2021: Toy Market Review

April 2022

Global Market Overview

2021: Key Take Away

Sales **HIT RECORD** in G13
US drives 80% of global gains

GAMES & PUZZLES and **OUTDOOR** top gaining
KIDULTS (12+) grow fastest

LESS INNOVATION / higher share for **LICENSES**
Increased **ASP** / collectibles recover partially

ONLINE SALES PLATEAU
Limited inventory issues & price increases

G13 Global Toy Sales: $63BN in 2021

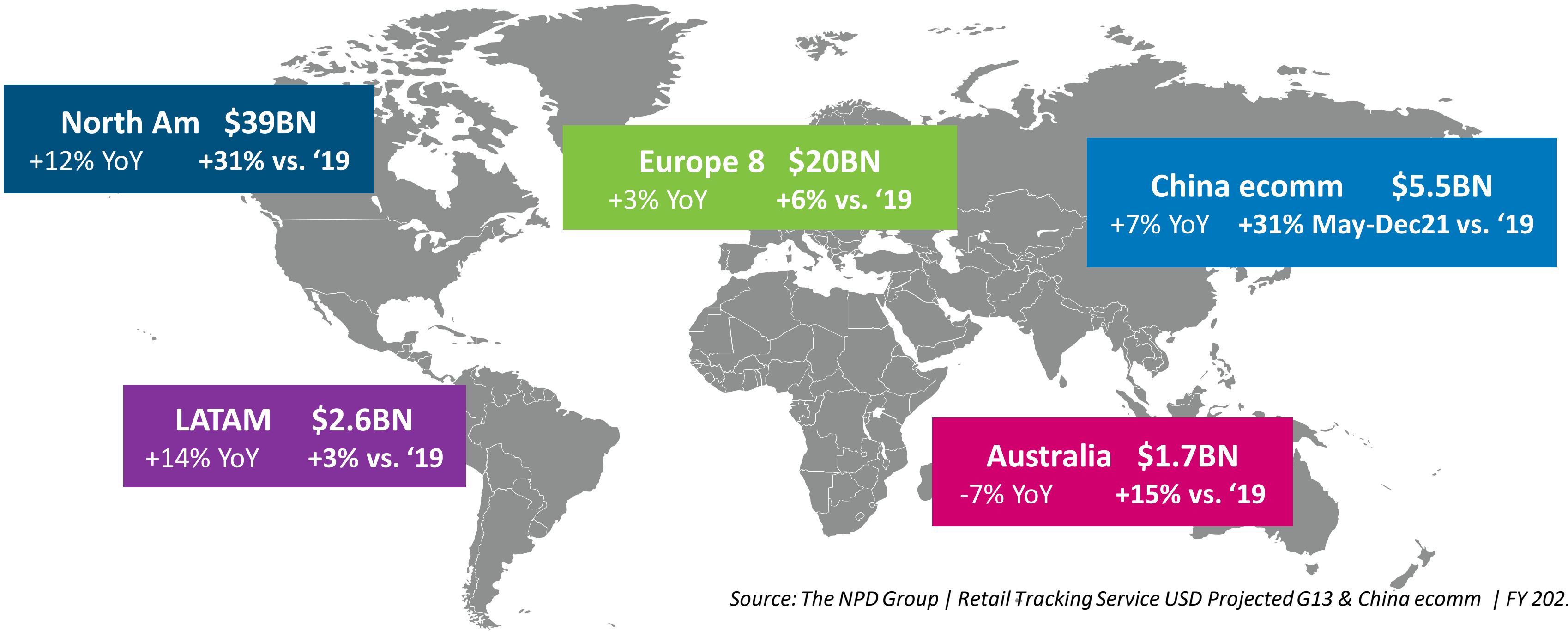
Extraordinary growth in last 2 years

+9%	+5%	+3%
Value	**Volume**	**Price**
+21% vs. 2019	+4% vs. 2019	+16% vs. 2019

Source: The NPD Group | Retail Tracking Service Projected | G13 | FY 2021

Huge Variations By Region

But all regions have seen toy sales increase over the 2 years of the pandemic



Source: The NPD Group | Retail Tracking Service USD Projected G13 & China ecomm | FY 2021

2021 WINNERS

What's Driving Growth?

Incredible results along with other entertainment categories like Video Games, Books…

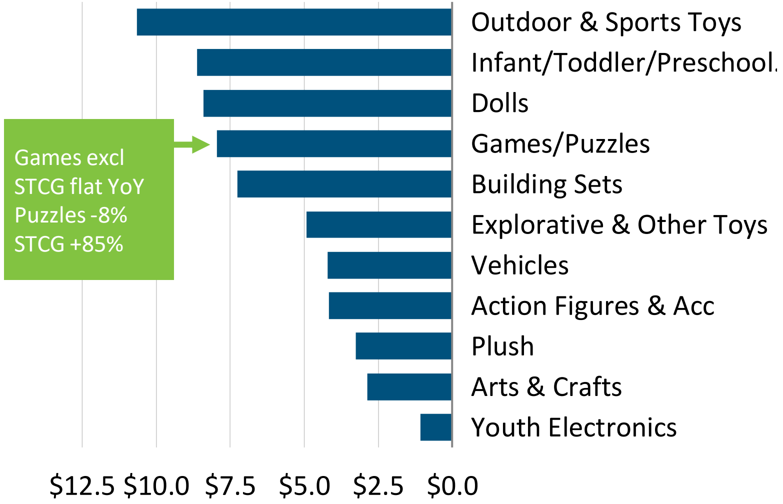
	US+ Canada	EU + AUS
Macro	Stimulus, increased spend / Buyer & more Buyers	
Recipients	Kids & Kidults	Kidults mainly
Channels	In-store +17% YoY +23% vs. 2019	In-store +4% YoY in EU8 -10% vs. 2019
<$20	+12% vs. '19	-1%
Collectibles	+39% vs. '19	-3%
Sports licenses	3%, up 128% vs. '19	~1%
New	Squishmallow, 5 Surprise, Cocomelon, Bluey…	

Source: The NPD Group | Retail Tracking Service Projected | G13 | FY 2021

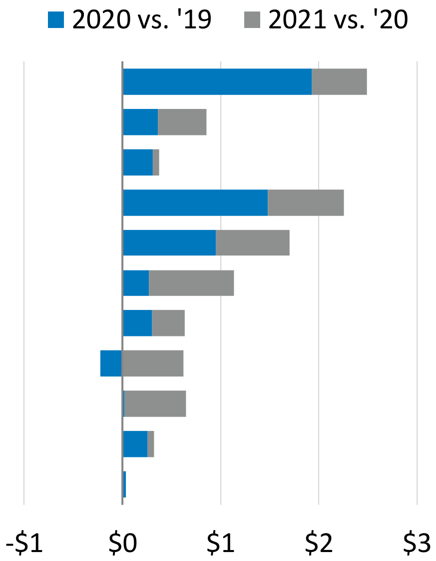
10/11 Super Categories in Growth in 2021

Games / Puzzles & Outdoor & Sports Toys top gaining

Market Size ($BN)



Losses & Gains ($BN)



% Chg

21 vs. '20	21 vs. '19
6%	30%
6%	11%
1%	5%
11%	40%
12%	31%
21%	30%
8%	18%
18%	11%
24%	25%
2%	13%
-1%	2%

Source: The NPD Group | Retail Tracking Service Projected | G13 | FY 2021

Top Gaining Subclasses Growing Through ASP

In the context of 2022 price increases, there is potential to move up price points

Top Gaining Subclasses in $ - 2021 vs. '19

+33%

STD BUILDING SETS

+26%

+127%

STCG

+19%

+71%

FASHION DOLLS

+28%

+52%

PLAYGROUND

+20%

+161%

NON STRAT. TRADING CARDS & STICKERS

82%

2021 ASP vs. '19

Source: The NPD Group | Retail Tracking Service Projected | G13 | FY 2021 vs. 20

2021 Top Gaining Manufacturers

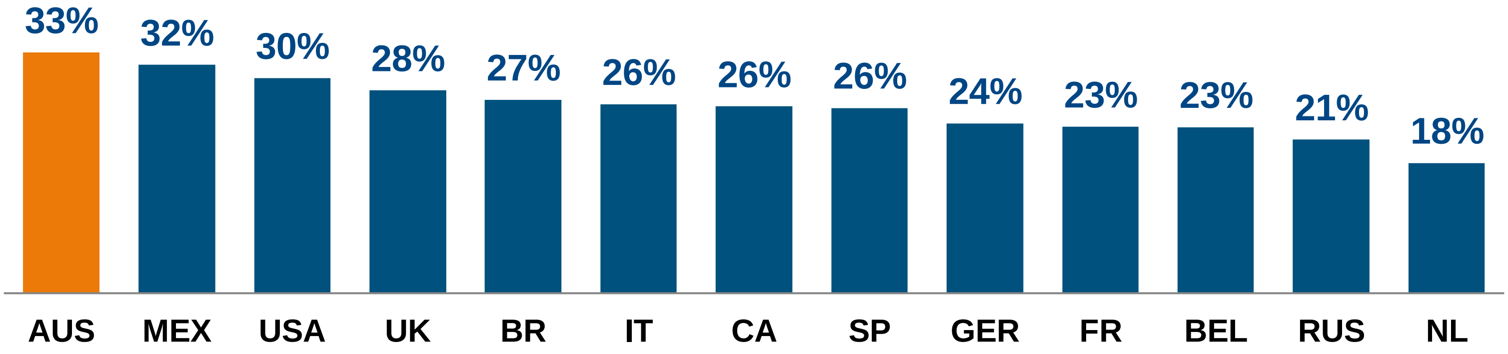
Collectively they grew by $3.8BN

Source: The NPD Group | Retail Tracking Service Projected | G13 | FY 2021

Appetite for licensed toys remained high in Australia – largest share of licensed toys

G13 share of licensed toys in 2021: 28% (up 1 point from 2020)

License share of total toys



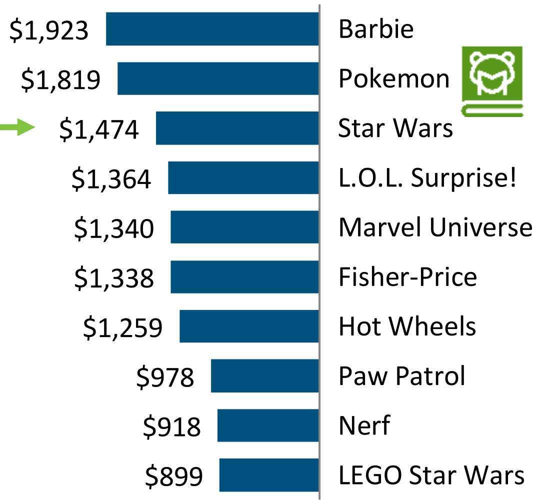
	AUS	MEX	USA	UK	BR	IT	CA	SP	GER	FR	BEL	RUS	NL
% Chg 21 vs. 19	+22%	+5%	+37%	+16%	-1%	+11%	+33%	+6%	+34%	+9%	+25%	+22%	+50%

Top Properties Dominated by Ever-green

Barbie kept her crown with a 12% sales increase in 2021
Only 0.4% of 2021 sales were made with new IP’s… (vs. 0.8% in 2019)

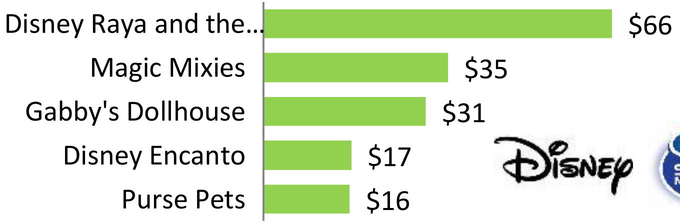
Sales ($MM)

SVOD support:
Mandalorian = 100% incremental with 32% of total SW $



Top Gains YoY outside Top 10 in N.A. ($MM)

Top New Properties N.A.($MM)



Source: The NPD Group | Retail Tracking Service Projected | G13 | FY 2021

Australia Toys Landscape 2021

Toy Market Challenges in 2021

- Growth in 2020 Despite Lockdowns & Store Closures
- 2H 2021 Wave #3
- Postal delays
- Shipping Costs
- Product Shortages

Key Facts Toys 2021

-7%

Q1 +14% Q3 -10%
Q2 -13% Q4 -8%
FY2021 vs. 2019: +15%

+6%

Barbie was the #1 property by dollars. Pokémon was the top dollar gainer. Gains from Pokémon was almost 3X larger than the second dollar gaining property

1/13

Only Explorative Toys (+4%) grew YoY. 6 out of 13 Supercategories gained share

+25%

Online sales +25% in 2021 (+115% vs. 2019)

Licensed toys recorded its highest ever share in 2021 at 33%. Movie based licenses had highest share, but VG licenses added most dollars

61%

Top 10 manufacturers contributed 61% to total toy dollars (gained 0.6 share points). #11 – #20 dollar share remained flat. LEGO kept its position #1 with 20% share, Mattel #2: 9.5% share and Hasbro #3: 7.2%

2021 Australia Toy Highlights

+23%

Online sales accelerated in 2020 thanks to COVID. In 2021, online channel gained 5 points (24% in 2021)

33% share
(2019: 31%   2020: 32%)

Licensed toys recorded its highest ever share. Top dollar adding license came from Preschool (2021: Cocomelon, 2020: Bluey)

+107%

Pokémon become the #3 property & was the largest dollar gainer. Strategic Trading Cards accounted for 74% of the property

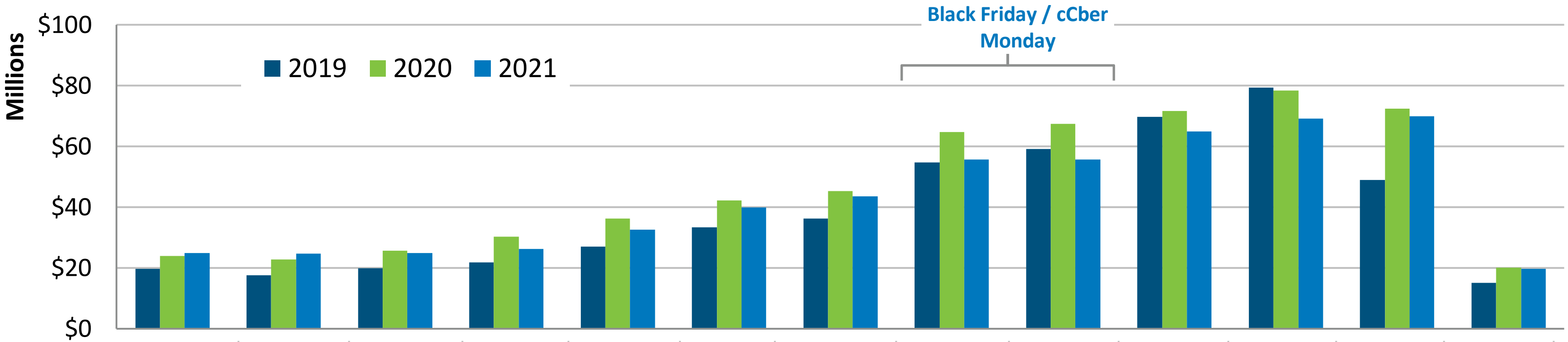
Pop It Fidgets

Fidgets was a must have in 2021. Sales took off from March. These impulse toys sold at an avg price of $6 (last 2 months of the year accounted for 25% of sales)

Source: The NPD Group | Retail Tracking Service | AUS | YTD Jun21

As Xmas approaches continued to dip

Leading up to Xmas (Nov-Dec): -10% vs. LY, +7% vs. 2019



Week #	40	41	42	43	44	45	46	47	48	49	50	51	52
21 vs. '20 % chg	4%	8%	-3%	-13%	-10%	-5%	-4%	-14%	-18%	-10%	-12%	-3%	-2%
21 vs. '19 % chg	26%	40%	26%	20%	21%	20%	20%	2%	-6%	-7%	-13%	43%	30%

	October:	November:	December:
Vs. 20	-2%	-9%	-10%
Vs. 19	+27%	+14%	+3%

Source: The NPD Group | Retail Tracking Service | AUS | 2021

41% of EU Parents Experienced Inventory Issues for Toys in Q4

32% **Switched retailer** to find their toy

29% **Kept looking** until they found the item they wanted

16% Purchased another toy from the **same brand**

16% **Switched** to another toy from another **brand** all together

7% Bought a gift card or **gave up buying toys**

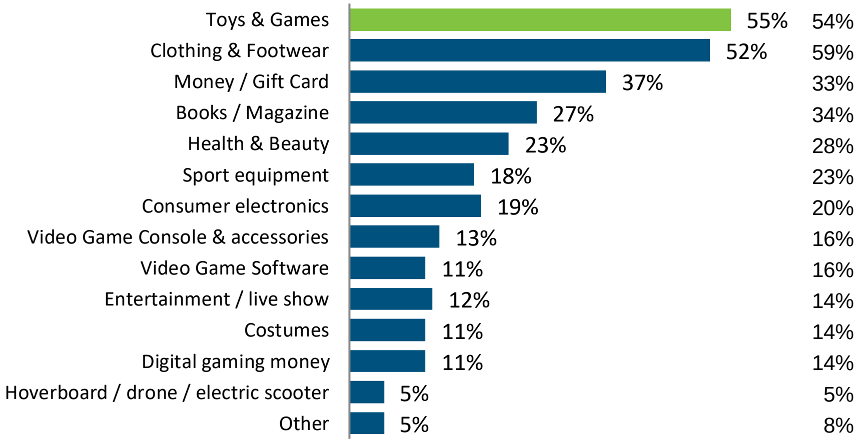
Source: The NPD Group | EU5 + Russia | Consumer Survey | First Week of December 2021

Gifts Received By Category per Gender

Toys & Games was the top gift received by Girls(55%) . Toys &Games share remained the same in Boys, but VG combined was top gift received by Boys (63%)

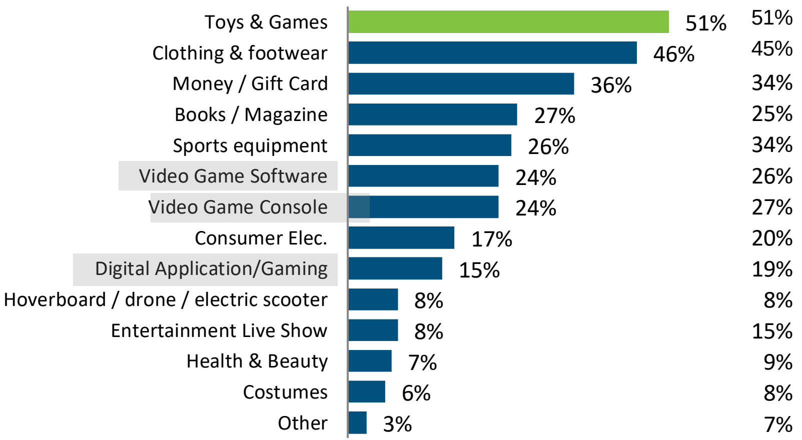
Girls 0-14 yrs

Category % Penetration **2020**



Boys 0-14 yrs

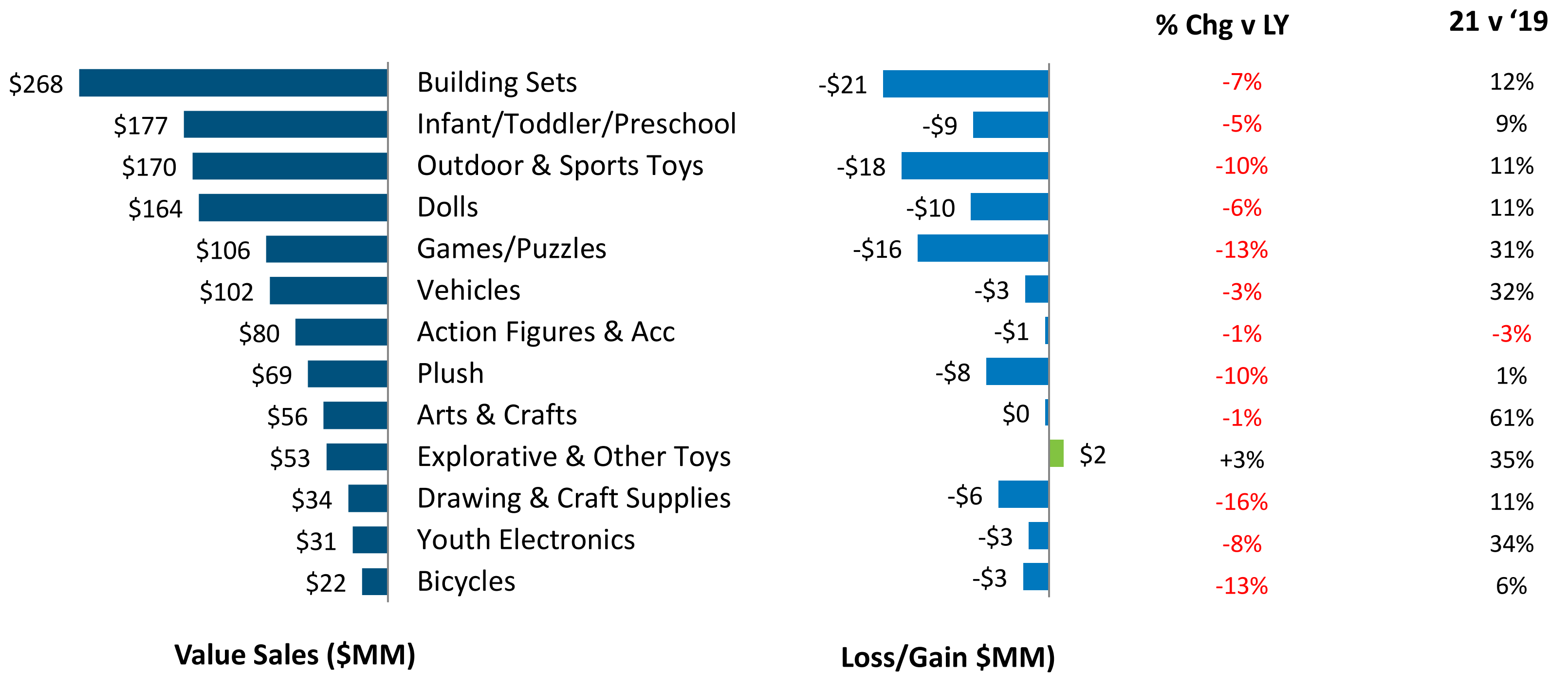
Category % Penetration **2019**



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) ?

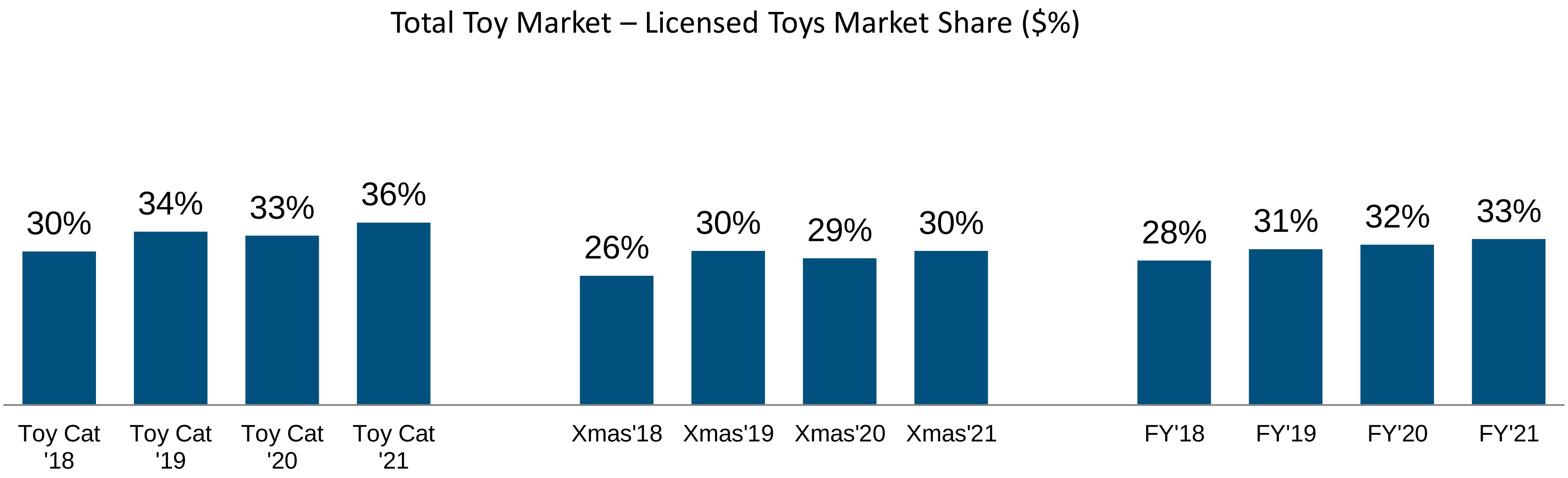
Supercategory Performance 2021

Toy sales were expected to fall in 2021 however, 12/13 supercategories remained resilient vs. 2019



Full Year 2021 licensing accounted for 33% of toys sold

Licensed toys share was highest during Toy Cat 36% which helped boosted share of licensed toys for the year. Xmas for the last 3 years continued to have the same levels of share



2021 Top dollar gaining distributors & New Properties

Magic Mixies

$2.5M

#1 Plush in Dec and 2021
#4 in Dec across all toys

64% Weighted Distribution in Q4

Real Littles

$1.6M

#5 Property in Playset Dolls

Mini Backpack Assortment

LEGO VIDIYO

$1.6M

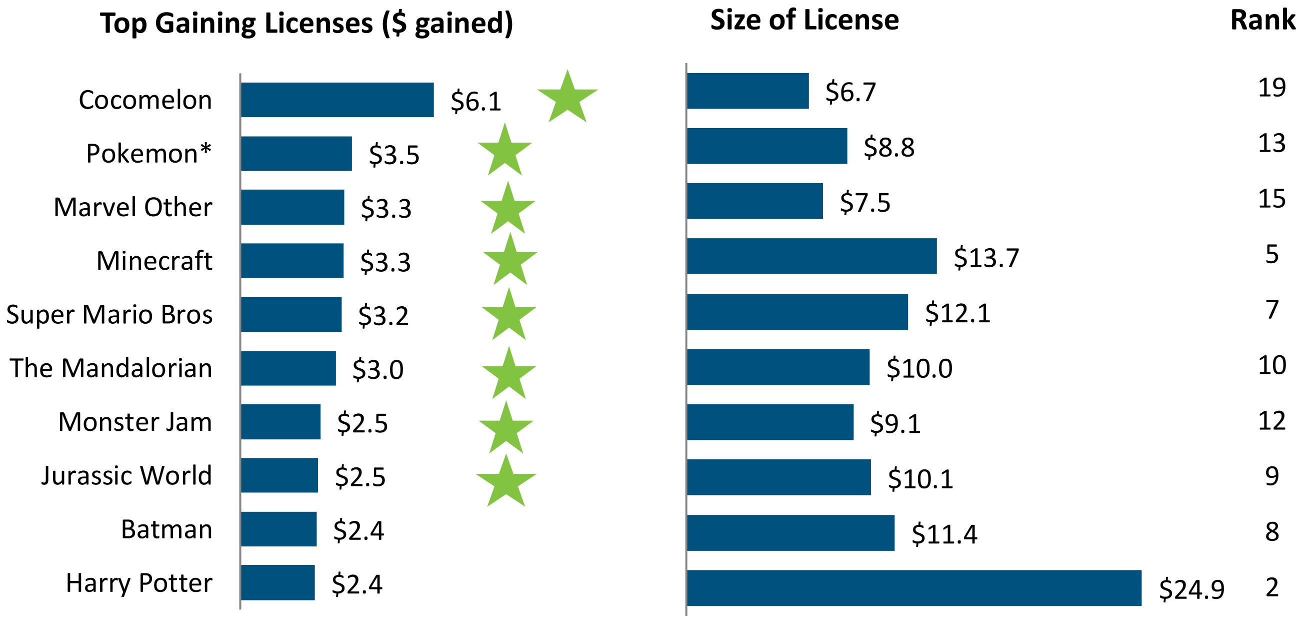
LEGO VIDIYO did not reach the heights of LEGO DOTS from LY ($3.7M), but it performed similarly to LEGO ART

Banter Toys gained +$18M
Pokémon: 76% of gains
Squishmallows: 9% of gains

Big Balloon gained +$5M
CoComelon: 78% of gains
Pokémon: Made up the remaining

Licensing bigger than ever in Australia

Accounted for 33% of toys sold. Collectively top gaining other licenses(such as VG) added +$25M to Australia Toys



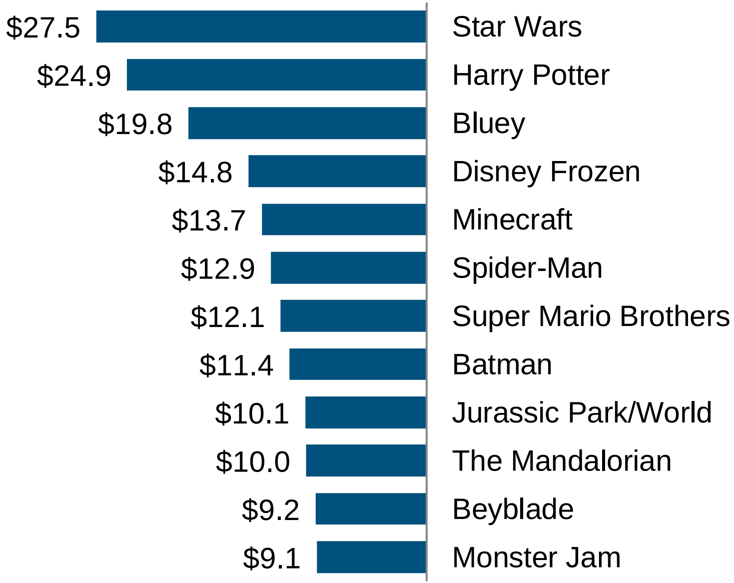
Entertainment outside of movies

★ = other forms of license besides movie

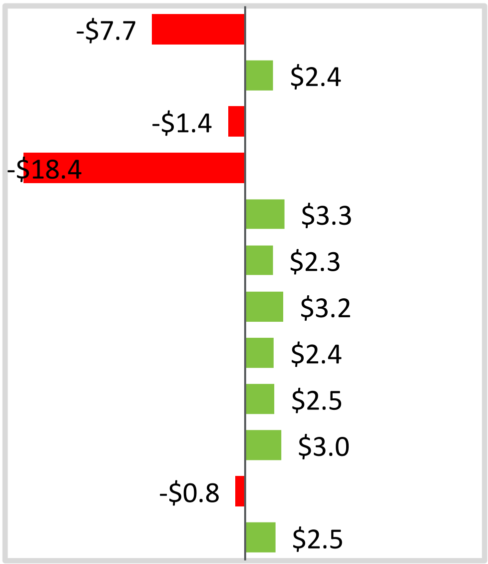
*Pokémon license = outside of Trading cards

Top 10 Licenses in 2021

8/12 licenses grew. Super Mario, The Mandalorian, Jurassic World and Monster Jam were new to the top 12



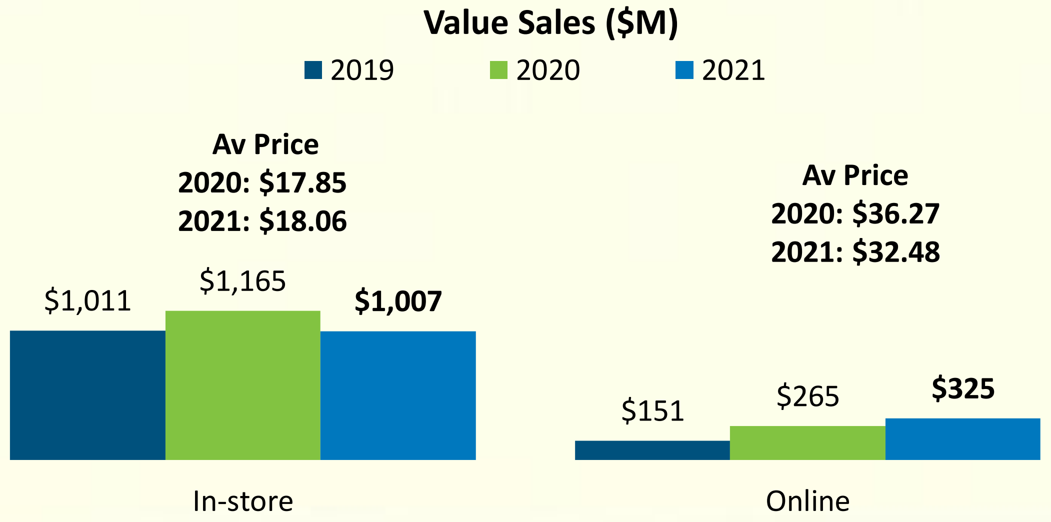
Market Size ($M AUD)



Loss/Gain ($MM)

Majority of sales still from in-store

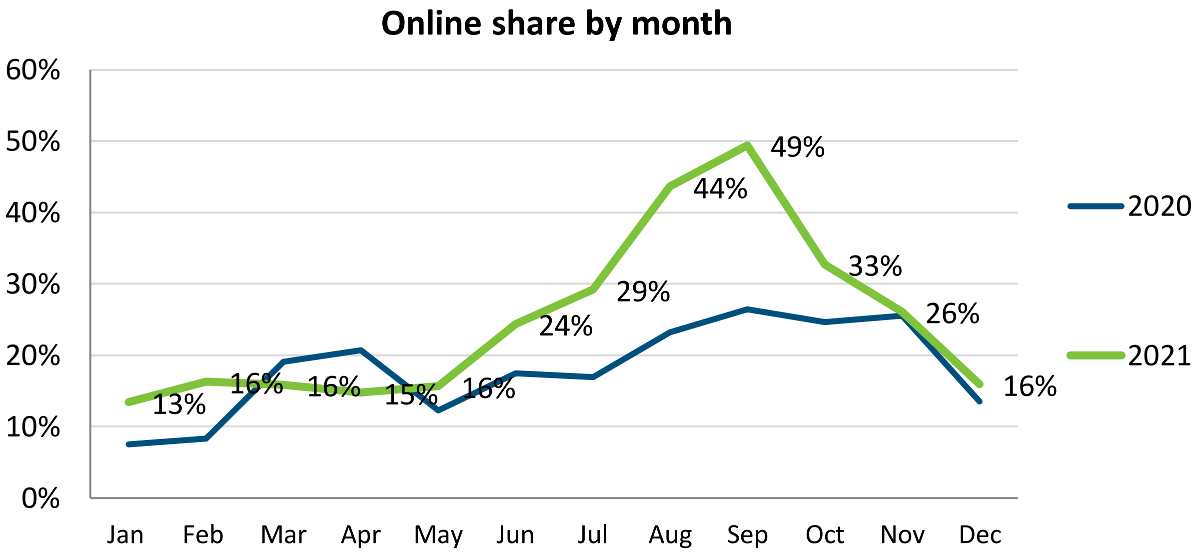
In-store dollar sales slightly below 2019 (-0.5%)



Source: The NPD Group | Retail Tracking | AUS | FY2021

Lockdown accelerated online sales

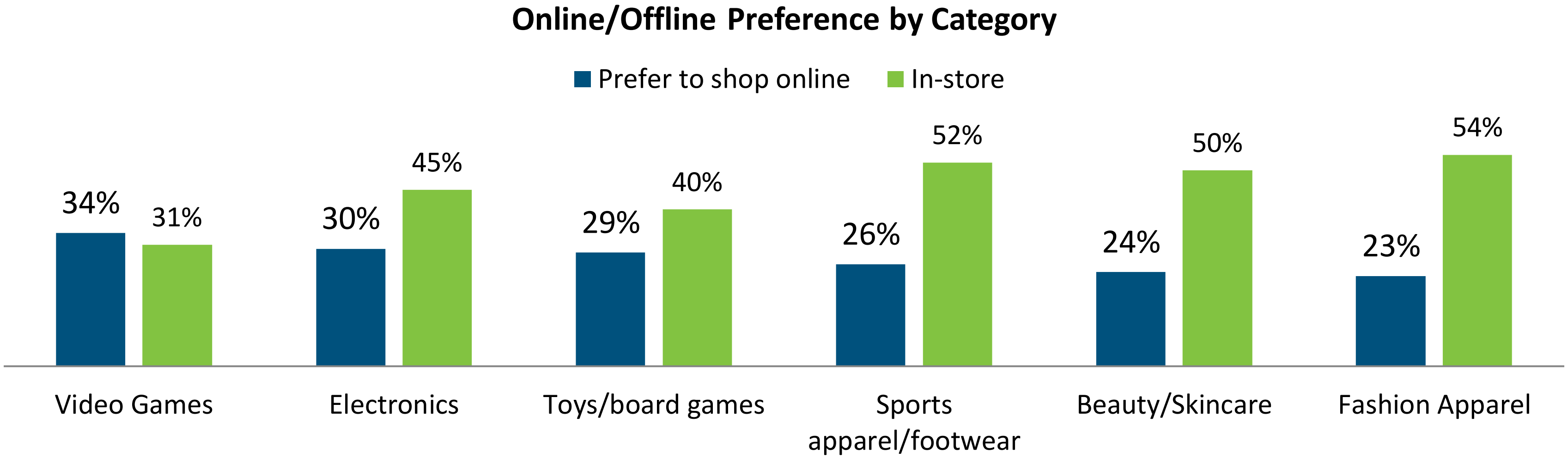
The latest month, Jan 2022, share of online reached 18%, 5 points higher than 2021



