ASX Announcement

G8 Education Limited
(ASX:GEM)

25 February 2025

The Manager
Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam

I enclose the Investor Presentation for the full year ended 31 December 2024 for G8 Education Limited.

Yours faithfully

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Company Secretary
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Authorised for release by G8 Education Limited's Board of Directors

G8 EDUCATION LIMITED

2024 Full Year Results Presentation

25 February 2025

G8 Education ltd

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Acknowledgement of Country

G8 Education acknowledges the Traditional Owners of the lands on which we operate and pays our respects to Elders past and present.

We recognise that Aboriginal and Torres Strait Islander peoples have been nurturing and teaching children on these lands for thousands of years.

We are grateful for the opportunity to work, learn and grow connections together as a united community.

Walking together. Learning together. Growing together.

AGENDA

SUMMARY AND PROGRESS

Pejman Okhovat

FINANCIAL PERFORMANCE

Steven Becker

CURRENT TRADING AND OUTLOOK

Pejman Okhovat

QUESTIONS

Pejman Okhovat and Steven Becker

APPENDIX

SUMMARY AND PROGRESS

G8 Education ltd

EVERYTHING IN OUR WORLD STARTS WITH CHILDREN

We are driven by our purpose in ***"Creating the foundations for learning for life"***

G8 Education ltd

Our values

Dedication	Compassion	Passion	Integrity	Innovation

TEAM
Having a capable and confident team, motivated by their passion, aligned by our culture and values

QUALITY
Delivering a high-quality environment that protects children, is safe and enables wellbeing

FINANCIAL SUSTAINABILITY
Ensuring G8 is serving its communities for decades, we are sustainable, regenerative and financially strong

EDUCATION & INCLUSION
Our pedagogy and developmental programs are highly regarded, inclusive, prepare children for school, and a point of difference

OPERATING MODEL
Our operating model is efficient, enabling a productive team, able to deal with challenges, and deliver great outcomes

FAMILY EXPERIENCE
Creating great experiences for our families, building trust and confidence in our services, and become top of mind

KEY MESSAGES

Delivering a "fit core" has enabled G8 group to build momentum and deliver another year of great results

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SUBSTANTIAL STRIDES MADE IN GROWING AND SUPPORTING OUR TEAM

- Team retention increased along with improved team engagement delivering stability of workforce
- Continued reduction in team vacancy rates and lower dependency on agency usage
- Focus on family engagement delivering improved NPS
- Safety focus and improved educational programs for children delivering strong quality results
- Participated in successful bargaining of the Multi-Employer Agreement resulting in 10% pay increase for centre team

STRONG EARNINGS GROWTH

- CY24 H2 continued to deliver strong revenue and earnings growth vs pcp
- Occupancy remained above prior year in CY24, on a backdrop of tough macro-economic conditions and cost of living pressures
- Delivered a well-controlled cost base through wage management and strategic procurement activity
- Proactive network optimisation with 18 centres divested, 9 surrenders and 3 new centres during the year

BALANCE SHEET REMAINS CONSERVATIVE

- Solid operating performance supporting strong cash conversion and low leverage
- Successful debt refinancing providing adequate liquidity optionality
- Further enhancing shareholder value through commencement and continuation of share buy-back

At G8 Education we are committed to providing safe, high-quality care and education that empowers children to thrive

1. Frequency refers to average bookings per child per week

FINANCIAL OVERVIEW

Strong financial management of our activities resulting in solid earnings and dividend growth

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OPERATING

Excludes non-trading[1] items and includes lease interest expense

	% change vs pcp
Revenue $1,017.7m	↑ 3.3%
Operating Costs $902.7m	↑ 2.0%
EBIT $115.0m	↑ 14.3%
NPAT $72.4m	↑ 14.2%

REPORTED

Statutory

	% change vs pcp
Revenue $1,021.8m	↑ 3.5%
EBIT $152.8m	↑ 14.8%
NPAT $67.7m	↑ 20.8%
EPS 8.4c	↑ 21.1%
DPS 5.5c	↑ 22.2%

GROUP OCCUPANCY

All references to occupancy include all centres

Occupancy

70.7% ↑ 0.3% pts *vs. CY23*

Current Occupancy - week ended 16 February 2025

61.8% (Spot) ↓ 3.5% pts *vs. PCP*

65.0% (YTD) ↓ 1.9% pts *vs. PCP*

Key factor of driving our growth:

- Occupancy for CY24 finished above pcp, slightly softening in H2, as affordability impacts families and enquiries as seen sector wide
- Spot occupancy is trending lower than pcp with later than usual start of enrolments at the beginning of CY25
- Continued wage optimisation and strategic procurement activities delivering a well controlled cost base
- Fully franked final dividend of 3.5c, taking total dividend to 5.5c up 22.2% vs pcp, reflecting strong earnings, representing 65% of reported NPAT

Note: All measures are relative to the prior corresponding period unless otherwise stated

1. Refer to Note 7 of G8 Annual Report for non-trading items

ENVIRONMENTAL, SOCIAL AND GOVERNANCE HIGHLIGHTS

Shaping a resilient, inclusive and sustainable future for all stakeholders

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Governance

Materiality Assessment Completed Materiality Assessment refresh and Value Chain Mapping to identify key ESG priorities

Sector Advocacy
Successfully advocated for and executed fully funded wage subsidy via multi-employer agreement

Compliance Management
Implemented digitised compliance management system to provide visibility and real time information

Website Unification
Completed website unification project enhancing functionality and cybersecurity

Service Quality

Quality Centres
93% of centres are “meeting” or “exceeding” the NQS

Reconciliation Action Plan
Completed 100% of year 1 Reflect Reconciliation Action Plan deliverables

Educational Excellence
94% of centres are “meeting” or “exceeding” NQS Quality Area 1 – Educational program and practice

Family Engagement
NPS **50** up 6pts vs pcp

Educational Advisory Committee
Convened 3 meetings to promote thought leadership and guidance

Our People

Team Engagement
Engagement score of **78%** which is 2% above the sector benchmark [1]

Reduced Agency Usage
84% reduction in agency usage expenses compared to pcp

Study Pathways
Over **2,300** team members engaged in G8’s study pathways program

Board and Leadership Diversity
>50% female Board and Executive Leadership Team

ECT Vacancies
56% reduction in ECT vacancies

Environment

Emissions
More than **14%** reduction in Scope 1 and Scope 2 emissions compared to pcp[2]

Debt refinancing
Sustainability Linked Loan
Renewed sustainability linked loan with increased emissions targets

