



BabyBunting

# Delivering on strategy, accelerating growth

2025 Annual General Meeting

Stephen Roche Chair, Non-Executive Director

Mark Teperson Chief Executive Officer

14 October 2025

# Important notice and disclaimer

This document is a presentation of general background information about the activities of Baby Bunting Group Limited (Baby Bunting) current at the date of the presentation (14 October 2025). The information contained in this presentation is for general background information and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

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## Pro forma financial information

Pro forma financial results have been calculated to exclude certain items. Details of the adjustments and a reconciliation are contained in the Directors' Reports for the relevant financial years (available at [investors.babybunting.com.au/reports-announcements](https://investors.babybunting.com.au/reports-announcements)).

Baby Bunting uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are referred to as non-IFRS financial information.

Baby Bunting considers that this non-IFRS financial information is important to assist in evaluating Baby Bunting's performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business.

All dollar values are in Australian dollars (A\$), unless otherwise stated, presented in millions and rounded to one decimal place. Accordingly, certain totals and subtotals may not equal the sum of the individual amounts due to rounding.

# Agenda

- 1 Chair Address
- 2 CEO Address
- 3 FY26 Trading Update and Outlook
- 4 Formal Business



# Stephen Roche

Chair, Non-Executive Director

# Mark Teperson

Chief Executive Officer

Our Vision

**The best  
start for  
the brightest  
future**

Our Mission

**To support & inspire  
confident parenting,  
from newborn  
to toddler**

# FY25 Results Summary

Record sales & gross margin delivering Pro Forma<sup>1</sup> NPAT growth of 228%

Total Sales

**\$521.9m**

up 4.7% vs pcp  
comp growth up 4.2% vs pcp

Store of the Future

Sales  
growth<sup>2</sup> **28%** vs pcp

Maribyrnong & Preston (Vic), Gepps  
Cross (SA) exceeding expectations

Gross Margin

**40.2%**

up 340 bps vs pcp  
2H margin: 40.5%

Pro Forma<sup>1</sup> NPAT

**\$12.1m**

up 228% vs pcp  
FY25 Guidance \$10m – \$12.5m

EBITDA<sup>3</sup>

**\$28.2m**

5.4% of sales  
up 220 bps vs pcp  
Long term target +10%

ROFE<sup>4</sup>

**12.1%**

up 630 bps vs pcp  
Net Debt \$4.6m

1. Pro Forma NPAT excludes certain items as detailed in the Appendices to this presentation and in the Annual Report dated 15 August 2025.
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.
3. EBITDA calculated excluding impact of AASB 16 lease accounting.
4. Return on Funds Employed, refer to Glossary for definition of calculation.

Store of the Future

# Store of the Future

New stores performing well above expectations, initially targeting +10% sales uplift, now targeting 15%–25%



**Maribyrnong**  
Closed 10 weeks<sup>1</sup>  
Re-opened on 19 April

**Preston**  
Closed 10 weeks<sup>1</sup>  
Re-opened on 14 June

**Gepps Cross**  
Closed 10 weeks<sup>1</sup>  
Re-opened on 21 June

up  
**30%**  
vs pcp  
year-to-date

**+27%**  
transactions  
& +4% basket  
size

**+29%**  
increase  
in new  
customers

**+50**<sub>bps</sub>  
Q1 gross margin  
uplift vs +30 bps  
rest of network



1. Closed for refurbishment.  
2. Year-to-date from 30 June 2025 to 12 October 2025

Baby Bunting Junior

# Small format store





# Shareholder value multiplier

Market leader with #1 position in growing and resilient \$6.3bn market

## Gross margin

**+500 bps gross margin<sup>1</sup>**

FY24: 36.8%  
Medium term: 42%

FY25 gross margin: 40.2%  
Up 340 bps

FY26 gross margin target: 41%  
Up 80 bps

## Growth from refurbished stores

**Now targeting 15% to 25% growth from refurbishments**

First 3 refurbished stores 30% average sales growth year-to-date

**FY26: 11-12 refurbishments**

FY27 & beyond: 10-15 stores per annum

## Network growth

**Long term plan of ~80 additional stores**

40 large format stores  
Up to 40 small format stores<sup>2</sup>

FY25: currently 75 stores  
**FY26: 5 large format stores**  
FY26: 1H: 3 small format store pilots (+2-3 further)

