



Investing in the future
of childcare.



G8 Education^{ltd}

G8 Education – Annual General Meeting

G8 Education Limited (ASX:GEM)

21 May 2015

Corporate Snapshot

Capital Structure	
Fully Paid Ordinary Shares (current)	361.9 million
Options	Nil
Share Price (as at 15 May 2015)	\$4.12
Market Capitalisation (as at 15 May 2015)	\$1.5 billion
Cash (as at 31 Dec 14)	\$120.8 million
Senior Secured Debt (as at 31 Dec 14)	Nil
SGD Senior Unsecured Notes	SGD \$260.0 million
AUD Senior Unsecured Notes	AUD \$120.0 million

Board of Directors & Key Management Personnel	Title
Jenny Hutson	Chairperson
Chris Scott	Managing Director
Brian Bailison	Non-Executive Director
Susan Forrester	Non-Executive Director
Matthew Reynolds	Non-Executive Director
Jason Roberts	Chief Executive Officer
Chris Sacre	Chief Operating & Financial Officer



2014 Year in Review

Our Centres

- 455 owned childcare centres (↑ 81%)
- Acquired 203 centres during CY13 (↑ from 86 centres acquired in 2013 and 33 centres in 2012)
- 32,782 licenced places per day
- 9705 employees

Financial Performance

- | | | |
|-----------------------------------|----------|----------|
| ▪ Revenue | \$491.3m | (↑ 79%) |
| ▪ Earning Before Interest and Tax | \$107.2m | (↑ 117%) |
| ▪ Net Profit After Tax | \$52.7m | (↑ 70%) |

Dividends

- Dividends increased to a rate of 24 cents per share, per annum, paid quarterly (fully franked) as at December 2014.

Brands



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CORPORATE STRATEGY

Our Vision & Mission

G8 Education's mission is to be Australasia's leading provider of high quality, developmental and educational child care services. Our aim is to achieve this through:

- A portfolio of outstanding early childhood education brands
- A focus on the importance of early childhood education
- By making good centres great through focusing on outstanding early childhood education management

G8 Education's Corporate Strategy is based around our four pillars for growth and sustainability:





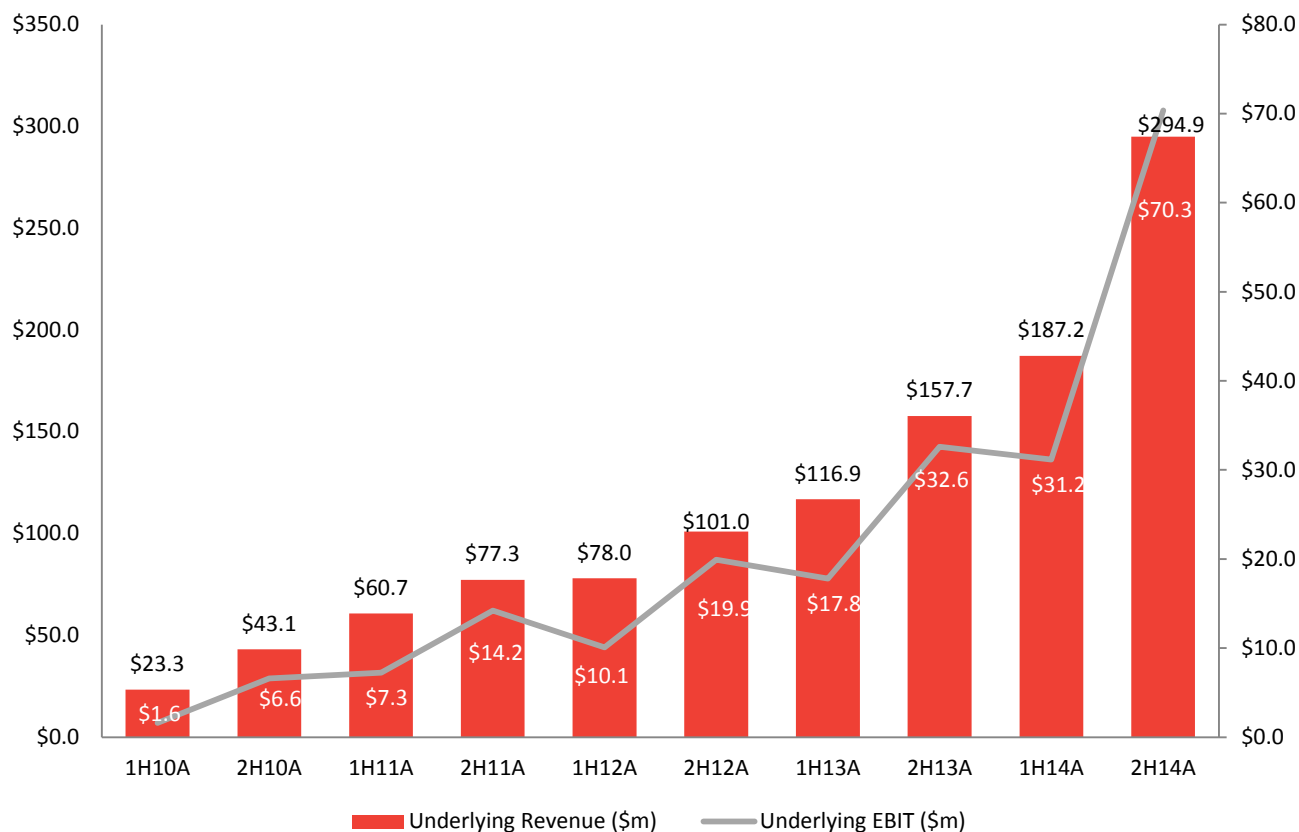
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FINANCIAL INFORMATION

