

Australia Toys Market

Full Year Review 2020

Prepared for ATA

31st March 2021

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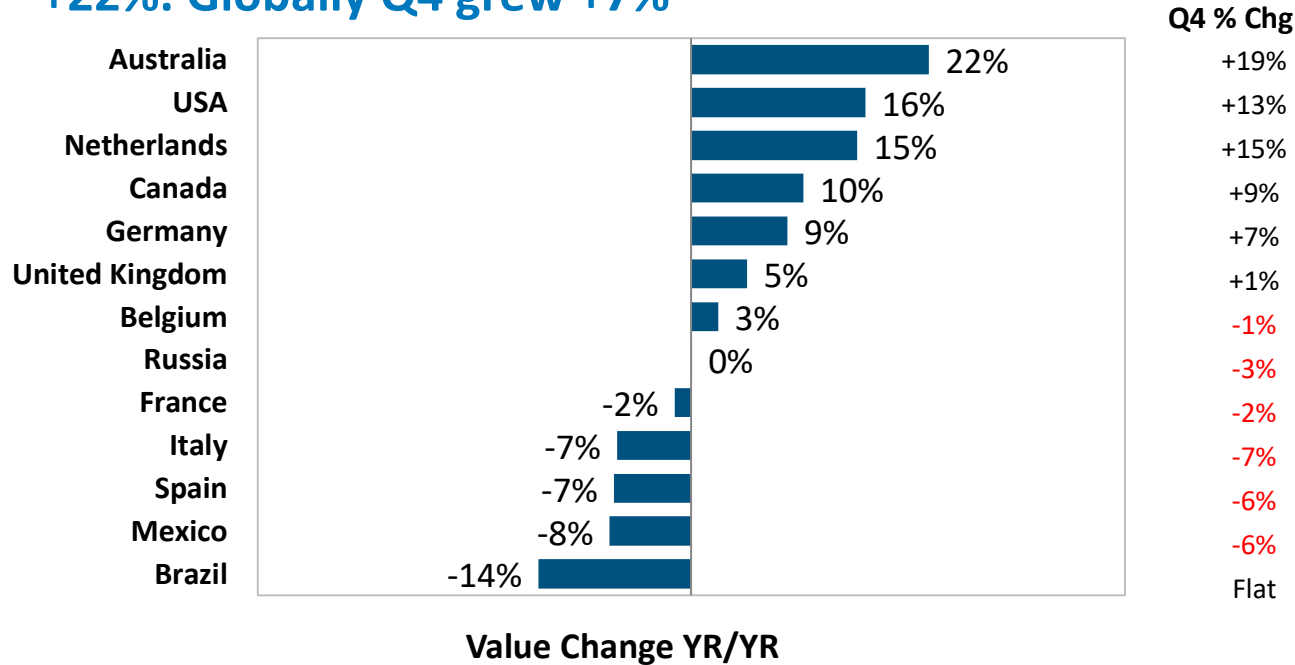
Agenda

1. Global Trends Update
2. Australian Market Overview 2020
3. Christmas 2020

Global Trend Update

Industry growth / decline by country

8/13 countries grew \$ sales. Australia was the fastest growing country at +22%. Globally Q4 grew +7%



Q4 % Chg

+19%

+13%

+15%

+9%

+7%

+1%

-1%

-3%

-2%

-7%

-6%

-6%

Flat



Source: The NPD Group | Retail Tracking Service | G13 \$ Sales Projected | Full Year- 2020

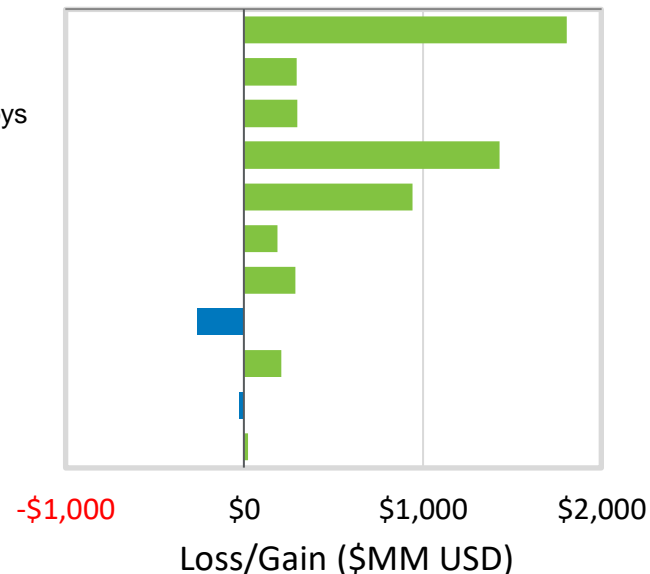
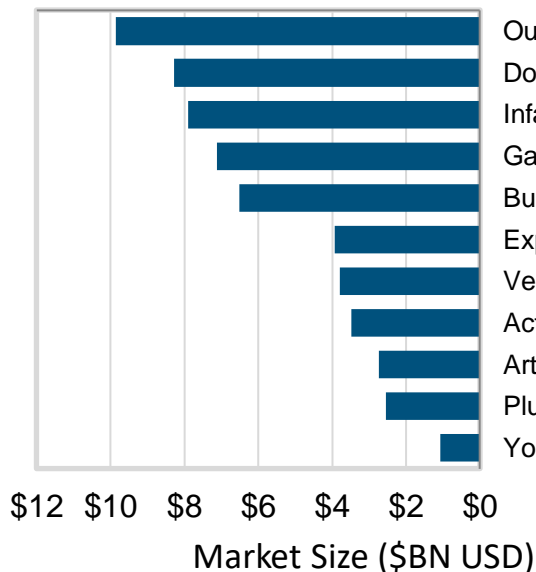
Global performance by super category

Outdoor & Sports is the top gaining category with 22% growth YoY

Outdoor Toys growth:
Playground Equip +43%,
Skates/Skateboards/
Scooters +39%
Sport Activities & Games
+18%

Games Puzzles growth:
Adult Puzzles +68%
Family Board Games
+30%
Card Games +29%

Dolls growth: Fashion
Dolls: +51%
Fashion Acc. +40%
Large Dolls& acc.+13



Source: The NPD Group | Retail Tracking Service | G13 \$ Sales Projected | Full Year- 2020

Country performance by super category

	G13	Australia	USA	UK	Canada	France	Germany	Italy	Mexico	NL	Russia	Spain	Belgium	Brazil
Total	10%	22%	16%	5%	10%	-2%	9%	-7%	-8%	15%	0%	-7%	3%	-14%
Action Figures	-7%	-3%	-3%	-10%	-15%	-13%	8%	-23%	-25%	-15%	-3%	-8%	-18%	-24%
Arts & Crafts	8%	59%	11%	13%	11%	-6%	18%	-3%	-16%	13%	8%	-6%	4%	-25%
Building Sets	17%	21%	26%	18%	14%	5%	9%	2%	8%	21%	1%	5%	13%	-6%
Dolls	4%	17%	11%	-1%	4%	-4%	5%	-16%	-9%	-2%	-7%	-14%	-8%	-17%
Games/Puzzles	25%	50%	32%	19%	27%	10%	21%	11%	10%	51%	9%	8%	13%	-7%
ITPS	4%	13%	9%	-3%	7%	-1%	4%	-5%	-9%	0%	-4%	-8%	1%	-17%
Youth Elect	2%	45%	2%	-1%	0%	6%	7%	-9%	-28%	-5%	16%	-17%	-2%	-10%
Outdoor	22%	21%	29%	15%	28%	-2%	17%	-2%	-4%	26%	10%	-13%	17%	0%
Plush	-1%	12%	4%	-6%	-10%	-15%	-9%	-22%	-19%	12%	-5%	-5%	-9%	-29%
Vehicles	8%	34%	16%	0%	8%	-4%	4%	-17%	-1%	11%	-1%	-8%	-5%	-7%
Explorative	5%	29%	12%	-1%	10%	-10%	5%	-9%	0%	-12%	4%	-12%	-15%	-31%

Source: The NPD Group | Retail Tracking Service | G13 \$ Sales Projected | Full Year- 2020

Top 5 selling properties by country

Rank	Australia	Belgium	Brazil	Canada	France	Germany	Italy
1	BARBIE	L.O.L. SURPRISE!	BARBIE	L.O.L. SURPRISE!	VTECH BABY	LEGO TECHNIC	BARBIE
2	STAR WARS	LEGO CITY	HOT WHEELS	BARBIE	BARBIE	LEGO CITY	L.O.L. SURPRISE!
3	LEGO CITY	LEGO TECHNIC	MARVEL UNIVERSE	POKEMON	POKEMON	TONIEBOX	LEGO CITY
4	LEGO TECHNIC	POKEMON	BABY ALIVE	STAR WARS	L.O.L. SURPRISE!	STAR WARS	DISNEY FROZEN
5	HOT WHEELS	VTECH BABY	L.O.L. SURPRISE!	MARVEL UNIVERSE	HARRY POTTER	LEGO NINJAGO	MARVEL UNIVERSE

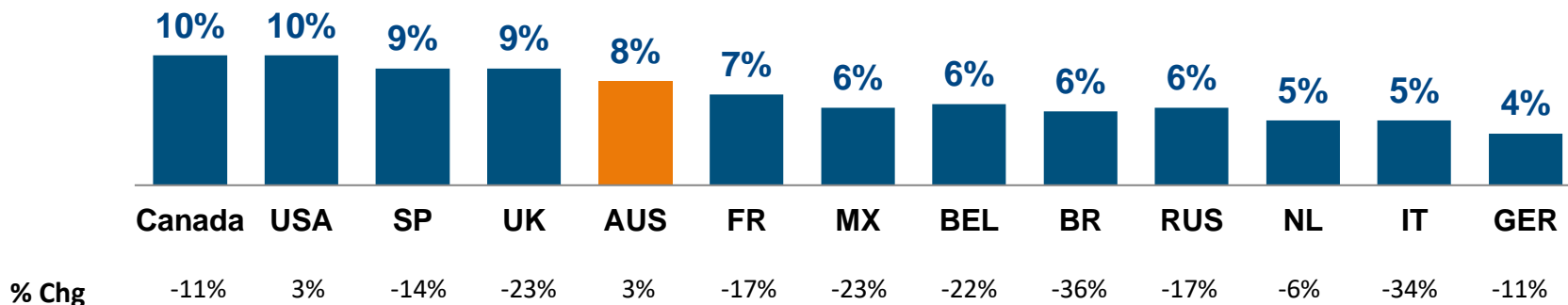
Rank	Mexico	Netherlands	Russia	Spain	UK	USA
1	BARBIE	LEGO CITY	HOT WHEELS	SUPERTHINGS	L.O.L. SURPRISE!	L.O.L. SURPRISE!
2	HOT WHEELS	LEGO TECHNIC	L.O.L. SURPRISE!	BARBIE	BARBIE	BARBIE
3	MARVEL UNIVERSE	L.O.L. SURPRISE!	LEGO CITY	STAR WARS	STAR WARS	STAR WARS
4	PLAY-DOH	VTECH BABY	NERF	PIN Y PON	PAW PATROL	POKEMON
5	NERF	LEGO FRIENDS	BARBIE	MARVEL UNIVERSE	MARVEL UNIVERSE	MARVEL UNIVERSE

Source: The NPD Group | Retail Tracking Service | G13 \$ Sales Projected | Full Year-2020

Collectibles declined -5% globally

Besides Australia, only USA grew, as other countries registered decline in collectibles

Share of Collectibles/of total toys



Source: The NPD Group | Retail Tracking Service | G13 \$ Sales Projected | Full Year- 2020



Australian Market Overview

Key Take Away

+22%

Toy sales \$1.3bn
69 M Units (+14%)
AVP: +7%

12/13

Supercategories 
grew
Action fig. and Acc. 

**LEGO
#1**

Lego grew +24%, Mattel +10%,
Hasbro +13%

Unlicensed:
+21%

Licensed toys grew
+26%

\$8.2M

New Property
#1 LEGO Super Mario

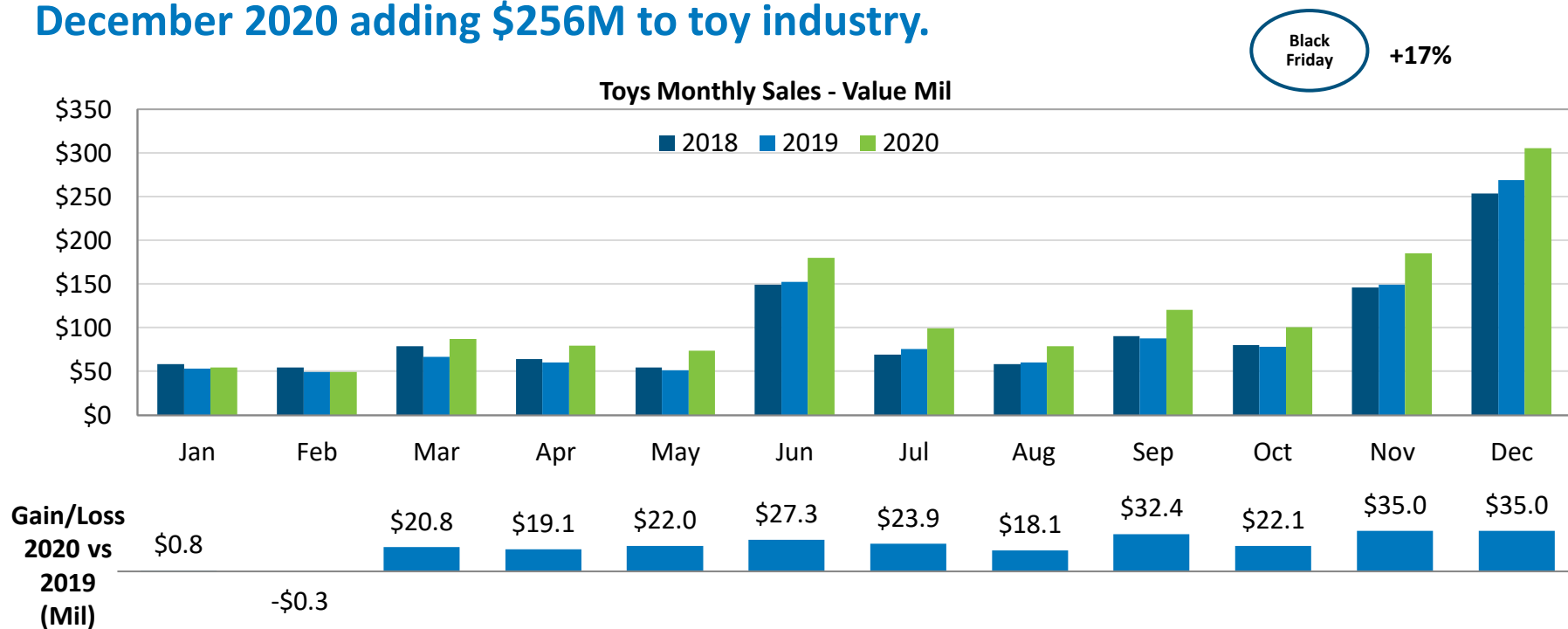
#1

Top Item
Barbie Dream House

Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2020

2020 Monthly Trend

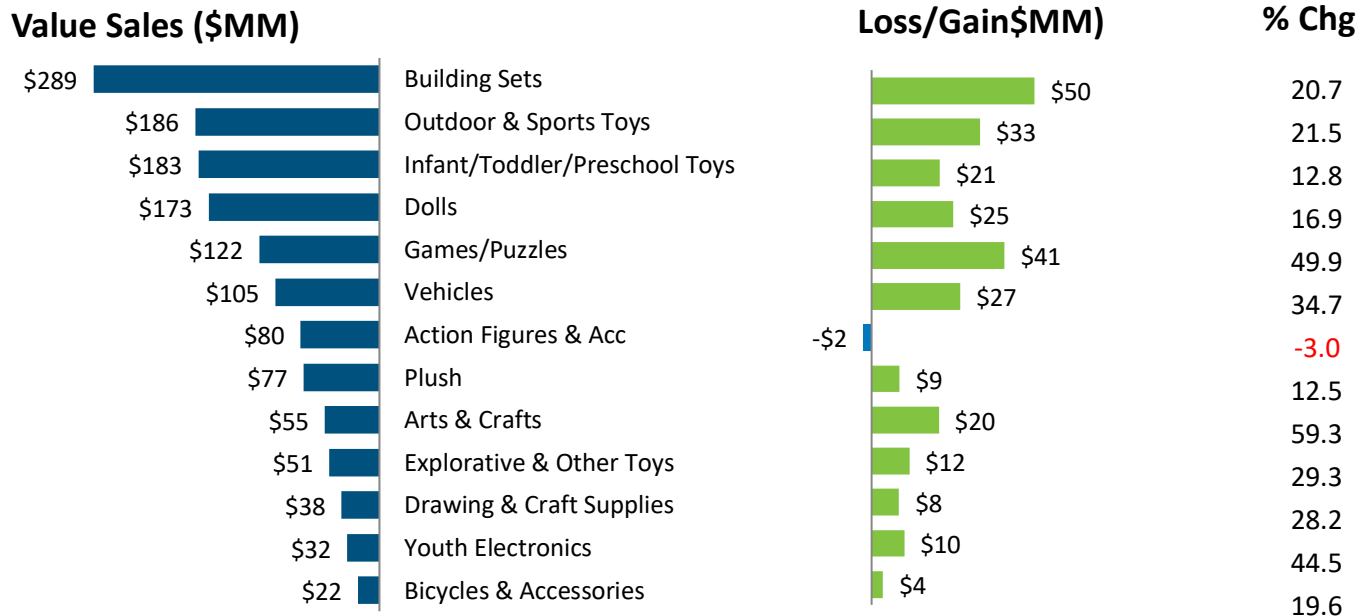
Toy dollar sales grew double digits for 10 consecutive months March 2020-December 2020 adding \$256M to toy industry.



Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2020

Supercategory Performance 2020

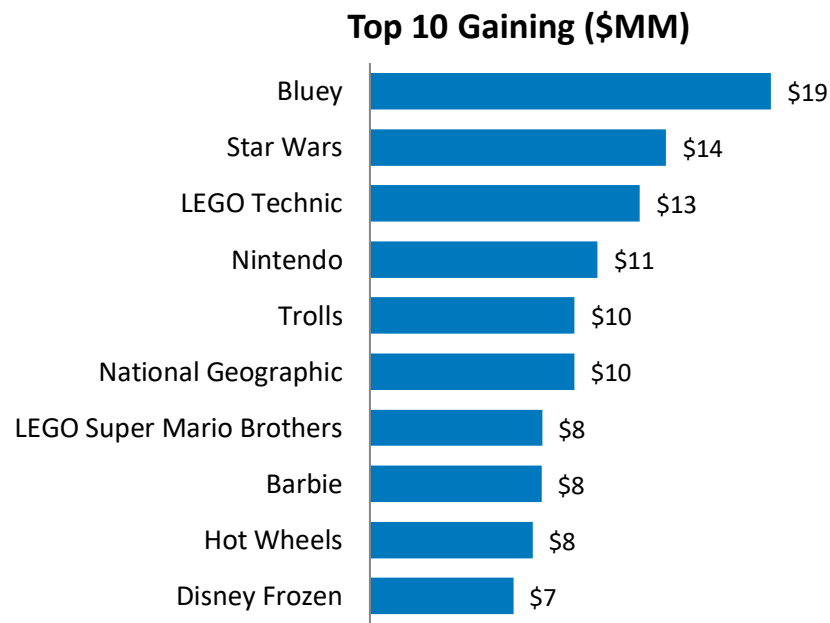
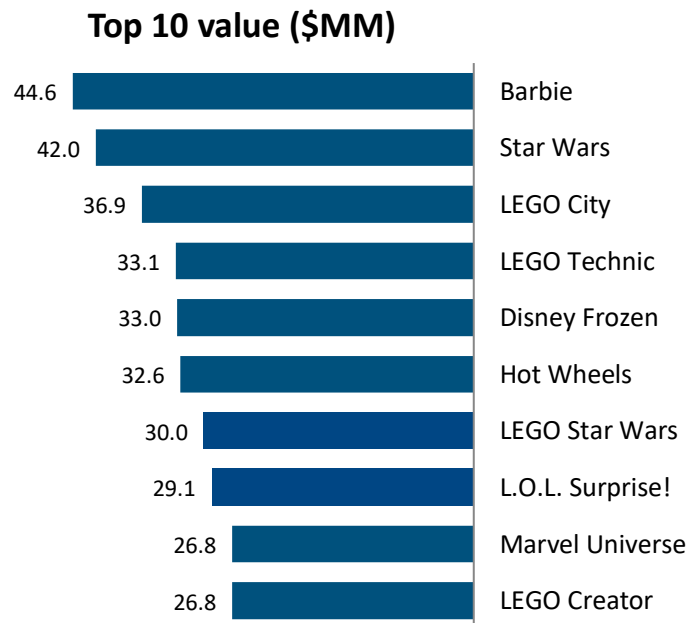
Building Sets, Games/Puzzles, Outdoor Toys and Vehicles were the top 4 gainers and accounted for 58% of dollars gained in the latest Year.



Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2020

Top Properties & Top Gaining Properties

9 out of top 10 properties registered growth (LY: only 6 grew).



Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2020

Top 10 New Properties 2020

5/10 top new properties by LEGO



LEGO Super Mario \$8.2M
Launch date: July 2020
SKU: 18



LEGO DOTS \$3.7M
Launch date: Feb 2020
SKU: 16



Na! Na! Na! Surprise
\$1.5M
Launch date: Jan 2020
SKU: 3



LEGO Trolls \$2.8M
Launch date: Feb 2020
SKU: 8



Present Pets \$2M
Launch date: Sep 2020
SKU: 3



LEGO Arts \$1.5M
Launch date: July 2020
SKU: 4



Rainbow High \$1.4M
Launch date: Sep 2020
SKU: 3



Love Diana \$1.3M
Launch date: Oct 2020
SKU: 12



BLIPPI \$1.3 M
Launch date: Jan 2020
SKU: 9

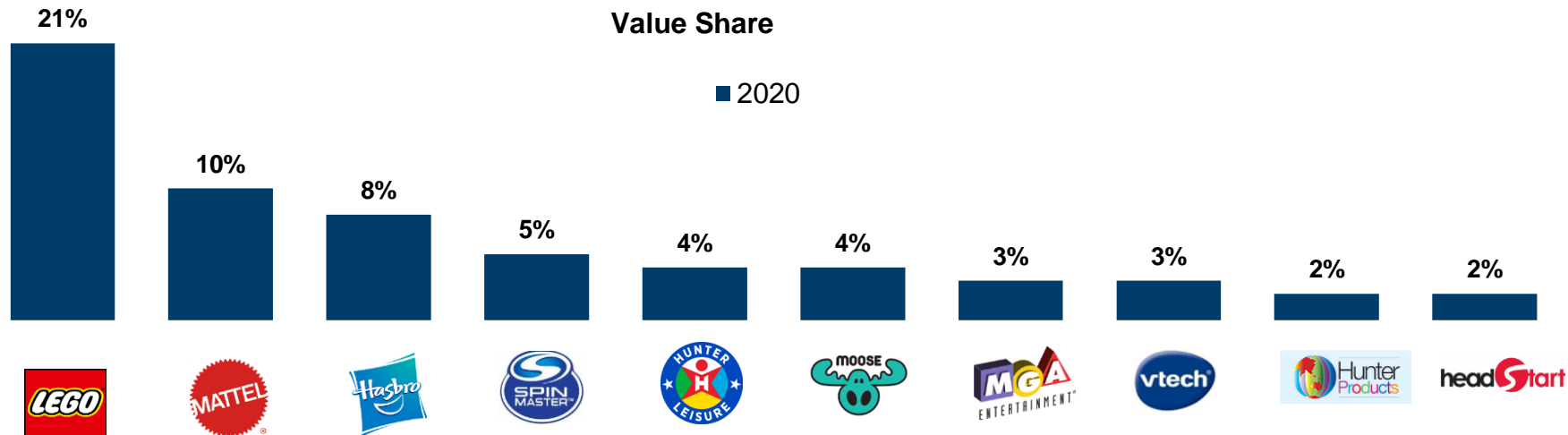


LEGO Despicable Me/Minions \$1.2 M
Launch date: April 2020
SKU: 2

Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2020

Top 10 Corp Manufacturers 2020

2020 was a strong year for several toy companies where 18 out of top 20 corporate manufacturers posted growth. Lego #1 +24%, followed by Mattel +10% and Hasbro +13%



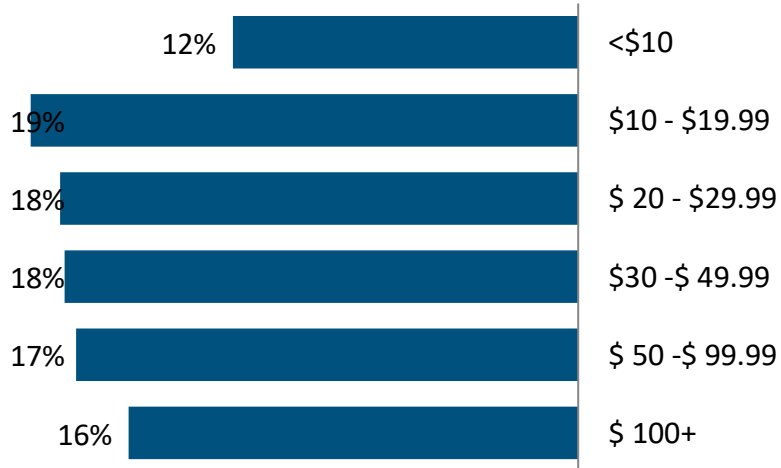
Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2020

Impulse purchases replaced by considered and big box purchases

Consumers moved to higher priced toys as impulse occasions were lost.

\$50+ accounted for almost ½ of gains.

Value % Share



Value Loss/Gained (\$M)

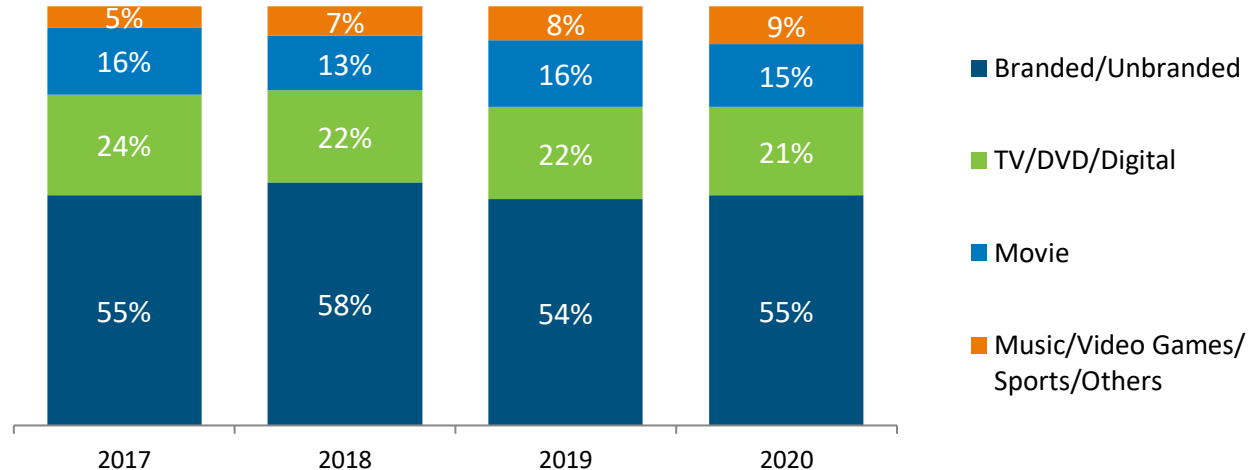


Source: The NPD Group | Retail Tracking Service | AUS | Full year 2020 vs. 19

Fragmentation of entertainment

Increasing number of content out there, no longer just movie blockbusters

Share by Entertainment Type

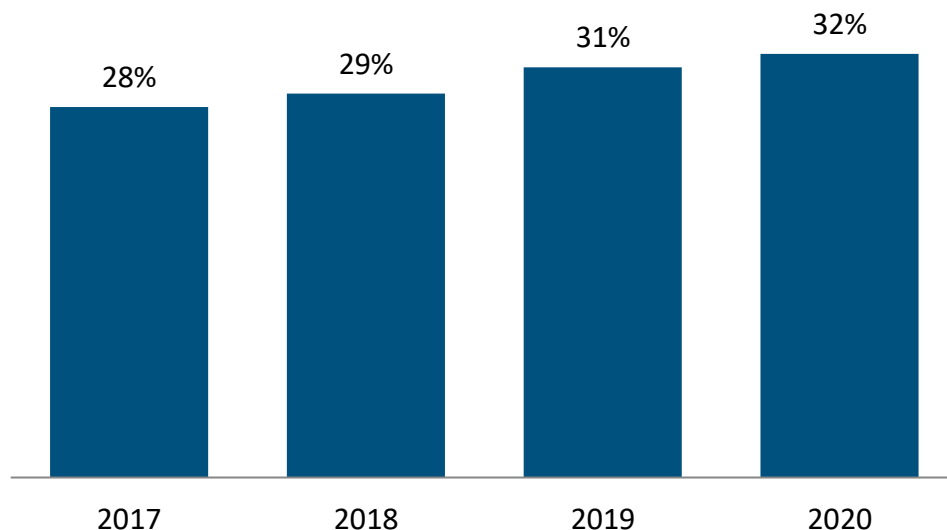


Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2020

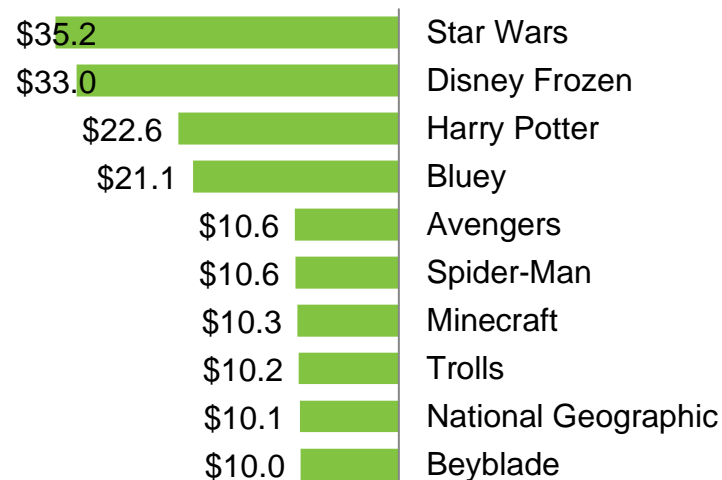
Licensed Toys in Total Market

Licensed toys accounted for 32% of total toys and grew +26% (unlicensed toys:+21%).