## Operating leverage

**200 bps CODB leverage**

Network Growth & Productivity

Accelerated earnings where New Zealand losses diminish and become positive

Clear pathway to +10% EBITDA<sup>3</sup> margin business

1. Increase from FY24 Gross Margin 2. Dependent on success of FY26 pilot stores. 3. On a pre-AASB 16 basis

# Trading update & outlook

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Mark Teperson Chief Executive Officer

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# FY26 Trading Update

## FY26 trade update

As at 12 October 2025:

- +3.5% total sales growth year-to-date
- +2.2% comparable store sales growth year-to-date (not adjusted for the impact of temporary refurbishment closures). Excluding the 6 stores closed for refurbishment and 5 adjacent stores<sup>1</sup>, year-to-date comparable store sales growth is +5.6%
- +13% comparable store sales growth in New Zealand year-to-date
- Q1 gross margin of 40.6%, 30 bps higher than pcp

## FY26 store roll out program

- ✓ **Store of the Future** refurbishments: 11-12 refurbishments in FY26; with 6 to be completed in 1H
- ⚠ Risks related to the refurbishments include duration of refurbishment (targeting 10 – 12 weeks per store) and level of sales redirection
- ✓ Plans to open 5 new **large format stores** (1H: 2 committed, 2H: 1 committed, 2 targeted)
- ✓ 3 **Baby Bunting Junior**, our **small format store**, to open in 1H FY26; Robina (Qld) and Plenty Valley (Vic) now open with a further store planned in Adelaide (SA) in 1H. Further 2-3 planned for Q4 dependent on success of pilots

1. Stores adjacent to a store closed for refurbishment have been excluded to provide a normalised performance measure, as these adjacent stores are currently benefiting from sales redirection

# FY26 Outlook

FY26 PF NPAT guidance of \$17.0m to \$20.0m maintained  
1H of \$4.5m to \$5.5m, 2H \$12.5m to \$14.5m

**FY26 pro forma NPAT guidance maintained**, expected to be in the range of **\$17.0m to \$20.0m**, assuming:

- full year comparable store sales growth of 4%–6%:
  - 1H 2%–3% driven by refurbishment closures
  - 2H 6%–8%, with 9 refurbished stores trading for the full half; post-refurbishment sales growth targeted to be between 15% and 25%
- comparable store sales do not exclude stores closed for refurbishments
- gross margin to be 41% (Q1 FY26: 40.6%)
- retail store CODB investments include: ~\$7.0m for new and annualising stores; \$2.5m of refurbishment related costs including accelerated depreciation and miscellaneous closure and re-opening costs; plus \$0.5m of relocation costs for one store, and \$1.0m for the permanent closure of our Hornsby store (including asset write offs)
- targeting CODB (post AASB 16) leverage of ~30 bps<sup>1</sup>
- capital expenditure of \$30m to \$35m fully funded through operating cash flow

**FY26 pro forma NPAT guidance 1H / 2H split as follows:**

- **1H:** pro forma NPAT of \$4.5 million to \$5.5 million, reflecting lower comparable store sales growth relative to 2H and inclusive of anticipated refurbishment and store closure costs of \$3.0 million
- **2H:** pro forma NPAT of \$12.5 million to \$14.5 million, including \$1.0 million of anticipated refurbishment costs

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

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

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# Appendices

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# Statutory to Pro Forma Income Statement Reconciliation

\$ million	FY25			FY24		
	Statutory FY25	Add Pro Forma Adj'	Pro Forma FY25	Statutory FY24	Add Pro Forma Adj'	Pro Forma FY24
<b>Sales</b>	<b>521.9</b>		<b>521.9</b>	<b>498.4</b>		<b>498.4</b>
Cost of sales	(312.3)		(312.3)	(314.7)		(314.7)
<b>Gross Profit</b>	<b>209.7</b>		<b>209.7</b>	<b>183.7</b>		<b>183.7</b>
Other income	0.8		0.8	0.4	(0.4) <sup>b</sup>	–
Store expenses	(88.4)		(88.4)	(81.6)		(81.6)
Marketing expenses	(11.3)		(11.3)	(9.1)		(9.1)
Warehouse expenses	(9.2)		(9.2)	(8.4)		(8.4)
Administrative expenses	(38.3)	2.7 <sup>a</sup>	(35.6)	(31.7)	0.5 <sup>a</sup>	(31.3)
Transformation project expenses	–		–	(1.3)	1.3 <sup>b</sup>	–
Restructuring costs	(0.4)		(0.4)	(1.4)	1.4 <sup>c</sup>	–
<b>EBITDA</b>	<b>62.8</b>	<b>2.7</b>	<b>65.5</b>	<b>50.5</b>	<b>2.8</b>	<b>53.3</b>
Depreciation and amortisation	(39.8)		(39.8)	(38.5)		(38.5)
<b>EBIT</b>	<b>23.0</b>	<b>2.7</b>	<b>25.7</b>	<b>12.0</b>	<b>2.8</b>	<b>14.8</b>
Net finance costs	(8.7)		(8.7)	(9.1)		(9.1)
<b>Profit before tax</b>	<b>14.3</b>	<b>2.7</b>	<b>17.0</b>	<b>2.8</b>	<b>2.8</b>	<b>5.7</b>
Income tax expense	(4.8)	(0.2) <sup>d</sup>	(5.0)	(1.1)	(0.8) <sup>d</sup>	(2.0)
<b>Net profit after tax</b>	<b>9.5</b>	<b>2.5</b>	<b>12.1</b>	<b>1.7</b>	<b>2.0</b>	<b>3.7</b>

Pro forma financial results have been calculated to exclude the following items (refer Directors' Report dated 15 August 2025 for further detail):

- a. Expense reflects the cost amortisation of performance rights (LTI) on issue in the reporting period. For FY24, this also includes a recovery of prepaid payroll tax on the plans as the EPS CAGR hurdles as defined under the LTI plan were not achieved.
- b. The Company incurred non-capital costs (\$1.330 million) in FY24 for transformation projects. This was offset by a \$0.400 million cash settlement received in December 2023 from the vendor of an order management software following a dispute in relation to that software and its implementation.
- c. The Company incurred restructuring costs (\$1.438 million) in FY24 which included make good costs relating to the Camperdown store closure (\$0.186 million) and payments associated with organisational restructure including the disestablishment of multiple head office roles.
- d. Tax impact from pro forma adjustments.

