



BabyBunting

Delivering on strategy, accelerating growth

2025 Annual General Meeting

Stephen Roche Chair, Non-Executive Director

Mark Teperson Chief Executive Officer

14 October 2025

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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.

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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.

Agenda

- 1 Chair Address
- 2 CEO Address
- 3 FY26 Trading Update and Outlook
- 4 Formal Business



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**

FY25 Results Summary

Record sales & gross margin delivering Pro Forma¹ NPAT growth of 228%

Total Sales
\$521.9m

up 4.7% vs pcp
comp growth up 4.2% vs pcp

Store of the Future
Sales growth² **28%** vs pcp

Maribyrnong & Preston (Vic), Gepps Cross (SA) exceeding expectations

Gross Margin
40.2%

up 340 bps vs pcp
2H margin: 40.5%

Pro Forma¹ NPAT
\$12.1m

up 228% vs pcp
FY25 Guidance \$10m – \$12.5m

EBITDA³
\$28.2m

5.4% of sales
up 220 bps vs pcp
Long term target +10%

ROFE⁴
12.1%

up 630 bps vs pcp
Net Debt \$4.6m

1. Pro Forma NPAT excludes certain items as detailed in the Appendices to this presentation and in the Annual Report dated 15 August 2025.
2. Calculated as the average sales growth % since re-opening of each of the 3 refurbished stores completed in FY25 to 10 August 2025. Maribyrnong re-opened on 19 April, Preston re-opened on 14 June and Gepps Cross re-opened on 21 June 2025.
3. EBITDA calculated excluding impact of AASB 16 lease accounting.
4. Return on Funds Employed, refer to Glossary for definition of calculation.

Store of the Future

New stores performing well above expectations, initially targeting +10% sales uplift, now targeting 15%–25%

Maribyrnong

Closed 10 weeks¹
Re-opened on 19 April

Preston

Closed 10 weeks¹
Re-opened on 14 June

Gepps Cross

Closed 10 weeks¹
Re-opened on 21 June

up
30%
vs pcp
year-to-date

+27%
transactions
& +4% basket
size

+50_{bps}
Q1 gross margin
uplift vs +30 bps
rest of network

+29%
increase
in new
customers



1. Closed for refurbishment.
2. Year-to-date from 30 June 2025 to 12 October 2025

Baby Bunting Junior

Small format store





Shareholder value multiplier

Market leader with #1 position in growing and resilient \$6.3bn market

Gross margin

+500 bps gross margin¹

FY24: 36.8%
Medium term: 42%

FY25 gross margin: 40.2%
Up 340 bps

FY26 gross margin target: 41%
Up 80 bps



Growth from refurbished stores

Now targeting 15% to 25% growth from refurbishments

First 3 refurbished stores 30% average sales growth year-to-date

FY26: 11-12 refurbishments

FY27 & beyond: 10-15 stores per annum



Network growth

Long term plan of ~80 additional stores

40 large format stores
Up to 40 small format stores²

FY25: currently 75 stores
FY26: 5 large format stores
FY26: 1H: 3 small format store pilots (+2-3 further)



Operating leverage

200 bps CODB leverage

Network Growth & Productivity

Accelerated earnings where New Zealand losses diminish and become positive

Clear pathway to +10% EBITDA³ margin business

1. Increase from FY24 Gross Margin 2. Dependent on success of FY26 pilot stores, 3. On a pre-AASB 16 basis

Trading update & outlook

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Mark Teperson Chief Executive Officer

FY26 Trading Update

FY26 trade update

As at 12 October 2025:

- +3.5% total sales growth year-to-date
- +2.2% comparable store sales growth year-to-date (not adjusted for the impact of temporary refurbishment closures). Excluding the 6 stores closed for refurbishment and 5 adjacent stores¹, year-to-date comparable store sales growth is +5.6%
- +13% comparable store sales growth in New Zealand year-to-date
- Q1 gross margin of 40.6%, 30 bps higher than pcg

FY26 store roll out program

- ✓ **Store of the Future** refurbishments: 11–12 refurbishments in FY26; with 6 to be completed in 1H
- ⚠ Risks related to the refurbishments include duration of refurbishment (targeting 10 – 12 weeks per store) and level of sales redirection
- ✓ Plans to open 5 new **large format stores** (1H: 2 committed, 2H: 1 committed, 2 targeted)
- ✓ **3 Baby Bunting Junior**, our **small format store**, to open in 1H FY26; Robina (Qld) and Plenty Valley (Vic) now open with a further store planned in Adelaide (SA) in 1H. Further 2–3 planned for Q4 dependent on success of pilots

1. Stores adjacent to a store closed for refurbishment have been excluded to provide a normalised performance measure, as these adjacent stores are currently benefiting from sales redirection

FY26 Outlook

FY26 PF NPAT guidance of \$17.0m to \$20.0m maintained
1H of \$4.5m to \$5.5m, 2H \$12.5m to \$14.5m

FY26 pro forma NPAT guidance maintained, expected to be in the range of **\$17.0m to \$20.0m**, assuming:

- full year comparable store sales growth of 4%–6%:
 - 1H 2%–3% driven by refurbishment closures
 - 2H 6%–8%, with 9 refurbished stores trading for the full half; post-refurbishment sales growth targeted to be between 15% and 25%
 - comparable store sales do not exclude stores closed for refurbishments
 - gross margin to be 41% (Q1 FY26: 40.6%)
- retail store CODB investments include: ~\$7.0m for new and annualising stores; \$2.5m of refurbishment related costs including accelerated depreciation and miscellaneous closure and re-opening costs; plus \$0.5m of relocation costs for one store, and \$1.0m for the permanent closure of our Hornsby store (including asset write offs)
- targeting CODB (post AASB 16) leverage of ~30 bps¹
- capital expenditure of \$30m to \$35m fully funded through operating cash flow

FY26 pro forma NPAT guidance 1H / 2H split as follows:

- **1H:** pro forma NPAT of \$4.5 million to \$5.5 million, reflecting lower comparable store sales growth relative to 2H and inclusive of anticipated refurbishment and store closure costs of \$3.0 million
- **2H:** pro forma NPAT of \$12.5 million to \$14.5 million, including \$1.0 million of anticipated refurbishment costs

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

Appendices

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Statutory to Pro Forma Income Statement Reconciliation

\$ million	FY25			FY24		
	Statutory FY25	Add Pro Forma Adj ⁱ	Pro Forma FY25	Statutory FY24	Add Pro Forma Adj ⁱ	Pro Forma FY24
Sales	521.9		521.9	498.4		498.4
Cost of sales	(312.3)		(312.3)	(314.7)		(314.7)
Gross Profit	209.7		209.7	183.7		183.7
Other income	0.8		0.8	0.4	(0.4) ^b	–
Store expenses	(88.4)		(88.4)	(81.6)		(81.6)
Marketing expenses	(11.3)		(11.3)	(9.1)		(9.1)
Warehouse expenses	(9.2)		(9.2)	(8.4)		(8.4)
Administrative expenses	(38.3)	2.7 ^a	(35.6)	(31.7)	0.5 ^a	(31.3)
Transformation project expenses	–		–	(1.3)	1.3 ^b	–
Restructuring costs	(0.4)		(0.4)	(1.4)	1.4 ^c	–
EBITDA	62.8	2.7	65.5	50.5	2.8	53.3
Depreciation and amortisation	(39.8)		(39.8)	(38.5)		(38.5)
EBIT	23.0	2.7	25.7	12.0	2.8	14.8
Net finance costs	(8.7)		(8.7)	(9.1)		(9.1)
Profit before tax	14.3	2.7	17.0	2.8	2.8	5.7
Income tax expense	(4.8)	(0.2) ^d	(5.0)	(1.1)	(0.8) ^d	(2.0)
Net profit after tax	9.5	2.5	12.1	1.7	2.0	3.7

Pro forma financial results have been calculated to exclude the following items (refer Directors' Report dated 15 August 2025 for further detail):

- a. Expense reflects the cost amortisation of performance rights (LTI) on issue in the reporting period. For FY24, this also includes a recovery of prepaid payroll tax on the plans as the EPS CAGR hurdles as defined under the LTI plan were not achieved.
- b. The Company incurred non-capital costs (\$1.330 million) in FY24 for transformation projects. This was offset by a \$0.400 million cash settlement received in December 2023 from the vendor of an order management software following a dispute in relation to that software and its implementation.
- c. The Company incurred restructuring costs (\$1.438 million) in FY24 which included make good costs relating to the Camperdown store closure (\$0.186 million) and payments associated with organisational restructure including the disestablishment of multiple head office roles.
- d. Tax impact from pro forma adjustments.

Pro Forma Income Statement

AASB 16 Transition Impact

\$ million	FY25				FY24			
	Pro Forma FY25	Reversal of AASB 16 Depreciation and Interest	Add Operating Lease Expenses	Pre-AASB 16 FY25	Pro Forma FY24	Reversal of AASB 16 Depreciation and Interest	Add Operating Lease Expenses	Pre-AASB 16 FY24
Sales	521.9			521.9	498.4			498.4
Cost of sales	(312.3)			(312.3)	(314.7)			(314.7)
Gross Profit	209.7			209.7	183.7			183.7
Other income	0.8			0.8	–			–
Store expenses	(88.4)		(33.4)	(121.8)	(81.6)		(33.3)	(114.9)
Marketing expenses	(11.3)			(11.3)	(9.1)			(9.1)
Warehouse expenses	(9.2)		(3.6)	(12.8)	(8.4)		(3.7)	(12.1)
Administrative expenses	(35.6)		(0.3)	(35.9)	(31.3)		(0.4)	(31.7)
Transformation project expenses	–			–	–			–
Restructuring costs	(0.4)			(0.4)	–			–
EBITDA	65.5		(37.3)	28.2	53.3		(37.4)	15.9
Depreciation and amortisation	(39.8)	30.6		(9.2)	(38.5)	29.8		(8.7)
EBIT	25.7	30.6	(37.3)	19.1	14.8	29.8	(37.4)	7.3
Net finance costs	(8.7)	6.7		(2.0)	(9.1)	7.2		(1.9)
Profit before tax	17.0	37.4	(37.3)	17.1	5.7	37.0	(37.4)	5.3
Income tax expense	(5.0)	(11.2)	11.2	(5.0)	(2.0)	(11.1)	11.2	(1.9)
Net profit after tax	12.1	26.2	(26.1)	12.1	3.7	25.9	(26.2)	3.4

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. Store 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)