

ASX Announcement

G8 Education Limited
(ASX:GEM)



19 December 2023

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

Dear Sir / Madam

Attached is a Trading Update for G8 Education Limited.

Yours sincerely

Tracey Wood
Chief Legal, Quality & Risk Officer
G8 Education Limited

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

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G8 EducationTM

BRIEF TRADING UPDATE

ASX Release
19 December 2023



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TRADING UPDATE

Expected year end performance

Financial Performance

- G8 is pleased with the continued financial performance in the latter part of H2 2023, resulting in marked improvement in the financial performance compared to prior year
- Estimated full year Operating EBIT (after lease interest)¹ of \$99m-\$102m and Operating NPAT² of \$62m-\$64m
 - Wages effectively managed, agency usage significantly reduced
 - Operational focus and other cost disciplines delivering results

Occupancy

- Current YTD occupancy³ of 70.5%, broadly flat on CY22 (-0.2%pts yoy) and 2.2%pts below CY19
 - On-going focus has yielded lower customer attrition, higher conversion rates and improved NPS – closing the gap on 2022
- Current 'spot' occupancy³ of 74.8%, 0.4%pts below CY22 and 2.8%pts below CY19, noting December school holiday periods can vary across years by State

1. EBIT after lease interest and before non-operating items (e.g. gains/losses on sales & lease modifications and SaaS development costs); **2.** Operating NPAT = Operating EBIT less finance charges and tax rate assumed 30%; **3.** For the week ended 17 December 2023, 18 December 2022 and 15 December 2019.

BUSINESS UPDATE

Progress in key areas

Portfolio Optimisation

- G8 is working collaboratively with relevant landlords, regulatory departments and Genius Education Group Pty Ltd to satisfy the conditions under the sale agreement for 31 centres announced on 26 October 2023
- To date either in principle or formal consent has been obtained in respect of 7 lease assignments, with completion of those centres scheduled for January 2024
- G8's broader portfolio optimisation activities resulted in 7 underperforming leases surrendered in H2

Regulatory Update

- G8 is encouraged by the Productivity Commission's Interim Report released in November 2023, which contains key recommendations that are supportive for the growth of the sector
- G8 intends to provide a written submission to the Productivity Commission in February 2024, which will focus on providing selected information the Productivity Commission has requested to finalise its report
- G8 continues to engage and be involved in the multi-employer bargaining process, alongside other parties, advocating for a government funded wage subsidy for the sector