

TIMELINESS 3 New 4/21/17	High: 38.4	47.3	69.1	72.8	72.5	Target Price Range	2020	2021	2022
SAFETY 3 New 4/21/17	Low: 27.5	35.7	43.8	59.0	65.0	-----	-----	-----	-----
TECHNICAL 3 New 4/21/17									
BETA .85 (1.00 = Market)									
2020-22 PROJECTIONS						Ann'l Total Price Gain Return High 145 (+100%) 19% Low 95 (+30%) 7%			
Insider Decisions						J J A S O N D J F to Buy 0 0 0 0 0 0 0 0 0 0 Options 3 4 6 2 2 6 1 1 5 to Sell 3 4 6 2 2 6 1 2 3			
Institutional Decisions						2Q2016 3Q2016 4Q2016 Percent shares traded to Buy 131 94 113 to Sell 83 110 93 Hld's(000) 59682 59610 59105			

Bright Horizons Family Solutions Inc. was formed through the merger of Bright Horizons, Inc. and Corporate Family Solutions, Inc. in 1998. The company was listed on the Nasdaq from 1998 to 2008, when it was acquired by Bain Capital Partners. On January 30, 2013, the company completed its initial public offering and issued 10.1 million shares of common stock at \$22 per share.	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
	--	--	--	--	--	--	18.66	21.99	24.30	26.65	29.50	32.05	Revenues per sh	39.15
	--	--	--	--	--	--	1.94	2.43	2.94	3.12	4.25	4.65	"Cash Flow" per sh	6.10
	--	--	--	--	--	--	.80	1.07	1.50	1.55	2.55	2.90	Earnings per sh ^{A B}	4.00
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	--	--	--	--	--	--	1.06	1.08	1.30	1.28	1.30	1.35	Cap'l Spending per sh	1.40
	--	--	--	--	--	--	13.62	12.20	12.13	11.68	12.30	13.55	Book Value per sh	17.90
	--	--	--	--	--	--	65.30	61.53	60.01	58.91	59.00	59.00	Common Shs Outst'g ^C	60.00
	--	--	--	--	--	--	42.7	38.6	38.4	42.7	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	30.0
	--	--	--	--	--	--	2.40	2.03	1.93	2.25			Relative P/E Ratio	1.90
CAPITAL STRUCTURE as of 12/31/16														
Total Debt \$1140.8 mill. Due in 5 Yrs \$120.0 mill.	--	--	--	--	--	1070.9	1218.8	1353.0	1458.4	1569.8	1740	1890	Revenues (\$mill)	2350
LT Debt 1054.0 mill. LT Interest \$55.0 mill. (61% of Cap'l)	--	--	--	--	--	17.8%	14.9%	16.6%	18.1%	18.2%	21.0%	21.5%	Operating Margin	22.5%
Leases, Uncapitalized Annual rentals \$99.0 mill.	--	--	--	--	--	95.1	72.8	77.4	82.2	88.8	95.0	100	Depreciation (\$mill)	120
No Defined Benefit Pension Plan	--	--	--	--	--	8.2	54.0	72.0	93.9	94.8	155	175	Net Profit (\$mill)	245
Pfd Stock None	--	--	--	--	--	27.6%	21.5%	35.9%	33.0%	33.8%	33.0%	34.0%	Income Tax Rate	35.0%
Common Stock 59,511,773 shs. as of 2/10/17	--	--	--	--	--	8%	4.4%	5.3%	6.4%	6.0%	8.9%	9.3%	Net Profit Margin	10.4%
Market Cap: \$4.3 billion (Mid Cap)	--	--	--	--	--	d65.9	d89.9	d56.2	d152.6	d233.2	d200	d150	Working Cap'l (\$mill)	225
	--	--	--	--	--	904.6	756.3	911.6	905.7	1054.0	1100	1175	Long-Term Debt (\$mill)	1250
	--	--	--	--	--	600.2	889.1	751.0	727.6	687.9	725	800	Shr. Equity (\$mill)	1075
	--	--	--	--	--	3.3%	4.5%	5.4%	7.0%	6.7%	10.0%	11.0%	Return on Total Cap'l	12.5%
	--	--	--	--	--	1.4%	6.1%	9.6%	12.9%	13.8%	21.5%	22.0%	Return on Shr. Equity	23.0%
	--	--	--	--	--	1.4%	6.1%	9.6%	12.9%	13.8%	21.5%	22.0%	Retained to Com Eq	23.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

