



Mayfield Childcare Limited 2025 Half Year Results

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Investor Presentation
August 2025

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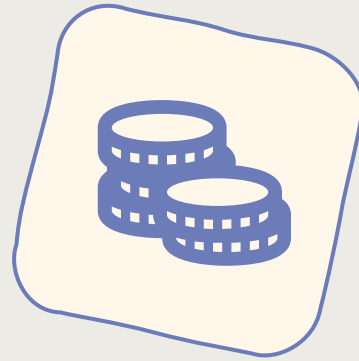
Agenda



**Result
Overview**



**Strategy
Update**



**Financial
Performance**



Outlook

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Executive Summary

From underperformance to growth, addressing legacy, market, and shareholder challenges through restructuring, investment, and customer focus. Driving enrolments, cost control, and margin improvement

- **Legacy challenges:**
 - Acquisition performance
 - Operational alignment and structural performance
 - Marketing and customer acquisition plans underperformed
 - Historical forecast and performance issues
 - Occupancy declining
- **Market challenges:**
 - Customer responsiveness and centricity
 - Product and child experience innovation
 - Unique brand identity
 - Value proposition and affordability for families
- **Shareholder challenges:**
 - Missed earnings guidance
 - Lack of clarity and transparency

- **What we have done:**
 1. Restructured operations
 2. Restructured corporate head office
 3. Voice of customer programs
 4. New marketing plan and program
 5. Invested in enrolment conversion
 6. Invested in systems and process changes
 7. Invested in centre facilities improvements
 8. Invested in quality, programming and child experience
 9. Rationalised commercial contracts

Outcomes:

1. Increases in conversion and enrolment enquiries
2. Managed direct costs
3. Improved centre level margins



01 Result Overview

Key Metrics

HY25 Highlights

Underlying Centre EBITDA HY25

Occupancy HY25

Cost Control HY25

Key Metrics

65

Family NPS
(1H FY24 NPS 55)

1,080

Total Centre Staff
(1H FY24 - 928)

\$3.2K⁴

Rent per
licensed place

\$727³

Indirect overhead
wages per
licensed place

45

Total Centres
Operating

4,195

Licensed Places

60.5%²

Wage To Revenue
(1H FY24 - 62.2%)

63%¹

Spot Occupancy
(1H FY24 - 70%)

1. Spot Occupancy excludes centres previously marked for divestment and precious cargo centres
2. Wage to Revenue for the group excluding acquisition centres (precious cargo) for the purpose of prior corresponding period (PCP). At a group level including all centres (WTR 63.4% 1H FY25)
3. Indirect head office wages excluding corporate overheads
4. Rent per place based on actual rental payments excluding other facilities costs



HY 25 Review

Following underperformance in Q1 and a change in CEO leadership, focus has shifted to controllable factors, quality and safety, wage stability, occupancy, and operational costs. These efforts led to improved Q2 performance.

1H 25 Underlying

	Group HY 25
	\$,000
Childcare Services Revenue	43,876
Other Income	46
Revenue & Other Income	\$43,922
Labour Costs	(28,248)
Agency Costs	(104)
Centre Operating Costs	(2,807)
Rent and Outgoings	(8,093)
Other Facilities Costs	(1,227)
Head office staff & Corporate Overheads	(3,592)
Underlying EBITDA	(149)

Q1/Q2 Underlying Centre EBITDA

Quarter	Q1 25	Q2 25
Revenue	21.4 M	22.5 M
Opex	1.4M	1.4M
Centre EBITDA	1.1M	2.3M
Centre EBITDA %	5%	10%

HY25/HY24 Underlying Centre EBITDA PCP¹

	HY 24	HY 25	PCP Change
Revenue	\$38.2M	\$37.1M	(\$1.1M)
OPEX	\$2.4M	\$2.4M	-
Centre EBITDA ²	\$4.7M	\$4.3M	(\$0.4M)
Centre EBITDA %	12%	12%	-

Key drivers of our financial performance:

- Occupancy for the half was lower than prior corresponding period, with slower uptake of enrolments in Q1 due to marketing and enrolment function issues coupled with affordability challenges for families
- Underperformance of Precious Cargo centres acquired in FY24 (impact \$.08m), excessive abnormal costs for corporate matters
- Despite these headwinds underlying centre EBITDA closed the half \$0.4M behind on a prior corresponding period (PCP) basis excluding Precious Cargo

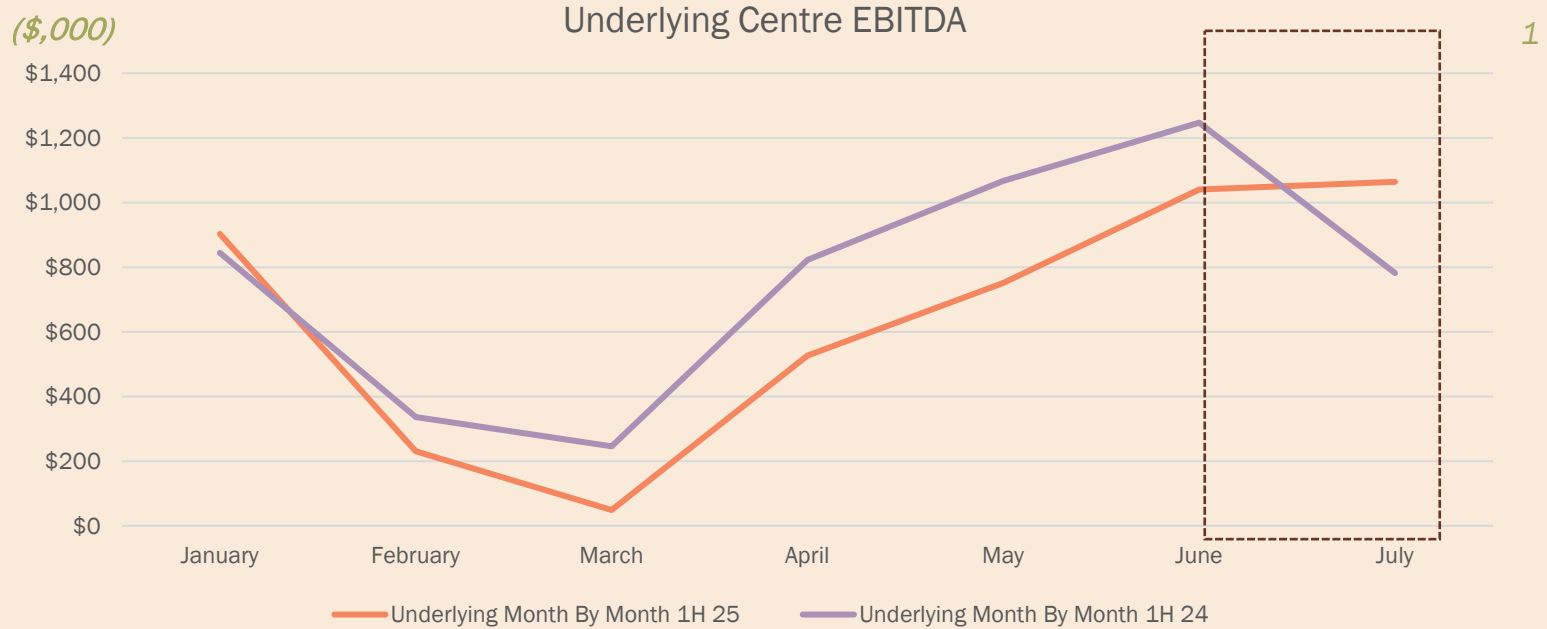
1. Prior Corresponding Period includes all Mayfield Centres excluding Precious Cargo

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Underlying Centre EBITDA

Sustained month-on-month growth, July EBITDA surpasses prior year despite acquisition drag. Underlying Centre EBITDA to month end July now superior to prior period.



- Underlying Centre EBITDA improved consistently month on month through Q2 25
- July unaudited management accounts show Underlying Centre EBITDA exceeding the prior corresponding period, despite difficult market conditions and portfolio drag from the Precious Cargo acquisition and reduced occupancy on a PCP basis
- Underlying Centre EBITDA for CY25 as at end of July excluding Precious Cargo has now exceeded prior corresponding period.
- Continued focus and execution should see continuation of momentum for centre level underlying financial performance into 2H 25

1. July actuals from unaudited management accounts month end 07/2025

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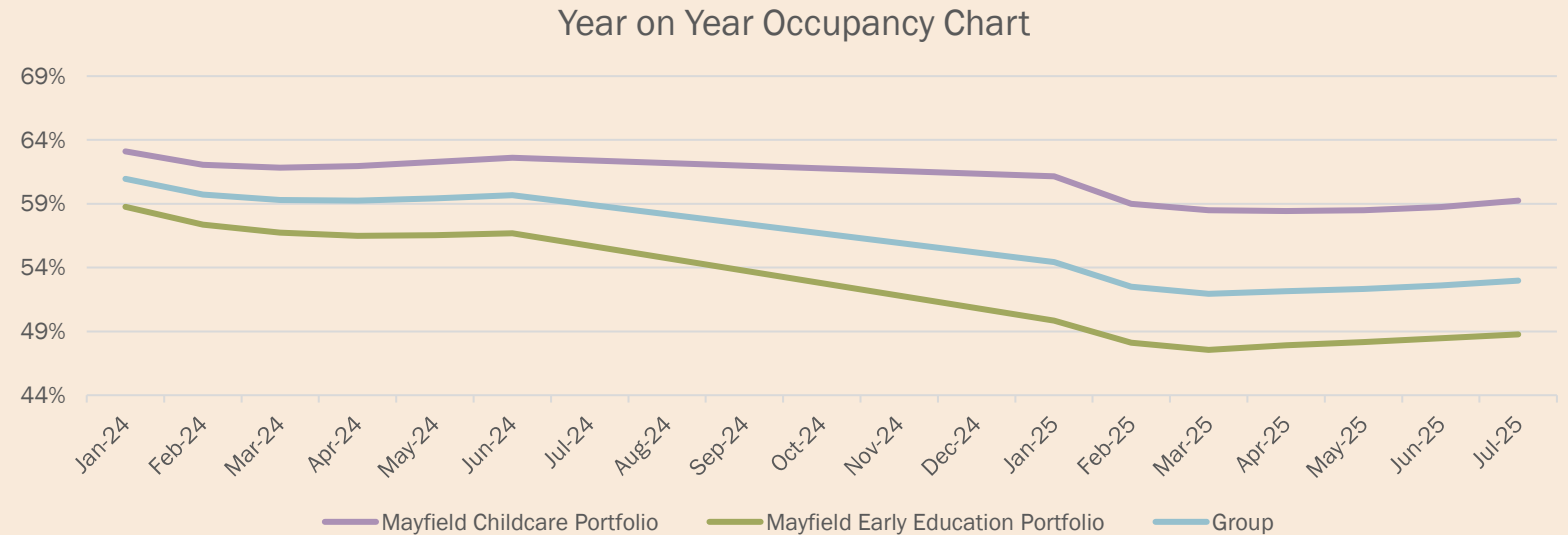
Occupancy HY 25

Occupancy on a Year to Date basis remains a challenge across the group due to slow uptake of new family enrolments, recovery path and trajectory clearly defined.

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Mayfield Childcare Portfolio	
Mayfield Portfolio YTD Occupancy ¹ (21 centres)	59%
Spot Occupancy ²	63%
Mayfield Early Education Portfolio	
Mayfield Early Education Portfolio Occupancy ³ (24 centres)	49%
Spot Occupancy ⁴	50%

