BabyBunting

Delivering on strategy, accelerating growth

FY25 Investor Presentation

Mark Teperson Chief Executive Officer
Darin Hoekman Chief Financial Officer

15 August 2025

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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).

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Our Vision

The best start for the brightest future

Our Mission

To support & inspire confident parenting, from newborn to toddler

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Our extraordinary team

Aligning purpose with performance

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Results Summary

FY25 Investor Presentation

Mark Teperson Chief Executive Officer

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FY25 Results Summary

Record sales & gross margin delivering Pro Forma[1] 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 growth[2] **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 Forma[1] NPAT
$12.1m

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

EBITDA[3]
$28.2m

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

ROFE[4]
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.

Operating highlights

Enhancing the Customer Experience through our new Store Experience, Range Innovation and Exclusive Brand Partnerships

- 3 **Store of the Future** refurbishments completed in Q4, trading well above expectations
- 2 **new stores opened** in Maroochydore (Qld) and Belmont (WA)
- **Network optimisation** with relocation of Mile End to Marleston (SA), closure of Taylors Lakes (Vic)
- Introduction of **same day/next day delivery** with Uber (8.5% of all online orders)
- **BabyBuntingMedia** retail media business launched and generating revenue
- Renegotiated **trading terms** with top suppliers
- Significant **reduction in aged inventory** profile
- **Exclusive partnership agreements** signed with Nuna, Edwards & Co (AU) and Bugaboo (NZ), with a strong pipeline of exclusive products
- **Clear pathway to profitability in NZ**, with 2H sales up 22%, improved margin performance and ~$1m annualised supply chain cost-downs initiated

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Financial Summary

FY25 Investor Presentation

Darin Hoekman Chief Financial Officer

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Record sales performance

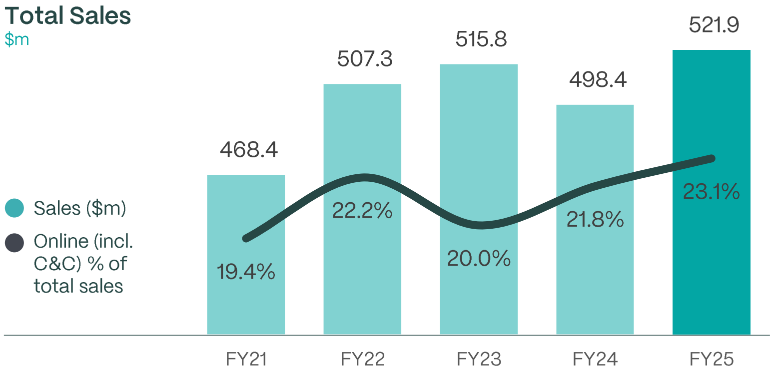
Range innovation and omnichannel experience driving customer acquisition and retention

Total sales growth	Comparable store sales growth
up 4.7%	up 4.2%
1H: 2.4%, 2H: 7.1%	1H: 2.2%, 2H: 6.2%

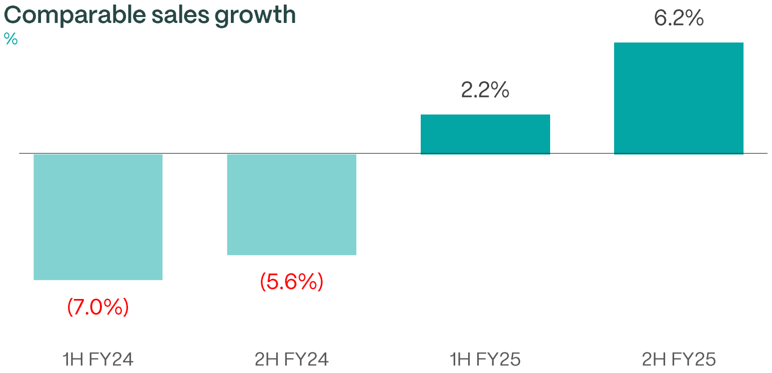
- Top 7 categories all performing strongly underpinned by range innovation
- Second half driven by transaction and basket size growth

New Customer Acquisition	Online sales
up 6.2%	up 10.8%
Total active customers 828k up 4.5% vs pcp	now 23.1% of sales, up from 21.8% last year

- Marketing execution coupled with range improvements driving new customer acquisition
- Online sales growth driven by introduction of same day next day delivery, online checkout improvements and improved stock availability



	FY21	FY22	FY23	FY24	FY25
Comp Growth	11.3%	5.0%	(3.6%)	(6.3%)	4.2%
No. of Stores	60	64	71	74	75



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Gross margin performance

Clear pathway to further margin expansion in FY26 and beyond, with a 42% medium term target

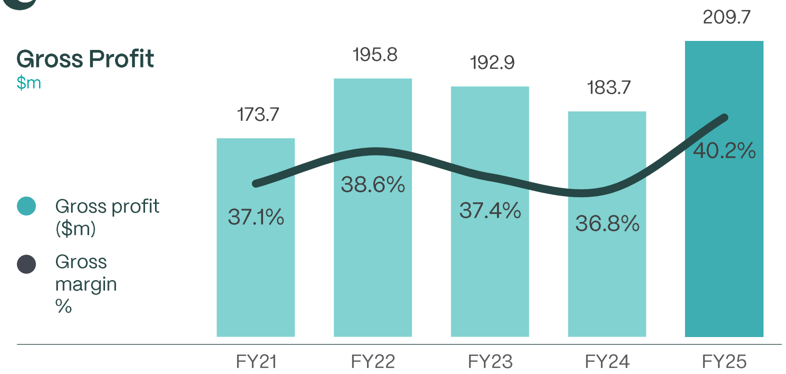
Gross margin	Gross profit $ growth
40.2%	up 14.2%
up 340 bps vs pcp 1H: 39.8%, 2H: 40.5%	1H: up 9.5%, 2H: up 18.9%

