UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from __________ to __________

Commission File Number: 001-35780

BRIGHT HORIZONS FAMILY SOLUTIONS INC.
(Exact name of registrant as specified in its charter)

Delaware	**80-0188269**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification Number)
2 Wells Avenue Newton, Massachusetts	**02459**
(Address of principal executive offices)	(Zip code)

Registrant’s telephone number, including area code: **(617) 673-8000**

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	BFAM	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 27, 2026, there were 48,635,306 shares of common stock outstanding.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

FORM 10-Q

For the quarterly period ended June 30, 2026

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	June 30, 2026	December 31, 2025
	(In thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 163,691	$ 140,091
Accounts receivable — net of allowance for credit losses of $3,406 and $3,667 at June 30, 2026 and December 31, 2025, respectively	208,829	293,983
Prepaid expenses and other current assets	92,530	69,899
Total current assets	465,050	503,973
Fixed assets — net	559,728	574,200
Goodwill	1,818,900	1,824,175
Other intangible assets — net	191,366	193,452
Operating lease right-of-use assets	636,188	682,069
Other assets	118,818	111,734
Total assets	$ 3,790,050	$ 3,889,603
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 9,375	$ —
Current portion of revolving credit facility	205,953	199,552
Accounts payable and accrued expenses	310,318	292,812
Current portion of operating lease liabilities	110,405	110,229
Deferred revenue	287,695	330,647
Other current liabilities	47,926	32,925
Total current liabilities	971,672	966,165
Long-term debt — net	1,072,058	747,614
Operating lease liabilities	656,996	702,845
Other long-term liabilities	108,483	104,126
Deferred revenue	13,640	14,689
Deferred income taxes	23,682	14,873
Total liabilities	2,846,531	2,550,312
Stockholders' equity:		
Preferred stock, $0.001 par value; 25,000,000 shares authorized; no shares issued or outstanding at June 30, 2026 and December 31, 2025	—	—
Common stock, $0.001 par value; 475,000,000 shares authorized; 49,244,296 and 55,622,045 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	49	56
Additional paid-in capital	—	424,953
Accumulated other comprehensive loss	(44,173)	(44,850)
Retained earnings	987,643	959,132
Total stockholders' equity	943,519	1,339,291
Total liabilities and stockholders' equity	$ 3,790,050	$ 3,889,603

See accompanying notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
	(In thousands, except share data)			
Revenue	$ 779,178	$ 731,570	$ 1,491,400	$ 1,397,097
Cost of services	590,215	549,020	1,138,947	1,058,810
Gross profit	188,963	182,550	352,453	338,287
Selling, general and administrative expenses	108,002	94,834	205,355	186,695
Amortization of intangible assets	1,144	1,664	2,332	3,268
Income from operations	79,817	86,052	144,766	148,324
Interest expense — net	(14,023)	(10,555)	(26,045)	(20,906)
Income before income tax	65,794	75,497	118,721	127,418
Income tax expense	(25,159)	(20,722)	(43,978)	(34,594)
Net income	$ 40,635	$ 54,775	$ 74,743	$ 92,824
Earnings per common share:				
Common stock — basic	$ 0.79	$ 0.96	$ 1.41	$ 1.62
Common stock — diluted	$ 0.79	$ 0.95	$ 1.40	$ 1.61
Weighted average common shares outstanding:				
Common stock — basic	51,538,729	57,255,841	52,938,352	57,319,814
Common stock — diluted	51,757,065	57,713,111	53,230,622	57,831,930

See accompanying notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
		(In thousands)		
Net income	$ 40,635	$ 54,775	$ 74,743	$ 92,824
Other comprehensive income (loss):				
Foreign currency translation adjustments	1,605	55,959	(725)	79,891
Unrealized gain (loss) on cash flow hedges and investments, net of tax	411	(2,145)	1,402	(5,051)
Total other comprehensive income	2,016	53,814	677	74,840
Comprehensive income	$ 42,651	$ 108,589	$ 75,420	$ 167,664

See accompanying notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Unaudited)

	Three months ended June 30, 2026						
	Common Stock		Additional Paid-in Capital	Treasury Stock, at Cost	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
	(In thousands, except share data)						
Balance at April 1, 2026	52,870,361	$ 53	$ 198,526	$ —	$ (46,189)	$ 993,240	$ 1,145,630
Stock-based compensation expense			7,032				7,032
Issuance of common stock under the Equity Incentive Plan	36,899	—	—				—
Shares received in net share settlement of stock option exercises and vesting of restricted stock	(10,808)	—	(891)				(891)
Purchase of treasury stock				(250,903)			(250,903)
Retirement of treasury stock	(3,652,156)	(4)	(204,667)	250,903		(46,232)	—
Other comprehensive income					2,016		2,016
Net income						40,635	40,635
Balance at June 30, 2026	49,244,296	$ 49	$ —	$ —	$ (44,173)	$ 987,643	$ 943,519

	Three months ended June 30, 2025						
	Common Stock		Additional Paid-in Capital	Treasury Stock, at Cost	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
	(In thousands, except share data)						
Balance at April 1, 2025	57,479,307	$ 57	$ 609,118	$ —	$ (89,269)	$ 804,065	$ 1,323,971
Stock-based compensation expense			6,829				6,829
Issuance of common stock under the Equity Incentive Plan	47,953	—	1,979				1,979
Shares received in net share settlement of stock option exercises and vesting of restricted stock	(8,275)	—	(1,022)				(1,022)
Purchase of treasury stock				(41,225)			(41,225)
Retirement of treasury stock	(348,375)	—	(41,225)	41,225			—
Other comprehensive income					53,814		53,814
Net income						54,775	54,775
Balance at June 30, 2025	57,170,610	$ 57	$ 575,679	$ —	$ (35,455)	$ 858,840	$ 1,399,121

See accompanying notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Unaudited)

	Six months ended June 30, 2026						
	Common Stock		Additional Paid-in Capital	Treasury Stock, at Cost	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
	(In thousands, except share data)						
Balance at January 1, 2026	55,622,045	$ 56	$ 424,953	$ —	$ (44,850)	$ 959,132	$ 1,339,291
Stock-based compensation expense			14,456				14,456
Issuance of common stock under the Equity Incentive Plan	294,708	—	—				—
Shares received in net share settlement of stock option exercises and vesting of restricted stock	(107,651)	—	(7,817)				(7,817)
Purchase of treasury stock				(477,831)			(477,831)
Retirement of treasury stock	(6,564,806)	(7)	(431,592)	477,831		(46,232)	—
Other comprehensive income					677		677
Net income						74,743	74,743
Balance at June 30, 2026	49,244,296	$ 49	$ —	$ —	$ (44,173)	$ 987,643	$ 943,519

	Six months ended June 30, 2025						
	Common Stock		Additional Paid-in Capital	Treasury Stock, at Cost	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
	(In thousands, except share data)						
Balance at January 1, 2025	57,404,736	$ 57	$ 622,618	$ —	$ (110,295)	$ 766,016	$ 1,278,396
Stock-based compensation expense			14,986				14,986
Issuance of common stock under the Equity Incentive Plan	392,065	—	12,631				12,631
Shares received in net share settlement of stock option exercises and vesting of restricted stock	(107,965)	—	(13,609)				(13,609)
Purchase of treasury stock				(60,947)			(60,947)
Retirement of treasury stock	(518,226)	—	(60,947)	60,947			—
Other comprehensive income					74,840		74,840
Net income						92,824	92,824
Balance at June 30, 2025	57,170,610	$ 57	$ 575,679	$ —	$ (35,455)	$ 858,840	$ 1,399,121

See accompanying notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Six months ended June 30, 2026	Six months ended June 30, 2025
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 74,743	$ 92,824
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	47,802	44,609
Impairment losses and other non-cash items	22,934	856
Stock-based compensation expense	14,456	14,986
Deferred income taxes	8,083	5,175
Changes in assets and liabilities:		
Accounts receivable	84,938	87,431
Prepaid expenses and other current assets	(3,821)	(1,345)
Accounts payable and accrued expenses	10,519	13,581
Income taxes	(14,523)	(7,882)
Deferred revenue	(42,978)	(27,252)
Leases	(11,693)	(4,523)
Other assets	(3,446)	(4,446)
Other current and long-term liabilities	15,778	6,360
Net cash provided by operating activities	202,792	220,374
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets — net	(39,081)	(34,043)
Proceeds from debt securities and other investments	8,896	7,503
Purchases of debt securities and other investments	(9,219)	(6,322)
Payments and settlements for acquisitions — net of cash acquired	—	(5,106)
Net cash used in investing activities	(39,404)	(37,968)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under revolving credit facility	1,241,463	405,000
Payments under revolving credit facility	(1,272,534)	(3,500)
Borrowings of long-term debt — net of issuance costs	373,748	—
Principal payments of long-term debt	—	(451,000)
Payments of revolving credit facility debt issuance costs	(334)	(2,878)
Purchase of treasury stock	(471,531)	(60,330)
Proceeds from issuance of common stock upon exercise of options	—	10,230
Taxes paid related to the net share settlement of stock options and restricted stock	(7,817)	(13,609)
Net cash used in financing activities	(137,005)	(116,087)
Effect of exchange rates on cash, cash equivalents and restricted cash	(1,744)	7,045
Net increase in cash, cash equivalents and restricted cash	24,639	73,364
Cash, cash equivalents and restricted cash — beginning of period	143,158	123,715
Cash, cash equivalents and restricted cash — end of period	$ 167,797	$ 197,079

See accompanying notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(Unaudited)

	Six months ended June 30, 2026	2025
	(In thousands)	
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH TO THE CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	$ 163,691	$ 179,222
Restricted cash, included in prepaid expenses and other current assets	1,537	15,363
Restricted cash, included in other assets	2,569	2,494
Total cash, cash equivalents and restricted cash — end of period	$ 167,797	$ 197,079
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash payments of interest	$ 28,197	$ 28,508
Cash received from cash flow hedges of interest rate risk	$ 1,566	$ 7,798
Cash payments of income taxes (net of refunds in 2026)	$ 50,323	$ 35,879
Cash paid for amounts included in the measurement of lease liabilities	$ 85,741	$ 78,999
NON-CASH TRANSACTIONS:		
Fixed asset purchases recorded in accounts payable and accrued expenses	$ 1,257	$ 1,465
Operating right-of-use assets obtained in exchange for operating lease liabilities — net	$ 11,916	$ 32,329
Treasury stock purchases in other current liabilities	$ 3,559	$ —
Restricted stock reclassified from other current liabilities to equity upon vesting	$ —	$ 2,401

See accompanying notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization — Bright Horizons Family Solutions Inc. ("Bright Horizons" or the "Company") provides early education and child care, comprehensive back-up care solutions, and educational advisory services for employers and families in the United States, the United Kingdom, the Netherlands, Australia and India. The Company provides services designed to support both working families and employers' workforce strategies by supporting their employees across life and career stages, and improving employee recruitment, engagement, productivity, retention, and career advancement. The Company provides services primarily under multi-year contracts with employer-clients who offer early education and child care, back-up care, and educational advisory services as part of their employee benefits package.

As of June 30, 2026, the Company operated 988 early education and child care centers.

Basis of Presentation — The accompanying unaudited condensed consolidated balance sheet as of June 30, 2026 and the unaudited condensed consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the interim periods ended June 30, 2026 and 2025 have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required in accordance with U.S. GAAP for complete financial statements and should be read in conjunction with the audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. The consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

In the opinion of the Company's management, the Company's unaudited condensed consolidated balance sheet as of June 30, 2026 and the unaudited condensed consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the interim periods ended June 30, 2026 and 2025, reflect all adjustments (consisting only of normal and recurring adjustments) necessary to present fairly the results of the interim periods presented. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year.

Stockholders' Equity — The board of directors of the Company authorized a new share repurchase program of up to $600 million (exclusive of fees, commissions or other expenses) of the Company's outstanding common stock effective March 9, 2026. The new share repurchase program has no expiration date and canceled and replaced the prior share repurchase program of up to $500 million announced in June 2025, of which approximately $127.6 million remained available thereunder. The shares may be repurchased from time to time in open market transactions at prevailing market prices, in privately negotiated transactions or by other means in accordance with federal securities law, including under Rule 10b5-1 plans or accelerated share repurchase programs. During the six months ended June 30, 2026, the Company repurchased approximately 6.6 million shares for $473.2 million under the repurchase program (resulting in a $4.6 million excise tax liability). During the six months ended June 30, 2025, the Company repurchased approximately 0.5 million shares for $60.7 million under the repurchase program (resulting in a $0.2 million excise tax liability). Share repurchases are initially recorded to treasury stock at cost. Upon retirement, the par value of the share repurchases are recorded to common stock with the excess of the purchase price over par first recorded against any available additional paid in capital ("APIC") and the balance recorded to retained earnings. Due to the volume of share repurchases under the authorized share repurchase program during the six months ended June 30, 2026, the Company has no remaining balance in APIC as of June 30, 2026. All repurchased shares have been retired and, as of June 30, 2026, $328.7 million remained available under the Board-approved repurchase program.

2. REVENUE RECOGNITION

Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers into segments and geographical regions. Revenue disaggregated by segment and geographical region was as follows:

	Full service center-based child care	Back-up care	Educational advisory services	Total
	(In thousands)			
Three months ended June 30, 2026				
North America	$ 339,993	$ 178,182	$ 28,295	$ 546,470
Outside North America	217,304	15,404	—	232,708
	$ 557,297	$ 193,586	$ 28,295	$ 779,178
Three months ended June 30, 2025				
North America	$ 340,082	$ 147,382	$ 28,633	$ 516,097
Outside North America	200,185	15,288	—	215,473
	$ 540,267	$ 162,670	$ 28,633	$ 731,570

	Full service center-based child care	Back-up care	Educational advisory services	Total
	(In thousands)			
Six months ended June 30, 2026				
North America	$ 672,589	$ 308,709	$ 55,214	$ 1,036,512
Outside North America	425,342	29,546	—	454,888
	$ 1,097,931	$ 338,255	$ 55,214	$ 1,491,400
Six months ended June 30, 2025				
North America	$ 673,057	$ 266,211	$ 55,001	$ 994,269
Outside North America	377,757	25,071	—	402,828
	$ 1,050,814	$ 291,282	$ 55,001	$ 1,397,097

The classification "North America" is comprised of the Company's operations in the United States (including Puerto Rico), and the classification "Outside North America" includes the Company's operations in the United Kingdom, the Netherlands, Australia and India.

Deferred Revenue

The Company records deferred revenue when payments are received in advance of the Company's performance under the contract, which is recognized as revenue as the performance obligation is satisfied. The Company recognized $258.8 million and $236.5 million as revenue during the six months ended June 30, 2026 and 2025, respectively, which was included in the deferred revenue balance at the beginning of each respective period.

Remaining Performance Obligations

The Company does not disclose the value of unsatisfied performance obligations for contracts with an original contract term of one year or less, or for variable consideration allocated to the unsatisfied performance obligation of a series of services. The transaction price allocated to the remaining performance obligations relates to services that are paid or invoiced in advance. The Company's remaining performance obligations not subject to the practical expedients were not material.

3. LEASES

The Company has operating leases for certain of its full service and back-up early education and child care centers, corporate offices, call centers, and to a lesser extent, various office equipment, in the United States, the United Kingdom, the Netherlands, and Australia. Most of the leases expire within 10 to 15 years and many contain renewal options and/or termination provisions. As of June 30, 2026 and December 31, 2025, there were no material finance leases.

Lease Expense

The components of lease expense were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Operating lease expense (1)	$ 47,604	$ 37,663	$ 85,133	$ 74,058
Variable lease expense (1)	11,034	12,017	22,183	23,354
Total lease expense	$ 58,638	$ 49,680	$ 107,316	$ 97,412

(1) Excludes short-term lease expense and sublease income, which were immaterial for the periods presented.

Operating lease expense for the three months ended June 30, 2026 includes impairment losses on operating lease right-of-use assets of $11.1 million. Refer to Note 9, *Fair Value Measurements*, and Note 11, *Segment Information*, for additional information.

Other Information

The weighted average remaining lease term and the weighted average discount rate were as follows:

	June 30, 2026	December 31, 2025
Weighted average remaining lease term (in years)	9	9
Weighted average discount rate	7.1%	7.0%

Maturity of Lease Liabilities

The following table summarizes the maturity of lease liabilities as of June 30, 2026:

	Operating Leases
	(In thousands)
Remainder of 2026	$ 70,345
2027	156,113
2028	143,386
2029	127,674
2030	106,177
Thereafter	446,789
Total lease payments	1,050,484
Less imputed interest	(283,083)
Present value of lease liabilities	767,401
Less current portion of operating lease liabilities	(110,405)
Long-term operating lease liabilities	$ 656,996

As of June 30, 2026, the Company had not entered into additional operating leases that have not yet commenced.

4. ACQUISITIONS

The Company's growth strategy includes expansion through strategic and synergistic acquisitions. The goodwill resulting from these acquisitions arises largely from synergies expected from combining the operations of the businesses acquired with the Company's existing operations, including cost efficiencies and leveraging existing client relationships, as well as from benefits derived from gaining the related assembled workforce.

2025 Acquisitions

During the year ended December 31, 2025, the Company acquired three centers in the United Kingdom in two separate business acquisitions, which were each accounted for as a business combination. The businesses were acquired for aggregate cash consideration of $6.8 million, net of $0.3 million cash acquired, and $0.1 million of deferred consideration, and are subject to adjustments from the settlement of the final working capital. The Company recorded goodwill of $4.9 million related to the full service center-based child care segment for these acquisitions, which will not be deductible for tax purposes. In addition, the Company recorded intangible assets of $0.5 million.

The determination and allocation of purchase price consideration is based on preliminary estimates of fair value; such estimates and assumptions are subject to change within the measurement period (up to one year from the acquisition date). As of June 30, 2026, the purchase price allocation for one of these acquisitions remains open as the Company gathers additional information regarding the assets acquired and the liabilities assumed. The operating results for the acquired businesses are included in the consolidated results of operations from the date of acquisition and were not material to the Company's financial results.

5. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill were as follows:

	Full service center-based child care	Back-up care	Educational advisory services	Total
		(In thousands)		
Balance at January 1, 2026	$ 1,575,631	$ 210,868	$ 37,676	$ 1,824,175
Adjustments to prior year acquisitions	(217)	—	—	(217)
Impairment loss	(6,302)	—	—	(6,302)
Effect of foreign currency translation	1,656	(412)	—	1,244
Balance at June 30, 2026	$ 1,570,768	$ 210,456	$ 37,676	$ 1,818,900

During the three months ended June 30, 2026, the Company identified certain indicators of potential impairment, therefore an interim test for goodwill impairment was performed as of June 30, 2026. For an immaterial foreign reporting unit specializing in tutoring services, the fair value was less than its book value, and therefore, the Company recognized goodwill impairment of $6.3 million. The inputs to the fair value are defined in the fair value hierarchy as level 3 due to the lack of observable inputs used in the model. Refer to Note 9, *Fair Value Measurements*, and Note 11, *Segment Information*, for additional information.

The Company also has intangible assets, which consisted of the following as of June 30, 2026 and December 31, 2025:

June 30, 2026	Cost	Accumulated amortization	Net carrying amount
		(In thousands)	
Definite-lived intangible assets:			
Customer relationships	$ 386,873	$ (381,537)	$ 5,336
Trade names	16,304	(11,134)	5,170
	403,177	(392,671)	10,506
Indefinite-lived intangible assets:			
Trade names	180,860	—	180,860
	$ 584,037	$ (392,671)	$ 191,366

December 31, 2025	Cost	Accumulated amortization	Net carrying amount
		(In thousands)	
Definite-lived intangible assets:			
Customer relationships	$ 386,482	$ (379,457)	$ 7,025
Trade names	16,148	(10,693)	5,455
	402,630	(390,150)	12,480
Indefinite-lived intangible assets:			
Trade names	180,972	—	180,972
	$ 583,602	$ (390,150)	$ 193,452

The Company estimates that it will record amortization expense related to intangible assets existing as of June 30, 2026 as follows:

	Estimated amortization expense
	(In thousands)
Remainder of 2026	$ 2,409
2027	3,156
2028	1,776
2029	720
2030	699
Thereafter	1,746
	$ 10,506

6. CREDIT ARRANGEMENTS AND DEBT OBLIGATIONS

Senior Secured Credit Facilities

The Company's senior secured credit facilities consist of a term loan B facility ("term loan B") and a term loan A facility ("term loan A" and, together with term loan B, the "term loans"), as well as a $1.0 billion multi-currency revolving credit facility ("revolving credit facility").

Long-term debt obligations were as follows:

	June 30, 2026	December 31, 2025
	(In thousands)	
Term loan B	$ 450,000	$ 450,000
Term loan A	375,000	—
Revolving credit facility	465,953	499,552
Deferred financing costs and original issue discount	(3,567)	(2,386)
Total debt	1,287,386	947,166
Less current portion of term loans	(9,375)	—
Less current portion of revolving credit facility	(205,953)	(199,552)
Long-term debt	$ 1,072,058	$ 747,614

On June 1, 2026, the Company amended its existing senior secured credit facilities to, among other changes, issue a $375 million new term loan A facility as well as increase the borrowing capacity of its revolving credit facility from $900 million to $1.0 billion. On the closing date, the proceeds of the term loan A, together with cash on hand, were used to repay outstanding borrowings under the revolving credit facility, including all outstanding interest and related fees and expenses. In conjunction with the amendment, the Company capitalized $1.8 million in fees that will be amortized over the term of the senior secured credit facilities, of which $1.4 million related to the term loan A that have been recorded as deferred financing costs in long-term debt and $0.4 million related to the revolving credit facility that have been recorded in other assets.

On August 21, 2025, the Company amended its existing senior secured credit facilities to, among other changes, refinance the existing term loan B and to extend the maturity date. On the closing date, the Company used its revolving credit facility to prepay $50 million of the outstanding principal amount of the existing term loan B. In conjunction with the amendment, the Company recorded expense of $1.9 million and capitalized $0.2 million in fees to new lenders that have been recorded as deferred financing costs in long-term debt and will be amortized over the term of the credit facility.

On April 17, 2025, the Company amended its existing senior secured credit facilities to, among other changes, increase the borrowing capacity of its revolving credit facility from $400 million to $900 million and extend the maturity date. On the closing date, the Company used $362.5 million from its revolving credit facility to repay the outstanding balances under the previous term loan A. In conjunction with the amendment, the Company recorded expense of $0.6 million and capitalized $2.9 million in fees that have been recorded in other assets and will be amortized over the term of the revolving credit facility.

All borrowings under the credit facilities are subject to variable interest. The effective interest rate for the term loans was 5.28% and 5.47% as of June 30, 2026 and December 31, 2025, respectively, and the weighted average interest rate was 5.40% and 6.06% for the six months ended June 30, 2026 and 2025, respectively, prior to the effects of any interest rate hedge arrangements.

The effective interest rate for the revolving credit facility was 4.99% and 4.96% as of June 30, 2026 and December 31, 2025, respectively, and the weighted average interest rate was 4.97% and 5.83% for the six months ended June 30, 2026 and 2025, respectively, prior to the effects of any interest rate hedge arrangements. The effective interest rate on the revolving credit facility may fluctuate from borrowing to borrowing for various reasons, including changes in the term benchmark or base interest rate, and the selected interest period as terms may vary between under-30 day and over-30 day borrowings.

Term Loan B

As noted above, the terms of the term loan B were amended on August 21, 2025.

The term loan B matures on August 21, 2032. Borrowings under the amended term loan B bear interest at a rate per annum equal to the base rate plus a margin of 0.75% or the term Secured Overnight Financing Rate (“SOFR”) plus a margin of 1.75%. The term SOFR option is one, three or six month SOFR, as selected by the Company, or, with the approval of the applicable lenders, twelve months or less than one month term SOFR, subject to an interest rate floor of 0.50%. The base rate is the highest of (x) the prime rate quoted by The Wall Street Journal, (y) the greater of the federal funds rate and the overnight bank funding rate, in either case, plus 0.50%, and (z) one-month term SOFR plus 1.00%, subject to an interest rate floor of 1.50%.

