

ASX Announcement

G8 Education Limited
(ASX:GEM)



27 April 2022

Market Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

2022 AGM – CHAIR’S AND MANAGING DIRECTOR’S ADDRESSES & PRESENTATION

Attached are the following documents to be presented at G8 Education Limited’s 2022 Annual General meeting (**AGM**) being held today:

1. Chair’s Address;
2. Managing Director’s Address;
3. AGM Proxy Results; and
4. AGM Presentation Slides.

The results of the AGM will be communicated to the ASX shortly after conclusion of the AGM.

Yours sincerely

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

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

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2022 AGM – CHAIR'S ADDRESS

David Foster

I would like to start with an overview of the Group's 2021 performance, from both an operational and strategic perspective. I will also provide an update on Board renewal activity.

Our Managing Director and Chief Executive Officer Gary Carroll will then provide an update on the Group's trading performance for the year to date, as well as progress in relation to execution of the Group's strategic focus areas. Following Gary's presentation, we will then move to the formal items of business for this meeting.

First, to an overview of our 2021 performance, which like 2020, was significantly disrupted by the COVID-19 pandemic, with the effects being felt in every community in which we operate.

An improved health and economic environment in the first half of 2021, together with the Group's Improvement Program initiatives, enabled G8 to grow occupancy back to be broadly in line with pre-COVID-19 levels by the middle of 2021. However, the onset of new COVID-19 variants in the second half of the year resulted in lengthy and extensive lockdowns, particularly in New South Wales and Victoria. These lockdowns significantly impacted attendance levels and core average occupancy growth, with occupancy ending the 2021 year 3.1% above 2020 but 2.1% below pre-COVID-19 levels.

The care, skill and dedication of the entire G8 Education team to adapt and do whatever was necessary to protect the health and safety of our team members, children and families ensured that infection risks were minimised throughout our network. I was also inspired by the many stories of our team providing additional care and support to those most in need. On behalf of the Board, I would like to sincerely thank every member of our team for their tireless efforts in supporting our children, families and communities throughout this period.

The financial performance of the Group in 2021 was significantly impacted by the COVID-19 operating environment, with Government relief subsidies largely offsetting the impacts on occupancy of lockdown measures. Net Profit After Tax was \$45.7 million. Cash flow generation continued to be strong, with \$84.3 million in operating cash flows being generated. The Group also continued to maintain a strong Balance Sheet, with net debt of \$25.9 million at the end of 2021 and access to \$300 million of committed bank debt facilities.

In light of the challenging and uncertain environment, no interim dividend was paid for H1 2021. The Board declared a CY21 fully franked dividend of 3 cents per share, which was paid this month. Given our sound capital position, the Group also announced an on-market share buyback which commenced last week.

I would also like to acknowledge the support of Federal and State Governments during the year. The Federal Government moved swiftly to implement a sector-specific support package to mitigate the effects of reduced attendances for all sector participants, while State Governments supported those in the sector in responding to the rapidly evolving crisis on an everyday basis. The support packages reinforced the essential role our sector plays in the economy, in addition to the important role we play in the cognitive, social and emotional development of Australian children.

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The prioritisation of COVID-19 response activities had an impact on the pace of some of our planned strategic initiatives, such as the refurbishment of our centre network. Despite these challenges, excellent progress was made in two of our key strategic focus areas, being team member and child safety.

Our emphasis on team member safety during the year focused on supporting the mental health and well-being of our team during the pandemic. Various activities were undertaken during the year, from specific training for our leaders, increased investment in professional support networks, as well as numerous recognition and support events throughout the network. The results and feedback received from these activities have been very positive. From a child safety viewpoint, we leveraged our partnership with Bravehearts to further develop our child safety program, with a number of new training modules being completed in 2021. We also appointed child safety champions throughout all of our centres, to drive increased focus and capability on an everyday basis.

