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Strategy delivering, margin at a record high

2026 Annual General Meeting

Stephen Roche Chair, Non-Executive Director
Mark Teperson Chief Executive Officer

13 October 2026

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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).

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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.

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Stephen Roche

Chair, Non-Executive Director

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Mark Teperson

Chief Executive Officer

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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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FY26 results summary

Record sales & gross margin delivering Pro Forma[1] NPAT growth of 33.9%

Total Sales
$556.0m

up 6.5% vs pcp
comp growth up 3.5% vs pcp

Store of the Future
Sales growth[2] **18%** vs pcp

Target range 15% – 25%
15 refurbished stores[3] open & trading

Gross Margin
41.2%

up 100 bps vs pcp
2H margin: 41.4%

EBITDA[4]
$37.6m

6.8% of sales (2H 8.1% of sales)
up 140 bps vs pcp
Long term target +10%

Pro Forma[1] NPAT
$16.1m

up 33.9% vs pcp (up 54% in 2H)
Statutory NPAT $11.2m, up 17.5%

Net debt
$16.2m

Debt headroom +$60m
Cash conversion 96% (FY25: 82%)

1. Pro Forma NPAT excludes certain items as detailed in the Appendices to this presentation and in the Annual Report dated 14 August 2026.
2. Calculated as the average sales growth % during FY26 since re-opening of each of the 11 refurbished stores completed in FY26 to 28 June 2026 and the 3 stores completed in FY25.
3. Our 15th refurbished Store of the Future (Melrose Park, SA) re-opened on 8 August 2026 and is excluded from the Store of the Future sales growth calculation
4. EBITDA calculated excluding impact of AASB 16 lease accounting.

Operating highlights

Store network transformation continues at pace

Network expansion

- 12 Store of the Future refurbishments completed[1], taking the fleet to 15 stores
- 3 large format stores opened: Dubbo (NSW), Westgate (NZ), Tuggerah (NSW)
- Network optimisation: Hornsby (NSW) exited, Bentleigh (VIC) relocated to Mentone (VIC)
- 3 BabyBunting Junior small format pilots: Marion (SA), Plenty Valley (VIC), Robina (QLD)

Gross margin & new revenue

- First full year of BabyBuntingMedia, generating $5.8m of revenue
- Exclusive three-year brand partnership agreement signed with Stokke
- In-store endless aisle deployed across all stores, giving customers our full online range from any store
- Online delivery scaled to 100% fulfilment from stores, optimising delivery costs

Operating leverage

- Existing store labour leveraged to service growing online demand
- NZ overhead reduction tracking to plan, with a clear pathway to profitability
- Strengthening the Executive team: GM – Merchandise & Planning, Executive Head of Property, and GM – People & Culture commenced

1. Our 15th refurbished Store of the Future (Melrose Park, SA) re-opened on 8 August 2026 and is excluded from the Store of the Future sales growth calculation for FY26

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Growth plan

Baby Bunting is the leading specialty baby retailer in Australia and New Zealand – 80 stores serving a $6.3bn market where the majority of spend still sits outside the specialist channel.

Our long range plan re-establishes a +10% EBITDA margin business.

1 Grow Market share

Lead the category

- **Extend category leadership** – grow hard goods (~23% share) and win share in a $3.4bn soft goods market
- **Grow the network** – towards +120 large format stores, across Australia & New Zealand
- **Own the parenting journey** – acquire earlier, retain longer, grow lifetime value

2 Grow EBITDA

Turn scale into margin

- **Expand gross margin beyond 43%** – led by mix, retail media and offshore consolidation
- **Build differentiated ranges** – PLEX to ~60% of sales, private label to 20%
- **Leverage the cost base** – CODB towards ~31.6% as the fleet and systems scale

3 Grow Return on invested capital

Make capital work harder

- **Complete the fleet transformation** – Store of the Future across the network, 10–12 a year
- **Back the highest-returning opportunities first** – rigorous project-level assessment before capital is committed
- **Fund growth from operating cash flow** – conservative leverage, headroom preserved

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How the strategy compounds

Margin & leverage improve the economics, refurbishments and new stores grow the sales base

Improve the economics × Grow the sales base = Clear pathway to +10% EBITDA[4] margin

Gross margin[1] +600 bps

FY24	FY25	FY26	FY27 target	Medium term
36.8%	40.2%	41.2%	42%	+43%

▲ +440bps vs FY24

Operating leverage[4] +200 bps

Capability investment phase

Velocity drives leverage

FY24	FY25	**FY26**	FY28/29
33.6%	34.8%	**34.5%**	31.6%

Growth from refurbs[2] 15-25%

15% — 25%

15 stores up 18%

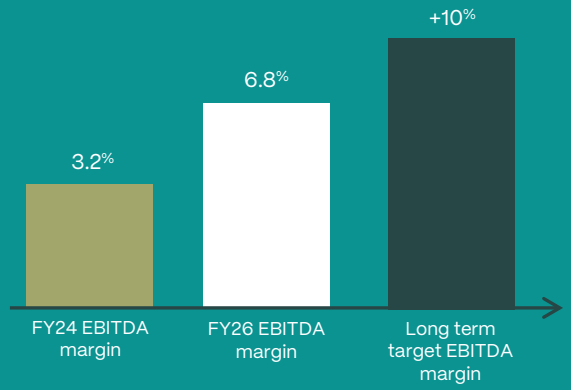
Refurbs 10–15pa

3 FY25 — 15 FY26 — 75

Network growth ~80 stores

Large Format Stores: 77 — 120 (+43)

Small Format Stores[3]: 3 — 40 (+37)



1. Increase from FY24 Gross Margin.
2. Average sales growth % since re-opening up until 28 June 2026 for the 14 refurbished stores (3 stores in FY25 and 11 stores in FY26). Our 15th refurbished Store of the Future (Melrose Park, SA) re-opened on 8 August 2026 & is excluded from the Store of the Future sales growth calculation
3. Dependent on strategic review of FY26 pilot stores.
4. On a pre-AASB 16 basis.

Targets for future periods shown. Achievement subject to performance. Refer to the Important Notice on slide 2 for information about forward-looking statements.

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Focus areas for FY27

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Growth objectives		FY27 Targets[1]	FY27 Deliverables
1 Grow Market share	Customer Experience	Total Sales $585m - $600m Comp Sales 3%-5%	Grow active customers Build PLEX portfolio Lead product innovation and availability
2 Grow EBITDA	Platform Leverage	Gross Margin 42%	Expand retail media & offshore consolidation Move New Zealand to break-even Improve operating leverage
3 Grow Return on invested capital	Capital Discipline	CAPEX $33m-$37m	Refurbish the store network Deploy growth capital Enhance working capital

1. Targets for future periods shown. Achievement subject to performance.
Refer to the Important Notice on slide 2 for information about forward-looking statements.

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Lead product innovation and availability

Range differentiation and availability underpinning market share growth

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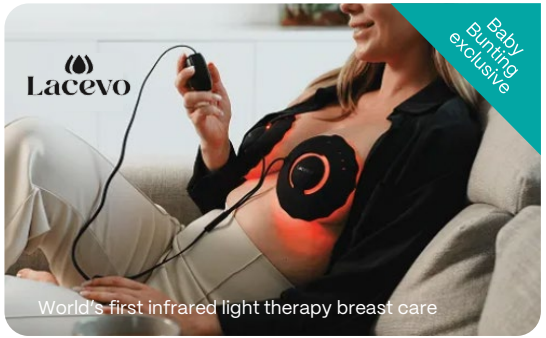
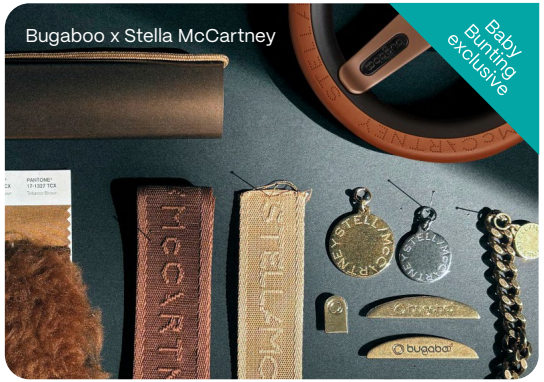
Lead core & growth categories

- New & exclusive product ranges driving customer acquisition
- **New & exclusive product pipeline:** first to market for **rotating car seats** in Australia, **Lacevo infrared light therapy** breast care (just launched), **Bugaboo x Stella McCartney** collaboration



World's first infrared light therapy breast care



Bugaboo x Stella McCartney

Systems & process to drive availability

- **Always Available** program ensuring our top selling products are always in-stock across the network
- Uplifting **forecasting and replenishment planning** system capabilities driving improved in-stock rates across core lines

Rotating car seats

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Refurbishing the store network

Plans in place for further build cost reductions in FY27

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$1.7m per store
actual average build cost

1H FY26

$1.5m per store
Value engineering & execution efficiencies

2H FY26

$1.4m for A&B grade stores
~$1.0m C & D grade scope matched to store grade

20%
sales growth

Maintaining capital payback of less than **3 years**

Returns improve as costs fall

- Refurbished stores delivered an **18% sales uplift in FY26**
- Gross margin ahead of peer stores
- Payback maintained at under three years

FY27: C and D grade redesign

- Program extends to C and D grade stores with a purpose-built redesign
- Each project must clear the <3 year payback hurdle before capital is committed

Small format rollout paused as we continue to refine the pilots

FY27 Refurbishment program

10-12
store refurbishments

Targeting 10–12 refurbishments in FY27, with 6 to be completed in 1H

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FY27 outlook maintained and trading update

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FY27 trade update

As at 4 October 2026 (after first 14 weeks) :

- **+2.2%** underlying[1] comparable store sales growth year-to-date reflecting anticipated moderation from the impact of store refurbishment closures
  - **+2.0% AU** underlying comparable store sales growth
  - **+8.7% NZ** comparable store sales growth[2]
- **Store of the Future** cumulative average sales growth **now 20%**[3]
- Gross margin % is tracking to plan

FY27 store roll out program

- **Store of the Future** refurbishments: 10-12 refurbishments in FY27, with 6 to be completed in 1H
  - North Lakes and Shellharbour re-opened in September
  - 3 stores re-opening in November, 1 more in December
- Risks related to the refurbishments include duration of closure period (targeting 10-12 weeks per store) and level of sales redirection
- Plans to open 3 new **large format stores** (Ballina opening December; 2H (late Q4): 2 committed)
- **Relocation** of Kawana (Qld) to Baringa (Qld) in December
- **Small format pilot stores** continue to be monitored

Outlook

FY27 pro forma NPAT expected to be in the range of **$19.0m to $21.0m** (with an approximate one-third / two-thirds split across the year consistent with historical earnings profile), assuming[4]:

- total sales of $585m to $600m
- comparable store sales growth of 3% to 5%
- gross margin to be 42%
- capital expenditure of $33m to $37m fully funded through operating cash flow

In light of interest rate rises and cost-of-living pressures, we continue to closely monitor and react to trading conditions as we execute our plans for the key promotional periods during the balance of the year, including the important trading periods of November, Boxing Day and June Storktake.

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

1. Underlying comparable store sales excludes the seven stores closed for refurbishment and the adjacent stores during the period (adjacent stores benefit from sales redirection). As indicated at the FY26 results announcement on 14 August 2026, comparable store sales growth was expected to moderate from 4.3% at week 6 to now, reflecting the ramp-up of the first half program. This trend is expected to normalise once those stores re-open.
2. Calculated on a constant currency basis.
3. Calculated as the average sales growth over the first 365 days since re-opening for each of the 17 refurbished stores (in-store and click & collect only).
4. Targets for a future period shown. Achievement subject to performance. Refer to the Important Notice on slide 2 for information about forward-looking statements.

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Appendices

FY26 Investor Presentation

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Statutory to Pro Forma Income Statement Reconciliation

$ million	FY26 Statutory FY26	FY26 Add Pro Forma Adj[i]	FY26 Pro Forma FY26	FY25 Statutory FY25	FY25 Add Pro Forma Adj[i]	FY25 Pro Forma FY25
Sales	**556.0**		**556.0**	**521.9**		**521.9**
Cost of sales	(326.8)		(326.8)	(312.3)		(312.3)
Gross Profit	**229.2**		**229.2**	**209.7**		**209.7**
Other income	0.0		0.0	0.8		0.8
Store expenses	(93.7)		(93.7)	(88.4)		(88.4)
Marketing expenses	(13.3)		(13.3)	(11.3)		(11.3)
Warehouse expenses	(9.2)		(9.2)	(9.2)		(9.2)
Administrative expenses	(41.8)	6.1 (a)	(35.7)	(38.3)	2.7	(35.6)
Transformation project expenses	(0.6)	0.6 (b)	0.0	–		–
Restructuring costs	(0.9)		(0.9)	(0.4)		(0.4)
EBITDA	**69.7**	**6.7**	**76.4**	**62.8**	**2.7**	**65.5**
Depreciation and amortisation	(44.2)		(44.2)	(39.8)		(39.8)
EBIT	**25.5**	**6.7**	**32.2**	**23.0**	**2.7**	**25.7**
Net finance costs	(9.6)		(9.6)	(8.7)		(8.7)
Profit before tax	**15.9**	**6.7**	**22.6**	**14.3**	**2.7**	**17.0**
Income tax expense	(4.7)	(1.8) (c)	(6.5)	(4.8)	(0.2)	(5.0)
Net profit after tax	**11.2**	**4.9**	**16.1**	**9.5**	**2.5**	**12.1**

Pro forma financial results have been calculated to exclude the following items (refer Directors' Report dated 14 August 2026 for further detail):

a. Employee equity incentive expenses represent the cost amortisation of performance rights (long term incentive plan and deferred short term incentive) on issue and the associated payroll tax costs

b. Transformation project expenses represent non-capital expenditure incurred to enable the future technology platform upgrade of the Group's ERP and POS environments

c. Tax impact from pro forma adjustments

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Pro Forma Income Statement

AASB 16 Transition Impact

$ million	FY26 Pro Forma FY26	FY26 Reversal of AASB 16 Depreciation and Interest	FY26 Add Operating Lease Expenses	FY26 Pre-AASB 16 FY26	FY25 Pro Forma FY25	FY25 Reversal of AASB 16 Depreciation and Interest	FY25 Add Operating Lease Expenses	FY25 Pre-AASB 16 FY25
Sales	**556.0**			**556.0**	**521.9**			**521.9**
Cost of sales	(326.8)			(326.8)	(312.3)			(312.3)
Gross Profit	**229.2**			**229.2**	**209.7**			**209.7**
Other income	0.0			0.0	0.8			0.8
Store expenses	(93.7)		(35.1)	(128.8)	(88.4)		(33.4)	(121.8)
Marketing expenses	(13.3)			(13.3)	(11.3)			(11.3)
Warehouse expenses	(9.2)		(3.3)	(12.5)	(9.2)		(3.6)	(12.8)
Administrative expenses	(35.7)		(0.4)	(36.1)	(35.6)		(0.3)	(35.9)
Transformation project expenses	0.0			0.0	–			–
Restructuring costs	(0.9)			(0.9)	(0.4)			(0.4)
EBITDA	**76.4**		**(38.8)**	**37.6**	**65.5**		**(37.3)**	**28.2**
Depreciation and amortisation	(44.2)	31.4		(12.7)	(39.8)	30.6		(9.2)
EBIT	**32.2**	**31.4**	**(38.8)**	**24.9**	**25.7**	**30.6**	**(37.3)**	**19.1**
Net finance costs	(9.6)	6.9		(2.7)	(8.7)	6.7		(2.0)
Profit before tax	**22.6**	**38.4**	**(38.8)**	**22.2**	**17.0**	**37.4**	**(37.3)**	**17.1**
Income tax expense	(6.5)	(11.5)	11.6	(6.4)	(5.0)	(11.2)	11.2	(5.0)
Net profit after tax	**16.1**	**26.9**	**(27.1)**	**15.9**	**12.1**	**26.2**	**(26.1)**	**12.1**

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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. Stores 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)
FCCR (fixed charge cover ratio)	pre-AASB 16 normalised EBITDA plus rent / bank interest plus rent. Normalised EBITDA references allowable exclusions from EBITDA that are one-off business simplification costs
Leverage ratio	gross debt / pre-AASB 16 normalised EBITDA

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