Licenses % Value Share of Total Toys



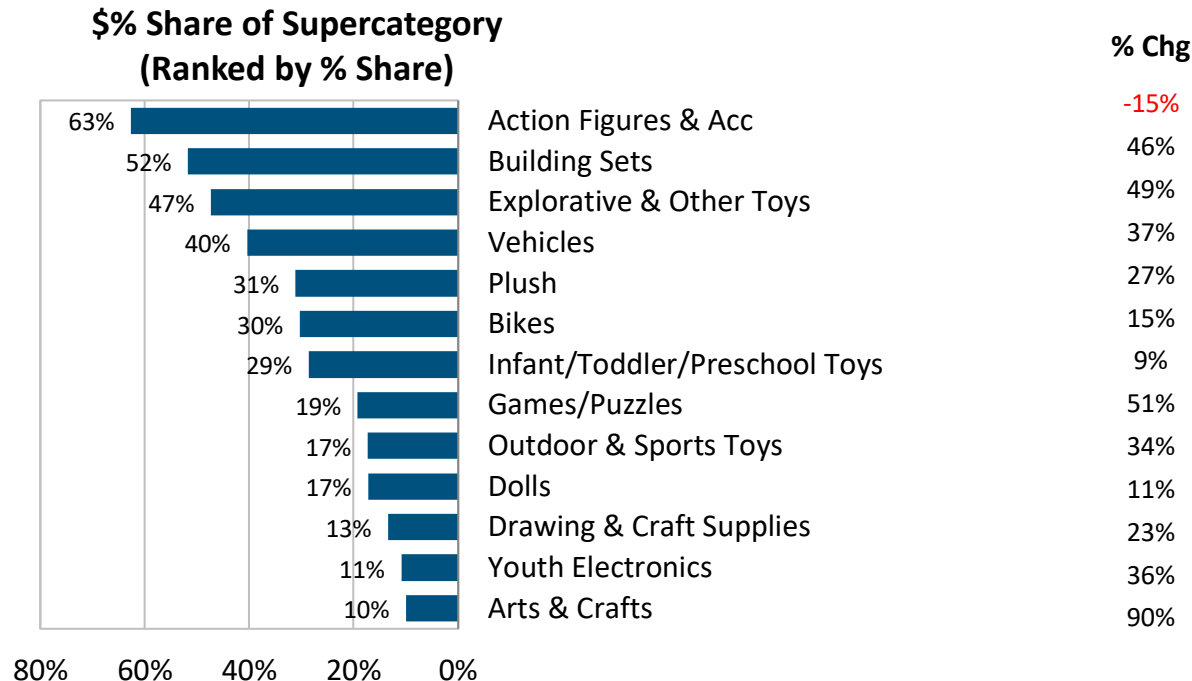
Top 10 Licenses in Total Toys
Value \$M



Source: The NPD Group | Retail Tracking Service | AUS | Full year 2020 vs. 19

Licenses Share per Supercategory

Total licensed market = \$448M, adding \$100M to the total toy industry



Source: The NPD Group | Retail Tracking Service | AUS/ YTD Dec 20

Top 12 Toys 2020

50% items in top 12 are priced above \$100.

Rank	Item Description	Distributor	Av Price
1	Barbie Dreamhouse	Mattel (Corp)	\$215.05
2	Hot Wheels 5 Pack 1:64 Asst	Mattel (Corp)	\$8.56
3	Technic The Fast And The Furious Doms Dodge Charger	The LEGO Group	\$144.15
4	Beanie Boos Regular Asst	Big Balloon	\$7.82
5	Hot Wheels Singles 1:64 Asst	Mattel (Corp)	\$1.89
6	LeapPad Tablet Ultimate	VTech (Corp)	\$174.36
7	Technic Land Rover Defender	The LEGO Group	\$282.23
8	Kidizoom Duo 5.0	VTech (Corp)	\$81.29
9	Super Mario Brothers Adventures Starter Course	The LEGO Group	\$70.28
10	Technic Bugatti Chiron	The LEGO Group	\$498.36
11	L.O.L. Surprise! Doll Asst	MGA Entertainment (Corp)	\$14.36
12	City Passenger Train	The LEGO Group	\$145.67

Source: The NPD Group | Retail Tracking Service | AUS | YTD Dec 20

A top-down photograph of two young children lying on a light-colored surface, surrounded by a large number of colorful wooden blocks. The child on the left has curly blonde hair and is wearing a blue and white striped long-sleeved shirt. The child on the right has long brown hair and is wearing a red long-sleeved shirt. Both children are holding two blocks up to their eyes, using them as binoculars. The blocks are in various colors including blue, green, yellow, and red, and have different shapes like cubes and cylinders. The entire image is overlaid with a semi-transparent blue filter.

CHRISTMAS PERFORMANCE

How did Christmas 2020 perform?

Dollars +16% vs. 2019 (LY:+5%), Units grew +14%(LY:-2%), Avg. price: +2%(LY+8%)

Unlicensed toys +19%, Licensed toys +11%

New Toys: 31 in the top 50
(10 out of 31 new toys from LEGO and 6 from Spin Master)

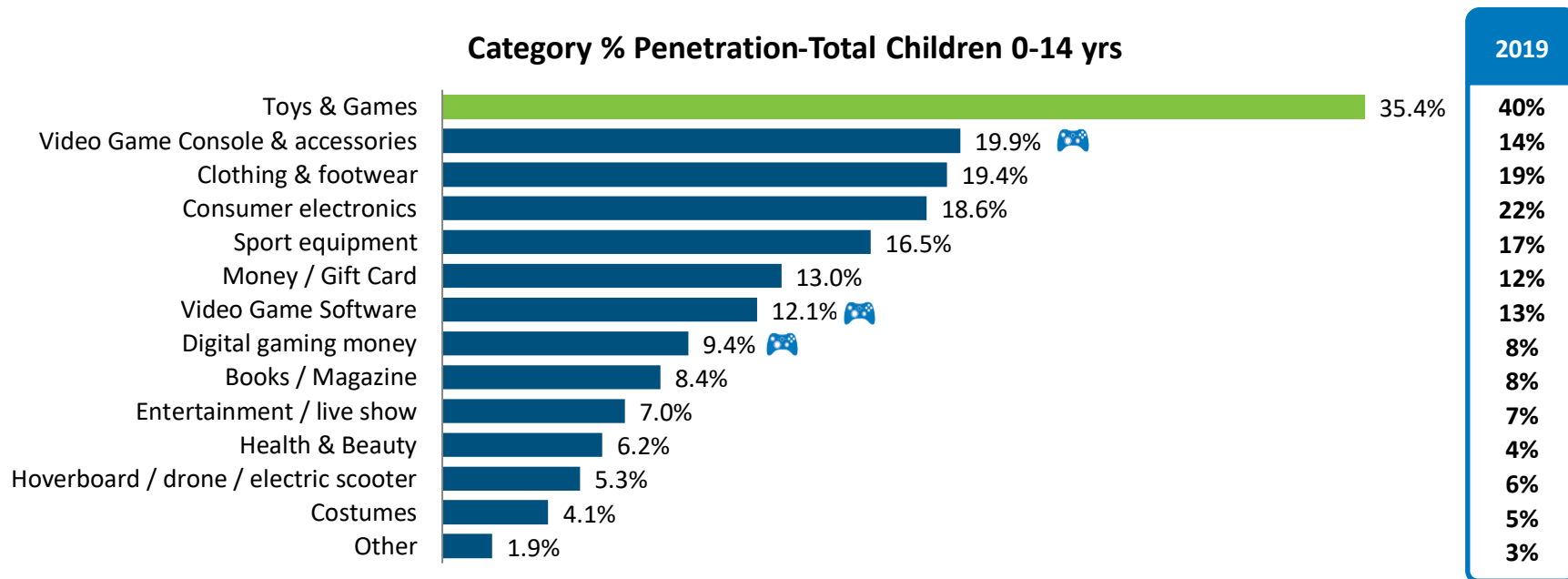
All price points grew, >\$50 fastest growth.

Barbie #1 property(2019: Disney Frozen , 2018: L.O.L. Surprise)

The NPD Group | AUS 8 weeks. (Nov 02, 2020 - Dec 27, 2020 vs. Nov 04, 2019 - Dec 29, 2019)

Wish List Top Categories

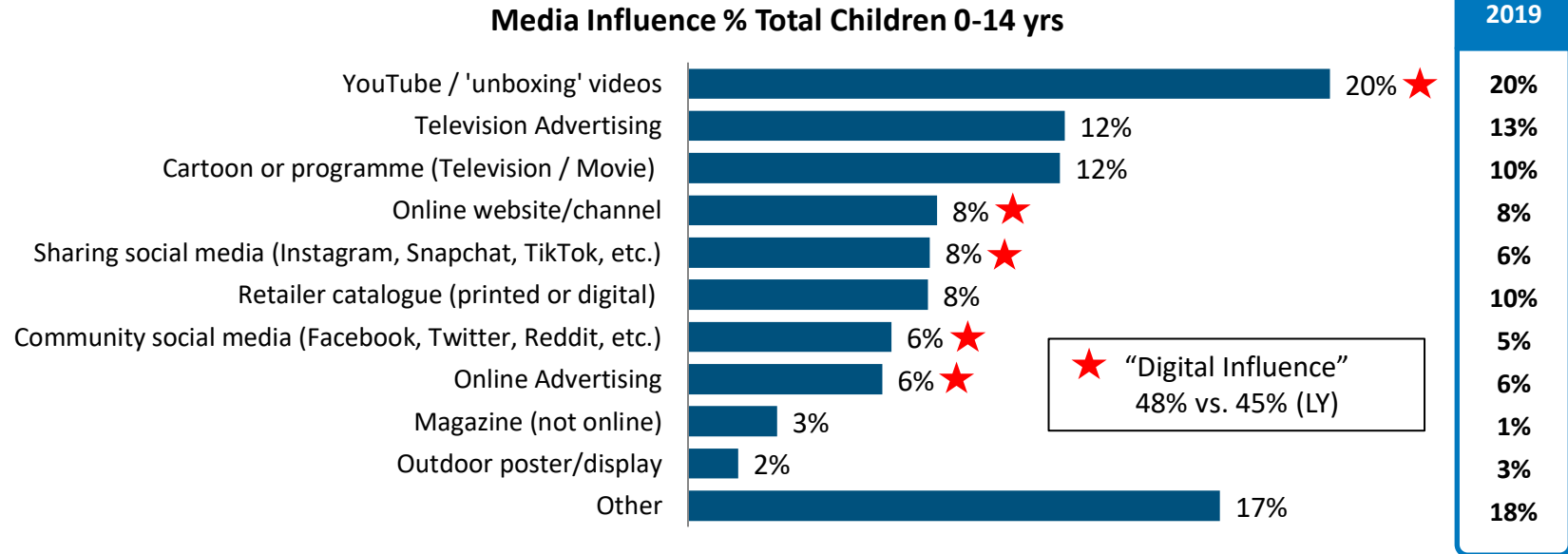
Toys & Games saw slight decline vs. LY, but it continued to be the most wanted gift category. VG ranks higher than toys as a collectively at 41% (LY 35%)



Question : if your child created a wish list for Christmas 2020, of their most wanted gifts, what were his top 2 requests from the categories below ?

Wish List Media Influence

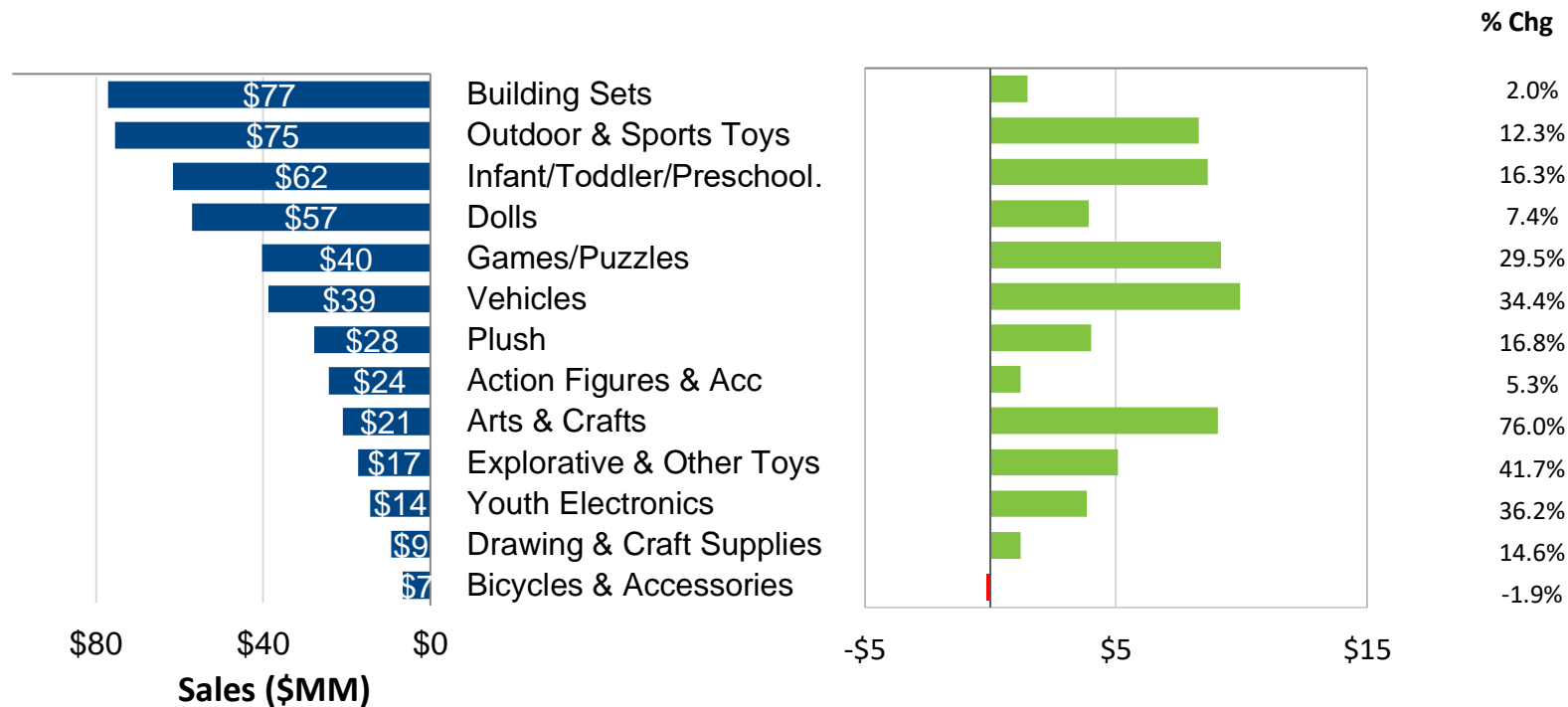
YouTube was the single largest influence for children at 20%. Overall, “Digital” accounted for 48% (this is 3 share point increase vs. last year)



Question : what influenced your child to request their top wish list item from the list below?