Cash Assets	87.9	11.5	14.6
Receivables	83.1	97.3	97.2
Other	52.2	43.9	42.6
Current Assets	223.2	152.7	154.4
Accts Payable	116.4	114.8	125.4
Debt Due	9.6	33.6	86.8
Other	153.4	156.9	175.4
Current Liab.	279.4	305.3	387.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	--	--	8.5%
"Cash Flow"	--	--	13.5%
Earnings	--	--	19.5%
Dividends	--	--	Nil
Book Value	--	--	2.5%

Fiscal Year Ends	QUARTERLY REVENUES (\$mill.)				Full Fiscal Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	332.1	348.1	335.0	337.8	1353.0
2015	350.4	370.5	365.9	371.6	1458.4
2016	385.3	402.1	383.9	398.5	1569.8
2017	420	445	435	440	1740
2018	460	480	470	480	1890

Cal-endar	EARNINGS PER SHARE				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.24	.32	.23	.28	1.07
2015	.35	.43	.33	.39	1.50
2016	.40	.50	.37	.28	1.55
2017	.55	.75	.55	.70	2.55
2018	.65	.80	.65	.80	2.90

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013					
2014					
2015					
2016					
2017					
2018					

BUSINESS: Bright Horizons Family Solutions Inc. is a leading provider of high-quality child care, early education, back-up dependent care, and educational advisory services. These services help employers and families better address challenges of work and family life. The company operates through three segments: Full Service Center-Based Child Care (84% of 2016 revenues), Back-Up De-

We are initiating coverage of Bright Horizons Family Solutions in The Value Line Investment Survey. The company provides child care, early education, back-up dependent care, and educational services to employers and families. The company's largest segment, Full Service Center-Based Child Care (84% of 2016 revenues), offers traditional center-based child care, pre-school, and elementary education services. The Back-Up Dependent Care division, 13% of revenues, provides back-up child care, in-home care, mildly-ill child care, and adult/elder care services. Finally, the Other Educational Advisory Services group offers college preparation and admissions counseling.

Business prospects for Bright Horizons are favorable. The company has been seeing enrollment gains at both its ramping and mature centers, and this has helped boost sales and earnings. Management looks to open roughly 30 net new education centers in 2017. BFAM has also been disciplined with its pricing strategies, as it has done a good job of covering anticipated cost inflation with tuition increases. Recent acquisitions, including

pendent Care (13%), and Other Educational Advisory Services (3%). As of December 31, 2016, it operated 1,035 child care and early education centers in the U.S., U.K., the Netherlands, Ireland, Canada, and India. Has about 31,200 employees. CEO: David Lissy. Address: 200 Talcott Avenue South, Watertown, MA 02472. Tel.: (617) 673-8000. Internet: www.brighthorizons.com.

Hildebrandt Learning Centers and Concord Limited, have also supported top- and bottom-line advances. We look for the Back-Up and Other segments to continue to expand at a faster rate than its core business. Bright Horizons has done a good job managing expenses, which has helped boost profits, as well. All told, management looks for sales for the year to rise 10%-12%, while adjusted operating earnings, excluding non-recurring items, are expected to increase 17%-20%.

Our 2018 sales and earnings projections are \$1.89 billion and \$2.90 per share, respectively. We look for the company to continue to be active on the acquisition front. Organic sales should also be firm, thanks to management's investments in technology and systems that have enhanced customer service and boosted longer-term operating efficiencies.

Shares of Bright Horizons are ranked to track the broader market averages in the coming six to 12 months. Over the 3- to 5-year period, the stock offers good price appreciation potential at the recent quotation.

(A) Fully diluted earnings. GAAP earnings through 2016, non-GAAP beginning in 2017.	(B) Next earnings report due early May.	(C) In millions, adjusted for split.	Company's Financial Strength	B++
			Stock's Price Stability	85
			Price Growth Persistence	NMF
			Earnings Predictability	NMF

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April 21, 2017

Jason Dalavagas