Turning now to progress made on the Group's Improvement Program. The team delivered the Improvement Program to 118 centres in 2021, building on the 94 centres that were completed in 2020. Results have been encouraging, with the Improvement Program centres delivering above-network results in key occupancy lead indicators such as quality, team engagement and family feedback. While occupancy and EBIT results for this cohort were impacted by lockdowns in the second half of 2021, there was noticeable improvement in occupancy and EBIT performance in the first half of 2021, providing confidence that the program will continue to deliver strong results once normal operating conditions return.

The employee wage remediation program is well progressed with over 70% of team members having been fully remediated, and an outreach and advertising process underway to connect with the remaining former team members.

The shareholder class action proceedings which were filed against the Company in late 2020 are ongoing and we continue to vigorously defend that claim.

Finally, I wanted to provide an update on Board renewal activity. In November 2021, Mark Johnson retired from his position as Chair and Non-Executive Director of G8. Mr Johnson was Chair of G8 Education for nearly 6 years and retired in accordance with the Group's Board succession plans. On behalf of the Board, I want to again thank Mark for his leadership of the Board and the Group during a period of significant transformation.

We also welcomed two new board members in late 2021, Debra Singh and Toni Thornton as Non-Executive Directors, following an extensive search and recruitment process. Debra and Toni bring a range of skills, financial, operational, strategic, property, risk management and leadership across several industries, including childcare. Both are already making valuable contributions to the Board.

We take our sustainability pillars – Governance, Service Quality, People and Environment – very seriously, and have detailed the initiatives and commitments we have undertaken, and the progress we have made to date and our future targets in the Sustainability Report. Our

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Sustainability Working Group has been established and we look forward to continuing to work towards our sustainability goals and providing more detailed disclosure to our stakeholders.

In closing, I would like to thank all G8 Education team members for their contributions throughout 2021 in what was an extremely challenging environment. Their passion, dedication and skill make all of us very proud. I would also like to thank you, our shareholders, for your continued commitment and support.

I will now hand over to our Managing Director and Chief Executive Officer, Gary Carroll, to deliver his address.

Thank you.
David Foster
Chair

2022 AGM – MANAGING DIRECTOR’S ADDRESS

Gary Carroll

As David outlined, I will spend the next few minutes providing you with an update in three areas:

1. Current trading performance;
2. Progress regarding implementation of the Group’s key strategic initiatives; and
3. The market operating environment.

Starting with current trading performance, the Group provided a detailed trading update to the market on 12 April, which outlined the impact of omicron cases and floods in parts of Queensland and New South Wales on revenue, occupancy and profit performance for the first quarter of 2022. These events resulted in occupancy falling to 2.1% behind 2021 levels in early March, before recovering in the following weeks to be 0.8% behind the prior corresponding period as at 3 April. When combined with increased employment costs due to team member shortages and sick leave increasing the usage of agency team members, G8 Education’s Operating EBIT (after lease interest) was approximately \$16 million lower than the prior corresponding period (“pcp”).

This variance was driven by four key factors:

1. \$6m in incremental discounting versus the pcp – predominantly gap fee waivers to support families during COVID-19 and where flooding either closed or impacted access to a centre. These gap fee waivers have reduced in recent weeks from an average of \$500k per week to \$125k per week;
2. The absence of \$5 million in COVID-19 government subsidy that was received in the pcp;
3. An incremental \$2 million in employment costs driven by additional agency costs and sick leave as a result of COVID-19 and flood-related team member shortages; and
4. Delays in the lead pipeline, omicron case numbers and widespread weather events impacting enrolments.

The Group has continued its momentum in relation to its Improvement Program, with the current cohort of circa 140 centres due to be completed by mid-2022. The approach to the remaining 15% of centres provides the opportunity to embed the practices and capabilities developed over time using a business-as-usual structure in response to feedback from the

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program. This provides the opportunity to improve effectiveness and efficiency, while reducing costs.

While the Q1 impacts are largely expected to be temporary, the COVID-19 operating environment remains uncertain, including the potential continuation of the impacts seen in Q1 of CY22, particularly in the absence of additional government support.

