



ASX Announcement

ASX Code: NDO

2024 Half-year results

15 August 2024

Nido Education Limited (ASX: NDO) (the **Company**) is pleased to announce its half-year financial and operational results for the period ended 30 June 2024.

Results

- CY24 first half results of \$73.7m revenue and \$7.5m EBITDA (pre AASB16) reflecting the Nido team's execution of the stated strategy.

Dividend

- Forecast full year dividend of 5.8c, payable in March 2025, based on 65% payout ratio, subject to audit and Board approval.
- The payment of the dividend will not impact on Nido's capacity to grow through acquisition.

Operations

- Updated CY24 Centre EBITDA forecast of \$33.1m is in-line with Prospectus (PDS) forecast.
- Our portfolio of centres continue to mature, noting that a number of them are still in trade-up with full impact of trading performance expected to be achieved in CY25.
- There has been a recent softening of new enrolments across the sector which we believe is a result of general cost of living pressures, continued work-from-home and shortages in qualified employees.
- This means that our previous expectation of PDS outperformance (as per May update) is no longer likely.
- We are experiencing strong enrolment enquiries, over 400 a week, which underpins occupancy growth going forward.

Growth

- Pleasingly, the 13 open centres currently in the incubators are trading up well, with up to 4 on track to reach acquisition criteria by end CY24 (ahead of PDS forecasts) and up to 10 by June 2025.
- As we detailed in our May update, 14 new centre openings have been delayed from CY24 to CY25 as a result of well-documented issues in the construction industry.
- This has resulted in a revenue and EBITDA shortfall of \$3.5m as Nido receives a \$0.25m payment from the incubator upon each new centre opening.

- Importantly, the pipeline of new centres being presented to the incubator remains very strong, and we are confident of getting back to a cadence of sustainably delivering circa 20 centre openings per annum by late 2025 / early 2026.

Updated CY24 Forecast

- As outlined above, whilst we expect CY24 Centre EBITDA to be in line with PDS forecast, the delay of centre openings in the incubator (and the resultant fee/payment to Nido) into CY25 is expected to result in CY24 Profit before tax of \$21.7m (pre AASB16), 10% below PDS forecast, which largely consists of the \$3.5m establishment fee revenue delayed until CY25.

Sector

- The Federal Government's recent announcement in regard to funding a 15% pay increase for Childcare workers is likely to attract more labour into the industry, allowing us to increase waitlist conversions, occupancy and revenue.
- The Federal Government has further shown its commitment to working families through building the capacity of centres to take more enrolments.

Nido is well positioned to continue executing on its growth objectives organically and through acquisitions from our incubator partnerships.

Investor briefing call

Shareholders are invited to participate in a conference call briefing in relation to the Company's 2024 half-year financial and operational results. Details of the conference call are as follows:

Date and time: Friday, 16 August 2024 at 11.00am AEST

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.

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

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

-Ends-

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

Investor enquiries

Tom Herring, Chief Financial Officer

P: +61 2 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