Hybrid Fleet
Transitioned **89%** of car fleet to hybrid vehicles in CY24

Renewable Energy
More than **9.7%** reduction in grid electricity usage, with **6.8%** of total energy usage generated by solar

Environmental Education
98% centres assessed as "meeting" or "exceeding" NQS QA3[3]

1. Benchmarking conducted by Qualtrics. Sector benchmark is a global benchmark covering education, care and broader not-for profit. Australian benchmark is across all sectors
2. Does not include any bottled LPG or consumption met by on-site solar generation
3. NQS Element QA3 includes 3.2.3 (the service cares for the environment and supports children to become environmentally responsible

BALANCED SCORECARD

Delivering strong results across all our strategic focus areas

Strategic focus area	Measure	CY24 (Actual)	Progress CY23 to CY24
Team	Team retention	77%	↑ 3% pts
Family Experience	NPS	50	↑ 6 pts
Quality	% of centres meeting or exceeding National Quality Standard (NQS)	93%	↑ 3% pt
Education & Inclusion	% of centres meeting or exceeding Quality Area 1 of NQS[1]	94%	↑ 1% pt
Operating Model	Occupancy	70.7%	↑ 0.3% pt
Financial Sustainability	EBIT margin[2]	11.3%	↑ 1.1% pt

1. Quality Area 1 – Educational program and practice of NQS. The aim of Quality Area 1 is to ensure that the educational program and practice is stimulating and engaging and enhances children's learning and development. 2. Operating EBIT less lease interest

TEAM

Successfully enhanced workforce engagement and capability through key people and culture initiatives

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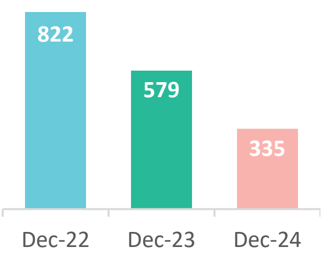
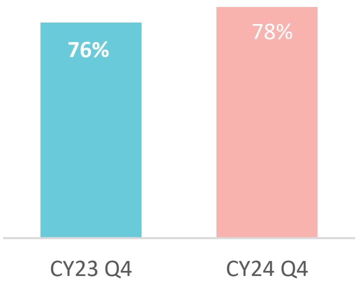
ATTRACTING TEAM

- Effective recruitment initiatives continue to deliver improved team results:
  - Lower vacancies (42% lower than pcp)
  - Decreased time to fill rates (26% lower than pcp)
- Employee engagement improved from 76% to 78% being above sector averages

Vacancies



Team engagement

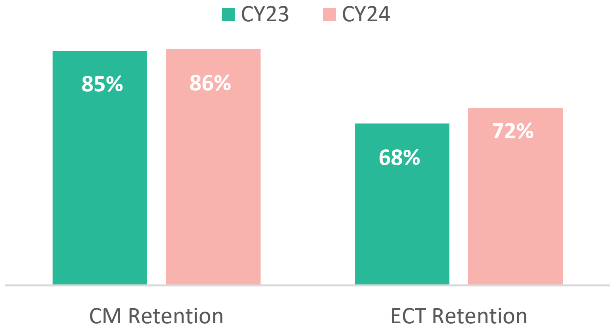


Strong recruitment initiatives delivering stability of workforce

RETAINING TEAM

- Successfully bargained as the only large provider for a sector wide multi-employer agreement securing a Federal Government funded 10% pay increase in CY24 and an additional 5% in December CY25 for our centre team members
- Designed and implemented new capability framework for all centre and support office roles
- Differentiated Remuneration Framework designed to recognise and reward our top performing Centre, Area and Regional Managers

Centre Manager (CM) and ECT retention

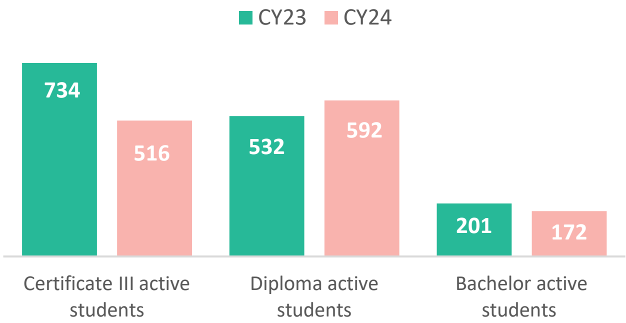


Successful bargaining of MEA for increased pay for centre team

GROWING OUR OWN TALENT

- Targeted approach to student enrolments informed by workforce planning to better drive placement of qualified graduates
- Continued investment in professional development and higher education
- Federal and state-based funding initiatives executed to upskill team
- Implemented new learning management system to further enhance capability

G8 student enrolments



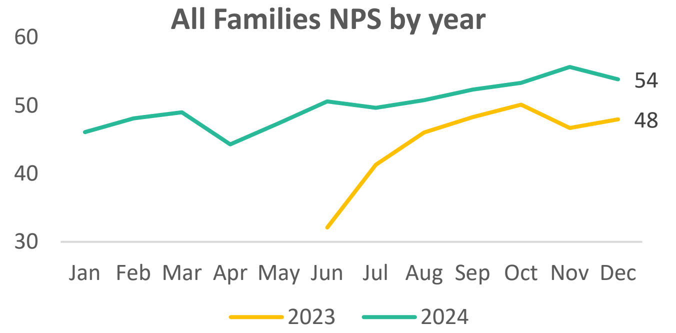
Strengthening our workforce through investment in higher education for team

FAMILY EXPERIENCE

Targeted improvements in family experience have led to improved NPS

NPS

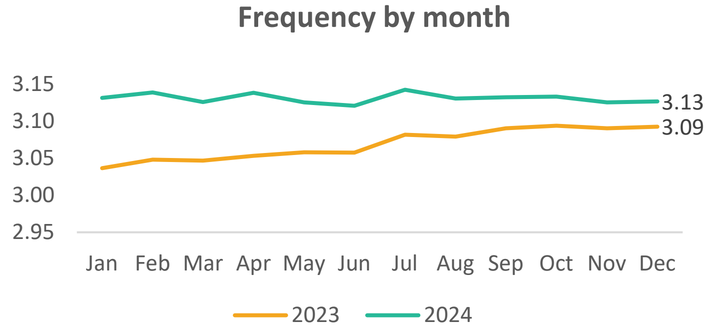
- Targeted focus on key drivers of family experience has continually improved NPS in CY24
- Ease of enrolment has improved significantly from a family perspective as a direct result of introduction of the call centre



