



Earnings Presentation Q1 2025

tonies SE | May 15, 2025



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, contribution margin 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. 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. 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.

For the definition of the alternative performance measures used, please refer to the published Annual Report as of December 31, 2024, or tonies website: <https://ir.tonies.com/publications/>

Who you have on the call today



Tobias Wann
CEO



Dr. Jan Middelhoff
CFO

tonies SE | Earnings Presentation Agenda



Welcome to tonies

Business Update Q1 2025

Results Q1 2025

Outlook 2025

Q&A

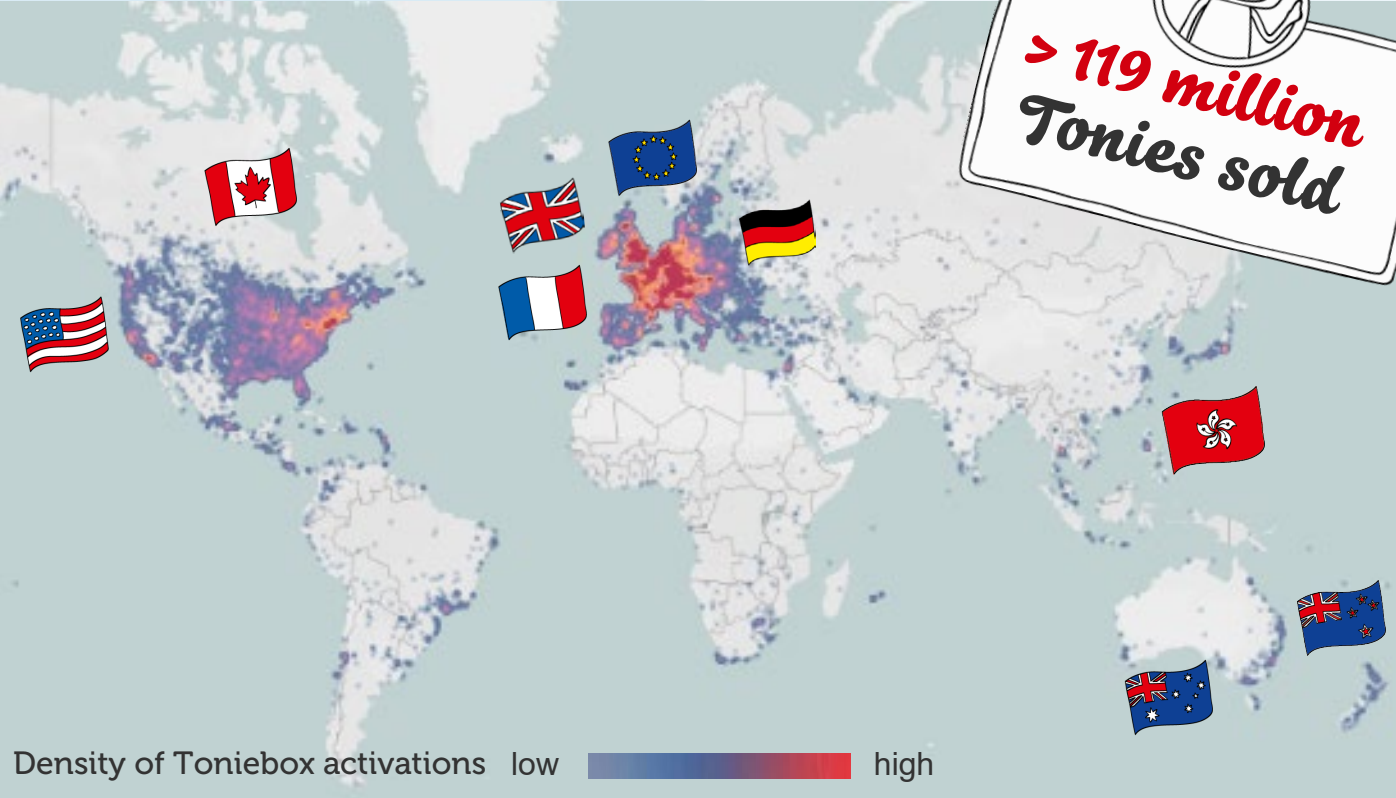
tonies: We have built the largest interactive audio experience platform for children in the world



We are the #1 audio platform for kids globally

Families in >100 countries have activated a Toniebox

~9.3 million Tonieboxes sold



We have unparalleled stickiness

~270 min
Ø weekly playtime¹

NPS of 77
in the US²



¹ Avg. weekly playtime in FY 2024 globally | ² In Q1 2025

Q1 2025 performance at a glance!



Results:

Revenue: EUR 97m (+24% /+22%cc)

DACH: EUR 39m (-3% /-3%cc)

NA: EUR 40m (+42% /+37%cc)

ROW: EUR 19m (+81% /+79% cc)

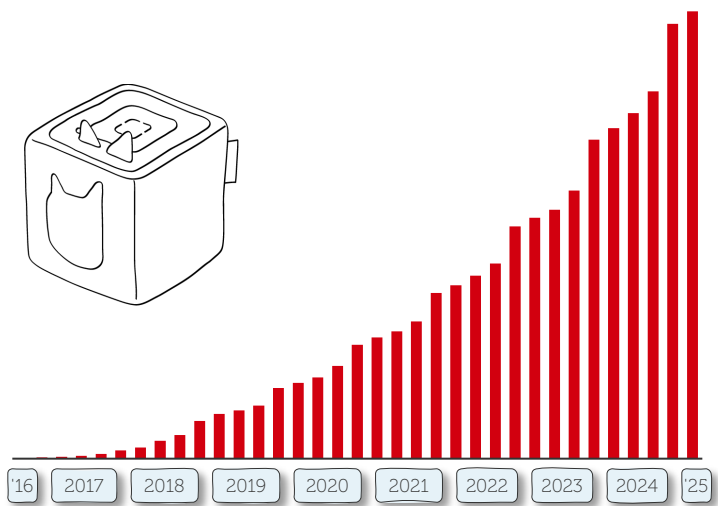
As of Q1 2025, we will show growth rates in **constant currency**

Outlook:

No guidance for FY 2025 until we have sufficient visibility on tariffs

Toniebox platform grows exponentially every year...

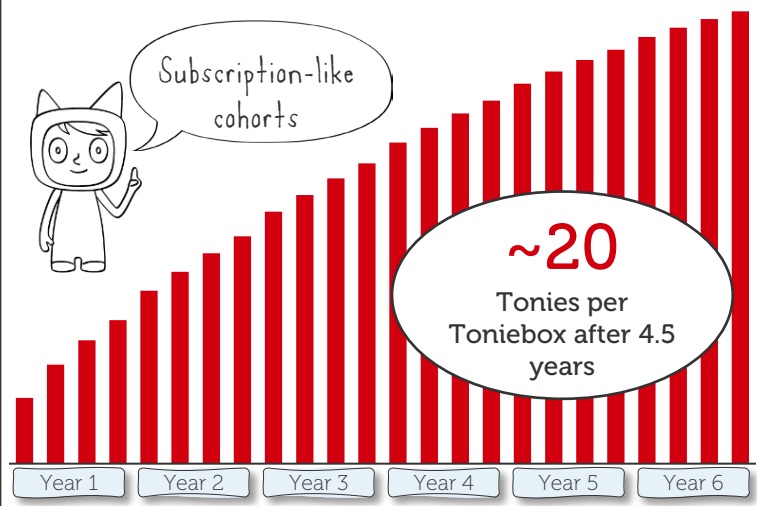
Cumulative Tonieboxes sold (Q4'16-Q1'25 in #)



+262k Tonieboxes
sold in Q1 2025

... fueling the highly predictable repeat purchases of Tonies

Cumulative Tonies over customer lifetime



~20
Tonies per
Toniebox after 4.5
years

+7m Tonies
sold in Q1 2025

Note: Company data end of Q1 2025

Q1 2025 has been a successful start into the year...







Our value levers:

-  Internationalization
-  Gross margin expansion
-  Own content/IP
-  Product/channel mix
-  Operating leverage

Today's focus:



International expansion

-  **UK:** Major milestone of >1m Tonieboxes sold
-  **FR:** Achieved pole position¹ in just 3 years
-  **ANZ:** Increasing POS footprint since launch in Q3 2024
-  **US:** 2nd largest dollar growth property & dollar growth corporate manufacturer within Preschool Toys in the US 2024²



Product



Strong **Tonies** category growth in Q1 2025



Sleepy Friends portfolio is one of our **best performing** IPs



US Tariff Response



US tariffs

Flexible **production ramp up** depending on tariff development

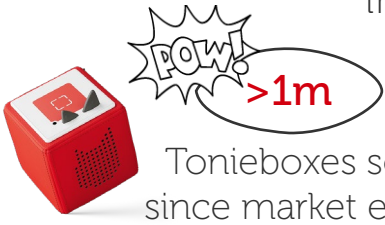
Figurine price adjustments are in place since May 1, 2025

¹ Google Search, Trends research | ² **Source:** Circana, LLC, Retail Tracking Service, Preschool Toys Segment, Infant Toddler & Preschool Toys Supercategory, Dollars and Dollars Adjusted Change, Jan-Dec 2023 & Jan-Dec 2024

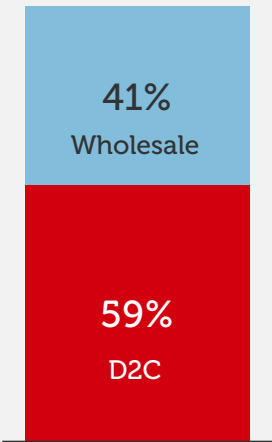
Rest of world: UK and France drive growth - we have traction in both regions



Significant increase in retail footprint
in mature market

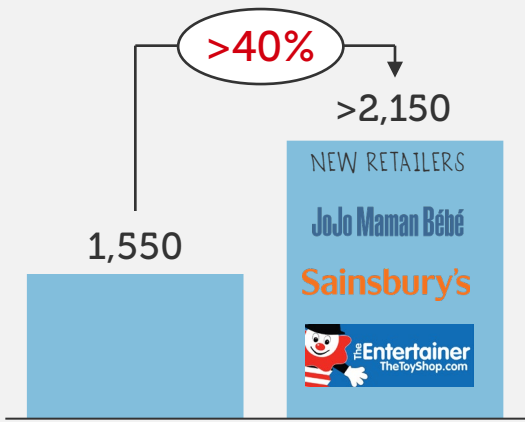


Distribution Channel Mix



FY 2024

Increasing retail footprint
(# POS) in 2024



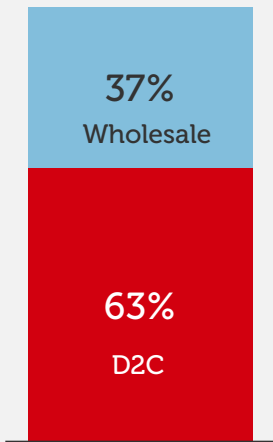
End of 2023 End of 2024



We have achieved pole position¹
in just 3 years

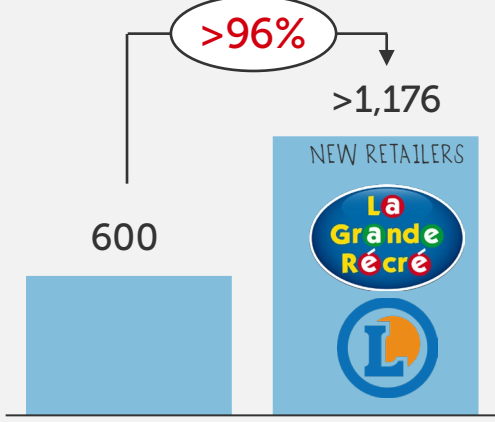


Distribution Channel Mix



FY 2024

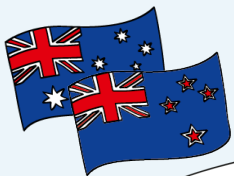
Increasing retail footprint
(# POS) in 2024



End of 2023 End of 2024

¹ Google Search, Trends research
Note: Tonieboxes and Tonies sold since market entry until March 31, 2025

Rest of world: Launch success in ANZ continues...



Winner of **Product of the Year 2024** and **Product of the Year (Infant/Preschool)**



We sold **~45k Tonieboxes** and **>300k Tonies** since launch

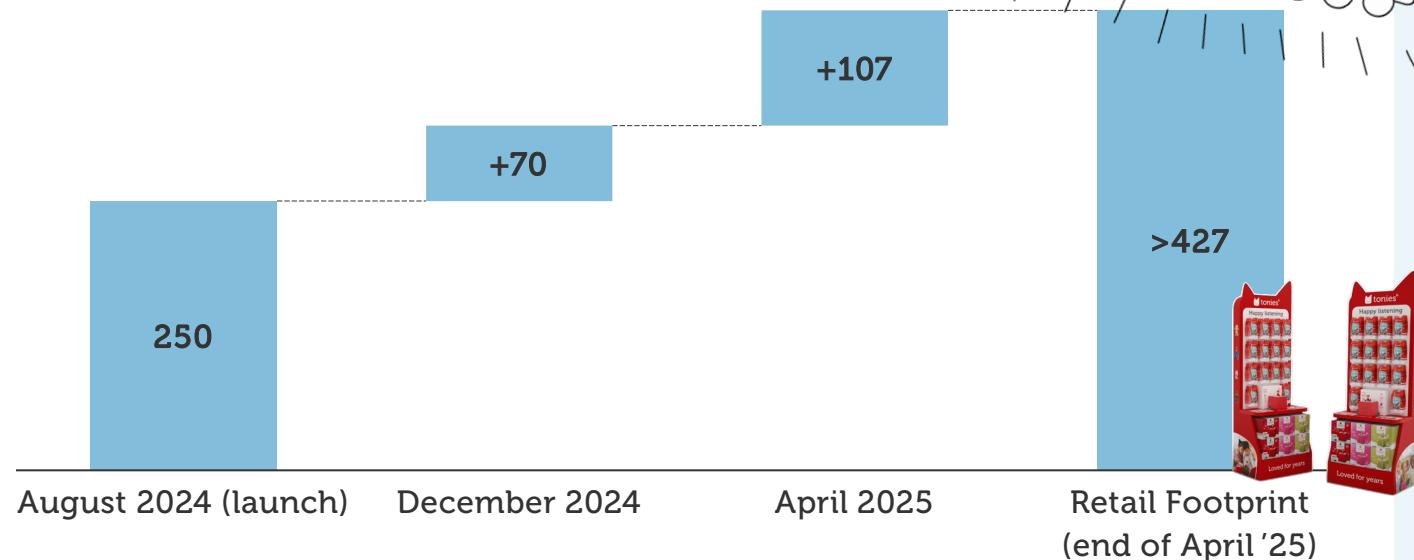
We also **increased our Tonies product range** by **107%** since launch



Significant increase in ANZ retail footprint

POS development

(Aug 2024 – Apr 2025 in # of POS)



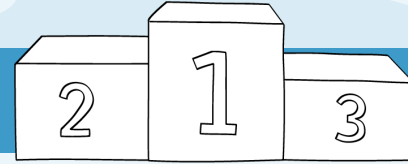
KEY NEW
RETAILERS



We are the 2nd largest dollar growth property & dollar growth corporate manufacturer within Preschool Toys in the US 2024



Preschool Toys in the US for 2024:



Property (Brand & Licensing)

#2  **tonies[®]**

...by dollar growth

Corporate Manufacturers

#2  **tonies[®]**

...by dollar growth

By dollar volume, tonies is the **6th largest property** and the **6th largest corporate manufacturer** within Preschool Toys in the US for 2024 – four years after launch.

Strong Q1 2025 growth in Tonies figurine category despite Easter business shift to Q2 2025

Tonies category details



Overall Tonies category grew by **+26%¹ (+16.9m EUR)** Q1 2025 vs. Q1 2024



Doubling down on own content: **>40% of 68 new launches** in Q1 2025 are **own content** Tonies



Strong expansion of Pocket Tonies portfolio
(to >95 SKUs globally)

¹ Growth rate in constant currency | ² Based on global quantities sold

Top Selling Tonies Q1 2025²

Classic Tonies



Pocket Tonies



Highlights Q1: tonies x World Sleep Day – Our global Sleepy Friends portfolio is one of our best performing IPs



Key Facts & Insights

To celebrate **World Sleep Day 2025**, we launched a **global Sleepy Friends brand campaign**, introducing our brand-new **Sleepy Ocean Tonies**

4th

best performing IP in our portfolio in 2024, globally

Best

performing IP in the “sleep category”¹, globally

4.8/5

stars¹ rating on average, globally

Improved
90%

of our customers’ bedtime routine²



The Sleepy Friends portfolio includes 7 Tonies and 3 Night Light Tonies (Q1 2025)

Sleepy Forest



Sleepy Ocean



Night Lights



¹Status Q1 2025 | ²June 2024, n = 1.455 Toniebox users (US, DE, UK, FR)

Tariff environment remains highly volatile – our strong toolbox keeps us firmly on course



- Apr 2:** “Liberation Day” – incl. 46% tariffs on Vietnam, 20% on EU
- Apr 4:** Vietnam becomes **first country to ask for negotiations** with Trump
- Apr 9:** **90 days pause** on reciprocal tariffs until July 9 – tariffs reset to 10%, except China
- Apr 11:** **US raises China tariffs to 145%** - China retaliates with 125%
- May 12:** China & US announce **90-day tariff pause at 30%** until August 9
- Jul 9:** Expected end of 90-day tariff pause for all countries, except China
- Aug 9:** Expected end of 90-day tariff pause for China

Our toolbox at hand...

Deep Dive

Sourcing Options

a diversified supply chain for box and attach (tonies, accessories)

Pricing Power

category creation and leadership allows price setting

Financial Flexibility

new syndicated loan and high cash reserves

Cost Optimization

continued improvement of unit economics - work with partners

US tariff update based on tonies' main sourcing footprint



tonies' key sourcing countries	Current level of tariffs for US (as of May 14, 2025)	Tariff peaks since "Liberation Day"
	Planning horizon until	
China	30%	145%
Vietnam	10%	46%
Tunisia	10%	28%
Bosnia and Herzegovina	10%	35%

The situation with US tariffs has been **volatile** but **eased notably since "Liberation Day"**.

We will further diversify our production set-up depending on tariff development - creating optionality



We have ***created optionality*** for our ***core products***:



China

Production volume



Other international
production locations

A

Toniebox production

We have **already started producing in Vietnam before tariffs** – full sourcing of boxes for US from Vietnam feasible

B

Figurine production

We have **existing figurine production footprints** outside China (e.g., Tunisia and Bosnia & Herzegovina) – and are evaluating with existing suppliers to ramp up capacities

C

Indirect sourcing

Materials are sourced from various countries outside China

D

Strategic considerations

Next to tariff implications we will also **evaluate lead times and logistics costs** before shifting capacities

Figurine price increases are in place since May 1, 2025



New simplified pricing as of May 1, 2025

	Previous pricing		New pricing	
Figurines (Group 1)	17.99 / 19.99 USD	→	19.99 USD	+2 USD
Figurines (Group 2)	14.99 USD	→	14.99 USD	No change
Creative Tonies	9.99 / 12.99 USD	→	9.99 USD	-3 USD



We continue to run selected promotions



Proactive and transparent communication

towards our customers end of April 2025
via different channels



Tariff impact partially mitigated

based on price increase for selected figurines



Our high-quality figurine standards

will be kept unchanged



Results Q1 2025

Major financial milestones achieved in FY 2024



Revenue

EUR 481m

DACH: EUR 184m (+11%)

North America: EUR 210m (+50%)

YoY: +33%

ROW: EUR 86m (+57%)

Growth driven by international markets, particularly North America, and continued **very strong growth** in the established **DACH region**. North America becoming tonies largest market in year 4 after launch

62%

share int. business

Adj. EBITDA¹/ EBITDA margin

7.5% / 7.0%

YoY: +3.5pp / +4.6pp

Improvement in **adjusted EBITDA driven by operating leverage and higher gross margin**; only adjustments for share-based payments – spread substantially narrowed

+4.6pp

EBITDA Margin YOY

Free cash flow

EUR 33m

YoY: +EUR 38m

FCF break even achieved through higher profitability and more efficient working capital management – **substantial improvement YOY** and since IPO overall

EUR 107m

cash available²

Other

23.1% DACH, 2.5% North America,
2.6% ROW EBITDA Margin

Net income break even for the first time. Segment reporting DACH with substantially higher **EBITDA margin (23%)** YOY and **North America turning positive**

EUR 13m

Net income

¹Only adjusted for share-based compensation | ²At December 31, 2024, including unused credit line of EUR 20m

Segment Reporting: All regions with positive EBITDA – “blueprint” DACH shows strong profitability improvement



in EURm	DACH	North America	Rest of World	Total operating segments	Corporate headquarters	Reconciliation	tonies group ¹
Revenue (external)	184.3	210.4	85.9	480.5	0	0	480.5
Licensing costs	-27.6	-23.4	-9.0	-60.1	5.2	0	-54.9
Contribution margin	38.3%	30.0%	29.6%	33.1%	-	-	34.5%
EBITDA	42.6	5.3	2.2	50.1	-10.1	-6.6	33.5
EBITDA margin 2024	23.1%	2.5%	2.6%	10.4%	-	-	7.0%
EBITDA margin 2023	16.3%	-3.2%	-8.7%	4.9%	-	-	2.4%

- DACH: Increase vs. FY 2023 – our established market **highly profitable** with 23.1% EBITDA margin
- North America: Increase vs FY 2023 – our largest market has **turned profitable** as promised
- ROW: Increase vs. FY 2023 – **turned profitable** despite continued investments into expansion
- Corporate Headquarters: **HQ functions** e.g., accounting, taxes, legal, strategy, IT...

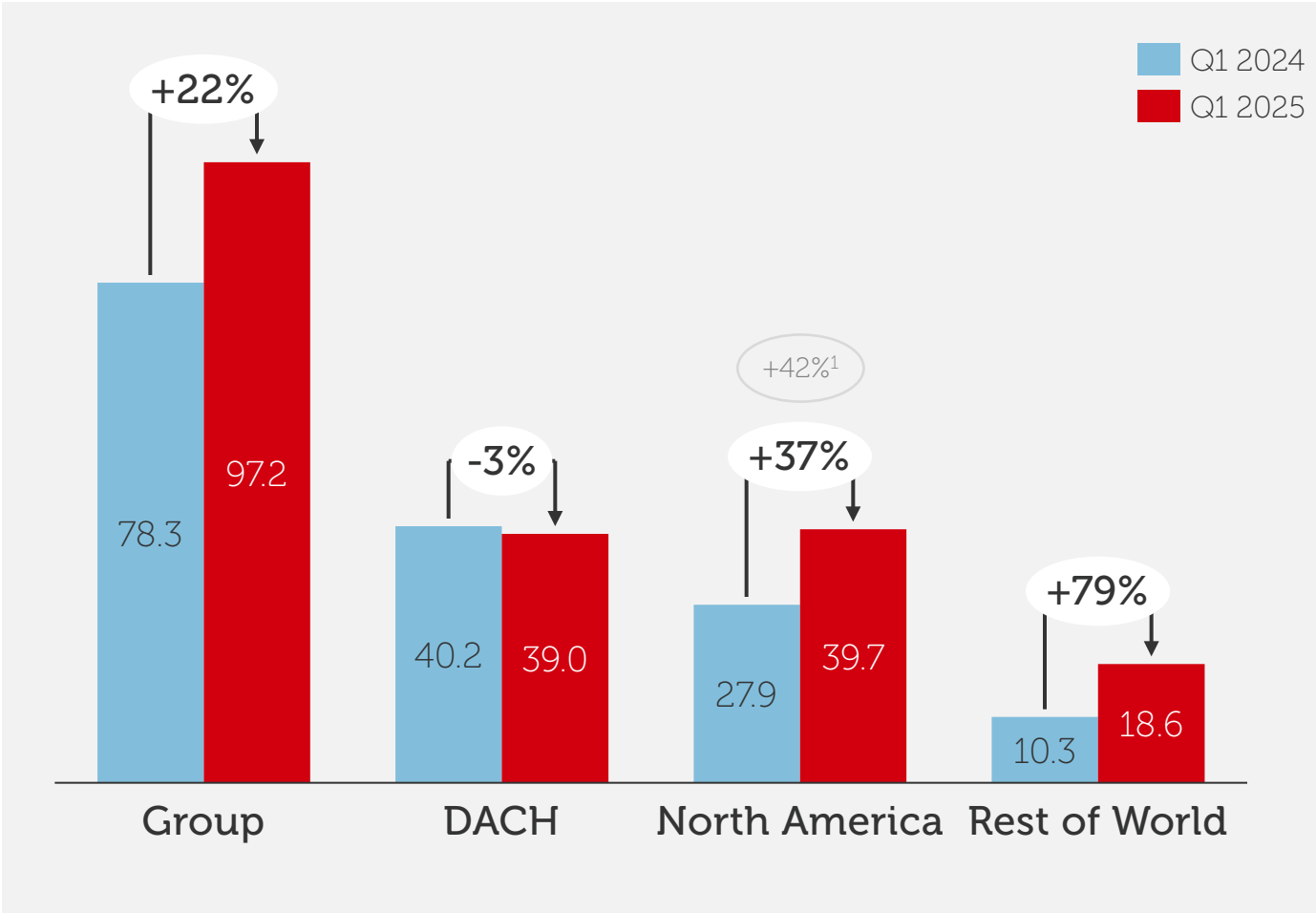
Notes and definitions: Operational segments: Results are based on the respective local GAAP; Reconciliation: IFRS adj. and special exceptional/items not allocated to segment;

¹ According to IFRS

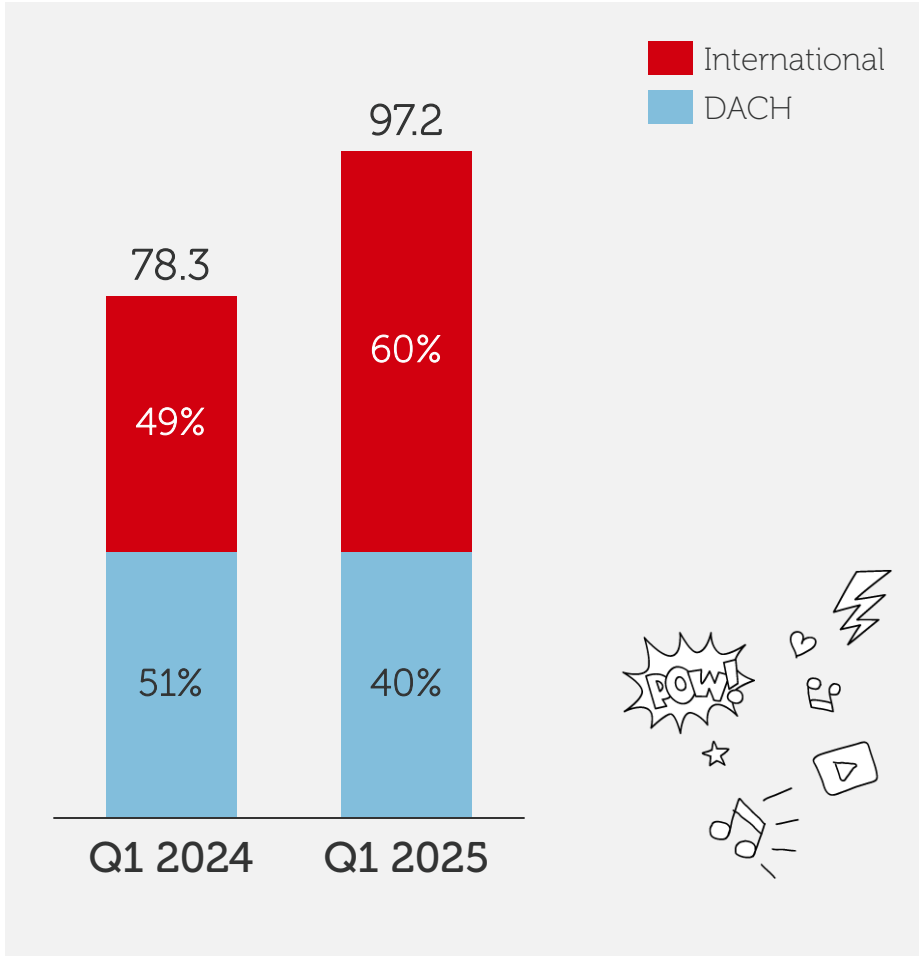
Q1 2025 revenue: growth driven by international expansion...



Revenue by region (nominal in EURm & growth rates in constant currency)



Revenue split

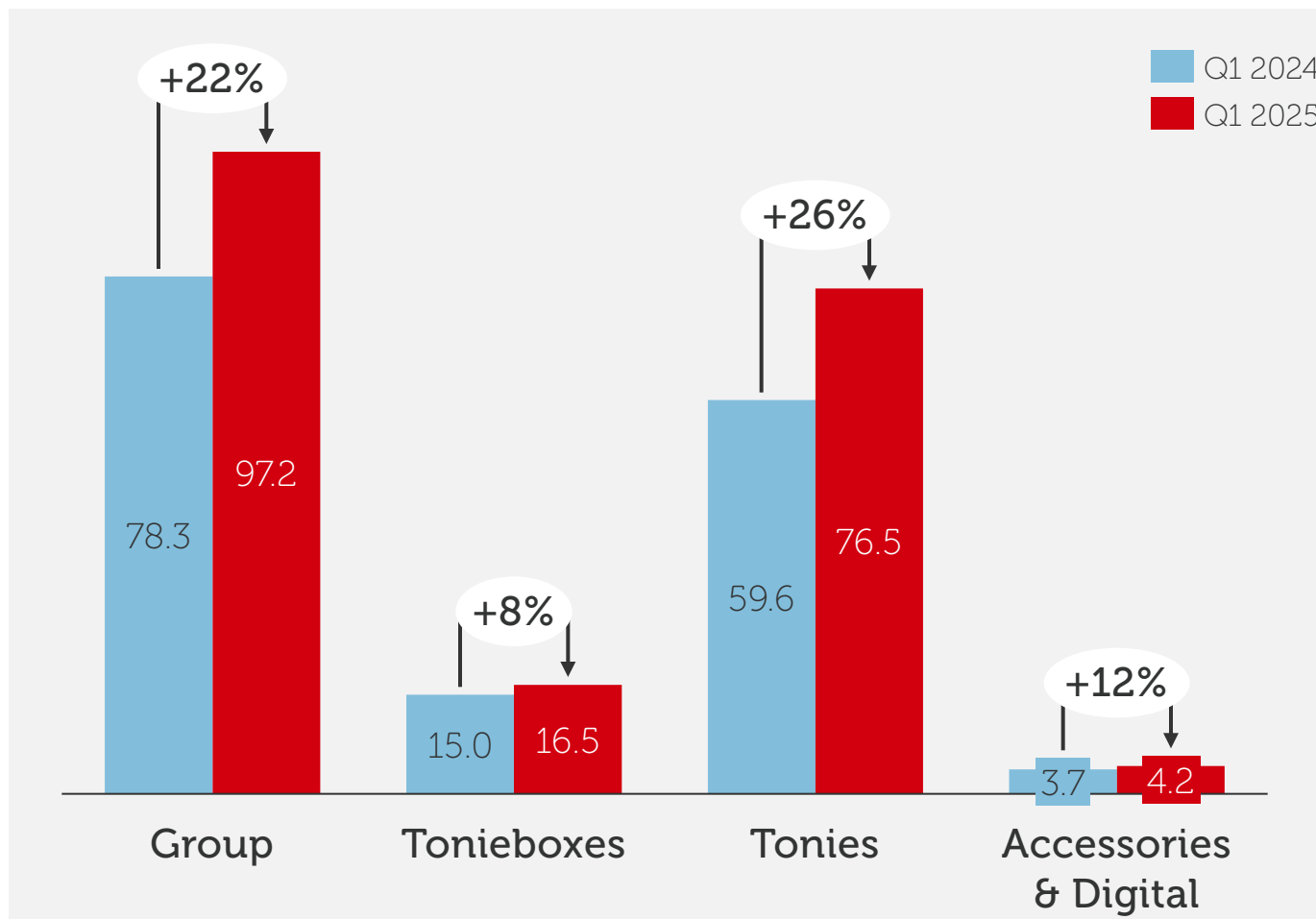


¹ Nominal growth rate

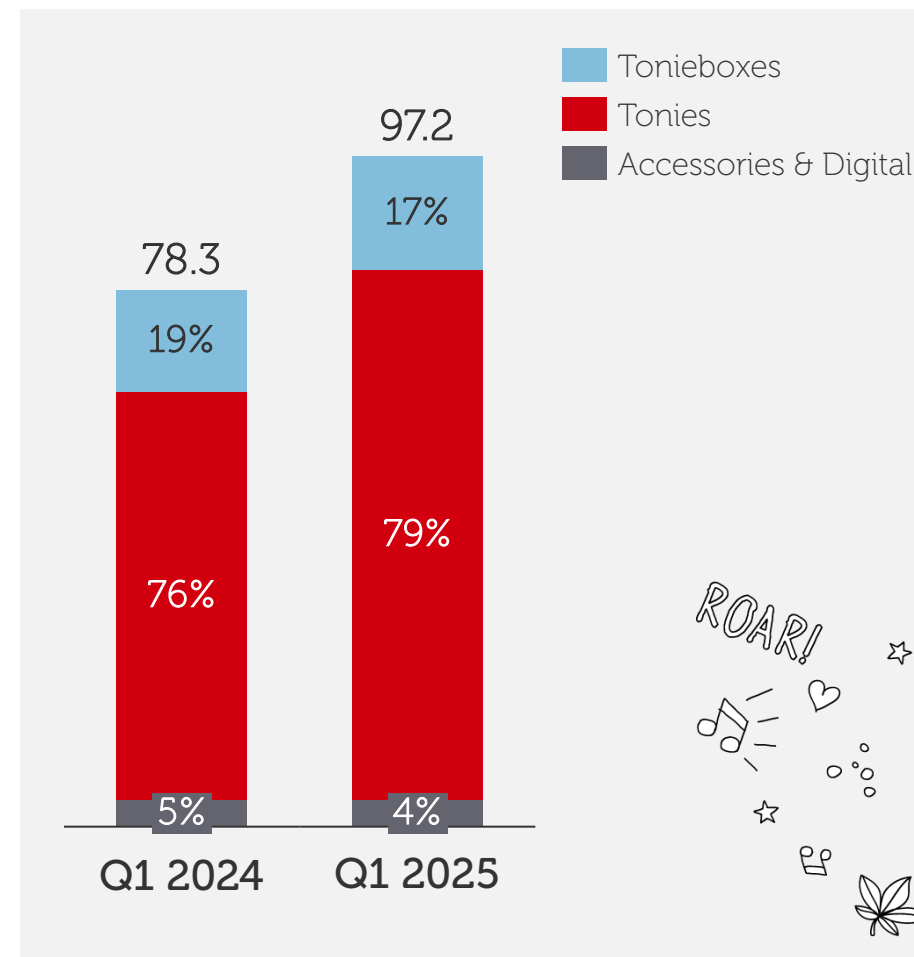
... with balanced growth across all categories



Revenue by product category (nominal in EURm & growth rates in constant currency)



Revenue split by product category





Outlook 2025

Guidance FY 2025: 2025 will be a great year for tonies BUT we still need visibility to provide a reliable guidance!



We have full confidence in our product and business...



- ✓ Global product market fit
- ✓ (Price) resilient category
- ✓ Multi-market exposure
- ✓ Profitable and cash generating
 - ✓ free cash flow breakeven
 - ✓ net profit breakeven
- ✓ Proven ability to deliver plan during macro turmoil (e.g., Corona, Ukraine, middle-east)

tonies will not provide a FY guidance today but as soon as prudently possible

... and a rich toolbox at hand...

Sourcing Options

a diversified supply chain for box and attach (tonies, accessories)

Pricing Power

category creation and leadership allows price setting

Financial Flexibility

new syndicated loan and high cash reserves

Cost Optimization

continued improvement of unit economics - work with partners

... that helps us to mitigate the impact!

Production in Vietnam running

Price adjustments on Tonies since May 1st

Full credit facilities available

Logistics costs further optimized





Q&A

Key takeaways



I

Strong Q1 performance fully in line with expectations

International expansion with strong traction

II

Healthy Consumer Sentiment

We do not see a drop in consumer demand across regions

III

Tariff mitigation measures on track

We make full use of the toolbox available to us

IV

Outlook coming soon

Will publish guidance as soon as we have sufficient visibility