

Investor Presentation

Q4 2024





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, execution and delivery of our services and solutions, business trends, our future growth opportunities, enrollment levels, back-up care use, long-term growth strategy, estimated effective tax rate, tax expense, our future business and financial performance, and our 2025 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, 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 impact of government child care benefit programs; our ability to respond to changing client and customer needs; the possibility that acquisitions may disrupt our operations and expose us to additional risk; our ability to pass on our increased costs; the impact of competition in the industry; 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 inflationary pressures 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; impacts to our brand or reputation; litigation-related 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 27, 2025, 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.

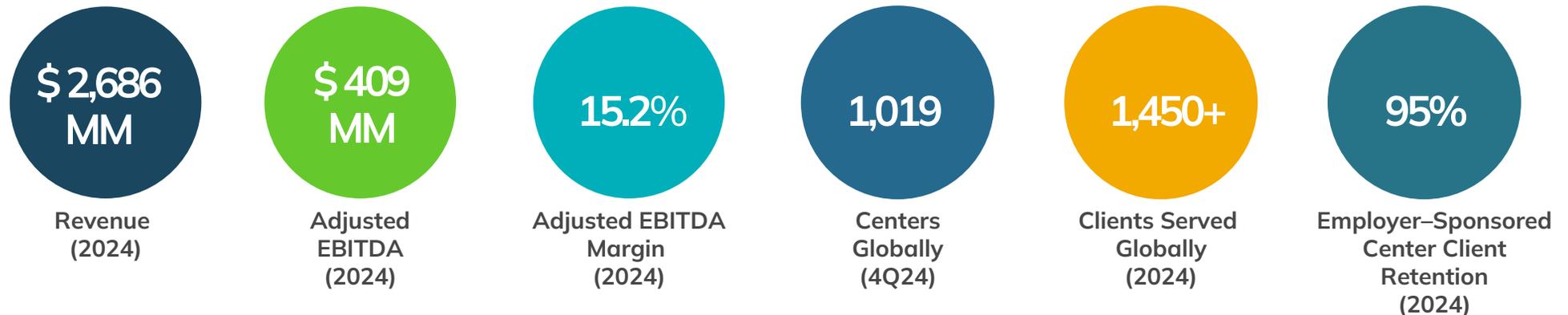
We DO Good.



KEY BUSINESS HIGHLIGHTS

Bright Horizons at a Glance

By the Numbers



Highlights

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

Contracts with blue chip customers that co-fund capital investment and subsidize care

