



Earnings Results 1st Quarter, 2026

MAY 2026



Forward Looking Statement Disclaimer

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MARKET AND INDUSTRY DATA

This presentation also includes estimates regarding market and industry data that we prepared based on the Company's management's knowledge and experience in the markets in which we operate, together with information obtained from various sources, including publicly available information, industry reports and publications, surveys, the Company's clients, suppliers, trade and business organizations and other contacts in the markets in which we operate. Management estimates are derived from publicly available information released by independent industry analysts and third party sources, as well as data from the Company's internal research, and are based on assumptions made by us upon reviewing such data and the Company's knowledge of such industry and markets which we believe to be reasonable.

In presenting this information, we have made certain assumptions that we believe to be reasonable based on such data and other similar sources and on the Company's knowledge of, and the Company's experience to date in, the markets for our services. Market share data is subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process and other limitations inherent in any statistical survey of market share. In addition, client preferences are subject to change. Accordingly, you are cautioned not to place undue reliance on such market share data.

NON-GAAP MEASURES

This presentation contains "non-GAAP financial measures," which are financial measures that are not calculated and presented in accordance with generally accepted accounting principles in the United States ("GAAP"). Specifically, we make use of the non-GAAP financial measures "EBIT," "EBITDA," "Adjusted EBITDA," "Adjusted EBITDA Margin," "Free Cash Flow," and "Net Debt" in evaluating the Company's past results and future prospects. EBIT is defined as net income adjusted for interest and income tax expense (benefit). EBITDA is defined as EBIT adjusted for depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted for impairment losses, equity-based compensation, COVID-19 Related Stimulus, net, and other costs because these charges do not relate to the core operations of our business. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue. Free Cash Flow is defined as cash generated by operating activities less purchases of property and equipment. Net Debt is defined as total debt excluding capital leases less cash and cash equivalents excluding restricted cash. The Company presents EBIT, EBITDA, Adjusted EBITDA, and Free Cash Flow because the Company considers them to be important supplemental measures of performance and believe they are useful to securities analysts, investors, and other interested parties. The Company believes Adjusted EBITDA is helpful to investors in highlighting trends in core operating performance compared to other measures, which can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, and capital investments.

EBIT, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, and Net Debt have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP. Some of these limitations are: they do not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on indebtedness; they do not reflect income tax expense or the cash requirements for income tax liabilities; although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will have to be replaced in the future, and EBIT, EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin do not reflect cash requirements for such replacements; they do not reflect the Company's cash used for capital expenditures or contractual commitments; they do not reflect changes in or cash requirements for working capital; and other companies, including other companies in the Company's industry, may calculate these measures differently than we do, limiting their usefulness as a comparative measure.

The non-GAAP measures as defined by us may not be comparable to similar non-GAAP measures presented by other companies. The Company's presentation of such measures should not be construed as an inference that the Company's future results will be unaffected by other unusual or non-recurring items. A reconciliation is provided elsewhere in this presentation for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

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First Quarter FY26 Business Highlights

1 Champions Growth

Expansion strategy continues driving performance at Champions with 17% year over year revenue growth.

2 B2B Progress

Seeing strong employer interest and secured 12 additional Tuition Benefit partnerships, most notably, in the education sector.

3 Crème Momentum

Improved inquiry and stronger conversion, while showing positive momentum with enrollments in our youngest classrooms.

4 Enrollment Traction

Opportunity Region remains a source of strength as enrollment grew 8% versus prior year.



Key Performance Metrics

	April 4, 2026	March 29, 2025
Early childhood education centers	1,606	1,582
Before- and after-school sites	1,159	1,038
Total centers and sites	2,765	2,620
	Three Months Ended	
	April 4, 2026	March 29, 2025
Average weekly ECE FTEs	139,782	144,076
	Three Months Ended	
	April 4, 2026	March 29, 2025
ECE same-center occupancy	66.0%	69.1%
	Three Months Ended	
	April 4, 2026	March 29, 2025
(In thousands)		
ECE same-center revenue ⁽¹⁾	\$ 599.0	\$ 606.4

