

20 August 2025

Teju Vanam
Adviser, Listings Compliance
ASX
Level 50, South Tower, Rialto
525 Collins Street
Melbourne VIC 3000

Dear Ms Vanam

Response to ASX Aware Letter – Reference: ODIN111755

Baby Bunting Group Limited (ASX:BBN) notes the questions contained in the letter from ASX dated 18 August 2025 (ASX Letter) and responds as follows.

1. Does BBN consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

1.1 "Pro forma NPAT of \$12.1m, up 228% vs pcg, at upper end of guidance range."

No.

1.2 "Record total sales of \$521.9m, up 4.7% vs pcg. Comparable store sales growth of 4.2% vs pcg."

No.

1.3 "Gross margin of 40.2% up 340 bps vs pcg, exceeding FY25 40% target."

No.

1.4 "Trading Update and Outlook: The first 6 weeks of trade to 10 August has seen +4.8% total sales growth and +4.0% comparable sales growth, with AU comparable sales growth of +3.7% and NZ comparable sales growth of +13.9%."

No.

2 If the answer to any part of question 1 is "no", please advise the basis for that view.

2.1 "Pro forma NPAT of \$12.1m, up 228% vs pcg, at upper end of guidance range."

The pro forma NPAT result of \$12.1 million was within the range of \$10.0 million to \$12.5 million that BBN had previously disclosed to the market.

As BBN had published earnings guidance throughout FY25, that guidance formed the basis of BBN's assessment of what the market was expecting for its FY25 financial performance.

BBN first provided guidance in relation to its FY25 pro forma NPAT on 20 August 2024 in a release to ASX "FY24 Full Year Results". BBN stated that it "expects FY25 Pro Forma NPAT to be in the range of \$9.5 million to 12.5 million...". That guidance was reiterated on 18 February 2025.

On 1 May 2025, BBN released an updated guidance statement in the ASX announcement "*Store of the Future*" now open'. In that announcement, BBN stated that it had increased the lower end of its FY25 pro forma NPAT guidance and now expects it to be in the range of \$10m to \$12.5m (previously \$9.5m to \$12.5m).

BBN's FY25 pro forma NPAT was finally determined to be \$12.1 million, within the guidance range it had most recently provided to the market on 1 May 2025 and consistent with what it anticipated the market to be expecting.

2.2 "Record total sales of \$521.9m, up 4.7% vs pcg. Comparable store sales growth of 4.2% vs pcg."

NPAT performance is the key metric for determining BBN's financial performance. Sales performance is one input into BBN's financial performance.

BBN is covered by sell-side analysts. Consensus for BBN's FY25 sales was \$520.3 million. Individual sell-side analysts' FY25 sales forecasts (published in the period before BBN's FY25 results were released) ranged from \$514.1 million to \$530.9 million.

BBN's actual FY25 sales of \$521.9 million were 0.3% higher than consensus of \$520.3 million. Accordingly, when considered in light of consensus and analysts' sales forecasts, the FY25 sales result is not considered to be material (in the context of question 1).

2.3 "Gross margin of 40.2% up 340 bps vs pcg, exceeding FY25 40% target."

Gross margin finished the year at 40.2%. This was in line with (and not materially different from):

- (a) the guidance provided of 40%; and
- (b) the actual gross margin (year-to-date as at 27 April 2025) announced to the market on 1 May 2025.

Sell-side analysts' gross margin forecasts for FY25 ranged from 39.6% to 40.5% and consensus was 39.9%.

2.4 "Trading Update and Outlook: The first 6 weeks of trade to 10 August has seen +4.8% total sales growth and +4.0% comparable sales growth, with AU comparable sales growth of +3.7% and NZ comparable sales growth of +13.9%."

It is BBN's practice to provide an update on the first six weeks of sales performance when providing its results for the prior year. BBN usually calculates the year-to-date trading from the first week of the financial year to the end of the trading week immediately before the release of the results. As the FY25 results were released on Friday, 15 August, the year-to-date sales result was determined for the first six weeks of FY26 ended Sunday, 10 August.

While the sales trend is positive, it is noted that six weeks is a very short time in the context of a 52-week year. As part of its FY25 Results Announcement, BBN stated that comparable store sales growth for FY26 is assumed to be 4%-6%.

As noted above, sales are one input into BBN's financial performance. Gross margin, costs of doing business and other elements all play a significant part in determining BBN's profitability for a period. Sales performance for the first six weeks of a financial year is not considered, of itself, to be material.

3 When did BBN first become aware of the information referred to in question 1 above?

3.1 "Pro forma NPAT of \$12.1m, up 228% vs pcg, at upper end of guidance range."

A Board meeting was held on 14 August 2025, where BBN's draft financial statements were considered by the Board (along with other draft documents proposed to be released to ASX along with BBN's FY25 results). Having considered the documents and to allow management time to make further requested amendments to the documents, the Board resolved to delegate final approval to release those documents to a Committee of the Board. That Committee met at 7.30am on 15 August 2025. Authority from the auditor to release its final independent audit report was received shortly thereafter, and the FY25 financial statements and related information were released to ASX at approximately 8am.

3.2 "Record total sales of \$521.9m, up 4.7% vs pcg. Comparable store sales growth of 4.2% vs pcg."

See the response to 3.1.

3.3 "Gross margin of 40.2% up 340 bps vs pcg, exceeding FY25 40% target."

See the response to 3.1.

3.4 "Trading Update and Outlook: The first 6 weeks of trade to 10 August has seen +4.8% total sales growth and +4.0% comparable sales growth, with AU comparable sales growth of +3.7% and NZ comparable sales growth of +13.9%."

Information about weekly sales is available to BBN at or shortly after the conclusion of the relevant weekly trading period.

4 If BBN first became aware of the information referred to in question 1 before the date of the Results Announcement, did BBN make any announcement subsequent to the Store of the Future and Trading Update? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe BBN was obliged to release the information under Listing Rule 3.1 and 3.1A and what steps BBN took to ensure that the information was released promptly and without delay.

4.1 "Pro forma NPAT of \$12.1m, up 228% vs pcg, at upper end of guidance range."

See response to 3.1.

The pro forma NPAT result of \$12.1 million was within the range of \$10.0 million to \$12.5 million that BBN had previously disclosed to the market. On that basis, the information did not constitute an earning surprise and was not required to be disclosed under Listing Rule 3.1. Disclosure was required once the FY25 statutory report had been finalised.

Board approval for the finalisation of the FY25 statutory report (and the release of the independent auditor's report) was provided around 7.30am on Friday, 15 August 2025. Until Board approval had been obtained (and the directors' report and the financial statements had been authorised to be signed on behalf of the Board), the FY25 results remained incomplete and information that a reasonable person would not expect to be disclosed. In addition, BBN considers that the information remained confidential until it was released to ASX at approximately 8.00am on Friday, 15 August 2025.

In those circumstances, if there was an obligation to disclose the information under Listing Rule 3.1 the relevant carve-outs from disclosure in Listing Rule 3.1A were satisfied until the time of Board approval. Once Board approval had been obtained, the information was promptly lodged with ASX for release to the market.

4.2 "Record total sales of \$521.9m, up 4.7% vs pcg. Comparable store sales growth of 4.2% vs pcg."

See the response to 3.1 and 4.1.

4.3 "Gross margin of 40.2% up 340 bps vs pcg, exceeding FY25 40% target."

See the response to 3.1 and 4.1.

4.4 "Trading Update and Outlook: The first 6 weeks of trade to 10 August has seen +4.8% total sales growth and +4.0% comparable sales growth, with AU comparable sales growth of +3.7% and NZ comparable sales growth of +13.9%."

BBN became aware of the first 6 weeks sales information on or around the morning of Monday, 11 August 2025.

BBN does not consider information about the first 6 weeks of trade to be material information requiring disclosure for the purpose of Listing Rule 3.1. See response to 2.4.

5 Please provide details of any other explanation BBN may have both for the trading in its securities following the release of the Results Announcement and on the day prior to the release of the Results Announcement (noting the 9.1% increase in the price of BBN's securities on 14 August 2025).

BBN is not aware of any explanation for the trading in its securities on the day prior to the release of the Results Announcement (ie 14 August 2025).

BBN considers that there may have been a variety of factors which may have influenced trading in its securities following the Results Announcement on 15 August 2025. BBN noted in its Results Announcement its guidance as to FY26 pro forma NPAT. It stated that pro forma NPAT is expected to be in the range of \$17.0 million to \$20.0 million assuming various elements. It also provided guidance as to its plans for FY26. Prior to the announcement, consensus FY26 guidance was \$16.5 million. The mid-point of BBN's FY26 guidance (released on 15 August) was 12% above consensus. Board consideration and approval of the FY26 guidance statement was only obtained around 7.30am on Friday, 15 August 2025 after which time the FY26 guidance statement was promptly disclosed to ASX.

6 Please confirm that BBN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

BBN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

7 Please confirm that BBN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BBN with delegated authority from the board to responds to ASX on disclosure matters.

BBN's responses to the questions above have been authorised and approved by BBN's Board.

Yours sincerely



Corey Lewis
Chief Legal Officer & Company Secretary



18 August 2025

Reference: ODIN111755

Mr Corey Lewis
Chief Legal Officer & Company Secretary
Baby Bunting Group Limited
153 National Drive
Dandenong South VIC 3175

By email

Dear Mr Lewis

Baby Bunting Group Limited ('BBN'): ASX Aware Letter

ASX refers to the following:

- A. BBN's announcement titled "FY25 Results Announcement and trading update" (the 'Results Announcement') released on the ASX Market Announcements Platform at 8:21 AM on 15 August 2025 disclosing the following:
 - 1.1 "Pro forma NPAT of \$12.1m, up 228% vs pcpc, at upper end of guidance range."
 - 1.2 "Record total sales of \$521.9m, up 4.7% vs pcpc. Comparable store sales growth of 4.2% vs pcpc."
 - 1.3 "Gross margin of 40.2% up 340 bps vs pcpc, exceeding FY25 40% target."
 - 1.4 "Trading Update and Outlook: The first 6 weeks of trade to 10 August has seen +4.8% total sales growth and +4.0% comparable sales growth, with AU comparable sales growth of +3.7% and NZ comparable sales growth of +13.9%."
- B. BBN's announcement titled "Store of the Future and Trading Update" released on the ASX Market Announcements Platform at 8:56am on 1 May 2025 disclosing the following:
 - (i) "Baby Bunting has increased the lower end of its FY25 pro forma NPAT guidance and now expects it to be in the range of \$10m to \$12.5m (previously \$9.5m to \$12.5m)."
 - (ii) "Gross margin of 40%."
 - (iii) "As at 27 April 2025, Baby Bunting reports [that] 2H FY25 comparable store sales were up 3.7%."
- C. The change in the price of BBN's securities from:
 - (i) \$1.695 at the close of trading on 13 August 2025 to a high of \$1.85 and a closing price of \$1.85 on 14 August 2025; and following the release of the Results Announcement,
 - (ii) from a closing price of \$1.85 on 14 August 2025 to a high of \$2.60 and a closing price of \$2.60 on 15 August 2025.
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."

- F. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled “When does an entity become aware of information?”
- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- H. The concept of “confidentiality” detailed in section 5.8 of *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks BBN to respond separately to each of the following questions:

1. Does BBN consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
 - 1.1 “Pro forma NPAT of \$12.1m, up 228% vs pcp, at upper end of guidance range.”
 - 1.2 “Record total sales of \$521.9m, up 4.7% vs pcp. Comparable store sales growth of 4.2% vs pcp.”
 - 1.3 “Gross margin of 40.2% up 340 bps vs pcp, exceeding FY25 40% target.”
 - 1.4 “Trading Update and Outlook: The first 6 weeks of trade to 10 August has seen +4.8% total sales growth and +4.0% comparable sales growth, with AU comparable sales growth of +3.7% and NZ comparable sales growth of +13.9%.”

Please answer separately for each of the above.

2. If the answer to any part of question 1 is “no”, please advise the basis for that view.

Please answer separately for each of the items in question 1 above.

3. When did BBN first become aware of the information referred to in question 1 above?

Please answer separately for each of the items in question 1 above.

4. If BBN first became aware of the information referred to in question 1 before the date of the Results Announcement, did BBN make any announcement subsequent to the Store of the Future and Trading Update? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe BBN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps BBN took to ensure that the information was released promptly and without delay.

Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

5. Please provide details of any other explanation BBN may have both for the trading in its securities following the release of the Results Announcement and on the day prior to the release of the Results Announcement (noting the 9.1% increase in the price of BBN's securities on 14 August 2025).
6. Please confirm that BBN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that BBN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BBN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12 PM AEST Thursday, 21 August 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, BBN's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require BBN to request a trading halt immediately if trading in BBN's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceMelbourne@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in BBN's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to BBN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that BBN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance