



Earnings Results 2nd Quarter, 2026

AUGUST 2026



Forward Looking Statement Disclaimer

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This presentation (including the verbal information and discussion relating to these materials) contains “forward-looking statements” within the meaning of, and made pursuant to, the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can generally identify forward looking statements by the Company’s use of forward-looking terminology such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “seek,” “vision,” or “should,” or the negative thereof or other variations thereon or comparable terminology. In particular, statements about the markets in which we operate, including the Company’s beliefs about market trends, the Company’s market opportunity and the growth of the Company’s various markets, the Company’s expansion into new markets, the size of the Company’s total addressable market, market trends, and the Company’s expectations, beliefs, plans, strategies, objectives, prospects, assumptions, or future events or performance contained in this presentation are forward looking statements.

We have based these forward-looking statements on the Company’s current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company’s control. These and other important factors may cause the Company’s actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements, or could affect the Company’s share price. Some of the factors that could cause actual results to differ materially from those expressed or implied by the forward looking statements include, but are not limited to: the Company’s ability to attract and retain families in our centers, schools and programs, and to attract and retain employers that contract with us for family care benefits for their workforce; the Company’s ability to address changes in the demand for child care and workplace solutions; the Company’s ability to adjust to shifts in workforce demographics, economic conditions, office environments and unemployment rates; the Company’s business may be affected by delays, disruptions or reductions in federally funded childcare subsidies or tuition reimbursements or from reductions in certain federal, state and local government programs; the Company’s ability to hire and retain qualified teachers, management, employees, and maintain strong employee engagement; the impact of public health crises on our business, financial condition and results of operations; the negative impact of impairment of goodwill, other intangible assets or long-lived assets on the Company’s current and potentially future results of operations; the Company’s ability to address adverse publicity; the Company’s ability to acquire additional capital; risks associated with acquired centers; the Company’s substantial indebtedness could adversely affect its business; the Company’s reliance on its subsidiaries; the Company’s ability to protect our intellectual property rights; the Company’s ability to protect its information technology and that of its third-party service providers; the Company’s ability to manage the costs and liabilities of collecting, using, storing, disclosing, transferring and processing personal information; the Company’s expectations regarding the effects of existing and developing laws and regulations, litigation and regulatory proceedings; the Company’s ability to maintain adequate insurance coverage; the fluctuation in the Company’s stock price; the Company has a material weakness in its internal control over financial reporting; the occurrence of natural disasters, environmental contamination or other highly disruptive events; and the interests of Partners Group, a controlling stockholder, may conflict with the interests of our other stockholders.

The information contained in the Company’s filings with the Securities and Exchange Commission (“SEC”), including under the heading “Risk Factors” in the Company’s most recent Annual Report on Form 10-K and our other periodic reports, or incorporated therein, identifies other important factors that could cause the Company’s actual results to differ materially from those stated in or implied by the Company’s forward-looking statements. The Company’s filings with the SEC are available on the SEC’s website at www.sec.gov. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements contained in this presentation are not guarantees of future performance and the Company’s actual results of operations, financial condition, and liquidity, and the development of the industry in which we operate, may differ materially from the forward-looking statements contained in this presentation. In addition, even if the Company’s results of operations, financial condition, and liquidity, and events in the industry in which we operate, are consistent with the forward-looking statements contained in this presentation, they may not be predictive of results or developments in future periods. Any forward-looking statement that we make in this presentation speaks only as of the date of such statement. Except as required by law, we do not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this presentation.

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.

TRADEMARKS

This presentation contains trademarks and service marks owned by us, including Champions, Crème School, Early Foundations, KinderCare, KinderCare Education and Rainbow. This presentation also contains trademarks, trade names and service marks of other companies, which are the property of their respective owners. We do not intend the Company’s use or display of other parties’ trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

Second Quarter FY26 Business Highlights

1

Market Expansion

Continued to expand our national footprint with a new center in Arkansas, our 42nd state, while extending the Crème brand into California

2

Enrichment Growth

Revenue from Learning Adventures, our enrichment offering, grew 94% over the past year as more families participated in the program.