2014 Group Revenue and EBIT

Group Financial Performance



- Underlying Group Revenue and EBIT growth from 1H10 to 2H14 has continued to be strong
- Underlying EBIT has increased by 101% from CY13 to CY14 due to the contributions from acquisitions and organic growth
- CAGR of 93% for underlying NPAT from CY10 to CY14

**Underlying Revenue/EBIT is defined as reported Revenue/EBIT excluding non-recurring transactions as displayed in page 10 of the Annual Report



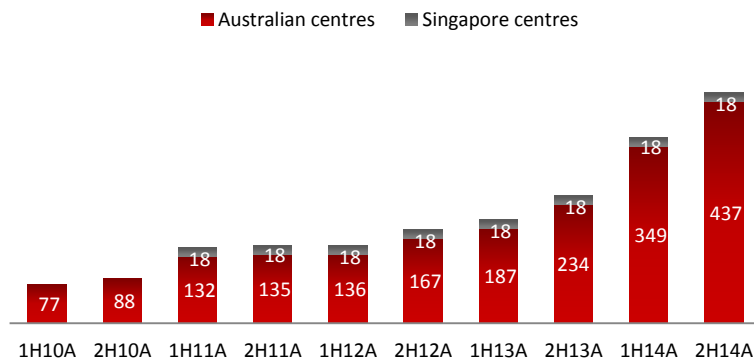
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INDUSTRY INFORMATION

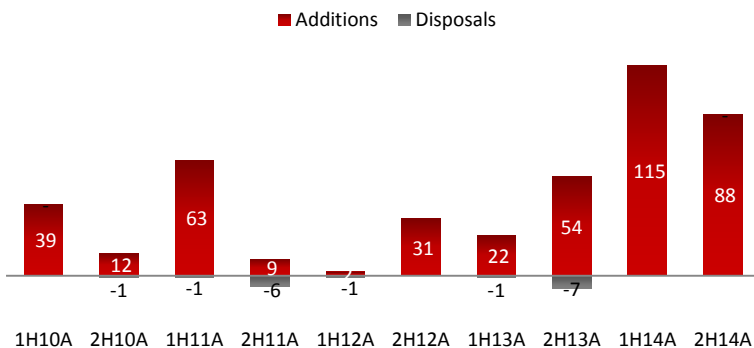
Group Centre Portfolio

Centre Portfolio



The Group has continued to make earnings per share accretive acquisitions throughout 2014