Total Centers and Sites Count

Early childhood education centers	Total
January 3, 2026	1,601
Acquired	2
Opened	3
Closed	0
April 4, 2026	1,606
Before- and after-school sites	Total
January 3, 2026	1,153
New	17
Closed	11
April 4, 2026	1,159

Notes:

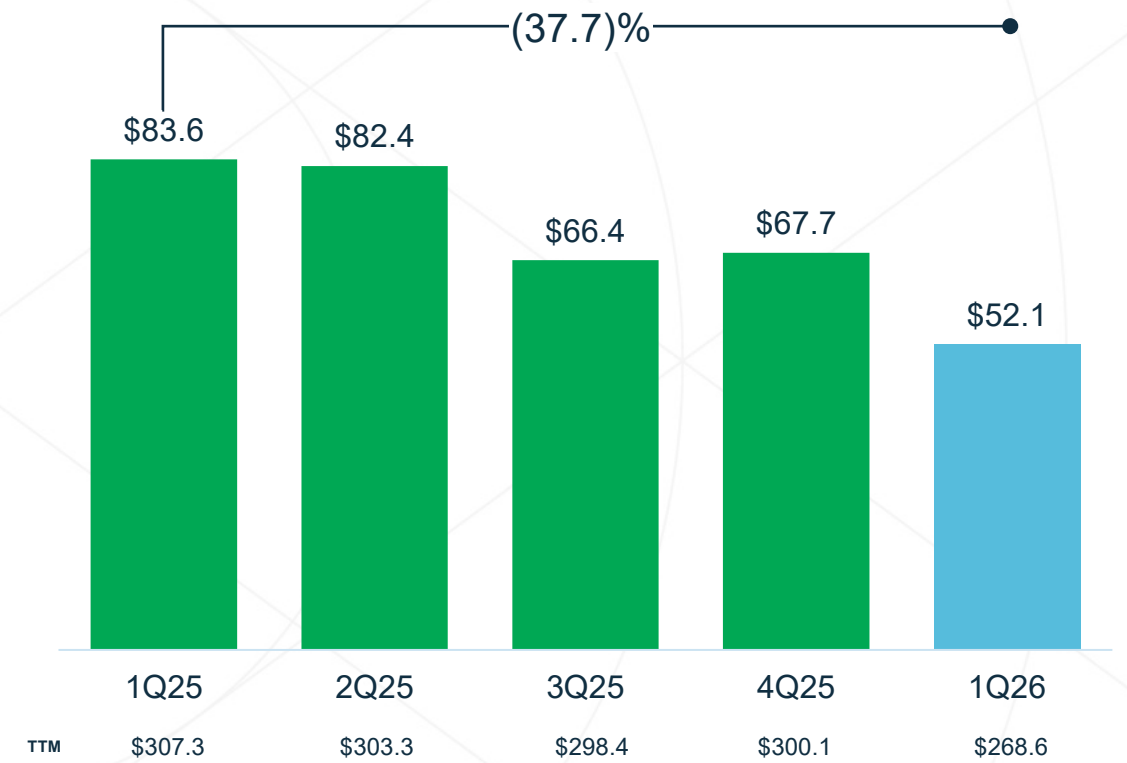
