



Company Presentation

tonies SE | November 2024



Content



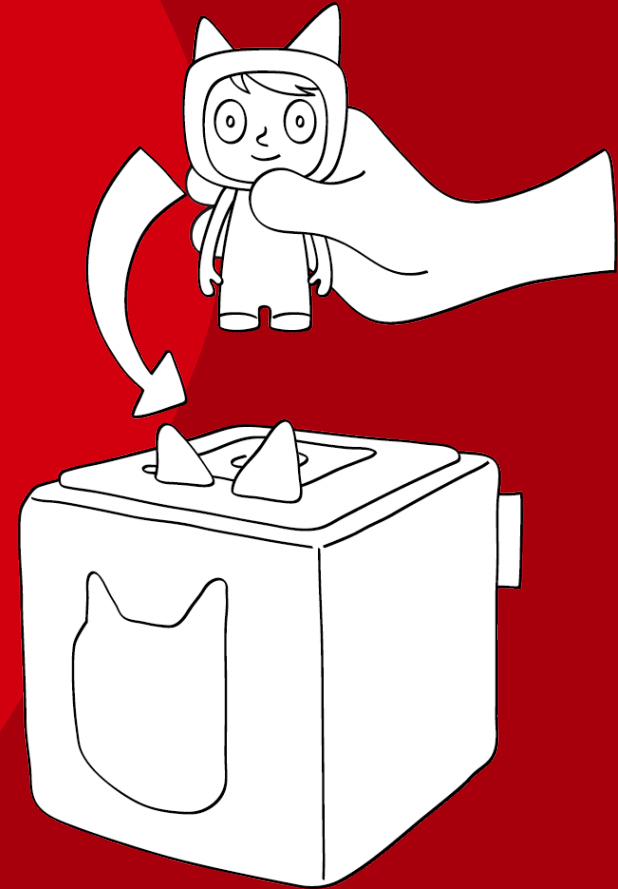
Introduction to tonies SE

Q3 Results & Outlook 2024

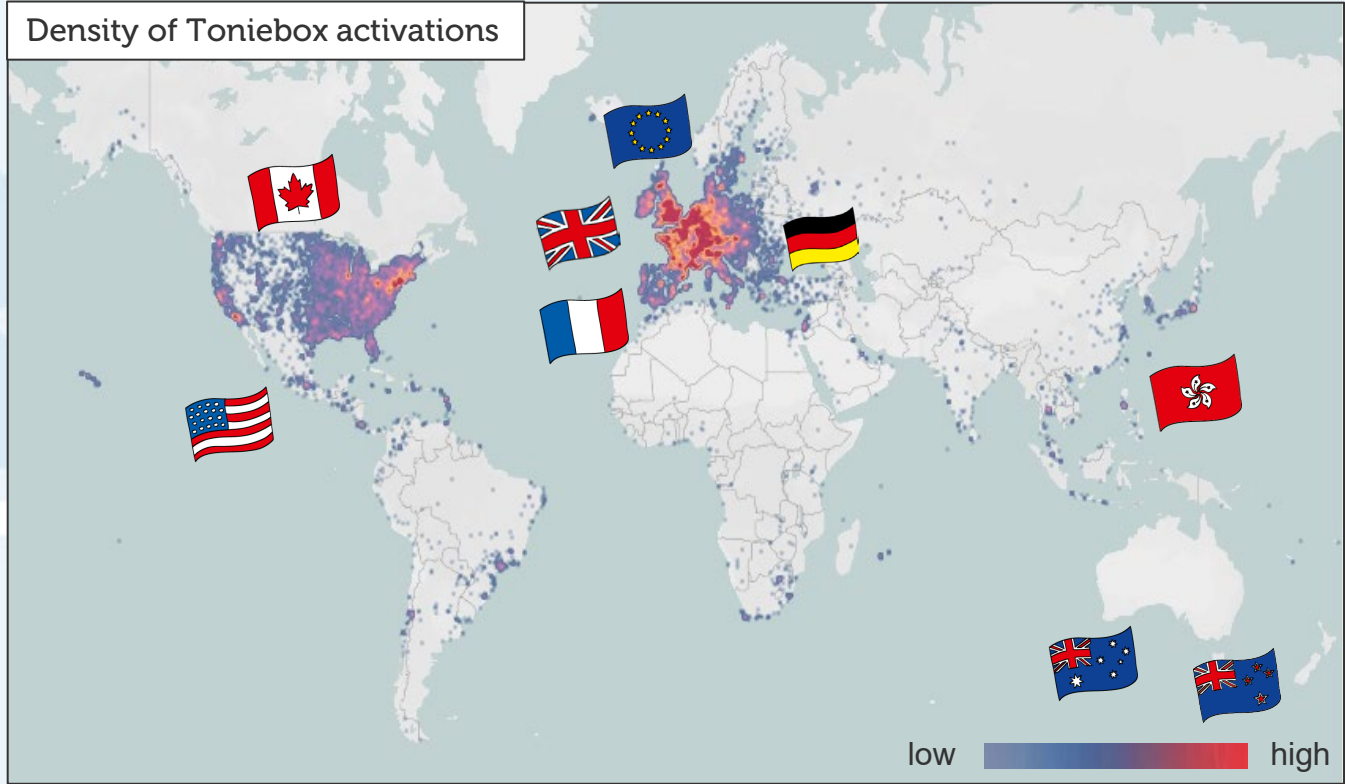
Sustainability

Appendix

Introduction to tonies SE



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	>7.8 million Tonieboxes sold	>95 million Tonies sold
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We have **unparalleled stickiness**

~270 min \emptyset weekly playtime ¹	NPS >70 in the US ²
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¹ Avg. weekly playtime in 9M 2024 globally | ² in 9M 2024

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)

>270 min average weekly playtime in H1 24	>70% average monthly active users in H1 24 ¹
DACH >50% penetration rate as of H1 24	>100 countries with Tonieboxes activated as of H1 24
~20 Tonies per Toniebox after 4.5 years as of H1 24	EUR ~290 customer lifetime value as of H1 24
+20ppts contribution margin (FY 2019-2023)	DACH >18% EBITDA margin in H1 2024
NPS >70 Daily average in US in H1 24	2 out of top 5 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: ¹ Share of all Tonieboxes ever sold



Q3 2024 performance at a glance



Revenue Q3

EUR 95m

YoY: +21%

DACH: EUR 42m (+1%)

North America: EUR 37m (+40%)

ROW: EUR 16m (+52%)

+26% YoY
revenue growth
in 9M 2024

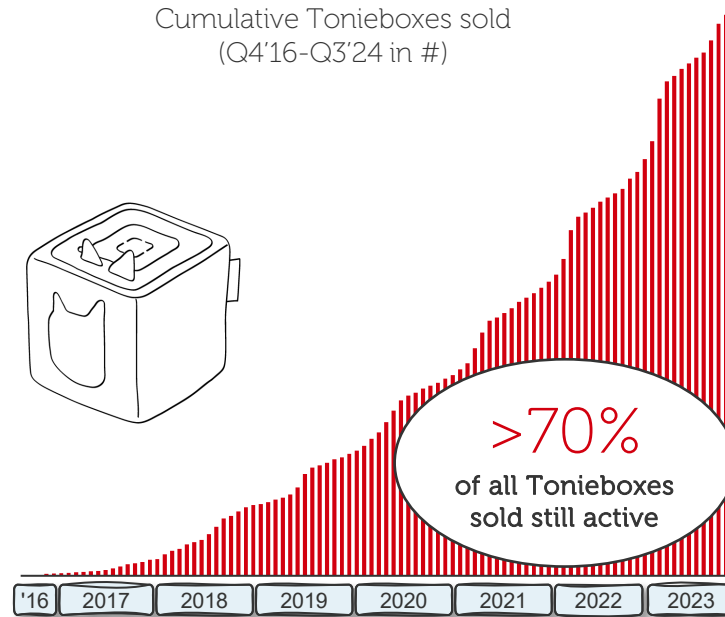
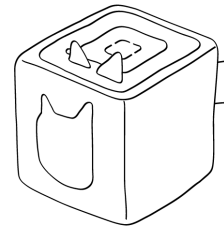
Outlook

Guidance for FY 2024 confirmed

- Group revenue: EUR >480m
- North America revenue: EUR >200m
- Adjusted EBITDA margin: 6-8 %
- Free cash flow: >10m EUR

Toniebox platform grows exponentially every year...

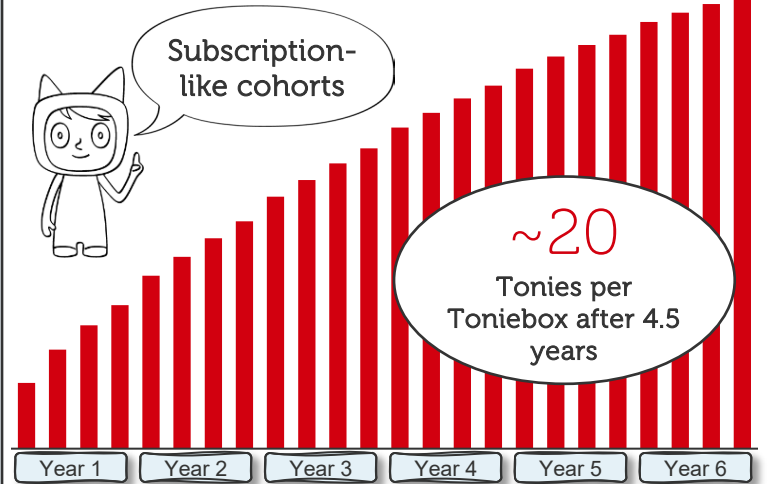
Cumulative Tonieboxes sold
(Q4'16-Q3'24 in #)



+0.5m Tonieboxes
sold in Q3 2024

... fueling the highly predictable repeat purchases of Tonies

Cumulative Tonies over customer lifetime



+8.3m Tonies
sold in Q3 2024

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

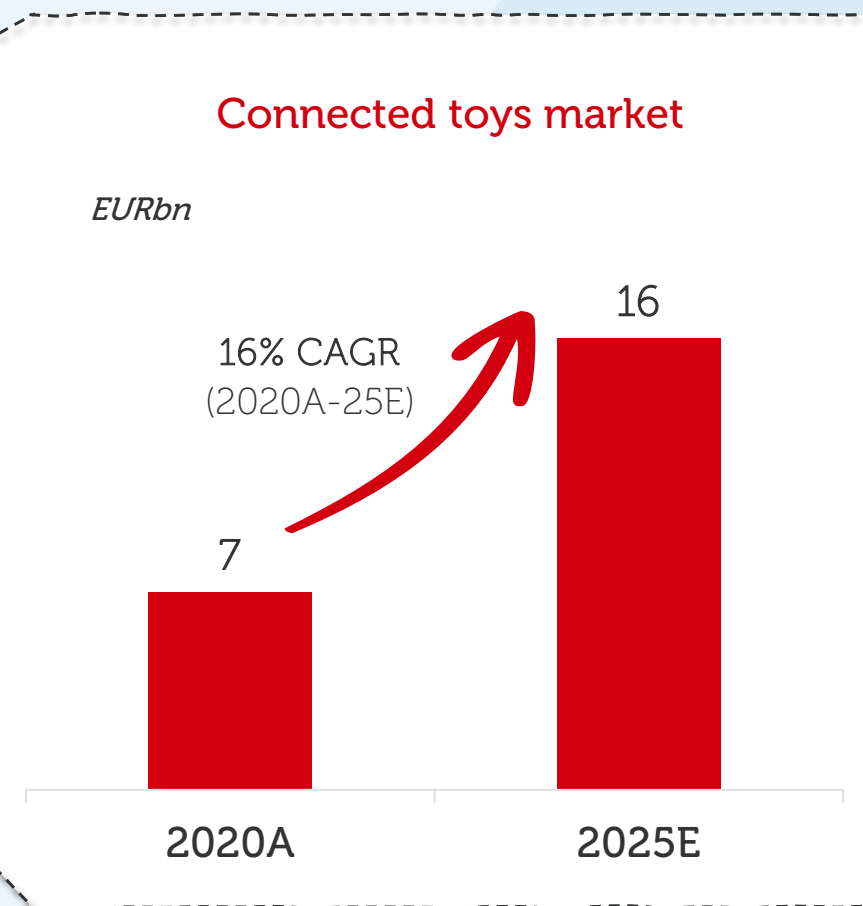
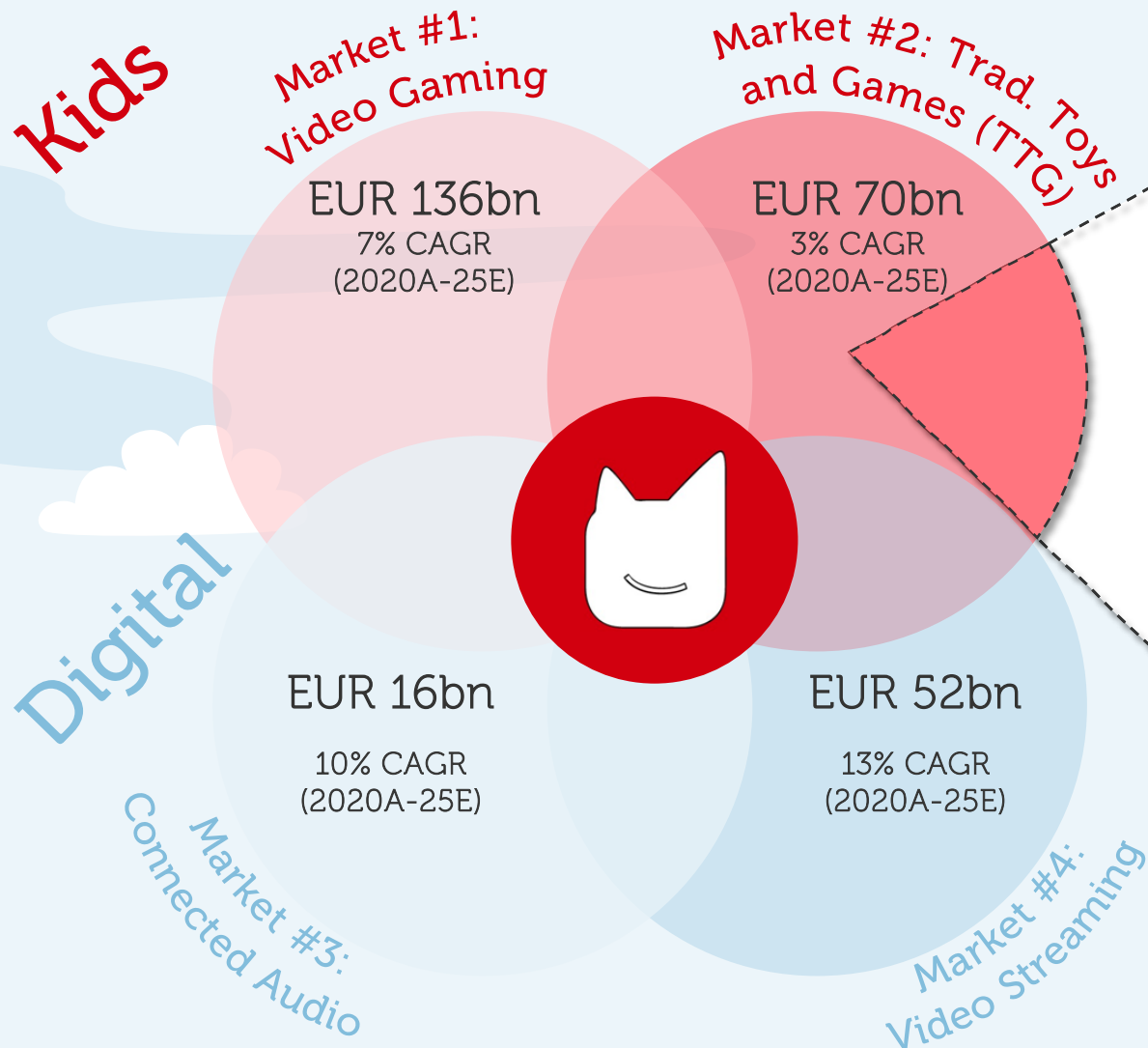
6

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



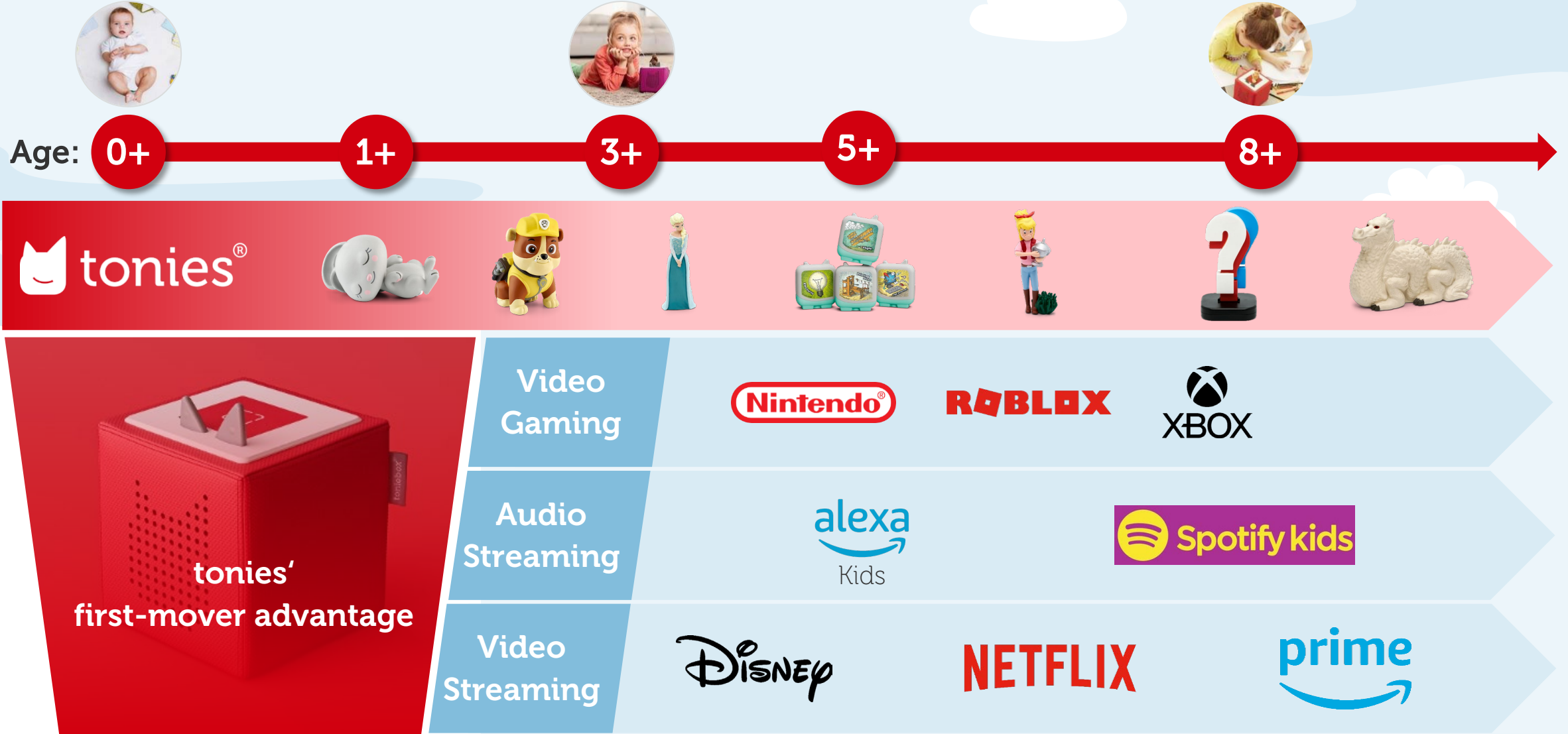
Video



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⁽¹⁾

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
Thalia SMYTHS TOYS SUPERSTORES
pottery barn kids 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
maternity | baby and child | nursery and toys 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



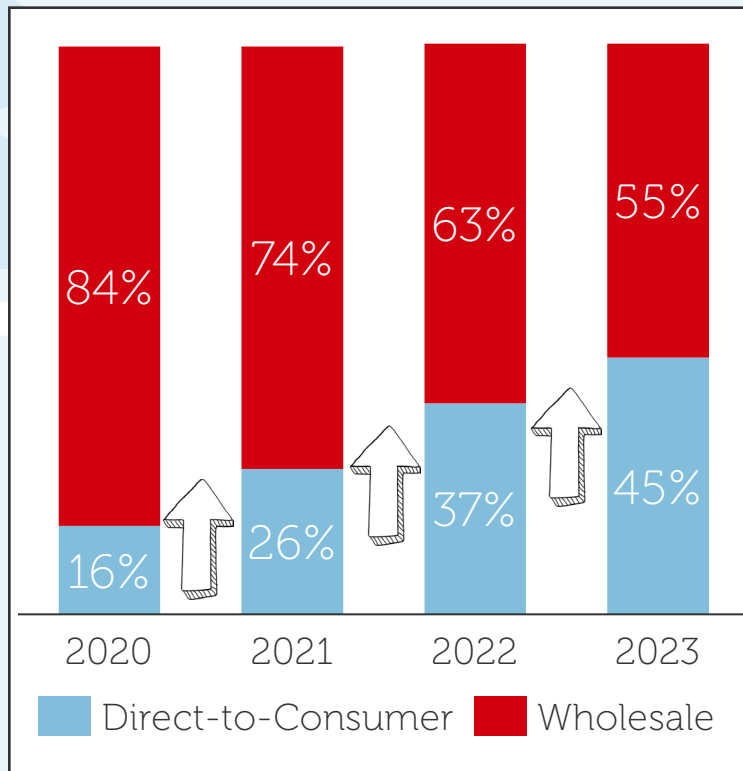
Licensed



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



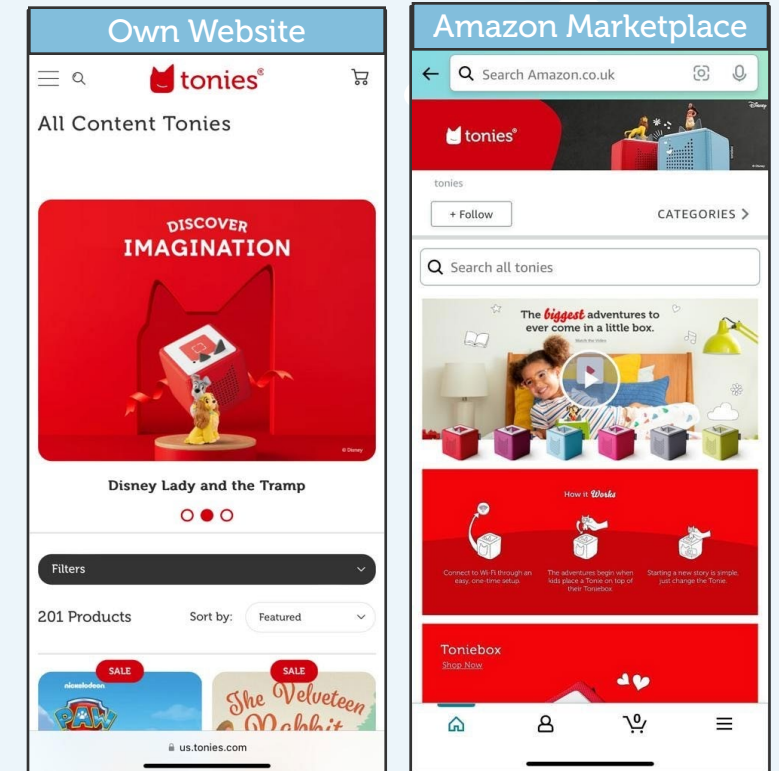
Channel Mix



Wholesale



Direct-to-Consumer



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



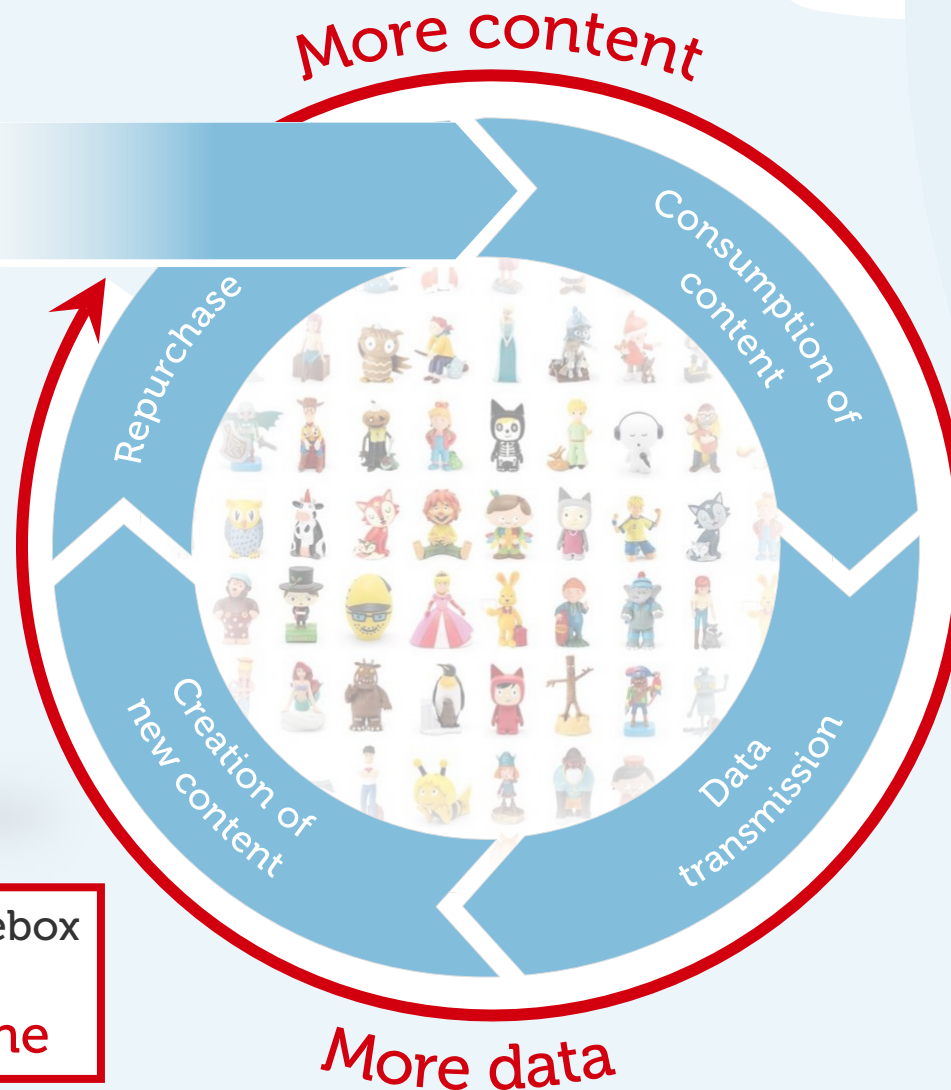
Thanks to being **data-driven**, we understand our users

...what they listen for, where and when

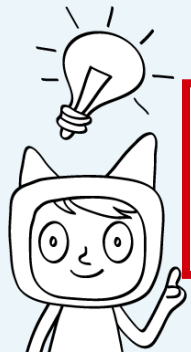
...how often and how long they listen for

...how many users share a box

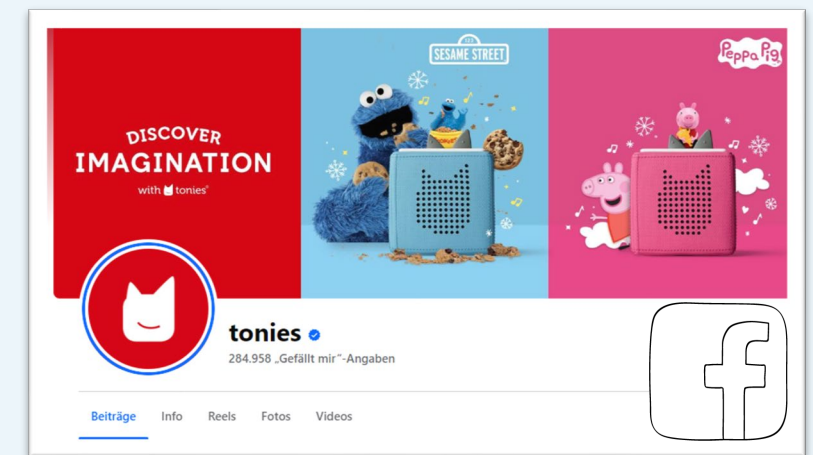
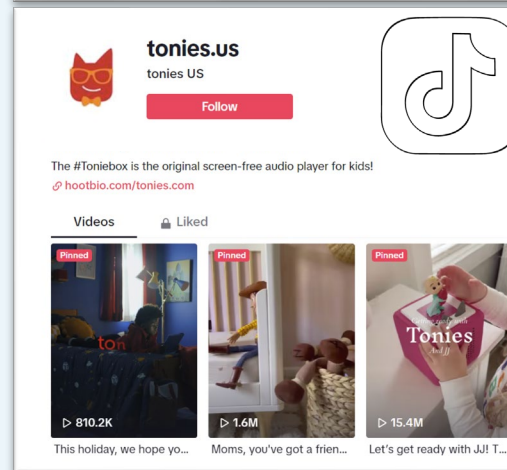
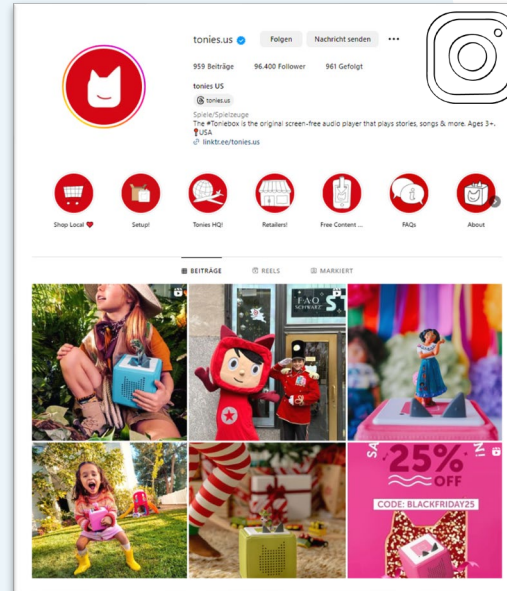
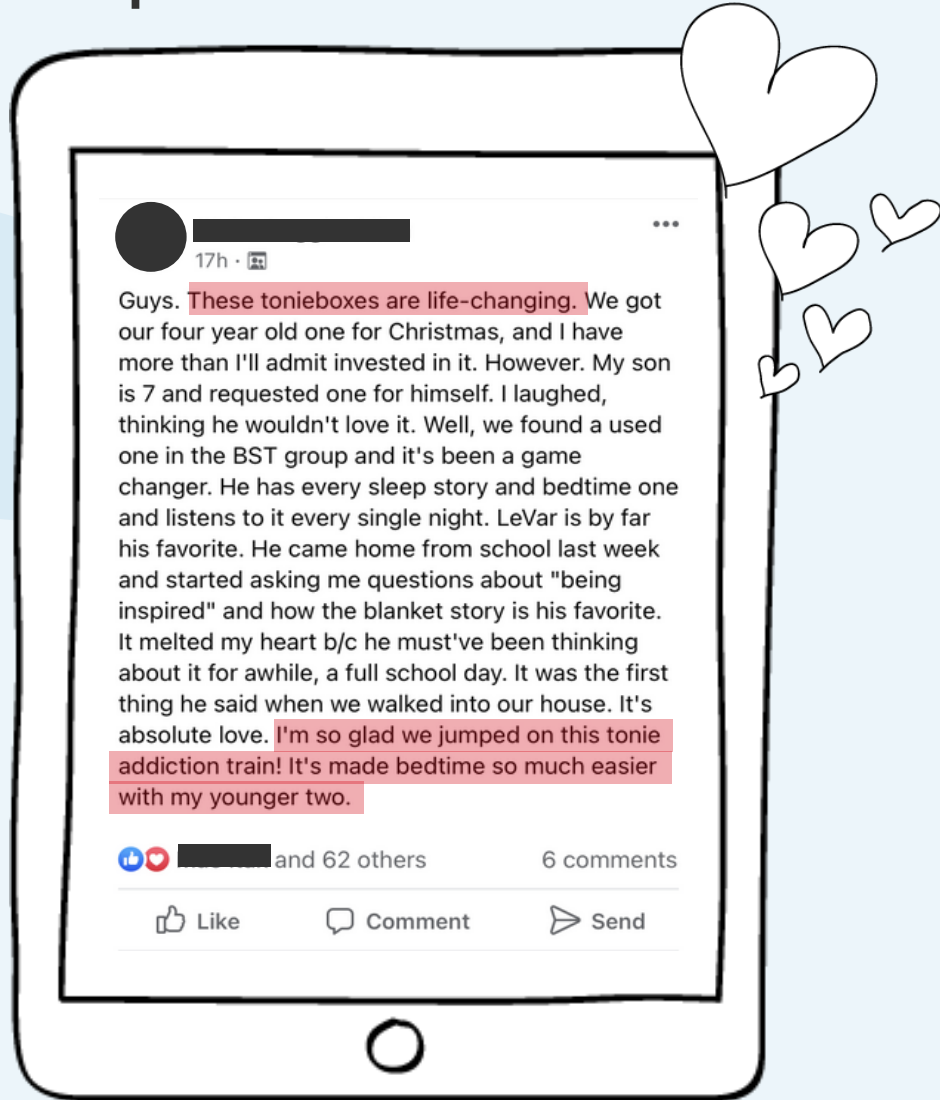
...how intense they engage with the platform



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.com¹
amazon

Europe's **#1** preschool toy



"Licensee of the Year 2023"



"Discover Imagination"
360 campaign

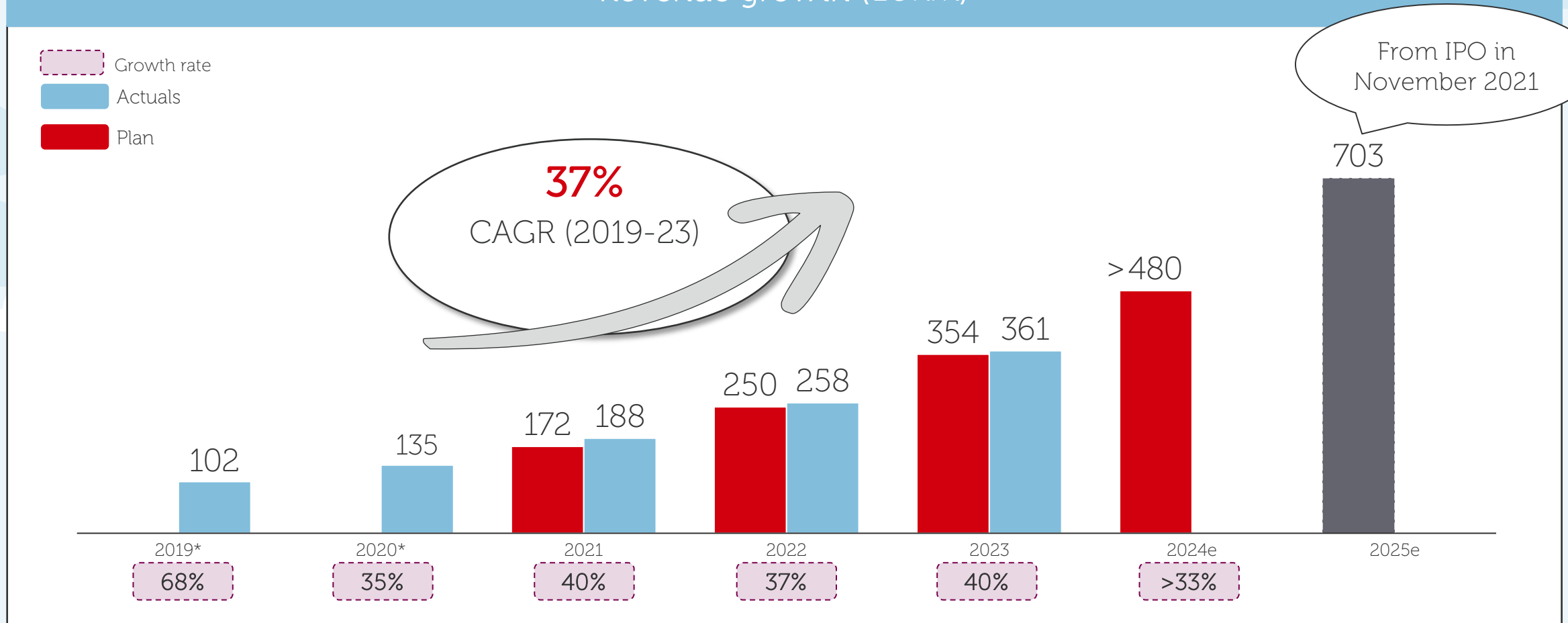


¹ Highest selling German brand that started on amazon.de and moved to amazon.com via Amazon Global Selling program

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



Revenue growth (EURm)

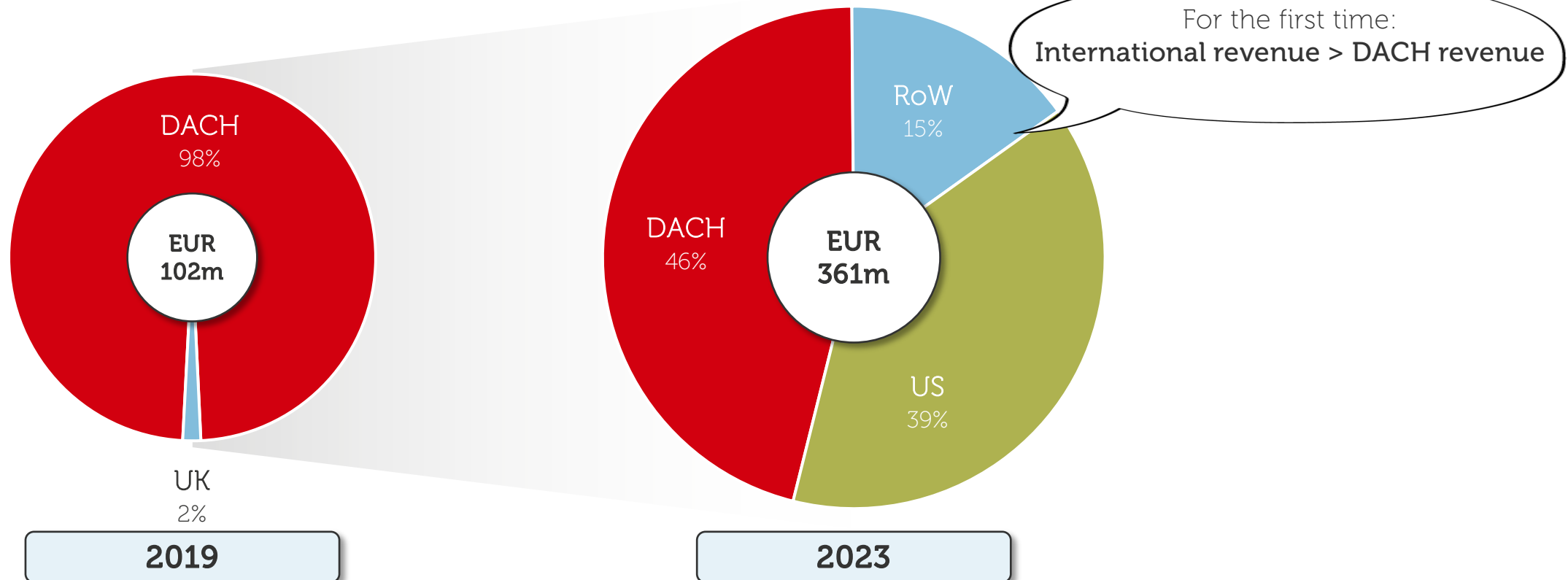


Note(s): *FY 2019 incl. growth 2019 based on German GAAP (HGB), 2020 and 2021 IFRS, Revenue for 2020 in German GAAP (HGB) with has been previously communicated EUR 137m, difference is due to classification of certain discounts; Source(s): Company information.

We replicate our proven DACH success story globally



Development of global revenue mix

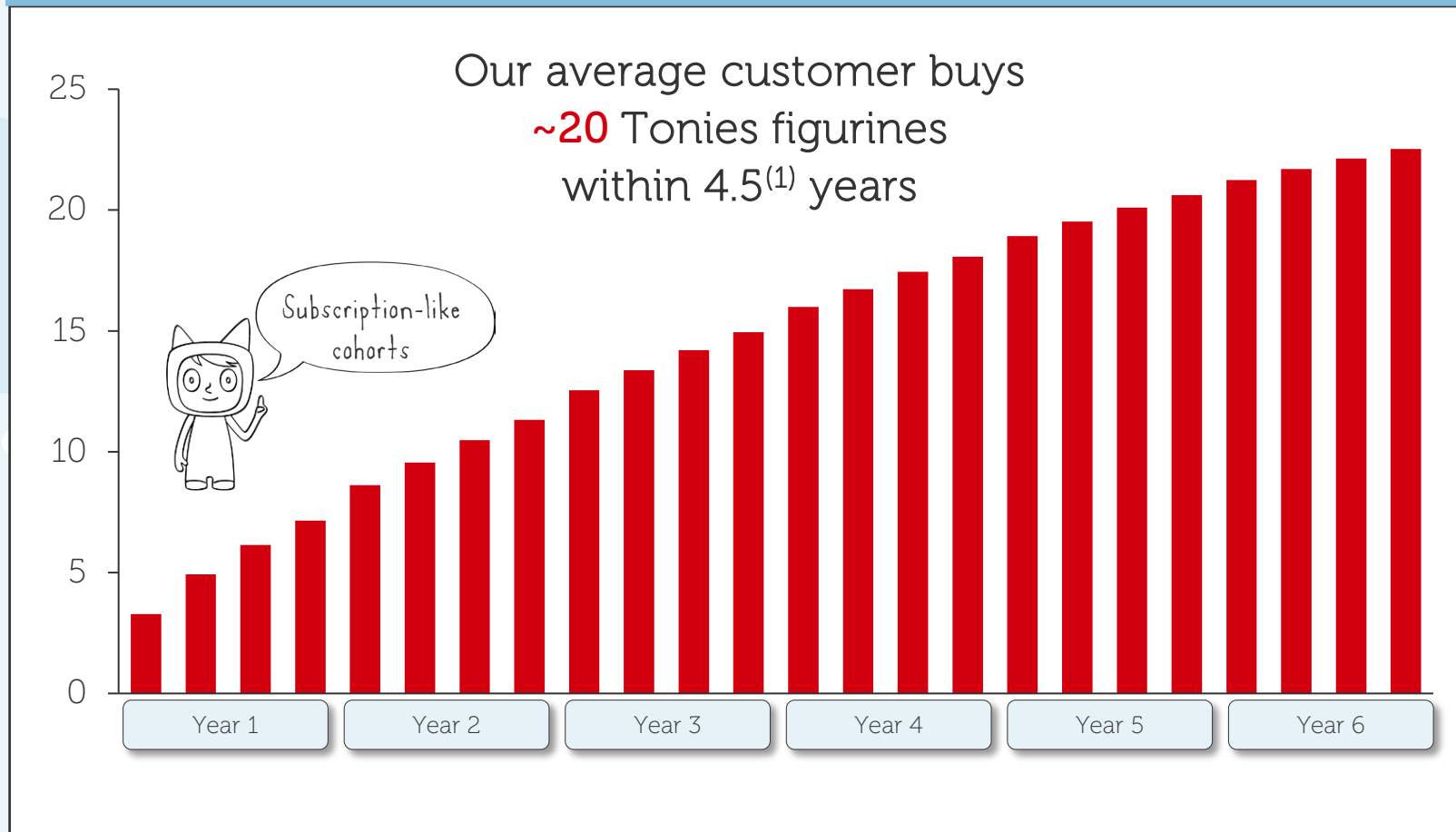


Strong and highly predictable cohorts drive growth

(as of Dec 31, 2023)



Cumulative Tonies figurines purchased per Toniebox

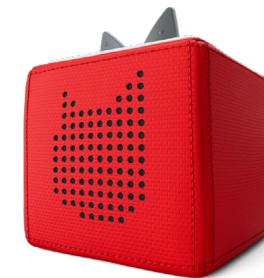


Sales since launch in Q4 2016



>95m

Tonies figurines sold



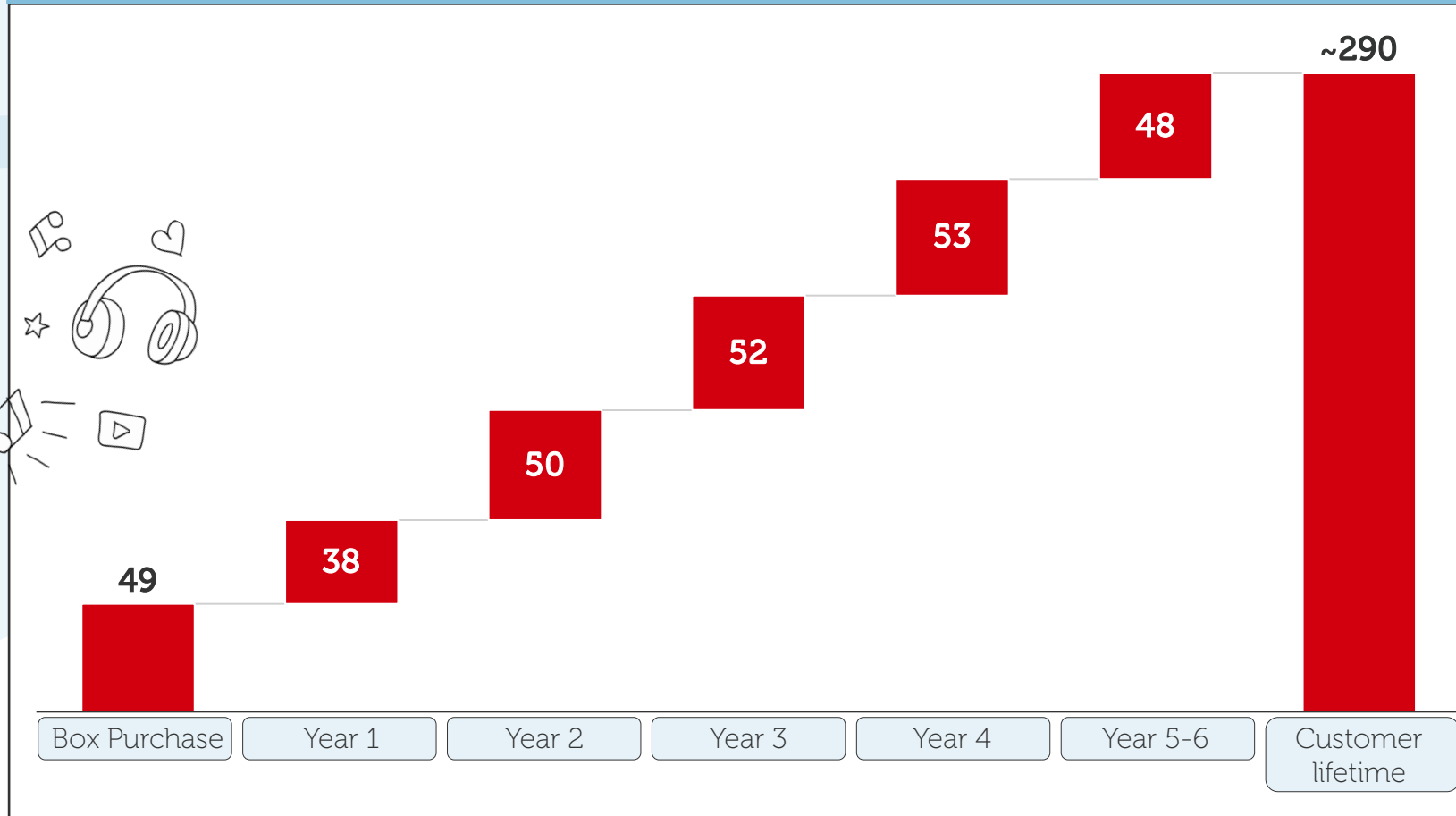
>7.8m

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% ¹	~-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%

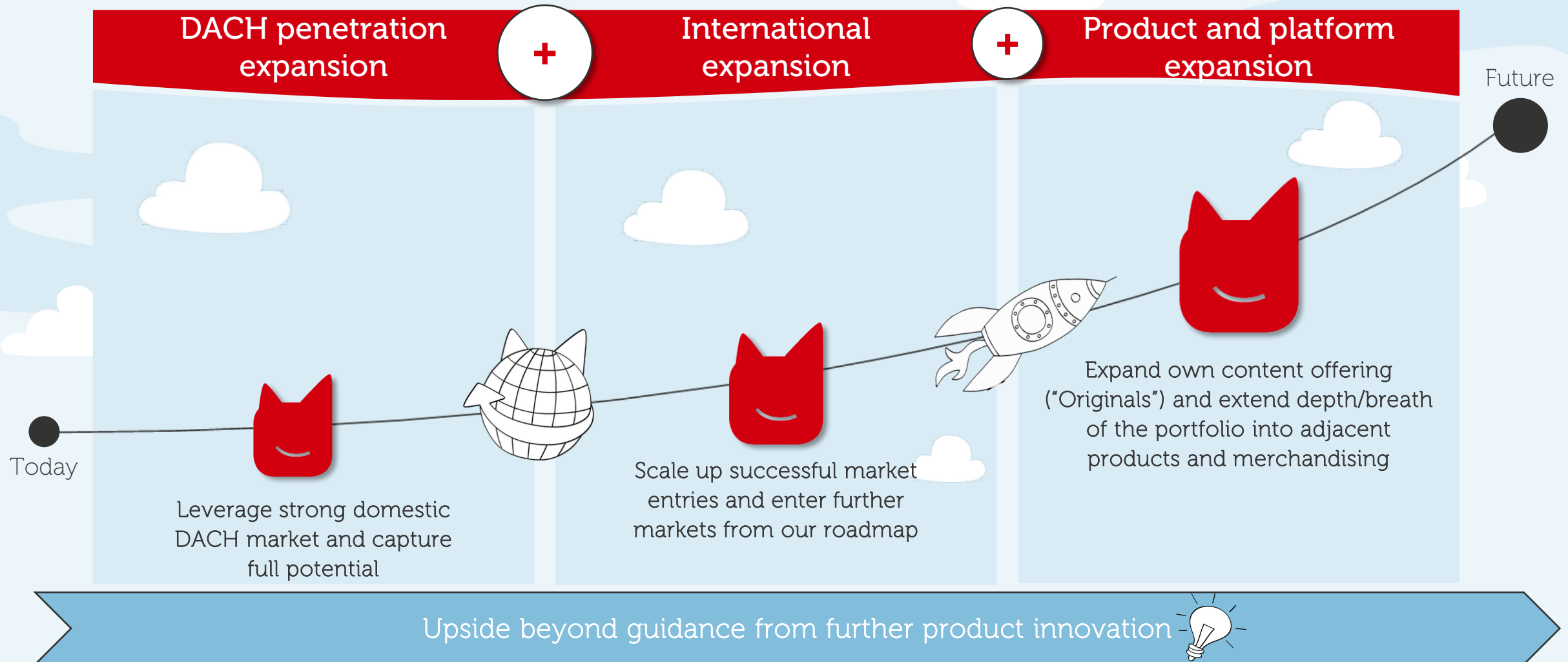
includes -4pp of exceptional air freight

tonies turns profitable

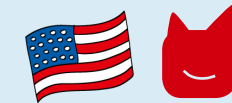


Note(s): All figures shown as percentage of revenue; Not all figures add up perfectly due to rounding. IFRS show adjusted P&L ¹ Disproportionate growth through selected one-time effects incl. legal costs, provisions and external services

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**

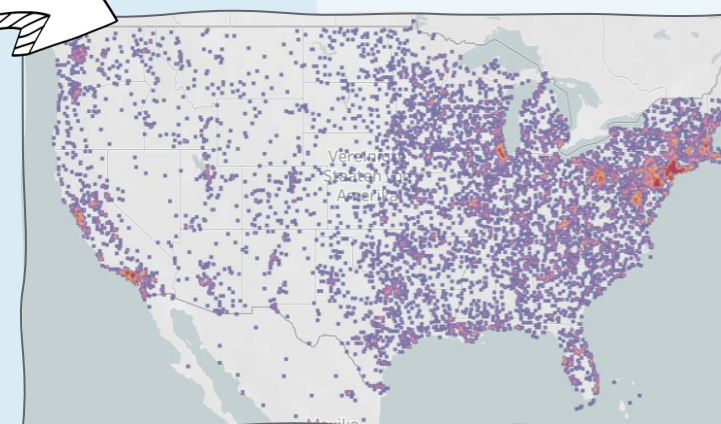
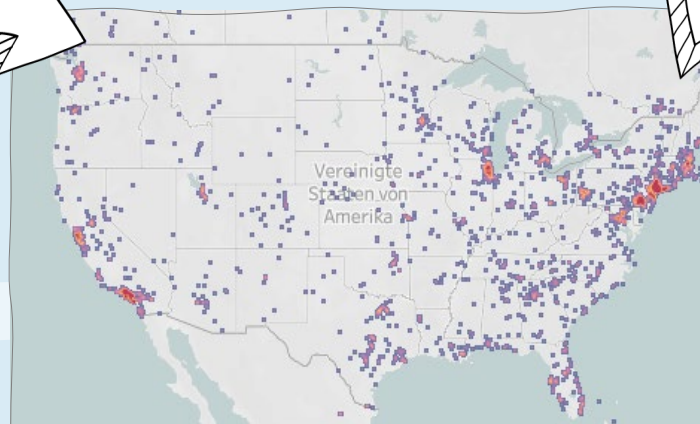
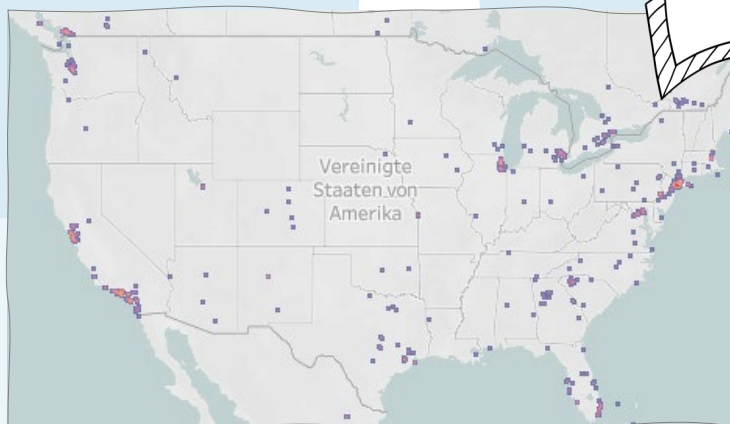
Since then, we have conquered all **50 states...**

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

January 2020

January 2021

April 2024



Density Toniebox activations



We have proven product fit in the US

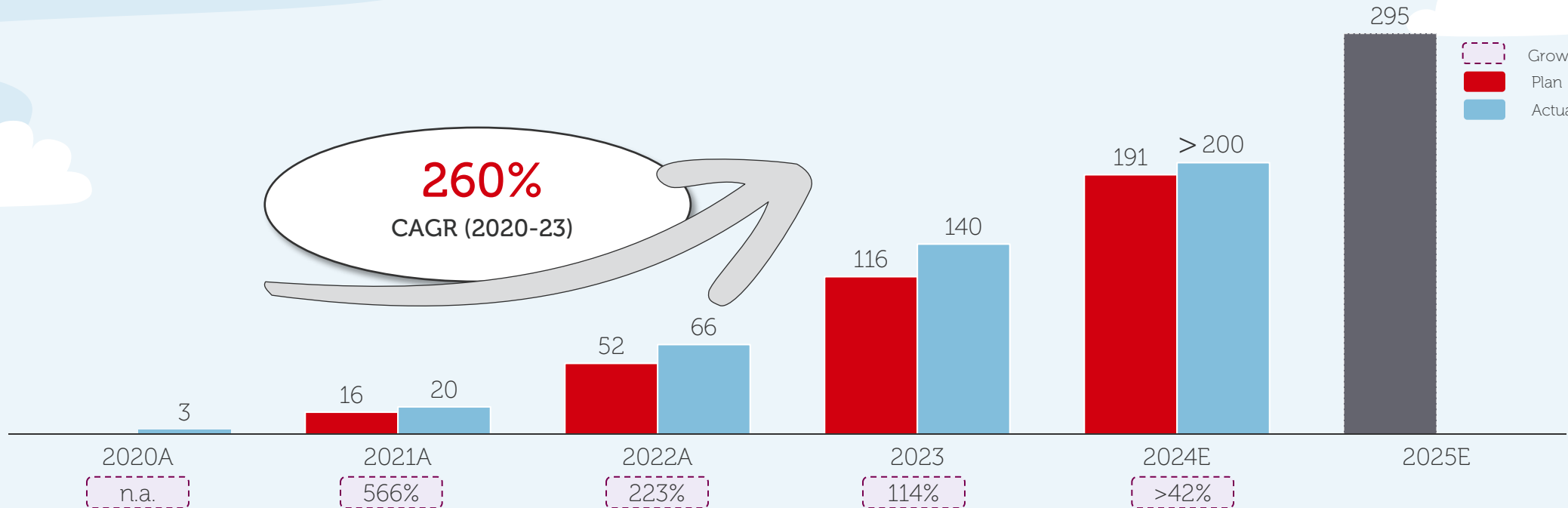


Revenue growth (EURm)

From IPO in November 2021

260%
CAGR (2020-23)

 Growth rate
 Plan
 Actuals

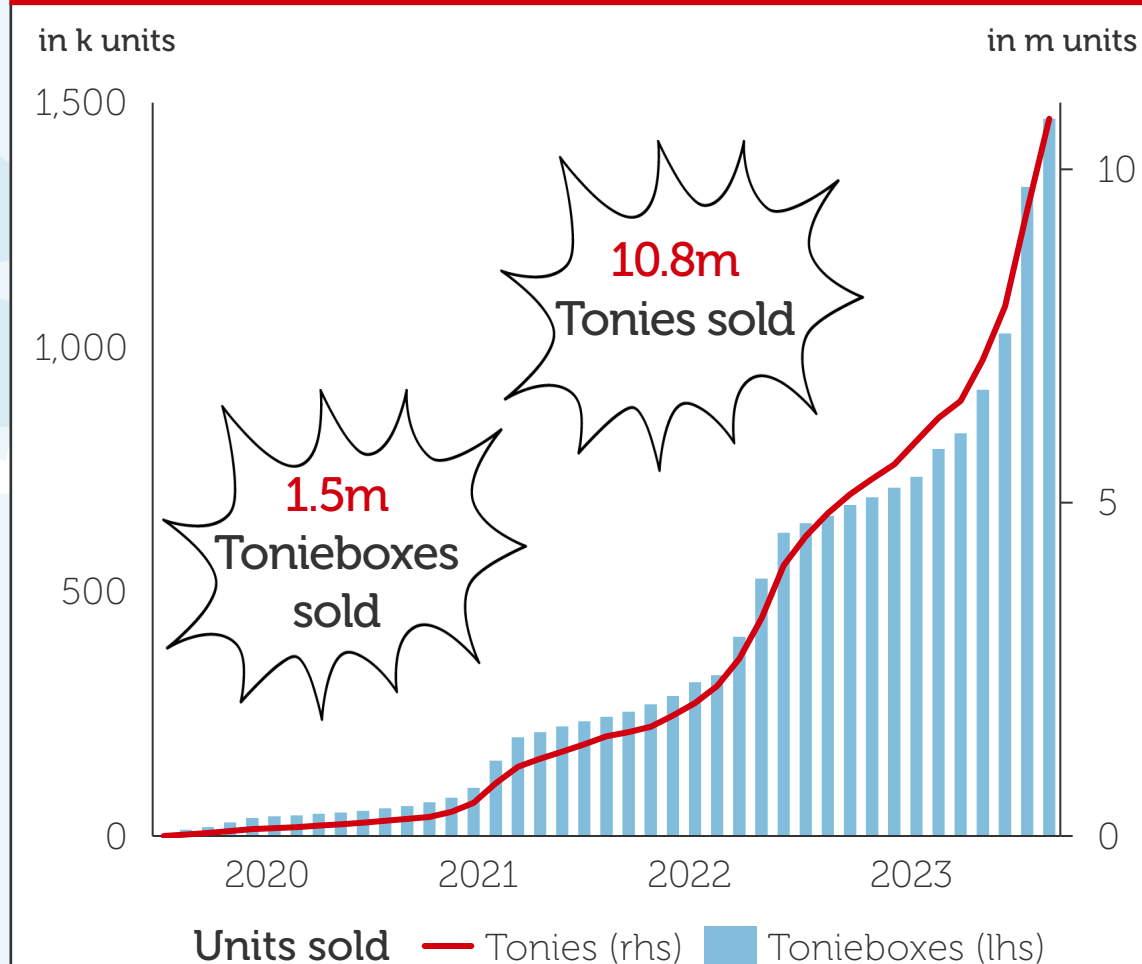


Upwards and onwards for the US-market

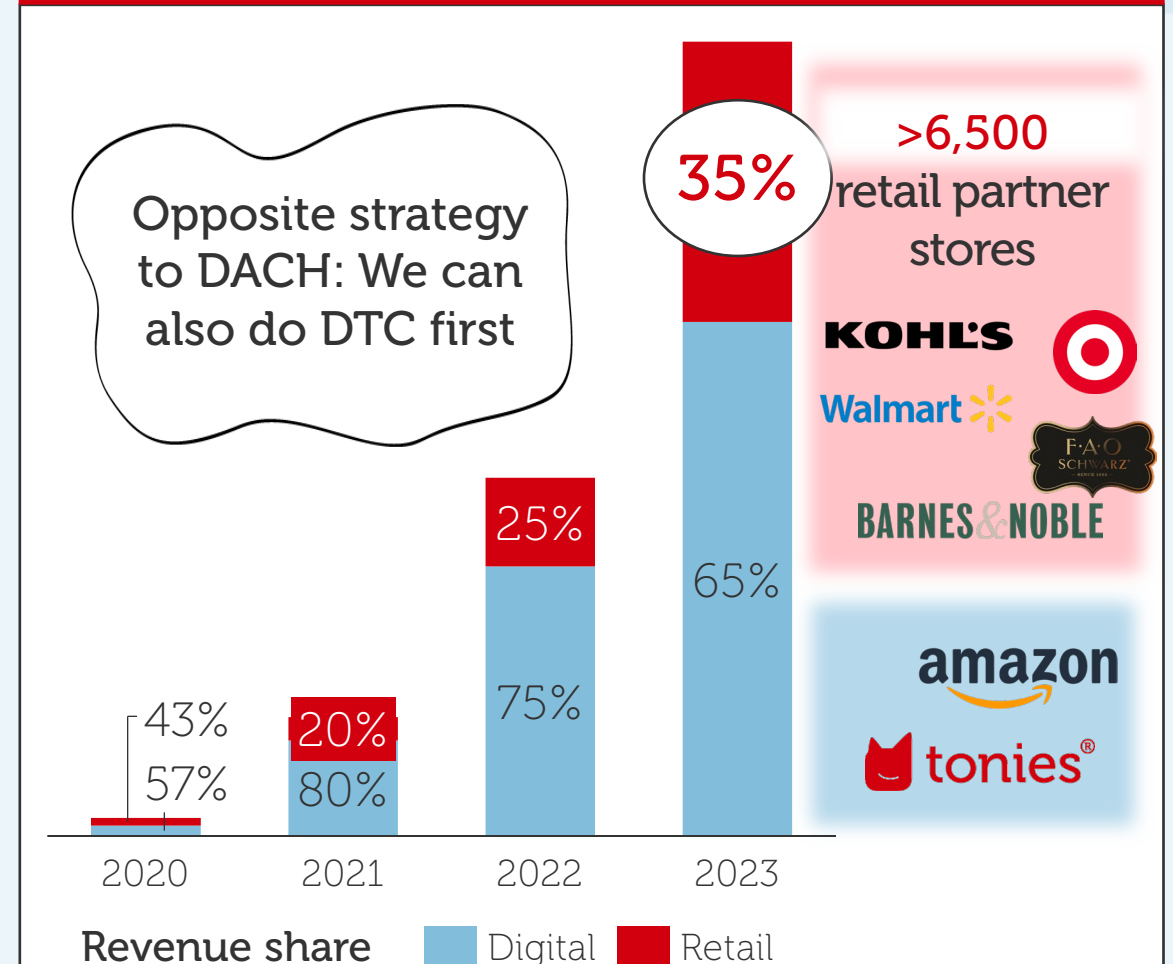
(as of Dec 31, 2023)



Continued strong cohorts



Increase of retail channel as planned



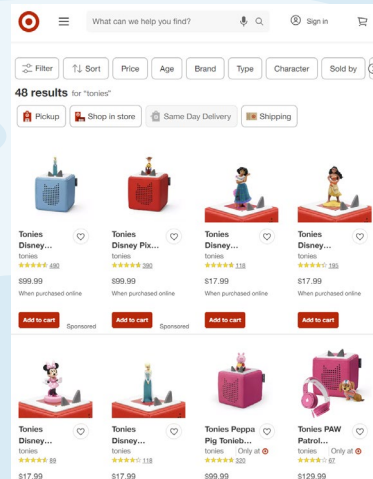
US wholesale is expanding continuously: We have successfully proven our potential to Target and Walmart



Exemplifying our successful retail evolution

2020

Online only



2021

Seasonal listings
in 400 stores in
Q4



2022

>1,000 stores
with half-end
caps



2023

>1,500 stores
with full-end
caps

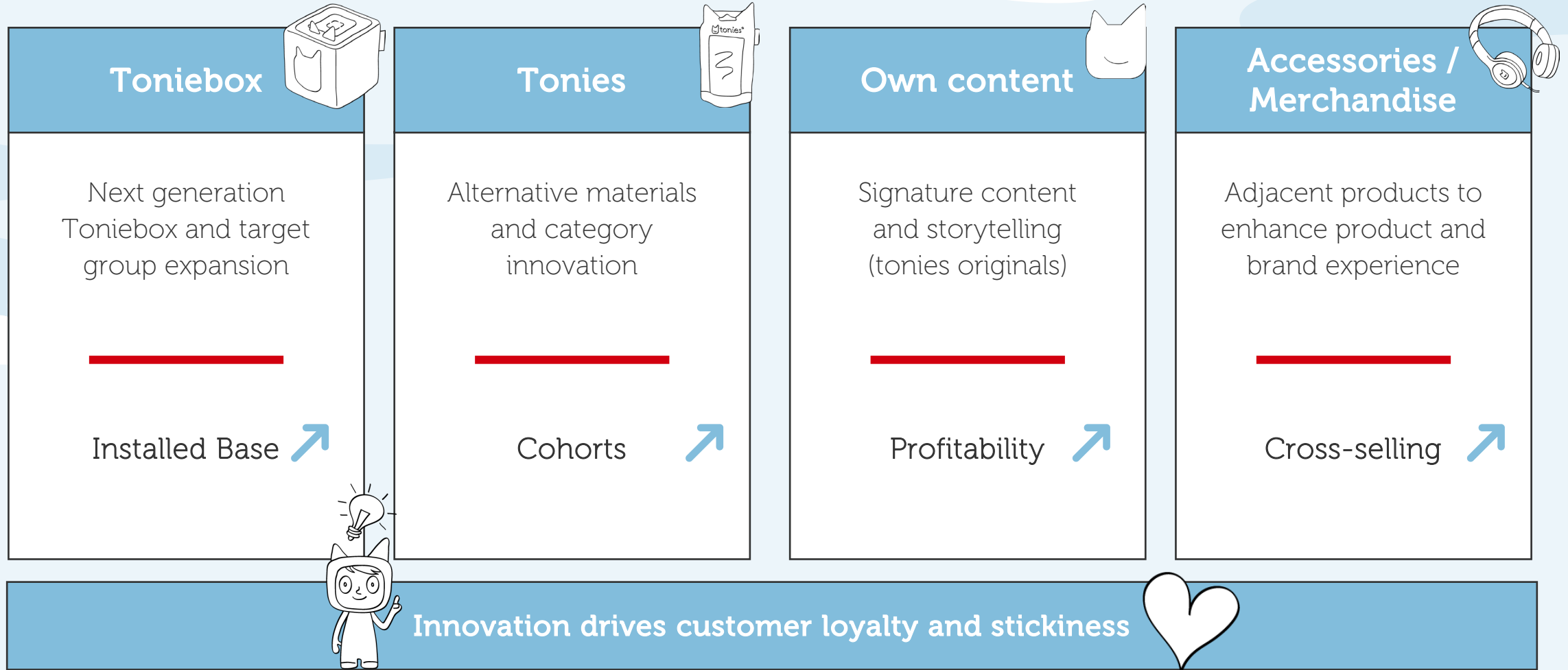


2024

>1,750 stores & doubling shelf
space in >1,300 stores



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





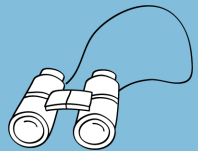
Q3 Results & Outlook 2024



Business Highlights



Q3 Results 2024





Outlook 2024 & Key takeaways


Business highlights for future success, delivered in Q3





Our value levers:

 Internationalization

 Gross margin expansion

 Own content/IP

 Product/channel mix

 Operating leverage



Drove internationalization with successful US wholesale and DTC expansion



Continued to build a **love brand close to the consumer**



Expanded target group base with **Book Tonies** introduction



Announced new **Lalalinos** franchise to expand own content



Strengthened board and marketing expertise with **Ginny McCormick** as new CXO



Ready for the important high-demand fourth quarter

Driving international growth with strong US momentum



Doubling shelf space,
tripling sales

2023



2024



>2x growth at major US
e-commerce events

2023-2024



>2x
Tonieboxes
sold¹

>2x
Tonies
sold¹



>2x
Tonieboxes
sold¹

~3x
Tonies
sold¹

¹ Compared to number of units sold during the same commercial days in 2023 in the US

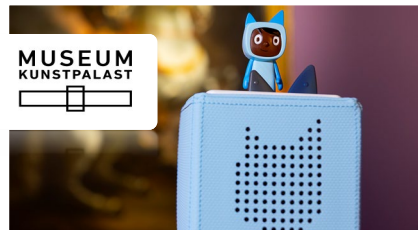
Building a love brand close to the consumer



Education



New Clever Tonies concept with most popular children education TV host in DACH

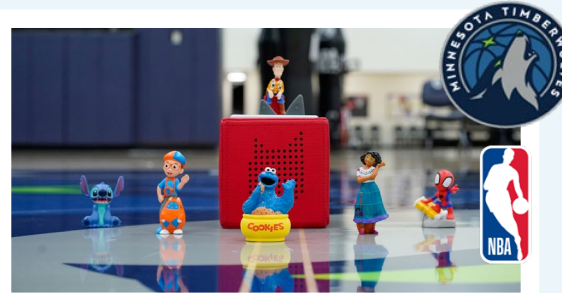


Tailored children experience with autonomous tonies museum tour

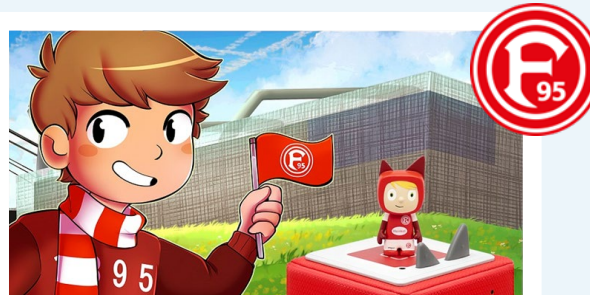


Clever Pocket Tonie set provides behind the scenes look at London's Natural History Museum

Partnerships

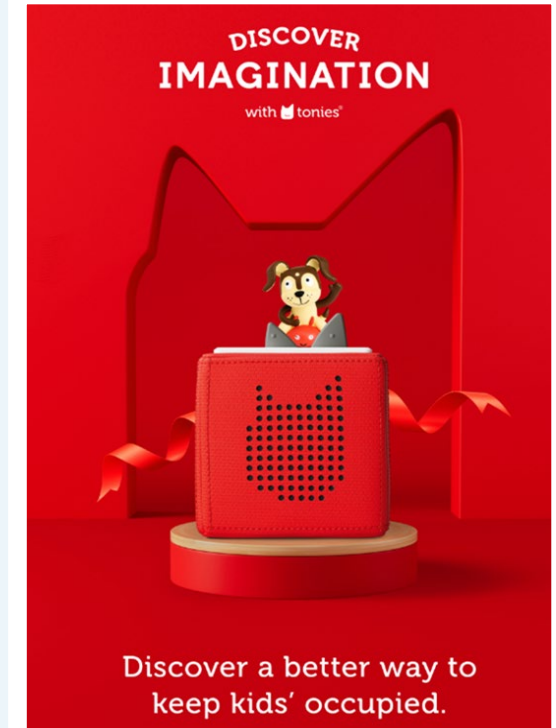


Family-focused partnership with Minnesota Timberwolves and Lynx promoting screen-free, imaginative play



Family-focused partnership with Fortuna Düsseldorf, emphasizing joint local roots and kid-friendly mission.

Marketing Campaigns



Global Holiday cross-channel ad campaign highlighting tonies' advantages over other means of play and entertainment

Introducing Book Tonies



Full-length **audiobook Tonies** of favorite
bestsellers

- ✓ Building on the **Clever Tonies'** success story
- ✓ **Age group expansion** targeting older kids 5+
- ✓ **Margin expansion** through simplified design
- ✓ **Faster launches** with standardized format
- ✓ **US and UK live, Germany to be launched** in May '25

Legendary Authors

Andrea Beaty
Dav Pilkey
Tom Fletcher
Enid Blyton



Instantly sparking **enthusiastic customer**
reactions



"Yay! Love that this company continues to grow with our children!"

"This is amazing! My toddler loves tonies at home but the teacher in me is also picturing using these during early literacy independent reading"



Introducing Lalalinos – The next big hero franchise



Scout

Akio

Cosmo



- ✓ **Franchise strategy & world** designed to go beyond the Tonie into diverse category and format portfolio
- ✓ **Emphasis on children's development** and social emotional learning through rhythm, singing & dancing
- ✓ **Launch:** DACH (Nov 2024); US, FR & UK (Feb 2025)



Welcoming Ginny – our new CXO to strengthen tonies' brand profile



Ginny McCormick
CXO

- Appointed Chief Experience Officer (CXO) at tonies on Sept 2, 2024
- Oversees Brand, Product, and Content for cohesive strategy
- Role aims to elevate tonies as a global icon in screen-free kids' entertainment
- 20+ years in marketing, with proven success in scaling global brands

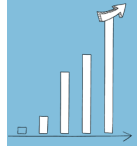




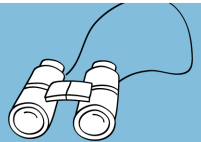
Q3 Results & Outlook 2024



Business Update



Q3 Results 2024



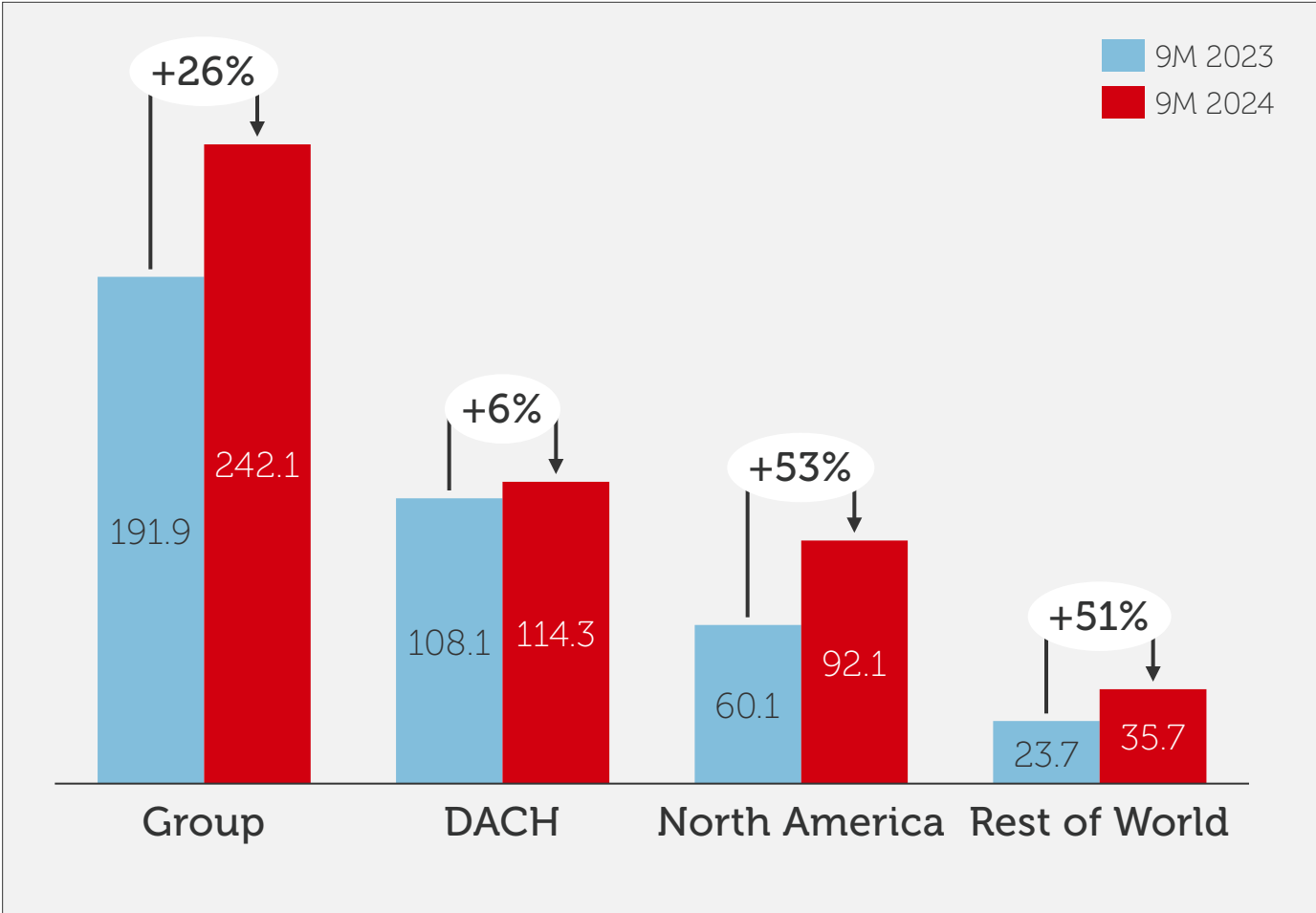
Outlook 2024 & Key takeaways



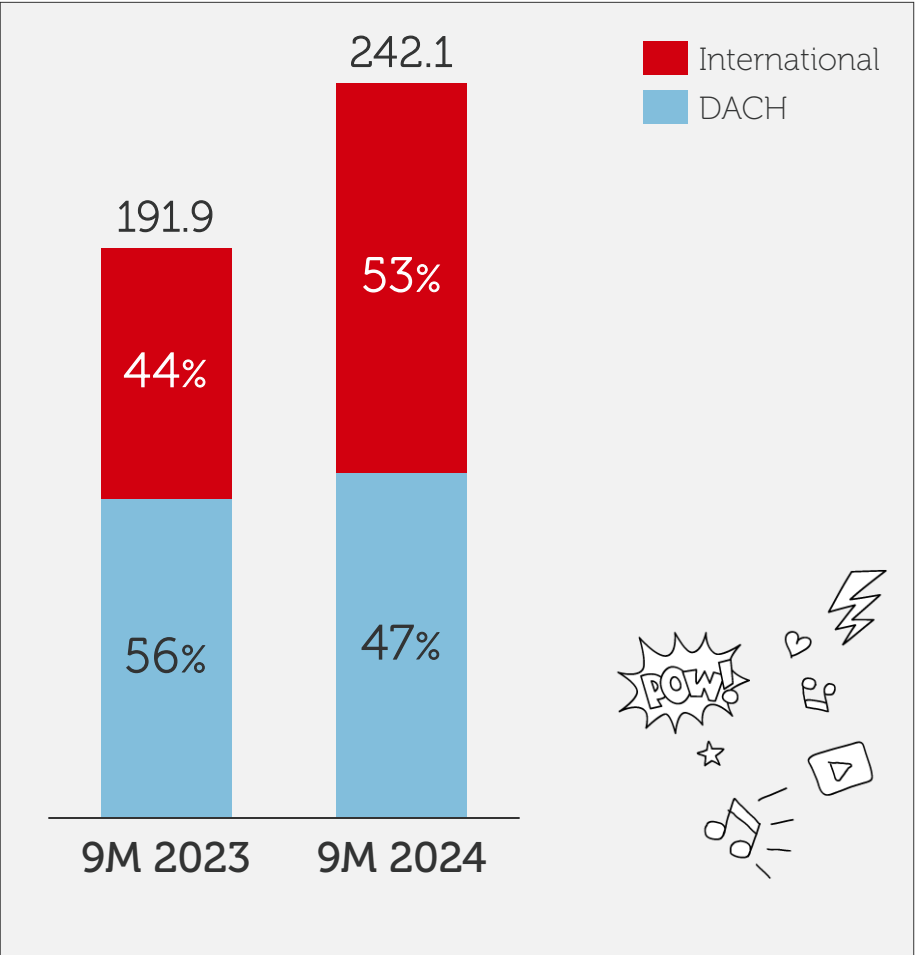
9M 2024 revenue by region: growing global presence through successful international expansion



Revenue by region (in EURm)



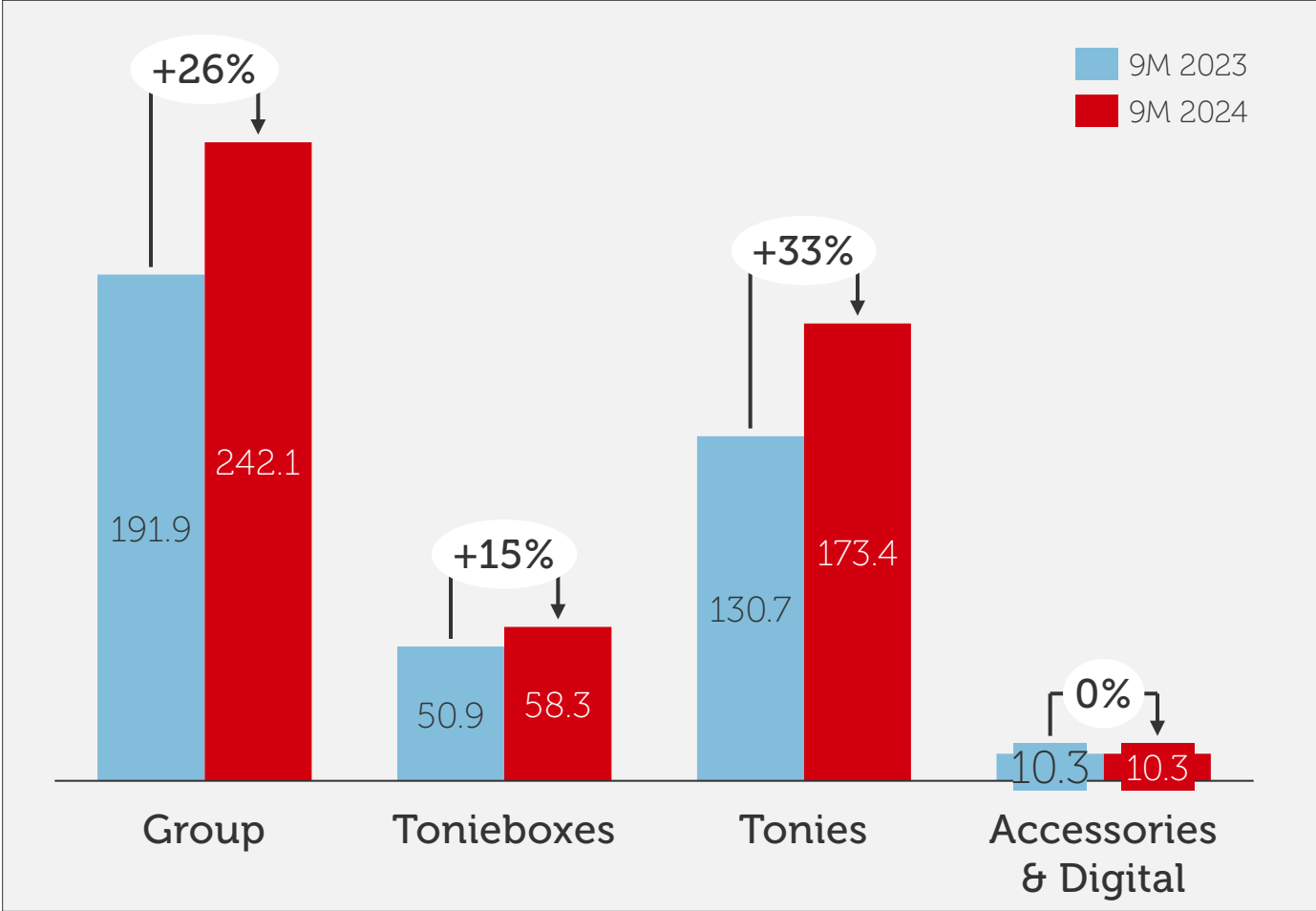
Revenue split by region



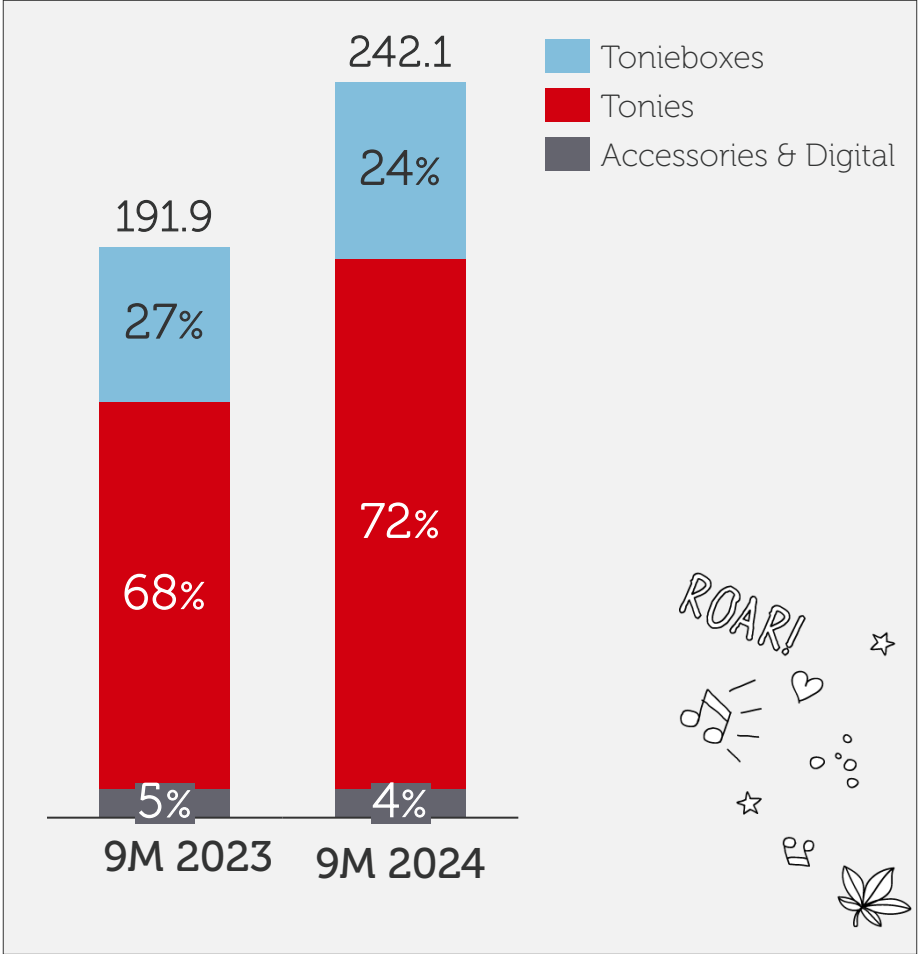
9M 2024 revenue by product category: growth driven by highly profitable Tonies figurines



Revenue by product category (in EURm)



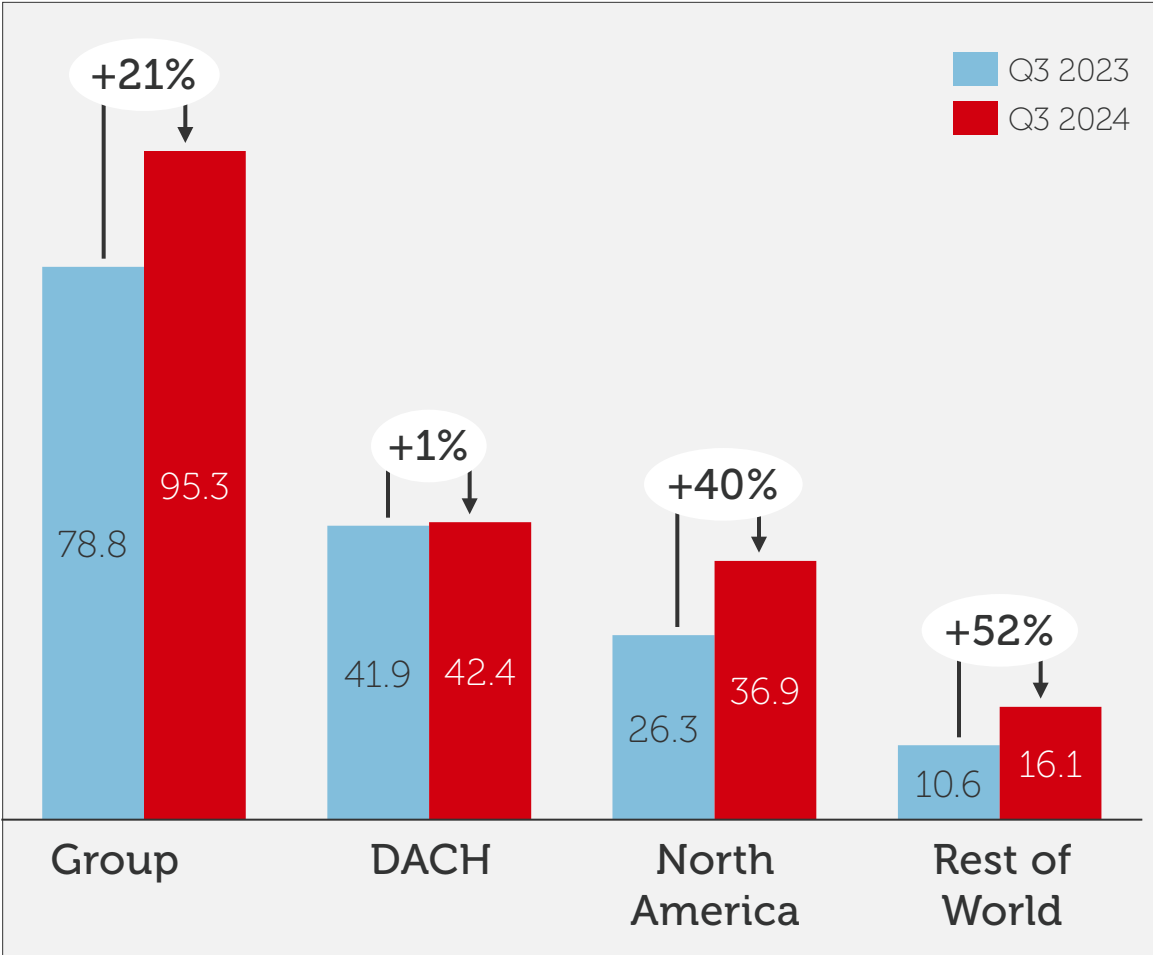
Revenue split by product category



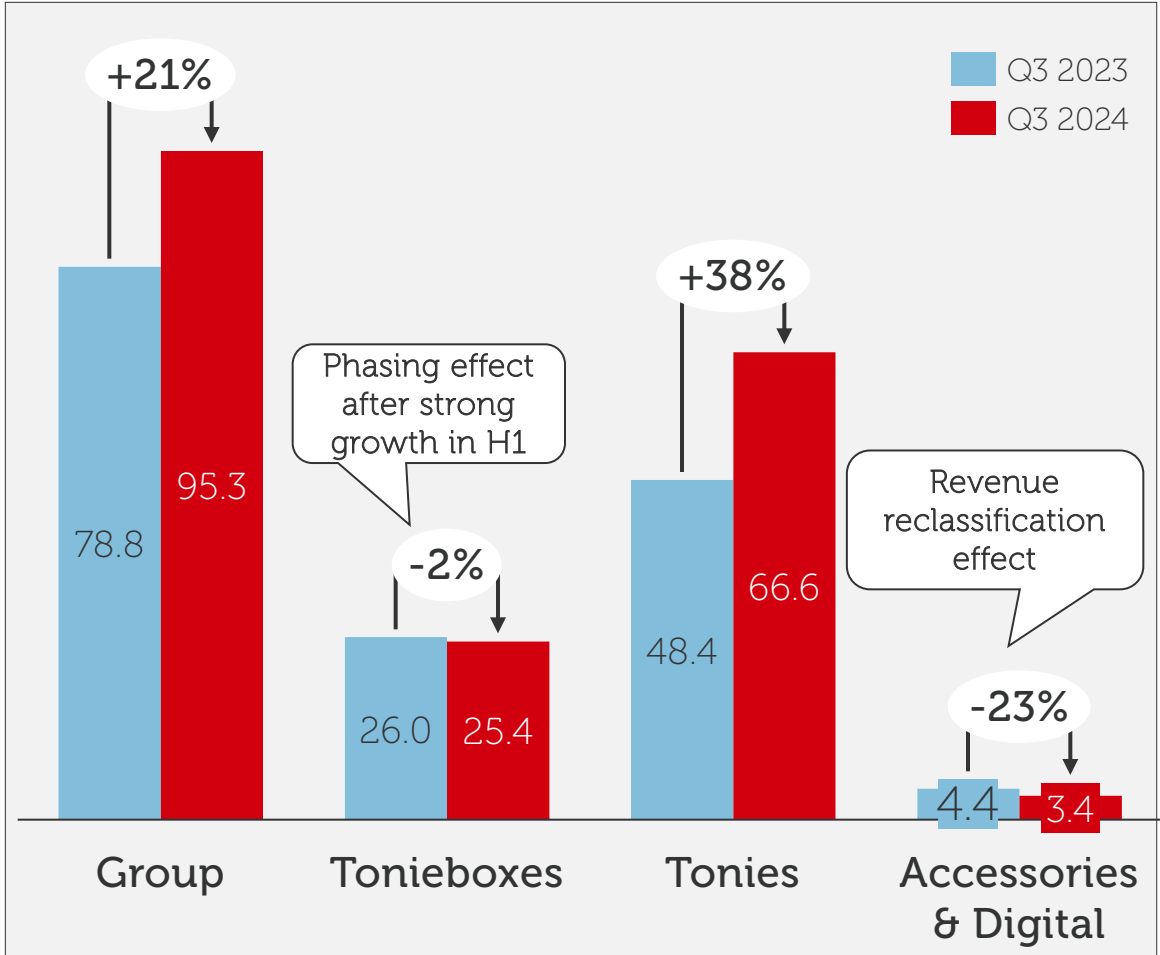
Q3 2024 revenue: growth driven by international markets and Tonies figurines



Revenue by region (in EURm)



Revenue by product category (in EURm)





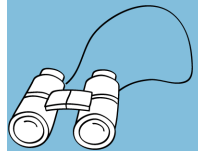
Q3 Results & Outlook 2024



Business Update



Q3 Results 2024



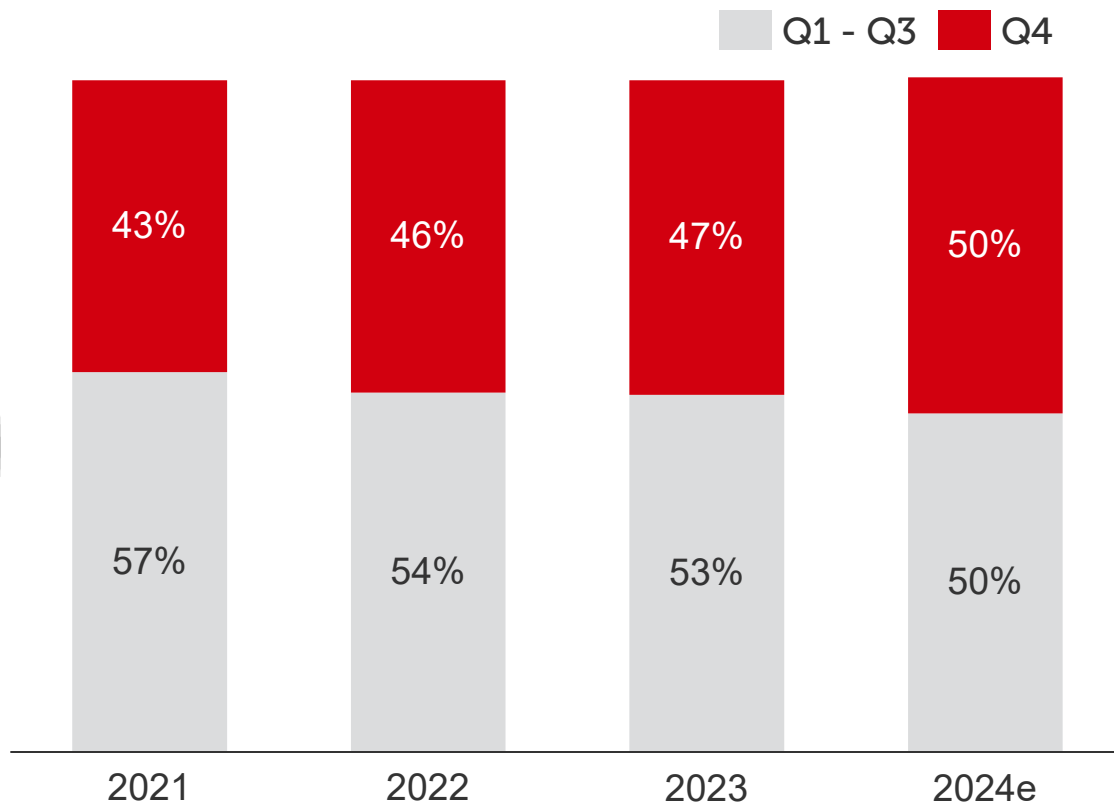
Outlook 2024 & Key takeaways



Q4 is always the most important quarter – we know how to scale



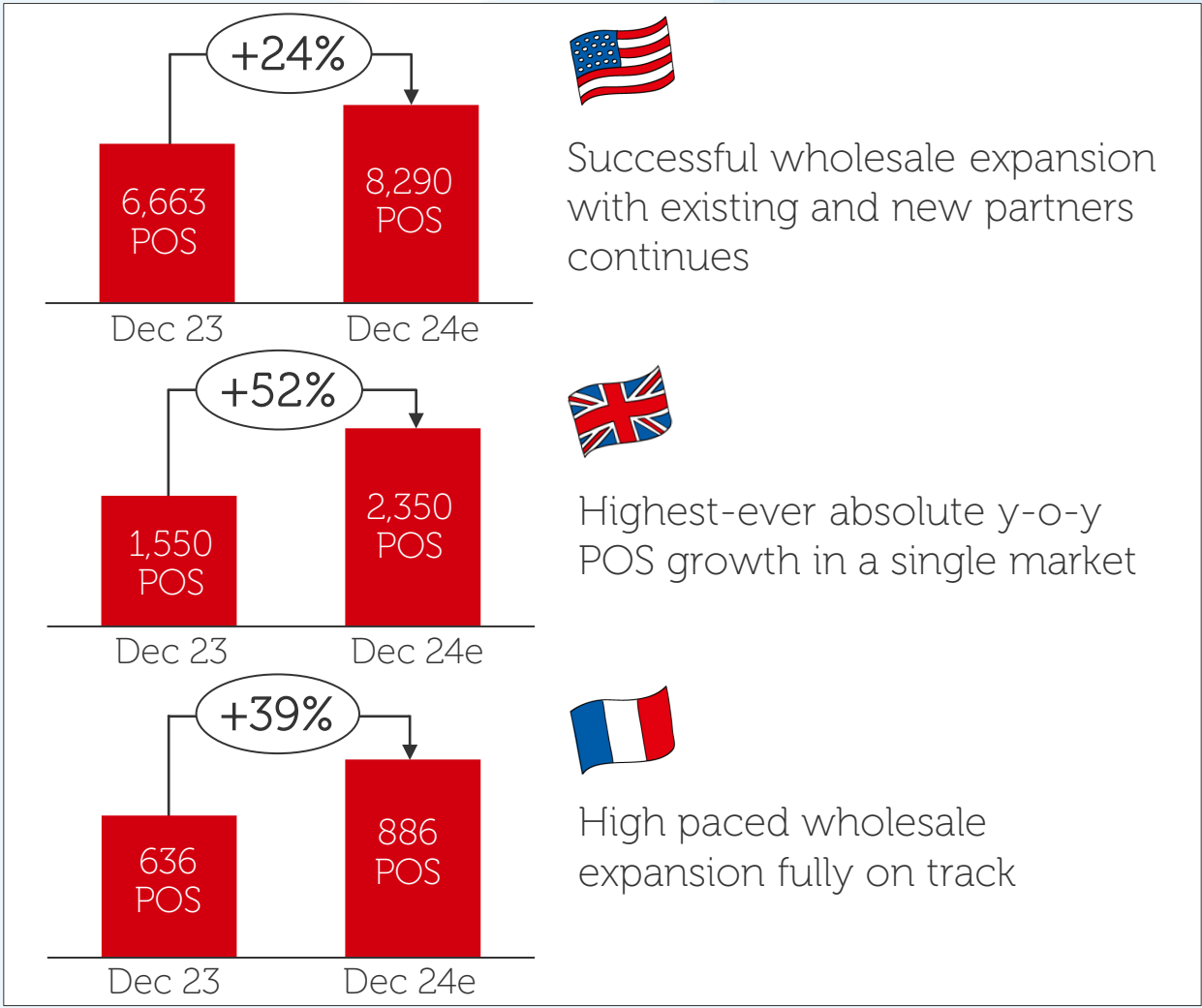
Revenue Share (in percent)



- ✓ We have built and expanded strong wholesale partnerships
- ✓ We have proven excellence in D2C channels and key commercial moments
- ✓ Our supply chain is ready with inventory in market

tonies is ready for the **most important** time of the year!

Our wholesale footprint in international markets continues to grow



Note: numbers are rounded

Guidance FY 2024¹: On track to deliver on revenue growth and profitability targets with a structurally strong Q4



	Results FY 2023	Guidance FY 2024
Group revenue (EURm)	361	>480 ¹ (>33% YoY)
North America revenue (EURm)	140	>200 ¹ (>42% YoY)
Adjusted EBITDA margin (%)	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**



¹ 2024 based on EUR/USD of USD 1.07

Business priorities for Q4



Our value levers:



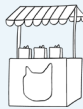
Internationalization



Gross margin expansion



Own content/IP



Product/channel mix



Operating leverage



Deliver commercial moments around **Black Friday/Cyber Monday and Christmas**



Ensure success of new **Book Tonies** format



Deliver North America growth as planned to become **tonies' largest market**



Successfully launch **Lalalinos franchise** with musical adventures for kids 3-5



Prepare for what's coming next

Key takeaways:



I International expansion successfully continuing, with **US execution in full swing**

II Boosting market leadership with an **expanded product lineup**, featuring fresh content and reaching a broader audience

III Supply chain ready for Q4 — **we have all planned inventory in markets!**

IV Accelerating tonies' journey to a **global icon brand**, with **CXO Ginny McCormick joining the management board**

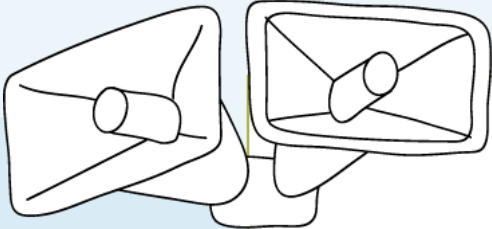
V tonies is **fully on track to reach its FY 2024 guidance**



Sustainability



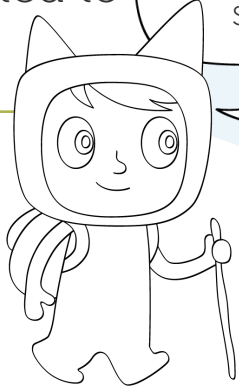
Sustainability: We want to lead the change in our category



“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

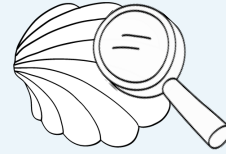


We focus on sustainability in our category



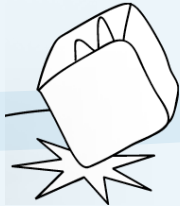
We take a holistic approach to sustainability

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



Conscious content

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



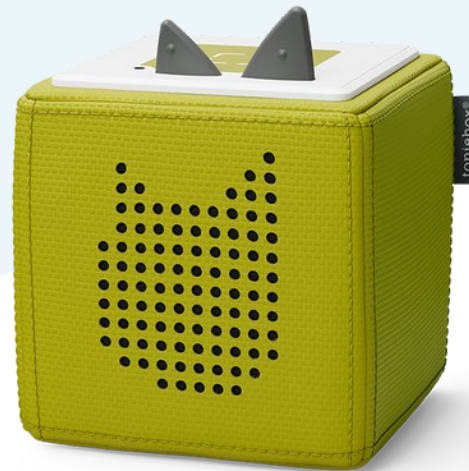
Durable

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



Educates generations

every 2nd 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

Deep-dive next



Planet

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

People

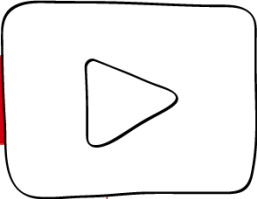
We prioritize strong and long-lasting relationships with employees and suppliers and hold up non-negotiable standards



Visit our new website for more information!

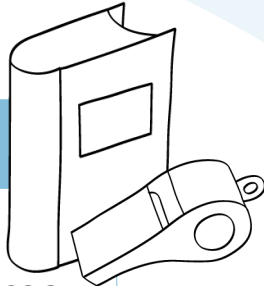


Play



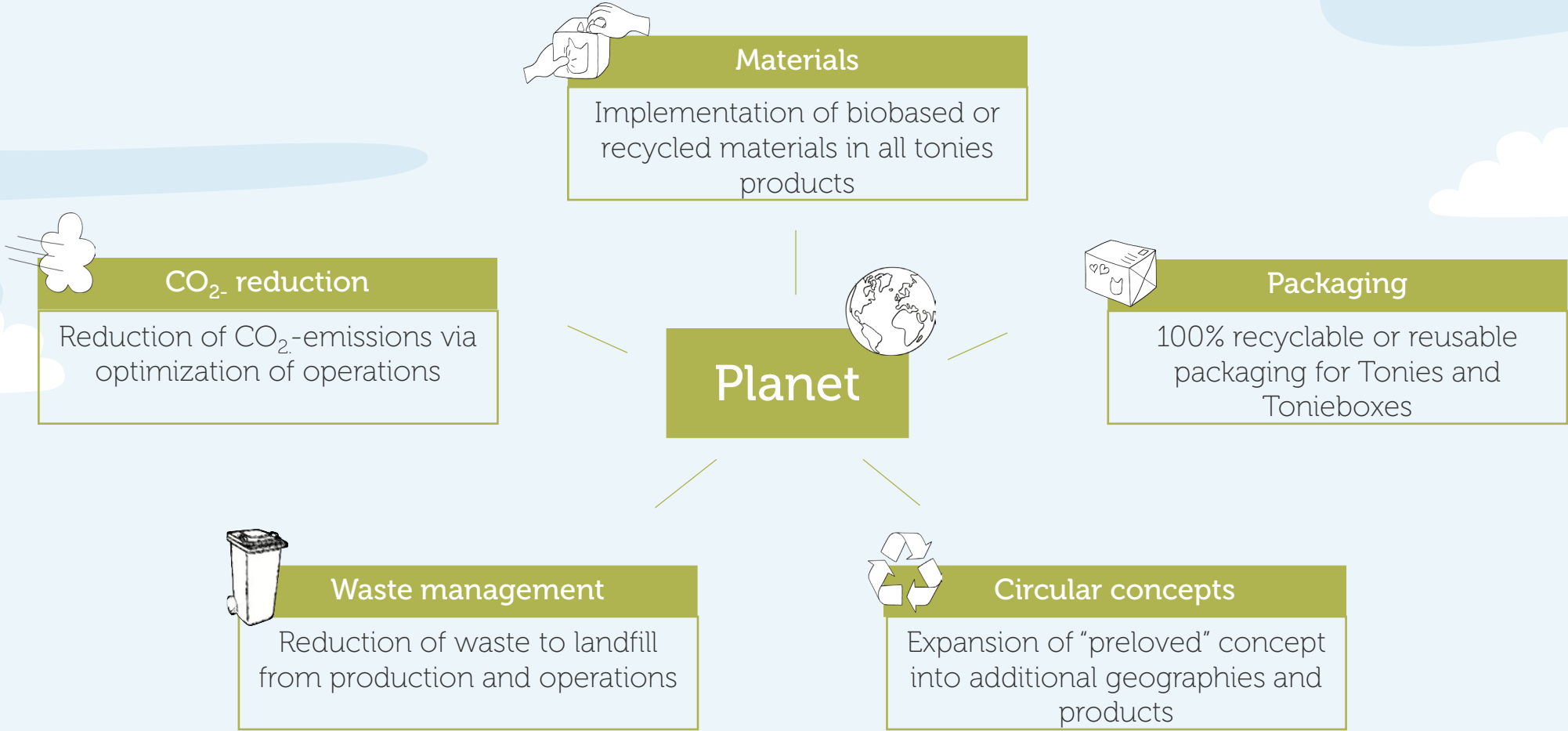
We aim to have a positive impact on the next generation promoting consciousness, minimizing screen time, and encouraging independence

Principles

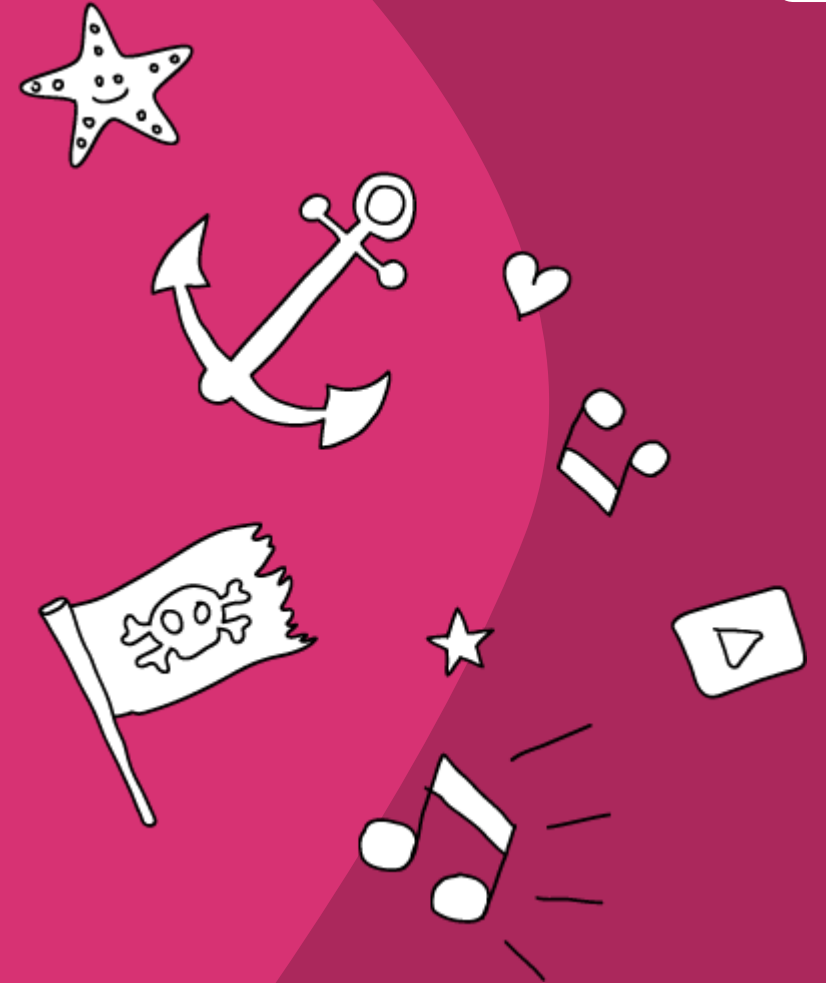


We engage in ongoing evaluation of internal systems, processes and policies and fulfill reporting requirements

Example: Our “Planet” goals translate into concrete actions



APPENDIX



Investor Relations Contact



Investor Relations Website

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

Investor Relations Contact

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Thank you !