Group ⁵	Group Occupancy	53%
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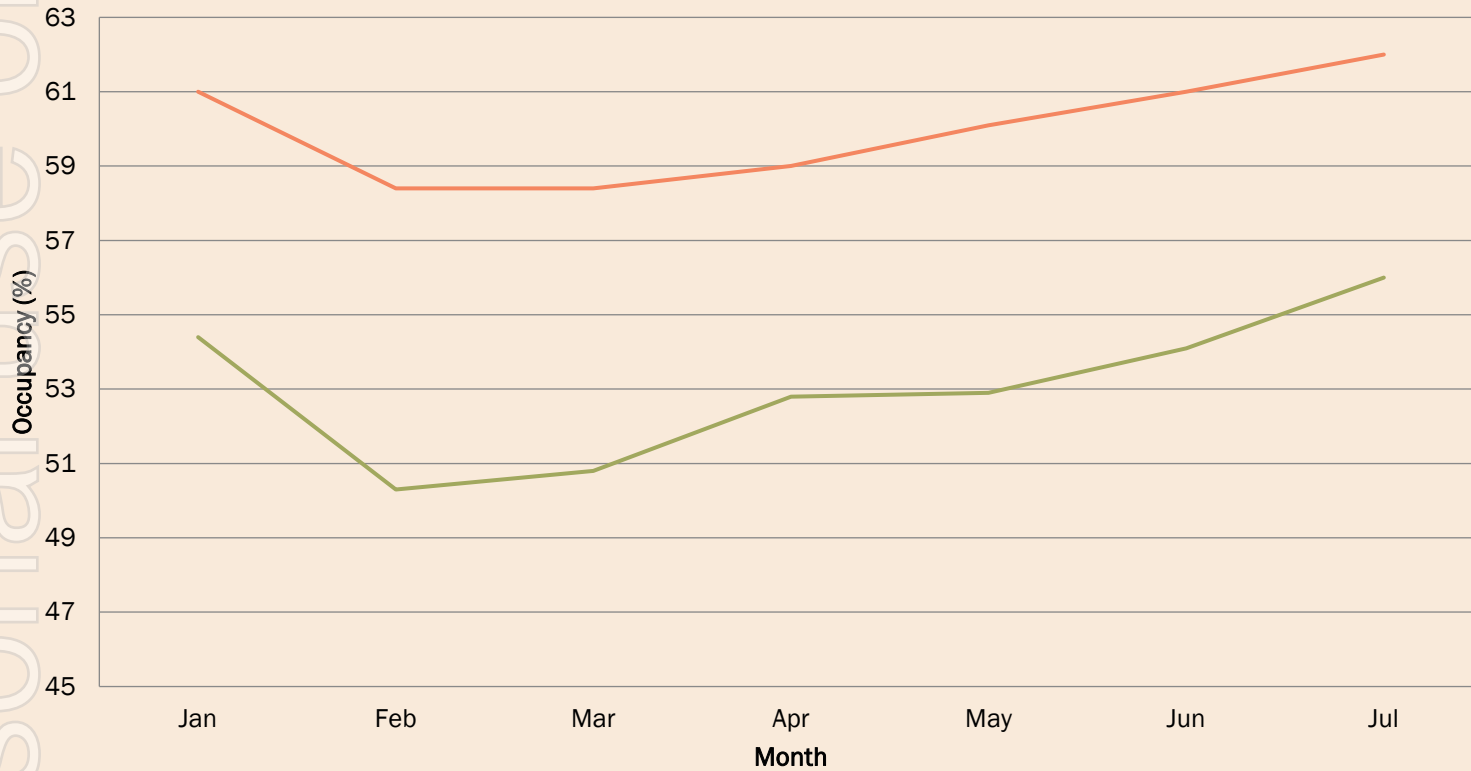
1. Mayfield Childcare Portfolio includes 21 centres excluding any recently acquired centres
2. Spot occupancy for the Mayfield Childcare Portfolio week ending 31st August 2025
3. Mayfield Early Education Portfolio includes 24 centres with a mix of prior acquisitions from Precious Cargo, Genius Education
4. Spot Occupancy Mayfield Early Education Portfolio as at week ending 31st August 2025
5. Group Occupancy includes Mayfield Childcare Portfolio and Mayfield Early Education excluding Precious Cargo



Occupancy Monthly 24/25

Steady recovery trajectory on track to close the gap with 2024 levels and establish baseline for growth in 2026

Group Occupancy (HY24 vs HY25)



July Monthly Occupancy

Mayfield Childcare Portfolio	62% (63%PCP)
Mayfield Early Education	51% (58% PCP)

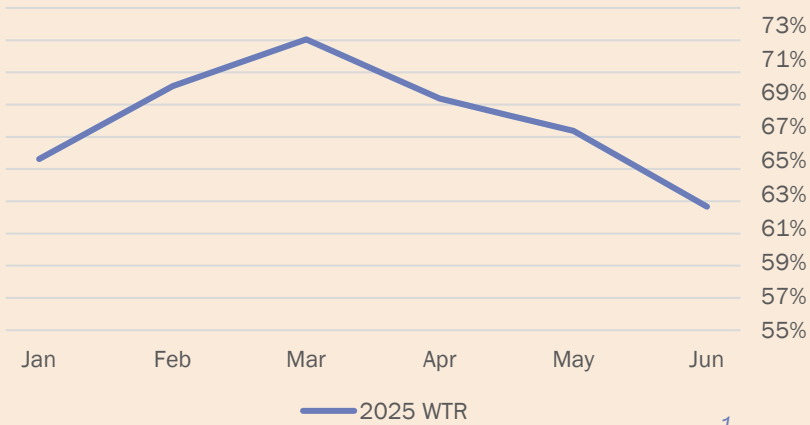
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Cost Control HY 25

\$1M wage cost reduction achieved through improved rostering. Despite higher employment costs, Opex held flat at 6% of revenue.

