Baby Bunting Group Limited

Half year ended
31 December 2017

Results presentation
16 February 2018

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Important Notice

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 (16 February 2018). 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.

Forward looking statements

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 within the meaning of securities laws or applicable jurisdictions. 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 2017 which includes the Directors' Report (dated 11 August 2017) contains details of the 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

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.

For a reconciliation of the non-IFRS financial information contained in this presentation to IFRS-compliant comparative information, refer to the Appendix to this presentation.

All dollar values are in Australian dollars (A$) unless otherwise stated.

Agenda

1. Results summary

1H FY18 Results summary

Clear leader in sector consolidation – with short term financial impact

1 Trading[1,2]	• **Sales of $148.3 million**, up **9.8%** on the prior corresponding period (pcp) • **Comparable store sales -1.7%, price deflation of 4.3%** • **Gross profit income** up **5.7%,** gross margin of **33.2%** • **Cost of doing business** (pro forma) **increased** by **76 bps** from 1H FY17, to **27.5%** of sales
2 Earnings[3]	• **EBITDA** (pro forma) of **$8.4 million**, down **19.2%** on the pcp. EBITDA margin at **5.7%** of sales • **EBIT** (pro forma) of **$6.2 million**, **26.4%** below the pcp • **NPAT** (pro forma) of **$4.2 million**, down **27.2%** on the pcp • **Interim dividend** of **2.8 cents per share** (fully franked)
3 Capital[4] Structure	• **$4.6 million of cash** at end of 1H FY18, plus **$24.0 million available** in borrowing facility • **Net cash flow** from operating activities of **$4.6 million**; capital expenditure of $2.4 million • **Return on average funds employed** (ROFE) **18.9%**
4 Growth	• Transaction **growth of 14.2% (vs pcp)** and comparable store transaction **growth of 2.3%** • **Online sales up 56%** (vs pcp) representing **8.4% of total sales** • **3 stores opened year-to-date**: Munno Para in SA, Albury NSW, Aspley in QLD (in January)
5 Outlook	• The trend of gross margin improvement expected to continue into 2H FY18 • In 2H FY18, 3 new stores to open and handover of a further 2 stores that will trade early FY19 • FY18 EBITDA guidance (unchanged) expected to be around $23.0 million, excluding employee equity incentive expenses

1. Pro forma financial results have been calculated by excluding employee equity incentive expenses for the current financial period and the prior financial period.
2. Comparable store sales measured as at 1 January 2018 reflects like for like trading days against the prior corresponding period which ended on 1 January 2017
3. Refer to page 26 for a reconciliation of the non-IFRS financial information contained in this presentation to the IFRS-compliant information
4. Return on average funds employed (ROFE) is calculated as pro forma EBIT for the previous 12 months as a percentage of average (opening, mid and closing) funds employed. Total funds employed is net assets excluding net debt and net tax balances

2.

Financial and trading performance

Overview – Trading performance

1H FY18 saw competitor closures, supply issues, price deflation & gross margin contraction. These factors are now stabilising

1 Sales

- **16% unit sales growth** in 1H converted into **9.8% sales growth**
- Competition and competitor distress resulted in **price deflation** in 1H FY18 of **4.3%.** Now stabilising
- Increased sales opportunity of **~$25 million (per annum)** in specific regions following competitor closures in 1H

2 Gross Margin

- Gross margin erosion of **170 bps** in the first 4 months of 1H
- Gross margin has continued to **improve** over recent months
- **Better buying** and **increased** private label & exclusive products has **offset deflation by 3%**

3 Channel Performance

- 1H comparable store sales declined 1.7%, 2H comparable store sales growth at 11 February **4.5%**
- 2 stores had a **negative 1.9% impact** on comparable store sales growth
- 9 non-comparable stores opened in last 18 months **trading ahead of expectations**
- Regional stores trading **above expectations** (regional markets represent ~50% of our future store rollout program)
- Investment in digital delivering; **56% growth in online sales**

4 Merchandise

- 1H supply issues with car seats, baby carriers and toy categories constrained sales performance – supply now restored
- Car seat **supply issues had a negative ~1.3%** impact on 1H comparable store sales
- **EDLP** (ie our Best Buys range) **sales increased by 53%** (vs pcp); now represents **19% of total sales**
- **83% growth** in sales of Private Label and Exclusive Products (vs pcp); now represents **18.4% of total sales**
- **New and exclusive products** in major categories will continue to expand in 2H
- **New pram offers** in our **premium range** expected to drive further sales and gross margin improvement in 2H

