ASX Announcement

G8 Education Limited
(ASX:GEM)

25 August 2026

G8 EDUCATION LIMITED ANNOUNCES RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2026

G8 Education Limited (the '**Group**' or '**G8**', ASX:GEM), a leading provider of quality early childhood education and care that operates 350 centres across Australia, today announced its 2026 Half Year Results (**CY26 H1**).

HALF YEAR RESULTS SUMMARY

- Reported Group revenue of $413.6 million - 11.1% lower than the prior corresponding period (**pcp**).
- Statutory Net Loss After Tax of $38.8 million, down 272.2% on pcp, which was impacted by $47.1 million of net impairment expense.
- Operating EBIT[1] of $14.7 million, down 63.7% on pcp.
- Occupancy for the half was 7.5% lower than pcp. Occupancy levels continue to be constrained by supply-demand and affordability pressures, which have contributed to reduced enquiry levels across the sector.
- We have continued to deliver improvements on other key metrics, with safety, quality, family experience and team engagement results all increasing during the half.
- Team retention has improved to 80%, our highest level in the last 6 years, and engagement remains above Australian and Sector benchmarks.
- Positive family sentiment is driving improved NPS results with NPS increasing 7 points vs pcp.
- The Group is taking proactive measures to respond to the evolving environment by refinancing debt, extending debt facilities to 2029, continuing to deliver procurement savings, suspending operations at 40 centres (announced in April) with 2 centres divested (including 1 centre included in the 40 suspended centres) and 5 leases surrendered or expired (including 3 centres included in the 40 suspended centres). In addition, Support Office headcount has been reduced by 21 per cent due to a restructuring program completed in June.
- As at 30 June 2026, 97.4% of G8 Education centres are rated as 'Exceeding' or 'Meeting' the National Quality Standard, which is 5.4% above Sector average.
- There has been a continued focus on child safety and educational programs during the Half. G8 Education has rolled out an evidence-based body safety program in all 350 centres, in collaboration with leading child safety organisation, Act for Kids.
- A conservative balance sheet was maintained during the Half, with stable liquidity and moderate gearing.
- The Board has determined that no dividend will be paid for the Half.
- The on-market share buyback announced in August 2025 has now concluded.

TRADING PERFORMANCE

$M	CY26 H1	CY25 H1	% Change vs pcp
Operating			
Revenue	409.1	464.7	(12.0%)
EBIT[1]	14.7	40.5	(63.7%)
NPAT	6.7	25.5	(73.7%)
Reported			
Revenue	413.6	465.4	(11.1%)

1. Operating EBIT excludes non-operating items and is adjusted for lease interest. Refer to Note 3 of G8 Interim Financial Report for non-trading items.

EBIT	(29.8)	58.6	(150.9%)
NPAT	(38.8)	22.5	(272.2%)
EPS	(5.1)c	2.9c	(278.4%)
Group Occupancy	57.0%	64.5%	(7.5%)

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

"At G8 Education, we are dedicated to our purpose of nurturing the greatness in every child to grow, thrive and learn. During the first half of CY26, we focused on strengthening the fundamentals within our control, which includes safety, quality, family experience and team engagement, while navigating a challenging and evolving operating environment. We have continued to focus on improving child safety, regulatory compliance and educational quality, and I am proud of the commitment our teams have shown across the network in these critical areas."

"Since our Annual General Meeting in April, we have adjusted our operations to respond to the evolving external environment. This includes extending debt facilities to 2029, delivering targeted procurement savings, suspending operations at 40 centres, and restructuring our Support Office team."

FINANCIAL PERFORMANCE

Financial Performance for the Half reflects softer sector-wide occupancy and affordability pressures, which have impacted enquiry levels and revenue.

These headwinds were partially offset by the Group's disciplined cost management as well as improvements delivered across key operational metrics, and continued investment in safety, quality and team capability.

While earnings were affected by market conditions, our performance across other KPIs including safety, quality, family experience and team engagement has continued to improve, demonstrating that our strategic priorities are delivering improvements in these critical areas.

Operating NPAT reduced 73.7 per cent on the pcp to $6.7 million, primarily driven by lower occupancy levels. Operating revenue decreased 12.0 per cent on the pcp to $409.1 million resulting from lower occupancy performance. Operating costs were 7.0 per cent lower than the pcp to $394.4 million. Operating EBIT decreased by 63.7 per cent to $14.7 million.

The Group reported a statutory Net Loss After Tax of $38.8 million. The main difference between operating and reported NPAT relates to the net impairment expense of approximately $47 million.

OPERATING MODEL AND CENTRE EXPERIENCE

G8 Education made significant progress in strengthening its operating model, including enhancements to leadership capability, safety governance, digital systems and continuing its program to optimise centre-based processes.

