

A woman with long brown hair, wearing a blue and white floral top and blue jeans, is sitting on a light-colored rug in a bright living room. She is holding a baby who is wearing a green onesie and has its mouth wide open in a joyful expression. In the background, there is a white sofa with a green cushion and a wooden shelving unit.

BabyBunting

Strategy delivering, margin at a record high

2026 Annual General Meeting

Stephen Roche Chair, Non-Executive Director

Mark Teperson Chief Executive Officer

13 October 2026

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 (13 October 2026). 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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This document contains certain forward looking statements and comments about future events, including Baby Bunting's expectations about the performance of its business. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions. Indications of, and guidance on, future earnings or financial position or performance are also forward looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. The Baby Bunting Annual Report which includes the Directors' Report (dated 14 August 2026) contains details of a number of material risks associated with an investment in Baby Bunting. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance. Forward looking statements involve known and unknown risks, uncertainty and other factors which can cause Baby Bunting's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are outside the control of Baby Bunting. As such, undue reliance should not be placed on any forward looking statement. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of promise, representation, warranty or guarantee as to the past, present or the future performance of Baby Bunting.

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).

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.

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**

Our extraordinary team

Aligning purpose with performance



FY26 results summary

Record sales & gross margin delivering Pro Forma¹ NPAT growth of 33.9%

Total Sales
\$556.0m

up 6.5% vs pcpc
comp growth up 3.5% vs pcpc

Store of the Future
Sales growth² **18%** vs pcpc

Target range 15% – 25%
15 refurbished stores³ open & trading

Gross Margin
41.2%

up 100 bps vs pcpc
2H margin: 41.4%

EBITDA⁴
\$37.6m

6.8% of sales (2H 8.1% of sales)
up 140 bps vs pcpc
Long term target +10%

Pro Forma¹ NPAT
\$16.1m

up 33.9% vs pcpc (up 54% in 2H)
Statutory NPAT \$11.2m, up 17.5%

Net debt
\$16.2m

Debt headroom +\$60m
Cash conversion 96% (FY25: 82%)

1. Pro Forma NPAT excludes certain items as detailed in the Appendices to this presentation and in the Annual Report dated 14 August 2026.
2. Calculated as the average sales growth % during FY26 since re-opening of each of the 11 refurbished stores completed in FY26 to 28 June 2026 and the 3 stores completed in FY25.
3. Our 15th refurbished Store of the Future (Melrose Park, SA) re-opened on 8 August 2026 and is excluded from the Store of the Future sales growth calculation
4. EBITDA calculated excluding impact of AASB 16 lease accounting.

Operating highlights

Store network transformation continues at pace



Network expansion

- 12 Store of the Future refurbishments completed¹, taking the fleet to 15 stores
- 3 large format stores opened: Dubbo (NSW), Westgate (NZ), Tuggerah (NSW)
- Network optimisation: Hornsby (NSW) exited, Bentleigh (VIC) relocated to Mentone (VIC)
- 3 BabyBunting Junior small format pilots: Marion (SA), Plenty Valley (VIC), Robina (QLD)



Gross margin & new revenue

- First full year of BabyBuntingMedia, generating \$5.8m of revenue
- Exclusive three-year brand partnership agreement signed with Stokke
- In-store endless aisle deployed across all stores, giving customers our full online range from any store
- Online delivery scaled to 100% fulfilment from stores, optimising delivery costs



Operating leverage

- Existing store labour leveraged to service growing online demand
- NZ overhead reduction tracking to plan, with a clear pathway to profitability
- Strengthening the Executive team: GM – Merchandise & Planning, Executive Head of Property, and GM – People & Culture commenced



Growth plan

Baby Bunting is the leading specialty baby retailer in Australia and New Zealand – 80 stores serving a \$6.3bn market where the majority of spend still sits outside the specialist channel.

Our long range plan re-establishes a +10% EBITDA margin business.