32,000+ 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

Recognized as a Great Place to Work around the globe



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

1,019
Centers

115,000
Capacity

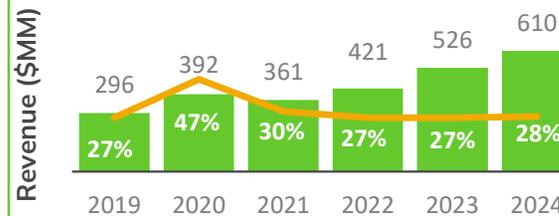


Back-Up Care

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

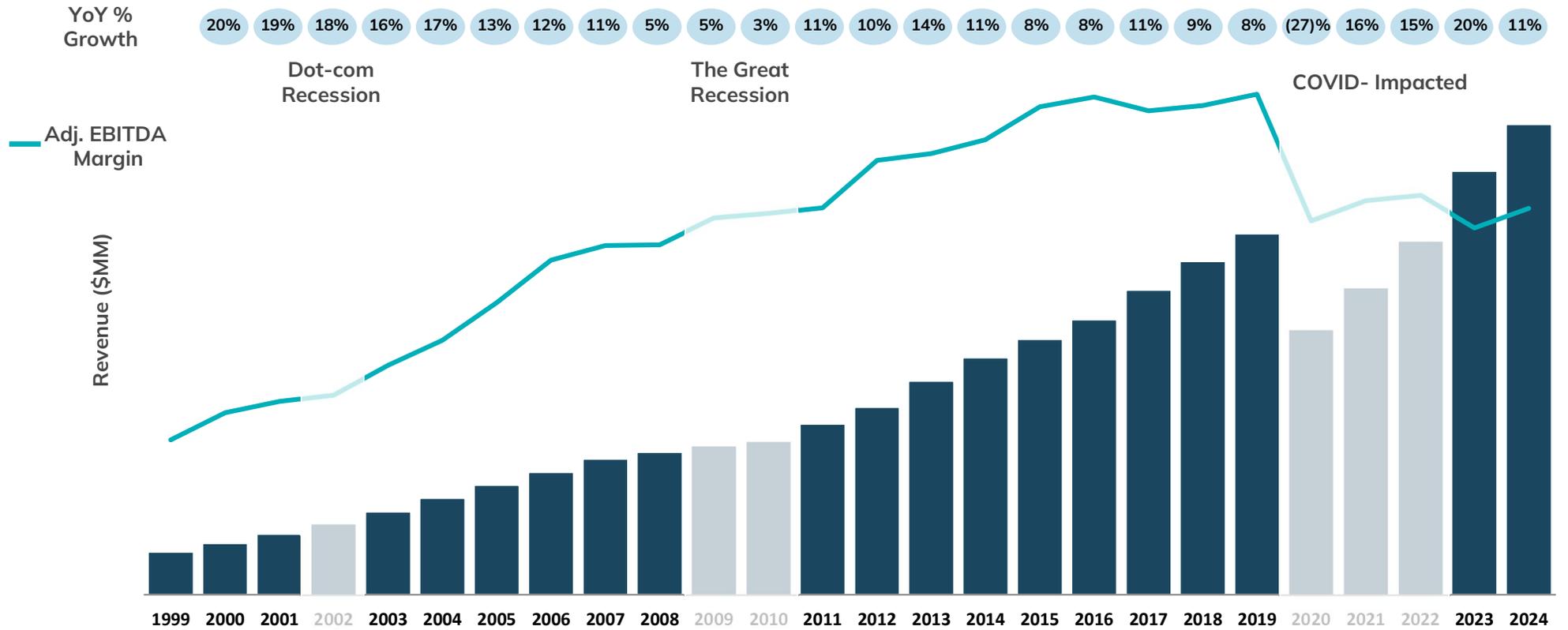
\$1B+
Tuition Managed

3M+
College Advising
Employees
Covered



EBIT Margin

25+ Years of Growth



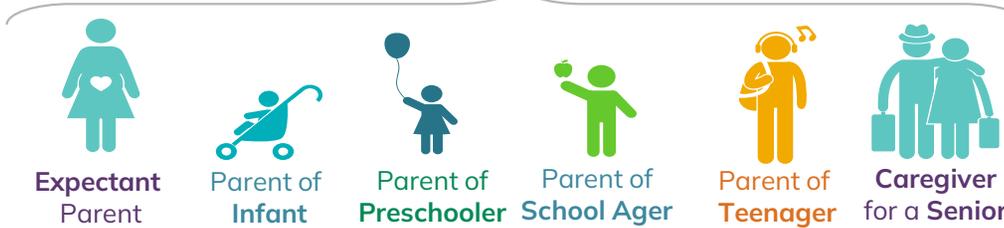


Business Model Overview

Extending Support Through All Life & Career Stages



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	Active	Active	Active						
Back-Up Care		Active	Active	Active	Active	Active			
Elder Care									Active
College Coach		Active	Active	Active	Active	Active			
Enhanced Family Supports	Active	Active	Active	Active	Active	Active			
Workforce Education							Active	Active	Active
Student Loan Support							Active	Active	

Competitive Advantages

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

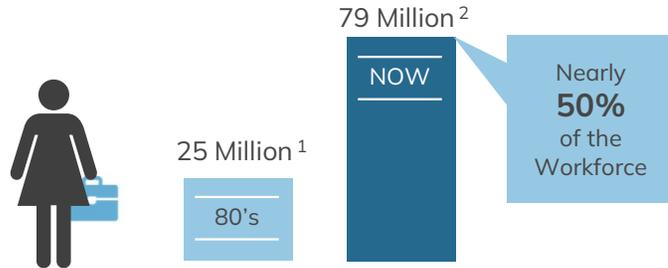
Capital light model with client-funded capex and expenses

Diversification in customers, offerings and geographies de-risks financial performance

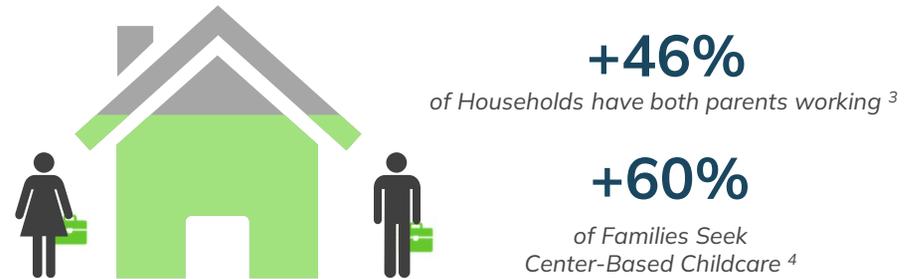
Large, embedded **growth opportunity** within customer base with **adjacent offerings**

Established M&A track record amplifies growth

Large Addressable Market For Our Service Offerings



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



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.

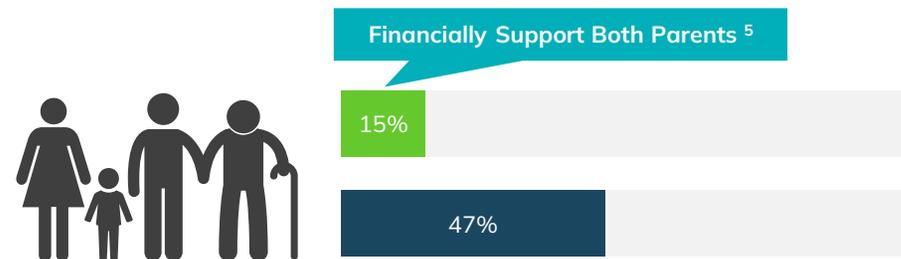


Say job training and development increased their job satisfaction.



