



Results Q1 2023

tonies SE | May 11, 2023



Disclaimer



This document contains forward-looking statements. Forward-looking statements can typically be identified by the use of words such as "expects", "may", "will", "could", "should", "intends", "plans", "predicts", "envisages" or "anticipates" or other words of similar meaning. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the tonies SE. They are not historical or current facts, nor are they guarantees of future performance.

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This presentation includes key performance indicators (KPI), including adjusted EBITDA margin, gross margin, gross margin after licensing costs, contribution margin, net working capital and free cash flow which are not measures of liquidity or financial performance under International Financial Reporting Standards (IFRS). Adjusted EBITDA is calculated from EBITDA by adjusting for various effects to create a metric for the underlying profitability of the business. EBITDA was historically adjusted for the following non-recurring effects: (i) effects of share-based compensation, (ii) own software development (as this is not currently capitalized), (iii) special projects and bonuses, and (iv) costs and effects related to tonies IPO / business combination. The adjusted EBITDA margin is defined as adjusted EBITDA in percent of revenue. Gross margin is defined as gross profit (revenue less costs of goods sold) in percent of revenue. Gross margin after licensing costs is defined as gross profit less licensing costs in percent of revenue. Contribution margin is the contribution profit in percent of revenue. The contribution profit is calculated from the gross profit after licensing costs less various revenue-related costs that are together aggregated as fulfilment (mostly freight and logistics costs, fees for online marketplaces, costs of payments and certain variable sales costs). Contribution profit and contribution margin show how much is available for coverage of fixed costs such as personnel, other expenses and marketing. Net working capital is defined as the sum of inventories and trade receivables less trade payables. Net working capital outlines how much cash is bound in tonies' operations. Free cash flow is defined as the sum of cash flow from operating activities and cash flow from investing activities and represents the Group's cash efficiency and enables an assessment of profitability.

Who you have on the call today



Marcus Stahl

Co-CEO,
Co-Founder



Florian Drabeck

CFO

tonies SE | Earnings Presentation



Review Results FY 2022

Business Update

Results Q1 2023

Outlook FY 2023

Q&A



Review Results FY 2022

FY 2022: Successful international expansion and major progress on path to profitability



Results



Exponential **revenue** growth fueled by international expansion

- **Group:** 37% YoY to EUR 258m
- **US:** 223% YoY to EUR 66m

Adjusted EBITDA at upper end of the updated guidance range

- **Adj. EBITDA margin** up to -2.4% (+5.7pp YoY)
- Driven by materially improved unit economics, **contribution margin** up to 27.4% (2021: 21.3%)

Highlights

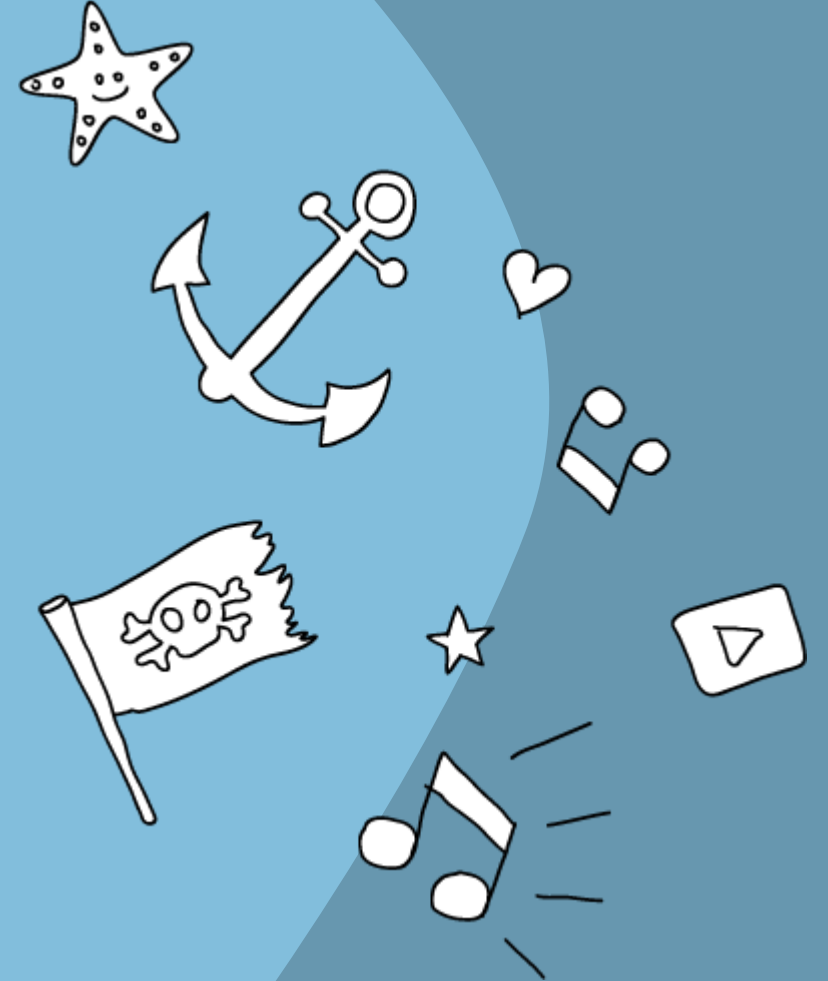


Demonstrating the **resilience** of our business model in difficult macroeconomic times and closing the year with a **fantastic Q4**

Launching our first own license brand **Sleepy Friends**, which became a bestseller from start

Outstanding US business driven by all distribution channels and a particularly strong retail adoption with key retail partners

Business Update





Q1 2023:

We maintained our strong
momentum

Group revenue: +42% to EUR *65m*

Fully on track to
reach *positive* adj.
EBITDA in 2023

tonies: the world's largest interactive audio platform & creator of a multi-billion Euro category in kids entertainment & beyond



Digitally connected



Playful



Child friendly



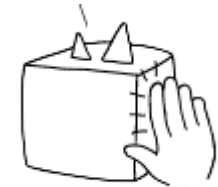
Educational



Audio / Listening



No screen-time



Independent play

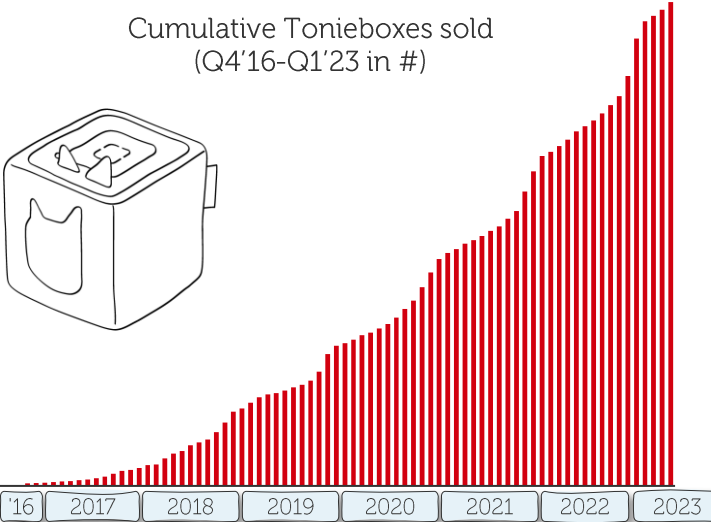
We are the pioneers of connected, technology-enabled audio systems for kids and provider of premium, curated audio content

Our business model in a nutshell



Our platform is exponentially growing with more and more Tonieboxes...

Cumulative Tonieboxes sold (Q4'16-Q1'23 in #)

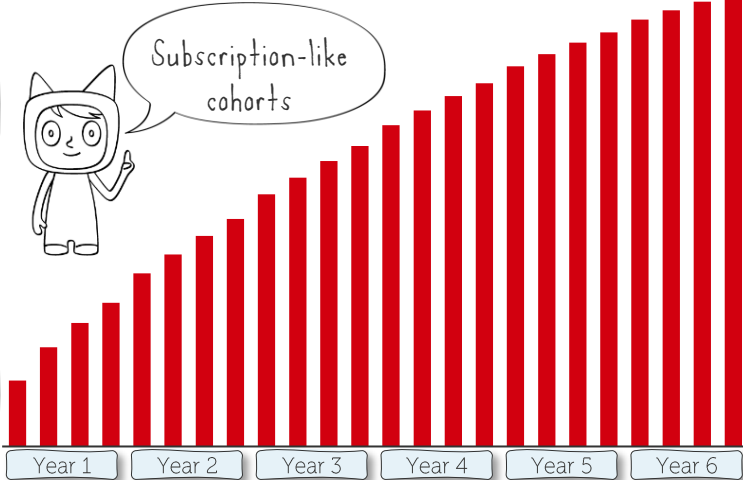


-262 minutes
average weekly playtime*

YEAH!

... fueling our razorblade business model with highly predictable Tonie activations

Cumulative Tonies over customer lifetime

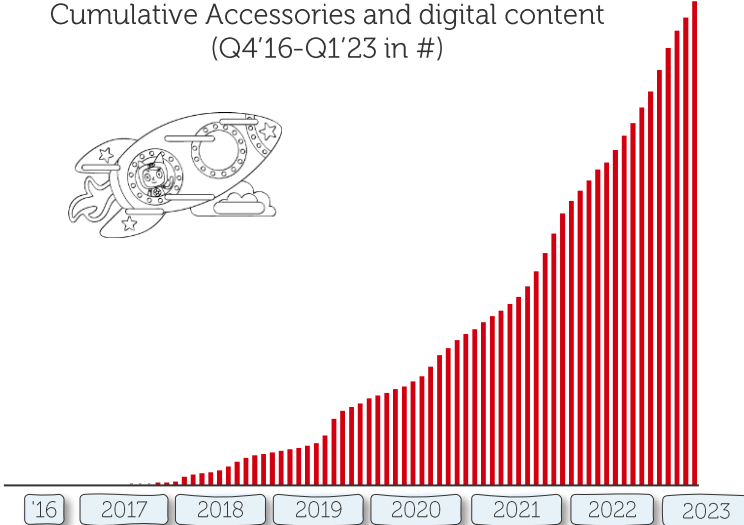


-20

Tonies per Toniebox after 4.5 years

... and adding further high margin products to our tonies universe

Cumulative Accessories and digital content (Q4'16-Q1'23 in #)



...and we just **started** with more to come



*FY 2022

We are driving market penetration with full force



~5.1m

Tonieboxes sold



+1.5m
in last 12 months

~63m

Tonies sold



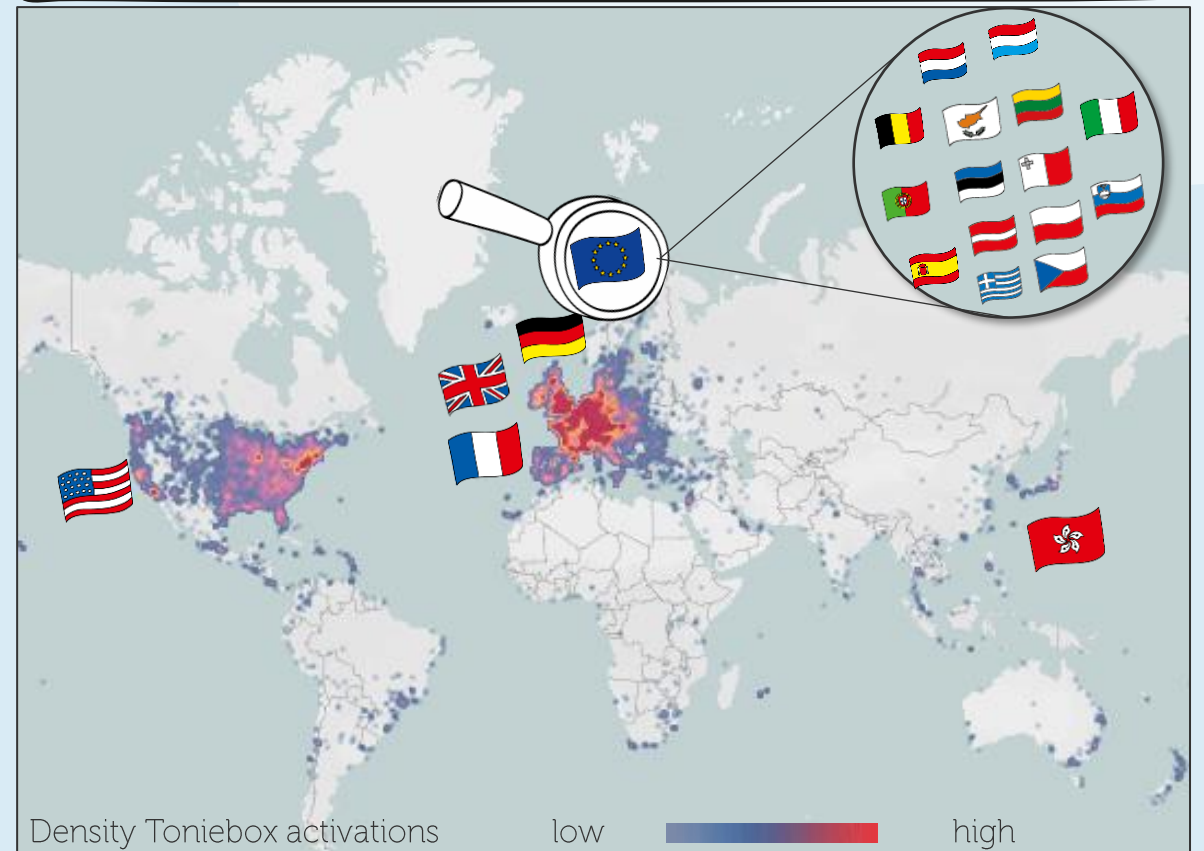
+18m
in last 12 months

~4,000 titles
in our audio library



>100

countries with activated Tonieboxes*



Product highlights – we are excited about what's to come



Disney

Limited edition of Disney Toniebox will be launched in Q2 2023 in DACH & US



Leibniz

Eat your favorite Tonie:
Collaboration with Germany's #1 biscuit brand from June 2023



Warner Bros.

Joining the tonies family with DC Comics; Batman to make the start in June 2023 in US & UK



Night light

New format that enhances Tonie experience combining beautiful melodies and the ability to record personalized goodnight messages with a warm glow

tonies goes AI*: launch of a real user test for AI-generated, personalized stories in May 2023



(1) AI generated

Pre-defined prompts

tonies® English

< Back Better safe than sorry ⓘ

Let us write **your** story!
Choose age, name and parameters and let your personal adventure begin!

For a 4 ▾ year old child

named Amelia|

about an adventure| ⓘ

featuring mermaids| ⓘ

when it's Christmas time| ⓘ

that ends with making new friends| ⓘ

Reset WRITE STORY >

Open text prompts

tonies® English

< Back Better safe than sorry ⓘ

Unleash the whole **magic**!
Type in any parameters and let your personal adventure begin!

Get creative:

Write a poem about a white cat with blue eyes following a ladybug, jumping over a stone and landing in a field of red flowers which makes it hard to recognize the ladybug. The cat is meowing during its jump. ⓘ

*mandatory.

Reset WRITE STORY >

(2) Auto recorded


Speech to text or read yourself

tonies® English

Recording <1 minute

↓

Automatically assign to a Creative Tonie <1 minute



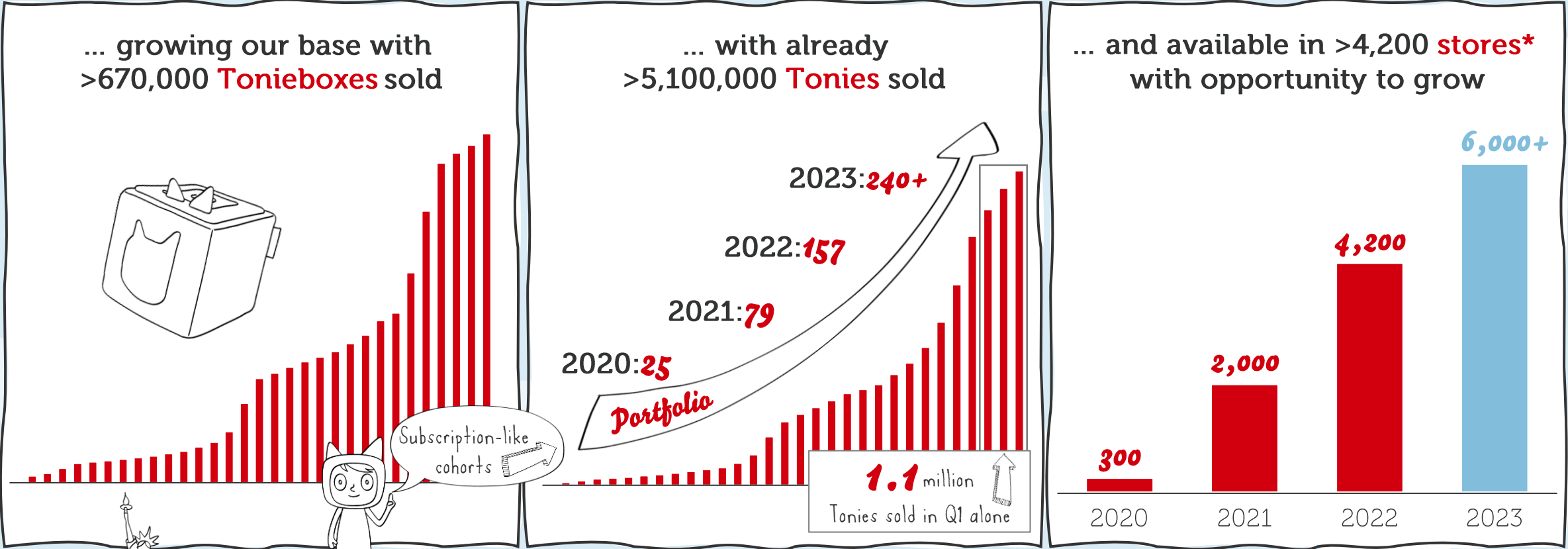
Fostering kids' **creativity** and ensure **responsible** access to new technology



Let users generate their own personal stories leveraging the power of AI

*Initially in the UK only. We will use OpenAI to generate the script and the text-to-speech technology from ElevenLabs to generate the audio

US: Demonstration of our highly successful business model



Well on track to reach guidance of EUR 116m for FY 2023 !!!



*including seasonal listings

Successful retail rollout with further strong POS increase in fall 2023 – just in time for Christmas



WOW!

1,100

1,800 stores*

TARGET

A young child in a blue beanie and jacket carries a red cat-shaped backpack. A white arrow points from the number 1,100 to 1,800 stores*.

BOOM!

1,700+
new stores* nationwide

Walmart
Supercentre

A photograph of a Walmart Supercentre building at dusk.

*representation will vary by location and size of store

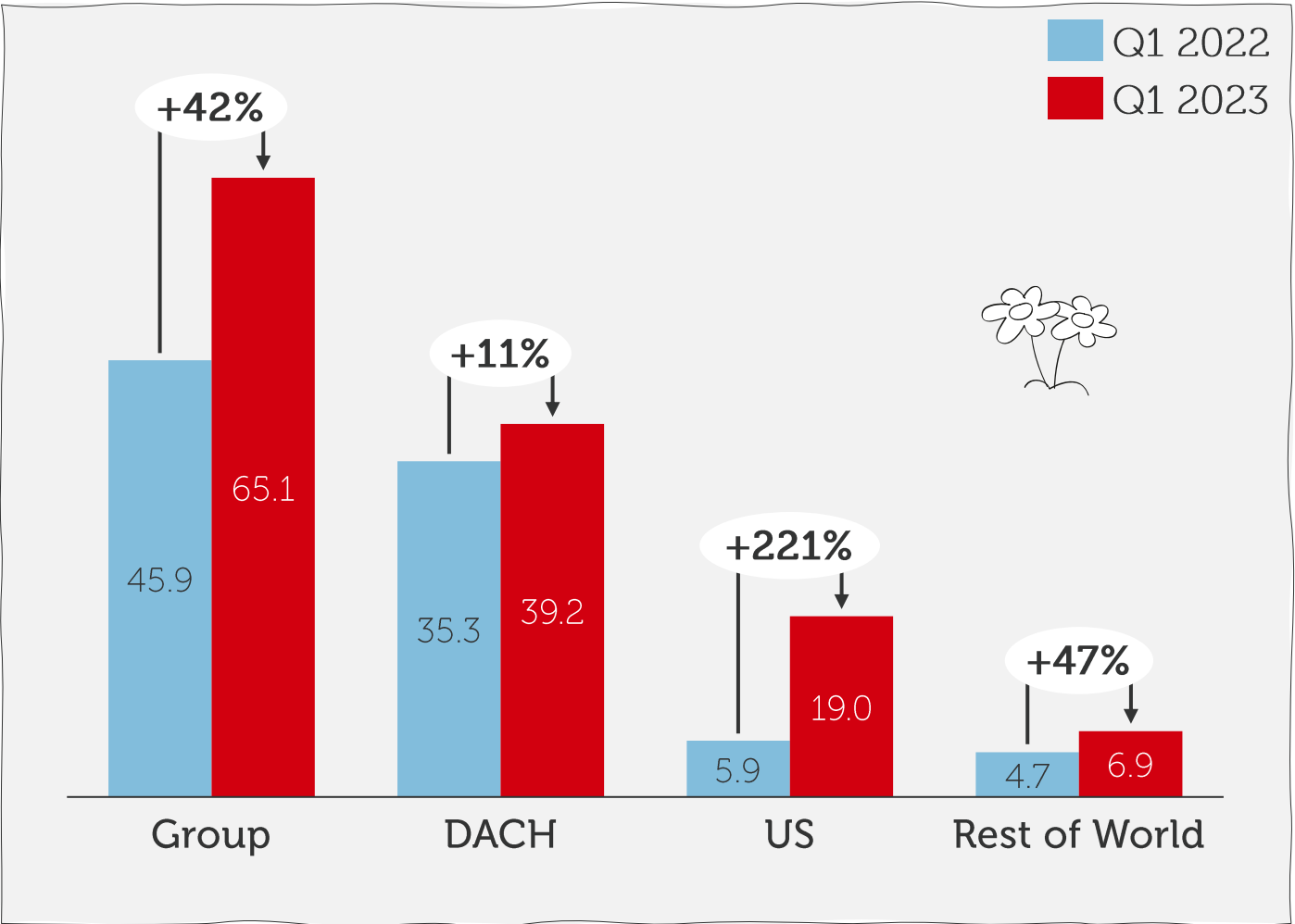
Results Q1 2023



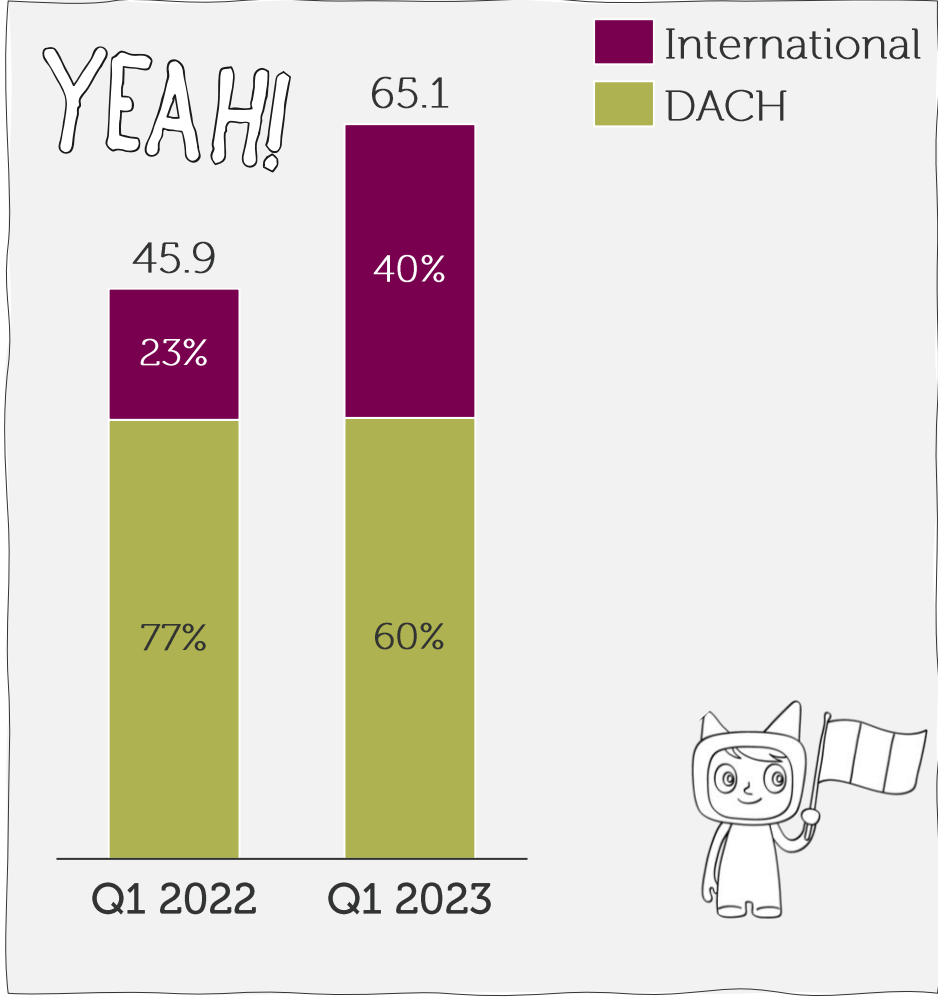
Q1 2023 – Continued strong momentum driven by international expansion...



Revenue growth by geography



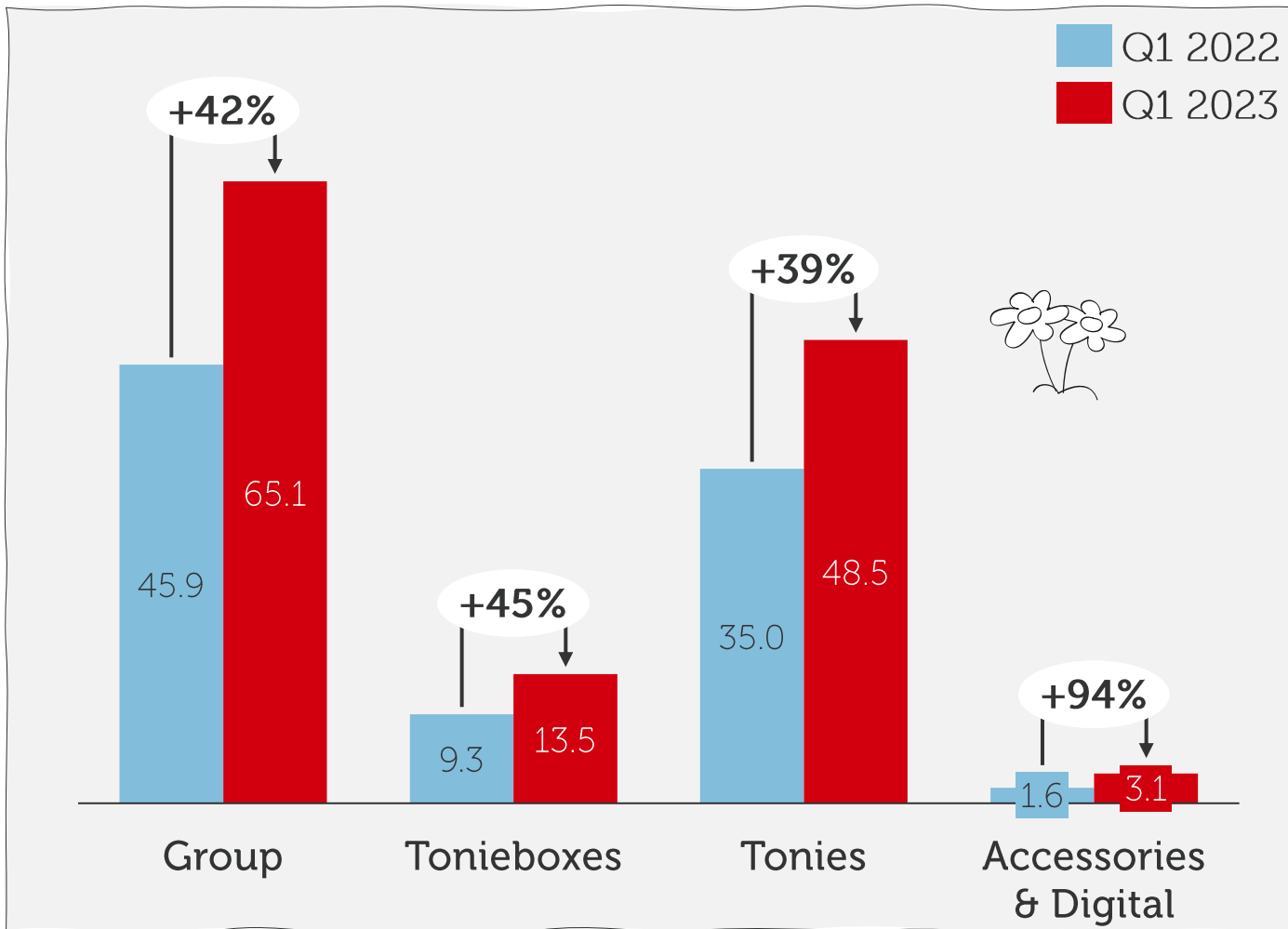
Revenue split by geography



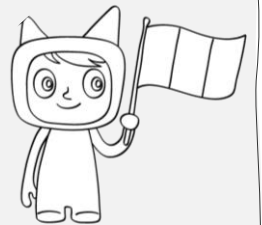
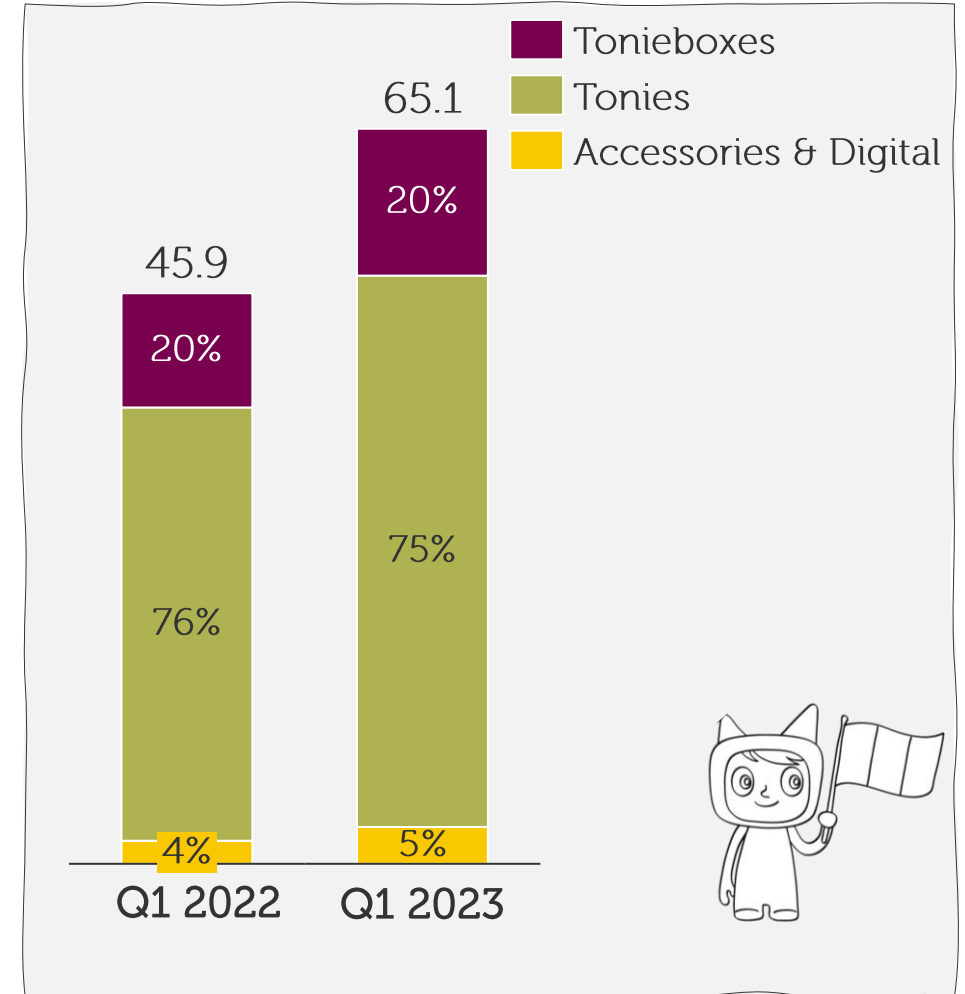
...and by all product categories



Revenue growth by product category



Revenue split by product category



...as Q1 performance follows a great year 2022



(in EURm)

	Q1-22	Q1-23	Change
Revenue	45.9	65.1	41.9%

FY 2021	FY 2022	Change
188.0	258.3	37.4%

by region

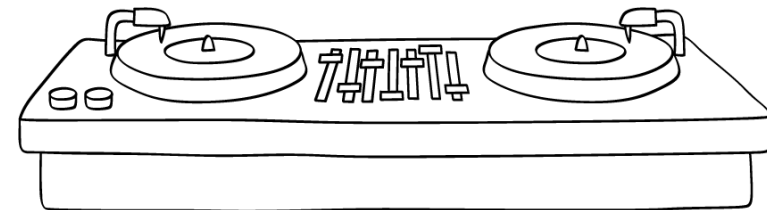
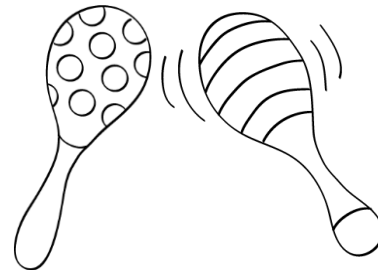
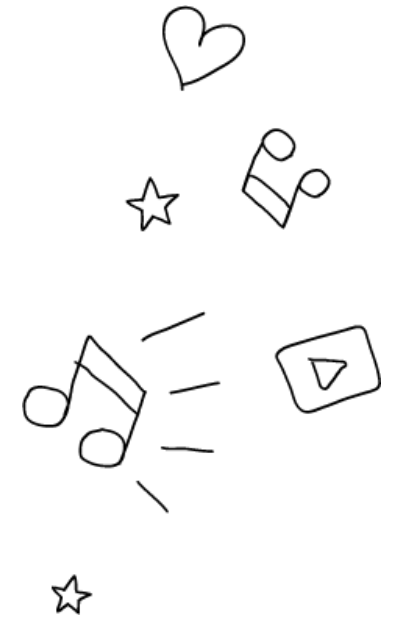
DACH	35.3	39.2	11.2%
US	5.9	19.0	220.8%
Rest of World	4.7	6.9	46.8%

151.3	158.3	4.6%
20.3	65.6	223.2%
16.3	34.4	110.6%

by product category

Tonieboxes	9.3	13.5	45.3%
Tonies Figurines	35.0	48.5	38.6%
Accessories & Digital	1.6	3.1	93.6%

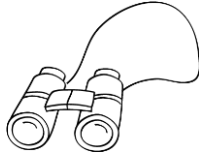
57.2	87.3	52.5%
123.6	159.1	28.8%
7.2	11.9	65.8%



Outlook FY 2023



Guidance FY 2023* – major milestone towards profitable growth



	Results FY 2022	Guidance from IPO FY 2023	Guidance FY 2023
Group revenue (EURm)	258	354	354 (+37% YoY)
US revenue (EURm)	66	108	116 (+77% YoY)
Group adjusted EBITDA in % of revenue	-2.4%	na	“positive”

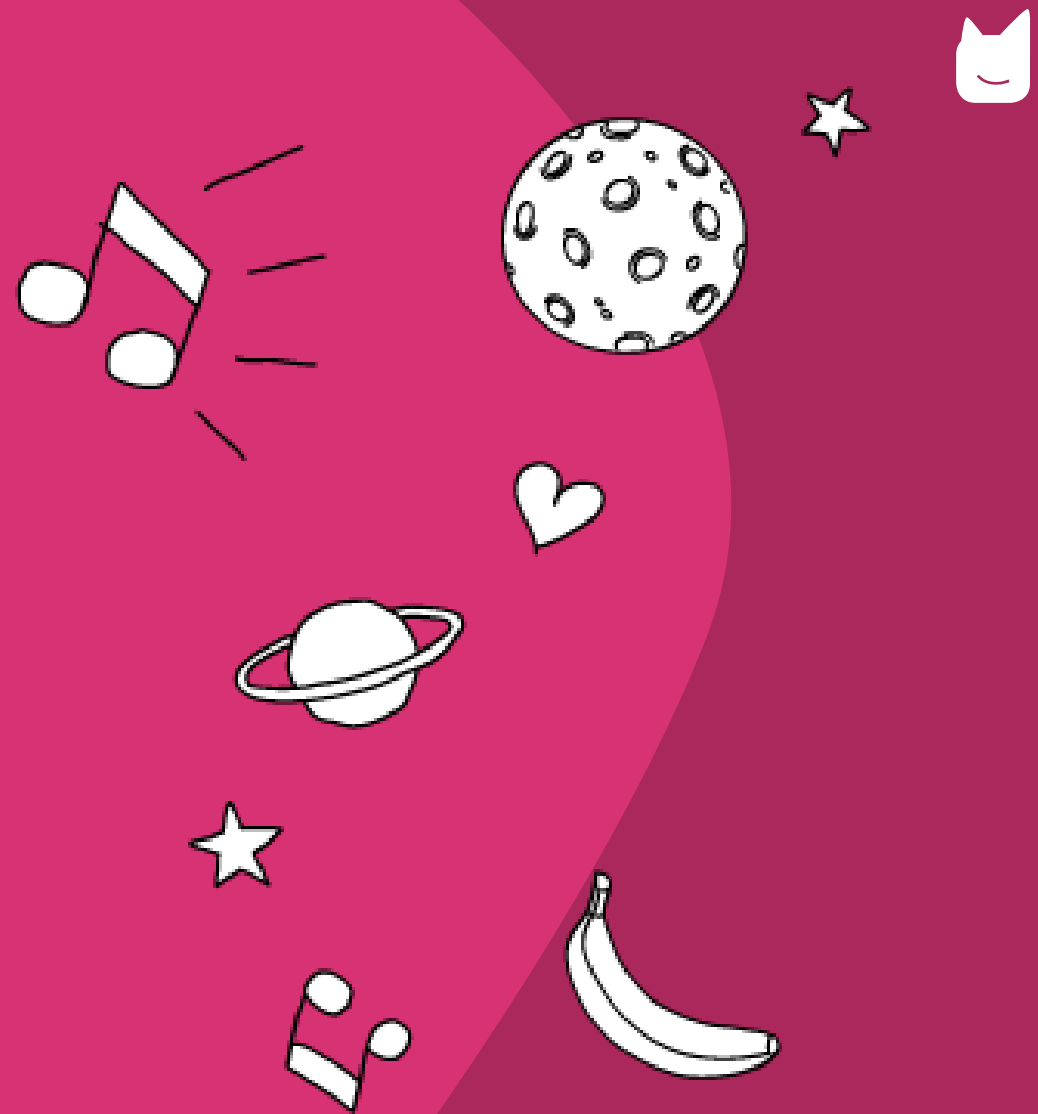


Further year of **significant growth** ahead with US revenue expectation even above IPO plan



tonies will become **profitable** on adjusted EBITDA basis

Q&A



Meet us on conferences and roadshows



Q2

Results	Conference	Roadshow
APR 13: FY 2022	MAY 2: GS Europ. Small & Mid Cap Symposium	APR 17-19
MAY 11: Q1 2023	MAY 16-17: UBS Best of Europe Conference	
	MAY 23: Berenberg Manhattan Conference	
	MAY 31: HAIB Stockpicker	MAY 25: RS-day in the US

H2

AUG 23: H1 2023		SEP (tbc)
	SEP 5-7: Corporate Conf. Coda & ODDO BHF	
	SEP 18-20: BB/GS German Corporate Conference	
NOV 13: Q3 2023	NOV: BNP Midcap CEO Conference	
	NOV 16-17: Warburg Meet the Future	
	NOV 27-29: Deutsches Eigenkapitalforum 2023	
	DEC 4-7: Berenberg European Conference 2023	

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