

## TRANSCRIPTION

**Company:** G8 Education  
**Date:** 23 February 2026  
**Time:** 9:00am, AEDT  
**Duration:** 45:33  
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### [START OF TRANSCRIPT]

**Operator:** Thank you for standing by, and welcome to the G8 Education Limited FY25 Results Investor Call. All participants are in a listen-only mode. There will be a presentation, followed by a question-and-answer session.

If you wish to ask a question, you will need to press the star key followed by the number one on your telephone keypad. In the interest of time, we do ask that participants limit themselves to asking one question at a time. If you would like to ask further questions, you are welcome to rejoin the queue.

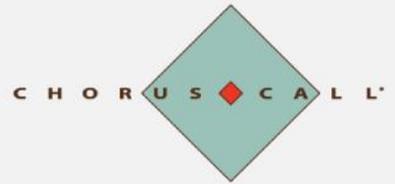
I would now like to hand the conference over to Mr. Pejman Okhovat, CEO and Managing Director. Please go ahead.

**Pejman Okhovat:** Good morning and welcome to the 2025 full year result call for G8 Education Limited. My name is Pejman Okhovat, and I'm the Managing Director and CEO of G8 Education. I'm joined today on line by Group's Chief Financial Officer, Steven Becker.

**Steven Becker:** Good morning.

**Pejman Okhovat:** Steven and I will take you through the Investor Presentation that was released to ASX earlier this morning. Following the presentation, we'll open the line for Q&As. I'd like to begin by acknowledging the Gadigal people of Eora Nation, who are the Traditional Custodians of the land on which we are conducting this presentation today.

We respect the spiritual relationship with the country and we pay respects to the Elders past and present. I extend that respect to any Aboriginal and Torres Strait Islander people joining us today. I also want to recognise our G8 Education team, whose resilience, dedication, and care underpin everything we



deliver and continue to demonstrate the profound impact early childhood education has on children, families, and communities.

This morning, we will cover a summary of the 12 months ended 31st of December 2025, provide an update on our progress, outlining operating and financial performance for this period, and we will conclude with a brief current trading update and outlook.

Slide 6. Beginning on Slide 6, as always, everything we do starts with children. We are proud to provide quality early childhood education and care to around 36,000 children across our network of 395 centres.

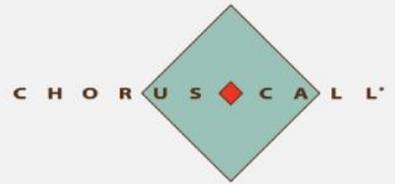
Our purpose remains at the core of everything we do: to nurture the greatness in every child to grow, thrive, and learn. This purpose continues to guide our operational decisions, our investment in our people, and our commitment to quality and safety across every G8 centre.

Turning to Slide 7. 2025 was a challenging year for the sector, particularly with the persistence of affordability pressure on families, softer demand being impacted by falling birth rates, and increased supply over the past three years. Despite these headwinds, operationally our team have executed strongly in areas within our control.

Performance across our controllable balanced scorecard metrics continues to improve in quality, team retention, and family engagement. 95% of our centres are now rated meeting or exceeding the overall National Quality Standards, and family Net Promoter Score improved to the highest level since launch of our Voice of Customer program in 2023.

These outcomes reflect sustained investment in quality and team capability. Team retention improved again this year, supported by positive engagement initiatives and wage uplift delivered through the fully funded ECEC worker retention grant.

Our unwavering commitment to safety has been demonstrated through continuously strengthening child safety policies and procedures through dedicated safety leader, strong compliance oversight, and active management with governance and regulators.



While the occupancy environment has been challenging, disciplined cost management has ensured margin stability, demonstrating resilience of our core operating model. Our balance sheet remains conservative with a stable liquidity and low leverage, reflecting a cautious capital management approach and considered balance between operational needs and shareholder returns.

Now turning to Slide 8. We have delivered a solid result in a challenging operating environment. Lower occupancy and a reduced number of operating centres resulted in revenue decline by 7% compared to PCP. Operating EBIT and NPAT were also lower year-on-year. However, margins remained relatively stable. Operating cost was lower than PCP, reflecting continued cost disciplines and a well-controlled cost base consistent with our focus on operational efficiency.