Prior to the August 2025 amendment, the term loan B required quarterly principal payments equal to 1% per annum of the aggregate principal amount of the term loan B outstanding as of December 11, 2024, the date the Company previously amended its senior secured credit facility, with the remaining principal balance due at maturity. Effective as of December 11, 2024, borrowings under the term loan B bore interest at a rate per annum of 1.00% over the base rate, or 2.00% over the selected term SOFR rate. Effective as of January 2025, borrowings under the term loan B bore interest at a rate per annum of 0.75% over the base rate, or 1.75% over the selected term SOFR rate. The base rate was subject to an interest rate floor of 1.50% and the selected term SOFR rate was subject to an interest rate floor of 0.50%.

In February 2025, the Company voluntarily prepaid $44.5 million of the outstanding principal balance on its term loan B, which satisfied the remaining annual principal payments due until maturity. In May 2025 and August 2025, the Company utilized its revolving credit facility to prepay $39.0 million and $50.0 million, respectively, of the outstanding principal balance on its term loan B to lower borrowing costs.

Term Loan A

As noted above, the Company issued a $375 million term loan A facility on June 1, 2026.

The term loan A matures on April 17, 2030 and requires scheduled quarterly amortization payments equal to 2.5% per annum of the original aggregate principal amount of the term loan A for the period commencing September 30, 2026 through and including June 30, 2028, increasing to 5.0% per annum thereafter through March 30, 2030. The remaining principal balance is due at maturity. Borrowings under the term loan A bear interest at a rate per annum equal to the term SOFR rate plus a margin ranging from 1.25% to 1.75% or base rate plus a margin ranging from 0.25% to 0.75%. The term SOFR option is one, three or six month SOFR, as selected by the Company, or, with the approval of the applicable lenders, twelve months or less than one month SOFR, subject to an interest rate floor of 0.00%. The base rate is the highest of (x) the prime rate quoted by The Wall Street Journal, (y) the greater of the federal funds rate and the overnight bank funding rate, in either case, plus 0.50%, and (z) one-month term SOFR plus 1.00%, subject to an interest rate floor of 1.00%.

As noted above, balances outstanding under the previous term loan A facility were repaid on April 17, 2025 using availability under the revolving credit facility. Prior to the April 2025 debt amendment, the previous term loan A was scheduled to mature on November 23, 2026 and required quarterly principal payments equal to 2.5% per annum of the original aggregate principal amount of the previous term loan A in each of the first three years, 5.0% in the fourth year, and 7.5% in the fifth year. The remaining principal balance was due at maturity. Borrowings under the previous term loan A bore interest at a rate per annum ranging from 0.50% to 0.75% over the base rate, or 1.50% to 1.75% over the adjusted term SOFR rate. The base rate was subject to an interest rate floor of 1.00% and the adjusted term SOFR rate was subject to an interest rate floor of 0.00%.

Revolving Credit Facility

As noted above, the terms of the revolving credit facility were amended on June 1, 2026 and April 17, 2025.

The revolving credit facility matures on April 17, 2030. However, if there is any additional material indebtedness maturing on or before April 17, 2030, the maturity date will be 91 days prior to the maturity of that material indebtedness, unless the Company satisfies a minimum liquidity threshold test as of that date. As of June 30, 2026, the Company does not hold any material indebtedness maturing on or before April 17, 2030.

As of June 30, 2026, borrowings outstanding on the revolving credit facility were $459.5 million (composed of $365.0 million, €48.8 million and £29.3 million) and letters of credit outstanding were $20.2 million, with $520.1 million available for borrowing. Since the revolving credit facility has a contractual maturity in excess of 12 months from the balance sheet date and the Company has the ability and intends to renew borrowings of at least $260 million through June 30, 2027, such balance has been presented as long-term on the condensed consolidated balance sheet at June 30, 2026. As of December 31, 2025, borrowings outstanding on the revolving credit facility were $496.5 million (composed of $370.0 million, €71.8 million and £31.4 million) and letters of credit outstanding were $20.2 million, with $383.7 million available for borrowing.

Borrowings held in USD under the revolving credit facility bear interest at a rate per annum ranging from 0.25% to 0.75% over the base rate (as defined in the credit agreement), or 1.25% to 1.75% over the term SOFR rate. The base rate is subject to an interest rate floor of 1.00% and the term SOFR rate is subject to an interest rate floor of 0.00%. Prior to the April 17, 2025 amendment, borrowings under the revolving credit facility bore interest at a rate per annum ranging from 0.50% to 0.75% over the base rate, or 1.50% to 1.75% over the adjusted term SOFR rate.

Borrowings held in Euros under the revolving credit facility bear interest at a rate per annum equal to the Euro Interbank Offered Rate “Euribor” subject to an interest rate floor of 0.00% plus applicable margin between 1.25% and 1.75%. Borrowings held in British pounds under the revolving credit facility bear daily interest at a rate per annum equal to the Sterling Overnight Index Average rate, or SONIA, subject to an interest rate floor of 0.00% plus a 0.0326% spread adjustment in addition to an applicable margin between 1.25% and 1.75%.

In 2024, the Company entered into a AU$5 million (USD$3.3 million) uncommitted working capital credit facility in Australia for short-term borrowing purposes. In 2026, the line of credit was increased to AU$9.4 million (USD$6.5 million). As of June 30, 2026 and December 31, 2025, there were AU$9.4 million (USD$6.5 million) and AU$4.5 million (USD$3.0 million) borrowings outstanding under this facility, respectively. The effective interest rate as of June 30, 2026 and December 31, 2025 was 6.35% and 5.59%, respectively, and the weighted average interest rate for the six months ended June 30, 2026 was 6.22% for this working capital credit facility.

Debt Covenants

All obligations under the senior secured credit facilities are secured by substantially all the assets of the Company’s material U.S. subsidiaries. The senior secured credit facilities contain a number of covenants that, among other things and subject to certain exceptions, may restrict the ability of Bright Horizons Family Solutions LLC (the “Borrower”), the Company’s wholly-owned subsidiary, and its restricted subsidiaries, to: incur liens; make investments, loans, advances and acquisitions; incur additional indebtedness or guarantees; pay dividends on capital stock or redeem, repurchase or retire capital stock or subordinated indebtedness; engage in transactions with affiliates; sell assets, including capital stock of the Company’s subsidiaries; alter the business conducted; enter into agreements restricting the Company’s subsidiaries’ ability to pay dividends; and consolidate or merge.

In addition, the credit agreement governing the senior secured credit facilities requires Bright Horizons Capital Corp. (the “Guarantor”), the Company’s direct subsidiary, to be a passive holding company, subject to certain exceptions. The Company is the ultimate parent of the Guarantor and the Borrower and the Company’s material assets are held, and operations are conducted, by the Borrower and its subsidiaries. The term loan A and the revolving credit facility require the Borrower and its restricted subsidiaries to comply with a maximum first lien net leverage ratio not to exceed 4.25 to 1.00. A breach of the applicable covenant is subject to certain equity cure rights.

As of June 30, 2026, future principal payments of long-term debt are as follows for the years ending December 31:

	Long-term debt (In thousands)
Remainder of 2026	$ 4,688
2027	9,375
2028	14,062
2029	18,750
2030	328,125
Thereafter	450,000
Total future principal payments	$ 825,000

Derivative Financial Instruments

The Company is subject to interest rate risk as all borrowings under the senior secured credit facilities are subject to variable interest rates. The Company's risk management policy permits using derivative instruments to manage interest rates and other risks. The Company uses interest rate caps to manage a portion of the risk related to changes in cash flows from interest rate movements.

In December 2021, the Company entered into interest rate cap agreements with a total notional value of $900 million, designated and accounted for as cash flow hedges from inception. Interest rate cap agreements for $600 million, which had a forward starting effective date of October 31, 2023 and expired on October 31, 2025, provided the Company with interest rate protection in the event the one-month term SOFR rate increased above 2.4%. Interest rate cap agreements for $300 million, which had a forward starting effective date of October 31, 2023 and expire on October 31, 2026, provide the Company with interest rate protection in the event the one-month term SOFR rate increases above 2.9%.

In March and July 2025, the Company entered into additional interest rate cap agreements with a total notional value of $150 million and $100 million, respectively, designated and accounted for as cash flow hedges from inception. The March and July 2025 interest rate cap agreements, both of which had forward starting effective dates of October 31, 2025, provide the Company with interest rate protection in the event the one-month term SOFR rate increases above 3.5% and 3.0%, respectively, and expire on October 31, 2027 and October 31, 2026, respectively.

In February 2026, the Company entered into an additional interest rate cap agreement with a total notional value of $150 million, designated and accounted for as a cash flow hedge from inception. The interest rate cap agreement, which has a forward starting effective date of October 30, 2026, provides the Company with interest rate protection in the event the one-month term SOFR rate increases above 2.75%, and expires on October 31, 2027.

The fair value of the derivative financial instruments was as follows for the periods presented:

Derivative financial instruments	Consolidated balance sheet classification	June 30, 2026	December 31, 2025
		(In thousands)	
Interest rate caps - asset	Prepaid and other current assets	$ 1,085	$ 1,763
Interest rate caps - asset	Other assets	$ 3,023	$ 423

The effect of the derivative financial instruments on other comprehensive income (loss) was as follows:

Derivatives designated as cash flow hedging instruments	Amount of gain (loss) recognized in other comprehensive income (loss)	Consolidated statement of income classification	Amount of net gain (loss) reclassified into earnings	Total effect on other comprehensive income (loss)
	(In thousands)		(In thousands)	
Three months ended June 30, 2026				
Cash flow hedges	$ 913	Interest expense — net	$ 181	$ 732
Income tax effect	(239)	Income tax expense	(47)	(192)
Net of income taxes	$ 674		$ 134	$ 540
Three months ended June 30, 2025				
Cash flow hedges	$ 237	Interest expense — net	$ 3,202	$ (2,965)
Income tax effect	(63)	Income tax expense	(854)	791
Net of income taxes	$ 174		$ 2,348	$ (2,174)

Derivatives designated as cash flow hedging instruments	Amount of gain (loss) recognized in other comprehensive income (loss)	Consolidated statement of income classification	Amount of net gain (loss) reclassified into earnings	Total effect on other comprehensive income (loss)
	(In thousands)		(In thousands)	
Six months ended June 30, 2026				
Cash flow hedges	$ 2,707	Interest expense — net	$ 401	$ 2,306
Income tax effect	(709)	Income tax expense	(105)	(604)
Net of income taxes	$ 1,998		$ 296	$ 1,702
Six months ended June 30, 2025				
Cash flow hedges	$ (666)	Interest expense — net	$ 6,409	$ (7,075)
Income tax effect	178	Income tax expense	(1,711)	1,889
Net of income taxes	$ (488)		$ 4,698	$ (5,186)

During the next 12 months, the Company estimates that a net gain of $1.0 million, pre-tax, will be reclassified from accumulated other comprehensive loss and recorded as a reduction to interest expense related to these derivative financial instruments.

7. EARNINGS PER SHARE

The following tables set forth the computation of basic and diluted earnings per share:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	(In thousands, except share data)			
Net income	$ 40,635	$ 54,775	$ 74,743	$ 92,824
Weighted average common shares outstanding — basic	51,538,729	57,255,841	52,938,352	57,319,814
Effect of dilutive securities	218,336	457,270	292,270	512,116
Weighted average common shares outstanding — diluted	51,757,065	57,713,111	53,230,622	57,831,930
Earnings per common share — basic	$ 0.79	$ 0.96	$ 1.41	$ 1.62
Earnings per common share — diluted	$ 0.79	$ 0.95	$ 1.40	$ 1.61

For the three and six months ended June 30, 2026 and 2025, basic and diluted earnings per share were calculated using the treasury method. Equity awards outstanding to purchase or receive 1.1 million and 0.9 million shares of common stock were excluded from diluted earnings per share for the three months ended June 30, 2026 and 2025, respectively, since their effect was anti-dilutive. Equity awards outstanding to purchase or receive 1.1 million and 1.0 million shares of common stock were excluded from diluted earnings per share for the six months ended June 30, 2026 and 2025, respectively, since their effect was anti-dilutive.

