



G8 Education^{ltd}

Appendix 4E Preliminary Final Report

Name of Entity	G8 Education Limited
ABN	95 123 828 553
Reporting period – year ended	31 December 2017
Previous Corresponding period – period ended	31 December 2016

Results for Announcement to the Market

	Percentage change Up or Down	%		\$'000
Revenue from ordinary activities	up	2%	to	795,759
Profit from ordinary activities after tax attributable to members	-	0%	to	80,581
Profit for the period attributable to members	-	0%	to	80,581

Dividends	Amount per Security	Franked amount per security
March 2017 Interim Dividend - paid	6.0 cents	100%
June 2017 Interim Dividend - paid	6.0 cents	100%
September 2017 Interim Dividend - paid	6.0 cents	100%
Final Dividend – Current reporting period	Nil	Nil
Record date for determining entitlements to dividends (if any)	Not applicable	
Date Dividend is payable	Not applicable	
Details of any dividend reinvestment plan in operation	Not applicable	
The last date for receipt of an election notice for participation in any dividend reinvestment plan	Not applicable	

Net Tangible Assets (NTA)	December 2017	December 2016
Net Tangible Assets per security	(50.0 cents)	(102.9 cents)

Brief explanation of any figures reported above necessary to enable the figures to be understood

Execution of the Group's strategy progresses as scheduled during the year. Our strategy, which is centred on engaging and developing our centre based teams and providing an engaging care and education experience for our families, is projected to show occupancy growth in our centres over time. Further earnings growth will be achieved by profitably growing our centre network and building a differentiated market leading offer for families.

A total of 37 new centres were added to the Group in locations across Australia and Singapore and 22 centres were divested during the period.

From a financial perspective the Group reported total revenues of \$795m, up 2% and net profit after tax of \$80.5m, in line with prior year. Underlying group EBIT was \$156.0m down 3% in comparison to the same reporting period last year. Further adjusting underlying EBIT for Long Day Care Professional Development Program funding impacts, the Group generated a 2.2% increase on prior year.

Underpinning this performance were improvements in cost management including wage efficiency in the LFL centres and contributions from centres acquired in the 2016 and 2017 year.

Commentary on Results

Refer to attached Chairperson's Report and Managing Directors' Report of the Annual Report.

Financial Highlights (Non-IFRS, unaudited)

	2017 \$'000	2016 \$'000	Variance
Consolidated Year end 31 December			
Revenue [#]	795,759	777,470	2%
Expenses	(644,881)	(616,779)	5%
Net Financing Cost	(33,097)	(46,022)	(28%)
Net Profit Before Tax	117,781	114,669	3%
Net Profit After Tax	80,581	80,265	0%
Add/(Less) non-operating transactions:			
Contingent consideration not paid*	(243)	(2,500)	
Acquisition related expenses	3,965	2,574	
Share based payment expense *	(108)	(105)	
Write off of borrowing costs* [^]	5,201	7,474	
(Gain)/loss on disposal of assets/centres	1,542	-	
Foreign currency translation loss* [^]	1,936	5,634	
Underlying Net Profit After Tax	92,874	93,342	(1%)
Underlying EPS (cents per share)^{^^}	21.80	24.68	(12%)
Earnings Before Interest and Tax	150,878	160,691	
Add/(Less) non-operating transactions:			
Contingent consideration not paid*	(243)	(2,500)	
Acquisition expenses	3,965	2,574	
Share based payment expense	(108)	(105)	
(Gain)/loss on disposal of assets/centres	1,542	-	
Underlying Earnings Before Interest and Tax^{^^^}	156,034	160,660	(3%)

[#] Excludes interest income of \$1.0m from revenue and included in financing costs (2016: \$1.0m)

*Non-Cash adjustments

[^]Tax adjusted

^{^^}Underlying EPS equals Underlying NPAT divided by weighted average number of shares

^{^^^}Underlying EBIT equals NPAT plus income tax expense plus net finance costs plus non-operating transactions

Balance Sheet with notes

Refer 2017 Consolidated Financial Report attached:

- Balance Sheet
- Notes to the financial statements as shown.

Statement of Comprehensive Income with notes

Refer 2017 Consolidated Financial Report attached:

- Statement of Comprehensive Income
- Notes to the financial statements as shown.

Income Statement with notes

Refer 2017 Consolidated Financial Report attached:

- Income Statement
- Notes to the financial statements as shown.

Statement of Cash Flows with notes

Refer 2017 Consolidated Financial Report attached:

- Statement of Cash Flow
- Notes to the financial statements as shown.

Dividends

Refer 2017 Consolidated Financial Report attached:

- Note 20 to the financial statements as shown.

Statement of Changes in Equity

Refer 2017 Consolidated Financial Report attached:

- Statements of Changes in Equity

Compliance Statement

This report is based on the financial report that has been audited by G8 Education Limited's external auditors.



Gary Carroll

Managing Director

24 February 2018