**Grow
Market
share**

**Lead the
category**

- **Extend category leadership** – grow hard goods (~23% share) and win share in a \$3.4bn soft goods market
- **Grow the network** – towards +120 large format stores, across Australia & New Zealand
- **Own the parenting journey** – acquire earlier, retain longer, grow lifetime value



**Grow
EBITDA**

**Turn scale
into margin**

- **Expand gross margin beyond 43%** – led by mix, retail media and offshore consolidation
- **Build differentiated ranges** – PLEX to ~60% of sales, private label to 20%
- **Leverage the cost base** – CODB towards ~31.6% as the fleet and systems scale



**Grow
Return on
invested
capital**

**Make capital
work harder**

- **Complete the fleet transformation** – Store of the Future across the network, 10–12 a year
- **Back the highest-returning opportunities first** – rigorous project-level assessment before capital is committed
- **Fund growth from operating cash flow** – conservative leverage, headroom preserved

How the strategy compounds

Margin & leverage improve the economics, refurbishments and new stores grow the sales base

Improve the economics



Grow the sales base



Clear pathway to +10% EBITDA⁴ margin

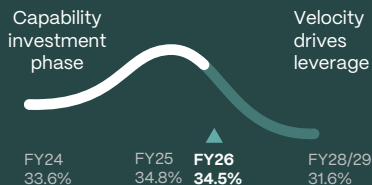
Gross margin¹

+600 bps



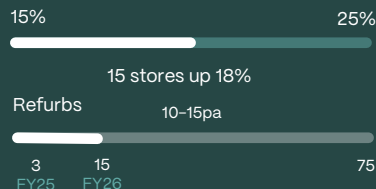
Operating leverage⁴

+200 bps



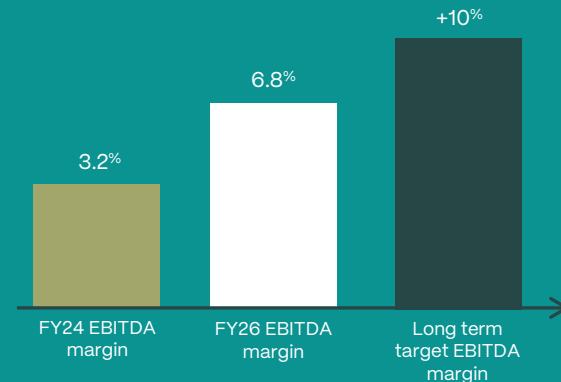
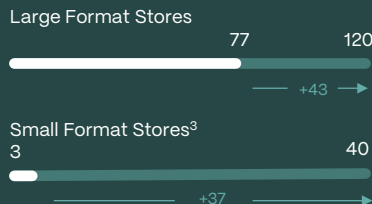
Growth from refurb²

15-25%



Network growth

~80 stores



1. Increase from FY24 Gross Margin.

2. Average sales growth % since re-opening up until 28 June 2026 for the 14 refurbished stores (3 stores in FY25 and 11 stores in FY26). Our 15th refurbished Store of the Future (Melrose Park, SA) re-opened on 8 August 2026 & is excluded from the Store of the Future sales growth calculation

3. Dependent on strategic review of FY26 pilot stores.

4. On a pre-AASB 16 basis.

Targets for future periods shown. Achievement subject to performance. Refer to the Important Notice on slide 2 for information about forward-looking statements.

Focus areas for FY27

Growth objectives



**Grow
Market
share**

**Customer
Experience**

\$585m - \$600m

FY27 Targets¹
Total Sales

Comp Sales

3%-5%

FY27 Deliverables

Grow active customers

Build PLEX portfolio

Lead product innovation and availability



**Grow
EBITDA**

**Platform
Leverage**

Gross Margin

42%

Expand retail media & offshore consolidation

Move New Zealand to break-even

Improve operating leverage



**Grow
Return on
invested
capital**

**Capital
Discipline**

CAPEX

\$33m-\$37m

Refurbish the store network

Deploy growth capital

Enhance working capital

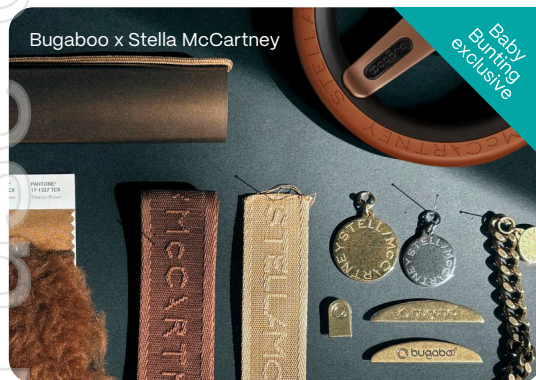
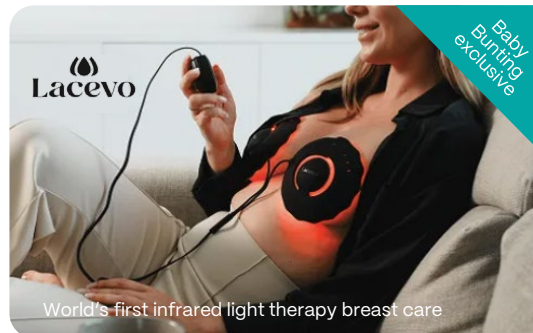
1. Targets for future periods shown. Achievement subject to performance.
Refer to the Important Notice on slide 2 for information about forward-looking statements.

