

29 August 2022

Half Year Results and Trading Update

Strong Australia result helps offset Covid affected New Zealand operations

Listed New Zealand and Australian childcare and education centre operator Evolve Education Group Limited (ASX/NZX: EVO) has today announced financial results for the half year ended 30 June 2022.

Revenue for the 6 months ended 30 June 2022 of \$80.9m was almost 8% higher than revenue for the comparative period in 2021. Significantly higher revenue in Australia more than offset lower revenue in New Zealand (which was adversely affected by Covid-19 related disruptions).

Profit before net finance expense and income tax for the first six months of 2022 was \$8.02m which was 9% lower than the comparative period in 2021.

Loss after tax for the 6 months ended 30 June 2022 was \$2.23m compared to loss after tax of \$0.52m for the 6 months ended 30 June 2021.

Underlying EBITDA from EVO's Australian centres for the six months ended 30 June 2022 climbed almost 50% to \$5.0m while New Zealand operations' underlying EBITDA was \$(0.9m).

(Note: Underlying EBITDA is a non-GAAP measure used by EVO to report its trading performance. It is calculated on a pre-IFRS 16 basis and excludes gains and losses on the sale or closure of businesses, acquisition and integration costs, impairment losses, restructuring costs and non-operational items)

Centre Acquisition Status

EVO now operates 107 early education centres in NZ and 24 in Australia, with the latest acquisition being a centre in New South Wales at the beginning of July 2022.

Further acquisitions are being pursued in Australia subject to there being no further Covid related disruptions.

Trading Update

Set out below is relevant data for the week ended 21 August 2022:

	Aust (NZD)	NZ (NZD)
Centres	24	107
Revenue	\$1.32m	\$2.23m
Centre EBITDA	\$375k	\$175k
Occupancy	83.9%	65.6%
Core Occupancy	87.2%	

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Due to seasonality, occupancy in Australia is expected to grow until late November. Occupancy growth in NZ will depend on whether there are further Covid-19 related disruptions, staff availability and net immigration.

Guidance For FY 31 December 2022

Given residual uncertainty particularly in the New Zealand market, EVO has elected to not provide guidance for FY22. However, it should be noted that due to the distribution of public holidays in New Zealand and the school starting timetable in Australia, EVO traditionally performs more strongly in the second half of the year.

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