Investor Presentation

Q3 2023

Bright Horizons

Forward Looking Statement Disclaimer

This presentation includes “forward-looking statements” within the meaning of, and made pursuant to, the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and generally contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “projects,” “approximately,” “intends,” “plans,” “estimates” or “anticipates,” or, in each case, their negatives or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts, including statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, operating expectations, impact of our services and solutions, business trends, our future growth opportunities, enrollment and occupancy levels, back-up care utilization, the labor market, long-term growth strategy and value, estimated effective tax rate and jurisdictional mix, tax expense and benefits related to equity transactions, commitment to quality, our future business and financial performance, and our 2023 financial guidance.

Our forward-looking statements are subject to risks and uncertainties. Numerous factors, many of which are beyond our control, could cause actual results to differ materially from those projected or implied by the forward-looking statements. These risks and uncertainties include, without limitation, ongoing disruptions to our operations as a result of the COVID-19 pandemic; the availability or lack of government support; 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 return to work protocols; 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 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; changes in general economic, political, business and financial market conditions, 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; and other risks and uncertainties more fully described in the “Risk Factors” section of our Annual Report on Form 10-K filed on February 28, 2023, and other factors disclosed from time to time in our other filings with the Securities and Exchange Commission.

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

Non-GAAP Measures

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


We don't make a product.
We Make an Impact.
We don't build structures.
We Build Futures.
We don't sell goods.
We DO Good.

KEY BUSINESS HIGHLIGHTS

Bright Horizons at a Glance

By the Numbers

$2,020 MM	$317 MM	15.7%	1,063	1,400+	95%
Sales (2022)	Adjusted EBITDA (2022)	Adjusted EBITDA Margin (2022)	Centers Globally (3Q23)	Clients Served Globally (2022)	Employer–Sponsored Center Client Retention (2022)

Highlights

20+ years of sales growth *(excl. 2020 COVID-19 disruption)*

Contracts with blue chip customers that co-fund capital investment

29,000+ employees across the globe

Complementary lines of business & international presence expand the **growth opportunity**

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

Established as a **Great Place to Work** around the globe

Note: See Summary Adjustments for Adjusted EBITDA reconciliation.

A Family of Solutions at Work

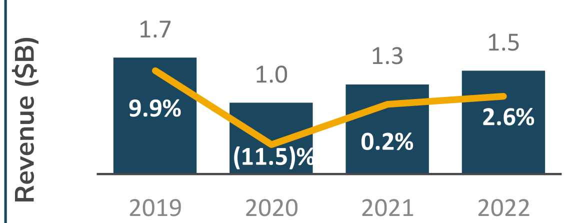
Bright Horizons is in the business of human potential. Our mission is to provide innovative solutions that help children, families, employees and employers work together to unlock their full potential.

Early Education & Childcare

Customized early education and childcare centers at or near the work site

1,063
Centers

120,000
Capacity

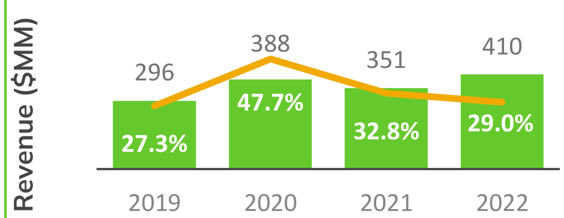


Back-Up Care

Family support services for dependents of all ages, meeting shorter-term care needs

1,100+
Clients

10M+
Lives Covered

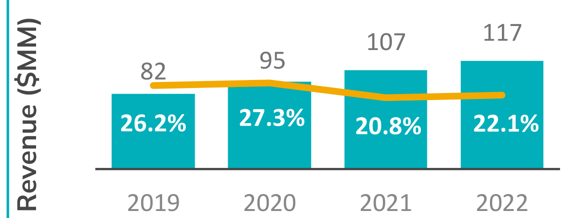


Educational Advisory

Workforce education, tuition assistance, loan repayment and college admission and educational advising services