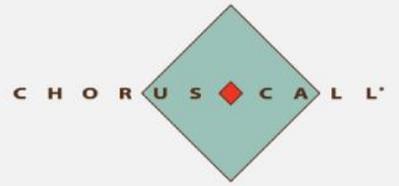
From a statutory perspective, the reported net loss after tax included the recognition of an impairment expense of circa \$350 million as a result of disciplined assessment of underlying performance. A dividend was paid in October 2025 representing 34% of the reported NPAT excluding goodwill impairment expense. No final dividend will be paid.

Group occupancy for the year was 65.8% with softer conditions particularly evident in the second half and continuing into early '26. Occupancy in Half 2 continued to be constrained by affordability pressure on our families and confidence in the sector contributed to reduced inquiry levels across the sector. Our spot occupancy as of 15th of February of 54.2% is 7.6% behind PCP and year-to-date spot occupancy of 57.1% is 7.9% lower than PCP.

Turning to Slide 9. Our commitment to shaping a resilient, inclusive, and sustainable future for all stakeholders across the four pillars of our governance, service quality, people, and environment. We will cover the first three pillars on the next slide as part of our balanced scorecard result.

In our environment pillar, from an emission perspective, we achieved a 9.4% reduction in Scope 1 and 2 emissions, delivered solar generation equivalent to 262 homes of usage.

Moving to Slide 10. The balanced scorecard has continued to deliver improvement across our controllable areas. Our strategy enabled a strong focus on further strengthening our core operations with clear results from our



targeted initiatives. We are proud to have further strengthened team retention, continued to improve family sentiment as reflected in a strong NPS result, and increased the number of our centres now meeting or exceeding the overall National Quality Standards.

Occupancy was lower than the prior comparative period with key reasons outlined earlier continued to impact demand. Team retention outcomes saw positive result, up 2.5 percentage points on prior comparative period to 79.5%.

Quality assessment ratings of meeting or exceeding have increased to 95%, 4% ahead of the long day care sector average. Our targeted focus on family journey is resulting in improved NPS result being 3 points ahead of prior comparative period.

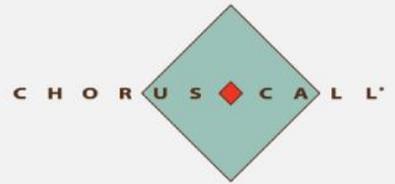
Turning now to Slide 11. Our employer brand continues to strengthen, supporting attraction, retention, and robust internal talent pipeline in a competitive market. Our recruitment process continues to deliver strong results with permanent vacancies down 33% year-on-year and average time to hire improved by 14%, all while maintaining enhanced screening and governance.

Retention is improving, particularly in critical roles. Centre manager retention increased slightly and early childhood teacher retention improved materially, reflecting the impact of targeted engagement programs and training. We are pleased to deliver a second wage increase to our award-based team members in December, meaning they have now received a cumulative 15% increase through the fully government-funded ECEC worker retention grant.

We continue to grow our talent supported by redesigned leadership and development pathway, resulting in more than half of our centre manager appointments being filled through internal promotions, reinforcing the depth of our talent pipeline and the strength of our employer brand.

While engagement eased marginally year-on-year, it remains well above Australia and sector benchmark. Overall vacancies continue to decline, workforce stability is strengthening, and our people investment are supporting quality, safety, and long-term performance.

Turning now to Slide 12, our family experience. We've continued to see family sentiment strengthen across the year, with Net Promoter Score reaching its highest level since the Voice of Customer program commenced in 2023. We



successfully launched and began embedding our family value proposition, targeting the key drivers of family experience.

This supported continued improvement across family experience metrics, including knowing children's individual needs, safety, and a stronger outcomes for families and children aged 3 to 5, particularly in school readiness and educational quality.

While engagement remains strong, affordability pressures continued to influence behaviour. Higher out-of-pocket costs constrained families' ability to commit to additional permanent days, resulting in broadly flattening frequency year-on-year. Inquiry levels softened in the second half, consistent with broader market conditions.

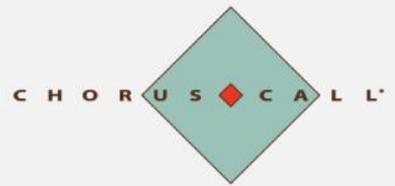
However, conversions remained stable, demonstrating resilience in a tough market. Tactical initiatives included a second continued casual day offer supported occupancy in quarter 4. Overall, family sentiment remains a strength of our business. The progress across controllable experience drivers provides a solid foundation as we navigate ongoing affordability and macro headwinds.

Turning to Slide 13, quality, education, and care. Across our network, 95% of our meeting or exceeding the overall National Quality Standards, placing us ahead of the sector average and demonstrating consistency of our operating model and commitment to delivering high-quality centres for our families.

We have made further progress in Quality Area 1, Educational Program and Practice, with 96% of our centres meeting or exceeding this standard. This improvement has been underpinned by strong educational leadership, monthly learning communities, and focused capability uplift across our teaching teams.

Inclusion is another area where we have continued to make headwinds. 98% of our centres have commenced or published a reconciliation action plan. We have also strengthened support for children with additional needs through new inclusion support plan template, enhanced behaviour guidance resources, and expanded professional development for educators.

Turning to Slide 14. For full year, Group occupancy was 65.8%, which is 4.9 percentage points lower than CY24. This reflects a market environment that remained challenging throughout the year with softer inquiry levels across the sector. Performance was mixed by region. Victoria and Western Australia



experienced the most significant occupancy pressure driven by tougher supply-demand dynamics in those markets, with New South Wales and Queensland being less affected.

At macro level, several factors continued to weigh on occupancy outcomes. Affordability pressures remain front of mind for families, particularly as broader cost of living pressures persist. In addition, participation in long day care has softened, reflecting both economic conditions and demographic trends. While market conditions remain challenging, we are focused on controllable within our operating model, supporting conversion, retention, and centre-level execution.

Over to Slide 15. Our operating model remains a key strength as we navigate a challenging environment. Safety continues to be our highest priority. During the year, we embedded our safety leader program across the network, strengthening leadership capability, accountability, and connection to support structures. We also completed the rigorous procurement process for CCTV, with rollout to commence in '26.

We have sharpened execution through simpler meeting structures and centre leadership forum, improving alignment and speed of delivery across our network. Ongoing investment in systems is giving us better visibility at centre level, enabling earlier intervention and more targeted support. We also made progress across enrolment and growth initiatives with a stronger cross-functional execution supporting key occupancy drivers despite softer conditions.

Finally, we extended our turnaround program with additional wave focused on team capability, family experience, and facilities. These initiatives are designed to lift centre performance and support a sustainable occupancy recovery over time. Overall, we remain focused on disciplined execution, strengthening our foundations, and positioning the business for sustainable improvement without compromising on safety, compliance, or quality.

Now moving to Slide 16. Operating cash flow remains robust, supported by a strong cash conversion and conservative leverage. We maintain a prudent approach to capital management. A fully franked dividend of \$0.2 per share was paid during the year, representing 34% of the reported NPAT excluding the goodwill impairment. We also completed a \$42.6 million share buyback, returning excess capital to shareholders while preserving balance sheet strength.

Net debt increased, reflecting higher investment in capex and the share buyback during CY25. Liquidity remains strong, providing flexibility as we navigate near-term market conditions. Our cost base remains well controlled. Wages as a percentage of revenue increased slightly, with ongoing wage optimisation supporting additional safety training.

Portfolio optimisation continued to be an important lever. During CY25, we divested 5 centres and surrendered or exited 6 leases, continuing to refine the network footprint and improving overall returns. I will now hand over to Steven Becker to take us through the financial performance.

Steven Becker:

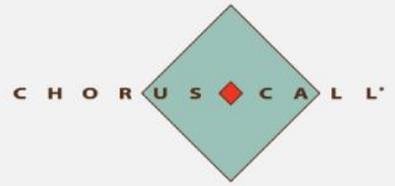
Good morning and thanks, Pej. On Slide 18, we discuss in more detail our Group financial performance. Group operating revenue was \$946.9 million, down 7% on last year, reflecting lower occupancy levels across the network as previously discussed by Pejman.

Our Group operating EBIT was impacted by the lower revenue but came in within our previously guided range. Against the backdrop of challenging occupancy levels, our focus has been on disciplined cost management and preserving balance sheet strength without compromising safety, quality, or compliance.

Operating EBIT adjusted for leases was \$93.3 million with an EBIT margin of 9.9%. While margins were lower year-on-year, they remained resilient given the operating environment, supported by disciplined procurement, ongoing cost management, and reduction in underlying support office costs of 3.6%.

Finance costs decreased as a result of improved borrowing rates from a debt refinance last year. Reported statutory results were materially impacted by a non-cash goodwill impairment of approximately \$350 million, reflecting conservative reassessment of long-term assumptions in light of current trading conditions. This does not affect cash flow, liquidity, or covenant strength.

From a centre performance perspective, centre revenue was 6.7% lower than last year, mainly due to lower occupancy. Employment costs were appropriately managed and have decreased year-on-year, which were driven by the lower booking volumes. Wages as a percentage of revenue were slightly higher year-on-year.



Rent as a percentage of revenue has increased as result of normal CPI and market reviews. Depreciation increased slightly due to the increased investment in capital works completed on centre upgrades and centre-based resources. Other expenses were largely in line with lower occupancy levels and continuing benefits from our strategic procurement activities. This resulted in centre margin decreasing year-on-year by 1.3% to 16.4%.

In terms of our balance sheet and capital allocation, the Group maintains a strong balance sheet with low leverage and good liquidity. Cash flow generation was strong with cash conversion above 100% and operating cash flow after interest and tax of \$168 million.

During the year, we invested approximately \$52 million dollars in capex, paid out dividends of \$43 million, and bought back shares to the value of \$42.6 million, resulting in free cash flow for the year of \$12.3 million. Net debt for the Group ended at \$117 million, representing a conservative gearing ratio of circa 23% and leverage of 1.18x. In addition, the Group also has access to another further \$45 million of committed bank debt facilities as and if required.

Prudent capital and cost management disciplines will continue to be a focus for the Group going forward, and in this regard, taking into account the current challenging operating environment, the Board has resolved not to pay a final dividend for FY '25 and to pause the on-market share buyback.

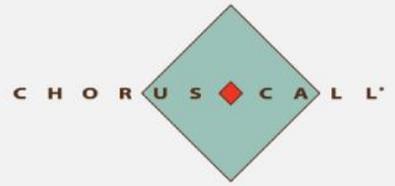
I'll now hand back to Pejman who will talk through the rest of the presentation.

Pejman Okhovat:

Thanks, Steven. Before I turn my attention to trading updates and the outlook, I'd like to focus momentarily on child safety. At G8 Education, child safety is fundamental to everything we do. It is central to our values, our governance, and our social license to operate. Over the past year, the sector has experienced significant reform with heightened expectations around compliance, transparency, and safeguarding.

We welcome these changes and continue to work constructively with federal and state governments and regulators to strengthen protection for children and support meaningful reform across early childhood education.

Our approach to child safety is an always on commitment. We continuously review and strengthen our policies, procedures, and operational practices to ensure accountability, trust, and the highest standards of care. All our policies



are aligned with the national and state legislation, including recent changes such as restrictions on personal devices in centres, enhanced mandatory reporting requirements and upcoming national training and registration reforms.

Importantly, we have invested in particular on-the-ground safeguards. This includes dedicated safety leaders in every centre with protected time, expanded mandatory training from pre-day one onwards, strengthened recruitment and background checking processes and ongoing quality and compliance reviews across the network.

We have also continued to invest in systems and infrastructure that improves oversight and visibility, including our compliance platform, enhanced reporting and investment in physical and digital environments that promote child safety and well-being.

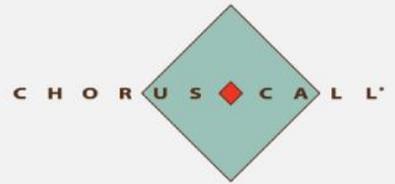
Above all, in the best interest of children guide decision-making at every level of our organisation. We encourage transparent, confidential reporting of concerns and maintain a zero-tolerance approach to behaviours that compromise child safety.

I will now speak to current trading. Group spot occupancy is 54.4%, 7.5% lower than the prior corresponding period and 57.2% year-to-date, representing 7.8 percentage points lower than the prior corresponding period. A challenging operating environment has impacted occupancy in 2026 driven by ongoing affordability challenges for our families.