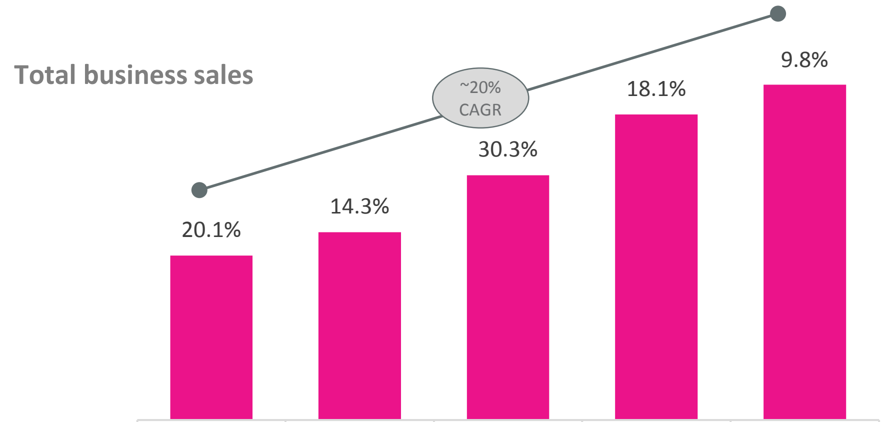
5 CODB

- Investment in expenditure continues to be managed
- Cost increases in our comparable stores contained to 1% (vs pcp)
- CODB now 27.5% of total sales

Total sales growth to recover as trading stabilises

Baby Bunting continued to achieve **market share growth** across all regions

- **4 year sales** compound annual growth rate **(CAGR) of ~20%**
- 1H price deflation effect estimated at ~$6m
- Timing of 1H store openings have also constrained sales growth
- 1H supplier issues effect estimated at ~$3m
- Localised competitor activity may continue as our store roll out continues
- **2H comparable store sales growth of 4.5%**



	1H FY14	1H FY15	1H FY16	1H FY17	1H FY18
Sales	72.7	83.0	108.2	135.1	148.3
Growth %	20.1%	14.3%	30.3%	18.1%	9.8%
Stores	24	27	35	40	45

1H FY18 sales metrics (vs pcp)

	All stores	Comparable stores*
Transactions	▲ 14.2%	▲ 2.3%
Units sold	▲ 16.0%	▲ 3.1%
Price deflation	▼ 4.3%	▼ 4.3%
Total business sales	**▲ 9.8%**	**▼ 1.7%**
Adelaide sales redirection		1.9%
Comp sales (ex Adelaide)		**▲ 0.2%**

* Comparable stores are those stores that have been opened for all of the prior financial year. Comparable store sales measured as at 1 January 2018 reflects like for like trading days against the prior corresponding period which ended on 1 January 2017

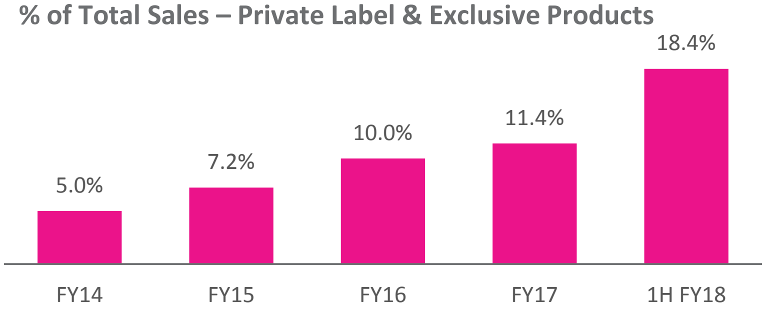
Competitor store closures and **aggressive discounting** created near term **price deflation**, **impacting** both total sales growth and comparable store sales performance

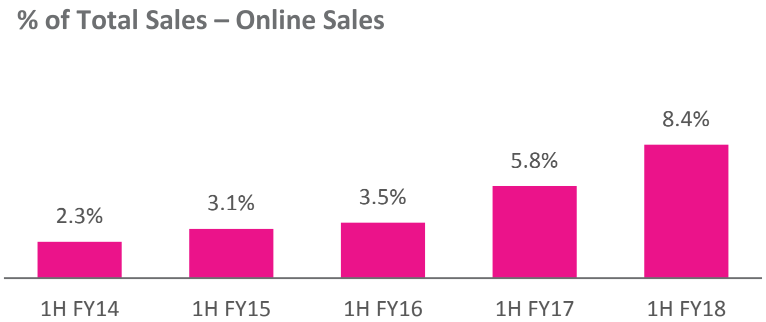
- 1H comparable store sales down 1.7% despite **transactions being up 2.3%** and **units sold up 3.1%**

Adelaide market share growth rate of **22% significantly above national average**

- **New stores added** have impacted **comparable store sales by -1.9%**
- Opened **2 new stores** (now 4 stores in our Adelaide network)
- New stores opened in excellent locations to meet existing high demand in market and improve customer experience. **Short term comp % impact soon to be annualised**

Strong sales growth in key strategic focus areas





Private Label & Exclusive Products

- **83% growth in sales of Private Label and Exclusive Products** – primarily in prams and nursery furniture with some additions to our car safety range also occurring late in 1H
- Private Label & Exclusive Products now make up **18.4% of sales**

Best Buys program (EDLP)

- **Best Buys** program expanding across key categories with **67% increase** in units sold (4Baby and national brands) and **53% growth** in sales from 1H FY17
- Core car safety category moved to Best Buys program in July 17

Online sales

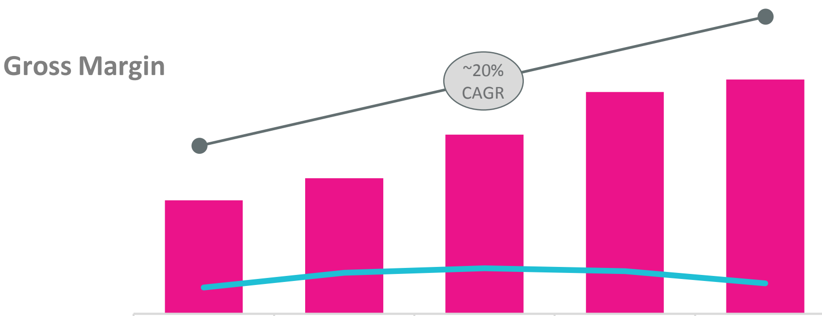
- **56% increase in online sales** from 1H FY17
- Online sales **8.4% of sales** up from 5.9% in 1H FY17
- Click & Collect comprises **22% online sales**
- **22% growth in website traffic** (average 1.3m sessions per month)
- **Investment in digital** and online sales channel continuing
- Baby Bunting's branded **ebay store successfully launched**
- Afterpay, ZipPay, ZipMoney now available online

Gross margin recovery ahead of our forecast expectation

Gross margin $

- 4 year average **gross margin $ CAGR** of **~20%**
- **Gross profit %** of **33.2%** is **127 bps below pcp**, primarily due to **competition**
- 1H GP% finished **ahead of expectations by ~40 bps**; at AGM trading update we expected it to finish at 32.8%
- **GP% now tracking within 30 bps** (vs pcp) for 3 months

Gross Margin



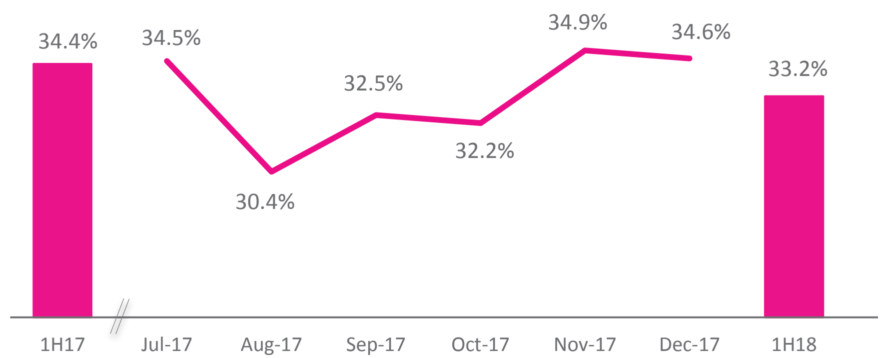
	1H FY14	1H FY15	1H FY16	1H FY17	1H FY18
$ GP	23.8	28.5	37.6	46.5	49.2
GP%	32.7%	34.3%	34.8%	34.4%	33.2%

Gross profit % drivers

Expect margins to **return to FY17 levels by end of Q3 FY18,** the result of stabilisation of competition and internal initiatives:

- Increasing **exclusive products** in core categories
- Increased FOB **direct importing**
- **Improving trading terms** with supply partners

Gross Margin % recovering



Gross margin reconciliation

Price deflation impact 4.3% on GP% offset by:

- **Better buying terms** with supply partners impact **+2.5%**
- Increased proportion of **Private Label and Exclusive Products impact +0.5%**

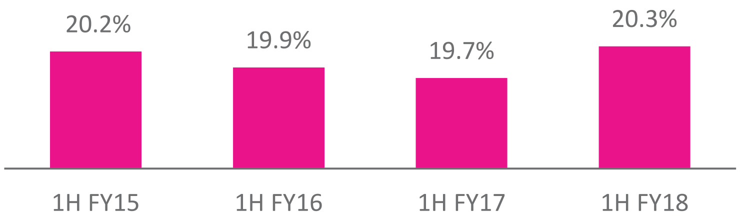
1H FY18 metrics (vs pcp)	
Gross profit %	
Price deflation*	▼ 4.3%
Better buying terms	▲ 2.5%
Private label & exclusive	▲ 0.5%
Gross profit % (vs pcp)	▼ **1.3%**

* Price deflation is a measure of change in average sale price of all items (excluding clearance items)

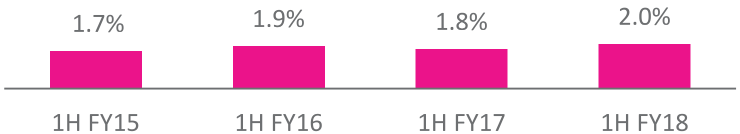
Managed investment in costs

Cost of Doing Business metrics (% sales) (1)

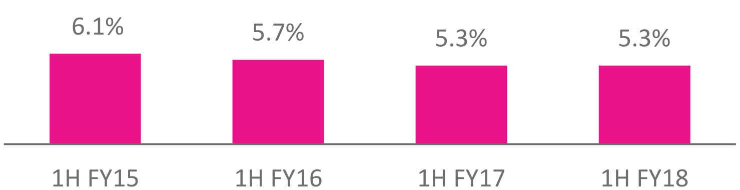
Store expenses



Marketing expenses



Pro forma overhead expenses



Operating Expenses

- **Cost of Doing Business** (pro forma) in 1H FY18 was 27.5% of sales, from 26.8% in 1H FY17
- **Store expenses** increased by $3.5 million or 13.2% (vs pcp) ($3.2 million of which is from new and annualising stores)
- **Effective cost management** resulted in comparable store expense increases of **only $0.3m** or **1% on pcp**; despite 8 store lease rollovers
- **Marketing expenses** up by $0.5 million (vs pcp) reflecting new markets entered over the last 12 months and additional investment to respond to the highly competitive sales environment in 1H FY18
- **Pro forma overheads of 5.3%** in line with 1H FY17. This includes investment in new Support Office roles, supply chain strategy planning and annualisation of FY17 roles and IT licensing costs
- Timing benefit of recruitment of new roles has been achieved relative to our projected $3m investment in FY18.

Note:
1. All functional expenses (excluding depreciation) as a % of total sales

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Summary Pro Forma Income Statement

Pro forma statement of profit or loss

$ million	Pro Forma 1H FY18	Pro Forma 1H FY17	Change
Sales	**148.3**	**135.1**	***9.8%***
Cost of sales	(99.1)	(88.5)	
Gross Profit	**49.2**	**46.5**	***5.7%***
Gross Profit Margin	*33.2%*	*34.4%*	
Cost of doing business	(40.8)	(36.1)	
Cost of doing business %	*27.5%*	*26.8%*	
EBITDA	**8.4**	**10.4**	***-19.2%***
EBITDA margin	*5.7%*	*7.7%*	
Depreciation and amortisation	(2.2)	(2.0)	
EBIT	**6.2**	**8.4**	***-26.4%***
EBIT margin	*4.2%*	*6.2%*	
Net finance costs	(0.3)	(0.2)	
Profit before tax	**5.8**	**8.2**	***-28.6%***
Tax	(1.7)	(2.5)	
Net profit after tax	**4.2**	**5.7**	***-27.2%***
Net profit after tax margin	*2.8%*	*4.2%*	

