



# Company Presentation

tonies SE | May 2024



# Content



Introduction to tonies SE

Results 2023 & Outlook 2024

Results Q1 2024

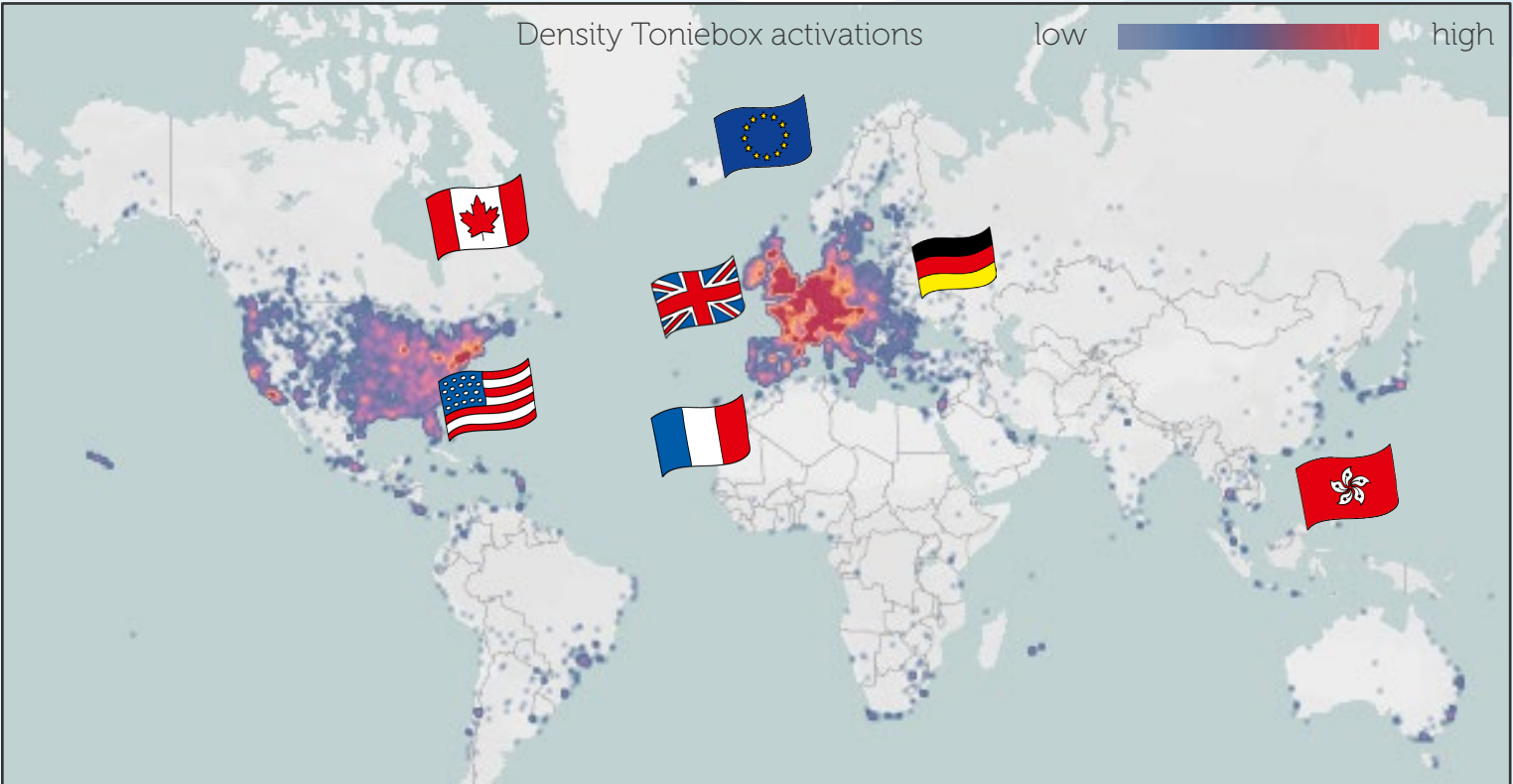
Sustainability

Appendix

# Introduction to tonies SE



# tonies: We have built the largest interactive audio experience platform for children in the world and it's just the beginning!



Our products enrich the life of **>50m** people<sup>1</sup>

**7m Tonieboxes** and **88m Tonies** sold since Q4 2016

Families in **>100 countries** have activated a Toniebox

Note: All figures as per Q1 2024 | <sup>1</sup>150m People = "extended family" affected by a Toniebox (assuming ~8 consumers/customers per Toniebox (e.g., the child, family & friends))

# Business model: We create unparalleled value around a unique product and brand



- 1** Global **category creator and leader** – offering a smart connected audio experience device “Toniebox” for children – unparalleled stickiness
- 2** **Largest global platform** – proven, highly-profitable business model in DACH replicated internationally in US, UK and FR (product-market fit!)
- 3** **Profitable repeat purchases model** with subscription like cohorts – superior Customer lifetime value through purchases of high-margin Tonies figurines and other products
- 4** **Clear value levers:** (1) Internationalization, (2) Gross margin expansion, (3) Own content/IP, (4) Product/channel Mix, (5) Operating leverage
- 5** **True love brand** offering all blockbuster IP and proprietary own content - highly-vocal and attached fanbase (Word of mouth effects)

<b>281 min</b> average weekly playtime in Q1 24	<b>&gt;70%</b> average monthly active users in Q1 24 <sup>1</sup>
<b>DACH &gt;50%</b> penetration rate as of Q1 24	<b>&gt;100 countries</b> with Tonieboxes activated as of Q1 24
<b>~20 Tonies</b> per Toniebox after 4.5 years as of Q1 24	<b>EUR ~290</b> customer lifetime value as of Q1 24
<b>+20ppts</b> contribution margin (FY 2019-2023)	<b>DACH &gt;16%</b> EBITDA margin in FY 2023
<b>NPS &gt;70</b> Daily average in US in Q1 24	<b>2 out of top 5</b> franchises were own IP in FY 2023

Since our IPO in 2021 we have exceeded all promises made ... and we are only getting started!

Note: <sup>1</sup> Share of all Tonieboxes ever sold



# FY 2023 performance at a glance: Another record year!



**Revenue:**  
**EUR 361m**  
*YoY: +40%*  
 DACH: EUR 166m (+5%)  
 NA: EUR 140m (+114%)  
 ROW: EUR 55m (+59%)

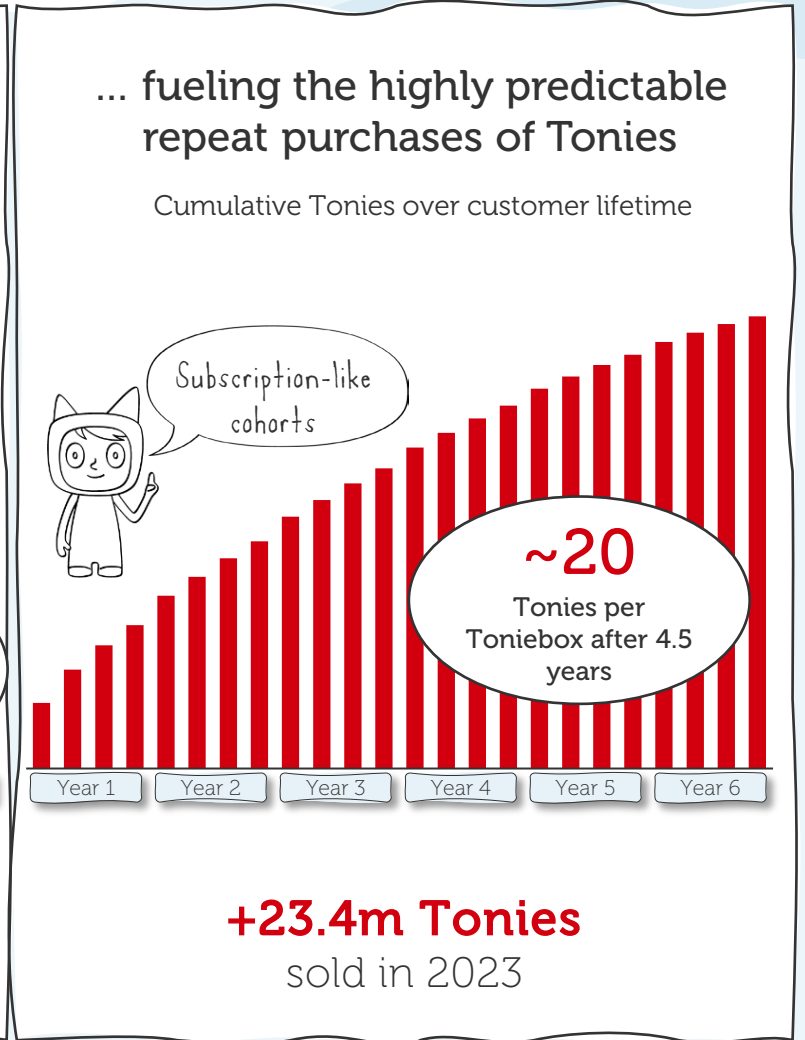
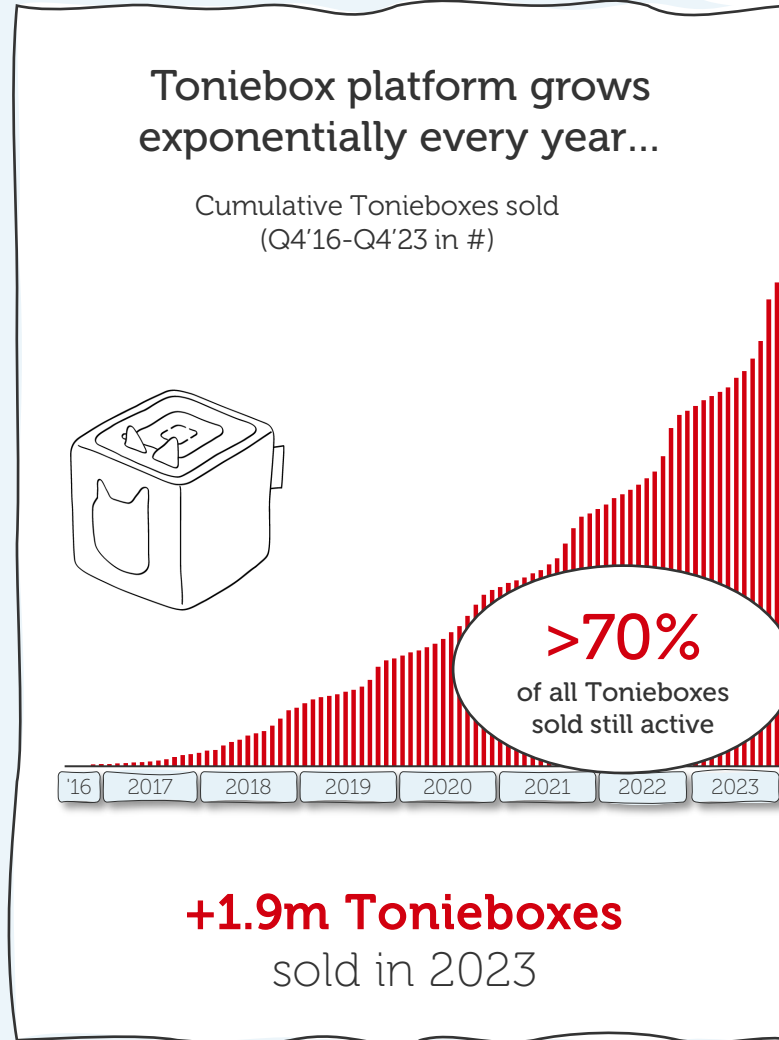
**54%**  
 share int. business

**Adj. EBITDA<sup>1</sup> / EBITDA margin:**  
**+4.0% / +2.4%**  
*YoY: +6.4pp / +15.9pp*

**>35%**  
 contribution margin

**Free cash flow:**  
**EUR -5m**  
*YoY: +83m*

**74m**  
 cash available<sup>2</sup>



Note: Company data as of FY2023 / December 2023 | <sup>1</sup> Only adjusted for share-based compensation | <sup>2</sup> At December 31, 2023, including unused credit line of EUR 15m

# Key investment highlights



1

**Huge market opportunity**

Newly created multi-billion Euro product category tapping into adjacent connected audio, streaming as well as kids gaming and toys segments

2

**Differentiating positioning**

Pioneer with category-defining offering as first device in the kid's room, high brand loyalty and differentiating value proposition, leveraging first-mover advantage

3

**Tech-enabled business model**

Scalable, asset-light razor-blade business model, building on continuously growing installed base and data-driven content creation

4

**Brand loyalty**

Beloved DTC brand with a fast-growing and highly loyal fanbase, anchored by the unique tonies experience and its proprietary ecosystem

5

**Proven track-record**

Track-record of outstanding growth and proven profitability backed by an active and sticky customer base and attractive unit economics

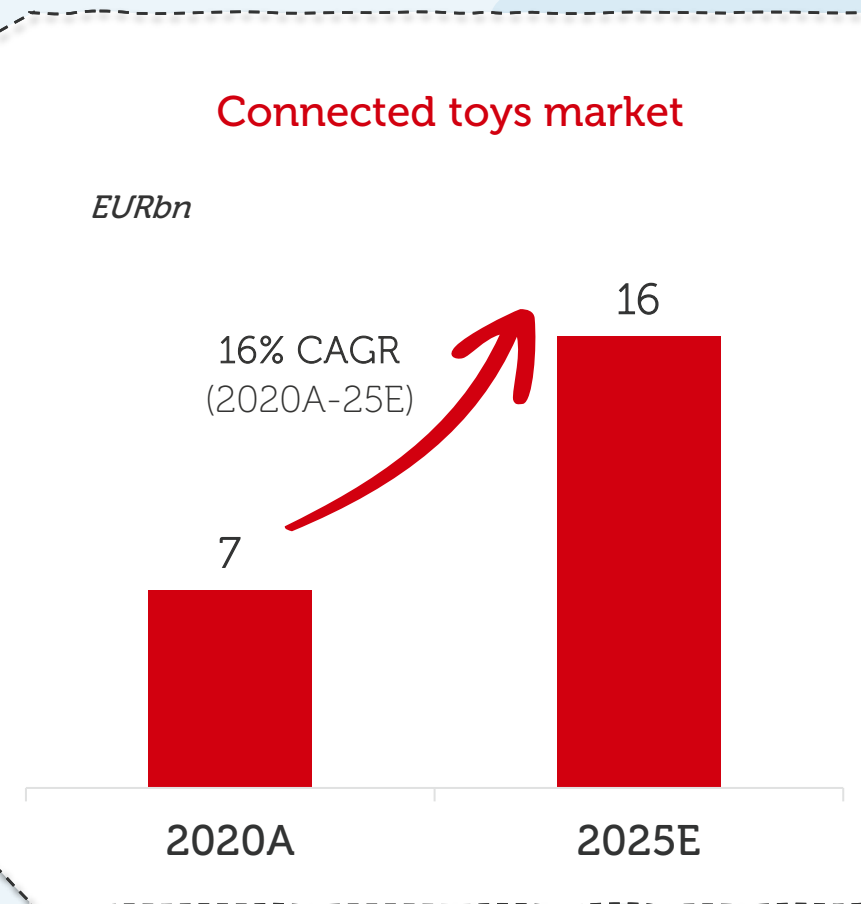
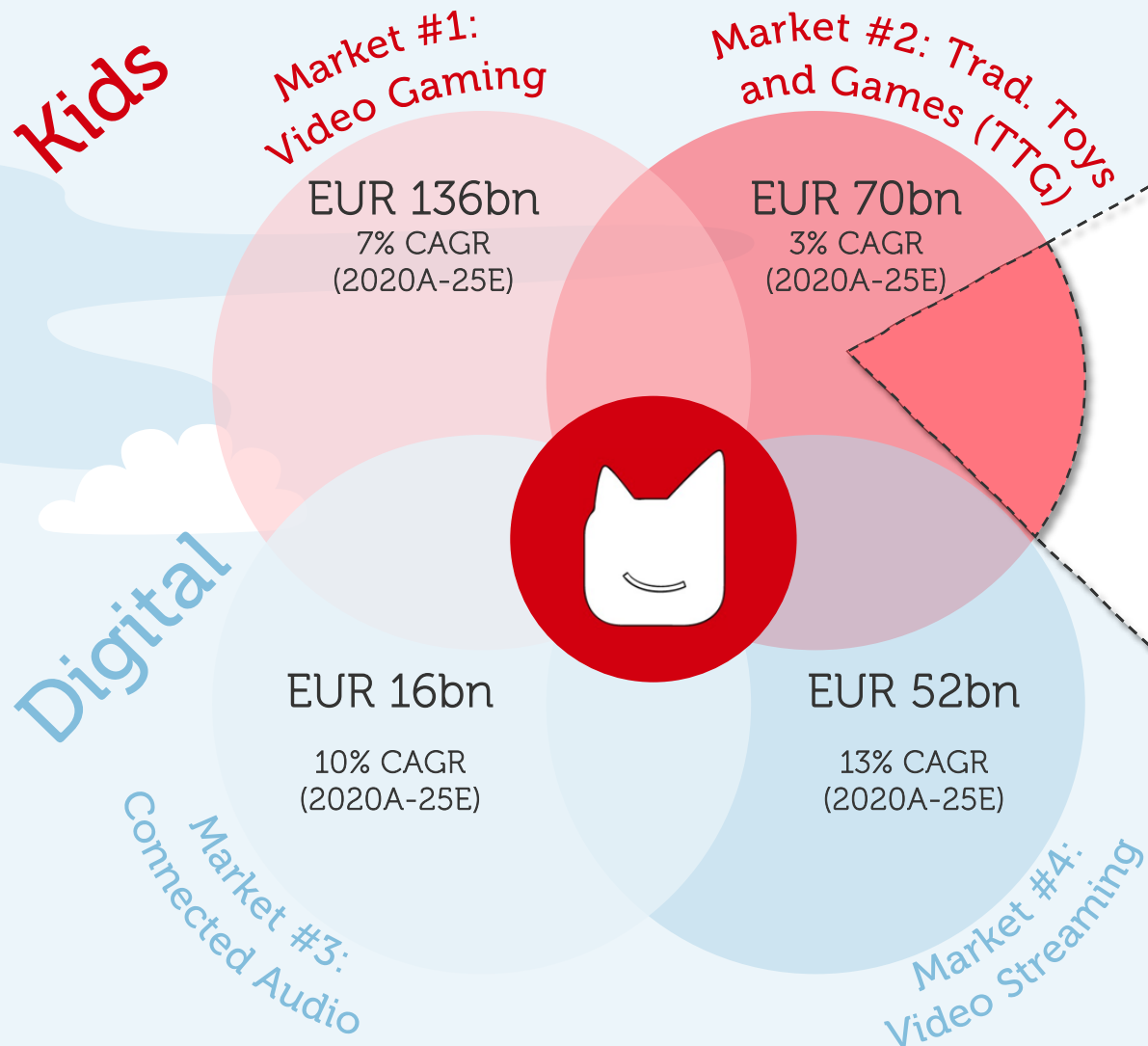
6

**Accelerated growth**

Clear building blocks for sustainable growth as part of strategic roadmap, utilizing tonies' tech platform for further global expansion



# We have created a new multi-billion Euro category in the intersection of four huge consumer markets



Note(s): Global market sizes refer to 2020, unless stated otherwise

Source(s): Leading consulting firm



# Superior content distribution requires proprietary tech platform



## Gaming



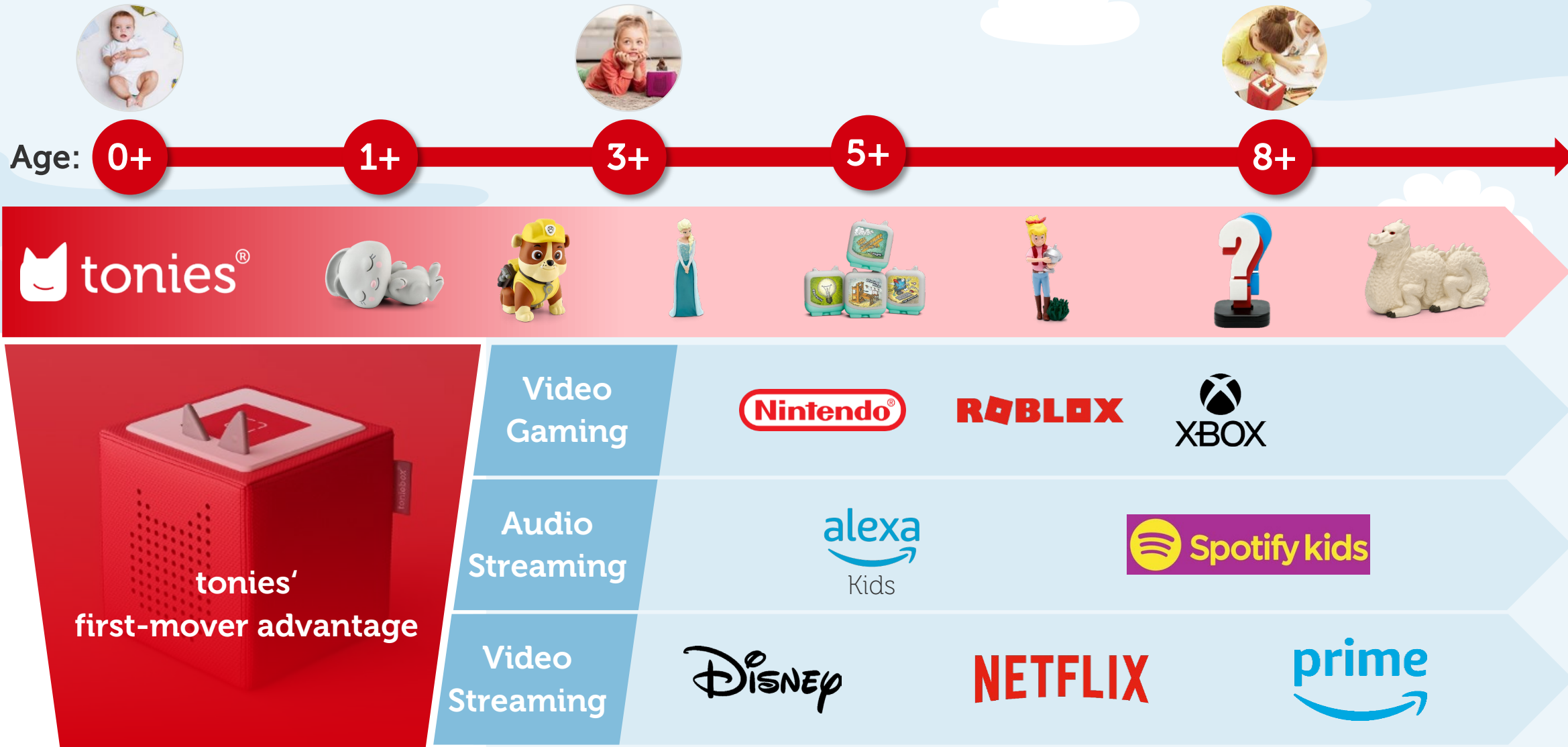
## Video



## Audio



# Toniebox is the first connected device to enter the child's room



Note(s): Not recommended for kids below the age of 3

# Our business model is based on a tech-driven, highly scalable DTC platform, leveraging our proprietary ecosystem





## Toniebox

Central platform for the ecosystem



EUR  
99.00

## Tonies

EUR  
9.99 - 16.99

Content key and toy for children



## Third party

EUR  
14.99 - 39.90

Enabling other products to function like Tonies



## Audio library

EUR  
4.99 - 7.99

Additional digital content (series) for physical Tonies



## Accessories<sup>(1)</sup>

EUR  
16.99 - 199.99

Adjacent products and merchandising



# Proven business model with clear focus on value creation



Hardware

Contract  
manufacturing

Data-driven content production

Third party  
licensing

Proprietary  
content creation

Distribution

Go-to-market



Disney UNIVERSAL

WB WARNER BROS.

DMG PIXAR  
ANIMATION STUDIOS

...



tonies

DTC

JOHN LEWIS & PARTNERS SELFRIDGES & CO SMYTHS TOYS SUPERSTORES  
potttery barn kids Thalia Müller  
amazon Media Markt vedes  
Harrods TARGET  
F·A·O SCHWARZ. Hugendubel  
— SINCE 1802 — Die Welt der Bücher  
BEST BUY JoJo Maman Bébé WH Smith meijer  
BARNES & NOBLE



Deep design expertise,  
patented product (incl.  
own production technology)



Strong licensor  
relationships, best in  
class license management



Competitive edge  
through tech-stack and  
continuous data flow



Brand with  
strong pull for omni-  
channel approach

Highly scalable backend enabling lock-in effect

# Third party licenses relevant for majority of Tonies-figurines revenue – share of own productions rises



## Audio-Content

Own

Licensed

Figurine

Own



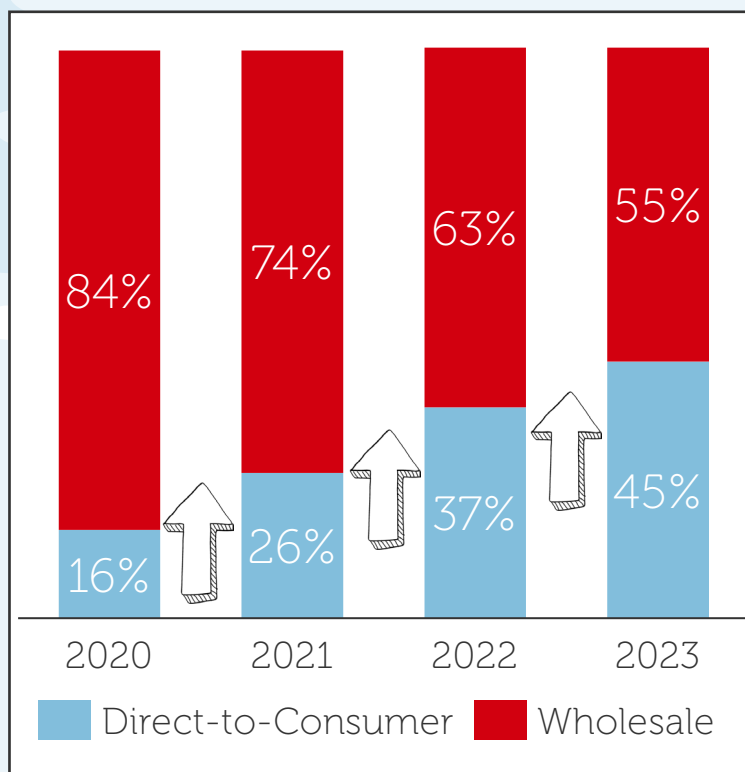
Licensed



# Distribution: Strong omni-channel mix with increasing DTC-share



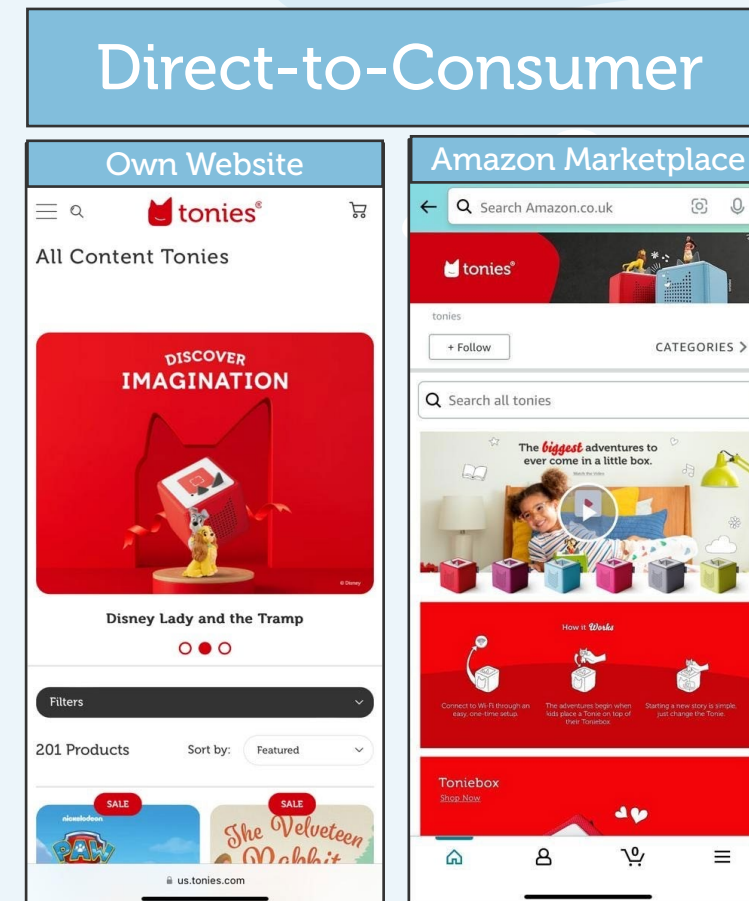
## Channel Mix



## Wholesale



## Direct-to-Consumer



# tonies' content-driven flywheel provides comprehensive customer data...



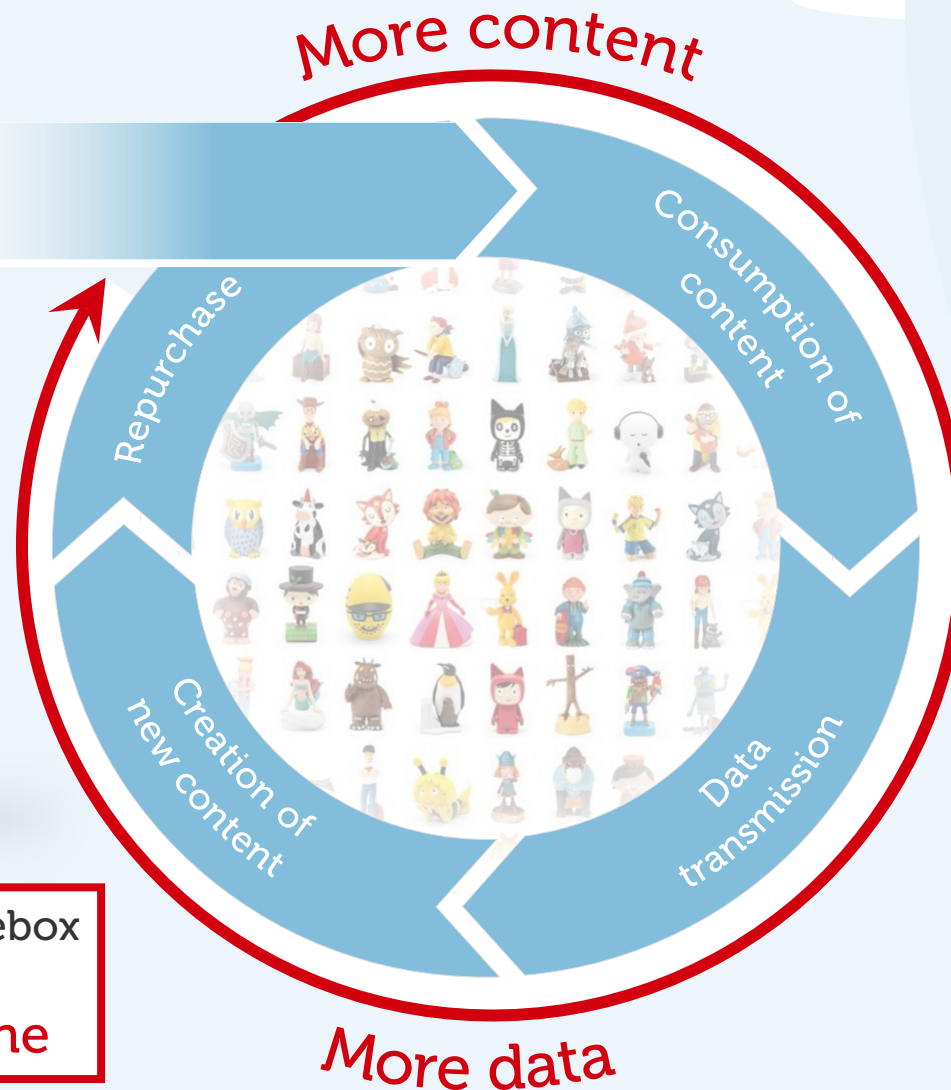
Thanks to being **data-driven**, we understand our users

...what they listen for, where and when

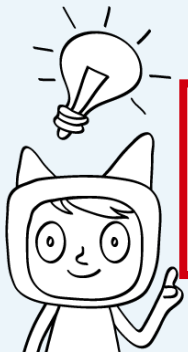
...how often and how long they listen for

...how many users share a box

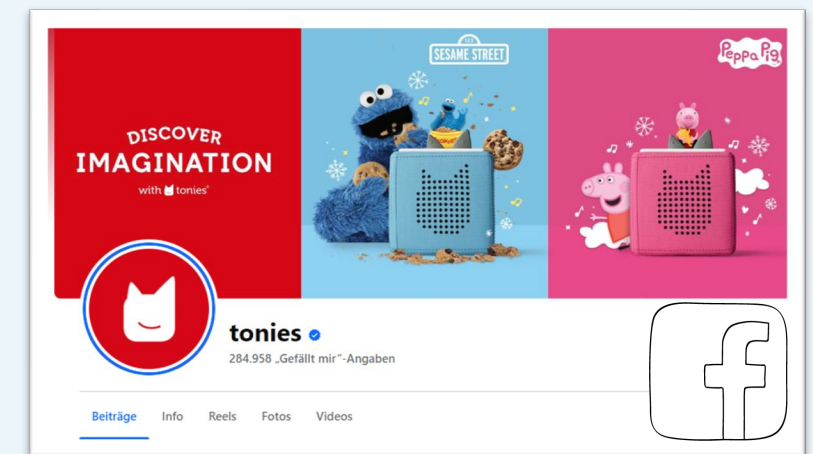
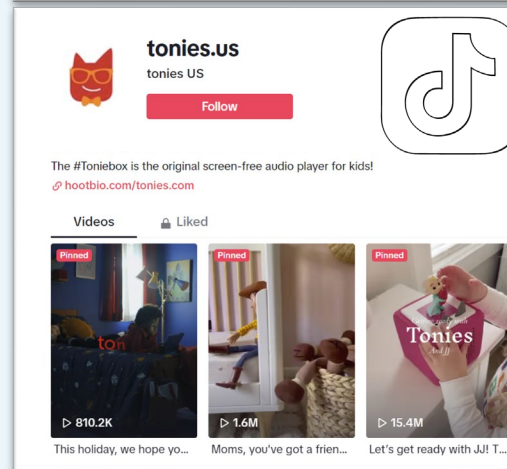
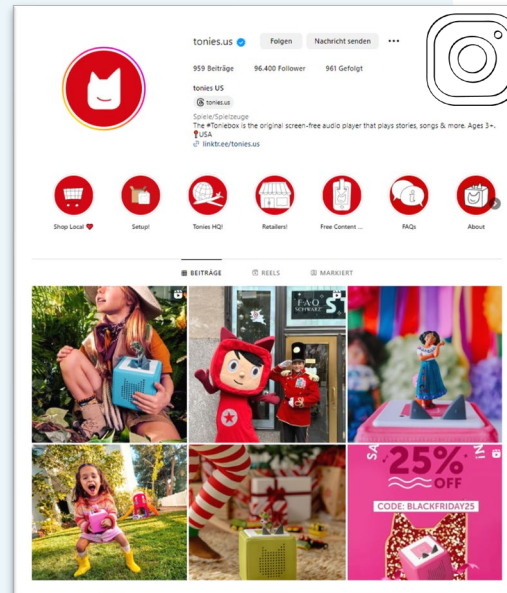
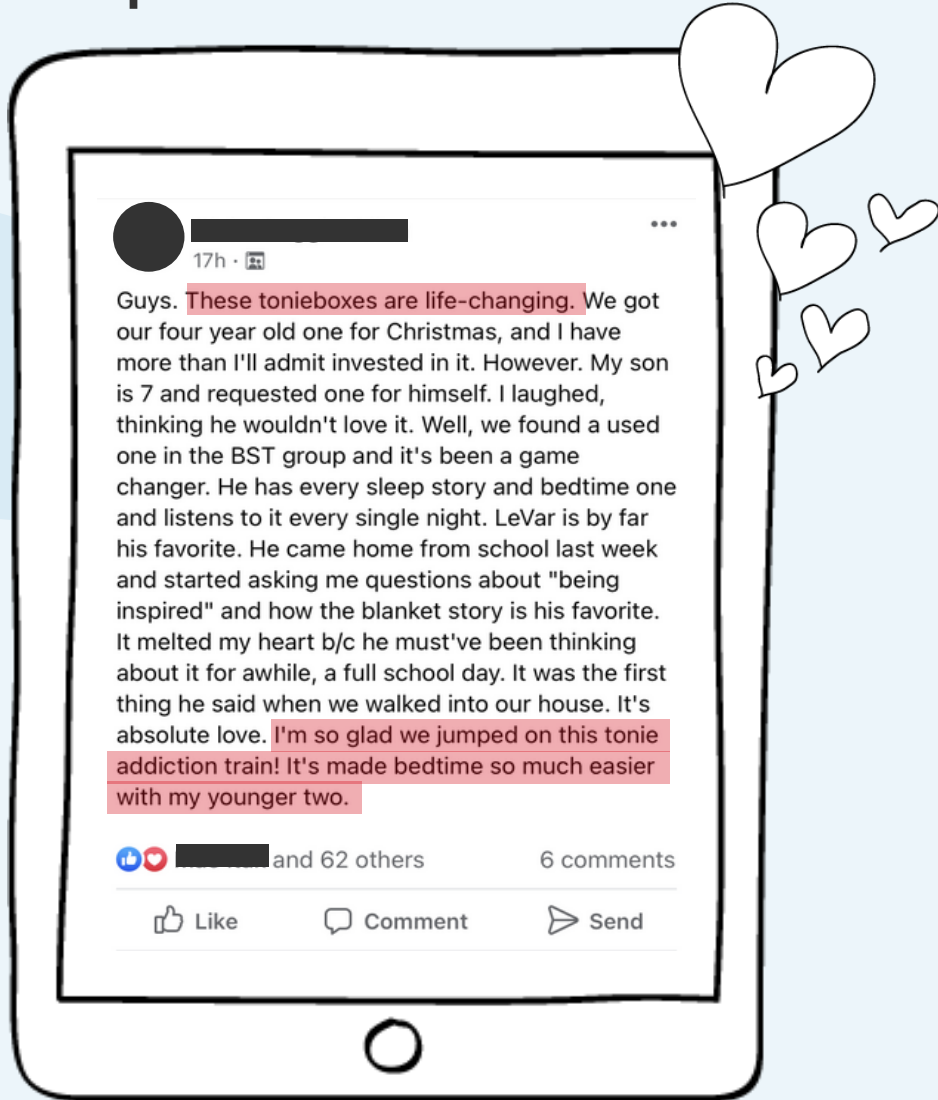
...how intense they engage with the platform



Most frequent Toniebox usage during **bedtime routine**



# We have truly excited customers that actively seek inspiration and information about our products





# tonies is a highly recognized brand



**#1**  
 best selling  
 German brand on  
 amazon.com<sup>1</sup>  
**amazon**

Europe's **#1** preschool toy



"Licensee of the Year 2023"

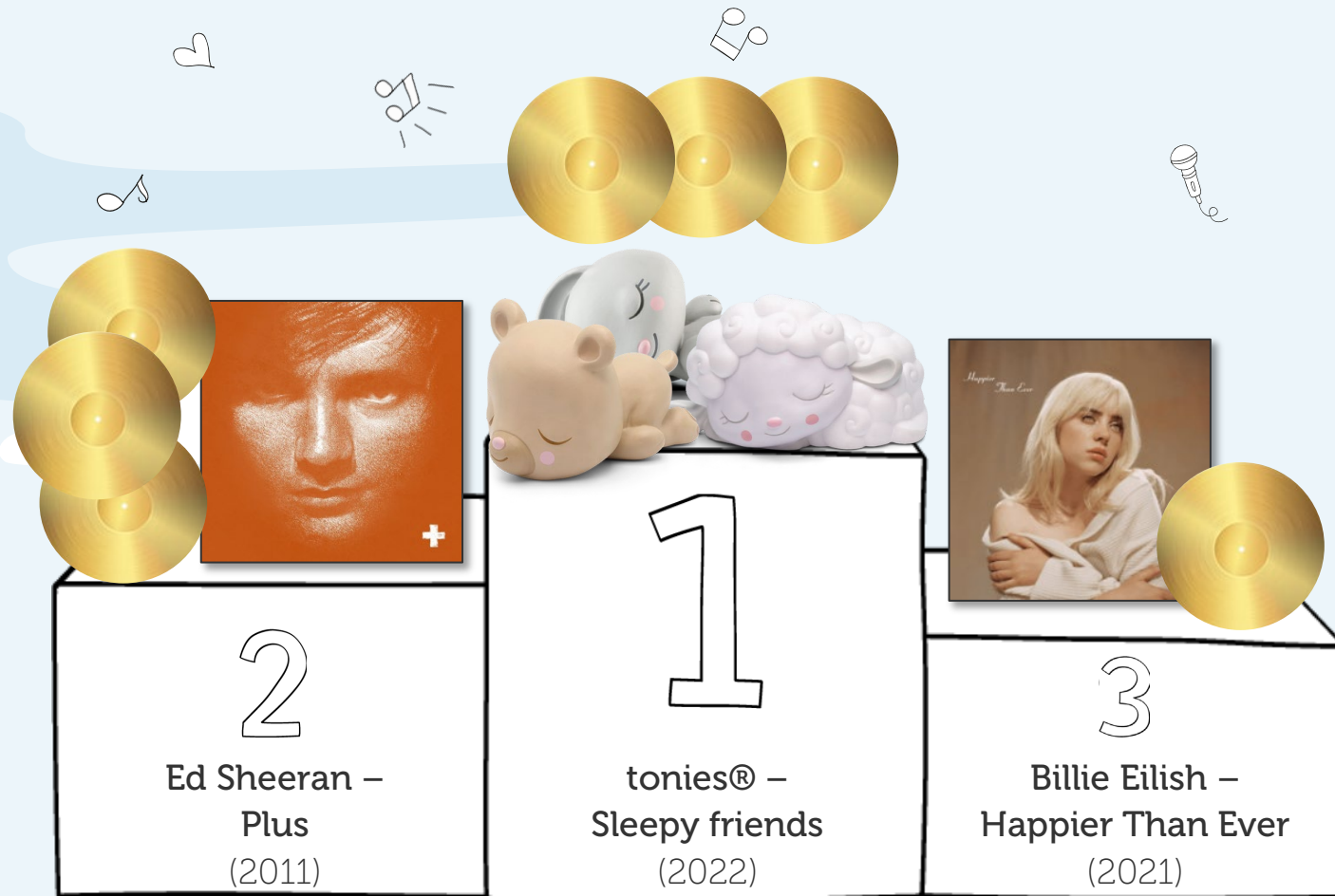


"Discover Imagination"  
360 campaign



<sup>1</sup> Highest selling German brand that started on amazon.de and moved to amazon.com via Amazon Global Selling program

# tonies® Originals are sold more often in Germany than albums of renowned artists



Since their release in 2022, our own franchise

**SLEEPY FRIENDS**

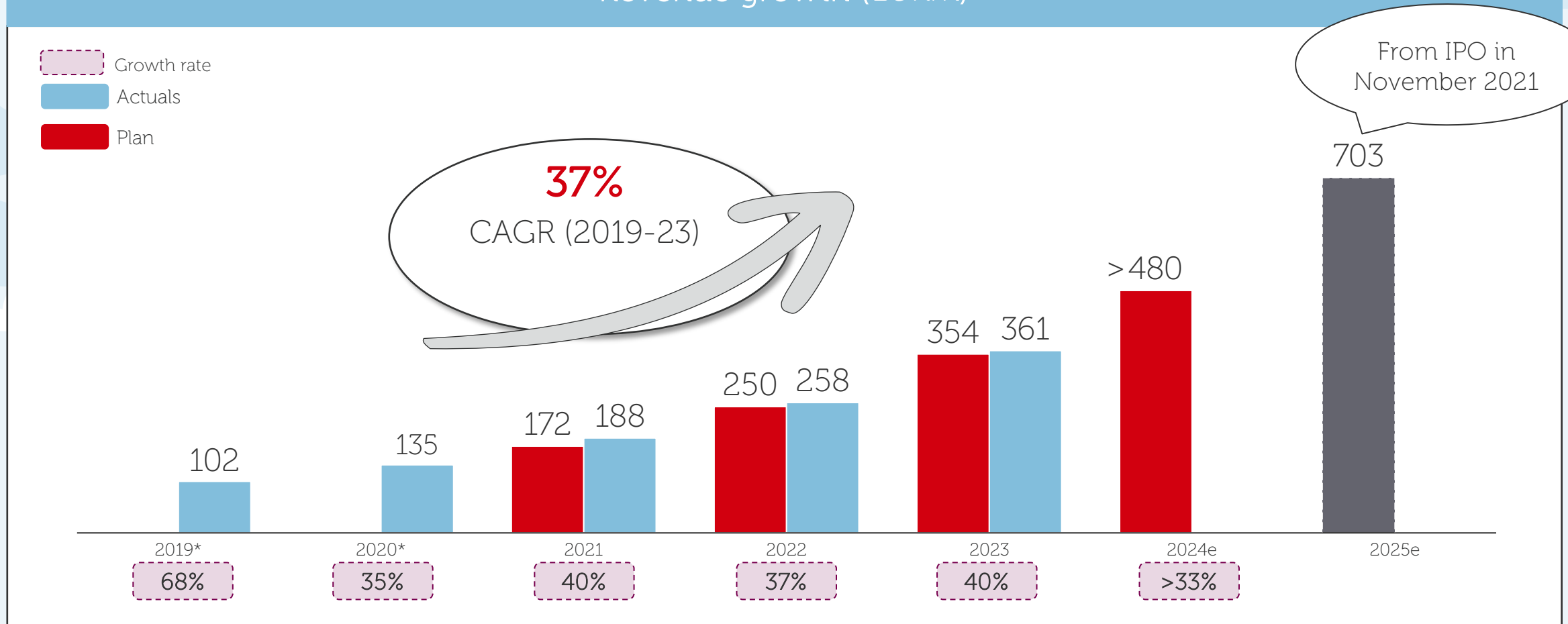
has achieved

**triple gold status** <sup>1,2</sup>

# Our highly loyal and continuously growing customer base drives sustainable revenue growth



## Revenue growth (EURm)

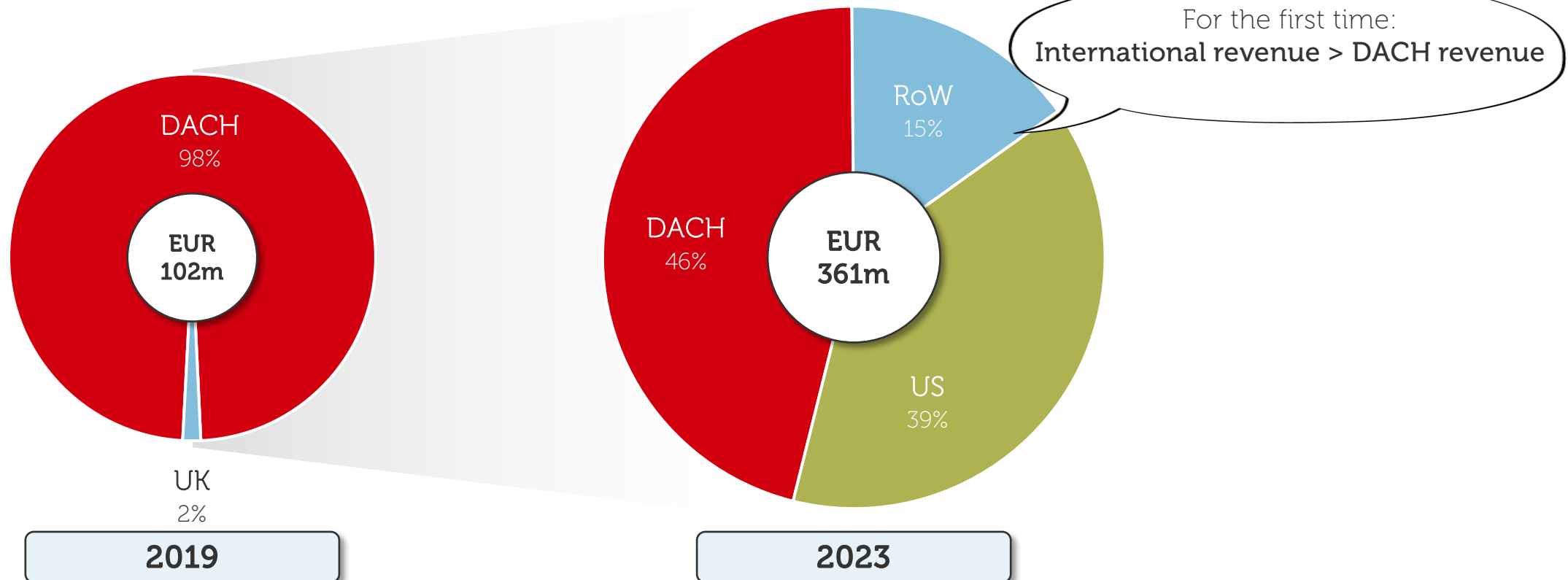


Note(s): \*FY 2019 incl. growth 2019 based on German GAAP (HGB), 2020 and 2021 IFRS, Revenue for 2020 in German GAAP (HGB) with has been previously communicated EUR 137m, difference is due to classification of certain discounts; Source(s): Company information.

# We replicate our proven DACH success story globally



## Development of global revenue mix

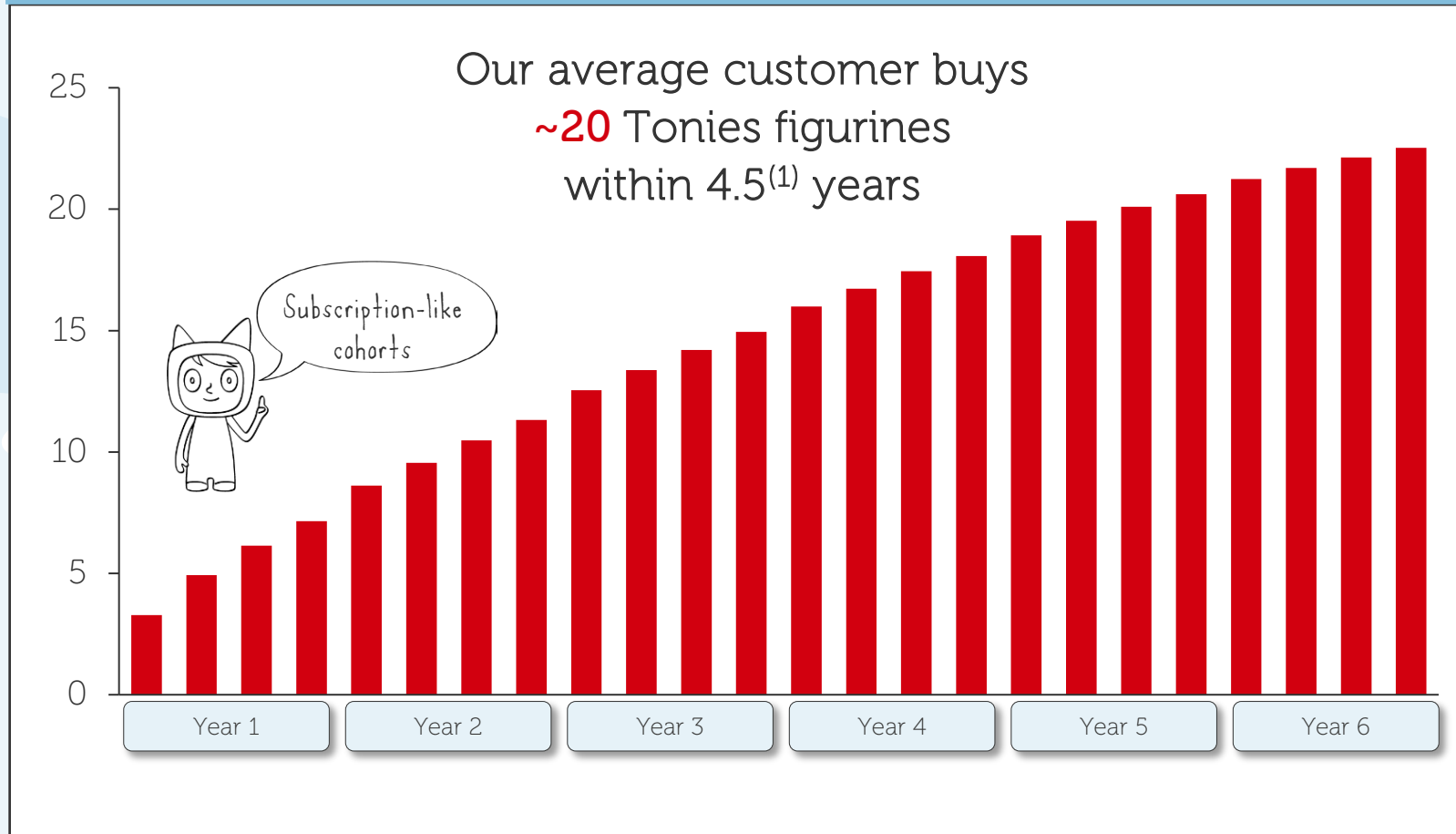


# Strong and highly predictable cohorts drive growth

(as of Dec 31, 2023)



## Cumulative Tonies figurines purchased per Toniebox

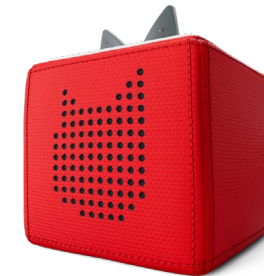


## Sales since launch in Q4 2016



**+82m**

Tonies figurines sold



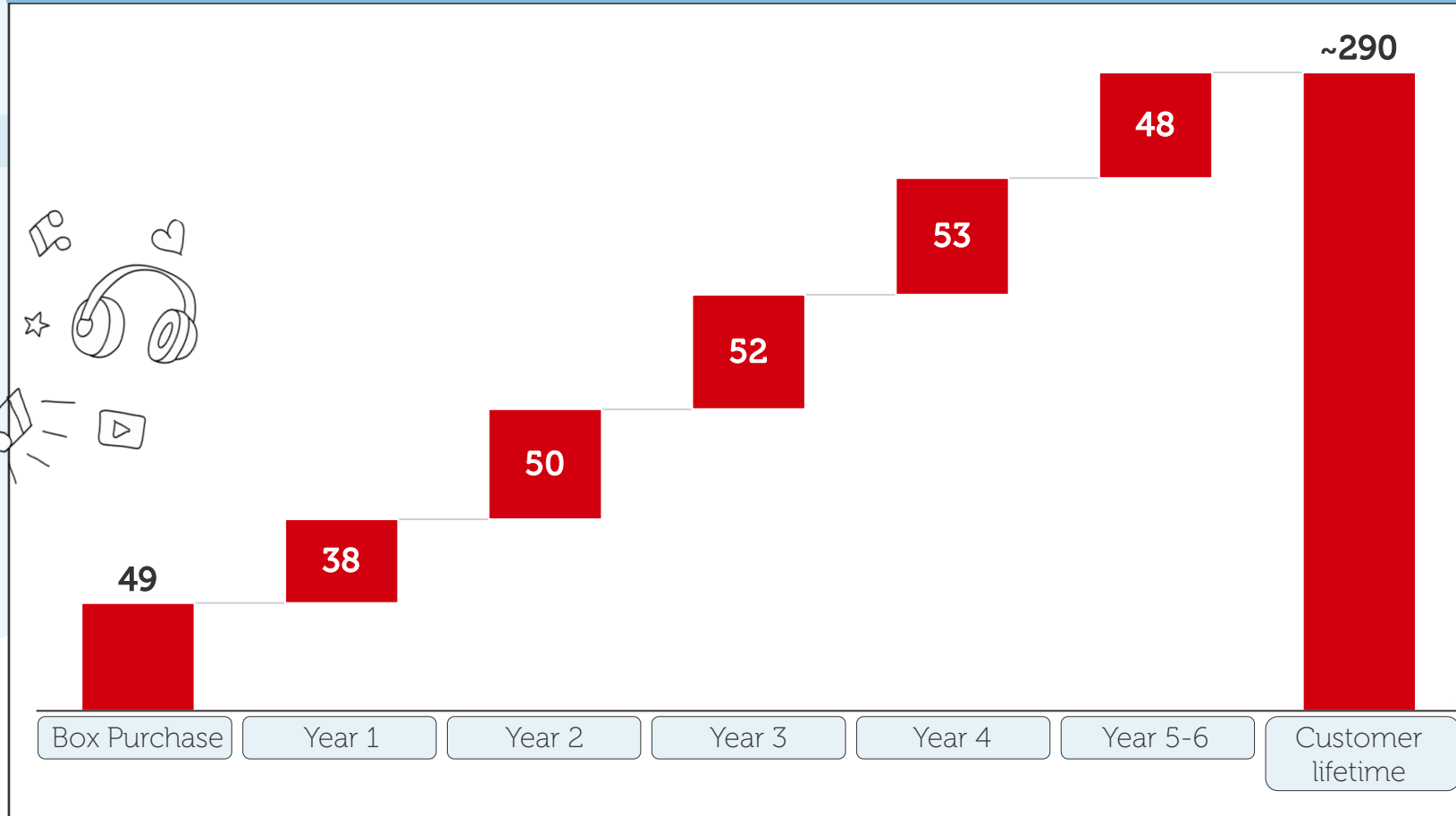
**+6.8m**

Tonieboxes sold

# Our strong unit economics are the backbone of our profitable business model



Unit economics in EUR



Note(s): Shown figures refer to a basket comprising 1 Toniebox, 24 Tonies, 2 Accessories and 2 episodes of mytonies. Data as of June 2021

Source(s): Company information

# Our scalable business model will drive future profitability

(medium term targets from IPO)



## Financial targets overview

	2019(HGB)	2020(IFRS)	2021(IFRS)	2022(IFRS)	2023 (IFRS)	IPO: Group medium-term
Gross margin before licenses	44.6%	50.1%	54.1%	53.9%	61.6%	~70%
Licensing costs	-17.6%	-17.8%	-18.7%	-12.3%	-10.1%	~-12%
Gross margin after licenses	27.0%	32.4%	35.4%	41.7%	51.6%	~58%
Fulfillment costs	-11.8%	-12.6%	-14.1%	-14.5%	-16.3%	~-18%
Contribution margin	15.2%	19.7%	21.3%	27.2%	35.3%	~40%
Marketing expenses	-1.2%	-3.9%	-9.8%	-9.7%	-8.2%	~-13%
Personnel expenses	-6.6%	-9.0%	-13.3%	-12.7%	-11.9%	~-7%
OPEX	-6.1%	-8.8%	-8.2%	-10.4%	-13.8% <sup>1</sup>	~-5%
Own work capitalized	-	-	-	-	0.4%	-
Other Result	2.3%	1.8%	2.0%	3.3%	2.3%	-
Adj. EBITDA margin	3.6%	-0.2%	-8.1%	-2.4%	4.0%	~16%

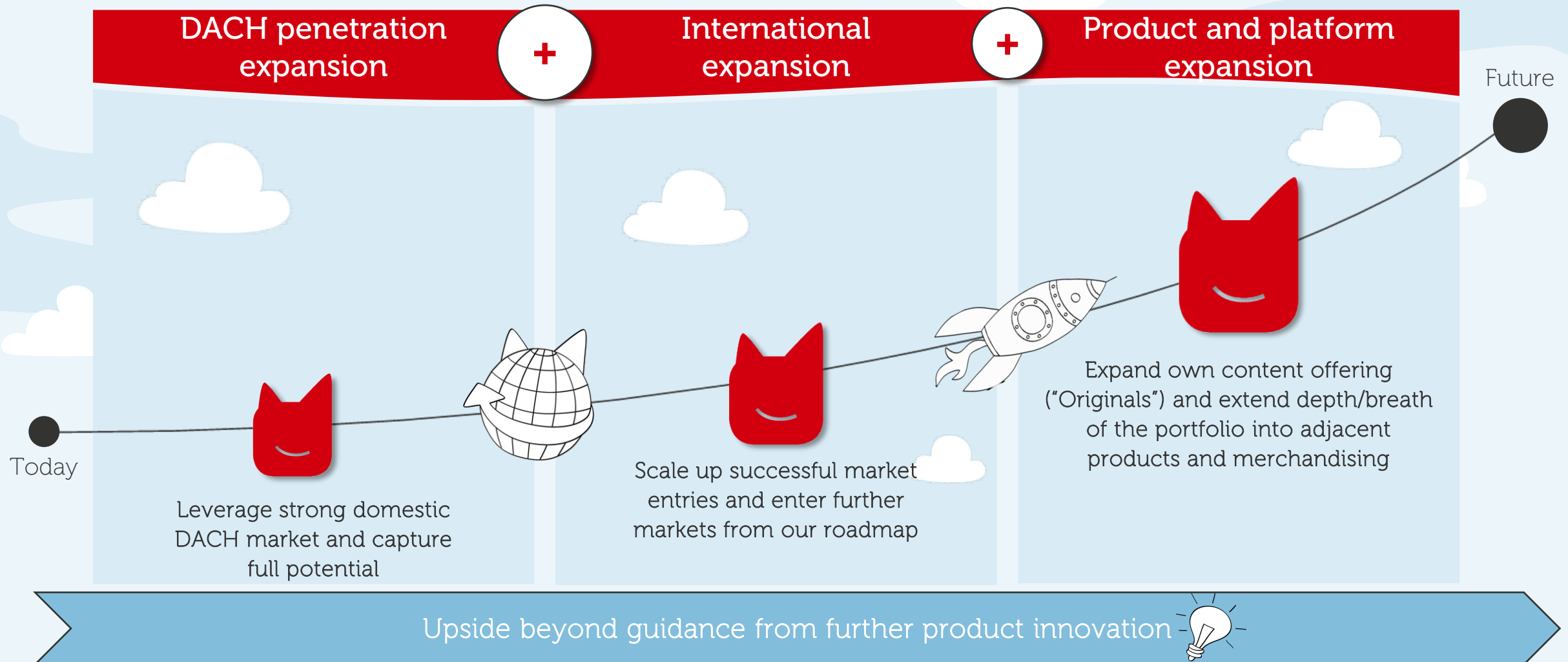
includes -4pp of exceptional air freight

tonies turns profitable



Note(s): All figures shown as percentage of revenue; Not all figures add up perfectly due to rounding. IFRS show adjusted P&L <sup>1</sup> Disproportionate growth through selected one-time effects incl. legal costs, provisions and external services

# We are ready to capture multi-dimensional growth opportunities





# US with continued excellent traction since launch



We were in the US even  
**before market launch**

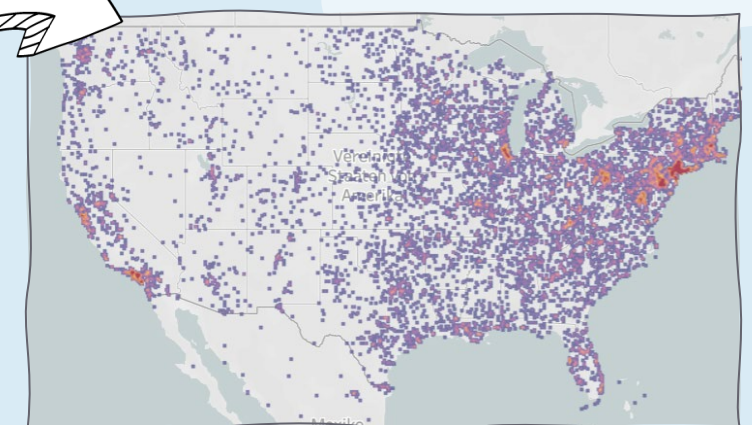
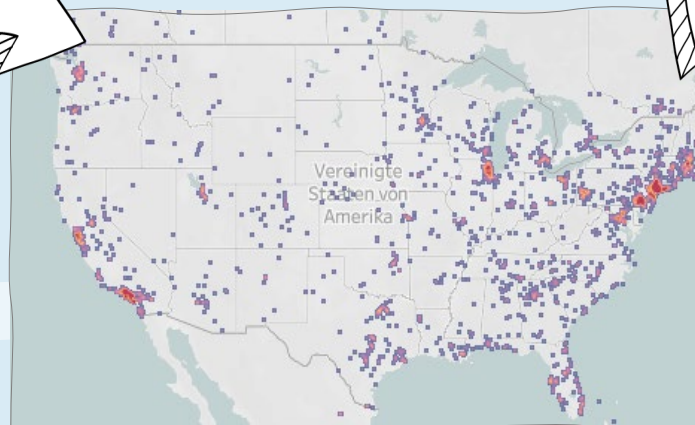
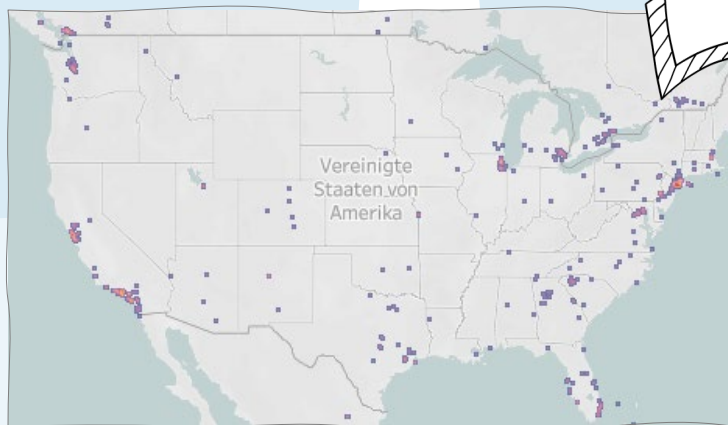
Since then, we have conquered all  
**50 states...**

...and significantly increased our  
**market penetration**

January 2020

January 2021

April 2024



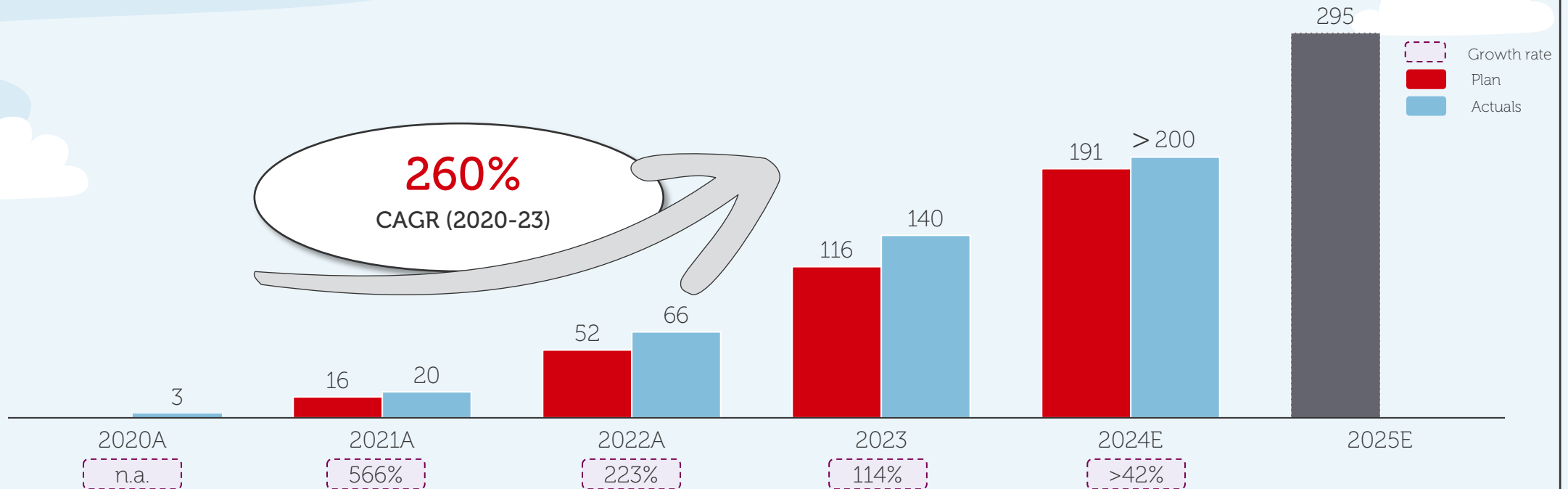
# We have proven product fit in the US



## Revenue growth (EURm)

From IPO in November 2021

**260%**  
CAGR (2020-23)

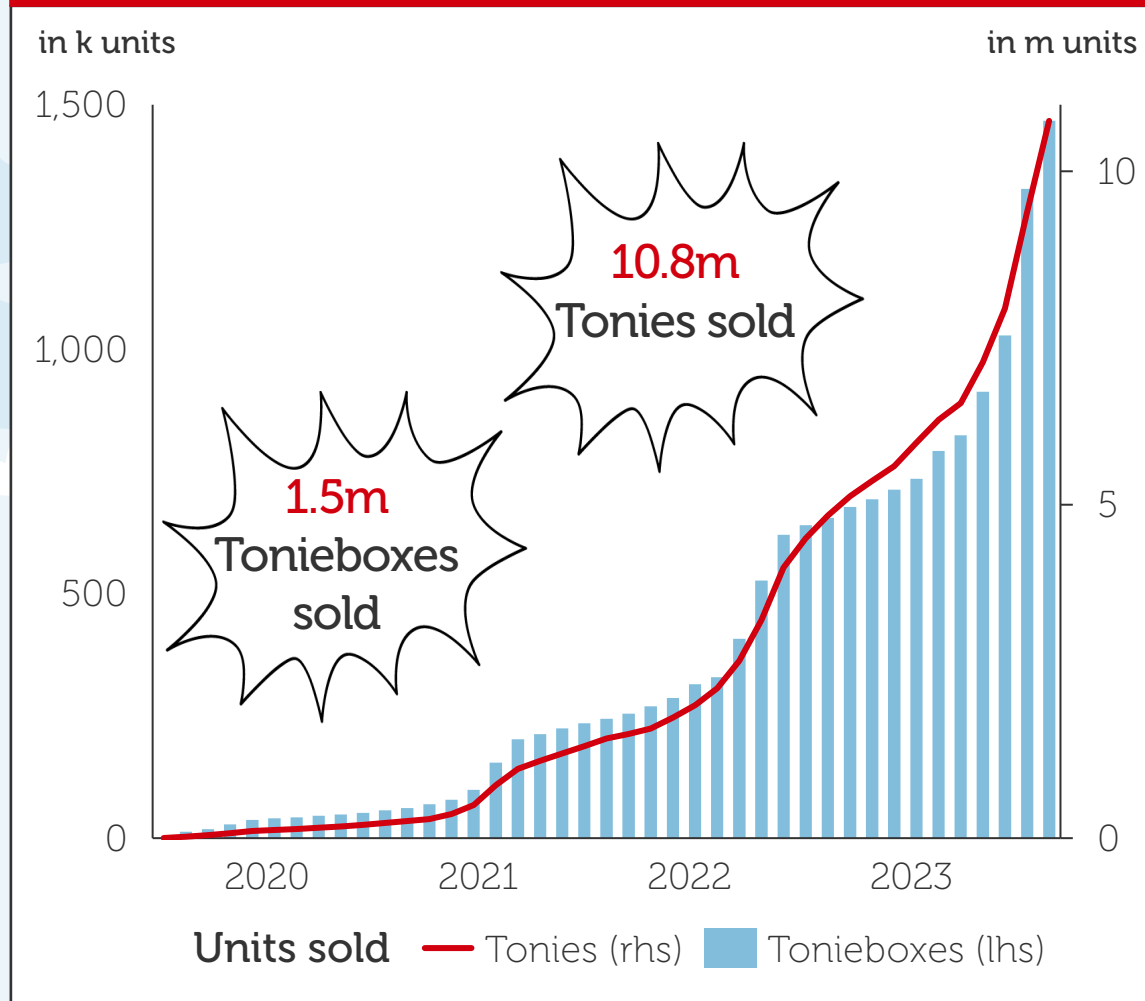


# Upwards and onwards for the US-market

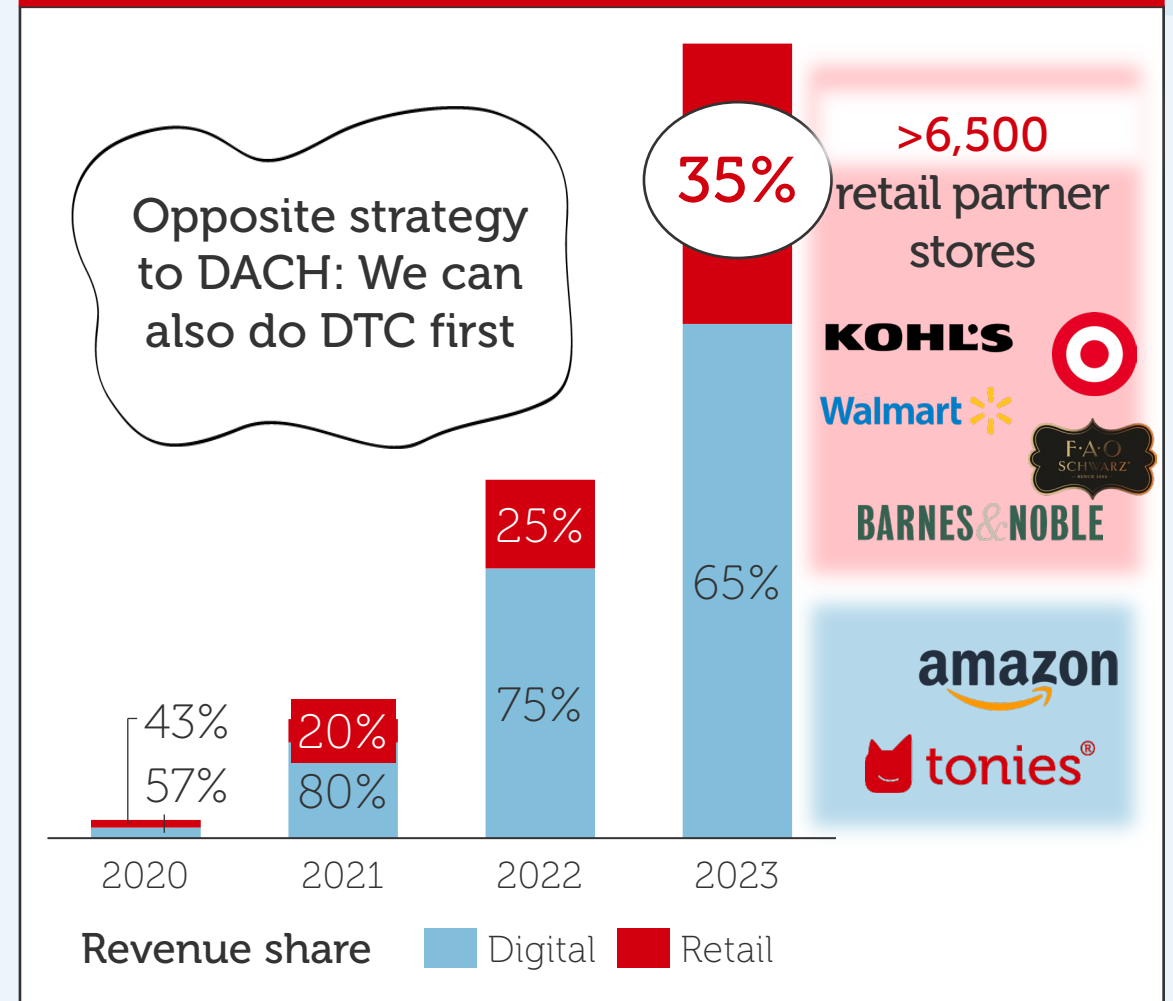
(as of Dec 31, 2023)



## Continued strong cohorts



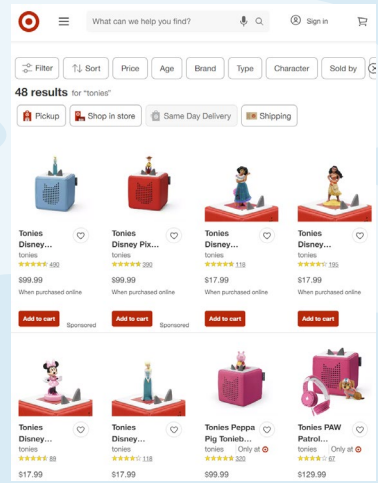
## Increase of retail channel as planned



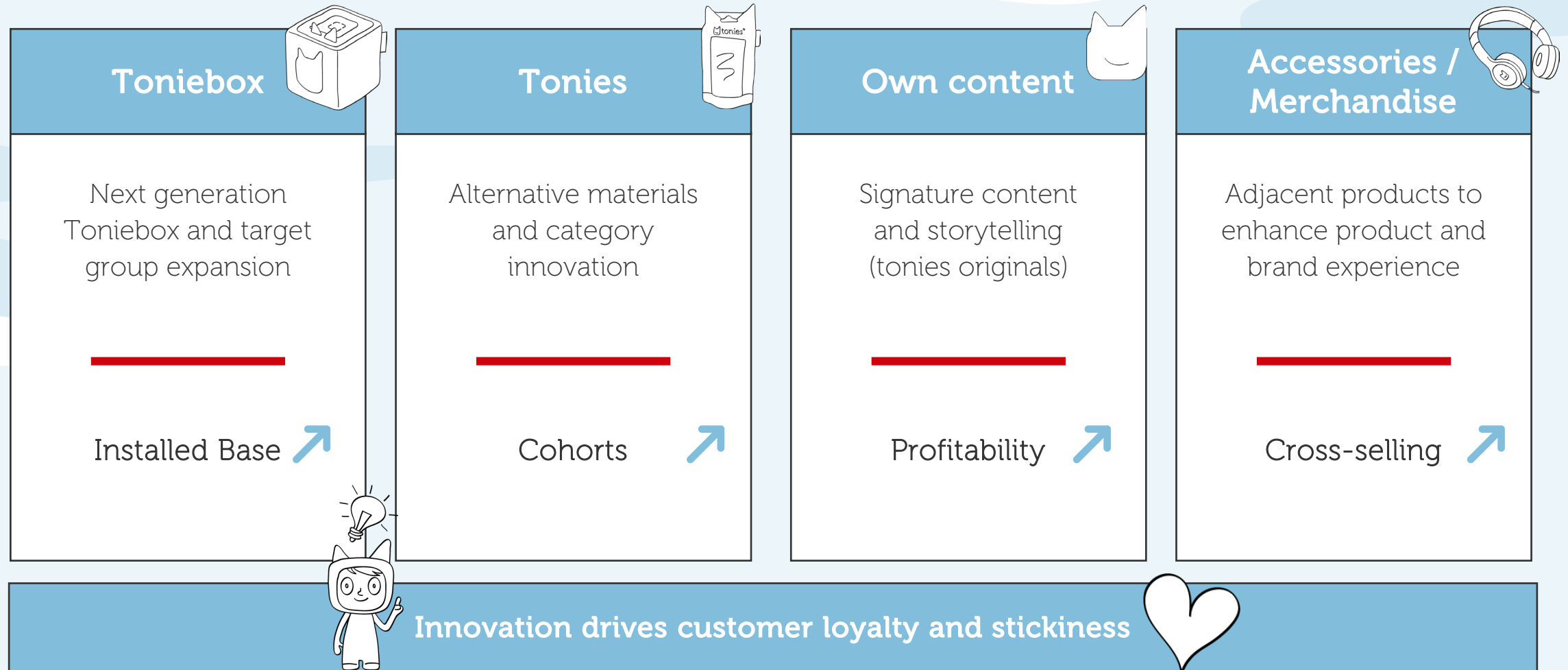
# US wholesale is expanding continuously: We have successfully proven our potential to Target and Walmart



Exemplifying our successful retail evolution



# Improving our platform and product offering to satisfy and grow our fanbase is a key element of our strategic roadmap





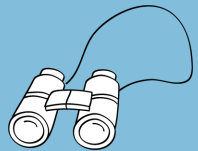
# Results & Outlook 2024



Business Update



Financial Results FY 2023



Outlook 2024 & Key takeaways

# Growing platform: In Q4, we have proven our ability to deliver commercial excellence yet again



EUR >169m

~ 1bn

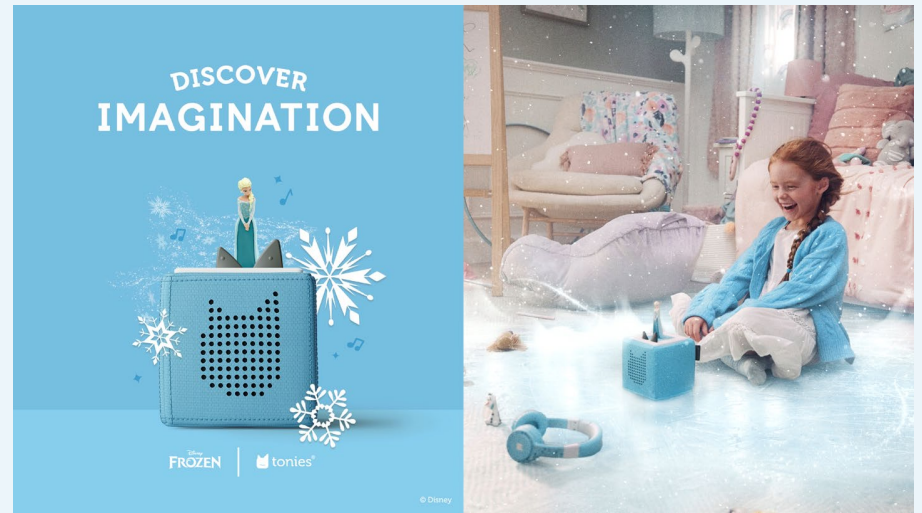
impressions reached with our first ever nationwide 360 brand campaign



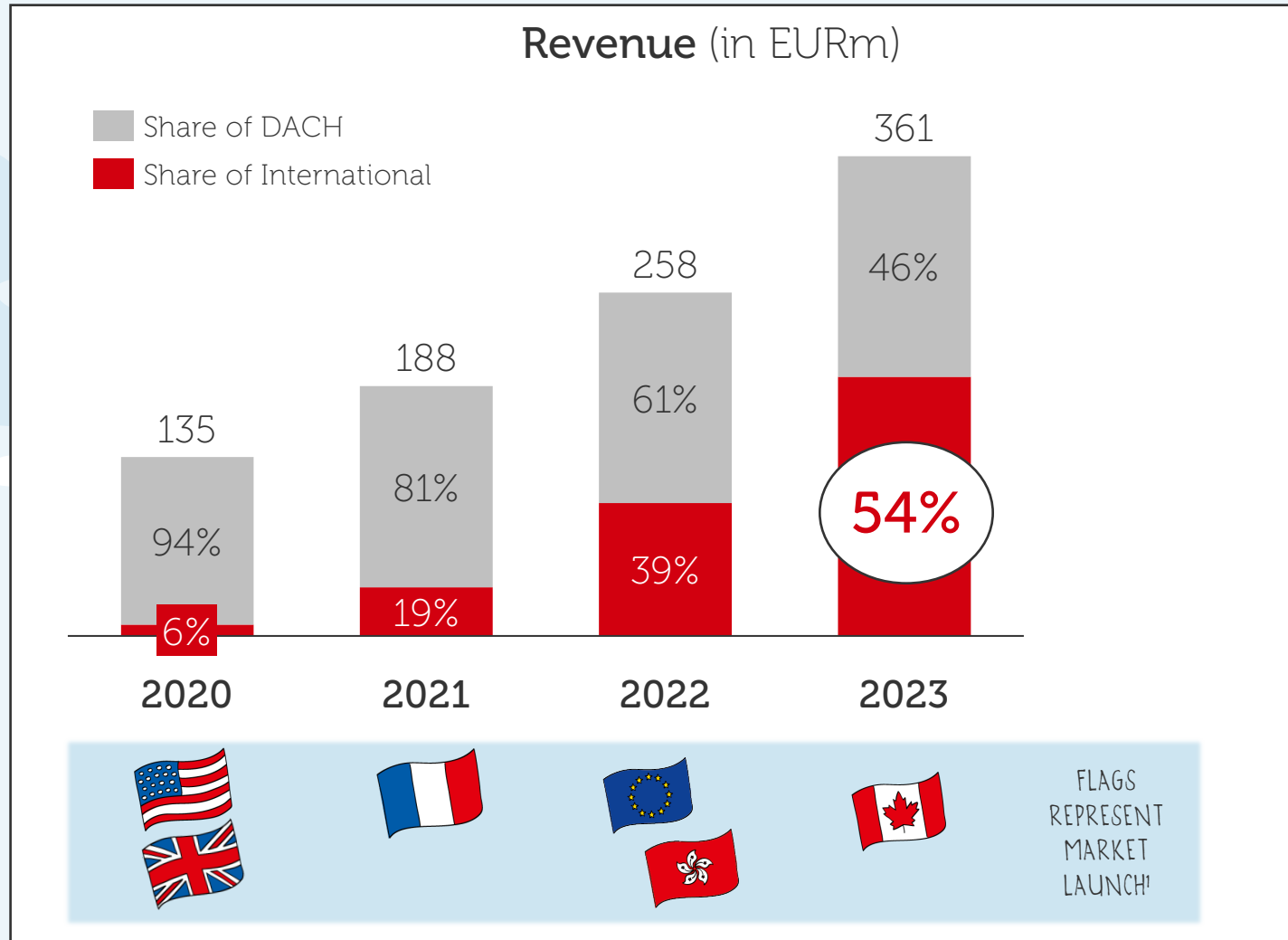
>500k Tonieboxes sold within 10 days during Black Friday week



AND MANY MORE



# A truly international business: >50% revenue outside of DACH



We replicated our proven, **profitable DACH blueprint** in 3 selected core markets (UK, US and FR)

It takes **3-4 years** for a core market to become profitable

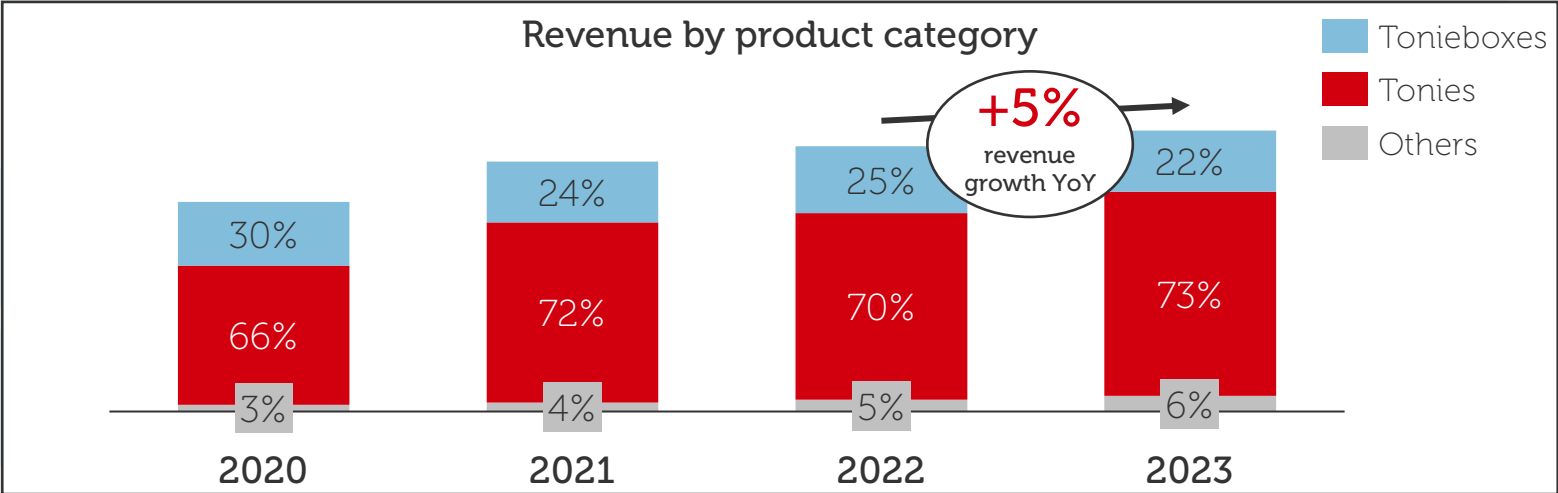
In total, we ship to **25 countries**, incl. 17 countries catered to by our European Webshop



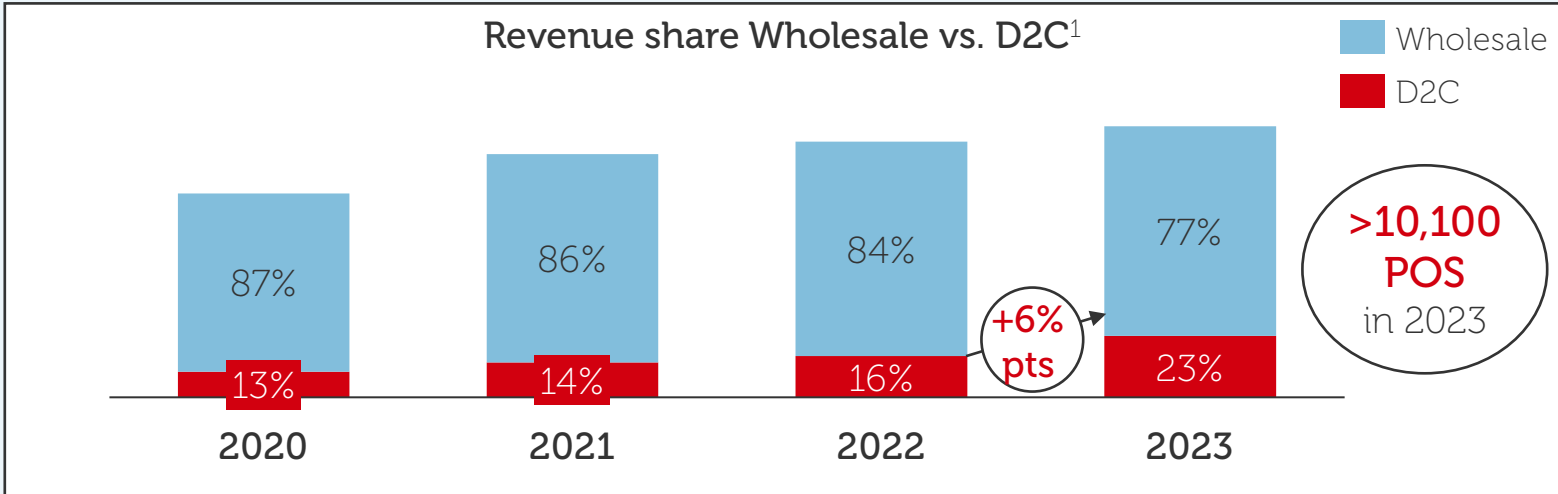
<sup>1</sup> UK officially launched in 2018 with significant scale up in 2020



# DACH is our mature market but still grows mid single digit



Despite every second child owning a Toniebox<sup>2</sup>, DACH still **grows single digit**, especially on Tonies and other products (profitability drivers)



We are continuously **increasing our D2C share** and **expand our wholesale footprint**

We are category creator and leader with **84% aided brand awareness<sup>3</sup>**

<sup>1</sup>Incl. Webshop, Amazon marketplace, and mytonies | <sup>2</sup>Company estimate based on target age range / birth rates | <sup>3</sup> Appinio

# Better unit economics: Successful expansion of value lever "own content"



Improvement in unit economics through:

- 1. Gross margin** improvement
- 2. Licensing costs** reduction
  - (Re)negotiations
  - Own content/ franchises
  - New products
  - Regional mix effects
- 3. Fulfilment** optimization



2 out of top 5 global bestselling franchises<sup>1</sup> are our own brands (IP)

Global quantities sold in 2023



New additions in 2023



<sup>1</sup>Franchises (≠ licensors) are a recurring series built around a theme, topic, or story with a unique branding or messaging style | <sup>2</sup>Certified with three golden records by BVMI (Bundesverband der Musikindustrie)

# Category leadership: Constant innovation of product portfolio



## AI stories from Santa

biggest test run to date with **>80,000** stories generated



## Advent calendar

**>169min** avg. weekly playtime in Dec – huge pre-holidays awareness boost



## Nightlight

Bestselling new accessory with **>EUR 2m** revenue – builds on successful franchise Sleepy friends



## Clever Tonics

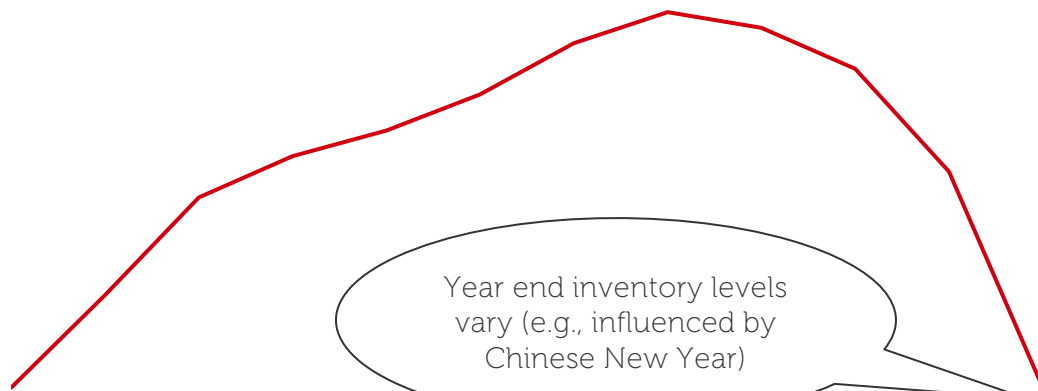
Great start of new eco-friendly edutainment Tonics for **kids 5+**



# Optimized working capital: Efficient inventory steering and financing



Typical seasonal inventory built-up



- tonies has only **"good" inventory**, i.e., no fresh or seasonal items that could go "bad"
- Inventory is crucial for **growth** and healthy cohorts (launches and availability drive repurchases)
- Working capital management substantially **optimized** (factoring, payables, receivables)
- **EUR 30m** syndicated loan closed (EUR 10m top up option in 2024) = signal of confidence from banks

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

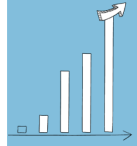




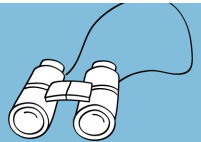
# Results & Outlook 2024



Business Update

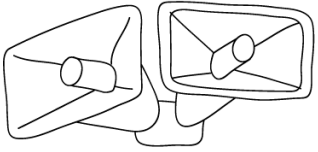


Financial Results FY 2023



Outlook 2024 & Key takeaways





# Exponential revenue growth + profitability break-even



## Revenue

EUR 361m

YoY: +40%

DACH: EUR 166m (+5%)

NA<sup>1</sup>: EUR 140m (+114%)

ROW: EUR 55m (+59%)

**Exponential revenue growth** exceeding guidance of EUR 354m driven by international markets, esp. NA, and all product categories

54%

share int. business

## Adj. EBITDA<sup>2</sup>/EBITDA margin

+4.0% / +2.4%

YoY: +6.4pp / +15.9pp

**Surge in profitability** with contribution margin reaching 35%, driven by higher gross margin and lower licensing and marketing costs

>35%

contribution Margin

## Free cash flow

EUR -5m

YoY: +83m

**Strong increase in FCF** from EUR -88m in PY due to substantially more profitable operating activities, only low net working capital increase

74m

cash available<sup>3</sup>

## Other

16.3% EBITDA margin DACH

**First-time publication of segment reporting** on regional basis shows the high profitability of the DACH blueprint replicated internationally

100%

blueprint confirmation



# P&L: Key numbers and margins (adjusted)



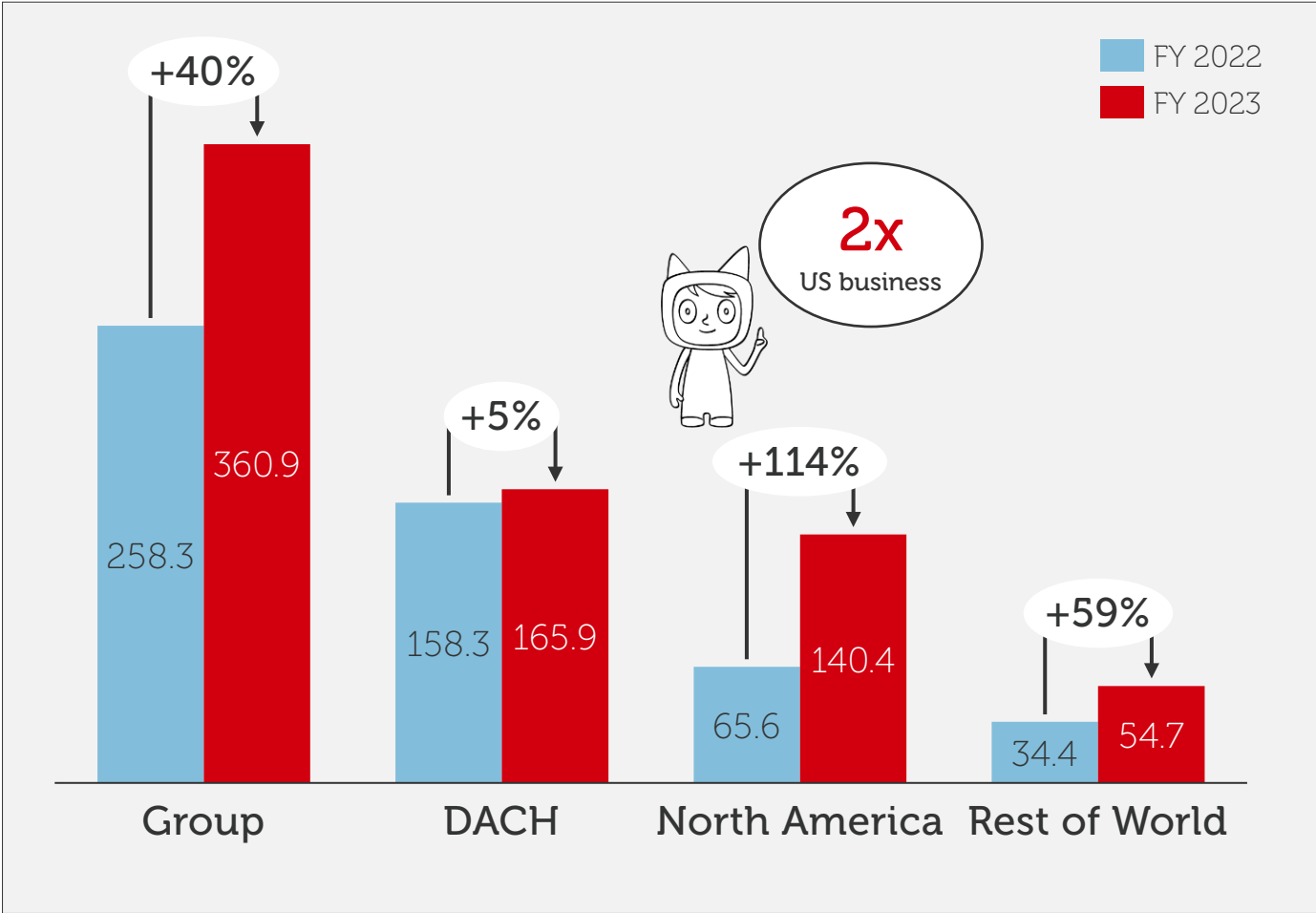
	FY 2023		FY 2022		+/-	
	EURm	% of revenue	EURm	% of revenue	EURm	pp
<b>Revenue</b>	<b>360.9</b>	<b>100.0%</b>	<b>258.3</b>	<b>100.0%</b>	<b>102.7</b>	<b>-</b>
COGS	-138.5	-38.4%	-119.0	-46.1%	-19.5	+7.7pp
<b>Gross profit</b>	<b>222.5</b>	<b>61.6%</b>	<b>139.3</b>	<b>53.9%</b>	<b>83.2</b>	<b>+7.7pp</b>
Licensing costs	-36.3	-10.1%	-31.7	-12.3%	-4.7	+2.2pp
<b>Gross profit after licensing costs</b>	<b>186.1</b>	<b>51.6%</b>	<b>107.6</b>	<b>41.7%</b>	<b>78.5</b>	<b>+9.9pp</b>
Fulfilment	-58.8	-16.3%	-37.4	-14.5%	-21.4	-1.8pp
<b>Contribution profit</b>	<b>127.3</b>	<b>35.3%</b>	<b>70.2</b>	<b>27.2%</b>	<b>57.1</b>	<b>+8.1pp</b>
Marketing	-29.7	-8.2%	-25.0	-9.7%	-4.7	+1.5pp
SG&A	-92.8	-25.7%	-59.7	-23.1%	-33.0	-2.6pp
Personnel	-42.9	-11.9%	-32.9	-12.7%	-10.0	+0.9pp
OPEX	-49.9	-13.8%	-26.8	-10.4%	-23.1	-3.4pp
Own work capitalized	1.4	0.4%	0.0	0.0%	1.4	+0.4pp
Other result	8.1	2.3%	8.4	3.3%	-0.3	-1.0pp
<b>EBITDA</b>	<b>8.7</b>	<b>2.4%</b>	<b>-34.7</b>	<b>-13.5%</b>	<b>43.4</b>	<b>+15.9pp</b>
<b>Adjusted EBITDA</b>	<b>14.4</b>	<b>4.0%</b>	<b>-6.1</b>	<b>-2.4%</b>	<b>20.5</b>	<b>+6.4pp</b>

Note: Numbers are unaudited

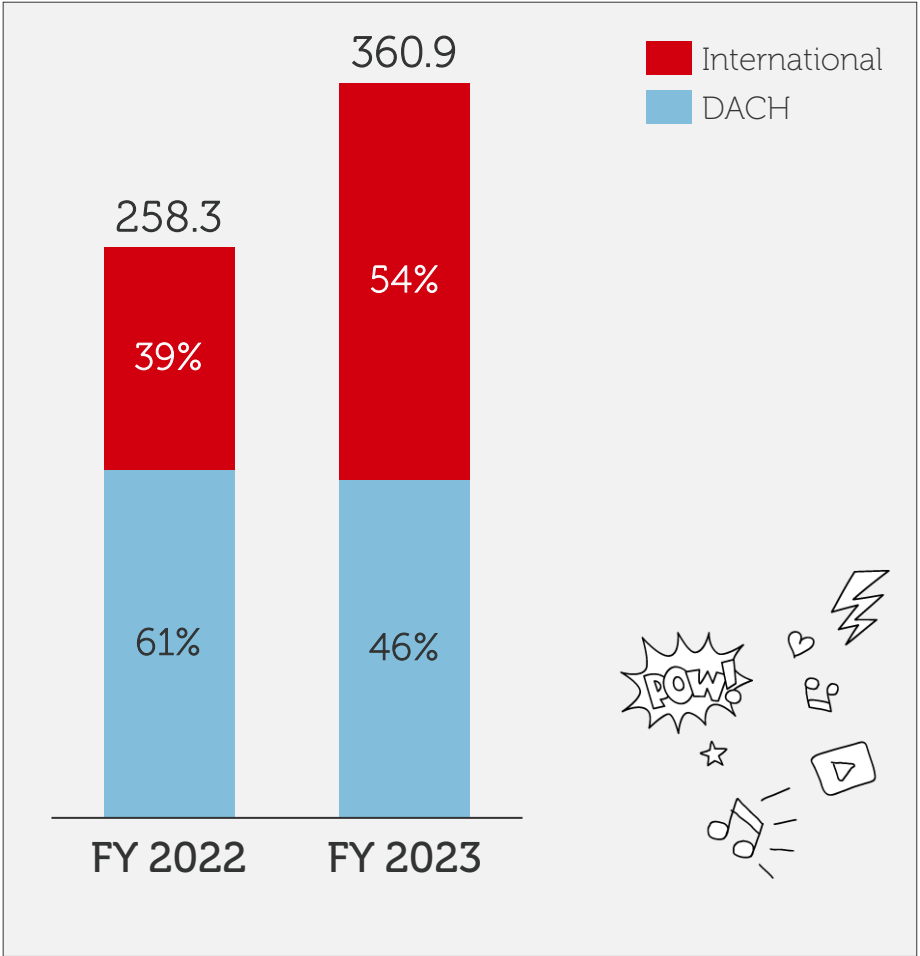
# Geography split: International revenue exceeds revenue in the DACH region for the first time



Revenue growth by region



Revenue split

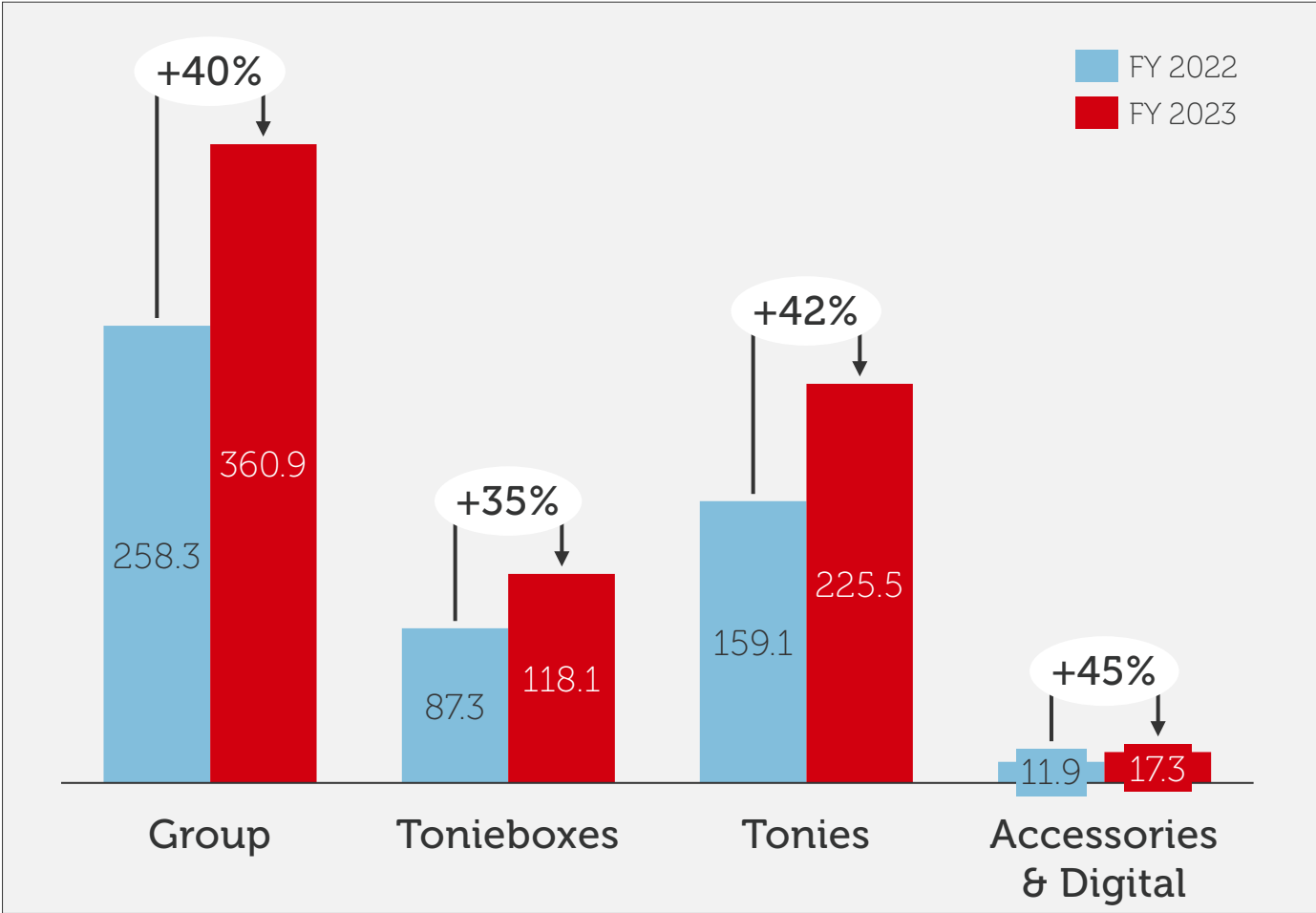




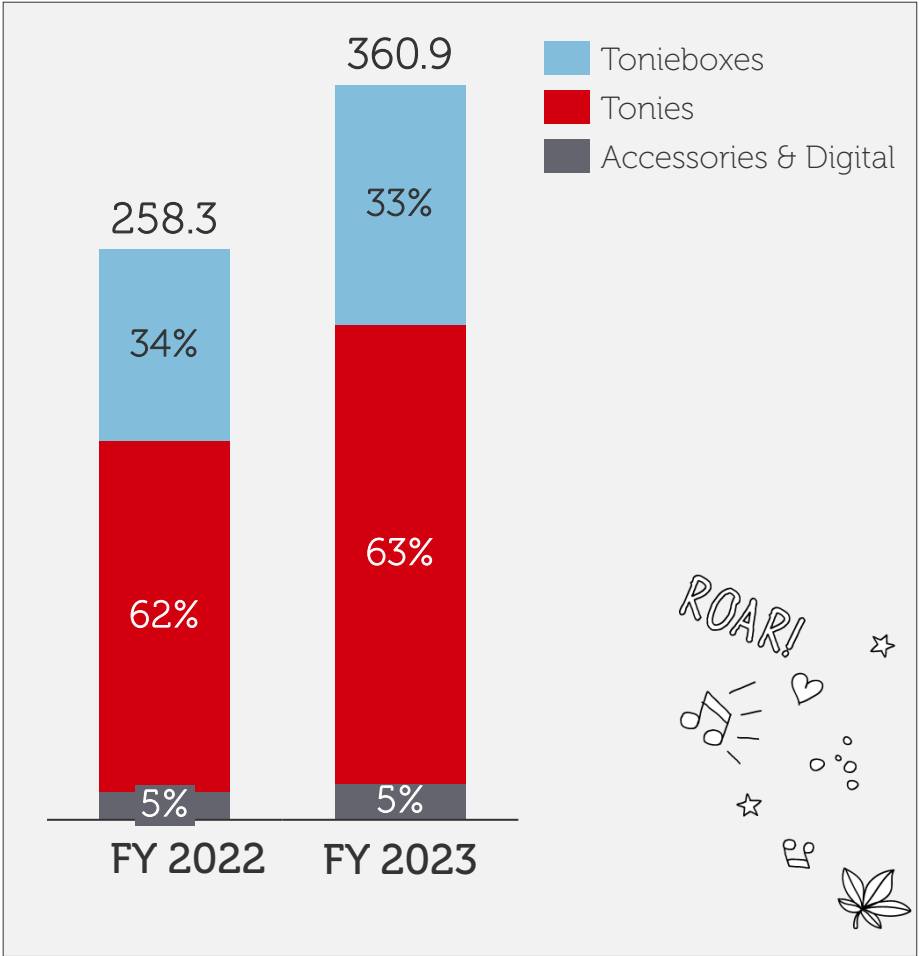
# Product split: Strong and well-balanced growth in all product categories



Revenue growth by product category



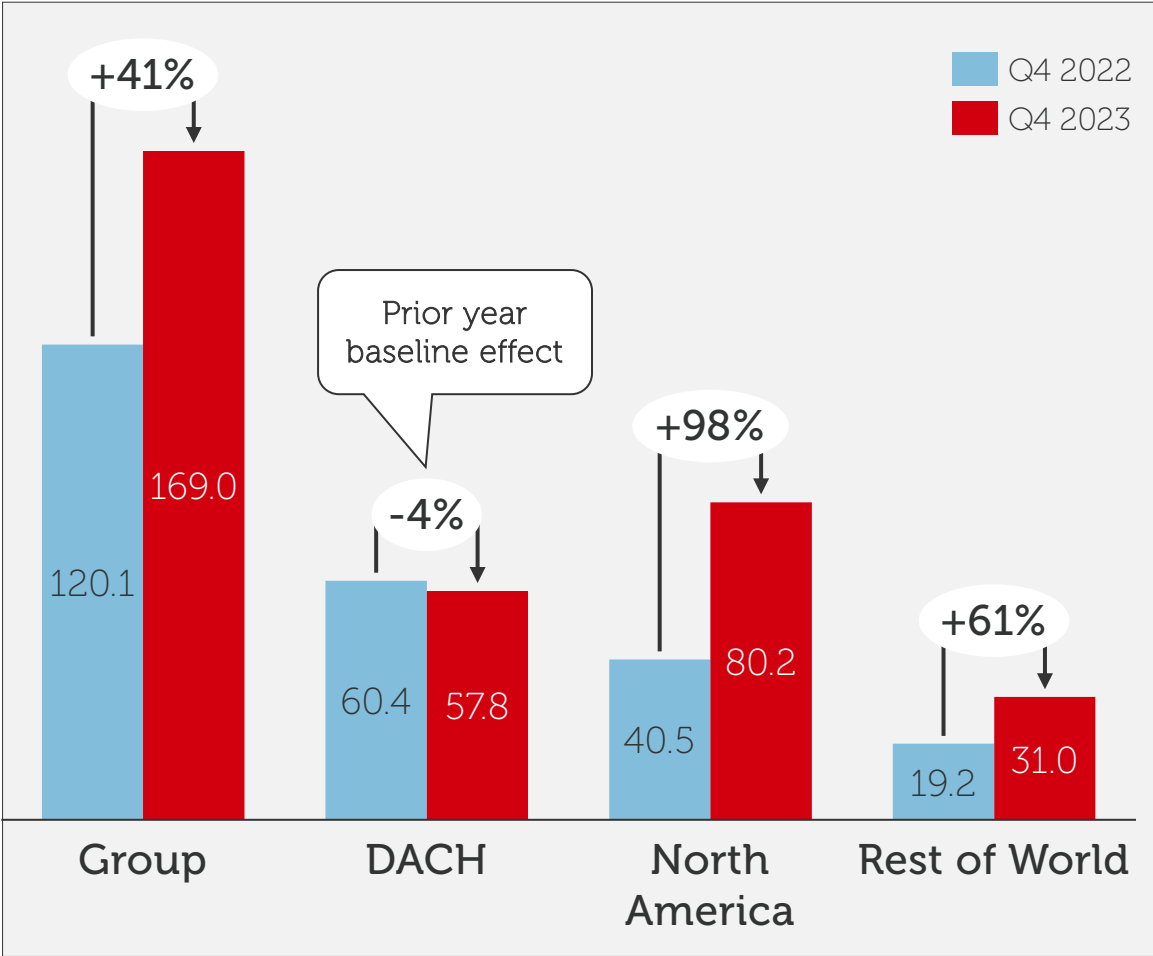
Revenue split by product category



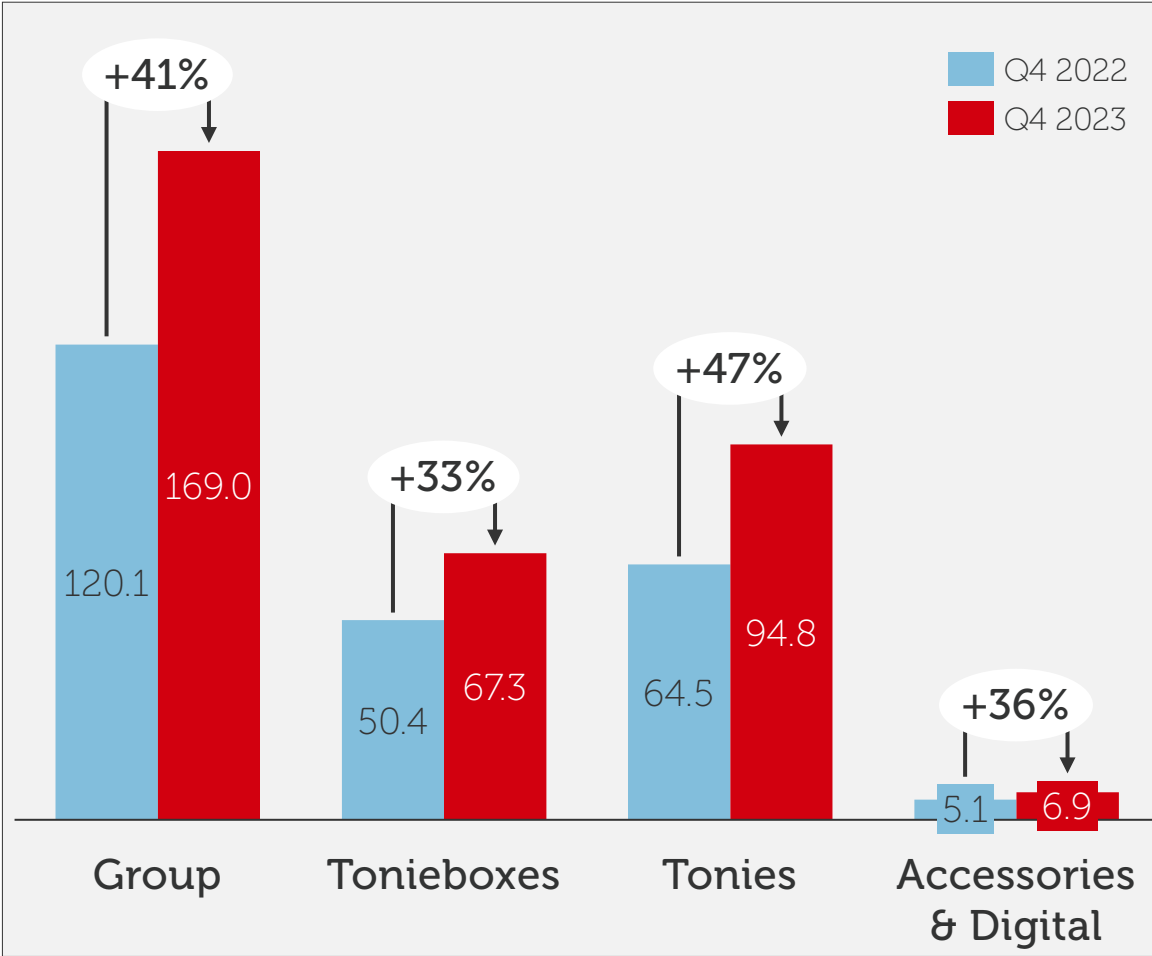
# Deep-dive Q4: Strongest tonies quarter ever with more than EUR 169m revenue mainly driven by NA and ROW



Revenue growth by region




Revenue growth by product category



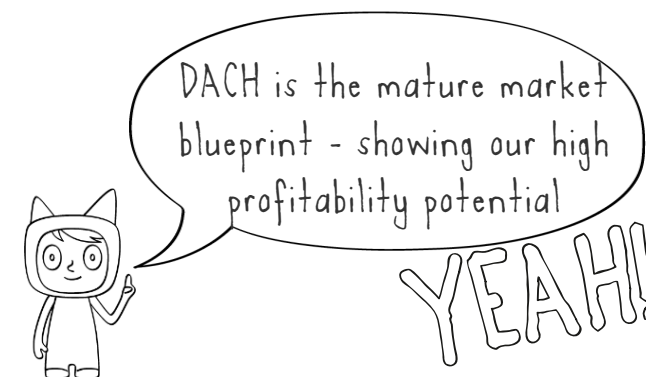
# Segment reporting introduced: DACH market already with >16% EBITDA margin



in mEUR	DACH	North America	Rest of World	Total operating segments	Corporate headquarters	Reconciliation	tonies group <sup>1</sup>
Revenue	165.9	140.4	54.7	360.9	0	0	360.9
Licensing costs	-28.0	-13.1	-5.7	-46.8	6.0	4.5	-36.3
Contribution margin	33.5%	26.3%	31.3%	30.3%	-	-	35.3%
EBITDA	270	-4.5	-4.8	177	-11.9	2.9	8.7
EBITDA margin	<b>16.3%</b> 	-3.2%	-8.7%	4.9%	-	-	<b>2.4%</b>

- DACH: Mature market **highly profitable** with 16.3% EBITDA margin
- North America: Still investing into **growth**, contribution margin reflects channel mix
- ROW: Investing into **expansion**, contribution margin driven by lower fulfilment costs
- 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; Prior period: 2022 data is not available and effort of extracting and determining information is not in proportion to the information content of the data*

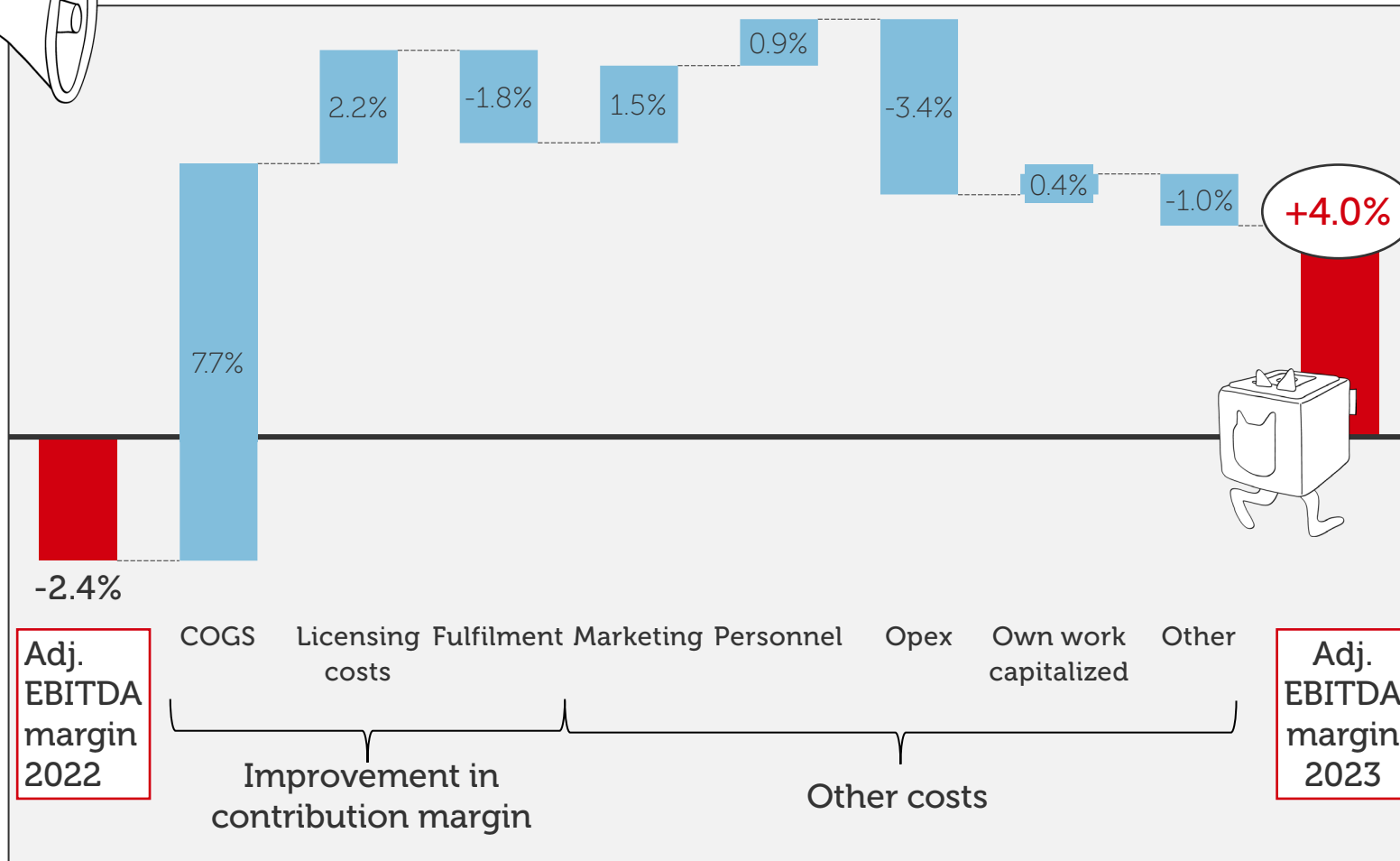


<sup>1</sup> According to IFRS

# Adjusted EBITDA margin at upper end of guidance range



Adjusted EBITDA margin bridge (in pp)



- **COGS** driven by price increases, lower inbound logistics costs (airfreight), favorable channel/regional/product mix
- **Licensing costs** lower due to regional mix, successful renegotiations, higher share of own content and release of licensing provisions of EUR 3.3m
- **Fulfilment** up due to higher D2C share
- **Marketing** reflects increased brand awareness, operational excellence, growing retail footprint and WOM<sup>1</sup>
- **Personnel** shows operating leverage
- **Opex:** Disproportionate growth through selected one-time effects incl. legal costs, provisions and external services
- **Own work capitalized:** Now fully capitalized vs. adjusted in PY
- **Other** increase related to FX costs

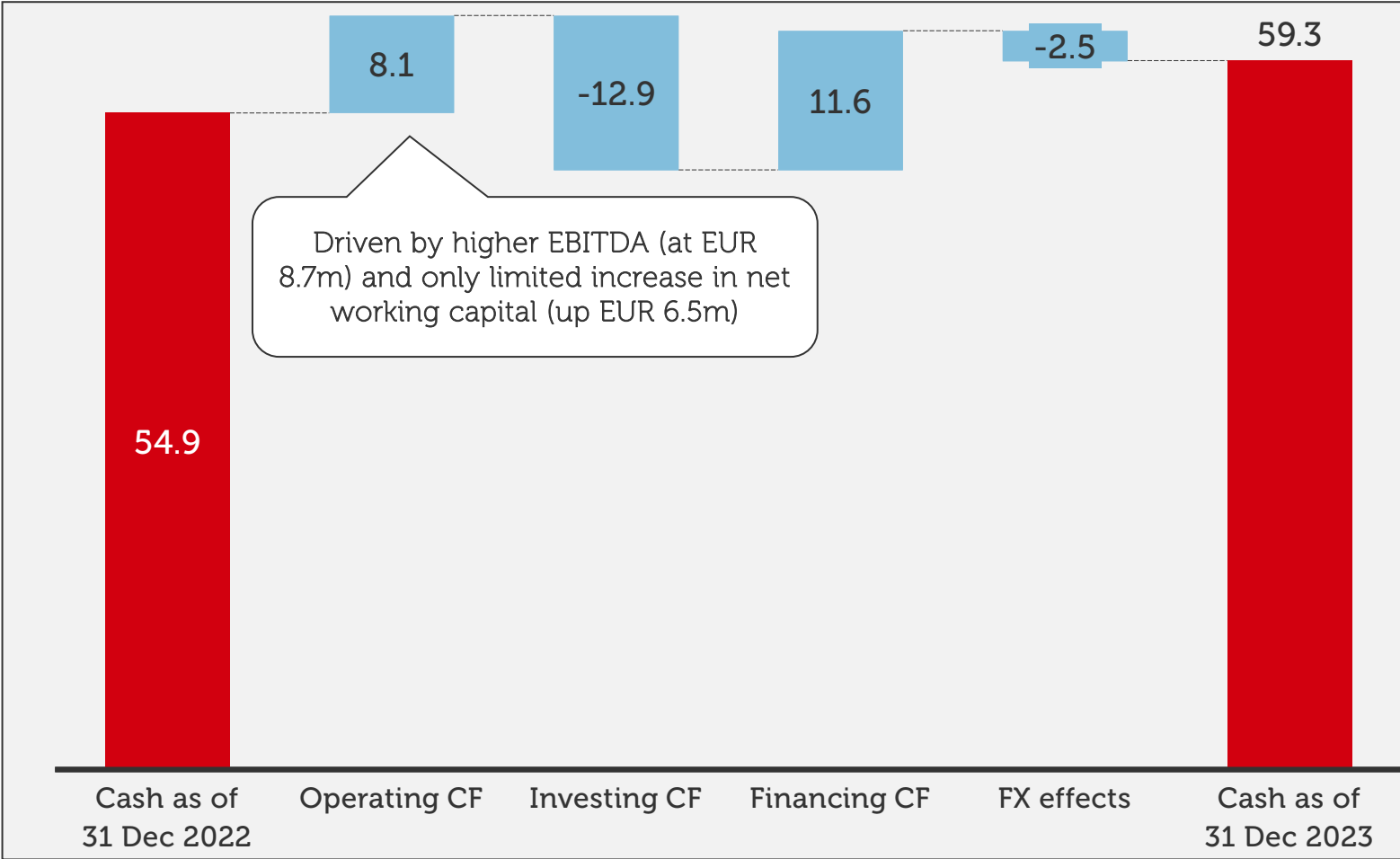
Strong structural improvement and one-off effects of EUR 3.3m

<sup>1</sup> Word of mouth

# Improved Cash position resulting from higher profitability and more efficient working capital management



Cash bridge (in EURm)



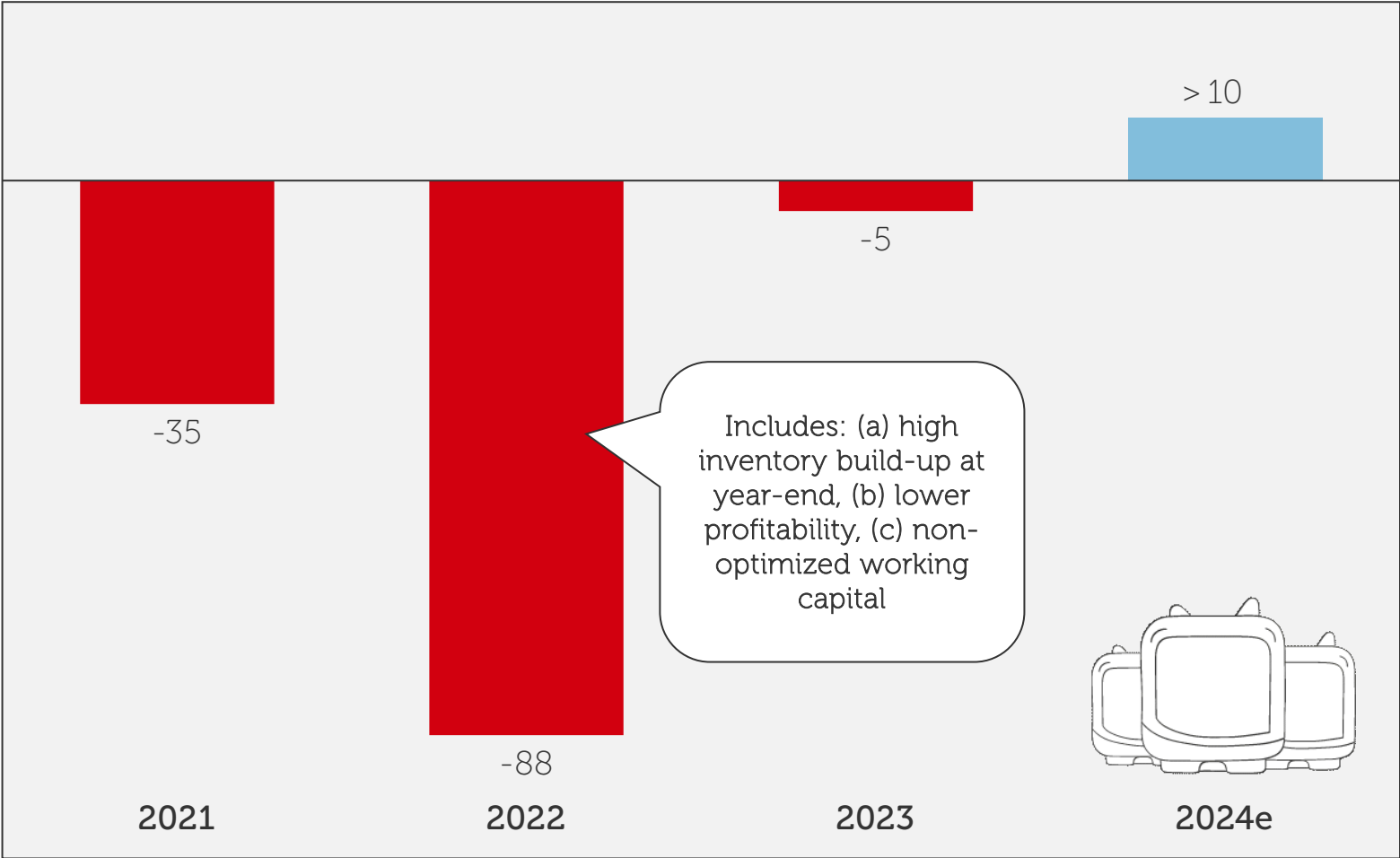
- **Operating CF** driven by EBITDA improvement and only slightly increased net working capital
- **Investing CF** mainly for manufacturing tools, product-related expenses, own content production and software
- **Free CF** significantly improved vs previous year EUR -6m vs. EUR -88m
- **Financing CF** mainly from partial utilization of credit lines for seasonal working capital financing
- In addition to EUR 59m **cash**, we had EUR 15m **unused credit lines** so that we had a total of EUR 74m **cash available**



# After significant improvement in 2023 we are ready for Free Cash Flow breakeven in 2024



Free Cash Flow (FCF) (in EURm)



- **FCF substantially improved** from EUR -88m in 2022 to EUR -5m in 2023
- Driven by a significantly **higher cash flow from operating activities** (higher EBITDA, only slight increase in NWC)
- **Inventories fell notably in H2** due to efficient inventory management and revenue growth (inventory built early in H1 to avoid stock-outs and airfreight)
- **FCF is expected to be positive in 2024** and amounts to > EUR 10m driven by a further increase in EBITDA & continued efficient inventory management





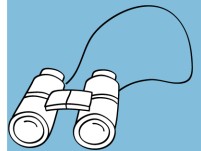
# Results & Outlook 2024



Business Update



Financial Results FY 2023



Outlook 2024 & Key takeaways



# FY 2023 – Once again, we have delivered on all promises



	Outlook from IPO FY 2023	Results FY 2023	Guidance FY 2024
Group revenue (EURm)	354	361 ✓	>480 <sup>1</sup> (>33% YoY)
North America revenue (EURm)	108	140 ✓	>200 <sup>1</sup> (>42% YoY)
Adjusted EBITDA margin (%)	na	+4.0% ✓	6-8%
Free cash flow (EURm)		-5 ✓	>10

- Another year of **significant growth** ahead with North America becoming the largest market
- Another **step-up in profitability** due to higher gross margin & operating leverage on cost base
- **Free cash flow** will further improve in 2024 and **turn positive**



<sup>1</sup> 2024 based on EUR/USD of USD 1.07

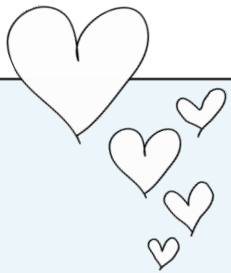


# Four priorities ensure we deliver our plan



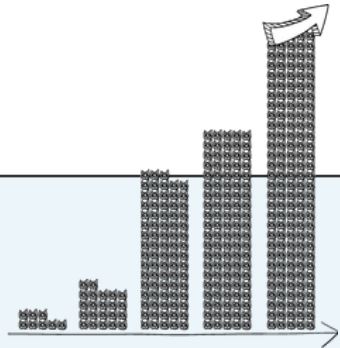
I

Excite customers with great experiences



II

Grow our customer base



III

Leverage full customer potential

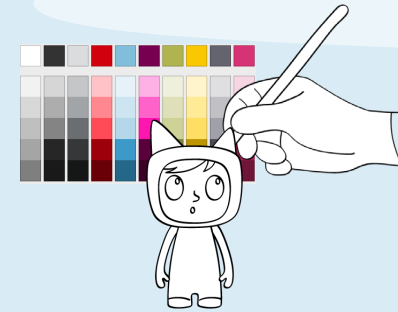


IV

Build a scalable company



# I. Exciting customers in a sustainable way: New products & initiatives planned for 2024



Fueling the **collectors' hype:**  
Limited editions

Building **a new franchise:**  
A whole new world for musical adventures

Entering **a new category:**  
Literature and books

Leading **change in the category:**  
>200 Tonies with water-based colors

Extending educational franchise  
**conservation crew**

And many more coming soon ...

## II. Grow customer base: Australia & New Zealand up for an amazing start



>6,400

Tonieboxes already activated

Our **biggest** launch portfolio ever



New **core market**: We have our own local team on the ground

Distribution:  
Together with **bluemouth**  **>250** POS secured for launch

**MYER**

**TOYmate**

**BIGW**



# Key takeaways: FY 2023 was another record year for tonies



- I Outperformance of the plan, exponential growth in all markets (40% YoY)
- II Capturing the US-market opportunity is real (EUR 140m revenue (2x YoY))
- III tonies is an EBITDA profitable, high-growth company (2.4% EBITDA margin)
- IV Segment reporting proves high profitability (>16% EBITDA margin in DACH)
- V Substantially improved FCF at the brink of breakeven (EUR -5m - +83m YoY)
- VI Tobias Wann joined as a highly accomplished new CEO for tonies



# Results Q1 2024

# Q1 2024 performance at a glance!



## Results:

Revenue: EUR 78m (+20% YoY)

DACH: EUR 40m (+2%)

NA: EUR 28m (+47%)

ROW: EUR 10m (+49%)

## Business Update:

Value levers are a source of innovation

International markets drive our growth

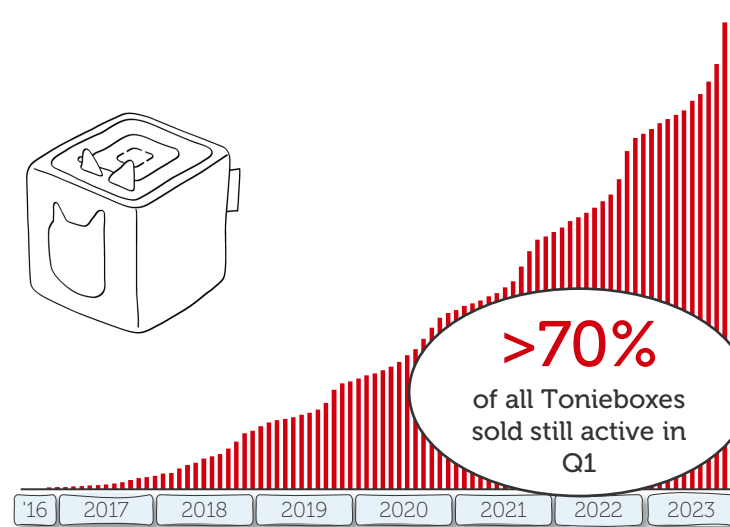
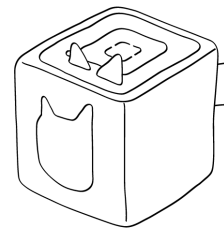
tonies has a strong competitive shield

## Outlook:

Confirmed for FY 2024

### Toniebox platform grows exponentially every year...

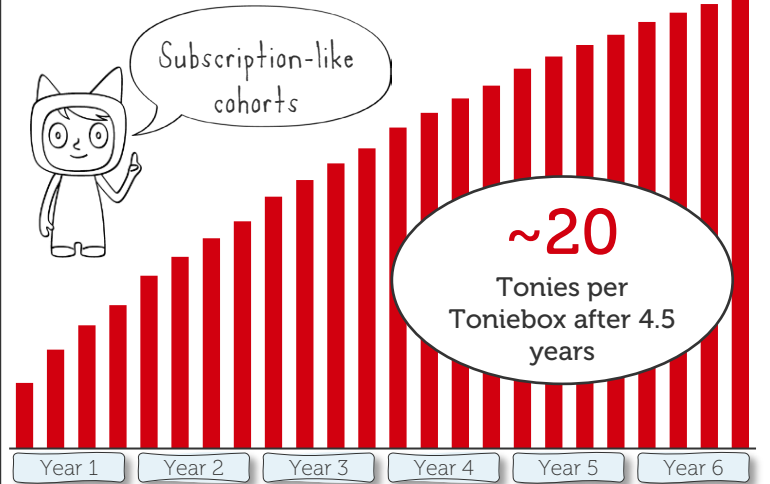
Cumulative Tonieboxes sold  
(Q4'16-Q1'24 in #)



**+250k Tonieboxes**  
sold in Q1 2024

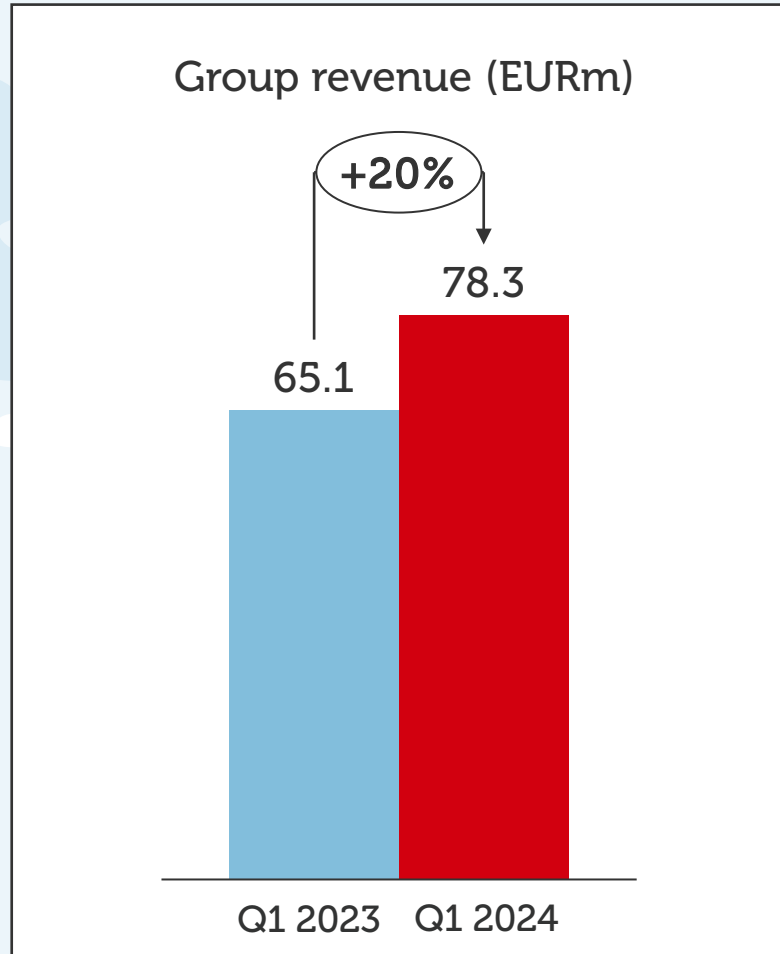
### ... fueling the highly predictable repeat purchases of Tonies

Cumulative Tonies over customer lifetime



**+5.8m Tonies**  
sold in Q1 2024

# Q1 2024: revenue growth of 20% in line with expectations - high activations underline robust consumer sentiment



- Revenue growth **in line with expectations**
- **Strong Easter business** across the different regions
- Revenue growth affected by:
  - a strong **baseline effect** (Q1 2023: 42% YoY)
  - **supply chain disruptions** (particularly Suez Canal) which led to selected stock shortages
- **High growth in activations** showed robust consumer sentiment: Toniebox activations +30% YoY and Tonies activations +42% YoY
- **Notable acceleration in growth trajectory expected**, particularly in H2, where the majority of revenue is generated

# We innovate based on our value levers: Our newest format "Clever Tonies" improves our gross margin



Our value levers:

1. Internationalization
2. Gross margin expansion
3. Own content/IP
4. Product/channel mix
5. Operating leverage



## Gross margin improvement:

Clever Tonies have a higher margin due to lower design, production and licensing costs<sup>1</sup>



Further benefits of Clever Tonies:

### Target group extension

edutainment for kids aged 5+ years

### More sustainable

Up to 50% bio-circular material

### Short go-to market time

Through standardized design

<sup>1</sup> Affecting gross margin after licensing costs



# Our first tonies Podcast leverages our data-based own content to drive engagement



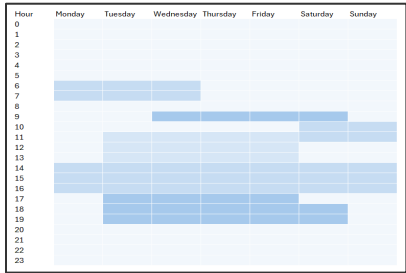
Our value levers:

- 1. Internationalization
- 2. Gross margin expansion
- 3. Own content/IP
- 4. Product/channel mix
- 5. Operating leverage



**Our successful, insights-based own content:**  
Edutainment for kids aged 5 years and above

Toniebox activity across weekdays and hours (schematic)



UK team analyzed usage patterns and developed a format to become part of morning routines of older kids



**#1**  
most played  
daytime Tonie

**2x**  
higher usage  
frequency vs.  
average<sup>1</sup>

**+12% NPS**  
in 4+ years category  
vs. non-Podcast  
owners

Note: all data for UK only; <sup>1</sup> Compared to average Tonie aimed at kids 4+

# Rest of world: International markets drive growth - we have traction in all our regions



**Significant increase in retail footprint**  
in mature market



**>850k**

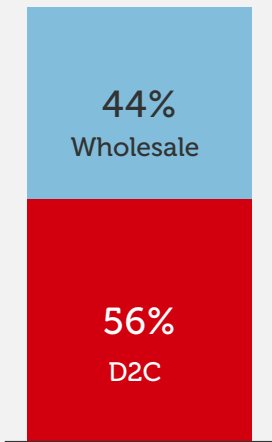
Tonieboxes sold since market entry



**>8.4m**

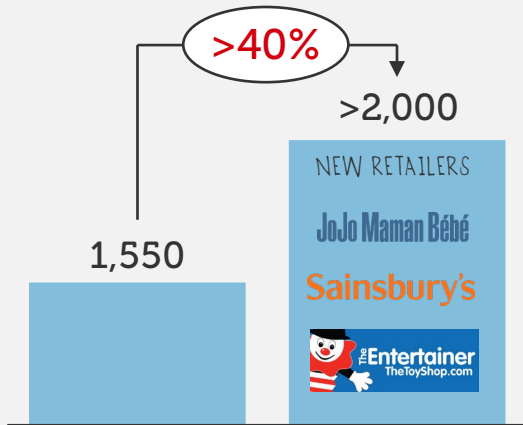
Tonies sold since market entry

### Distribution Channel Mix



FY 2023

### Increasing retail footprint (# POS) in 2024



End of 2023

End of 2024



**2<sup>nd</sup> biggest player in category<sup>1</sup>**  
in just two years



**>100k**

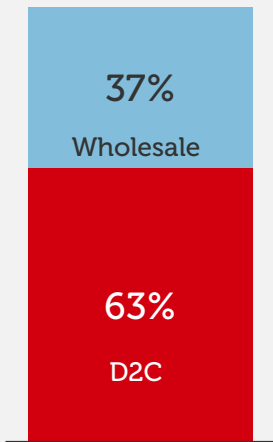
Tonieboxes sold since market entry



**>1m**

Tonies sold since market entry

### Distribution Channel Mix



FY 2023

### Strong brand advocacy

**97%**  
of customers recommend us to other families<sup>2</sup>

**>80**  
net promoter score<sup>2</sup>

<sup>1</sup> Based on Google search trends and a Study by Appinio | <sup>2</sup> Survey with 1,000 French customers

# Strong performance at Walmart sets stage for expansion with additional stores and Tonies assortment in 2024

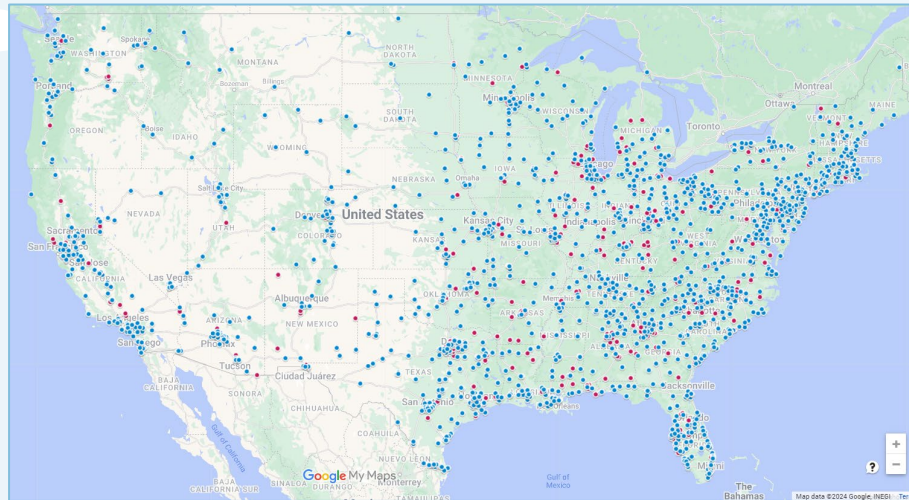


Additional POS  
with **+350** new stores in H2 2024

Additional shelf space  
in 500 stores in Q3 2024



**+22%** increase  
in Walmart POS



**>30%** increase  
in Tonies assortment



Note: number of POS at year-end 2023 and expected number of POS at year-end 2024

# tonies has a strong competitive shield



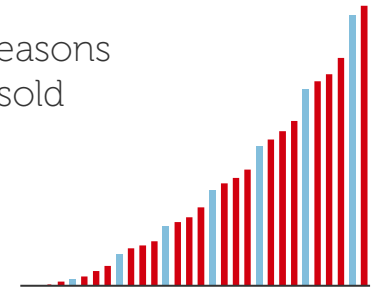
## I. User experience

- Simple and intuitive design for the usage of kids
- Unrivalled stickiness of the product:
  - 281 minutes average weekly playtime<sup>1</sup>
  - >70% average monthly active users<sup>1</sup>
  - Strong retention with ~20 Tonies after 4.5 years
  - Brand advocacy: NPS<sup>1</sup> of >70



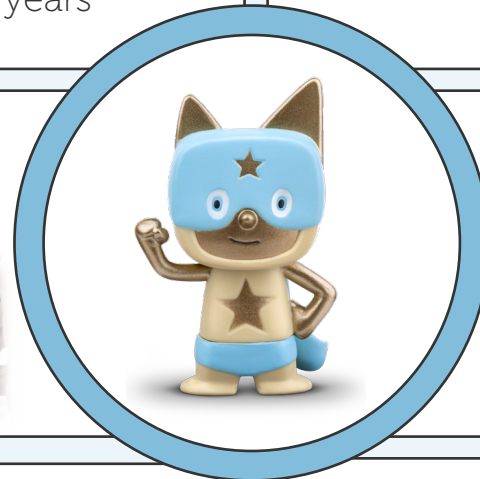
## IV. Seasonal build-up

- Head start of 8 Christmas holiday seasons
- Cumulated number of Tonieboxes sold by quarter (Q4 in blue):



## II. Product proficiency

- Own hardware and cloud technology
- Own production site machines tag products, ensuring a closed ecosystem
- Figurine design excellence



## V. Financial ability

- >16% EBITDA margin in mature DACH market<sup>2</sup>
- Cost structure to sustain the business
- Access to growth financing (e.g. syndicated loan)



## III. IP library

- Partner of all major global licensors
- >200 licensors and >700 agreements signed
- Successful own IP:



## VI. Patents

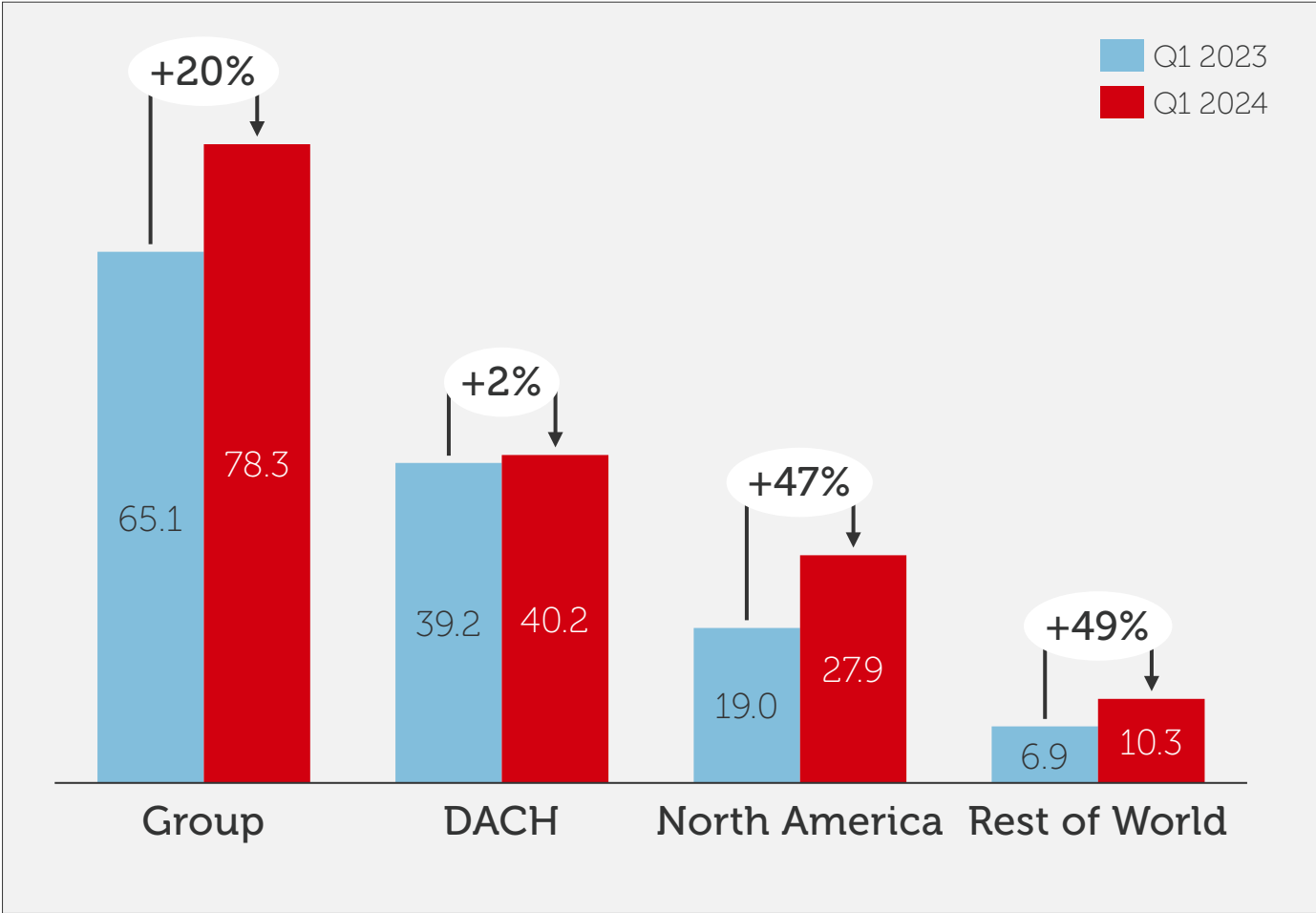
- International IP protection across all relevant markets
- Cloud
- Tonies
- Toniebox
- NFC communication



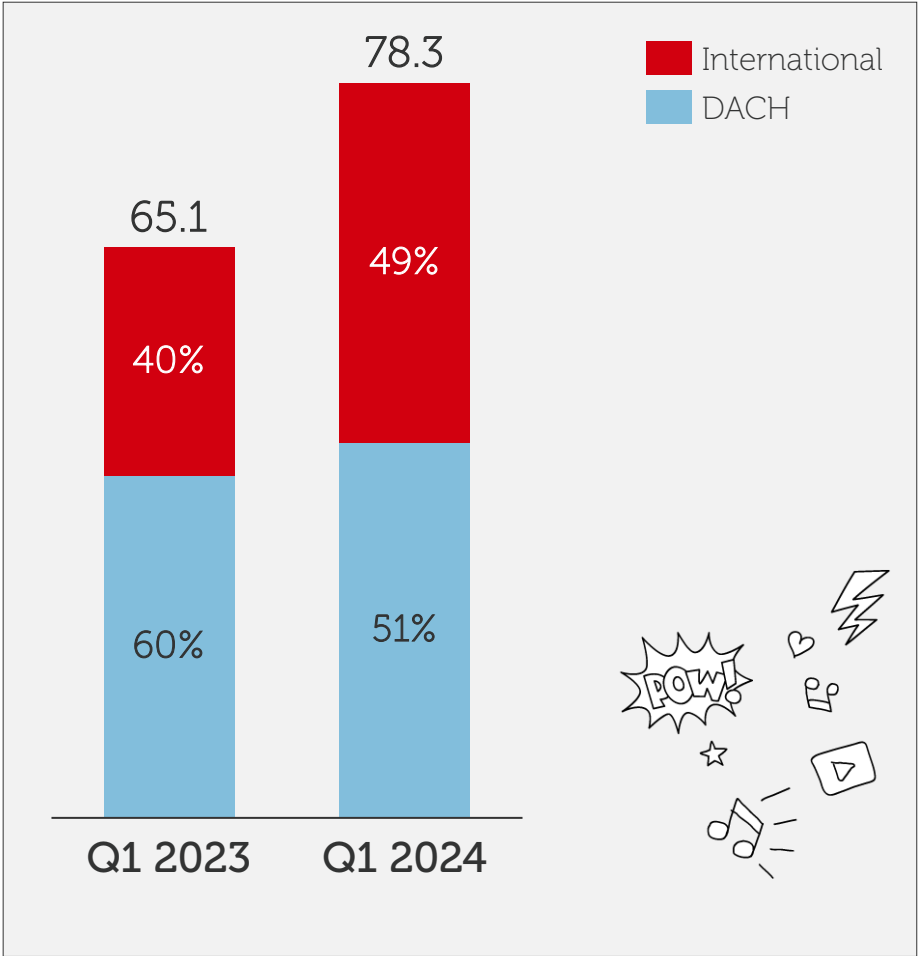
# Q1 2024: Revenue growth driven by international markets



### Revenue growth by region



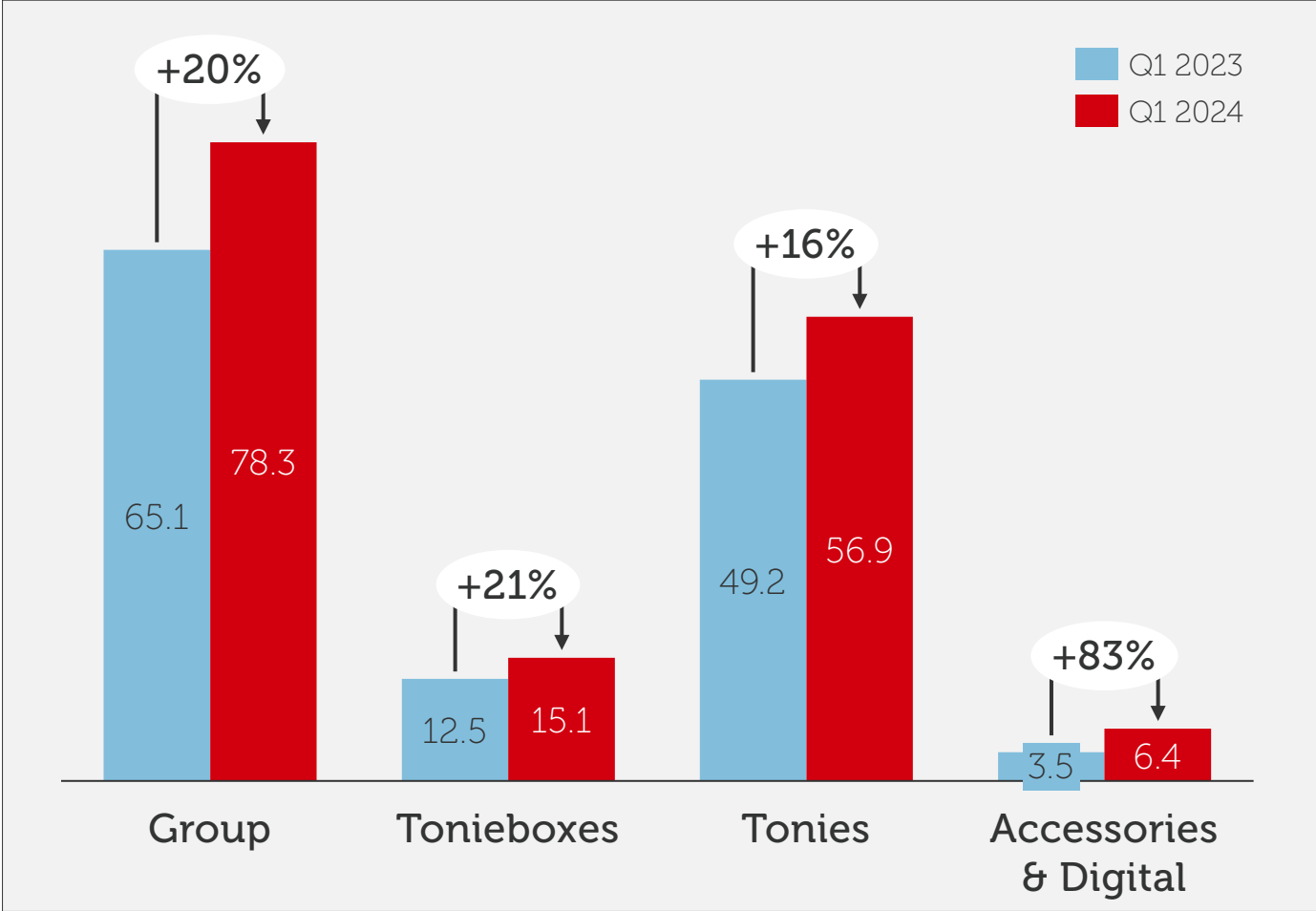
### Revenue split



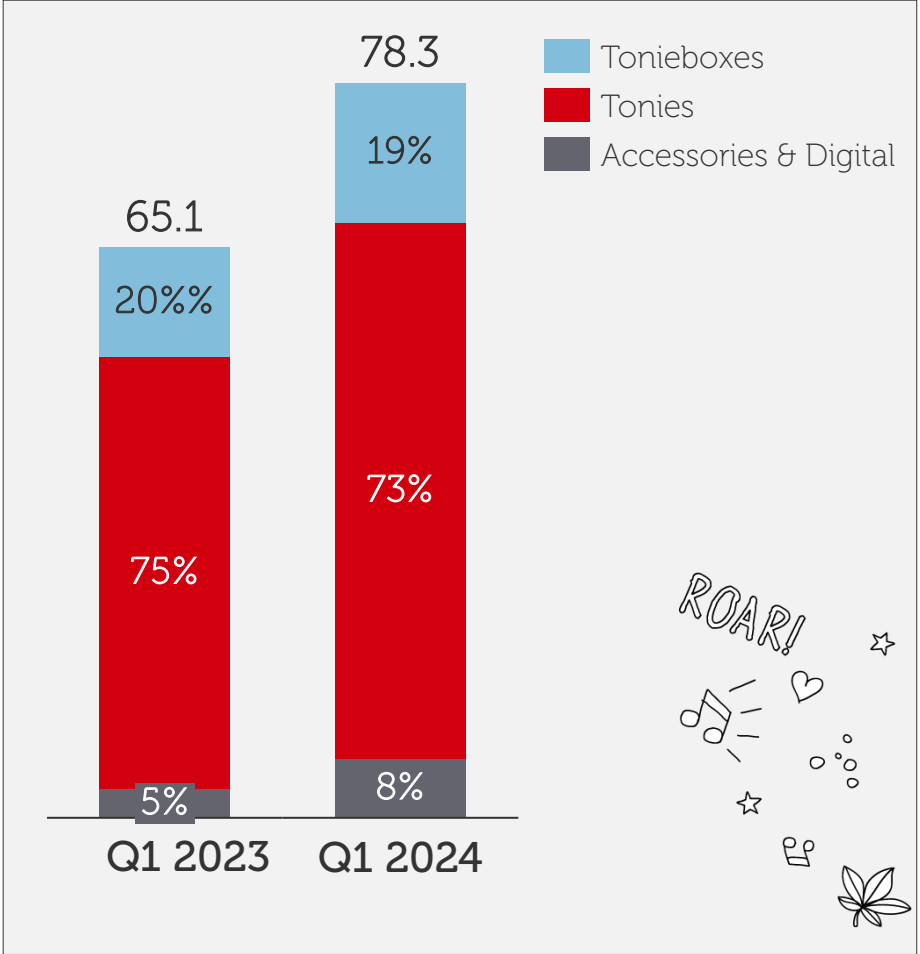
# Q1 2024: More than 70% of sales generated with Tonies



### Revenue growth by product category



### Revenue split by product category

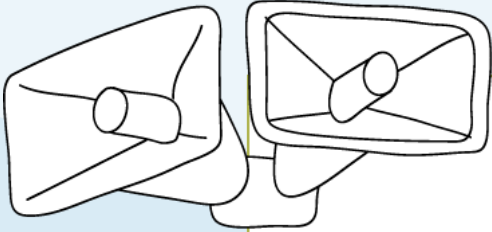




# Sustainability



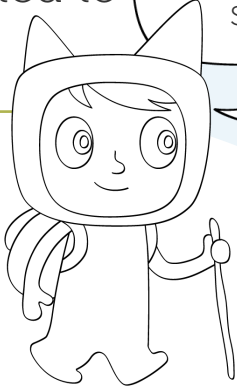
# Sustainability: We want to lead the change in our category



## “Lead the change”

“For us, a planet worth living on is a part of our vision, and so we are committed to **leading change in our category** toward a more **sustainable future.**”

The journey just started!



We set standards to rise to



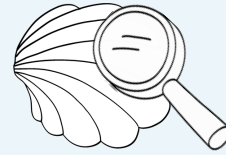
We focus on sustainability in our category



We take a holistic approach to sustainability

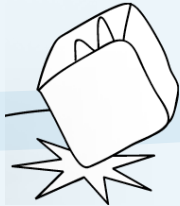


# Sustainability starts with our product – the Toniebox is a sustainability cornerstone



## Conscious content

Raising awareness for endangered species with "Conservation Crew"-Tonies



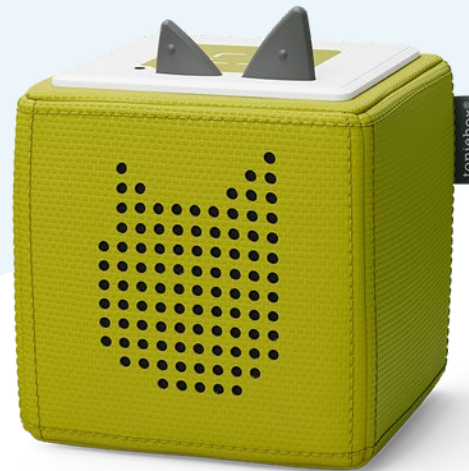
## Durable

148x more play time than an average gifted toy\*\*



## Educates generations

every 2<sup>nd</sup> child in DACH owns a Toniebox\*



## No screen-time

contributes to physical and mental well-being



## Encourages independence

can already be operated by very young children

\*Penetration rates based on assumed 6 years average lifetime  
\*\* Source: tonies DACH data 2022, Attest Survey September 2022

# Our sustainability goals have four pillars related to the ESG areas: Planet, Play, People, Principles



Environmental Social Governance

## Planet

We take increasing responsibility in measuring and reducing the environmental impact of our products and operations



Deep-dive next

## People

We prioritize strong and long-lasting relationships with employees and suppliers and hold up non-negotiable standards

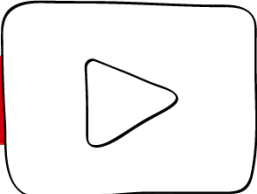


Visit our new website for more information!



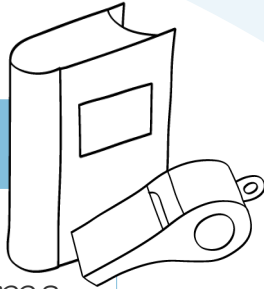
## Play

We aim to have a positive impact on the next generation promoting consciousness, minimizing screen time, and encouraging independence

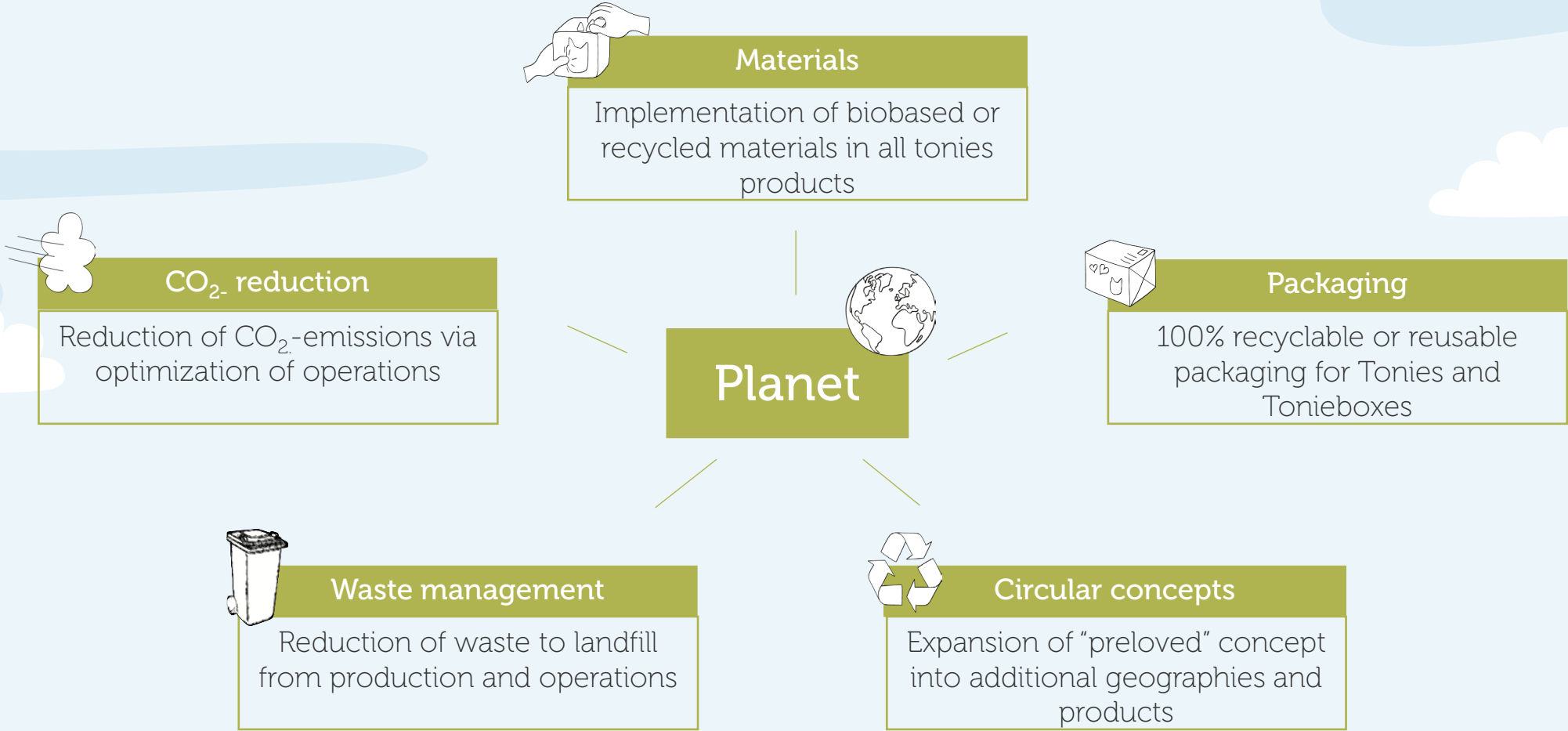


## Principles

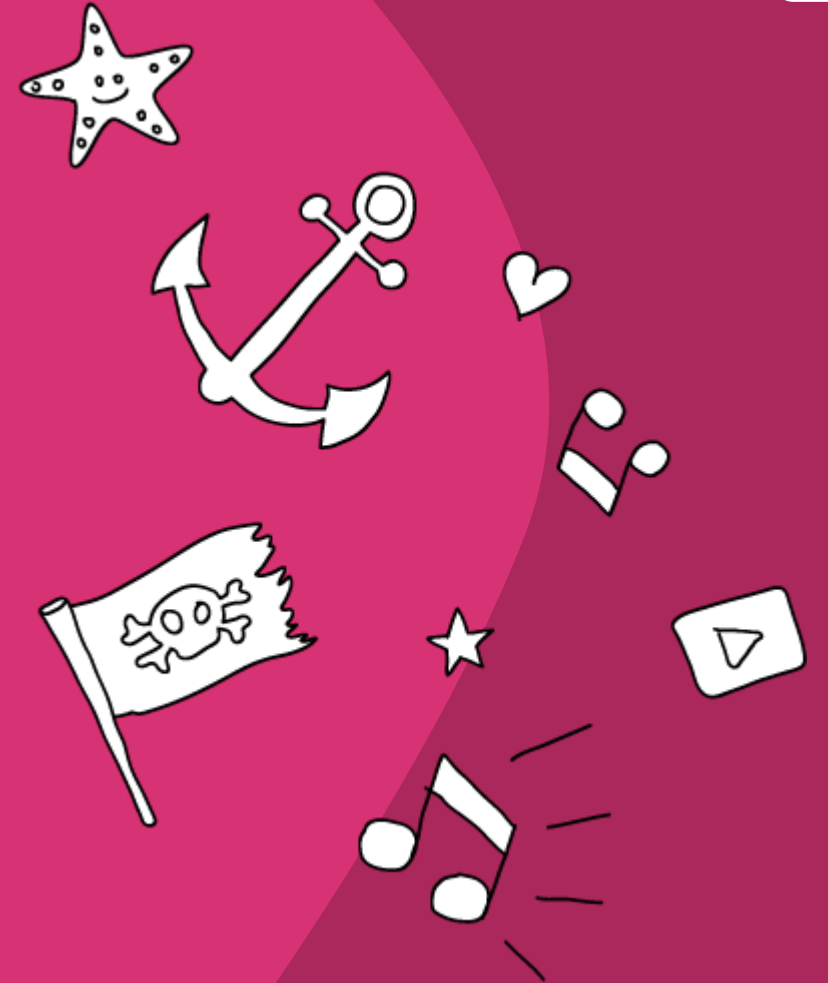
We engage in ongoing evaluation of internal systems, processes and policies and fulfill reporting requirements



# Example: Our “Planet” goals translate into concrete actions



# APPENDIX



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



**Playful**



**Child friendly**



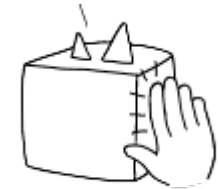
**Educational**



**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 ecosystem is tailored to the needs of young families by providing a playful, safe and screen-free audio experience



**Toniebox:** Smart, connected audio player allows for a large installed base, anchoring our proprietary ecosystem



**Tonies:** Extensive and constantly growing choice of over 700 exciting characters (with premium content) are triggering steady usage and repurchases



**Data:** We understand our consumers thanks to our data-driven and insight-supported business model

# Investor Relations Contact



Investor Relations Website

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

Investor Relations Contact

Manuel Bösing

Head of Investor Relations

Phone: +4915157846012

Mail: [manuel.boesing@tonies.com](mailto:manuel.boesing@tonies.com)



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