



# Results Q3 2023

tonies SE | November 13, 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



**Jan Middelhoff**

CFO



Business Update

Q3 2023 Results

Outlook

Q&A

# 9M 2023 – Continued exceptional performance of tonies – we are a profitable, high growth company



## Results 9M 2023

- Revenue growth of **39% YoY (EUR 192m)**, led by the US (+140%), strong growth in mature DACH market of +10%
- Achieved **profitability** in H1 with adj. EBITDA margin at **2.6% (+10.4 pp YoY)**



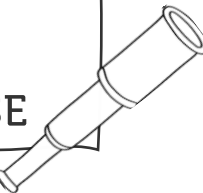
## Business update

- **Rapid US growth** across all channels – entering key Q4 with much stronger retail base
- Our technology platform, featuring 5.7 million connected Tonieboxes, **enables AI integration** for an enhanced consumer experience
- Established sound **sustainability** framework to lead our category

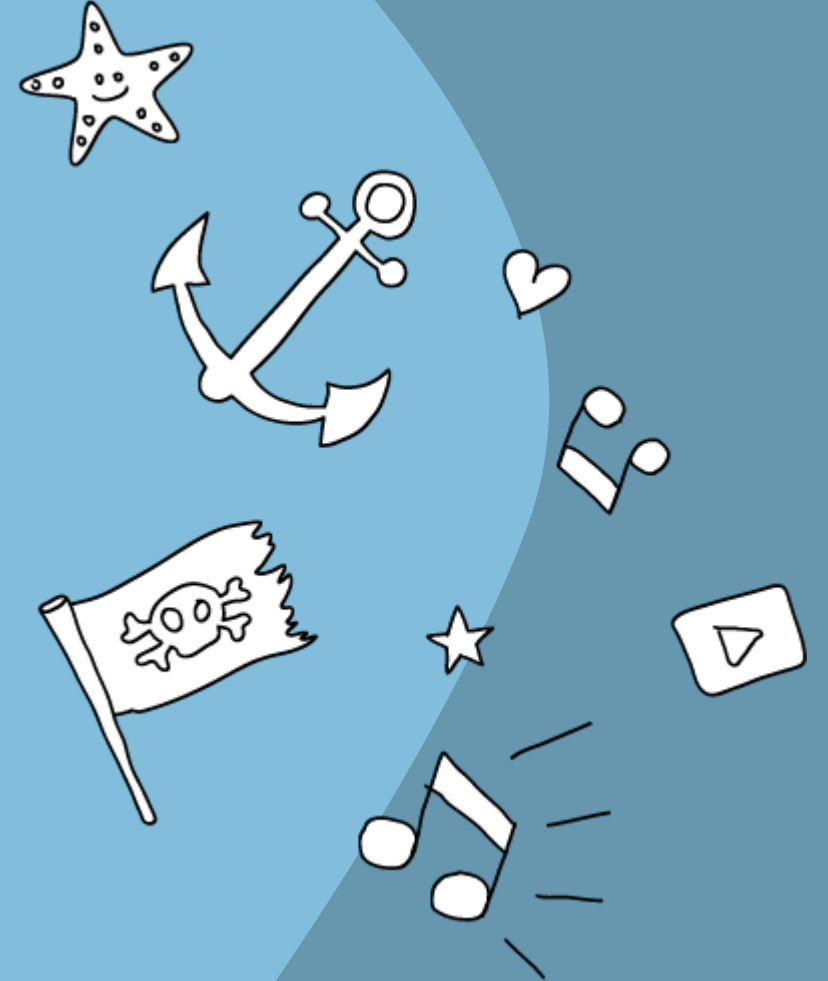


## Outlook FY 2023

- We are **fully on track** to reach our goals and confirm our guidance
- Revenue growth of **37% YoY to EUR 354m**, led by the US (77% YoY to EUR 116m)
- **Profitable on group level** with positive adj. EBITDA
- CEO change announced for Jan 1, 2024, as part of planned succession - **Tobias Wann to become new CEO of tonies SE**



# Business Update

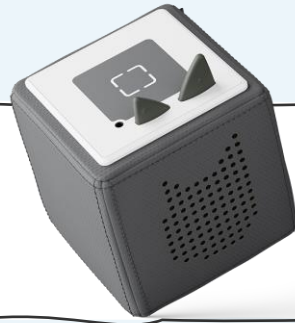


# The world's largest interactive audio platform for kids...



~5.7m

Tonieboxes sold



+1.5m

in last 12 months

~72m

Tonies sold



+20m

in last 12 months

>850

different "Blades"



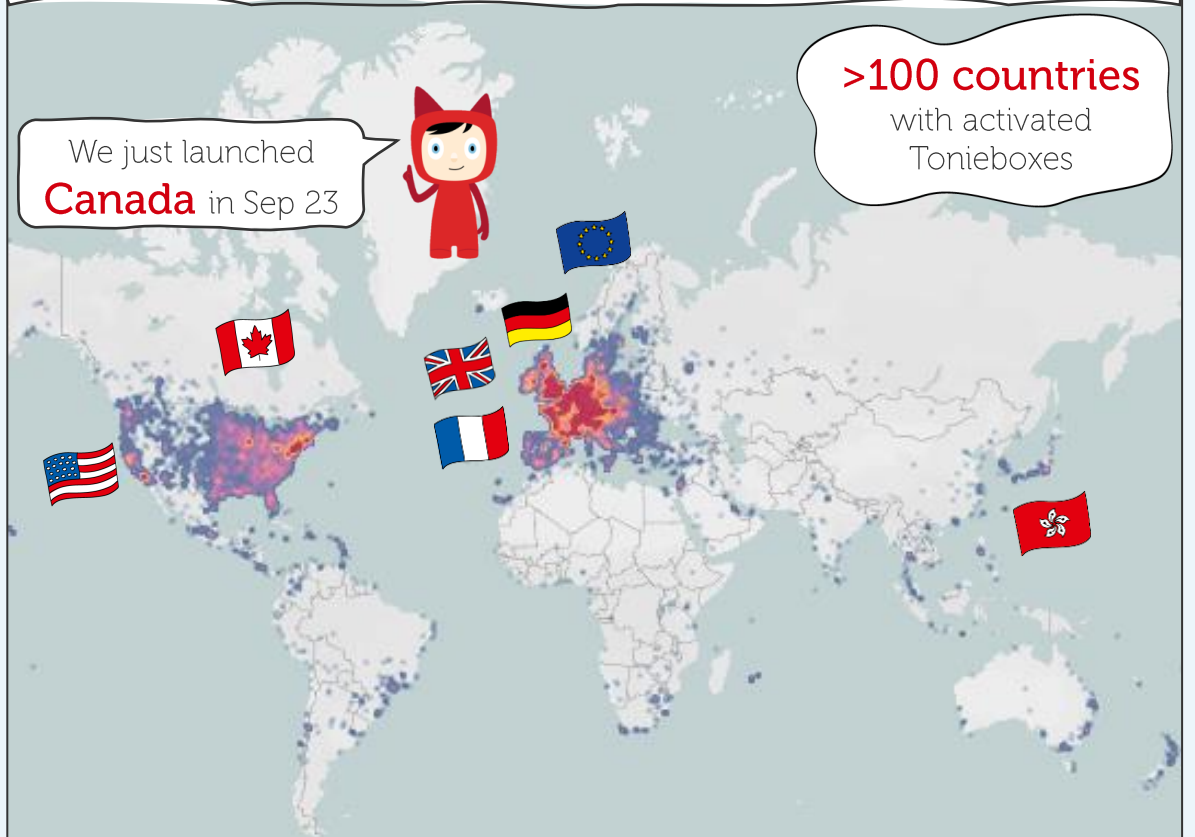
US > DACH

# of Tonieboxes sold in Q3

For the first time ever!



## Kids are the same around the globe



# ... offering a great basis for countless innovations such as our new format "Clever Tonies"



**"Clever Tonies"** provide edutainment for kids aged 5 years and above fostering **knowledge** acquisition, **emotional intelligence** & **social skills**

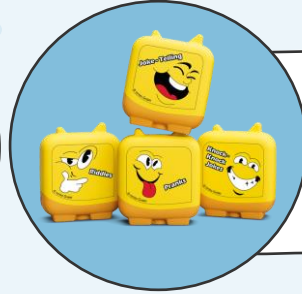
## Paleontologist

Jack Horner\* teaches about **Gentle Giant Dinosaurs**



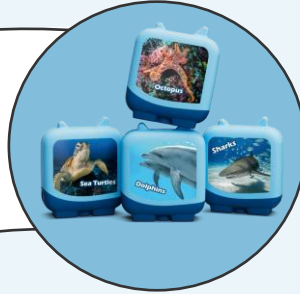
## Actress

Jane Lynch\* teaches jokes & riddles in **Kid's Comedy**



## Marine biologist

Cristina Mittermeier\* teaches about **Marine Life**



## Astrophysicist

Neil deGrasse Tyson\* teaches about **Inventions & Innovations**



- ✓ Still screen-free
- ✓ More affordable & perfect for collecting
- ✓ More grown-up design
- ✓ More sustainable (Up to 50% bio-circular material)

Launching



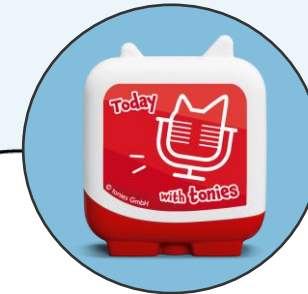
Oct 2023



Q1 2024



Q1 2024



Exclusive to the UK (launch Nov 23)

Daily fun, facts, and challenges for curious minds in our podcast **Today with tonies**

\* Speakers will differ between countries



# We already got a lot of positive feedback for our pioneering AI-based story generator but it's getting even better!




Feedback from the UK was great\*:

**8+ /10** overall experience rating

**97%** rated generated text **4+ /5**

**87%** rated listening experience **4+ /5**

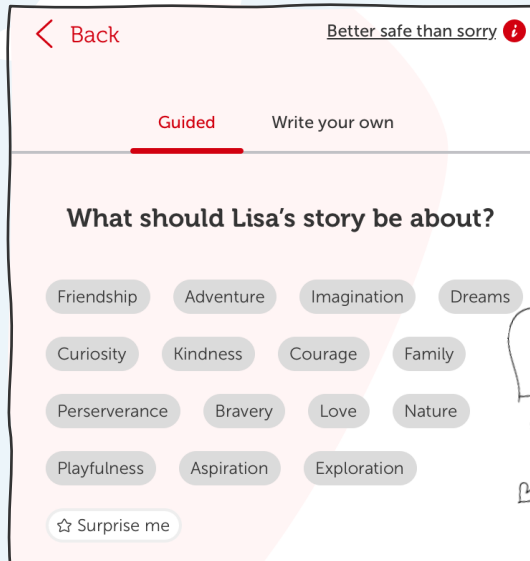


We just started further testing of engagement & monetisation potential in Germany 

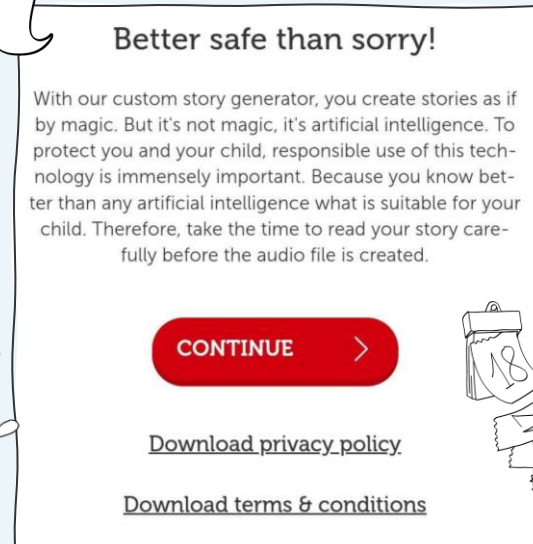


## Our ambition for a global roll-out

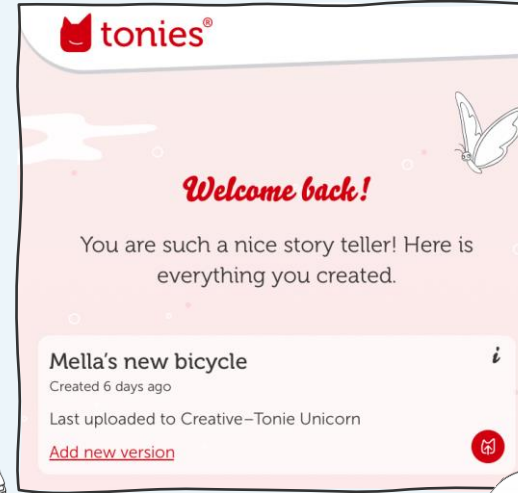
Deliver the best customer experience



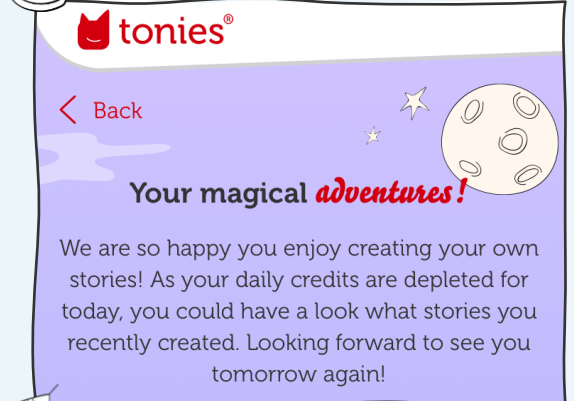
Meet highest security & privacy expectations



Engage families beyond the novelty effect



Develop a sustainable business model



\* Based on feedback from UK field study with 1,000 registered users

# We keep gaining recognition in the US by sparking kids' imagination ...



3 nominations for  
**Toy of the Year 2023**



Plush Toy of the Year  
tonies x Steiff Jimmy Bear



Creative Toy of the Year  
Creative-Tonies



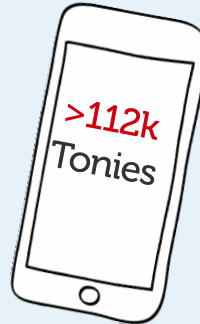
Infant/Toddler Toy of the Year  
Sleepy Sheep Night Light Tonie

← own brand

**Top 20 bestseller list**  
on Amazon Prime Day



July  
11-12



>112k  
Tonies



>24k  
Tonieboxes

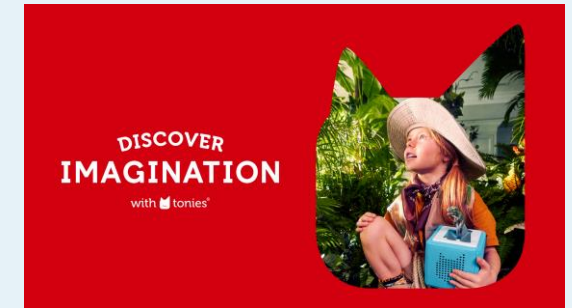


#16 and #24  
on the  
Toys & Games  
**Bestseller list**



**Highest placed**  
Disney IP in  
Toys & Games

360 marketing campaign in Q4  
**Discover Imagination**



TV brand spot featuring our  
biggest brands

+ full omnichannel rollout

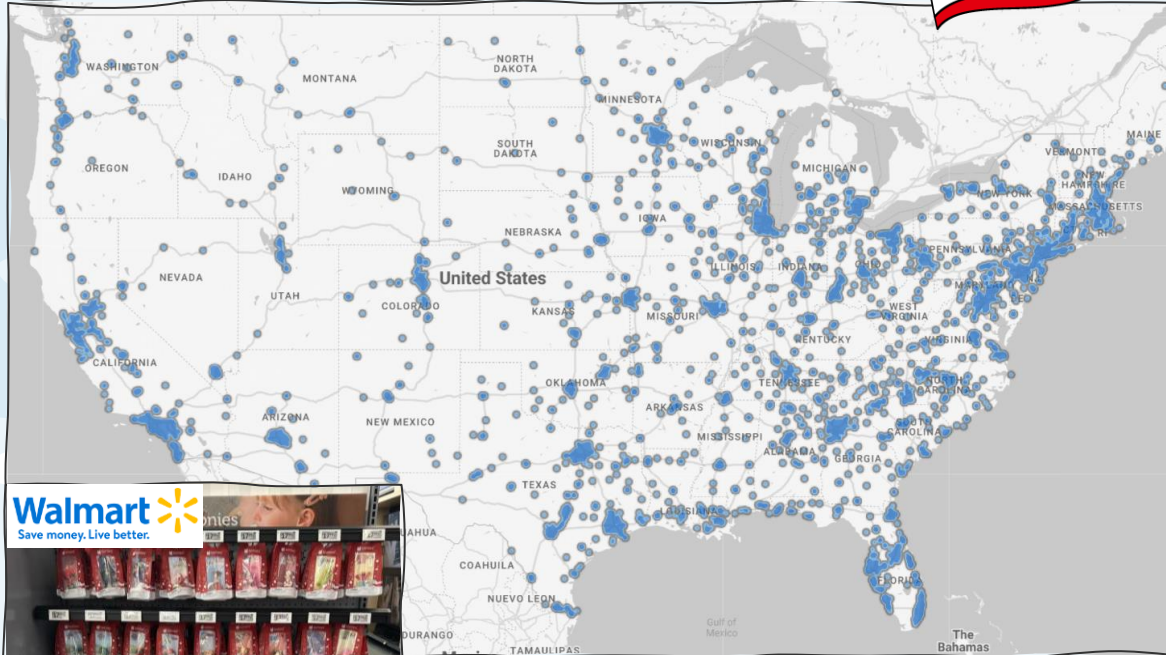
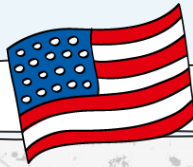
+ full PR support



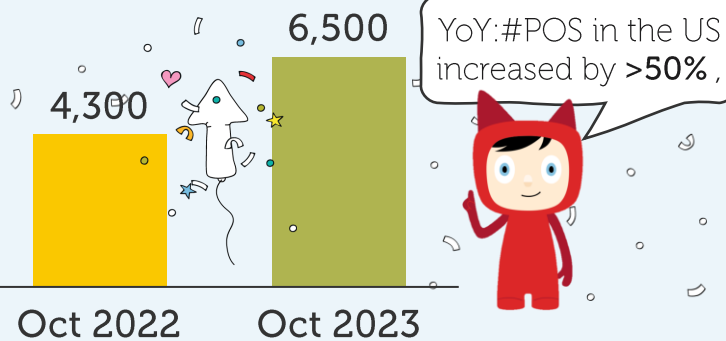
# ... and enter the important Q4 with a strong retail footprint



## Distribution of US retail stores



Oct 2023: launch in 1,600 Walmart stores



## Canada launch in September



**> 5,800**  
Tonieboxes already installed

**177 stores**  
(Indigo & Toys 'R' Us)

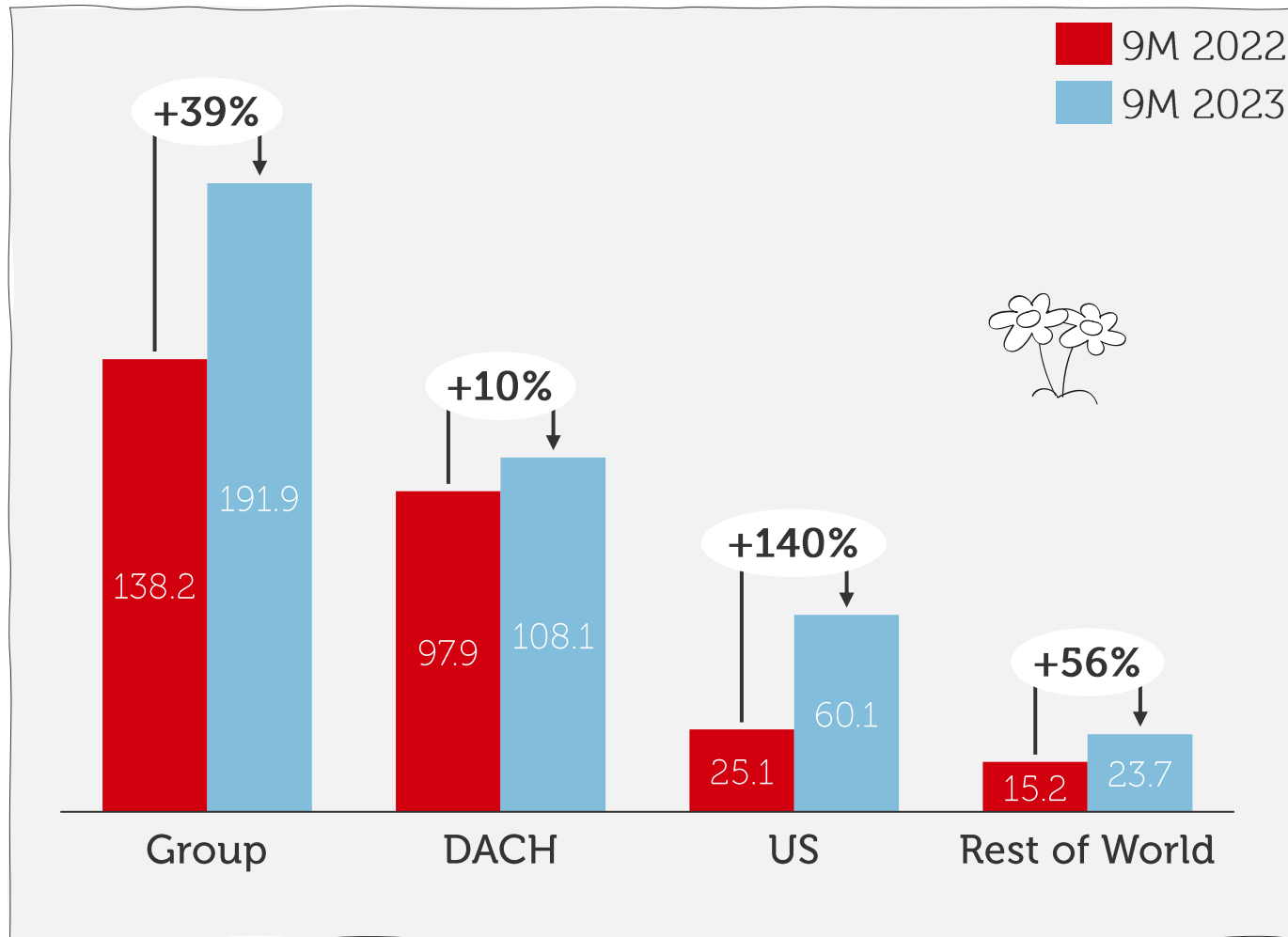
# Financial Results Q3 2023



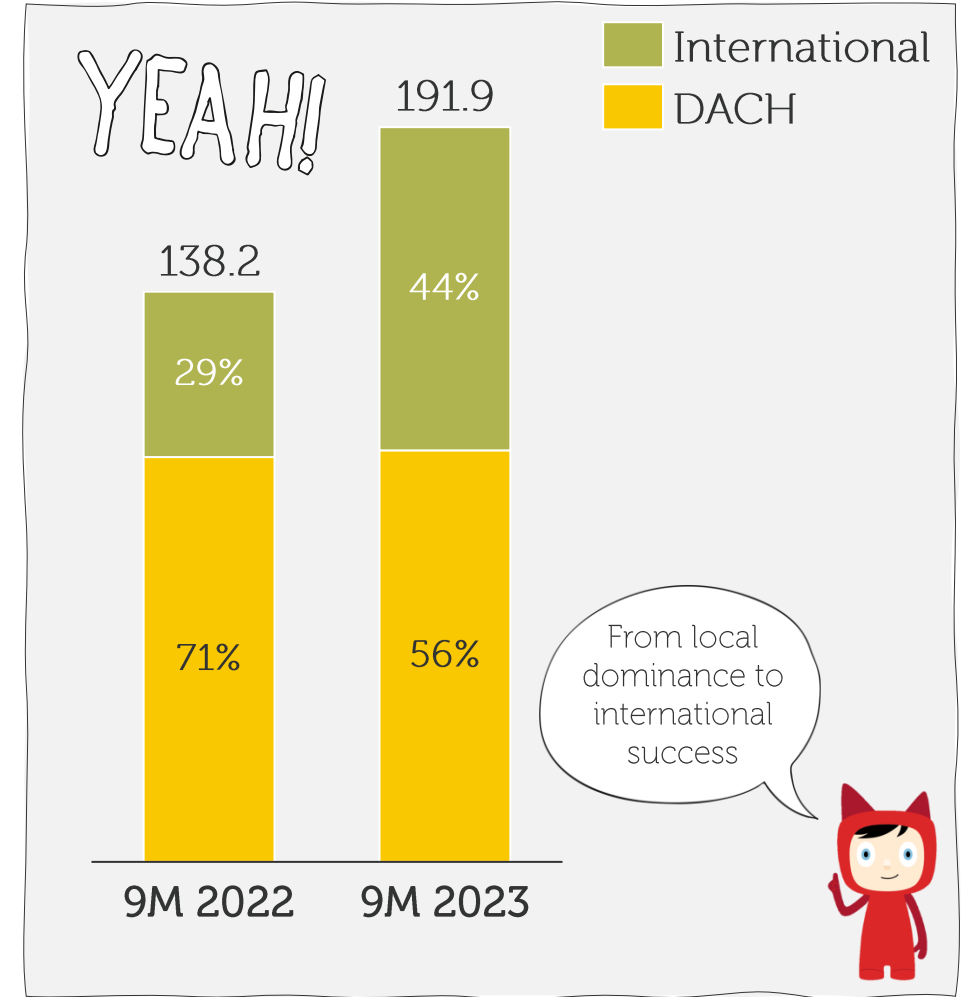
# 9M 2023 – on track to reach 2023 guidance driven by resilient DACH market & very strong international growth...



### Revenue by region



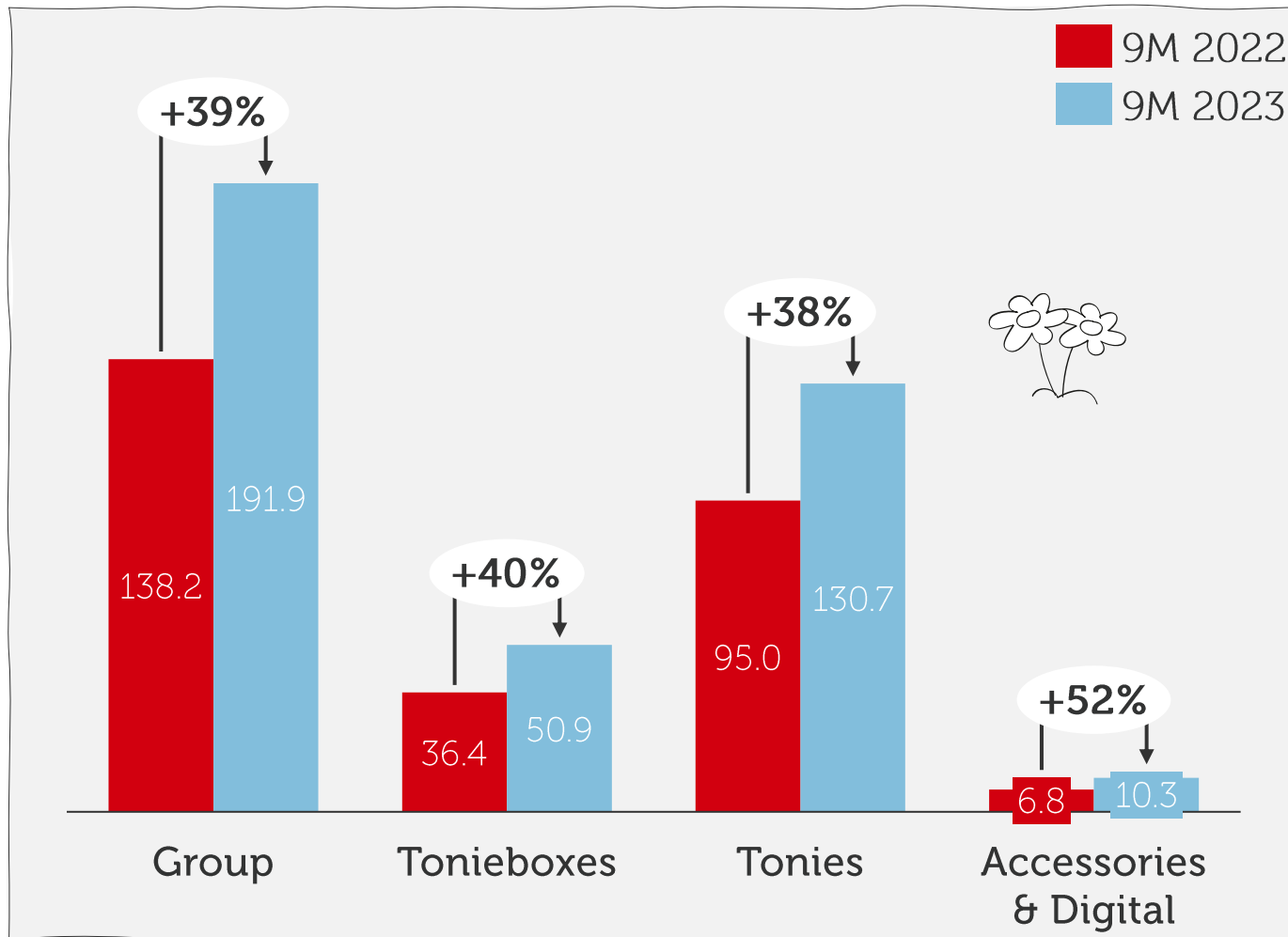
### Revenue split by region



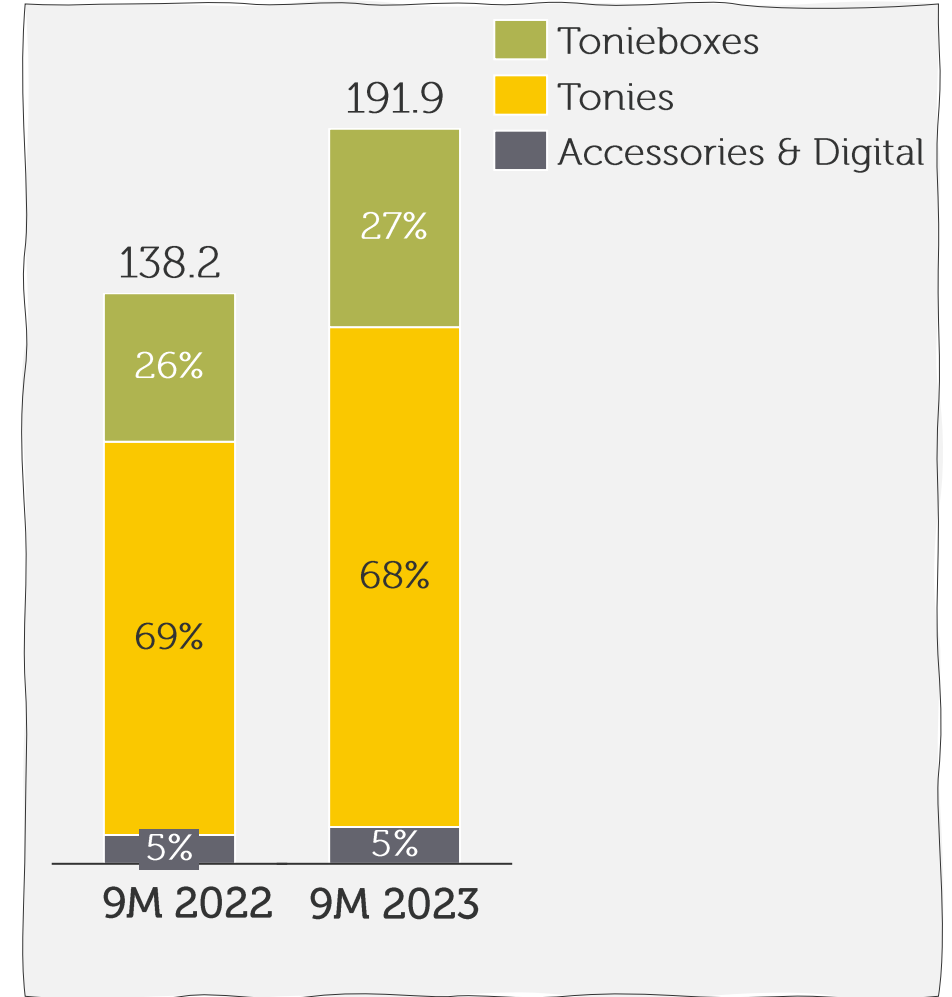
# ...and strong & well-balanced growth in all product categories!



### Revenue by product category



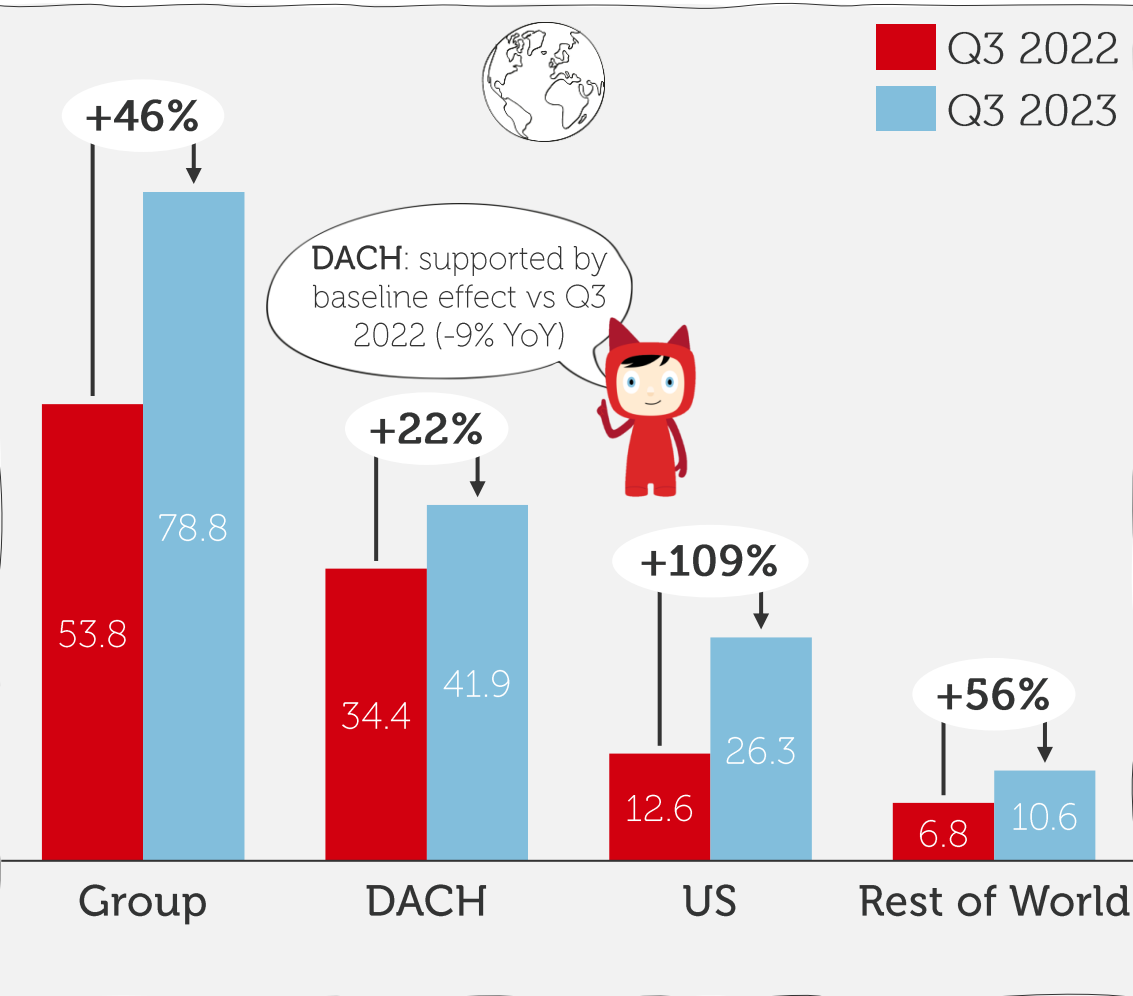
### Revenue split by product category



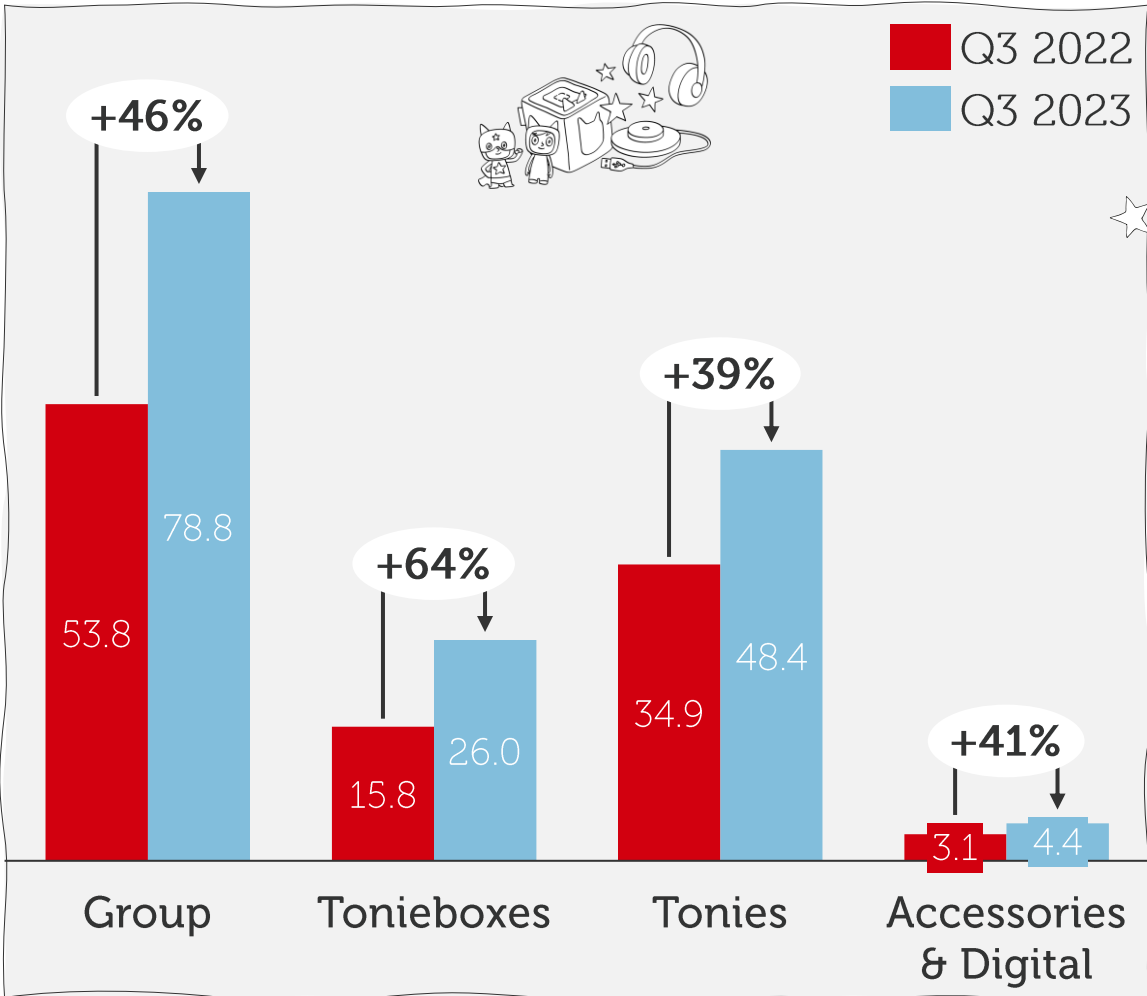
# Q3 2023 – strong rebound in DACH and continued rapid international expansion



Revenue by region



Revenue by product category



# We successfully closed a syndicated loan facility with strong partners to secure working capital needs for growth



## Strong financing partners



## Syndicated loan facility

- Replaced previous bilateral credit facilities of EUR 26 million
- EUR 30 million + EUR 10 million top-up option
- 3 years plus two one-year extension options



- **Clear signal of confidence** from our financing partners
- Important step for achieving our **ambitious growth targets**
- Facilitates **long-term planning** and seasonal working capital needs

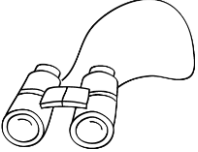


# Outlook



# Guidance FY 2023\* – after 9 months we are fully on track to achieve our ambitious targets



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

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


★ tonies will be *profitable* on adjusted EBITDA basis

\*2023 based on EUR/USD of USD 1.08

# Tobias Wann appointed as the new CEO of tonies SE with effect as of January 1st, 2024



**Tobias** Wann  
(CEO, starting on January 1st)

- **Logical next step** after **Marcus and Patric** step back from the operating business at their own request, having **led the company for 10 years** to its **position as a love brand and market leader**
- As a former founder himself, **Tobias** understands how smaller companies operate and **has a proven track record** of leading profitable high-growth companies, including: 
- Tobias will **lead tonies together** with his fellow **board member Jan Middelhoff** (CFO of tonies SE) supported by the **unchanged leadership team**
- **Marcus and Patric** remain associated with the **company** as Senior Advisors & second-largest shareholders (after a deliberate time-out: Supervisory Board Seat possible)



# Other exciting people news we wanted to share



## New Supervisory Board Member



Following  
Stephanie Caspar  
since October 1st



**Erika** Wykes-Sneyd  
(Global Vice President & General Manager  
adidas///studio)

We strengthen our expertise on strategic marketing and emerging **tech consumer experiences**. In previous roles, Erika worked with further iconic brands such as Disney, Marvel, PlayStation, XBOX, & Lego

## "New" Chief Product Officer



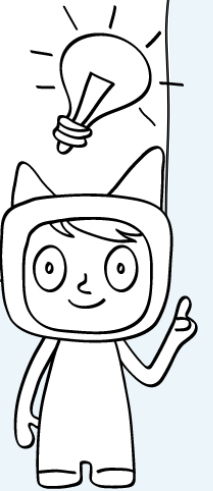
Dr. **Christian** Sprinkmeyer

We merged our digital and products unit under the leadership of our former Chief Digital Officer to leverage **synergies** between physical products, digital products and AI

# 9M 2023 – Key takeaways



- 1 Despite challenging times, we continuously **keep our promises & deliver against the plan**
- 2 We prove that we are a **profitable growth company**
- 3 The **US-market growth is happening** – its our most important growth market
- 4 **Outlook** for 2023 **confirmed**: we are confident in reaching our targets
- 5 With **Tobias Wann**, we have won a **highly accomplished new CEO** for tonies



# Q&A



Any *questions...*?



# Meet us on conferences in Q4



Results

Conferences

Roadshows

Q4

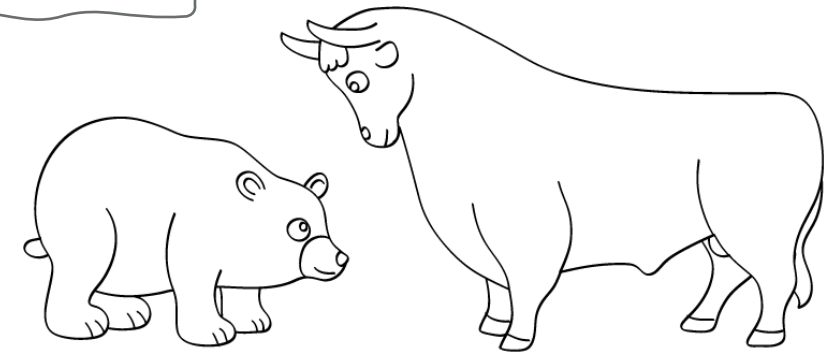
NOV 13: Q3 2023

NOV 22: SdK Company Presentation

NOV 27-29: Deutsches Eigenkapitalforum 2023

DEC 5: Berenberg European Conference

DEC 14: HSBc European Small & Mid-Cap Series





# Investor Relations Contact



Investor Relations Website

<https://ir.tonies.com/>

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