A continued trend of declining birth rates over the past five years, confidence and trust in the sector being somewhat impacted by recent events and media coverage, supply increasing and female workforce participation slightly decreasing impacting demand and significant change to the national law and regulatory operating environment requires additional focus and resources.

Changes to the child care subsidy activity test are showing early signs of an increase in frequency, particularly in new families, with low uptake likely due to lack of awareness across the country. A cautious approach to capital allocation was taken in response to softer sector conditions, balancing operational priorities and shareholder return.

We anticipate CY26 capex to be circa 50 million. No final dividend is to be paid in respect of the year ended 31st December 2025 and the market buyback is



currently paused. Turning to outlook. Near-term operating conditions remain challenging with cost of living pressure continuing to weigh on families' affordability and at this point, we are not seeing material relief from inflation or interest rate increases.

There are several factors that continue to impact occupancy and operating environment in the near term. Female work participation is starting to flatten. Demand has softened as a total fertility rate has declined to historic low over the past two years.

Ongoing significant changes to regulation and compliance impacting operating environment and creating complexity. While supply to the sector continues, it is now starting to slow. Cost of living issues with increased inflation and interest rate impact parents' affordability and our cost basis is increasing as we invest in attracting talent, meeting heightened regulatory expectations, and managing broader operating cost pressures.

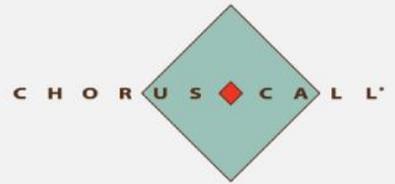
That said, when we look beyond the near term, the medium-to-long term dynamics for the sector remained encouraging. Government policy continues to support workforce participation through initiatives such as the three-day guarantee and further investment in Kindy programs across states.

Both the state and federal governments have clearly articulated an intention to create a more equitable and affordable early childhood education and care system. Current projections indicate that total fertility rate is expected to increase over medium term.

We are seeing continued investment across the sector to uplift quality and rebuild trust and supply is starting to decline with some operators choosing to exit the sector. Against this macro backdrop, we are actively adjusting how we operate to be effective in what is the new normal.

Our focus remains firmly on strong execution and on improving the areas we can control, with initiatives centred on our key safety and occupancy drivers. Safety remains our top priority, supported by continuous improvement and a strong regulatory alignment.

We are focused on delivering the key drivers of family attraction and retention. We will continue to promote and embed the three-day guarantee activity test



changes. We are investing in strengthening team capability and attracting top talent.

We remain position for performance resilience with a proven ability to adjust our cost base and remain disciplined in managing cost relatively to occupancy levels. Portfolio optimisation will continue with rigor, and we remain committed to improving network efficiency as we navigate this new operating environment. I will now hand back to the moderator for Q&A.

Operator:

Thank you. If you wish to ask a question, you'll need to press the star key followed by the number one on your telephone keypad. If you wish to cancel your request, please press star two and if you are on a speakerphone, please pick up the handset to ask your question. A reminder that we do ask that participants limit themselves to asking one question at a time and to rejoin the queue to ask further questions.

Your first question comes from Tim Plumbe from UBS. Please go ahead.

Tim Plumbe:

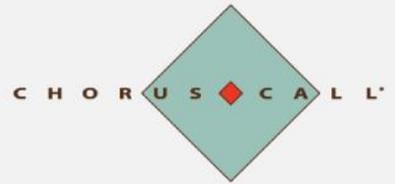
Hi guys, thanks for taking my question. Pejman, just wondering if we can talk about the cost base into FY27 and appreciate it's probably a bit of a difficult question given that there's still some moving parts with the inquiries that are ongoing, but do you guys have any sense for like incremental training costs that you're expected to incur in FY27.

And then you're mentioning head count changes potentially. Can you talk a little bit about how we should think about the increased cost base under the new environment? And then sorry, if there were any offset -- further offsets that you can do in terms of cost management initiatives, please?

Pejman Okhovat:

Good morning, Tim. Thanks for your question. I'll try to answer your question fundamentally in kind of if I heard it correctly was in three parts. Look, you are right, we don't have a very clear visibility into cost for '27, but you are absolutely right, the significant regulatory changes that we saw in late '25 and also in early '26.

And there are number of reform that actually come into effect from 27th of February, they are adding operating costs fundamentally through new changes in regulation, stronger compliance activities, significant increase in compliance visitations and also the training, which are some of them are mandatory



trainings around safety that is being established across all states and territories with the federal government. Those trainings will have additional costs.

One thing we do know from that specific training cost, Tim, there is two phases for that training. First phase will go live at end of February and all providers have got the obligation to complete that first phase of training within the first six months, so takes us to about October.

When the second phase of mandatory training will be released, which again the providers will have ability for another six months, which will take us in '27. We don't know exactly the cost that's implicated by these trainings, but let's take the assumption that when you have 8,000 to 9,000 employees and every one of our team members has got to go through majority of these training, it will be quite a bit of a cost.

For '26, we believe somewhere between, again, we haven't run all of this to ground as you said, there's more regulations that are coming to effect and there may well be more in '26 for '27. So these numbers that I'm quoting they're just draft estimates in our mind at the moment, they'd be probably about \$5 million, maybe to \$10 million of extra cost that we can currently see coming towards us.

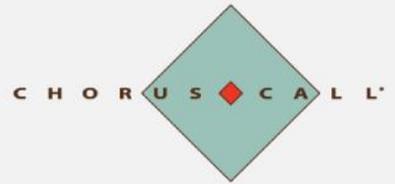
I didn't mention anything about specific head count. What I did mention is that, over the last three years, we have demonstrated our ability to manage cost really well with market conditions changing. What does that mean? We've there's variability in costs based on trading conditions, we have again demonstrated that and will continue to exercise that lever really well.

Beyond that, there's a certain level of fixed cost. And as you would know, in our centres, you know, we've done a really great job over the last three years in operating the core of the business efficiently, so there isn't a significant amount of cost savings or improvement in efficiency that can come from our centres.

The next layer of work for us over the next few months will be looking at our how do we kind of leverage our support cost a bit better. But, you know, as this impact on occupancy we've really been facing into it only in the last five weeks, you that work is still to be come ahead of us and to be determined what that really means. I hope, Tim, I've answered all your part of your questions.

Tim Plumbe:

No, that's useful, Pejman. Thank you. I'll jump back into the queue for another one. Thank you.



Pejman Okhovat: Thanks very much, Tim.

Operator: Thank you. Your next question comes from Wei-Weng Chen from RBC Capital Markets. Please go ahead.

Wei-Weng Chen: Hi guys. Apologies, I joined just in time for the Q&A, so I heard that last question and kind of that's it. So hopefully haven't addressed it in the presso, but just in terms of the ordering of your macro concerns on your slide, do you see the cost of living as the fundamental issue facing, you know, the sector, or is there a broader sort of issue around that loss of trust in the entire sector? And if so, like what's going to be the circuit breaker for this industry?

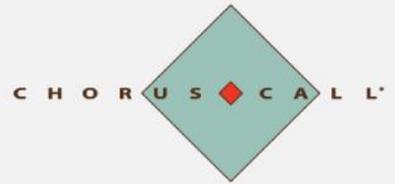
Pejman Okhovat: Good morning, Wei-Weng. Yes, we did kind of go through it, but I'm more than happy just to go. I think you are right. We're not saying there's one factor at the moment that overplays another one. But in our sector, like whatever we do is all joined, but for our families, all of these factors are also in some way interconnected.

So if we start by, you know, the macroeconomic factors are definitely continuing to play a role in families' affordability, no doubt. Everyone was hoping for improved inflation rate, and with two rate reduction last year, I think families were getting a little bit more optimistic coming in '26.

But unfortunately, you know, coming after Christmas, which is usually a very expensive part of the year for our families, coming into January and being kind of promo, you know, seen in the public that there was going to be a rate hike, and the rate did increase and inflation unfortunately is not coming down, definitely has an impact on families' ability to have that discretionary spend.

The other couple of components which impacts partly the demand is, you know, again, there's been number of reports have come out. The birth rate over the last few years, and certainly when you look at the fertility rate over the last two years, has been the lowest in consecutively in the last five years. So that birth rate is definitely impacting some age groups within the sector, particularly that sort of one to three year-olds in this in where we are.