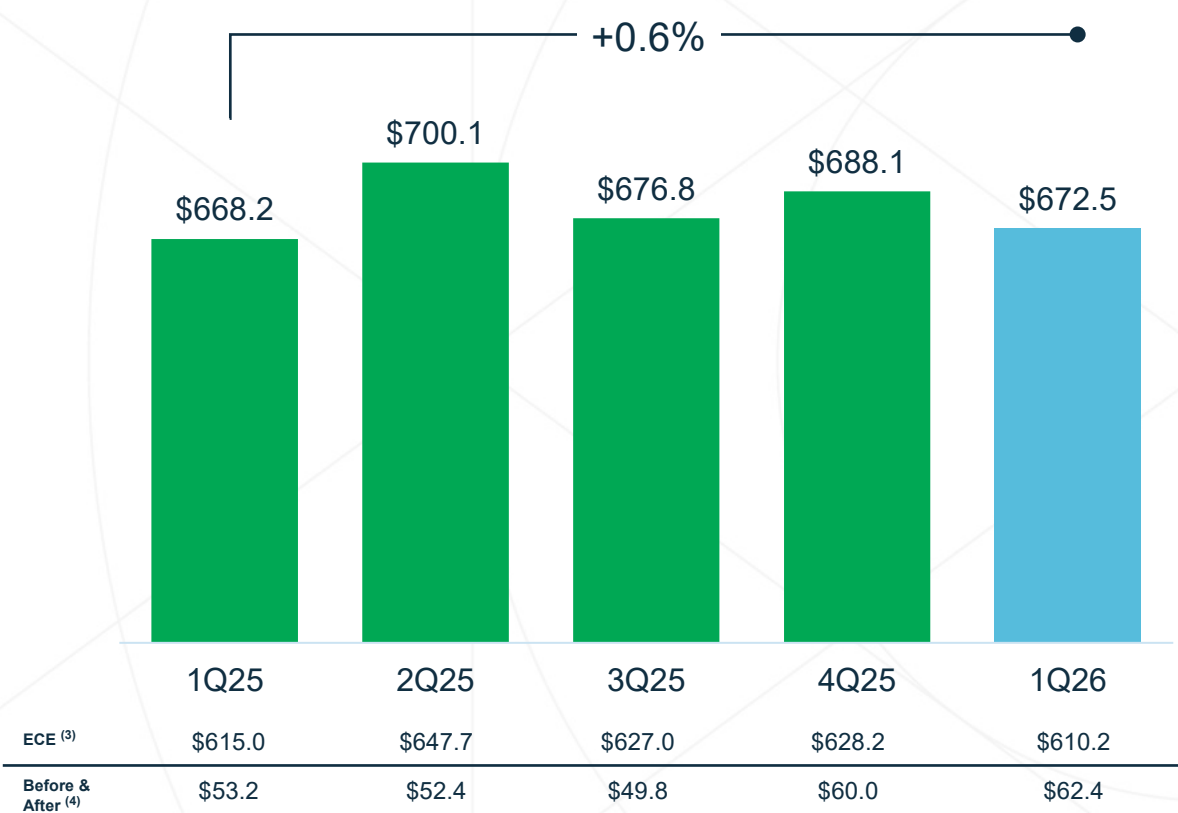
1. Same-center revenue is defined as revenues earned from centers that have been operated by us for at least 12 months as of the period end date and is a measure used by management to attribute a portion of our revenue to mature centers as compared to new or acquired centers..