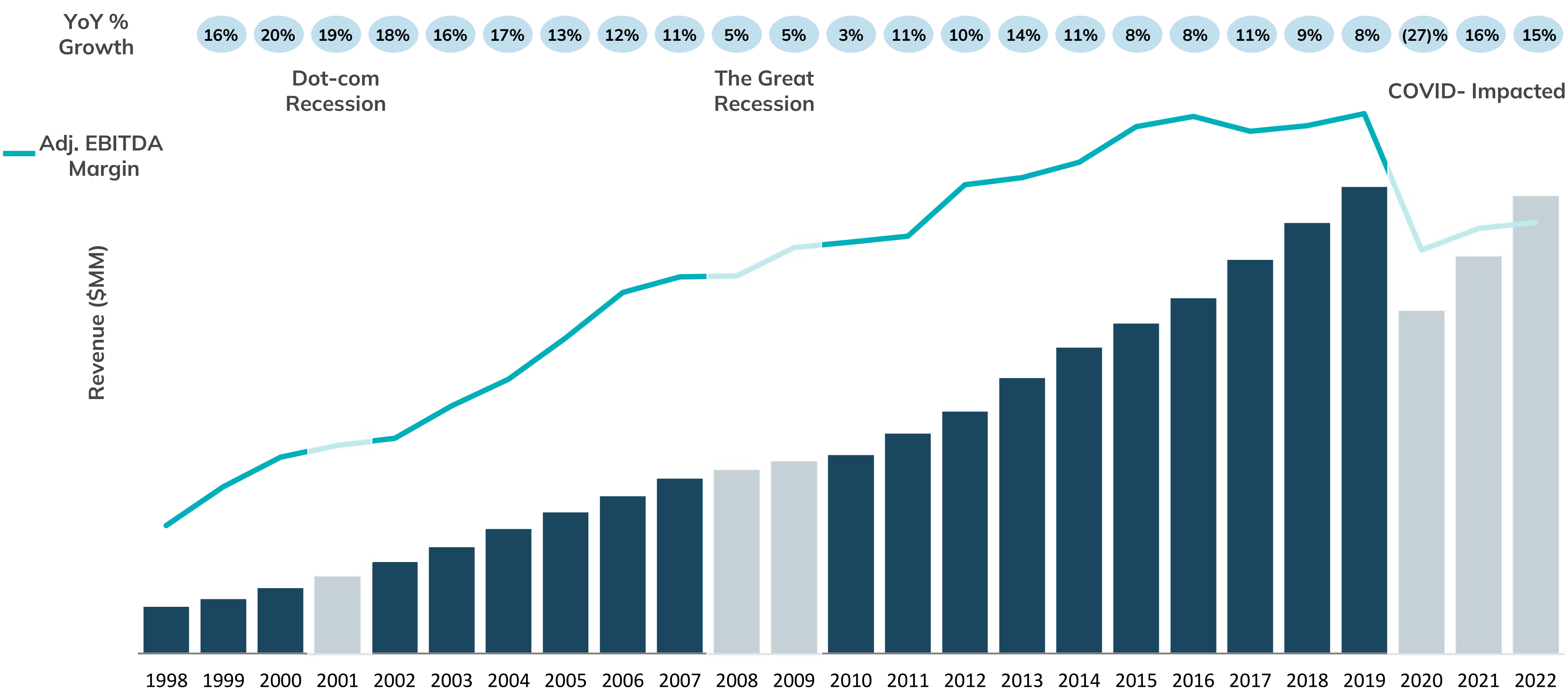
$1B+
Tuition Managed

3M+
College Advising Employees Covered



EBIT Margin

20+ Years of Growth



COVID-19 Impact and Recovery Path

1Q20

- **Temporarily closed ~850 (~80%) centers**
- Pivoted to support essential workers in ~250 open centers
- Implemented enhanced operating protocols focused on health, safety and hygiene
- Reduced discretionary spending / suspended share repurchases
- Raised $250MM in equity capital (April)
- Amended/upsized revolver to $400MM (April)

2Q20-4Q20

- **Began to re-open centers in June; 900+ centers (90%) open as of year-end 2020**
- **Welcomed back tens of thousands of children**
- Launched 7 new centers, including 4 client centers and continued to support employers and parents with Back-Up and alternative care solutions
- Permanently closed 87 centers in the U.S. & UK as part of COVID portfolio assessment
- Acquired Sittercity, expanding service capacity

2021

- Launched 26 new centers, including 16 client centers
- Acquired 18 centers, including 12 in the UK
- **Enrollment continued to build toward pre-pandemic levels**
- Expanded school-age supports within Back-Up care through launch of virtual tutoring and acquisition of Steve & Kate's Camps
- Refinanced revolver with fresh 5yr tenor and term loans with fresh 5/7yr tenors

2022

- **Continued occupancy recovery; enrollment at ~80% of pre-pandemic levels**
- Launched 18 new centers, including 8 client centers
- Re-opened 16 centers; 99% centers now open
- **Entered new market – Australia – with acquisition of Only About Children (75 centers)**
- 17% revenue growth in Back-Up care with traditional Back-Up use surpassing pre-pandemic levels

Business Model Overview

Extending Support Through All Life & Career Stages

Bright Horizons

	LIFE STAGES						CAREER STAGES		
	Expectant Parent	Parent of Infant	Parent of Preschooler	Parent of School Ager	Parent of Teenager	Caregiver for a Senior	Early Career	Mid-Career	Late Career
Early Childhood Education	■	■	■						
Back-Up Care		■	■	■	■	■			
Elder Care						■			
College Coach		■	■	■	■				
Enhanced Family Supports	■	■	■	■	■	■			
Workforce Education							■	■	■
Student Loan Support							■	■	

Competitive Advantages

Bright Horizons

A market leader with a **unique value proposition for employers**	Commitment to delivering the **highest quality service** for our customers	Favorable **market** and **industry dynamics**	Mission-critical services **supported by employer-driven ROI**	**Economically resilient business** through past economic cycles
Predictable, employer-centric model with **95% renewal rates**	**Capital light model** with client-funded capex and expenses	**Diversification in customers, offerings and geographies** de-risks financial performance	Large, embedded **growth opportunity within customer base with adjacent offerings**	**Established M&A track record** amplifies growth

Large Addressable Market For Our Service Offerings

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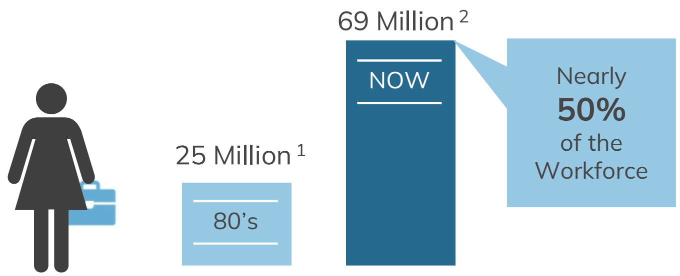