8. INCOME TAXES

The Company’s effective income tax rates were 38.2% and 27.4% for the three months ended June 30, 2026 and 2025, respectively, and 37.0% and 27.2% for the six months ended June 30, 2026 and 2025, respectively. The effective income tax rate may fluctuate from quarter to quarter for various reasons, including changes to income before income tax, jurisdictional mix of income before income tax, unbenefited losses, valuation allowances, jurisdictional income tax rate changes, as well as discrete items such as non-deductible transaction costs, the settlement of foreign, federal and state tax matters and the effects of excess tax benefit (shortfall tax expense) associated with the exercise or expiration of stock options and vesting of restricted stock, which is included in tax expense.

During the three months ended June 30, 2026 and 2025, the net shortfall tax expense from stock-based compensation increased tax expense by $0.5 million and $0.1 million, respectively. During the six months ended June 30, 2026, the net shortfall tax expense from stock-based compensation increased tax expense by $3.0 million. During the six months ended June 30, 2025, the net excess tax benefit from stock-based compensation decreased tax expense by $1.3 million. For the three months ended June 30, 2026 and 2025, prior to the inclusion of the excess tax benefit (shortfall tax expense), other discrete items and unbenefited losses in certain foreign jurisdictions, the effective income tax rate approximated 27%. For the six months ended June 30, 2026 and 2025, prior to the inclusion of the excess tax benefit (shortfall tax expense), other discrete items and unbenefited losses in certain foreign jurisdictions, the effective income tax rate approximated 28% and 27%, respectively.

The Company’s unrecognized tax benefits were $1.1 million and $1.0 million as of June 30, 2026 and December 31, 2025, respectively, inclusive of interest.

The Company and its domestic subsidiaries are subject to U.S. federal income tax as well as tax in multiple state jurisdictions. U.S. federal income tax returns are typically subject to examination by the Internal Revenue Service and the statute of limitations for federal tax returns is three years. The Company’s filings for the tax years 2022 through 2024 are subject to audit based upon the federal statute of limitations.

State income tax returns are generally subject to examination for a period of three to four years after filing of the respective return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. The Company’s filings for the tax years 2021 through 2024 are subject to audit based upon the statute of limitations.

The Company is also subject to corporate income tax for its subsidiaries located in the United Kingdom, the Netherlands, Australia, India, and Puerto Rico. The tax returns for the Company’s subsidiaries located in foreign jurisdictions are subject to examination for periods ranging from one to six years.

9. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are classified using a three-level hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The hierarchy gives the highest priority to observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The Company uses observable inputs where relevant and whenever possible. The three levels of the hierarchy are defined as follows:

Level 1 — Fair value is derived using quoted prices from active markets for identical instruments.

Level 2 — Fair value is derived using quoted prices for similar instruments from active markets or for identical or similar instruments in markets that are not active; or, fair value is based on model-derived valuations in which all significant inputs and significant value drivers are observable from active markets.

Level 3 — Fair value is derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The carrying values of cash and cash equivalents, restricted cash, accounts receivable, and accounts payable and accrued expenses approximate their fair values due to their short-term nature.

Financial instruments that potentially expose the Company to concentrations of credit risk consist mainly of cash and accounts receivable. The Company mitigates its exposure by maintaining its cash in financial institutions of high credit standing. The Company’s accounts receivable are derived primarily from the services it provides, and the related credit risk is dispersed across many clients in various industries with no single client accounting for more than 10% of the Company’s net revenue or accounts receivable. No significant credit concentration risk existed as of June 30, 2026.

Long-term Debt — The Company’s term loans are recorded at adjusted cost, net of original issue discounts and deferred financing costs. The fair value of the Company’s term loans is based on current bid prices or prices for similar instruments from active markets and is classified as Level 2. The Company's revolving credit facility is recorded at cost, and its fair value is classified as Level 2. As of June 30, 2026 and December 31, 2025, the estimated fair value approximated the carrying value of the total long-term debt.

Derivative Financial Instruments — The Company’s derivative financial instruments, comprised of interest rate cap agreements, are recorded at fair value and estimated using market-standard valuation models. Such models project future cash flows and discount the future amounts to a present value using market-based observable inputs. Additionally, the fair value of the interest rate caps included consideration of credit risk. The Company used a potential future exposure model to estimate this credit valuation adjustment (“CVA”). The inputs to the CVA were largely based on observable market data, with the exception of certain assumptions regarding credit worthiness. As the magnitude of the CVA was not a significant component of the fair value of the interest rate caps, it was not considered a significant input. The fair value of the interest rate caps is classified as Level 2. As of June 30, 2026, the fair value of the interest rate cap agreements was $4.1 million, of which $1.1 million was recorded in prepaid expenses and other current assets and $3.0 million was recorded in other assets on the consolidated balance sheet. As of December 31, 2025, the fair value of the interest rate cap agreements was $2.2 million, of which $1.8 million was recorded in prepaid expenses and other current assets and $0.4 million was recorded in other assets on the consolidated balance sheet.

Debt Securities — The Company’s investments in debt securities, which are classified as available-for-sale, primarily consist of U.S. Treasury and U.S. government agency securities, corporate bonds and certificates of deposits. These securities are held in escrow by the Company’s wholly-owned captive insurance company and were purchased with restricted cash. As such, these securities are not available to fund the Company’s operations.

Debt securities are recorded at fair value. As of June 30, 2026, the fair value of the available-for-sale debt securities was $39.5 million and was classified based on the instruments’ maturity dates, with $13.4 million included in prepaid expenses and other current assets and $26.1 million in other assets on the consolidated balance sheet. As of December 31, 2025, the fair value of the available-for-sale debt securities was $39.5 million, with $15.4 million included in prepaid expenses and other current assets and $24.1 million in other assets on the consolidated balance sheet. As of June 30, 2026, debt securities classified as Level 1 and Level 2 had a fair value of $29.1 million and $10.4 million, respectively. As of December 31, 2025, debt securities classified as Level 1 and Level 2 had a fair value of $30.9 million and $8.6 million, respectively.

As of June 30, 2026 and December 31, 2025, the amortized cost was $39.6 million and $39.3 million, respectively. The debt securities held at June 30, 2026 had remaining contractual maturities ranging from less than one year to approximately five years. Unrealized gains and losses, net of tax, on available-for-sale debt securities were immaterial for the three and six months ended June 30, 2026 and 2025.

Nonrecurring Fair Value Estimates — During the three months ended June 30, 2026, the Company recognized impairment losses of $19.1 million. This includes $12.8 million primarily related to operating lease right-of-use assets and fixed assets, and $6.3 million of goodwill, in its full service center-based child care segment. The Company continues to monitor developments in certain markets which could lead to future impairment.

The estimated fair value of the applicable long-lived assets was based on the fair value of the asset groups, calculated using a discounted cash flow model, with unobservable inputs. The fair value of the fixed assets was insignificant given the current and expected cash flows for the related centers and the valuation of the lease right-of-use-assets considered the amount a market participant would pay for use of the asset. The Company classified the long-lived assets as a Level 3 fair value measurement due to the lack of observable inputs used in the model.

In performing the quantitative analysis for goodwill, the Company compares the fair value of the reporting unit with its carrying amount. Fair value for each reporting unit is determined by estimating the present value of expected future cash flows, which are forecasted for each of the next 15 years, applying a long-term growth rate to the final year, discounted using the applicable discount rate.

Refer to Note 3, *Leases*, Note 5, *Goodwill and Intangible Assets*, and Note 11, *Segment Information*, for additional information about impairment losses.

10. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss, which is included as a component of stockholders' equity, is comprised of foreign currency translation adjustments and unrealized gains (losses) on cash flow hedges and investments, net of tax.

The changes in accumulated other comprehensive income (loss) by component were as follows:

	Six months ended June 30, 2026			
	Foreign currency translation adjustments[(1)]	Unrealized gain (loss) on cash flow hedges	Unrealized gain (loss) on investments	Total
	(In thousands)			
Balance at January 1, 2026	$ (44,516)	$ (552)	$ 218	$ (44,850)
Other comprehensive income (loss) before reclassifications — net of tax	(725)	1,998	(289)	984
Less: amounts reclassified from accumulated other comprehensive income — net of tax	—	296	11	307
Net other comprehensive income (loss)	(725)	1,702	(300)	677
Balance at June 30, 2026	$ (45,241)	$ 1,150	$ (82)	$ (44,173)

	Six months ended June 30, 2025			
	Foreign currency translation adjustments[(1)]	Unrealized gain (loss) on cash flow hedges	Unrealized gain (loss) on investments	Total
	(In thousands)			
Balance at January 1, 2025	$ (118,673)	$ 8,345	$ 33	$ (110,295)
Other comprehensive income (loss) before reclassifications — net of tax	79,891	(488)	140	79,543
Less: amounts reclassified from accumulated other comprehensive income — net of tax	—	4,698	5	4,703
Net other comprehensive income (loss)	79,891	(5,186)	135	74,840
Balance at June 30, 2025	$ (38,782)	$ 3,159	$ 168	$ (35,455)

(1) Taxes are not provided for the currency translation adjustments related to the undistributed earnings of foreign subsidiaries that are intended to be indefinitely reinvested.

11. SEGMENT INFORMATION

The Company's reportable segments are comprised of (1) full service center-based child care, (2) back-up care, and (3) educational advisory services. The full service center-based child care segment includes traditional center-based early education and child care, preschool, and elementary education. The Company's back-up care segment consists of center-based back-up child care, in-home care for children and seniors, school-age programs (including camps and tutoring), pet care, self-sourced reimbursed care, and Sittercity, an online marketplace for families and caregivers. The Company's educational advisory services segment consists of tuition assistance and student loan repayment program management, workforce education, related educational advising, and college admissions counseling services.

Intercompany activity is eliminated in the segment results. The assets and liabilities of the Company are managed centrally and are reported internally in the same manner as the consolidated financial statements; therefore, no segment asset information is produced or included herein.

Revenue, cost of services, other segment items and income from operations by reportable segment were as follows:

	Full service center-based child care	Back-up care	Educational advisory services	Total
	(In thousands)			
Three months ended June 30, 2026				
Revenue	$ 557,297	$ 193,586	$ 28,295	$ 779,178
Cost of services	469,818	105,379	15,018	590,215
Other segment items (1)	62,419	37,929	8,798	109,146
Income from operations (2)	$ 25,060	$ 50,278	$ 4,479	$ 79,817
Interest expense — net				(14,023)
Income before income tax				$ 65,794
Three months ended June 30, 2025				
Revenue	$ 540,267	$ 162,670	$ 28,633	$ 731,570
Cost of services	445,743	88,756	14,521	549,020
Other segment items (1)	54,244	32,991	9,263	96,498
Income from operations	$ 40,280	$ 40,923	$ 4,849	$ 86,052
Interest expense — net				(10,555)
Income before income tax				$ 75,497

(1) Other segment items for each reportable segment includes selling, general and administrative expenses and amortization expense.

(2) For the three months ended June 30, 2026, income from operations includes $19.1 million of impairment losses related to the full service center-based child care segment, of which $12.8 million was recorded to cost of services and $6.3 million was recorded to selling, general and administrative expenses. Refer to Note 3, *Leases*, Note 5, *Goodwill and Intangible Assets*, and Note 9, *Fair Value Measurements*, for additional information on impairment losses.

	Full service center-based child care	Back-up care	Educational advisory services	Total
	(In thousands)			
Six months ended June 30, 2026				
Revenue	$ 1,097,931	$ 338,255	$ 55,214	$ 1,491,400
Cost of services	918,712	189,895	30,340	1,138,947
Other segment items (1)	117,254	72,510	17,923	207,687
Income from operations (2)	$ 61,965	$ 75,850	$ 6,951	$ 144,766
Interest expense — net				(26,045)
Income before income tax				$ 118,721
Six months ended June 30, 2025				
Revenue	$ 1,050,814	$ 291,282	$ 55,001	$ 1,397,097
Cost of services	867,863	161,497	29,450	1,058,810
Other segment items (1)	109,417	62,478	18,068	189,963
Income from operations	$ 73,534	$ 67,307	$ 7,483	$ 148,324
Interest expense — net				(20,906)
Income before income tax				$ 127,418

(1) Other segment items for each reportable segment includes selling, general and administrative expenses and amortization expense.

(2) For the six months ended June 30, 2026, income from operations includes $19.1 million of impairment losses related to the full service center-based child care segment, of which $12.8 million was recorded to cost of services and $6.3 million was recorded to selling, general and administrative expenses in the second quarter. Refer to Note 3, *Leases*, Note 5, *Goodwill and Intangible Assets*, and Note 9, *Fair Value Measurements*, for additional information on impairment losses.

