

31 July 2023

Baby Bunting FY23 full year results update

Baby Bunting Group Limited (Baby Bunting or the Group) today provides the following update.

Unaudited financial results

For FY23, Baby Bunting's preliminary unaudited pro forma¹ financial results (on a 52-week basis) were:

\$m	FY23	FY22	change vs FY22
Sales (52 weeks)	515.8	507.3	1.7%
Comparable store sales	-3.6%	5.0%	
Gross profit %	37.4%	38.6%	-118 bps
Pro forma NPAT			
AU	17.1	31.1	-45.0%
NZ	-2.6 ²	-1.5	-
Group pro forma NPAT	14.5	29.6	-51.0%
Statutory NPAT (53 weeks)	9.9	19.5	-49.5%

The unaudited pro forma NPAT result is towards the upper end of the FY23 guidance provided on 6 June 2023 which was \$13.5 million to \$15.0 million.

Acting CEO, Darin Hoekman, said "June is a key promotional period. As previously indicated, the first two weeks of the period saw trading in stores and online well below expectations with comparable store sales of around negative 21%. In the final 3 weeks of the promotional period, trading improved as customers responded more positively to our offers, with comparable store sales in the final weeks of the promotion being negative 9.4%."

Over the second half, sales were \$260.9 million³ (FY22: \$268.2 million), with comparable store sales of negative 7.3%, cycling positive 3.3%. This sales performance reflected conditions becoming more difficult for consumers in the second half. Since the June promotion ended, comparable store sales have been negative 9.1% (cycling positive 16.1% for the same period in FY23).

Inventory levels finished the year at around \$98.0 million (FY22: \$96.7 million). This total includes \$7.3 million of inventory added for the seven new stores opened during FY23 and the New Zealand distribution centre.

Net debt was \$6.2 million (FY22: net debt of \$0.7 million) at the end of the year and the Group had \$58 million headroom in its \$70 million banking facility and considerable clearance in its banking covenants.

¹ Pro forma financial results exclude employee equity incentive expenses and significant costs associated with business transformation projects. FY23 was a 53-week retail financial year for the Group (27 June 2022 to 2 July 2023) and pro forma financial results also exclude week 53 sales and expenses to enable a comparison to prior 52-week financial years.

² Operating loss includes establishment costs of \$0.4 million.

³ This amount excludes week 53.

Baby Bunting has identified a range of initiatives to simplify elements of its operating model which will support net cost reductions out of the Group's existing cost base of around \$6 million to \$8 million in FY24.

In addition to the seven new stores opened in FY23, Baby Bunting expects to open five new stores in FY24, with three new stores in New Zealand (two in Auckland and one in Christchurch) and two in Australia (Cranbourne and Maroochydore).

Full year results investor call

The Group will release its audited full year results on 11 August 2023. An investor call will be held at **9.15am (AEST) on Friday, 11 August 2023**.

You may access the call by registering via:

<https://registrations.events/signup/ID84142>

Upon registering you will be provided with dial in numbers and a passcode. Participants may register in advance of the time for the call.

2023 Annual General Meeting

For the purpose of Listing Rule 3.13.1, Baby Bunting's 2023 Annual General Meeting will be held on Tuesday, 10 October 2023 and the closing date for receipt of director nominations is 8 August 2023. The Notice of Annual General Meeting will be made available in early September 2023.

All financial information included in this update has not been audited and remains subject to further review and finalisation.

The release of this announcement was authorised by the Board.

For further information, please contact:

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