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1 June 2021

Mayfield Childcare Limited CY 2021 1st Quarter Trading Update & Acquisition Announcement

Mayfield Childcare Limited (ASX:MFD) is pleased to provide a trading update for the 1st Quarter of CY 2021, as well as announcing a recent acquisition of a further long day care centre, located in Victoria.

Reversing the application of AASB 16 *Leases*, Underlying Results are as follows:

CY 2021 1st Quarter Underlying Results from continuing operations:

	CY 2021 1st Quarter	PCP Variance
Revenue	**$8.0m**	**(3.9%)**
Industry Support Package	$0.6m	
Total Revenue	**$8.6m**	**+3.2%**
Centre EBITDA	**$1.9m**	**+42.8%**
Group EBIT	**$1.3m**	**+99.8%**

Trading Update

Revenue was $8.0m (down 3.9%) reflecting one less trading day in the period. With the addition of the Industry Recovery Package totalling $0.6m, revenue was $8.6m (up 3.2%), resulting in Earnings before Interest & Tax (EBIT) of $1.3m (up 99.8%).

While the effects of the 2020 year and the COVID-19 pandemic lingered during the January month, with a slow return to work levels for private office and public service workers in Victoria, along with the snap lock down in February, enquiries and bookings have strengthened with quarterly occupancy of 63.1% up circa 1% on 2020 and 2019 levels.

During the period, the business has maintained a strong focus on operational cost control with centre operating margins improving by 0.4%, while the centre refurbishment program has re-started with a focus on external play yards and IT hardware upgrades.

Childcare Centre Acquisition Announcement

Mayfield has recently executed contracts to acquire an additional Victorian based, purpose-built, 70 place centre. The 12-month EBITDA forecast is $560K, reflecting a 4.1x purchase multiple. Timing is subject to standard Licensing approvals and transfers.

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Details of the acquisition are outlined in the table below:

Details	Centre Metrics
Registered Places	70
Purchase Price	$2.275m
Annualised EBITDA	$550K
Purchase Multiple	4.1x
Rent cost per place per annum	$2,532
Funding	Cash Reserves
Source	3rd Party Vendor

With a strong balance sheet and facilities at hand, Mayfield continues to actively explore acquisition opportunities across the Victorian, South Australian and New South Wales markets in line with our strategic objectives and a focus on improving shareholder value.

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