BabyBunting

1 May 2025

Comparable store sales growth now at 2.9% (YTD)
"Store of the Future" now open

Investor site visit – Maribyrnong (Melbourne), Vic

Baby Bunting Group Limited (Baby Bunting or the Group) is hosting a site visit for investors and analysts at its new "Store of the Future" in Maribyrnong, Melbourne. Baby Bunting management will present at the event, with a copy of the presentation accompanying this announcement.

The existing Maribyrnong store is set over 2,000 square metres. The newly refurbished store has an innovative activity-led format, designed to better present our product categories and significantly elevate the instore shopping experience to drive basket size and visitation, in addition to maximising retail assets to showcase brands and drive retail media opportunities.

Baby Bunting's CEO, Mark Teperson said, "Our Store of the Future format is the physical manifestation of our strategy, delivering an elevated experience for new and expectant parents while strengthening our leadership in specialty baby retail. While the store only re-opened 10 days ago, the initial feedback from customers has been very positive. It's performing above expectations on sales and margin, with excellent growth across all product categories. We'll be monitoring performance over the coming months to get a better read on the longer-term trends of this updated design. We're excited for this format to set the blueprint for future store developments and refurbishments across our network."

Trading update

As at 27 April 2025, Baby Bunting reports:

- 2H FY25 comparable store sales were up 3.7%
- year-to-date comparable store sales were up 2.9%
- year-to-date gross margin is 40% (FY24: 36.8%)

The Group continues to make progress against its strategy, with improved sales momentum supported by new product ranges, optimised pricing, and targeted marketing.

FY25 Outlook

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). A significant proportion of 2H sales are attributable to the final 6 weeks of the financial year, and accordingly the FY25 result will be influenced by the performance of this key trading period.

This guidance is based on the expectation that:

- FY25 comparable store sales growth is in the range of 2% to 3%
- gross margin of 40%
- anticipated FY25 CODB increases[1], plus additional 2H costs, including investment in NZ brand awareness and provisions for employee short-term incentive program.

Capital expenditure of $11m to $12m is expected, to be fully funded through operating cash flow.

This outlook assumes no significant changes in macro-economic and retail trading conditions.

The release of this announcement was authorised by the Board.

For further information, please contact:

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[1] As previously disclosed, cost of doing business increases in FY25 include new and annualising store costs, wage inflation of 3.75%, additional roles, Data & Analytics investment and marketing to support strategy execution.