Targeted focus on customer journey leading to positive NPS outcomes

FREQUENCY[1]

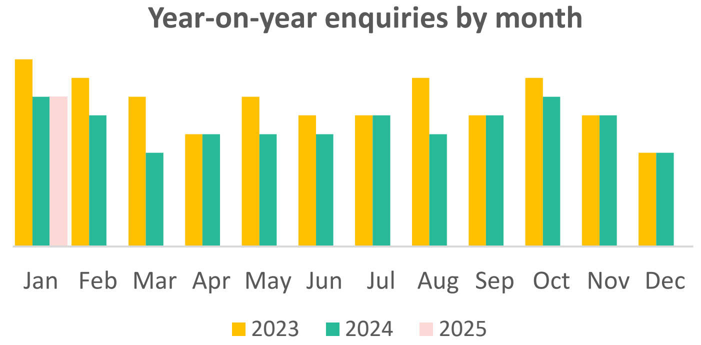
- Frequency continues to perform above pcp however affordability remains a challenge for families evident in the flattening of frequency
- Free Kindy initiative from state governments assisting in affordability for 3 to 5-year-olds and supporting frequency



Government kindy initiatives assisting with 3 to 5-year-old enrolments

FAMILIES – NEW AND EXISTING

- Enquiries across the sector were lower than pcp, and started to improve towards Q4
- Our marketing activities ensured enquiries remained stable in Q4 vs pcp
- Enriched customer journey led to improved conversion vs pcp



Enquiries remain a challenge sector wide

1. Frequency refers to average bookings per child per week

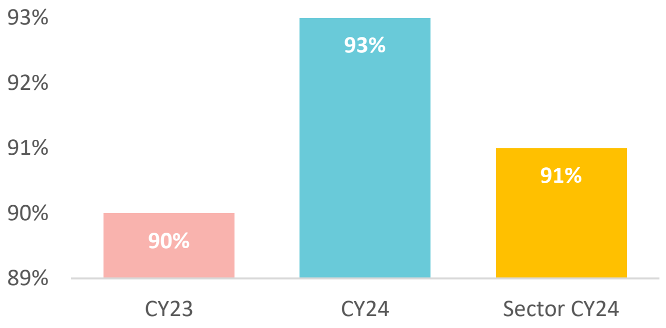
QUALITY, EDUCATION AND INCLUSION

Strengthening teacher proficiency and implementing digital compliance system driving improved quality results

QUALITY

- Quality ratings remain above sector with focus on:
  - Quality communication with families sharing their children's learning, development and wellbeing
  - Utilising new digital compliance management system to increase visibility and accountability
  - Converting working towards centres and lifting overall ratings

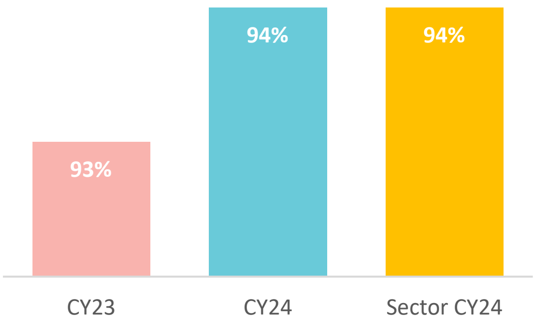
G8 meeting/exceeding % vs. sector average[1]



EDUCATION

- Increasing teachers in the network to support educational program delivery together with delivery of state based funded programs for 3 & 4-year-olds
- Continued to strengthen our teacher proficiency through professional development and increase team studying to become teachers
- The Digital Literacies@Play program expanded in Victoria and NSW with favourable feedback from families and team
- G8 participated in 3 showcase sessions at the national Early Childhood Conference being a finalist in the sector national awards

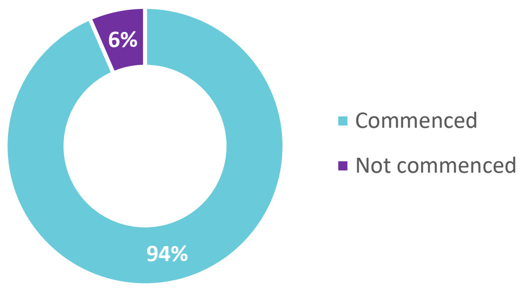
G8 meeting/exceeding QA1[2] % vs. sector average



INCLUSION

- Reconciliation Action Plan (RAP) launched supporting embedding practices aligned to the updated national curriculum
- Expanded programs supporting children's social and emotional wellbeing and child protection
- Connections with inclusion support program providers strengthened to further support inclusive programs in centres
- Increase of 11% of inclusion support funded hours in CY24

% of G8 Network with commenced or published RAP



1. For long day care services 2. Quality Area 1 – Educational program and practice of NQS

OPERATING MODEL

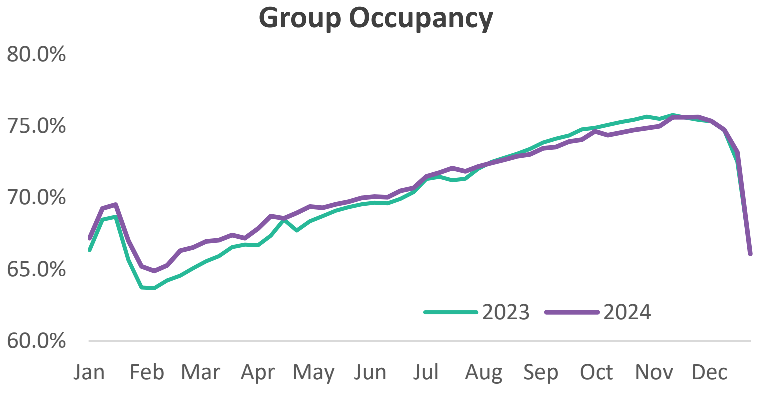
Occupancy performed well in a challenging market

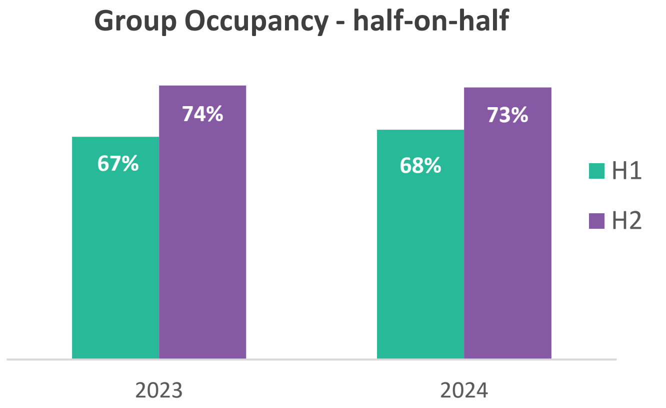
OPERATING MODEL

- Play books driving consistency and accountability through the network
- Introduced performance dashboard to centre teams enabling improved insights and informed decision-making to drive performance
- Targeted focus to drive improved performance in centres through optimising our around centre support teams
- Website unification project has provided an improved user experience, content and mobile experience, improving website conversion
- Roll out of digital initiatives resulting in strengthening our ability to improve performance and drive value and productivity

OCCUPANCY

- Occupancy for CY24 was 70.7%, 0.3% pts above CY23
- CY24 H2 saw occupancy soften as results of lower enquiries vs pcp and affordability impacting families
- Portfolio optimisation contributed to positive occupancy outcomes in CY24
- Supply in CY24 trended at average historical rates seen in the sector with CY24 Q4 seeing a slight increase





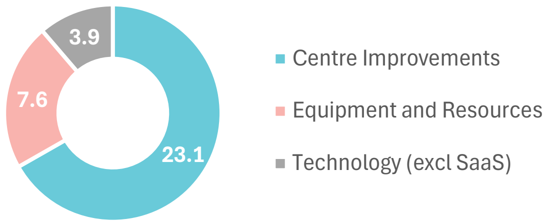
FINANCIAL SUSTAINABILITY

Building financial sustainability through strong operating cashflow, earnings growth and solid balance sheet

CAPITAL ALLOCATION

- Operating cash flow remains strong reflected in low leverage and gearing ratios
- Capex in CY24 was slightly higher than pcp, an additional c$7m of unspent funds will be carried forward to CY25 to invest in network upgrades
- Total fully franked dividend of 5.5c up 22.2% vs pcp, representing 65% of reported NPAT
- Net debt increased vs pcp due to class action payment and divestments
- Share buyback is progressing strongly with purchases totalling $18.4m in CY24 at an average price per share of $1.35

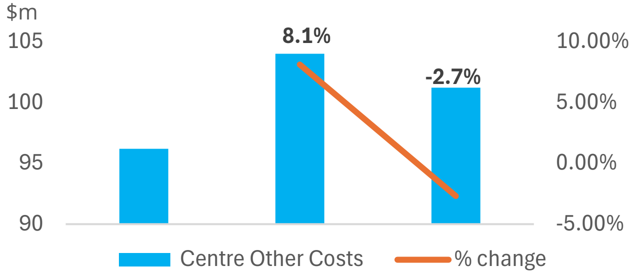
Capex (excl SaaS) = $34.6m vs $34.5m in pcp



COST MANAGEMENT

- Cost base has been well managed across group activities
- Our strategic procurement initiatives continue to reduce operational costs
- Reduction in agency usage assisted in reducing centre wage % of revenue
- Support office headcount remained stable vs pcp

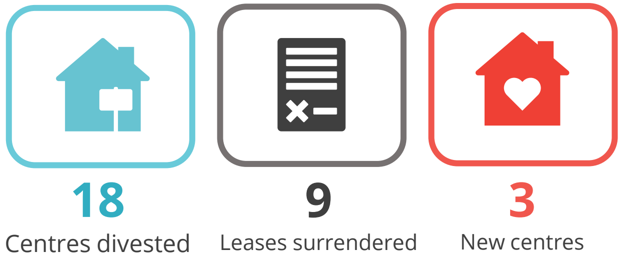
Centre other costs year-on-year



NETWORK OPTIMISATION

- CY24 network optimisation saw 18 centres divested, 9 surrendered and 3 new centres
- Continue to pursue opportunities in the market for the remaining centres previously announced in CY23
- Network optimisation will continue as part of BAU activity where opportunities will be assessed against key operating metrics

Network optimisation delivers positive earnings outcomes



FINANCIAL PERFORMANCE

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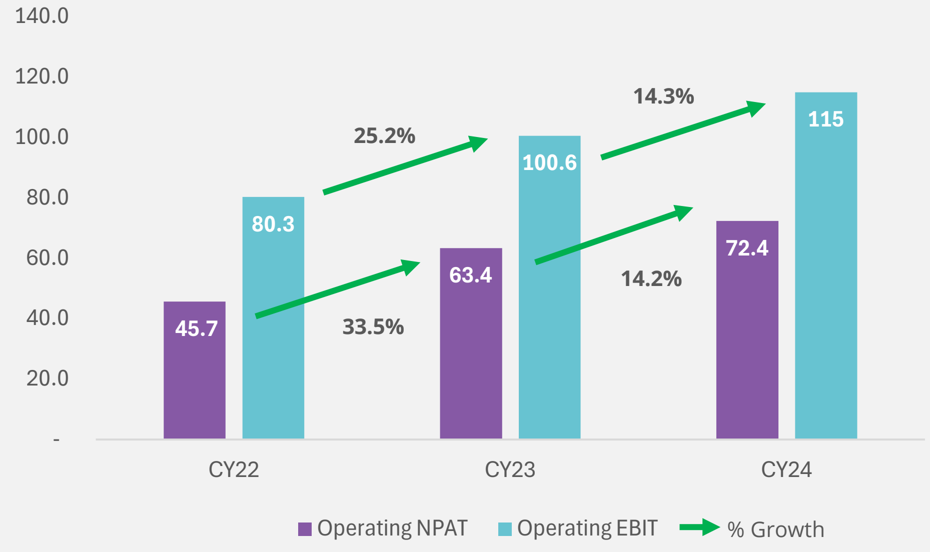
GROUP PERFORMANCE

Strong group performance is a result of improved centre operations and financial management

Operating and statutory NPAT growth is a result of revenue growth along with effective cost management across our centres and support office:

- Benefits of strategic procurement have accelerated margin growth in CY24
- Underlying support office cost control remains strong
- Finance costs increase slightly in line with net debt
- Effective tax rate remained consistent year-on-year
- Non-trading items primarily relate to portfolio optimisation

Operating EBIT & Operating NPAT growth year-on-year



$m	CY24	CY23	Change
Group operating revenue	**1,017.7**	**985.3**	**3.3%**
Centre operating EBIT	179.3	162.7	10.2%
Network support costs[1]	(64.3)	(62.1)	3.5%
Group operating EBIT[2]	**115.0**	**100.6**	**14.3%**
Group operating EBIT[2] margin	*11.3%*	*10.2%*	*1.1%*
Net finance costs[3]	(10.6)	(10.0)	6.0%
Tax[4]	(32.0)	(27.2)	17.6%
Operating NPAT	**72.4**	**63.4**	**14.2%**
Operating NPAT margin	*7.1%*	*6.4%*	*0.7%*
SaaS expense	(0.7)	(4.9)	
Net loss on centre exits	(1.2)	(3.9)	
Net restructuring, regulatory and legal costs[5]	-	(7.4)	
Net impairment (expense) / reversal	(2.8)	8.9	
Total non-trading items (after tax)	**(4.7)**	**(7.3)**	**(35.2%)**
Reported NPAT	**67.7**	**56.1**	**20.8%**

1. Includes Leor (ceased operation CY24 Q1) 2. Operating EBIT (adjusted for leases) = Reported EBIT ($152.8m) – Lease Interest (note 21 Annual Report $44.5m) + Non-trading items ($6.7m) 3. Excludes interest expense on lease liabilities. 4. Tax before non-trading items. Refer to note 7 of the G8 Financial Report for tax benefit from non-operating items. 5. Net restructuring costs have been moved from non operating to operating in CY24

CENTRE PERFORMANCE

Occupancy growth and well managed cost base driving strong centre performance

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- Centre performance delivered strong operating and statutory NPAT with centre margin improving by 1.1%pt vs pcp driven by:
  - Revenue growth of 3.4% driven by increase in occupancy vs pcp and increase to fees in response to inflationary pressures
  - Employment cost benefits continued to be driven by effective workforce planning and continuous focus on agency usage - resulting in a 1.6%pts reduction vs pcp
  - Other expenses have remained steady with benefits from strategic procurement delivering benefits particularly in property, food and consumables costs
  - Divestments have contributed to the overall positive EBIT and margin outcomes which will continue in CY25

Centre performance

$m	CY24	CY23	Change
Group occupancy	**70.7%**	**70.4%**	**0.3%**
Revenue	**1014.2**	**981.1**	**3.4%**
Employment costs	573.2	559.8	2.4%
Rent Proxy[1]	129.6	125.2	3.5%
Depreciation	31.0	29.5	5.2%
Other	101.2	104.0	(2.7%)
Centre Expenses	**834.9**	**818.5**	**2.0%**
Centre operating EBIT[2]	**179.3**	**162.7**	**10.2%**
Centre EBIT[2] Margin	**17.7%**	**16.6%**	**1.1%**

Centre costs as a % of centre revenue

%	CY24	CY23	Change
Employment costs	56.5%	57.1%	(0.5%) pts
Rent	12.8%	12.8%	(0.0%) pts
Depreciation	3.1%	3.0%	0.1% pts
Other	10.0%	10.6%	(0.6%) pts

1. Proxy for rent expense comprising lease depreciation, lease interest and outgoings
2. Centre Operating EBIT (adjusted for leases)

CURRENT TRADING AND OUTLOOK

CURRENT TRADING AND OUTLOOK

Family engagement and activity in the sector improving following a later than usual seasonal start

TRADING UPDATE

- Group '**spot**' occupancy 61.8%, 3.5% pts lower than pcp and 65.0% **YTD** 1.9% pts lower than pcp[1]
  - Change to school holiday periods slightly changing the seasonal occupancy trends resulting in later than normal enrolments
  - Optimising our call centre to deliver improved response times
  - Targeted marketing activity to drive enquiries
  - Focusing on conversion and family retention
- Maintaining our rigour on competitive performance, operational execution and family experience
- Fee increase of 4.32% implemented in January 25 mitigating inflationary impacts
- Capital allocation framework to deliver:
  - Capex CY25 c$45m, including a roll-over of c$7m from CY24 unspent funds due to timing
  - Network optimisation ongoing, with 2 centres divested post 31 December 2024
  - Share buy-back will continue in CY25, YTD total purchases of c$25m at an average price per share of $1.35

1. For week ending 16 February 2025

OUTLOOK

Confident of our operational execution in challenging environments, and anticipation of improving macro factors, we remain cautiously optimistic for a more positive CY25

- Momentum in enquiries and tours are building, following a slow start
- Anticipate more favourable macro factors including increased female workforce participation, easing inflation, lower interest rates and unemployment will start to improve childcare participation
- Whilst cost of living pressures continue to be an issue, with interest rate cut, families outlook for CY25 is more positive
- Access to 3 days a week of guaranteed subsidised childcare, removing the activity test, for families passes through parliament starting from January 2026
- Workforce challenges, no longer a critical issue for G8 in CY25

Our near-term focuses are:

Team: maintaining our team engagement and building capability

Family: continue to provide great experience and drive inquiries

Operations: drive occupancy and performance

Safety & Quality: deliver safe and high-quality services every day

Cost Management: maintain a disciplined approach to capital and cost management

Strategy: executing horizon 2, 'enhanced core', of our strategic plan, enabling the consideration of future growth strategies

QUESTIONS

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APPENDIX

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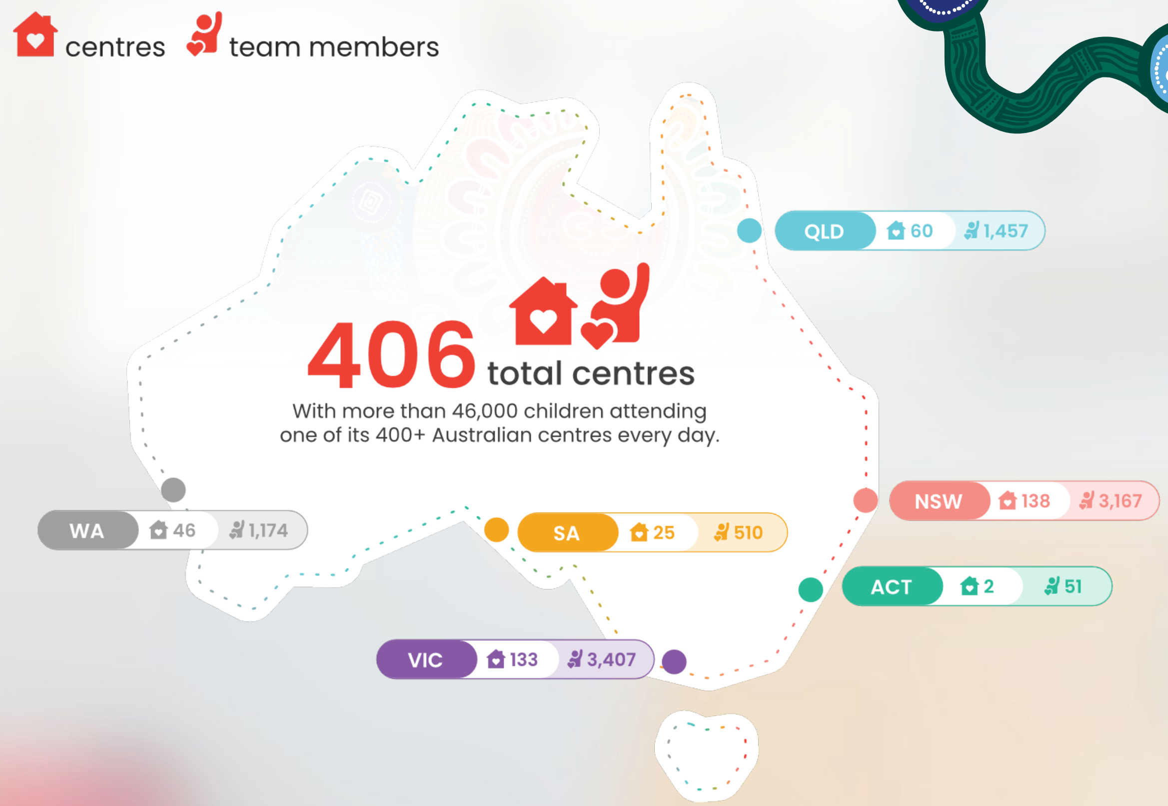
FINANCIAL STATEMENTS

Consolidated Income Statement

$m	CY24	CY23	% change
Continuing operations			
Revenue	1,015.3	983.4	3.2%
Other income	6.5	3.6	80.6%
Total	**1,021.8**	**987.0**	**3.5%**
Expenses			
Employment costs	(621.2)	(603.0)	3.0%
Property, utilities and maintenance costs	(53.1)	(50.5)	5.1%
Direct costs	(34.2)	(36.3)	(5.8%)
Software as a service (SaaS) expense	(1.0)	(7.0)	(85.7%)
Depreciation and amortisation	(104.6)	(103.0)	1.6%
Net impairment (expense) / reversal	(4.0)	13.6	(129.4%)
Other expenses	(49.6)	(66.1)	(25.0%)
Finance costs	(56.5)	(53.7)	5.2%
Profit before income tax	**97.7**	**81.1**	**20.5%**
Income tax expense	(30.0)	(25.1)	19.5%
Reported NPAT	**67.7**	**56.1**	**20.8%**

Total centres and centre team members



FINANCIAL STATEMENTS

G8 Education ltd

Balance Sheet

$m	31 December 2024	31 December 2023
ASSETS		
Current assets		
Cash and cash equivalents	47.7	40.3
Trade and other receivables	20.7	22.4
Government funding receivables	9.0	1.3
Other current assets	13.5	14.4
Total current assets	**90.9**	**78.4**
Non-current assets		
Property plant and equipment	136.3	138.8
Right of use assets	529.2	528.0
Deferred tax assets	97.5	101.6
Intangible assets	1,048.7	1,049.4
Investment in an associate	0.9	0.8
Other non-current assets	3.9	5.9
Total non-current assets	**1,816.5**	**1,824.4**
Total assets	**1,907.4**	**1,902.8**
LIABILITIES		
Current liabilities		
Trade and other payables	83.5	72.2
Contract liabilities	6.9	9.0
Government funding liabilities	13.9	2.4
Current tax liability	10.2	13.0
Borrowings	0.6	1.3
Lease liabilities	71.9	81.3
Provisions	75.5	106.1
Total current liabilities	**262.5**	**285.3**
Non-current liabilities		
Borrowings	114.0	99.0
Lease liabilities	597.5	596.6
Provisions	17.1	16.4
Total non-current liabilities	**728.6**	**712.0**
Total liabilities	**991.1**	**997.3**
Net assets	**916.3**	**905.5**
EQUITY		
Contributed equity	879.4	897.8
Reserves	140.0	108.5
Retained earnings	(103.1)	(100.8)
Total equity	**916.3**	**905.5**

Gearing ratio

$m	31 December 2024	31 December 2023
Non-current borrowings	114.0	99.0
Cash and cash equivalents	47.7	40.3
Net Debt[1]	**66.3**	**58.7**
Gearing ratio (%)[2]	**7%**	**6%**

1. Net Debt excludes lease liabilities and current borrowings for insurance premium funding
2. Gearing ratio = Net Debt (excludes lease liabilities) / (Net Debt (excludes lease liability) + Equity).

CASH FLOW

Cash flow

$m	CY24	CY23	% change
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	1,021.7	989.9	3.2%
Payments to suppliers and employees (inclusive of GST)	(772.8)	(740.4)	4.4%
Interest received	1.4	1.7	(17.6%)
Interest paid (non-leases)	(9.9)	(11.2)	(11.6%)
Interest paid (leases)	(44.5)	(38.6)	15.3%
Income taxes (paid) / received	(28.8)	0.1	
Net cash inflows from operating activities	**167.1**	**201.5**	**(17.1%)**
Cash flows from investing activities			
Payments for contingent consideration	-	(0.6)	(100.0%)
Payments for purchase of intangible assets	(0.6)	(0.9)	(33.3%)
Payments for divestments and surrender fees	(11.7)	(11.6)	0.9%
Proceeds from the sale of property, plant and equipment	-	0.1	(100.0%)
Payments for property plant and equipment	(31.9)	(43.7)	(27.0%)
Acquisition of investment in associate	(0.1)	-	-
Net cash outflows from investing activities	**(44.3)**	**(56.7)**	**(21.9%)**
Cash flows from financing activities			
Dividends paid	(40.5)	(28.3)	43.1%
Principal elements of lease payments	(69.9)	(76.9)	(9.1%)
Buy back of equity (including transaction costs)	(18.4)	(5.2)	253.8%
Payments for purchase of treasury shares	-	(2.1)	(100.0%)
Net proceeds / (repayments) from borrowings	14.3	(29.7)	(148.1%)
Borrowing costs paid	(0.9)	(0.1)	800.0%
Net cash outflows from financing activities	**(115.4)**	**(142.3)**	**(18.9%)**
Net increase in cash and cash equivalents	7.4	2.5	196.0%
Cash and cash equivalents at the beginning of the year	40.3	37.8	6.6%
Cash and cash equivalents at the end of the year	**47.7**	**40.3**	**18.4%**

