

PRESS RELEASE

Navis Capital Swoops on Guardian Childcare

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THE AUSTRALIAN

SEPTEMBER 07, 2013

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THE \$US3 billion (\$3.27bn) private equity firm Navis Capital has swooped on Australia's third largest private childcare operator, Guardian Childcare Alliance, in what is believed to be one of few major deals in the space since the buyout of ABC Learning.

Navis bought the majority of the equity in the business from Wolseley Private Equity for about \$120 million, in a deal expected to be announced on Monday.

Based in Kuala Lumpur, Navis manages \$US3bn worth of funds for global groups with a strong presence in Southeast Asia.

It has entered the childcare sector amid a period of booming demand, as more women return to the workforce after having children.

Guardian was founded by Tom Hardwick and Anthony Smith in 2004 and has 69 centres across Australia, including 32 community centres, 10 centres that are managed on behalf of companies and 27 centres managed on behalf of third-party clients.

Mr Hardwick is expected to remain in his role after the deal is completed.

Wolseley has grown the business since its initial investment in 2010, but a source said the firm had reached the point where it was "fully invested".

Navis will acquire Wolseley's 92 per cent of the equity in Guardian, through a deal handled by Sydney-based investment firm Fort Street Advisors, and plans to grow the business further, sources said. Typically, the company acquires about five new centres annually.

Navis, advised by corporate advisory firm Oaktower Partnership, would likely hold the business for about five years, with the potential of a listing on the Australian Securities Exchange.

Last year, Guardian Childcare Alliance bought Australia's leading corporate childcare provider Jigsaw Corporate Childcare.

Its earnings before interest, tax, depreciation and amortisation are about \$15 million.

The deal is one of a few since Goodstart Childcare bought ABC Learning in December 2009 – a year after the business was liquidated. Before its spectacular collapse in 2008, ABC was once the largest providers of childcare in the world.

Navis focuses on investments in South Asia, Southeast Asia and Australia.

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