But saying that again, last year there were reports showing that pregnancy testing and ultrasounds have been a slightly increasing in '25, which hopefully means somewhere is, you know, mid to end of '26 we might start to see some



of that birth rate improving. We don't have exact numbers, but those are some of the indicators that that we can we can only use.

The other part which I think what we said and we want to be very open and genuine as always is, you know, in the last six to eight months, you know, the media focus and attention on some horrific issues across the sector has been pretty unrelenting too.

Again, us including everyone in G8, and I do know that the whole of the sector condones any of those activities and we're all appalled by any of those horrific issues that have been surfaced across the country and in every state that people, you know, intentionally are causing harm to children.

With that public attention, and rightly so, and the media attention to bringing those to fruition and number of public inquiries, whether they're federal or a state-based, has definitely increased some family concerns around safety and perhaps impacting their trust in in the system.

And again, federal government and state governments are all very aware of this issue and everyone's trying to work really hard with the providers to build that trust back. I think for us it's probably a little bit like, you know, if you go back few years ago like aged care, you know, there is everyone that's part of the sector has a responsibility including ourselves to continue to work collaboratively to build that trust back to where it has been historically.

The other couple of components which again goes hand in hand with everything else is the supply into the sector still continues to be a net supply. The one positive that we've seen in the last quarter, and again if you remember through all our reporting periods, net supply over the last seven or eight quarters was somewhere in 3.4%, 3.5%. But the last quarter dropped to 2.4%.

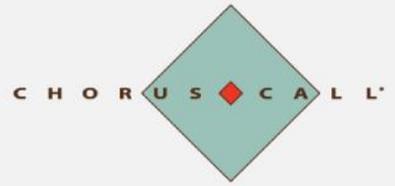
We did highlight in the second half of last year that with cost of construction, we were anticipating, as was the sector was anticipating, that supply would slow down somewhat. So we are seeing that, but having said right here right now, there is still 2.4 percentage of net supply into the sector. So we are seeing those kind of impacting some of that demand overall.

Wei-Weng Chen:

Okay, thanks. I'll jump back in the queue. Thanks.

Pejman Okhovat:

Thank you.



Operator: Thank you. Once again, if you do wish to ask a question, please press star one. We'll pause a moment for any further questions to register. Thank you. Your next question comes from Peter Drew from Carter Bar Securities. Please go ahead.

Peter Drew: Morning, guys. Just a question on, I guess, the portfolio. Are there any more sort of planned changes for the portfolio? And, you know, given the tough environment, is there any scope, you know, to approach your landlords for some sort of relief?

Pejman Okhovat: Good morning, Peter, and thank you for your question. Look, as we mentioned in the last two years and you've seen evidence of how we've been approaching this, portfolio optimisation has been an always on for us in the last two years, and in both previous years we have divested or exited or surrendered a number of centres.

So last year, as noted in 2025, we divested 5 centres and we surrendered or exited 6. So total of 11. We will continue to have a diligent eye on dynamics of every one of our centres across the states that we operate, and we will take appropriate action in where we see appropriate.

Your second part of your question, approaching landlords, yes of course that is very much what we do, but to be very open and frank at the moment, no landlord is prepared to do anything to help and support the providers, not us or and, you know, I can I can tell you none of my other counterparts have also facing the same thing. Unfortunately, landlords at the moment are unrelenting.

Peter Drew: Thanks, Pejman.

Operator: Thank you. Your next question comes from Tim Plumbe from UBS. Please go ahead.

Tim Plumbe: Hi guys. Just one from me on occupancy and thinking about flowing that through into calendar year '26. Quick back of the envelope suggests, you know, you guys I guess the comps get easier as we progress throughout the year, like that minus 7.5% spot, if I flow it through and assume that it's kind of maintained at that level but the comps get a little bit easier, I kind of get occupancy down in the high 2s, like 2.7-ish.

Is that the right way to think about the potential headwinds into FY26, or should we be factoring in potentially interest rate increases making it a little bit a little bit harder again? How are you guys thinking about the rest of the remainder of the year relative to where we stand now?

Pejman Okhovat:

Thanks, Tim. Great question, but a very difficult one to be to be honest to be very, very accurate about that. As you know, historically, the occupancy curve is at its lowest at that first or second week of February. From there onwards, the occupancy curve builds towards November, be it, there are some kind of minor ups and downs due to Easter holidays, school holidays throughout the year, but it gradually improves towards November, and then from mid-November till December it kind of comes back down as families take their children out and take them on holidays.

