

ASX Announcement

Mayfield Childcare Limited (ASX:MFD)

14 November 2023

Trading Update

Mayfield Childcare Limited (the “Company”, “Mayfield”) is pleased to provide this trading update and progress on measures undertaken to improve Mayfield’s operations and underlying performance.

- **Occupancy:** The Group continues to achieve month-on-month occupancy and childcare revenue growth, with spot occupancy for the core portfolio (excluding centres held for sale) of 78.6% (1H23: 70.6%) as at the week ending 3 November 2023. Spot occupancy of the 6 centres held for sale continued to improve, with occupancy of 39.4% (1H23: 36.0%) in the same period.
- **Enrolments:** The Company has generated steady growth in its pipeline of enrolments, which has benefited from the launch of Mayfield’s inaugural family-facing website (www.mayfield.com.au) and the group-wide implementation of a customer relationship management (CRM) platform to drive enquiry conversion rates, reporting capability and insights.
- **Acquisitions:** The four centres acquired in 2023 continue to perform strongly, with the cohorts’ EBITDA performance ahead of acquisition forecasts.
- **EBITDA:** EBITDA margins continue to improve, driven by a recent fee increase and the implementation of various operational improvements, resulting in Q4 Group EBITDA performance tracking ahead of pcp. Despite ongoing industry-wide staffing issues, the Company’s workforce optimisation initiatives have resulted in a significant improvement in roster efficiency and a material decline in agency staff utilisation and cost.
- **Cashflow:** The Company continues to generate healthy free cashflow which has resulted in a \$3.1M reduction in debt drawn on its available bank loan facilities net of cash at hand to \$8.5M as at 13 November 2023 (30 June 2023: \$11.6M).
- **Settlement:** On 20 October 2023, the Company announced a settlement of misappropriations by its former CEO, Dean Clarke, and has received the first payment of \$365,396. The second payment of \$693,623 is due in December 2023.

Having completed a number of remediation activities this year, including a refresh and rebrand of 16 centres, along with the implementation of new systems and processes, the Company has built momentum in Q4, providing a strong foundation for CY24.



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

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