BabyBunting

14 August 2026

# FY26 Results

## Strategy delivering, margin at a record high

### Highlights

- Pro forma[1] NPAT of $16.1m, up 33.9% vs pcp (FY25: $12.1m)
- Record total sales of $556.0m, up 6.5% vs pcp
  - Comparable store sales growth of 3.5% vs pcp
- Record gross margin expansion of 100 bps to 41.2%
- Store of the Future refurbishment program delivered 18% sales uplift, maintaining <3 year payback
- Net debt of $16.2m as at 28 June 2026 with +$60m funding headroom
- Sales improvement into FY27 with first 6 weeks' comp sales up 4.3%

### FY26 key financial metrics

| | Pro forma results | | | Statutory results | | |
|---|---|---|---|---|---|---|
| | FY26 | FY25 | Change | FY26 | FY25 | Change |
| **Sales** | 556.0 | 521.9 | 6.5% | 556.0 | 521.9 | 6.5% |
| **GP %** | 41.2% | 40.2% | 100 bps | 41.2% | 40.2% | 100 bps |
| **NPAT** | 16.1 | 12.1 | 33.9% | 11.2 | 9.5 | 17.5% |

Baby Bunting Group Limited (Baby Bunting or the Group) today reports its financial results for the year ended 28 June 2026 (FY26). FY26 Group Pro Forma Net Profit After Tax (NPAT) was $16.1 million, up 33.9% from $12.1 million in the prior corresponding period (pcp). Statutory NPAT of $11.2 million was up 17.5% compared to $9.5 million in FY25.

**Baby Bunting's CEO, Mark Teperson said,** "FY26 was a year of disciplined execution against our strategic plan, delivering pro forma NPAT growth of 33.9% on record total sales of $556.0 million, up 6.5% on the prior year. Rising interest rates and elevated fuel prices weighed on consumer spending through the second half, impacting some higher-priced prams and car safety categories. However, even in this more challenging consumer environment we delivered NPAT growth of 54% in the second half, reflecting the underlying strength of the business.

"Our Store of the Future program remains the clearest proof of our strategy at work. We undertook 12 refurbishments during the year, and we now have a refurbished fleet of 15 stores, and the refurbished stores delivered 18% sales growth in FY26 since re-opening. Gross margin was a record 41.2%, supported by continued growth in our exclusive and private label ranges which now represent more than half of our total sales, and by BabyBuntingMedia, a high-margin income stream that contributed $5.8m in revenue. We continue to enhance our margin flywheel through better product, stronger economics and new income streams that scale with our network growth and customer base.

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

"We served more than 860,000 active customers in our Baby Bunting family this year and grew online sales by 16.7% to now represent 25.3% of total sales. Adding new customers and building out our omni-channel strategy, which drives stronger spend per customer, helps to underpin our growth regardless of market conditions. We also signed an exclusive three-year partnership with Stokke, one of the world's most recognised premium children's brands, deepening the exclusive range that continues to differentiate us.

"We maintained a disciplined approach to capital management throughout the year, with net debt of $16.2 million reflecting our continued investment in the store network, and remain well funded with ample headroom to support our growth plans. We are also pleased with the traction in our New Zealand business, where we are on track for break even in FY27, demonstrating the transferability of our operating model into other markets. Underpinned by further growth from our store network, higher gross margins and improved operating leverage, we remain confident in our outlook for FY27 and beyond."

**FY26 financial overview**

**Total sales were a record** $556.0 million, up 6.5% on FY25, driven by comparable store sales growth of 3.5% vs pcp and the opening of four large format stores during the year and three Baby Bunting Junior small format stores. Online sales grew 16.7% and now represent 25.3% of total sales (FY25: 23.1%) and the higher margin softgoods category grew 12.9%.

**Gross profit** of $229.2 million was up 9.3% on FY25 with **Gross Profit Margin** up 100 bps to 41.2%. **Inventory** closed at $99.2 million (FY25: $95.6 million), reflecting increased product cohorts. The quality and age of stock also continues to improve, enabling higher cadence of range innovation.

**Cost of doing business** (CODB) increased to $191.6 million to represent 34.5% of sales, a 30 bps improvement vs pcp. This was primarily driven by store expenses including new and annualising stores, in addition to wage inflation, and marketing investment associated with 18 new and re-opened store launches during the year, partly offset by warehouse and supply chain cost savings realised in New Zealand.

**Net debt** closed at $16.2 million with ample banking covenant headroom. To support ongoing funding of the Group's growth strategy, the Board has determined no final dividend will be paid.

**FY27 store roll out program**

Baby Bunting plans to complete 10-12 refurbishments in FY27, with 5-6 expected to be completed in the 1H. Risks related to the refurbishments include duration of refurbishment (targeting 10-12 weeks per store) and level of sales redirection.

In addition to the refurbishment program, the Group plans to open 3 new large format stores (1H: 1 committed; 2H (late Q4): 2 committed).

**Trading Update and Outlook**

The first 6 weeks of trade to 9 August have seen +6.1% total sales growth and +4.3% comparable store sales growth, with AU comparable store sales growth of +3.9% (cycling 3.7%) and NZ comparable store sales growth of 15.0% (cycling 13.9%).

The next scheduled trading update will be at the AGM (13 October 2026). Comparable store sales growth is expected to moderate, reflecting the ramp-up of the first half refurbishment program. This trend is expected to normalise once those stores re-open.

FY27 pro forma NPAT is expected to be in the range of $19.0 million to $21.0 million (with an approximate one-third / two-thirds split across the year consistent with the historical earnings profile) assuming:

- total sales of $585 million to $600 million;
- comparable store sales growth of 3% to 5%;
- gross margin to be 42%;
- capital expenditure of $33 million to $37 million fully funded through operating cash flow.

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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