

13 October 2026

2026 AGM addresses, proxy summary and trading update with FY27 guidance reaffirmed

Trading update as at 4 October 2026:

- **+2.2%** underlying¹ comparable store sales growth year-to-date reflecting anticipated moderation from the impact of store refurbishment closures²
 - **+2.0% AU** underlying comparable store sales growth
 - **+8.7% NZ** comparable store sales growth³
- Store of the Future cumulative average sales growth **now 20%**
- Gross margin % tracking to plan

Network update:

- **Store of the Future**
 - 17 **refurbished** stores now trading, delivering cumulative⁴ sales growth of 20%
 - FY27 program of 10–12 refurbishments, with 6 to be completed in 1H: North Lakes and Shellharbour re-opened in September, three further stores re-open in November and one in December
 - Risks related to the refurbishments include duration of closure period (targeting 10–12 weeks per store) and level of sales redirection
- **Store network of 80 stores**
 - Three new large format stores committed for FY27: Ballina (NSW) opening in December and two in late Q4
 - Continued optimisation with the relocation of Kawana (Qld) to Baringa (Qld) in December
 - Small format pilot stores continue to be monitored and refined

FY27 guidance reaffirmed:

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), assuming⁵:

- 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 expenses.

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).

2 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 refurbishment program with 7 stores closed during this period. This trend is expected to normalise once those stores re-open.

3 Calculated on a constant currency basis.

4 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).

5 Targets for a future period shown. Achievement subject to performance. Refer to the Important Notice in the AGM presentation for information about forward-looking statements.

2026 AGM addresses and presentations

Attached is a copy of the address to shareholders to be delivered today at the Company's 2026 AGM. An AGM presentation was lodged separately with ASX at the time of this announcement.

Proxy votes received before the AGM

Details of the proxy votes received on each item of business before the AGM are set out below:

Resolution	For	Against	Open	Abstain
Item 2a Re-election of Donna Player	88,334,909 99.76%	82,868 0.09%	127,670 0.15%	88,643
Item 2b Election of Richard Vincent	88,382,779 99.83%	18,869 0.02%	127,670 0.15%	104,772
Item 3 Remuneration Report	87,952,760 99.69%	140,407 0.16%	128,719 0.15%	412,204
Item 4 STI rights grant to the CEO	87,676,360 99.31%	479,529 0.54%	128,670 0.15%	349,531
Item 5 LTI rights grant to the CEO	87,685,980 99.29%	492,501 0.56%	127,670 0.15%	327,939
Item 6 Approval of LTI Plan	87,655,151 99.33%	456,592 0.52%	127,670 0.15%	394,677

The release of this announcement was authorised by the Board.

For further information, please contact:

Investors

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2026 ANNUAL GENERAL MEETING CHAIR'S AND CEO'S ADDRESS

CHAIR ADDRESS

Good morning everyone and welcome to Baby Bunting's 2026 Annual General Meeting, especially to our shareholders here in the room and joining us online.

I am Stephen Roche, Chair of Baby Bunting, and it is a privilege to address you this morning. The 2026 financial year was one of the most challenging years for the retail sector in recent memory due to a number of external factors. It was especially pleasing, therefore, to deliver such a strong performance through the disciplined execution of our strategy under our Chief Executive Officer, Mark Teperson.

FY26 overview

The year saw significant progress as we moved from proof of concept of our Store of the Future program to delivering benefits at scale. We achieved record sales of \$556 million, up 6.5%, and a second consecutive record gross margin of 41.2%. Pro forma net profit after tax grew 33.9% to \$16.1 million, and profit growth accelerated through the year, with second half pro forma net profit after tax up 54% on the prior corresponding period. This reflects the benefits of our gross margin initiatives, refurbished stores and cost discipline.

This was despite the consumer environment becoming more difficult through the year. Cost-of-living pressures persisted, and interest rate rises and higher fuel prices left customers more cautious, impacting sales in the fourth quarter in particular. While this meant our pro forma net profit after tax was slightly below the guidance we set, we were pleased to deliver such material profit growth in these conditions.

The Board recognises that our share price has not reflected the progress the business has made, and we understand this has been disappointing for many of you. While we cannot control the market, our focus remains firmly on executing our strategy and careful cost management to deliver the kind of sustainable earnings growth that we believe will be recognised over time.

Strategy progress and market position

Baby Bunting operates in a sizeable market across Australia and New Zealand, with a \$6.3 billion total addressable opportunity. We remain the leading specialty baby retailer, with around 23% share of the hard goods market. In the complementary \$3.4 billion soft goods market, our sales grew 12.9% in FY26, and we see significant room to win further share. Importantly, each additional percentage point of soft goods market share represents around \$34 million of revenue.

At the centre of our growth plan is the Store of the Future program. In the year, we completed 12 refurbishments, and a further two since year end, taking the refurbished network to 17 stores. Today, these stores are delivering an average sales uplift of 20%, with gross margin ahead of peer stores and payback of under three years.

In FY27 we plan to complete a further 10 to 12 refurbishments while continuing to value engineer build costs. With around 60 stores still to be refurbished, capital is committed to each project only once it clears a payback hurdle of under three years.

New Zealand remains an important long-term opportunity for Baby Bunting, in a market worth around \$1.1 billion. Comparable store sales there grew 17.0% in FY26, and our focus this year has been on building the business in a disciplined way, reducing the cost base and opening our first Store of the Future in Auckland. We expect New Zealand to reach break-even on a pro forma net profit after tax basis in the second half of FY27 and to contribute to group earnings from FY28.

Capital management

We continue to manage capital with discipline. We invested \$44.5 million, including a record 19 store projects across refurbishments, new stores and our small format pilot. This was funded largely from operating cash flow, with the balance drawn from existing facilities. We ended the year with net debt of \$16.2 million and more than \$60 million of undrawn headroom, following the extension of our working capital facility with NAB to \$90 million. Return on funds employed improved to 15.1%, from 12.1% last year.

The Board decided not to pay a dividend for the financial year, so that we can continue to invest in our store refurbishment program which is generating superior returns for shareholders. We recognise the importance of dividends to our shareholders, and will continue to review this in the context of our broader capital management priorities as our earnings base grows.

Board and leadership update

Turning to the Board, we continued our renewal program, in September welcoming Richard Vincent as an independent Non-Executive Director and member of the Audit and Risk Committee. Richard brings more than 30 years of executive and board experience in retail and complex supply chains, including as Chief Executive Officer and Managing Director of Australian Pharmaceutical Industries, combined with a strong background in business transformation and finance. He stands for election today.

Gary Levin has decided not to seek re-election and will retire from the Board at the conclusion of this meeting. Gary has served as a director since 2014, joining ahead of our listing, and on behalf of the Board I thank him for his significant contribution to Baby Bunting.

On our executive team, Darin Hoekman announced in July that he will step down as Chief Financial Officer after more than 12 years with the business. Darin has made an outstanding contribution through a period of significant growth and business transformation and has been a trusted leader of our finance function. On behalf of the Board, I thank him and wish him well. Darin will remain in the role until a successor is appointed, and the Board has engaged an executive search firm to lead that process.

During the year we further strengthened the executive team with the addition of Jessica Kahanoff as Executive Head of Property and Hannah Styles as General Manager of Merchandise and Planning. Following the year end, Siobhan Pelc also joined us as General Manager of People and Culture. I welcome each of them to Baby Bunting.

Sustainability and governance

The Board remains committed to the long-term sustainability of our business and our positive impact on the communities we serve. This year we strengthened our oversight by establishing a People, Culture and Remuneration Committee, giving climate-related risk greater weight in the Audit and Risk Committee Charter, and publishing our first sustainability report under the new AASB S2 climate-related financial disclosure standard.

We also expanded our car seat recycling program – with the assistance of one of our key supplier partners Dorel – diverting more than 11 tonnes of material from landfill. That program continues into FY27. To help support some wonderful organisations, Baby Bunting together with our customers, suppliers and team, raised more than \$700,000 for Life's Little Treasures Foundation, PANDA and Our Village. These are organisations that play a vital role in supporting parents of babies and young children at critical stages.

Outlook

In the first 14 weeks of the current financial year, we have seen continuing trading moderate somewhat as we have had seven stores closed for refurbishment in the first quarter. Underlying comparable store sales growth was 2.2%. Our Stores of the Future, upon re-opening continue to trade well with cumulative average sales growth now 20%, based on growth in the first year since re-opening of a refurbished store. As Mark will outline, comparable store sales growth is expected to moderate in the first half while our refurbishment program ramps up, and to normalise as those stores reopen.

We see an enormous long-term opportunity for Baby Bunting, underpinned by growing our network to more than 120 stores across Australia and New Zealand. We continue executing on our plans in a disciplined fashion and I look forward to updating you further on our progress.

On behalf of the Board, I would like to thank Mark and the broader Baby Bunting team for their dedication to our customers and the business. Delivering 19 capital projects in a single year, while continuing to trade and maintain our service standards, was a significant achievement. I also thank my fellow directors, and our customers, suppliers and partners. With a clear strategy and strong foundations in place, we are well positioned to build on this momentum in the years ahead. Thank you to our shareholders for your continued support.

I will now hand over to Mark for his update on operations and the year ahead.

CEO'S ADDRESS

Thank you, Stephen, and good morning everyone.

Three years into this role, I am more confident than ever that our strategy is working. FY26 was the year we executed at scale, and I look forward to walking you through what that has meant for our customers, our team and our business.

Purpose (slide 5)

Before we get to the results, I want to talk about why we do what we do.

Time is our most precious resource – once it's gone, we can never get it back. And, children are our greatest investment. The love, care, and attention we give them today grows exponentially, shaping the people they become tomorrow. When we devote our most precious resource to our most valuable investment, we create the foundation for something truly extraordinary.

That belief sits behind our vision of the best start for the brightest future. It guides the ranges we choose and the stores we build, and underpins our mission to support and inspire confident parenting, from newborn to toddler.

Our team (slide 6)

Our team brings that belief to life every day. In every store, their passion shows in how they welcome customers, help them find what they need, and take pride in getting the details right. That care shapes the experience customers remember. To every member of our team, thank you.

Results (slide 7)

Turning to our results for the year.

We delivered record total sales of \$556.0 million, up 6.5% on the prior year, with comparable store sales growth of 3.5%. This strong result was driven by our execution, including our new refurbished stores in market, the full year benefit of same-day and next-day delivery, and strong customer acquisition of 4.2%. Comparable growth did moderate in the second half, to 2.4% from 4.7% in the first half, reflecting the tighter consumer environment, supplier delays in the delivery of our expanded rotating car seat range, and around 1,000 trading days lost while stores were closed for refurbishment.

Our Stores of the Future delivered average sales growth of 18% in their first 12 months since reopening, within our target range of 15% to 25%, and we now have 17 refurbished stores open and trading. When we look today, we're very pleased to see that metric has increased to show an average sales growth for these stores of 20%. I will come back to this program in more detail shortly.

Gross margin was a record 41.2%, up 100 basis points, with the second half stronger again at 41.4%. This reflects a range of margin initiatives, including the growing contribution of our private label and exclusive products, and the benefit of our exclusive partnership with Stokke which began trading in the fourth quarter.

EBITDA on a pre-AASB 16 basis was \$37.6 million, representing 6.8% of sales, up 140 basis points, and 8.1% of sales in the second half. This is significant progress against our long-term target of more than 10%, driven by the combination of gross margin expansion and cost of doing business leverage, as store labour productivity, marketing efficiency and supply chain savings started to flow through.

Pro forma NPAT was \$16.1 million, up 33.9%, with second half profit up 54% as those margin and cost benefits compounded through the year. Statutory NPAT was \$11.2 million, up 17.5%.

Our balance sheet remains healthy. Net debt was \$16.2 million, with more than \$60 million of debt headroom and strong cash generation, with cash conversion of 96%, up from 82% last year. This gives us the flexibility to keep investing in growth while maintaining a disciplined balance sheet.

Operating highlights (slide 8)

Moving to our operating highlights for the year. We've mentioned the record number of capital projects delivered - more than at any point in our history. That pace of execution was evident across the business, from the stores we opened and refurbished, to the new revenue streams we built, and the leverage we drove from our cost base.

In addition to the store refurbishments, we opened three new large format stores in Dubbo, Westgate and Tuggerah. We also optimised our network, exiting Hornsby and relocating Bentleigh to Mentone to improve store performance, and we opened three Baby Bunting Junior small format pilots, at Marion, Plenty Valley and Robina.

FY26 was the first full year of BabyBuntingMedia, our retail media business, which sells advertising and promotional space to our brand partners using our reach across Australia's largest new and expectant parent audience. It generated \$5.8 million of revenue, up around \$3.0 million on the prior year. We also extended our exclusive brand partnerships, signing a three-year exclusive agreement with Stokke, a leading international baby goods brand.

We used existing store labour to service growing online demand, and our New Zealand overhead reduction is tracking to plan, with New Zealand on track for pro forma NPAT break-even in the second half of FY27. We also continued to bolster our bench strength across the business with several key hires as we continue to ramp up our execution.

Growth plan (slide 9)

The strength of our result was driven by our long-range plan which seeks to re-establish Baby Bunting as a 10% plus EBITDA margin business on the same three pillars we set out in FY24.

We will continue to grow our market share through extending our category leadership in hard and soft goods, growing the network and by owning the parenting journey with the customer.

Critical to this is expanding gross margins beyond 43%, led by mix, retail media and offshore consolidation. We'll take PLEX to around 60% of sales and leverage the cost base as the fleet and systems scale.

Finally, we are focused on completing the transformation of our store fleet, backing the highest returning opportunities first and funding growth from operating cash flow.

How the strategy compounds (slide 10)

Slide 10 shows how our strategy compounds value for shareholders.

There are two levers that improve the economics of every dollar: our gross margin and our operating leverage. On gross margin, we have upgraded our medium-term target by 100 basis points to a total improvement of 600 basis points from our FY24 base.

Pleasingly we are starting to see positive inflection on our operating leverage after a period of capability investment and store-based productivity initiatives. Our 31.6% target represents an improvement of 290 basis points from our FY26 result, where the material overhead leverage will come through continued growth of our sales base.

The two levers that grow the sales base are our refurbishment program and network growth. Our refurbishment program still has another 60 or so stores remaining, targeting 15% to 25% growth and a sub-three-year payback. Along with our network growth program of an additional 43 large-format stores this is a material driver of our sales growth strategy. We also have the option to grow our small format footprint, subject to these meeting our performance thresholds.

Collectively, that is the pathway back to a 10% plus EBITDA margin business. Our results delivered to date prove the strategy is working. The chart on the right-hand side illustrates this. Over the last two years, we have delivered 440 basis points of gross margin improvement and 12% sales growth. That has driven a 136% improvement in EBITDA over that same period.

FY27 targets (slide 11)

To support this growth plan, we have set clear targets and deliverables for FY27.

We are targeting total sales of \$585 to \$600 million, and comparable store sales growth of 3% to 5%. Delivery of this is based on continuing to grow our active customers, building our PLEX portfolio, and leading product innovation and availability.

We are targeting gross margin of 42% through expanding retail media and offshore consolidation, moving New Zealand to break-even and improving our operating leverage.

And we are targeting capital expenditure of \$33 to \$37 million, fully funded through operating cash flow. We will deliver this by refurbishing the store network, deploying growth capital, and enhancing working capital.

Product innovation (slide 12)

One of the key ways in which we grow market share is through product innovation and availability. Parents come to us for brands they trust and products they cannot find anywhere else. Private label and exclusive products now make up more than half of our sales, and in FY26 we added Stokke to our exclusive partnerships alongside Nuna, Joie, Edwards & Co and, in New Zealand, Bugaboo, with further exclusive launches planned for FY27. We have also made our range easier to reach. Endless aisle now lets our store teams order from our full extended and marketplace range for customers in store, and same-day and next-day delivery now accounts for 10% of our online delivery orders.

Refurbishing the store network (slide 13)

The key engine of our strategy continues to be our Store of the Future program. The new format moves our stores from a category-led layout to an activity-led layout, designed around how parents actually shop, and the results speak for themselves. The clearest proof came in the fourth quarter. As trading softened and our non-refurbished stores fell behind plan, our refurbished stores kept trading well. Two stores that reopened late in the year delivered record opening weekend sales, and the three stores we reopened in late FY25 have now cycled their first year and continue to trade to plan. Refurbishments are timed to lease renewals, and we are targeting lower average build costs as the program scales.

Outlook and trading update (slide 14)

Turning now to our outlook and to provide an update on trading.

I am pleased to report that momentum has continued into FY27, with underlying comparable store sales growth of 2.2%. This is in line with our expectations of moderating sales growth since our last update of 4.3% in August, due to seven stores closed for refurbishments. Underlying growth is adjusted for the impact of temporary store closures.

For our refurbished Stores of the Future, cumulative average sales growth is now 20%. This is the measure of sales growth in the first 365 days since the refurbished store re-opening. There are 17 stores now in this cohort.

New Zealand comparable store sales growth has been 8.7% on a constant currency basis, reflecting the continuing improvement in performance in that market.

Gross margin % is tracking to plan, and we maintain our target of 42% gross margin for FY27.

On our store roll out program for the year, we plan 10 to 12 Store of the Future refurbishments in FY27, with 6 to be completed in the first half. As with any refurbishment program, the key risks are the duration of the closure period, which we are targeting at 10 to 12 weeks per store, and the level of sales redirected to nearby stores during that time. We also plan to open three new large format stores, with Ballina opening in December and two committed for late in the fourth quarter, and to relocate our Kawana store to Baringa, both on Queensland's Sunshine Coast, also in December. We will continue to refine our Baby Bunting Junior pilots before considering extending the pilot.

We reiterate the guidance provided at our FY26 result. FY27 pro forma NPAT in the range of \$19 million to \$21 million, with an approximate one-third, two-thirds earnings split across the year, consistent with our historical earnings profile.

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.

Close

Our strategy is clear, we are executing it with discipline, and it is delivering results. We are on track to re-establishing Baby Bunting as a business with an EBITDA margin above 10%, and we have the platform in place to deliver sustainable growth for our shareholders.

To our team, thank you for your passion and commitment, especially through a year of record transformation. We greatly value the ongoing trust of our customers, and the collaboration of our business partners. I would like to also acknowledge Darin's incredible contribution to the company over more than 12 years. Finally, to our shareholders, thank you for your continued support.

We look forward to building on this strong foundation in the year ahead.

I will now hand you back to Stephen for the formal business of the meeting.