3

B2B Performance

Champions 13% YoY marks fourth consecutive quarter of double-digit growth. KCFE continued to expand with five new Tuition Benefit clients.

4

Crème Summer

Average weekly full-time enrollments for Crème summer camp are up approximately 26% over last summer.



Key Performance Metrics

	July 4, 2026	June 28, 2025
Early childhood education centers	1,567	1,589
Before- and after-school sites	1,128	1,043
Total centers and sites	2,695	2,632

Three Months Ended

	July 4, 2026	June 28, 2025
Average weekly ECE FTEs	142,997	149,010

Three Months Ended

	July 4, 2026	June 28, 2025
ECE same-center occupancy	68.6%	71.0%

Three Months Ended

	July 4, 2026	June 28, 2025
(In thousands)		
ECE same-center revenue ⁽¹⁾	\$ 623,664	\$ 637,706

Total Centers and Sites Count

Early childhood education centers

	Total
January 3, 2026	1,601
Acquired	7
Opened	8
Closed	49

July 4, 2026	1,567
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Before- and after-school sites

	Total
January 3, 2026	1,153
New	42
Closed	67

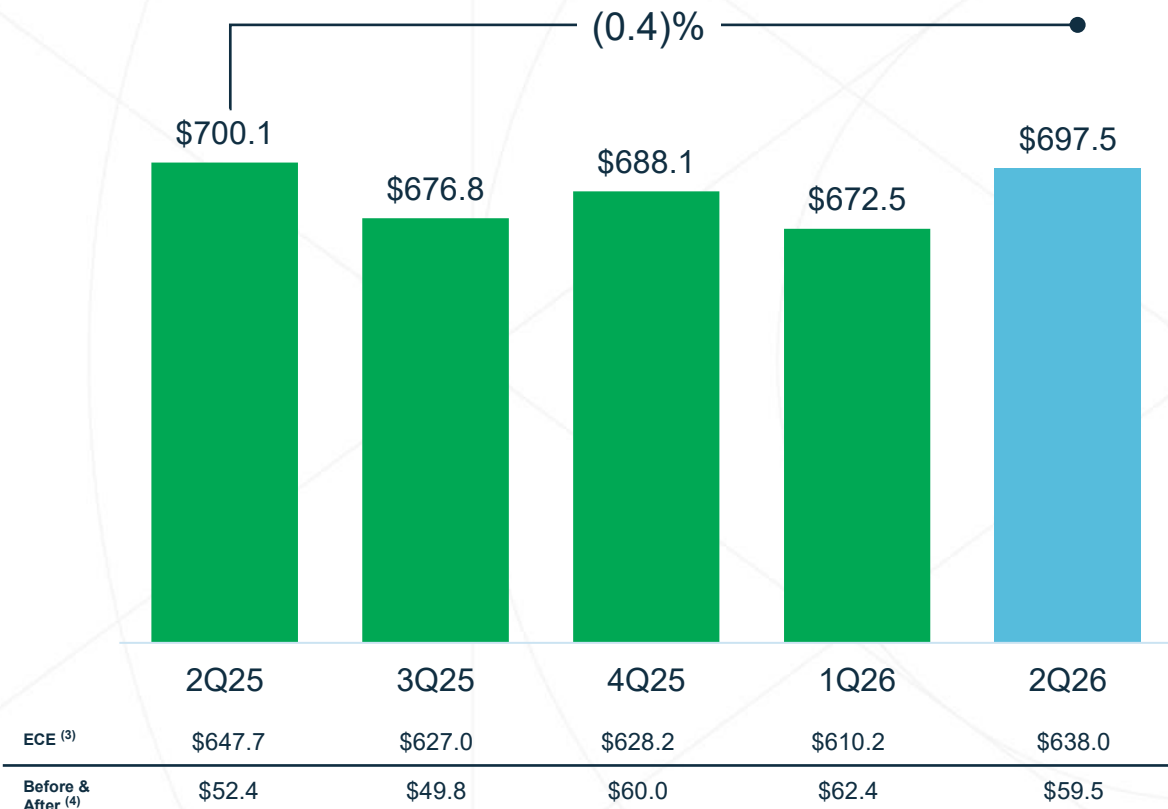
July 4, 2026	1,128
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Notes:

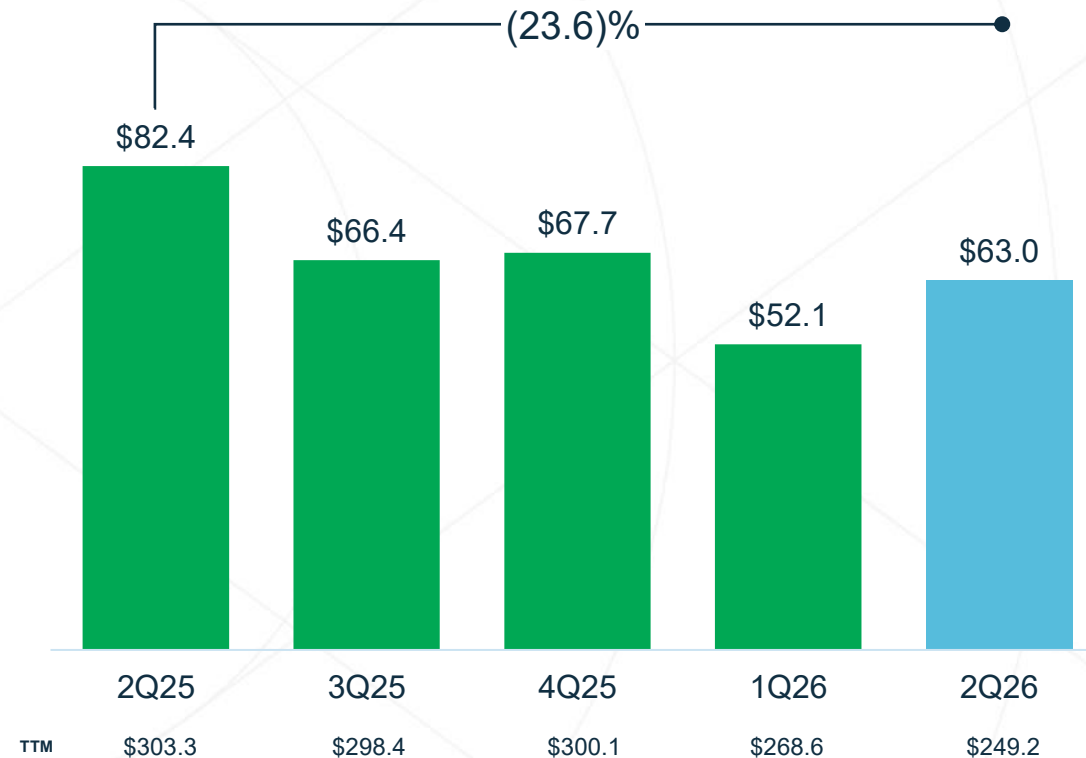
1. Same-center revenue is defined as revenues earned from centers that have been operated by us for at least 12 months as of the period end date and is a measure used by management to attribute a portion of our revenue to mature centers as compared to new or acquired centers..

Enrollment Pressure Remains Primary Headwind to Growth

Revenue (\$M) ⁽¹⁾



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



Notes:

Some figures may not sum due to rounding.