Strength Outside Core Enrollment Supporting Overall Revenue Performance

Revenue (\$M) ^{(1) (2)}

Adjusted EBITDA (\$M) ^{(1) (2)}

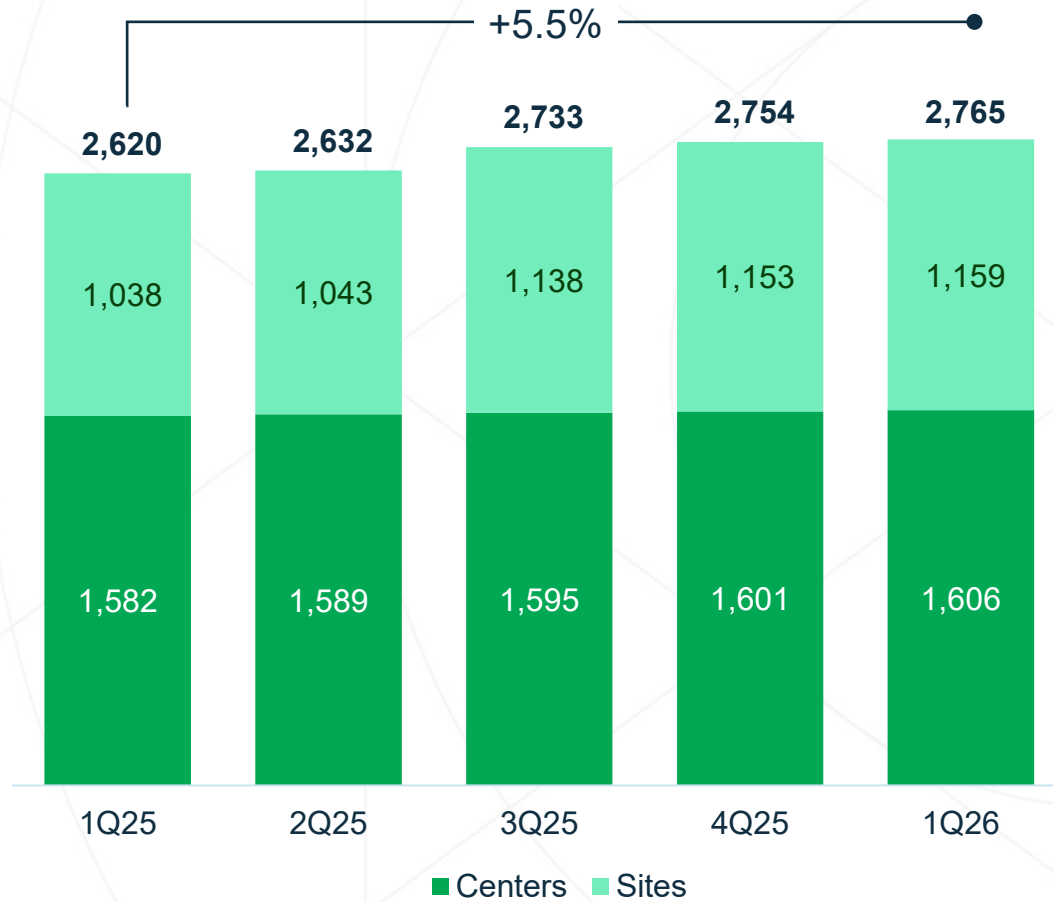


Notes:
 1. See appendix for reconciliation of non-GAAP measures. Some figures may not sum due to rounding.
 2. Includes 14th week in 4Q25
 3. Early Childhood Education. Inclusive of KinderCare Learning Centers and Crème School brands.
 4. Inclusive of Champions brand.