Number of Women Choosing to Pursue Full-Time Careers Continues to Increase

+55%

of Households have both parents working[3]

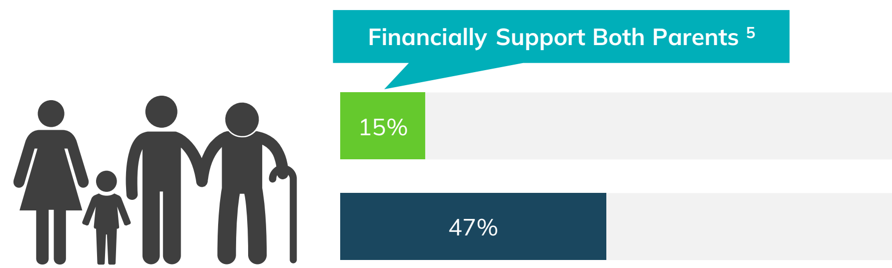
+60%

of Families Seek Center-Based Childcare[4]

Households Increasingly have Both Parents Working and Require High Quality Childcare Solutions

Of U.S. workers want to update their skills.	Would consider switching jobs to do it.	Say job training and development increased their job satisfaction.	Say upskilling opportunities are an important reasons to stay at their job.

Workers Value Learning Opportunities and Want Employers to Pay for their Training[6]

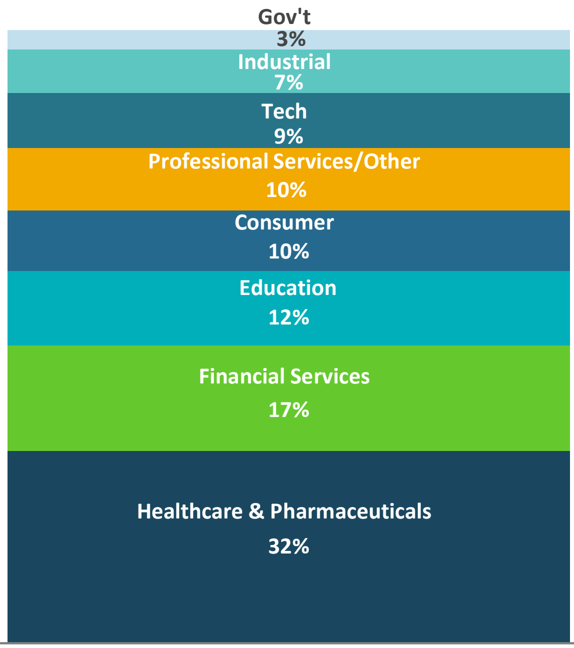


Nearly Half of Adults in Their 40's & 50's have a Parent Over 65 while Caring for a Child

[1] *U.S. Census Bureau, Current Population Survey, 1968 to 2009 Annual Social and Economic Supplements.;* [2] *Bureau of Labor Statistics, Current Population Survey, "Table 3: Employment Status of the Civilian non institut'ional Population by Age, Sex, and Race." Annual Averages 2020 (2021).;* [3] *Bureau of Labor Statistics, "Table 4: Families with own children" (2020).;* [4] *National Center for Education Statistics, "Table 202.40: Child care arrangements of 3-to 5-year-old children who are not yet in kindergarten, by age and race / ethnicity.";* [5] *Pew Research Center: "Rising Financial Burdens for Middle-Aged Americans.";* [6] *The American Upskilling Study, Empowering Workers for the Jobs of Tomorrow, Gallup, 2021.*

Diversified Blue Chip Client Base

Customer End Markets
(2022 – All Segments)



>1,400 Client Relationships
>215 of Fortune 500

Representative Clients

Largest Customer 1% of Revenue
Top 10 Customers 8% of Revenue

Note: Industry allocations based on client revenues only.

Strength of Employer Partnership

Strong, Stable Model

- Contracts with built-in escalators in line with consumer price index
- Recurring revenue stream with near-term forward visibility
- Employer-funded investment
- Strong cash flow generation and consistent operating leverage
- Attractive employee benefit with high employer renewal rates

Employer Sponsorship and Capital Investment

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

High Quality

- Employer sponsorship supports enrollment and use pipeline
- Industry leading teacher compensation, benefits, training, and career opportunities
- High-quality service offerings through accredited programs and exclusive network relationships
- Strong staff retention and broad provider network
- User-friendly customer experience through robust technology

Global Presence

	U.S.	U.K.	Netherlands	Australia
				
Employees(1):	17,350	7,300	2,100	2,350
Centers(2):	631	283	70	79
Capacity(2):	81,000	24,000	6,500	7,000

Strategic Rationale

- U.S.: Client sponsored centers with operating subsidies
- U.K.: Educated workforce with government subsidy program to support parent fees
- Netherlands and Australia: Quality provider in fragmented market with strong demand tailwinds and attractive government subsidy program

(1) As of 12/31/2022. India consolidated with Netherlands; (2) As of 9/30/2023.

