



PRESENTATION TO MORGANS QUEENSLAND CONFERENCE

11 OCTOBER 2018

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AGENDA

- **OVERVIEW OF G8 EDUCATION**
- **UPDATE ON G8'S STRATEGY**
- **Q&A**

Presented by Gary Carroll - CEO

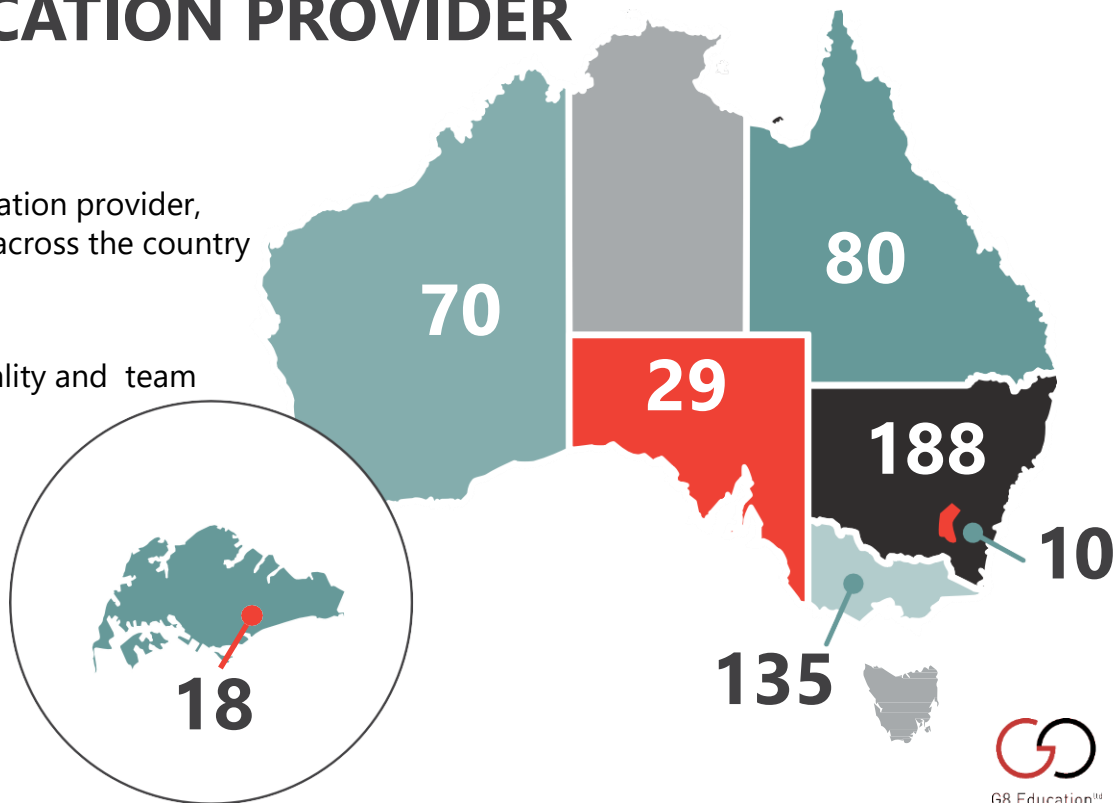


OVERVIEW OF G8 EDUCATION

AUSTRALIA'S LEADING LISTED EARLY EDUCATION PROVIDER

HIGHLIGHTS

- ✓ Australia's largest for-profit early education provider, with a network of around 500 centres across the country
- ✓ Growing through:
 - continued investment in service quality and team member development
 - Scale-led innovation; and
 - disciplined network growth





UPDATE ON G8'S STRATEGY

THERE IS AN OPPORTUNITY TO LEVERAGE SCALE TO DRIVE INNOVATION AND CREATE A SUSTAINED CUSTOMER EXPERIENCE ADVANTAGE

Elements of scale	Competitive advantage
People and capability	<ul style="list-style-type: none">• Ability to create a focus on innovation to create and maintain a sector leading customer experience• Ability to recruit and retain the best team to innovate and execute – sustained by supportive cultural elements• Ability to invest in the team, technology and other resources to innovate and execute• Ability to monitor new trends and influences, as well as global competitor developments, to provide the best intelligence for innovation efforts
Customer data	
Capital and resources	
Economies	

Required supporting cultural elements

Own the Outcome

Grow Courageously

Foster Great Partnerships

Engage and Inspire

Think Bigger and Better

Reflect, Plan and Embed

A values based and performance culture will be imperative to establishing and sustaining the scale competitive advantage

G8's STRATEGY IS ABOUT UTILISING SCALE TO OPERATE THE MOST APPEALING CENTRES IN ITS CHOSEN LOCATIONS

Purpose

(Why does G8 exist?)

We ignite the love of learning in every child

Vision

(What does G8 want to be recognised for, to build and achieve?)