CASH FLOW ALLOCATION

Operating cash flow
$133m

Strong cash conversion[1]
116%

Capital related outflows
$32.5m[3]

Dividend payment
$40.5m

Free cash flow [2]
$60m

Investment in growth

Divestments and surrenders $11.7m

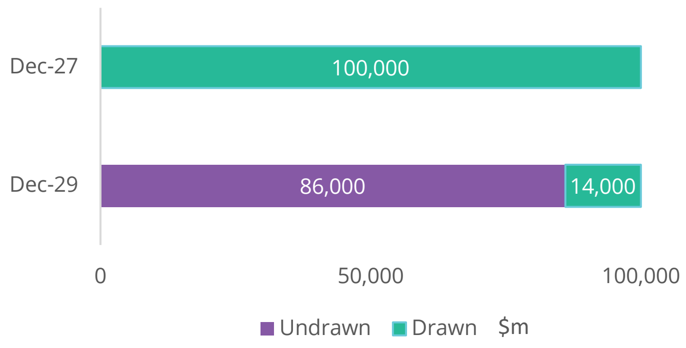
Return excess capital

Share buy-backs $18.4m

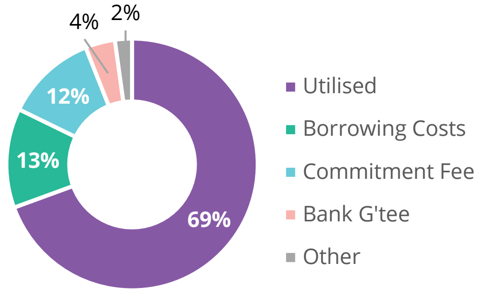
Other

Class action payment $35.0m
SaaS $1.0m
Borrowing costs $0.9m

Debt Maturity Profile



CY24 interest expense

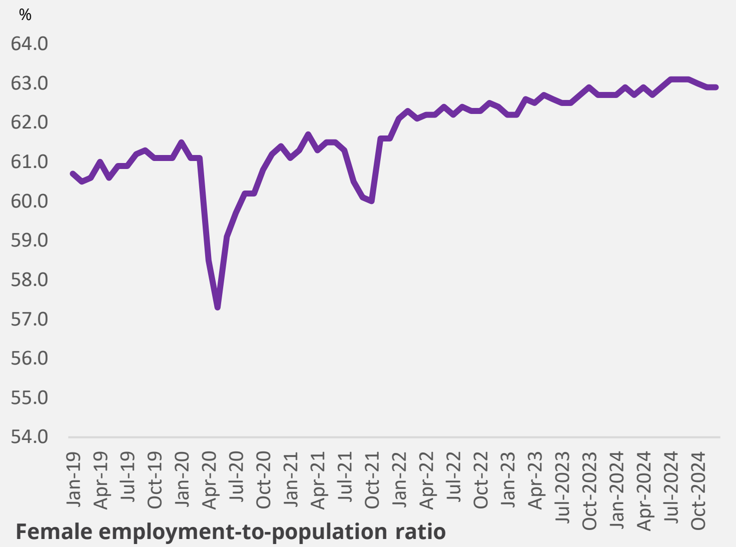


1. Cash conversion = (Operating cash flow plus SaaS, wage remediation, class action payment and after lease payments and before interest and tax)/Operating EBIT plus depreciation non-leases.
2. Free cashflow = (Operating cash flow after lease payments, interest and tax) less capex and dividends
3. Cash outflow relating to capex including payments for purchase of intangible assets, proceeds from the sale of property, payments for property, plant and equipment. See cash flow.

FUNDAMENTALS SUPPORTING DEMAND GROWTH

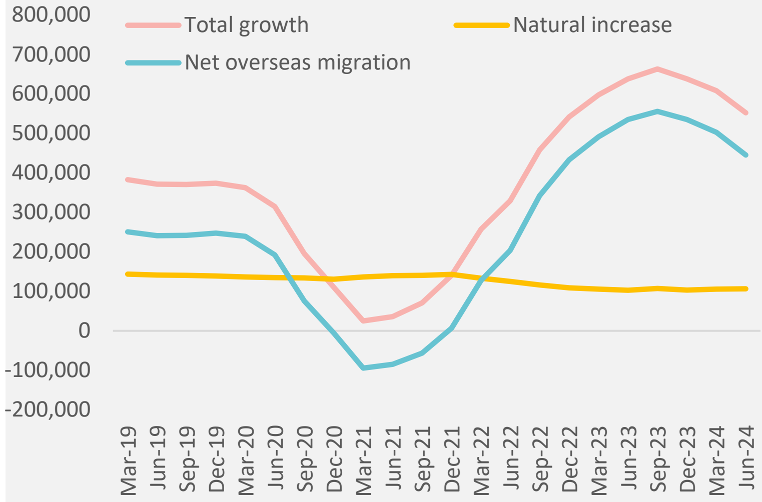
G8 Education ltd

Female participation continues to increase



Female employment-to-population ratio
Source: ABS

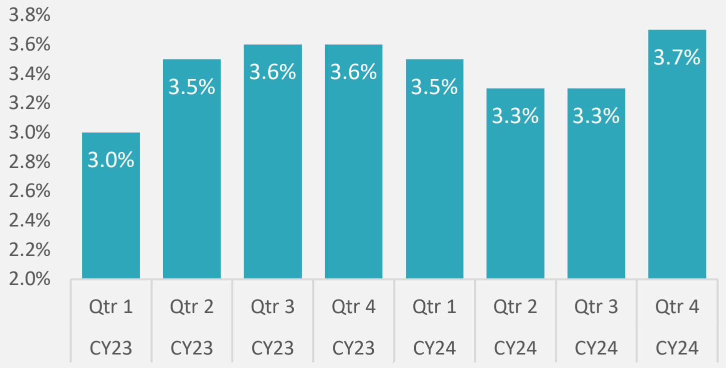
Net migration trending higher



Components of annual population change
Source: ABS

Net supply growth trending at historical rates

Year-on-Year supply change by quarter



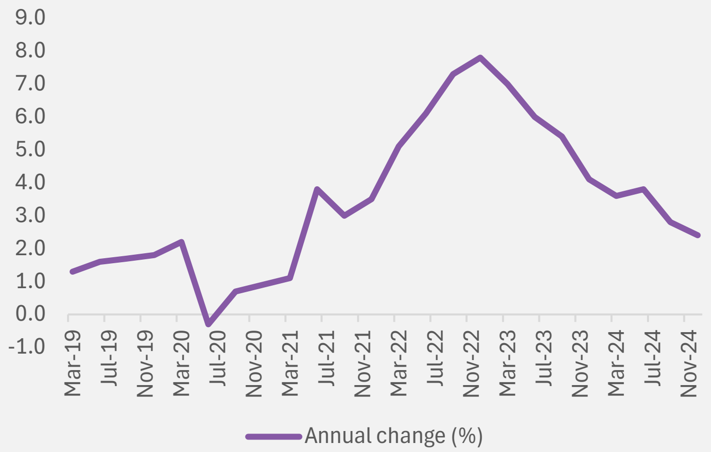
Female participation grows assisting in childcare participation