Financial Summary

- **Total sales** of **$148.3 million, up 9.8%**
  - Comparable store sales declined by 1.7%
- **Gross margin** of **33.2%**
- Pro forma **EBITDA of $8.4 million,** down 19.2%
- Pro forma **Cost of Doing Business $40.8 million**
  - New store costs of $3.2 million (including the annualising costs of 6 stores opened in FY17)
  - Annualising costs for software licences, investment in digital and supply chain strategy ($0.2m one-off cost)
  - New Support Office roles and annualising Support Office roles added in FY17, including roles in merchandising, supply chain and operations
- Earnings per share 2.8 cents

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Balance Sheet

Statement of financial position

$ million	Statutory 1H FY18	Statutory FY17
Cash and cash equivalents	4.6	6.4
Inventories	55.1	47.9
Plant and equipment	20.1	20.0
Goodwill & Intangibles	45.4	45.4
Other Assets	13.5	14.2
Total Assets	138.7	133.9
Payables	33.2	28.0
Borrowings	6.0	4.8
Provisions	6.4	6.1
Income tax Payable	0.2	0.9
Total Liabilities	45.7	39.8
Net Assets	93.0	94.1
Net Cash / (Debt)	(1.5)	1.6

Capital structure

- **$1.5 million net debt position**
- **Inventory** increase reflects **2 new stores added ~$1.5 million**, and **~$5 million** of **inventory** to support post Christmas sales ahead of supplier shutdowns in January (consistent with historical trends), plus arrival of delayed car seat orders
- Payables increase in line with inventory
- Undrawn **borrowing facility** of $24.0 million

Dividends

- **FY17 final dividend of 4.3 cents per share** was paid in September
- Board's policy is to target an ongoing payout ratio of **70% - 100% of pro forma NPAT**
- **1H FY18 interim fully franked dividend of 2.8 cents per share**
  - Record date: 2 March 2018
  - Payment date: 16 March 2018

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Cash Flow Statement

Statement of cash flows

$ million	Statutory 1H FY18	Statutory 1H FY17
Underlying Statutory EBITDA[1]	**8.4**	**10.4**
Movement in working capital	(1.1)	0.2
Tax Paid	(2.3)	(2.8)
Net finance costs paid	(0.4)	(0.2)
Net cash flow from operating activities	**4.6**	**7.6**
New store capex	(1.0)	(2.6)
Capex (excluding new stores)	(1.4)	(1.2)
Operating cashflow	**2.2**	**3.8**
Net proceeds from issue of shares	0.0	0.0
Dividends paid	(5.4)	(7.9)
Borrowings (net)	1.2	0.0
Net cash flow	**(1.9)**	**(4.1)**

1. Excludes employee equity incentive expenses. Refer to page 26 for reconciliation.

Financial highlights

- **Change in working capital** reflects **2 new stores** and **investment in inventory** to support sales growth
- **Tax paid** includes $0.8m in relation to FY17 and FY18 provisional tax $1.5m
- **Capital expenditure** included investments in:
  - New store capex for 2 new stores opened in 1H FY18
  - CRM & expansion of digital, software integration
  - Signage and investment in store fixtures to improve the customer shopping experience
  - $0.5m full refurbishment of the Thomastown store to align with remainder of store network format

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3.

Baby goods market and category dynamics

Baby Bunting is well positioned in a changing market

Specialty retailer changes

- Significant competitor store closures
- Increased intensity of competition as we expand our market share

Arrival of Amazon

- Baby Bunting is well placed
- Our online presence is supported by our national store network and continuing to grow
- Investment in customer experience and engagement continues
- Focus on fulfilment improvements and supply chain opportunities

- Clear leader in a large and highly fragmented baby goods market
- Baby goods is a unique retail category in Australia
- Meaningful / highly valued relationships with customers
- Baby goods demand customer service
- Customer insights and data represent significant opportunity
- Business model compares favourably to competitors
- Competitively positioned on range and price
- Long term established relationships with our suppliers

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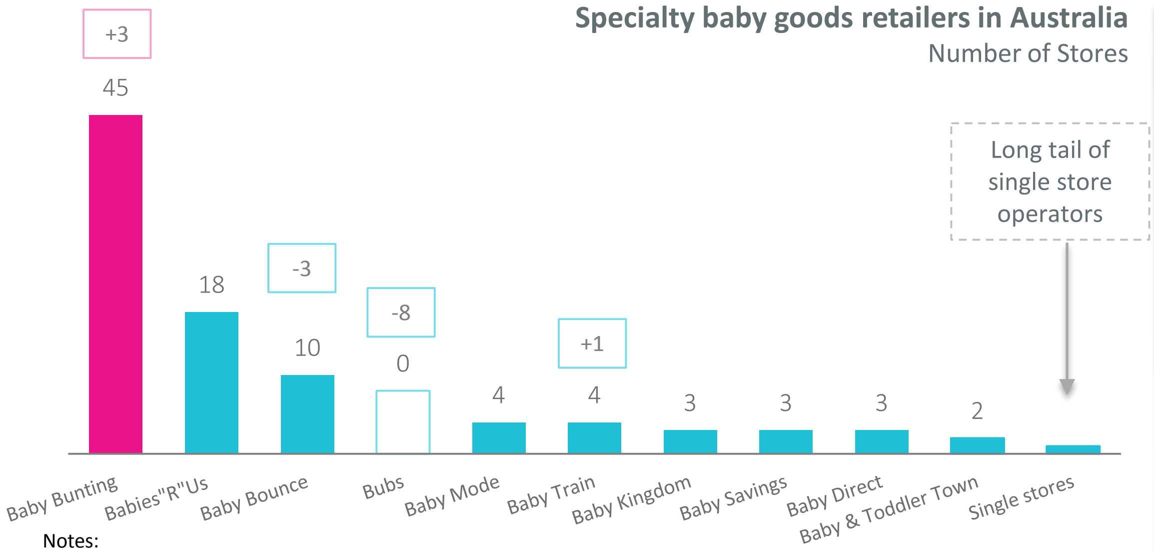
Fragmented competitive landscape

Baby goods is a $5.1bn market in Australia	**BBN estimated addressable market is $2.4bn**	**Large number of small, specialty players & department stores**	**Strict Australian mandatory product safety standards provide barriers to entry**

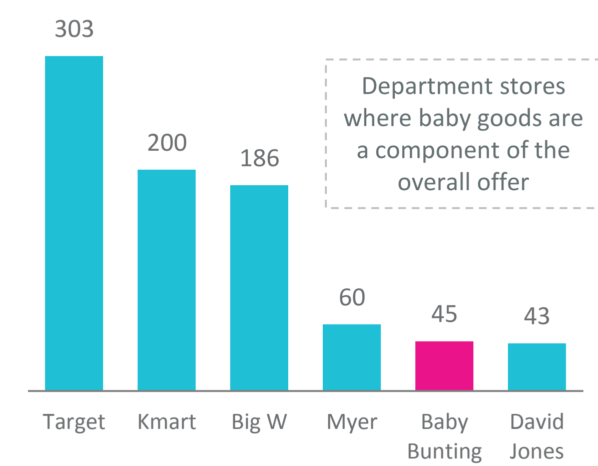
Specialty baby goods retailers in Australia
Number of Stores



Notes:
1. Toys"R"Us has an additional 21 stores that sell a limited range of baby goods
   Toys"R"Us have added 5 stores in 1H FY18, none of these are described as Babies "R" Us superstores

Note : Store change numbers are changes since 25 June 2017

Department stores In Australia
Number of Stores



Pure play online retailers & market places in Australia with a baby goods component

4. Growth strategy

Growth strategy

Growing market share through:

1 Growth from new store roll-out – (Mature network of 80+ stores)

- Disciplined roll out of new stores in identified trade catchments with a target of opening 4 to 8 new stores each year

2 Growth from existing stores and online

- Maturing stores – 40% of stores are less than 3 years old (stores take on average 4 years to mature)
- Multiple initiatives to improve customer experience across all channels
- Growing brand awareness across all states and territories
- Increased investment in digital and online

In conjunction with:

3 EBITDA margin improvement

- Gross margin expansion by increases in scale, improving sourcing, development of private label and exclusive products
- Cost of doing business leverage

Underpinned by:

- Investing in IT systems and business processes
- Investing in warehousing and logistics and pursuing opportunities in our supply chain
- Investing in capability as we "Build the Best Team"