To be the world class early childhood educator that is parents first choice to take care of their child

Identity

(What does G8 stand for?)

The champion of early childhood learning

Strategic priorities

(What must be addressed or achieved?)

Build a great team

CM and AM work routines defined & standardised

CM learning & development program

Culture & Engagement

Strengthen the foundation

Quality & Compliance Program

Centre Refurb Program

Education strategy

Create sustainable differentiation

CRM, including call centre

Customer experience

Innovation

Continue profitable growth

Wage management/ new rostering system

Network growth and optimisation

Near-term key initiatives

(What key activities must be executed to deliver on the priorities?)

PROGRESS ON STRATEGIC INITIATIVES: (1) BUILD A GREAT TEAM

Strategic Initiatives	Update and Upcoming Activities	
	2018	2019
CM & AM Work Routines, CM learning and development program	<ul style="list-style-type: none"> Design of CM and AM work routines underway – on track for completion by 31/12/18 Behavioural profiling of CMs complete – to feed into CM L&D program, with program content to be built by 31/3/2019 	<ul style="list-style-type: none"> Embed CM and AM work routines Roll-out of CM L&D program Roll-out of enhanced induction and onboarding program
Culture and Engagement	<ul style="list-style-type: none"> Employee journey mapped and employee survey completed – key employee pain points identified for all journey stages Refresh of purpose, vision, values and identity on track for completion by 31/12/18 	<ul style="list-style-type: none"> Roll-out of enhanced EVP Develop an engaging team hub for best practice sharing Engagement program to address pain points

Targeted Impact

- Program delivery is on track
- Team turnover reduction on track – CM turnover of 3%pts lower than pcp
- Centre Manager stability expected to add circa 2% to centre occupancy at maturity

PROGRESS ON STRATEGIC INITIATIVES: (2) STRENGTHEN THE FOUNDATION

Strategic Initiatives	Update and Upcoming Activities	
	2018	2019
Education Strategy	<ul style="list-style-type: none"> Recruitment of Head of Early Education and Learning well underway – on target to be completed by 31/12/18 Build of standardised curriculum on track to be completed by 31/3/19 	<ul style="list-style-type: none"> Roll-out standardised curriculum to centres
Quality and Compliance Program and Centre Refurb Program	<ul style="list-style-type: none"> Phase 1 of NQF training underway – on track to be completed by 31/12/18 On track to complete around 170 refurbishment activities in 2018, covering floors, painting, yards, kitchens, bathrooms 	<ul style="list-style-type: none"> Roll-out Phase 2 of NQF training and internal audit program Continue refurb program, including external/street presentation

Targeted Impact

- 2018 NQS audit results are in line with expectations
- Centre appeal and Quality impacts occupancy – circa 2% uplift in occupancy potential via improvement in centre appeal and quality over the medium term

PROGRESS ON STRATEGIC INITIATIVES: **(3) CREATE SUSTAINABLE DIFFERENTIATION**

Strategic Initiatives	Update and Upcoming Activities	
	2018	2019
CRM and Call Centre	<ul style="list-style-type: none"> Call Centre RFP underway, with call centre to be implemented across all centres by 31/3/19 	<ul style="list-style-type: none"> Embed call centre into all centres Design enhanced CRM platform for roll-out in 2020
Customer Experience and Innovation	<ul style="list-style-type: none"> Customer journey mapped and “moments that matter” identified Innovation pilots covering reading program, allied health and pre-school learning environment currently underway 	<ul style="list-style-type: none"> Roll-out customer experience standards to win moments that matter Build and roll-out holistic customer offer platform

Targeted Impact

- Call centre is forecast to increase occupancy by around 1.5%pts once well established and at maturity based on pilot results
- Customer experience standards are expected to reduce churn – targets currently being confirmed
- Differentiated customer offer expected to increase attraction and retention – targets to be developed as platform is built

PROGRESS ON STRATEGIC INITIATIVES: (4) CONTINUE PROFITABLE GROWTH

Strategic Initiatives	Update and Upcoming Activities	
	2018	2019
Wage Management/Roster System	<ul style="list-style-type: none"> Roster system design currently underway – RFP on target to be completed by 31/1/19 	<ul style="list-style-type: none"> Roll-out of new roster system in Q2 2019, with roll-out complete by Q3 2019
Network Growth and Optimisation	<ul style="list-style-type: none"> Greenfield pipeline development has been adjusted to reflect current market conditions 5 centres closed in H1 2018 	<ul style="list-style-type: none"> Greenfield pipeline completed by 30/6/2019

Targeted Impact

- Roll-out of committed greenfield pipeline is the key focus for next 12 months – incremental EBIT opportunity is significant at maturity
- Selected divestments (approx. 5-10 centres per year) to optimise portfolio on track
- Roster solution benefits to be finalised as part of RFP, with initial benefits estimated to be \$7-9 million pa once fully operational



Q&A



THANK YOU



G8 Education^{ltd}