Say upskilling opportunities are an important reasons to stay at their job.

Workers Value Learning Opportunities and Want Employers to Pay for their Training⁶



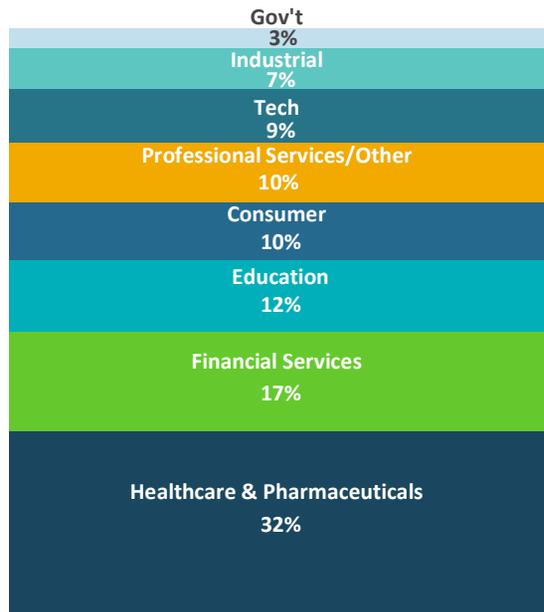
Nearly Half of Adults in Their 40's & 50's have a Parent Over 65 while Caring for a Child

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 institutional Population by Age, Sex, and Race." (2024).; ³ Bureau of Labor Statistics, "Table 4: Families with own children" (2023).; 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 (2024 – All Segments)



Representative Clients

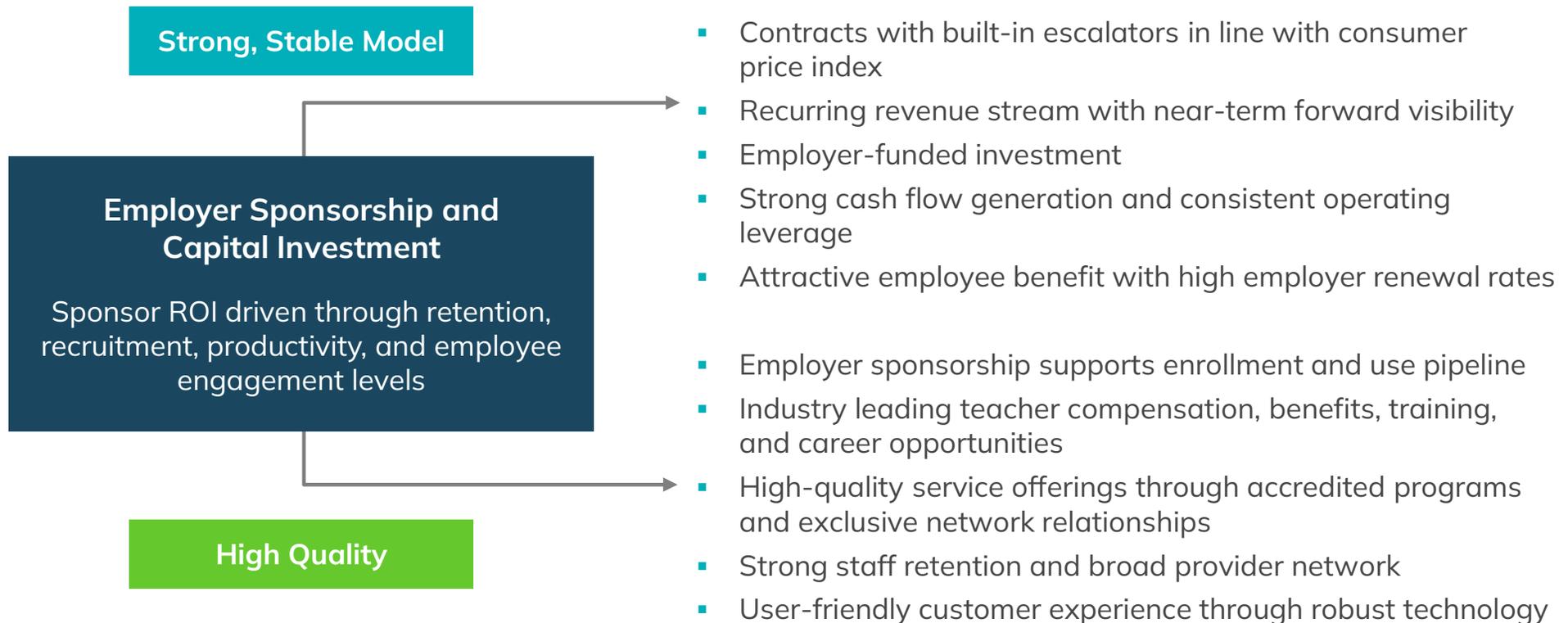


>1,450 Client Relationships
>220 of Fortune 500

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

Note: Industry allocations based on client revenues only.

