



.....

2024 Full Year Results

Investor Presentation

Disclaimer



The information in this presentation is an overview and does not contain all information necessary to make an investment decision. It is intended to constitute a summary of certain information relating to the performance of Embark Early Education Limited ("Embark Education") for the current period. Please refer to the audited financial statements for the period ended 31 December 2024 that have been simultaneously released with this presentation.

The information in this presentation does not purport to be a complete description of Embark Education. In making an investment decision, investors must rely on their own examination of Embark Education, including the merits and risks involved. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of financial products.

The information contained in this presentation has been prepared in good faith by Embark Education. No representation or warranty, expressed or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates or opinions or other information contained in this presentation, any of which may change without notice. To the maximum extent permitted by law, Embark Education, its directors, officers, employees and agents disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence on the part of Embark Education, its directors, officers, employees and agents) for any direct or indirect loss or damage which may be suffered by any person through use of or reliance on anything contained in, or omitted from, this presentation.

This presentation includes non-GAAP financial measures in various sections. This information has been included on the basis that management and the Board believe that this information assists readers with key drivers of the performance of Embark Education which are not otherwise disclosed as part of the financial statements. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as it is not an indication of future performance.

This presentation is not a product disclosure statement, prospectus, investment statement or disclosure document, or an offer of shares for subscription, or sale, in any jurisdiction.





Highlights

CY24 Overview

AUSTRALIAN BUSINESS SEES STRONG GROWTH

- Revenue growth of 29% in 2024 to \$81.6 million.
- Underlying centre EBITDA growth of 26% to \$21.6 million

EVENTS

- New Chief Operating Officer (Greg Scott) appointed to role overseeing company operations
- 14 Centre Acquisitions throughout the year taking portfolio to 38:
 - March – 1 centre
 - April – 2 centres
 - May – 2 centres
 - July – 1 centre
 - November – 6 centres
 - December – 2 centres
- Institutional placement completed in October raising \$18.2 million used to fund acquisitions
- \$25 million borrowing facility secured with National Australia Bank to fund future acquisitions
- Government Wage Retention Grant implemented from 2 December (Embark applications commenced in December)

DIVIDENDS PAID

- \$0.015 dividend paid 26 March
- \$0.015 dividend paid 23 September
- \$0.015 dividend paid 3 June
- \$0.015 dividend paid 9 December