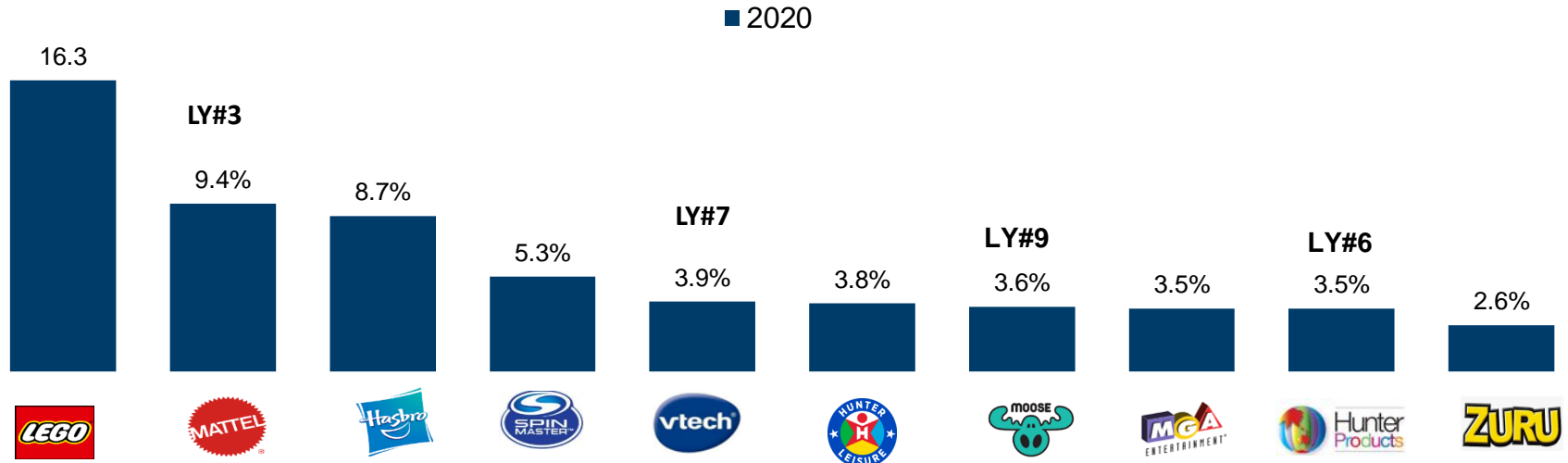
Christmas: Supercategory performance

12/13 categories grew during Christmas. 5 categories grew faster than the total market.



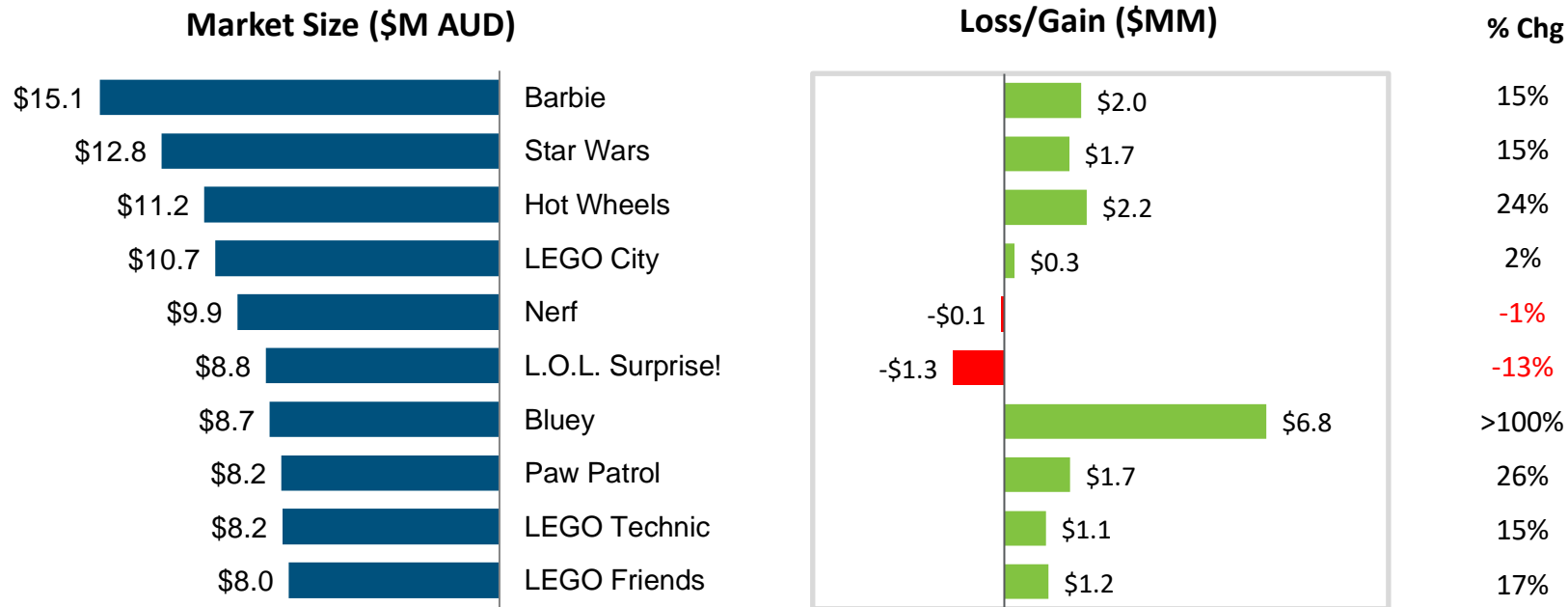
Christmas: Top 10 corporate manufacturers \$Share

Rank in order of top 3-dollar gainer during Christmas: Spin Master, Moose Toys and Mattel



Top 10 Properties during Christmas 2020

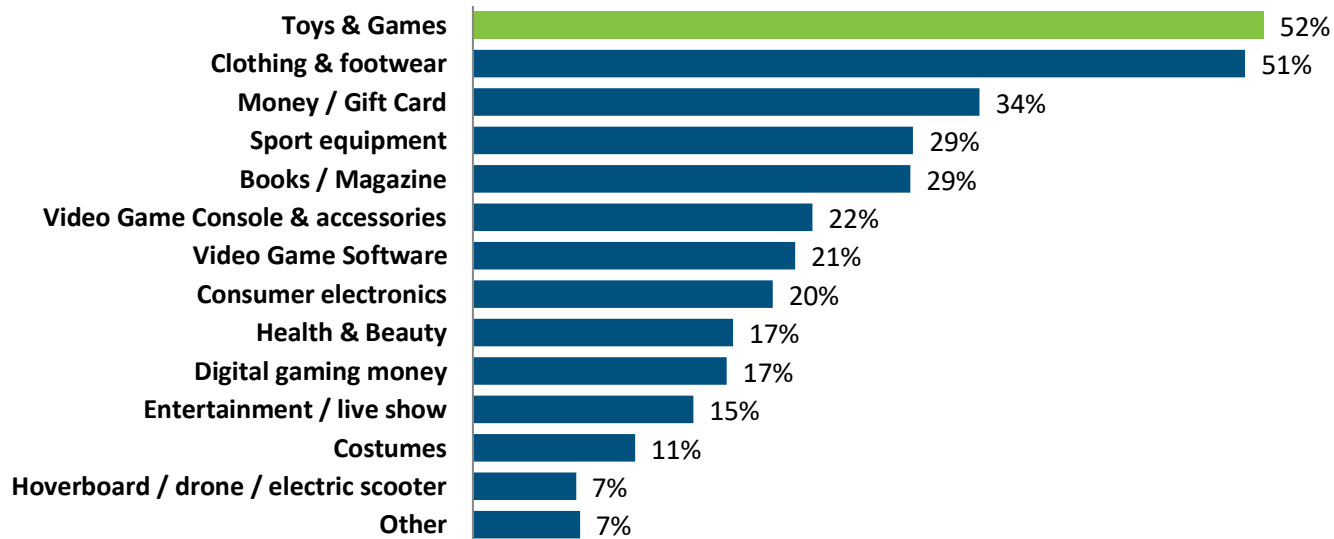
8 out of top 10 properties registered growth vs. 7 out of top 10 last year



Gifts Received By Category

Kids received more Toys & Games this year. Last year Clothing and Footwear were slightly higher than toys.

