



ASX Announcement

ASX Code: NDO

2025 Half Year Financial & Operational Results

27 August 2025

Nido Education Limited (ASX: NDO) (Nido or Company) is pleased to announce its half year financial and operational results for the period ended 30 June 2025.

Group performance summary

In the first half, Nido's Service EBITDA increased by 8% to \$12.8m, and we maintained our EBITDA per Service run rate of \$229k.

We made the decision early in the year to invest in evolving our service offering and corporate and Service support. This has increased our Support office costs by \$1.8m pcg.

Nido has delivered an EBITDA pre-AASB16 of \$6.6m, down \$0.9m pcg and a Net Profit After Tax of \$4.6m, down \$0.9m pcg, against a group revenue of \$82.7m.

Reflecting the strength of our balance sheet and our disciplined approach to capital management, the Board has determined an interim dividend of 1.5 cents per share, fully franked. This is consistent with our commitment to deliver sustainable returns to shareholders while continuing to invest in the growth of the business.

This result was delivered to the backdrop of suppressed occupancy across the sector, due to cost-of-living, flat population growth and increased supply.

Based on cost-of-living pressures we chose not to increase our average fees in January 2025 for the benefit of our families. We believe this impacted our HY2025 EBITDA in the order of \$3m.

Results

Financial performance	Interim Dividend
<div>↑ Revenue \$82.8m 8% from HY2024</div> <div>↓ EBITDA* \$6.6m from \$7.5m in HY2024</div> <div>↓ NPAT* \$4.6m from \$5.5m in HY2024</div>	<div>Interim Dividend 1.5c Per share</div> <div>Interim Yield 2.0% on current share price¹</div> <div>Franking 100%</div>

Figures and calculations used in this report exclude the impact of non-cash lease costs under AASB 16 – refer to reconciliation in Appendix II of the Nido Investor presentation

* Figures are stated pre-AASB 16

1. Interim dividend yield as at 26 August 2025 (closing price of 74 cents per share)
2. First half cash flow adjusted for Workers Retention Grant payment of \$5.8m which was received mid-July 2025

Dividend

The board is pleased to announce an interim dividend reflecting Nido's strong balance sheet.

Dividend of 1.5 cents per share

Franking: 100%

Record Date: 5 September 2025

Payment Date: 16 September 2025

Group performance detail

Group performance* (\$m)	HY 2025	HY 2024	Change	
Service revenue	79.5	73.7	5.8	8%
Establishment and management fees	3.3	3.2	0.1	3%
Group revenue	82.8	76.9	5.9	8%
Service EBITDA*	12.8	11.9	0.9	8%
Support office costs (net)	(6.2)	(4.4)	(1.8)	(41%)
EBITDA*	6.6	7.5	(0.9)	(12%)
Depreciation	(0.41)	(0.45)	0.04	9%
Net finance costs	(0.22)	(0.24)	0.02	8%
Profit before tax*	6.0	6.8	(0.8)	(12%)
Tax (expense)/benefit	(1.4)	(1.3)	(0.1)	(8%)
Net Profit after Tax*	4.6	5.5	(0.9)	(17%)

* Figures are stated pre-AASB16

Service performance

Nido has delivered a modest increase in Service revenue for the half year to \$79.5m representing an increase of 8% pcp, with a Service EBITDA pre-AASB16 improvement to \$12.8m.

We've held EBITDA pre-AASB16 at \$229k per service and our margin at 16%. Despite a small decrease in like for like occupancy¹ pcp, we have seen a modest increase in our fees.

We have been able to realise sustained productivity and efficiency benefits and improve our wage to revenue position during the half year.

Service performance ¹ (\$m)	HY 2025	HY 2024	Change	
Service revenue	77.9	72.2	5.7	8%
Other Service revenue	1.6	1.5	0.1	7%
Total Service revenue	79.5	73.7	5.8	8%
Service costs	(66.7)	(61.8)	(4.9)	(8%)
Service EBITDA	12.8	11.9	0.9	8%
Half year EBITDA %	16%	16%		
Average HY Service EBITDA (\$'000)	229	229		
Days of learning ('000)	453	461		
Average daily fee ² (\$)	\$172	157		

1. Like for like does not include staff discounted days of learning

2. Average daily fee is net of discounts and has been impacted by reducing employee discount from 95% to 50%

Half Year 2025 Overview

Whilst it has been a challenging market, Nido has demonstrated resilience and agility, and made disciplined investments into evolving our business.

We've made strategic investments into evolving our service offering, including our curriculum, menu, facilities and risk and compliance, and our corporate and Service support capabilities. These investments position us well for growth.

Investor briefing call

Shareholders are invited to participate in a conference call briefing in relation to the Company's 2025 half year financial and operational results.

Details of the conference call are as follows:

Date and time: Thursday, 28 August 2025 at 11.00am (Sydney time)

Participant details:

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

Participant Registration Site: Please [click here to register](#)

Accompanying this announcement is the Nido Investor Presentation in relation to the half year financial and operational results for the period ended 30 June 2025.

-Ends-

This ASX announcement was authorised for release by the Board of Nido Education Limited.

