KINDERCARE LEARNING COMPANIES™

Earnings Results 3rd Quarter, 2025



November 12, 2025

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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.

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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, management and advisory fee expenses, acquisition related costs, non-recurring distribution and bonus expense, 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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Third Quarter FY25 Business Highlights

1 Champions Growth

Champions continues strong growth trajectory by adding more than 200 new sites year to date, bringing TTM net total to 120 additional sites.

2 Tuition Benefit Adoption

Signed 20 new employers in Q3 resulting in 317k additional employees eligible for tuition benefit program across our nationwide network of centers.

3 Employer On-site Expansion

Opened 3 new KinderCare for Employers on-site centers in Q3. Average employer on-site portfolio occupancy exceeding 70%.

4 Growth Lever Momentum

Positive momentum continues in total center openings and Tuck-in Acquisitions with a combined 33 centers added so far in 2025.



Key Performance Metrics

	September 27, 2025	September 28, 2024
Early childhood education centers [1]	1,595	1,573
Before- and after-school sites [2]	1,138	1,018
Total centers and sites	2,733	2,591

	Three Months Ended	
	September 27, 2025	**September 28, 2024**
Average weekly ECE FTEs [3]	140,515	143,298

	Three Months Ended	
	September 27, 2025	**September 28, 2024**
ECE same-center occupancy [4]	67.0%	68.6%

	Three Months Ended	
(In millions)	**September 27, 2025**	**September 28, 2024**
ECE same-center revenue [4]	$ 616.9	$ 616.7

Total Centers and Sites Count

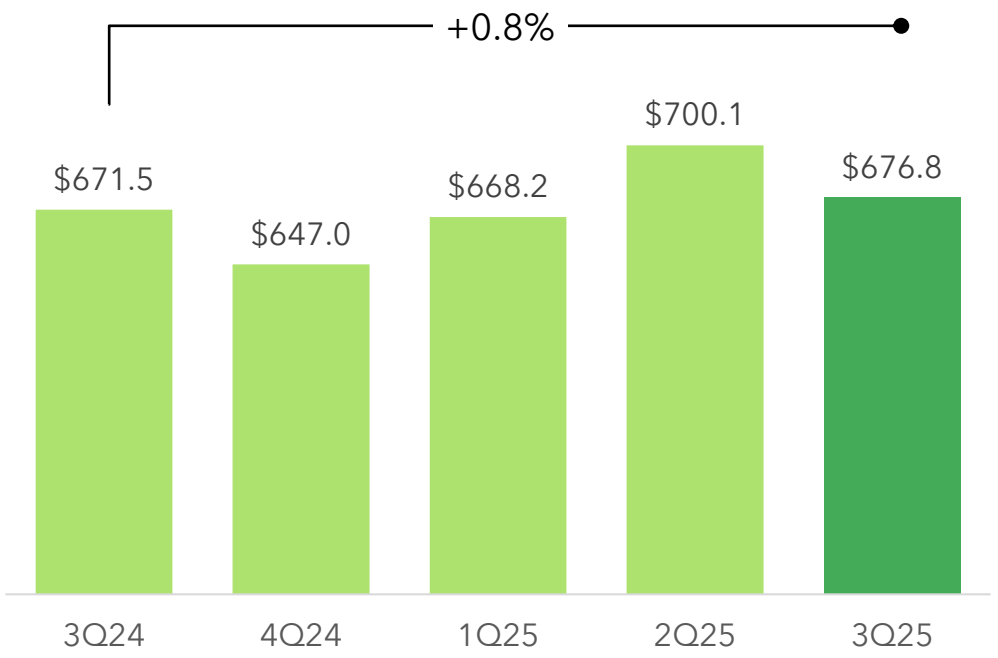
Early childhood education centers [1]	Total
December 28, 2024	1,574
Acquired	20
Opened	13
Closed	(12)
September 27, 2025	**1,595**

Before- and after-school sites [2]	Total
December 28, 2024	1,025
New	212
Closed	(99)
September 27, 2025	**1,138**

Notes:
1. Inclusive of KinderCare Learning Centers and Crème School brands.
2. Inclusive of Champions brand.
3. FTE: Full Time Enrollment.
4. We define same-center to be centers that have been operated by us for at least 12 months as of the period end date, or in other words, centers that are starting their second year of operation.

