

ASX Announcement

Mayfield Childcare Limited (ASX:MFD)

29 August 2025

Financial Results for the Half Year ended 30 June 2025

Mayfield Childcare Limited (the **Company**, **Mayfield**) announces its results for the half-year ended 30 June 2025 (H1 FY25).

Overview

- **Revenue up 14.9%** to \$43.9M (1H24: \$38.2M), driven by the acquisition of seven Precious Cargo centres in South Australia.
- **Underlying EBITDA⁴** of (-\$0.1M) (H1 FY24: \$1.5M), reflecting slower than expected enrolment growth and lower occupancy from soft re-enrolments in Q1 FY25 and the significant underperformance of the Precious Cargo centres acquired in August 2024.
- **Underlying Centre¹ EBITDA⁴ excluding Precious Cargo** down 9.7% to \$4.3M (H1 FY24: \$4.7M)
- **Statutory NPAT loss** of \$21.9M (1H24: \$0.8M loss), including a **non-cash goodwill impairment of \$19.4M** driven by revised assumptions used under the Accounting Standards for value in use calculation, particularly in relation to centres acquired across Precious Cargo and Genius Education Holdings (GEH) transactions that have underperformed against assumptions used in previous period value in use calculation. Accordingly, the Company has been required to assess forward assumptions more conservatively in relation to its cost of capital, long term growth and fee rates and occupancy recovery resulting in an after-tax impairment charge being recognised.
- **Favourable working capital position** with Cash on hand of \$0.4M and **\$3.9M** drawn down against its working capital facility (\$6.3M drawn at 31 December 2024). At balance date the Company had \$6.4M net funds available under its working capital facility.
- **Banking facility** Westpac debt facility extension confirmed post-period to 31 August 2026, with a modest 0.75% increase in funding rate during the extension period.
- **Precious Cargo integration** The new centres contributed ~\$6.8M in revenue but recorded a net loss of ~\$0.8M in H1 FY25 against pre-acquisition forecast FY25 EBITDA of between \$1.3 and \$1.5M, highlighting integration and occupancy challenges.
- **Occupancy** Group occupancy remained below expectations in H1 FY25, impacted by slower new family starts and marketing challenges through Q4 2024 and Q1 FY25. Group Year to Date occupancy for all centres was 53% with Spot occupancy² at 63%.



1. Underlying Centre EBITDA excludes corporate labour and overhead costs of \$3.6M from Underlying EBITDA as reported in the Interim Report for the Half-year ended 30 June 2025

2. Spot occupancy excludes centres previously marked for divestment for the purpose of prior corresponding period analysis.

3. An NPS score above 20 is considered favourable and above 50 excellent NPS data for the week ending 24/08/2025

4. Adjusted, NPAT, NPAT from Continuing Operations, Underlying, EBITDA and EBIT 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.

The Mayfield Childcare Portfolio (21 centres) occupancy was 59% and Mayfield Early Education portfolio (24 centres) occupancy was 49%, which includes the Precious Cargo portfolio (7 centres) with occupancy of 44% for the period.

- **Workforce efficiency** Agency spend reduced ~78% to \$0.1M (H1 FY24: \$0.5M) following roster optimisation and workforce initiatives.

Operational Review

Since Daniel Stone's commencement as Chief Executive Officer (CEO) on 31 March 2025, Management has focused on driving efficiencies across the portfolio and cost management in particular with key contracted suppliers, improving centre-level margins and performance, despite the inherited legacy drag of reduced occupancy. These initiatives have since delivered steady month-on-month gains at both centre and group levels. Occupancy is showing signs of recovery, and recent trading provides confidence in a more positive outlook for future growth.

- **Portfolio Underlying Centre¹ EBITDA⁴** – While first half earnings were impacted by lower occupancy, centre-level initiatives have supported stabilisation of margins, with trading improvements evident through Q2. Q2 FY25 Underlying Centre¹ EBITDA⁴ was \$2.3M (EBITDA⁴ margin 12%), up from Q1 FY25 of \$1.2M (EBITDA⁴ Margin 8%)
- **Performance Improvement Program** – A defined cohort of previously approved “divestment” centres is subject to targeted turnaround initiatives, with early signs of progress against prior-year occupancy with an average cohort occupancy improvement of 3.8% versus PCP. These centres are expected to continue to improve as these initiatives continue to mature and a full enrolment cycle is completed for FY26
- **Organic Growth** – Management anticipates further year-on-year occupancy gains, through the execution of its marketing plan and activities. Waitlist growth for FY26 continues and re-enrolments for FY26 are also looking favourable based on enquiries and conversion rates across the portfolio.
- **Brand Management** – Prior rebranding initiatives have been halted, redirecting resources toward operational improvements and centre-level quality initiatives that directly support occupancy and family experience.

Occupancy

Group occupancy for H1 FY25 was 7% down to 53% (H1 FY24: 60%) driven by the impact of limited customer engagement and conversion in Q1 FY25. The sector continues to face headwinds with cost of living, child safety and other related market dynamics. We are pleased with the growth and trend through our initiatives that are boosting family engagement and conversion. Further to this our Family Net Promoter Score (NPS³) has improved on prior year to NPS³ 65 (H1 FY24: 55) signalling stronger alignment to value, quality and safety through more appropriate allocation of staffing with a focus on continuity of care for children in Mayfield centres.



1. Underlying Centre EBITDA excludes corporate labour and overhead costs of \$3.6M from Underlying EBITDA as reported in the Interim Report for the Half-year ended 30 June 2025

2. Spot occupancy excludes centres previously marked for divestment for the purpose of prior corresponding period analysis.

3. An NPS score above 20 is considered favourable and above 50 excellent NPS data for the week ending 24/08/2025

4. Adjusted, NPAT, NPAT from Continuing Operations, Underlying, EBITDA and EBIT 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.

Outlook & Trading Update

The combination of slower than expected occupancy recovery, integration challenges from the Precious Cargo acquisition and ongoing sector headwinds from cost-of-living pressures has materially impacted first half earnings. While recent trading trends are encouraging, the Board considers it premature to provide quantitative earnings guidance for FY25. The Company remains focused on lifting occupancy, completing integration initiatives, and driving operational efficiencies to support a return to sustainable profitability in FY26 and beyond. The Board will continue to keep the market appraised.

Closing Remarks

In closing, CEO Daniel Stone said “While the headline result is not ideal, changes made in Q2 are delivering improvements and creating a solid platform for performance and growth. Going forward the hallmarks you can expect of Mayfield are professional excellence, operational execution and financial discipline. We are building a high performance childcare business that provides excellent care to children and their families. We are building an efficient, cost-effective business that does what it says it will do and a company that people can trust. We commit to independence, transparency and regularly communicating the facts to our stakeholders. Mayfield has an exciting future in front of it and I am pleased to be leading your business.”

This ASX announcement has been approved for release by the Board.

For further information, please contact:

Daniel Stone
Chief Executive Officer
dstone@mayfield.com.au

Andrew Angus
Investor Relations
andrewangus@overlandadvisers.com.au
0402 823 757

