



ASX Announcement

ASX Code: NDO

Business Update

3 November 2025

Nido Education Limited (ASX: NDO) (**Nido** or **Company**) provides the following business update:

Trading update

2025 continues to be a challenging year for the early education sector. Factors such as cost of living, working from home, reduced birth rates over the past 4 years and changes to school intake are compounding to create strong sector headwinds, although recent data suggests births are increasing.

Financial outlook to the end of the year

Nido expects Service EBITDA for the year ending December 2025 to be in the range of \$28.5-\$30m. Group EBITDA for the same period is expected to be \$16.5 to \$18m.

New Service growth: Incubation update

Nido remains committed to our existing incubation growth strategy, with the goal to acquire 100 Services from incubation over a 5 to 6 year period. All these Services are purpose-built and selected by Nido, with children, educators and safety at the core of design.

Since listing in October 2023, new Service openings, trade up and acquisitions have been impacted by the macro-economic cyclical issues impacting the sector.

Key incubator highlights and updates include:

- 7 Services opened in 2024
- 10 expected to open in 2025: 5 Services opened YTD 2025 and 5 more expected to receive licencing approval by the end of this year
- 5 incubated Services acquired since listing
- 16 trading Services currently in the incubator

Sector Demand Tailwinds

Currently families are required to have both partners working, studying or looking for work (Activity under the activity test) in order to access childcare subsidies of up to 95% of approximately \$175 per day (max amount of subsidised care per day). The level of subsidy is also based on a family's income (means test). Today a family that is earning \$150,000 per year with one partner not working would receive 0% subsidy.

The government has passed legislation to replace the activity test with a 3 Day Guarantee. From 5 January 2026¹ this same family would receive 77% subsidy up to the cap. As a result, based on a Service charging \$175 per day, this family would now pay approximately \$40 per day for up to 3 days per week. Sector estimates of families impacted range from 100–190K families, with currently 1 million families enrolled in childcare.

The Government has communicated² the benefits of this change and the savings to families.

Births in Australia have started to increase³ and are further supported by our immigration⁴ intake of young families. This can be seen in the recent modelling by the Australian Bureau of Statistics, whereby the medium population assumption demonstrates an increase in births in Australia and strong immigration.

Growth

The Nido brand is committed to being a purpose-built operator.

It is beholden on us as a company to ensure we create shareholder value when opportunities present themselves. Accordingly, we have been closely watching the decline in the number of acquirers of existing profitable childcare Services, that has in turn resulted in earnings multiples reducing significantly.

We don't expect that multiples will stay subdued for an extended period. We have seen this cycle a number of times over the past 20 years but have not been in the position to be opportunistic and take advantage of these cycles for the benefit of our shareholders.

We are actively considering the above scenario and expect to make further announcements over the coming months to capitalise on this opportunity.

¹ Australian Government, Department of Education (2024–2025) 3-day guarantee communication documents, [Available online](#) (Accessed: 3/11/2025)

² Australian Government, Department of Education (Dec 2024) Fact Sheet – 3 Day Guarantee – Early Education, [Available online](#) (Accessed: 3/11/2025)

³ Australian Government, Australian Bureau of Statistics. (2023) population projections, [Available online](#) (Accessed: 3/11/2025)

⁴ Australian Government, Australian Bureau of Statistics. (2024) overseas migration, [Available online](#) (Accessed: 3/11/2025)

The Sector

The childcare sector is critical to the fabric of Australian society: educating and caring for children, allowing families to actively participate in work or study and growing and maintaining our tax base.

The Federal Government has acknowledged that investing in early education is vital to Australia's future. The Prime Minister, Treasurer, Minister for Education and other senior leaders have reaffirmed their commitment to expanding access to quality, safe and affordable childcare and early learning for families in Australia. Further policy announcements are expected in 2026 to increase participation in early education. The Productivity Commission has shown⁵ that children's early education participation rates in Australia are lower than many others in the Organisation for Economic Co-operation and Development (OECD).

Nido's purpose is "to create an environment that supports teachers to rise and make a positive impact on the lives of children". At the heart of everything we do is our unwavering commitment to child education, safety and protection. We welcome scrutiny and inquiries that lead to better outcomes for children. Nido is well positioned from a compliance standpoint and continues to invest in training, systems, and capability to ensure we deliver safe, quality early education for every child.

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

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⁵ Australian Government, Productivity Commission (2024) A path to universal early childhood education and care, Inquiry report – volume 3, Page 25–26, [Available online](#) (Accessed: 3/11/2025)

About Nido

Founded in 2021, Nido Education Limited is a national owner, operator and manager of long day early childhood education and care services, operating under the Nido Early School brand. Visit: www.nido.edu.au



Stay connected with Nido by joining our Investor Hub where you will receive ASX announcements and Company updates directly in your inbox and can engage with our interactive Q&A feature. Scan the QR code or visit here to sign up: <https://nidoeducation.edu.au/s/3307cc>.