

ASX Announcement

G8 Education Limited
(ASX : GEM)



26 August 2025

G8 EDUCATION ANNOUNCES RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2025

G8 Education Limited (the “**Group**” or “**G8**”, ASX : GEM), a leading provider of quality early education and care with 399 centres across Australia, today announced its results for the half year ended 30 June 2025 (**CY25 H1**).

HIGHLIGHTS

- Reported Group revenue 3.7% lower than the prior comparative period (**pcp**) to \$465.4 million
- Statutory NPAT of \$22.5 million up 12.4% on pcp
- Operating EBIT¹ up 2.8% on pcp to \$40.5 million
- Occupancy for the half was lower than pcp, with cost of living pressures continuing to impact families
- Continued focus on ensuring the highest safety standards remain our priority
- Embedding core values and a strong cultural framework is delivering sustained improvements in employee retention and engagement
- Positive family sentiment driving improved results with NPS increasing 4 points vs pcp
- Continued efforts in safety and educational programs for children delivering an enhanced family experience has led to 94.0%¹ of G8 Education centres rated in CY25 H1 as ‘Exceeding’ or ‘Meeting’ the National Quality Standard
- Maintained a strong balance sheet position underpinned by strong liquidity and low leverage
- Network optimisation continued with 4 centres divested, 3 leases surrendered
- Fully franked interim dividend of 2 cents per share, representing 69% of reported CY25 H1 NPAT
- On-market share buyback of up to 5% of issued capital

TRADING PERFORMANCE

\$M	CY25 H1	CY24 H1	% Change vs pcp
Operating			
Revenue	464.7	481.7	(3.5%)
EBIT ²	40.5	39.4	2.8%
NPAT ³	25.5	23.9	6.6%
Reported			
Revenue ⁴	465.4	483.3	(3.7%)
EBIT	58.6	55.4	5.8%
NPAT	22.5	20.0	12.4%
EPS	2.9	2.5	16.2%
Occupancy			
Group Occupancy	64.5%	68.2%	(3.7%)

1. Actual result is 93.7% and excludes two centres that have not yet been rated.

2. Operating EBIT excludes non-operating items and is adjusted for lease interest. Refer to Note 2 of G8 Interim Financial Report for non-trading items.

3. Excludes non trading items.

4. Total revenue.

ASX Announcement

G8 Education Limited
(ASX : GEM)



G8 Education Chief Executive Officer and Managing Director Pejman Okhovat said:

“G8 Education’s performance in the first half of CY25 demonstrates our commitment to continuing to enhance our core as evidenced by improvements across key strategic focus areas.

“At G8 Education, we are committed to upholding the highest standards of governance and social responsibility. Child safety is embedded into every aspect of our leadership, values and operations. We are continuously reviewing and strengthening our practices to ensure transparency, accountability, and trust.

“We would like to acknowledge the profound impact the situation in Victoria has had on our community. The allegations are deeply upsetting, and our hearts go out to the children and families affected. Please know that the safety and wellbeing of every child in our care is, and always will be, our highest priority. We recognise that safeguarding children is not just a regulatory obligation, it is an ethical and social licence imperative.

“Our families and team members are at the heart of everything we do. A continued focus on our key strategic priorities has led to further improvements in team retention and NPS. We remain committed to enhancing family experience by delivering value-added educational programming and care, while investing in the ongoing development of our people to strengthen workforce capability.

“We are pleased to report that 94⁵ per cent of our centres are rated as ‘Meeting’ or ‘Exceeding’ the National Quality Standard, 3 percentage points above the sector average, highlighting our commitment to delivering quality and excellence in early childhood education and care.

“Against the macro-economic environment, family enquiry levels have remained broadly consistent with the prior half; however, ongoing cost-of-living pressures continue to impact family affordability, as reflected in lower conversion rates and flattened frequency.

“In CY25 H1, we achieved modest earnings improvement, supported by cost management in non-safety and regulatory requirements, and strategic procurement activity. Our statutory Earnings Before Interest and Tax (EBIT) increased 5.8 per cent to \$58.6 million, with a Net Profit After Tax (NPAT) of \$22.5 million.

“While macroeconomic indicators remain encouraging over the forward-looking medium term, the sector continues to operate in a challenging environment. We remain focused on delivering strong operational outcomes and maintaining a disciplined approach to cost management.

“As part of our commitment to delivering value to our shareholders, we are pleased to announce a fully franked interim dividend of 2 cents per share and an on-market share buyback of up to 5% of issued capital reflecting our ongoing dedication to returning value to investors and prudent capital management.”

FINANCIAL PERFORMANCE

The Group delivered modest earnings improvements amidst a challenging operating environment and recent regulatory uncertainty, with softer occupancy levels compared to the pcp. This result was driven by good cost management in non-safety and regulatory requirements, in particular, reduced Support Office and agency costs, coupled with strategic procurement activity.

5. Actual result is 93.7% and excludes two centres that have not yet been rated.

ASX Announcement

G8 Education Limited
(ASX : GEM)



CY25 H1 operating NPAT increased 6.6 per cent on the pcip to \$25.5 million and statutory NPAT improved 12.4 per cent on the pcip to \$22.5 million achieved through strong cost base management offsetting lower occupancy.

Operating revenue decreased 3.5 per cent on the pcip to \$464.7 million (CY24 H1: \$481.7 million) resulting from lower occupancy performance.