Multiple Growth Channels

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New Client Relationships

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

Cross-Selling/ Product Extension

- 1,400+ existing clients, more than 425 clients buy > one service
- Extension of service lines (e.g. summer camps, academic tutoring, petcare, student loan repayment)

Select New Communities and Markets

- New lease center locations in existing markets
- Expand existing services into new geographies

Acquisitions

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

Diverse Operating Models Support Capital Efficiency & Mitigate Financial Risk

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Client Sponsor Model

Cost Plus

Initial Term 3-5Yr + Renewal

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

Single Sponsor / Bottom Line

Initial Term 3-10Yr + Renewal

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

Consortium Lease

Initial Term 10-15Yr

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

Bright Horizons P&L Model

Client Funding of Center Capital Drives High Returns on Investment

Full Service Child Care center operating models with targeted return profiles:

	United States			International
($ in ‘000s)	Cost Plus	Single Sponsor / Bottom Line	Consortium Lease	Lease
% of Total Centers	~35%	~25%	~40%	~95%
Revenue / Center	$ 2,200	$ 2,000	$ 2,200	$ 1,500
Gross Margin	15-20%	17-25%	20-25%	15-25%
Average ROI on Center Contribution	100%+	75%+	25%+	25%+
Initial Contract Term	3-5y	3-10y	10-15y[1]	10-15y[1]

[1] *Represents leases.*

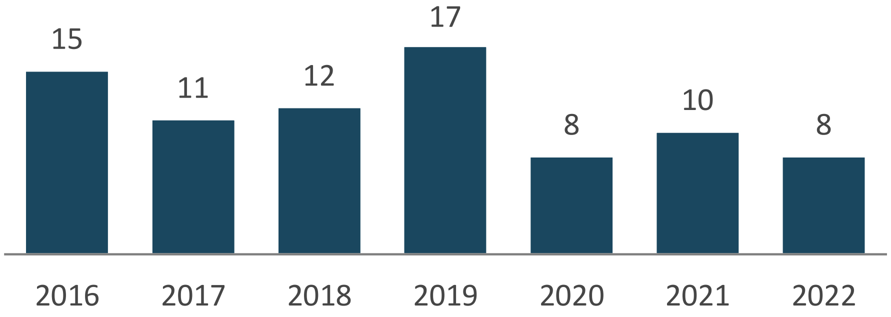
Full Service – Lease Models

Lease Model Opportunities

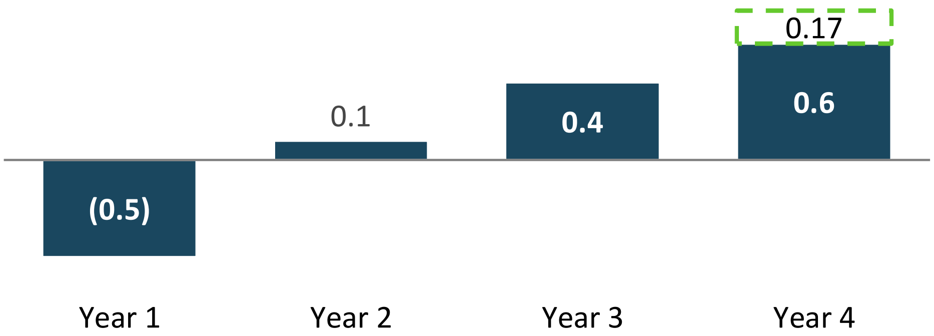
Sample Geographies:
- Amsterdam
- Boston
- Chicago
- Greater London
- Greater New York
- Seattle
- Sydney / Melbourne

Core Criteria:
- Urban / Suburban
- Proximity to Work Hubs / Residential Corridors / Clients
- Young Professionals / Families
- Supply / Demand Imbalance
- Third-party support for tuition/fees (govt or client)

New Lease Model Center Openings



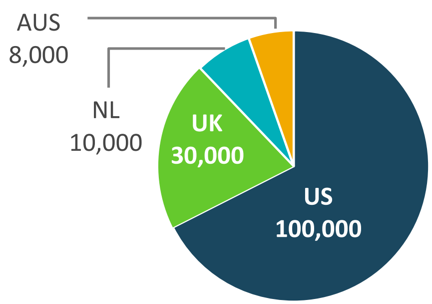
Example Pro-forma Lease Model Gross Profit $



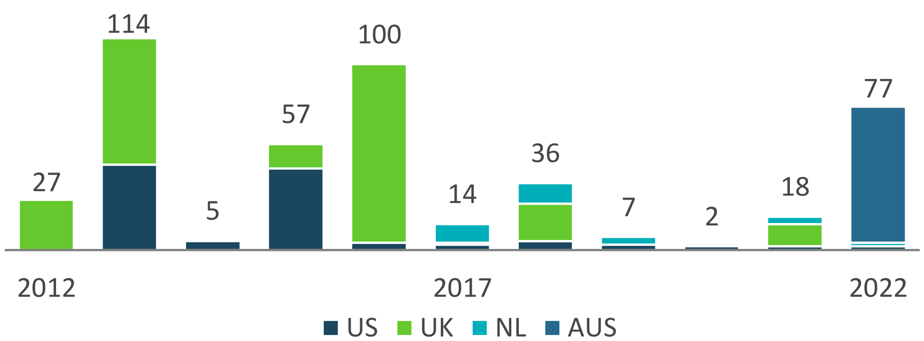
- **Capital:** $2.5M
- **Capacity:** 125-175
- **ROIC Maturity:** 25-30%
- **Revenue Maturity:** $2.5M
- **Breakeven:** 12-18 months