Online accounted for 24% of toys in 2021
2021 vs 2020: +24%
2021 vs 2019: +115%

Most Australians still prefer to shop in-store

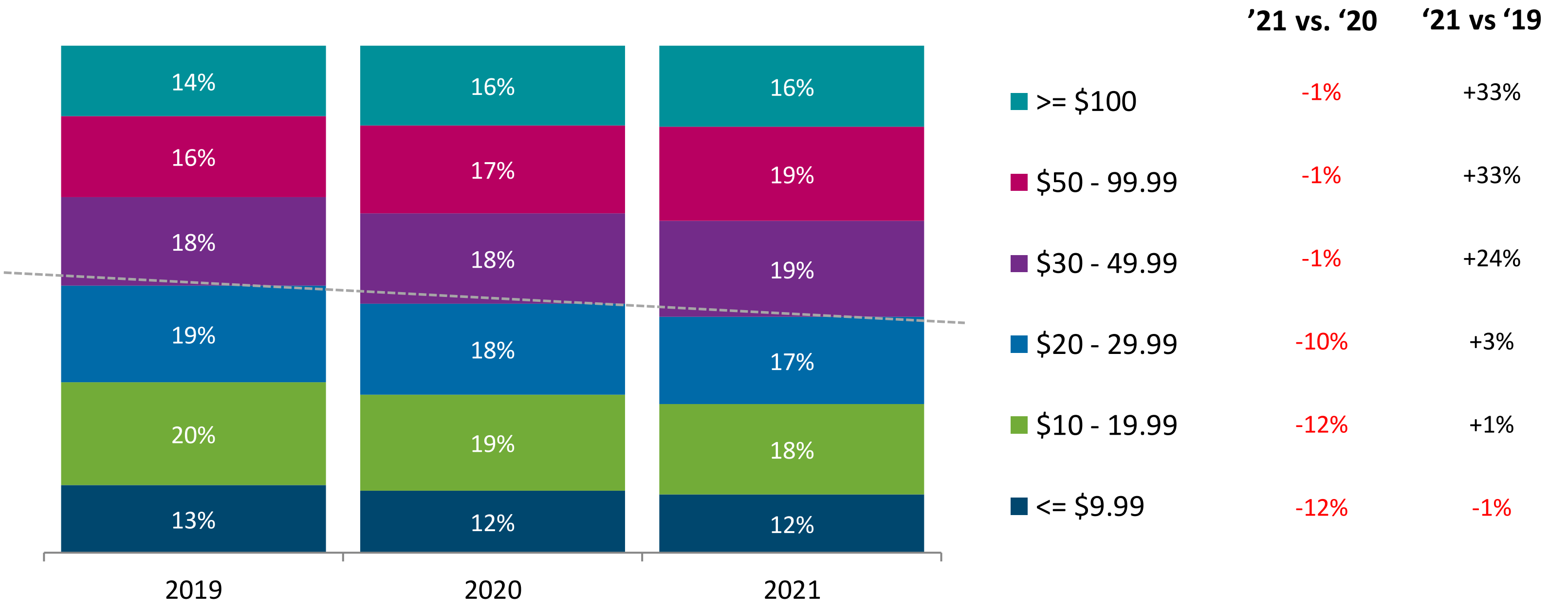
Toys came in as the third most popular category where consumers indicated that they prefer to shop online



Question : For each category below, please indicate if you are more likely to purchase it (online or in-store) after the lockdown?

Price point movement

Mid Tier ($30-49.99) and Big Box ($50+) price segments were popular in 2021, accounted for 54% of total toy dollars (3 share points increase vs. last year)



Winning by dreaming big

High performing subclasses in last 2 years: growth through ASP

	Std Building Sets	Fashion Dolls	Strategic Card Games
Sales vs. ‘19	+12%	+76%	+211%
Price vs. ‘19	+26%	+24%	+28%

Source: The NPD Group | Retail Tracking Service | AUS| 2021 vs. 19

Conclusion and Outlook for 2022

In 2021, the online channel gained 5 share points and contributed 24% to overall toy dollars. Impact online channel in 2022

Licensed toys recorded its largest ever share in 2021 33%. Movies still key however video game licenses added most dollars.

Collectibles saw a slight come back in 2021 grew +2%. In 2021 collectibles share 8% (2018: 10%)

Inventory and supply chain issues
Return to normalcy

THANK YOU

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