

G8 EDUCATION ANNOUNCES RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2025

G8 Education Limited (the “**Group**” or “**G8**”, ASX : GEM), a leading provider of quality early education and care with 395 centres across Australia, today announced its results for the full year ended 31 December 2025 (**CY25**).

HIGHLIGHTS

- Reported Group revenue of \$948.2 million, 7.2% lower than the prior comparative period (**pcp**)
- Statutory Net Loss After Tax of \$303.3 million, which was impacted by \$349.1 million of goodwill impairment expense
- Operating EBIT¹ of \$93.3 million down 18.9% on pcp
- Occupancy was lower than pcp, with affordability and the macro environment, including sector challenges, continuing to impact families and enquiries
- Positive momentum continues across controllable areas of the balanced scorecard, supported by consistent operational focus and execution
- Further strengthening of the quality of our centres with 95% of our centres rated as ‘Meeting’ or ‘Exceeding’ the overall National Quality Standard
- Workforce stability strengthened, supported by improved retention and a further 5% wage uplift for award-based team members through the government fully funded ECEC Worker Retention Grant
- Earnings were affected by the challenging operating environment, with prudent cost management helping to maintain EBIT margin stability
- A conservative balance sheet and a cautious capital management approach were maintained, balancing operational needs with shareholder returns
- Network optimisation continued with 5 centres divested and 6 leases surrendered or expired

TRADING PERFORMANCE

\$M	CY25	CY24	% Change vs pcp
Operating			
Revenue	946.9	1,017.7	(7.0%)
EBIT ¹	93.3	115.0	(18.9%)
NPAT ²	59.0	72.4	(18.4%)
Reported			
Revenue ³	948.2	1,021.8	(7.2%)
EBIT	(234.7)	152.8	(253.6%)
Net (Loss) / Profit After Tax	(303.3)	67.7	(548.1%)
EPS	(39.2)	8.4	(568.1%)
Occupancy			
Group Occupancy	65.8%	70.7%	(4.9%)

1. Operating EBIT excludes non-operating items and is adjusted for lease interest. Refer to Note 7 of G8 Financial Report for non-trading items.
2. Excludes non trading revenue
3. Total revenue

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

“At G8 Education, children remain at the heart of everything we do. During CY25, we focused on enhancing our family value promise, strengthening team member capability and uplifting the quality of our centres. Our strategy was refreshed to further enhance how we work and to clearly prioritise the drivers of improved outcomes for children and our teams.

“We continue to have an unwavering commitment to our child safety and child safeguarding practices, supported by our dedicated centre-based leadership teams, robust compliance oversight and active engagement with governments and regulators.

“The families and team members in our centres place great confidence in G8 Education and share our commitment to nurturing the greatness in every child to grow, thrive and learn. This is reflected in improving team retention, supported by strong internal career pathways and succession planning. Family sentiment remains positive, with NPS increasing by 3 points to 53, recognising our focus on individual learning, safety and quality educational programs.

“Our commitment to quality is reflected in our results, with 95% of centres rated as ‘Meeting’ or ‘Exceeding’ the overall National Quality Standard, 4 percentage points above the sector average, reinforcing our focus on quality education and care.

“Occupancy continued to be affected by tough market conditions with falling birth rates, increased supply, trust and confidence in the sector impacted by media coverage and families experiencing sustained affordability pressures, resulting in lower occupancy than pcp. Despite the fall in occupancy levels, our cost base remained well controlled.

“Our statutory Earnings Before Interest and Tax (EBIT) resulted in a loss of \$234.7 million, with a Net Loss After Tax of \$303.3 million, primarily reflecting a non-trading goodwill impairment expense recognised during CY25.

“We remain committed to balancing our operational needs with shareholder returns and delivered a fully franked total dividend of 2 cents per share paid in October 2025 with no final dividend being paid.”

FINANCIAL PERFORMANCE

The Group’s earnings were affected by the challenging operating environment, with prudent cost management helping to maintain EBIT margin stability.

CY25 Operating NPAT reduced 18.4 per cent on the pcp to \$59.0 million primarily driven by lower occupancy levels.

Operating revenue decreased 7.0 per cent on the pcp to \$946.9 million (CY24: \$1,017.7 million) resulting from lower occupancy performance.

Operating costs were 5.4 per cent lower than the pcp to \$853.6 million driven by lower booking volumes along with a well-managed cost base.

Network optimisation continued with 5 divestments and 6 leases surrendered or expired during the reporting period.

Operating EBIT decreased by 18.9 per cent to \$93.3 million, however, consistent centre execution upheld resilient margins despite occupancy pressures.

From a statutory perspective, the Group reported a Net Loss After Tax of \$303.3 million with non-trading items relating to goodwill impairment expense, portfolio optimisation and SaaS expenses as a result of new

systems impacting the result. The \$349.1 million goodwill impairment expense that was recognised in the current year, reflects a prudent re-assessment of underlying performance.

OPERATING MODEL AND CENTRE EXPERIENCE

Safety remains our top priority, supported by continuous improvement and bolstered child safety regulations and reforms. Our focus on team and children has strengthened our safety leadership through continuous training and support from our around centre support structure. The CCTV project has progressed diligently and we will commence our pilot and phased rollout in 2026.