Acquisitions

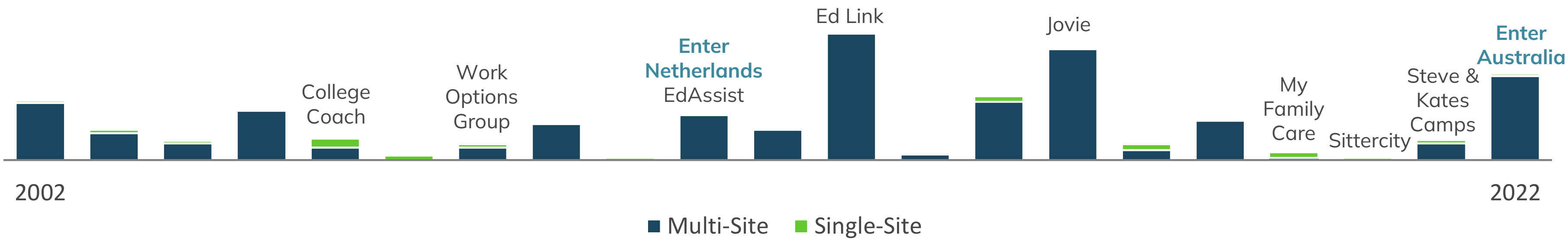
Licensed Centers by Geography



Geographic Mix: Recent Acquisitions



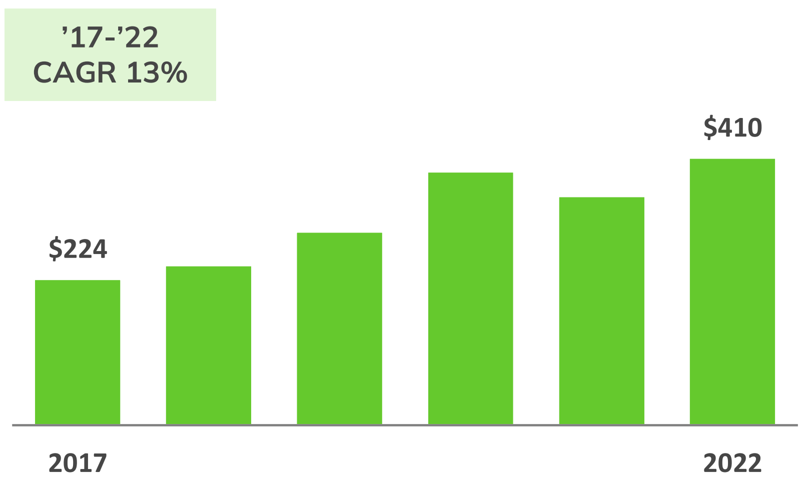
Acquisition History



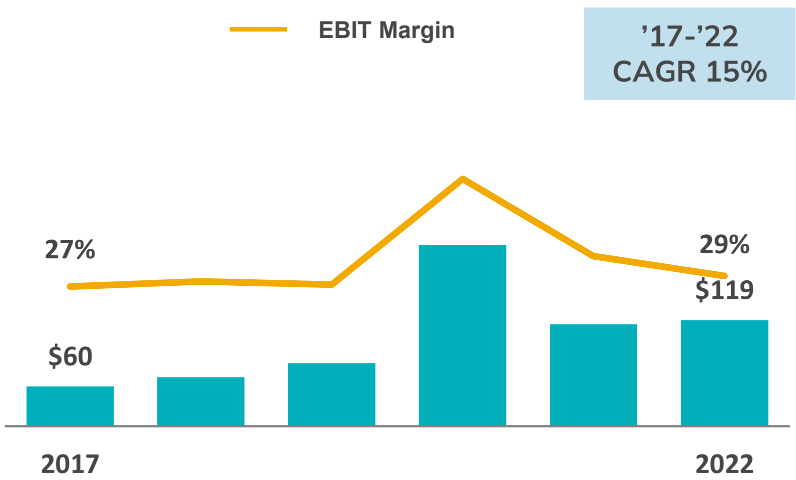
Sites:	53	27	17	45	19	4	14	34	2	42	27	114	5	57	100	14	36	7	2	18	77

Back-Up Care: Complementary Service With Accretive Growth Profile

Back-Up Care - Revenue ($MM)



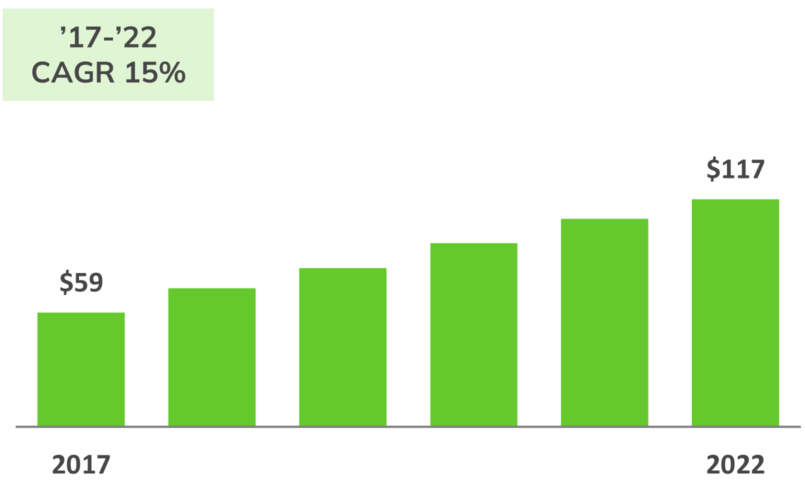
Back-Up Care - EBIT ($MM)