To respond to the challenging environment, the savings achieved through transitioning the Improvement Program from a project structure to a business-as-usual model have been augmented by an additional cost reduction program, including reprioritising discretionary spending and programs. Total cost reductions are targeted at \$13 million - \$15 million for the remainder of CY22, predominantly realised in H2.

The recent school and public holidays make point in time comparisons to prior year challenging given timing differences. Occupancy growth over the 4-week period to 24 April was in line with the prior corresponding period.

Turning now to our strategic priorities. I would like to provide an update on three of our key strategic focus areas, namely:

- Driving operational excellence via our Improvement program, which involves the re-engineering of learning environments and centre operating routines and the development of centre manager leadership capability;
- Implementation of professional development and leadership development programs to increase team capability and engagement and reduce team turnover; and
- Network growth and optimisation, covering the measured roll-out of new greenfield centres and the divestment of previously impaired centres.

Firstly, to the Improvement Program. As noted, we continued to make very good progress on this program, with approximately 140 centres scheduled to be completed by mid-2022. This brings the total number of centres covered by the program to around 370, or about 85% of the network. While the impacts on occupancy have been difficult to measure so far in 2022 due to the omicron and flood impacts, the cohort of centres that have been through the program delivered above-network results in quality, team engagement and family engagement during 2021, providing confidence that the latest cohort will deliver similar results during the course of 2022.

Secondly, I am pleased to report positive progress in relation to the Group's people development programs. Educator shortages have remained a key challenge for the entire sector, so we remain very focused on providing a market-leading employment offer and providing our team with genuine career pathways.

Our Centre Manager induction and onboarding program which was launched in July 2021 has produced very strong results, with turnover of centre managers that have been part of the program being demonstrably lower than historical turnover rates, contributing to a small reduction in Centre Manager turnover for the year to date. Similarly, changes to our Early Childhood Teacher remuneration that were implemented in late 2021 have led to a small reduction in ECT turnover in the year to date. Finally, enrolments and progress on our study pathways programs, covering Certificate III, Diploma and Bachelor students, is in line with expectations. We have around 950 team members currently enrolled in such programs and

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continue to see turnover performance of this student cohort being significantly lower than the rest of the network.

The Group's greenfield development program has been impacted by COVID-19-related delays to construction activity, with a total of 6 centres forecast for the year. Three centres have been opened for the year to date, with two centres recording occupancy that are in line with expectations and one centre being impacted by COVID-related delays in conversion of enquiries. As noted above, this is expected to be temporary.

The Group continues to chip away at its impaired portfolio, with one agreement signed for the year to date to add to the total of 19 sales or lease surrenders that have already been completed. Market activity was somewhat subdued in the first quarter given the operating environment, with increased activity expected over the coming months as market conditions normalise.

Turning now to changes that have been announced this year relating to the Child Care Subsidy framework. In March, the Federal Government brought forward the effective date of the increase to the Child Care Subsidy for families with multiple children in care to 7 March, four months earlier than originally announced. In addition, the removal of the annual CCS cap was removed from 10 December 2021 and will apply retrospectively for the entire 2021/22 financial year. We welcome these changes and the support for the early education sector, as well as the recognition that investing in the sector is not only an investment in the Australian economy and workforce, but an investment in the learning and development of our future generations. We are very supportive of measures designed to remove structural barriers and facilitate improved accessibility and affordability for all families. Along with the sector, we continue to engage constructively with government to ensure the right settings are in place for all stakeholders.

We look forward to providing a further trading update at the Group's Half Year results in August.

In closing, I would like to thank all of the G8 Education team for their expertise, compassion and commitment during an incredibly challenging period. Our team have been front line workers during the pandemic and the support they provided our families and the broader population was an inspiration. I would also like to thank our shareholders for their ongoing commitment and support.

Thank you
Gary Carroll
CEO & Managing Director

2022 ANNUAL GENERAL MEETING PROXY VOTING RESULTS

RESOLUTION	VOTES FOR	VOTES AGAINST	VOTES OPEN	TOTAL	ABSTAIN
Resolution 1 Remuneration Report	546,031,878 97.83% 178 holders	10,425,703 1.87% 197 holders	1,711,599 0.31% 122 holders	558,169,180 65.89% of issued capital	1,864,881 47 holders
Resolution 2 Re-election of David Foster	540,708,808 96.52% 318 holders	17,762,848 3.17% 85 holders	1,708,241 0.30% 124 holders	560,179,897 66.12% of issued capital	205,471 26 holders
Resolution 3 Election of Debra Singh	549,195,711 98.05% 324 holders	9,212,016 1.64% 68 holders	1,708,692 0.31% 124 holders	560,116,419 66.12% of issued capital	268,949 35 holders
Resolution 4 Election of Toni Thornton	555,757,925 99.22% 330 holders	2,647,915 0.47% 61 holders	1,714,079 0.31% 126 holders	560,119,919 66.12% of issued capital	265,449 34 holders
Resolution 5 Issue of Performance Rights to CEO/MD	553,162,881 99.03% 133 holders	3,760,166 0.67% 263 holders	1,685,547 0.30% 120 holders	558,608,594 65.94% of issued capital	1,557,963 30 holders
Resolution 6 Amendment to Constitution	556,559,363 99.48% 238 holders	1,174,763 0.21% 99 holders	1,760,034 0.31% 129 holders	559,494,160 66.04% of issued capital	891,208 83 holders

ANNUAL GENERAL MEETING

G8 Education Limited (ASX:GEM) | 27 April 2022

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Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may vary materially for many projections because events and actual circumstances frequently do not occur as forecast and these differences can be material. This presentation contains such statements that are subject to risk factors associated with the industry in which G8 operates which may materially impact on future performance. Investors should form their own views as to these matters and the assumptions on which any forward-looking statements are based. G8 assumes no obligation to update or revise such information to reflect any change in expectations or assumptions. The inclusion of forward-looking statements in this presentation should not be regarded as a representation, warranty or guarantee with respect to its accuracy or the accuracy of the underlying assumptions or that G8 will achieve, or is likely to achieve, any particular results.

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BOARD OF DIRECTORS



David Foster
Chair & Non-Executive Director



Gary Carroll
CEO & Managing Director



Julie Cugin
Non-Executive Director



Debra Singh
Non-Executive Director



Toni Thornton
Non-Executive Director



Peter Trimble
Non-Executive Director



Margaret Zabel
Non-Executive Director



CHAIR'S ADDRESS



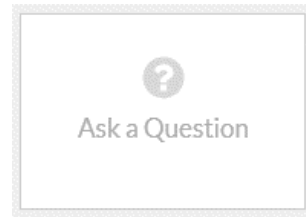
MANAGING DIRECTOR'S ADDRESS



PROCEDURAL MATTERS

HOW TO ASK QUESTIONS

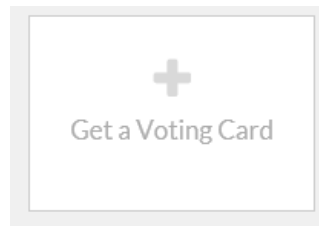
1. Click “**Ask a Question**”



2. Select the **item of business** from the drop-down menu and type your question in the space provided
3. Once you have typed your question, click “**Submit Question**”

HOW TO VOTE

1. Click **“Get a Voting Card”**



2. Enter your Shareholder Number (SRN/HIN) or Proxy Number and click **“Submit Details and Vote”**
3. Fill out your voting card for each item of business
4. Click **“Submit Vote”** or **“Submit Partial Vote”**



BUSINESS OF MEETING

ITEM 1 – ANNUAL REPORTS

To receive and consider the Company's Annual Financial Report, Directors' Report and Auditors' Report for the financial year ended 31 December 2021.

There is no vote on this item.