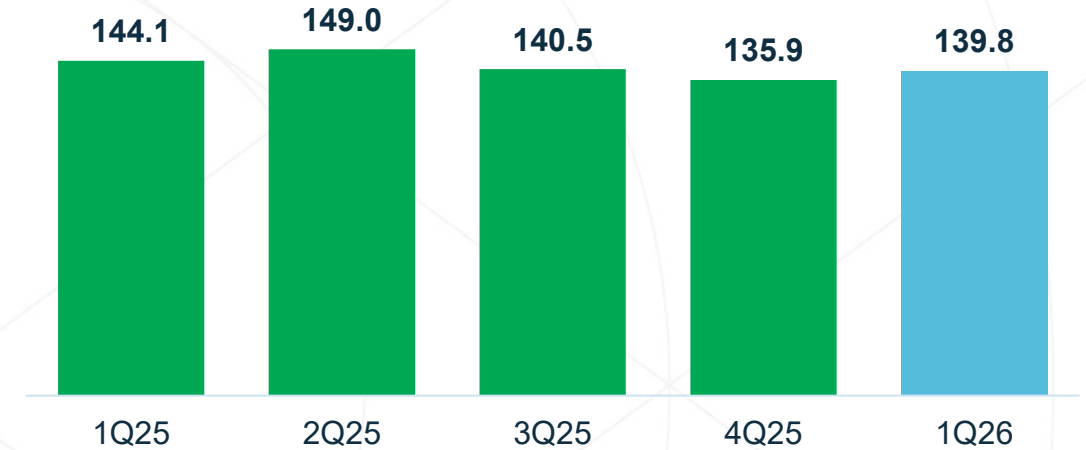


Building Future Growth Through Disciplined Platform Investment

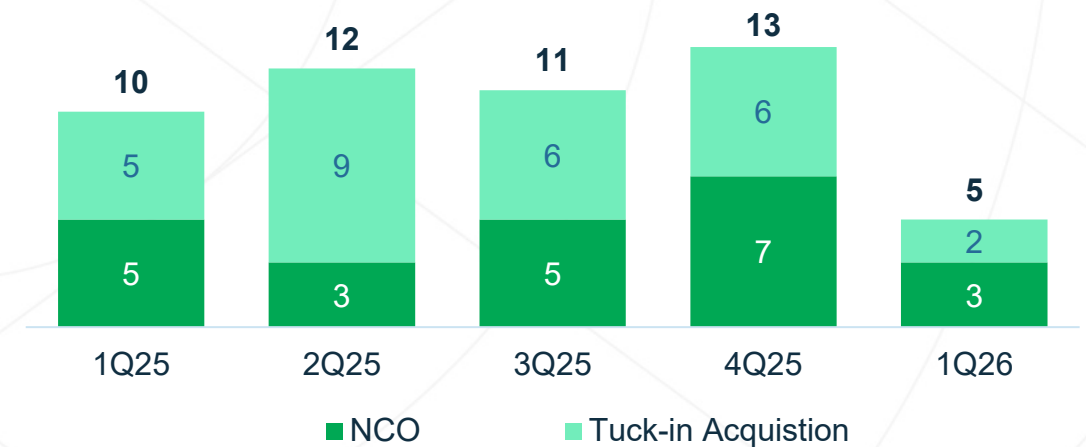
Total Centers and Sites⁽¹⁾



Average Weekly FTEs (000's)⁽²⁾



NCOs⁽³⁾ and Tuck-in Acquisitions



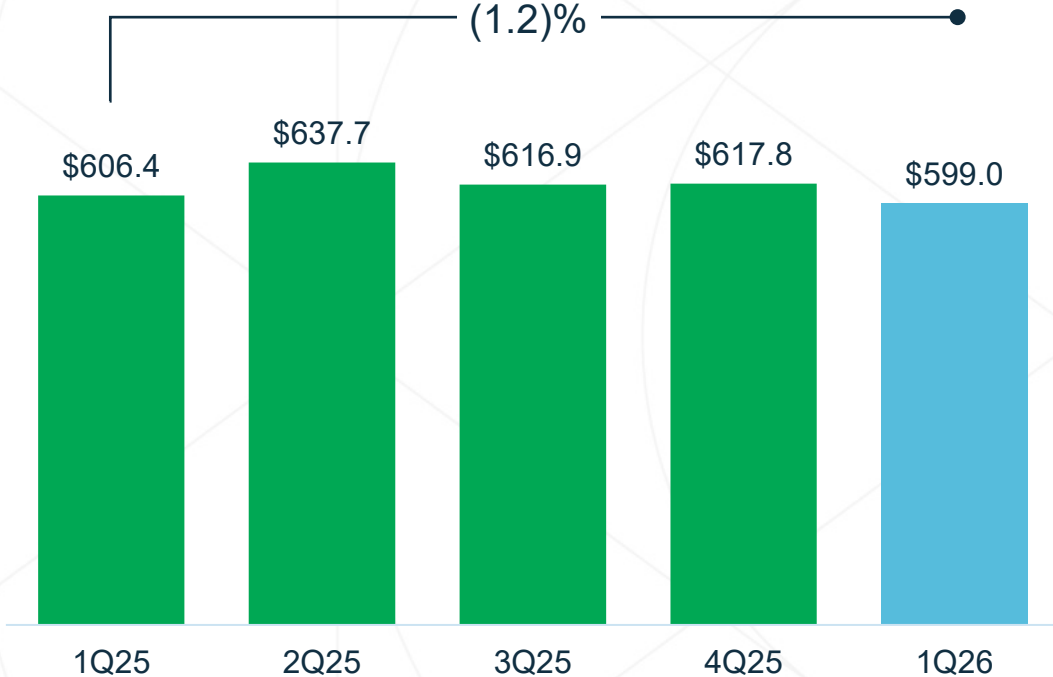
Notes:

1. Number of centers and sites at the beginning of the period plus openings and acquisitions, minus any permanent closures for the period.
2. FTE: Full Time Enrollment.
3. NCO: New Center Opening.

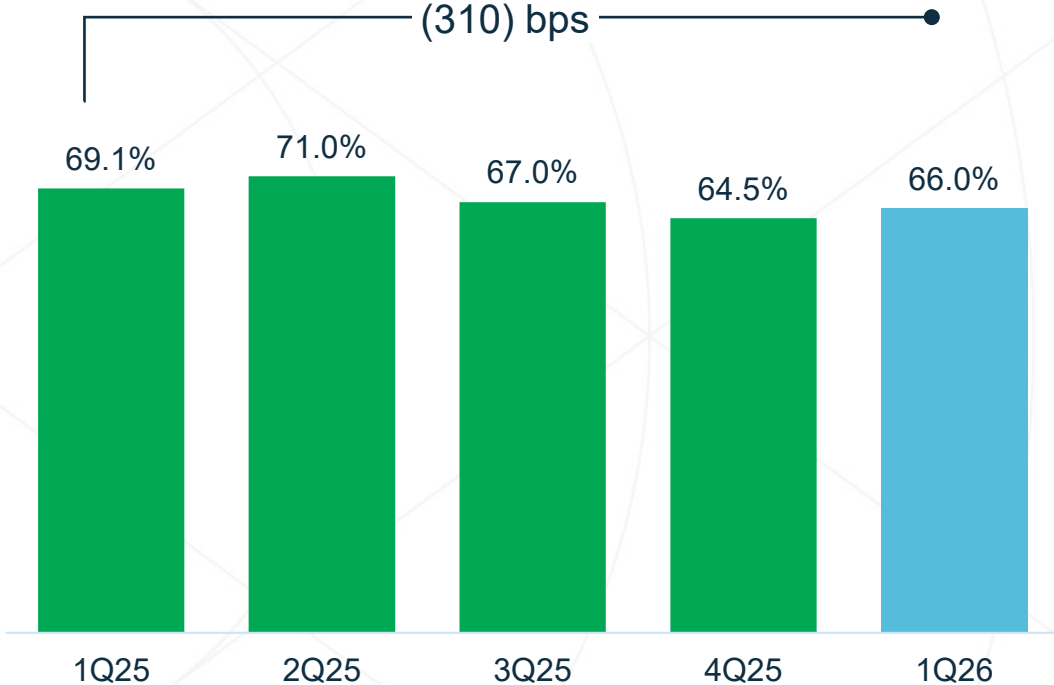


Organic Performance Resilient Against Enrollment Headwinds

Same-Center Revenue (\$M) ⁽¹⁾⁽²⁾



Same-Center Occupancy ⁽¹⁾



Same-center revenues were supported by the addition of newly opened and acquired centers into the cohort

Notes:
 1. Same-center revenue is defined as revenues earned from centers that have been operated by us for at least 12 months as of the period end date and is a measure used by management to attribute a portion of our revenue to mature centers as compared to new or acquired centers..
 2. Includes a 14th week 4Q25



Debt and Liquidity Summary

- Ample liquidity to execute strategic growth plan
- No material near-term debt maturities
- Corporate/Issuer ratings: B2/B+

Leverage Profile (\$M) ⁽¹⁾

First Lien Term Loan	\$926.6
Less unrestricted cash	(132.9)
Net debt	\$793.7
TTM Adjusted EBITDA⁽²⁾	\$268.6
Leverage Ratio	3.0x

Liquidity Profile (\$M) ⁽³⁾

Revolver availability	\$262.5
Less outstanding letters of credit	(72.8)
Plus unrestricted cash	132.9
Liquidity	\$322.6

Scheduled Debt Principal Payments (\$M)

2026	\$7.2
2027	\$9.6
2028	\$9.6
2029	\$7.2
2030	\$921.1
Total	\$954.8

Notes:

Some figures may not sum due to rounding.

1. Balance as of April 4, 2026.

2. See appendix for reconciliation of non-GAAP measures

3. Cash and outstanding letters of credit as of April 4, 2026.



Fiscal Year 2026 Guidance Summary

Revenue

\$2.7 - \$2.75 Billion

Adjusted EBITDA

\$215 - \$235 Million

Adjusted EPS

\$0.15 - \$0.25

Supporting Growth Assumptions

(% Year over Year Revenue Growth Contributions)

Occupancy				New Center Openings (NCOs)
~(3%)				~0.5%
Tuition				Tuck-in Acquisitions
~3%				~0.5%
B2B/Champions				Closures
~1%				~(1%)

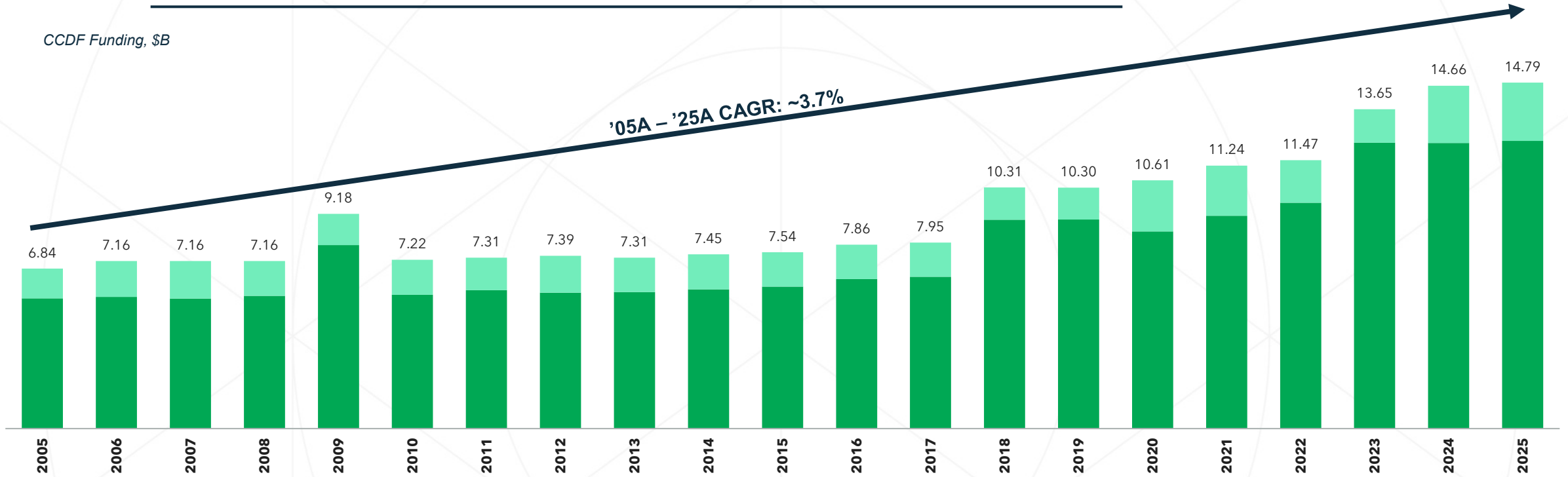
Appendix / Reconciliations



Resilient Subsidy Funding with Consistent Growth and Strong Bipartisan Support (1)

CCDF Funding, \$B

'05A - '25A CAGR: ~3.7%



Years	'05-'06	'07-'08	'09-'10	'11-'12	'13-'14	'15-'16	'17-'18	'19-'20	'21-'22	'23-'24	'25
WH	Republican Control	Democrat Control	Democrat Control	Democrat Control	Democrat Control	Democrat Control	Republican Control	Republican Control	Democrat Control	Democrat Control	Republican Control
House	Republican Control	Democrat Control	Democrat Control	Republican Control	Republican Control	Republican Control	Democrat Control	Democrat Control	Democrat Control	Republican Control	Republican Control
Senate	Republican Control	Democrat Control	Democrat Control	Democrat Control	Democrat Control	Republican Control	Republican Control	Republican Control	Democrat Control	Democrat Control	Republican Control

■ CCDF (Federal) ■ CCDF (State) ■ Republican Control ■ Democrat Control

Complexity of Accessing Funds Remains a Challenge for Subscale Players and Families

Notes:
1. Funding for federal subsidies is primarily provided through the Child Care and Development Fund (CCDF), authorized under the Child Care & Development Block Grant (CCDBG); excludes Head Start, TANF transfers, and other pre-K spend.