Change In Portfolio



Centre acquisitions were spread across the year with a bias to the first half

- The Group added 203 new centres and 13,697 licensed places in 2014
- Disciplined consolidation in high demand areas continues to be our focus
- As at 31 Dec 2014 the Group owned 437 centres in Australia and 18 centres in Singapore with a total of 32,782 licensed places

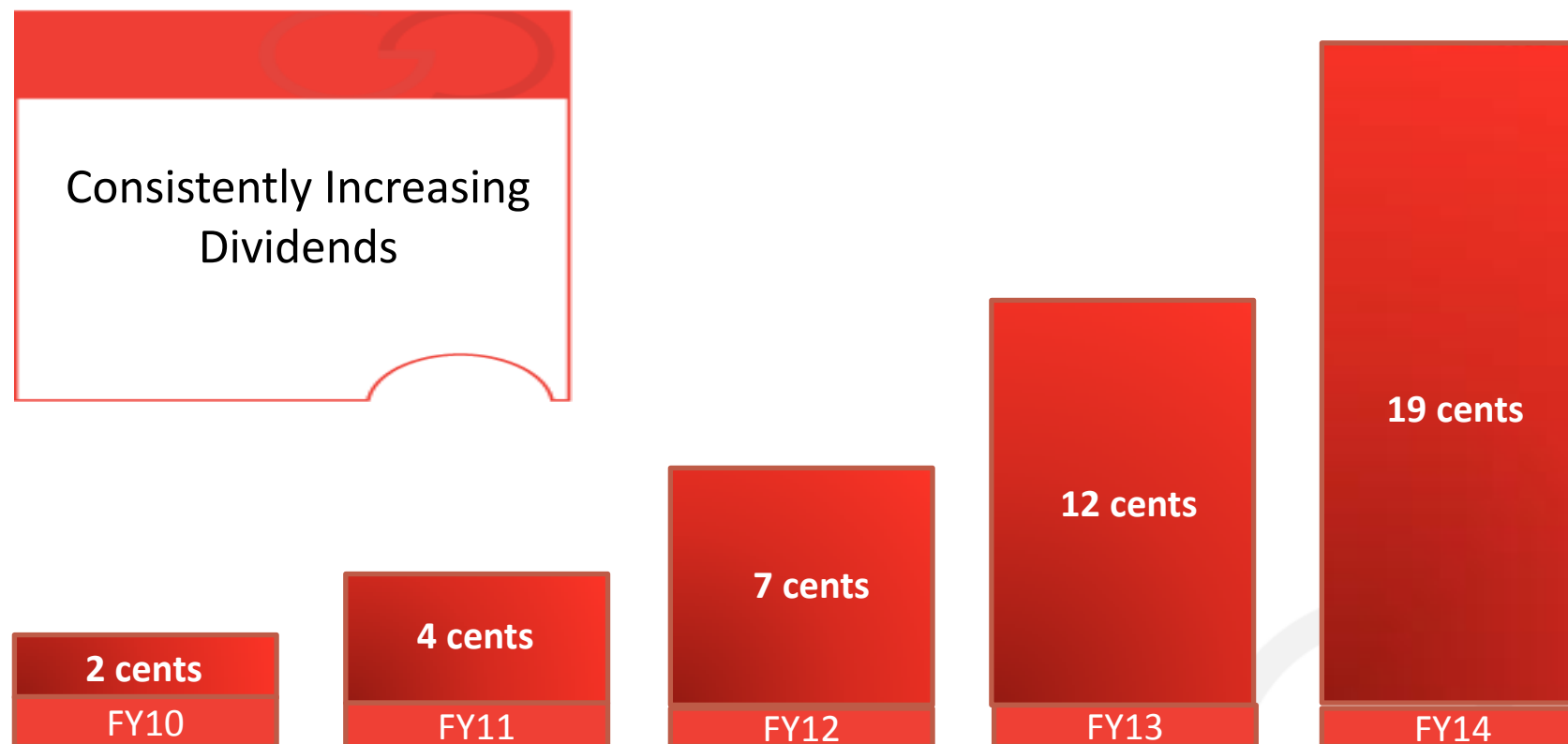
Capital Strategy

Consistently Increasing
Dividends

Efficiently Fund
Acquisition
Opportunities

Optimal Debt Profile

Capital Strategy



Capital Strategy – Funding Plan

Efficiently fund acquisition opportunities

Maintain diversity funding sources

Extend tenor in low interest rate environment

Maintain adequate liquidity

Ensure future maturities managed to minimise refinancing risk

Debt Profile

31 December 2014 Debt Profile

Total debt	\$353 million
Net Debt	\$233 million
Average tenor to expiry	3 years
Average interest rate *	5.51%