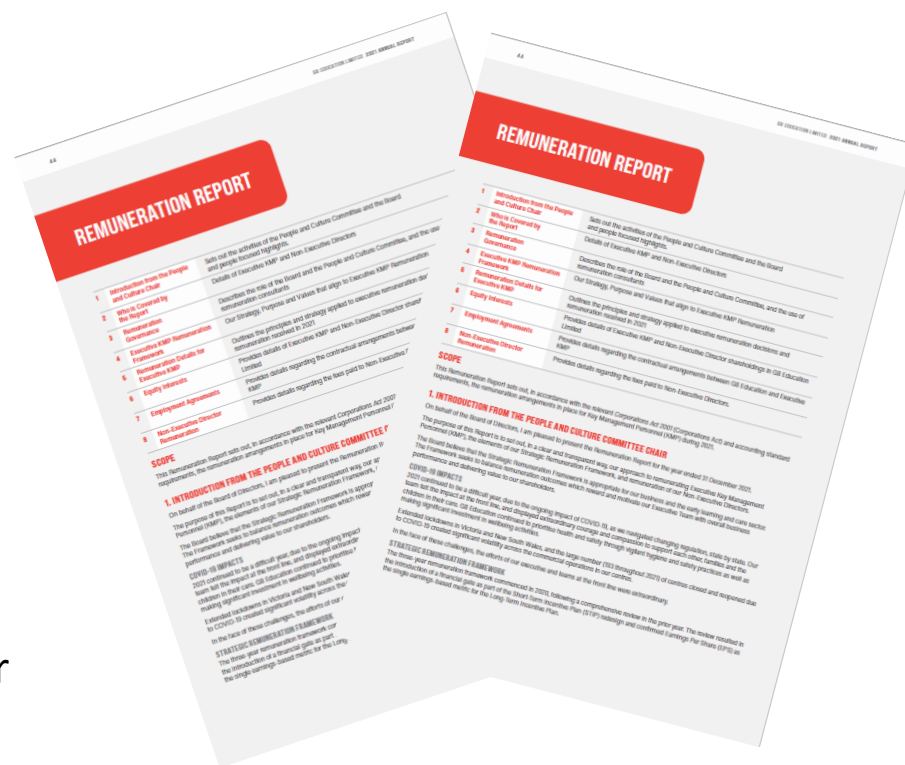
RESOLUTION 1 – REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution in accordance with section 250R(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**):

‘That the Remuneration Report for the year ended 31 December 2021 be adopted.’

Please note that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

An explanatory note and voting exclusions appear in the Notice of Annual General Meeting.



RESOLUTION 1 – REMUNERATION REPORT

Votes For	546,031,878	97.83%
Votes Against	10,425,703	1.87%
Open Proxies held by the Chair (to be voted at Chair's Discretion)	1,093,358	0.20%
Open Proxies held by other Proxy-holders (to be voted at that Proxy-holder's discretion)	618,241	0.11%
Votes Abstain	1,864,881	

RESOLUTION 2 – RE-ELECTION OF A DIRECTOR DAVID FOSTER

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That Mr David Foster who, having been re-elected on 17 April 2019 as a Director in accordance with the Company’s constitution, retires as a Director of the Company and being eligible offers himself for re-election as a Director of the Company, be elected as a Director of the Company.’

Mr Foster’s background, qualifications and experience appear in the explanatory note to the Notice of Annual General Meeting.



RESOLUTION 2 – RE-ELECTION OF A DIRECTOR DAVID FOSTER

Votes For	540,708,808	96.52%
Votes Against	17,762,848	3.17%
Open Proxies held by the Chair (to be voted at Chair's Discretion)	1,099,170	0.19%
Open Proxies held by other Proxy-holders (to be voted at that Proxy-holder's discretion)	609,071	0.11%
Votes Abstain	205,471	

RESOLUTION 3 – ELECTION OF A DIRECTOR DEBRA SINGH

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That Ms Debra Singh who, having been appointed by the Board as a Director on 29 November 2021 in accordance with the Company’s constitution, retires as a Director of the Company and being eligible offers herself for election as a Director of the Company, be elected as a Director of the Company.’