Strength of Employer Partnership



Global Presence



U.S.



U.K.



Netherlands



Australia



Employees⁽¹⁾: 18,250
Centers⁽²⁾: 599
Capacity⁽²⁾: 79,000

8,650
268
23,000

2,650
72
6,500

2,500
80
7,500

Strategic Rationale

Client sponsored centers with operating subsidies

Educated workforce with government subsidy program to support parent fees

Quality provider in fragmented market with strong demand tailwinds and attractive government subsidy program

(1) As of 12/31/2024. India consolidated with Netherlands; (2) As of 12/31/2024.

Multiple Growth Channels



Diverse Operating Models Support Capital Efficiency & Mitigate Financial Risk



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	\$ 2,300	\$ 2,100	\$ 2,300	\$ 1,600
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

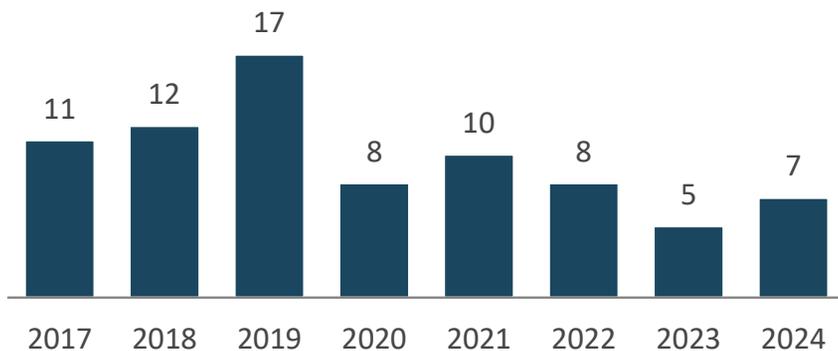
Sample Geographies:

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

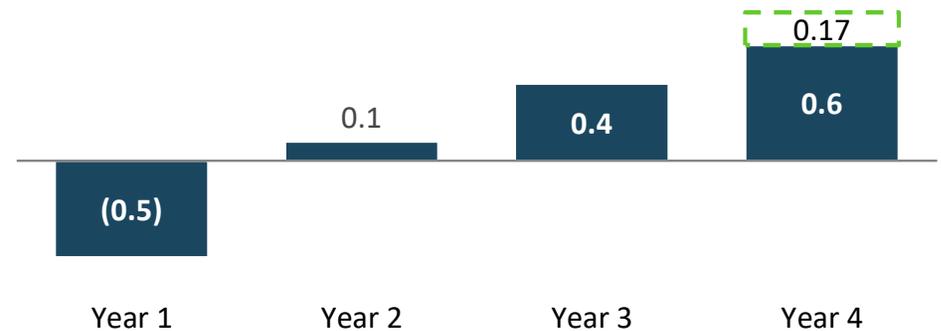
Core Criteria:

- 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 \$

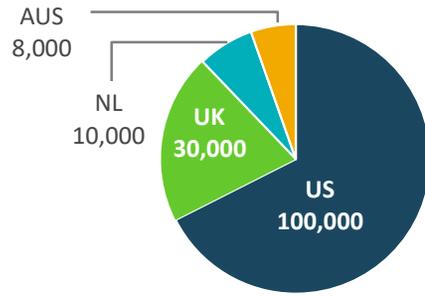


- Capital: \$2.5M
- Capacity: 125-175
- ROIC Maturity: 25-30%
- Revenue Maturity: \$2.5M
- Breakeven: 12-18 months

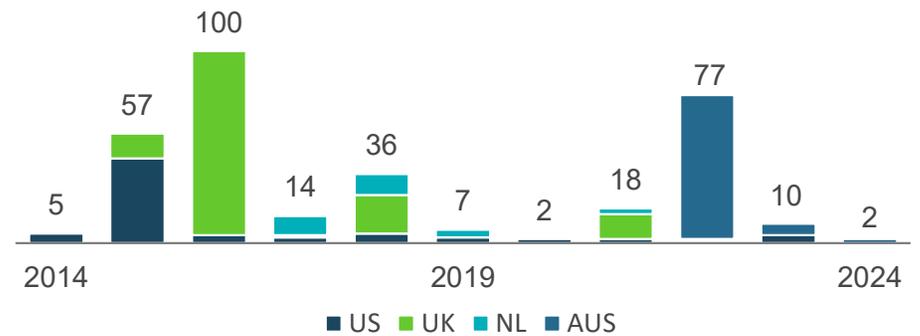
Acquisitions



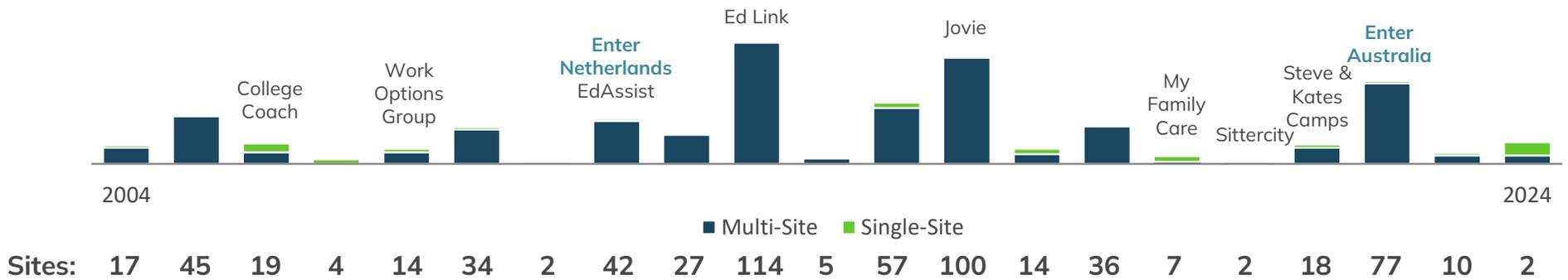
Licensed Centers by Geography



Geographic Mix: Recent Acquisitions



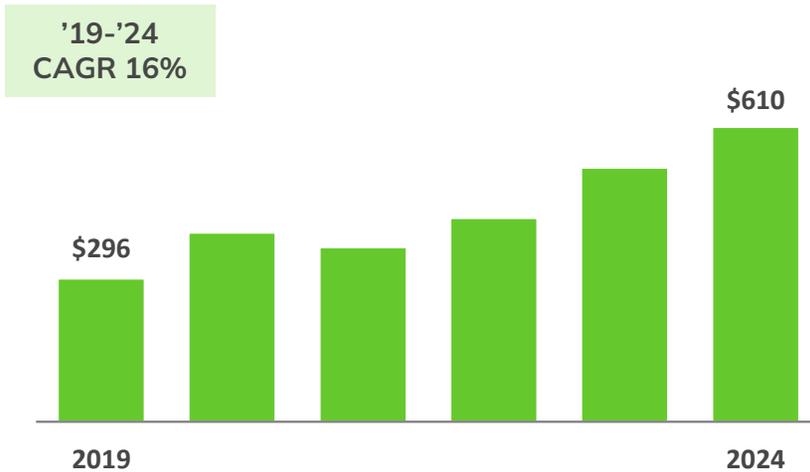
Acquisition History



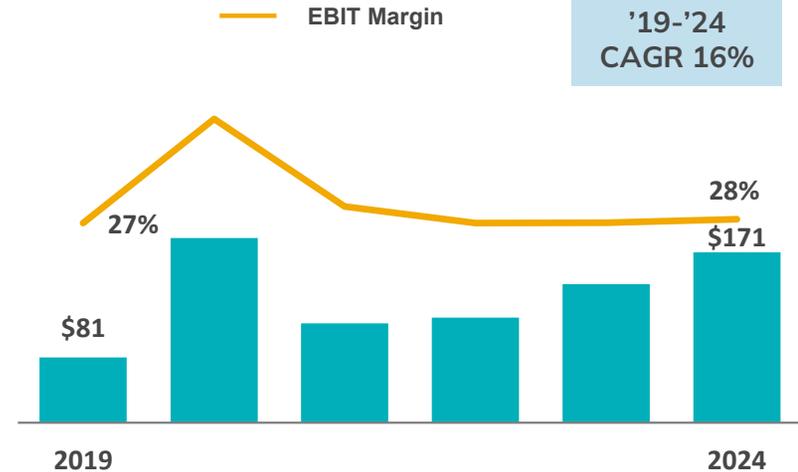
Back-Up Care: Complementary Service With Accretive Growth Profile



Back-Up Care - Revenue (\$MM)



Back-Up Care - EBIT (\$MM)



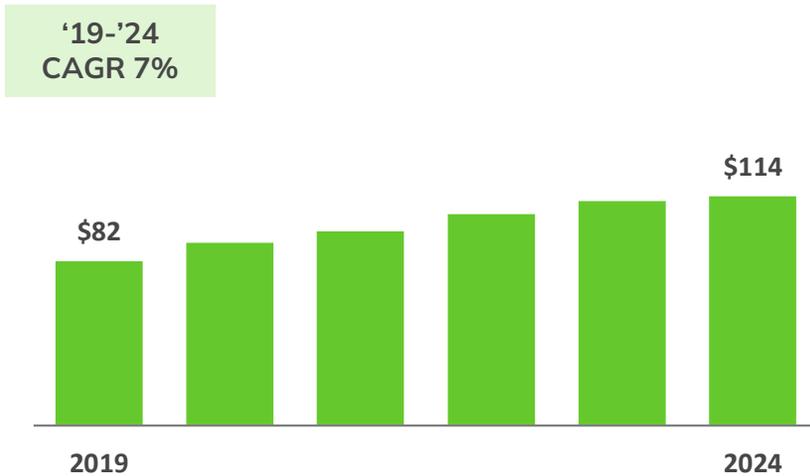
- Back-Up contracts range from 2-5 yrs
- Contracts cover Back-Up care under capitated or pay-per-use contracts
- Annual contract range: \$50K - \$4M
- Opportunity to up-sell for expanded use

Note: Revenue and EBIT recast given organizational structure realignment effective January 1, 2024.