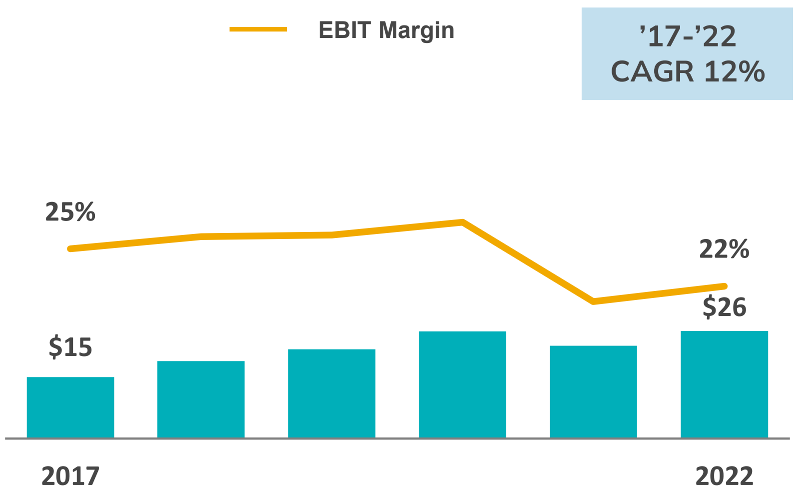
- Back-Up contracts range from 2-5 yrs
- Contracts cover Back-Up care under capitated or pay-per-use contracts
- Annual contract range: $50K - $4M
- Opportunity to up-sell for expanded use

Educational Advisory: Attractive Growth & Margin Characteristics

Educational Advisory - Revenue ($MM)



Educational Advisory - EBIT ($MM)



- EdAssist / College advising contracts 1-3 yrs
- Main service offerings (Workforce Education, Network Access, Administration, Counseling)
- Typical annual contract value: $125-$175K
- Opportunity to up-sell for expanded use

FINANCIAL HIGHLIGHTS

Performance Drivers

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

Sticky, **recurring revenue** base

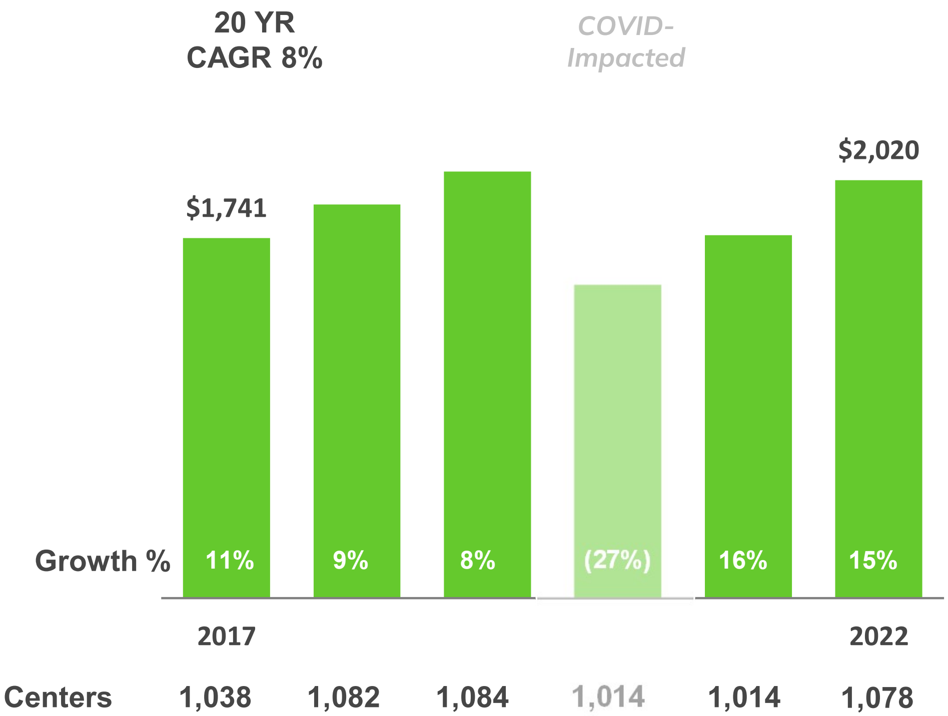
Diversified across services and geography

High free **cash flow** conversion

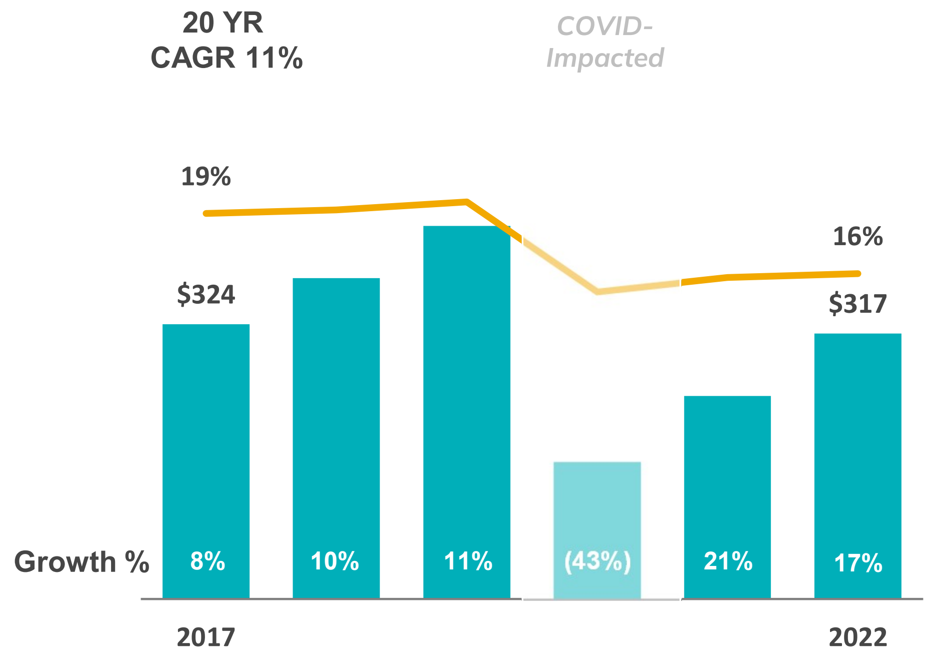
Consolidated Revenue & Earnings Performance

