposed that Busy Bees would acquire 77.85% of the issued capital of TNK and its subsidiary, FEL Dev, would acquire 77.85% of the issued capital of TND by way of two inter-conditional schemes of arrangement between Independent Securityholders (being all Think securityholders other than Mathew Edwards and his controlled entities (collectively, "MGE Entities")) for the aggregate cash consideration of \$3.20 per Stapled Security ("Scheme Consideration") subject to all applicable conditions being satisfied or waived and the Schemes being implemented.• Busy Bees will acquire the remaining 22.15% of the TNK shares on issue from the MGE Entities directly under a private treaty agreement for the same consideration payable under the TNK Scheme.
Overview of the MGE Acquisition	As part of the agreed terms for proposing the Schemes, if the Schemes proceed, Mathew Edwards, through his Controlled entities, will acquire TND and certain other assets for nominal consideration pursuant to the terms of separate agreements agreed between TNK, the Busy Bees Australia Group and the MGE Entities.
Timing	An Explanatory Booklet containing information relating to the Schemes and the MGE Acquisition, reasons for the Independent Directors' recommendation, the Independent Expert's Report for independent securityholders and the details of the Scheme meetings and general meetings, is expected to be sent to Think securityholders in late August/early September 2021, subject to the Federal Court of Australia making the requisite orders.

5.0 APPENDIX - TRANSACTION OVERVIEW (CONT.)

Dividend Summary	<p>Under the terms of the Implementation Agreement, Think Group is permitted to declare and pay two sets of dividends, namely:</p> <ul style="list-style-type: none">• a fully franked cash interim dividend of up to \$0.08 per Think Group Security (Interim Dividend), which will not operate to reduce the Scheme Consideration; and• a fully franked cash dividend of up to \$0.24 per Think Group Security (Permitted Dividend), which will operate to reduce the Scheme Consideration by the amount of the Permitted Dividend.
Interim Dividend	<ul style="list-style-type: none">• At the same time as the release of Think Group's financial results for the half-year ended 30 June 2021, Think Group announces the declaration of the Interim Dividend of \$0.08 per Think Group Security• If you hold Think Group Securities on 25 August 2021, being the Interim Dividend Record Date, you will be eligible to receive the Interim Dividend and for each Think Group Security that you hold on that date. The Interim Dividend will be paid on 2 September 2021.
Permitted Dividend	<p>The Permitted Dividend has not yet been declared by the Think Group Boards and remains at the absolute discretion of the Think Group Boards. The decision whether or not to declare the Permitted Dividend will be made by the Think Group Boards and will be communicated to Think Group Securityholders by way of an ASX announcement</p>

5.0 APPENDIX - GLOSSARY

Term	Definition
EBITDA	Earnings before interest, taxation, depreciation and amortisation as it pertains to the Australian Accounting Standards Board
EBITDA (underlying)	Earnings before interest, taxation, depreciation and amortisation less any one-off costs such as relating to acquisition, scheme implementation and adjustments due to AASB 16 Leases
Fixed charge cover ratio	Ratio of EBITDAR + rent expense : net Interest expense + rent expense (as defined in the Syndicated Facility Agreement) EBITDAR is a financial term referring to earnings before interest, taxation, depreciation, amortisation and rent
Group	A stapled entity comprising Think Childcare Limited (ABN 81 600 793 388) and Think Childcare Development Limited (ABN 55 635 128 166)
Nido Services / Nido	Premium brand for our child care Services
NPAT	Net profit after tax as it pertains to the Australian Accounting Standards Board (AASB)
NPAT (underlying)	Net profit after tax less any adjustments due to AASB 16 Leases and any one-off costs
Service performance	Operating profit for the business including revenue, net of service level labour, occupancy and service overhead costs
Trade-up	A Service reaching 75% occupancy for a minimum 3 month period
TND	Think Childcare Development Limited (ACN 635 178 166)
TNK	Think Childcare Limited (ACN 600 793 388)
Occupancy	Number of children attending per period specified as a percentage of the Service's licensed places

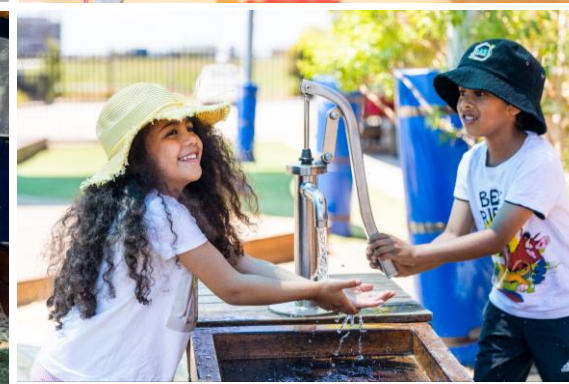
JOINING THE CONFERENCE

Date: Wednesday, 18 August 2021 at 11am AEST (Sydney, Australia time)

All participants must pre-register to join this conference using the Participant Registration link below.

Once registered, an email will be sent with details for this conference such as the call date and time, as well as a full list of participant dial in numbers to join the call.

Participant Registration: <https://app.livestorm.co/think-childcare-limited/think-childcare-group-2021-half-yearly-results-announcement>



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This Presentation is authorised for release by the Board of Think Childcare Limited and the Board of Think Childcare Development Limited.





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