

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

Form 424B7

August 12, 2015

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**CALCULATION OF REGISTRATION FEE**

| <b>Title of Each Class of</b>             | <b>Amount to</b>  | <b>Proposed</b>  | <b>Proposed</b>          | <b>Amount of</b>    |
|---|-------------------|------------------|--------------------------|---------------------|
|   | <b>be</b>         | <b>Offering</b>  | <b>Maximum</b>           | <b>Registration</b> |
| <b>Securities to be Registered</b>        | <b>Registered</b> | <b>Price Per</b> | <b>Aggregate</b>         | <b>Fee(1)</b>       |
|   |                   | <b>Share(1)</b>  | <b>Offering Price(1)</b> |                     |
| Common Stock, \$0.001 par value per share | 3,000,000         | \$61.27          | \$183,810,000.00         | \$21,359            |

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(a) of the Securities Act of 1933, as amended. In accordance with Rule 457(c) of the Securities Act of 1933, as amended, the price shown is the average of the high and low selling prices of the Common Stock on August 11, 2015 as reported on the New York Stock Exchange.

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**Filed Pursuant to Rule 424(b)(7)  
File No. 333-194790**

**Prospectus Supplement to Prospectus dated March 25, 2014**

**3,000,000 Shares**

**Bright Horizons Family Solutions Inc.**

**Common Stock**

The selling stockholders named in this prospectus supplement, which include certain of our executive officers and directors, are offering 3,000,000 shares of our common stock. We will not receive any proceeds from the sale of our common stock by the selling stockholders.

Subject to the completion of this offering, we have agreed to purchase from the underwriter 700,000 shares of our common stock that are subject to this offering at a price per share equal to the price per share paid by the underwriter to the selling stockholders in this offering.

Our common stock is listed on the New York Stock Exchange under the symbol BFAM. On August 7, 2015, the last sale price of our common stock as reported on the New York Stock Exchange was \$61.98 per share.

*Investing in our common stock involves substantial risk. Please read **Risk Factors** beginning on page S-8.*

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

|   | <b>Per share</b> | <b>Total (2)</b> |
|---|------------------|------------------|
| Public offering price                             | \$ 61.25         | \$ 183,750,000   |
| Underwriting discounts and commissions (1)        | \$ 0.24          | \$ 552,000       |
| Proceeds to selling stockholders, before expenses | \$ 61.01         | \$ 183,030,000   |

- (1) We have agreed to reimburse the underwriter for certain expenses in connection with this offering. See Underwriting. No underwriting discounts or commissions are payable in respect of the shares being acquired by us.
- (2) The total public offering price does not give effect to the price to be paid by us for the 700,000 shares of common stock being acquired by us.

The underwriter expects to deliver the shares against payment in New York, New York on or about August 14, 2015.

**Barclays**

Prospectus supplement dated August 10, 2015

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**Prospectus Supplement**

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**Prospectus**

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We have not authorized anyone to provide any information or to make any representations other than those contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus are an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus is current only as of the date of the applicable document.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

*Unless otherwise indicated or the context otherwise requires, references in this prospectus supplement to the Company, Bright Horizons, we, us and our refer to Bright Horizons Family Solutions Inc. and its consolidated subsidiaries.*

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this common stock offering and certain other matters relating to us, our business and prospects. The second part, the accompanying prospectus, contains a description of our common stock and certain other information.

The information contained in this prospectus supplement may add, update or change information contained in the accompanying prospectus or in documents that we file or have filed with the Securities and Exchange Commission (the SEC). To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or documents incorporated by reference filed before the date of this prospectus supplement, the information in this prospectus supplement will supersede such information.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights information appearing elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary is not complete and does not contain all of the information that you should consider before investing in our common stock. You should carefully read the entire prospectus supplement, the accompanying prospectus and the financial data and related notes and other information incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding whether to invest in our common stock.*

**Our Company**

We are a leading provider of high-quality child care, early education and other services designed to help employers and families better address the challenges of work and life. We provide services primarily under multi-year contracts with employers who offer child care and other dependent care solutions as part of their employee benefits packages to improve employee engagement, productivity, recruitment and retention. As of June 30, 2015, we had more than 900 client relationships with employers across a diverse array of industries, including more than 140 Fortune 500 companies and more than 80 of *Working Mother* magazine's 2014 100 Best Companies for Working Mothers. Our service offerings include:

Center-based full service child care and early education (representing approximately 86% of our revenue in the year ended December 31, 2014);

Back-up dependent care; and

Educational advisory services.