Lead product innovation and availability

Range differentiation and availability underpinning market share growth

Lead core & growth categories

- New & exclusive product ranges driving customer acquisition
- **New & exclusive product pipeline:** first to market for **rotating car seats** in Australia, **Lacevo infrared light therapy** breast care (just launched), **Bugaboo x Stella McCartney** collaboration



Systems & process to drive availability

- **Always Available** program ensuring our top selling products are always in-stock across the network
- Uplifting **forecasting and replenishment planning** system capabilities driving improved in-stock rates across core lines



Refurbishing the store network

Plans in place for further build cost reductions in FY27

\$1.7m

per store

actual average
build cost

1H FY26

\$1.5m

per store

Value engineering
& execution
efficiencies

2H FY26

\$1.4m
for A&B grade stores

~\$1.0m C & D grade
scope matched to
store grade

20%

sales growth

Maintaining
capital payback
of less than

3 years

Returns improve as costs fall

- Refurbished stores delivered an **18% sales uplift in FY26**
- Gross margin ahead of peer stores
- Payback maintained at under three years

FY27: C and D grade redesign

- Program extends to C and D grade stores with a purpose-built redesign
- Each project must clear the <3 year payback hurdle before capital is committed

Small format rollout paused as we continue to refine the pilots

FY27 Refurbishment program

10-12
store refurbishments

Targeting 10-12 refurbishments in FY27, with 6 to be completed in 1H

FY27 outlook maintained and trading update

FY27 trade update

As at 4 October 2026 (after first 14 weeks) :

- **+2.2%** underlying¹ comparable store sales growth year-to-date reflecting anticipated moderation from the impact of store refurbishment closures
 - **+2.0% AU** underlying comparable store sales growth
 - **+8.7% NZ** comparable store sales growth²
- **Store of the Future** cumulative average sales growth **now 20%**³
- Gross margin % is tracking to plan

FY27 store roll out program

- **Store of the Future** refurbishments: 10–12 refurbishments in FY27, with 6 to be completed in 1H
 - North Lakes and Shellharbour re-opened in September
 - 3 stores re-opening in November, 1 more in December
- Risks related to the refurbishments include duration of closure period (targeting 10–12 weeks per store) and level of sales redirection
- Plans to open 3 new **large format stores** (Ballina opening December; 2H (late Q4): 2 committed)
- **Relocation** of Kawana (Qld) to Baringa (Qld) in December
- **Small format pilot stores** continue to be monitored

Outlook

FY27 pro forma NPAT expected to be in the range of **\$19.0m to \$21.0m** (with an approximate one-third / two-thirds split across the year consistent with historical earnings profile), assuming⁴:

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

In light of interest rate rises and cost-of-living pressures, we continue to closely monitor and react to trading conditions as we execute our plans for the key promotional periods during the balance of the year, including the important trading periods of November, Boxing Day and June Storktake.

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

1. Underlying comparable store sales excludes the seven stores closed for refurbishment and the adjacent stores during the period (adjacent stores benefit from sales redirection). As indicated at the FY26 results announcement on 14 August 2026, comparable store sales growth was expected to moderate from 4.3% at week 6 to now, reflecting the ramp-up of the first half program. This trend is expected to normalise once those stores re-open.
2. Calculated on a constant currency basis.
3. Calculated as the average sales growth over the first 365 days since re-opening for each of the 17 refurbished stores (in-store and click & collect only).
4. Targets for a future period shown. Achievement subject to performance. Refer to the Important Notice on slide 2 for information about forward-looking statements.