Income Statement

(In thousands, except per share data)

	Three Months Ended	
	April 4, 2026	March 29, 2025
Revenue	\$ 672,522	\$ 668,244
Costs and expenses:		
Cost of services (excluding depreciation and impairment)	550,923	516,188
Depreciation and amortization	31,077	29,977
Selling, general, and administrative expenses	71,129	71,727
Impairment losses	291,475	1,510
Total costs and expenses	944,604	619,402
(Loss) income from operations	(272,082)	48,842
Interest expense	18,220	20,108
Interest income	(842)	(659)
Other expense, net	907	398
(Loss) before income taxes	(290,367)	28,995
Income tax (benefit) expense	(535)	7,838
Net (loss) and income	\$ (289,832)	\$ 21,157
Net (loss) and income per common share:		
Basic	\$ (2.45)	\$ 0.18
Diluted	\$ (2.45)	\$ 0.18
Weighted average number of common shares outstanding:		
Basic	118,498	118,239
Diluted	118,498	118,321

Notes:



TTM Adjusted EBITDA Reconciliation

(In thousands)

	Three Months Ended ⁽¹⁾							
	April 4, 2026	January 3, 2026	September 27, 2025	June 28, 2025	March 29, 2025	December 28, 2024	September 28, 2024	June 29, 2024
Net (loss) income	\$ (289,832)	\$ (177,175)	\$ 4,550	\$ 38,588	\$ 21,157	\$ (133,583)	\$ 13,959	\$ 28,535
Add back:								
Interest expense	18,220	19,699	24,095	20,073	20,108	50,733	39,459	43,927
Interest income	(842)	(1,013)	(1,731)	(1,424)	(659)	(2,249)	(1,260)	(1,752)
Income tax (benefit) expense	(535)	(4,443)	1,655	14,488	7,838	(4,264)	4,154	10,376
EBIT	\$ (272,989)	\$ (162,932)	\$ 28,569	\$ 71,725	\$ 48,444	\$ (89,363)	\$ 56,312	\$ 81,086
Add back:								
Depreciation and amortization	31,077	31,897	31,019	31,074	29,977	30,213	29,641	29,212
EBITDA	\$ (241,912)	\$ (131,035)	\$ 59,588	\$ 102,799	\$ 78,421	\$ (59,150)	\$ 85,953	\$ 110,298
Add back:								
Impairment losses	291,475	196,997	3,309	2,235	1,510	3,395	1,257	1,521
Stock-based compensation	2,508	1,713	2,826	3,461	4,073	123,066	(1,402)	1,413
Management and advisory fee expenses	—	—	—	—	—	119	1,216	1,216
COVID-19 Related Stimulus, net	—	—	—	(26,050)	(663)	(4,049)	(14,908)	(31,281)
Other costs	—	—	672	—	210	2,595	(760)	3,184
Adjusted EBITDA	\$ 52,071	\$ 67,675	\$ 66,395	\$ 82,445	\$ 83,551	\$ 65,976	\$ 71,356	\$ 86,351

Notes:

See Consolidated Non-GAAP Measures table from March 12, 2026 earnings press release for add-back explanations
1. The three months ended January 3, 2026 consisted of 14 weeks compared to 13 weeks in the comparable periods.



Statement of Cash Flows and Free Cash Flow Reconciliation

(In thousands)

	Three Months Ended	
	April 4, 2026	March 29, 2025
Cash provided by operating activities	\$ 31,058	\$ 98,444
Cash used in investing activities	(28,651)	(28,388)
Cash used in financing activities	(2,832)	(1,097)
Net change in cash, cash equivalents, and restricted cash	(425)	68,959
Cash, cash equivalents, and restricted cash at beginning of period	133,299	62,430
Cash, cash equivalents, and restricted cash at end of period	\$ 132,874	\$ 131,389

	Three Months Ended	
	April 4, 2026	March 29, 2025
Cash provided by operating activities	\$ 31,058	\$ 98,444
Purchase of Property and equipment	(29,986)	(23,360)
Free Cash Flow	\$ 1,072	\$ 75,084

Notes:

