Toys Market Presentation 2022

6th March 2023

npd

Agenda

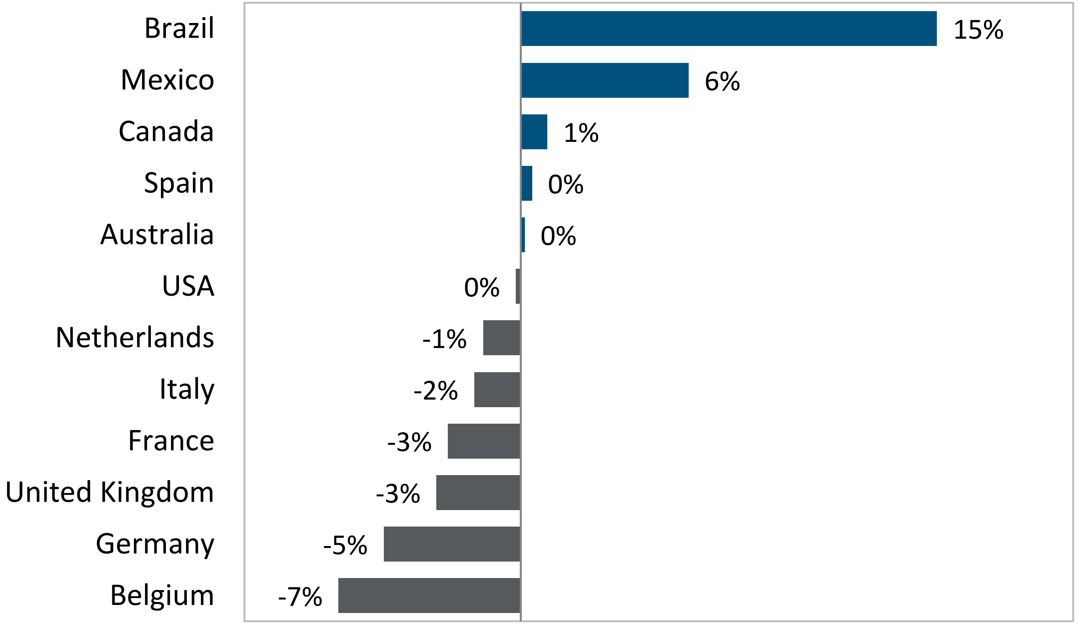
- Global Toy Market
- Australia Toy Market
- Looking ahead to 2023

GLOBAL TOY MARKET 2022

Industry Growth / Decline By Country

Worth $63B for the year. 4/12 countries up on 2021

% Value Change vs. YGO



	‘22 vs. ‘19
Brazil	+15%
Mexico	+17%
Canada	+30%
Spain	-1%
Australia	+16%
USA	+33%
Netherlands	+33%
Italy	+1%
France	+2%
United Kingdom	0%
Germany	+8%
Belgium	+7%

G12

-1%

vs. 2021

+22% vs. 2019

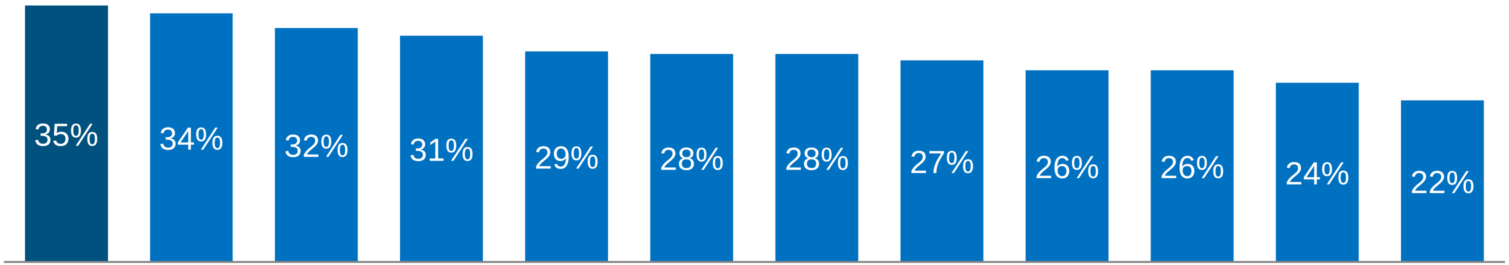
Units -4%
Av Price +3%

Source: The NPD Group | Retail Tracking Service | G12 $ Sales Projected | Full Year 2022

Appetite for licensed toys remained high +7% globally. Licensed toys: 30% of total toys (+2 p.p vs. LY)

Australia had the highest % of licensed toys, followed by Mexico and USA. Licensed toys grew in all countries whilst unlicensed toys declined 3%

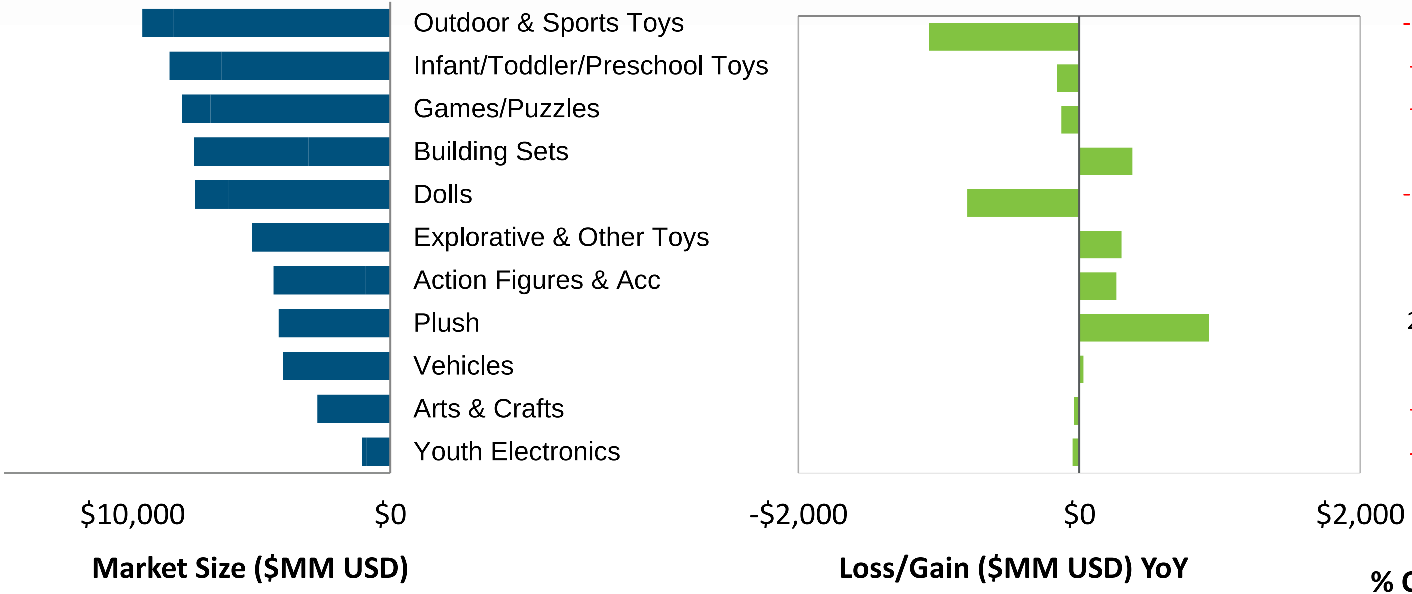
License share of total toys



	AUS	MEX	USA	UK	BR	SP	CA	IT	BEL	GER	FR	NL
% chg licensed vs 21	+4%	+5%	+24%	+11%	+2%	+5%	+3%	+14%	+16%	+7%	+6%	+7%
% chg unlicensed vs 21	-2%	+3%	-3%	-6%	+12%	-2%	-2%	-3%	-10%	-8%	-4%	-5%

Global Performance By Super Category

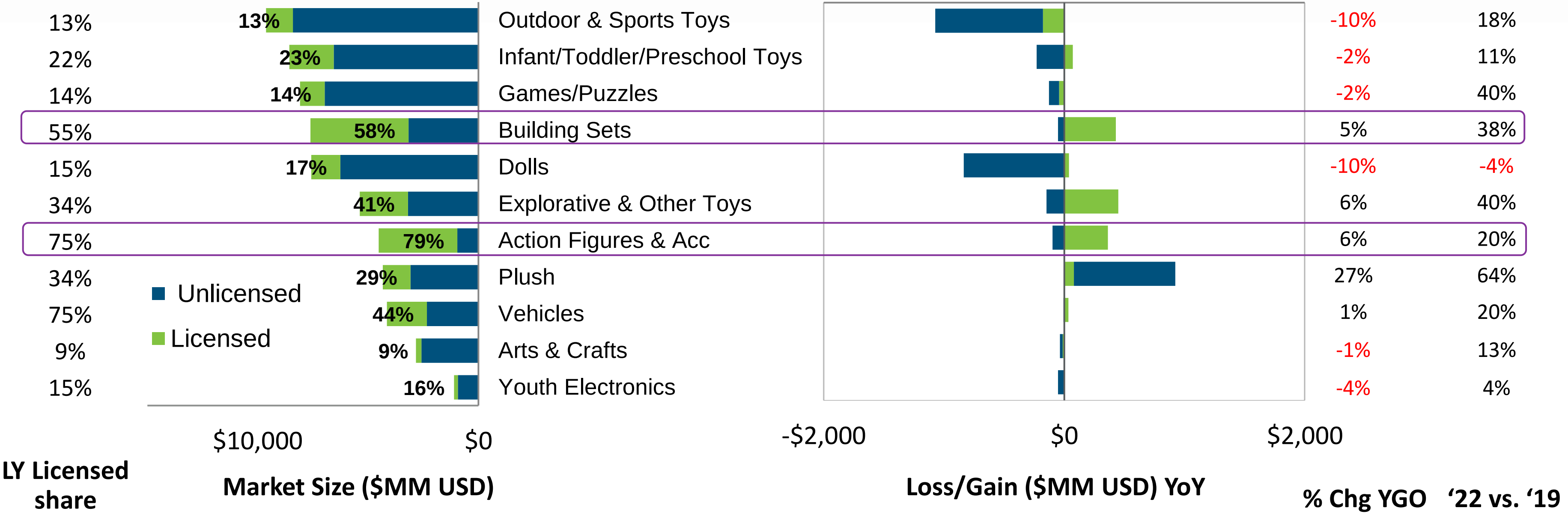
5/11 supercategories grew. Top subclass gains: Traditional Plush, Non Strat Trade Cards/Collectible Stickers, Standard Building Sets, Strat. Trading Cards and Action Figs. Largest declines: Playset Dolls & Collectibles, Sports Toys, Games ex. STCG. Only Dolls declined vs. 2019



Super Category	% Chg YGO	'22 vs. '19
Outdoor & Sports Toys	-10%	18%
Infant/Toddler/Preschool Toys	-2%	11%
Games/Puzzles	-2%	40%
Building Sets	5%	38%
Dolls	-10%	-4%
Explorative & Other Toys	6%	40%
Action Figures & Acc	6%	20%
Plush	27%	64%
Vehicles	1%	20%
Arts & Crafts	-1%	13%
Youth Electronics	-4%	4%

Global Performance By Super Category

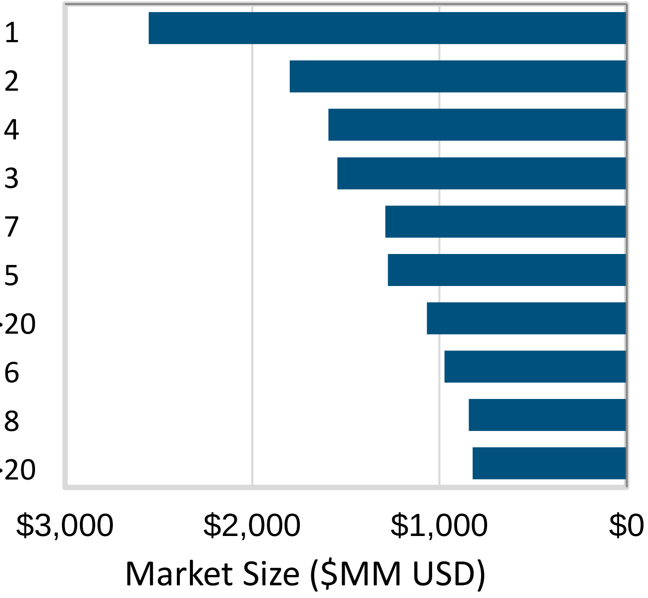
Some categories were more highly licensed than others: Building Sets and Action Figures accounted for 41% of all licensed toys

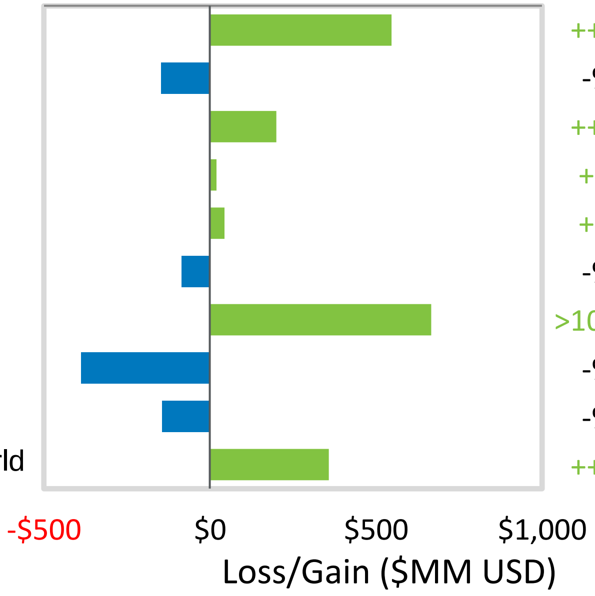


Top 10 Properties

7/12 properties grew. Pokémon and Barbie maintained their top 2 positions. Squishmallows, Pokemon and Jurassic were 3 properties that stood out +$1.5B

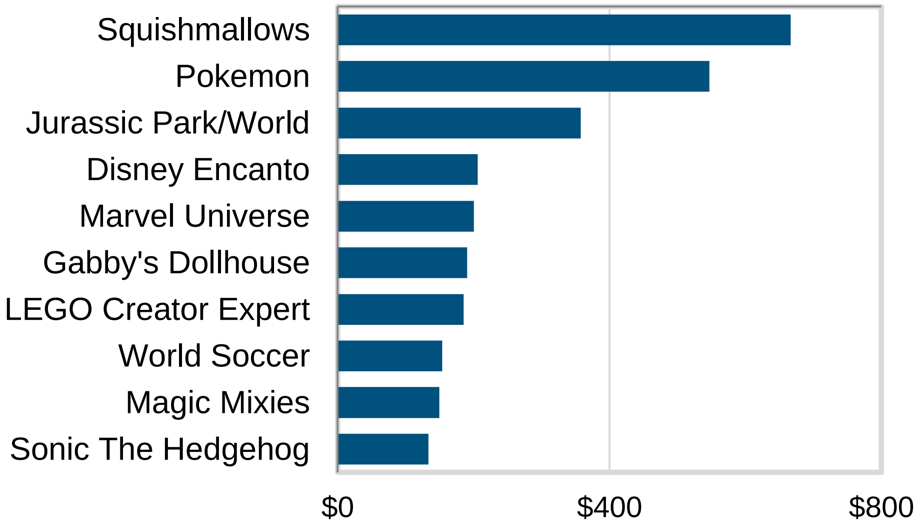
AU Rank TY	G12 Rank LY	Property	G12 % Chg	AU % Chg
2	1	Pokemon	++%	++%
1	2	Barbie	-%	+%
5	4	Marvel Universe	++%	++%
3	3	Star Wars	+%	+%
4	7	Hot Wheels	+%	++%
7	5	Fisher-Price	-%	-%
>15	>20	Squishmallows	>100%	>100%
10	6	L.O.L. Surprise!	-%	-%
>10	8	Paw Patrol	-%	-%
8	>20	Jurassic Park/World	++%	>100%





Top 10 $ gaining properties

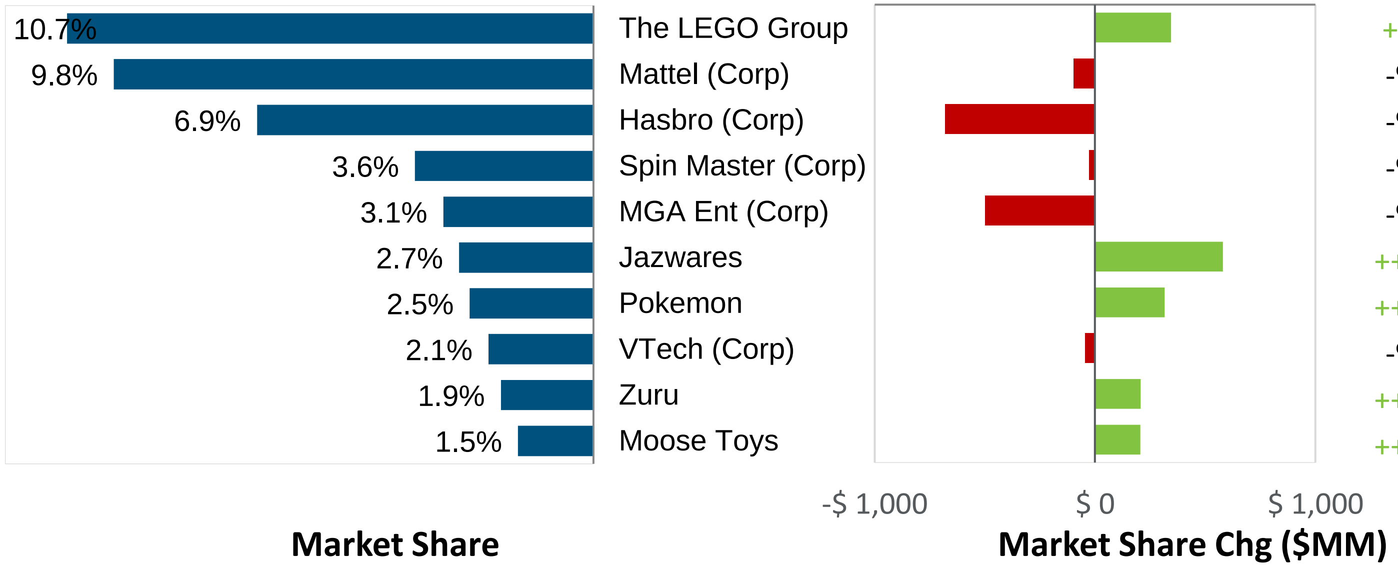
Squishmallows, Pokémon and JW take the top 3 spots. No new properties in the top 10 (Mermaze Mermaidz highest new property #42) – familiar properties continued to be dominate



Top gains - Sales ($MM)

5/10 manufacturers grew vs. 2021

Jazwares, LEGO, Pokémon accounted for 75% of the $1.7B gains made within the top 10



	G12 % Chg	AUS % Chg
The LEGO Group	+%	-%
Mattel (Corp)	-%	++%
Hasbro (Corp)	-%	-%
Spin Master (Corp)	-%	-%
MGA Ent (Corp)	-%	+%
Jazwares	++%	+%
Pokemon	++%	+%
VTech (Corp)	-%	+%
Zuru	++%	-%
Moose Toys	++%	++%

Looking at some of the top $ adding properties

The top 3 dollars added in 2022 were existing properties – no new. Jurassic & Pokemon were the most popular. But Squishmallows added the most dollars

LEGO	Mattel	Spin M	Jazwares	Pokémon	Zuru	Moose Toys
LEGO Creator +59%	Jurassic World +53%	Gabby's Dollhouse >100%	Original Squishmallows >100%	Pokémon +24%	5 Surprise +24%	Magic Mixies >100%
Jurassic World >10%	Disney·Pixar Lightyear +203%	Rubik's >100%	Pokémon +67%		Zuru Rainbocorns +31%	Bluey +36%
LEGO Technic +17%	Pokémon >100%	Harry Potter +50%	Marvel >100%		Zuru Bunch o Balloons +12%	Akedo Ultimate Arcade Warriors >100%

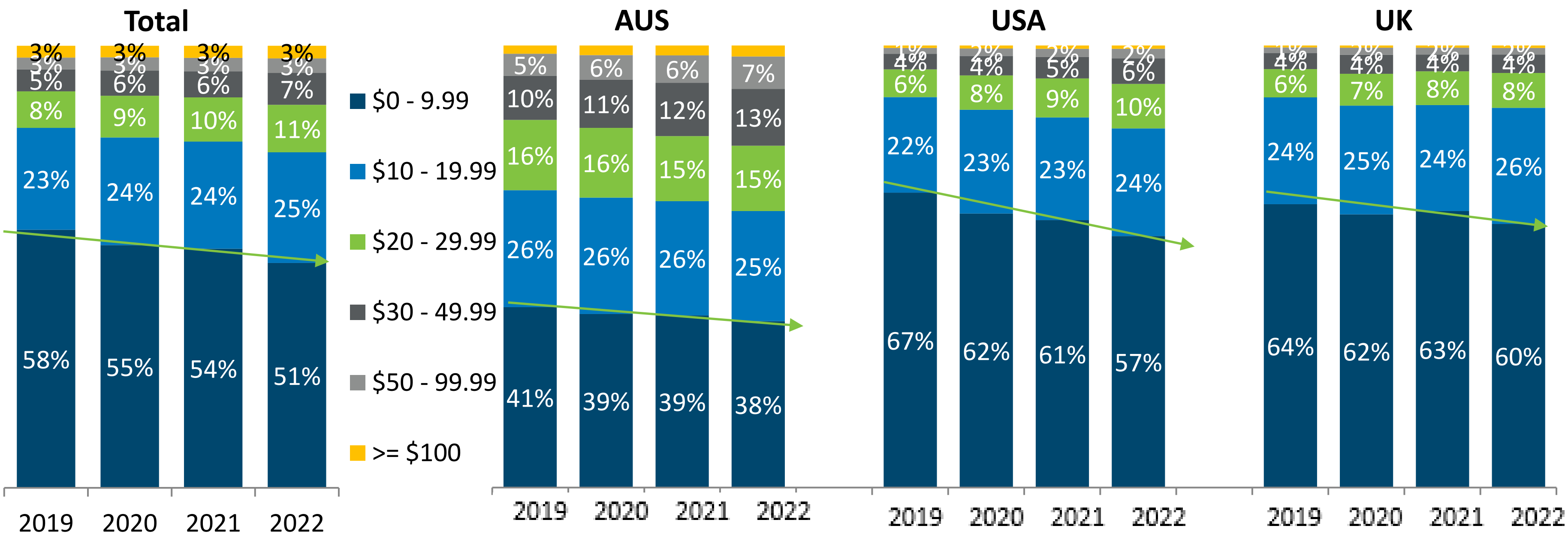
AUS: Top $ Adding Properties by Manufacturer

3 new properties – Gabby's Dollhouse, Among Us and Mermaze Mermaidz. JW, Squishmallows & Pokémon were the top 3 dollar adding properties in 2022

LEGO	Mattel	Spin M	Banter Toys	VTech	Moose Toys	MGA
Jurassic World Dominion >100%	Jurassic World Dominion >100%	Gabby's Dollhouse NEW	Original Squishmallows >100%	vtech +48%	Magic Mixies >100%	Rainbow High +36%
LEGO Technic Licensed component +15%	Hot Wheels +21%	Monster Jam +13%	Pokémon Cards +11%	LeapFrog +41%	Akedo Ultimate Arcade Warriors >100%	Mermaze Mermaidz NEW
LEGO Speed Champions +34%	Disney·Pixar Lightyear >100%	Harry Potter +41%	Among Us NEW	KidiZoom +8%	Little Live Pets +20%	Bratz +96%
	Barbie +6%					

Bulk of volume still came from under US$10

However, low priced/impulse (under $10) purchases lost almost 8 points vs. 2019 but still accounted for ½ toys bought in volume. USA had the biggest drop under $10 whilst the drop in Australia was the least steep



AUSTRALIA TOY MARKET 2022

How did Australia perform in 2022?

Flat

*$1.3B 2022

+15% vs. 2019

-5%

2022 sold 3.1M units less than 2021

+1% vs. 2019

+5%

Av Price: $21

+14% vs. 2019

2022 Australia Product Trends

Comparing to 2021, Plush category had the largest growth for 2022

Top Gaining Dollars by Subsegment

+36%	+17%	+6%	+13%	+8%
Plush	Action Figures/Acc & Role Play	Infant/Toddler Toys	Strategic Trade Card Games	Powered Vehicles

Source: The NPD Group | Retail Tracking Service | AUS | Full year 2022 vs. 21

Collectibles Return!

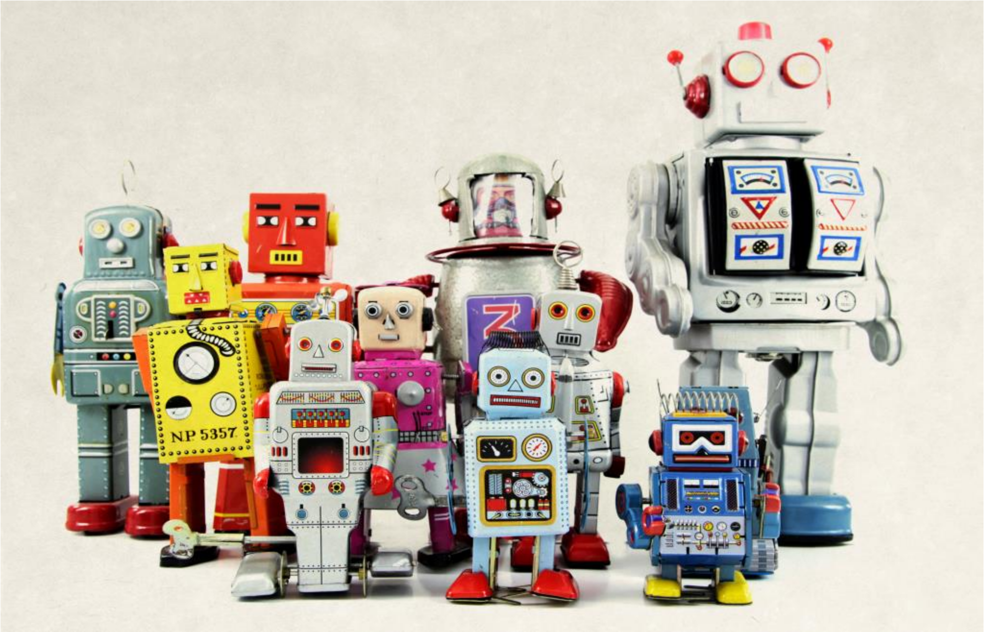
Collectibles account for 9% of toys

+16%

2022 vs. 2021

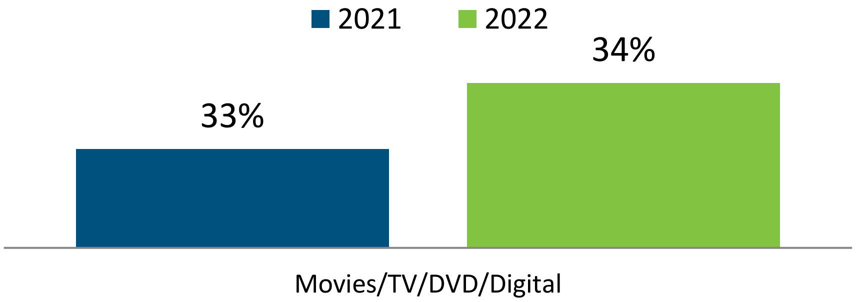
Top Gaining Collectibles by Subclass:
Traditional Plush, Strategic Trading Card Games, Playset Dolls & Collectibles, Fashion Dolls...

Rest of market -2%



Entertainment Returns

Movies/TV/DVD/Digital: $451M +2%

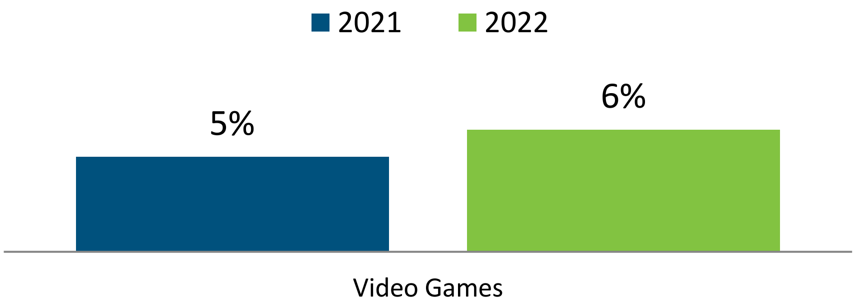


% Share on Movie/TV/DVD/Digital to Total Market

Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2022

Entertainment Returns

Video Games: $86M +15%

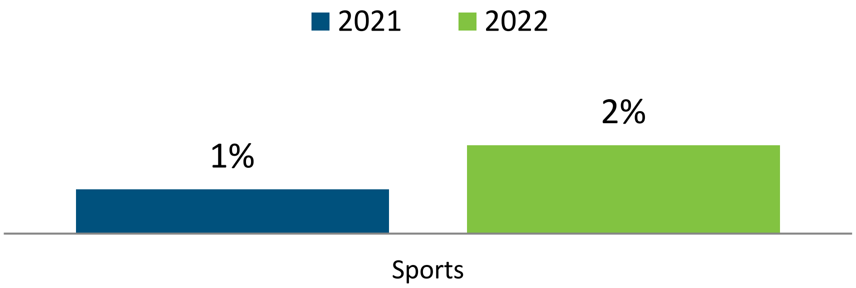


% Share on Video Games to Total Market

Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2022

Entertainment Returns

Sports: $22M +31%

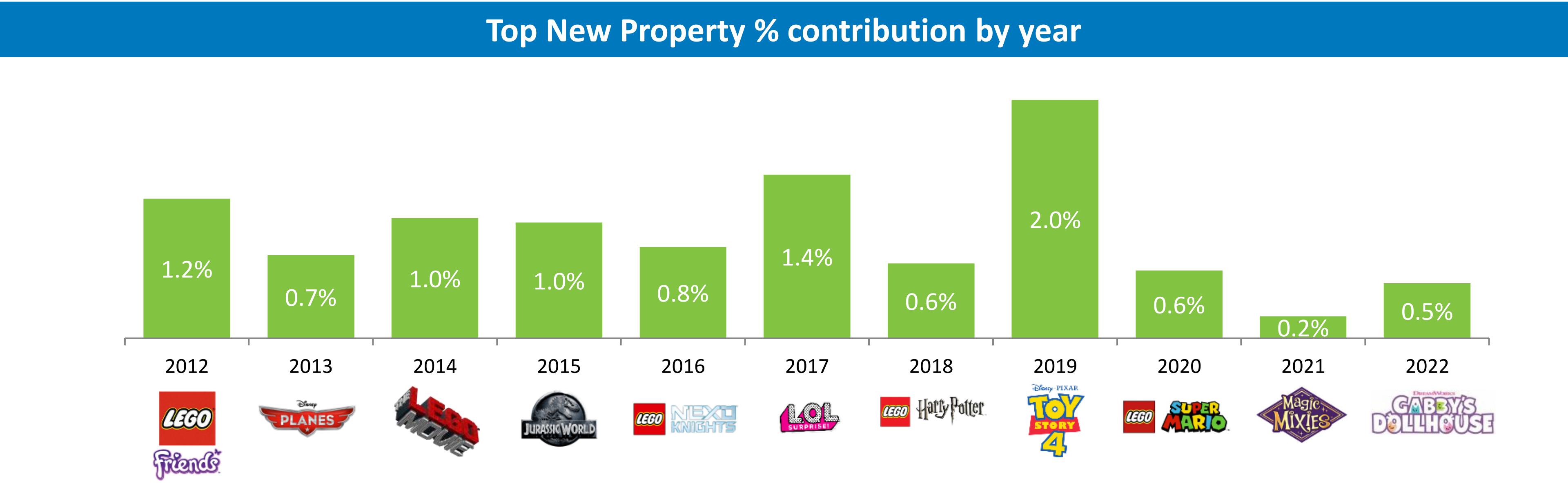


% Share on Sports to Total Market

Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2022

What impact do new properties have?

New properties account for less – particularly in 2021 and 2022



"New" = $0 in the year prior

Total Top 10 Properties

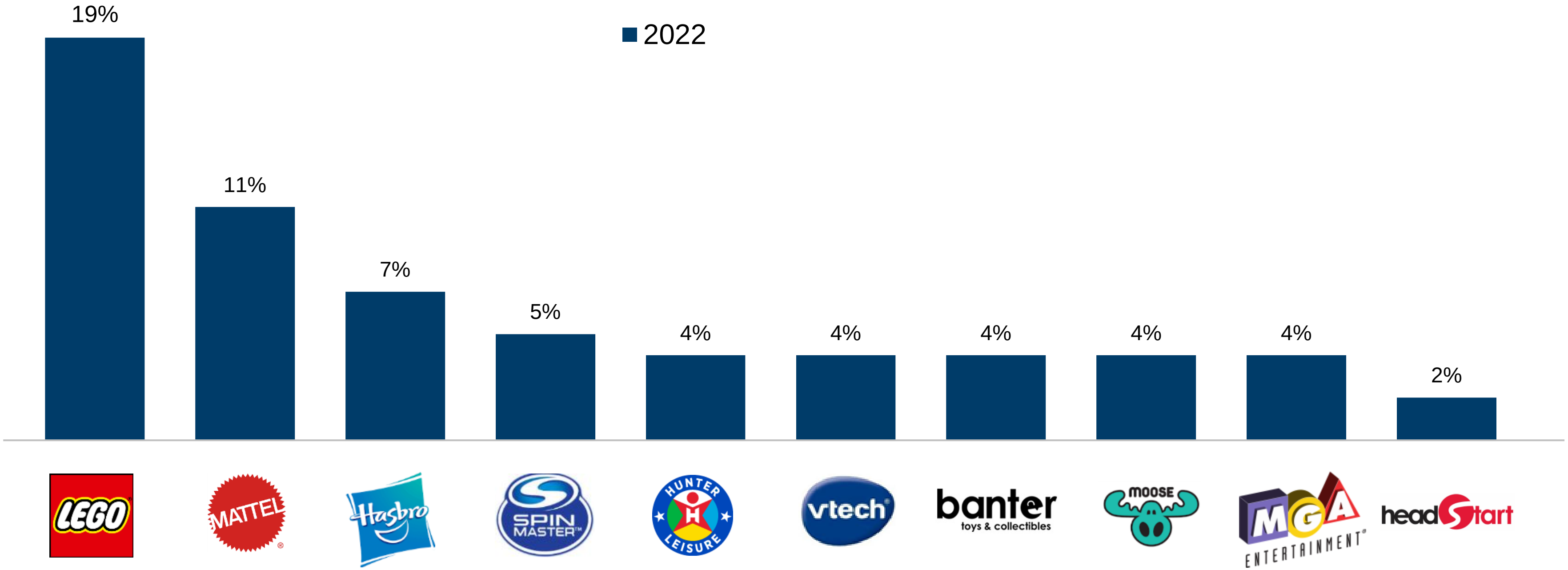
7/10 properties grew. JW had the largest gains within the top 10. This year marked the largest ever sales for Pokémon and Barbie (#1 for 3 years in a row)