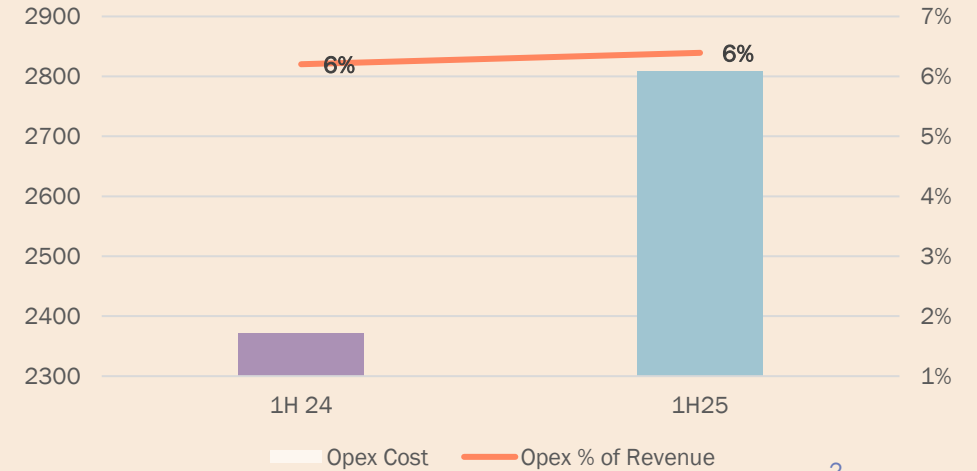
Monthly Wage to Revenue %



	HY24	HY25	PCP Variance
Wage Cost\$	\$23.8M	\$22.8M	(\$1.0M)
Wage %	62.2%	60.5%	(1.7%)

1

Operating Expenses % of Revenue



	HY24	HY25	PCP Variance
OPEX Cost \$	\$2.4M	\$2.4M	-
Opex % of Total Revenue	6%	6%	-

2

- Wage costs on a \$ basis are materially lower on a Prior Corresponding Period basis despite rising employment costs
- Improved rostering, tighter shift management and more efficient deployment of staff across centres.
- Direct wage costs declined \$1 million HY24 to HY25 (excluding Precious Cargo).

1. Wage to Revenue for the group excluding precious cargo centres for the purpose of PCP analysis
 2. Opex as a % of revenue excluding Precious Cargo for the purpose of PCP analysis

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Precious Cargo Performance

Performance improving from significant acquisition underperformance to near breakeven, driven by cost controls and centre-level initiatives.

- Precious Cargo materially underperformed versus pre-acquisition forecasts (Centre Level EBITDA \$1.3 – \$1.5m)
- Significant market dynamics in the South Australian market leading to two stage occupancy reduction
- Cost control and management programs to drive efficiency and quality at centre level
- **HY25 loss \$809K Underlying Centre Level EBITDA** with continued improvement expected

	1Q 25	2Q 25
Wage to Revenue	82.0%	76.9%
Underlying Centre EBITDA	-\$514K	-\$294K

	July 25
Underlying Centre EBITDA	-\$10K

Facilities
Enhancement

Marketing
Investment

Acquisition
Synergies

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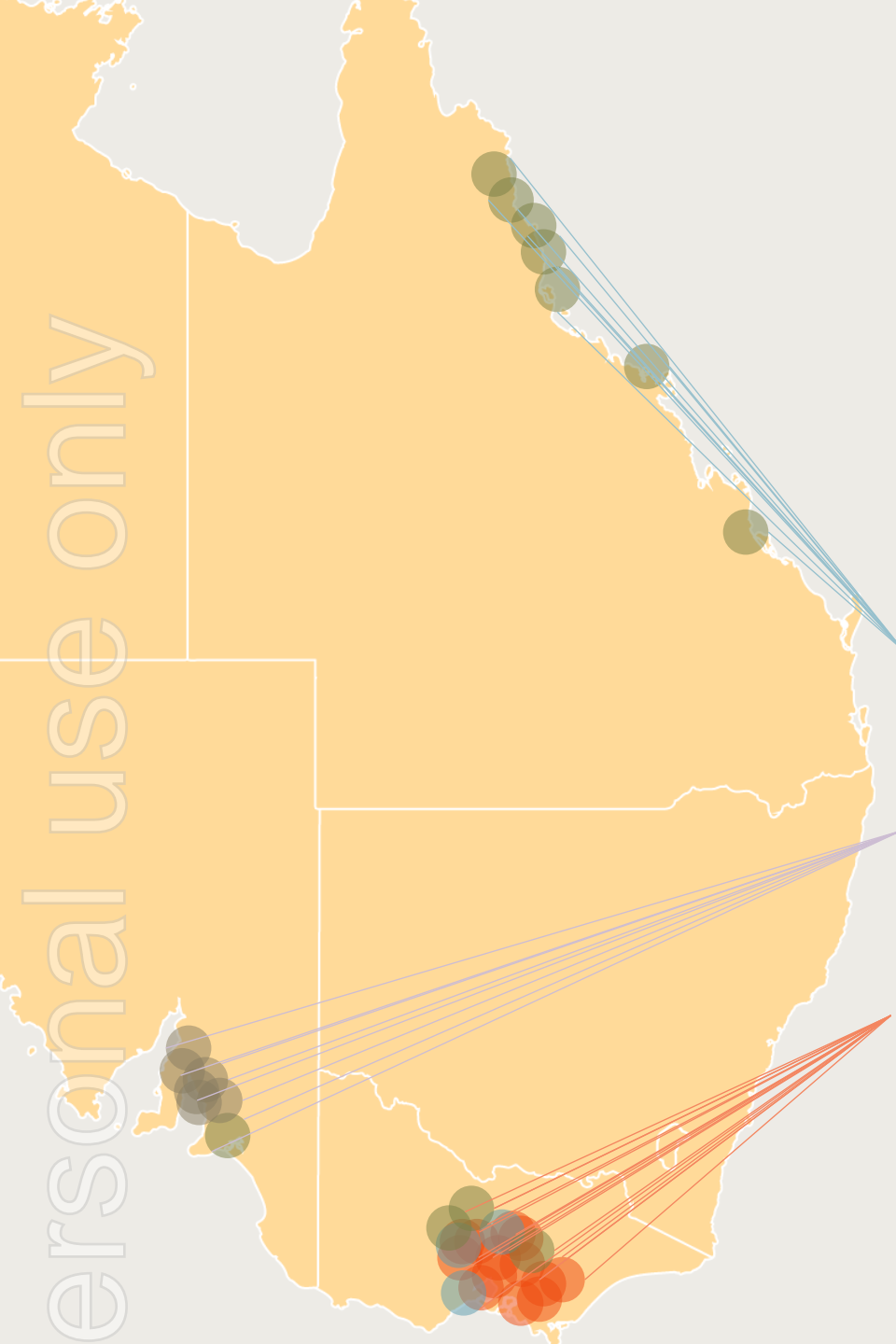


02 Strategy Update

Key Achievements
Strategic Progress

Portfolio Update

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8 Centres
Queensland

08 Centres
South Australia

29 Centres
Victoria



Strategic Overview

Five strategic pillars driving growth — from curriculum excellence to scalable platforms and sustainable margins.

Strategic Focus Areas 2025-2026

1 Program & Service Delivery		2 Compliance & Quality		3 People & Culture		4 Commercial Platform		5 Sustainable Growth	
Delivers consistent, high-quality programs that inspire curiosity, creativity, and lifelong learning.		Ensures every service meets or exceeds the National Quality Standard.		Builds a capable, confident, and engaged workforce.		Creates a scalable, localised, insight-led platform.		Delivers disciplined expansion & financial strength.	
<ul style="list-style-type: none"> - Network-wide curriculum enhancement - Signature Workshops & STEAM programs - Curriculum Advisory Board - Digital child outcome measurement and tracking 		<ul style="list-style-type: none"> - Business Partner oversight model - Fortnightly audits & monthly compliance themes - Digital dashboards for compliance & risk 		<ul style="list-style-type: none"> - Future Leaders Program & leadership series - Daily coaching & communities of practice - Career pathways & retention initiatives 		<ul style="list-style-type: none"> - Targeted joint venture opportunities - Community partnerships & tactical local marketing - Comprehensive marketing plan - Specific occupancy improvement initiatives on identified centres 		<ul style="list-style-type: none"> - Joint venture partnerships - AI-enabled rostering & compliance - Daily governance cadence 	
By When:	December 2025	By When:	December 2026	By When:	January 2026	By When:	July 2026	By When:	Ongoing



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Child Safety

At Mayfield we are continually focused on improving outcomes and safety for children at each Mayfield Centre. Our governance model is designed to support proactive management and improvement across all core areas of service delivery.

- Strengthening of personal device policies in centres
- Preventing the movement of personal mobile devices throughout all Mayfield centres
- Investment in further centre level management training and development programs
- Accelerating network capability across child safety
- Implementation and investment in Learning Management Systems
- Revision of network visitation cycle, more frequent leadership visibility at centres
- Ongoing critical review of centre based measures including CCTV and other associated technologies



Operating Model

Our operating model is focused on lifting occupancy, reducing costs, and strengthening centre performance, the key levers to margin recovery and long-term shareholder value.