We anticipate the curve, the shape of the curve to be pretty similar to every other year. What I can't tell you right here right now is how steep will that curve be compared to last year, and will we see an improving. The points that you made are valid. You know, last year was a challenging year, so you are correct in terms of, will we be comping some let's say softer numbers as we go through Q1, Q2, Q3, Q4.

Perhaps, but it just depends how the market conditions are this year, and I think it would it would not be wise of me to start giving any forecast. But as you know, we will provide the market with a market update at our AGM in April, and we'll provide a market update again when we do our half year results in August. But Tim, I did want to say, hopefully, as I said in my presentation, that, we are genuinely not leaving any stones unturned.

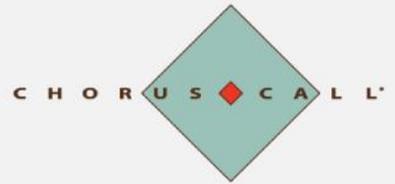
You know, at the moment, you know, we're pulling all the levers including, you know, further investment in marketing activities to kind of capture more inquiries that's available in a very tough market. You know, our teams on the ground, daily conversations with families, every inquiry we're doing our best to turn them into a tour, and we follow every tour up with within 24 hours to see whether we can convert the families into an enrolment.

Tim Plumbe:

Got it. Thank you.

Operator:

Thank you. Your next question comes from Peter Drew from Carter Bar Securities. Please go ahead.



- Peter Drew: Yeah, hi again guys. Just a question on sort of EBIT sensitivity. I mean, putting aside the additional regulatory costs that you flagged, that 5 million or 10 million estimate that you understand that that's just an estimate at this stage, but if we put that to one side, how should we think about the EBIT sensitivity to a percentage point decline in occupancy, based on where you've got the cost base today?
- Steven Becker: Hi Peter. Yeah, look, I think it's probably changed -- probably hasn't changed somewhat from where we've normally pitched it. I mean, we've always said that every percentage was worth a few million dollars or so, so that probably goes up to that \$4 million to \$5 million. So we don't think that's changed materially. Obviously, we've got some extra costs, but obviously we're taking some other costs out as well. So we don't see that materially changing.
- Pejman Okhovat: And that that kind of number that Steven just talked to, Peter, is across a full 12 months annualised impact.
- Steven Becker: Annualised. Yeah. Yeah.
- Peter Drew: Yeah, yeah. And what about support costs for sort of '26? Should we assume that they can stay relatively flat year-on-year?
- Steven Becker: Yeah. I mean, I think we managed to pull them down obviously this year, so we pulled them down by 3.6%. I think we would be disappointed if we -- I think at least flat and we hope to maybe take some maybe some out of those as well. Yeah.
- Peter Drew: So is a reasonable way to look at, I guess, the numbers for calendar '26, taking into consideration an assumption around occupancy at that \$4 to \$5 million EBIT impact and then layering over the top that \$5 to \$10 million in cost from these regulatory changes?
- Steven Becker: Yeah, and then obviously take some take some savings into account as well that we will obviously, we will adjust our cost base as well. You know, there's a limit as Pej said because we've got to be careful that we -- when we optimise our cost base, we don't sort of, cut off our nose to spite our face a little bit, because -- so we will manage that sort of prudently.
- Peter Drew: That's helpful. Thanks, guys.



Operator: Thank you. There are no further questions at this time. I'll now hand back to Mr. Okhovat for closing remarks.

Pejman Okhovat: Thank you very much to everyone for attending the call and really appreciate your engagement with G8 Education and appreciate for those who have questions.

In closing, I would like to once again thank the G8 Education team for their outstanding work that has delivered these results and outcomes. Our team's passionate and dedicated work results in supporting thousands of families and their children with high-quality education and care. Their hard work allows us to live our purpose: to nurture the greatness in every child to grow, thrive, and learn.

And we thank all our stakeholders, from our shareholders, to our families, to our communities, and of course everyone that's within the sector that we work collaboratively with. Appreciate it. This now ends the presentation.

Operator: Thank you. That does conclude our conference for today. Thank you for participating. You may now disconnect.

**[END OF TRANSCRIPT]**