Bright Horizons

Total Revenue

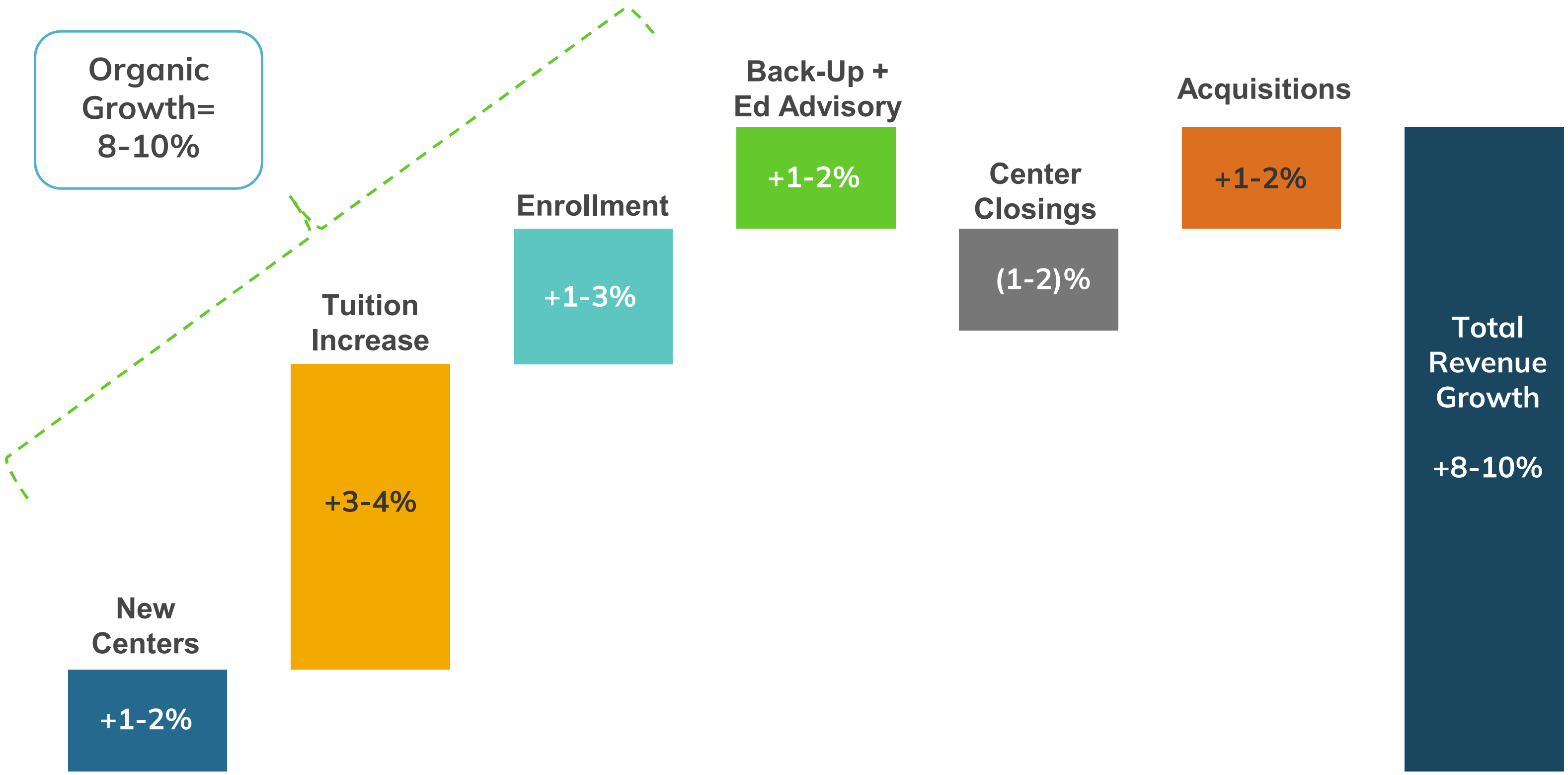


Adjusted EBITDA & Margin



Note: See Summary of Adjustments for reconciliation of Adjusted EBITDA. CAGR figures reflected through 2022.