We believe we are a provider of choice for each of the solutions we offer. As of June 30, 2015, we operated a total of 922 child care and early education centers across a wide range of customer industries with the capacity to serve approximately 106,000 children in the United States, as well as in the United Kingdom, the Netherlands, Ireland, Canada and India. We have achieved satisfaction ratings of approximately 95% among respondents in our employer and parent satisfaction surveys over each of the past five years and an annual client retention rate of 97% for employer-sponsored centers over each of the past ten years.

We have a more than 25-year track record of providing high-quality services and a history of strong financial performance. From 2001 through 2014, we have achieved year-over-year revenue and adjusted EBITDA growth at a compound annual growth rate of 11% for revenue and 17% for adjusted EBITDA. We also achieved year-over-year net income growth at a compound annual growth rate of 23% from 2001 to 2007. In 2008 through 2010, we incurred net losses due primarily to the additional debt service obligations and amortization expense incurred in connection with our going private transaction. In 2011, 2012, 2013 and 2014, our net income grew \$14.8 million, \$3.7 million, \$3.8 million and \$59.7 million, respectively, over the prior year to \$4.8 million, \$8.5 million, \$12.3 million and \$72.0 million, respectively. For the six months ended June 30, 2015, our net income grew \$11.7 million to \$49.5 million compared to the six month period ended June 30, 2014. Our strong revenue growth has been driven by additions to our center base through organic center growth and acquisitions, expansions of our service offerings to back-up dependent care and educational advisory services and consistent annual tuition increases. We have also increased our adjusted EBITDA margin in each year from 2001 through 2014. For the years ended December 31, 2013 and 2014 and the six months ended June 30, 2015, we generated revenue of \$1.2 billion, \$1.4 billion and \$720.9 million, net income of \$12.3 million, which included a loss on extinguishment of debt of \$63.7 million related to our debt refinancing in January 2013, \$72.0 million, and \$49.5 million, adjusted EBITDA of \$208.5 million,

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\$238.1 million and \$140.2 million and adjusted net income of \$78.3 million, \$97.2 million and \$60.2 million, respectively. Additional information regarding adjusted EBITDA and adjusted net income, which are non-GAAP metrics, including a reconciliation of adjusted EBITDA and adjusted net income to net income, is included in the Summary Consolidated Financial and Other Data in this prospectus supplement and the Management's Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference from our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 2, 2015, and the Management's Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference from our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, filed with the SEC on August 7, 2015.

### **Share Repurchase**

We intend to purchase from the underwriter 700,000 shares of our common stock that are subject to this offering at a price per share equal to the price per share paid by the underwriter to the selling stockholders in this offering. We refer to this repurchase as the share repurchase. The share repurchase is part of our existing \$250 million equity repurchase program approved by our board of directors on February 4, 2015. After giving effect to the share repurchase, we will have remaining authorization to repurchase up to approximately \$134.7 million of our common stock under the repurchase program. We intend to fund the share repurchase with cash on hand. The closing of the share repurchase is contingent on the closing of this offering.

The description and the other information in this prospectus supplement regarding the share repurchase is included in this prospectus supplement solely for informational purposes. Nothing in this prospectus supplement should be construed as an offer to sell, or the solicitation of an offer to buy, any of our common stock subject to the share repurchase.

### **Corporate Information**

Our principal executive offices are located at 200 Talcott Avenue South, Watertown, Massachusetts 02472, and our telephone number is (617) 673-8000. Our Internet website address is *www.brighthorizons.com*. The information on, or that can be accessed through, our website is not part of this prospectus supplement or the accompanying prospectus, and you should not rely on any such information in making the decision whether to purchase our common stock.