Depreciation and amortization expense was $24.6 million and $22.7 million for the three months ended June 30, 2026 and 2025, respectively, and $47.8 million and $44.6 million for the six months ended June 30, 2026 and 2025, respectively. Approximately 85% of depreciation and amortization expense in each period related to the full service center-based child care segment.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). The following cautionary statements are being made pursuant to the provisions of the Act and with the intention of obtaining the benefits of the "safe harbor" provisions of the Act. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "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. They appear in a number of places throughout this Quarterly Report on Form 10-Q and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations; financial condition; liquidity; workplace and demographic trends; wage rate increases, personnel costs and other labor market impacts; future center closures and portfolio optimization and impacts; our operations outside the United States; back-up care services and use types; enrollment trends and recovery and occupancy in both the United States and outside the United States; our Australia business and operating conditions and operating performance; our center cohort occupancy levels; cost management and capital spending; investments in employees and wages; contributions and growth in our back-up care segment; the availability or lack of government support programs; tuition rate increases and pricing strategies; leases, terms and expirations; ability to respond to changing or volatile market conditions; our growth and strategic priorities; ability to grow and sustain our business; demand for services; our business model; our value proposition, client relations and partnerships; seasonality; macroeconomic trends and changing conditions, including uncertainty and inflationary or recessionary pressures; fluctuating interest rates; changes in laws and regulations; investments in segments and strategic opportunities; investments in technology, marketing, user experience and network supply; our opportunities for expansion; acquisitions, contributions and expected synergies; contingent consideration; amortization expense; our fair value estimates; goodwill from business combinations; future impairment losses; fixed assets; estimates and impact of employee equity transactions; unrecognized tax benefits and the impact of uncertain tax positions; our effective tax rate and estimates; the outcome of tax audits, settlements and tax liabilities; impact of tax benefits/expense; fluctuations, impact and estimates of foreign currency exchange rates and interest rates; our capital allocation; share repurchase program and future activity; the outcome of litigation, legal proceedings/claims and our insurance coverage; our interest rates, weighted average interest rate, expense and impact of our interest rate cap agreements; credit risk; the use of derivatives or other market risk sensitive instruments; critical accounting policies and estimates; impact of new accounting pronouncements; our indebtedness; borrowings under our senior secured credit facilities; the need for additional debt or equity financing, including raising additional funds or refinancing our outstanding indebtedness, and our ability to obtain such financing; contractual and actual maturities; our sources, drivers and uses of cash flows; our ability to fund operations and make capital expenditures and payments with cash and cash equivalents and borrowings; and our ability to meet financial obligations and comply with covenants of our senior secured credit facilities.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, changes in the demand for child care, dependent care and other workplace solutions, including variations in enrollment trends and lower than expected demand from employer sponsor clients as well as variations in workforce demographics and work environments; the constrained labor market for teachers and staff and ability to hire and retain talent, including the impact of increased compensation and labor costs; the availability or lack of government support programs, and the impact of available government child care benefit programs; our ability to respond to changing client and customer needs; competition in our industry; 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 withstand seasonal fluctuations in the demand for our services; our ability to implement our growth strategies successfully; our ability to close underperforming centers or exit unfavorable lease arrangements; changes in general economic, political, business and financial market conditions and other macroeconomic events and uncertainty, including the impact of inflation and interest rate fluctuations; fluctuations in currency exchange rates; the effects of a cyber-attack, data breach or other security incident on our information technology system or software or those of our third party vendors; changes in tax rates or policies; damage or harm to our brand or reputation or negative public perception, including as a result of incidents and media coverage; outcome of legal matters, claims, allegations, actual or threatened litigation and regulatory investigations and reviews; insurance risks; changes in laws and regulations; and other risks and uncertainties more fully described in the "Risk Factors" section of our Annual Report on Form 10-K filed on February 26, 2026, and other factors disclosed from time to time in our other filings with the Securities and Exchange Commission.

Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Quarterly Report. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Quarterly Report, those results or developments may not be indicative of results or developments in subsequent periods.

Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement that we make in this Quarterly Report speaks only as of the date of such statement, and we undertake no obligation to update any forward-looking statements or to publicly announce the results of any revisions to any of those statements to reflect future information, events, developments or otherwise, except as required by law.

Overview

The following is a discussion of the significant factors affecting the consolidated operating results, financial condition, liquidity and cash flows of Bright Horizons Family Solutions Inc. ("we" or the "Company") for the three and six months ended June 30, 2026, as compared to the three and six months ended June 30, 2025. This discussion should be read in conjunction with *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the *Consolidated Financial Statements and Notes* thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025.

We are a leading provider of high-quality early education and child care, comprehensive back-up care solutions, and educational advisory services. Our offerings support both working families and employers' workforce strategies by supporting their employees across life and career stages, and improving employee recruitment, engagement, productivity, retention, and career advancement. We provide services primarily under multi-year contracts with employer-clients who offer early education and child care, back-up care, and educational advisory services as part of their employee benefits package.

As of June 30, 2026, we operated 988 early education and child care centers with the capacity to serve approximately 112,500 children in the United States, the United Kingdom, the Netherlands, Australia and India.

Our reportable segments are comprised of (1) full service center-based child care, (2) back-up care, and (3) educational advisory services. Full service center-based child care includes traditional center-based early education and child care, preschool, and elementary education. Back-up care consists of center-based back-up child care, in-home care for children and seniors, school-age programs (including camps and tutoring), pet care, self-sourced reimbursed care, and Sittercity, an online marketplace for families and caregivers. Educational advisory services includes tuition assistance and student loan repayment program management, workforce education, related educational advising, and college admissions counseling services.

During the three months ended June 30, 2026, we saw strong growth in back-up care with a 19% year-over-year increase in revenue as a result of increased utilization. We also saw year-over-year revenue growth of 3% in our full service center-based child care segment, primarily from tuition rate increases. To track our continued improvement in occupancy rates, we monitor occupancy for a cohort of centers that has been operating since the 2021 fall enrollment cycle, and as of June 30, 2026, this cohort of centers totaled 719 centers. Occupancy represents utilization for each respective center and is calculated as the average full-time enrollment divided by the total operating capacity during the period. For the quarter ended June 30, 2026, 53% of these centers were more than 70% enrolled, 42% were between 40-70% enrolled and 5% were less than 40% enrolled, which reflects improved occupancy and the effect of closing unperforming centers when compared to the same period in the prior year.

While we continue to see year-over-year growth, our operating environment is impacted by increased operating costs, a tight labor market, varying enrollment demands, shifting work demographics, and challenging macroeconomic conditions. We remain focused on the evolving needs of clients, families and children as well as the changes in operating environments, including our Australia full service business, where we have recently experienced more challenging enrollment trends and operating conditions. We are actively monitoring and assessing the trends and operating conditions in Australia and we continue to focus our efforts on improving the overall operating performance, and where appropriate, close centers that we do not believe have long-term potential. We continue to assess our portfolio of centers through the evaluation of expected near-term and long-term performance, as well as our partnerships with clients. As a result, we routinely close underperforming centers and expect to continue to optimize our portfolio and close underperforming centers identified in these evaluations over the next 12 months.

We are focused on our strategic priorities to deliver high quality education and care services, connect across our service lines, extend our impact on new and existing customers and clients, and preserve our strong culture, and we are committed to serving the needs of families, clients and our employees. We are confident in our value proposition, business model, the strength of our client partnerships, the strength of our balance sheet and liquidity position, and our ability to continue to respond to changing market conditions.

Results of Operations

The following table sets forth statement of income data as a percentage of revenue for the three months ended June 30, 2026 and 2025:

	Three Months Ended June 30,			
	2026	%	2025	%
	(In thousands, except percentages)			
Revenue	$ 779,178	100.0 %	$ 731,570	100.0 %
Cost of services	590,215	75.7 %	549,020	75.0 %
Gross profit	188,963	24.3 %	182,550	25.0 %
Selling, general and administrative expenses	108,002	13.9 %	94,834	13.0 %
Amortization of intangible assets	1,144	0.2 %	1,664	0.2 %
Income from operations	79,817	10.2 %	86,052	11.8 %
Interest expense — net	(14,023)	(1.8)%	(10,555)	(1.5)%
Income before income tax	65,794	8.4 %	75,497	10.3 %
Income tax expense	(25,159)	(3.2)%	(20,722)	(2.8)%
Net income	$ 40,635	5.2 %	$ 54,775	7.5 %
Adjusted EBITDA [(1)]	$ 130,556	16.8 %	$ 115,615	15.8 %
Adjusted income from operations [(1)]	$ 98,955	12.7 %	$ 86,052	11.8 %
Adjusted net income [(1)]	$ 66,339	8.5 %	$ 61,504	8.4 %

(1) Adjusted EBITDA, adjusted income from operations and adjusted net income are financial measures that are not determined in accordance with generally accepted accounting principles in the United States ("GAAP"), which are commonly referred to as "non-GAAP financial measures." Refer to "Non-GAAP Financial Measures and Reconciliation" below for a reconciliation of these non-GAAP financial measures to their most directly comparable financial measures determined under GAAP and for information regarding our use of non-GAAP financial measures.

The following table sets forth statement of income data as a percentage of revenue for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,			
	2026	%	2025	%
	(In thousands, except percentages)			
Revenue	$ 1,491,400	100.0 %	$ 1,397,097	100.0 %
Cost of services	1,138,947	76.4 %	1,058,810	75.8 %
Gross profit	352,453	23.6 %	338,287	24.2 %
Selling, general and administrative expenses	205,355	13.8 %	186,695	13.4 %
Amortization of intangible assets	2,332	0.1 %	3,268	0.2 %
Income from operations	144,766	9.7 %	148,324	10.6 %
Interest expense — net	(26,045)	(1.7)%	(20,906)	(1.5)%
Income before income tax	118,721	8.0 %	127,418	9.1 %
Income tax expense	(43,978)	(3.0)%	(34,594)	(2.5)%
Net income	$ 74,743	5.0 %	$ 92,824	6.6 %
Adjusted EBITDA [(1)]	$ 226,162	15.2 %	$ 207,919	14.9 %
Adjusted income from operations [(1)]	$ 163,904	11.0 %	$ 148,324	10.6 %
Adjusted net income [(1)]	$ 110,955	7.4 %	$ 106,223	7.6 %

(1) Adjusted EBITDA, adjusted income from operations and adjusted net income are financial measures that are not calculated in accordance with GAAP, which are commonly referred to as "non-GAAP financial measures." Refer to "Non-GAAP Financial Measures and Reconciliation" below for a reconciliation of these non-GAAP financial measures to their respective measures determined under GAAP and for information regarding our use of non-GAAP financial measures.

Three Months Ended June 30, 2026 Compared to the Three Months Ended June 30, 2025

Revenue. Revenue for the three months ended June 30, 2026, increased by $47.6 million, or 7%, to $779.2 million from $731.6 million for the same period in 2025. The following table summarizes the revenue and percentage of total revenue for each of our segments for the three months ended June 30, 2026 and 2025:

	Three Months Ended June 30,					
	2026		2025		Change 2026 vs 2025	
	(In thousands, except percentages)					
Full service center-based child care	$ 557,297	71.5 %	$ 540,267	73.9 %	$ 17,030	3.2 %
Tuition	*511,952*	*91.9 %*	*495,701*	*91.8 %*	*16,251*	*3.3 %*
Management fees and operating subsidies	*45,345*	*8.1 %*	*44,566*	*8.2 %*	*779*	*1.7 %*
Back-up care	193,586	24.9 %	162,670	22.2 %	30,916	19.0 %
Educational advisory services	28,295	3.6 %	28,633	3.9 %	(338)	(1.2)%
Total revenue	$ 779,178	100.0 %	$ 731,570	100.0 %	$ 47,608	6.5 %

Revenue generated by the full service center-based child care segment in the three months ended June 30, 2026 increased by $17.0 million, or 3%, when compared to the same period in 2025. Tuition revenue increased by $16.3 million, or 3%, when compared to the prior year, primarily due to average tuition rate increases of approximately 4%, offset by the impact of centers that have closed since March 31, 2025, which reduced revenue by approximately 2.5%, and by lower enrollment in our Australia centers which reduced revenue by approximately 1%. Fluctuations in foreign currency exchange rates for our United Kingdom, Netherlands and Australia operations increased tuition revenue in the three months ended June 30, 2026 by approximately 1%, or $5.0 million. We expect to be impacted by fluctuations in the foreign currency exchange rates throughout the remainder of the year, although we do not expect the impact on net earnings to be material.