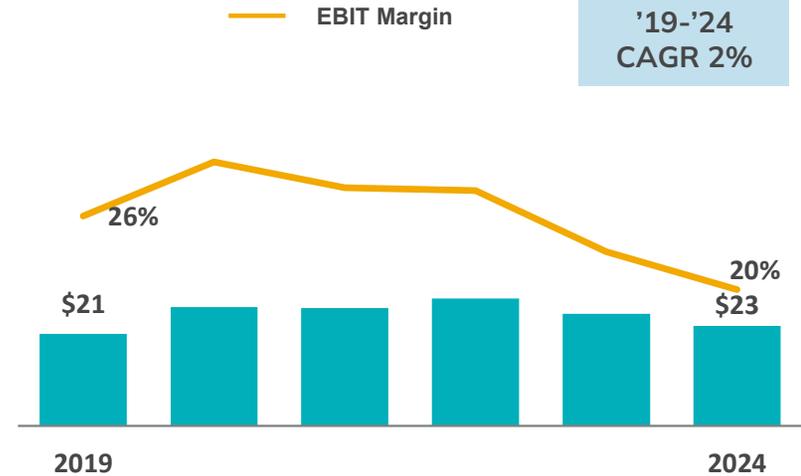
Educational Advisory: Above-Average Growth & Margin Characteristics



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

Note: Revenue and EBIT recast given organizational structure realignment effective January 1, 2024.



FINANCIAL HIGHLIGHTS

Performance Drivers

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

Sticky, recurring revenue base

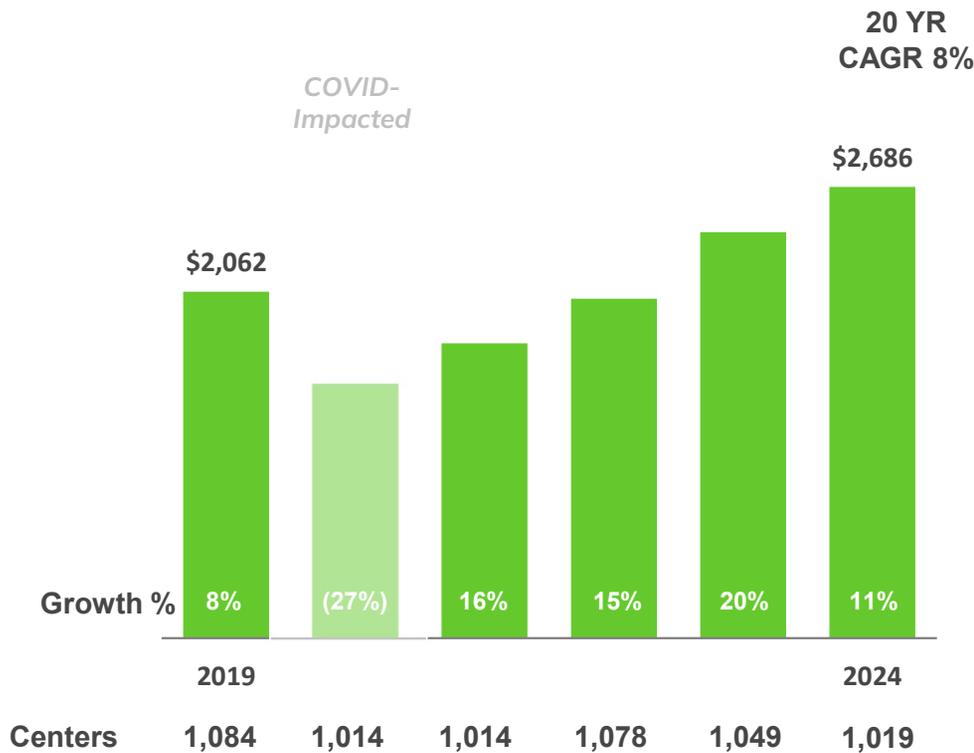
Diversified across services and geography

High free **cash flow** conversion

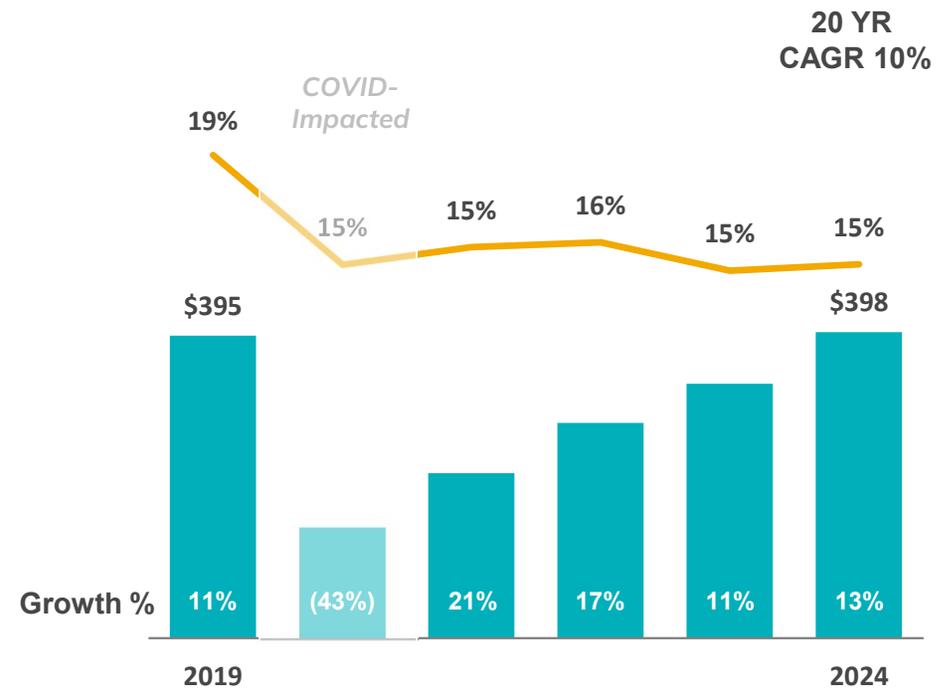
Consolidated Revenue & Earnings Performance



Total Revenue

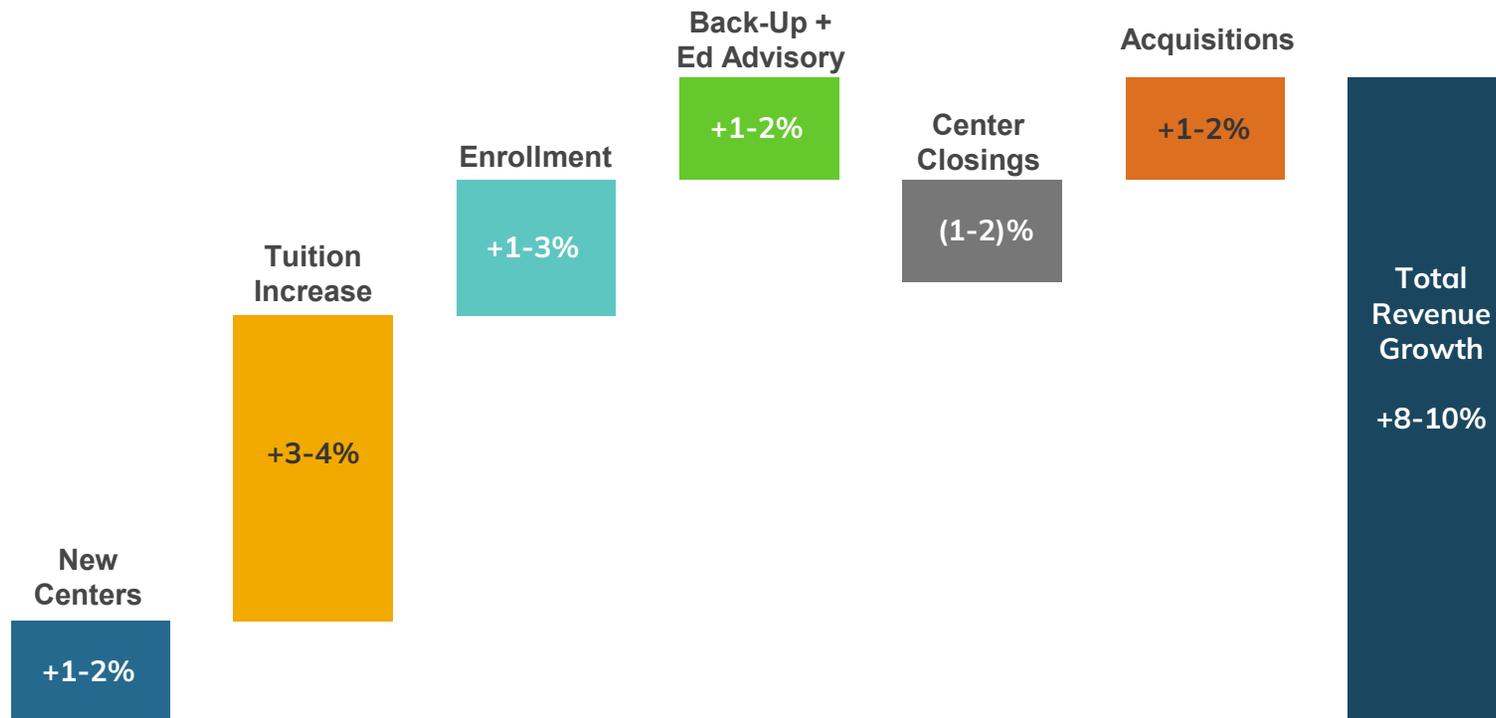


Adjusted EBITDA & Margin



Note: See Summary of Adjustments for reconciliation of Adjusted EBITDA. CAGR figures reflected through 2024.

Steady State Long-Term Revenue Bridge



Q4 2024 Operating Performance



	4Q23	4Q24	% Change
Full Service Center-Based Child Care	447	485	8%
Back-Up Care	137	157	15%
Educational Advisory Services	32	32	2%
Total Revenue	616	674	10%
Gross Profit	116	141	21%
<i>% Margin</i>	18.8%	20.8%	
Adj. EBITDA	99	111	12%
<i>% Margin</i>	16.1%	16.4%	
Adj. Operating Income	64	79	25%
<i>% Margin</i>	10.3%	11.8%	
Adj. Net Income	48	57	19%
Adj. EPS	\$0.83	\$0.98	18%

Historical Segment View



		Historicals										CAGRs		
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	'14 - '19	'19 - '24
Revenue	<i>Fin. in (MM USD)</i>													
	Full Service	\$ 1,157	\$ 1,237	\$ 1,322	\$ 1,458	\$ 1,586	\$ 1,684	\$ 1,032	\$ 1,297	\$ 1,494	\$ 1,781	\$ 1,962	7.8%	3.1%
	%Growth	10.2%	6.9%	6.9%	10.3%	8.8%	6.2%	(38.7)%	25.7%	15.2%	19.2%	10.2%		
	Back-Up Care	\$ 163	\$ 182	\$ 200	\$ 224	\$ 245	\$ 296	\$ 392	\$ 361	\$ 421	\$ 526	\$ 610	12.7%	15.5%
	%Growth	12.8%	11.5%	10.2%	12.1%	9.5%	20.7%	32.2%	(7.8)%	16.6%	24.8%	16.0%		
	Ed. Advisory	\$ 33	\$ 40	\$ 48	\$ 59	\$ 71	\$ 82	\$ 91	\$ 97	\$ 105	\$ 112	\$ 114	19.5%	6.9%
%Growth	36.6%	19.9%	19.8%	22.6%	21.2%	14.5%	11.3%	6.3%	8.9%	6.1%	2.1%			
	Total Revenue	\$ 1,353	\$ 1,458	\$ 1,570	\$ 1,741	\$ 1,903	\$ 2,062	\$ 1,515	\$ 1,755	\$ 2,020	\$ 2,418	\$ 2,686	8.8%	5.4%
%Growth	11.0%	7.8%	7.6%	10.9%	9.3%	8.3%	(26.5)%	15.9%	15.1%	19.7%	11.1%			
Adj. Operating Income	Full Service	\$ 95	\$ 116	\$ 132	\$ 137	\$ 154	\$ 166	\$(119)	\$ 3	\$ 38	\$ 43	\$ 84	11.9%	(12.8)%
	%Margin	8.2%	9.4%	10.0%	9.4%	9.7%	9.9%	(11.5)%	0.2%	2.6%	2.4%	4.3%		
	Back-Up Care	\$ 50	\$ 57	\$ 58	\$ 60	\$ 68	\$ 81	\$ 183	\$ 110	\$ 115	\$ 144	\$ 171	10.3%	16.1%
	%Margin	30.4%	31.3%	28.8%	26.9%	27.9%	27.3%	46.7%	30.4%	27.3%	27.3%	28.0%		
	Ed. Advisory	\$ 5	\$ 10	\$ 10	\$ 15	\$ 19	\$ 21	\$ 28	\$ 28	\$ 30	\$ 26	\$ 23	31.6%	1.7%
	%Margin	16.2%	23.8%	20.7%	25.1%	26.1%	26.2%	30.4%	28.4%	28.2%	23.4%	20.4%		
	Total Adj. EBIT	\$ 150	\$ 182	\$ 200	\$ 212	\$ 241	\$ 268	\$ 92	\$ 140	\$ 183	\$ 213	\$ 278	12.4%	0.7%
%Margin	11.1%	12.5%	12.7%	12.2%	12.7%	13.0%	6.1%	8.0%	9.0%	8.8%	10.3%			

COVID Impacted

Note: Revenue and EBIT recast given organizational structure realignment effective January 1, 2024.

Summary of Adjustments to EBITDA and Net Income



Fin. in (MM USD)

	Fiscal Year Ended December 31,					
	2019	2020	2021	2022	2023	2024
Adjustments to EBITDA						
EBITDA	\$376	\$165	\$235	\$258	\$282	\$345
Non-cash operating lease expense	1	-	-	-	-	-
Stock-based compensation expense	17	21	23	28	29	34
Loss on extinguishment of debt	-	-	3	-	-	-
Transaction, COVID-19, and other one-time costs	1	38	11	31	41	31
Adjusted EBITDA	\$395	\$224	\$272	\$317	\$352	\$409
Adjustments to Net Income						
Income (loss) before tax	\$223	\$16	\$90	\$112	\$120	\$198
Stock-based compensation expense	17	21	23	28	29	34
Amortization	34	32	29	32	33	18
Loss on extinguishment of debt	-	-	3	-	-	-
Transaction, COVID-19, and other one-time costs	1	38	11	34	47	31
Tax Effect	(58)	(13)	(35)	(54)	(65)	(78)
Adjusted Net Income	\$217	\$94	\$121	\$152	\$164	\$203



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**