Investor & Media enquiries

Adam Lai
Chief Executive Officer and Executive Director

P: 02 9712 7444

E: 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



Stay connected with Nido by joining our Investor Hub where you will receive ASX announcements and Company updates directly in your inbox and can engage with our interactive Q&A feature. Scan the QR code or visit here to sign up: <https://nidoeducation.edu.au/s/3307cc>.

Personal use only



2025 Half Year Results

Nido Education Limited (ASX: NDO)

27 August 2025



Disclaimer



This presentation has been prepared by Nido Education Limited ACN 650 967 703 (**Nido**) (ASX code: NDO) in relation to its financial and operational results for the half year ended 30 June 2025 and is for personal use only. Information presented in the presentation is on an aggregate basis, reflecting the Nido group of entities.

It contains general information in summary form which is current as of 27 August 2025 and does not purport to be complete and should be read in conjunction with Nido's other periodic and continuous disclosure announcements which are available on Nido's website at nidoeducation.edu.au/announcements. This presentation is not a recommendation or advice in relation to NDO.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, Nido, its affiliates and related bodies corporate, and their respective officers, Directors, employees and agents disclaim any liability (including, without limitation, any liability arising from fault or negligence) for any loss arising from any use of this presentation (or its content) or otherwise arising in connection with it.

Nido's forward-looking statements set out in this presentation are based on a number of estimates, assumptions and pro forma adjustments that are subject to business, economic and competitive uncertainties and contingencies, with respect to future business decisions,

which are subject to change and, in many cases, are outside the control of Nido and its Directors.

Nido believes that the forward-looking statements have been prepared with due care and attention and considers all best estimate assumptions, when taken as a whole, to be reasonable at the time of preparing this presentation. However, the forward-looking statements presented in this presentation may vary from actual financial results. These variations may be material and, accordingly, neither Nido nor its Directors give any assurance that the performance in the forward-looking statements contained in this presentation will be achieved.

This presentation is not and does not constitute an offer, invitation or recommendation to subscribe for, or purchase any security and neither this presentation nor anything contained in it shall form the basis of any contract or commitment. It is not intended to be relied upon as advice to investors or potential investors and does not contain all information relevant or necessary for an investment decision. All references to dollars (\$) are to Australian dollars, unless otherwise stated.

This presentation may not be reproduced or published, in whole or in part, for any purpose without the prior written consent of Nido.

This presentation is authorised for release by the Board of Nido Education Limited.



Our purpose

“To create an environment that supports teachers to rise and make a positive impact on the lives of children.”

Today's Presenters

Adam Lai

Chief Executive Officer and
Executive Director

Joined Nido as Chief
Executive Officer in
February 2025

Appointed Executive
Director from August 2025

Extensive experience
leading customer-focused,
people-driven growth and
transformation

Tom Herring

Chief Financial Officer

Joined Nido as Chief
Financial Officer in April
2021

Previously held CFO and
senior Finance roles
across a range of publicly
listed and private
companies, in a diverse
range of sectors

Nadia Wilson-Ali

Head of Education and
Professional Development

Joined the Nido family in
2018

Leads the development of
Nido's birth to three and
kindergarten curricula

Broad experience leading
programs that support
educator growth and
children's learning

Mathew Edwards

Managing Director

Founded Nido Education
Limited following the sale of
the listed Think Childcare
Limited (TNK) in 2021

Contents

- 1 Executive Summary
- 2 Service Performance
- 3 2025 Half year results
- 4 Incubation
- 5 Looking ahead



01

Executive Summary

ersonal use only



Executive Summary

Our educators have delivered over 450k days of learning for children and their families

Demonstrated resilience and agility in a challenging market

- Nido Service EBITDA for the first half has increased by 8% to \$12.8m and we've maintained our EBITDA per Service run rate of \$229k
- Occupancy levels are subdued across the sector: cost-of-living pressures, cyclical birth rate trends, working from home and increased supply in some locations
- Whilst occupancy is ~3% down pcp on a like for like¹ basis, we have maintained a strong fee, realised sustainable productivity and efficiency improvements
- Strong balance sheet allows us to grow through acquisition and pay a fully franked interim dividend of 1.5 cents per share

Evolving our Service offering and support

- This half we have invested in evolving our Service offering
- We have developed our corporate and Service support in Executive Leadership, Safety and Compliance, Marketing and Brand, and our People

Well positioned to continue growing our impact for children and educators

- We are very well positioned to grow our impact for children, families, our educators and the community
- We've built a strong foundation as we move into 2H FY25
- We are actively progressing a pipeline of over 100 Services to deliver sustained growth for Nido

¹ Adjusting for impact of staff discount changes on 1 July 2024, as previously disclosed

02

Service Performance



Service EBITDA

8% increase in Service revenue and Service EBITDA driven by sustained performance