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**The Offering**

|  |   |
|--|---|
| Common stock offered by the selling stockholders | 3,000,000 shares  |
| Use of proceeds                                  | We will not receive any of the proceeds from the sale of shares of common stock by the selling stockholders.  |
| Dividend policy                                  | We do not currently intend to pay cash dividends on our common stock.   |
| Share repurchase                                 | Subject to completion of this offering, we have agreed to repurchase 700,000 shares of our common stock that are subject to this offering from the underwriter at a price per share equal to the price paid by the underwriter to the selling stockholders in this offering. The closing of the share repurchase is contingent on the closing of this offering. The share repurchase was approved by a special committee of our board of directors, which is comprised entirely of disinterested directors. |
| Risk factors                                     | You should read carefully the information set forth under <b>Risk Factors</b> herein and in the accompanying prospectus for a discussion of factors that you should consider before deciding to invest in our common stock.   |
| New York Stock Exchange trading symbol           | BFAM  |

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**Summary Consolidated Financial and Other Data**

The following table sets forth our summary historical and unaudited consolidated financial data as of the dates and for the periods indicated. The summary historical financial data as of December 31, 2013 and 2014 and for the three years in the period ended December 31, 2014 presented in this table have been derived from our audited consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus. The summary historical financial data as of June 30, 2015 and for the six months ended June 30, 2014 and June 30, 2015 have been derived from our unaudited consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus. The summary historical financial data as of June 30, 2014 has been derived from our unaudited consolidated financial statements as of such date, which are not incorporated by reference into this prospectus supplement or the accompanying prospectus. The summary consolidated balance sheet data as of December 31, 2012 has been derived from our audited consolidated financial statements for such year, which are not incorporated by reference in this prospectus supplement. The unaudited consolidated financial data have been prepared on the same basis as our audited consolidated financial statements, and, in our opinion, all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the financial position, results of operations, and cash flows have been included. The results for any interim period are not necessarily indicative of the results that may be expected for a full fiscal year. Historical results are not necessarily indicative of the results to be expected for future periods. The data in the following table related to adjusted EBITDA, adjusted income from operations, adjusted net income, diluted adjusted earnings per common share, child care and early education centers and licensed capacity are unaudited for all periods presented.

This summary historical consolidated financial and other data should be read in conjunction with the disclosures set forth under **Management's Discussion and Analysis of Financial Condition and Results of Operations** and the consolidated financial statements and the related notes thereto, both of which can be found in our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, both of which are incorporated by reference herein.