Management fees and operating subsidies from employer sponsors remained relatively consistent with the prior year.

Revenue generated by back-up care services in the three months ended June 30, 2026 increased by $30.9 million, or 19%, when compared to the same period in 2025. Revenue growth in the back-up care segment was primarily attributable to increased utilization of center-based care, in-home care, and school-age programs by employees of new and existing clients.

Revenue generated by educational advisory services in the three months ended June 30, 2026 remained consistent with the same period in 2025.

Cost of Services. Cost of services increased by $41.2 million, or 8%, to $590.2 million for the three months ended June 30, 2026 from $549.0 million for the same period in 2025.

Cost of services in the full service center-based child care segment increased by $24.1 million, or 5%, to $469.8 million in the three months ended June 30, 2026 when compared to the same period in 2025. The increase in cost of services was primarily associated with increased personnel costs, which represent approximately 70% of the costs for this segment. Personnel costs increased 2% during the quarter compared to the same period in the prior year, related to average hourly wage rate increases of approximately 3%, higher benefits costs, including medical care expenses, and the impact of foreign currency exchange rates, offset by reductions in labor from net center closures since the prior year. Impairment losses of $12.8 million, primarily related to long-lived assets, arising from center closures, changes in market assumptions and reduced operating performance at certain centers, also contributed to the increase in cost of services.

Cost of services in the back-up care segment increased by $16.6 million, or 19%, to $105.4 million in the three months ended June 30, 2026, when compared to the prior year. The increase in cost of services correlates to the increase in revenue and is primarily associated with care provider fees to serve the increase in utilization levels of center-based care, in-home care, and school-age programs over the prior year, and the continued investment in technology to support our customer user experience, service offerings, and marketing outreach. We expect to continue investing in increasing our network provider supply and in technology to support the growth of this segment.

Cost of services in the educational advisory services segment increased by $0.5 million, or 3%, to $15.0 million in the three months ended June 30, 2026 when compared to the prior year.

Gross Profit. Gross profit increased by $6.4 million, or 4%, to $189.0 million for the three months ended June 30, 2026 from $182.6 million for the same period in 2025 primarily due to incremental contributions from the back-up care segment, resulting from higher utilization of back-up care services, partially offset by impairment losses related to the full service center-based child care segment. Gross profit margin was 24% of revenue for the three months ended June 30, 2026, a decrease of approximately 1% from the same period in 2025.

Selling, General and Administrative Expenses ("SGA"). SGA increased by $13.2 million, or 14%, to $108.0 million for the three months ended June 30, 2026 from $94.8 million for the same period in 2025, primarily due to impairment losses of $6.3 million related to goodwill in the full service center-based child care segment attributable to an immaterial foreign reporting unit specializing in tutoring services, and higher personnel costs. SGA was 14% of revenue for the three months ended June 30, 2026, a 1% increase from the same period in 2025.

Amortization of Intangible Assets. Amortization expense on intangible assets was $1.1 million for the three months ended June 30, 2026, a decrease from $1.7 million for the three months ended June 30, 2025, primarily due to decreases from intangible assets becoming fully amortized since the prior year.

Income from Operations. Income from operations decreased by $6.2 million, or 7%, to $79.8 million for the three months ended June 30, 2026 when compared to the prior year. The following table summarizes income from operations and percentage of revenue for each of our segments for the three months ended June 30, 2026 and 2025:

	Three Months Ended June 30,					
	2026		2025		Change 2026 vs 2025	
	(In thousands, except percentages)					
Full service center-based child care	$ 25,060	4.5 %	$ 40,280	7.5 %	$ (15,220)	(37.8)%
Back-up care	50,278	26.0 %	40,923	25.2 %	9,355	22.9 %
Educational advisory services	4,479	15.8 %	4,849	16.9 %	(370)	(7.6)%
Income from operations	$ 79,817	10.2 %	$ 86,052	11.8 %	$ (6,235)	(7.2)%

The change in income from operations was primarily due to the following:

- Income from operations for the full service center-based child care segment decreased $15.2 million, or 38%, in the three months ended June 30, 2026 when compared to the same period in 2025, primarily due to impairment losses of $19.1 million related to long-lived assets and goodwill, arising from center closures, changes in market assumptions and reduced operating performance at certain centers, and increased personnel costs, partially offset by increases in tuition revenue from annual tuition rate increases and enrollment gains.
- Income from operations for the back-up care segment increased $9.4 million, or 23%, in the three months ended June 30, 2026 when compared to the same period in 2025, primarily due to incremental gross profit contributions from expanded utilization of back-up care services, partially offset by higher investments in technology and marketing to improve the customer experience.
- Income from operations for the educational advisory services segment decreased $0.4 million, or 8%, in the three months ended June 30, 2026 when compared to the same period in 2025.

Net Interest Expense. Net interest expense was $14.0 million for the three months ended June 30, 2026, an increase from $10.6 million for the three months ended June 30, 2025, primarily due to higher average borrowings as well as higher interest rates applicable to our debt. The weighted average interest rate for the term loans and revolving credit facility was 4.91% for the three months ended June 30, 2026 compared to 4.26% for the three months ended June 30, 2025, inclusive of the effects of the cash flow hedges. Based on the current interest rate projections, we estimate that our overall weighted average interest rate will be in the range of 5.25% to 5.5% for the remainder of 2026, inclusive of the effects of the cash flow hedges.

Income Tax Expense. We recorded income tax expense of $25.2 million during the three months ended June 30, 2026, at an effective income tax rate of 38%, compared to an income tax expense of $20.7 million during the three months ended June 30, 2025, at an effective income tax rate of 27%. The difference between the effective income tax rates as compared to the statutory income tax rates was primarily due to the impact of unbenefited losses in certain foreign subsidiaries and the effects of net excess tax benefit (shortfall tax expense) associated with the exercise or expiration of stock options and vesting of restricted stock. The effective income tax rate may fluctuate from quarter to quarter for various reasons, including changes to income before income tax, jurisdictional mix of income before income tax, unbenefited losses, valuation allowances, jurisdictional income tax rate changes, as well as discrete items such as non-deductible transaction costs, the settlement of foreign, federal and state tax matters and the effects of excess tax benefit (shortfall tax expense) associated with the exercise or expiration of stock options and vesting of restricted stock.

During the three months ended June 30, 2026 and 2025, the net shortfall tax expense from stock-based compensation increased tax expense by $0.5 million and $0.1 million, respectively. For the three months ended June 30, 2026 and 2025, prior to the inclusion of the excess tax benefit (shortfall tax expense), other discrete items and unbenefited losses in certain foreign jurisdictions, the effective tax rate approximated 27%.

Adjusted EBITDA and Adjusted Income from Operations. Adjusted EBITDA increased $14.9 million, or 13%, and adjusted income from operations increased $12.9 million, or 15%, for the three months ended June 30, 2026 compared to the same period in 2025 primarily due to increased contributions from the back-up care segment.

Adjusted Net Income. Adjusted net income increased $4.8 million, or 7.9%, for the three months ended June 30, 2026 when compared to the same period in 2025, primarily due to the increase in adjusted income from operations noted above, partially offset by higher interest expense from our senior secured credit facilities.

Six Months Ended June 30, 2026 Compared to the Six Months Ended June 30, 2025

Revenue. Revenue increased by $94.3 million, or 7%, to $1.5 billion for the six months ended June 30, 2026 from $1.4 billion for the same period in 2025. The following table summarizes the revenue and percentage of total revenue for each of our segments for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,					
	2026		2025		Change 2026 vs 2025	
	(In thousands, except percentages)					
Full service center-based child care	$ 1,097,931	73.6 %	$ 1,050,814	75.2 %	$ 47,117	4.5 %
Tuition	*1,007,751*	*91.8 %*	*960,327*	*91.4 %*	*47,424*	*4.9 %*
Management fees and operating subsidies	*90,180*	*8.2 %*	*90,487*	*8.6 %*	*(307)*	*(0.3) %*
Back-up care	338,255	22.7 %	291,282	20.9 %	46,973	16.1 %
Educational advisory services	55,214	3.7 %	55,001	3.9 %	213	0.4 %
Total revenue	$ 1,491,400	100.0 %	$ 1,397,097	100.0 %	$ 94,303	6.7 %

Revenue generated by the full service center-based child care segment in the six months ended June 30, 2026 increased by $47.1 million, or 4.5%, when compared to the same period in 2025. Tuition revenue increased by $47.4 million, or 5%, when compared to the prior year, primarily due to average tuition rate increases of approximately 4%, offset by the impact of centers that have closed since December 31, 2024, which reduced revenue by approximately 2.5%, and by lower enrollment in our Australia centers which reduced revenue by approximately 1%. Fluctuations in foreign currency exchange rates for our United Kingdom, Netherlands and Australia operations increased 2026 tuition revenue by approximately 2%, or $21.5 million.

Management fees and operating subsidies from employer sponsors remained relatively consistent with the prior year.

Revenue generated by back-up care services in the six months ended June 30, 2026 increased by $47.0 million, or 16%, when compared to the same period in 2025. Revenue growth in the back-up care segment was primarily attributable to increased utilization of center-based care, in-home care, and school-age programs by new and existing clients.

Revenue generated by educational advisory services in the six months ended June 30, 2026 remained consistent with the same period in the prior year.

Cost of Services. Cost of services increased $80.1 million, or 8%, to $1.1 billion for the six months ended June 30, 2026 when compared to the same period in 2025.

Cost of services in the full service center-based child care segment increased by $50.8 million, or 6%, to $0.9 billion in the six months ended June 30, 2026 when compared to the same period in 2025. The increase in cost of services was primarily associated with increased personnel costs, an increase of 5% during the six months ended June 30, 2026 compared to the same period in the prior year, related to average hourly wage rate increases of approximately 3%, higher benefits costs, including medical care expenses, and the impact of foreign currency exchange rates, offset by reductions in labor from net center closures since the prior year. Impairment losses of $12.8 million, primarily related to long-lived assets, arising from center closures, changes in market assumptions and reduced operating performance at certain centers, also contributed to the increase in cost of services.

Cost of services in the back-up care segment increased $28.4 million, or 18%, to $189.9 million in the six months ended June 30, 2026 when compared to the prior year. The increase in cost of services correlates to the increase in revenue and is primarily associated with provider fees to serve the increase in utilization levels of center-based care, in-home care, and school-age programs over the prior year, and the continued investment in technology to support our customer user experience, service offerings, and marketing outreach.

Cost of services in the educational advisory services segment increased by $0.9 million, or 3%, to $30.3 million in the six months ended June 30, 2026 when compared to the prior year.

Gross Profit. Gross profit increased $14.2 million, or 4%, to $352.5 million for the six months ended June 30, 2026 from $338.3 million for the same period in 2025 primarily due to incremental gross profit contributions from the back-up care segment, resulting from higher utilization of back-up care services, partially offset by impairment losses related to the full service center-based child care segment. Gross profit margin was 24% of revenue for the six months ended June 30, 2026, relatively consistent with the six months ended June 30, 2025.

Selling, General and Administrative Expenses. SGA increased $18.7 million, or 10%, to $205.4 million for the six months ended June 30, 2026 from $186.7 million for the same period in 2025, due to higher personnel and technology costs, and impairment losses of $6.3 million related to goodwill in the full service center-based child care segment attributable to an immaterial foreign reporting unit specializing in tutoring services. SGA was 14% of revenue for the six months ended June 30, 2026, which is relatively consistent with the same period in 2025.

Amortization of Intangible Assets. Amortization expense on intangible assets of $2.3 million for the six months ended June 30, 2026, decreased from $3.3 million for the six months ended June 30, 2025 primarily due to certain intangible assets becoming fully amortized since the prior year.

