mayfield childcare limited

15 October 2026
ASX Market Release

Revised FY26 Earnings Guidance
Completion of Head Office Restructure

Mayfield Childcare Limited (ASX**: MFD**) (**Mayfield** or the **Company**) provides revised earnings guidance for the year ending 31 December 2026 (**FY26**) following nine months of actual trading and completion of its head office restructure. The revised guidance is below the FY26 guidance announced on 2 March 2026, which was withdrawn on 10 July 2026.

Mayfield now expects FY26 Underlying Group EBITDA[1] of **$2.4 million to $2.7 million**, compared with $2.3 million reported in FY25, which represents an increase of 4% to 17%, notwithstanding challenging operating conditions across the early childhood education and care sector. This FY26 guidance includes approximately $0.4 million of one-off restructuring and takeover-related costs. Excluding these costs, FY26 Underlying Group EBITDA would be **$2.8 million to $3.1 million**.

The Company considers that disclosure of this adjusted measure provides shareholders with additional information regarding the impact of these expenses on its expected FY26 operating performance.

The completed restructure is expected to deliver $1.5 million in annualised savings, including on-costs, with the full monthly saving expected to be achieved from November 2026.

FY26 earnings outlook

Mayfield withdrew its FY26 guidance on 10 July 2026 due to the evolving and challenging market and operating conditions across the early childhood education and care sector, impacting the factors and assumptions underpinning the guidance. The Company did not at that time have a reasonable basis on which to provide revised guidance, including in relation to the timing and benefit of planned cost reductions. Actual trading for the nine months ended 30 September 2026, together with greater certainty over the timing and benefit of cost reductions, now provides a basis for providing revised guidance.

Group Spot occupancy[2] is 56%, down from the prior period of 59%

The revised guidance is below the original FY26 Underlying Group EBITDA guidance of $4.7 million to $5.3 million announced on 27 February 2026. The reduction principally reflects the following factors (with the approximate impact of each on FY26 Underlying Group EBITDA relative to the original guidance shown in brackets):

- Forecast FY26 average Group occupancy approximately 2.6 percentage points below the assumption underpinning the original guidance, following a decline in new enquiries between February and April 2026 that has not been fully recovered (approximately $1.7 million);
- Fee increases implemented later than assumed in the original forecast, with network-wide increases now implemented (approximately $0.6 million);
- Approximately $0.4 million in one-off restructuring and takeover-related costs that were not included in the original guidance.

Basis of preparation and key assumptions

The revised FY26 guidance has been prepared by management based on actual results for the nine months ended 30 September 2026 and forecasts for the three months ending 31 December 2026. The guidance, including the underlying assumptions, has been reviewed and approved by the Board. The forecast financial information has not been audited or reviewed by the Company's auditor.

The key assumptions underpinning the revised guidance are:

- Group occupancy averaging approximately 52.3% for the quarter ending 31 December 2026, taking into account the anticipated seasonal reduction in occupancy during December;
- fee levels remaining consistent with those implemented across the network as at the date of this announcement, with no further fee increases assumed for the remainder of FY26;
- employee costs reflecting applicable award rates, wage increases and associated Government funding arrangements, with no further material changes to employee remuneration costs assumed for the remainder of FY26;
- no material changes to Child Care Subsidy arrangements or other relevant government funding or regulatory settings during the remainder of FY26, other than changes already announced and reflected in the forecast;
- the trading results of centres approved for divestment being included in the guidance until their anticipated dates of divestment, with any gains or losses arising from those divestments excluded from Underlying Group EBITDA;
- approximately $0.5 million of head office restructuring savings being realised during FY26, as further described below; and
- approximately $0.4 million of restructuring and takeover-related costs being incurred during FY26, with no other material exceptional costs presently anticipated.

Underlying Group EBITDA represents the Group's earnings before interest, tax, depreciation and amortisation, calculated excluding the impact of AASB 16 *Leases*.

Underlying Group EBITDA is a non-IFRS financial measure which is not prescribed by the Australian Accounting Standards. The Directors consider that this measure assists in understanding the Company's operating performance and is consistent with the Company's internal management reporting. The FY26 guidance has been prepared on the same basis as the FY25 comparative and the original FY26 guidance released on 27 February 2026 (which was subsequently withdrawn).

The guidance is based on the assumptions outlined above and is subject to risks and uncertainties, including changes in occupancy, operating costs and market conditions, which may cause actual results to differ materially from that forecast.

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Completion of head office restructure

Mayfield has completed its head office restructure, exiting 12 head office roles, ceasing selected service contracts and returning responsibility for selected activities to centres.

The restructure is expected to deliver approximately $1.5 million in annualised savings, including on-costs. Approximately $0.5 million is expected to be realised in FY26 and is included in the revised guidance. The full monthly saving is expected to be achieved from November 2026, with the full annualised benefit reflected in FY27.

The one-off restructuring expense is expected to be approximately $0.2 million and is included in the approximately $0.4 million of restructuring and takeover-related costs outlined above. The balance comprises corporate advisory and legal costs incurred in connection with the off-market takeover offer by Embark Early Education Limited (ASX: EVO) which closed on 5 March 2026.

As the head office restructure was implemented during FY26, the revised guidance reflects only a partial year benefit from the reduced head office cost base, rather than the full year benefit of those changes.

Outlook

Mayfield's priorities for the remainder of FY26 and into FY27 are to rebuild occupancy through improved enrolment conversion and local marketing, maintain centre-level labour efficiency, and realise the full benefit of the completed head office restructure.

Mayfield will provide a further update on trading and the outlook for FY27 with its full year results.

Forward-looking statements

This announcement contains forward-looking statements, including FY26 earnings guidance and expected restructuring savings. These statements are based on current expectations and assumptions, including the key assumptions set out in this announcement, and are subject to risks and uncertainties, many of which are outside the Company's control. Actual results may differ materially. Forward-looking statements are not guarantees of future performance and investors are cautioned not to place undue reliance on them. Mayfield will update the market as required by law and the ASX Listing Rules.

This announcement has been approved for release by the Board.

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