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|   | Years Ended December 31,                        |                  |                  | Six Months Ended |                  |
|---|---|------------------|------------------|------------------|------------------|
|   | 2012  | 2013             | 2014             | 2014             | 2015             |
|   | (In thousands, except share and operating data) |                  |                  |                  |                  |
| <b>Consolidated Statement of Operations Data:</b>                         |   |                  |                  |                  |                  |
| Revenue   | \$ 1,070,938                                    | \$ 1,218,776     | \$ 1,352,999     | \$ 680,255       | \$ 720,905       |
| Cost of services  | 825,168   | 937,840          | 1,039,397        | 519,992          | 538,437          |
| Gross profit  | 245,770   | 280,936          | 313,602          | 160,263          | 182,468          |
| Selling, general and administrative expenses                              | 123,373   | 141,827          | 137,683          | 68,608           | 73,735           |
| Amortization of intangible assets   | 26,933  | 30,075           | 28,999           | 15,109           | 13,754           |
| Income from operations  | 95,464  | 109,034          | 146,920          | 76,546           | 94,979           |
| Loss on extinguishment of debt  | -   | (63,682)         | -                | -                | -                |
| Interest income   | 152   | 85               | 103              | 26               | 85               |
| Interest expense  | (83,864)  | (40,626)         | (34,709)         | (17,367)         | (20,469)         |
| Income before income taxes  | 11,752  | 4,811            | 112,314          | 59,205           | 74,595           |
| Income tax (expense) benefit  | (3,243)   | 7,533            | (40,279)         | (21,443)         | (25,144)         |
| Net income  | 8,509   | 12,344           | 72,035           | 37,762           | 49,451           |
| Net income (loss) attributable to non-controlling interest                | 347   | (279)            | -                | -                | -                |
| <b>Net income attributable to Bright Horizons Family Solutions Inc.</b>   | <b>\$ 8,162</b>                                 | <b>\$ 12,623</b> | <b>\$ 72,035</b> | <b>\$ 37,762</b> | <b>\$ 49,451</b> |
| Accretion of Class L preference   | 79,211  | -                | -                | -                | -                |
| Accretion of Class L preference for vested options                        | 5,436   | -                | -                | -                | -                |
| Net (loss) income available to common stockholders                        | \$ (76,485)                                     | \$ 12,623        | \$ 72,035        | \$ 37,762        | \$ 49,451        |
| Allocation of net income (loss) to common stockholders basic and diluted: |   |                  |                  |                  |                  |
| Class L basic and diluted   | \$ 79,211                                       | \$ -             | \$ -             | \$ -             | \$ -             |
| Common stock basic  | \$ (76,485)                                     | \$ 12,623        | \$ 71,755        | \$ 37,617        | \$ 49,121        |
| Common stock diluted  | \$ (76,485)                                     | \$ 12,623        | \$ 71,761        | \$ 37,621        | \$ 49,130        |
| Earnings (loss) per share:  |   |                  |                  |                  |                  |
| Class L basic and diluted   | \$ 59.73  | \$ -             | \$ -             | \$ -             | \$ -             |
| Common stock basic  | \$ (12.62)                                      | \$ 0.20          | \$ 1.09          | \$ 0.57          | \$ 0.80          |
| Common stock diluted  | \$ (12.62)                                      | \$ 0.20          | \$ 1.07          | \$ 0.56          | \$ 0.78          |
| Weighted average shares outstanding:                                      |   |                  |                  |                  |                  |
| Class L basic and diluted   | 1,326,206                                       | -                | -                | -                | -                |
| Common stock basic  | 6,058,512                                       | 62,659,264       | 65,612,572       | 65,590,275       | 61,522,973       |
| Common stock diluted  | 6,058,512                                       | 64,509,036       | 67,244,172       | 67,333,130       | 63,023,803       |
| <b>Consolidated Balance Sheet Data (at period end):</b>                   |   |                  |                  |                  |                  |
| Total cash and cash equivalents   | \$ 34,109                                       | \$ 29,585        | \$ 87,886        | \$ 112,283       | \$ 76,920        |
| Total assets  | 1,916,108                                       | 2,102,670        | 2,141,076        | 2,166,482        | 2,148,670        |
| Total liabilities, excluding debt   | 401,125   | 449,310          | 468,940          | 452,975          | 488,269          |
| Total debt, including current maturities                                  | 906,643   | 764,223          | 921,177          | 761,779          | 918,163          |
| Total redeemable non-controlling interest                                 | 8,126   | -                | -                | -                | -                |
| Class L common stock  | 854,101   | -                | -                | -                | -                |
| Total stockholders' equity (deficit)                                      | (253,887)                                       | 889,137          | 750,959          | 951,728          | 742,238          |
| <b>Other Financial and Operating Data:</b>                                |   |                  |                  |                  |                  |
| Adjusted EBITDA (1)(2)  | 180,851   | 208,541          | 238,081          | 121,784          | 140,245          |
| Adjusted income from operations (1)(2)                                    | 112,482   | 126,850          | 149,620          | 77,096           | 95,325           |
| Adjusted net income (1)(2)  | 37,807  | 78,260           | 97,238           | 50,168           | 60,176           |
| Diluted adjusted earnings per common share (1)(2)                         |   |                  | \$ 1.45          |                  | \$ 0.95          |
| Capital expenditures  | 69,086  | 69,509           | 66,194           | 30,701           | 41,800           |
| Child care and early education centers (at period end)                    | 765   | 880              | 884              | 882              | 922              |
| Licensed capacity (at period end)   | 87,100  | 99,700           | 101,000          | 99,600           | 106,000          |