Income from Operations. Income from operations decreased by $3.6 million, or 2%, to $144.8 million for the six months ended June 30, 2026 when compared to the same period in 2025. The following table summarizes income from operations and percentage of revenue for each of our segments for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,					
	2026		2025		Change 2026 vs 2025	
	(In thousands, except percentages)					
Full service center-based child care	$ 61,965	5.6 %	$ 73,534	7.0 %	$ (11,569)	(15.7)%
Back-up care	75,850	22.4 %	67,307	23.1 %	8,543	12.7 %
Educational advisory services	6,951	12.6 %	7,483	13.6 %	(532)	(7.1)%
Income from operations	$ 144,766	9.7 %	$ 148,324	10.6 %	$ (3,558)	(2.4)%

The change in income from operations was due to the following:

- Income from operations for the full service center-based child care segment decreased $11.6 million, or 16%, in the six months ended June 30, 2026 when compared to the same period in 2025, primarily due to primarily due to impairment losses of $19.1 million related to long-lived assets and goodwill, arising from center closures, changes in market assumptions and reduced operating performance at certain centers, and increased personnel costs, partially offset by increases in tuition revenue from annual tuition rate increases and enrollment gains.
- Income from operations for the back-up care segment increased $8.5 million, or 13%, in the six months ended June 30, 2026 when compared to the same period in 2025, primarily due to incremental gross profit contributions from expanded utilization of back-up care services, partially offset by increases in technology and marketing investments to improve the customer experience.
- Income from operations for the educational advisory services segment decreased $0.5 million, or 7%, in the six months ended June 30, 2026 when compared to the same period in 2025.

Net Interest Expense. Net interest expense was $26.0 million for the six months ended June 30, 2026, an increase from net interest expense of $20.9 million for the same period in 2025, primarily due to higher average borrowings as well as higher interest rates applicable to our debt. The weighted average interest rate for the term loans and revolving credit facility was 4.87% for the six months ended June 30, 2026 compared to 4.32% for the same period in 2025, inclusive of the effects of the cash flow hedges.

Income Tax Expense. We recorded income tax expense of $44.0 million for the six months ended June 30, 2026 at an effective income tax rate of 37%, compared to an income tax expense of $34.6 million during the six months ended June 30, 2025, at an effective income tax rate of 27%. The difference between the effective income tax rates as compared to the statutory income tax rates was primarily due to the impact of unbenefited losses and the effects of net excess tax benefit (shortfall tax expense) associated with the exercise or expiration of stock options and vesting of restricted stock. The effective income tax rate may fluctuate from quarter to quarter for various reasons, including changes to income before income tax, jurisdictional mix of income before income tax, unbenefited losses, valuation allowances, jurisdictional income tax rate changes, as well as discrete items such as non-deductible transaction costs, the settlement of foreign, federal and state tax matters and the effects of excess tax benefit (shortfall tax expense) associated with the exercise or expiration of stock options and vesting of restricted stock.

During the six months ended June 30, 2026, the net shortfall tax expense from stock-based compensation increased tax expense by $3.0 million. During the six months ended June 30, 2025, the net excess tax benefit from stock-based compensation decreased tax expense by $1.3 million. For the six months ended June 30, 2026 and 2025, prior to the inclusion of the excess tax benefit (shortfall tax expense), other discrete items and unbenefited losses in certain foreign jurisdictions, the effective tax rate approximated 28% and 27%, respectively.

Adjusted EBITDA and Adjusted Income from Operations. Adjusted EBITDA and adjusted income from operations increased $18.2 million, or 9%, and $15.6 million, or 11%, respectively, for the six months ended June 30, 2026 over the comparable period in 2025 primarily due to the incremental contributions from the back-up care segment resulting from increased utilization and from the full service child-care segment resulting from improved operating leverage.

Adjusted Net Income. Adjusted net income increased $4.7 million, or 4%, for the six months ended June 30, 2026 when compared to the same period in 2025, primarily due to the increase in adjusted income from operations noted above, partially offset by higher interest expense.

Non-GAAP Financial Measures and Reconciliation

In our quarterly and annual reports, earnings press releases and conference calls, we discuss key financial measures that are not calculated in accordance with GAAP to supplement our consolidated financial statements presented on a GAAP basis. These non-GAAP financial measures of adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are reconciled from their most directly comparable financial measures determined in accordance with GAAP as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands, except share data)			
Net income	$ 40,635	$ 54,775	$ 74,743	$ 92,824
Interest expense — net	14,023	10,555	26,045	20,906
Income tax expense	25,159	20,722	43,978	34,594
Depreciation	23,425	21,070	45,470	41,341
Amortization of intangible assets	1,144	1,664	2,332	3,268
EBITDA	104,386	108,786	192,568	192,933
Additional adjustments:				
Impairment losses [(a)]	19,138	—	19,138	—
Stock-based compensation expense [(b)]	7,032	6,829	14,456	14,986
Total adjustments	26,170	6,829	33,594	14,986
Adjusted EBITDA	**$ 130,556**	**$ 115,615**	**$ 226,162**	**$ 207,919**
Income from operations	$ 79,817	$ 86,052	$ 144,766	$ 148,324
Impairment losses [(a)]	19,138	—	19,138	—
Adjusted income from operations	**$ 98,955**	**$ 86,052**	**$ 163,904**	**$ 148,324**
Net income	$ 40,635	$ 54,775	$ 74,743	$ 92,824
Income tax expense	25,159	20,722	43,978	34,594
Income before income tax	65,794	75,497	118,721	127,418
Amortization of intangible assets	1,144	1,664	2,332	3,268
Impairment losses [(a)]	19,138	—	19,138	—
Stock-based compensation expense [(b)]	7,032	6,829	14,456	14,986
Other interest costs [(c)]	—	551	—	551
Adjusted income before income tax	93,108	84,541	154,647	146,223
Adjusted income tax expense [(d)]	(26,769)	(23,037)	(43,692)	(40,000)
Adjusted net income	**$ 66,339**	**$ 61,504**	**$ 110,955**	**$ 106,223**
Weighted average common shares outstanding — diluted	51,757,065	57,713,111	53,230,622	57,831,930
Diluted adjusted earnings per common share [(e)]	**$ 1.28**	**$ 1.07**	**$ 2.08**	**$ 1.84**

(a) Impairment losses represent charges related to long-lived assets and goodwill arising from center closures, changes in market assumptions and reduced operating performance at certain centers. For the three and six months ended June 30, 2026, impairment losses totaled $19.1 million related to the full service center-based child care segment, of which $12.8 million was recorded to cost of services and $6.3 million was recorded to selling, general and administrative expenses in the second quarter.

(b) Stock-based compensation expense represents non-cash stock-based compensation expense in accordance with Accounting Standards Codification Topic 718, *Compensation-Stock Compensation*.

(c) Other interest costs in the three and six months ended June 30, 2025 consist of costs incurred in connection with the April 2025 debt refinancing of $0.6 million, which are included in interest expense on the statement of income.

(d) Adjusted income tax expense represents income tax expense calculated on adjusted income before income tax at an effective tax rate of approximately 29% and 28% for the three and six months ended June 30, 2026, respectively, and of approximately 27% for both the three and six months ended June 30, 2025. The jurisdictional mix of the expected adjusted income before income tax for the full year will affect the estimated effective tax rate for the year.

(e) The sum of the quarterly earnings per common share amounts does not equal the year-to-date earnings per share amounts due to the independent calculation of the weighted-average number of common shares outstanding for each discrete period, as well as rounding. This variance is primarily due to the seasonal fluctuations in our net income and changes in the weighted-average shares outstanding, including the cumulating effect of treasury repurchases during individual quarters.

Adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are financial measures that are not calculated in accordance with GAAP (collectively referred to as "non-GAAP financial measures"), and the use of the terms adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share may differ from similar measures reported by other companies and may not be comparable to other similarly titled measures. We believe the non-GAAP financial measures provide investors with useful information with respect to our historical operations. We present the non-GAAP financial measures as supplemental performance measures because we believe they facilitate a comparative assessment of our operating performance relative to our performance based on our results under GAAP, while isolating the effects of some items that vary from period to period. Specifically, adjusted EBITDA allows for an assessment of our operating performance and of our ability to service or incur indebtedness without the effect of non-cash charges, such as depreciation, amortization, and stock-based compensation expense, and non-recurring costs, as applicable, such as debt refinancing costs, impairments, lease termination costs and transaction costs. In addition, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share allow us to assess our performance without the impact of the specifically identified items that we believe do not directly reflect our core operations. These non-GAAP financial measures also function as key performance indicators used to evaluate our operating performance internally, and they are used in connection with the determination of incentive compensation for management, including executive officers. Adjusted EBITDA is also used in connection with the determination of certain ratio requirements under our credit agreement.

Adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are not measurements of our financial performance under GAAP and should not be considered in isolation or as an alternative to income before taxes, net income, diluted earnings per common share, net cash provided by (used in) operating, investing or financing activities or any other financial statement data presented as indicators of financial performance or liquidity, each as presented in accordance with GAAP. Consequently, our non-GAAP financial measures should be considered together with our consolidated financial statements, which are prepared in accordance with GAAP and included in Part I, Item 1 of this Quarterly Report on Form 10-Q. We understand that although adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are frequently used by securities analysts, lenders and others in their evaluation of companies, they have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- adjusted EBITDA, adjusted income from operations and adjusted net income do not fully reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;
- adjusted EBITDA, adjusted income from operations and adjusted net income do not reflect changes in, or cash requirements for, our working capital needs;
- adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt; and
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and adjusted EBITDA, adjusted income from operations and adjusted net income do not reflect any cash requirements for such replacements.

Because of these limitations, adjusted EBITDA, adjusted income from operations and adjusted net income should not be considered as discretionary cash available to us to reinvest in the growth of our business or as measures of cash that will be available to us to meet our obligations.

Liquidity and Capital Resources

Our primary cash requirements are for the ongoing operations of our existing early education and child care centers, back-up care, educational advisory services, the addition of new centers through development or acquisitions, and debt financing obligations. Our primary sources of liquidity are our existing cash, cash flows from operations, and borrowings available under our $1.0 billion multi-currency revolving credit facility ("revolving credit facility"). We had $163.7 million in cash ($167.8 million including restricted cash) as of June 30, 2026, of which $75.5 million was held in foreign jurisdictions, compared to $140.1 million in cash ($143.2 million including restricted cash) as of December 31, 2025, of which $66.3 million was held in foreign jurisdictions. Operations outside of North America accounted for 31% and 29% of our consolidated revenue in the six months ended June 30, 2026 and 2025, respectively. The net impact on our liquidity from changes in foreign currency exchange rates was not material for the six months ended June 30, 2026 and 2025. While we expect to be impacted by fluctuations in the foreign currency exchange rates throughout the remainder of the year, we do not currently expect that the effects of changes in foreign currency exchange rates will have a material net impact on our liquidity and capital resources for the remainder of 2026.

Our revolving credit facility is part of our senior secured credit facilities. On June 1, 2026, we amended our existing senior secured credit facilities to, among other changes, issue a $375 million new term loan A facility as well as increase the borrowing capacity of our revolving credit facility from $900 million to $1.0 billion. On the closing date, we used the proceeds of the term loan A, together with cash on hand, to repay outstanding borrowings under the revolving credit facility, including all outstanding interest and related fees and expenses. As of June 30, 2026 and December 31, 2025, $520.1 million and $383.7 million, respectively, of the revolving credit facility was available for borrowing.

We had a working capital deficit of $506.6 million and $462.2 million as of June 30, 2026 and December 31, 2025, respectively. Our working capital deficit has primarily arisen from using cash to make long-term investments in fixed assets and acquisitions, from share repurchases, and short-term borrowings on our long-term debt.

As of June 30, 2026, we had $767.4 million in lease liabilities, $110.4 million of which is short-term in nature. Refer to Note 3, *Leases*, to our condensed consolidated financial statements for additional information on leases, including the maturity of the contractual obligations related to our lease liabilities.

Effective March 9, 2026, the board of directors authorized a new share repurchase program under which up to an aggregate of $600 million of our outstanding common stock may be repurchased. The share repurchase program has no expiration date and canceled and replaced the prior $500 million share repurchase authorization announced in June 2025, of which $127.6 million remained available thereunder. During the six months ended June 30, 2026, we repurchased approximately 6.6 million shares for $473.2 million under the repurchase program (resulting in a $4.6 million excise tax liability). During the six months ended June 30, 2025, we repurchased approximately 0.5 million shares for $60.7 million under the repurchase program (resulting in a $0.2 million excise tax liability). All repurchased shares have been retired and, as of June 30, 2026, $328.7 million remained available for future repurchases.