1. Includes 14th week in 4Q25

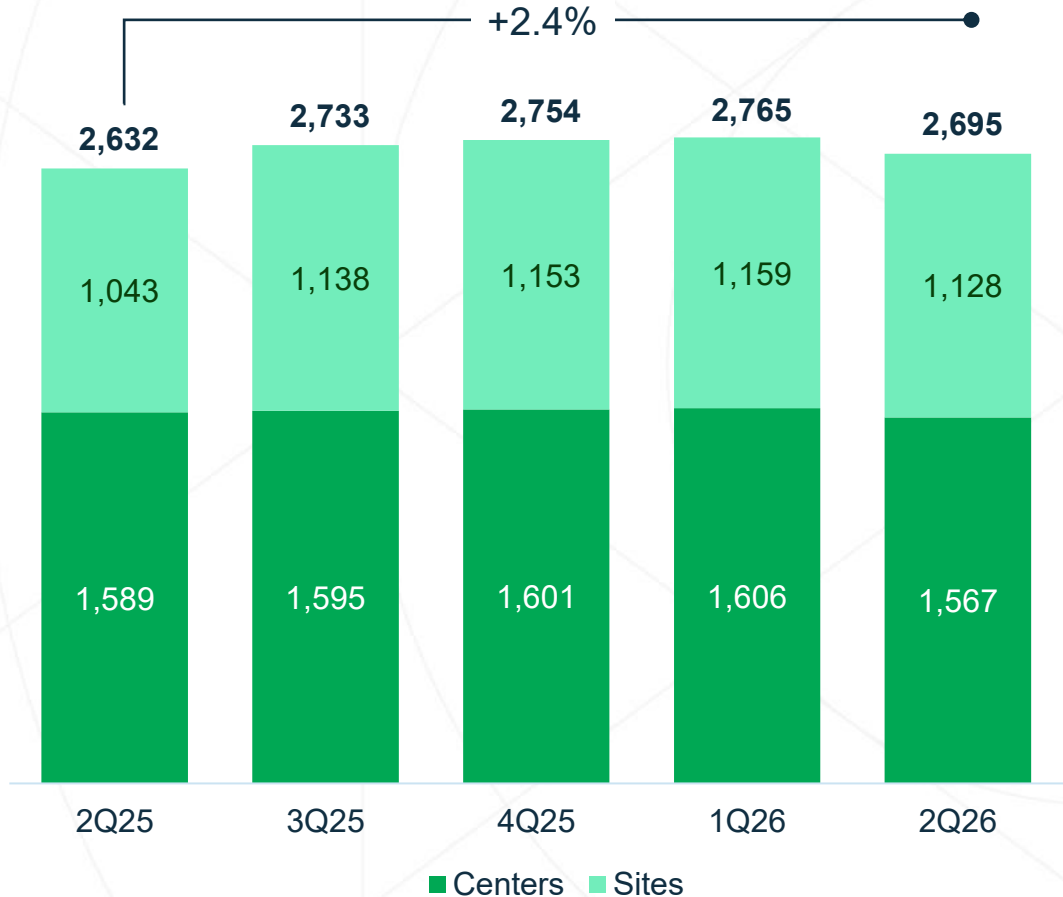
2. See appendix for reconciliation of non-GAAP measures.

3. Early Childhood Education. Inclusive of KinderCare Learning Centers and Crème School brands.

4. Inclusive of Champions brand.

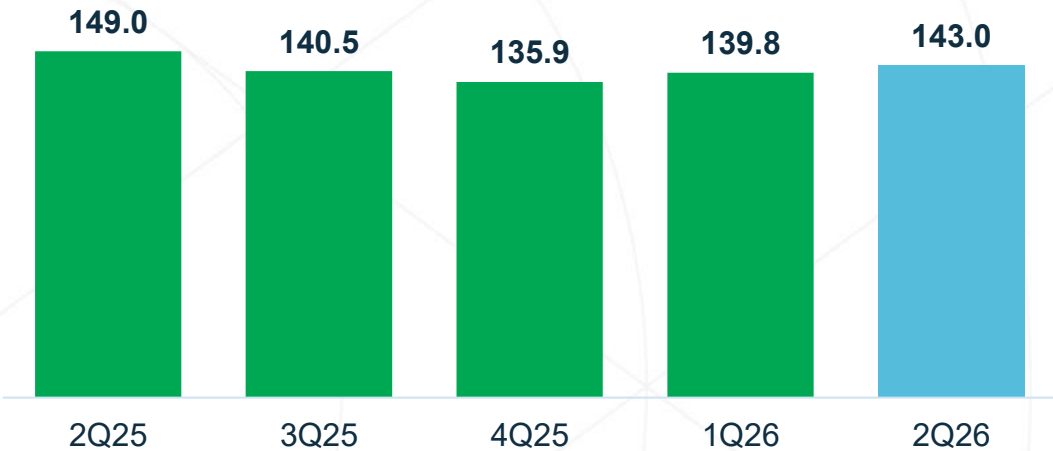
Optimizing Our Footprint While Continuing to Invest For Growth

Total Centers and Sites⁽¹⁾

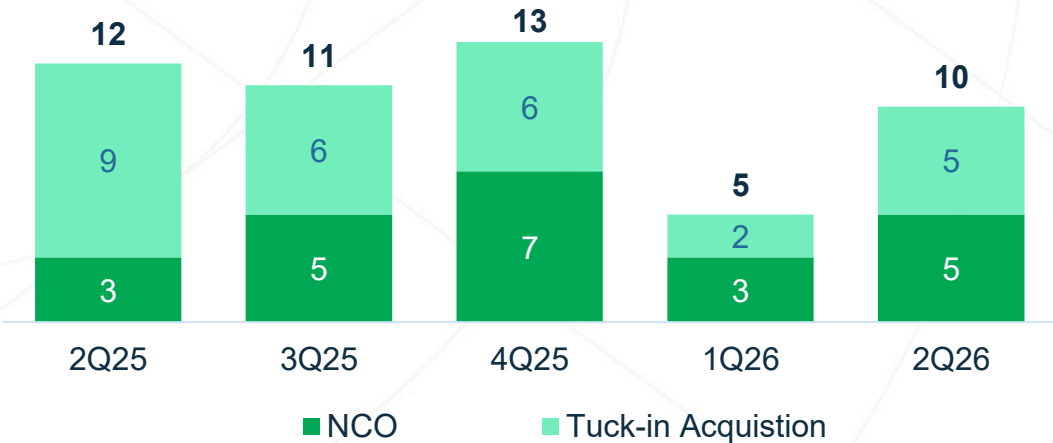


Notes:
1. Number of centers and sites at the beginning of the period plus openings and acquisitions, minus any permanent closures for the period.
2. FTE: Full Time Enrollment.
3. NCO: New Center Opening.

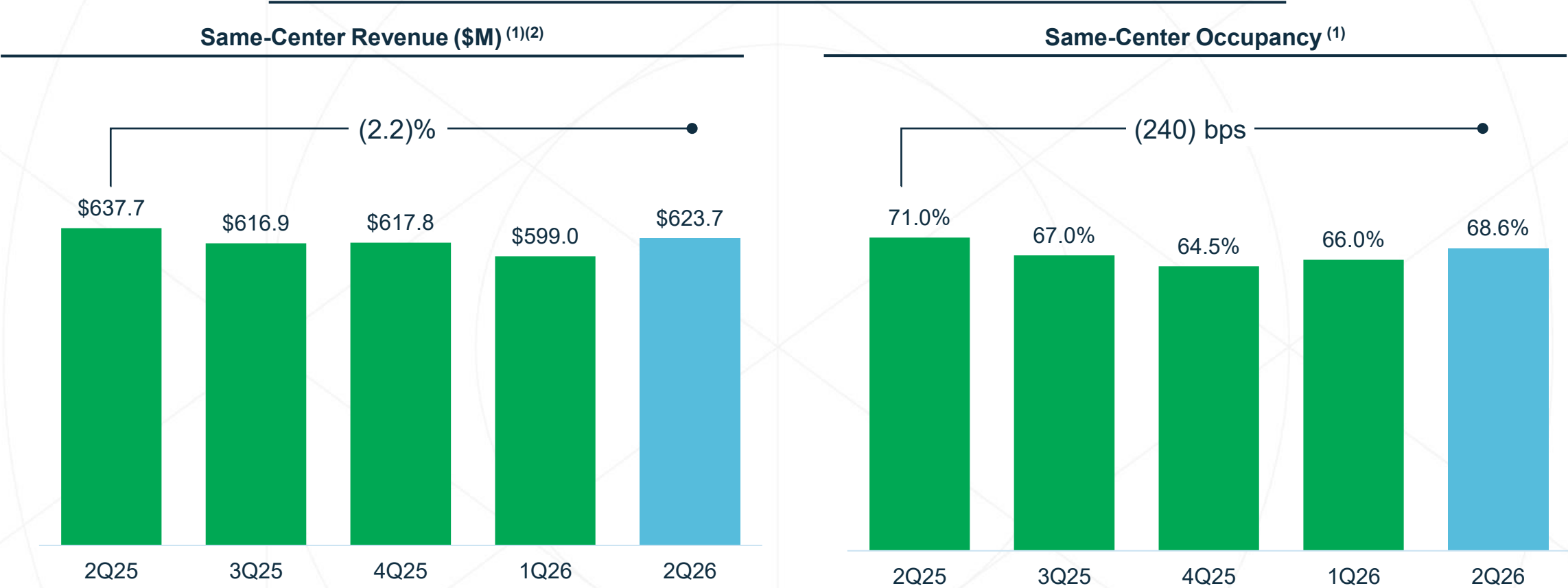
Average Weekly FTEs (000's)⁽²⁾



NCOs⁽³⁾ and Tuck-in Acquisitions



Occupancy Trends Stable Through Peak Enrollment Quarter



Organic operating trends remained stable, while same-center revenue included the impact of optimization activities

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

- No material near-term debt maturities
- Corporate/Issuer ratings: B2/B+

Leverage Profile (\$M) ⁽¹⁾

Total debt ⁽²⁾	\$925.7
Less unrestricted cash	(173.7)
Net debt	\$752.0
TTM Adjusted EBITDA⁽³⁾	\$249.2
Leverage Ratio	3.0x

Liquidity Profile (\$M) ⁽⁴⁾

Revolver availability	\$262.5
Less outstanding letters of credit	(74.8)
Plus unrestricted cash	173.7
Liquidity	\$361.4

Scheduled Debt Principal Payments (\$M)

2026	\$4.8
2027	\$9.6
2028	\$9.6
2029	\$7.2
2030	\$921.1
Total	\$952.3

Notes:
 Some figures may not sum due to rounding.
 1. Balance as of July 4, 2026.
 2. Net \$26.6M issuance costs
 3. See appendix for reconciliation of non-GAAP measures
 4. Cash and outstanding letters of credit as of July 4, 2026.

Fiscal Year 2026 Guidance Summary

Revenue

\$2.66 - \$2.7 Billion

Adjusted EBITDA

\$200 - \$220 Million

Adjusted EPS

\$0.05 - \$0.15

Supporting Growth Assumptions

(% Year over Year Revenue Growth Contributions)

Occupancy			New Center Openings (NCOs)
~(3%)			~0.5%
Tuition			Tuck-in Acquisitions
~2.5%			~0.5%
B2B/Champions			Closures
~1%			~(1.5%)

Footprint Optimization

Operational Impacts (\$M)	2Q26	FY26E
Centers Consolidated	49	80 - 85
Total Revenue Impact	(\$5)	(\$32)
Adj. EBITDA Impact	(\$2)	(\$3)
Occupancy	+70bps	+150bps
Cash Consideration for Lease Buyouts	\$0.6	\$20-\$25

36.1% average occupancy⁽¹⁾

89% from 5th Quintile ⁽¹⁾

Notes:

1. For centers closed through August 13th, 2026

Appendix / Reconciliations



Income Statement

(In thousands, except per share data)

	Three Months Ended	
	July 4, 2026	June 28, 2025
Revenue	\$ 697,522	\$ 700,110
Costs and expenses:		
Cost of services (excluding depreciation and impairment)	\$ 567,434	\$ 519,477
Depreciation and amortization	\$ 31,699	\$ 31,074
Selling, general, and administrative expenses	\$ 73,068	\$ 78,648
Impairment losses	\$ 22,923	\$ 2,235
Total costs and expenses	\$ 695,124	\$ 631,434
Income from operations	\$ 2,398	\$ 68,676
Interest expense	\$ 18,255	\$ 20,073
Interest income	\$ (970)	\$ (1,424)
Other expense, net	\$ (4,342)	\$ (3,049)
(Loss) income before income taxes	\$ (10,545)	\$ 53,076
Income tax (benefit) expense	\$ (1,775)	\$ 14,488
Net (loss) and income	\$ (8,770)	\$ 38,588
Net (loss) and income per common share:		
Basic	\$ (0.07)	\$ 0.33
Diluted	\$ (0.07)	\$ 0.33
Weighted average number of common shares outstanding:		
Basic	118,798	118,309
Diluted	118,798	118,371

Notes:

TTM Adjusted EBITDA Reconciliation

(In thousands)

	Three Months Ended							
	July 4, 2026	April 4, 2026	January 3, 2026	September 27, 2025	June 28, 2025	March 29, 2025	December 28, 2024	September 28, 2024
Net (loss) income	\$ (8,770)	\$ (289,832)	\$ (177,175)	\$ 4,550	\$ 38,588	\$ 21,157	\$ (133,583)	\$ 13,959
Add back:								
Interest expense	18,255	18,220	19,699	24,095	20,073	20,108	50,733	39,459
Interest income	(970)	(842)	(1,013)	(1,731)	(1,424)	(659)	(2,249)	(1,260)
Income tax (benefit) expense	(1,775)	(535)	(4,443)	1,655	14,488	7,838	(4,264)	4,154
EBIT	\$ 6,740	\$ (272,989)	\$ (162,932)	\$ 28,569	\$ 71,725	\$ 48,444	\$ (89,363)	\$ 56,312
Add back:								
Depreciation and amortization	31,699	31,077	31,897	31,019	31,074	29,977	30,213	29,641
EBITDA	\$ 38,439	\$ (241,912)	\$ (131,035)	\$ 59,588	\$ 102,799	\$ 78,421	\$ (59,150)	\$ 85,953
Add back:								
Impairment losses	22,923	291,475	196,997	3,309	2,235	1,510	3,395	1,257
Stock-based compensation	1,663	2,508	1,713	2,826	3,461	4,073	123,066	(1,402)
Management and advisory fee expenses	—	—	—	—	—	—	119	1,216
COVID-19 Related Stimulus, net	—	—	—	—	(26,050)	(663)	(4,049)	(14,908)
Other costs	—	—	—	672	—	210	2,595	(760)
Adjusted EBITDA	\$ 63,025	\$ 52,071	\$ 67,675	\$ 66,395	\$ 82,445	\$ 83,551	\$ 65,976	\$ 71,356

Notes:

See Consolidated Non-GAAP Measures table from August 13,, 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

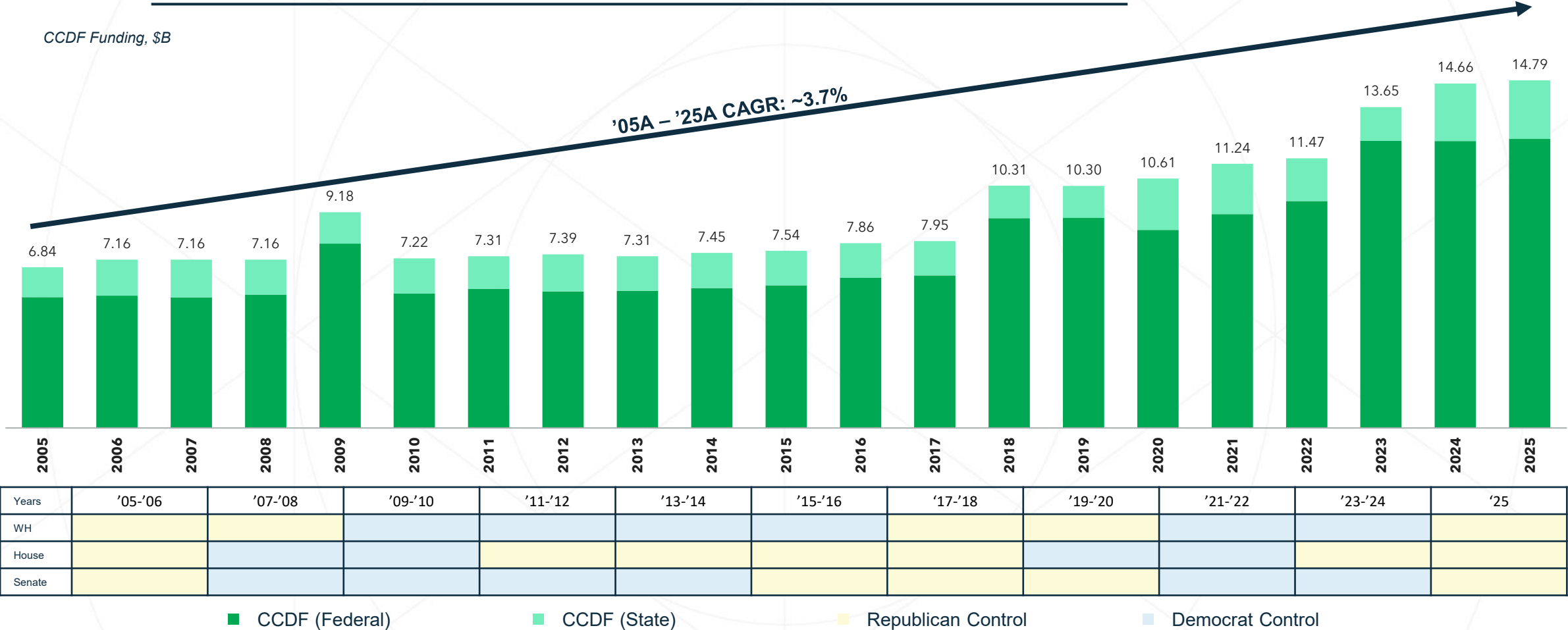
(In thousands)

	Six Months Ended	
	July 4, 2026	June 28, 2025
Cash provided by operating activities	\$ 104,482	\$ 133,490
Cash used in investing activities	(58,467)	(72,190)
Cash used in financing activities	(5,608)	(4,601)
Net change in cash, cash equivalents, and restricted cash	40,407	56,699
Cash, cash equivalents, and restricted cash at beginning of period	133,299	62,430
Cash, cash equivalents, and restricted cash at end of period	\$ 173,706	\$ 119,129

	Six Months Ended	
	July 4, 2026	June 28, 2025
Cash provided by operating activities	\$ 104,482	\$ 133,490
Purchase of Property and equipment	(58,005)	(57,735)
Free Cash Flow	\$ 46,477	\$ 75,755

Notes:

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



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.

