

Earnings Presentation

tonies SE | Luxembourg | August 25, 2022



Who you have on the call today



Marcus Stahl

Co-CEO
Co-Founder



Florian Drabeck

CFO



Jan Middelhoff

MD International

tonies SE | Earnings Presentation



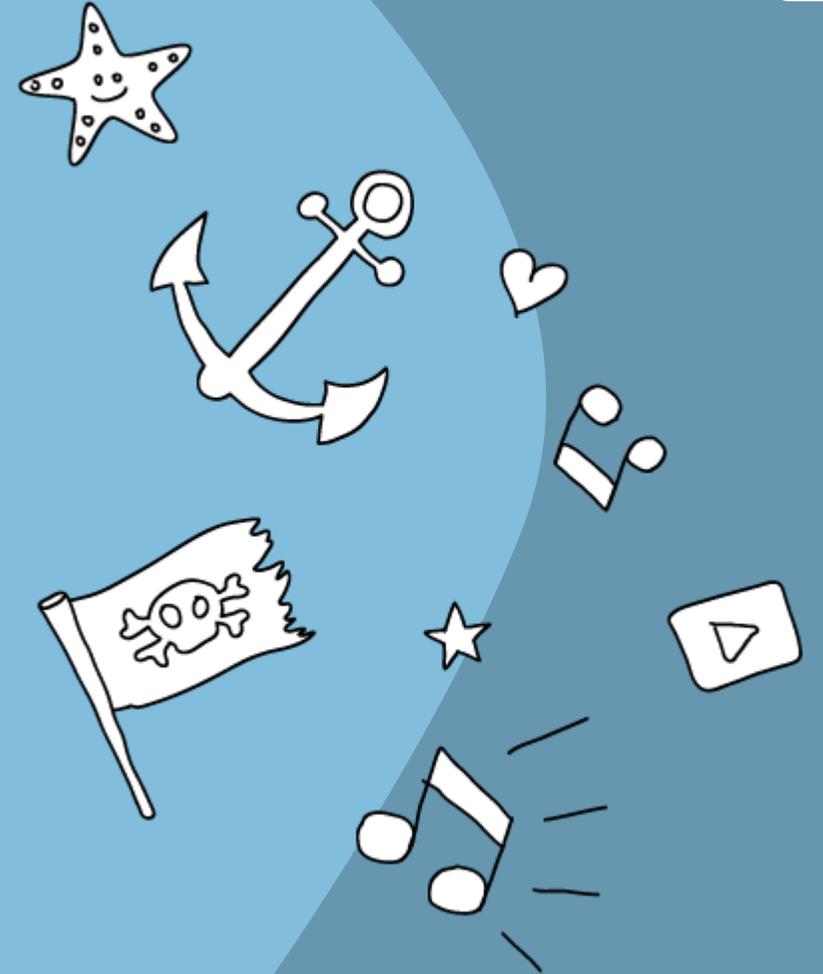
Business Update

H1 2022 Financial Results

Outlook

Q&A

Business Update



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

Digitally connected



No screen-time



Audio / Listening



Educational



Child friendly



Playful



Independent play



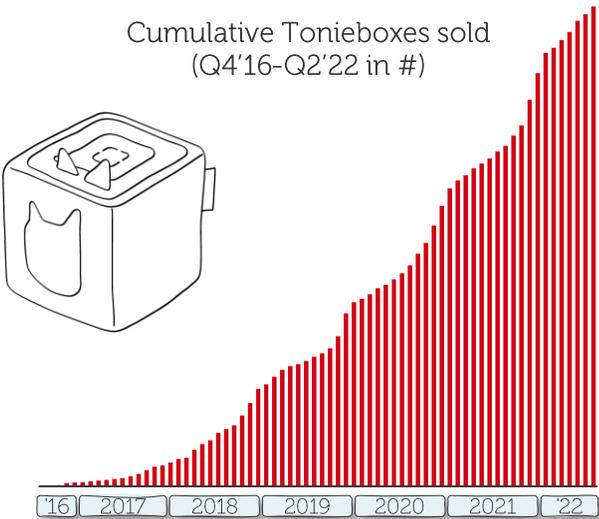
We are the pioneers of connected, technology-enabled audio systems for kids and provider of premium, curated audio content

Our business model in a nutshell



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

Cumulative Tonieboxes sold (Q4'16-Q2'22 in #)

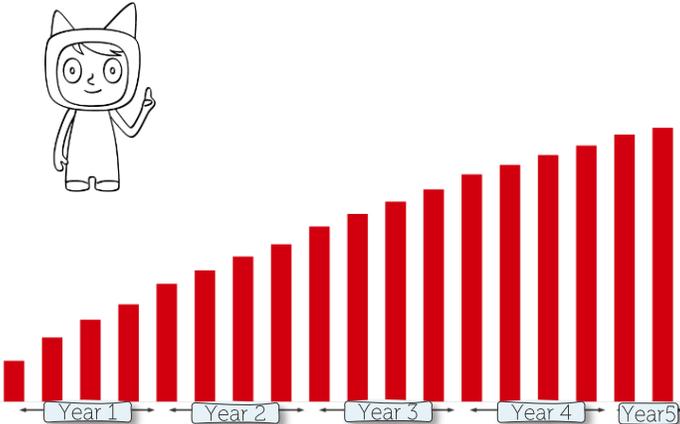


>265 minutes
average weekly playtime*

YEAH!

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

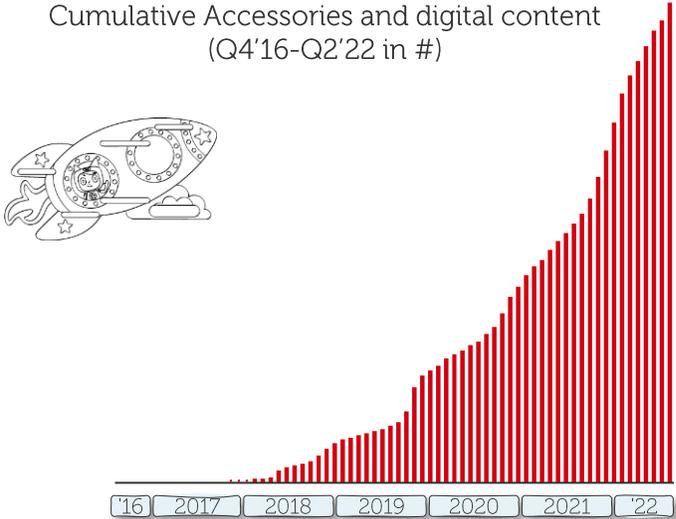
Subscription-like cohorts



>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-Q2'22 in #)



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



*rolling average of active Tonieboxes

tonies with very strong performance in H1, continued strong international momentum - guidance confirmed for FY2022



Continued very strong demand as driver for the expansion of our platform

EUR 84.4m
Group Revenue

36.7%
YOY Revenue growth

International expansion fully on track. US with excellent momentum

>400%
YoY US Revenue growth

25%
International Revenue
vs. 9% in H1 2021

Continued improvements of unit economics despite macro-challenges

57.9% (-2.9pp)
Gross margin*

28.2% (+3.9pp)
Contribution margin

Progress on path to profitability

-7.8%
Adj. EBITDA margin

Price increases
successfully implemented

Despite unprecedented times, tonies is confident to meet guidance for full-year 2022

(EUR 250m Group Revenue, EUR 52m US Revenue, slightly improved Adj. EBITDA margin)

* lower Gross margin in line with expectations

We are driving market penetration in all markets



>3.9m
Tonieboxes sold



+~1.2m
in last 12 months

>47m
Tonies sold

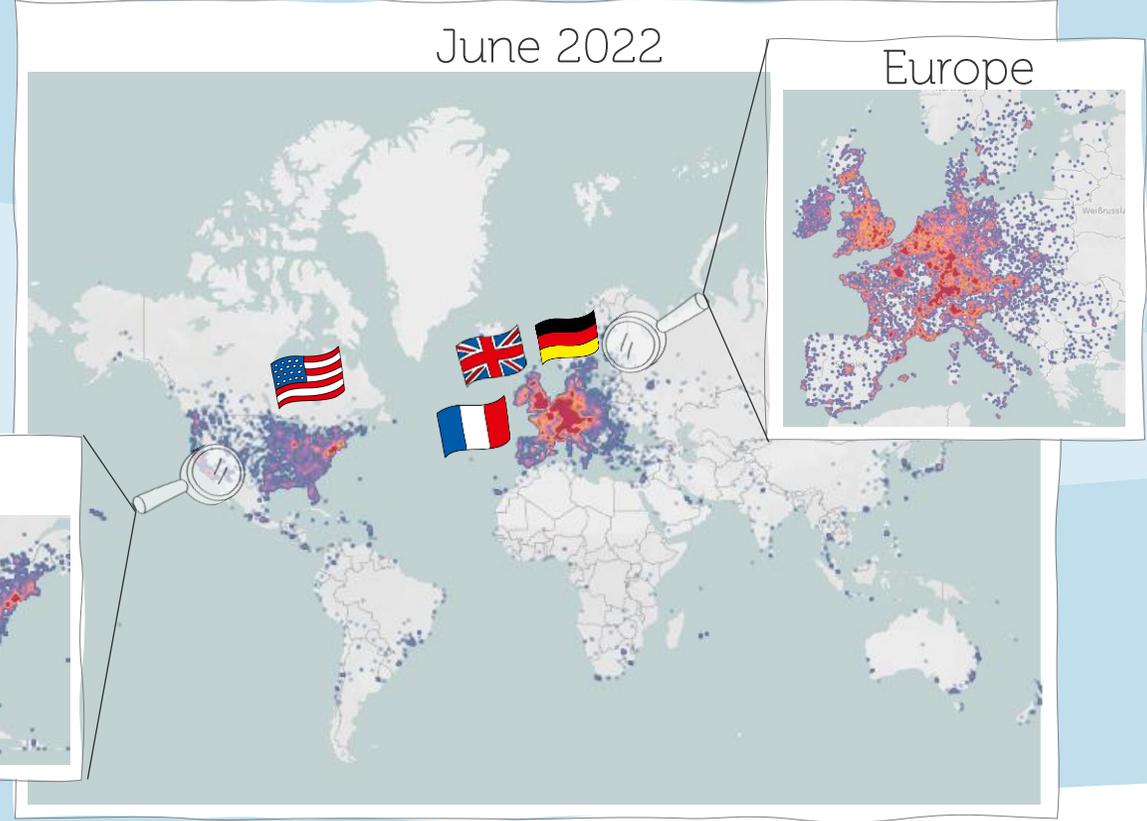


+~17m
in last 12 months

~every 2nd child
in DACH owns a Toniebox*



>100
countries with activated Tonieboxes



Density Toniebox activations low high
Core European markets

*penetration rates based on assumed 6 years average lifetime

Our Tonies offering grew in H1...



121 *Tonie* launches in H1*



*note: Some Tonies account for multiple market launches

...and we expanded our accessories categories



Extended
Accessories

Electronic



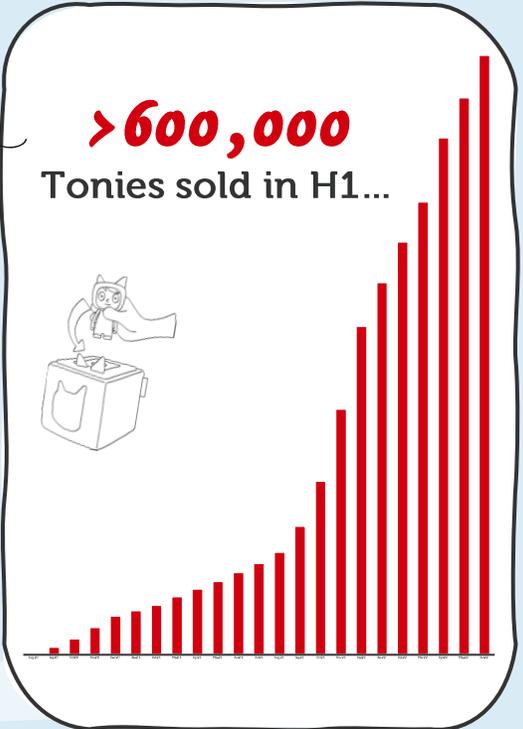
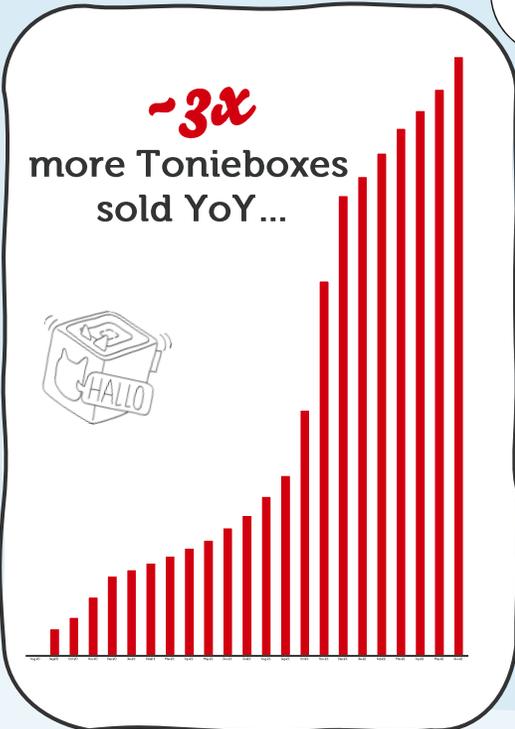
Transport



Home & Deco



High growth in retail boosts US market revenue



Fans
love us



... growing our installed base to >275,000 Tonieboxes

... and already sold >1,500,000 Tonies in total

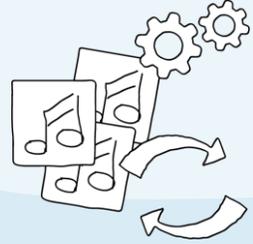
All Channels delivering on plan



US market fully on track to reach full-year revenue guidance of EUR 52m



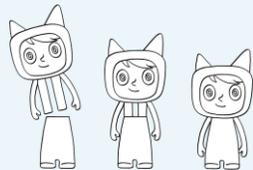
Multiple-source strategy is paying off - continuously de-risking our operations from macro-challenges



2nd semiconductor chip type introduced,
to reduce dependencies



4th Tonies production site opened,
to increase flexibility



250,000 Tonies produced per week at
largest Tonies factory



Toniebox production site in Hungary, Europe

All our producers ensure high premium quality of our products

H1 2022 Financial Results



We grow ahead of plan, while improving our margins and taking conscious scale-up investments



H1 2022 Results

Growth

Continued very strong demand

Revenue

EUR 84.4m
+36.7% YoY

- Substantial growth across all channels and products and markets
- Continued DACH growth (~13% YoY)
- Exponential US growth (400% YoY)
- Very strong Rest of World growth driven by UK and FR (170% YoY)
- Continued stable and healthy demand

Unit Economics

Constantly improved margins

Contribution profit

EUR 23.8m
28.2% of revenue
+58.4% YoY

- Multiple-source strategy is paying off
- Gross Margin in line with expectations
- Licensing costs improving
- Fulfillment costs with positive tendency

Profitability

Conscious growth investments

Adj. EBITDA

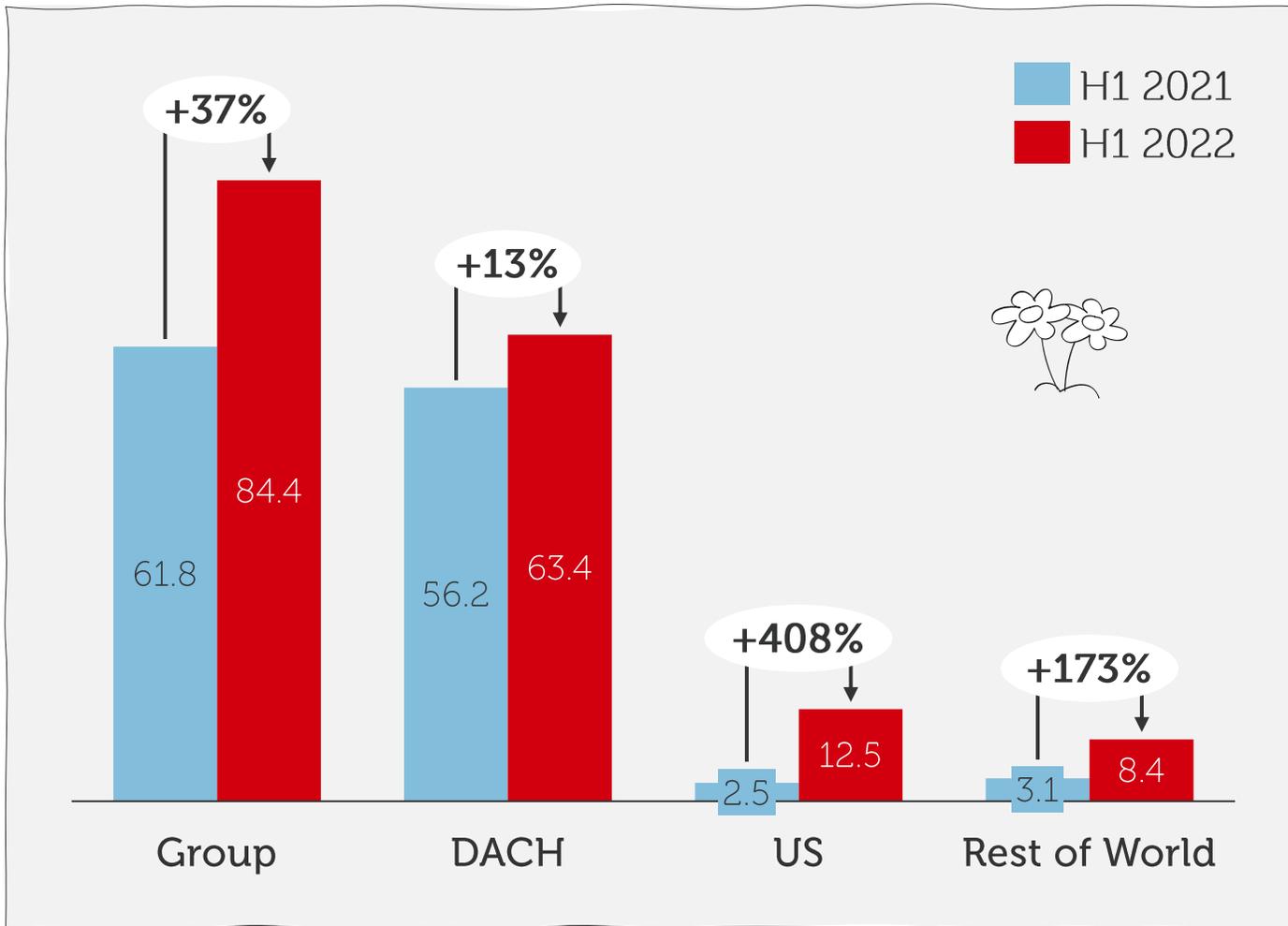
EUR -6.6m
-7.8% of revenue
+0.8pp YoY

- Adj. EBITDA already better than FY 21 w/o traditionally strong H2 included
- DACH market at a positive double-digit Adj. EBITDA margin
- Continued investments in international expansion as part of our strategy

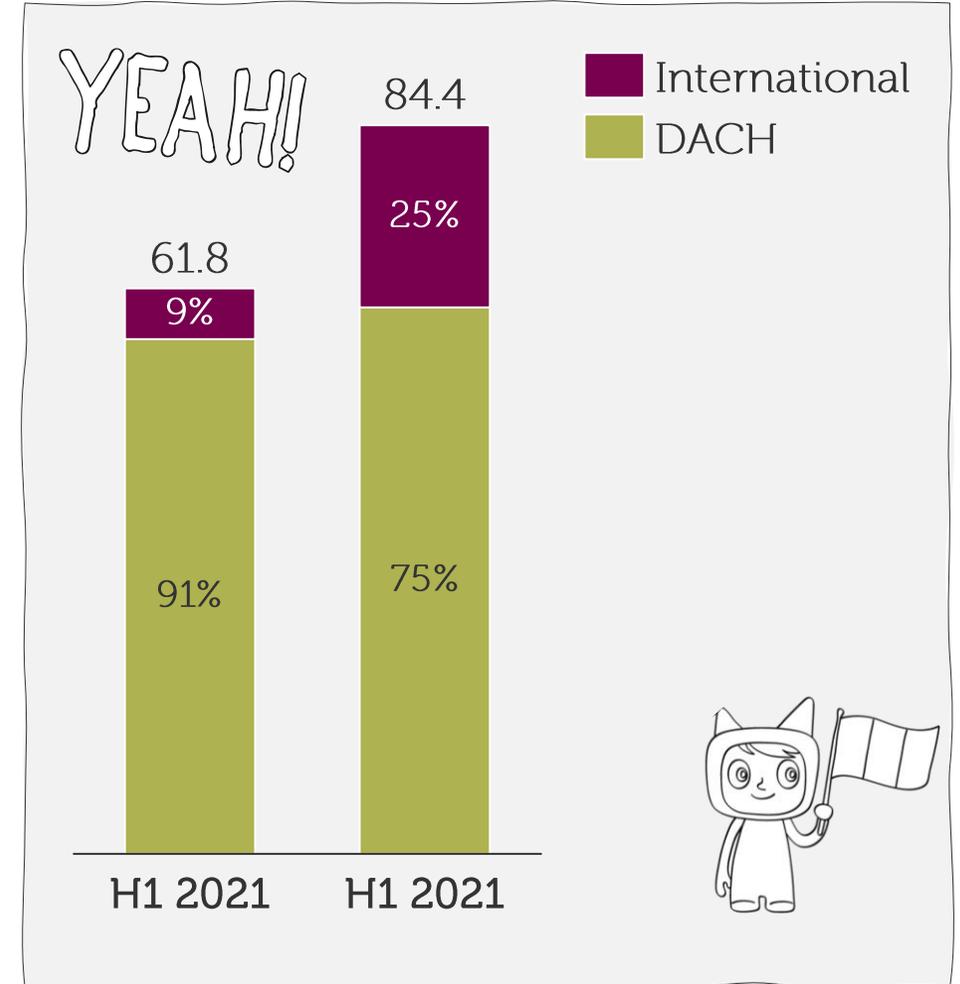
Continued strong growth driven by international markets...



Revenue growth by geography



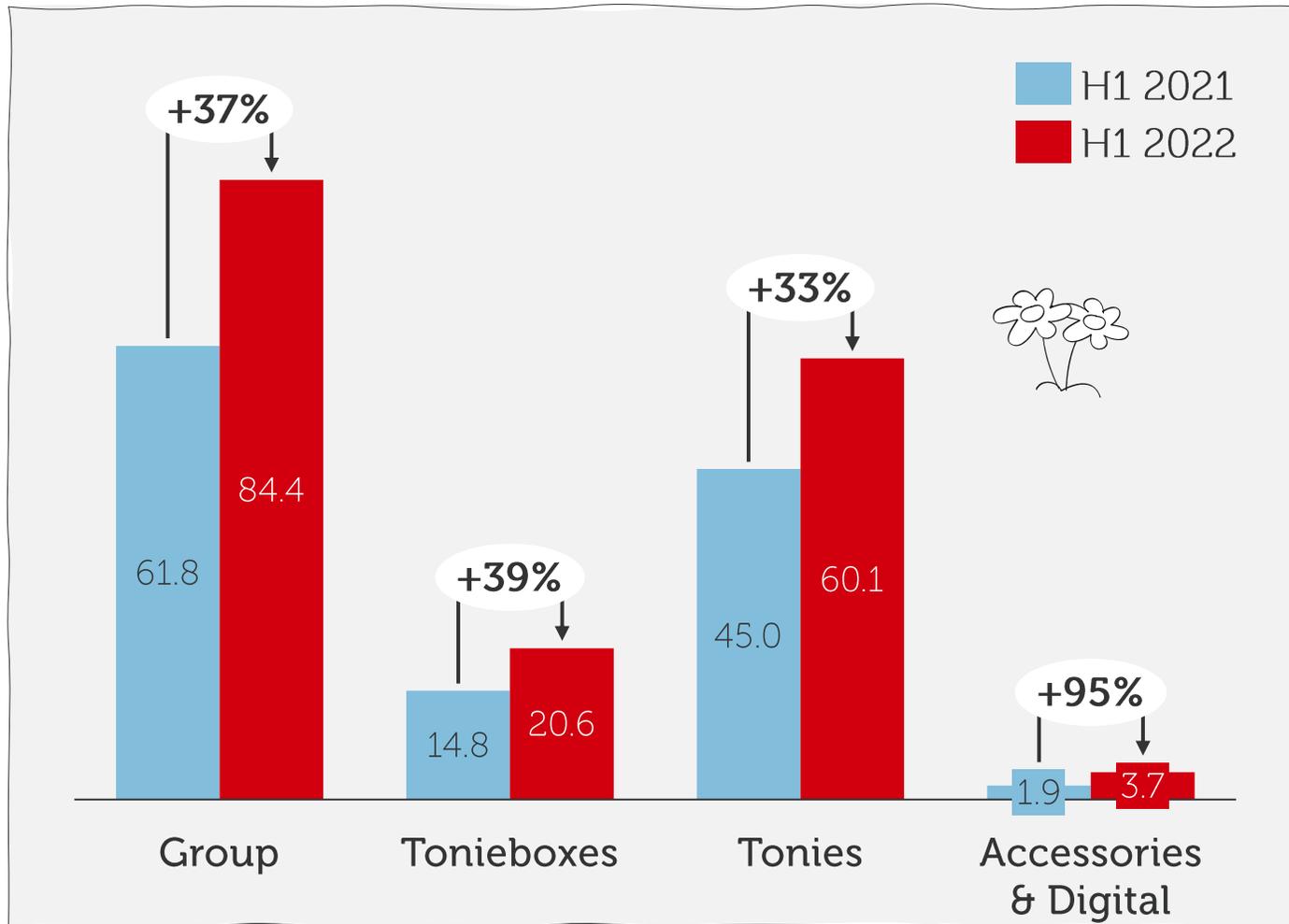
Revenue Split by geography



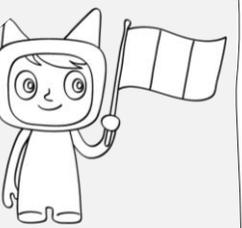
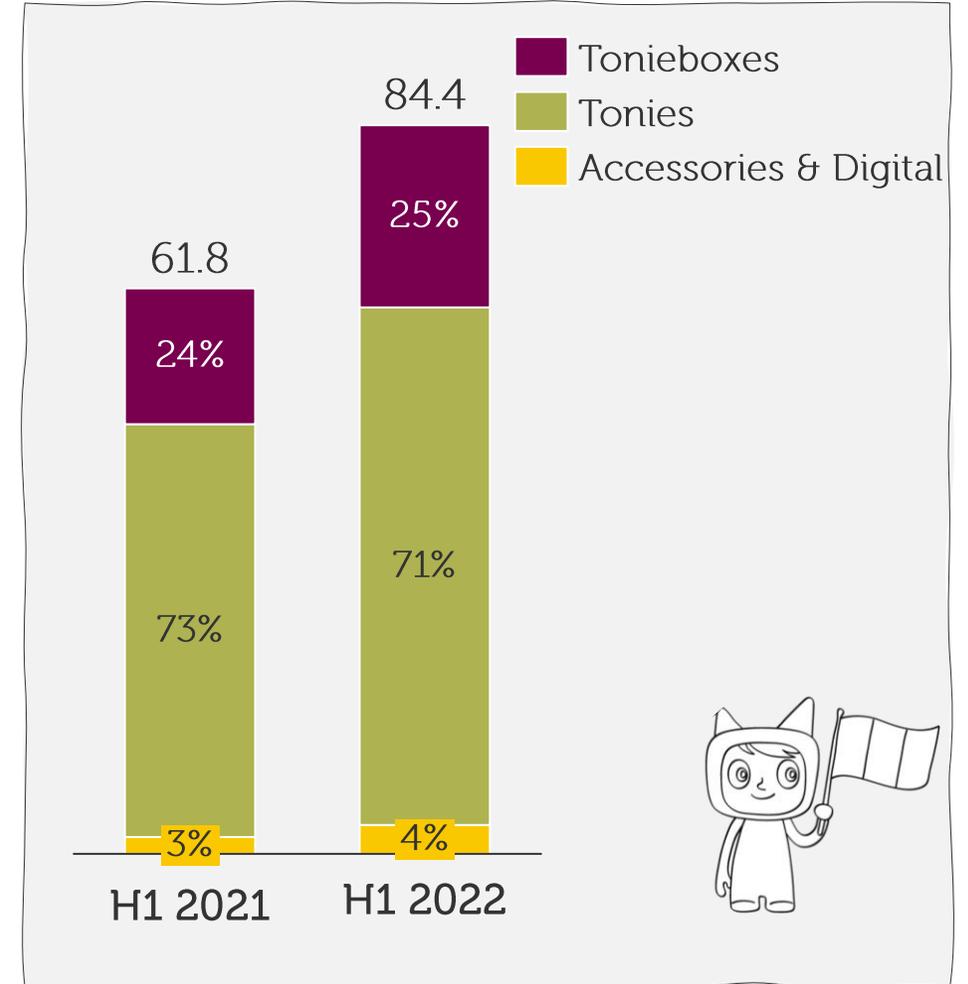
...and by all products



Revenue growth by product



Revenue Split by product



Progress on path to profitability – Further steps in line with our plan

- ✓ Price increases in DACH, UK and France successfully implemented
→ *volumes remained strong*
- ✓ Expansion of high-margin offering (accessories, digital product)
→ *as part of razor-blade business model*
- ✓ Optimization of product portfolio and launches
→ *strengthening our cohorts*
- ✓ Further reduction of licensing costs
→ *economies of scale and own productions*
- ✓ Cost-conscious SG&A management
→ *leading to future operating leverage*

Profitable growth is clear part of our strategy

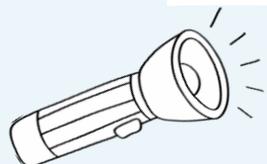


P&L: Key numbers and margins (adjusted)



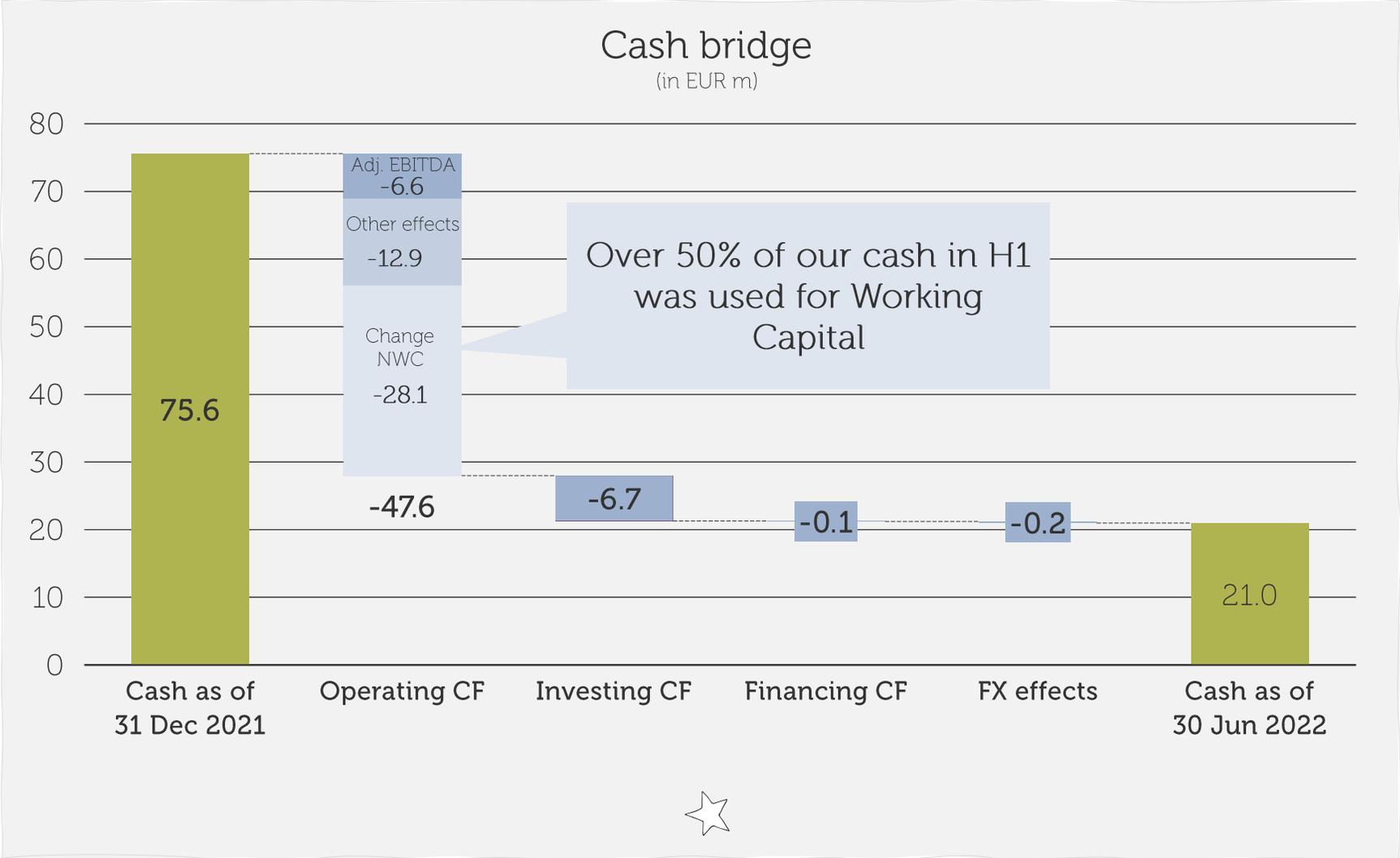
123

★ EUR m and % of Revenue	H1 2021		H1 2022		Delta	
	Abs.	% of Revenues	Abs.	% of Revenues	Abs.	pp.
Revenue	61.8	-	84.4	-	22.6	-
Gross Profit	37.6	60.9%	48.9	57.9%	11.3	-2.9pp
Gross Profit after licensing costs	24.8	40.1%	35.2	41.7%	10.4	+1.6pp
Contribution Profit	15.0	24.3%	23.8	28.2%	8.8	+3.9pp
Marketing	-5.0	-8.0%	-6.2	-7.4%	-1.3	+0.7pp
SG&A	-17.0	-27.5%	-26.9	-31.8%	-9.9	-4.4pp
Other Result	1.6	2.6%	2.7	3.2%	1.1	+0.6pp
★ Adj. EBITDA	-5.3	-8.6%	-6.6	-7.8%	-1.3	+0.8pp

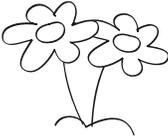
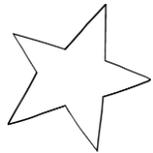


Note: all numbers are unaudited

Cash Flow reflects investments into international expansion – especially in working capital / inventory



- **Strong inventory build-up** for international expansion, especially in the US
- **Additional instruments for funding** include:
 - ✓ EUR 26m unused credit lines
 - ✓ EUR 20m convertible bond upside options



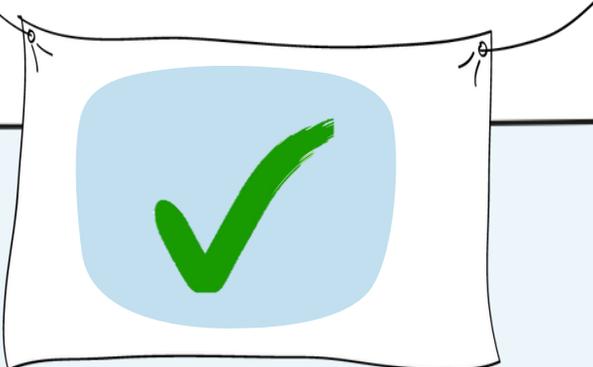
Outlook



Despite challenging macro-economic environment, tonies is confident to confirm guidance for FY 2022



	Guidance from IPO	Guidance FY 2022
Group Net Revenue (EURm)	250	250 (+ 33% YoY growth)
Group Adj EBITDA (% of Revenue)	na	<i>"Slightly better than FY 2021"</i>
US Net Revenue (EURm)	52	52 (+156% YoY growth)



We also have a couple of exciting things planned for H2



International expansion



Sustainability update



Own **License brand**



tonies® originals



2022



Stay tuned for what's about to come...

Q&A



Any *questions...*?

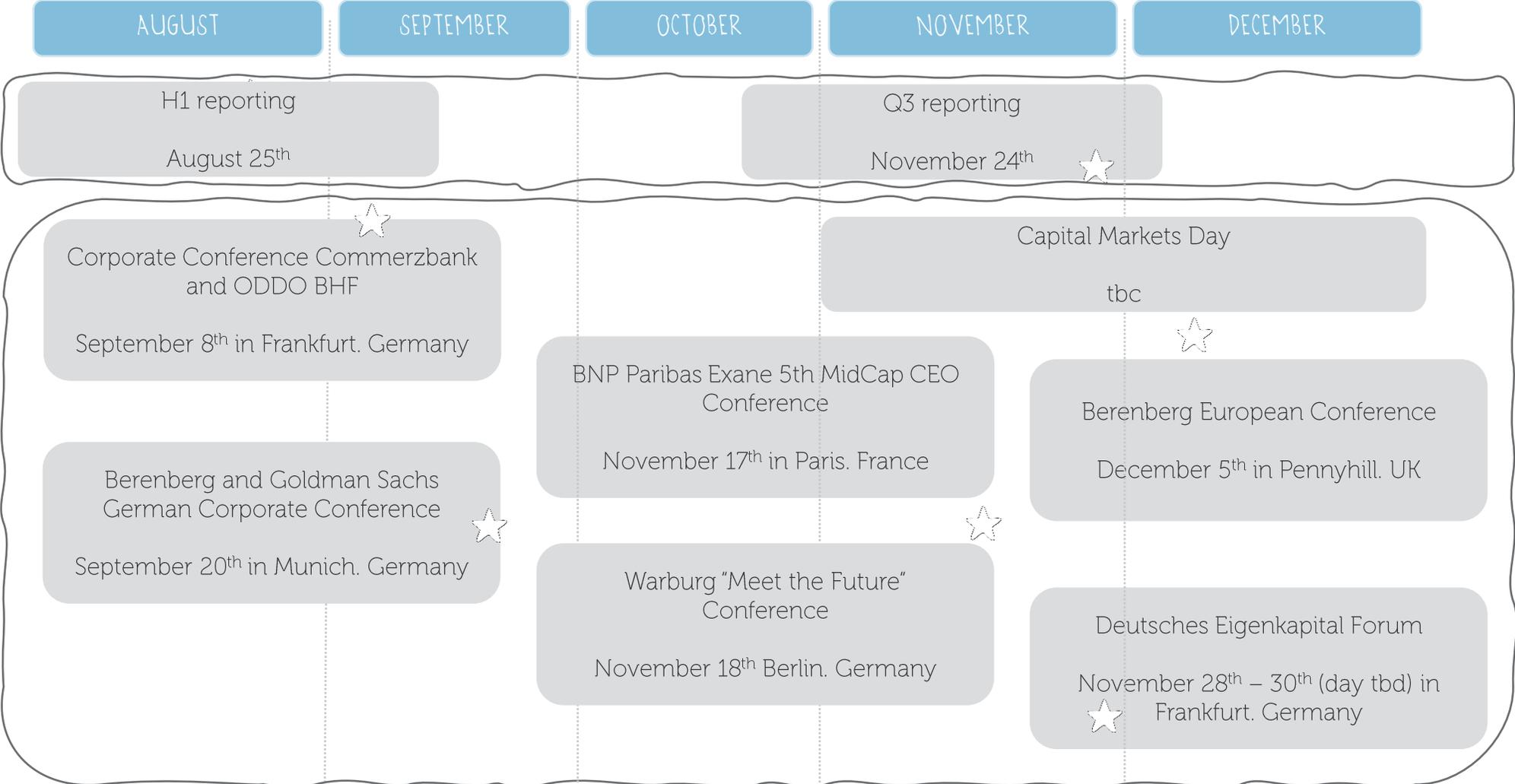


Meet us in person at one of the upcoming conferences



REPORTING

CONFERENCES



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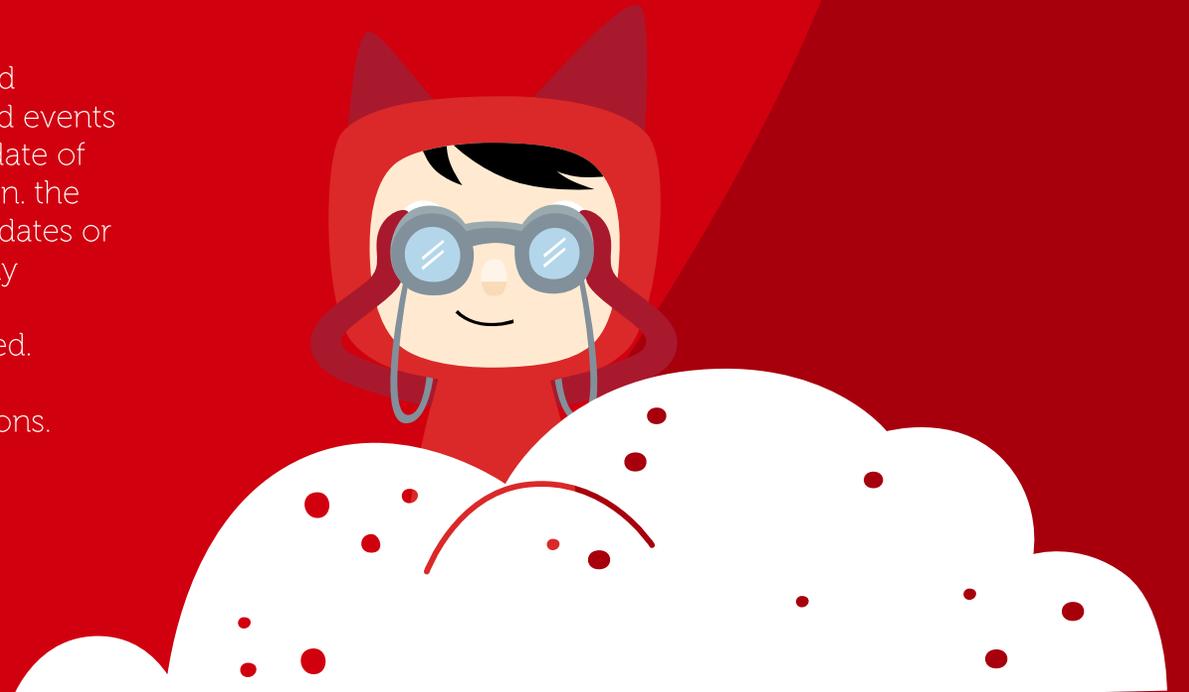
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Thank you !





Very strong performance across geographies and products



(in EURm)

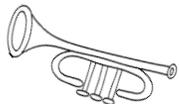
	Q2 2021	Q2 2022	Change	H1 2021	H1 2022	Change
Revenue	28.1	38.5	36.8%	61.8	84.4	36.7%

by geographies

DACH	25.2	28.2	11.8%	56.2	63.4	12.9%
US	1.4	6.6	371.5%	2.5	12.5	408.2%
Rest of World	1.5	3.7	142.6%	3.1	8.4	172.6%

by product

Tonieboxes	6.8	11.3	67.2%	14.8	20.6	39.0%
Tonies Figurines	20.4	25.0	23.1%	45.0	60.1	33.4%
Accessories & Digital	1.0	2.0	114.2%	1.9	3.7	94.8%



note: all numbers are unaudited

IFRS Income statement tonies SE H1 2022



	H1-2021		H1-2022		Change
	EURm	% of Revenue	EURm	% of Revenue	EURm
Revenue	61.8	100.0%	84.4	100.0%	22.6
COGS	-24.2	-39.1%	-35.5	-42.1%	-11.3
Gross profit	37.6	60.9%	48.9	57.9%	11.3
Licensing costs	-12.8	-20.7%	-13.7	-16.2%	-0.9
Gross profit after Licensing costs	24.8	40.1%	35.2	41.7%	10.4
Other income	0.0	0.0%	0.5	0.6%	0.5
Personnel expenses	-14.0	-22.6%	-26.8	-31.7%	-12.8
Other expenses	-22.2	-35.9%	-28.5	-33.8%	-6.3
EBITDA	-11.4	-18.4%	-19.6	-23.2%	-8.2
Depreciation and amortization	-5.9	-9.5%	-8.2	-9.7%	-2.3
EBIT	-17.3	-28.0%	-27.8	-33.0%	-10.6
Financial Result	-1.9	-3.1%	25.2	29.9%	27.2
EBT	-19.2	-31.1%	-2.6	-3.1%	16.6
Tax income	2.5	4.1%	1.9	2.3%	-0.6
Loss for the period	-16.7	-27.0%	-0.6	-0.8%	16.0

note: all numbers are unaudited

Adjusted EBITDA reconciliation tonies SE H1 2022



	H1-2021		H1-2022		Change
	EURm	% of Revenue	EURm	% of Revenue	EURm
EBITDA	-11.4	-18.4%	-19.6	-23.2%	-8.2
(i) Share Based Compensation	3.5	5.6%	10.8	12.8%	7.3
(ii) Own developed Software (not activated)	1.6	2.6%	2.2	2.6%	0.6
(iii) Special projects and boni	0.6	1.0%	0.0	0.0%	-0.6
(iv) IPO-related costs	0.4	0.6%	0.0	0.0%	-0.4
Adj EBITDA	-5.3	-8.6%	-6.6	-7.8%	-1.3

note: all numbers are unaudited

IFRS Balance Sheet tonies SE H1 2022



	FY-2021		H1-2022		Change
	EURm	% of BS Total	EURm	% of BS Total	EURm
Assets	438.0	100.0%	401.3	100.0%	-36.7
Non-current assets	298.2	68.1%	302.1	75.3%	4.0
Property, plant and equipment	6.5	1.5%	5.0	1.2%	-1.6
Intangible assets (incl Goodwill)	281.4	64.3%	281.5	70.1%	0.1
Other	10.2	2.3%	15.7	3.9%	5.5
Current assets	139.9	31.9%	99.2	24.7%	-40.7
Cash	75.6	17.3%	21.0	5.2%	-54.6
Inventories	31.5	7.2%	50.6	12.6%	19.1
Trade receivables	22.3	5.1%	16.7	4.2%	-5.6
Other	10.4	2.4%	10.8	2.7%	0.4
Equity and Liabilities	438.0	100.0%	401.3	100.0%	-36.7
Equity	281.3	64.2%	292.9	73.0%	11.6
Share capital & premium	550.4	125.6%	550.3	137.1%	0.0
Other incl accumulated profit and loss	-269.1	-61.4%	-257.4	-64.1%	11.6
Liabilities	156.7	35.8%	108.4	27.0%	-48.3
Non-current liabilities	43.1	9.8%	42.4	10.6%	-0.7
Lease liabilities (long term)	0.7	0.2%	4.9	1.2%	4.2
Share-based payment liabilities (long term)	7.9	1.8%	4.3	1.1%	-3.6
Deferred tax liabilities	34.5	7.9%	33.2	8.3%	-1.4
Current liabilities	113.6	25.9%	66.0	16.4%	-47.6
Trade payables (short term)	35.4	8.1%	20.8	5.2%	-14.6
Loans and borrowings (short term)	0.3	0.1%	0.1	0.0%	-0.2
Other and provision	77.9	17.8%	45.1	11.2%	-32.8

IFRS Cash Flow tonies SE H1 2022



	H1-2021	H1-2022	Change
	EURm	EURm	EURm
EBITDA	-11.4	-19.6	-8.2
Decrease (increase) in net working capital	-2.3	-28.1	-25.8
Decrease (increase) in trade receivables	11.1	5.6	-5.5
Decrease (increase) in inventories	-17.0	-19.1	-2.1
Increase (decrease) in trade payables	3.6	-14.6	-18.2
Change in other positions	-0.8	0.2	0.9
Cash Flow from operating activities	-14.5	-47.6	-33.1
Purchase of property, plant and equipment	-0.9	-1.2	-0.3
Acquisition of intangible assets	-3.5	-5.5	-2.0
Cash flow from investing activities	-4.4	-6.7	-2.3
Increase (decrease) from equity financing	0.0	0.0	0.0
Increase (decrease) in borrowing incl. interest	12.0	-0.2	-12.2
Cash flow from financing activities	12.0	-0.2	-12.2
Net increase (decrease) in cash	-6.9	-54.5	-47.6
Change in cash resulting from exchange rate differences	0.0	-0.1	-0.1
Free Cash flow	-18.9	-54.2	-35.4

note: all numbers are unaudited

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