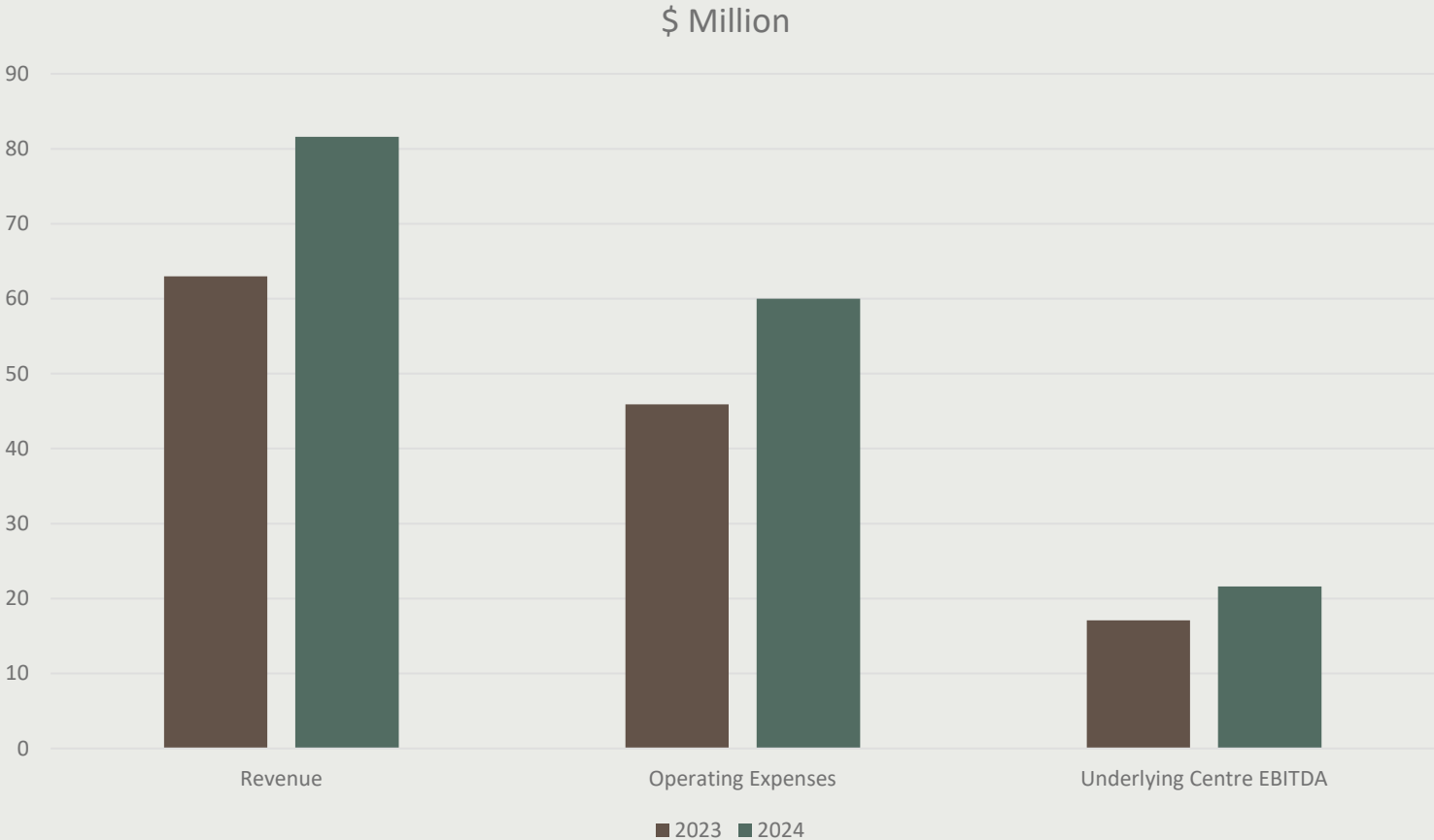


Financial Highlights

(CY2024 v CY2023)



- Revenue growth of 29% to \$81.6 million
- Underlying centre EBITDA growth of 26% to \$21.6 million



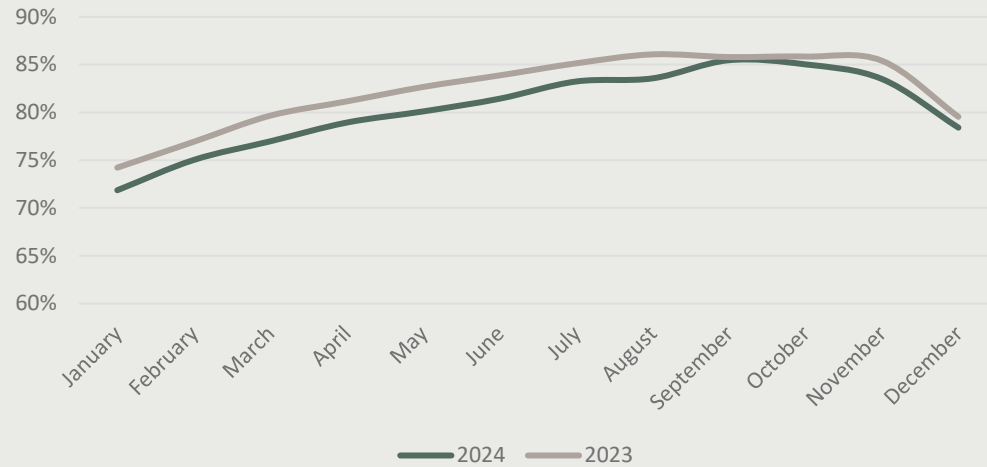
Operational Highlights

(CY2024 v CY2023)

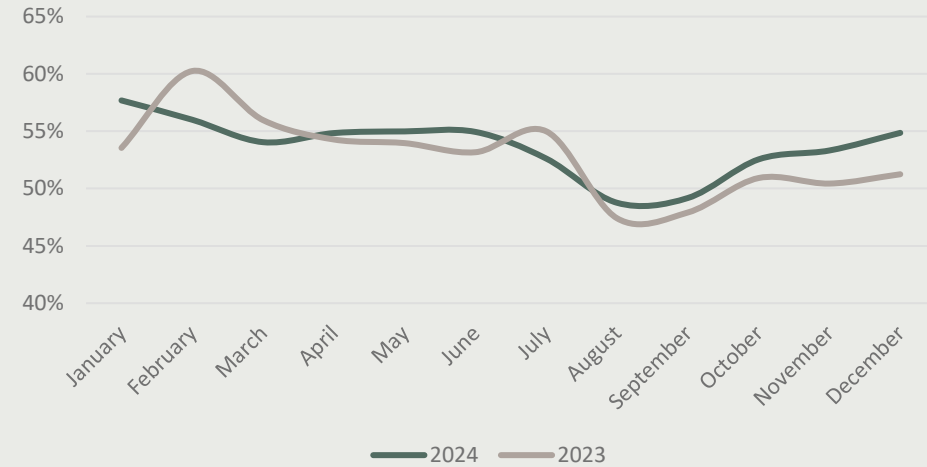


- Average 2024 Centre Occupancy of 80%
- Peak 2024 Centre Occupancy in week 40 of 85%

Monthly Occupancy



Wage to Revenue Ratio





Financial Performance

Financial Summary

STRONG PERFORMANCE FROM CONTINUING OPERATIONS



- Revenue growth of 29% driven by operational efficiency, new centre acquisitions and fee increases
- WRA 53.4%
- Support Office Costs 2.8% of revenue