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- (1) Adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share, as presented below, are metrics used by management to measure operating performance. Adjusted EBITDA represents our earnings before interest, taxes, depreciation, amortization, loss on extinguishment of debt, straight line rent expense, stock compensation expense, the Sponsor management fee, expenses related to the initial and secondary public offerings and refinancing and expenses associated with completed acquisitions. Adjusted income from operations represents income from operations before stock compensation expense, the Sponsor management fee, expenses related to the initial and secondary public offerings and refinancing and expenses associated with completed acquisitions. Adjusted net income represents our net income determined in accordance with generally accepted accounting principles in the United States, or GAAP, adjusted for stock compensation expense, amortization expense, loss on extinguishment of debt, the Sponsor management fee, expenses related to the initial and secondary public offerings and refinancing, expenses associated with completed acquisitions and the income tax expense thereon. Diluted adjusted earnings per common share is a non-GAAP measure calculated using adjusted net income.

|   | Years Ended December 31,                        |                   |                   | Six Months Ended<br>June 30, |                   |
|---|---|-------------------|-------------------|------------------------------|-------------------|
|   | 2012  | 2013              | 2014              | 2014                         | 2015              |
|   | (In thousands, except share and per share data) |                   |                   |                              |                   |
| Net income  | \$ 8,509  | \$ 12,344         | \$ 72,035         | \$ 37,762                    | \$ 49,451         |
| Interest expense, net   | 83,712  | 40,541            | 34,606            | 17,341                       | 20,384            |
| Income tax expense (benefit)  | 3,243   | (7,533)           | 40,279            | 21,443                       | 25,144            |
| Depreciation  | 34,415  | 42,733            | 48,448            | 23,841                       | 24,912            |
| Amortization of intangible assets (a)   | 26,933  | 30,075            | 28,999            | 15,109                       | 13,754            |
| <b>EBITDA</b>   | <b>156,812</b>                                  | <b>118,160</b>    | <b>224,367</b>    | <b>115,496</b>               | <b>133,645</b>    |
| <i>Additional adjustments:</i>  |   |                   |                   |                              |                   |
| Loss on extinguishment of debt (b)  | -   | 63,682            | -                 | -                            | -                 |
| Deferred rent (c)   | 2,142   | 2,985             | 3,092             | 1,315                        | 1,654             |
| Stock-based compensation expense (d)  | 17,596  | 10,692            | 7,922             | 4,423                        | 4,600             |
| Sponsor management fee (e)  | 2,500   | 7,674             | -                 | -                            | -                 |
| Expenses related to the initial and secondary public offerings and refinancing (f)                                | 1,801   | 1,336             | 2,700             | 550                          | 346               |
| Acquisition-related costs (g)   | -   | 4,012             | -                 | -                            | -                 |
| Total adjustments   | 24,039  | 90,381            | 13,714            | 6,288                        | 6,600             |
| <b>Adjusted EBITDA</b>  | <b>\$ 180,851</b>                               | <b>\$ 208,541</b> | <b>\$ 238,081</b> | <b>\$ 121,784</b>            | <b>\$ 140,245</b> |
| Income from operations  | \$ 95,464                                       | \$ 109,034        | \$ 146,920        | \$ 76,546                    | \$ 94,979         |
| Stock-based compensation expense for performance-based awards (2013) and effect of option modification (2012) (d) | 15,217  | 4,968             | -                 | -                            | -                 |
| Sponsor termination fee (e)   | -   | 7,500             | -                 | -                            | -                 |
| Expenses related to the initial and secondary public offerings and refinancing (f)                                | 1,801   | 1,336             | 2,700             | 550                          | 346               |
| Acquisition-related costs (g)   | -   | 4,012             | -                 | -                            | -                 |
| <b>Adjusted income from operations</b>  | <b>\$ 112,482</b>                               | <b>\$ 126,850</b> | <b>\$ 149,620</b> | <b>\$ 77,096</b>             | <b>\$ 95,325</b>  |
| Net income  | \$ 8,509  | \$ 12,344         | \$ 72,035         | \$ 37,762                    | \$ 49,451         |
| Income tax expense (benefit)  | 3,243   | (7,533)           | 40,279            | 21,443                       | 25,144            |
| Income before tax   | 11,752  | 4,811             | 112,314           | 59,205                       | 74,595            |
| Stock-based compensation expense (d)  | 17,596  | 10,692            | 7,922             | 4,423                        | 4,600             |
| Sponsor management fee (e)  | 2,500   | 7,674             | -                 | -                            | -                 |
| Amortization of intangible assets (a)   | 26,933  | 30,075            | 28,999            | 15,109                       | 13,754            |
| Expenses related to initial and secondary public offerings and refinancing (f)                                    | 1,801   | 1,336             | 2,700             | 550                          | 346               |
| Acquisition-related costs (g)   | -   | 4,012             | -                 | -                            | -                 |
| Loss on extinguishment of debt (b)  | -   | 63,682            | -                 | -                            | -                 |
| Adjusted income before tax  | 60,582  | 122,282           | 151,935           | 79,287                       | 93,295            |
| Adjusted income tax expense (h)   | 22,775  | 44,022            | 54,697            | 29,119                       | 33,119            |

