

FY25 Results

Delivering on strategy, accelerating growth

Highlights

- **Pro forma¹ NPAT of \$12.1m, up 228%** vs pcp, at upper end of guidance range
- **Record total sales of \$521.9m, up 4.7%** vs pcp
 - **Comparable store sales growth of 4.2% vs pcp (up 6.2% in 2H)**
- **Gross margin of 40.2% up 340 bps vs pcp**, exceeding FY25 40% target
- **Store of the Future refurbishment program delivered 28% sales uplift²** across three stores opened in FY25
- **Improved net debt** of \$4.6m (\$13.0m at June 2024)

FY25 Key Financial Metrics

	Pro Forma Results			Statutory results		
	FY25	FY24	Change	FY25	FY24	Change
Sales (\$m)	521.9	498.4	4.7%	521.9	498.4	4.7%
GP %	40.2%	36.8%	340 bps			
NPAT (\$m)	12.1	3.7	228%	9.5	1.7	462%

Baby Bunting Group Limited (Baby Bunting or the Group) today reports its financial results for the year ended 29 June 2025 (FY25). FY25 Group Pro Forma Net Profit After Tax (NPAT) was \$12.1 million, up 228% from \$3.7 million in the prior corresponding period (pcp), at the upper end of the Group's guidance range of \$10.0–\$12.5 million. Baby Bunting reported a Statutory NPAT of \$9.5 million, up 462% compared to \$1.7 million in FY24.

Baby Bunting's CEO, Mark Teperson said, "We're pleased to deliver a strong FY25 result – with our profit landing at the top end of our guidance range, and a record sales figure – validating the effectiveness of our strategy. Further, in a challenged consumer environment where gross margins have been under pressure, we have delivered 340 bps of improvement, reflecting our disciplined execution. Gross margin of 40.2% was a record for the business.

"The Store of the Future program has so far exceeded our expectations and customer feedback has been overwhelmingly positive. The three stores we have refurbished have generated on average 28% higher sales since they re-opened. They've also achieved gross margin improvement of around 40 basis points above our network performance for July. We're excited about rolling our new design out across our network and we have upgraded our targeted growth rate for refurbished stores to 15%–25%.

"Our exclusive and private label brands now represent 47.1% of total sales (up 110 bps on FY24), demonstrating the strength of our product innovation and curation strategy. New customer acquisition remained robust with 6.2% growth, reflecting our refreshed value proposition and marketing approach. Total active customers are now 828,000, up 4.5% on last year.

"Looking ahead, we are excited about our growth trajectory. The Store of the Future format provides a clear blueprint for shareholder value creation, and we have a strong pipeline of new store opportunities.

¹ Pro forma financial results exclude employee equity incentive expenses. Refer to the Appendix in the Investor Presentation released on this date for a reconciliation between pro forma and statutory results.

² Calculated as the average sales growth % since re-opening of each of the 3 refurbished stores completed in FY25 to 10 August 2025. Maribyrnong re-opened on 19 April, Preston re-opened on 14 June and Gepps Cross re-opened on 21 June 2025.

We continue to see a significant runway for market share growth, particularly in the \$3.4 billion soft goods category where we estimate we currently have just around 3% market share.

"This result positions Baby Bunting as the undisputed leader in specialty baby retail in Australia, with a clear pathway to sustainable, profitable growth. We remain committed to our target of achieving greater than 10% EBITDA margins on a pre-AASB 16 basis as we execute our strategic plan."

FY25 Financial overview

Record Total Sales of \$521.9 million for the period, up 4.7% compared to FY24, supported by strong comparable store sales growth of 4.2%. The Group saw strong performances across all key categories, with particular strength in soft goods as the Store of the Future format drove increased basket sizes (+6%) and a 24% increase in transactions.

Gross Profit of \$209.7 million was up 14.2% on FY24 with **Gross Profit Margin** up 340 bps on FY24 at 40.2%, exceeding the 40% target. This margin expansion reflects the successful execution of Baby Bunting's pricing architecture simplification, renegotiated supplier trading terms, supply chain optimisation, and the elevated performance of exclusive and private label products.

Inventory was well managed closing at \$95.6m, with high stock availability driving a strong end of financial year sale period. Ageing and quality of stock continues to improve year on year and supported an increased investment in product range innovation.

Cost of doing business (CODB) increased to \$181.5 million, as expected. Primarily, this was driven by new and annualising store expenses, including new roles and wage inflation, along with marketing expenses including investment in New Zealand brand awareness, and staff expenses relating to the reinstatement of the employee short-term incentive program. We continue to invest in growing the business in a disciplined way while tightly managing our operating costs.

Net Debt Balance closed at \$4.6 million, down from \$13.0 million at FY24. To support ongoing funding of the Group's growth strategy, the Board has determined no final dividend will be paid.

Trading Update and Outlook

The first 6 weeks of trade to 10 August has seen +4.8% total sales growth and +4.0% comparable sales growth, with AU comparable sales growth of +3.7% and NZ comparable sales growth of +13.9%.

FY26 store roll out program

Baby Bunting plans for 10-12 Store of the Future refurbishments to be completed in FY26, with 5-6 refurbishments to be completed in 1H. Risks relating to the refurbishments include the duration of refurbishments (targeting 10-12 weeks per store) and the level of sales redirection realised during closures.

In addition to our refurbishment program, the Group plans to open 5 new large format stores (1H: 3 committed, 2H: 2 targeted), and 3 small format pilot stores in 1H, with a further 2-3 planned for Q4 dependent on the success of the pilot stores.

Financial Outlook

Baby Bunting expects the Store of the Future refurbishment program to result in some unusual comparable store sales patterns through the year as well as some impacts to our CODB profile.

FY26 pro forma NPAT is expected to be in the range of \$17.0 million to \$20.0 million, assuming:

- full year comparable store sales growth of 4%-6% split:
 - 1H: 1.5%-3% driven by refurbishment closures; and
 - 2H: 6%-8% with post refurbishment sales growth targeted to be between 15% to 25%;
- gross margin to be 41%;
- retail store CODB investment: ~\$7.0 million for new and annualising stores, \$2.5 million of refurbishment related costs including accelerated depreciation and de-fit costs, plus \$0.5 million of relocation costs for one store;
- targeting CODB (post AASB 16) leverage of ~30 bps³;
- capital expenditure of \$30 million to \$35 million fully funded through operating cash flow.

³ CODB includes all pre-tax costs measured on a post-AASB 16 basis (Retail, Marketing, Warehouse, Administration, depreciation and interest changes).

Outlook assumes no significant changes in economic and retail trading conditions, and no significant increases in sea freight expense.

Investor Call

A presentation and discussion will be hosted by Mark Teperson (CEO) and Darin Hoekman (CFO) at **9.15am (AEST)** today.

You may access the call by registering via:

<https://s1.c-conf.com/diamondpass/10048701-k9wp21.html>

Upon registering you will be provided with dial in numbers and a passcode. Participants may register in advance of the time for the call.

The release of this announcement was authorised by the Board.

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