

# Earnings Presentation

tonies SE | Luxemburg | April 28, 2022

PRESENTATION VERSION  
CONFIDENTIAL



# Who you have on the call today



Marcus Stahl

Co-CEO,  
Co-Founder



Florian Drabeck

CFO



Jan Middelhoff

MD International

# tonies SE | Earnings Presentation



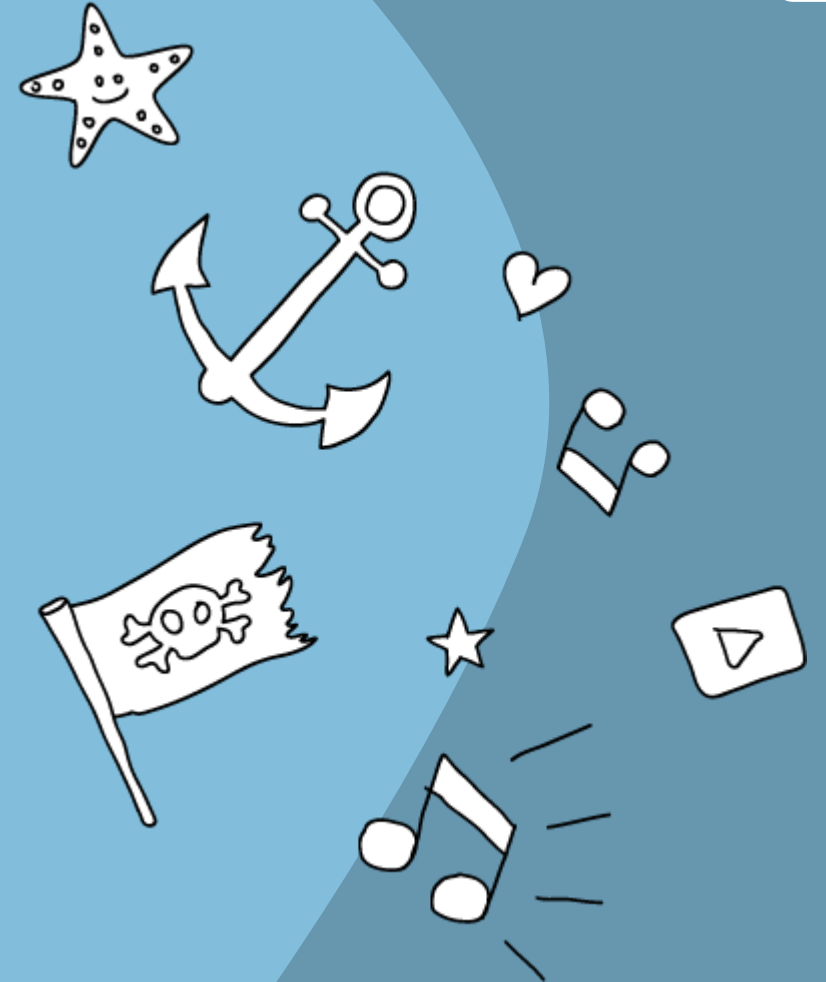
Business Update

FY 2021 Results

Outlook

Q&A

# Business Update



tonies is the largest interactive audio platform for kids in the world – We are creator of a new multi-billion Euro category 

*Digitally connected*



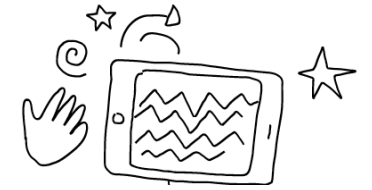
*Child friendly*

*Playful*

*Audio / Listening*



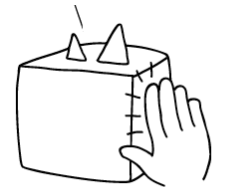
*No screen-time*



*Educational*



*Independent play*



We are the pioneers of connected, technology-enabled audio systems for kids and provider of premium, curated audio content

# 2021 was a very successful year for tonies!



- ★ Strong demand for our product confirms growth ambition
- ★ International expansion works thanks to clear product market fit
- ★ First year of US trading even more successful than DACH business on like-for-like basis
- ★ Continued margin improvements towards attractive unit economics
- ★ Conscious investments in line with our profitable growth strategy

**EUR 188m**  
of Group Revenue

**39.7%**  
YOY Revenue growth

**19%**  
international Revenue  
Vs. 7% PY

**> 400k**  
Tonieboxes sold in  
international markets

**EUR 20m**  
US Revenue  
(+25% vs. Plan)

**~ 90 NPS**  
in the US (measured  
on every eCom transaction)

**54,1% (+4pp)**  
Gross margin

**21.3% (+1.5pp)**  
Contribution margin

**-8.1%**  
Adj. EBITDA

**Profitable**  
DACH business

Our products excites consumers around the globe!

# tonies is a category of its own



Over **3,500,000** Tonieboxes sold

Over **40,000,000** Tonies Sold

We sell one Tonie every **2** seconds

EDUCATION FAVOURITES  
MUSIC  
AUDIOBOOK

**+1** France launched as new tonies market

**>3,500** New Retail POS in 2021 (+64%)

Over **1,000,000** Tonies Sold in US

**>245** New Tonies launched in 2021

**>600** Tonies in the Tonies Portfolio

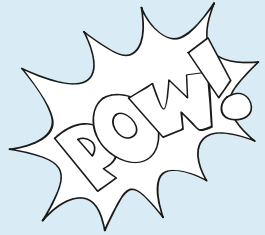
**>770k** Boxes sold 2021 in DACH (~ as many as children are born in Germany)

**~80%** of active Tonieboxes per month

Average **>20** Tonies per Toniebox after 4,5 years

# Global expansion accelerated further

Tonieboxes activated across the world

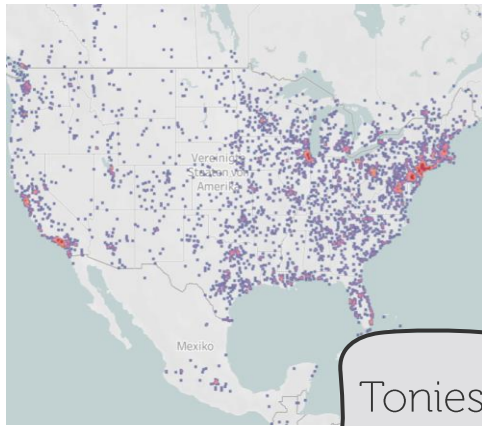


December 2021

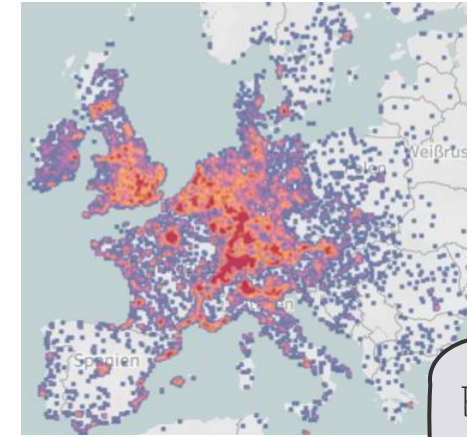
Europe

YEAH!

USA



Tonies starts covering the whole of the US only 12 months after launch



European coverage further intensifies - France launch clearly visible





# We have added great Tonies to our portfolio ...



## Moana



New princess format of Disney being top Tonie for December 2021 in UK, US

## Cosmo



Tonies Originals 'Play and motion songs' sold more than golden records globally (>300k Tonies sold in 2021)

## Asterix



Authentic French character, available for launch

**Top seller**  
Launches\*

## Dippi



After 7 years of negotiation, and one of our Top 10 launches in 2021

## Paw Patrol



Globally one of our most successful launches of multiple characters

... and also have expanded our platform relevance



tonies® x  x 

tonies® x 

**Bundles**

high value brand partnerships drive adoption



**Tonified**

iconic plush animals now available on the box



**Accessories**

exciting products for a more personalized experience



# All of this requires strong distribution partners



*tonies.com*

amazon



Note: Selection - a few examples only

# FY 2021 Results



# Strong growth across all markets, improved unit economics and conscious investments into future growth and scale-up



## FY2021 Results

### Growth

*Continued strong demand*

Revenue

**EUR 188m**

**+ 39.7% yoy**

**EUR +16m vs. Plan**

- Continuous, healthy growth in DACH (+20% yoy), increasing online share
- Exceptional first full year in the US with EUR 20m revenue (+25% vs. Plan)
- At scale mass retail entry in the UK
- Successful launch in France (Q4 2021)

### Unit Economics

*Constantly improved margins*

Contribution profit

**EUR 40m**

**+ 21.3% of revenue**

**+1.5 pp vs. PY**

- Strong Gross margin improvement to 54.1% (4pp vs. PY)
- Margin benefitted from second source strategy (de-risked business)
- Unprecedented challenges in supply chain managed (we stayed in supply!)