Category % Penetration-Total Children 0-14 yrs



2019

56%
57%
40%
32%
31%
14%
19%
19%
15%
10%
14%
10%
6%
10%

Question : Did your child receive a gift from any of the following categories at Christmas 2020 from you and other family members / friends (Grandparents, relatives etc) ?

Total budget spent per household in 2020

Average price spent more online is higher for both years



ONLINE

(delivery + Click&Collect)

2019: \$241

2020: \$255



OFFLINE

2019: \$225

2020: \$247

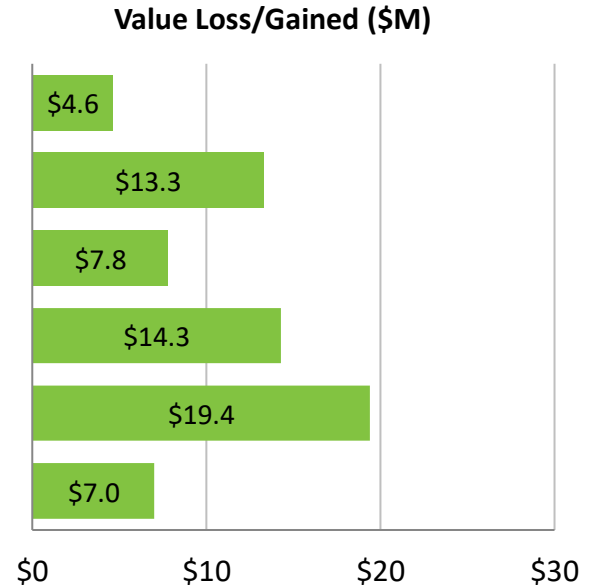
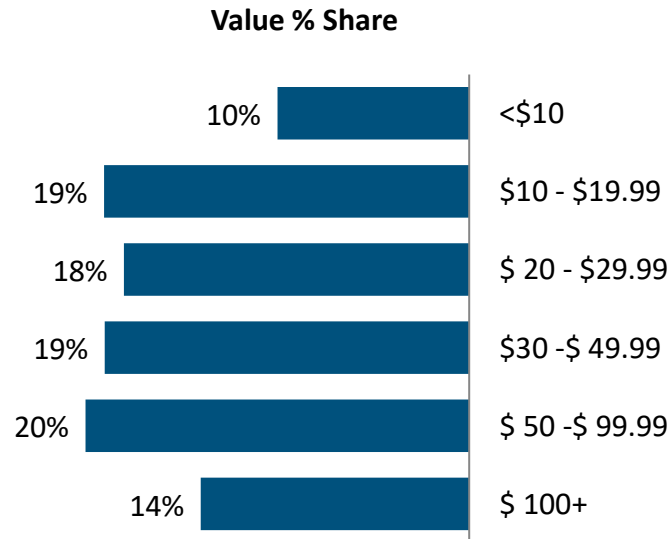


Questions : Approximately how much did you spend on Christmas gifts for your children (up to 14 years) in 2020 compared to Christmas 2019?
Whilst shopping for the **majority** of the Christmas 2020 gifts for your children, did you shop online (delivery + Click&Collect) or in store?

Impulse purchases replaced by considered and big box purchases

Consumers moved to higher priced toys as impulse occasions were lost.

\$50+ accounted for 44% of dollar gained during Xmas.



Christmas 2020: Top 12 Toys ranked by \$

Like last year Barbie Dream house remains the #1 during Christmas. 6 new items in top 12 (LY:5).

Xmas Rank '19	Xmas Rank '20	Item Description	Distributor	Av Price
1	1	Barbie Dreamhouse	Mattel (Corp)	\$214.78
20	2	Kidizoom Duo 5.0	VTech (Corp)	\$79.14
NEW	3	Barbie 3 In 1 Dreamcamper Vehicle And Accessories	Mattel (Corp)	\$90.30
NEW	4	Bunch O Balloons Crazy Recycle 3 Pack	Zuru	\$11.06
NEW	5	Barbie Color Reveal Doll With 7 Surprises Asst	Mattel (Corp)	\$18.34
NEW	6	Super Mario Brothers Adventures Starter Course	The LEGO Group	\$63.83
13	7	Blue Rectangular Family Poo 269x175x56	Hunter Products	\$26.60
11	8	Hot Wheels 5 Pack 1:64 Asst	Mattel (Corp)	\$8.51
NEW	9	Technic The Fast And The Furious Doms Dodge Charger	The LEGO Group	\$144.78
12	10	Kidizoom Smart Watch 3.0	VTech (Corp)	\$76.49
25	11	LeapPad Tablet Ultimate	VTech (Corp)	\$169.85
NEW	12	Monster Jam Megalodon Storm All Terrain Truck 1:15	Spin Master (Corp)	\$74.97

Christmas 2020: Top 12 Toys ranked by Units

3 new items by units in top 12

Rank '19	Rank '20	Item Description	Distributor	Av Price
1	1	Hot Wheels Singles 1:64 Asst	Mattel (Corp)	\$1.65
3	2	Pool Noodle Assorted	Thermotec	\$2.33
5	3	Hot Wheels 5 Pack 1:64 Asst	Mattel (Corp)	\$8.51
New	4	Bunch O Balloons Crazy Recycle 3 Pack	Zuru	\$11.06
6	5	Beanie Boos Regular Asst	Big Balloon	\$7.78
8	6	Max Liquidator Eliminator	Prime Time Toys	\$6.54
New	7	Barbie Color Reveal Doll With 7 Surprises Asst	Mattel (Corp)	\$18.34
New	8	5 Surprise Mini Brands Capsule Ball Assorted	Zuru	\$8.88
10	9	UNO Card Game Asst	Mattel (Corp)	\$7.21
24	10	Tech Deck 96mm Fingerboard Asst	Spin Master (Corp)	\$5.02
78	11	X-Shot Water Warfare Fast Fill Soaker	Zuru	\$14.68
21	12	Cars The Movie 3 Character Cars Asst 1:55	Mattel (Corp)	\$8.23

Looking ahead in Australia for 2021



Matching 2020 Results?

2021 will be a challenge. How can we ensure that 2021 toy sales continue to flourish?



Online Growth

Will online achieve continue to gain traction in 2021



Movie Licenses Back

Cinema's reopening new film license can drive the market again



Will Games/Puzzles continue to flourish

After such strong growth in 2020, will games/puzzles continue to drive growth in Australia when experiences open....?



Collectibles Return?

Collectibles declined in 2020, impacted by COVID and newness – what will it look like going forward?



More Newness

New items contribution to 2020 sales was down - 13% in 2019 – next year this should change

Source: The NPD Group | Retail Tracking Service | AUS

Thank you

Apparel
Appliances
Automotive
Beauty
Books
Consumer Electronics
Diamonds
E-commerce
Entertainment
Fashion Accessories
Food Consumption
Foodservice
Footwear
Home
Juvenile Products
Mobile
Office Supplies
Retail
Sports
Technology
Toys
Travel Retail
Video Games
Watches / Jewelry