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|   |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>Adjusted net income</b>                        | <b>\$ 37,807</b> | <b>\$ 78,260</b> | <b>\$ 97,238</b> | <b>\$ 50,168</b> | <b>\$ 60,176</b> |
| Weighted average number of common shares diluted  |                  |                  | 67,244,172       |                  | 63,023,803       |
| <b>Diluted adjusted earnings per common share</b> |                  |                  | <b>\$ 1.45</b>   |                  | <b>\$ 0.95</b>   |

- (a) Represents amortization of intangible assets, including approximately \$20.0 million in the years 2012, 2013 and 2014 and approximately \$10.0 million in the six months ended June 30, 2014 and 2015, associated with intangible assets recorded in connection with our going private transaction in May 2008, pursuant to which a wholly owned merger subsidiary of investment funds affiliated with Bain Capital Investors, LLC was merged with and into Bright Horizons Family Solutions Inc.
- (b) Represents redemption premiums and write off of unamortized debt issue costs and original issue discount associated with indebtedness that was repaid in connection with a refinancing.

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- (c) Represents rent in excess of cash paid for rent, recognized on a straight line basis over the lease life in accordance with ASC Topic 840, *Leases*.
- (d) Represents non-cash stock-based compensation expense, including performance-based stock compensation expense in 2013.
- (e) Represents fees paid to our Sponsor under a management agreement, including the Sponsor termination fee.
- (f) Represents costs incurred in connection with secondary offerings of common stock in June 2013, March 2014, December 2014, and June 2015, costs incurred in connection with the initial public offering of common stock completed in January 2013 and costs in connection with the November 2014 amendment to the credit agreement.
- (g) Represents costs associated with the acquisition of businesses.
- (h) Represents income tax expense using the estimated rate that would have been in effect after considering the adjustments, which was approximately 36% for the years ended December 31, 2013 and 2014, 38% for the year ended December 31, 2012, and approximately 37% and 36% for the six months ended June 30, 2014 and 2015.

- (2) Adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are not presentations made in accordance with GAAP, and the use of the terms adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share may differ from similar measures reported by other companies. We believe that adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share provide investors with useful information with respect to our historical operations.

We present adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share as supplemental performance measures because we believe they facilitate a comparative assessment of our operating performance relative to our performance based on our results under GAAP, while isolating the effects of some items that vary from period to period. Specifically, adjusted EBITDA allows for an assessment of our operating performance and of our ability to service or incur indebtedness without the effect of non-cash charges, such as depreciation, amortization, the excess of rent expense over cash rent expense and stock-based compensation expense, and the effect of fees associated with our Sponsor management agreement, which was terminated in connection with the completion of our initial public offering on January 30, 2013, as well as the expenses related to the acquisition of businesses. In addition, adjusted income from operations and adjusted net income allow us to assess our performance without the impact of the specifically identified items that we believe do not directly reflect our core operations. These measures also function as benchmarks to evaluate our operating performance.

This prospectus supplement also includes information concerning adjusted EBITDA margin, which is defined as the ratio of adjusted EBITDA to revenue. We present adjusted EBITDA margin because it is used by management as a performance measurement to judge the level of adjusted EBITDA generated from revenue. We believe its inclusion is appropriate to provide additional information to investors and other external users of our financial statements. Adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are not measurements of our financial performance under GAAP and should not be considered in isolation or as an alternative to income before taxes, net income, net cash provided by operating, investing or financing activities or any other financial statement data presented as indicators of financial performance or liquidity, each as presented in accordance with GAAP. We understand that although adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are frequently used by securities analysts, lenders and others in their evaluation of companies, they have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share do not fully reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;

adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share do not reflect changes in, or cash requirements for, our working capital needs;

adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future; and

adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share do not reflect any cash requirements for such replacements.

Because of these limitations, adjusted EBITDA, adjusted income from operations, and adjusted net income should not be considered as discretionary cash available to us to reinvest in the growth of our business or as measures of cash that will be available to us to meet our obligations.

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**RISK FACTORS**

*An investment in our common stock involves various risks. You should carefully consider the following risks and all of the other information contained in this prospectus supplement and the accompanying prospectus before investing in our common stock. In addition, you should read and consider the risk factors associated with our business included in the documents incorporated by reference in this prospectus supplement, including our Annual Report on Form 10-K for the year ended December 31, 2014. See Where You Can Find More Information. The risks described below and incorporated herein by reference are those which we believe are the material risks that we face. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment in our common stock.*

**Risks Related to Our Common Stock and this Offering**

***Our stock price could be extremely volatile, and, as a result, you may not be able to resell your shares at or above the price you paid for them.***

Since our initial public offering in January 2013, the price of our common stock, as reported on the New York Stock Exchange, has ranged from a low of \$27.50 on January 25, 2013 to a high of \$66.06 on August 5, 2015. In addition, the stock market in general has been highly volatile. As a result, the market price of our common stock is likely to be similarly volatile, and investors in our common stock may experience a decrease, which could be substantial, in the value of their stock, including decreases unrelated to our operating performance or prospects, and could lose part or all of their investment. The price of our common stock could be subject to wide fluctuations in response to a number of factors, including those described elsewhere in this prospectus supplement or the accompanying prospectus and others such as:

variations in our operating performance and the performance of our competitors;

actual or anticipated fluctuations in our quarterly or annual operating results;

publication of research reports by securities analysts about us or our competitors or our industry;

our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;

additions and departures of key personnel;

strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;

the passage of legislation or other regulatory developments affecting us or our industry;

speculation in the press or investment community;

changes in accounting principles;

terrorist acts, acts of war or periods of widespread civil unrest;

natural disasters and other calamities; and

changes in general market and economic conditions.

In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

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*We are no longer a controlled company within the meaning of the New York Stock Exchange listing rules. However, we may continue to rely on exemptions from certain corporate governance requirements during the one year transition period.*

As of December 10, 2014, our Sponsor no longer controls a majority of the voting power of our outstanding common stock. As a result, we are no longer a controlled company under the New York Stock Exchange rules. Consequently, under the New York Stock Exchange corporate governance rules, we will be required to comply with certain corporate governance requirements including:

the requirement that a majority of the board of directors consist of independent directors;

the requirement that we have a nominating and corporate governance committee with a written charter addressing the committee's purpose and responsibilities;

the requirement that the nominating and corporate governance committee have at least one independent director as of the date we are no longer a controlled company, a majority of independent directors as of 90 days of the date we are no longer a controlled company, and be composed entirely of independent directors within one year of the date we are no longer a controlled company;

the requirement that we have a compensation committee with a written charter addressing the committee's purpose and responsibilities;

the requirement that the compensation committee have at least one independent director as of the date we are no longer a controlled company, a majority of independent directors as of 90 days of the date we are no longer a controlled company, and be composed entirely of independent directors within one year of the date we are no longer a controlled company; and

the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees. During the transition periods, we intend to continue to utilize the available exemptions from certain corporate governance requirements as permitted by the New York Stock Exchange rules. Accordingly, during the transition periods, you will not have the same protections afforded to stockholders of companies that are subject to all of the New York Stock Exchange corporate governance standards.

Further, certain provisions of our certificate of incorporation and bylaws were automatically triggered when our Sponsor's beneficial ownership became less than 50% of our outstanding shares, including the need for super majority approval to amend, alter, change or repeal specified provisions of our certificate of incorporation and bylaws, a prohibition on the ability of our stockholders to act by written consent and certain limitations on the ability of our stockholders to call a special meeting. See "Description of Capital Stock" in the accompanying prospectus.

