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ASX Market Announcements Office  
Australian Securities Exchange

## FY20 FINANCIAL RESULTS UPDATE

Baby Bunting Group Limited (Baby Bunting or the Company) provides an update on its financial results for FY20.

### Preliminary unaudited FY20 financial results

Baby Bunting today announced it expects:

- pro forma earnings before interest, tax, depreciation and amortisation for FY20 of between \$33 million and \$34 million (growth of between 22% to 25%);
- pro forma net profit after tax of between \$18.5 million and \$19.5 million (growth of between 29% and 35%); and
- statutory net profit after tax of between \$9.5 million to \$10.5 million (FY19: \$11.6 million (restated for AASB 16)).

These results remain subject to finalisation and external audit. Pro forma EBITDA and NPAT both exclude the non-cash impact of employee equity incentive expenses, significant transformation project expenses and the impairment of the carrying value of the Company's investment in its digital commerce technologies. Pro forma EBITDA also excludes the impact of AASB 16 lease accounting.

CEO and Managing Director Matt Spencer said, "These are very positive results, in particular given the impact of the COVID-19 pandemic on communities in Australia. During the year, all of our stores remained open and our Team worked incredibly hard to adapt how we operated to ensure that we continue to support new and expectant parents in these challenging times. We have seen the business continue to grow in FY20 and I am confident that growth will continue in FY21."

Other preliminary unaudited results include:

- total sales of approximately \$405 million, representing growth of around 12% (against the 52 week prior comparable period) (**pcp**);
- comparable stores sales growth in 2H of 10.5%, with full year comparable store sales growth of 4.9%. Comparable store sales growth from our bricks and mortar stores was 2.5% for the year and 7.6% in 2H;
- online sales (including click & collect) grew 39%, making up 14.5% of total sales for the year (up from 11.8% of total sales in FY19);
- expected gross profit margin of 36.2% an increase of 120 basis points against the pcp; and
- the Company finished the year with net cash of \$13 million.

Matt Spencer said, “Pleasingly, the Baby Bunting business has continued to perform strongly and grow market share. We have achieved positive comparable store sales growth, gross margin improvement and retail cost leverage while also maintaining prudent working capital management resulting in zero debt and \$13 million in the bank. To finish the year the way we did in a difficult environment shows the strength of the brand and the dedication of our Team.

“As the ongoing restrictions in Melbourne and surrounding areas indicate, COVID-19 is likely to have an impact into FY21 in ways that may be unexpected. I am confident that our business can respond to new challenges as we did in the second half of FY20. To date, trading in FY21 has continued to be positive.

“We’re doing some really exciting things. We have recently commenced shipping to customers in New Zealand via our website. New stores continue to be developed, with our next store to open at Westfield Knox in Melbourne with further stores planned to follow in New South Wales. In addition, work is progressing well on our new Dandenong South Distribution Centre. It is expected to be operational in Q4 and it will double our DC capacity.”

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Further details of the Baby Bunting Group Limited FY20 result will be provided with the release of the audited statutory accounts on Friday, 14 August 2020.

All financial information included in this trading update is unaudited and remains subject to further review and finalisation.

This document has been authorised for release to ASX by the Board.

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