



ASX announcement

12 February 2016

Baby Bunting Group Limited – FY2016 First Half Results

Baby Bunting Group Limited (ASX: BBN) (“Baby Bunting” or “the Company”) today announced its financial results for the half year ended 27 December 2015.

Key financial highlights

The key financial highlights from the result include:

- Sales of \$108.2 million, up 30.3% on the prior corresponding period;
- EBITDA (pro forma) of \$7.8 million, up 50.6% on the prior corresponding period;
- Comparable store sales growth of 9.2%;
- Gross margin of 34.8%, up 48bp from the prior corresponding period;
- Cash at 27 December 2015 of \$7.2 million, plus \$13.0 million undrawn borrowing facility; and
- Four new stores opened in the half, taking the total store count to 35.

Business Performance

Baby Bunting grew sales and earnings strongly in the first half of 2016.

Matt Spencer, CEO & Managing Director, said “We are delighted to report our first result as an ASX-listed company and to welcome our new shareholders. Baby Bunting had a successful period across the business including strong comparable store sales growth, opening 4 new stores and increased EBITDA margin. This result is a credit to the Baby Bunting Team across all of our 35 stores, in our Distribution Centre and Support Office.”

In addition to the strong financial performance the business has continued to execute on several initiatives to support the Company’s future growth. These include the implementation of a new warehouse management system, launching an improved website, enabling Click & Collect, and expanding the range of private label and exclusive products. The Company has also commenced implementation of a new online learning and development platform that will support the development of the growing Team and help Baby Bunting continue to deliver high levels of service to its customers.

New stores were opened in Booval, North Lakes and Burleigh Waters in Queensland, and Campbelltown in New South Wales.

Outlook

Baby Bunting has provided an updated outlook for the 2016 financial year:

- Sales expected to be in the range of \$225 million to \$235 million¹;
- Pro forma EBITDA expected to be in the range of \$16.5 million to \$18.5 million¹;

1. Please refer to “Forward looking statements” section on page 2 of Investor Presentation regarding outlook.

- One to two new stores expected to be opened in the second half. This would take the full year total to five to six new stores; and
- Full year gross margin is expected to be consistent with the first half.

Strong trading has continued into the second half with year-to-date comparable store sales growth increasing to 11.2% as at 31 January 2016. However, the Company expects comparable store sales growth to moderate through the remaining part of the financial year in accordance with prior years' trading patterns.

Matt Spencer commented: "We are pleased with both the current trading performance of the business and the progress being made in expanding our capabilities to support future growth."

Director resignation

Following her appointment as Chief Operating Officer of retailer Spotlight Retail Group, Tamalin Morton has resigned from the Board of Baby Bunting effective today to concentrate on her new role. Tamalin has made a significant contribution to the Board during the last year participating in preparations for the Company's IPO, its successful listing on the ASX, and the achievement of a strong first half result.

The Directors thank Tamalin for her contribution and wish her well in her exciting new appointment.

Director appointment

The Baby Bunting Board is pleased to announce the appointment of Melanie Wilson as a director.

Melanie has more than 12 years' international retail experience in senior management roles. Her appointments included Limited Brands (Victoria's Secret, Bath & Bodyworks – New York), Starwood Hotels (New York), Woolworths and Diva/Lovisa and have covered a wide spectrum of retail including store operations, merchandise systems, online/e-commerce, marketing, brand development and logistics/fulfilment. In her most recent position, Melanie was Head of Online at BIG W.

Prior to her retail experience, Melanie performed roles at Bain and Company (Boston) and Goldman Sachs (Hong Kong and Sydney).

Melanie has an MBA from the Harvard Business School and is a graduate of Australian Institute of Company Directors.

Melanie's appointment is effective on and from Monday, 15 February 2016.

Investor conference call

Baby Bunting will host an investor conference call on Friday, 12 February 2016 at 10.30am (AEDT):

Australian guests:	(dial) 1800 857 029
International guests	(dial) +613 8687 0635
Guest access code	(enter) 7752 1645#

Further information and enquiries

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