Appendices

FY26 Investor Presentation

Statutory to Pro Forma Income Statement Reconciliation

\$ million	FY26			FY25		
	Statutory FY26	Add Pro Forma Adj ⁱ	Pro Forma FY26	Statutory FY25	Add Pro Forma Adj ⁱ	Pro Forma FY25
Sales	556.0		556.0	521.9		521.9
Cost of sales	(326.8)		(326.8)	(312.3)		(312.3)
Gross Profit	229.2		229.2	209.7		209.7
Other income	0.0		0.0	0.8		0.8
Store expenses	(93.7)		(93.7)	(88.4)		(88.4)
Marketing expenses	(13.3)		(13.3)	(11.3)		(11.3)
Warehouse expenses	(9.2)		(9.2)	(9.2)		(9.2)
Administrative expenses	(41.8)	6.1 ^(a)	(35.7)	(38.3)	2.7	(35.6)
Transformation project expenses	(0.6)	0.6 ^(b)	0.0	–		–
Restructuring costs	(0.9)		(0.9)	(0.4)		(0.4)
EBITDA	69.7	6.7	76.4	62.8	2.7	65.5
Depreciation and amortisation	(44.2)		(44.2)	(39.8)		(39.8)
EBIT	25.5	6.7	32.2	23.0	2.7	25.7
Net finance costs	(9.6)		(9.6)	(8.7)		(8.7)
Profit before tax	15.9	6.7	22.6	14.3	2.7	17.0
Income tax expense	(4.7)	(1.8) ^(c)	(6.5)	(4.8)	(0.2)	(5.0)
Net profit after tax	11.2	4.9	16.1	9.5	2.5	12.1

Pro forma financial results have been calculated to exclude the following items (refer Directors' Report dated 14 August 2026 for further detail):

- a. Employee equity incentive expenses represent the cost amortisation of performance rights (long term incentive plan and deferred short term incentive) on issue and the associated payroll tax costs
- b. Transformation project expenses represent non-capital expenditure incurred to enable the future technology platform upgrade of the Group's ERP and POS environments
- c. Tax impact from pro forma adjustments

Pro Forma Income Statement

AASB 16 Transition Impact

\$ million	FY26				FY25			
	Pro Forma FY26	Reversal of AASB 16 Depreciation and Interest	Add Operating Lease Expenses	Pre-AASB 16 FY26	Pro Forma FY25	Reversal of AASB 16 Depreciation and Interest	Add Operating Lease Expenses	Pre-AASB 16 FY25
Sales	556.0			556.0	521.9			521.9
Cost of sales	(326.8)			(326.8)	(312.3)			(312.3)
Gross Profit	229.2			229.2	209.7			209.7
Other income	0.0			0.0	0.8			0.8
Store expenses	(93.7)		(35.1)	(128.8)	(88.4)		(33.4)	(121.8)
Marketing expenses	(13.3)			(13.3)	(11.3)			(11.3)
Warehouse expenses	(9.2)		(3.3)	(12.5)	(9.2)		(3.6)	(12.8)
Administrative expenses	(35.7)		(0.4)	(36.1)	(35.6)		(0.3)	(35.9)
Transformation project expenses	0.0			0.0	–			–
Restructuring costs	(0.9)			(0.9)	(0.4)			(0.4)
EBITDA	76.4		(38.8)	37.6	65.5		(37.3)	28.2
Depreciation and amortisation	(44.2)	31.4		(12.7)	(39.8)	30.6		(9.2)
EBIT	32.2	31.4	(38.8)	24.9	25.7	30.6	(37.3)	19.1
Net finance costs	(9.6)	6.9		(2.7)	(8.7)	6.7		(2.0)
Profit before tax	22.6	38.4	(38.8)	22.2	17.0	37.4	(37.3)	17.1
Income tax expense	(6.5)	(11.5)	11.6	(6.4)	(5.0)	(11.2)	11.2	(5.0)
Net profit after tax	16.1	26.9	(27.1)	15.9	12.1	26.2	(26.1)	12.1

Glossary

Comparable Store Sales Growth	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. Stores that were permanently closed during the year are excluded from the calculation from the date of closure
Cost of Doing Business (CODB)	Includes store, administrative, marketing and warehousing expenses (excluding the impact of AASB 16 depreciation and amortisation) and other income
PLEX	Private Label & Exclusive Products
Exclusive Products	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)
Private Label	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)
Return on Funds Employed (ROFE)	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
Return on Invested Capital (ROIC)	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
Cash Conversion from Operations	Cash Conversion from Operations (or cash conversion ratio) is calculated as Net Cash Flow from Operating Activities divided by EBITDA (pre AASB 16)
FCCR (fixed charge cover ratio)	pre-AASB 16 normalised EBITDA plus rent / bank interest plus rent. Normalised EBITDA references allowable exclusions from EBITDA that are one-off business simplification costs
Leverage ratio	gross debt / pre-AASB 16 normalised EBITDA