Service performance ¹ (\$m)	HY 2025	HY 2024	Change	
Service revenue	77.9	72.2	5.7	8%
Other Service revenue	1.6	1.5	0.1	7%
Total Service revenue	79.5	73.7	5.8	8%
Service costs	(66.7)	(61.8)	(4.9)	(8%)
Service EBITDA	12.8	11.9	0.9	8%
Half year EBITDA %	16%	16%		
Average HY Service EBITDA (\$'000)	229	229		
Days of learning ('000)	453	461		
Average daily fee ² (\$)	172	157		
Wage to revenue ratio	57%	59%		

- 8% increase in Service revenue and Service EBITDA driven by sustained performance of existing Services and contribution of the four Services acquired in September 2024
- Based on cost-of-living pressures we chose not to increase the average fee in January 2025. We believe this impacted our EBITDA in the order of \$3m
- We have, in July, increased fees in the order of 4%

1 Figures are stated pre-AASB 16

2 Average daily fee is net of discounts and has been impacted by reducing employee discount from 95% to 50%

Sector Update: 1H FY25

Nido's Service results were driven to the backdrop of a challenging FY25

Themes from the first half

It's been a challenging year for demand across the industry

- Anecdotal evidence suggests demand has been challenged across the industry, including enquiries and enrolments
- Flat population growth, cost of living and working from home practices have combined
- Increased supply in some locations

Sector and community focus on Child Safety

- Abhorrent crimes and high-profile coverage of safety concerns in the media
- Heightened concerns for child safety and protection
- Welcomed reforms to be implemented

Stabilisation of workforce

- Workforce incomes have increased steadily with award increases and the payment of the government funded Worker Retention Grant
- Appears to be supporting across the board stability and an increase in workforce participation

Sector Update: Looking ahead

We see the sector outlook improving into FY26, which justifies our investment in our Service offering and support capability

Incoming Perspectives (2026)

1. Introduction of 3-day guarantee, replacing activity test

- Government's child care subsidy currently has a means test (family income) and an activity test (approved activity, including work or study a family is doing)
- This is replaced by a guaranteed 3 days per week of support from January 2026 increasing access to subsidies

2. Favourable trading conditions

- Cost of living factors including reduced inflation, interest rate cuts

3. Strengthening child protection & safety

- Nido welcomes the measures the government is taking and intending to take to strengthen child protection & safety

Implications for 1H FY25

Invested in our offering
(page 12)

Invested in our Service support and corporate capabilities
(page 13)

Investment in our offering

Nido committed to evolving our offering for the benefit of children and families

Our new curriculum

- The Nido Kindergarten Curriculum is a thoughtfully developed framework that inspires and supports the learning journey of Nido children aged 3-6 years
- Shaped by the voices of almost 1,000 children, families, educators, and community members over 3 years, it represents a shared vision of meaningful learning and growth
- In 1H FY25, practice guides, communities of practice, and online learning modules were introduced to support implementation, strengthen teacher capacity, and shared understanding

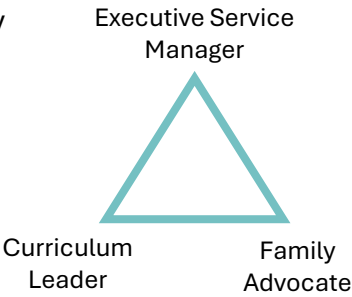
Our new Nido menu

- We have launched our new menu, to be prepared by our cooks in our on-site kitchens and served in our dedicated Cucina areas
- Created in partnership with a Nutritionist, after extensive feedback from our Chefs, Educators, and families and assessed by a Dietitian



Quality and compliance, including our Service leadership model

- Our Risk and Compliance focus from January 2025 included ongoing policy, procedure, training and communication continuous improvement
- Our Nido leadership triangle is a unique investment into quality and supervision
- We have implemented the role of Family Advocate in every Service



Nido Design Specification evolution

- We have evolved the Nido Design Specification to enhance learning outcomes, quality, safety and inclusion
- This extends from the physical design of our spaces, furniture, fixtures and educational resources



Investment in Corporate and Support Capability

We have strategically and purposely invested in our Support Office so we are fit for growth

#	Area	Description	Desired Impact
1	Executive and Senior management	<ul style="list-style-type: none"> We have invested in the Executive Team with the appointment of Adam Lai as CEO and Victoria Lown as Chief Marketing and Experience Officer We have evaluated our operating model and are making changes that will enable us to deliver our strategy in a tighter competitive environment 	<ul style="list-style-type: none"> System and process improvements aligned to scale, simplification and risk Improved retention of key personnel Succession planning Increased supervision of Services to ensure consistent quality and performance Improved ability to implement initiatives key to maintaining Nido's quality
2	Education quality	<ul style="list-style-type: none"> We have developed a new curriculum, new menu and continue to evolve our offering 	<ul style="list-style-type: none"> Consistent delivery of Nido's quality and curriculum Improved level of school readiness for children and families Higher child and family satisfaction
3	Child safety and compliance	<ul style="list-style-type: none"> We continue to strengthen our policies, procedures, reporting and controls 	<ul style="list-style-type: none"> Improved child protection and safety Reduced risk
4	People leadership and support	<ul style="list-style-type: none"> We have invested in the leadership of our people through People and Quality Leaders 	<ul style="list-style-type: none"> Higher employee and customer satisfaction Higher retention levels – increasing the stability of staffing at our Services Enhanced learning and career development Consistent delivery of the Nido offering across our portfolio
5	Enquiry generation and Brand	<ul style="list-style-type: none"> We have invested to build marketing and communications capability, including our people and systems, to enhance local area marketing and digital ahead of 2026 re-enrolments and changes to the Activity Test We have completed a review of the Nido brand and will roll out in the second half to improve the communication and understanding of Nido's offering 	<ul style="list-style-type: none"> Higher enquiries and days of learning Improved ability to target specific customer segments Improved partnering with our Service leadership Differentiation from local competition Positive impact on our People and culture

