

Case Study

G8 Education



Issue Date	August 2013
Amount	\$70m (upsized from \$30m)
Maturity	7 Aug 2019
Term	6 years
Coupon	7.65%
Margin	395bps over swap

Issuer Profile

G8 Education Ltd (G8) is Australia's largest for profit provider of child care services. It was formed in March 2010 through the merger of Early Learning Services and Payce Childcare Pty Ltd at which time it operated 88 child care centres. GEM operates a multi-brand strategy which allows centres to operate largely autonomously, whilst overlaying the group's corporate disciplines across the portfolio.

Issuer Need

After 3 years of solid growth through a disciplined (predominantly equity funded) acquisition strategy, G8 had grown to operate 256 child care centres and EBITDA had increased from \$8m in FY10 to c\$40m.

FIIG Solution

The unsecured notes issued into the capital markets provided further scope and flexibility to add to the portfolio and grow revenue and earnings in line with the consolidation business model, while at the same time diversifying G8's funding sources and terming out a portion of its debt.

Client Testimonial

Managing Director Chris Scott said "The strong demand for the Notes from investors is reflective of the market's support for G8 Education's strategy and business model. This offering will enable us to continue our diligent approach to capital management and fund \$50 million in further acquisitions which meet our metrics. \$20 million will be applied to reduce G8 Education's current bank debt with BankWest."

Client Contact

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