Barbie $	Pokémon $	Star Wars $	Hot Wheels $	Marvel $
(LY:1)	(LY:3)	(LY:2)	(LY:5)	(LY:7)

LEGO Technic $	Fisher-Price	Jurassic World Dominion $	LEGO City	L.O.L. Surprise!
(LY:6)	(LY:4)	(LY:27)	(LY:8)	(LY:10)

Top 10 Corp Manufacturers $M

5/10 manufacturers grew in the top 10, Mattel, Banter and Moose were the top gainers



Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2022

Top 5 Gaining Corp Manufacturers $M

Within the top 10, the 5 gainers collectively added +$38M of gains

Next Top 5 Manufacturers Gainers Added +$16M

Just over 1 out of 3 spent is above $50+

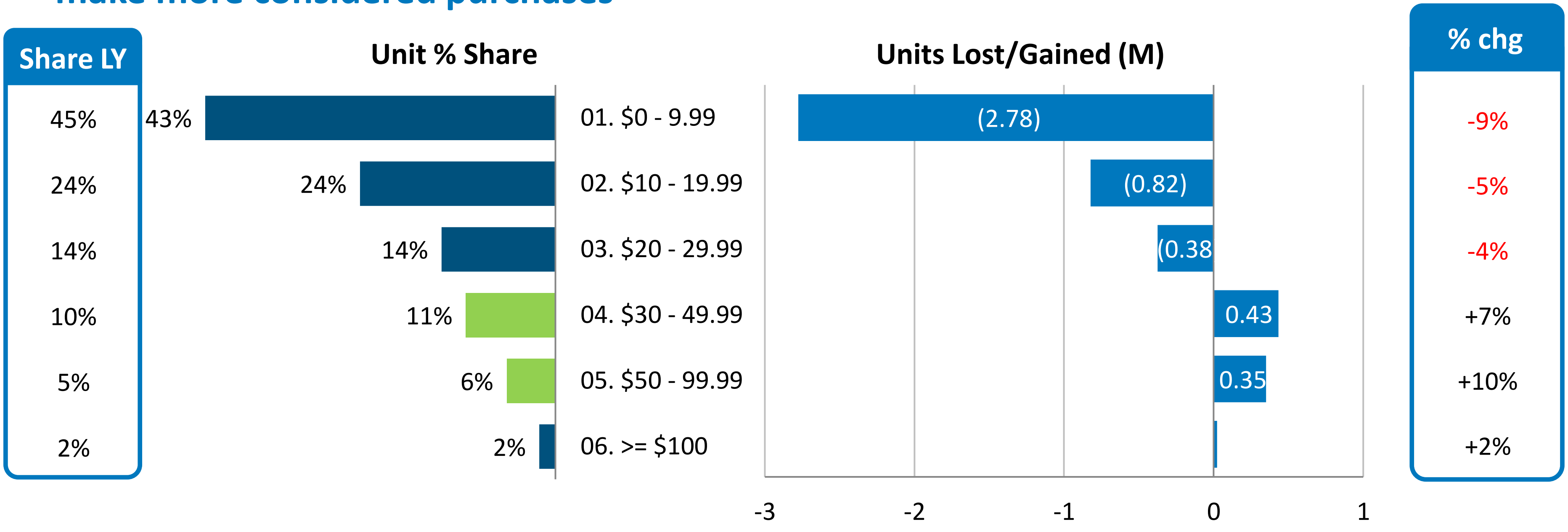
$50+ more prevalent +4%

2019 Share: 30%
2020 Share: 33%
2021 Share: 34%
2022 Share: 36%

Source: The NPD Group | Retail Tracking Service | AUS | Full Year 2022

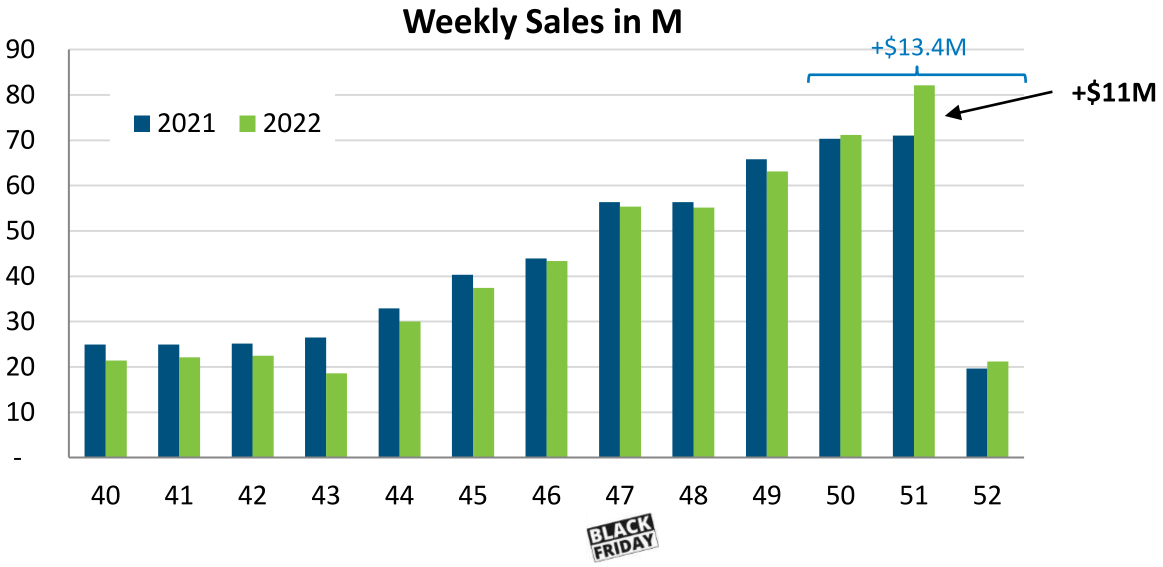
Most toys bought <$10, but it was the only price point to lose share

70% of losses came from the under $10 as consumers cut impulse purchases as they make more considered purchases



Christmas Contribution

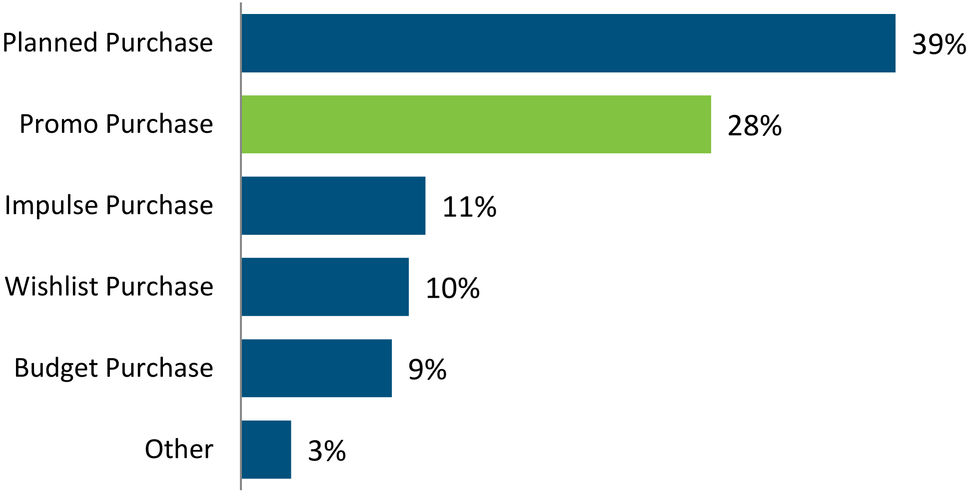
Christmas accounts for 25% of sales in the year



Shopping Reasons for 2022

28% of respondents waited for the best deals / promotions more than 2021 (LY:21%)

I bought toys, games/puzzles in 2022

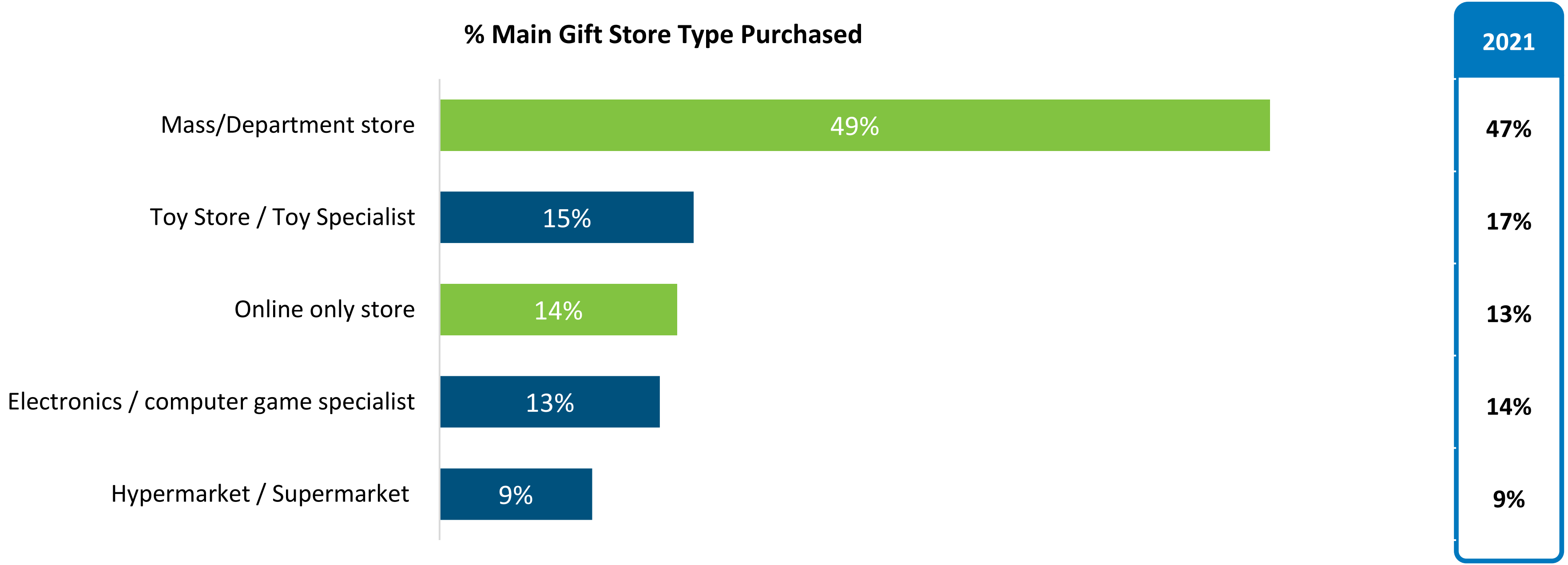


2021
48%
21%
12%
8%
8%
3%

Question : Which statement best describes your Christmas shopping behaviour for your child/children in 2022?

Main Toy Gift Store Type Purchased

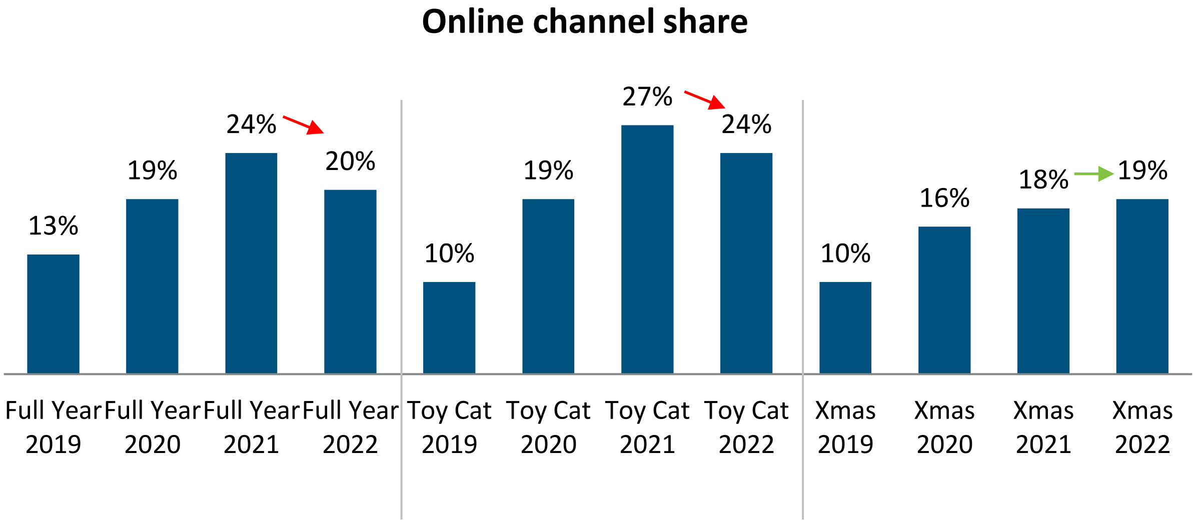
Mass/Department Store 49% up 2 p.p & Online only store 14% up 1 p.p



Question : Thinking about the main toy gift you purchased for your children, which store did you purchase it from?