Non-statutory accounts (pre AASB16)	2024	2023
	Consolidated	Consolidated
	\$'000	\$'000
Revenue	81,611	63,006
Centre Wages	(43,591)	(33,114)
Centre Gross Profit	38,020	29,891
Centre Rent	(7,532)	(6,023)
Other Centre Expenses	(8,851)	(6,761)
Centre EBITDA	21,637	17,107
Corporate Costs	(1,288)	(1,665)
Support Office Costs	(2,305)	(2,078)
EBITDA (underlying)	18,044	13,364
Interest	587	867
Underlying PBT (pre-depreciation)	18,632	14,231

.....

Financial Summary

STRONG PERFORMANCE FROM CONTINUING OPERATIONS



- 29% revenue increase in 2024
- 17.4% higher profit before net finance costs and income tax in 2024

	2024	RESTATED 2023
	\$'000	\$'000
Childcare Fees	22,969	19,084
Government Funding	58,439	43,896
Other Revenue	202	143
Revenue	81,611	63,123
Expenses		
Employee benefits expenses	(45,754)	(34,976)
Building occupancy expenses	(1,112)	(774)
Direct expenses of providing services	(6,676)	(5,283)
Depreciation	(3,759)	(3,266)
Acquisition expenses	(1,059)	(58)
Other expenses	(3,460)	(2,422)
Total expenses	(61,820)	(46,779)
Profit before net finance expense and income tax	19,791	16,344
Finance income	718	868
Finance costs	(7,898)	(6,201)
Net finance expense	(7,180)	(5,333)
Profit/(loss) before income tax	12,611	11,011
Income tax benefit/ (expense)	(3,575)	(2,736)
(Loss)/Profit after income tax attributable to the shareholders of the Company	9,036	8,275
Other comprehensive income		
Exchange differences on translation of foreign operations	(808)	(6)
Total comprehensive income attributed to the shareholders of the Company	9,844	8,281
Earnings per share	Cents	Cents
Basic earnings per share	0.05	0.05
Diluted earnings per share	0.05	0.05

Balance Sheet Strong To Pursue Growth



- \$4.2m borrowings at 31 December 2024
- Cash of \$13.3m and no term deposits at year end

	YEAR 31 DECEMBER 2024	RESTATED YEAR 31 DECEMBER 2023	RESTATED YEAR 1 JANUARY 2023
	\$'000	\$'000	\$'000
Cash and cash equivalents	13,348	26,839	16,201
Funding Receivable	-	-	614
Current tax asset	-	-	196
Trade and other receivables	4,813	2,690	2,862
Total current assets	18,161	29,529	19,873
Property, plant and equipment	2,259	1,582	1,590
Deferred tax asset	6,190	4,949	3,365
Right-of-use assets	95,721	61,332	62,683
Intangible assets	101,065	60,898	60,934
Term deposit	-	2,460	8,573
Total non-current assets	205,235	131,221	137,145
Trade and other payables	2,365	2,704	3,661
Current income tax liabilities	1,430	2,403	13
Contract liabilities	507	543	7
Employee entitlements	5,290	3,143	4,868
Other current liabilities	2,457	-	-
Borrowings current	4,260	-	-
Lease liabilities - current	9,799	6,278	6,133
Total current liabilities	26,108	15,071	14,682
Employee entitlements - Non-current	488	299	-
Lease liabilities - non current	101,226	66,945	65,795
Total non-current liabilities	101,714	67,244	65,795
Net Assets	95,574	78,435	76,541
Issued share capital	259,656	242,428	242,428
Retained earnings	(171,204)	(169,546)	(163,159)
Current year earnings	9,036	8,275	-
Translation reserve	(1,914)	(2,722)	(2,728)
Total equity	95,574	78,435	76,541



Strategy and Outlook

Encouraging Start to 2025

- Integrate new acquisitions into portfolio
- Implement government wage retention grant payments
- Small February 2025 fee increase to offset increased costs
- Acquisitions to continue with multiple opportunities in the pipeline
- January/February* 2025 revenue approximately 58% higher than January/February* 2024

*January/February data includes first 6 weeks of the year





Appendix

Glossary

Term	Definition
EBITDA	Earnings before interest, taxation, depreciation and amortisation.
Underlying EBITDA	Earnings before interest, taxation, depreciation and amortisation less the effects of NZ IFRS 16: Leases, gains and losses on the sale or closure of businesses, acquisition and integration costs, impairment losses (or reversals of impairment losses), restructuring costs and non-operational items.
Underlying Centre EBITDA	Underlying EBITDA of centres (before Support Office expenses).
Occupancy	Number of children attending per period specified as a percentage of the service's licensed places.
Wage to Revenue ratio	Employee benefits expense as a percentage of total revenue.