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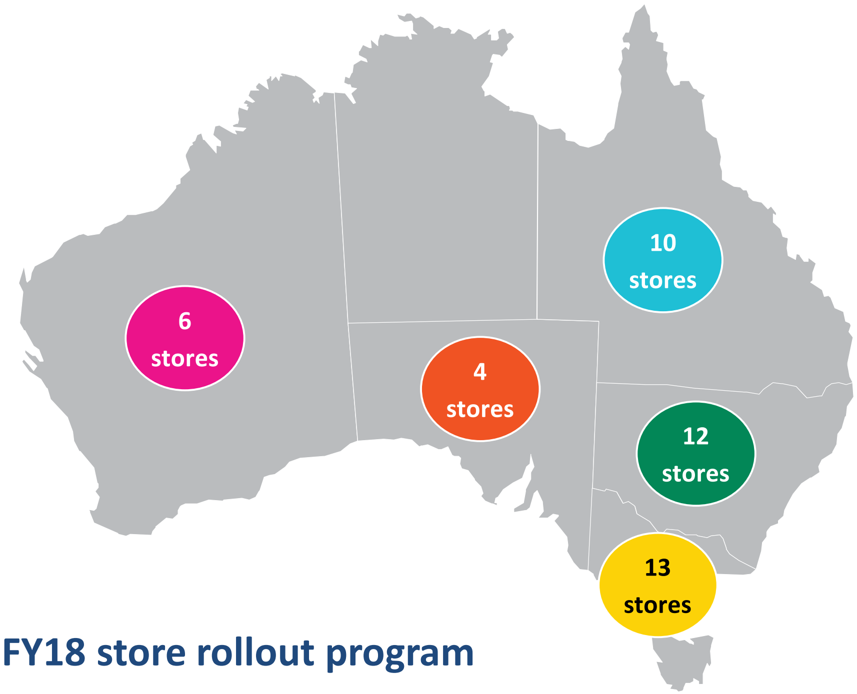
Baby Bunting's store network update

45 stores across Australia, with significant roll-out potential to over 80 stores



Queensland			
Helensvale Kawana Aspley *(25 Jan)*	Fortitude Valley Macgregor Booval	North Lakes Burleigh Waters	Capalaba Townsville

New South Wales and ACT			
Penrith Warners Bay Taren Point	Auburn Moore Park West Gosford	Campbelltown Camperdown Belrose	Blacktown Fyshwick (ACT) Albury *(25 Nov)* *Rutherford (24 Feb)*

Victoria			
Hawthorn East Bentleigh Frankston Taylors Lakes	Narre Warren Ringwood Thomastown	Ballarat Geelong Hoppers Crossing	Maribyrnong Bendigo Preston

South Australia			
Gepps Cross	Melrose Park	Mile End	Munno Para *(14 Jul)*

Western Australia			
Cannington Myaree	Joondalup Midland	Osborne Park	Baldivis

FY18 store rollout program

- 2 stores opened in 1H FY18
- Aspley (Queensland) opened in January 2018
- Rutherford (NSW) opening on 24 February 2018
- 2 more stores in Queensland – Browns Plains (March 2018) plus finalising lease for a regional store
- 1 new store in Chatswood (NSW) and 1 new store in Melbourne will rollover into early FY19 with handover in FY18

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Business initiatives update

Our core purpose is to support new and expectant parents in navigating the early years of parenthood

Improving customer experience

- "Live chat" launched online store – providing greater service and advice and sales
- ebay (BOPIS) "buy online and pick up in store" now available
- Baby Bunting mobile app to be launched shortly
- Introduction of expanded payment options: Afterpay, ZipPay, ZipMoney

Delivering the best value to the customer

- Implemented EDLP on the core range of car seats
- Investment in the Best Buys program (EDLP) expanding across all categories. Great value every day, every visit
- Strengthened the price promise – "won't be beaten on price" messaging

Increasing customer engagement

- Net Promoter Score (NPS) now 68 – reflecting high engagement with the brand
- Single view of the customer now established across all channels ~615,000 customers
- Actively engaging on a personalized basis with ~529,000 customers through marketing automation
- Welcome series, abandoned cart and customer profiling 70,000 contacts automatically triggered based on behaviour

Business initiatives update

Our Vision is to be the most loved baby retailer for every family, every where

Investing in the online channel

- Online sales up 56% on pcp; conversion up and 22% growth in site traffic
- Finance options now available online
- eCommerce website replatforming project underway. Focus on implementing in Q4 FY18 – H1 FY19
- New Baby Bunting mobile app to launch shortly which will improve our gift registry service and customer experience

Merchandise

- Private Label and Exclusive Products ranges continue to grow – now 18.4% of total sales
- Expansion of exclusive ranges of car seats
- Significant changes in wheeled goods range, reflecting trend in value and portability
- Trading terms strengthened

Supply Chain strategy

- GM Supply Chain commenced December 2017
- Supply Chain Strategy Project commenced with recommendations including quick wins
- Improvements made to enhance our online fulfilment capability
- Transport operations reworked for Qld and WA
- Commenced overseas freight and FOB discussions with key suppliers
- Overseas consolidation of private label products commenced

5.

Outlook


PRAMS
PRAMS
SALE
$379
SALE
$259
SAVE $40
SALE
SALE
25% to 30% OFF
Cocalo
Mix & Match Collection+

Outlook

FY18 EBITDA guidance unchanged

- FY18 EBITDA guidance (unchanged) expected to be around $23.0 million, excluding employee equity incentive expenses
- 2H FY18 comparable store sales growth is 4.5% (at 11 February 2018); we expect comparable store sales growth to continue around this level for the remainder of the half
- Expect to see continued improvement in gross margin
- On a full year basis, our investment program will see ~$3.5 million of capital invested for infrastructure and capability to deliver growth, plus investment in new stores and refurbishments. We also expect investment in operational expenditure for the full year to be around $1.5 million
- Opening a further 3 stores in FY18; 6 stores for the full year

Note: Refer to "Forward looking statements" section on page 2 of this Investor Presentation (regarding the risks associated with forward looking statements). Please also refer to section 4 of the 2017 Directors' Report (dated 11 August 2017) which describes some of the key risks and uncertainties that may have an effect on the Company's ability to execute its business strategies.

6.

Appendices

Statutory - Pro Forma Income Statement Reconciliation

	1H FY2018			1H FY2017		
	Statutory 1H FY18	Add Pro Forma adjustments [a]	Pro Forma 1H FY18	Statutory 1H FY17	Add Pro Forma adjustments [a]	Pro Forma 1H FY17
$ million						
Sales	**148.3**		**148.3**	**135.1**		**135.1**
Cost of sales	(99.1)		(99.1)	(88.5)		(88.5)
Gross Profit	**49.2**		**49.2**	**46.5**		**46.5**
Cost of doing business:						
Store expenses	(30.0)		(30.0)	(26.5)		(26.5)
Marketing expenses	(2.9)		(2.9)	(2.4)		(2.4)
Warehouse expenses	(2.1)		(2.1)	(1.9)		(1.9)
Administrative expenses	(6.6)	0.8	(5.7)	(6.0)	0.6	(5.3)
IPO transaction costs expensed	0.0		0.0	0.0		0.0
EBITDA	**7.6**	**0.8**	**8.4**	**9.8**	**0.6**	**10.4**
Depreciation and amortisation	(2.2)		(2.2)	(2.0)		(2.0)
EBIT	**5.3**	**0.8**	**6.2**	**7.7**	**0.6**	**8.4**
Net finance costs	(0.3)		(0.3)	(0.2)		(0.2)
Profit before tax	**5.0**	**0.8**	**5.8**	**7.6**	**0.6**	**8.2**
Income tax expense	(1.5)	(0.1)	(1.7)	(2.3)	(0.1)	(2.5)
Net profit after tax	**3.5**	**0.7**	**4.2**	**5.2**	**0.5**	**5.7**

(a) Pro forma financial results have been calculated to exclude employee equity incentive expenses. Equity incentive expenses have been excluded to more clearly represent the consolidated entities underlying earnings given this is a non-cash item whose primary economic impact is issued dilution if and when shares are issued.

The Baby Bunting Financial Report for the half-year which includes the Directors' Report (dated 16 February 2018) contains further details of the above adjustments under the section "Pro forma financial results".

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 stores in the prior financial year, provided the stores were open at the beginning of the prior financial year. Comparable store sales measured as at 1 January 2018 reflects like for like trading days against the prior corresponding period which ended on 1 January 2017
Cost of Doing Business (CODB)	• Includes store, administrative, marketing and warehousing expenses (excluding depreciation and amortisation)
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). Historically, exclusive supply arrangements have been arranged with suppliers in relation to selected products and for varying lengths of time
Private Label	• Products sold by Baby Bunting under its own brand (Baby Bunting currently markets its private label products under the 4Baby brand name)
Return on average funds employed	• Return on average funds employed (ROFE) is calculated as pro forma EBIT for the previous 12 months as a percentage of average (opening, mid and closing) funds employed. Total funds employed is net assets excluding net debt and net tax balances

Baby Bunting
the one stop baby shop