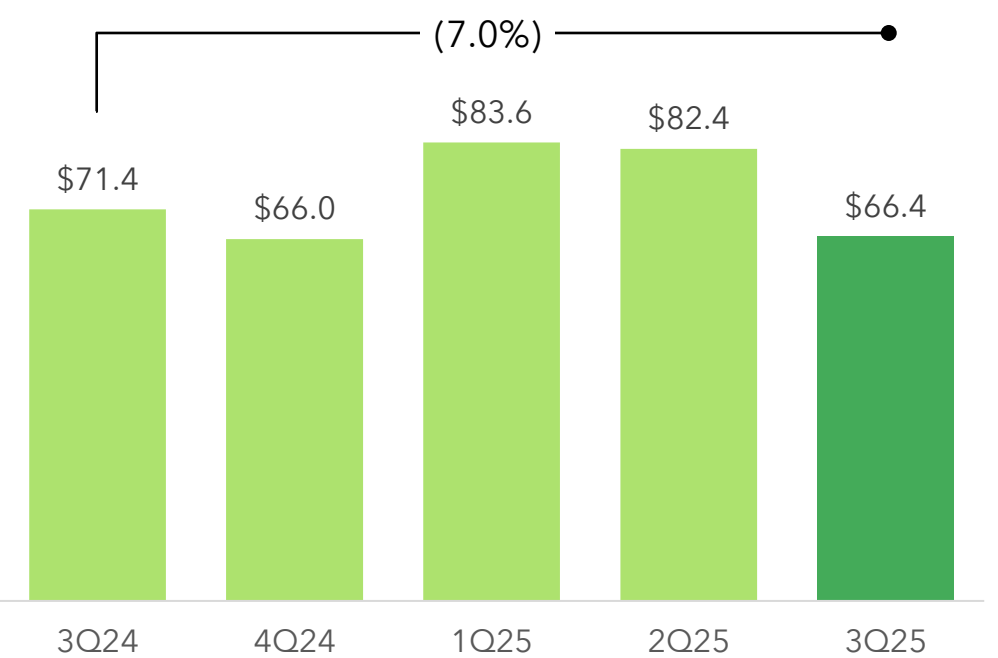
Topline Growth Offset by Near-Term Margin Pressure

Revenue ($M)



	3Q24	4Q24	1Q25	2Q25	3Q25
ECE [1]	$626.4	$593.3	$615.0	$647.7	$627.0
Before & After [2]	$45.0	$53.7	$53.2	$52.4	$49.8

Adjusted EBITDA ($M) [3]

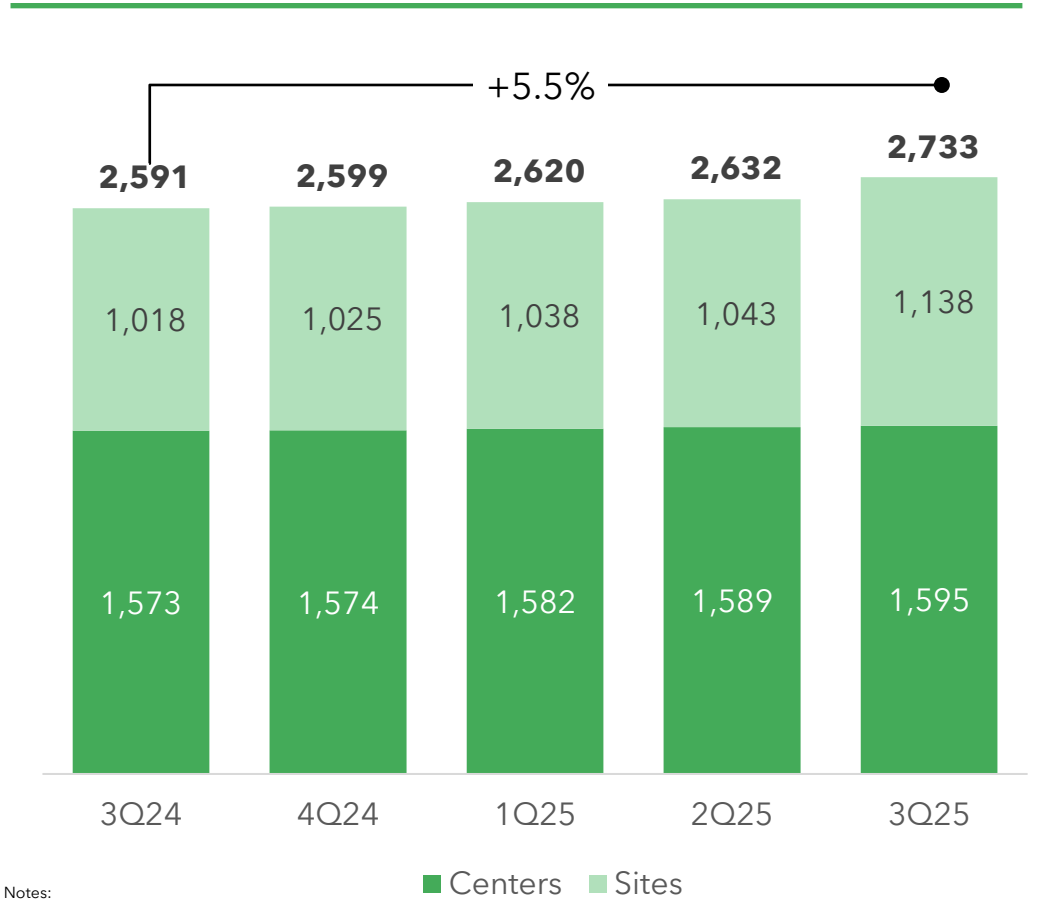


	3Q24	4Q24	1Q25	2Q25	3Q25
TTM	$295.1	$298.1	$307.3	$303.3	$298.4

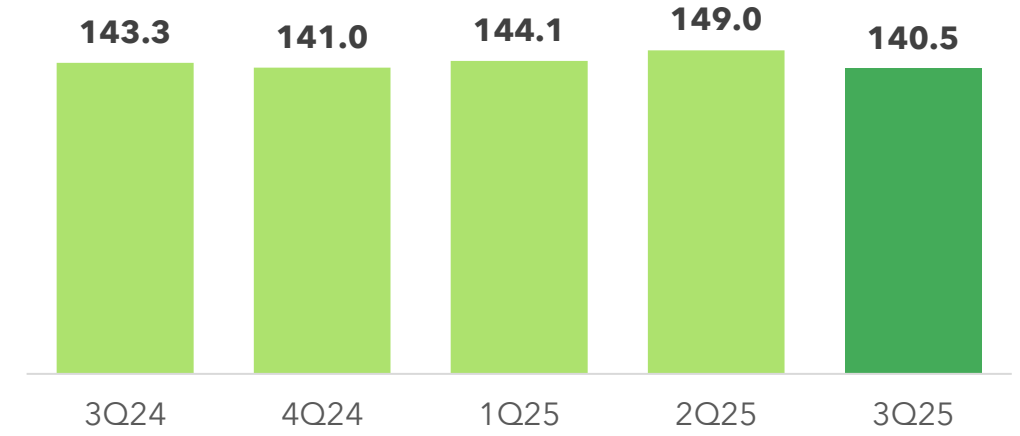
Notes:
Some figures may not sum due to rounding.
1. Early Childhood Education. Inclusive of KinderCare Learning Centers and Crème School brands.
2. Inclusive of Champions brand.
3. See appendix for reconciliation of non-GAAP measures.

Portfolio Growth Lays Foundation for Long-Term Performance

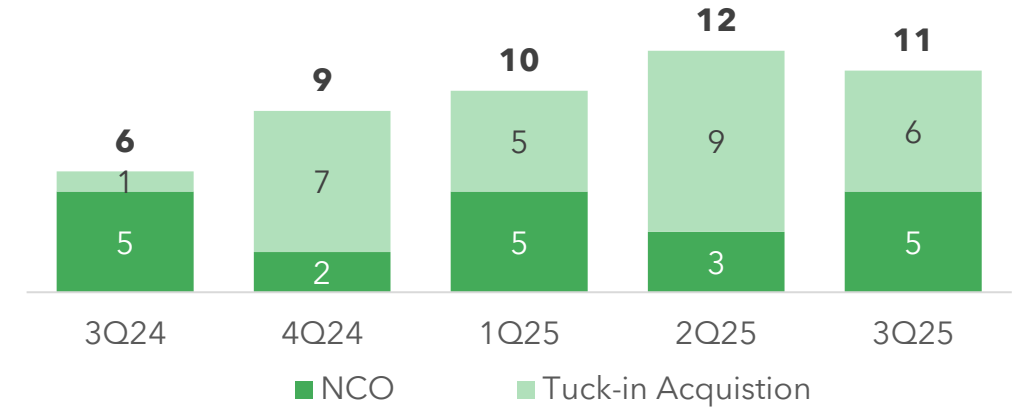
Total Centers and Sites[1]



Average Weekly FTEs (000's) [2]



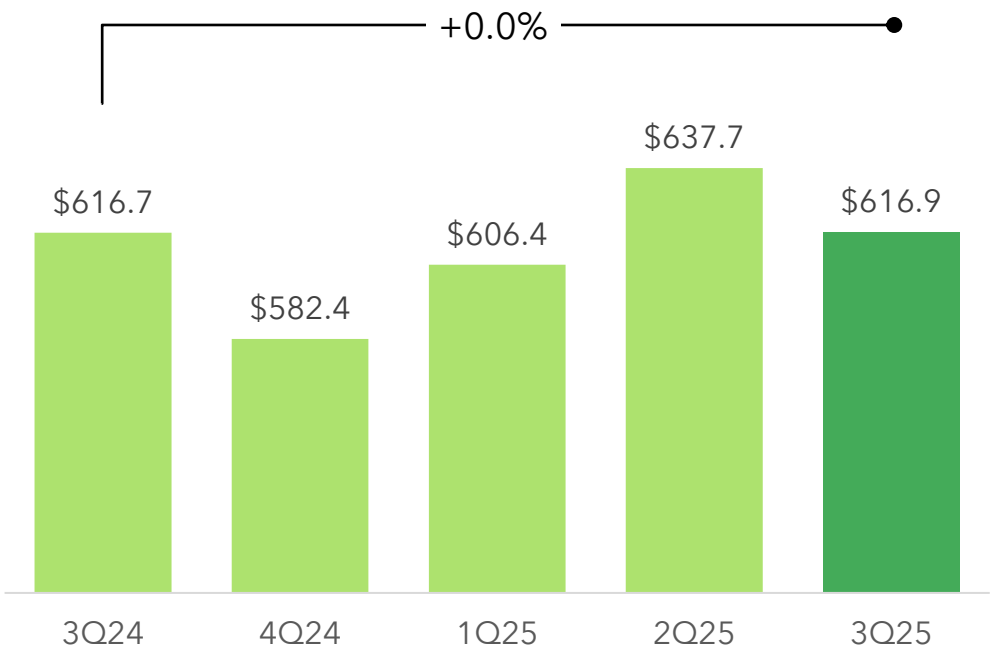
NCOs [3] and Tuck-in Acquisitions



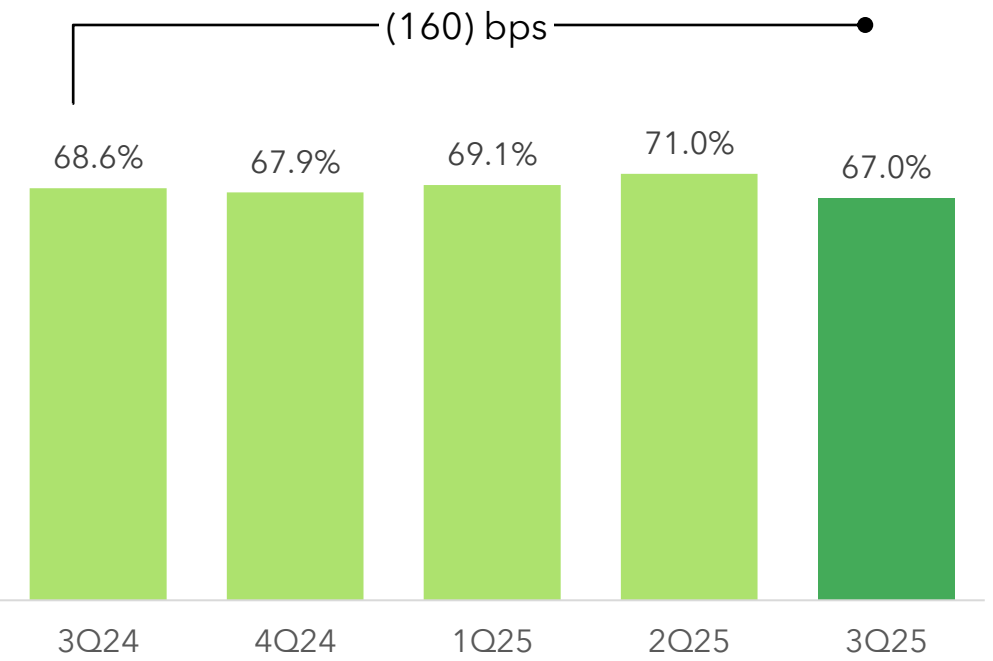
Notes:
1. Number of centers and sites at the beginning of the period plus openings and acquisitions, minus any permanent closures for the period.
2. FTE: Full Time Enrollment.
3. NCO: New Center Opening.

Same-Center Revenue Resilient Despite Occupancy Softness

Same-Center Revenue ($M) (1)



Same-Center Occupancy (1)



Seasonal occupancy softness amplified by cautious economic environment and constrained subsidy seats in select states

Notes:
1. We define same-center to be centers that have been operated by us for at least 12 months as of the period end date, or in other words, centers that are starting their second year of operation.

Financial Discipline Driving Balance Sheet Strength

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

Liquidity Profile ($M) (1)

Revolver availability	$262.5
Less outstanding letters of credit	(68.1)
Plus unrestricted cash	174.7
Liquidity	**$369.1**

Leverage Profile ($M) (1)

Current and long-term debt	$930.9
Less unrestricted cash	(174.7)
Net debt	**$756.2**
TTM Adjusted EBITDA (2)	**$298.4**
Leverage Ratio	**2.5x**

Scheduled Debt Principal Payments ($M) (1)

Remainder 2025	$4.8
2026	$9.6
2027	$9.6
2028	$9.6
2029	$7.2
Long Term	$921.1

Notes:
1. Balances and figures as of September 27, 2025. Figures may not sum due to rounding.
2. See appendix for reconciliation of non-GAAP measures.

FY25 Guidance Updated

Revenue	Adjusted EBITDA	Adjusted EPS
$2.72 - $2.74 Billion	$290 - $295 Million	$0.64 - $0.67

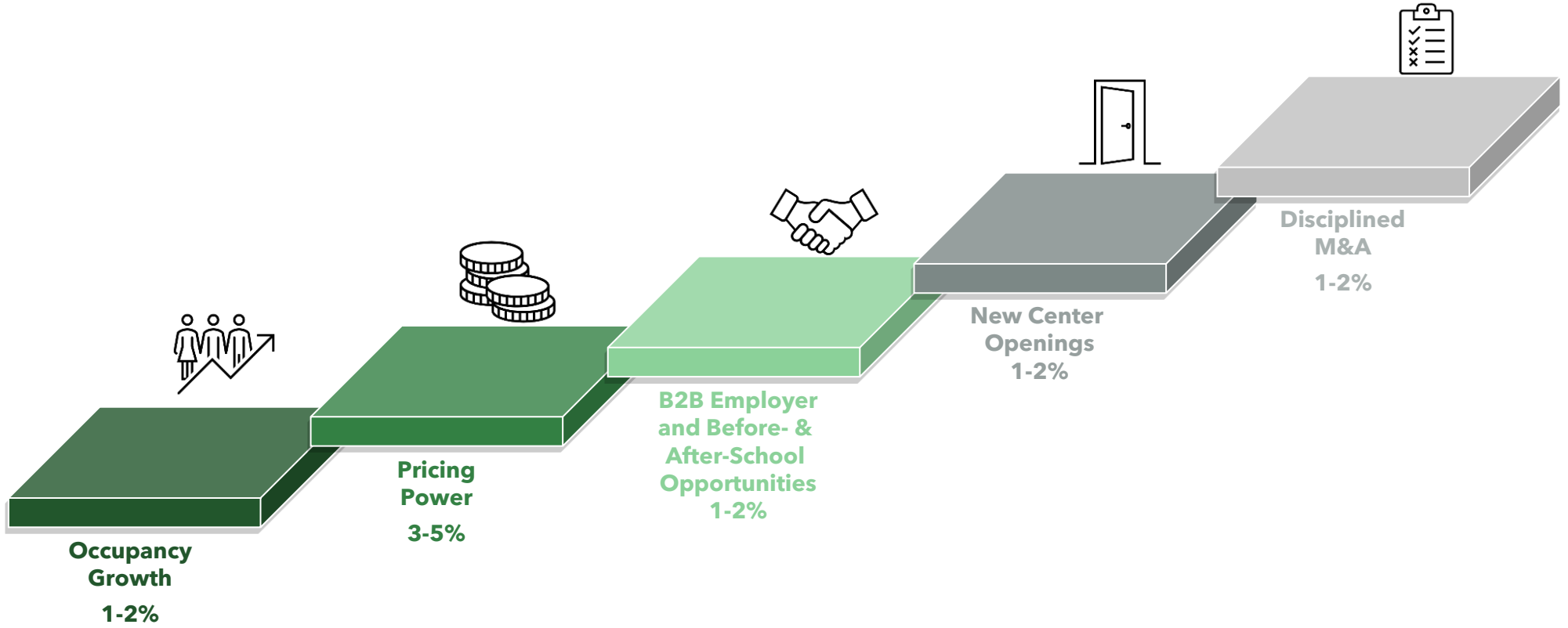
Growth Algorithm Assumptions

(% Year over Year Growth Contributions)

Occupancy	**New Center Openings (NCOs)**
~(2%)	~1%
Pricing	**Tuck-in Acquisitions**
~2%	~1%
B2B/Champions	**Consolidation**
~1%	~(1%)

Notes:
Revenue, Adjusted EBITDA, and Adjusted EPS ranges are inclusive of 53rd week. Growth algorithm Assumptions do not include 53rd week in fiscal year 2025.

Long-Term Growth Powered by Multiple, Diversified Strategic Levers



Built-In Growth Drivers with Existing Service Offerings → Expand Service Offerings Organically → Inorganic Growth

CASE STUDY: Meaningful Occupancy Improvement Through Family-First Approach

KINDERCARE LEARNING COMPANIES™



KinderCare LEARNING CENTERS

BACKGROUND

- Michigan KinderCare with top engagement rating
- Center Director with almost 25 years of experience
- Occupancy was 48% in 2024

ANALYSIS

Utilized **Center Diagnostic Tool** to conduct unbiased, data driven analysis to identify issue in sales funnel execution

ACTION PLAN

Leveraging our Family Builder[1] and Online Tour Scheduler tools, the Center Director focused on **timely and more personalized family interactions** earlier in the enrollment process

OUTCOME

Occupancy **increased to 95%** in August 2025 with center profitability seeing commensurate improvement

Notes:
1. Family builder is our internal CRM used to communicate with families, answer their questions, schedule tours, and register for enrollment.

CASE STUDY: Optimizing Highly Occupied Center Using Digital Tools to Identify Areas for Incremental Enrollment



BACKGROUND

- Opportunity Region center in Indiana at 75% occupancy
- Experienced Center Director having challenges identifying a path to occupancy improvement

ANALYSIS

District Leader and Center Director utilized the **Digital Occupancy White Board** to identify opportunities for more efficient classroom management

ACTION PLAN

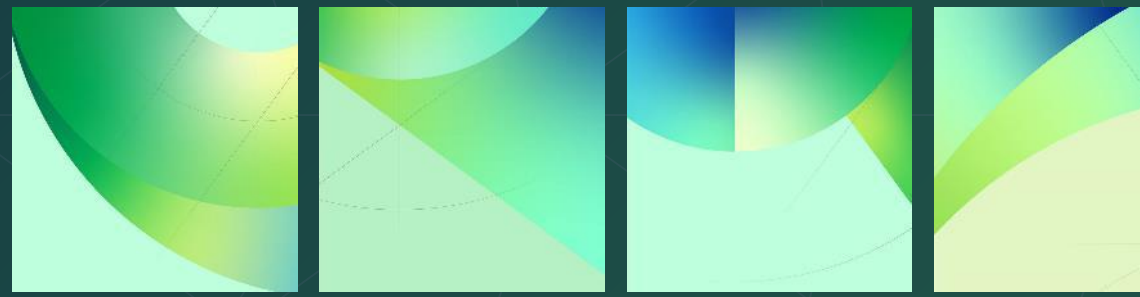
Classrooms and Staff were better optimized to create openings for high inquiry age groups, **allowing additional enrollments** and expanding family access

OUTCOME

Highly occupied center was able to successfully **drive occupancy** higher to over 82%

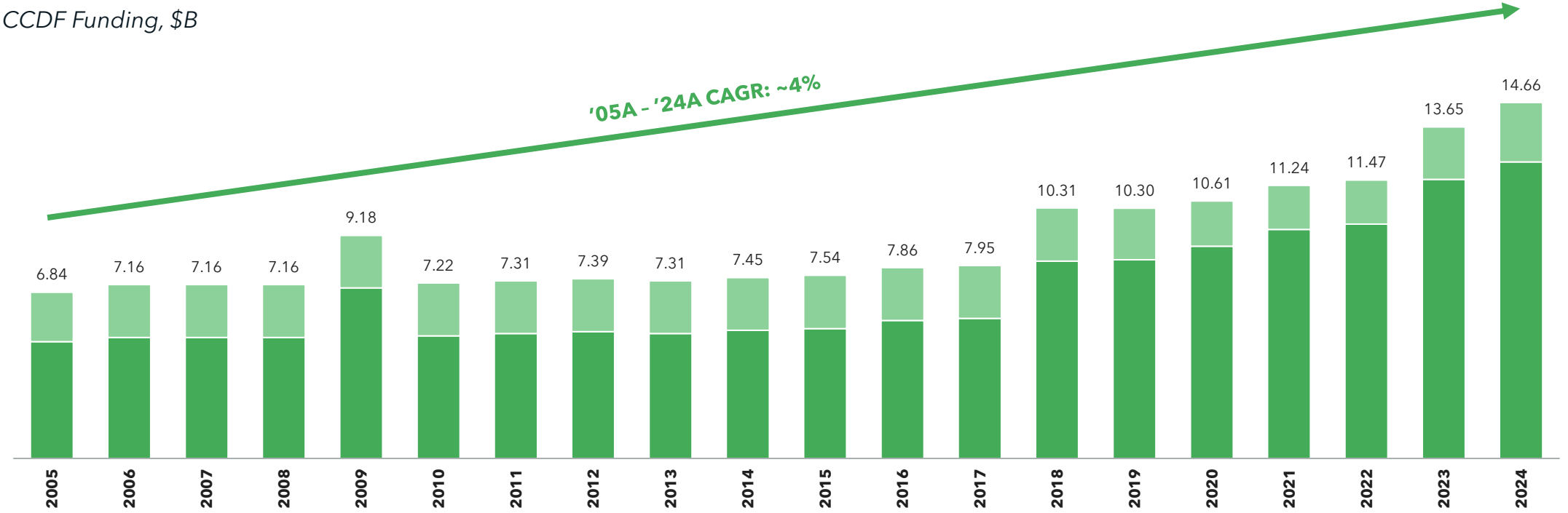
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Appendix / Reconciliations