Our agile network planning initiatives, together with improved systems, have driven efficiency across our centre network, enabling faster insight and action. We delivered a strong enrolment and transition plan, however, the macro environment has continued to impact enquiries and enrolments.

Strong family sentiment continues to be driven by confidence, quality education and safety, despite ongoing affordability pressures. Our Net Promoter Score (NPS) reached its highest level at 53, an increase of 3 points versus the pcp, since the launch of the Voice of Customer program in May 2023. The family experience has improved particularly in areas relating to individual children's needs, safety and school readiness.

Our talent pathway and succession planning delivered strong outcomes, with 55 percent of Centre Manager appointments filled internally in CY25. Team retention improved by a further 2 percentage points, reflecting a strong employer brand. Vacancies were reduced by 33 percent compared to the pcp, supported by enhanced screening and governance processes.

Across G8 Education's network we continue to improve our quality with, 95 per cent of centres are rated as 'Exceeding' or 'Meeting' the overall National Quality Standard, 4 percentage points above the sector, and 96 per cent of centres rated as 'meeting' or 'exceeding' NQS Quality Area 1 – Educational program and practice.

Reported occupancy of 65.8 per cent was 4.9 per cent lower than pcp impacted by a number of factors including affordability pressures, which contributed to reduced enquiry levels across the sector.

STRONG BALANCE SHEET

The Group maintained a cautious approach to capital management maintaining a conservative balance sheet, with stable liquidity and low leverage. Although no final dividend will be paid, we have delivered a fully franked total dividend of 2 cents per share in CY25 representing 34% of CY25 reported NPAT excluding goodwill impairment expense. The on-market share buyback announced on 26 August 2025 has been paused.

TRADING UPDATE AND OUTLOOK

Trading update

As at 15 February 2026, Group 'spot' occupancy was recorded at 54.4%, 7.5% pts lower than pcp and 57.2% YTD 7.8% pts lower than pcp.

A challenging operating environment has impacted occupancy in 2025 driven by:

- Ongoing affordability challenges for our families
- Continued trend of declining birth rates over the past 5 years
- Confidence and trust in sector has been impacted by recent events and media coverage
- Supply increasing and female workforce participation decreasing impacting demand

Significant changes to national law and regulatory operating environment requiring additional focus and resources.

Changes to CCS activity test showing early signs of increase in frequency particularly in new families, slow uptake likely due to lack of awareness.

A cautious approach to capital allocation was taken in response to softer sector conditions balancing operational priorities and shareholder returns

- We anticipate CY26 capex to be circa \$50 million
- No final dividend is to be paid in respect to year ended 31 December 2025
- Market buy back is currently paused

Outlook

Near term operating conditions remain challenging, with ongoing cost of living pressures and no material relief from inflation or interest rates.

Factors continuing to impact occupancy and operating environment in the near term;

- Female work participation starting to flatten.
- Softer demand due to lower birthrates with Total Fertility Rate (TFR) declining to historic lows over the past two consecutive years⁴
- Ongoing significant change to regulation and compliance impacting operating environment and creating complexity
- Supply into sector continues (albeit slowing down)
- Cost of living issues with increasing inflation and interest rates impacting parents' affordability
- Cost base increasing in attracting talent, regulatory compliance and other operating costs

Medium to long term dynamics remain encouraging:

- Supporting participation via the three-day guarantee and further investment in kindy programs
- State and federal government intention to create a more equitable and affordable early childhood
- Current projections indicate the TFR is expected to increase over the medium term⁵
- Investment in uplifting quality and rebuilding trust in the sector
- Supply starting to decline and some operators deciding to exit the sector

Given this backdrop to macro factors and conditions, we are actively adjusting to operate effectively in this new normal. We remain focused on strong execution and continue to further strengthen our core operations with initiatives focused on key safety and occupancy drivers.

- Safety remains our top priority, supported by continuous improvement and strong regulatory adjustments
- Deliver on family attraction and retention drivers
- Continue to promote 3-day guarantee activity test changes
- Strengthen team capability and attracting top talent
- Positioned for performance resilience with proven ability to deliver cost base and remain diligent to managing costs to occupancy levels
- Portfolio optimisation ongoing
- Commitment to network efficiency as we navigate the new norm

Regulatory Inquiries

G8 Education continues to actively support and participate in the various Federal and State Inquiries into the Early Childhood Education and Care Sector. G8 Education appeared before the NSW Senate Inquiry on 23 September 2025 and will be appearing before both the Federal Senate Inquiry and the Victorian Select Committee Inquiry on Tuesday, 24 February 2026.

ENDS

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

For further information, contact:

Investors G8 Education Investor Relations 07 5581 5300 investor.relations@g8education.edu.au	Media G8 Education Media 07 5581 5300 media@g8education.edu.au
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4. Australia Government – Australian Institute of Family Studies: <https://aifs.gov.au/all-research/facts-and-figures/births-australia>.

5. Australian Government - Centre for Population, Population Statement 2025 (2026), p. 1: <https://population.gov.au/sites/population.gov.au/files/2026-01/population-statement-2025.pdf>.