Enhancements - Operating Model



Family and Child Experience

- Revised systems and processes across customer relationship management and childcare management systems.
- Advancements in approach coupled with system level improvements to redefine ease of access for external and internal customers



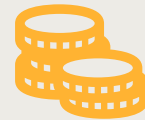
Operational Restructure

- Revised centre-level accountability framework implemented, supported by improved financial reporting tools and KPI dashboards for managers.
- Early indicators show improved cost discipline and operational responsiveness.



Performance Improvement Centres

- Cohort of centres previously marked for divestment placed on performance plans.
- Positive signs of family engagement with centres currently outperforming PCP occupancy by 3.8%



Cost Management

- Targeted cost management initiatives to reduce non-essential spending, enabling reinvestment in product, team, children, and families.
- Daily management of controllable costs using proprietary internal tools. Advanced governance and management



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Enhancements - Portfolio

Stronger portfolio performance driven by targeted occupancy initiatives, enhanced marketing, quality investment, and integration of Precious Cargo, with Q2 momentum building after a soft start to the year.

- **ENROLMENT RECOVERY** – Core occupancy improved in Q2, supported by re-enrolment process changes, centralised enrolment support, and targeted family retention campaigns. Waitlists in key markets expanded, creating a stronger pipeline for 2H25/CY26.
- **LOCALISED MARKETING** – Digital campaigns launched across multiple channels with a staged rollout across the network. Correcting deficient investment in localised customer acquisition in prior periods.
- **QUALITY INVESTMENT** – New curriculum enhancements and staff training initiatives implemented to lift service quality and family engagement. Facility/CAPEX programs aimed at increasing satisfaction and competitive positioning.
- **PRECIOUS CARGO INTEGRATION** – Precious Cargo performance below acquisition expectations with 1H Underlying Centre EBITDA loss of (\$0.8M) Q2 performance softened due to second SA re-enrolment period with occupancy declining from a peak of **46.2%** to **40.7%**. Ongoing work programs to increase integration alignment, shared systems, rostering efficiencies, and curriculum.
- **NETWORK REVIEW** – Comprehensive performance review undertaken identifying centres for turnaround. With a time horizon in place to facilitate improved performance. Initial actions include targeted marketing, staffing changes, and service enhancements in priority sites.



03 Financial Performance

Earnings

Cashflow

Balance Sheet

Earnings

- Childcare Services Revenue increased by \$6.2 million to \$43.9 million driven by the contribution from the Precious Cargo acquisitions as well as fee increases implemented after the prior period.
- Labour costs, increased by \$4.9 million on pcp, driven by the Precious Cargo acquired centres as well as annual award rate increases. Agency spend reduced ~78% to \$0.1 million following roster optimisation and workforce initiatives.
- Head office staff and related costs increased by \$0.4 million reflecting costs associated with organisational restructure, Precious Cargo integration and governance costs to address gaps in the prior year. Costs remained comparable to the prior period at 8.2% of revenue over the period (8.3% in 2024) despite increase of one-off abnormal items.
- Underlying EBITDA of (-\$0.1M) (H1 FY24: \$1.5M), reflects 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.

	1H FY25	1H FY24
\$'000S	UNDERLYING	UNDERLYING
Childcare Services Revenue	43,876	37,691
Other Income (insurance recoveries and other income)	46	527
REVENUE & OTHER INCOME	43,922	38,218
Labour costs	(28,248)	(23,299)
Agency costs	(104)	(464)
Centre operating costs	(2,807)	(2,371)
Rent and outgoings	(8,093)	(6,414)
Other facilities costs	(1,227)	(964)
UNDERLYING CENTRE EBITDA	3,443	4,706
Head office and corporate overheads	(3,592)	(3,160)
UNDERLYING EBITDA	(149)	1,546
Underlying Centre EBITDA Margin	7.8%	12.3%

1. Underlying EBITDA reflects the reversal of the impact of AASB 16 Leases.
 2. Underlying Centre EBITDA reflects the reversal of the impacts of AASB 16 Leases and additionally the impact of abnormal items during the period.
 3. Adjusted EBITDA and Underlying Centre EBITDA 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.