Operating costs were 4.1 per cent lower than the pcip to \$424.2 million driven by lower booking volumes with the cost base managed accordingly.

Network optimisation continued with 4 divestment and 3 leases surrendered during the reporting period.

Operating EBIT increased 2.8 per cent to \$40.5 million representing modest improvement in a tough environment.

From a statutory perspective, NPAT increased by 12.4 per cent to \$22.5 million with non-trading items relating to insurance recoveries, portfolio optimisation, impairment and SaaS expense as a result of implementing a new payroll system.

OPERATING MODEL AND CENTRE EXPERIENCE

Reported occupancy of 64.5 per cent was 3.7 per cent lower than pcip against a backdrop of affordability impacting families and a tough operating environment.

Safety remains our highest priority, and we are committed to the continuous improvement of our policies and procedures. A number of initiatives are currently underway to ensure the highest standards of safety for both children and team members. These include the accelerated rollout of CCTV across all centres and strategic partnerships with external experts to deliver specialised training in child safety and trauma.

G8 Education has launched a range of strategic initiatives aimed at strengthening operational performance and driving occupancy growth, including tailored support to underperforming centres with a focus on enhancing service quality and occupancy outcomes, agile network planning to improve cross-functional alignment and responsiveness in a challenging operating environment. These are in addition to improved enrolment, transitions, and growth initiatives that are underway to maximise our occupancy for the remainder of the 2025 year.

G8 Education continues to invest in its people, having launched and embedded new core values that are strengthening the workplace culture and contributing to improvements in employee retention and engagement. Team engagement has increased by 2 per cent to 77 per cent vs pcip, exceeding sector average.

G8 Education remains committed to enhancing workforce capability as demonstrated by a strong focus on professional development and learning opportunities. Centre leadership teams are engaged in weekly connections to align on key focus areas and drive continuous improvement and collaboration across the centre network.

Across G8 Education's network, 94⁶ per cent of centres are rated as 'Exceeding' or 'Meeting' the National Quality Standard and 95 per cent of centres are 'meeting' or 'exceeding' NQS Quality Area 1 – Educational program and practice.

6. Actual result is 93.7% and excludes two centres that have not yet been rated.

ASX Announcement

G8 Education Limited
(ASX : GEM)



A continued focus on enhancing the family experience led to a 4 point increase in NPS compared to the pcg. While enquiry levels remained consistent with the previous half, cost-of-living pressures have impacted both conversion rates and booking frequency.

STRONG BALANCE SHEET

The Group maintained a conservative balance sheet, supported by strong liquidity and low leverage. A disciplined approach to capital management continued, balancing operational priorities, strategic investments and shareholder return. The Board has declared a fully franked CY25 H1 interim dividend of 2 cents per share representing 69% of CY25 H1 NPAT. In addition, we are announcing an on-market share buyback of up to 5% of issued capital.

TRADING UPDATE AND OUTLOOK

Trading update

- Group '**spot**' occupancy 67.0%, 5.9% pts lower than pcg and 65.0% **YTD** 4.1% pts lower than pcg⁷
 - Market softness has persisted during the first half
 - The seasonal curve for occupancy remains, however lower than pcg
 - Impact of Victorian incident on occupancy is localised to the impacted centres thus far, and we are not seeing wider trends across the state or the network
- A strategic focus on high-impact initiatives is continuing to help support occupancy growth in H2 and into CY26, including:
 - Enrolment, transition and growth plan with new and improved components
 - Targeted marketing activity to drive share of enquiries
 - Turnaround centre initiatives
- Capital allocation remains consistent with our capital management policy of appropriately balancing improvements in operations, strategic initiatives and shareholder returns
 - We anticipate CY25 capex to be circa \$40-45m
 - We plan to put in place a further on market buy-back of up to 5% of issue capital from mid-September 2025

Outlook

The sector is currently operating within a challenging environment characterised by:

- Macro environment remains challenging
- Affordability and cost-of-living pressure continues to impact families
- Recent sector wide events and expected changes to operating regulations has created some degree of uncertainty

Macro indicators remain encouraging over medium-term horizon:

- Further interest rate cuts
- CPI reducing
- Unemployment and female participation remain steady
- Introduction of activity test changes in CY26 boosting demand
- Data indicates improving birth rates

7. For week ending 22 August 2025

ASX Announcement

G8 Education Limited

(ASX : GEM)



G8 Education^{ltd}

We remain confident in our core operations and will continue to control the controllables and expect our full year earnings result to be similar to CY24.

Our near-term focuses are:

Safety and Compliance: continue to enhance and uplift child safety practices and processes

Quality and Education: continue to drive above sector performance, including uplifting our small number of working towards centres

Team: embed our strengthened purpose and values and improve capability

Family experience: focus on key drivers, education, relationships and practice

Operations: continued focus on occupancy through enrolment and transition period

ENDS

This document has been authorised for release by the Board of Directors.

For further information, contact:

Investors Pejman Okhovat, Managing Director and CEO +61 7 5581 5300 pejman.okhovat@g8education.edu.au Steven Becker, Chief Financial Officer +61 7 5581 5300 steven.becker@g8education.edu.au	Media Elissa Lewis, Head of Communications +61 481 068 466 elissa.lewis@g8education.edu.au
---	---