* Weighted on a proportional drawn debt basis

Market Potential

Highly Fragmented industry

- Approximately 6500 long day care centres across Australia
- G8 Education Limited represents approximately 9% of the sector long day care revenue
- Goodstart represents approximately 12% of the sector long day care revenue
- Estimated approximately 4000 centres in the addressable market

Strong long-term demand for early childhood education services

- Changing attitude from child minding to education / crucial foundation step to better educational outcomes
- Increased numbers of women in the workforce expected to continue
- Undersupply in key demographic areas

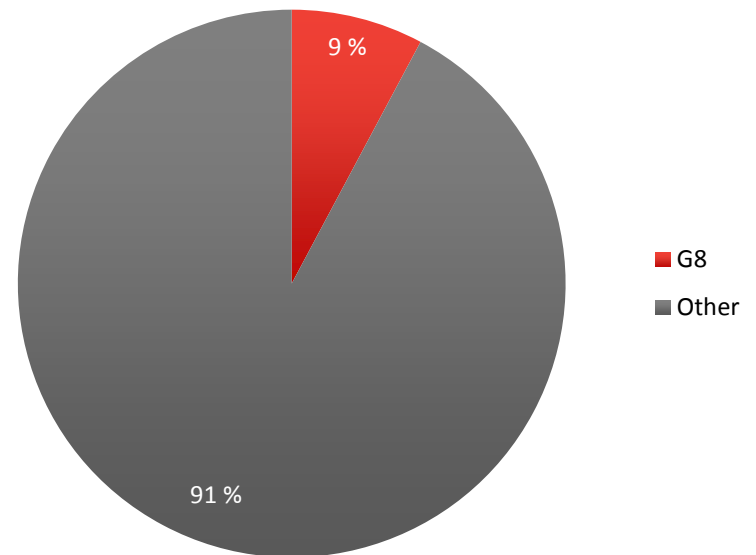
Strong pipeline of acquisition opportunities

- Good relationships with brokers and vendors
- Strong reputation in the sector
- Disciplined due diligence

Implement best practice operating efficiencies to improve organic performance

- Proven results from previous acquisitions

% of sector long day care revenue



Australian Statistics

Australia ranks
30th against
OECD
countries for
enrolment
rates

31% increase
in number of
children enrolled
in Govt. approved
childcare since
2006 baby boom

17%
increase in
number of
Long Day Care
(LDC) Places
since 2006
baby boom

Potential to increase enrolments:

- Current Government support Funding through Child Care Rebate **CCR** (not means tested, capped at \$7,500) and Child Care Benefit **CCB** (means tested)
- Government changes proposed for 2017 are positive. Average OECD countries pre-primary expenditure equates to 0.5% of GDP. Australia currently invests 0.01% of GDP. An increase of funding would significantly increase enrolments inline with fellow OECD countries
- Since 2006 the 0-5 year population increased by 183,000 (6 times the 20 year average)
- National Quality Framework introduced in 2012 increases the propensity of parents/guardians to view childcare as an educational imperative
- Since the year 2000, the proportional attendance rate of childcare services has grown from 21% to 38% in the year to June 2011.
- Sector licencing based on m² requirement inside (3.25m²) and outdoors (7m²) compared to other countries like the UK (2.5m²).

Significant Events Post 31 December 2014

- On 16 February 2015 the Group announced contracts to acquire 12 childcare centres from a number of different vendors. The Group has contractual arrangements with each of the vendors conditional on customary licensing and landlord approvals. The acquisitions will be funded from cash reserves. The total purchase price for the 12 centres is \$36.0 million with \$29.9m payable at settlement and a further payment of \$6.1 million conditional upon the centre based EBIT target being achieved in the 12 month post settlement. The purchase price is 4 times anticipated EBIT for the 12 months post settlement.



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THANK YOU

Questions?



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BUSINESS

Resolution 1 – Remuneration Report

The company seeks members' consideration, and if thought fit, passage of the following resolution as an advisory ordinary resolution in accordance with section 250R(2) of the *Corporations Act*:

'That the section of the report of the Directors contained in the 2014 Annual Report dealing with the remuneration of the Company's Directors and Senior Executives (Remuneration Report) be adopted.'



Resolution 2 – Re-election of a director Brian Hilton Bailison

The company seeks members' consideration and if thought fit, passage of the following resolution as an ordinary resolution:

'That Mr Brian Hilton Bailison, who retires in accordance with Listing Rule 14.4 and Article 47(b) of the Company's Constitution, and being eligible for re-election, be elected as a Director of the Company'



Resolution 3 – Re-election of a director Jennifer Joan Hutson

The company seeks members' consideration and if thought fit, passage of the following resolution as an ordinary resolution:

'That Ms Jennifer Joan Hutson, who retires in accordance with Listing Rule 14.4 and Article 47(b) of the Company's Constitution, and being eligible for re-election, be elected as a Director of the Company.'



Resolution 4 – Re-election of a director Matthew Reynolds

The company seeks members' consideration and if thought fit, passage of the following resolution as an ordinary resolution:

'That Mr Matthew Reynolds, having been appointed on 12 March 2015 in accordance with Article 46(b) of the Company's Constitution, and retiring in accordance with Article 47(d) of the Company's Constitution, and being eligible for re-election, be elected as a Director of the Company.'



Resolution 5 – Ratification of Share Issue

The company seeks members' consideration and if thought fit, passage of the following resolution as an ordinary resolution:

'That for the purposes of Listing Rule 7.4 and for all other purposes, members ratify and approve the previous issue of 20,366,599 shares issued through a placement on 29 October 2014 to raise \$100,000,001.10.'

Resolution 6 – Issue of Shares to party nominated by Christopher Scott

The company seeks members' consideration and if thought fit, passage of the following resolution as an ordinary resolution:

'That subject to the approval of Resolutions 7, 8 and 9, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the issue of Shares and the provision of a Loan by the Company to the nominee of Mr Christopher Scott, Managing Director of the Company, on the terms and conditions set out in the Explanatory Statement.'



Resolution 7 – Issue of Shares to party nominated by Jason Roberts

The company seeks members' consideration and if thought fit, passage of the following resolution as an ordinary resolution:

'That subject to the approval of Resolutions 6, 8 and 9, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of Shares to the nominee of Mr Jason Roberts, Chief Executive Officer of the Company, on the terms and conditions set out in the Explanatory Statement.'



Resolution 8 – Issue of Shares to party nominated by Christopher Sacre

The company seeks members' consideration and if thought fit, passage of the following resolution as an ordinary resolution:

'That subject to the approval of Resolutions 6, 7 and 9, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of Shares to the nominee of Mr Christopher Sacre, Chief Financial Officer of the Company, on the terms and conditions set out in the Explanatory Statement.'



Resolution 9 – Issue of Shares to party nominated by Ann Perriam

The company seeks members' consideration and if thought fit, passage of the following resolution as an ordinary resolution:

'That subject to the approval of Resolutions 6, 7 and 8, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of Shares to the nominee of Ms Ann Perriam, Junior Executive of the Company, on the terms and conditions set out in the Explanatory Statement.'



Resolution 10 – Remuneration of Non-executive Directors

The company seeks members' consideration and if thought fit, passage of the following resolution as an ordinary resolution:

'That for the purpose of ASX Listing Rule 10.17, the Company's Constitution and for all other purposes, the maximum aggregate annual remuneration that may be paid by the Company as remuneration for the services of the Company's Non-executive Directors be increased by \$350,000 per annum, from \$500,000 per annum to a maximum of \$850,000 per annum.'

