Bright Horizons

Investor Presentation

August 2020




Forward Looking Statements Disclaimer

This presentation includes “forward-looking statements” within the meaning of, and made pursuant to, the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and generally contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “projects,” “approximately,” “intends,” “plans,” “estimates” or “anticipates,” or, in each case, their negatives or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts, including statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, operating expectations, effects of COVID-19 on our operations, current center openings, impact of temporarily closed center locations and timing to reopen, our response to COVID-19, back-up care growth, cost-saving initiatives, future financial performance, our competitive advantages, demographic trends, employer partnerships, and our growth strategy.

Our forward-looking statements are subject to risks and uncertainties. Numerous factors, many of which are beyond Bright Horizons Family Solutions Inc.’s (the “Company”) control, could cause actual results to differ materially from those projected or implied by the forward-looking statements. These risks and uncertainties include, without limitation, prolonged disruptions to our operations as a result of required school and business closures and shelter-in-place mandates in response to the COVID-19 pandemic, including current conditions and future developments in the public health arena; the impact of COVID-19 on the global economy; the availability or lack of government supports; changes in the demand for child care, dependent care and other workplace solutions, including variation in enrollment trends and lower than expected demand from employer sponsor clients as well as variations in return to work protocols as the economy re-opens; increased costs resulting from recommended or mandated enhanced health and safety protocols and physical distancing; the possibility that acquisitions may disrupt our operations and expose us to additional risk; our ability to pass on our increased costs; our indebtedness and the terms of such indebtedness; our ability to hire and retain qualified teachers; our ability to withstand seasonal fluctuations in the demand for our services; our ability to implement our growth strategies successfully; and other risks and uncertainties.

Additional information concerning these and other risks and uncertainties are discussed in the Company’s filings with the Securities and Exchange Commission including, without limitation, the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 as filed on February 27, 2020 and the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 as filed on August 8, 2020, under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Forward-looking statements are based on current expectations and assumptions and currently available data and are neither predictions nor guarantees of future events or performance. There can be no assurance that the Company will realize these expectations or that these beliefs will prove correct. You should not place undue reliance on forward-looking statements, which speak only as of the date hereof. We do not undertake to update or revise any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law.

Non-GAAP Measures

This presentation contains certain non-GAAP measures which are provided to assist in an understanding of the Bright Horizons Family Solutions Inc. business and its performance. These measures should always be considered in conjunction with the appropriate GAAP measure. Reconciliations of non-GAAP measures to the relevant GAAP measures are provided in our SEC filings.

A Family Of Solutions At Work

FULL SERVICE

Customized child care and early education centers at or near the work site

Bright Horizons. Early Education & Preschool

- 1,084 Centers
- ~120,000 Capacity
- 82% of Revenue

BACK-UP

Family support services for dependents of all ages, meeting short-term and long-term needs

Bright Horizons. Family Solutions

- 7.0M+ Lives Covered
- 950K+ Back-Up Days
- 14% of Revenue

ED ADVISORY

Advisory services for adult learners and prospective college students. Manage employer tuition assistance programs for cost efficiency and loan repayment programs.

Bright Horizons. EdAssist Solutions

College Coach. A Bright Horizons Solution at Work

- ~$1B of Tuition Managed for Ed Assist clients
- 3M Employees covered by College Advising services
- 4% of Revenue

Notes: As of 12/31/2019.

Bright Horizons At A Glance

Bright Horizons

BY THE NUMBERS

$1,832 MM	$337 MM	18.4%	1,076	1,200+	33,000+
SALES	ADJUSTED EBITDA	ADJUSTED EBITDA MARGIN	CENTERS GLOBALLY	CLIENTS SERVED GLOBALLY	EMPLOYEES

HIGHLIGHTS

20+ years of sales growth and margin expansion

Long-term contracts with blue chip customers that co-fund capital investment

95% employer-sponsored center client retention

New lines of business + international presence expand the **growth opportunity**

Premier brand with **focus on quality** through all aspects of service experience

We have been named
A Great Place to Work
around the Globe!

FORTUNE 100 BEST COMPANIES TO WORK FOR 2020

19x Recipient

Companies That Care HONOR ROLL 2019

12x Recipient

Great Place To Work

UK 2019

14x Recipient

Great Place To Work

Netherlands 2020

5x Recipient

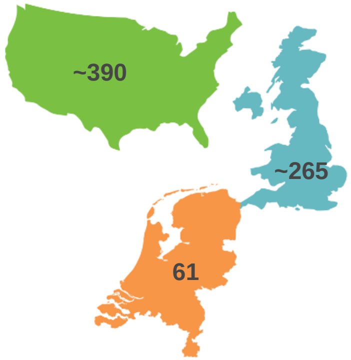
Notes: LTM as of 6/30/2020; see Summary of Adjustments for reconciliation of Adjusted EBITDA.

COVID-19 Update & Response

Bright Horizons

Operations

- ✓ Recently began a phased re-opening of temporarily closed centers in the US and UK
- ✓ Approximately 725 (65%) of our centers are open[1] and anticipate more than 85% of centers will be open by the end of the third quarter
- ✓ Back-Up Care experienced a significant increase in demand in 1H20
- ✓ Education Advisory operations broadly unaffected



Safety

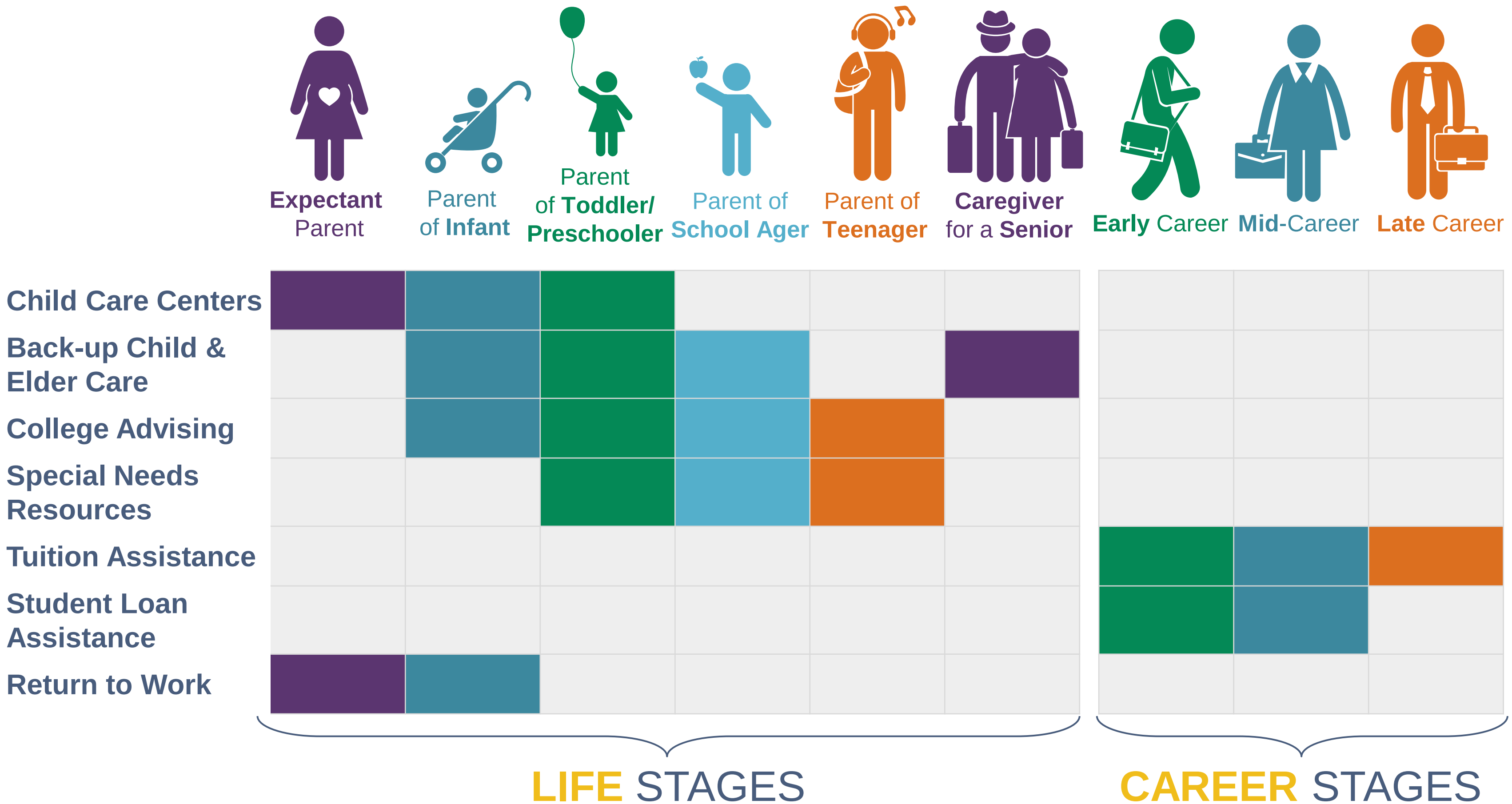
- ✓ Social distancing procedures for pickup and drop-off
- ✓ Daily health checks for staff and children
- ✓ Use of face masks by all Bright Horizon staff
- ✓ Limited group sizes and center access
- ✓ Enhanced hygiene and cleaning practices

Liquidity

- ✓ Generated $51 million of operating cash flow in 1H20
- ✓ $270 million of cash on the balance sheet[2]
- ✓ Undrawn $400 million revolving credit facility[2]
- ✓ Temporarily suspended share repurchases

Notes: 1) As of 07/31/20; 2) As of 06/30/20.

Solving the Work/Life Challenge At All Life Stages

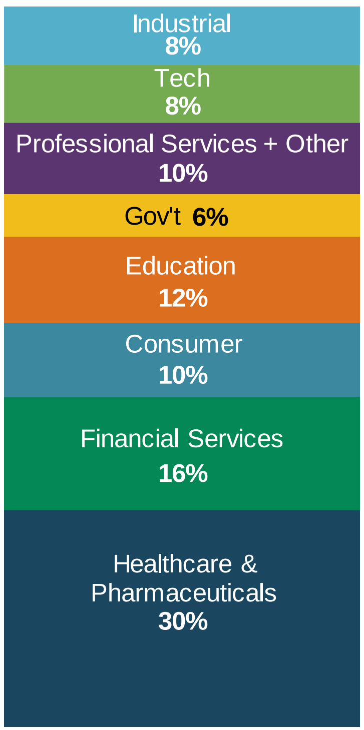


Diversified Blue Chip Base

Bright Horizons.

Customer End Markets

(FYE ’19 – All Segments)



Representative Clients

citi, The Home Depot, Microsoft, AMGEN, pepsi, TOYOTA, EMC² where information lives, verizon, cisco, Pfizer, JPMorganChase, newell BRANDS, Bristol-Myers Squibb, Johnson & Johnson, Unilever, Bank of America Merrill Lynch, Duke UNIVERSITY, BARCLAYS, FDIC, STAPLES, Marriott HOTELS · RESORTS · SUITES, RBS Group, BOEING, Yum!, Timberland, TARGET, Starbucks, JOHNS HOPKINS UNIVERSITY, bp, Chevron, LOCKHEED MARTIN, Weatherford, Time Warner Cable

>1,200 Client Relationships
>175 of Fortune 500

Largest Customer < 2% of Revenue
Top 10 Customers ~ 8% of Revenue

Notes: Industry allocations based on client revenues only.

Significant Scale And Expanding International Presence

U.S.

Centers: 705
Capacity: 89,000

U.K.

Centers: 308
Capacity: 25,500

Netherlands

Centers: 63
Capacity: 5,000

COMPETITIVE ADVANTAGES

Established track record of quality care, effective management and sustainable growth

Consistent service, quality and scalability that's difficult to replicate

No other provider with matching suite of services

6x more employer-sponsored centers in the U.S. than next provider

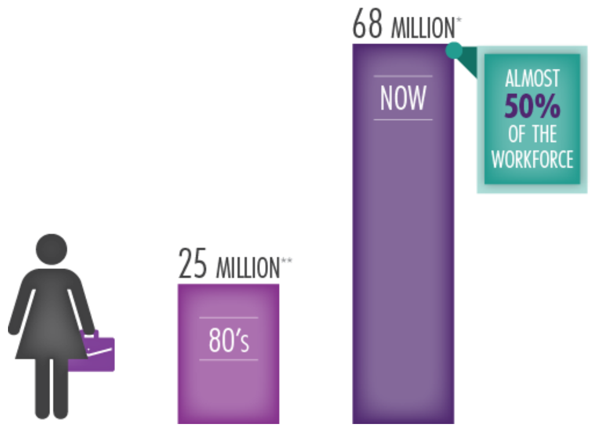
Focus on **accreditation**

95% Parent + employer satisfaction

Employee retention **2x industry average**

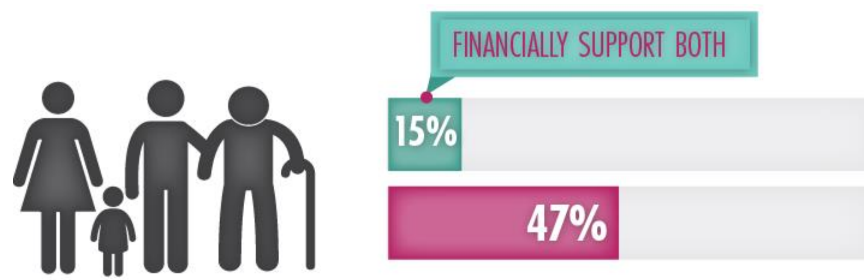
Notes: Two centers in Canada; grouped with U.S. Two centers in India; grouped with Netherlands.

Demographic Tailwinds Support Our Service Offerings



FULL TIME WOMEN WORKING IN THE U.S.

TWO PARENT HOUSEHOLDS THAT ARE DUAL CAREER EARNERS



OVER THE PAST 20 YEARS IN THE U.S., BIRTH RATES FOR WORKING MOMS OVER 35 HAVE DRAMATICALLY INCREASED

NEARLY HALF OF ADULTS IN THEIR 40'S & 50'S HAVE A PARENT OVER 65 WHILE CARING FOR A CHILD

*Bureau of Labor Statistics, Current Population Survey, "Table 3: Employment Status of the Civilian Non institutional Population by Age, Sex, and Race," Annual Averages 2012 (2013).
**U.S. Census Bureau, Current Population Survey, 1968 to 2009 Annual Social and Economic Supplements.

Strength Of The Employer Partnership

HIGH QUALITY

- Work-site locations / built-in enrollment partner
- Industry leading teacher compensation, benefits, training and career opportunities
- More intensive ratios
- Premier purpose built facilities
- NAEYC accreditation
- Parent and family partnership
- Staff retention 2x industry

EMPLOYER SPONSORSHIP AND CAPITAL INVESTMENT

Sponsor ROI driven through retention, recruitment, productivity, and employee engagement levels

STRONG, STABLE MODEL

- Long-term contracts with built-in escalators
- Recurring revenue stream with near-term forward visibility
- Predictable earnings model
- Limited capital investment (employer funding)
- Strong cash flow generation and operating leverage
- Childcare is a “sticky” benefit with high renewal rates

Diverse Center Operating Models Support Capital Efficiency And Mitigate Financial Risk

Bright Horizons

Client Sponsor Model

Cost Plus

- Client funds development / CAPEX / maintenance
- Located on client premises
- Facility built / operated to client specifications
- Enrollment exclusive to client sponsor
- Bright Horizons receives management fee, and client bears financial risk
- Client contract 3-5 years

Single Sponsor / Bottom Line

- Client funds development / CAPEX / maintenance
- Located on client premises
- Facility built / operated to client specifications
- Client receives priority enrollment
  - Center may be open to community and back-up customers
- Bright Horizons bears financial risk; client provides modest operating support through management fee and / or tuition subsidy
- Client contract 3-10 years

Consortium Lease

- Bright Horizons funds development / CAPEX / maintenance
- Located near office hub or residential / commuter corridor
- Open to Community, Back-up customers, and consortium of employers
- Bright Horizons bears financial risk
- Lease 10-15 years

Bright Horizons P&L Model

Client Funding Of Center Capital Drives High Returns On Investment

Bright Horizons

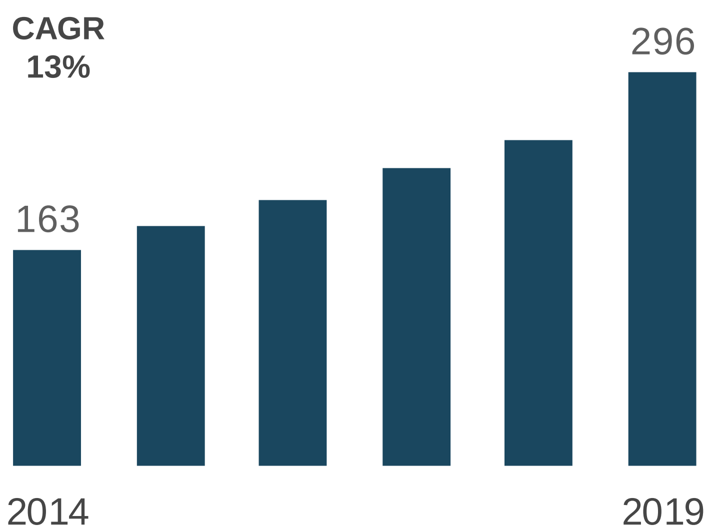
Full Service Child Care is delivered through the following center operating models:

	United States			Europe
($ in '000s)	Cost Plus	Single Sponsor / Bottom Line	Consortium Lease	Lease
% of Total Centers	~33%	~33%	~33%	~85%
Revenue / Center	$1,850	$1,500	$1,850	$1,200
Gross Margin	15-20%	17-25%	20-25%	15-25%
Average ROI on Center Contribution	100%+	75%+	25%+	25%+
Contract Term	3-5y	3-10y	10-15y	10-15y

Adjacent Services Are High Growth Contributors

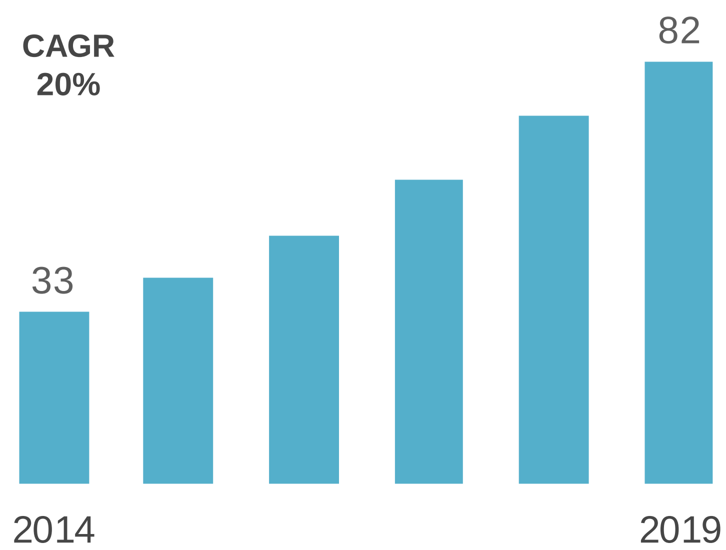
$ in millions

Back-Up Care - Revenue



- Back-Up contracts range from 2-5 yrs
- Clients purchase “basket of uses” that are center based / in-home
- Annual contract range from $50K - $4M
- Annual price escalators
- Opportunity to up-sell for expanded use

Educational Advisory - Revenue

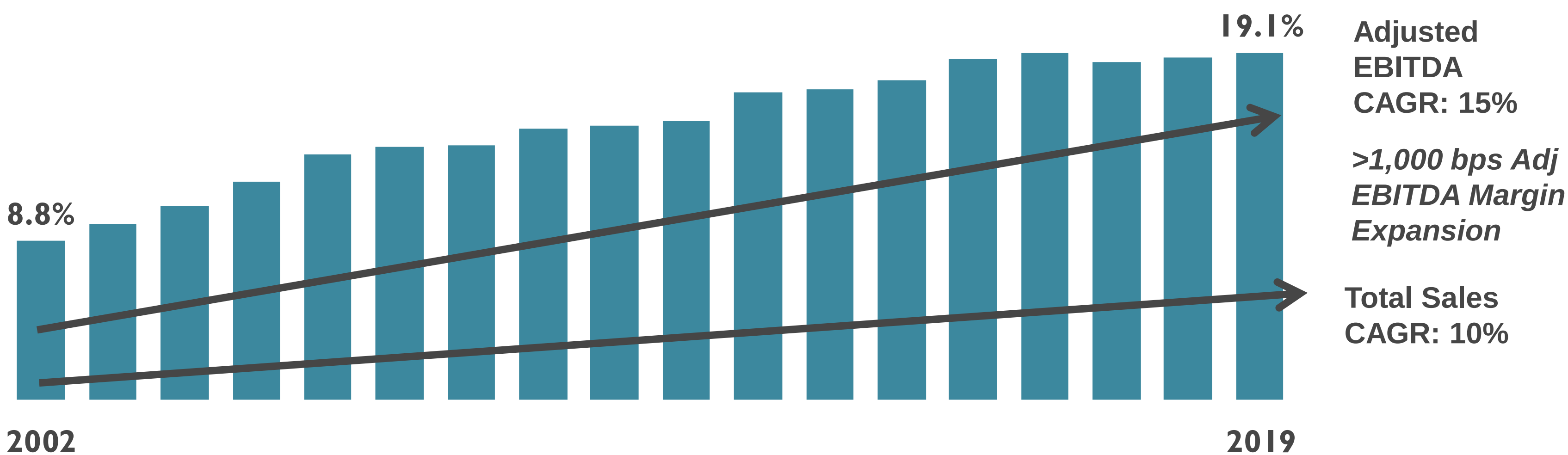


- Ed Assist / College advising contracts 1-3 yrs
- Main service offerings (Network access, Administration, Counseling)
- Typical annual contract value: $125-$175K
- Annual price escalators
- Opportunity to up-sell for expanded use

Business Model Delivers Strong Adjusted EBITDA And Margin Growth

Multiple Drivers of Operating Leverage:

- Tuition rate increases coupled with efficient labor and other cost management
- High incremental margins on enrollment growth in ramping and mature P+L centers
- Contributions from higher margin services
- Mix of new centers, Acquisitions + Transitions
- Scale and growth of European operations
- Overhead productivity gains supported by investments in technology and scale



Annual Adjusted EBITDA Margin

Note: See Summary of Adjustments for reconciliation of Adjusted EBITDA 2014-2019, prior periods please see Company's public filings.

GROWTH STRATEGY

Multiple Growth Channels

Bright Horizons

New Client Relationships

- Opportunity in every industry sector
- Addressable market of ~13,000 employers with >1,000 employees in the U.S. and U.K.

Cross-Selling/ Existing Clients

- 1,200+ existing clients, 300+ clients buy > one service
- 60+ clients sponsor > one full service center

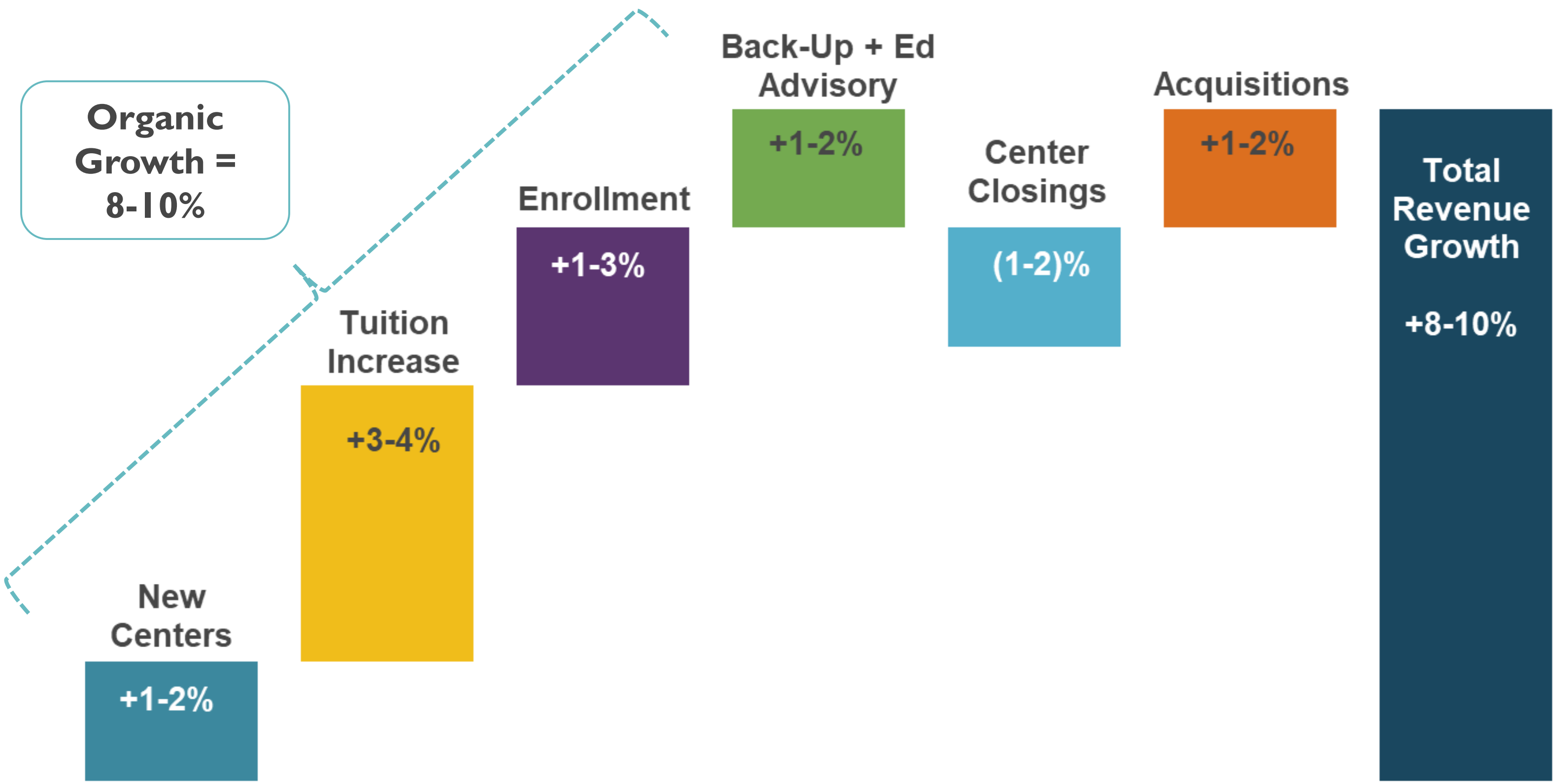
Select New Consortium/ Lease Locations

- 100+ suitable worldwide locations identified
- 10-20 new locations targeted per year

Acquisitions

- Avg. 30 centers acquired annually last 15 years
- Expanded Back-Up + Ed Advisory thru tuck-in acquisitions

Long-Term Revenue Bridge



Notes: Excludes variation from potential foreign currency translation effects.

Lease Models

Lease Model Opportunities

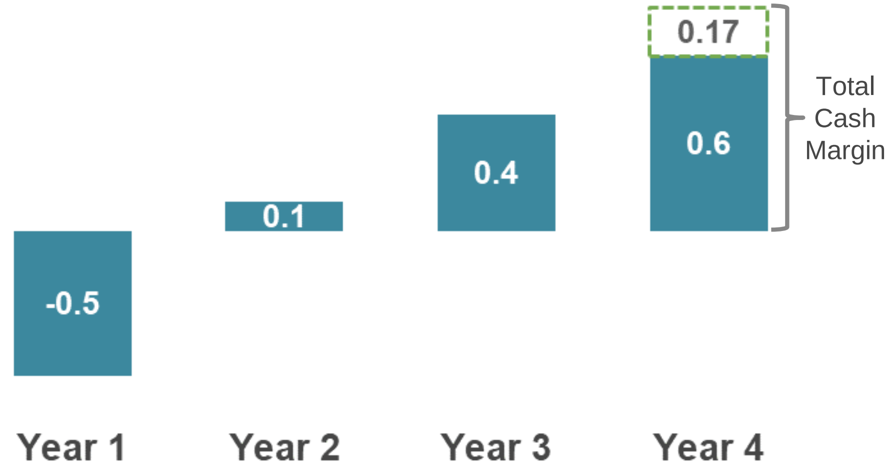
Sample Geographies:

- Greater London
- Amsterdam
- Greater New York / New Jersey
- Chicago
- Seattle
- Bay Area

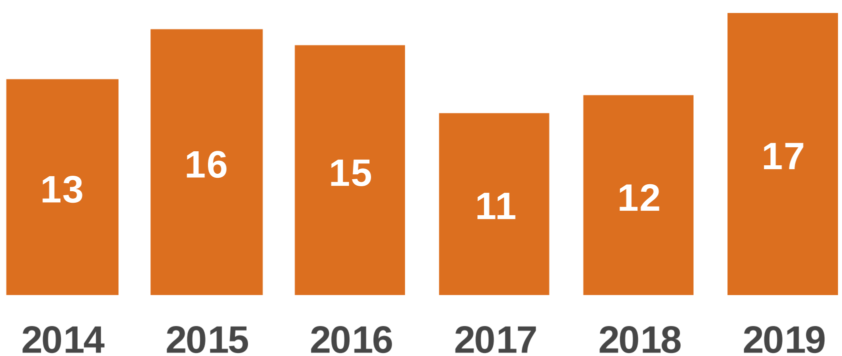
Core Criteria:

- Urban Ring
- Proximity to Work Hubs / Residential Corridors / Clients
- Young Professionals / Families
- Supply / Demand Imbalance

Pro-forma Lease Model Gross Profit $



New Lease Model Center Openings

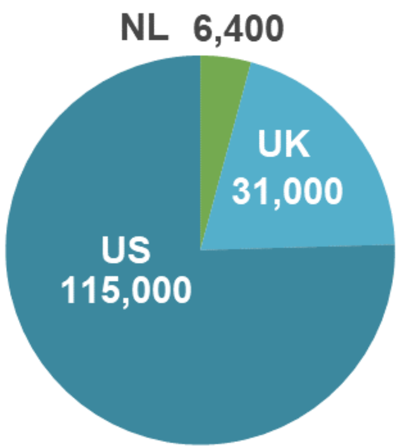


- **Capital:** $2.5M
- **Capacity:** 125-175
- **ROIC Maturity:** 25-30%
- **Revenue Maturity:** $2.5M
- **Breakeven:** 12-18 months

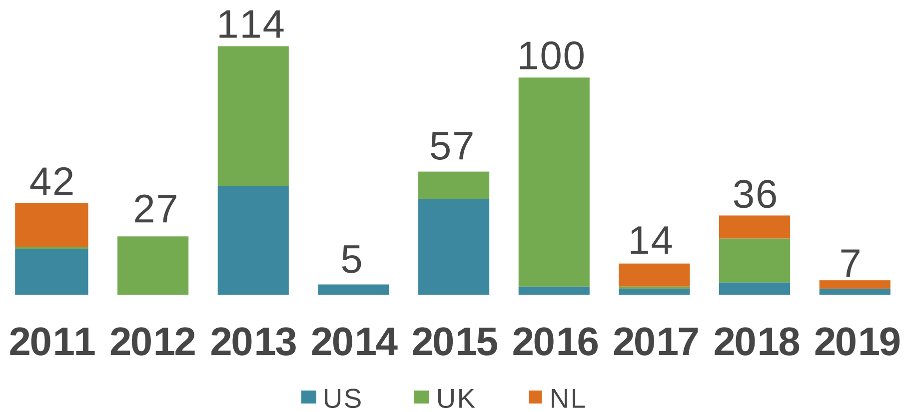
Note: Pro-forma figures $ in millions.

Acquisitions

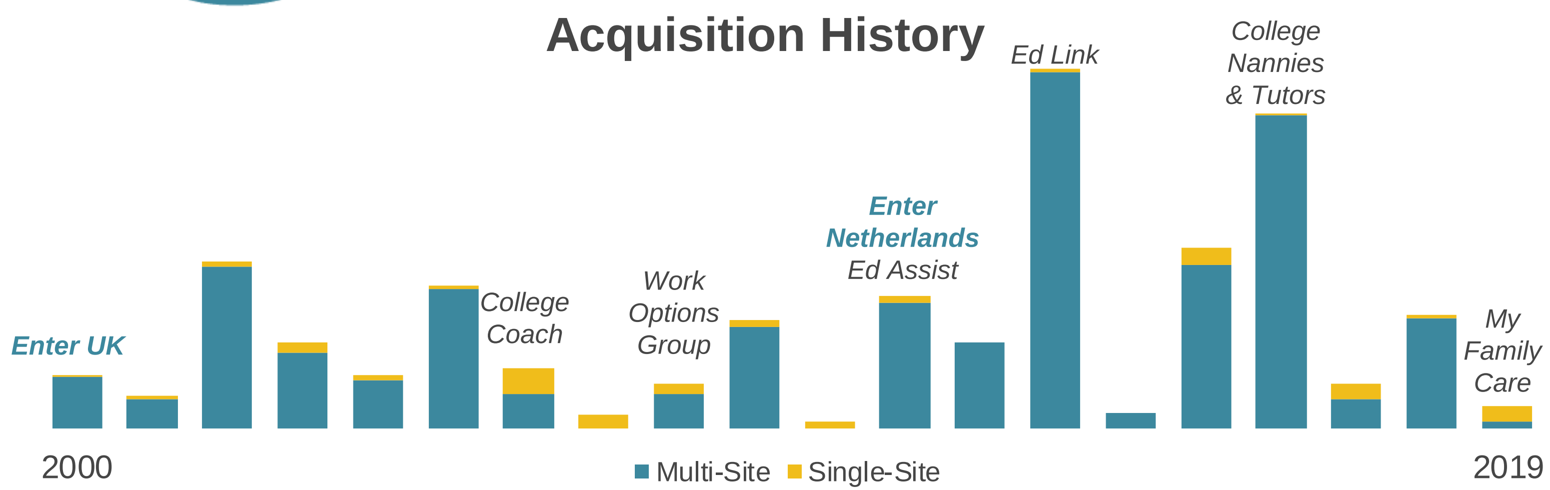
Licensed Centers by Geography



Geographic Mix: Recent Acquisitions



Acquisition History



Sites Acquired:	17	10	53	27	17	45	19	4	14	34	2	42	27	114	5	57	100	14	36	7

Notes: As of 12/31/2019.

FINANCIAL HIGHLIGHTS







Performance Drivers

Long track record of **growth** and margin expansion

Sticky, **recurring revenue** base

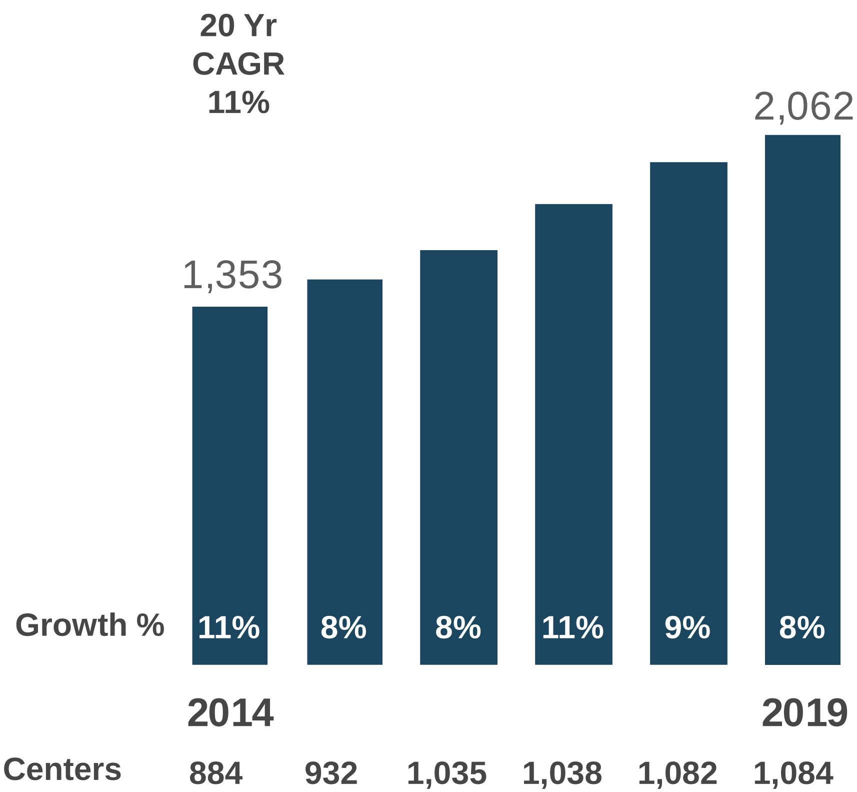
Diversified across services and geography

High free **cash flow** conversion

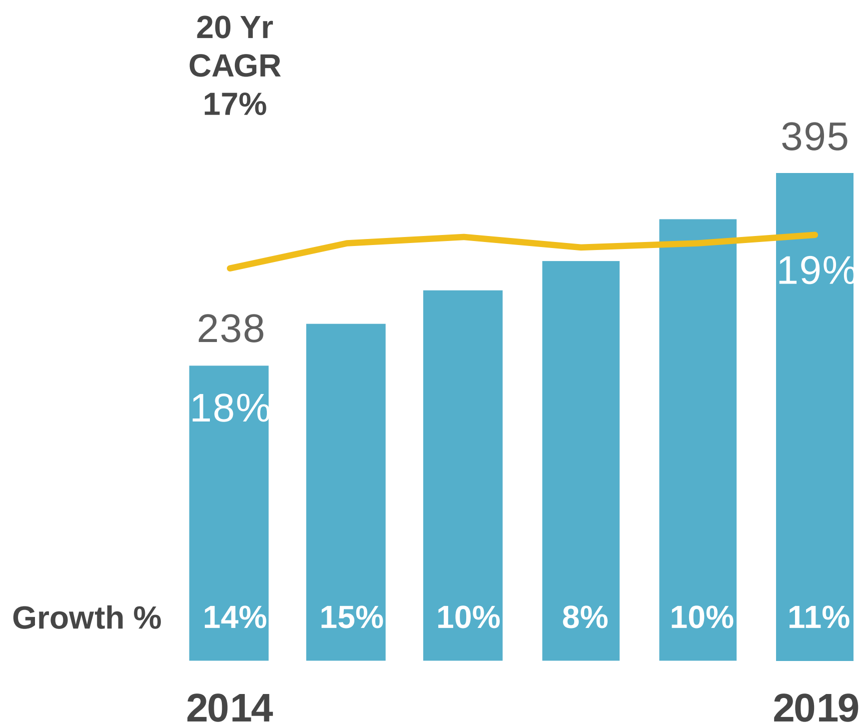
Sales Growth And Margin Expansion

$ in millions

Revenue



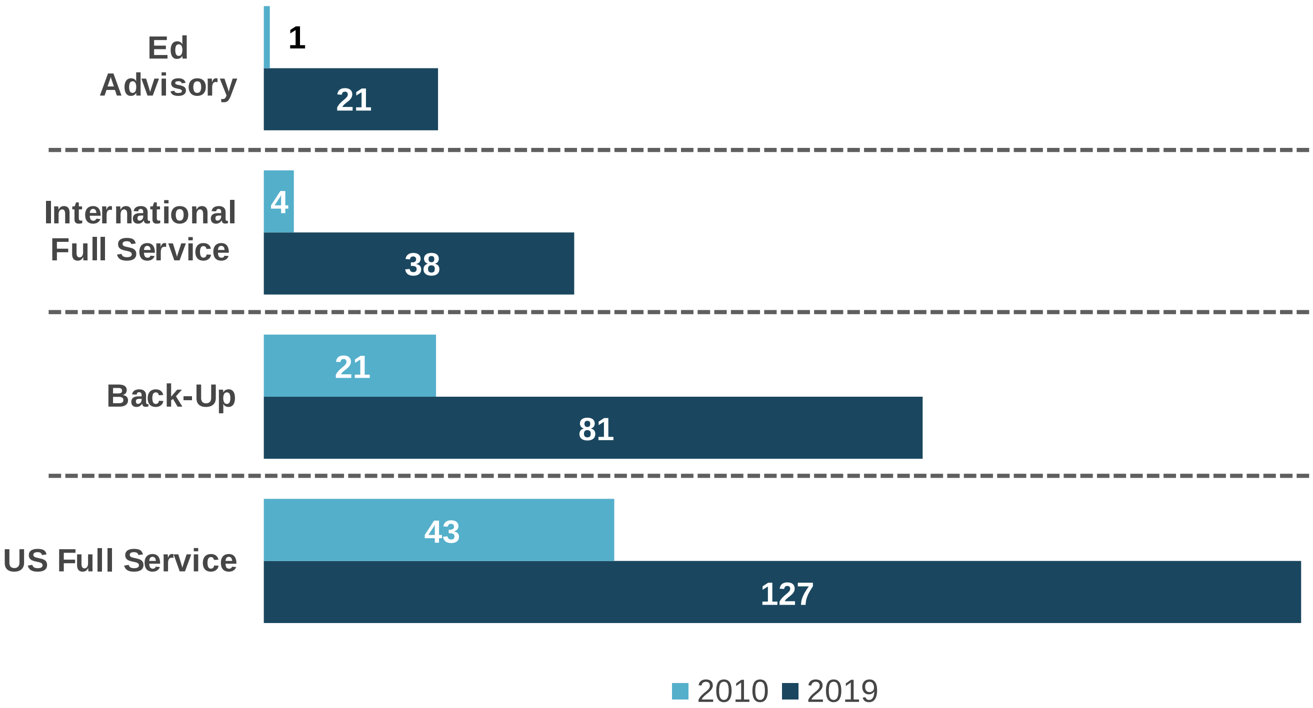
Adjusted EBITDA & Margin



Note: See Summary of Adjustments for reconciliation of Adjusted EBITDA. As of 12/31/2019. Growth rates are Y/Y comparison. CAGR figures reflected through FY 2019.

Diversified Business Adds Earnings Velocity

- Legacy US Full Service business continues to grow and leverage operating margins
- Core growth augmented with acceleration from geographic expansion + adjacent business lines (Back-Up + Ed Advisory)



	Operating Margin - EBIT	CAGR
Ed Advisory 2010	8%	
Ed Advisory 2019	26%	52%
International Full Service 2010	4%	
International Full Service 2019	8%	34%
Back-Up 2010	21%	
Back-Up 2019	27%	18%
US Full Service 2010	7%	
US Full Service 2019	10%	15%

Note: Operating income, $ in millions, excluding transaction costs.

Strong Cash Flow Generation Supports Leverage And Capital Allocation Strategy

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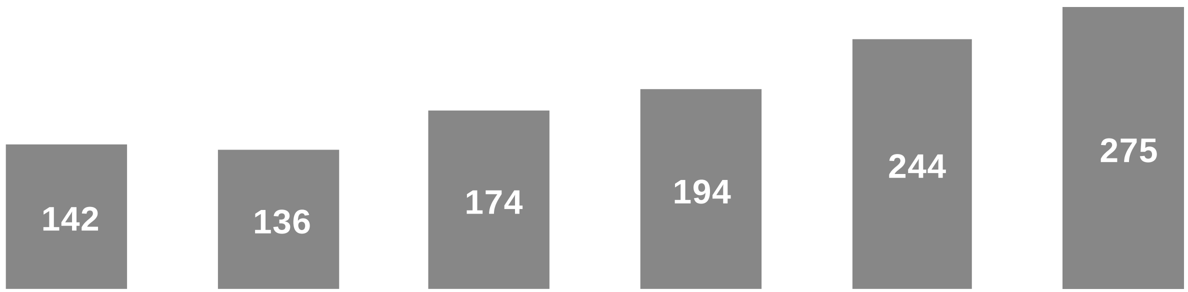
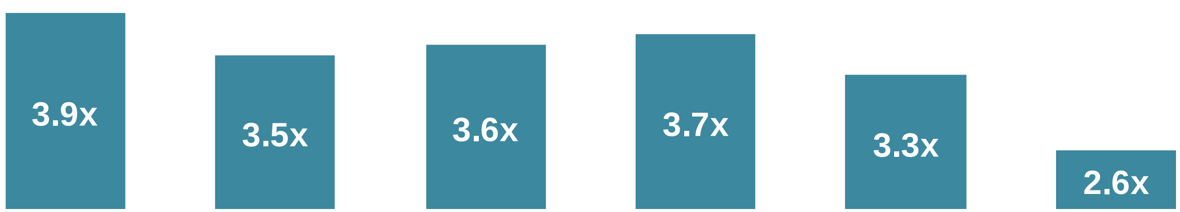
Free Cash Flow *(Cash Flow Operations – Maintenance Capex)*



	2014	2015	2016	2017	2018	2019
FCF / ADJ. EBITDA %	60%	50%	58%	60%	68%	70%

Total Debt / Adj. EBITDA

LBO at May 2008 Represented 7.2x



	2014	2015	2016	2017	2018	2019
Adj. EBITDA	$238	$273	$299	$324	$357	$395

Note: Cash Flow Operations reflects Restricted Cash to be included with Cash and Cash Equivalents beginning in 2018 – see Form 10Q Notes to Consolidated Condensed Financial Statements for further explanation. Leverage figures are Total Debt / Adjusted EBITDA and exclude Cash and OID; see appendix for reconciliation of Adjusted EBITDA. 2016 Leverage inclusive of pro-forma adjustments for Acquisition of Asquith. FCF and Adj. EBITDA $ in millions.

APPENDIX


Draw me a dream.
The little eyes gleam.
Pick up your palette and color my world.

Recent Performance

($ millions)	Q2 2020	Q2 2019	% Change (QTR)
Full Service Center-Based Child Care	$ 137	$ 439	-69%
Back-Up Care	136	70	+94%
Educational Advisory Services	21	19	+6%
Total Revenue	**$ 294**	**$ 528**	**-44%**
Gross Profit	**$ 84**	**$ 140**	**-40%**
% Margin	*28.7%*	*26.4%*	-
Adj. EBITDA	**$ 60**	**$ 106**	**-43%**
% Margin	*20.4%*	*20.1%*	-
Adj. Net Income	**$ 26**	**$ 58**	**-55%**
Adj. EPS	**$ 0.44**	**$ 0.99**	**-56%**

Note: See Form 10-Q for reconciliation of Adjusted EBITDA and Adjusted Net Income. Minor differences due to rounding.

Historical P&L

($ millions)	YR 2014	YR 2015	YR 2016	YR 2017	YR 2018	YR 2019	% Chg. 2014	% Chg. 2015	% Chg. 2016	% Chg. 2017	% Chg. 2018	% Chg. 2019
Full Service Center-Based Child Care	$ 1,157	$ 1,236	$1,322	$1,458	$1,586	$1,684	+10%	+7%	+7%	+10%	+9%	+6%
Back-Up Care	163	182	200	224	246	296	+12%	+11%	+10%	+12%	+10%	+21%
Educational Advisory Services	33	40	48	59	71	82	+38%	+20%	+20%	+23%	+21%	+14%
Total Revenue	**$ 1,353**	**$ 1,458**	**$ 1,570**	**$ 1,741**	**$1,903**	**$2,062**	**+11%**	**+8%**	**+8%**	**+11%**	**+9%**	**+8%**
Gross Profit	**$ 314**	**$ 358**	**$ 391**	**$ 431**	**$473**	**$523**	**+12%**	**+14%**	**+9%**	**+10%**	**+10%**	**+10%**
% Margin	*23.2%*	*24.5%*	*24.9%*	*24.7%*	*24.9%*	*25.4%*	-	-	-	-	-	-
Adj. EBITDA	**$ 238**	**$ 273**	**$ 299**	**$ 324**	**$357**	**$395**	**+14%**	**+15%**	**+10%**	**+8%**	**+10%**	**+11%**
% Margin	*17.6%*	*18.7%*	*19.1%*	*18.6%*	*18.8%*	*19.1%*	-	-	-	-	-	-
Adj. Net Income	**$ 97**	**$ 115**	**$ 131**	**$ 162**	**190**	**217**	**+24%**	**+19%**	**+14%**	**+24%**	**+17%**	**+14%**
Adj. EPS	**$ 1.45**	**$ 1.85**	**$ 2.16**	**$ 2.69**	**$3.21**	**$3.67**	**+22%**	**+28%**	**+17%**	**+25%**	**+19%**	**+14%**

Note: See Form 10-K for reconciliation of historical Adjusted EBITDA and Adjusted Net Income.

Summary Of Adjustments To EBITDA And Net Income

Adjustments to EBITDA ($M)	Fiscal Year Ended December 31, 2014	2015	2016	2017	2018	2019	YTD 2020
EBITDA	**$224.3**	**$260.2**	**$271.4**	**$300.2**	**$340.0**	**376.1**	**$107.3**
Non-cash Operating Lease Expense	3.1	2.7	2.6	4.3	1.3	0.9	-
Stock-based Compensation Expense	7.9	9.2	11.6	12.1	13.8	17.2	9.4
Loss on Extinguishment of Debt	-	-	11.1	-	-	-	-
Offering, Acquisition, COVID-19 & Other Costs	2.7	0.9	2.5	7.0	1.9	0.6	24.8
Total Adjustments	**$ 13.7**	**$12.8**	**$27.8**	**$23.4**	**$17.0**	**$18.8**	**$34.2**
Adjusted EBITDA	**$238.0**	**$273.0**	**$299.2**	**$323.6**	**$357.1**	**$394.9**	**$141.5**

Adjustments to Net Income	2014	2015	2016	2017	2018	2019	YTD 2020
Income (loss) before tax	**$112.3**	**$140.1**	**$143.2**	**$161.4**	**$191.6**	**$180.4**	**$32.1**
Stock Compensation Expense	7.9	9.2	11.6	12.1	13.8	17.2	9.4
Amortization	29.0	28.0	29.6	32.5	32.6	33.6	16.1
Loss on Extinguishment of Debt	-	-	11.1	-	-		
Offering, Acquisition, COVID-19 & Other Costs	2.7	0.9	2.5	7.0	1.9	0.6	24.8
Tax Effect	(54.7)	(62.8)	(67.3)	(50.8)	(50.3)	(57.6)	(12.2)
Adjusted Net Income	**$97.2**	**$115.4**	**$130.7**	**$162.2**	**$189.5**	**$216.6**	**$70.1**

Note: See Form 10-K and 10-Q for reconciliation of historical year end and year to date Adjusted EBITDA and Adjusted Net Income.

Thank You!

Bright Horizons

Bright Horizons® *provides an array of work/life benefits that helps employees be their most productive and present at work by ensuring they can manage their most pressing responsibilities at home.*

For 30+ years, our services have helped leading employers in every industry meet strategic business objectives including:

- Recruitment
- Retention
- Employee engagement & productivity
- Reduced absenteeism