# Pro Forma Income Statement

AASB 16 Transition Impact

\$ million	FY25				FY24			
	Pro Forma FY25	Reversal of AASB 16 Depreciation and Interest	Add Operating Lease Expenses	Pre-AASB 16 FY25	Pro Forma FY24	Reversal of AASB 16 Depreciation and Interest	Add Operating Lease Expenses	Pre-AASB 16 FY24
<b>Sales</b>	<b>521.9</b>			<b>521.9</b>	<b>498.4</b>			<b>498.4</b>
Cost of sales	(312.3)			(312.3)	(314.7)			(314.7)
<b>Gross Profit</b>	<b>209.7</b>			<b>209.7</b>	<b>183.7</b>			<b>183.7</b>
Other income	0.8			0.8	-			-
Store expenses	(88.4)		(33.4)	(121.8)	(81.6)		(33.3)	(114.9)
Marketing expenses	(11.3)			(11.3)	(9.1)			(9.1)
Warehouse expenses	(9.2)		(3.6)	(12.8)	(8.4)		(3.7)	(12.1)
Administrative expenses	(35.6)		(0.3)	(35.9)	(31.3)		(0.4)	(31.7)
Transformation project expenses	-			-	-			-
Restructuring costs	(0.4)			(0.4)	-			-
<b>EBITDA</b>	<b>65.5</b>		<b>(37.3)</b>	<b>28.2</b>	<b>53.3</b>		<b>(37.4)</b>	<b>15.9</b>
Depreciation and amortisation	(39.8)	30.6		(9.2)	(38.5)	29.8		(8.7)
<b>EBIT</b>	<b>25.7</b>	<b>30.6</b>	<b>(37.3)</b>	<b>19.1</b>	<b>14.8</b>	<b>29.8</b>	<b>(37.4)</b>	<b>7.3</b>
Net finance costs	(8.7)	6.7		(2.0)	(9.1)	7.2		(1.9)
<b>Profit before tax</b>	<b>17.0</b>	<b>37.4</b>	<b>(37.3)</b>	<b>17.1</b>	<b>5.7</b>	<b>37.0</b>	<b>(37.4)</b>	<b>5.3</b>
Income tax expense	(5.0)	(11.2)	11.2	(5.0)	(2.0)	(11.1)	11.2	(1.9)
<b>Net profit after tax</b>	<b>12.1</b>	<b>26.2</b>	<b>(26.1)</b>	<b>12.1</b>	<b>3.7</b>	<b>25.9</b>	<b>(26.2)</b>	<b>3.4</b>

# Glossary

<b>Comparable Store Sales Growth</b>	Calculated as a percentage change of the total sales generated from stores (including the online store) in a relevant period, compared to the total sales from the same set of opened stores in the prior financial year, provided the stores were open at the beginning of the prior financial year. Store that were permanently closed during the year are excluded from the calculation from the date of closure
<b>Cost of Doing Business (CODB)</b>	Includes store, administrative, marketing and warehousing expenses (excluding the impact of AASB 16 depreciation and amortisation) and other income
<b>PLEX</b>	Private Label & Exclusive Products
<b>Exclusive Products</b>	Products sourced by Baby Bunting for sale on an exclusive basis (so that those products can only be purchased in Australia from Baby Bunting stores).
<b>Private Label</b>	Products sold by Baby Bunting under its own brand (Baby Bunting currently markets its private label products under the "4baby", "Bilbi" and "JENGO" brand names)
<b>Return on Funds Employed (ROFE)</b>	ROFE is measured as Net Operating Profit Before Tax (NOPBT) divided by Funds Employed. NOPBT is calculated as statutory profit before tax, after adding back interest on borrowings, deducting interest income and adding back any significant items before tax. Lease related depreciation and interest costs are included in the net operating profit amount. Funds Employed is the sum of the opening balance of shareholders' equity, net debt and significant items after tax that have been excluded from NOPBT. Any final dividend declared in respect of the year prior to the final year of the performance period (but which is paid in that final year), is also excluded from Funds Employed. Opening Funds Employed (rather than closing or average) is used; as returns from any capital deployed during the performance period are mostly delivered in subsequent periods. For example, investments in new store openings and refurbishments materially occur after the first year as the store's sales performance matures after the initial year of opening. However, all of the capital for the new store is deployed in advance of the store commencing trading.
<b>Return on Invested Capital (ROIC)</b>	Return on Invested Capital is calculated as store EBITDA (pre AASB 16) divided by end-of-period cumulative store capital expenditure plus end-of-period store net inventory and an allocation of warehouse net inventory based on the number of stores open. Year 1 and Year 2 Return on Invested Capital is based on the first and second full twelve month trading periods that the store has been open
<b>Cash Conversion from Operations</b>	Cash Conversion from Operations (or cash conversion ratio) is calculated as Net Cash Flow from Operating Activities divided by EBITDA (pre AASB 16)