Ms Singh’s background, qualifications and experience appear in the explanatory note to the Notice of Annual General Meeting.



RESOLUTION 3 – ELECTION OF A DIRECTOR DEBRA SINGH

Votes For	549,195,711	98.05%
Votes Against	9,212,016	1.64%
Open Proxies held by the Chair (to be voted at Chair's Discretion)	1,099,621	0.20%
Open Proxies held by other Proxy-holders (to be voted at that Proxy-holder's discretion)	609,071	0.11%
Votes Abstain	268,949	

RESOLUTION 4 – ELECTION OF A DIRECTOR TONI THORNTON

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Ms Antonia Thornton who, having been appointed by the Board as a Director on 29 November 2021 in accordance with the Company’s constitution, retires as a Director of the Company and being eligible offers herself for election as a Director of the Company, be elected as a Director of the Company.”

Ms Thornton’s background, qualifications and experience appear in the explanatory note to the Notice of Annual General Meeting.



RESOLUTION 4 – ELECTION OF A DIRECTOR TONI THORNTON

Votes For	555,757,925	99.22%
Votes Against	2,647,915	0.47%
Open Proxies held by the Chair (to be voted at Chair's Discretion)	1,105,008	0.20%
Open Proxies held by other Proxy-holders (to be voted at that Proxy-holder's discretion)	609,071	0.11%
Votes Abstain	265,449	

RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That approval be given:

- ***for the purposes of Listing Rule 10.14 and for all other purposes, to the grant of 490,886 Performance Rights to the Company's Chief Executive Officer and Managing Director, Mr Gary Carroll; and***
- ***for the purpose of section 200E of the Corporations Act, to the giving of a benefit to the Company's Chief Executive Officer and Managing Director, Mr Gary Carroll, in connection with any vesting of those Performance Rights on the cessation of Mr Carroll's employment with the Company or a related body corporate of the Company,***

in each case under the G8 Executive Incentive Plan and on the basis described in section 3.1 of the Explanatory Statement.”

An explanatory note and voting exclusions appear in the Notice of Annual General Meeting.

RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Votes For	553,162,881	99.03%
Votes Against	3,760,166	0.67%
Open Proxies held by the Chair (to be voted at Chair's Discretion)	1,079,076	0.19%
Open Proxies held by other Proxy-holders (to be voted at that Proxy-holder's discretion)	606,471	0.11%
Votes Abstain	1,557,963	

RESOLUTION 6 – AMENDMENT OF THE COMPANY’S CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, with effect from the conclusion of the Company’s 2022 Annual General Meeting, the constitution of the Company is amended in the manner described in section 3.2 of the Explanatory Statement and as shown in mark-up in the attachment to the Explanatory Statement.”

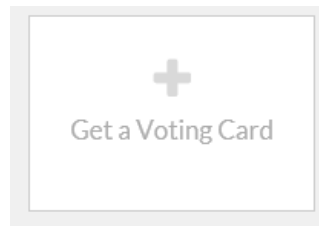
An explanatory note and voting exclusions appear in the Notice of Annual General Meeting.

RESOLUTION 6 – AMENDMENT OF THE COMPANY’S CONSTITUTION

Votes For	556,559,363	99.48%
Votes Against	1,174,763	0.21%
Open Proxies held by the Chair (to be voted at Chair’s Discretion)	1,150,963	0.20%
Open Proxies held by other Proxy-holders (to be voted at that Proxy-holder’s discretion)	609,071	0.11%
Votes Abstain	891,208	

HOW TO VOTE

1. Click **“Get a Voting Card”**



2. Enter your Shareholder Number (SRN/HIN) or Proxy Number and click **“Submit Details and Vote”**
3. Fill out your voting card for each item of business
4. Click **“Submit Vote”** or **“Submit Partial Vote”**

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