Sector regulatory changes

We have already implemented a number of changes that are coming to the industry



- The Government will introduce regulations to protect children and their safety. Reform will require both changes to operator practices and changes to the regulatory regime itself
- Nido has a dedicated Risk and Compliance function that supports the Services to maintain compliance to emerging regulatory changes. The team:
 1. Scan and engage
 2. Identify and assess change impact
 3. Implement changes
 4. Monitor
 5. Continuously improve
- A number of the proposed changes to operator practices are already embedded at Nido

Highlight of some proposed changes	Nido's current approach
CCTV Trial	Already implemented in all Nido owned Services' yards
Banning personal digital devices in the classroom	Already banned in Nido
A ban on vaping	Already banned in Nido
Introduction of the National Model code	Already adopted at Nido

03

2025 half year
results

ersonal use only



First Half 2025 Group Performance

Financial performance	Interim Dividend	Capital
<p>↑ Revenue</p> <p>\$82.8m</p> <p>8% from HY2024</p> <hr/> <p>↓ EBITDA*</p> <p>\$6.6m</p> <p>from \$7.5m in HY2024</p> <hr/> <p>↓ NPAT*</p> <p>\$4.6m</p> <p>from \$5.5m in HY2024</p>	<p>Interim Dividend</p> <p>1.5c</p> <p>Per share</p> <hr/> <p>Interim Yield</p> <p>2.0%</p> <p>on current share price¹</p> <hr/> <p>Franking</p> <p>100%</p>	<p>Cash conversion²</p> <p>97%</p> <p>$(\\$9.2m - \\$2.8m) / \\$6.6m = 97\%$</p> <hr/> <p>Net Leverage Ratio²</p> <p>0.5x</p> <p>$\\$10.9m / \\$21.0m^* = 0.5x$</p> <hr/> <p>Acquisition facility available</p> <p>\$34m</p> <p>includes \$30m Accordion</p>

Note: Figures and calculations used in this report exclude the impact of non-cash lease costs under AASB 16 – refer to reconciliation in Appendix II

* Figures are stated pre-AASB 16

1. Interim dividend yield as at 26 August 2025 (closing price of 74 cents per share)

2. First half cash flow adjusted for Workers Retention Grant payment of \$5.8m which was received mid-July 2025

Profit and Loss



Group performance* (\$m)	HY 2025	HY 2024	Change	
Service revenue	79.5	73.7	5.8	8%
Establishment and management fees	3.3	3.2	0.1	3%
Group revenue	82.8	76.9	5.9	8%
Service EBITDA*	12.8	11.9	0.9	8%
Support office costs (net)	(6.2)	(4.4)	(1.8)	(41%)
EBITDA*	6.6	7.5	(0.9)	(12%)
Depreciation	(0.41)	(0.45)	0.04	9%
Net finance costs	(0.22)	(0.24)	0.02	8%
Profit before tax*	6.0	6.8	(0.8)	(12%)
Tax (expense)/benefit	(1.4)	(1.3)	(0.1)	(8%)
Net Profit after Tax*	4.6	5.5	(0.9)	(17%)

Dividend	HY 2025
Franked Dividend	1.5c
Franking Credit	0.64c
Total (gross)	2.14c
Interim Yield ¹	2.0%

Dividend of 1.5 cents per security

Franking: 100%

Record Date: 5 September 2025

Payment Date: 16 September 2025

¹ Based on share price at 26 August 2025

² Support office costs are stated net of establishment and management fees

* Figures are stated pre-AASB 16

Capital management



Debt summary (\$m)	30 June 2025
Cash ¹	10.1
Facility A - Limit	25.0
Facility A - Drawn	(21.0)
Available – Facility A	4.0
Available – Accordion ²	30.0
Total debt available	34.0
Net Debt ¹	10.9
Net Leverage Ratio ³	0.5x
Interest Cover Ratio LTM ³	24.0x

A strong cash conversion rate of approximately 97% has enabled a share buy back of \$0.4m in the first half and will fund the payment of the 1.5 cent per share interim dividend

Drawn debt of \$21m comprises \$11m drawn for September 2024 acquisitions and \$10m representing the remaining portion of debt drawn at IPO

We are fully funded for near-medium term acquisitions with \$34m of debt available with our Net Leverage Ratio being well below our low long-term expectation of approximately 1.5x

1. First half cashflow adjusted for Workers Retention Grant payment of \$5.8m which was received mid July 2025 (\$4.3m +\$5.8m =10.1m)
2. The accordion is a debt facility with pre-agreed terms that will be established, subject to credit approval when required
3. Net Leverage Ratio is calculated as Net Debt / LTM EBITDA* and Interest Cover Ratio is calculated as LTM EBITDA* / LTM Interest costs

04

Incubation

Personal use only



Nido's Unique Growth Model

Incubation mitigates risks associated with growth through typical roll up or greenfield strategies

Summary of Incubation model

Incubation gives Nido the ability to acquire proven profitable Services that are purpose built with all locations approved by Nido

Nido's growth comes at a multiple of 4.5x EBIT with an earn out and claw back of up to 10% of the capital invested, further de-risking the acquisition

All the Services are purpose built and managed by Nido from day one, ensuring consistency in the quality and no integration risk post-acquisition

Phases of Incubation

- 1 Nido sources and evaluates the site, presents it to the Incubator for approval and negotiates commercial terms
- 2 The Incubator assesses and approves site, entering into an agreement for lease and lease agreement – taking on ownership and funding requirements
- 3 Nido undertakes all the work required to prepare the site for licencing and opens the Service. The Incubator pays Nido \$257k establishment fee upon opening
- 4 Nido manages all operational aspects of the Service day to day for a management fee of \$123k per year. Nido reports to the Incubator through business intelligence dashboards, giving it full operational visibility
- 5 Nido exercises its call option to acquire at 4.5x EBIT once performance metrics are achieved, with earn out or claw back settled twelve months post-acquisition

Visit www.nidoeducation.edu.au for more information on Incubation

Incubation model

Providing consistent growth of purpose-built Services

Incubation strategy

Nido has developed a greenfield incubation strategy to mitigate risks associated with the traditional roll up approach

- A third-party incubator initially owns the Service, funds the development and trade up losses
- Nido manages the development and day-to-day operations
- Once acquisition performance hurdles are met, Nido has a 12-month option to acquire

Purpose built

All Nido's Early Schools are designed by Nido and managed by Nido from site selection through to acquisition

- Services are built to be best in their markets
- The owned portfolio is relatively new with the older Services opened in 2019

Consistent growth

Nido has access to a de-risked acquisition pipeline of 100+ Nido Services over the next five years

- Proven performance Services acquired at 4.5x EBIT
- Acquiring at circa 80% occupancy
- Built with quality and longevity in mind (30+ year leases, including renewal options)

New Services

Highlights of five new Services opened this year

Swan View (June)



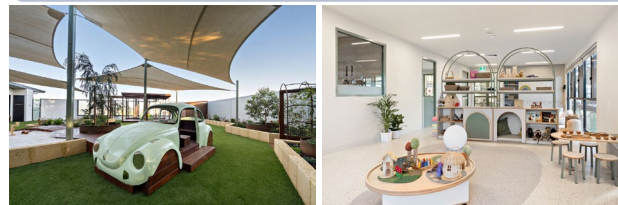
Mandogalup (April)



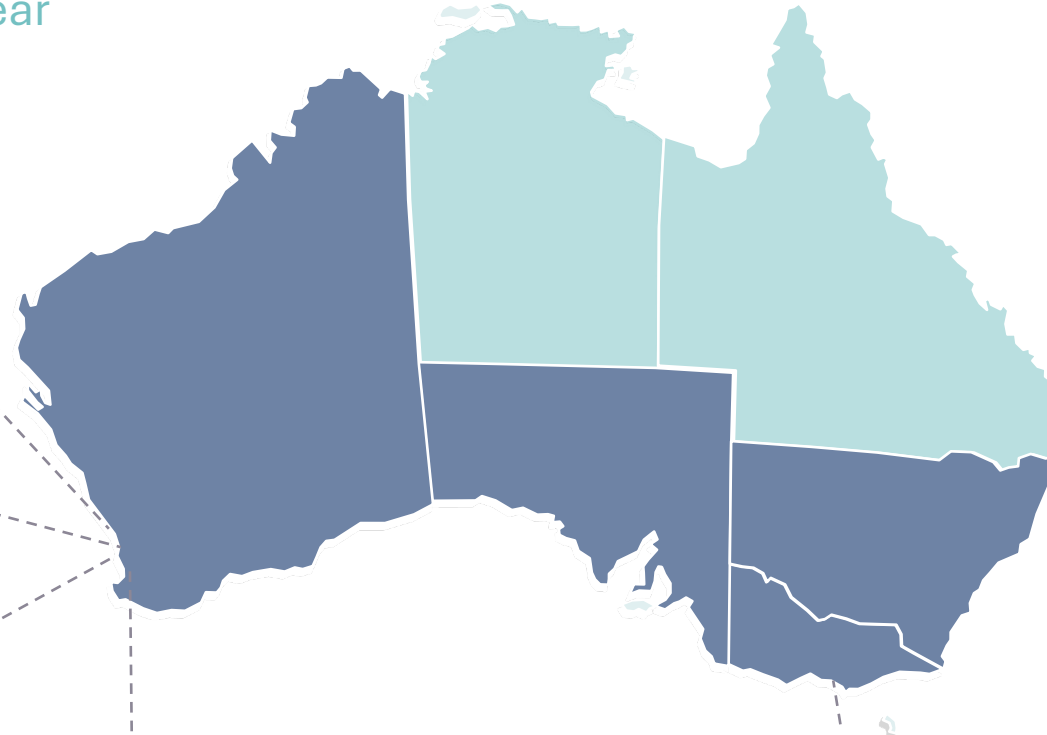
Hilbert (February)



Mandurah (August)



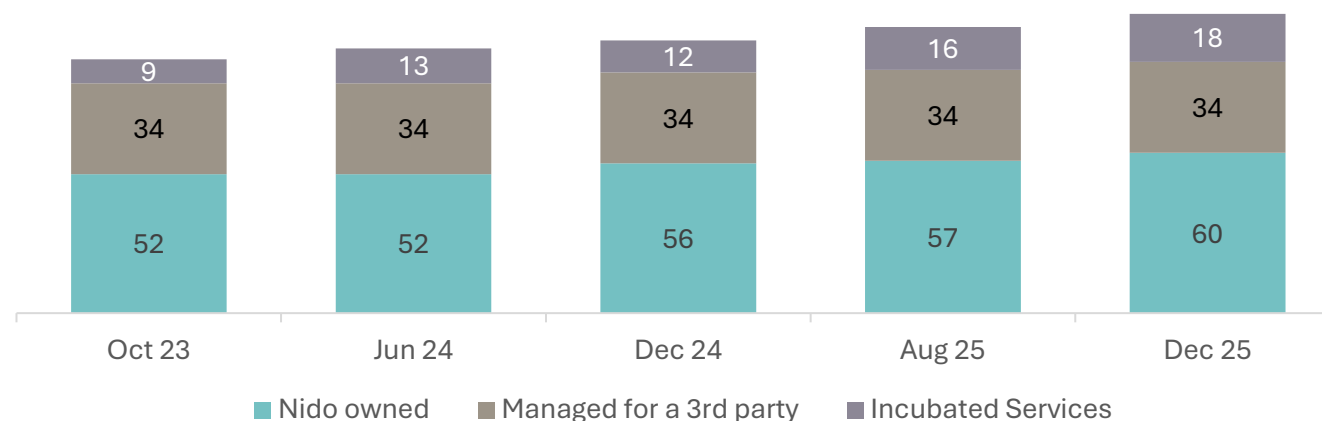
Clyde North (August)



Platform for growth



Owned and Managed Services (#)	Oct 23	Jun 24	Dec 24	Aug 25	Dec 25
	Actual	Actual	Actual	Actual	Estimate
Nido owned	52	52	56	57	60
Managed for a 3rd party	34	34	34	34	34
Incubated Services	9	13	12	16	18
Total	95	99	102	107	112



Incubation movements (3)	Oct 23	Jun 24	Dec 24	Aug 25	Dec 25
	8 mths	6 mths	6 mths	8 mths	4 mths
Open Services B/fwd	9	9	13	12	16
Opened		4	3	5	5
Acquired by Nido			(4)	(1)	(3)
Open Services C/fwd	9	13	12	16	18

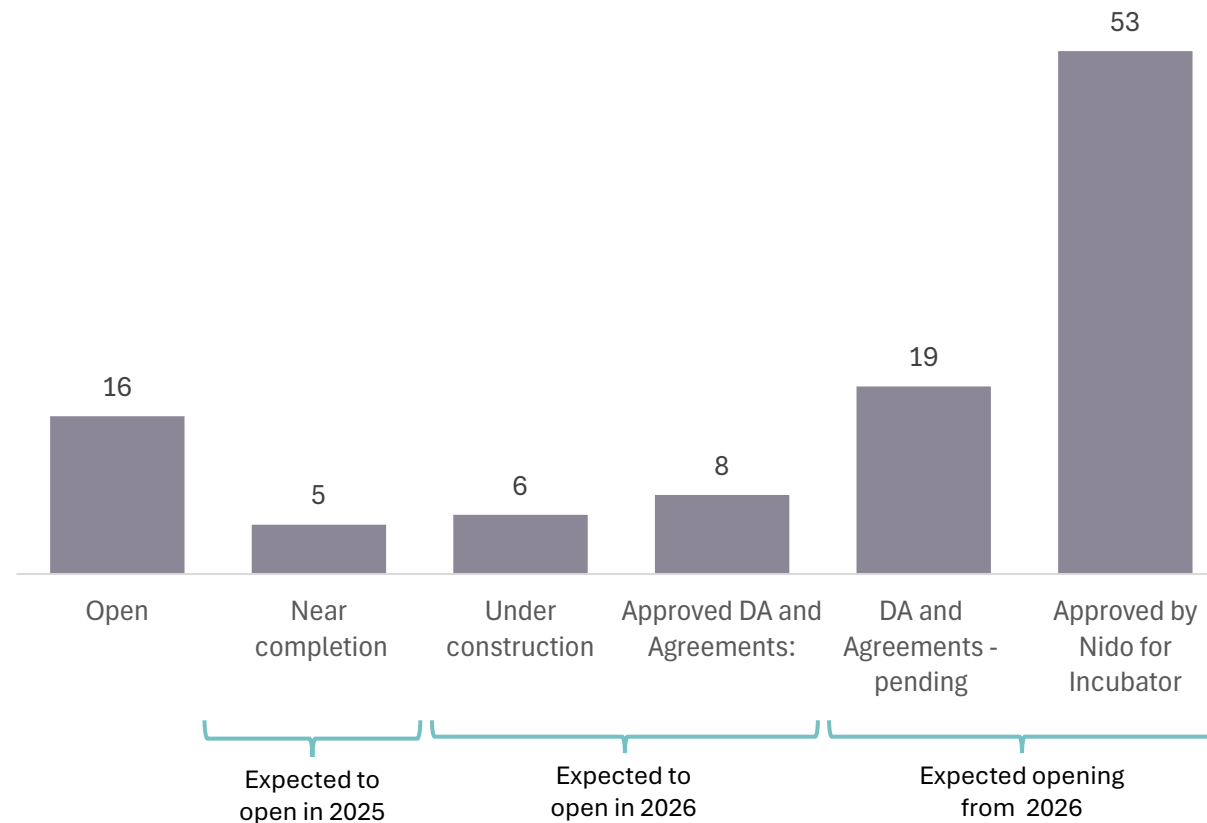
The incubated growth model has allowed Nido to increase its owned and incubated portfolio by 20% from IPO in October 2023 to 73 Services today

