## Company Presentation

tonies SE | November 2023

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## Introduction to tonies SE


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


Playsfal


EJucational


Audia / Ristening


Sa screen-time


Independent plase

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



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


Taries: 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

Superior content distribution requires proprietary tech platform


## Our business model in a nutshell


... and adding further high margin products to our tonies universe

Cumulative Accessories and Digital content (Q4'16-Q3'23 in \#)




## Key investment highlights



## We have created a new multi-billion Euro category in the

 intersection of four huge consumer marketsConnected toys market
EUR 70bn
3\% CACR
2020A-25E EURbn

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



## Our business model is based on a tech-driven, highly scalable D2C platform, leveraging our proprietary ecosystem



## Proven business model with clear focus on value creation


（101）wannerboos．
DMG pixar．


Deep design expertise
patented product（incl． own production technology

## 30

Strong licensor
relationships，best in class license management

Competitive edge
through tech－stack and continuous data flow


Go－to－market

ぞThalia ottery barn kids Mailler
amazon Harrods Media综Markt F．A．O SCHWARZ．Hugendubel


Third party licenses relevant for majority of Toniesfigurines revenue - share of own productions rises


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



Direct-6a-Cansumer


## tonies' content-driven flywheel provides comprehensive

 customer data...

Thanks to being data-dicioen, 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

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


tonies is a highly recognized brand

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

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

Revenue growth (EURm)


[^0]We replicate our proven DACH success story globally

Development of global revenue mix


## Strong and highly predictable cohorts drive growth

Cumulative Tonies figurines purchased per Toniebox


Sales since launch in Q4 2016


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



## Our scalable business model will drive future profitability

 (medium term targets from IPO)
## Financial targets overview



## We are ready to capture multi-dimensional growth opportunities



US with continued excellent traction since launch


## Upwards and onwards for the US-market

Continued strong cohorts


Increase of retail channel as planned


We will be listed with Target nationwide in the US starting fall 2023...


Otarget.



We have proven product fit in the US and leverage our strong growth momentum based on a clear channel strategy


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



## 9M 2023 \& Outlook 2023

## Business Update

Revenue Performance 9M 2023
Profitability \& Cashflow H1 2023
Outlook 2023 \& Key takeaways

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



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



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



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

## Our ambition for a global roll-out



With our custom story generator, you create stories as if by magic. But it's not magic, it's artificial intelligence. To protect you and your child, responsible use of this technology is immensely important. Because you know better than any artificial intelligence what is suitable for your child. Therefore, take the time to read your story carefully before the audio file is created.


Download privacy_policy.
Download terms \& conditions


Welcame back!
You are such a nice story teller! Here is everything you created.

Mella's new bicycle
Created 6 days ago
Last uploaded to Creative-Tonie Unicorn
Add new version


We are so happy you enjoy creating your own stories! As your daily credits are depleted for today, you could have a look what stories you recently created. Looking forward to see you tomorrow again!

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



360 marketing campaign in Q4 Discover Imagination


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



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



## 9M 2023 \& Outlook 2023

## Business Update <br> Revenue Performance 9M 2023 <br> Profitability \& Cashflow H1 2023 <br> Outlook 2023 \& Key takeaways

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

Revenue by region


Revenue split by region


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

Revenue by product category


Revenue split by product category


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

Revenue by region


Revenue by product category


## 9M 2023 \& Outlook 2023

Business Update
ill. Revenue Performance 9M 2023
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## We delivered profitable growth in H 12023

## Adjusted EBITDA margin

## $+2.6 \%+10.4 \rho p \mathrm{YoY}$



- Achieved profitability in H1 2023 driven by:
- increased gross margin (+7.1pp) mainly due to price increases, channel mix, product mix and lower costs for inbound-logistics (e.g. airfreight)
- higher contribution margin (+12.0pp) due to substantially higher gross margin \& lower licensing costs, including nonrecurring effects from the release of licensing related provisions
- Continued to invest in international expansion


## Why will tonies be a profitable company?



## tonies has a profitable business model and deliberately chose to invest in international growth

|  | 2019(HGB) | 2020(IFRS) | 2021(IFRS) | 2022(IFRS) | H1 2023 <br> (IFRS) |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Gross margin before licensing costs | 44.6\% | 50.1\% | 54.1\% | 54.2\% | 65.0\% |
|  |  |  | includes -4 pp of exceptional air freight |  |  |
| Gross margin after licensing costs | 27.0\% | 32.4\% | 35.4\% | 41.9\% | 56.5\% |
| Contribution margin | 15.2\% | 19.7\% | 21.3\% | 27.4\% | 40.2\% |
| Adj. EBITDA margin | 3.6\% | -0.2\% | -8.1\% | $-2.4 \%$ 2.6\% |  |
| Markets | only active in DACH \& UK | Launch US | Launch FR and scale-up US \& UK |  |  |

We have been profitable with our DACH blueprint

Business models largely resilient to macro challenges

We chose to invest into international expansion

We see the fruits of our relentless execution focus

## We have a clear plan of our margin-enhancing levers



Prafitable growth has always been a central part of our strategy

## H1 2023 - Gross margin improvement and lower licensing costs drive positive adjusted EBITDA



- COGS driven by price increases, lower cost for inbound logistics (mainly airfreight) as well as favorable effects from channel and product mix
- Licensing costs lower due to increasing share of less expensive international markets, and significantly higher share of own content and non-recurring positive effect related to the release of licensing provisions of EUR 3.4m
- Fulfilment costs increased due to higher revenue share from digital channels
- Marketing, Personnel, Opex, roughly stable at group level
- Other includes non-recurring effect related to the updated approach for tech development costs, as they will no longer be adjusted as of H2 2023


## Wrapping up with P\&L: Key numbers and margins (adjusted)



## Cash flow reflects early inventory build-up to be ready for the important Q4



## 9M 2023 \& Outlook 2023

Business Update
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## Outlook FY 2023* - after 9 months we are fully on track to achieve our ambitious targets

|  | Results <br> FY 2022 | Outlook from IPO <br> FY 2023 | Outlook <br> FY 2023 |
| :---: | :---: | :---: | :---: |
| Group revenue (EURm) | 258 | 354 | $\begin{gathered} 354 \\ (+37 \% \text { YoY }) \end{gathered}$ |
| US revenue (EURm) | 66 | 108 | $\begin{gathered} 116 * \\ (+77 \% \mathrm{YoY}) \end{gathered}$ |
| Group adjusted EBITDA in \% of revenue | -2.4\% | na | "pasitive" |

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

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



- Logical next step after Marcus and Patric step back from the operating business at their own request, having led the company for 10 years to its position as a love brand and market leader
- As a former founder himself, Tobias understands how smaller companies operate and has a proven track record of leading profitable high-growth

- Tobias will lead tonies together with his fellow board member Jan Middelhoff (CFO of tonies SE) supported by the unchanged leadership team
- Marcus and Patric remain associated with the company as Senior Advisors \& second-largest shareholders (after a deliberate time-out: Supervisory Board Seat possible)


## 9M 2023 - Key takeaways

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


## Sustainability



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



## "Rend 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."


## Sustainability starts with our product - the Toniebox is a

 sustainability cornerstone


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



Encouragles independence
can already be operated by very young children

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



## Example: Our "Planet" goals translate into concrete actions




## Packaging

100\% recyclable or reusable packaging for Tonies and Tonieboxes


## Waste management

## Circular concepts

Expansion of "preloved" concept into additional geographies and products


## APPENDIX

## Meet us on conferences in Q4

| Results | Conferences | Roadshows |
| :---: | :---: | :---: |

NOV 13: Q3 2023

| NOV 22: SdK Company Presentation |
| :--- |
| NOV 27-29: Deutsches Eigenkapitalforum 2023 |
| DEC 5: Berenberg European Conference |
| DEC 14: HSBC European Small \& Mid-Cap Series |

## Investor Relations Contact



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## Tharke yan!

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[^0]:    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 137 , difference is due

[^1]:    H tonies will be prafitable on adjusted EBITDA basis