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

CCDF Funding, $B



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

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	
	September 27, 2025	September 28, 2024
Revenue	**$ 676,830**	**$ 671,476**
Costs and expenses:		
Cost of services (excluding depreciation and impairment)	543,139	521,093
Depreciation and amortization	31,019	29,641
Selling, general, and administrative expenses	73,043	65,110
Impairment losses	3,309	1,257
Total costs and expenses	**650,510**	**617,101**
Income from operations	**26,320**	**54,375**
Interest expense	24,095	39,459
Interest income	(1,731)	(1,260)
Other income, net	(2,249)	(1,937)
Income before income taxes	**6,205**	**18,113**
Income tax expense	1,655	4,154
Net income	**$ 4,550**	**$ 13,959**
Net income per common share:		
Basic	$ 0.04	$ 0.15
Diluted	$ 0.04	$ 0.15
Weighted average number of common shares outstanding:		
Basic	118,353	90,366
Diluted	118,413	90,366

Adjusted EBITDA Reconciliation

(In thousands)

	Three Months Ended				
	September 27, 2025	June 28, 2025	March 29, 2025	December 28, 2024	September 28, 2024
Net income (loss)	**$ 4,550**	**$ 38,588**	**$ 21,157**	**$ (133,583)**	**$ 13,959**
Add back:					
Interest expense	24,095	20,073	20,108	50,733	39,459
Interest income	(1,731)	(1,424)	(659)	(2,249)	(1,260)
Income tax expense	1,655	14,488	7,838	(4,264)	4,154
EBIT	**$ 28,569**	**$ 71,725**	**$ 48,444**	**$ (89,363)**	**$ 56,312**
Add back:					
Depreciation and amortization	31,019	31,074	29,977	30,213	29,641
EBITDA	**$ 59,588**	**$ 102,799**	**$ 78,421**	**$ (59,150)**	**$ 85,953**
Add back:					
Impairment losses	3,309	2,235	1,510	3,395	1,257
Stock-based compensation	2,826	3,461	4,073	123,066	(1,402)
Management and advisory fee expenses	–	–	–	119	1,216
Acquisition related costs	–	–	–	–	–
Non-recurring distribution and bonus expense	–	–	–	–	–
COVID-19 Related Stimulus, net	–	(26,050)	(663)	(4,049)	(14,908)
Other costs	672	–	210	2,595	(760)
Adjusted EBITDA	**$ 66,395**	**$ 82,445**	**$ 83,551**	**$ 65,976**	**$ 71,356**

Notes:
See Consolidated Non-GAAP Measures table (November 12, 2025 earnings press release) for add-back explanations.

Statement of Cash Flows and Free Cash Flow Reconciliation

(In thousands)

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Cash provided by operating activities	$ 234,282	$ 156,736
Cash used in investing activities	(114,423)	(108,702)
Cash used in financing activities	(7,461)	(67,112)
Net change in cash, cash equivalents, and restricted cash	112,398	(19,078)
Cash, cash equivalents, and restricted cash at beginning of period	62,430	156,412
Cash, cash equivalents, and restricted cash at end of period	**$ 174,828**	**$ 137,334**

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Cash provided by operating activities	$ 234,282	$ 156,736
Purchase of property and equipment	(95,925)	(94,614)
Free cash flow	**$ 138,357**	**$ 62,122**