

23 March 2020

ASX Limited
Market Announcement

Mayfield Childcare Limited (ASX: MFD) – Impact of COVID-19 (coronavirus) Pandemic

Mayfield has commenced the CY 2020 year in a strong position with occupancy up 0.5% on a like-for-like basis for the first 12 twelve weeks of the year, across our 21 centres. This, along with the contribution of 2019 acquisitions, has resulted in Revenue of \$5.6m (up 8.6%), delivering EBIT of \$0.5m (up 11.4%), underpinned by continued strong operating margins.

To date, Mayfield has not experienced any significant financial impact as a result of the COVID-19 (coronavirus) pandemic. The management team responded quickly, ahead of Government advice, to implement stringent health & hygiene procedures, including centre access restrictions, increased cleaning and hygiene practices and health and travel clearances, for both staff and parents. These measures have provided comfort and reassurance for our employees and families.

The Federal Government has identified Childcare as an Essential Service and advised that there will be no blanket closures. Further, the closure of Childcare would put significant pressure on the health care system, and the economic impacts would be severe.

In light of the ongoing and escalating COVID-19 pandemic, the Company considers it appropriate to withdraw its CY 2020 earnings guidance and has decided to defer the payment of the shareholder dividend announced on 31 January 2020, from 27 March 2020 to 25 September 2020.

The deferment of the dividend is a precautionary measure and reflects the difficulty in predicting future cashflows at this time. The primary focus of the Board is to protect the Company's balance sheet and long-term shareholder value.

In the event that the COVID-19 pandemic duration is shorter than expected, the Board will consider bringing forward the payment of the CY 2019 dividend.

The Board would like to thank all shareholders for their understanding during these unprecedented times.