Steady State Long-Term Revenue Bridge



Q3 2023 Operating Performance

	3Q22	3Q23	% Change
Full Service Center-Based Child Care	381	445	17%
Back-Up Care	129	169	32%
Educational Advisory & Other	31	32	3%
Total Revenue	**540**	**646**	**20%**
Gross Profit	**129**	**158**	**22%**
% Margin	*23.8%*	*24.4%*	
Adj. EBITDA	**81**	**101**	**26%**
% Margin	*14.9%*	*15.7%*	
Adj. Operating Income	**46**	**67**	**46%**
% Margin	*8.5%*	*10.3%*	
Adj. Net Income	**38**	**51**	**34%**
Adj. EPS	**$0.66**	**$0.88**	**33%**

Historical Segment View

	Fin. in (MM USD)	Historicals											CAGRs	
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	'12 - '19	'19 - '22
Revenue	**Full Service**	$ 922	$ 1,050	$ 1,157	$ 1,237	$ 1,322	$ 1,458	$ 1,586	$ 1,684	$ 1,032	$ 1,297	$ 1,494	9.0%	(3.9)%
	% Growth	*9.2%*	*13.8%*	*10.2%*	*6.9%*	*6.9%*	*10.3%*	*8.8%*	*6.2%*	*(38.7)%*	*25.7%*	*15.2%*		
	Back-Up Care	$ 130	$ 144	$ 163	$ 182	$ 200	$ 224	$ 245	$ 296	$ 388	$ 351	$ 410	12.5%	11.4%
	% Growth	*13.6%*	*11.0%*	*12.8%*	*11.5%*	*10.2%*	*12.1%*	*9.5%*	*20.7%*	*31.0%*	*(9.6)%*	*16.6%*		
	Ed. Advisory	$ 19	$ 24	$ 33	$ 40	$ 48	$ 59	$ 71	$ 82	$ 95	$ 107	$ 117	23.5%	12.8%
	% Growth	*27.6%*	*31.4%*	*36.6%*	*19.9%*	*19.8%*	*22.6%*	*21.2%*	*14.5%*	*15.7%*	*13.2%*	*9.5%*		
	Total Revenue	$ 1,071	$ 1,219	$ 1,353	$ 1,458	$ 1,570	$ 1,741	$ 1,903	$ 2,062	$ 1,515	$ 1,755	$ 2,020	9.8%	(0.7)%
	% Growth	*10.0%*	*13.8%*	*11.0%*	*7.8%*	*7.6%*	*10.9%*	*9.3%*	*8.3%*	*(26.5)%*	*15.9%*	*15.1%*		
Adj. Operating Income	**Full Service**	$ 60	$ 82	$ 95	$ 116	$ 132	$ 137	$ 154	$ 166	$(119)	$ 3	$ 38	15.6%	(38.8)%
	% Margin	*6.5%*	*7.9%*	*8.2%*	*9.4%*	*10.0%*	*9.4%*	*9.7%*	*9.9%*	*(11.5)%*	*0.2%*	*2.6%*		
	Back-Up Care	$ 34	$ 42	$ 50	$ 57	$ 58	$ 60	$ 68	$ 81	$ 185	$ 115	$ 119	13.2%	13.7%
	% Margin	*26.0%*	*28.8%*	*30.4%*	*31.3%*	*28.8%*	*26.9%*	*27.9%*	*27.3%*	*47.7%*	*32.8%*	*29.0%*		
	Ed. Advisory	$ 1	$ 3	$ 5	$ 10	$ 10	$ 15	$ 19	$ 21	$ 26	$ 22	$ 26	47.0%	6.5%
	% Margin	*7.8%*	*11.5%*	*16.2%*	*23.8%*	*20.7%*	*25.1%*	*26.1%*	*26.2%*	*27.3%*	*20.8%*	*22.1%*		
	Total Adj. EBIT	$ 95	$ 127	$ 150	$ 182	$ 200	$ 212	$ 241	$ 268	$ 92	$ 140	$ 183	15.9%	(12.0)%
	% Margin	*8.9%*	*10.4%*	*11.1%*	*12.5%*	*12.7%*	*12.2%*	*12.7%*	*13.0%*	*6.1%*	*8.0%*	*9.0%*		

COVID Impacted / Recovery

Summary of Adjustments to EBITDA and Net Income

Bright Horizons.

Financials in (MM USD)	Fiscal Year Ended December 31						
Adjustments to EBITDA	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
EBITDA	**$ 271**	**$ 300**	**$ 340**	**$ 376**	**$ 165**	**$ 235**	**$ 258**
Non-cash Operating Lease Expense	3	4	1	1	–	–	–
Stock-based Compensation Expense	12	12	14	17	21	23	28
Loss on Extinguishment of Debt	11	–	–	–	–	3	–
Transaction, Covid-19 and Other One-Time Costs	3	7	2	1	38	11	31
Total Adjustments	**$ 28**	**$ 23**	**$ 17**	**$ 19**	**$ 59**	**$ 37**	**$ 59**
Adjusted EBITDA	**$ 299**	**$ 324**	**$ 357**	**$ 395**	**$ 224**	**$ 272**	**$ 317**
Adjustments to Net Income							
Income (loss) before tax	**$ 143**	**$ 161**	**$ 192**	**$ 223**	**$ 16**	**$ 90**	**$ 112**
Stock Compensation Expense	12	12	14	17	21	23	28
Amortization	30	33	36	34	32	29	32
Loss on Extinguishment of Debt	11	–	–	–	–	3	–
Transaction, Covid-19 and Other One-Time Costs	3	7	2	1	38	11	34
Tax Effect	(67)	(51)	(50)	(58)	(13)	(35)	(54)
Adjusted Net Income	**$ 131**	**$ 162**	**$ 190**	**$ 217**	**$ 94**	**$ 121**	**$ 152**

BRIGHT HORIZONS FAMILY SOLUTIONS

An industry leader with unmatched experience

- **Impactful support** for each life stage
- Safe, **high-quality child care** on location or nationwide
- **Back-Up Care program** with vetted and trained care network
- Preferred access and discounts on **tutoring, nannies, summer camps**, and much more
- Employer sponsored workforce education and student loan benefits that **drive recruitment, retention and talent development results**
- A single access point for employees to find **what they need right now**