mayfield
childcare limited

31 August 2026
ASX Market Release

Financial Results for the Half Year Ended 30 June 2026

Mayfield Childcare Limited (ASX: MFD) (**Mayfield** or the **Company**) announces its financial results for the half year ended 30 June 2026 (**HY26**).

Overview

- **Revenue** decreased 6.0% to $41.3 million, compared with $43.9 million in HY25, primarily reflecting lower average occupancy across the centre network, partly offset by fee increases.
- **Underlying Centre EBITDA**[1] decreased 11% to $3.1 million, compared with $3.4 million in HY25. The Underlying Centre EBITDA margin remained broadly stable at 7.5%, compared with 7.8% in HY25, despite lower occupancy and inflationary cost pressures.
- **Underlying Group EBITDA**[1] was a loss of $0.8 million, compared with a loss of $0.1 million in HY25, reflecting lower revenue, increased marketing and enrolment investment and the timing of structural cost reductions.
- **Statutory NPAT** was a loss of $31.9 million, compared with a loss of $21.9 million in HY25.
- **Non-cash impairment charges** of $29.0 million were recognised, comprising a $10.9 million goodwill impairment and an $18.1 million impairment of right-of-use assets. The $18.1 million right-of-use asset impairment relates to a centre closure. HY25 included a $19.4 million non-cash goodwill impairment charge.
- **Wage-to-revenue** improved by 1.9 percentage points to 61.5%, compared with 63.4% in HY25, reflecting improved roster discipline and centre-level accountability despite lower occupancy and increased award rates.
- **Average Group occupancy** decreased by 1.3 percentage points to 51.3%, compared with 52.6% in HY25. Spot occupancy[2] reached 54.4% in the week commencing 24 August 2026, representing a 5.1 percentage-point recovery from the February seasonal low.
- **Cash position** at 30 June 2026 was $0.2 million (31 December 2025: $0.1 million), with drawn debt of $5.4 million against the Westpac facility (31 December 2025: $1.8 million).
- **Post period end**, the Group completed a $3.0 million entitlement offer, providing approximately $2.8 million in net proceeds and strengthening its working-capital and liquidity position.
- **The Westpac** banking facility was extended to 3 September 2027 with revised occupancy-related covenants aligned with the Group's current operating position.

Operational Review

HY26 performance was affected by lower occupancy, the timing of fee increases and increased corporate expenditure. Despite these pressures, the Group improved labour efficiency and maintained a broadly stable Underlying Centre EBITDA margin.

1. Underlying Centre EBITDA excludes corporate labour and overhead costs of $3.8M from Underlying EBITDA as reported in the Half Year Report for the period ended 30 June 2026
2. Spot occupancy excludes centres currently marked for divestment.
3. 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.

During the period, management continued to focus on:

- strengthening centre-level accountability;
- improving roster management and labour efficiency;
- returning enrolment and family-engagement accountability to centre leaders;
- increasing targeted marketing and enrolment activity;
- reviewing supplier arrangements and controllable operating expenditure;
- simplifying the Group's operating and corporate structure.

Average Group occupancy was 51.3% in HY26, compared with 52.6% in HY25. Following the February seasonal low, spot occupancy increased by 5.1 percentage points to 54.4% in the week commencing 24 August 2026. This recovery was 0.7 percentage points stronger than over the corresponding period in HY25, although spot occupancy remained below the prior corresponding period.

The wage-to-revenue ratio improved to 61.5%, compared with 63.4% in HY25. Centre labour costs decreased by 9%, reflecting improved roster discipline, tighter management of staffing costs and minimal use of agency personnel.

August-to-date new-family pre-enrolments increased by 49% compared with the prior corresponding period following the return of enrolment accountability to centre leaders and increased investment in local marketing and family engagement. The Group's pre-enrolment-to-commencement conversion rate was 82%, providing a credible forward pipeline for family commencements and additional sessions.

Key operational outcomes for the half included:

- **Customer experience:** the Group recorded an HY26 Net Promoter Score3 of +69 and achieved strong results across educator engagement, curriculum, meals and the centre environment.
- **Workforce efficiency:** centre labour costs decreased by 9% compared with HY25, reflecting improved roster discipline, tighter management of staffing costs and minimal use of agency personnel.
- **Operating model**: the Group has transitioned enrolment accountability and greater operational responsibility to centre leaders, supported by central governance of safety, quality and compliance. The Group is also progressing further corporate-structure changes designed to reduce annualised corporate costs.

Trading Update

Supply and demand conditions remain location-specific, reflecting differences in local supply, population growth, family demand and competitive conditions. The Group continues to tailor its pricing, marketing, staffing and portfolio strategies on a centre-by-centre basis.

Recent enrolment momentum indicates renewed family engagement in response to the Group's marketing, enrolment and customer initiatives. The timing and extent of occupancy improvement will vary by centre and jurisdiction.

Strategic and Earnings Initiatives

The Group is progressing targeted portfolio actions across three underperforming centres. Two centres have been previously approved for divestment, one of which has ceased trading.

Separately, the Group has determined not to extend the lease of a third centre. The third centre is expected to close in November 2026.

Once fully implemented, these portfolio actions are expected to reduce the Group's annualised earnings drag by approximately $1.2 million.

The simplified operating model and corporate restructure are expected to reduce annualised corporate costs by approximately $1.4 million once fully implemented.

Together, the operating-model restructure and portfolio actions are expected to deliver approximately $2.6 million of annualised structural earnings improvement once fully implemented. This is an expected annualised benefit and was not reflected in HY26 earnings.

Mayfield 360

Mayfield 360 achieved NDIS provider certification during August 2026 and has commenced servicing participants. The allied-health offering remains at an early stage, with management focused on building the participant pipeline, practitioner utilisation, service quality, compliance and a disciplined rollout across the Mayfield network.

Takeover Activity

During the period, Embark Early Education's takeover offer for the Company closed. As at the date of this announcement, Embark held 49.8% of the Company's issued share capital. The Company incurred additional legal and advisory costs in responding to the takeover activity. The Board will continue to keep shareholders informed of any material developments in accordance with the Company's continuous disclosure obligations.

FY26 Guidance

As announced on 10 July 2026, the Group withdrew its previously issued FY26 earnings guidance.

The Company expects to provide revised FY26 guidance during September 2026, following further assessment of occupancy trends and the impact of the initiatives outlined above.

This announcement has been approved for release by the Board.

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About Mayfield Childcare

Mayfield own and operate 45 childcare centres with over 4,000 registered childcare places across Victoria, Queensland, and South Australia. Our goal at Mayfield is to deliver exceptional, high-quality services to families by continuously improving our centres and surpassing National Quality Standards. We believe that providing the best education and care will create a positive impact on the lives of families we serve.