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Cashflow

- Decreases in operating cashflow are primarily driven by increases to labour costs associated with newly acquired centres and the timing of income tax payments. These were partially offset by increases in fees received due to the newly acquired centres.
- \$4.3 million was received in relation to the institutional share placement in January 2025, net of share issue costs.
- The Group utilised working capital to maximise repayments of debt facilities that were drawn down in the prior period to fund new centre acquisitions and improvements, other costs including income tax.
- As outlined in the accompanying Interim Report, the Group had up to \$6.4 million (at reporting date) available to be drawn down from its Business Loan facility for working capital requirements.

	1H FY25	1H FY24
\$'000S		
Cash flows from operating activities		
Receipts from customers, including government funding	43,746	37,527
Payments to suppliers and employees	(37,105)	(31,244)
Other receipts	46	262
Interest paid on lease liabilities	(2,550)	(2,100)
Net interest paid on borrowings	(250)	(395)
Net income tax refunded / (paid)	(833)	284
NET CASH INFLOW FROM OPERATING ACTIVITIES	3,054	4,334
Payments for plant and equipment	(434)	(571)
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES	(434)	(571)
Proceeds from issue of shares (net of share issue costs)	4,324	-
Proceeds from / (repayment of) borrowings	(2,330)	(1,074)
Proceeds from amounts repaid by Related Parties	-	459
Repayment of lease liabilities	(4,336)	(3,351)
Dividend paid	-	-
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	(2,342)	(3,966)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	278	(202)

Balance Sheet

1.Cash Position: The Group utilised working capital to maximise repayments of debt facilities that were drawn down in the prior period to fund new centre acquisitions and improvements, other costs including income tax.

2.Intangible Assets: The Group assessed the performance of the cash generating unit against previously applied assumptions for the Value in Use calculations for the reporting period ended 31 December 2024. As a result, the Group recognised an impairment loss of \$19.4 million.

3.Right of Use Assets and Lease Liabilities: Balances have generally decreased due to utilisation of leased assets as well as payment of lease liabilities. These amounts have been partially offset by the impact of several rent increases and market reviews during the period.

4.Borrowings: Debt has reduced as a result of prioritising repayments using working capital on hand. The Group had up to \$6.4 million (at reporting date) available to be drawn down from its Business Loan facility for working capital requirements. Subsequent to the end of the current reporting period, the Lender has confirmed an extension of the finance Facility until 31 August 2026.

5.Current Tax Payable: As the Group has made a net loss for the period, there is no income tax payable at the reporting date.

\$'000S	JUN-25	DEC-24
Cash and cash equivalents	381	103
Trade and other receivables	2,429	2,774
Prepayments	382	559
TOTAL CURRENT ASSETS	3,192	3,436
Plant and equipment	3,953	4,220
Intangible assets	63,019	82,387
Right-of-use assets	145,660	150,562
Security deposit	5	5
Deferred tax asset	5,724	5,495
TOTAL NON-CURRENT ASSETS	218,361	242,669
TOTAL ASSETS	221,553	246,105
Trade and other payables	4,451	4,672
Contract liabilities	1,644	1,470
Borrowings	3,950	6,280
Leases	9,039	8,546
Provisions	4,340	4,882
Current tax payable	-	831
TOTAL CURRENT LIABILITIES	23,424	26,681
Leases	150,043	153,802
Provisions	188	160
TOTAL NON-CURRENT LIABILITIES	150,231	153,962
TOTAL LIABILITIES	173,655	180,643
NET ASSETS	47,898	65,460



04. Outlook and Trading Update

Outlook and Trading Update

Organic Growth Momentum

- Focus on customer and service delivery combined with investments in program, quality and marketing expected to lift enquiry and conversion rates into 2H25, supporting sustained occupancy improvement.

Precious Cargo Integration

- Continued focus to improve underlying fundamentals of Precious Cargo.
- Unlock and complete integration synergies to redefine performance and brand value under Mayfield's stewardship, with targeted marketing to strengthen market presence.

Cost Environment

- Ongoing cost-of-living pressures may temper enrolment growth in some locations; however, improved workforce conditions, operational efficiencies, and targeted occupancy initiatives expected to mitigate impact.

Trading Update

- As displayed in the underlying charts the group is trading well with improving conditions across the network.
- July and August unaudited management accounts display clearly the recovery of the business at a profitability level.
- Underlying Centre EBITDA excluding precious cargo has now exceeded prior year levels. We will continue to deliver against the plan and overcome the legacy challenges of the business.
- We anticipate the refreshed operating model to continue to deliver into the second half and Calendar Year 26.
- We look forward to providing a market update at the conclusion of Q3.



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