Net migration continues to track above pre covid levels

Net supply growth has remained consistent in CY24 with prior year trends

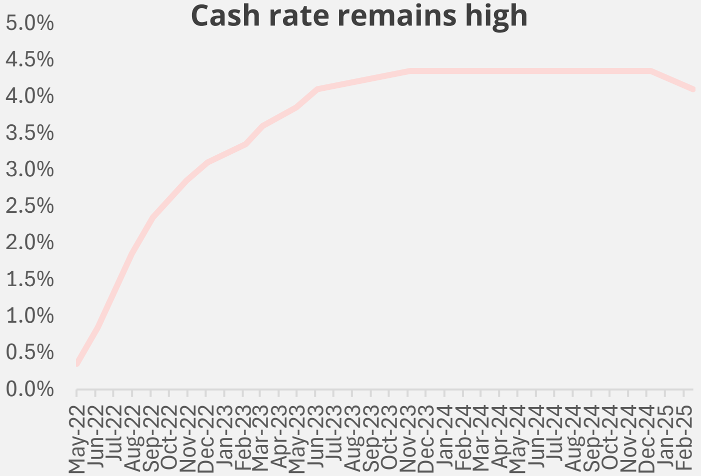
MACRO DYNAMIC INFLUENCING AFFORDABILITY

CPI trending downwards



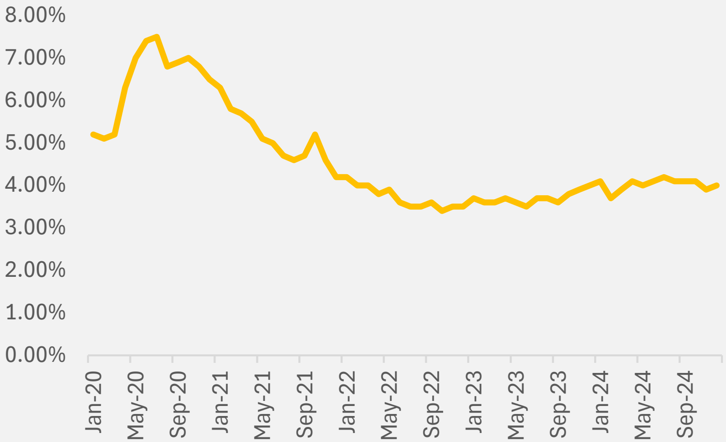
All groups CPI – Annual change %
Source: ABS

Cash rate remains high



Cash rate
Source: RBA

Unemployment remains low



Female employment-to-population ratio %
Source: ABS

CPI easing

Cash rate reduced February 2025, the first time since 2020, helping ease affordability issues for families

Unemployment continues to trend low

FINALISED MAJOR INQUIRIES

Government remains committed to establishing a universal early learning and care system and to actively engaging with key ECEC stakeholders

ACCC
Child Care Inquiry

- First Interim Report - July 2023 - Sector observations
- Second Interim Report - September 2023
  - 18 findings and 7 draft recommendations
- Final Report – January 2024
  Key recommendations/ findings:
  - Current demand-side support (Child Care Subsidy) remain for adequately served markets
  - For under-served and unserved markets, Government to perform a market stewardship role and subsidise the supply of services in these areas
  - Profits are not excessive
  - Not recommending the introduction of direct price controls

Productivity Commission
ECEC Inquiry

- Terms of reference - February 2023
- Initial submissions - May 2023
- Draft report - November 2023
- Public hearings - February 2024
- Final inquiry report handed to Government on 28 June 2024. Key recommendations/ findings:
  - Provision of universal ECEC access to all children, supported by the Government funding for thin markets
  - Promoting greater affordability among lower income families
  - Exploring improved governance effectiveness
  - Recommended a continuation of current funding system, with higher subsidies for lower income families, as more effective compared to a supply-side funding model

Government response to Productivity Commission
ECEC Inquiry

1. Three-day guarantee
   - From January 2026, all children will be entitled to at least 3 days' subsidised ECEC each week
   - Legislation to enact guarantee was passed on 13 February 2025
2. Intention to establish a "Building early education fund"
   - A new $1 billion fund to build ECEC centres including in the outer suburbs and regional Australia
   - $500 million in grants for providers and state and local governments to establish new services. Grants will be targeted to priority and underserved markets
3. Service delivery prices
   - A project to establish a data-driven understanding of the reasonable costs for ECEC service delivery
   - The project will inform future reforms to the sector

MULTI-EMPLOYER AGREEMENT

Higher wages now being paid to all centre team members and contributing to improving retention and engagement levels

2023

Application made to the **FWC** for participation in **MEB**

This process facilitates tripartite negotiations between unions, employers and government

G8 voluntarily consented to be involved and advocate strongly

SEPTEMBER 2023
FWC approved authorisation

2024

MAY 2024
Draft Multi-employer Bargaining Agreement well progressed

AUGUST 2024
Government commits to fund a substantial wage increase

AUGUST 2024
Fee increase in the next 12 months from 8 August 2024 capped at 4.4%

DECEMBER 2024
MEA signed by the parties and approved by FWC

DECEMBER 2024
A 10% wage increase comes into effect and paid to team

2025

DECEMEBER 2025
A further 5% wage increase in December

Observations

- Government has committed to a 15% pay increase over 2 years to ECEC workers as a Worker Retention Payment (WRP):
  - The first payment increase of 10% commenced in December 2024
  - The second payment increase of 5% will start in December 2025
- As a condition of receiving the WRP, fee growth is capped at 4.4% from August 2024 to August 2025 and to 4.2% for the following twelve months

Next steps

- There is uncertainty over whether the Government will fund the WRP beyond the current 2-year period. G8 continues to constructively engage with the Government and other key stakeholders to resolve this uncertainty