

Ontario Teachers' "Partnering in global growth with Busy Bees Nurseries"

Simon Irons, Group CEO, Busy Bees: We were really looking for a part that could provide us with that security of long term capital so that we could pursue our ambition to give every child the best start in life. We really wanted somebody that had a sense of social good as well as a sense of building returns for stakeholders, teachers take to all of those boxes.

Narrator: As a pension plan, we believe one of the best ways to ensure steady returns over decades is to invest in the well-being and education of the next generation. In 2013, Ontario Teachers' Pension plan. Purchased a majority stake in Busy Bees, a UK based early education provider. We were not only interested in the enormous growth potential of the business, but also in the relentless focus on safety and quality exhibited in the company's many years of excellent service. We sat down with Simon Irons, Group, chief Executive officer of Busy Bees and Marg Randles' co-founder and Chief Academic Officer of Busy Bees, to discuss how they retained their vision for the business throughout rapid expansion.

Sarah Yates, Director of Private Capital, Ontario Teachers': Mark Simon, thank you for taking the time to do an interview with us today. Maybe you could start off by telling us about the origins of Busy Bees.

Simon Irons: So the first piece of bees nursery was opened in 1984. I first met the business in 1988. Busy Bees was a well established business. So I think at the time we had something in the order of 230 centers, but we had a team marking, myself included that had been frustrated by the Stop start nature of the investment. Partnerships that we've had over the years.

Marg Randles, co-founder, Busy Bees: as one of the original founders, it was really important to us that we were aligned with anybody who was going to have a partnership with the company. We'd had some bad experiences and we really wanted this to be right. And we did our homework. We really looked into teachers and we did actually notice that they'd had some investments that were longer than the normal three to five years that you usually see. With investors, I think once we got talking to them as well, it was very, very clear that we were aligned in terms of quality, reputation, safeguarding all of those things that make us the best in town really. And we couldn't work with anybody who didn't sort of put the quality and the children first and very clearly Ontario Teachers' did.

James Walker, Chief Marketing Officer, Busy Bees: Each nursery is unique to parents, unique to our customers. We know that. Even as a global organization with a large number of nurseries, the parents really only care about the one nursery that they're placing their child within. So all the rest of the estate doesn't really matter to that parent. Every single interaction with the parents has to then be unique. It has to be an individual and personal experience for those parents and that child.

Narrator: And with Busy Bees Ontario Teachers' Pension Plan didn't only see strong value alignment, they saw a brand with global ambitions.

Simon Irons: We had international ambitions. We at this point built the business up to being the largest we think best childcare provider in the in the UK. We felt that we had something here that we could take onto a global stage and teachers with its multiple offices and its capital base was was a was a a good partner to to go out on that that that adventure with.

Marg Randles: Somebody once said to me never be ashamed of making money and that's always been a difficult thing in childcare. But he was absolutely right because if you don't make money you can't invest in your business, you can't provide high quality childcare and education across the world for more children.

Sarah Yates: Were there any particular capabilities or value add that teachers brought to the table in terms of M&A? International expansion.

Simon Irons: in terms of INTERNATIONALISING and making our first acquisition in Singapore, the the the teacher side were were right there alongside me. We carried out the diligence as a as a team between the shareholders and the and the management team, the senior management team.

Narrator: And that acquisition in Singapore was only the beginning. The Busy Bees reputation for excellence and sterling commitment to quality, combined with backing and guidance from Ontario Teachers' Pension Plan, provided a winning combination when it came to expansion into new markets.

Simon Irons: We're in 10 countries as of today and I think we have 910 centres. If you rewind 9 years that was one country and about 230 or so centres. So we, you know we've really come a long way to under Teachers', Teachers', ownership, but we were pretty pleased when we first managed to get some centres in Scotland. We felt truly international when we actually stepped over the border. But the business back then was very UK centric, which is a disadvantage. One of the joys of our business now and the joys of working with an international team that's in Australia, that's in Canada, that's in Singapore, that is in many places is we're able to learn from, from our colleagues all around the world.

Jessica Sandall, Area Director, Busy bees: When I joined we were still kind of UK wise. However we've grown I think as part of the Busy Bees team. It's been amazing because it's meant there's more and more opportunities. A few years ago we did talent exchange programs, so some of our UK based teams swapped with teams in different countries. So some went to Singapore, Malaysia, places like that and to learn their culture and to learn the way that they teach children and to be able to bring back knowledge and the same for them. To kind of impart and share wisdom, it's just amazing to to have those opportunities, I think.

Narrator: As Busy Bees and Ontario Teachers' Pension Plan partnered through this expansion has shared focus on good governance and social responsibility began to pay off in a number of important ways.

Marg Randles: I think that Ontario Teachers' have been incredibly supportive. They have pretty much left us to get on with the day-to-day, but have helped us to grow up as a business as well which which has been absolutely amazing. Sometimes they encourage us to do things that perhaps we would not necessarily have done ourselves, guided us, supported us, and made us feel comfortable about doing some of those things. And sometimes they've even expected us to spend more money on doing the right thing and doing things that perhaps we wouldn't have spent money on. And that has been incredibly advantageous to us as a business. The ESG, we played around with it. We we didn't really focus on it and this is one of the things I think that Ontario Teachers' tasked us to look at and we're supportive in that.

Simon Irons: Right from the days era we set out with the social purpose in mind. It's empowering for women. It's predominantly a female business. It also provides economic empowerment for mothers that want to continue with their career. I remember going to a Teachers' conference and. Listening to the 30 things that teachers look for in their investing companies, and that was a real guide to me to say, well, actually we do about 15 of these things. Well, the other 15 things we have to, we have to fix. And that involved making a hire of a general council, putting in a whole load of policies and procedures.

Charlotte Hutchings, Chief People Officer, Busy Bees: There's no better intrinsic motivator is there than knowing that you get out of bed every day and the job that you do has a positive impact on other people. And as we get bigger and there's more and more of those other people around the world, that feels fantastic.

Sarah Yates: So what's next for Busy Bees?

Simon Irons: What's next for Busy Bees? We've had additional investment to acquire the Southeast Asian businesses that's been follow on capital to acquire a business called Treetops in the in the UK. We want to continue to grow our Greenfield program has proved to be extremely successful. You build what you want rather than buying something that somebody else created and then and then have to wrestle wrestle it into the shape that you want. And that's been enormously successful. So I think we would be switching and be doing more Greenfield in the in the next 10 years than than M&A.

Marg Randles: I think Busy Bees has been able to maintain its core values because we choose the right partners, we choose the correct management teams, management teams that are aligned with our vision and what we want for children and how we want children to be treated and educated and given the best start in life. And that is very important to us and to Ontario Teachers'.

Narrator: Ontario Teachers' Pension plan investing to make a mark.