

8 June 2021

EVO Releases Trading Update

Acquisition Status

Listed New Zealand and Australian childcare and education centre operator Evolve Education Group Limited (ASX/NZX: EVO) advises that all centre acquisitions announced on 5 March 2021 have settled. EVO now operates 115 early education centres in New Zealand and 20 in Australia.

Further acquisitions are being contemplated following the capital raise which was completed at the end of March 2021. Currently, EVO has cash on hand of approximately NZ\$48m.

Payment of Dividend

EVO currently intends to commence quarterly dividend payments from September 2021 with respect to the financial year ended 31 December 2020. Further information will be available in due course.

Trading Update

The Australian operations of EVO have been delivering a very strong performance. For the week ending 23 May 2021, occupancy in the southern states was 87.8% and over 80% in Queensland. This is an encouraging result for the month of May given that seasonality in Australia usually leads to the second half of the calendar year being much stronger than the first half.

The NZ operations of EVO have not experienced increased occupancy post COVID. For the week ending 23 May 2021, occupancy in New Zealand was approximately 70%. Teacher shortages (due to international border closures) are affecting our ability to hit as many of the higher MOE funding bands linked to teachers as we had budgeted. This is a dynamic affecting the entire ECE Sector and we expect will self-correct once international borders reopen and the ECE sector can again hire teachers from overseas.

Against that, EVO expects to continue achieving material cost savings via streamlining centre based and support office costs.

Guidance For CY21 And CY22

Based on current New Zealand and Australian trading conditions, EVO expects underlying EBITDA as follows:

FY21 (year ending 31/12/21) Between NZ\$16m and NZ\$18.5m

FY22 (year ending 31/12/22) Between NZ\$23m and NZ\$25.0m

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