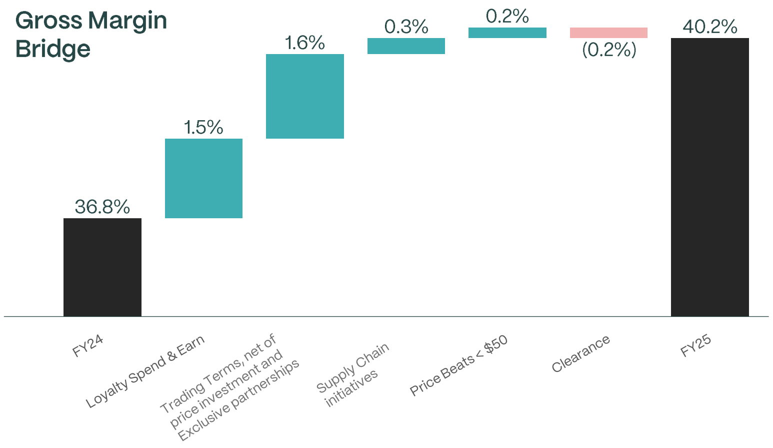
Significant reset on trading terms with key suppliers will continue to deliver margin improvement into FY26

Softgoods growth	PLEX
up 7.7%	47.1%
Higher margin softgood categories experiencing strong growth	up 110 bps vs pcp 1H: 46.1% 2H: 48.1%

Exclusive partnership agreements signed with Nuna, Edwards & Co (AU) and Bugaboo (NZ), with a strong pipeline of exclusive products

Exclusive retailer of selected new 360º rotating car seats





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Profit & loss

Record sales and margin results driving EBITDA margin expansion

$ million	Pro Forma FY25	Pro Forma FY24	Change
Sales	**521.9**	**498.4**	**+4.7%**
Comp growth %	*+4.2%*	(6.3%)	
Cost of sales	(312.3)	(314.7)	(0.8%)
Gross Profit	**209.7**	**183.7**	**+14.2%**
Gross Profit Margin	*40.2%*	36.8%	
Cost of doing business[1]	**(181.5)**	**(167.7)**	**+8.2%**
Cost of doing business %	*34.8%*	33.6%	
EBITDA[1]	**28.2**	**15.9**	**+76.9%**
EBITDA margin %	5.4%	3.2%	
Impact of AASB 16 application			
– Reverse operating leases expenses	37.3	37.4	
– Add ROU Asset Depreciation & Interest	(37.4)	(37.0)	
Depreciation – Plant & Equipment	(9.2)	(8.7)	
Finance costs – Borrowings	(2.0)	(1.9)	
Profit before tax	**17.0**	**5.7**	
Income tax expense	(5.0)	(2.0)	
Net profit after tax[2]	**12.1**	**3.7**	**+227.9%**
Net profit after tax margin %	2.3%	0.7%	

1. Pre AASB 16 application (ie. excluding the impact of lease accounting)
2. Refer to Appendices for reconciliation between statutory and pro forma profit

Commentary

Total sales of $521.9m, up 4.7% vs pcp, driven by comparable store sales growth of 4.2%

Gross margin % of 40.2%, improved by 340 bps vs pcp driven by simplification of price architecture and re-negotiation of trading terms with top suppliers

CODB[1] $181.5m, increased by $13.8m vs pcp (now 34.8% of sales). See further details on slide 12

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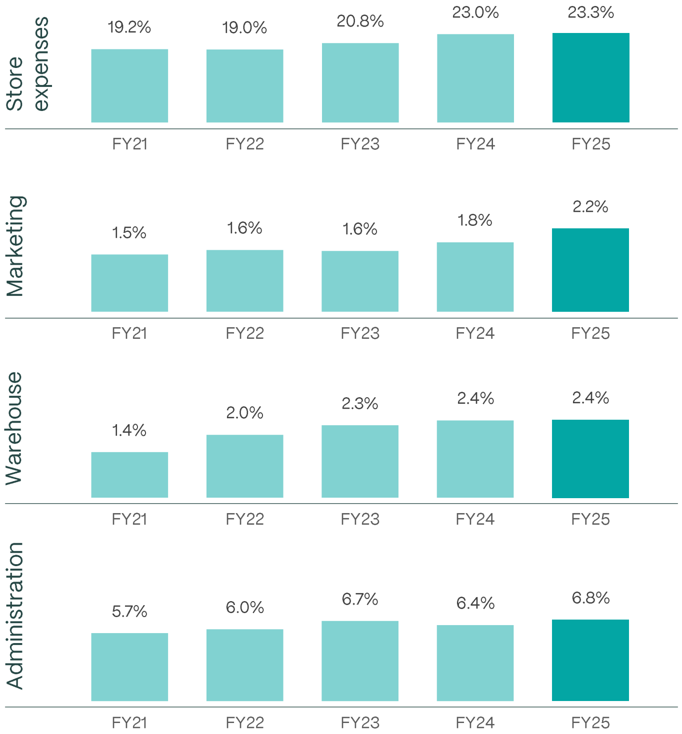
Cost of doing business[1]

% of sales



Commentary

CODB[1] $181.5m, increased by $13.8m vs pcp (now 34.8% of sales):

- **Store expenses** up $7.0m driven by new and annualising stores $4.3m, 3.75% wage inflation partly offset by labour productivity initiatives and one-off property relocation costs $0.6m
- **Marketing expenses** includes 2H investment in New Zealand brand awareness, AU digital performance marketing and Store of the Future launches. Investment in marketing team delivered material improvement in brand engagement and speed to market
- **Administrative expenses** 20 bps of leverage achieved in FY25 offset by employee short-term incentive program re-instated $3.0m (impact 60 bps noting last paid for FY21)

Productivity initiatives

- ✓ Leveraging existing store labour for online fulfilment (~20 bps benefit)
- ✓ Initiated annualised NZ supply chain cost savings of ~$1.0m (~$0.2m in FY25)

FY26 priorities include:

- Further store labour productivity progression offsetting wage inflation
- National DC initiatives focused on lowering pick and fulfilment costs

1. Cost of doing business calculated excluding impact of AASB 16 lease accounting

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Financial position

Self-funded growth strategy with strong balance sheet foundation

$ million	Statutory FY25	Statutory FY24
Cash & cash equivalents	12.4	9.5
Inventories	95.6	94.4
Plant and equipment	28.7	27.1
Goodwill & Intangibles	54.9	53.1
Right of Use assets	127.5	131.3
Other assets	21.3	16.8
Total Assets	**340.4**	**332.2**
Payables	52.1	47.7
Borrowings	16.9	22.6
Lease liability	149.5	152.8
Provisions	8.5	7.8
Income Tax Payable	0.7	0.6
Total Liabilities	**227.8**	**231.6**
Net Assets	**112.6**	**100.6**
Net Cash / (Debt)	**(4.6)**	**(13.0)**
Return on Funds Employed [1]	**12.1%**	**5.8%**

Commentary

Inventory well managed closing at $95.6m, with high stock availability driving strong final quarter comp growth. Ageing and quality of stock continues to improve enabling higher cadence of range innovation

Net debt balance of $4.6m with ample banking covenant headroom

Net **Right of Use** liability of $22m, increases $0.5m, driven by:

- 3 new leases, including relocation of Mile End to Marleston (SA)
- 8 leases renewed, offset by
- 2 lease exits: Taylors Lakes (Vic) and Mile End (SA)
- 1 lease renegotiation to downsize (Wiri, NZ)

1. Refer to glossary for definition of Return on Funds Employed

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Cash flow

Strong cash generation funding growth initiatives

$ million	FY25	FY24
EBITDA[1]	**28.2**	**15.9**
Movement in working capital	1.3	1.4
Tax Paid	(6.4)	(2.2)
Restructuring costs	–	(1.4)
Net cash flow from operating activities	**23.1**	**13.7**
Cash conversion ratio	*81.7%*	*86.0%*
New store capex (incl. refurbishments)	(7.6)	(4.6)
Capex – other	(5.3)	(4.0)
Transformation program investments	–	(0.9)
Net cash flow from investing activities	**(12.9)**	**(9.5)**
Free cash flow	**10.1**	**4.2**
Dividends paid	–	(8.9)
(Repayment) / proceeds from borrowings	(5.6)	11.2
Finance costs – borrowings	(1.6)	(1.9)
Net cash flow	**2.8**	**4.5**

Commentary

Cash conversion ratio at 81.7%

Investment expenditure of $12.9m includes investments in our Store of the Future refurbishment program (3 x stores completed) and 2 new stores

Tax paid higher relative to tax expense primarily due to prior period tax concessions relating to instant asset write-offs

Disciplined capital management

To support future growth including new store roll out and store refurbishment program, no final dividend will be paid

1. Pre AASB 16 application (ie. excluding the impact of lease accounting)

Financial summary

New Zealand

Clear pathway to profitability on the back of improved sales, margin, supply chain cost-outs and network growth

	FY25	1H	2H
Sales growth	up 49% vs pcp	up 98% vs pcp (FY25: 4 stores FY24: 1 store)	up 22% vs pcp FY25: 4 stores FY24: 4 stores
Gross margin	38.3% up 520 bps vs pcp	37.0% up 450 bps vs pcp	39.5% up 600 bps vs pcp
Loss before tax	-$3.6m improved 17% vs pcp	-$2.1m down 10% vs pcp	-$1.4m improved 40% vs pcp

FY26 initiatives include

- Continued investment in brand marketing to elevate awareness of the brand and Baby Bunting's unique selling points
- Achieve the remaining ~$0.8m supply chain cost savings
- Improve labour productivity to sales in the range of 2% to 4%
- Grow gross margin to +40%
- Westgate opening December with new Store of the Future format

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Commentary

New Zealand delivered **full year sales of $16.5m** from our 4 stores in Albany, Manukau, Sylvia Park and Christchurch, and online

- **New store** in Westgate anticipated to open in December 2025 in the new Store of the Future format (first of its kind in the market)
- **Network plan of +10 stores** to grow our share of a $1.1bn market opportunity and leverage existing cost base

Clear pathway to profitability in FY27

- Initiated ~$1.0m of annualised supply chain cost-outs in Q3 FY25
- Brand awareness investment of $0.3m in 2H, with further investment in FY26

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Strategy Update

FY25 Investor Presentation

Mark Teperson Chief Executive Officer

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Growth plan

Baby Bunting has a strong core business as the leading specialist baby retailer in Australia and New Zealand with 75 stores.

We are executing on a plan to re-establish us as a +10% EBITDA margin business.

1 Grow Market share	Strengthen market position	• Leverage our strength in hard goods • Capitalise on significant opportunity in soft goods
2 Grow EBITDA	Grow gross margin	• Clear path to grow GP% to 42% in medium term • Continue to make strategic investments to drive growth, profitability and CODB leverage in the future
	Focused media/marketing strategy	• Leverage significant customer data • New revenue streams from media opportunity
3 Grow Return on invested capital	Optimised property strategy with greater discipline	• Progress roll-out of 40 more large format stores • Refurbish old-format stores • Piloting small store format – potential for 20-40 stores
	Self-funded growth	• Disciplined balance sheet management to fund growth initiatives with operating cashflows

Shareholder value multiplier

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

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Gross margin

+500 bps gross margin[1]

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

FY25: First 3 refurbished stores 28% average sales growth[2]

FY26: 10–12 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 stores[3]

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

Clear pathway to +10% EBITDA[4] margin business

1. Increase from FY24 Gross Margin 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 19 April, Preston re-opened on 14 June and Gepps Cross re-opened on 21 June 2025. 3. Dependent on success of FY26 pilot stores. 4. On a pre-AASB 16 basis

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Large Format Stores

Large store refurbishments

Targeting growth of 15%-25% post-refurbishments

Payback <3 years

Increase our large format store footprint

40 additional stores (long term target)

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Large format stores deliver great returns

Improving return metrics across the network on the back of sales, margin and inventory productivity improvements

Historical returns from our AU store network

Metro Australia	Mature Metro Stores (>4 yr)			
	FY2020	FY2022	FY2024	FY2025
Revenue per store ($m)	7.8	8.5	7.2	7.7
EBITDA per store ($m)	1.3	1.7	1.0	1.3
Store EBITDA margin	17%	20%	14%	17%
Return on Invested Capital	90%	119%	75%	90%

Year 1 sales of $5m (average)

Regional Australia	Mature Regional Stores (>4 yr)			
	FY2020	FY2022	FY2024	FY2025
Revenue per store ($m)	4.5	5.6	5.2	5.4
EBITDA per store ($m)	0.5	1.0	0.7	0.9
Store EBITDA margin	12%	18%	13%	16%
Return on Invested Capital	50%	91%	61%	72%

Year 1 sales of $3.5m (average)

- Mature store cohort of 48 metro stores of a total metro network of 61 and regional store cohort of 5 regional stores of a total regional network of 10
- Online fulfilment and range innovation drove store sales performance of +7% vs pcp for mature stores
- **CODB leverage achieved** of 40 bps vs pcp for both our mature metro and regional stores with labour productivity increased by transitioning DC online fulfilment to our stores and reducing customer delivery costs

Future new large format store roll out:

- 5 year growth profile to maturity
- AU: 24 large format metro stores targeted to deliver +$7m in sales (on average) at maturity. Net capital investment of $1.2m – $1.8m including PPE and working capital
- AU: 15 large format regional AU stores targeted to deliver +$5m in sales (on average) at maturity. Net capital investment of $0.8m – $1.2m
- NZ: further +6 large format metro stores in NZ targeted to deliver +$5m in sales (on average) at maturity

Table above shows average data for all stores open for 4 or more years.
First New Zealand store opened in August 2022.

Store of the Future

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

Maribyrnong
Closed 10 weeks[1]
Re-opened on 19 April

Preston
Closed 10 weeks[1]
Re-opened on 14 June

Gepps Cross
Closed 10 weeks[1]
Re-opened on 21 June

up 28% vs pcp
average[2] sales growth since launch

+24%
transactions & +6% basket size

+21%
increase in new customers

+40bps
higher gross margin than peer stores in July

1. Closed for refurbishment.
2. Calculated as the average sales growth % since re-opening of each of the 3 refurbished stores completed in FY25 to 10 August 2025.

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Refurbishment program

Estimated ~$1.1m average capital investment per refurbishment over the life of the program, targeting sub 3 year payback on investment

	Business Case	FY25 pilot	FY26	FY27 & beyond
No. of stores		3 stores	10–12 stores	10–15 stores per annum
Build costs	$0.8m – $1.0m	$1.5m	~$1.4m	$0.8m – $1.2m
Sales growth	+10%	28% to date	15% – 25%	15% – 25%
Payback period	**<3 years**	**~2 years**	**2–3 years**	**2–3 years**
Average mature sales		$8.0m[1]	$8.8m	Metro $6.9m Regional $5.4m

FY26 program

- **10–12 stores** with **average capital investment of $1.4m**
- **10–12 week closure** to execute the defit and refurbishment
- Accelerated depreciation of ~$1.5m
- One-off defit and launch costs of $50k–$75k per store

- **FY25 pilot refurb investment averaged $1.5m per store**
  - Required investment per store to reduce over time as we engineer cost savings, build efficiencies into our operating model and achieve scale benefits in purchasing of fixtures and fittings
- **FY26 refurbishment build costs to average $1.4m per store** (subject to performance metrics being achieved as we roll these stores out into market)
  - These are larger **flagship metro stores** with above average sales profiles (average $8.8m vs $7.7m average mature metro)
  - Extrapolated growth profile for refurb stores now expected to be **15–25% sales bounce** post refurbishment, driven by new customer growth and higher basket size **(per FY25 pilot data)**
- As we refurbish our remaining fleet in **FY27 & beyond, we expect average capital spend required of $1.0m**
  - Metro stores $1.0m–$1.2m
  - Regional stores $0.8m
- **Maintaining capital payback of less than 3 years**

1. Sales measured for the 12 months prior to refurbishment

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Focus areas for FY26

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Growth objectives	Deliverables		FY26
1 Grow Market share	Enhance Customer Experience	Product Innovation	• Scale New Product Pipeline • Optimise existing brands & categories
		Experience	• Evolving our Loyalty Program • Scale team training through our Learning Management System • Leverage Data Personalisation
		Exclusive Brands	• Increase Exclusive Brands relationships (with gross margin benefits)
2 Grow EBITDA	Drive Platform Leverage	Gross Margin	• Scale Private Label (inc. babywear) • De-range underperforming Brands • Expand Media Business ~$2m-$3m incremental gross margin contribution
		New Zealand	• Supply Chain cost-out ~$0.8m • Accelerate Brand Awareness
		Operating Leverage	• Optimise Supply Chain & Customer Service productivity
3 Grow Return on invested capital	Disciplined Capital Management	Refurbishments	• Target 10-12 store refurbishments
		New Stores	• Target 5 new stores
		Small Formats	• Open 3 Store Pilots (1H)
		Re-platforming ERP/POS	• Commence ERP/ POS re-platform

Small Format Stores

Potential small format store target

20-40 stores[1]

1. Dependent on success of FY26 pilot stores

Small format stores

Our objective for small format stores is to grow Customer Lifetime Value

Target higher traffic areas

Unlock high value smaller catchments that do not currently support our large format store (inner urban and regional)

The new small store format will target revenue of +$2.5 million and ROIC of 50%

- Higher margin products
- Lower staff costs
- Higher per square metre rent

Curated range of products with a focus on consumables and higher frequency categories

We will deploy 3 small format stores as pilots in metro markets from 1H FY26 to test and assess the operating model. Number of future small format stores depends on performance of pilots. Potential for between 20 to 40 over the longer term.

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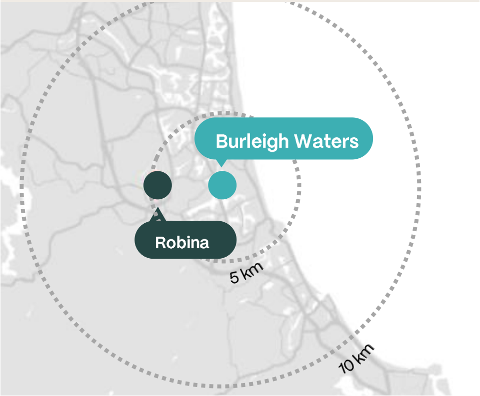
Small format store pilots

We have plans for three pilot stores to be in market in 1H FY26

Robina (Qld)

- 6km from our existing Burleigh Waters large format store
- 443 sqm
- Shopping centre, store to be located adjacent to Woolworths, Coles



Plenty Valley (VIC)

- 25km north of Melbourne CBD
- 6km from our existing Thomastown large format store
- 570 sqm
- Shopping centre, store to be located in higher traffic areas adjacent to a Woolworths & Target

Marion (SA)

- 13km south of Adelaide
- 6km from our Melrose Park large format store
- 502 sqm
- Shopping centre, store to be located in higher trafficked areas adjacent to a Kmart and Coles

Existing large format store
Small format store

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Retail Media income long-term target

1%-2% of sales

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Building a media business: unlocking the value of our platform

Realising a new revenue stream through monetising our existing in-store and digital assets

828k
active loyalty customers

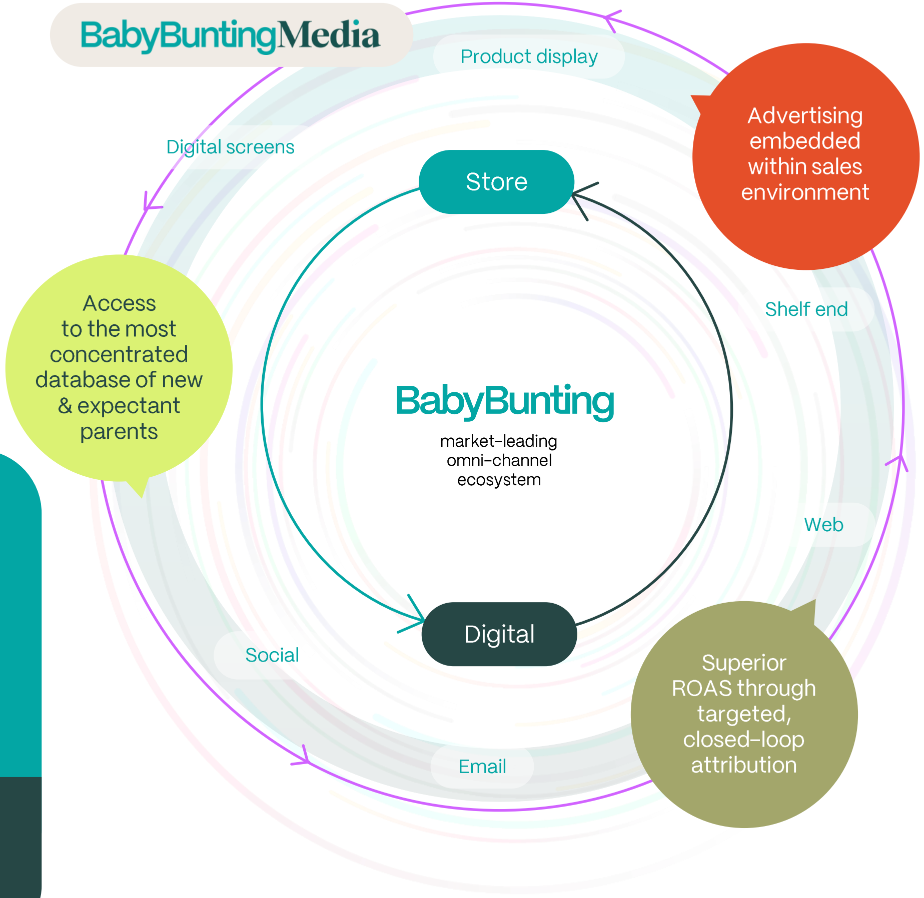
3.4m
transactions per year

32m
annual website visits

100k
square meters of retail space

FY25 Media Contribution
Neutral

FY26 Media Target
$2-$3m incremental gross margin contribution



Retail Media

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Examples of our retail media assets

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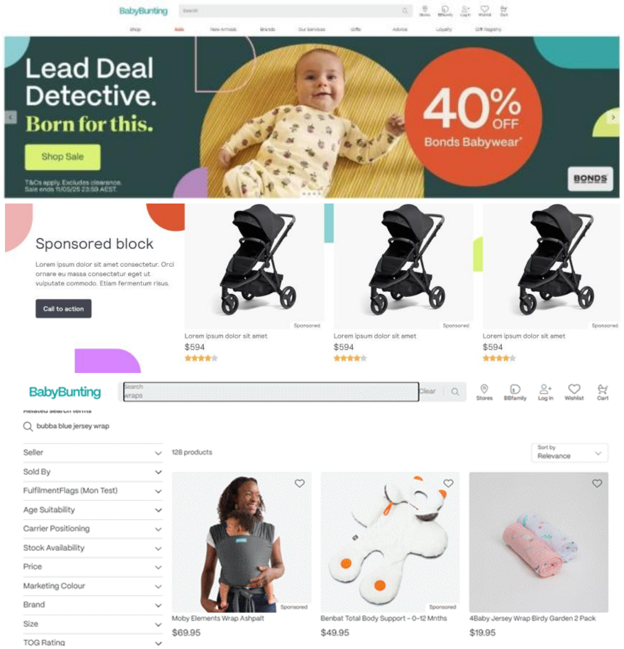
Instore – Physical

Online – Digital



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Trading update & outlook

FY25 Investor Presentation

Mark Teperson Chief Executive Officer

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FY26 Outlook

FY26 trade update

First 6 weeks of trade to 10 August is +4.8% total sales growth and +4.0% comparable sales growth

- AU comparable sales growth of +3.7%
- NZ comparable sales growth of +13.9%

FY26 store roll out program

- **Store of the Future** refurbishments: 10–12 refurbishments in FY26; with 5–6 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: 3 committed, 2H: 2 targeted)
- 3 **small format pilot stores** to open in 1H FY26, with a further 2–3 planned for Q4 dependent on success of pilots

Outlook

The Store of the Future refurbishment program is expected to result in some unusual comparable store sales patterns through the year as well as some impacts to our CODB profile.

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

- full year comparable store sales growth of 4%–6%:
  - 1H: 1.5%–3% driven by refurbishment closures
  - 2H: 6%–8% with post refurbishment sales growth targeted to be between 15% to 25%
- gross margin to be 41%
- retail store CODB investment: ~$7.0m for new and annualising stores and $2.5m of refurbishment related costs, including accelerated depreciation and miscellaneous closure and re-opening costs plus $0.5m relocation costs for one store
- targeting CODB (post AASB 16) leverage of ~30 bps[1]
- capital expenditure of $30m to $35m fully funded through operating cash flow

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

1: CODB includes all pre-tax costs measured on a post-AASB 16 basis (Retail, Marketing, Warehouse, Administration, depreciation and interest charges)

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Appendices

FY25 Investor Presentation

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Statutory to Pro Forma Income Statement Reconciliation

$ million	FY25 Statutory FY25	FY25 Add Pro Forma Adj[1]	FY25 Pro Forma FY25	FY24 Statutory FY24	FY24 Add Pro Forma Adj[1]	FY24 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.

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Pro Forma Income Statement

AASB 16 Transition Impact

$ million	FY25 Pro Forma FY25	FY25 Reversal of AASB 16 Depreciation and Interest	FY25 Add Operating Lease Expenses	FY25 Pre-AASB 16 FY25	FY24 Pro Forma FY24	FY24 Reversal of AASB 16 Depreciation and Interest	FY24 Add Operating Lease Expenses	FY24 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**

Our FY25 Progress

Growth objectives

1 **Grow Market share**

We presented our growth plan in June 2024.
The following represents progress that has been made in FY25

Deliverables

Enhance customer experience

Market leading products

New exclusive brands & products launched (completed)

Including Bibs, Subo & Bunjie, Nuna Baby Australia, Bugaboo NZ, Edwards & Co, Halo 360 car seat

Private label expansion progress (in progress)

Underpinned by softgoods expansion strategy

Marketplace (completed)

Over 9,000 products online with more than 110 3P sellers now active

Exceptional experiences

Store experience (completed)

Store of the Future launched, 3 stores opened in FY25. All performing well above expectations

Omni-channel (completed)

Uber same day delivery launched in Q2, now accounting for 8.5% of online orders

Best-in-class services

1-on-1 personalised appointments (completed)

Pilot of personalised appointments now live in 8 stores

Data & Analytics

Loyalty program: focus on enhanced personalisation in 1H FY26 initially (in progress)

Completed actions

In progress

Strategy Update

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Our FY25 Progress

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Growth objectives

Deliverables

Grow EBITDA

Drive platform leverage

Gross Margin

Media business

New Zealand profitability

Operating leverage

We presented our growth plan in June 2024.
The following represents progress that has been made in FY25

Gross Margin

- ✓ **Trading terms**

  Negotiations with key suppliers finalised, with margin benefits continuing to flow through
- ✓ **Exclusive Brands**

  3 exclusive agreements operating in FY25, strong FY26 pipeline of exclusive products
- ✓ **Private Label**

  Changed sourcing to elevate margins and quality

Media business

- ✓ Launched **Retail Media** business, with strong initial uptake from suppliers.

  Neutral performance in FY25

  FY26 target: $2m–$3m incremental gross margin contribution

New Zealand profitability

- ✓ **Trading terms** updated for key NZ suppliers
- ✓ Dedicated New Zealand **marketing, merchandise and supply chain** resources
- ✓ ~$1.0m of annualised supply chain cost-downs initiated in Q4 FY25
- ✓ 2H Sales up 22%
- ✓ Brand awareness up from 19% to 25%

Operating leverage

- ✓ Re-shaped our core team structure to align with customer shopping behaviour and deliver **operating efficiency**
- ✓ Improved online fulfilment labour productivity
- ⋯ Leverage **systems investments**

✓ Completed actions

⋯ In progress

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Our FY25 Progress

Growth objectives

Deliverables

3 Grow Return on invested capital

Disciplined capital management

Network growth

Refurbish existing store network

Inventory productivity

Re-platforming ERP/POS

We presented our growth plan in June 2024. The following represents progress that has been made in FY25

Network growth

- (Completed) **Grow store network**
  Maroochydore (QLD) and Belmont (WA) opened in 1H FY25
- (In progress) Dubbo (NSW), Tuggerah (NSW), Westgate (NZ) anticipated to open Q2 FY26 (noting these will be in new **Store of the Future** format)
- (In progress) **Small Format Stores** Robina (Qld), Plenty Valley (Vic), Marion (SA) opening 1H FY26

Refurbish existing store network

- (Completed) **Store of the Future** launched, with 3 stores opened in FY25, all driving strong positive feedback and performance.
  10-12 stores targeted to be refurbished in FY26

Inventory productivity

- (Completed) **New inventory productivity benchmarks** have been deployed focusing on category and brand performance
- (Completed) Significant reduction in **aged inventory** profile in both AU & NZ

Re-platforming ERP/POS

- (In progress) Commence multi-year replacement of ERP/POS in 2H FY26

Completed actions

In progress

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Market opportunity

$6.3bn ANZ market with significant growth runway

Total market size
By region

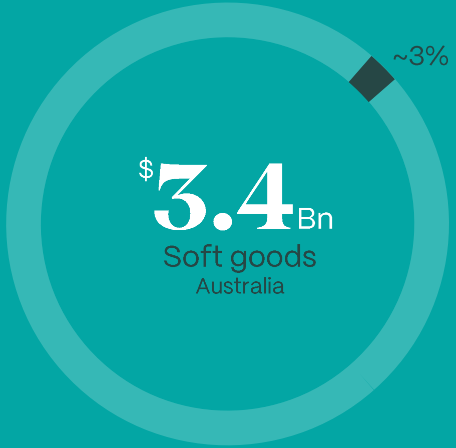
$1.1Bn
New Zealand

$5.2Bn
Australia

Our core competency

Continue to build market leading position

The opportunity in soft goods



Strategy to accelerate market share growth; incremental 1% gain equates to ~$34m revenue.

- Leverage market leadership in hard goods
- Focused private label expansion
- Improved category presentation driving basket growth
- Enhanced digital and omnichannel capability to encourage discovery
- Small format stores focused on higher margin, high-frequency consumables

Source: IbisWorld, ABS, Statistica, Canstar, KenResearch, Baby Bunting historic sales data

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Optimise and grow store network

Expanding the store network into new catchments and meeting more needs of parents through new store formats

Small format stores will enable opportunity to meet more needs of parents in different locations

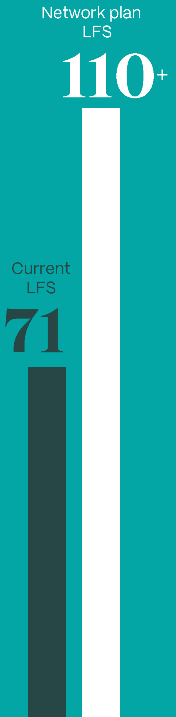
Small format store pilots will be in market in 1H FY26 followed by a period of testing and assessment

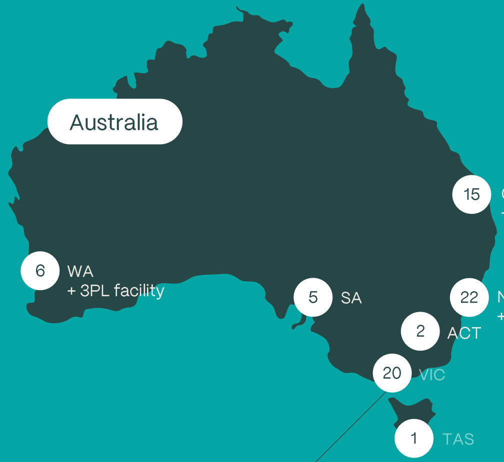
Network plan developed with assistance of third-party demographer. Inputs include ABS spend, market share data, opportunities and cannibalisation

Network growth is key to building omni-channel customers and growing customer lifetime value

Critical assessment of opportunities in existing and targeted catchments

Property lease negotiations: renegotiate leases due to expire with a whole of network lens, exit stores which do not meet benchmark ROIC



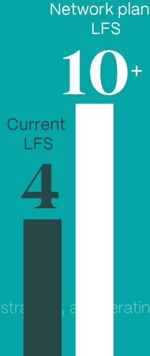


Store Support Centre & National Distribution Centre

Dandenong South, Victoria

3PL facility

Wiri, Auckland



Our North Star

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Operating leverage

Clear path to achieve historical EBITDA margins

10% EBITDA margin achieved in FY22 through sustained improvements in gross margin and positive comp sales growth leveraging cost base

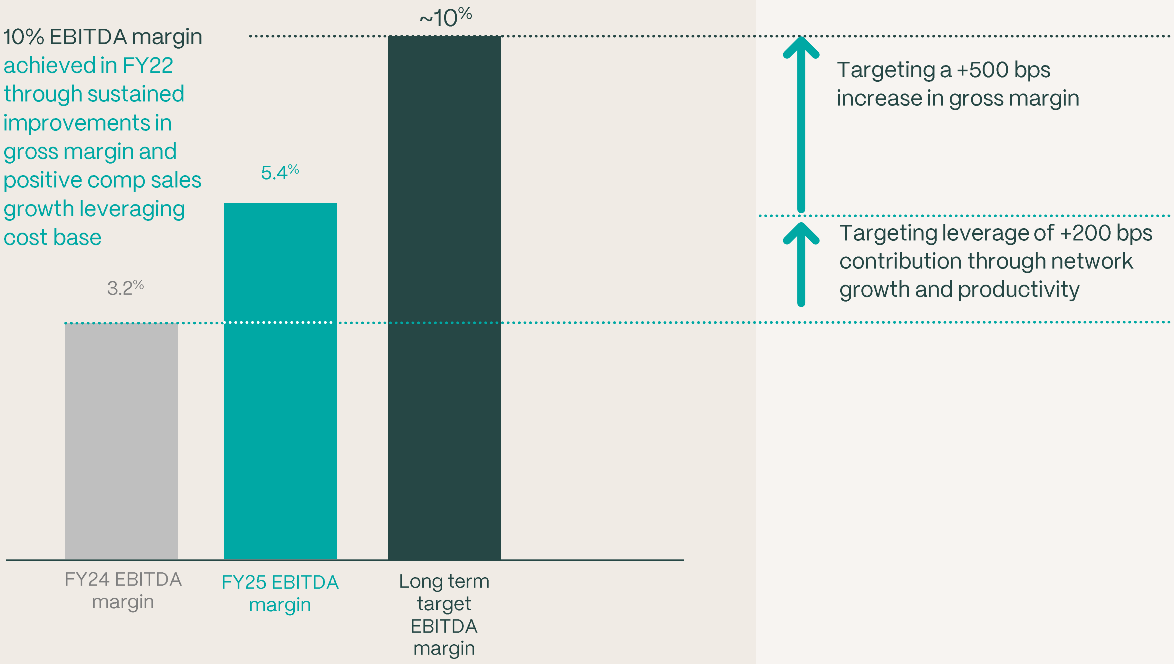

Chart not to scale. Illustrative purposes only.

Cost of Doing Business initiatives

Lowering our variable costs

- Supply Chain efficiencies
- Customer Care productivity improvement and in-housing team
- Supplier (goods not-for resale) cost management

Leverage systems investment

- Better use of existing systems (eg. merchandise planning, inventory) to unlock further operating benefits

Simplify operating structure

- Operational excellence in processes unlocking efficiencies and simplifying execution

These deliverables are part of our strategy that commenced in FY25.

Our North Star

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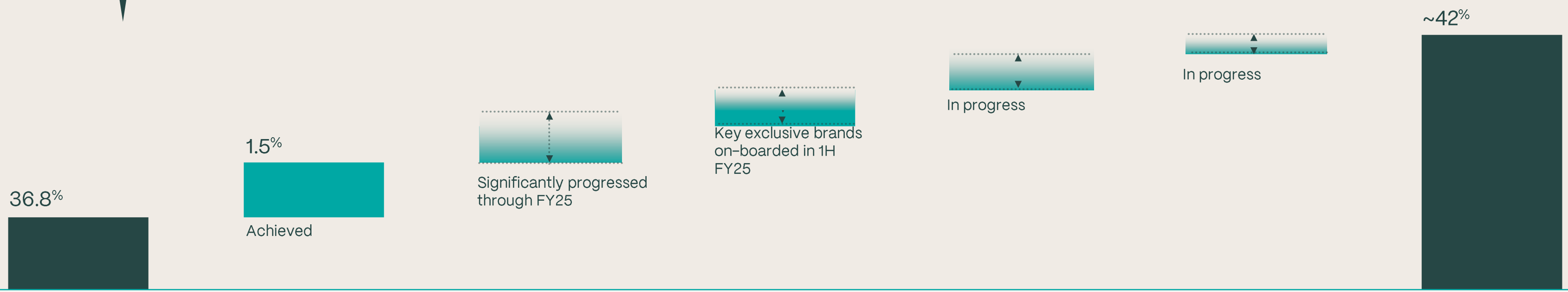
Gross margin

+500 bps gross margin
Price Architecture, Trading Terms, PLEX

Gross Margin

Improving gross margin +500bps from FY24 levels to drive to above 42% margin



FY24 margin	Simplify price architecture	Trading terms	Amplify exclusive brands	Scale private label	De-range underperforming brands & products	Medium term target
	Eliminating layering of price discounting Enhance transparency and trust with our customers	Working with our supplier partners on terms supporting mutual growth and profitability	Prioritising exclusive brand relationships	Double the size of our private label from 10% of sales to ~20%	Inventory productivity and re- investing in newness	

Actions completed

- ✓ Completed actions
- In progress

- ✓ Retired Spend & Earn from the Loyalty Program and removed Price Beats on items under $50
- ✓ Trading terms renewed with key suppliers contributing to gross margin uplift
- ✓ Exclusivity agreement signed for Edwards & Co in AU (2025-2030) in Jan '25. Nuna (AU) and Bugaboo (NZ) exclusivity agreements executed in June '24
- (In progress) Progressing opportunities with other exclusive brands
- (In progress) Multi-year program for hard and soft goods
- ✓ Targeted clearance programs underway to efficiently reduce aged inventory ahead of new ranges

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)