Baby Bunting®
the one stop baby shop

HALF YEAR ENDED 30 DECEMBER 2018

RESULTS PRESENTATION 15 FEBRUARY 2019

Matt Spencer
Chief Executive Officer
& Managing Director

Darin Hoekman
Chief Financial Officer

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 (15 February 2019). 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.

To the maximum extent permitted by law, Baby Bunting, its related bodies corporate and their respective officers, directors and employees, do not warrant the accuracy or reliability of this information, and do not accept any liability to any person, organisation or entity for any loss or damage suffered as a result of reliance on this document.

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. 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 2018 which includes the Directors' Report (dated 10 August 2018) 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 FY19 RESULTS SUMMARY

1 Trading [1]	• **Sales +17.2% to $177.7 million**, transaction **growth of 14.2%** • **Comparable store sales +9.5%** • **Gross profit income** up **22.9%,** gross margin up 160 bps to **34.6%** (1H FY18: 33.0%) • **Cost of doing business** (pro forma) **increased** by **120 bps** from 1H FY18, to **28.1%** of sales
2 Earnings[1,2]	• **EBITDA** (pro forma) of **$11.6 million**, up **25.0%** on the pcp. EBITDA margin at **6.5%** of sales • **NPAT** (pro forma) of **$6.0 million**, up **25.3%** on the pcp • **Interim dividend** of **3.3 cents** per share (fully franked) • **Earnings per share** 4.1 cents (LY: 3.2 cents)
3 Capital[3] Structure	• **$6.5 million of cash** at end of 1H FY19, plus **$17.0 million available** in borrowing facility • **Net cash flow** from operating activities of **$7.6 million**; capital expenditure of $7.5 million • **Return on average funds employed** (ROFE) **17.6%**
4 Growth	• **Online sales (including click & collect) up 61%** (vs pcp) now **11.5% of total sales** • **5 new stores opened**: Toowoomba (QLD), Hobart (TAS), Chatswood (NSW), Chadstone (VIC), Bankstown (NSW) and relocation of Cannington (WA) • **62% sales growth** in **private label and exclusive products** (vs pcp); now **25.3% of total sales**
5 Outlook	• **FY19 gross margin strengthening,** expected to be **~35%** • Opening **1 further new store in 2H FY19** • **FY19 EBITDA guidance (unchanged)** expected to be in the range of **$25.0 million to $27.0 million**

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. Refer to page 29 for a reconciliation of the non-IFRS financial information contained in this presentation to the IFRS-compliant information.
3. 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.

RECOVERY IN A CHANGING MARKET

Immediate actions taken to grow market share and profitability in FY19

1. **Capitalising on market share opportunities from competitor closures**
2. **Securing prime sites for our store network**
3. **Stabilising gross margin without compromising value**
   - Limit fallout from liquidation activity
   - Remodel promotional program to reflect new market dynamics
4. **Driving private label and exclusive product expansion program**
5. **Investing in people and systems to support growth**