A stable workforce continued to support operational performance, with improved retention, low vacancies and increased internal leadership appointments across the network. Vacancy rates remained low at two per cent supporting operational continuity across the network and supported by enhanced employee screening and recruitment processes.

Team retention across the group reached 80 per cent which was its highest level in the last 6 years. Our Net Promoter Score (NPS) improved by seven points versus the pcp, since the launch of the Voice of the Customer program in May 2023, and we are proud that 97.4 per cent of our centres are now 'meeting' or 'exceeding' the National Quality Standard, which is 5.4 per cent above the sector average. These improvements reflect the dedication of G8's educators and leaders, and the positive experience children and families are having in centres.

The Group increased the number of Area Managers across the network to drive overall performance and execution in centres, giving them more responsibility, but less centres to oversee. The Group is trialling different pricing methods and models, allowing for flexibility of hours and sessions to test different initiatives in market.

Reported occupancy of 57 per cent was 7.5 per cent lower than the pcp, impacted by a number of factors including affordability pressures, which contributed to reduced enquiry levels across the sector.

BALANCE SHEET AND CAPITAL MANAGEMENT

G8 Education maintained a conservative balance sheet with stable liquidity and moderate gearing, supported by disciplined cost management and positive operating cash flow. The Group continued to invest in centre upgrades, safety initiatives and educational resources, while also extending the maturity date of one of its major debt facilities. G8 Education's approach to capital allocation remains prudent, aligned with our strategic priorities, and responsive to current operating conditions.

The Board has determined that no dividend will be paid for the Half, and the on-market share buyback that was announced on 26 August 2025 has now concluded.

TRADING UPDATE AND OUTLOOK

Looking ahead, we expect operating conditions to remain similar to the first half, with supply-demand imbalances driven by a 2.8 per cent year-on-year decline in children accessing Centre Based Care[2], and affordability pressures for families continuing to influence occupancy. Net supply continued to increase by 2.5 per cent in the last quarter. This is the lowest quarterly growth in 10 consecutive quarters. Recent moderation in growth of new supply and increasing operating pressures across the sector may support a more balanced market over time.

Our focus continues to be on controlling the controllables which includes strengthening centre performance, enhancing family experience, optimising our network footprint and maintaining disciplined cost and capital management, without compromising on quality, safety and compliance. While the external environment is uncertain, the improvements we have made across safety, quality, team capability and operational efficiency demonstrate our commitment to controlling the controllables.

Across the sector, early childhood education and care remains a critical part of our social infrastructure, with the different levels of Government, Regulators and sector stakeholders working to build trust and confidence. We welcomed the extension of the Worker Retention Payment which will now continue through

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[2] Source: https://www.education.gov.au/early-childhood/about/data-and-reports/quarterly-reports

to 2028 and continues to support workforce attraction and retention. Total Fertility Rates are also expected to increase over the medium term[3].

G8 Education has clear priorities for the near team leading into 2027:

- Continue to improve Quality, Safety and Compliance which includes focusing on driving exceeding themes (97.4 per cent meeting or exceeding (as at 30 June 2026))
- Drive positive engagement with our families, focusing on conversion and increasing satisfaction (NPS 7 points higher than pcp)
- Maintain above sector team engagement and retention, developing longer term succession and capability growth plans
- Increase occupancy, through improved enrolment and transition plans
- Optimise the network
- Manage costs diligently, ensuring no compromise on safety and compliance
- Ensure financial sustainability and performance resilience.

CHILD SAFETY AND SAFEGUARDING

The Group is continuing to invest in child safety and safeguarding. G8 Education is collaborating with leading child protection organisation Act for Kids to rollout the '*Learn to Be Safe with Emmy and Friends*' protective behaviours program in all 350 operating centres across the country. The program helps children to understand body safety, identify safe adults, and what it means to feel safe. The Support Office restructure led to Ali Evans' appointment as Chief Quality and Safety Officer ensuring a member of the Executive Leadership Team is responsible and accountable for Quality and Safety. G8 Education also appointed a National Child Safety and Safeguarding Manager with more than 20 years' experience, who works closely with the Safety Leaders, Area Managers and Support Office teams to drive safety initiatives across the group.

Our Safety Leader Program has been embedded across the centre network, underpinned by consistent meeting and training rhythms that strengthen safety leadership and ensure centres remain closely connected to support structures. Our CCTV Project has gone through a rigorous procurement process with the pilot to commence this quarter to inform CY27 rollout.

ENDS

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

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[3] *Australian Government - Centre for Population, Population Statement 2025 (2026), p. 1:* https://population.gov.au/sites/population.gov.au/files/2026-01/ss-2025-pop-statement-aus.pdf