### Profitability

*Conscious growth investments*

Adj. EBITDA

**EUR -15.2m**

**- 8.1% of revenue**

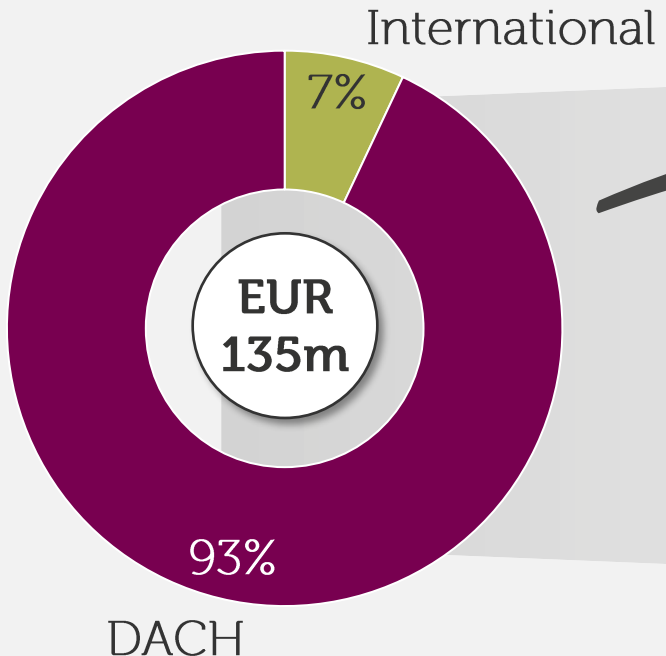
**In line with guidance**

- Significant, conscious investments in marketing (to drive growth in the US)
- Personnel ramped up in markets and in key HQ functions
- Opex reflects international growth

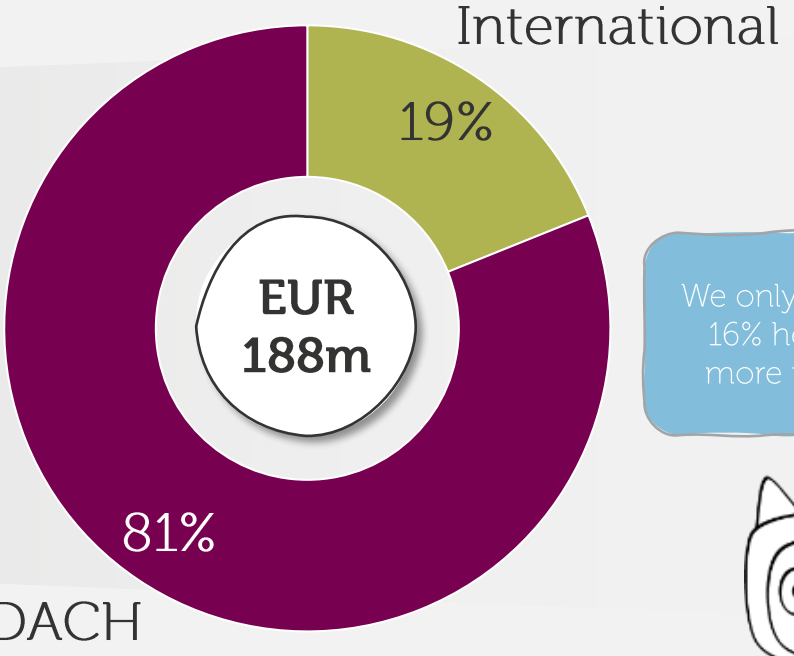
# 2021 was mainly driven by our successful international expansion



Geographic Group Revenue Split 2020  
(in EURm)



Geographic Group Revenue Split 2021  
(in EURm)



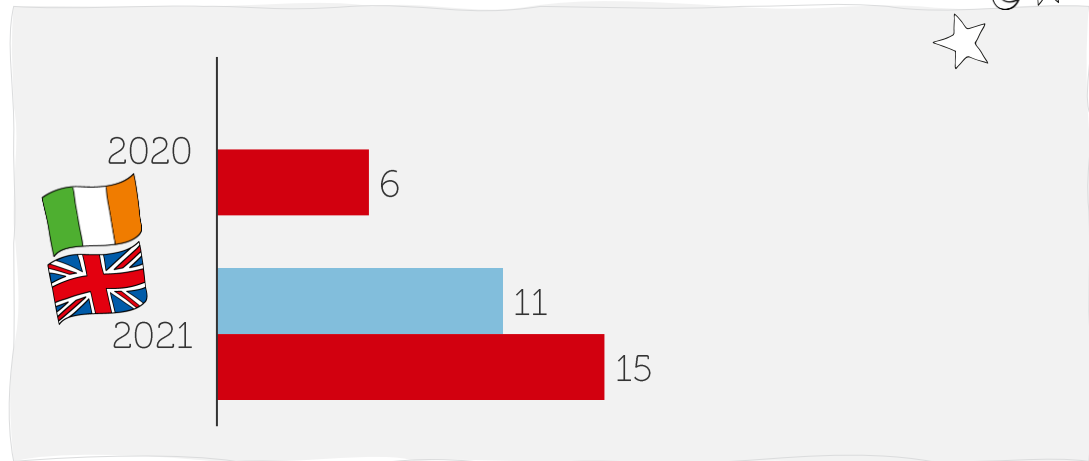
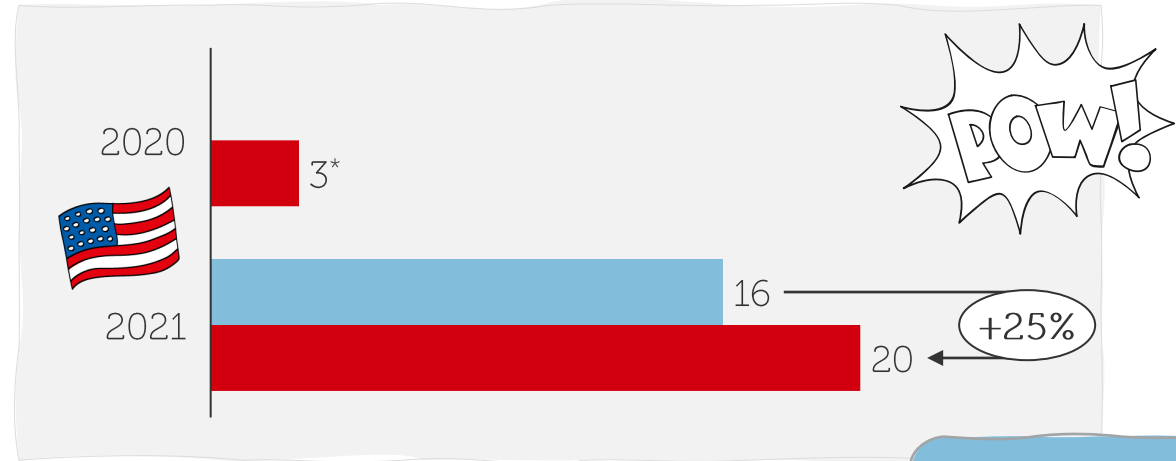
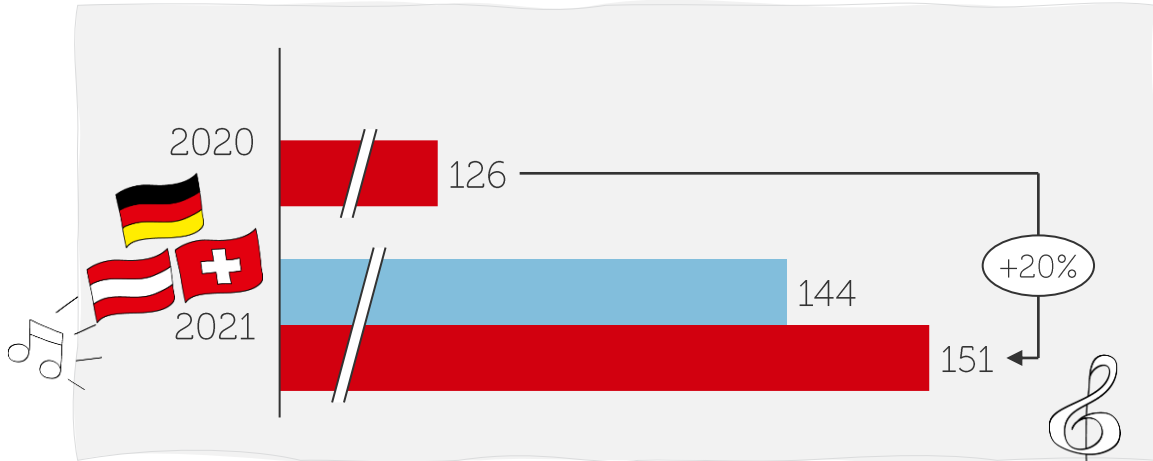
We only planned for 16% hence +3pp more int. growth



# All countries performed substantially ahead of plan

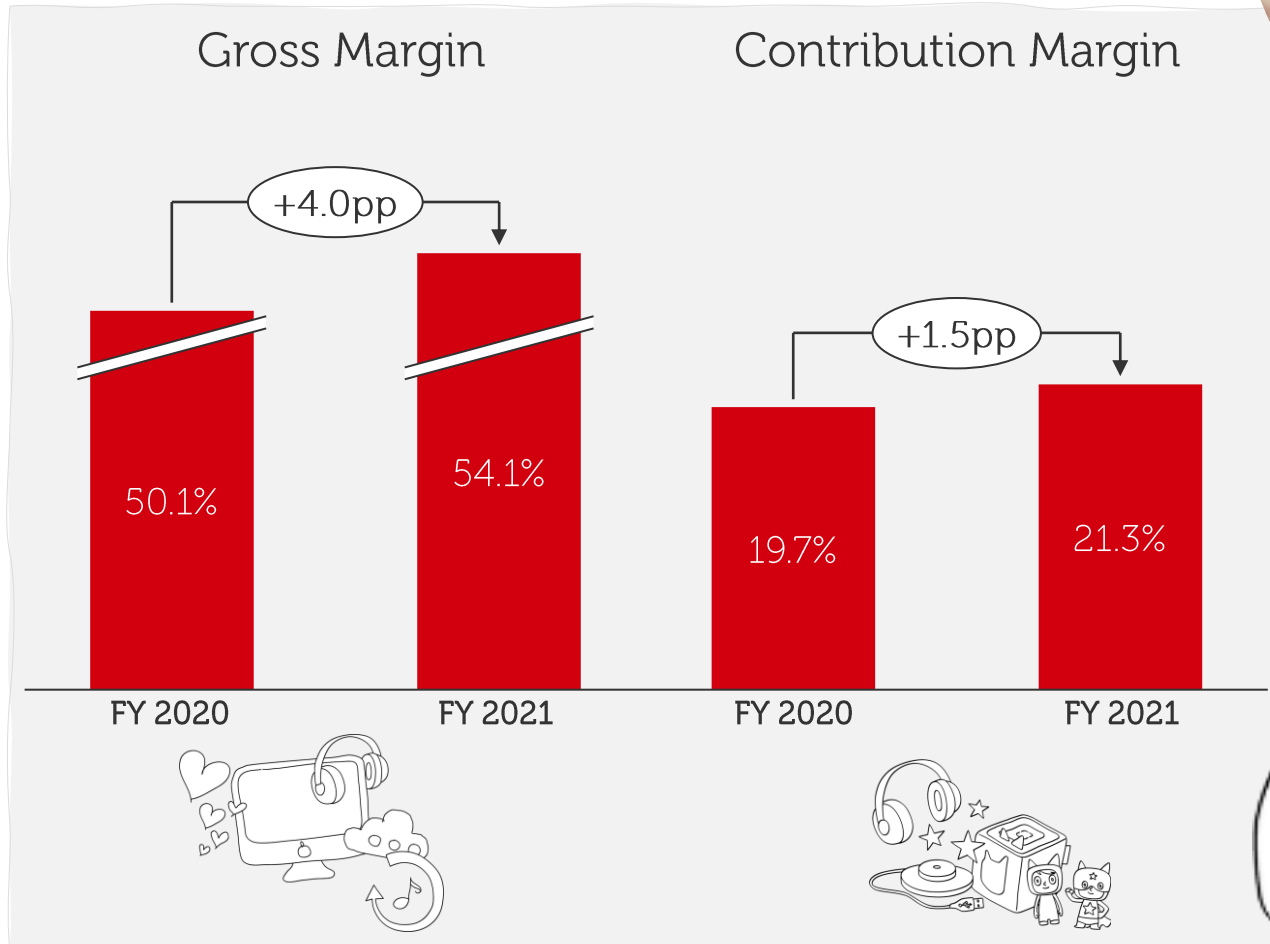


Revenue per Country (in EURm)



Note: \* US and France only partial year (4 months)

# Margins are improving, despite macroeconomic turmoil

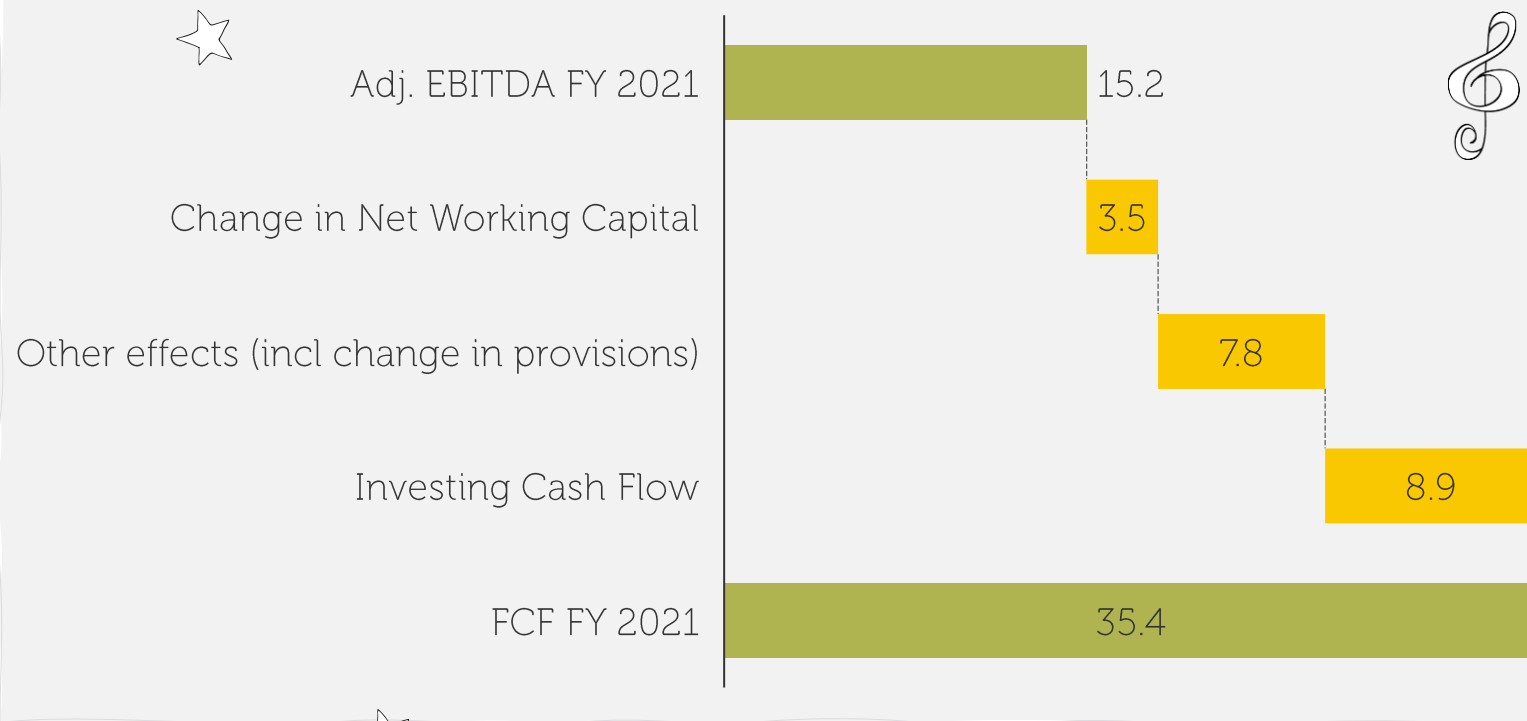


We are constantly improving our Unit Economics and margin profiles

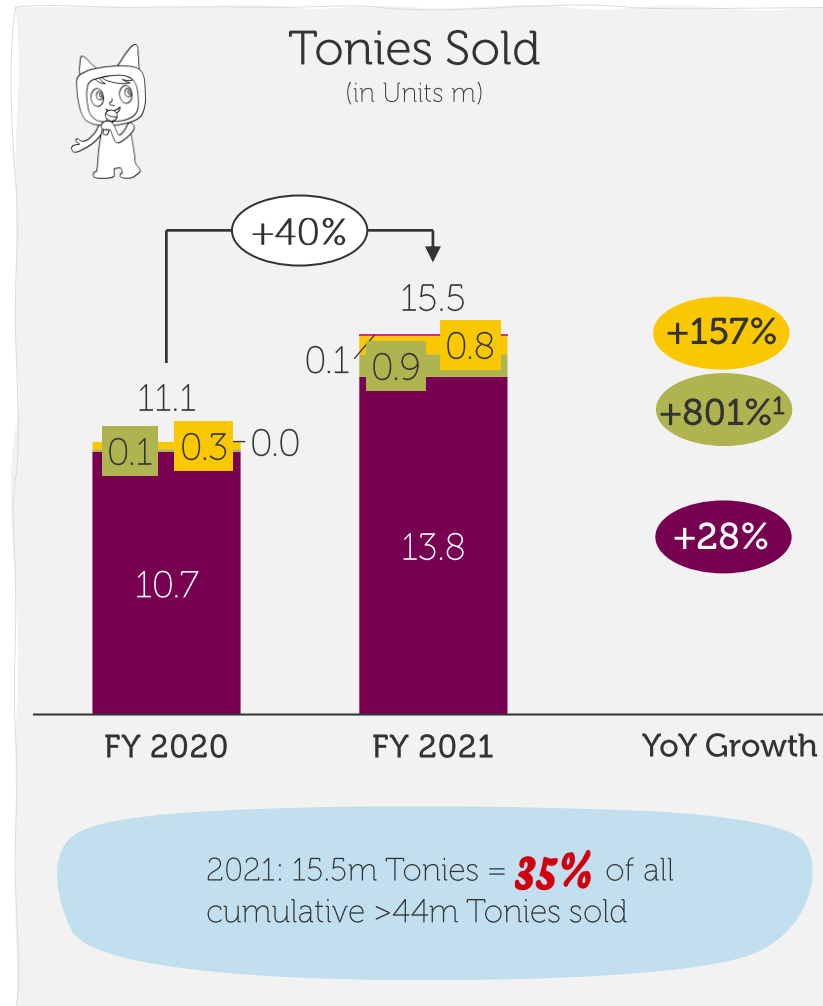
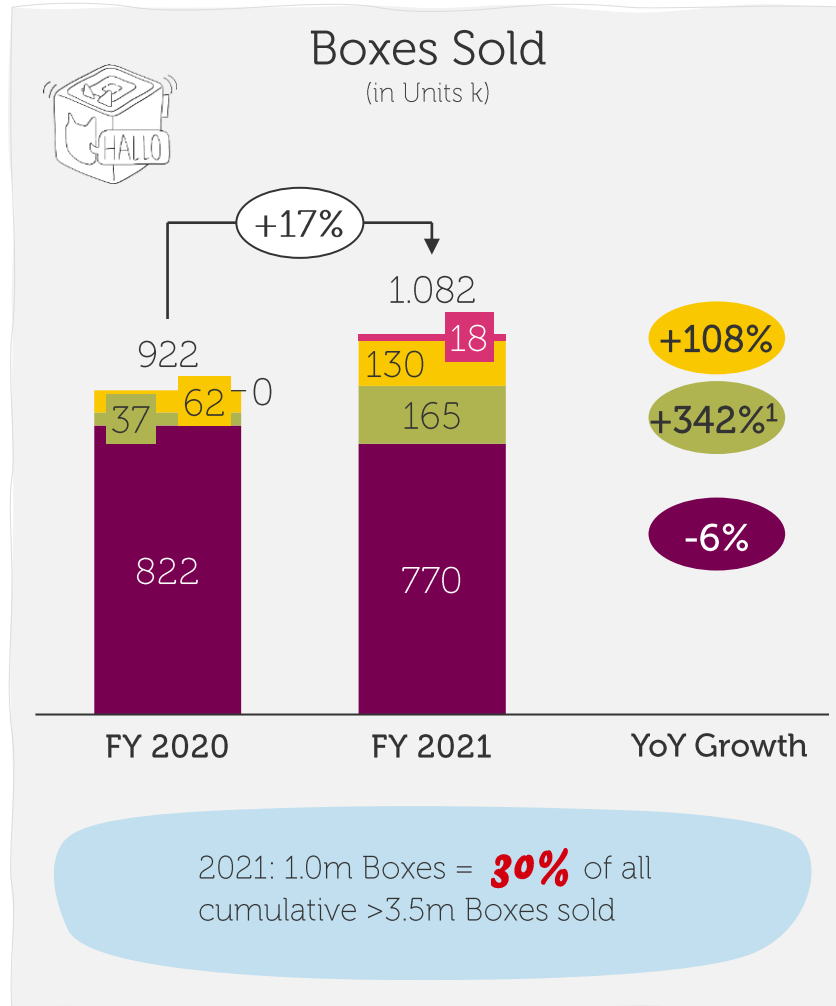


# Just as planned, we consciously invest into our growth

## Adj. EBITDA to Free Cash Flow FY 2021 (in EURm, negative)



# We are increasing our platform and product penetration in all markets



Hyper-growth in US and UK, in DACH we sell approx. as many boxes as children are born per year

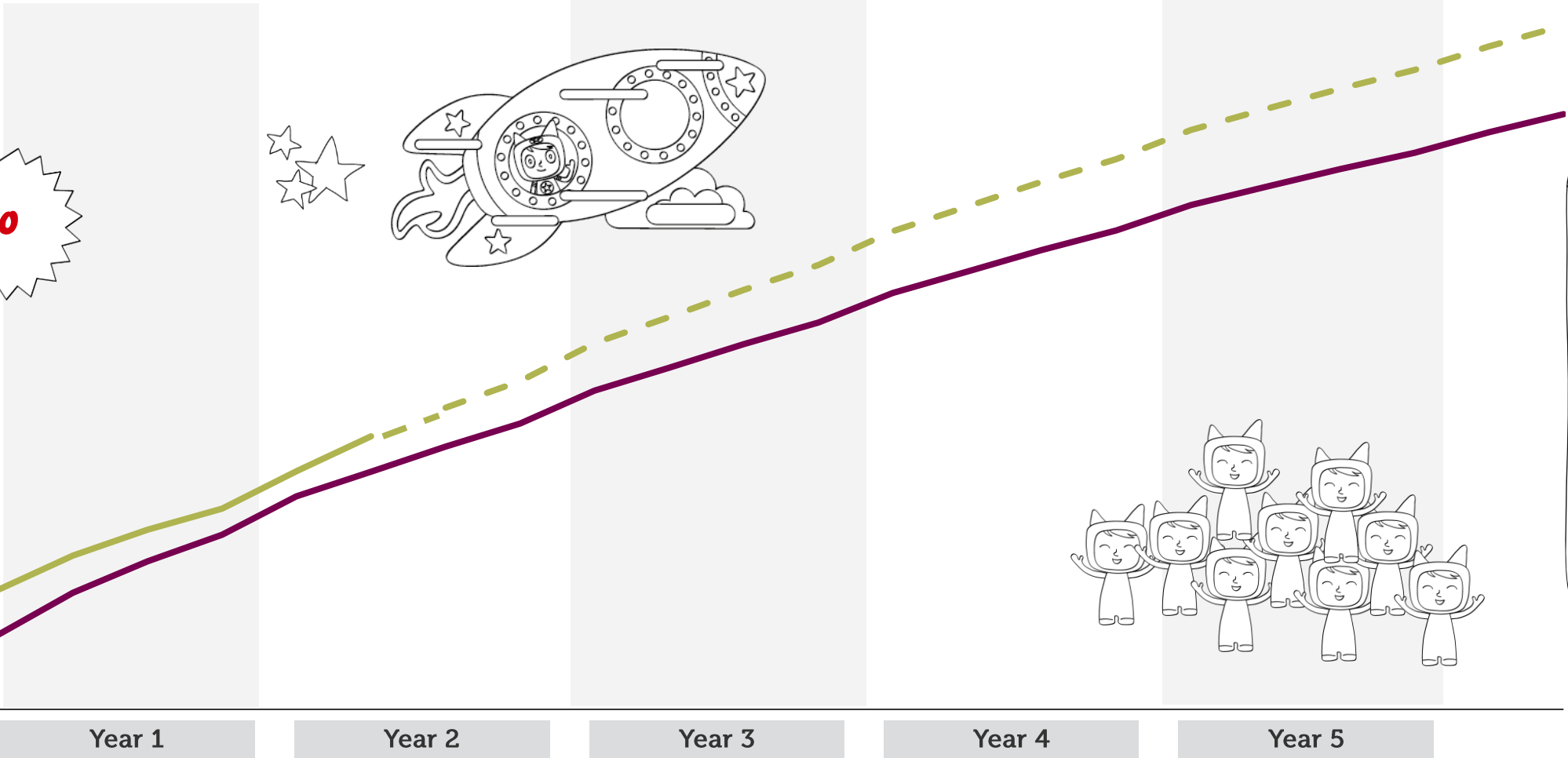
Note: <sup>1</sup>US 2020 only 4 months vs 2021 Full Year, France only 4 months; excl. Block, Accessories, mytonies and other sales and hence no growth rate calculated

# US cohorts stronger than our like-for-like DACH cohorts – US on track to outperform

— DACH  
— US  
- - US Forecast



# cumulated Tonies



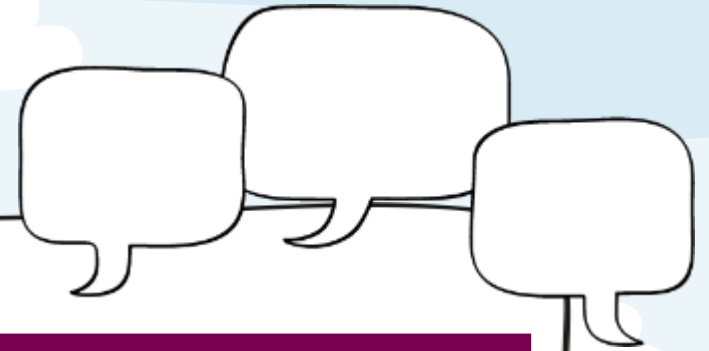
- US cohorts are consistently stronger than DACH cohorts
- On average DACH cohorts have 20 Tonies per Toniebox after 4.5 years
- Razor blade model works (“subscription like business model”)

Time since initial box activation

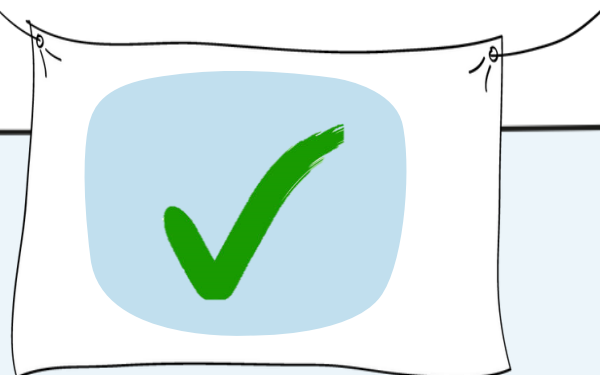
# Outlook



# We confirm our guidance



|                                 | Guidance from IPO | Guidance as of Jan 31 <sup>st</sup> 2022 |
|---------------------------------|-------------------|--|
| Group Net Revenue (EURm)        | 250               | Confirm 250 (+ 33% YoY growth)           |
| Group Adj EBITDA (% of Revenue) | na                | <i>"Slightly better than FY 2021"</i>    |
| US Net Revenue (EURm)           | 52                | Confirm 52 (+160% YoY growth)            |



# Exciting new products and initiatives planned



*Top seller*  
launches



Marshall & Skye  
(Paw Patrol)



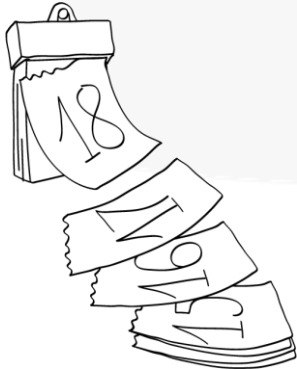
The Grinch  
(Dr. Seuss)



Olaf (Frozen)



**2022+**



Exciting *new*  
*Accessories*



*Sustainability*  
Update



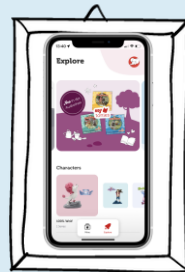
# We yesterday launched our EU webshop



**5**  
... markets  
already  
included

**Exclusive**

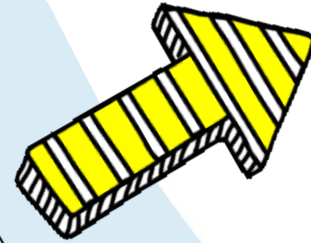
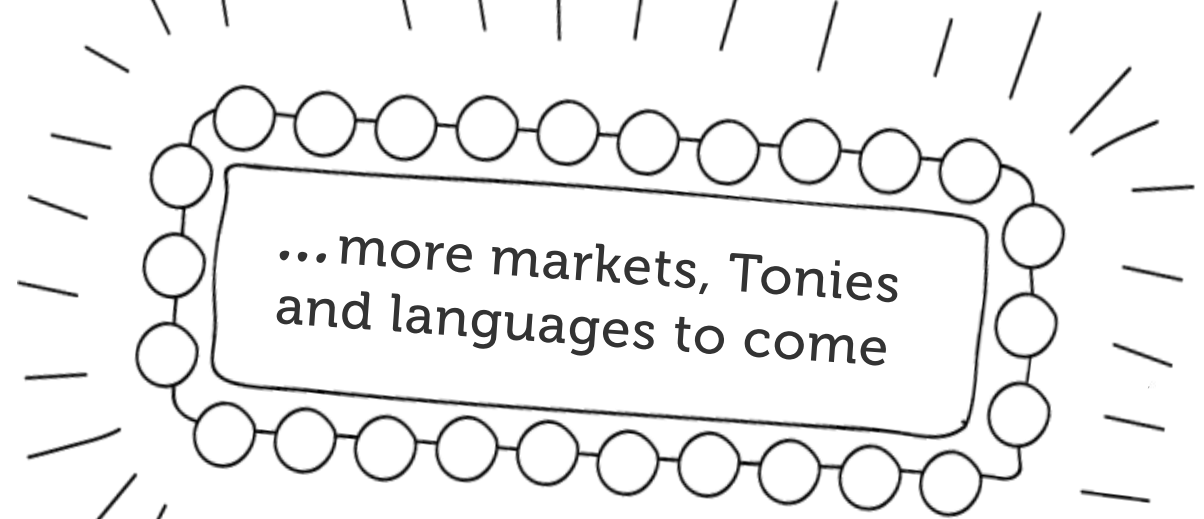
Disney bundles  
and loved  
accessories  
launched



**> 80**  
... English-  
speaking Tonies  
available



**> 200**  
min of free audio  
content in three  
different languages



# Let's recap 2021 was a very successful year for tonies!



- ★ Strong demand for our product confirms growth ambition
- ★ International expansion works thanks to clear product market fit
- ★ First year of US trading even more successful than DACH business on like-for-like basis
- ★ Continued margin improvements towards attractive unit economics
- ★ Conscious investments in line with our profitable growth strategy

2021 was a very successful year with a platform of now

> **3.5m boxes**

and strong cohorts

Despite macro economic turmoil we see continued

**strong demand** for our product

Confident for 2022 based on

**strong start**

into the year in Q1

Our products excites consumers around the globe!



# Q&A



Any *questions...*?



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## These slides contain forward-looking statements

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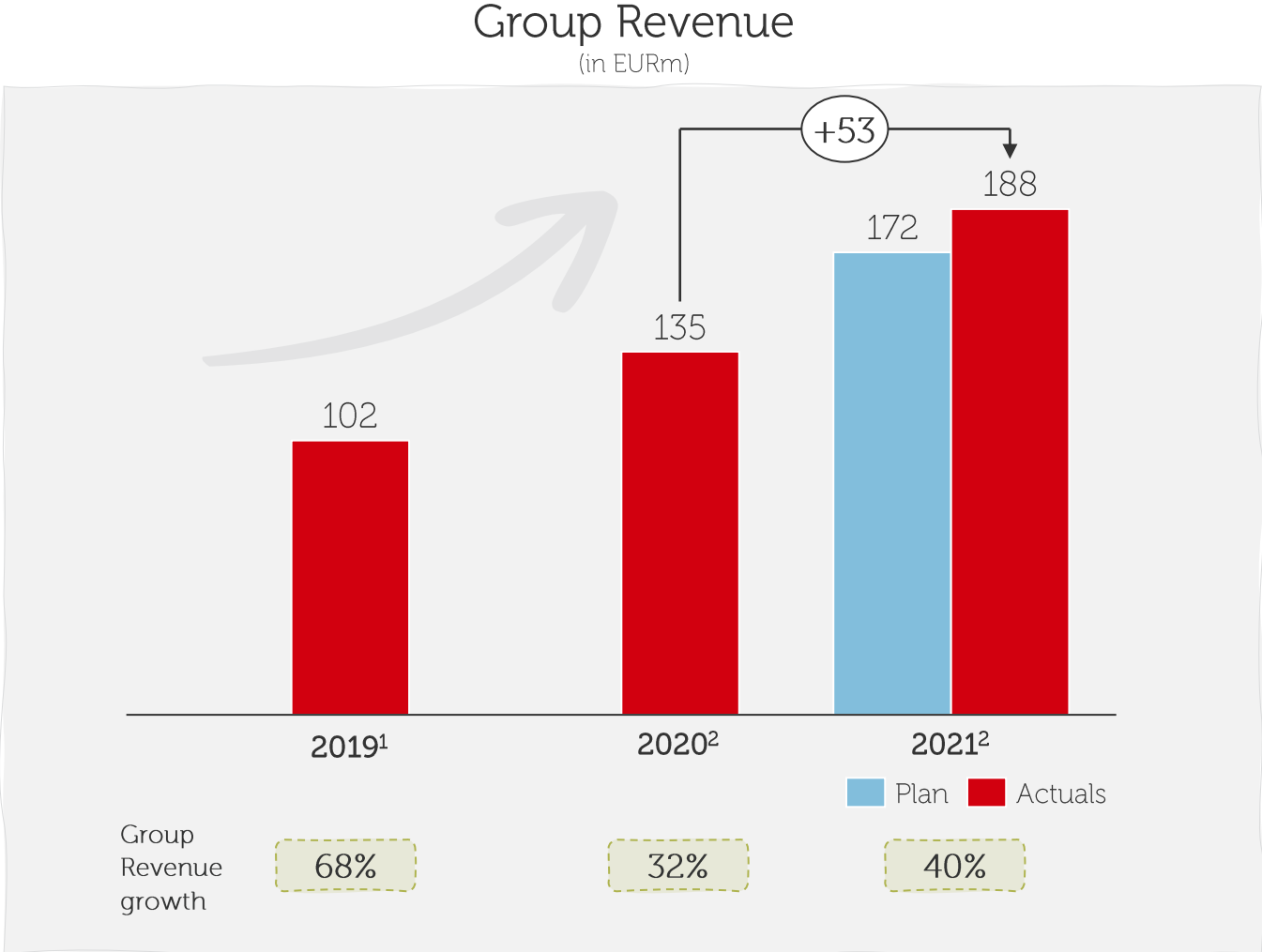
*Thank you !*





Backup

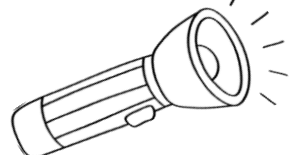
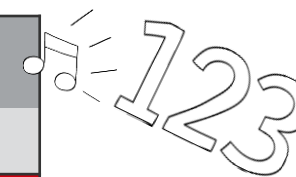
# 2021 was a very successful year with EUR 188m Group Revenues, driven by better-than-plan growth in all markets



Note: <sup>1</sup>FY 2019 incl. Growth 2019 based on GAAP (HGB); <sup>2</sup>2020 and 2021 IFRS

# Key numbers and margins

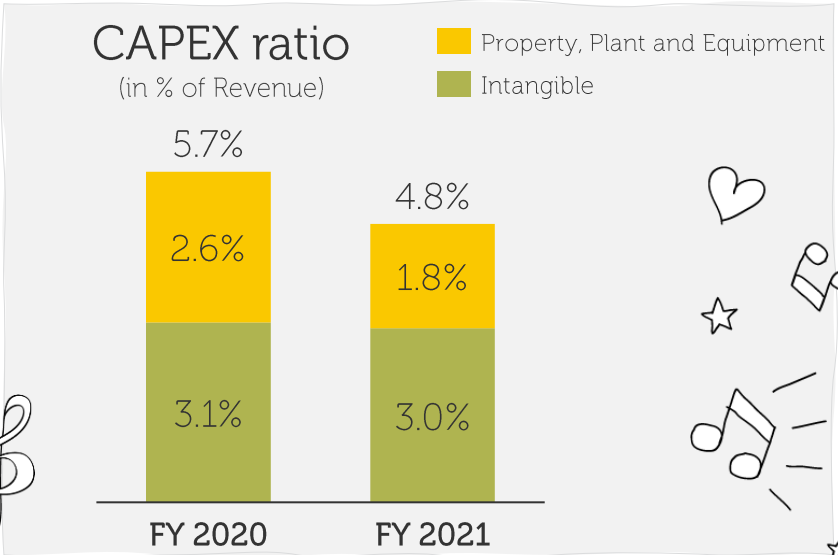
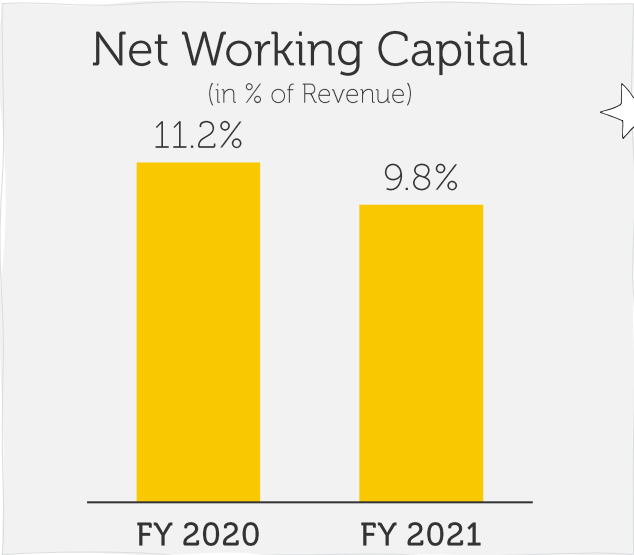
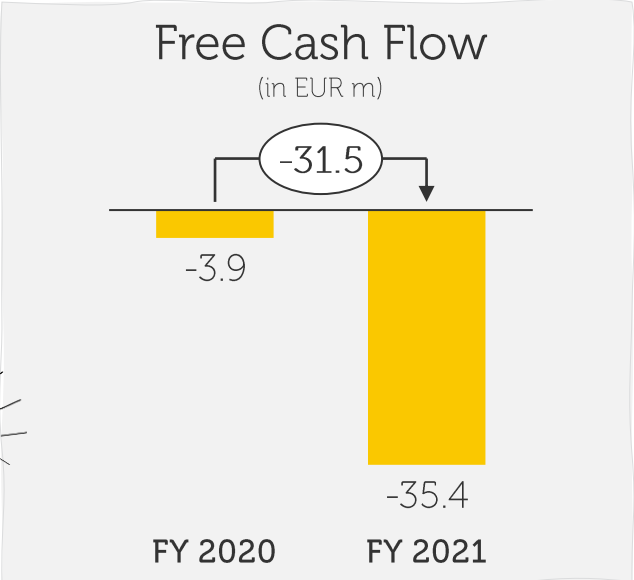
| EURm and % of Revenue<br>(all adjusted) | FY 2020 |               | FY 2021 |               | Delta |        |
|---|---------|---------------|---------|---------------|-------|--------|
|   | Abs.    | % of Revenues | Abs.    | % of Revenues | Abs.  | pp.    |
| Revenue                                 | 134.6   | -             | 188.0   | -             | 53.4  | +39.7% |
| Gross Margin                            | 67.5    | 50.1%         | 101.8   | 54.1%         | 34.3  | +4.0pp |
| Gross Margin after licensing costs      | 43.6    | 32.4%         | 66.5    | 35.4%         | 22.9  | +3.0pp |
| Contribution Profit                     | 26.6    | 19.7%         | 40.0    | 21.3%         | 13.4  | +1.5pp |
| Marketing                               | -5.3    | -3.9%         | -18.3   | -9.8%         | -13.0 | -5.8pp |
| SGA                                     | -24.0   | -17.8%        | -40.6   | -21.6%        | -16.6 | -3.8pp |
| Other Result                            | 2.4     | 1.8%          | 3.7     | 2.0%          | 1.3   | +0.2pp |
| Adj. EBITDA                             | -0.3    | -0.2%         | -15.2   | -8.1%         | -14.9 | -7.9pp |



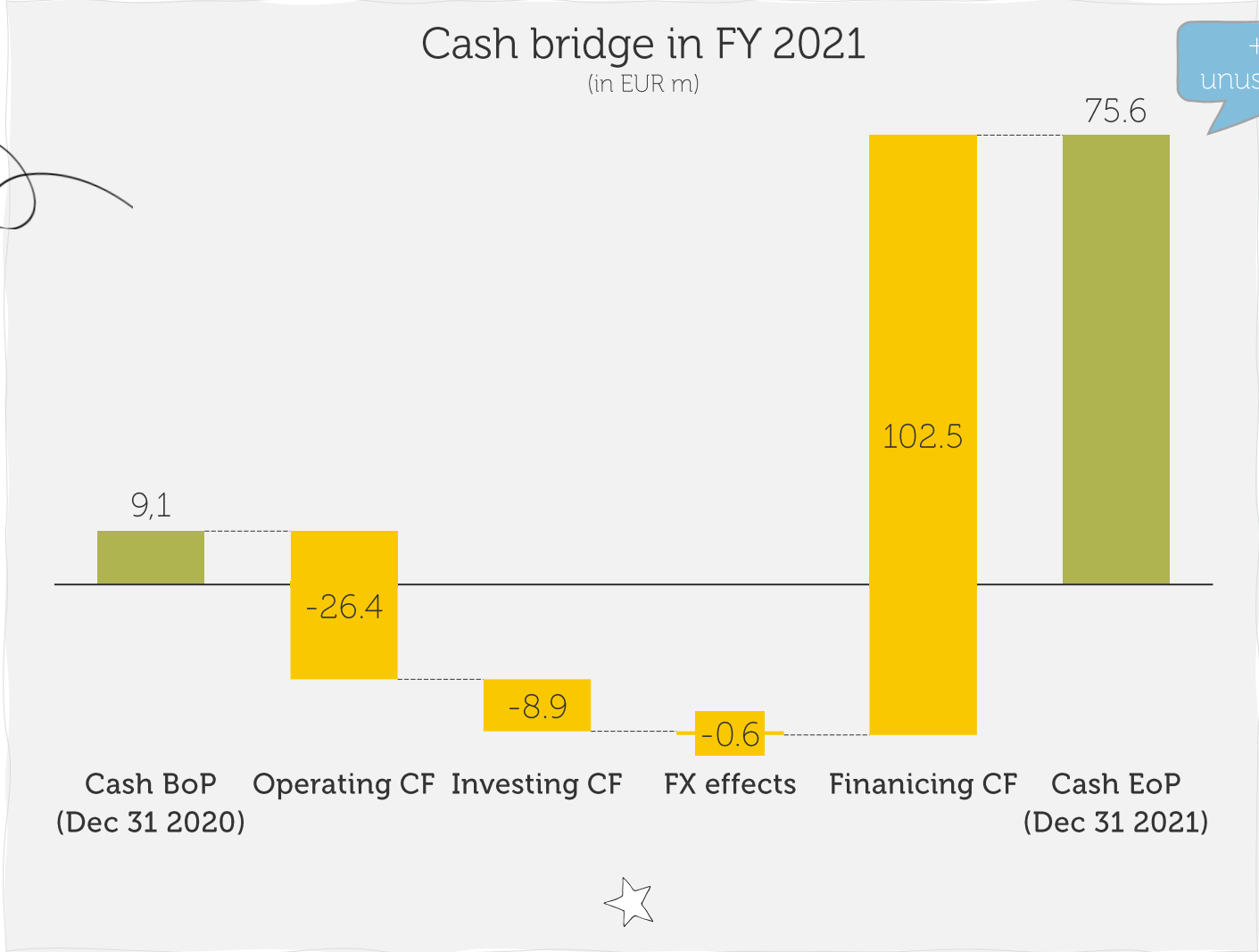
# Cash Flow reflects investments into international growth



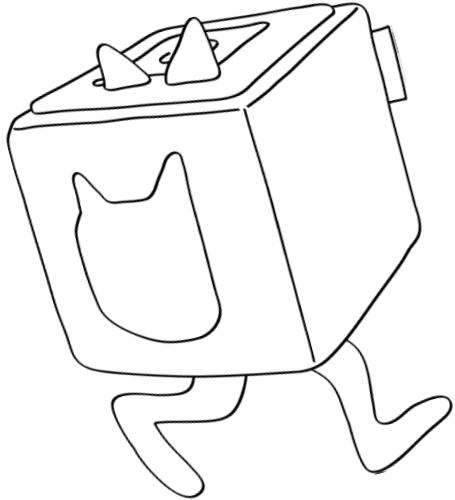
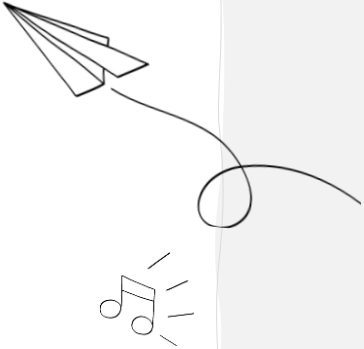
We run an asset-light business model



# tonies SE has cash per year end of EUR 75.6 m



+ EUR 26m unused credit lines







# IFRS Income statement tonies SE FY 2021 and Adj EBITDA reconciliation

|   | 2020<br>EURm | % of Net<br>Revenue | 2021<br>EURm | % of Net<br>Revenue | Change<br>EURm |
|---|--------------|---------------------|--------------|---------------------|----------------|
| <b>Revenue</b>                            | <b>134,6</b> | <b>100,0%</b>       | <b>188,0</b> | <b>100,0%</b>       | <b>53,4</b>    |
| COGS                                      | -67,1        | -49,9%              | -86,2        | -45,9%              | -19,1          |
| <b>Gross profit</b>                       | <b>67,5</b>  | <b>50,1%</b>        | <b>101,8</b> | <b>54,1%</b>        | <b>34,3</b>    |
| Licensing costs                           | -23,1        | -17,2%              | -35,2        | -18,7%              | -12,1          |
| <b>Gross profit after Licensing costs</b> | <b>44,4</b>  | <b>33,0%</b>        | <b>66,5</b>  | <b>35,4%</b>        | <b>22,1</b>    |
| Other income                              | 0,6          | 0,4%                | 0,4          | 0,2%                | -0,2           |
| Personnel expenses                        | -15,6        | -11,6%              | -36,4        | -19,4%              | -20,8          |
| Other expenses                            | -35,8        | -26,6%              | -277,9       | -147,8%             | -242,1         |
| EBITDA                                    | -6,5         | -4,8%               | -247,3       | -131,6%             | -240,9         |
| Depreciation and amortization             | -11,3        | -8,4%               | -14,2        | -7,6%               | -2,9           |
| EBIT                                      | -17,8        | -13,2%              | -261,6       | -139,1%             | -243,7         |
| Financial Result                          | -3,5         | -2,6%               | 13,5         | 7,2%                | 17,0           |
| EBT                                       | -21,3        | -15,8%              | -248,0       | -132,0%             | -226,8         |
| Tax income                                | 3,1          | 2,3%                | 7,5          | 4,0%                | 4,5            |
| Loss for the period                       | -18,2        | -13,5%              | -240,5       | -127,9%             | -222,3         |

|   | 2020<br>EURm | % of Net<br>Revenue | 2021<br>EURm | % of Net<br>Revenue | Change<br>EURm |
|---|--------------|---------------------|--------------|---------------------|----------------|
| EBITDA                                      | -6,5         | -4,8%               | -247,3       | -131,6%             | -240,9         |
| (i) Share Based Compensation                | 3,5          | 2,6%                | 11,3         | 6,0%                | 7,9            |
| (ii) Own developed Software (not activated) | 1,8          | 1,4%                | 3,3          | 1,8%                | 1,5            |
| (iii) Special projects and boni             | 1,7          | 1,3%                | 3,3          | 1,8%                | 1,6            |
| (iv) IPO-related costs                      | 0,0          | 0,0%                | 214,1        | 113,9%              | 214,1          |
| (v) Results from prior periods              | -0,8         | -0,6%               | 0,0          | 0,0%                | 0,8            |
| <b>Adj EBITDA</b>                           | <b>-0,3</b>  | <b>-0,2%</b>        | <b>-15,2</b> | <b>-8,1%</b>        | <b>-14,9</b>   |



# IFRS Balance Sheet tonies SE FY 2021



|   | 2020<br>EURm | % of BS<br>Total | 2021<br>EURm | % of BS<br>Total | Change<br>EURm |
|---|--------------|------------------|--------------|------------------|----------------|
| <b>Assets</b>                               | <b>350,2</b> | <b>100,0%</b>    | <b>438,0</b> | <b>100,0%</b>    | <b>87,9</b>    |
| Non-current assets                          | 297,9        | 85,1%            | 298,2        | 68,1%            | 0,3            |
| Property, plant and equipment               | 5,3          | 1,5%             | 6,5          | 1,5%             | 1,2            |
| Intangible assets (incl Goodwill)           | 287,7        | 82,2%            | 281,4        | 64,3%            | -6,3           |
| Other                                       | 4,8          | 1,4%             | 10,2         | 2,3%             | 5,4            |
| Current assets                              | 52,3         | 14,9%            | 139,9        | 31,9%            | 87,6           |
| Cash  | 9,1          | 2,6%             | 75,6         | 17,3%            | 66,5           |
| Inventories                                 | 23,1         | 6,6%             | 31,5         | 7,2%             | 8,5            |
| Trade receivables                           | 16,9         | 4,8%             | 22,3         | 5,1%             | 5,5            |
| Other                                       | 3,3          | 0,9%             | 10,4         | 2,4%             | 7,1            |
| <b>Equity and Liabilities</b>               | <b>350,2</b> | <b>100,0%</b>    | <b>438,0</b> | <b>100,0%</b>    | <b>87,9</b>    |
| <b>Equity</b>                               | <b>198,5</b> | <b>56,7%</b>     | <b>281,3</b> | <b>64,2%</b>     | <b>82,8</b>    |
| Share capital & premium                     | 203,3        | 58,1%            | 550,4        | 125,6%           | 347,1          |
| Other incl accumulated profit and loss      | -4,8         | -1,4%            | -269,1       | -61,4%           | -264,3         |
| <b>Liabilities</b>                          | <b>151,6</b> | <b>43,3%</b>     | <b>156,7</b> | <b>35,8%</b>     | <b>5,1</b>     |
| Non-current liabilities                     | 41,1         | 11,7%            | 43,1         | 9,8%             | 2,1            |
| Lease liabilities (long term)               | 0,3          | 0,1%             | 0,7          | 0,2%             | 0,3            |
| Share-based payment liabilities (long term) | 3,5          | 1,0%             | 7,9          | 1,8%             | 4,5            |
| Deferred tax liabilities                    | 37,3         | 10,6%            | 34,5         | 7,9%             | -2,7           |
| Current liabilities                         | 110,5        | 31,6%            | 113,6        | 25,9%            | 3,0            |
| Trade payables (short term)                 | 24,9         | 7,1%             | 35,4         | 8,1%             | 10,5           |
| Loans and borrowings (short term)           | 57,8         | 16,5%            | 0,3          | 0,1%             | -57,4          |
| Other and provision                         | 27,9         | 8,0%             | 77,9         | 17,8%            | 50,0           |



# IFRS Cash Flow tonies SE FY 2021



|   | 2020<br>EURm | 2021<br>EURm | Change<br>EURm |
|---|--------------|--------------|----------------|
| EBITDA  | -6,5         | -247,3       | -240,9         |
| Decrease (increase) in net working capital              | 1,1          | -3,5         | -4,5           |
| Decrease (increase) in trade receivables                | 0,2          | -5,5         | -5,7           |
| Decrease (increase) in inventories                      | -10,4        | -8,5         | 1,9            |
| Increase (decrease) in trade payables                   | 11,3         | 10,5         | -0,8           |
| Change in other positions                               | 9,1          | 224,4        | 215,2          |
| <b>Cash Flow from operating activities</b>              | <b>3,8</b>   | <b>-26,4</b> | <b>-30,2</b>   |
| Purchase of property, plant and equipment               | -3,5         | -3,3         | 0,2            |
| Acquisition of intangible assets                        | -4,2         | -5,6         | -1,4           |
| <b>Cash flow from investing activities</b>              | <b>-7,7</b>  | <b>-8,9</b>  | <b>-1,3</b>    |
| Increase (decrease) from equity financing               | 10,4         | 191,3        | 180,9          |
| Transaction costs                                       | 0,0          | -19,5        | -19,5          |
| Increase (decrease) in borrowing                        | -4,3         | -69,3        | -65,0          |
| <b>Cash flow from financing activities</b>              | <b>6,1</b>   | <b>102,5</b> | <b>96,4</b>    |
| <b>Net increase (decrease) in cash</b>                  | <b>2,2</b>   | <b>67,1</b>  | <b>65,0</b>    |
| Change in cash resulting from exchange rate differences | 0,1          | -0,6         | -0,7           |
| <b>Free Cash flow</b>                                   | <b>-3,9</b>  | <b>-35,4</b> | <b>-31,4</b>   |



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*Thank you !*