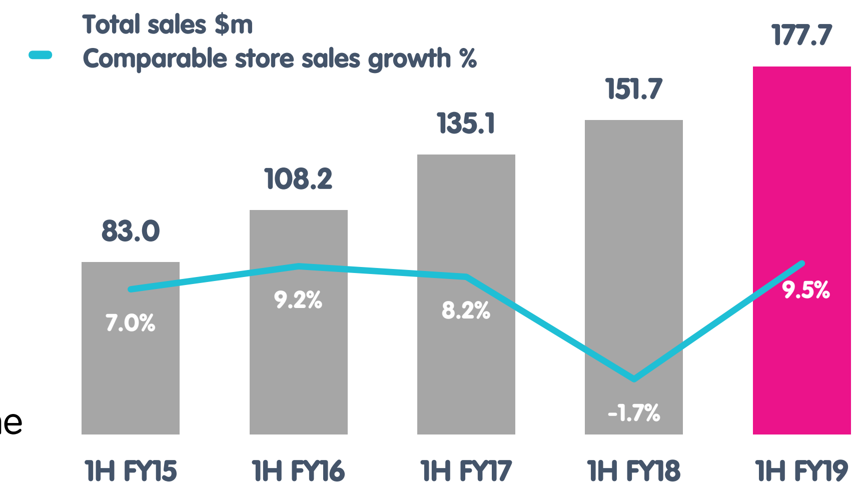
2. FINANCIAL AND TRADING PERFORMANCE

SALES - MARKET SHARE GROWTH CONTINUES

Significant market share growth has been achieved post competitor closures

1H FY19 total sales growth of 17.2% driven by

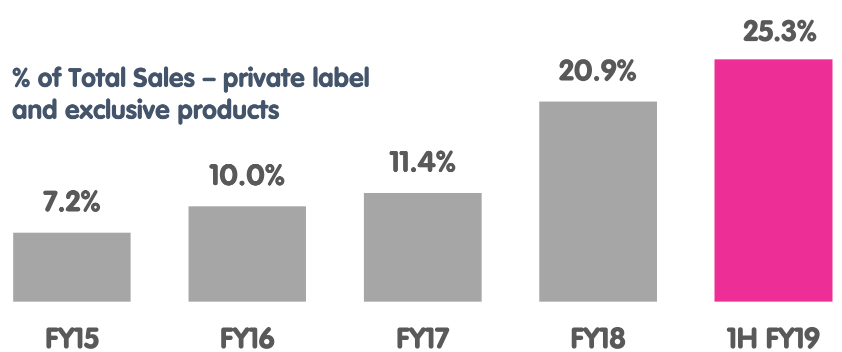
- Strong comparable store sales **+9.5%**
- New and annualising stores
- Online sales (including click & collect) **growth of 61%,** now **11.5%** of total sales
- Click and collect sales grew 97%, now **47%** of all online sales in catchments where BBN has a store



Sales of private label and exclusive products

62% growth in private label and exclusive products now 25.3% of total sales in 1H FY19. **Long term target 50%**

- **Strategic differentiation** from competitors
- Stability and **gross margin improvement**

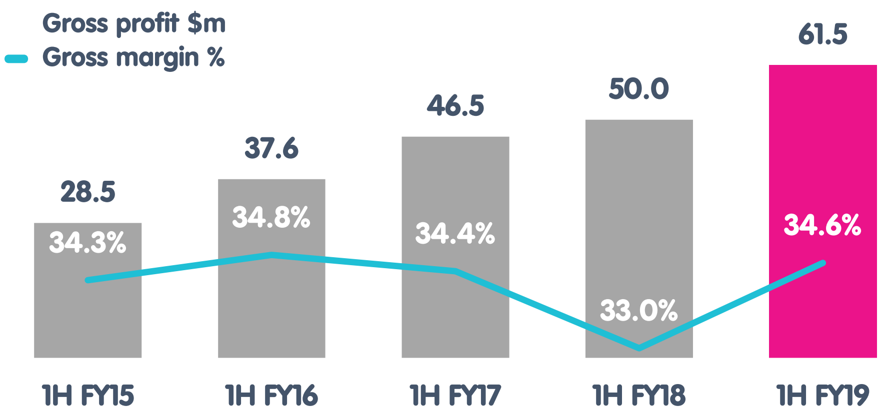


FURTHER GROSS MARGIN IMPROVEMENT EXPECTED

Significant improvement in gross margin achieved in 1H FY19

Gross margin of 34.6% is **160 bps above pcp**

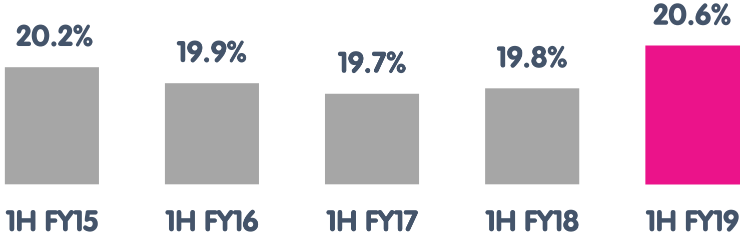
- **Range improvements** achieved working with suppliers to deliver great products at sustainable margins
- **Increased direct importation** of product at lower cost
- Unsustainable discounting has mostly normalised post competitor closures
- Further improvement in trading terms achieved in key categories
- Growth in private label and exclusive products
- **Gross margin expected to be ~35% for FY19**



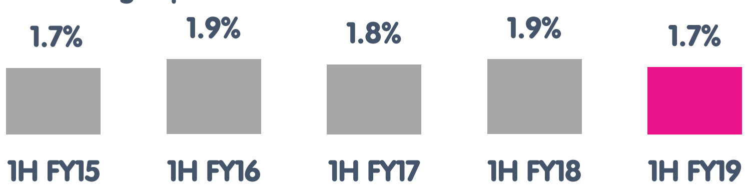
CODB INVESTMENT TO DELIVER FURTHER GROWTH

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

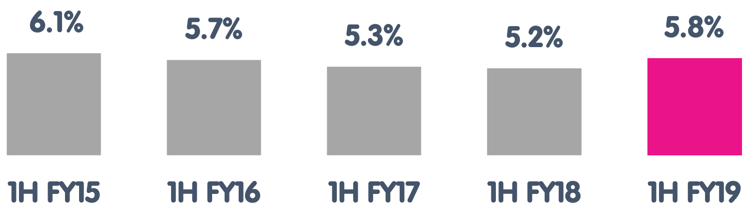
Store expenses



Marketing expenses



Pro forma overhead expenses



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

CODB (pro forma) in 1H FY19 was 28.1% of sales

- **Store expenses** increased by $6.7 million (vs pcp)
  - $4.2 million relates to new and annualising stores
  - Timing impact of opening 3 stores in December (2 new, 1 relocation) meant significant pre-opening costs were incurred close to the end of the half (negative YoY impact ~30 bps)
  - Growth in Afterpay / Zip Pay transactions has increased merchant charges by 30 bps
  - Award wage increase of 3.5%
- **Marketing expenses of 1.7%** leverage achieved via improving returns on both digital marketing spend and traditional mediums (radio/catalogues)
- **Pro forma overheads of 5.8%** increased by $2.4 million (vs pcp)
  - Investment in new Support Office roles to support growth strategy
  - Annualising of roles from the prior year

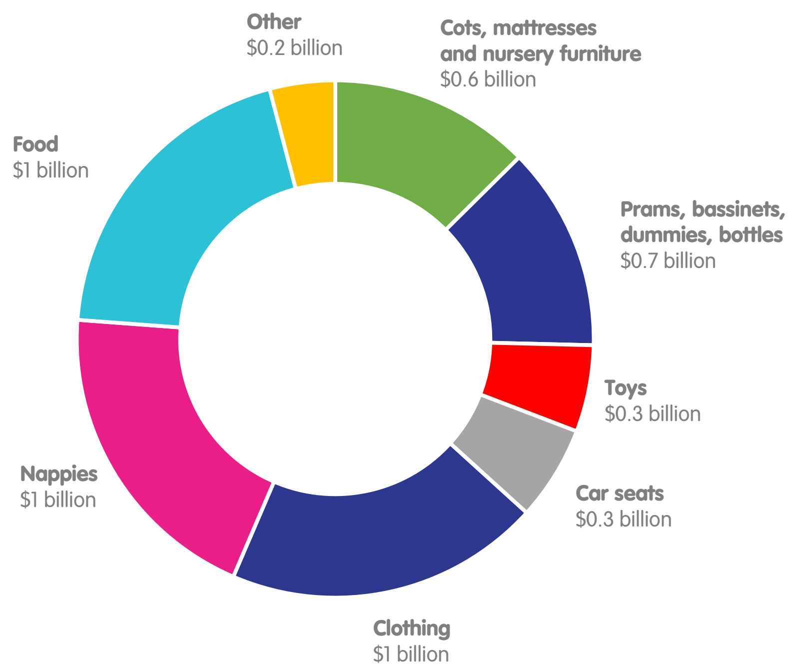
Baby Bunting
the one stop baby shop

3. BABY GOODS MARKET

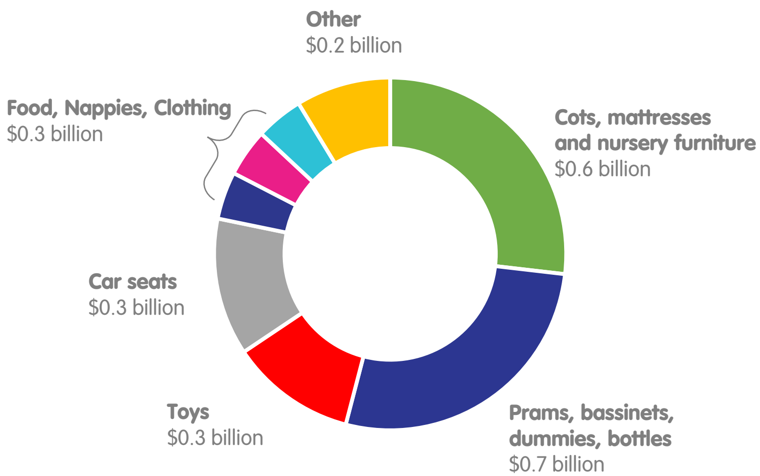
LARGE MARKET OPPORTUNITY

Baby Bunting's addressable market is a subset of the larger baby goods market

The baby goods market is a $5.1bn market in Australia[1]



Baby Bunting $2.4bn estimated addressable market breakdown by category



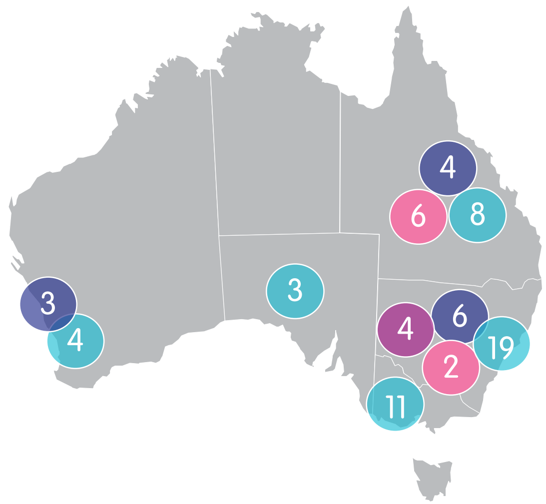
To arrive at Baby Bunting's addressable market we discount the food, apparel and nappies categories which are a smaller component of our broad product offering

Notes:
1. IBIS World estimates

Baby Bunting the one stop baby shop

COMPETITIVE LANDSCAPE HAS CHANGED

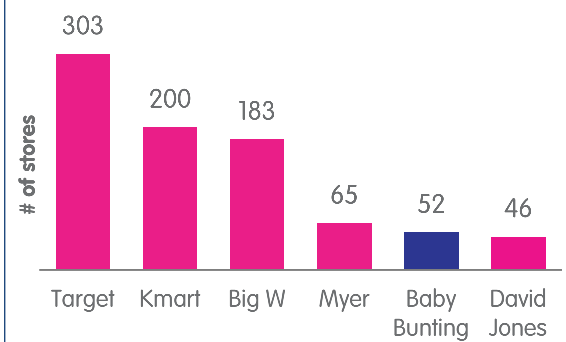
Specialty baby goods retailer store closures



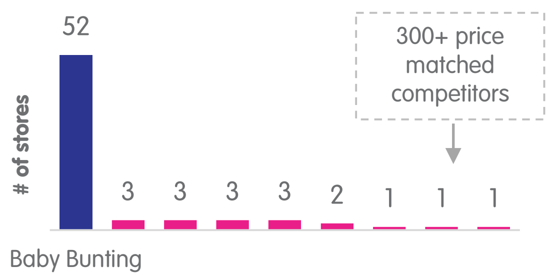
Key	Competitor	Closure dates	Stores	Estimated Sales
●	Bubs	~Sep-17	8	**$17m**
●	Baby Bounce (WA)	~Nov-17	3	**~$5m**
●	Baby Bounce (NSW/Qld)	~Jun-18	10	**~$20m**
●	Baby Savings	~Jun-18	4	**~$6m**
●	Toys R Us/Babies R Us BBN store catchments $60m Other catchments $30m	~Aug-18	45	**~$90m**
	Sales of closed specialty retailers			**~$138m**

Bricks & mortar competitors in Australia

Discount department stores and department stores (all have online presence)



Specialty baby goods retailers
(Mainly single site operators)



Pure play online retailers & market places

amazon

~76% (or 189 products) of Baby Bunting's **top 250** selling SKUs are **not available on Amazon**

catch.com.au

~74% (or 184 products) of Baby Bunting's **top 250** selling SKUs are **not available on Catch**

ebay Baby Bunting

Largest marketplace in Australia
(Baby Bunting has a branded store presence on ebay)

kogan.com

Baby Bunting the one stop baby shop

4. INVEST TO GROW

GROWTH STRATEGY – GROW MARKET SHARE

1 Invest in digital to deliver the best possible customer experience across channels

- Engage and retain the customer through the customer journey and lifecycle
- Aiming for same day online fulfillment (major metro markets) leveraging store network
- Customer insights and loyalty program
- Endless aisle opportunity

2 Investment to grow sales from existing stores

- Delivering a leading service offering supported by knowledgeable advice and guidance
- Operational evolution – reinvest in customer service
- Leveraging the store network to grow services offer and ancillary businesses

3 Growth from new markets

- Rollout of new stores: 80+ network
  - Continue with major market format
  - Continue with regional format
  - Evolve shopping centre format and offer

4 EBITDA margin improvement

- Gross margin expansion by increases in scale, supply chain improvements, improved sourcing, development of private label and exclusive products
- CODB leverage through scale
- Procurement opportunities

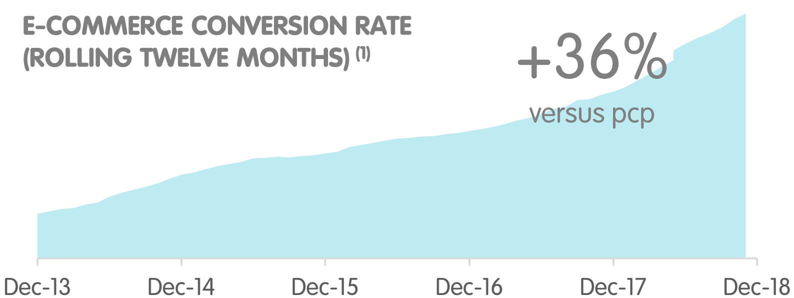
Baby Bunting the one stop baby shop

INVESTMENT IN DIGITAL DELIVERING GROWTH

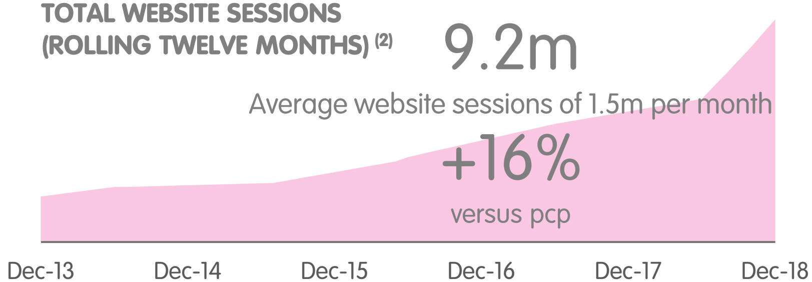
- **Website replatform** in final stages of testing, expected to go live by March
- **New gift registry** sales growth of **+68% ($3.4m in FY18)**
- **CRM and Marketing Automation** has driven **80% growth** in email revenue
- **Click and collect** growth of **+97%**, this represents **47% of all online** sales in BBN store catchments
- afterpay zip|pay **Buy now, pay later (BNPL)**: launched 2H FY18, running at ~4% of total sales
- **Investment in digital marketing resources**

Online sales **+61% vpcp** now **11.5%** of **total sales**

E-COMMERCE CONVERSION RATE (ROLLING TWELVE MONTHS) [(1)]



TOTAL WEBSITE SESSIONS (ROLLING TWELVE MONTHS) [(2)]



Note:
1. Measures percentage of sessions that resulted in an e-commerce transaction
2. Measures total non-unique website sessions across all devices

Baby Bunting the one stop baby shop

INVESTMENT TO GROW SALES FROM EXISTING STORES

Focused strategies to continue comparable store sales growth include:

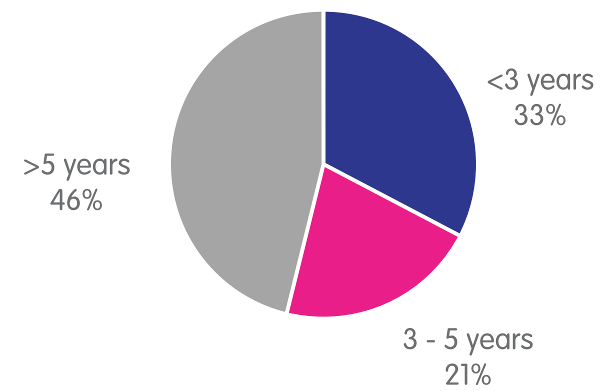
- **Investment in the customer experience**
    - Team leadership and customer service training
    - In-store technology investment to improve service
    - **NPS score of ~75**, up from ~68 from the pcp
    - Work underway to develop a **new loyalty program**

- **Investment in digital marketing**
    - **Channel spend optimisation** driving improved return on investment **+57%** (v pcp)
    - Leveraging CRM data to target customer audiences effectively
    - Utilising CRM data to target 'like' audiences through social media channels

- **Investment in ancillary store services**
    - Undertaking strategic view of the potential for additional ancillary store services leveraging store network and capability

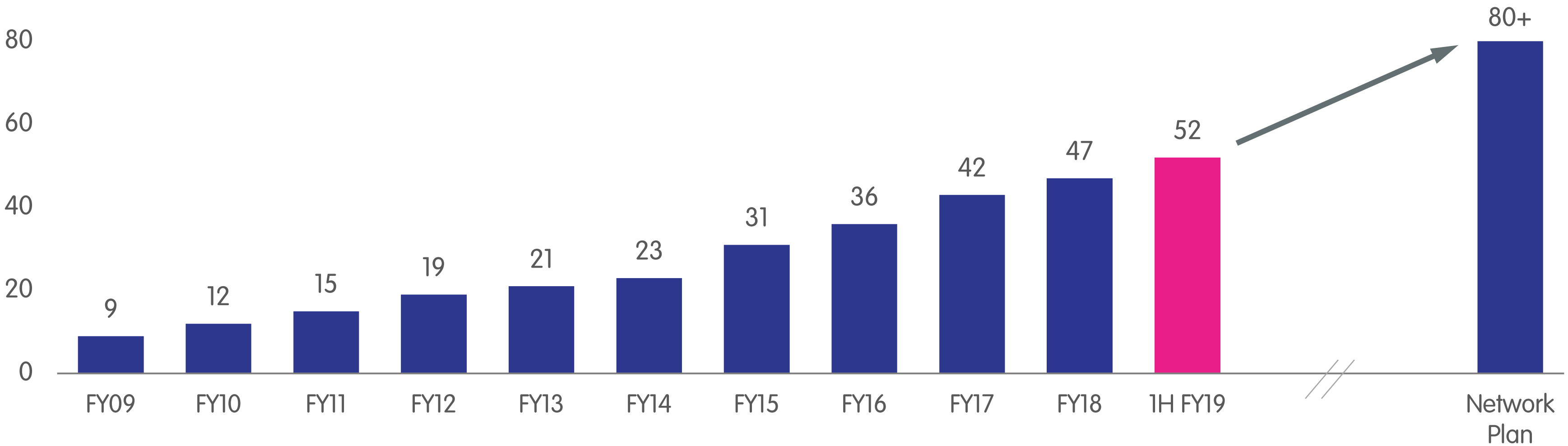
- **Store to door online** fulfilment hubs in each state and leveraging the store network as distribution points

Store maturity profile at 30 December 2018 (years opened)
(Stores on average take 4 years to reach sales maturity)



GROWTH FROM NEW MARKETS

5 new stores opened and 1 relocation in 1H FY19



- Toowoomba (July), Chatswood (Sep), Hobart (Oct), Chadstone (Dec), Bankstown (Dec) and relocation of Cannington (Dec)
- **Pipeline** – 1 further new store committed for FY19 (Shellharbour, NSW)
- **Network plan** of 80 plus trade catchments identified based on demographic, location and competition parameters, ~50% of remaining sites are in regional locations (population < 300,000)
- **Major markets 1,500 to 2,000 square metres** in bulky goods centres or at stand-alone sites. **Regional store** format of **1,000 to 1,200 square metres** without compromising on range or service
- Opened first shopping centre format in **Chadstone, Victoria** in December 2018 (retaining all elements of our existing service offer including ~1,500 square metre footprint, designated car seat fitting and parcel pick up)
- Four regional stores now (trading in line with or ahead of expectations)

Baby Bunting the one stop baby shop

NEW SHOPPING CENTRE FORMAT

Chadstone Shopping Centre

- Australia's premier retail destination
- 23m annual footfall
- ~$2bn retail sales

Clear demand for baby goods retailer in shopping centre format

- Already our highest transaction volume store
- High footfall driving a varied product mix
- Promoting strong brand awareness
- Shopping centre fitout requires a larger investment than destination stores
- Insights being collected on this type of format

Baby Bunting
the one stop baby shop

EBITDA MARGIN IMPROVEMENT

Program of business initiatives and managed investment in costs over time as the business builds scale to deliver the long term goal of 10% EBITDA margin

- **Supply chain evolution to improve gross margin, lower our cost to serve, improve the customer experience through speed to market and increased on-shelf stock availability**
  - State based online fulfilment hubs will improve the customer experience and reduce logistics costs
    - 3 sites planned to be operational in 2H FY19 (Hobart (TAS), Cannington (WA), Melbourne (VIC))
  - Transition of linehaul transport services to new vendor completed 1H delivering immediate improvements
  - Direct imports now flowing into our existing interstate 3PL network
  - Planning for a Northern state DC to reduce linehaul transport costs from Dandenong South DC
  - Working with supplier partners to identify lower cost product routing
- **Leveraging scale to deliver improved ranging, service offers and profitability**
  - Further evolution of private label program to introduce additional lines and new private label brand
  - Further expansion of the range of products and brands exclusive to Baby Bunting
  - Introduction of new international brands
  - Expanded service offers to further leverage store assets
- **Managed investment in cost ahead of the growth curve, including investment in:**
  - Capability and leadership to support growth
  - Compliance process to support the customer experience, product quality and team execution
  - New systems and technology
  - Digital capability and marketing

5. FINANCIAL INFORMATION

CHANGE TO REVENUE ACCOUNTING (AASB 15)

AASB 15 "Revenue from contracts with customers" came into effect on 1 July 2018, superseding all previously existing revenue recognition criteria. The most significant impact(1) to Baby Bunting has been on accounting for layby sales. **Layby sales are a key feature of the baby category, and continue to be ~20% of our sales.** AASB 15 has changed the timing of when Baby Bunting recognises layby sales, and when inventory ownership transfers from retailer to customer.

Income statement

- **Previously, Baby Bunting** recognised 100% of the value of a layby sale upon receipt of a 25% deposit from the customer. **Now,** layby sales are only recognised when a customer has paid in full (on average, this occurs 3 months after the initial deposit) and the goods have been collected. This delays the point of revenue recognition by 3 months
- **Impact: 1H sales /GP increase, 2H sales/$GP decrease. Full year impact on sales and $GP is negligible.** 1H sales increase (on a net basis) due to AASB 15. Our sales fluctuate with promotional activity. June is our peak layby sales month. These sales, previously recorded in 2H, now are recognised in 1H (to align with the timing of customer collecting the goods). Similarly Dec-18 layby sales (which are lower than June driven by fewer promotional days) are recognised in 2H. Ultimately, the impact of AASB 15 is a short term impact and will be negligible on a full year basis.

Balance sheet

- **Inventory** increases to reflect that ownership of the layby inventory is retained by Baby Bunting until collection of the goods
- **Layby receivables** are no longer recorded. Layby sales are only recognised once the layby sale has been paid in full and collected by the customer
- Customer deposits and layby instalment payments are now recognised as **unearned income (in other payables),** previously these payments reduced receivables. The unearned income balance transfers to revenue when goods are fully paid and collected by the customer

AASB 15 – Layby accounting (net P&L impact)

	1H FY19	1H FY18
$ million		
Sales	**+2.2**	**+2.7**
Cost of sales	+1.5	+1.8
Gross Profit	**+0.7**	**+0.9**
Tax expense	+0.2	+0.3
NPAT	**+0.5**	**+0.6**

*Showing impacts to income statement after applying AASB15

AASB 15 – Layby accounting (Balance Sheet impacts)

	1H FY19	FY 2018
$ million		
Inventories	6.9	8.4
Layby Receivable	(6.0)	(7.3)
DTA	0.7	0.9
Total Assets	**1.6**	**2.0**
Other payables	4.7	5.6
PIT	0.1	0.0
Net Asset Impact	**(3.2)**	**(3.6)**

*Showing impacts to balance sheet after applying AASB15

(1) There is a full discussion on impacts of the change in revenue accounting in Note 2 of the Condensed Consolidated Financial Statements for the half-year ended 30 December 2018

Baby Bunting the one stop baby shop

SUMMARY PRO FORMA INCOME STATEMENT

Pro forma statement of profit or loss

$ million	Pro Forma 1H FY2019	Pro Forma 1H FY2018	Change
Sales	**177.7**	**151.7**	*+17.2%*
Cost of sales	(116.2)	(101.6)	
Gross Profit	**61.5**	**50.0**	*+22.9%*
Gross Profit Margin	*34.6%*	*33.0%*	
Cost of doing business	(49.9)	(40.8)	
Cost of doing business %	*28.1%*	*26.9%*	+1.2%
EBITDA	**11.6**	**9.3**	*+25.0%*
EBITDA margin	*6.5%*	*6.1%*	
Depreciation and amortisation	(2.6)	(2.2)	
EBIT	**9.0**	**7.0**	*+27.7%*
EBIT margin	*5.0%*	*4.6%*	
Net finance costs	(0.4)	(0.3)	
Profit before tax	**8.6**	**6.7**	*+28.4%*
Tax	(2.6)	(1.9)	
Net profit after tax	**6.0**	**4.8**	*+25.3%*
Net profit after tax margin	*3.4%*	*3.1%*	

Summary

- **Total sales of $177.7 million, up 17.2%**
  - Comparable store sales growth +9.5%
- **Gross margin of 34.6%** 160 bps above pcp, the result of:
  - Improved trading terms and range revisions
  - Increased exclusive products and direct imports
- Pro forma **Cost of Doing Business $49.9 million**
  - **120** bps above pcp
  - **New store costs** of $4.2 million (including the annualising costs of 5 new stores opened in FY2018)
  - Timing impacts of new store openings in 1H
  - Investment in new **Support Office roles** ahead of the curve to support future growth strategies
- Pro forma **EBITDA of $11.6 million,** above pcp 25.0%

BALANCE SHEET

Statement of financial position

	Statutory 30-Dec-18	Statutory 24-Jun-18
$ million		
Cash and cash equivalents	6.5	7.2
Inventories	66.9	63.0
Plant and equipment	25.0	21.0
Goodwill & Intangibles	47.6	46.7
Other Assets	11.6	10.0
Total Assets	157.6	148.0
Payables	41.6	38.1
Borrowings	13.0	10.8
Provisions	8.0	7.2
Income tax Payable	1.1	0.9
Total Liabilities	63.8	57.0
Net Assets	93.9	91.0
Net Cash / (Debt)	(6.6)	(3.5)

Capital structure

- **$6.6 million net debt position**
- **Inventory** increase reflects 5 new stores added
- Payables increase in line with inventory
- PPE increase reflects 5 new stores added, investment in new online store and other capital projects
- Undrawn **borrowing facility** of $17.0 million

Dividends

- FY18 final dividend of 2.5 cents per share was paid in September
- **1H FY19 interim dividend of 3.3 cents per share** to be paid in March (Board's policy is to target an ongoing payout ratio of **70% - 100% of pro forma NPAT**)

Baby Bunting
the one stop baby shop

CASH FLOW

Statement of cash flows

$ million	Statutory 1H FY19	Statutory 1H FY18
Underlying Statutory EBITDA[1]	**11.6**	**9.3**
Movement in working capital	(1.0)	(2.0)
Tax Paid	(2.5)	(2.3)
Net finance costs paid	(0.4)	(0.4)
Net cash flow from operating activities	**7.6**	**4.6**
New store capex	(5.2)	(1.0)
Capex (excluding new stores)	(2.3)	(1.4)
Operating cashflow	**0.1**	**2.2**
Dividends paid	(3.1)	(5.4)
Borrowings (net)	2.3	1.2
Net cash flow	**(0.7)**	**(1.9)**

1. Excludes employee equity incentive expenses. Refer to page 29 for reconciliation.

Financial highlights

- **Change in working capital reflects 5** new store openings
- **Tax paid** includes finalisation of FY18 tax return ($0.9m) and FY19 provisional tax ($1.6m)
- **Capital expenditure** included investments in:
  - **New store capex** for 5 new stores (including $1.6m investment in shopping centre format for new store at Chadstone), and Cannington relocation (which will support same day fulfilment to Perth)
  - $0.7m investment in website replatform
  - $0.8m investment in in-store technology
  - $0.7m miscellaneous IT, store works

Baby Bunting
the one stop baby shop

6. OUTLOOK

OUTLOOK

Trading year to date as at 14 February 2019

- **Total sales growth was 17.9%** and **comparable store sales growth was 8.7%**
    - 2H FY19 comparable store sales growth was 5.9%, noting: we cycled comparable store sales of 4.5% in the prior corresponding period (highest level for FY18 and which were flat for the remainder); we decided to make changes to our promotional program; and we experienced some delays in moving inventory into stores due to factors within our control and which have now resolved
- **Gross margin % has strengthened further**

FY19 outlook

- **EBITDA expected to be in the range of $25.0 million to $27.0 million, representing growth of between ~34% to ~45%. This excludes employee equity incentive expenses**
- Guidance assumes:
    - Comparable store sales growth to be **mid to high single digits** for the year, 1H FY19 +9.5%
    - Full year **gross margin of ~35%** in FY2019 (1H FY19: 34.6%)
    - Guidance assumes the opening of 6 new stores in FY2019 (Shellharbour committed, expected to open Q4)

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 2018 Directors' Report (dated 10 August 2018) which describes some of the key risks and uncertainties that may have an effect on the Company's ability to execute its business strategies.

7. APPENDICES

STATUTORY - PRO FORMA INCOME STATEMENT RECONCILIATION

	1H FY2019			1H FY2018		
	Statutory 1H FY19	Add Pro Forma adjustments [(a)]	Pro Forma 1H FY19	Statutory 1H FY18	Add Pro Forma adjustments [(a)]	Pro Forma 1H FY18
$ million						
Sales	**177.7**		**177.7**	**151.7**		**151.7**
Cost of sales	(116.2)		(116.2)	(101.6)		(101.6)
Gross Profit	**61.5**		**61.5**	**50.0**		**50.0**
Store expenses	(36.6)		(36.6)	(30.0)		(30.0)
Marketing expenses	(3.1)		(3.1)	(2.9)		(2.9)
Warehouse expenses	(2.3)		(2.3)	(2.06)		(2.1)
Administrative expenses	(8.8)	0.9	(7.9)	(6.7)	0.8	(5.8)
EBITDA	**10.7**	**0.9**	**11.6**	**8.4**	**0.8**	**9.3**
Depreciation and amortisation	(2.6)		(2.6)	(2.2)		(2.2)
EBIT	**8.1**	**0.9**	**9.0**	**6.2**	**0.8**	**7.0**
Net finance costs	(0.4)		(0.4)	(0.3)		(0.3)
Profit before tax	**7.7**	**0.9**	**8.6**	**5.9**	**0.8**	**6.7**
Income tax expense	(2.51)	(0.1)	(2.6)	(1.8)	(0.1)	(1.9)
Net profit after tax	**5.2**	**0.8**	**6.0**	**4.1**	**0.7**	**4.8**

a) Pro forma financial results have been calculated to exclude employee equity incentive expenses.
The Baby Bunting Financial Report for the half-year which includes the Directors' Report (dated 15 February 2019) 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
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)

Baby Bunting
the one stop baby shop