- We have opened five Services this year with five more expected to be completed by December 2025
- We have acquired five de-risked Services to date with one Service acquired in July 2025 and three more Services expected to be acquired by the end of the year

Pipeline

Our pipeline continues to mature with over 100 sites at various stages of development

Incubation pipeline – 26 August 2025



We continue to consider circa 100 to 150 new opportunities every month

- 16 Services are now open and in trade up
- 19 sites are expected to open progressively over the next 15 months
- 19 sites have been confirmed as meeting Nido's requirements and are awaiting DA approval or legal agreement completion
- 53 sites have passed the initial assessment and have progressed to the next stage of review

We are pleased with the progress of the incubator and look forward to expanding our impact for children and families

05

Looking ahead

Personal use only



What Government has said

Comment attributable to Prime Minister Anthony Albanese:

“Every child should have the right to quality, affordable early education.”

“That’s why we want to build a universal child care system that is simple, affordable and accessible, for every family.”

“We think children should have guaranteed access to at least three days of high-quality early education and care – because early education is about changing lives.”

Comment attributable to Minister for Education Jason Clare:

“We have made child care cheaper for more than 1 million families.”

“We are delivering a 15 per cent pay rise to build the early education workforce.”

“And now we will build more centres to expand access to this essential service in the outer suburbs and the regions to help more Aussie kids benefit from quality early education.”

“This is a key part of our plans to build a universal early education system.”

Quotes attributable to Minister for Early Childhood Education and Minister for Youth Dr Anne Aly:

“Our Building Early Education Fund will help make sure that children no matter their background or where they live are able to access the transformational benefits of early education and care.”

“Accessible and affordable early learning is critical for supporting more people, especially women, to have a choice when it comes to undertaking study, re-entering the workforce or increasing their hours of work.”

“We’re laying the foundation for a truly universal early childhood education system through improving affordability, boosting supply, increasing accessibility and securing the vital workforce families rely on.”

Source: <https://pmtranscripts.pmc.gov.au/release/transcript-46427>

What action has Government taken



Activity test (current system)

The number of subsidised child care hours a family receives is determined by the hours of “approved activity” (work, study, training, volunteering, or job search) undertaken by the **least active parent**.

For example, even if one parent works full-time, if the other parent does only a small number of hours, the family’s subsidy is capped at that lower level. This can mean children get as little as 24 hours of subsidised care per fortnight, disproportionately affecting families with insecure or uneven work.



Albanese Government’s 3-Day Guarantee (from Jan 2026)

Replaces the strict activity test by ensuring all children eligible for child care subsidies have access to at least **three days (up to 36 hours) of subsidised early education each week**, regardless of either parent’s activity.

Families where parents work or study more can still access additional hours, but the guarantee provides a universal baseline, so children aren’t locked out of early learning.

Implication:

Families impacted, as quoted by Government, range from 160,000 to 190,000 families, 8% growth on current users of early education Services.

The year ahead

We have invested in evolving our Service offering and supporting capabilities. We have a solid foundation to grow our impact.

As we move into next year, we are faced with:

- Increased demand from families wanting access to quality and safe early education, now with increased subsidies
- Continued family, community, regulatory, government and media focus on safety and child protection

Our focus remains on disciplined execution, sustainable growth, and long-term value creation.

On behalf of the leadership team, I thank our people for their commitment, our families for their trust, and our investors for their ongoing support.

We look forward to updating you on our continued progress at year end.

Appendices

1 Glossary

2 Financial Statements

ersonal use only



Appendix I: Glossary

Term	Definition / Meaning
EBITDA*	Total Group Earnings before Interest tax depreciation and amortisation before the impact of AASB 16
Service EBITDA*	EBITDA* generated from owned Services
NPAT*	Total Group Net Profit After Tax before the impact of AASB 16
Management fees	Fees for managing Services (\$123k per year)
Establishment fees	Fees for opening Services (\$257k, recorded upon timing of opening)
Net leverage ratio	Net leverage ratio calculated by net debt / 12 month EBITDA*
Nido Early School	Nido branded quality focused long daycare Services
Average daily fee	Average daily fee net of discounts
Incubators	Owners of greenfield Early schools until acquisition metrics are achieved
NAED	Nido's primary incubator. 100% externally owned by Alceon private equity
Occupancy	Number of children attending per period specified as a percentage of the Service's licenced places

Appendix II: Financial Statements



Consolidated statement of profit or loss and other comprehensive income for the half year ended 30 June 2025	30 June 2025	30 June 2024
	\$'000	\$'000
Revenue	81,161	75,492
Other income	1,545	1,420
Expenses		
Employee benefits	52,935	50,078
Occupancy	4,662	4,025
Direct expense of providing Services	5,619	4,019
Other	1,729	1,301
Reported EBITDA	17,761	17,489
Depreciation and amortisation	5,528	5,195
Net finance cost	9,206	8,608
Reported Profit/(Loss) before tax	3,027	3,686
Income tax	528	333
Reported Net Profit/(Loss) after tax	2,499	3,353
Earnings per share	Cents	Cents
Basic	1.10	1.47
Diluted	1.08	1.45

Consolidated statement of cashflow for the half-year ended 30 June 2025	30 June 2025	30 June 2024
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers and government funding	79,793	77,129
Payments to suppliers and employees	(63,030)	(52,273)
Interest and other finance costs	(9,402)	(8,608)
Income tax paid	(1,832)	-
Net cash from operating activities	5,529	16,248
Cash flows from investing activities		
Payments for property, plant and equipment	(2,794)	(231)
Payment of deferred consideration	(165)	(8,141)
Loan to related party	-	(4,000)
Net cash used in investing activities	(2,959)	(12,372)
Cash flows from financing activities		
Proceeds from/(repayments of) borrowings	14,000	(24,019)
Dividends paid	(13,228)	-
Payments for share buybacks	(355)	-
Repayment of lease principal	(2,179)	(1,585)
Net cash (used in)/from financing activities	(1,762)	(25,604)
Net increase in cash and cash equivalents	808	(21,728)
Cash and cash equivalents at the beginning of the period	3,506	25,569
Cash and cash equivalents at the end of the period	4,314	3,841

Appendix II: Financial Statements

Consolidated statement of financial position as at 30 June 2025	30 June 2025	31 December 2024
	\$'000	\$'000
ASSETS		
Cash and cash equivalents	4,314	3,506
Trade and other receivables	9,152	5,913
Other assets	531	1,520
Total current assets	13,997	10,939
Property, plant and equipment	5,676	3,290
Loan receivable	11,323	10,882
Right-of-use assets	160,427	164,229
Intangible assets	123,612	123,612
Deferred tax assets	11,149	10,854
Total non-current assets	312,187	312,867
Total assets	326,184	323,806
LIABILITIES		
Trade and other payables	4,230	3,129
Income tax payable	1,202	1,984
Employee benefits	9,743	9,487
Lease liabilities	21,597	21,024
Deferred consideration	784	1,243
Total current liabilities	37,556	36,867
Borrowings	20,636	6,391
Employee benefits	273	217
Lease liabilities	155,231	156,652
Total non-current liabilities	176,140	163,260
Total liabilities	213,696	200,127
Net assets	112,488	123,679
EQUITY		
Issued capital	124,417	124,999
Reserves	9,923	9,803
Retained earnings / (deficit)	(21,852)	(11,123)
Total equity	112,488	123,679

EBITDA & NPAT Reconciliations			30 June 2025		30 June 2024
			\$'000		\$'000
Reported EBITDA			17,761		17,489
Lease rental expense (pre-AASB 16)			(11,163)		(9,960)
EBITDA*			6,598		7,529
Reported NPAT			2,499		3,353
Lease rental expense (pre-AASB 16)			(11,163)		(9,960)
Finance cost – leases			8,985		8,503
Depreciation – leases			5,120		4,630
Tax impact			(883)		(8,042)
NPAT*			4,558		(1,516)
Consolidated statement of cashflow for the half-year ended 30 June 2025	Statutory Cashflow	IFRS 16 adjustment	Underlying Cashflow	WRG proforma adjustment ¹	Proforma Cashflow
\$'000					
Net cash from operating activities	5,529	(2,179)	3,350	5,811	9,161
Net cash used in investing activities	(2,959)		(2,959)		(2,959)
Net cash (used in)/from financing activities	(1,762)	2,179	417		417
Net increase in cash and cash equivalents	808		808	5,811	6,619
Cash and cash equivalents at the beginning of the period	3,506		3,506		3,506
Cash and cash equivalents at the end of the period	4,314		4,314		10,125

Thank you

