

## ASX Announcement

Mayfield Childcare Limited (ASX:MFD)

28 February 2025

## Financial Results for the Full Year ended 31 December 2024

Mayfield Childcare Limited (the “Company”, “Mayfield”) is pleased to announce its results for the full-year ended 31 December 2024 (FY24).

### Highlights

- **Building on Momentum** - Despite a challenging start to the year with weather-related closures in Q1, the Company delivered FY24 Centre EBITDA<sup>2,4</sup> of \$11.9M, with resulting Group EBITDA excluding the impact of AASB 16<sup>2</sup> of \$5.8M (FY23: \$3.2M) reflecting an 82.4% uplift over the same period. These results highlight the strength of the Group’s underlying operations and resilience in navigating challenges.
- **Underlying Profitability and Margin Expansion** – Mayfield achieved a 214% increase in Underlying NPAT<sup>2</sup> to \$2.5M (FY23: \$0.8M). The Company also generated margin improvements, with Centre EBITDA margin increasing by 3.5% to 13.7% (FY23: 10.2%) and Group EBITDA excluding the impact of AASB 16 margin improving by 2.5% to 6.6% (FY23: 4.1%).
- **Operational Efficiencies Driving Cost Savings** – A focus on workforce optimisation resulted in improvements to labour costs, including agency staff, as a percentage of Childcare Services revenue, bringing the ratio to 62.2% (FY23: 64.3%). This was driven in part by a \$2.7M reduction in agency costs through improved workforce management strategies.
- **Healthy Cashflow and Capital Management** – The Company continues to maintain a disciplined approach to capital allocation, reducing net debt by \$1.3M to \$6.3M (FY23: \$7.5M), which includes \$2.5M funding the acquisition of Precious Cargo centres. Subsequent to 31 December 2024, the Company’s balance sheet was further strengthened through the completion of a \$4.6M capital raise on 3 January 2025.
- **Continued Delivery of Quality Services** – 93% of centres were rated Meeting or Exceeding the National Quality Framework (NQF), reflecting the Company’s unwavering commitment to quality, compliance and curriculum.
- **Staff Engagement and Family Satisfaction** – Mayfield’s commitment to fostering a positive workplace culture and delivering high-quality childcare services has yielded strong engagement results:
  - Staff Engagement as measured through Net Promoter Score (NPS) has improved each quarter in 2024, with the most recent result of 34.5 as at Jan’25 (Dec’23: 8.7) demonstrating the Company’s commitment to enhancing the workplace experience and satisfaction for employees.
  - Family satisfaction continued to increase on an already strong level, with improvements each quarter in 2024 and the most recent result of 70.4 as at Jan’25 (Dec’23: 53.1) demonstrating continued trust and satisfaction among families.

1. 2024 occupancy excludes a divestment centre surrendered in the year
2. Centre EBITDA, Group EBITDA excluding the impact of AASB 16 and Underlying NPAT are non-statutory financial concepts and measures which are not prescribed by Australian Accounting Standards (AAS). The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.
3. Centre EBITDA, Group EBITDA excluding the impact of AASB 16 and Underlying NPAT remove the impact of the AASB 16 Leases accounting standard, for an explanation of the impact of this standard please refer to Note 1 of the 2023 Annual Financial Statements.
4. Centre EBITDA includes the impact of provisions relating to historical amounts received in funding that Mayfield may not have been entitled to receive, refer to Note 15 of the 2024 Annual Financial Statements for further information.



- **Successful Acquisition and Integration** - The \$2.5M acquisition of Precious Cargo was successfully completed at the end of August, strengthening the Company's position in the South Australian market. There was a nominal contribution to earnings from the Precious Cargo centres in 2024 with reinvestments made by the Company into staff and facilities.

## Portfolio Review

- **Occupancy challenges** – Occupancy challenges persisted throughout the year with Group occupancy<sup>1</sup> (excluding the Precious Cargo centres acquired in late August) down 5.6% on the prior year to 61.8% (FY23: 67.4%) driven by the full year effect of Q1 weather-related centre closures and the continued underperformance of centres identified for divestment.
- **Healthy core portfolio** – As a cohort approximately 80% of the centres generated occupancy of 70%, highlighting the strategic rationale behind the Company's intention to divest underperforming centres.
- **Approved divestments** - As announced to the market on 31 December 2024, the Board has approved the divestment of a portfolio of centres which are either underperforming or in clusters attracting a disproportionate level of management costs, to its new incubator partner, Steps Learning. These centres generated occupancy of 46.3% in 2024 which resulted in a 5.5% drag on overall Group occupancy<sup>1</sup>. The divestment is subject to commercial terms being agreed and an independent valuation which is currently underway.

*This ASX announcement has been approved for release by the Board of Directors of Mayfield Childcare Limited.*

## For further information, please contact:

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