We believe that funds provided by operations, our existing cash balances and borrowings available under our revolving credit facility will be adequate to fund all obligations and liquidity requirements for at least the next 12 months. Subject to market conditions, we regularly evaluate opportunities with respect to our capital structure and may choose to raise additional funds at any time through debt financing arrangements or potential refinancing of our outstanding indebtedness, which may or may not be needed for additional working capital, capital expenditures, share repurchases, or other strategic investments. Additionally, if we were to experience disruption from events not in our control or if we were to undertake any significant acquisitions or make investments in the purchase of facilities for new or existing centers, we could require financing beyond our existing cash and borrowing capacity, and it could be necessary for us to obtain additional debt or equity financing. We may not be able to obtain such financing or refinancing on reasonable terms, or at all.

Cash Flows	**Six Months Ended June 30,**	
	2026	**2025**
	(In thousands)	
Net cash provided by operating activities	$ 202,792	$ 220,374
Net cash used in investing activities	$ (39,404)	$ (37,968)
Net cash used in financing activities	$ (137,005)	$ (116,087)
Cash, cash equivalents and restricted cash — beginning of period	$ 143,158	$ 123,715
Cash, cash equivalents and restricted cash — end of period	$ 167,797	$ 197,079

Cash Provided by Operating Activities

Cash provided by operating activities was $202.8 million for the six months ended June 30, 2026, compared to $220.4 million for the same period in 2025. The decrease in cash provided by operations primarily relates to changes in working capital.

Cash Used in Investing Activities

Cash used in investing activities was $39.4 million for the six months ended June 30, 2026 compared to $38.0 million for the same period in 2025. The increase in cash used in investing activities primarily relates to an increase in net purchases of fixed assets for maintenance and refurbishments in our existing centers, technology, and new child care centers, from $34.0 million in the six months ended June 30, 2025 to $39.1 million in the six months ended June 30, 2026.

Additionally, we did not invest in any acquisitions during the six months ended June 30, 2026, compared to investing $5.1 million in acquisitions during the same period in 2025.

Cash Used in Financing Activities

Cash used in financing activities was $137.0 million for the six months ended June 30, 2026 compared to $116.1 million for the same period in 2025. Significant financing activities in the six months ended June 30, 2026 included an increase of $411.2 million in share repurchases, or $471.5 million, compared to repurchases of $60.3 million during the same period in 2025. Offsetting this increase were net borrowings under the revolving credit facility as well as the issuance of the term loan A facility, together providing $342.7 million during the six months ended June 30, 2026, compared to net debt payments of $49.5 million during the same period in 2025, a net change of $392.2 million.

Additionally, proceeds received from the exercise of stock options were $10.2 million in the six months ended June 30, 2025, compared to no proceeds in the six months ended June 30, 2026. Taxes paid related to the net share settlement of stock options and restricted stock decreased to $7.8 million in the six months ended June 30, 2026, compared to $13.6 million in the same period in 2025.

Debt

Our senior secured credit facilities consist of a term loan B facility (“term loan B”) and a term loan A facility (“term loan A” and, together with the term loan B, the “term loans”), as well as a $1.0 billion multi-currency revolving credit facility (“revolving credit facility”).

Long-term debt obligations were as follows:

	June 30, 2026	December 31, 2025
	(In thousands)	
Term loan B	$ 450,000	$ 450,000
Term loan A	375,000	—
Revolving credit facility	465,953	499,552
Deferred financing costs and original issue discount	(3,567)	(2,386)
Total debt	1,287,386	947,166
Less current portion of term loans	(9,375)	—
Less current portion of revolving credit facility	(205,953)	(199,552)
Long-term debt	$ 1,072,058	$ 747,614

The term loan B matures on August 21, 2032 and as a result of voluntary prepayments totaling $133.5 million in 2025, the remaining principal balance of $450 million is due at maturity.

On June 1, 2026, the Company amended its existing senior secured credit facilities to, among other changes, issue a $375 million new term loan A facility. The term loan A matures on April 17, 2030 and requires scheduled quarterly amortization payments equal to 2.5% per annum of the original aggregate principal amount of the term loan A for the period commencing September 30, 2026 through and including June 30, 2028, increasing to 5.0% per annum thereafter through March 30, 2030. The remaining principal balance is due at maturity.

In conjunction with the June 1, 2026 amendment, the Company increased the borrowing capacity of its revolving credit commitments under the revolving credit facility from $900 million to $1.0 billion, which matures on April 17, 2030. As of June 30, 2026, borrowings outstanding on the revolving credit facility were $459.5 million (composed of $365.0 million, €48.8 million and £29.3 million) and letters of credit outstanding were $20.2 million, with $520.1 million available for borrowing. As of December 31, 2025, borrowings outstanding on the revolving credit facility were $496.5 million (composed of $370.0 million, €71.8 million and £31.4 million) and letters of credit outstanding were $20.2 million, with $383.7 million available for borrowing. Additionally, a AU$9.4 million (USD$6.5 million) uncommitted working capital credit facility is available in Australia for short-term borrowing purposes. As of June 30, 2026 and December 31, 2025, there were AU$9.4 million (USD$6.5 million) and AU$4.5 million (USD$3.0 million) borrowings outstanding under this facility, respectively.

Borrowings under the senior secured credit facilities are subject to variable interest. We mitigate our interest rate exposure with interest rate cap agreements. In December 2021, we entered into interest rate cap agreements with a total notional value of $900 million. Interest rate cap agreements for $600 million, which had a forward starting effective date of October 31, 2023 and expired on October 31, 2025, provided us with interest rate protection in the event the one-month term SOFR rate increased above 2.4%. Interest rate cap agreements for $300 million, which had a forward starting effective date of October 31, 2023 and expire on October 31, 2026, provide us with interest rate protection in the event the one-month term SOFR rate increases above 2.9%.

In March and July 2025, we entered into additional interest rate cap agreements with a total notional value of $150 million and $100 million, respectively, designated and accounted for as cash flow hedges from inception. The March and July 2025 interest rate cap agreements, both of which had forward starting effective dates of October 31, 2025, provide us with interest rate protection in the event the one-month term SOFR rate increases above 3.5% and 3.0%, respectively, and expire on October 31, 2027 and October 31, 2026, respectively.

In February 2026, we entered into an additional interest rate cap agreement with a total notional value of $150 million, designated and accounted for as a cash flow hedge from inception. The interest rate cap agreement, which has a forward starting effective date of October 30, 2026, provides us with interest rate protection in the event the one-month term SOFR rate increases above 2.75%, and expires on October 31, 2027.

The blended weighted average interest rate for the term loans and revolving credit facility was 4.87% and 4.32% for the six months ended June 30, 2026 and 2025, respectively, including the impact of the cash flow hedges. Based on the current interest rate projections, we estimate that our overall weighted average interest rate will be in the range of 5.25% to 5.50% for the remainder of 2026, inclusive of the effects of the cash flow hedges.

The term loan A and the revolving credit facility require Bright Horizons Family Solutions LLC, the borrower, and its restricted subsidiaries, to comply with a maximum first lien net leverage ratio. A breach of this covenant is subject to certain equity cure rights. The credit agreement governing the senior secured credit facilities contains certain customary affirmative covenants and events of default. We were in compliance with our financial covenant at June 30, 2026. Refer to Note 6, *Credit Arrangements and Debt Obligations*, to our condensed consolidated financial statements for additional information on our debt and credit arrangements, future principal payments of long-term debt, and covenant requirements.

Critical Accounting Policies

For a discussion of our “Critical Accounting Policies,” refer to Part II, Item 7, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations,*” in our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes to our critical accounting policies since December 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates and fluctuations in foreign currency exchange rates. We do not believe there have been material changes in our exposure to interest rate or foreign currency exchange rate fluctuations since December 31, 2025. See Part II, Item 7A, "*Quantitative and Qualitative Disclosures about Market Risk*," in our Annual Report on Form 10-K for the year ended December 31, 2025 for further information regarding market risk.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of June 30, 2026, we conducted an evaluation under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively), regarding the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The term "disclosure controls and procedures" means controls and other procedures that are designed to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the requisite time periods and that such disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) were effective as of June 30, 2026.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are, from time to time, subject to claims, suits, and matters arising in the ordinary course of business. Such claims have in the past generally been covered by insurance, but there can be no assurance that our insurance will be adequate to cover all liabilities that may arise out of claims or matters brought against us. We believe the resolution of such legal matters will not have a material adverse effect on our financial position, results of operations, or cash flows, although we cannot predict the ultimate outcome of any such actions.

Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties, which could adversely affect our business, financial condition and operating results. We believe that these risks and uncertainties include, but are not limited to, those disclosed in Part I, Item 1A, "*Risk Factors*," of our Annual Report on Form 10-K for the year ended December 31, 2025. The risks described in our Annual Report on Form 10-K are not the only risks we face. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial, could materially impair our business, financial condition or results of operations. There have been no material changes to our risk factors as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The table below sets forth information regarding purchases of our common stock during the three months ended June 30, 2026:

Period	Total Number of Shares (or Units) Purchased (a)	Average Price Paid per Share (or Unit) (b)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (1) (c)	Approximate Dollar Value of Shares/Units that May Yet Be Purchased Under the Plans or Programs (In thousands) (2) (d)
April 1, 2026 to April 30, 2026	315,000	$ 82.97	315,000	$ 550,949
May 1, 2026 to May 31, 2026	1,695,000	$ 67.74	1,695,000	$ 436,125
June 1, 2026 to June 30, 2026	1,642,156	$ 65.41	1,642,156	$ 328,717
	3,652,156		3,652,156	

(1) The board of directors of the Company authorized a new share repurchase program of up to $600 million of the Company's outstanding common stock effective March 9, 2026. The share repurchase program has no expiration date. The March 2026 share repurchase program canceled and replaced the prior share repurchase program of up to $500 million announced in June 2025, of which approximately $127.6 million remained available thereunder. All repurchased shares have been retired.

(2) The number shown represents, as of the end of each period, the approximate dollar value of the Company's outstanding common stock that may yet be purchased under the Company's publicly announced share repurchase program as described in footnote (1) above. Such shares may be purchased, from time to time, depending on business and market conditions.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified or terminated any contract, instruction, or written plan for the purchase or sale of our securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

(a) Exhibits:

Exhibit Number	Exhibit Title
10.1	Fifth Amendment to Second Amended and Restated Credit Agreement, dated as of June 1, 2026, by and among Bright Horizons Family Solutions LLC, Bright Horizons Capital Corp., certain subsidiaries of the Borrower, JPMorgan Chase Bank, N.A., as administrative agent, the 2026 Term A Lenders, the 2026 Revolving Credit Lenders party thereto and the L/C Issuer party thereto. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 001-35780, filed June 1, 2026) [(1)]
31.1*	Principal Executive Officer Certification Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Principal Financial Officer Certification Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document - the instance document does not appear in Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

(1) Certain schedules (or similar attachments) have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish supplemental copies of any of the omitted schedules (or similar attachments) upon request by the SEC.

* Exhibits filed herewith.

** Exhibits furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

Date:	August 6, 2026	By:	/s/ Elizabeth Boland
			Elizabeth Boland
			Chief Financial Officer
			(Duly Authorized Officer)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER, BRIGHT HORIZONS FAMILY SOLUTIONS INC.

I, Stephen H. Kramer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bright Horizons Family Solutions Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	August 6, 2026	/s/ Stephen H. Kramer
		Stephen H. Kramer
		Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER, BRIGHT HORIZONS FAMILY SOLUTIONS INC.

I, Elizabeth Boland, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bright Horizons Family Solutions Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2026

/s/ Elizabeth Boland

Elizabeth Boland
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Bright Horizons Family Solutions Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen H. Kramer, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	August 6, 2026	/s/ Stephen H. Kramer
		Stephen H. Kramer
		Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Bright Horizons Family Solutions Inc. and will be retained by Bright Horizons Family Solutions Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Bright Horizons Family Solutions Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Elizabeth Boland, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	August 06, 2026	/s/ Elizabeth Boland
		Elizabeth Boland
		Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Bright Horizons Family Solutions Inc. and will be retained by Bright Horizons Family Solutions Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.