

15 January 2025

1H FY25 Results Update

1H pro forma NPAT up 37% to \$4.8m

1H preliminary and unaudited results update:

- **1H FY25 gross profit margin of 39.8%, up 260 bps vs pcp of 37.2%** – on track to deliver FY25 margin target of 40%
- **Comparable store sales growth of 2.2%**
 - As reported at the 2024 AGM, comparable store sales growth for the year to 13 October 2024 was 0.6%
 - Q2 FY25 comparable store sales growth of 4.5%
- **Group pro forma¹ NPAT (unaudited) of \$4.8m, up 37% vs 1H FY24 of \$3.5m**
- **Net debt of \$9.1m**
- **Baby Bunting reaffirms FY25 earnings guidance**

Baby Bunting's CEO, Mark Teperson said, "We are pleased to share this update today which demonstrates our successful progress in executing our strategy of growing market share, EBITDA and return on capital. The November and December trading periods were particularly strong, with well-executed campaigns resonating with our consumers, driving comparable store sales growth of 4.5% in Q2. At the same time, our focus on renegotiating supplier terms, simplifying our price architecture and our exclusive brands and private label works delivered significant gross margin expansion, finishing at 39.8% for 1H.

"This achievement highlights our ability to strike the right balance between growing sales and enhancing profitability. Pleasingly, this momentum has continued into the first weeks of 2H, with strong customer engagement and positive feedback driven by our strategic range innovation across our key categories.

"Our store refurbishment program is on track, and we look forward to providing a further update in February. This result reinforces our confidence in the transformative opportunity of our strategic roadmap as we continue to navigate the evolving retail landscape with discipline and focus."

Outlook:

FY25 earnings guidance is maintained. FY25 pro forma NPAT is expected to be in the range of **\$9.5m to \$12.5m**, based on expectations that:

- comparable store sales growth in the range of 0% to 3%
- gross margin of 40%
- cost of doing business increases in FY25 include new and annualising store costs, wage inflation of 3.75% and additional roles and marketing to support strategy execution
- capital expenditure of \$10m – \$13m, fully funded through operating cash flow

¹ 1H FY25 pro forma financial results exclude employee equity incentive expenses. There are no transformation costs excluded in 1H FY25.

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

Notice of 1H FY25 Results and Conference Call for Investors and Analysts

Baby Bunting will release its half year reviewed statutory results on **Tuesday, 18 February 2025**.

Following the release, a presentation and a discussion will be hosted by Mark Teperson (CEO) and Darin Hoekman (CFO) at **9.15am (AEDT) on Tuesday, 18 February 2025**.

Participants may register for the call at:

<https://s1.c-conf.com/diamondpass/10044674-w8f6rg.html>

Upon registering you will be provided with a code to use when dialling into the call. Participants may register in advance of the time for the call.

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

The release of this announcement was authorised by the Board.

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