*Your percentage ownership in us may be diluted by future issuances of capital stock, which could reduce your influence over matters on which stockholders vote.*

Pursuant to our restated bylaws, our board of directors has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock, including shares issuable upon the exercise of options, or shares of our authorized but unissued preferred stock. Issuances of common stock or voting preferred stock would reduce your influence over matters on which our stockholders vote and, in the case of issuances of preferred stock, would likely result in your interest in us being subject to the prior rights of holders of that preferred stock.

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*There may be sales of a substantial amount of our common stock after this offering by our current stockholders, and these sales could cause the price of our common stock to fall.*

As of August 4, 2015, there were 60,686,444 shares of common stock outstanding. Of our issued and outstanding shares, all the common stock sold in our initial public offering, in the offering by certain selling shareholders completed in June 2013 (the June 2013 follow-on offering), in the offering by certain selling shareholders completed in March 2014 (the March 2014 follow-on offering), in the offering by certain selling shareholders completed in December 2014 (the December 2014 follow-on offering), in the offering by certain selling shareholders completed in June 2015 (the June 2015 follow-on offering), or this offering will be freely transferable, except for any shares held by our affiliates, as that term is defined in Rule 144 under the Securities Act. Following completion of this offering based on the shares outstanding as of August 4, 2015, and after giving effect to the share repurchase, approximately 36.4% of our outstanding common stock will be beneficially owned by investment funds affiliated with the Sponsor and our officers and directors.

Each of our directors, executive officers and significant equity holders (including affiliates of the Sponsor) has entered into a lock-up agreement with the underwriter, which regulates their sales of our common stock for a period of 30 days after the date of this prospectus supplement, subject to certain exceptions (including contributions to charitable organizations which may freely resell the contributed shares and up to 39,365 shares which may be transferred by directors and officers pursuant to trading plans established prior to the date of this prospectus supplement under Rule 10b5-1 under the Exchange Act).

Sales of substantial amounts of our common stock in the public market after this offering, or the perception that such sales will occur, could adversely affect the market price of our common stock and make it difficult for us to raise funds through securities offerings in the future. Of the shares to be outstanding after the offering, the shares sold in our initial public offering, the shares sold in the June 2013 follow-on offering, the shares sold in the March 2014 follow-on offering, the shares sold in the December 2014 follow-on offering, the shares sold in the June 2015 follow-on offering, and the shares offered by this prospectus supplement will be eligible for immediate sale in the public market without restriction by persons other than our affiliates. Our remaining outstanding shares will become available for resale in the public market as shown in the chart below, subject to the provisions of Rule 144 and Rule 701.

| Number of Shares | Date Available for Resale  |
|------------------|--|
| 2,247,529        | On the date of this offering   |
| 20,962,124       | 30 days after the date of this offering (September 9, 2015), subject to certain exceptions and automatic extensions in certain circumstances |

Beginning 30 days after this offering, subject to certain exceptions, holders of shares of our common stock may require us to register their shares for resale under the federal securities laws, and holders of additional shares of our common stock would be entitled to have their shares included in any such registration statement, all subject to reduction upon the request of the underwriters of the offering, if any. Registration of those shares would allow the holders to immediately resell their shares in the public market. Any such sales or anticipation thereof could cause the market price of our common stock to decline.

In addition, we have registered 5,000,000 shares of common stock that are reserved for issuance under our 2012 Omnibus Long-Term Incentive Plan.

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*Provisions in our charter documents and Delaware law may deter takeover efforts that could be beneficial to stockholder value.*

In addition to the Sponsor's beneficial ownership of a substantial percentage of our common stock, our certificate of incorporation and by-laws and Delaware law contain provisions that could make it harder for a third party to acquire us, even if doing so might be beneficial to our stockholders. These provisions include a classified board of directors and limitations on actions by our stockholders. In addition, our board of directors has the right to issue preferred stock without stockholder approval that could be used to dilute a potential hostile acquiror. Our certificate of incorporation also imposes some restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock other than the Sponsor. As a result, you may lose your ability to sell your stock for a price in excess of the prevailing market price due to these protective measures, and efforts by stockholders to change the direction or management of the Company may be unsuccessful. See Description of Capital Stock.

*Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.*

Our certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our by-laws, or (iv) any other action asserting a claim against us that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our certificate of incorporation described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers