ASX Announcement

G8 Education Limited
(ASX:GEM)

G8 Education[ltd]

26 February 2018

G8 Education Announces its Full Year Audited Results for the Financial Year Ended 31 December 2017

Financial Highlights:

- Revenue: $795.8m, up 2.4%
- Underlying Earnings Before Interest and Tax: $156.0m, up 2.2% after adjusting for LDCPDP funding
- Underlying Net Profit after Tax: $92.9m, in line with pcp
- Underlying Earnings per share 21.8 cents, down 11.7%

In announcing the result, G8 Education Limited Managing Director, Gary Carroll commented:
"At the start of 2017, our primary goal was to lay the foundation for the Group to grow sustainably into the future - reducing staff turnover by engaging and developing our team, recruiting the right leaders, improving the quality of our centres and strengthening our balance sheet. We have delivered against all of these targets.

As outlined in our December 2017 trading update, market conditions were challenging during the year with significant levels of new supply and continued weak demand growth having an impact on occupancy levels. Against that backdrop, generating growth in underlying EBIT was a creditable result. The final result was slightly short of previous guidance, driven by higher discounts and increased investment in resourcing for our recently acquired centres and our kindergarten rooms. It was pleasing to see our disciplined centre development and acquisition strategy performing in line with expectations and providing positive signs of continued future growth.

Looking forward, the increase in Government funding that is due to commence in July 2018 is forecast to drive increased demand in the sector. The foundations that we have laid in 2017 provide us with the opportunity to benefit from any increased demand that may flow from the increased funding.

Occupancy has been stable during January, with committed forward bookings heading in the right direction. With a strong balance sheet, national network, a committed acquisition pipeline, top quality executive leadership team in place and a clear strategy, we are in a very good position to grow earnings in 2018 and beyond."

ENDS

Gary Carroll
Managing Director