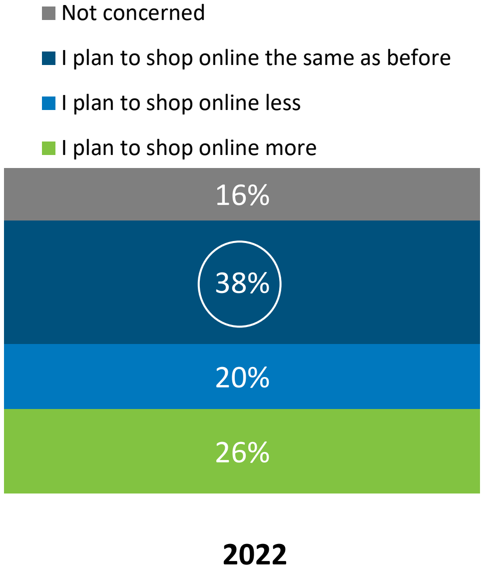
Return of in-store post pandemic

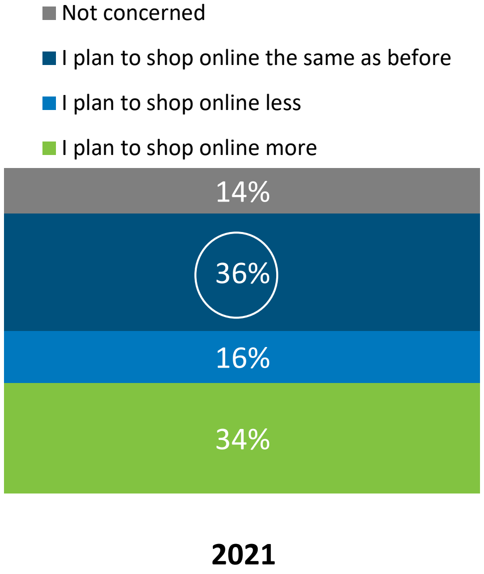
Full year 2022, online channel dropped 4 points, -19% in dollars dropped



Post-Lockdown Purchase Behaviour

Toy buyers plan to shop online the same before, 2 points up from LY and 26% still plan to shop online more, but this is down from last year

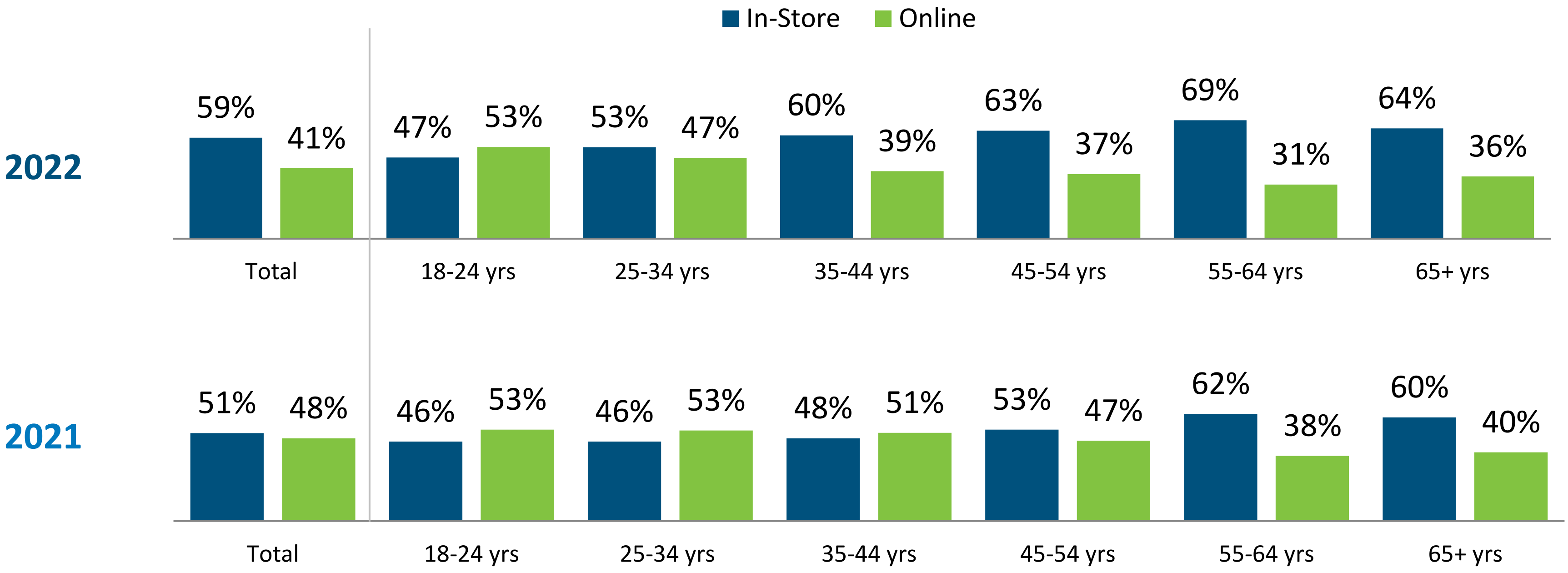




Question : Please indicate how your online purchase behaviour will change after COVID compared to before?

Consumers went back to stores: 59% up 8 p.p

For ages 18-24, majority of younger adults mostly purchased online. The large gap with majority in-store shoppers are from ages 35+



Question : How did you purchase most of the toys for your child(ren) 14 years or younger in June or July 2022?

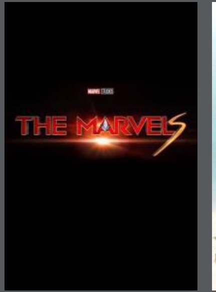
Looking ahead to 2023

Movies in 2023

Q1

Q2

Q3



Q4

Toys Sales from Movies/TV/Digital: 34% (YTD DEC 22)

Conclusion and outlook

- Toys in Australia remained flat vs. 2021 but still retained gains from COVID (+15% vs. 2019)
- Challenges with new properties and items, familiar properties key
- Consumers return to in-store shopping post COVID/restrictions
- Price conscious consumers and more considered purchases
- Huge growth not expected due to the economic uncertainties

Although the economy will still be a killjoy in 2023 …

there will be plenty of buzz to drive *sales & excitement*

THANK YOU

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