

27 June 2024

Trading Update, FY24 Guidance Reaffirmed, NAB Debt Facility Rolled Over

- Total sales from 1 May 2024 to 24 June 2024 were up 1.0% on pcp
- Existing \$70 million NAB facility renewed for a further 3 years at existing pricing
- Comparable store sales from 1 May 2024 to 24 June 2024 down 0.7% on pcp and second half year to date (to 24 June 2024) down 5.6% on pcp
- The Group reaffirms FY24 pro forma NPAT is expected to be in the range of \$2 million and \$4 million

Baby Bunting Group Limited (Baby Bunting or the Group) today provides an update on trading, announces a rollover of its existing National Australia Bank (NAB) facility of \$70 million on the same pricing terms and reaffirms its full year 2024 (FY24) pro forma net profit after tax guidance range of \$2 million and \$4 million.

Total sales from 1 May 2024 to 24 June 2024 were up 1.0% versus the prior corresponding period (pcp). Comparable store sales for the period 1 May 2024 to 24 June 2024 were down 0.7% versus pcp. This compares favourably to January to April run rate of negative 7.7%. This improvement reflects the benefits of recently introduced new product assortments, a renewed focus on new customer acquisition, the introduction of a refreshed promotional engagement and a proactive branding and go-to-market campaign.

The Group today also announced that it has rolled over its existing NAB debt facility which was due to expire in March 2025 for a further three years (now maturing in September 2027), with existing pricing maintained. Reflecting the support of NAB, the FCCR covenant ratio has been lowered for the next three quarterly measurement points. This renewed 3-year deal provides Baby Bunting with the headroom to support its growth strategy and demonstrates NAB's continued support of the business.

Baby Bunting's CEO, Mark Teperson said, "While it is still early days it is pleasing to see the impact of some of our strategic initiatives on our comparable sales performance over the past eight weeks.

"We have today in a separate announcement to the ASX released details of our five-year strategy which is designed to stabilise and optimise our existing business and provide the blueprint for delivering future growth and over 10% EBITDA margin.

"We are making good progress in implementing the first phase of our strategic initiatives including the introduction of a program of work to simplify our pricing strategy, renegotiating supplier trading terms, and enabling online fulfilment through all stores which is strengthening our operating leverage and inventory utilisation. We've also been focused on expanding our newly established New Zealand team to drive growth in that market.

"The rolling over of our existing \$70 million NAB debt facility for a further three years on existing pricing terms provides us with ongoing capacity to implement the future phases of our growth initiatives.

"We are well positioned to execute our strategy and are focused on delivering sustainable growth and enhanced shareholder value."

Investor call

Mark Teperson (CEO) and Darin Hoekman (CFO) will host a call at **10:00am (AEST) today, Thursday, 27 June 2024** to discuss the trading update and the Group's refreshed strategy. You may access the call by registering via:

<https://my.eu.lumiconnect.com/939-242-005>

The release of this announcement was authorised by the Board.

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