

Australia Toys Market

YTD September 21 and Mid Year TC Review

Prepared for ATA

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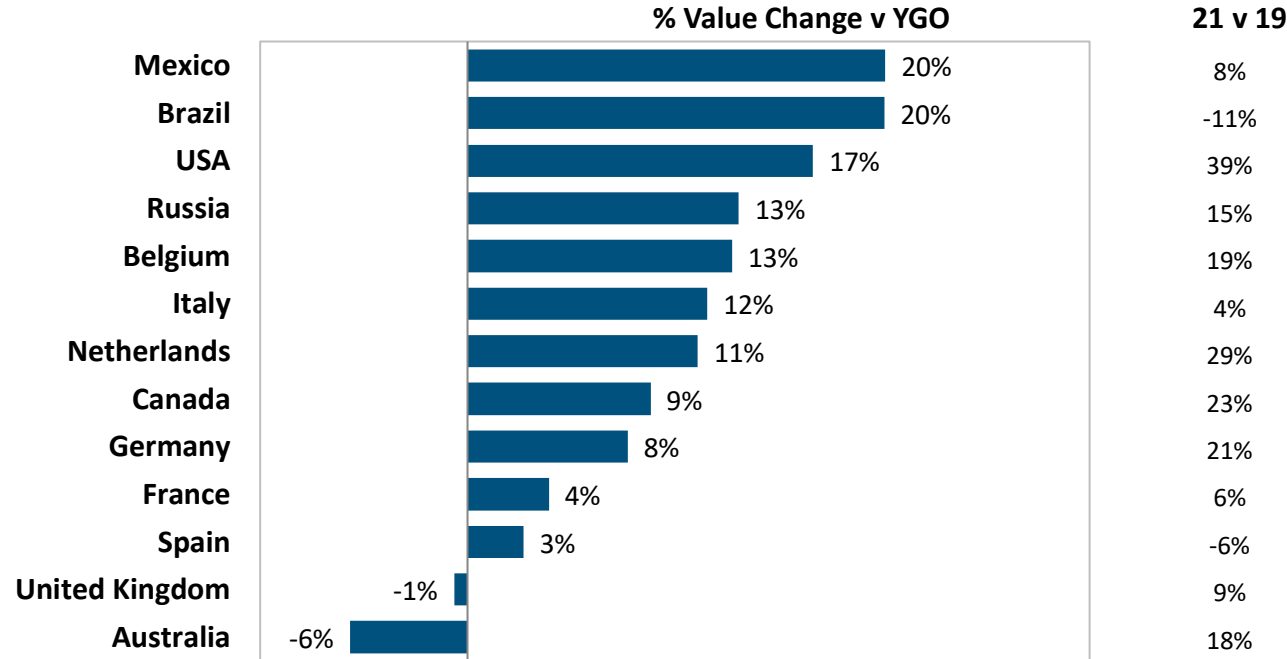
Agenda

1. Global Trends Update
2. Australian Market Overview YTD September'21
3. Mid Year Toy Catalogue Performance Overview

Global Trend Update

Industry Growth / Decline By Country

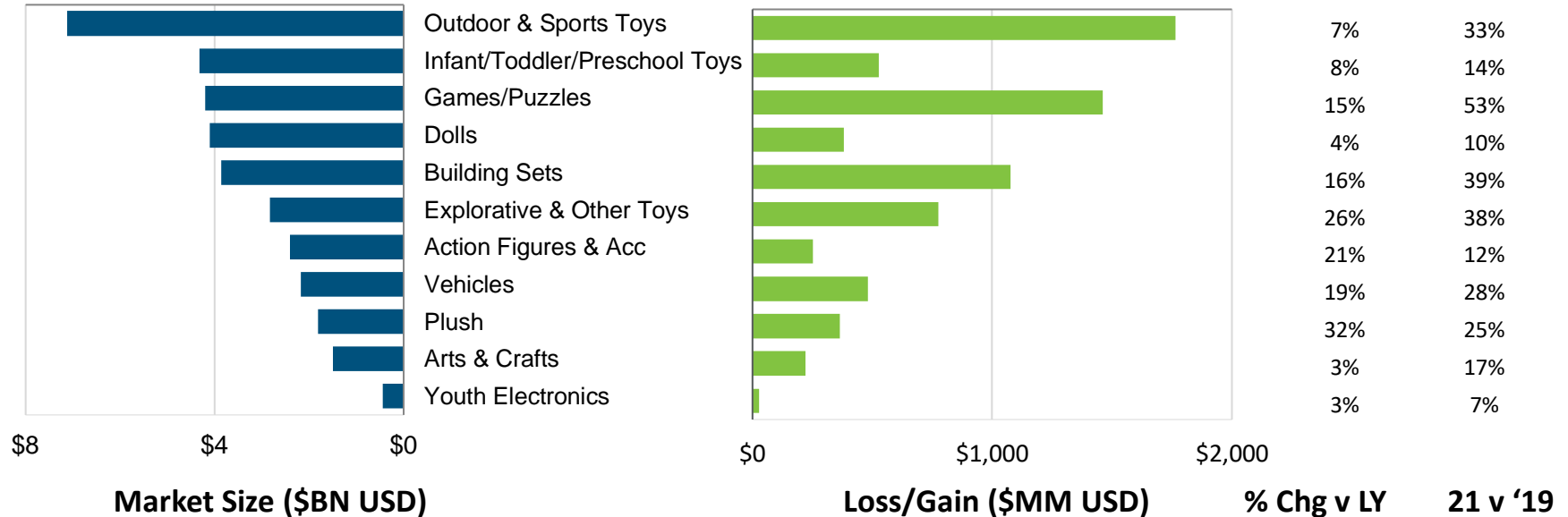
As all the other countries open up, parts of Australia went into lockdown in June.
Brazil & Spain yet to catch up to 2019 performance (pre-pandemic)



Source: The NPD Group | Retail Tracking Service | G13 \$ Sales | YTD Sep-21

Global Performance By Super Category

Outdoor & Sports Toys is the top gaining category with +7% growth YoY and +33% growth vs. 2019



Source: The NPD Group | Retail Tracking Service | G12 \$ Sales Projected | YTD Sep-21

Top 5 selling properties by country

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

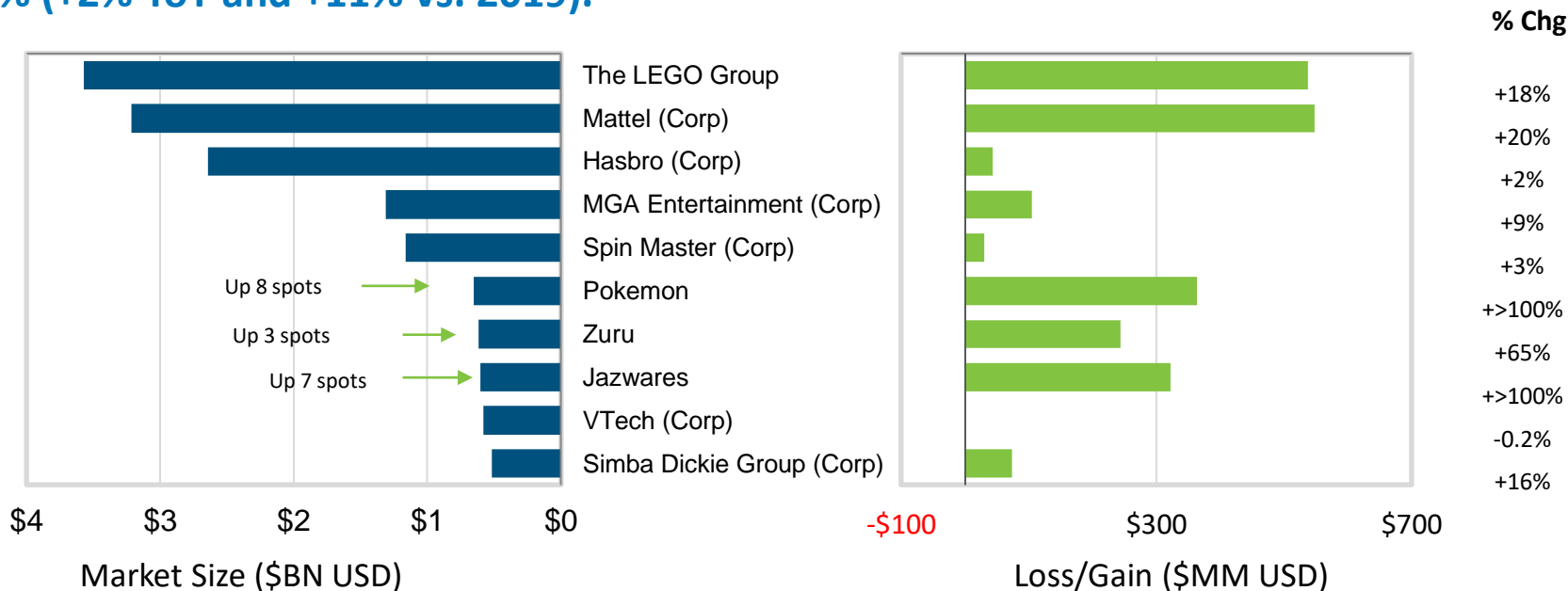
Rank	Mexico	Netherlands	Russia	Spain	UK	USA
1	HOT WHEELS	POKEMON	HOT WHEELS	SUPERZINGS	STAR WARS	POKEMON
2	BARBIE	LEGO CITY	LEGO CITY	MARVEL UNIVERSE	L.O.L. SURPRISE!	BARBIE
3	FISHER-PRICE	LEGO TECHNIC	BARBIE	STAR WARS	BARBIE	STAR WARS
4	MARVEL UNIVERSE	L.O.L. SURPRISE!	L.O.L. SURPRISE!	BARBIE	POKEMON	L.O.L. SURPRISE!
5	PLAY-DOH	VTECH BABY	ENCHANTIMALS	HOT WHEELS	MARVEL UNIVERSE	FISHER-PRICE



Source: The NPD Group | Retail Tracking Service | G13 \$ Sales Projected | YTD Sep-21

The LEGO Group kept its position to #1

The LEGO Group is still #1 YTD with 10.3% share and an 18% increase YoY & +45% vs. 2019, followed by Mattel with 9.3% (+21% YoY and +34% vs. 2019) and Hasbro with 7.6% (+2% YoY and +11% vs. 2019).



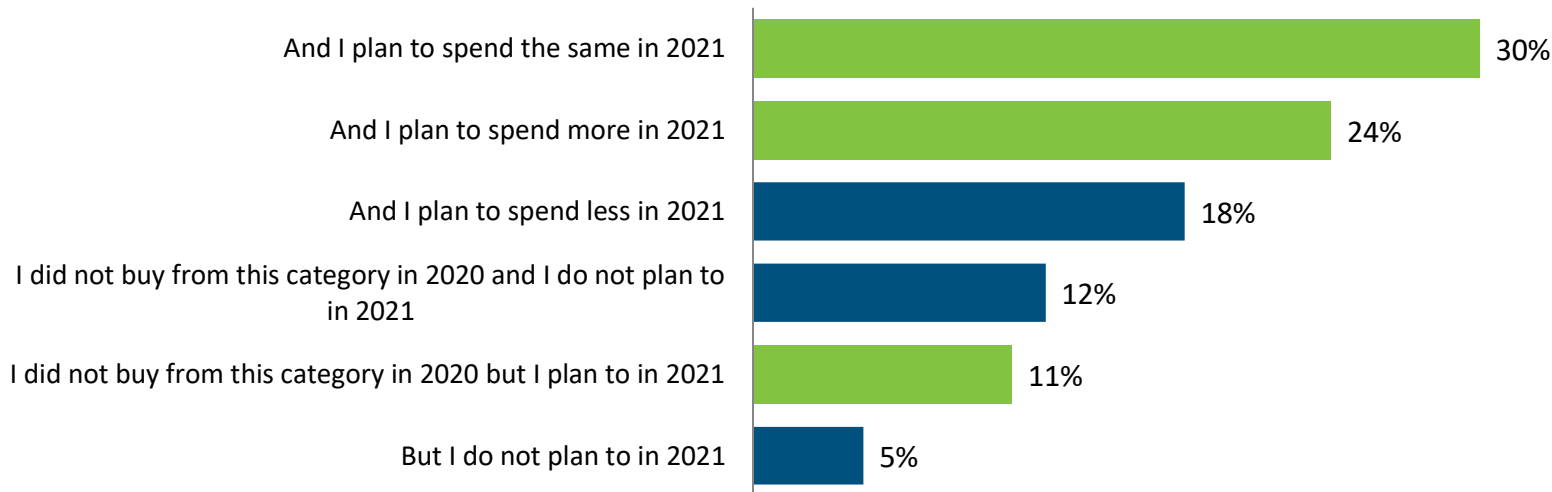
Source: The NPD Group | Retail Tracking Service | G13 \$ Sales Projected | YTD Sep-21

YTD September'2021

2021 Future toy purchases

Despite being such a huge year for toy, 65% of respondents responded positively to future toy spend. Almost 1 out of 4 plan to spend more

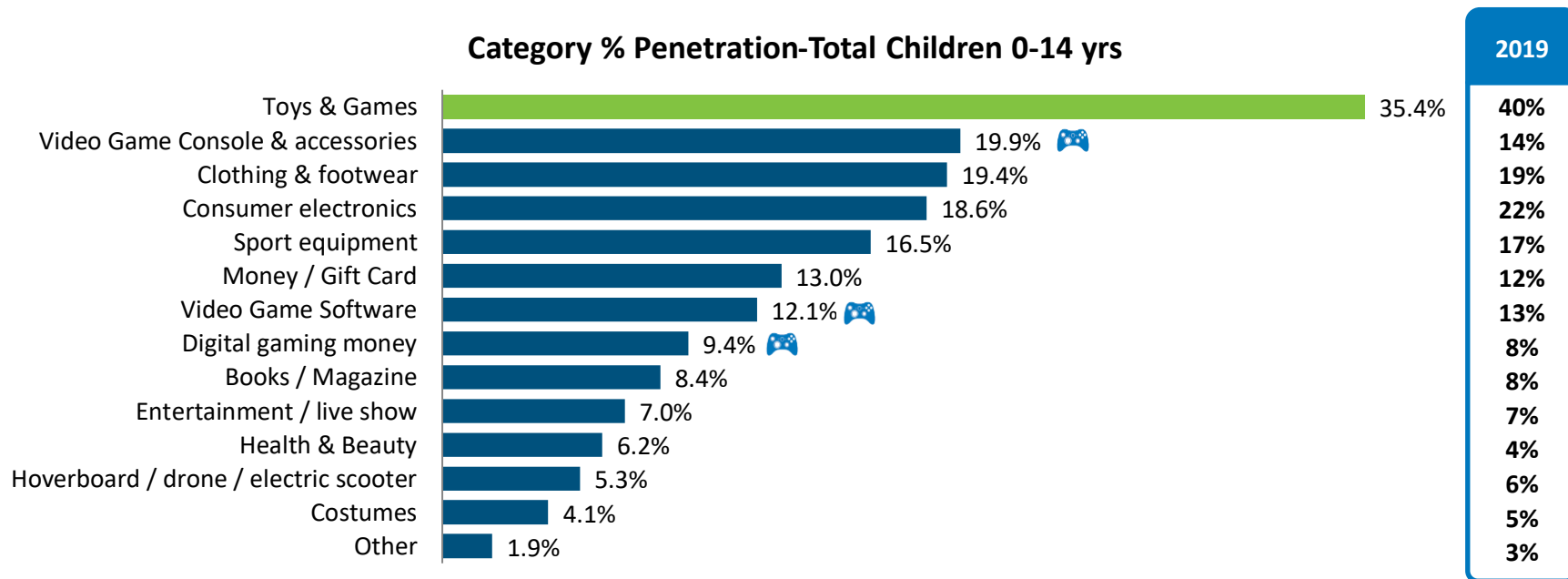
I bought toys, games/puzzles in 2020



Question : With regards to your spending for your children (up to 14 years) on category Toys, Board/Card Games & Puzzles (e.g. dolls, building sets, ride-ons, arts & crafts, stuffed animals...), which statement best applies to your plans for 2021?

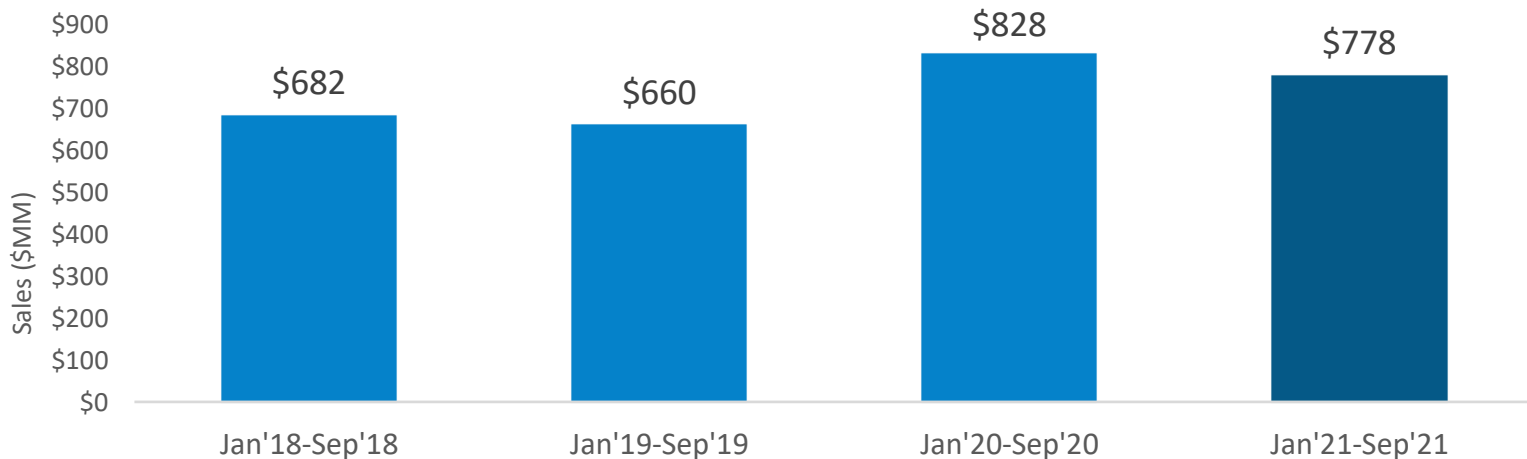
Wish List Top Categories

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 ?

2020 was an exceptional year, but demand for toys in 2021 still strong compared to pre COVID



- Dollar sales declined -6% in the latest YTD vs. 2020 but grew +17% compared to 2019 and +14% up compared to 2018.
- YTD Sep 2021 units are down -6% and ASP remained flat (\$19.09)

YTD September 21 Highlights



1

TOY SALES DECLINE -6% VS. 2020 BUT +17% OVER 2019

Dollar sales: \$778M Unit sales: 41M
Average Price: \$19.09

2

SUPERCATEGORIES PERFORMANCE

Despite the overall decline of -6%, 4 categories managed to grow

3

MOST POPULAR PROPERTIES

5/10 properties grew. Barbie was the #1 property followed by Star Wars and LEGO Technic. Pokémon was the top dollar gainer (>2x larger than the next dollar gaining property). Disney Raya & The Last Dragon was the top 'new' property (\$0 year prior)

4

LICENSES OR UNLICENSED

Licensed toys declined 3% gained 1 share point and accounted for 34% of toys. Meanwhile, unlicensed toys declined slightly faster, -7%

5

LEGO #1, MATTEL #2 & HASBRO #3 = 39% OF TOY MARKET

6 out of top 10 manufacturer grew compared to 2020 but 8 grew vs 2019.

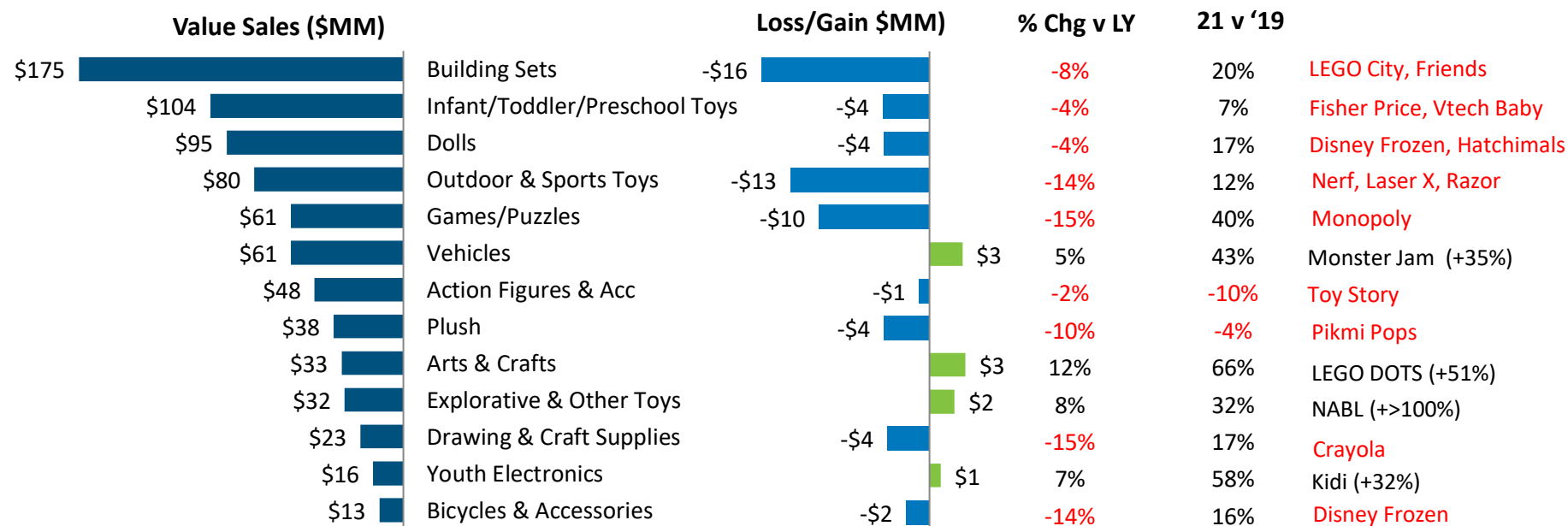
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WHERE DID THE SHARE GO

Top 10 corporate manufacturers gained 0.4 share points. Amongst the top 10, Banter Toys jumped up 5 spots and was the largest share gainer, up 1.6 points. Manufacturers ranked #11 to #20 lost 0.5 share points.

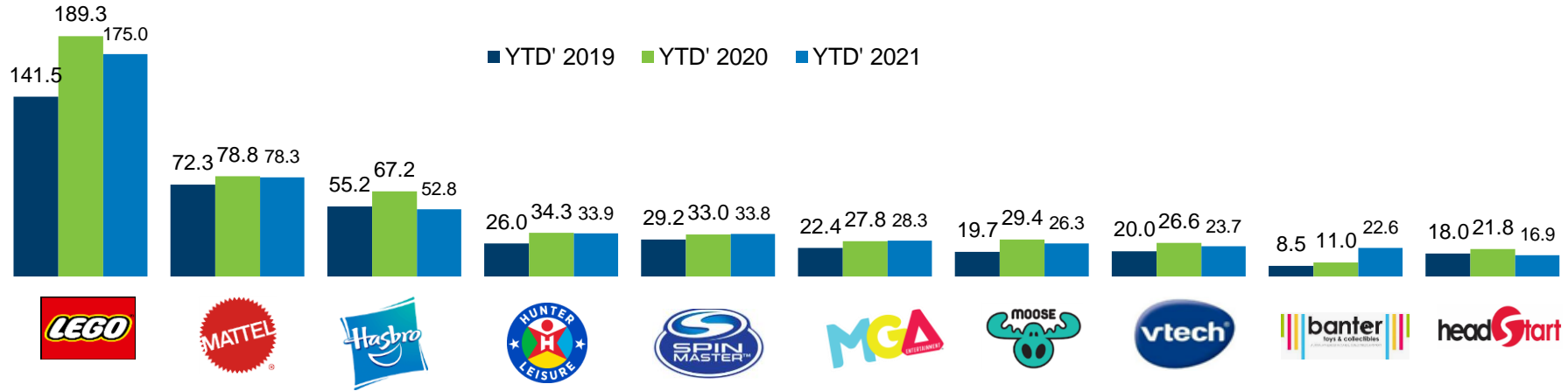
Supercategory Performance YTD Sep2021

4/13 categories recorded growth on a strong prior year. Compared to 2019, 11/13 still grew and 10/13 grew double digits



Top 10 Corp Manufacturers \$M

3/10 manufacturers grew. Compared to 2019, 8/10 corporate manufacturers grew.



Total mkt % change in value

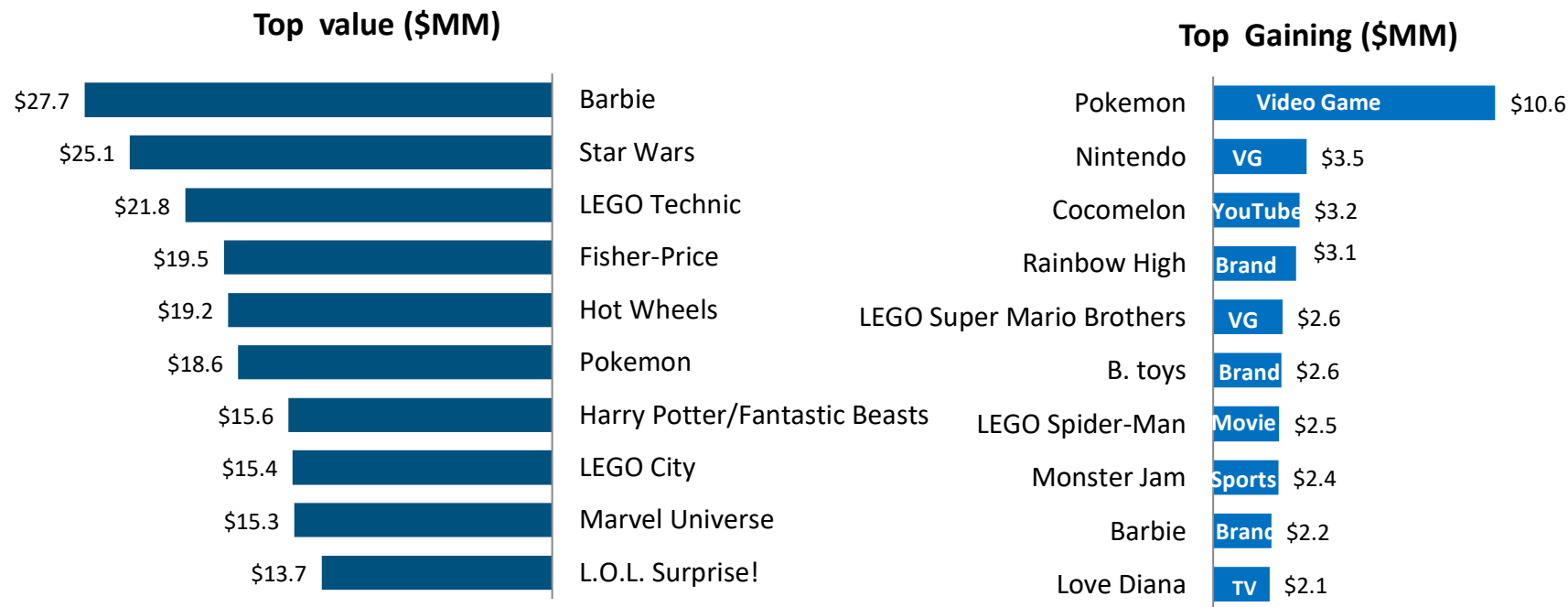
-8% -1% -21% -1% +3% +2% -10% -11% +>100% -23%

Total mkt % change v 2019

+24% +8% -4% +30% +16% +26% +34% +19% +>100% -6%

Top Properties & Top Gaining Properties

Barbie #1 property and Pokémon top gaining property. 8 out of top 10 gaining properties have content



Top 10 New Properties YTD Sept'2021

Disney Raya & The Last Dragon was the top new property



Disney Raya & the last
dragon \$1.28M
Launch date: Mar'21



LEGO VIDIYO
Launch date: \$1.25M
Mar'21



Blues Clues \$1 M
Launch date: Dec'20



LEGO Mickey &
Friends \$893
Launch date: Jan'21



Ricky Zoom \$861 K
Launch date: Mar'21



Real Littles \$859 K
Launch date: Jan'21



Supercross \$625 K
Launch date: Feb'21



Cave Club \$457 K
Launch date: Feb'21



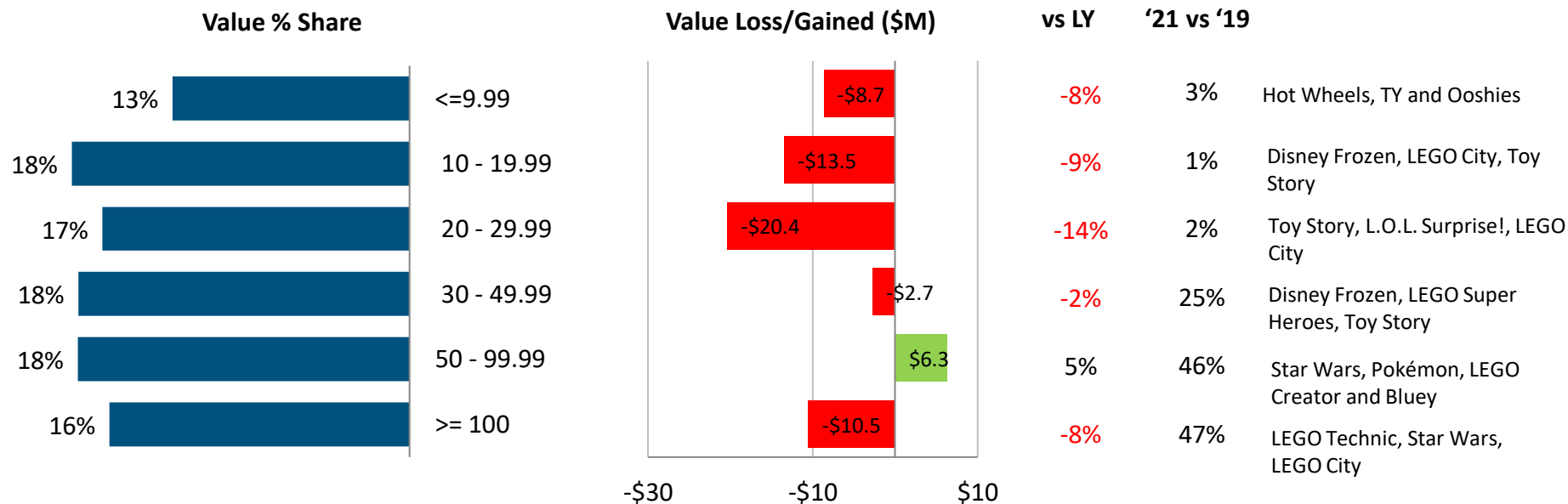
Disney Hooyay
\$432K
Launch date: May
2021



Among Us \$357K
Launch date: Nov'20

All price points declined, only 50-99.99 grew

Mid tier price points lost the most dollars: \$10-\$29.99



Top 12 Toys ranked by \$

5 out of top 12 toys from LEGO

Rank '20	Rank '21	Item Description	Distributor	Av Price
1	1	Barbie Dreamhouse	Mattel (Corp)	\$204.89
NEW	2	Technic Ferrari 488 Gte	The LEGO Group	\$227.02
6	3	Hot Wheels Singles 1:64 Asst	Mattel (Corp)	\$1.93
19	4	Kidizoom Duo 5.0	VTech (Corp)	\$78.76
>100	5	Rainbow High Doll Asst	MGA Entertainment (Corp)	\$42.58
32	6	Technic Lamborghini Sian FKP 37 Set	The LEGO Group	\$484.28
51	7	Barbie 3 In 1 Dreamcamper Vehicle And Accessories	Mattel (Corp)	\$105.82
8	8	LeapPad Tablet Ultimate	VTech (Corp)	\$173.44
47	9	Star Wars The Mandalorian The Razor Crest	The LEGO Group	\$167.49
>100	10	Technic Liebherr R9800 Excavator	The LEGO Group	\$613.04
5	11	Hot Wheels 5 Pack 1:64 Asst	Mattel (Corp)	\$8.05
31	12	Super Heroes Batman 1989 Batmobile	The LEGO Group	\$339.28

Toy Catalogue 2021

How did Toy Catalogue 2021 perform?

Toy Cat was down -11% vs. 2020 but grew +6% over Toy Cat 2019. TC share: 2020-14%, 2019-15%, 2018-13%

Licensed toys were popular during TC compared to rest of the 23 weeks with 36% share, highest in last 3 years.

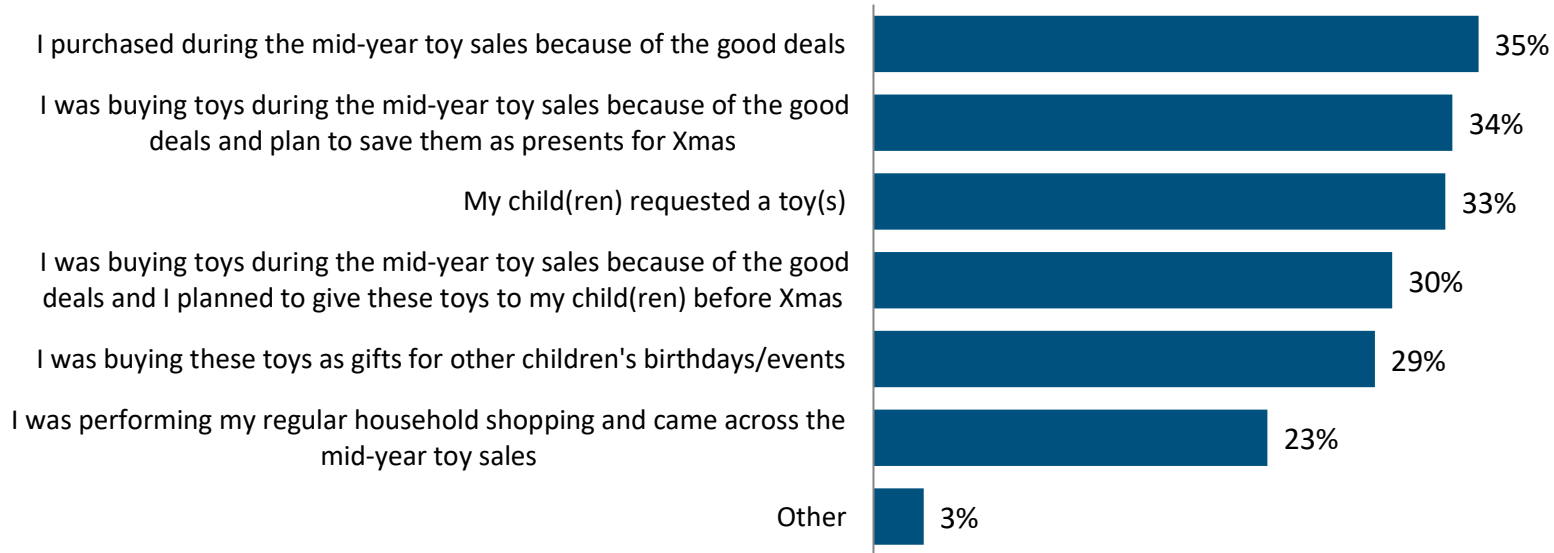
\$1 out of \$3 spent on new items (2020:32%)

Higher Price points of \$50+ over represented during TC. Value Share: (2019: 33%, 2020:34%, 2021:39%)

Barbie #1 property by Dollars and Pokémon was the top dollar gainer during Toy Cat

Good deals was the top reason to purchase

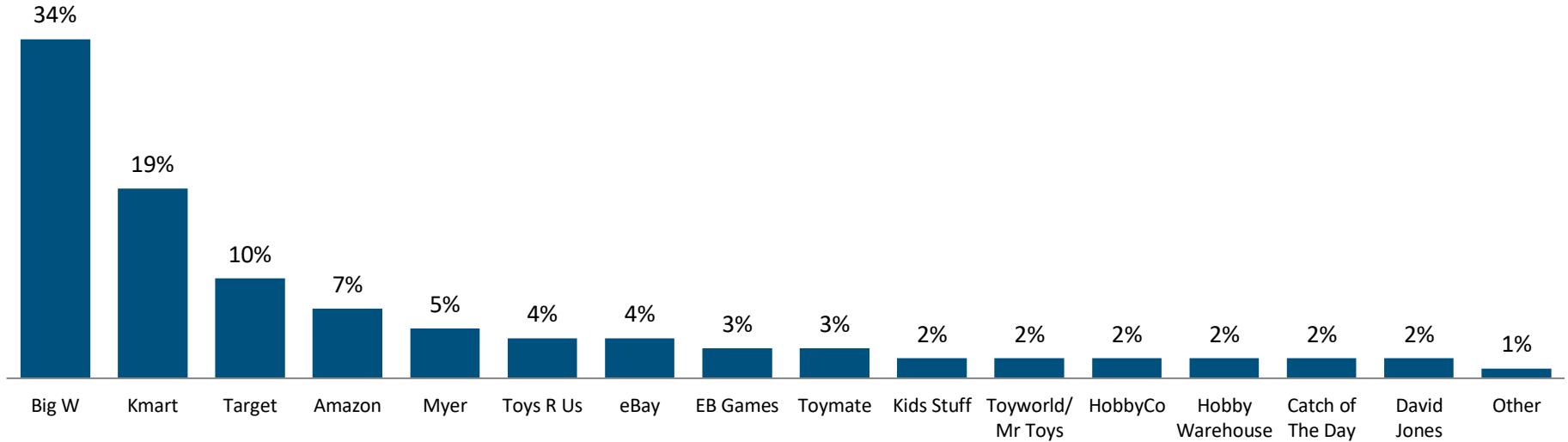
Buyers also planning for Christmas – wanting to take advantage of the promotions coming in just behind good deals



Question : Which statement(s) best describes why you purchased toys during the mid-year toy sales in June or July 2021?

Big W leads as the retailer who respondents purchased most from during the toy sale

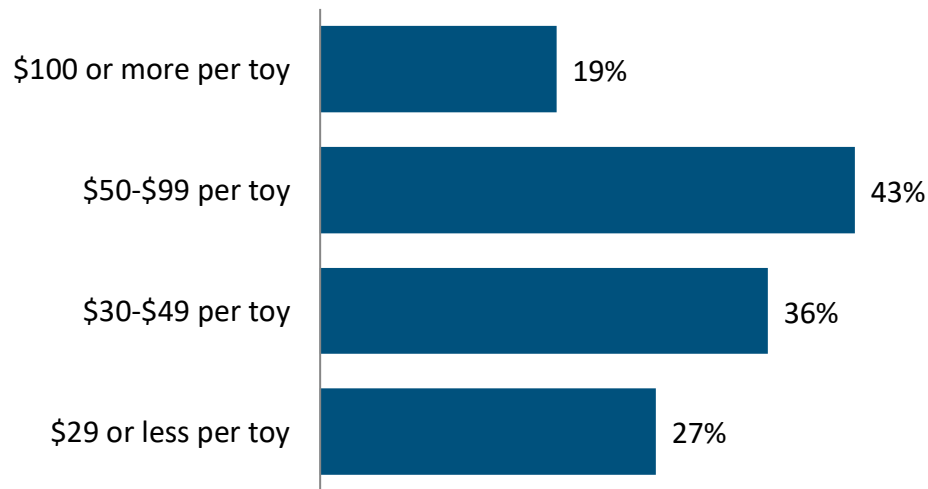
The 3 major retailers were the most important accounted for 63% of the sales during this period



Question : Where did you purchase most of the toys for your child(ren) 14 years or younger in June or July 2021?

Future purchases: What price ranges would toy buyers like to see more of?

\$50-99 being the most popular followed by \$30-49. There is also a difference by gender where Females have a higher preference for entry level prices



Twice as many Female buyers prefer to see more toys <\$29 compared to Males

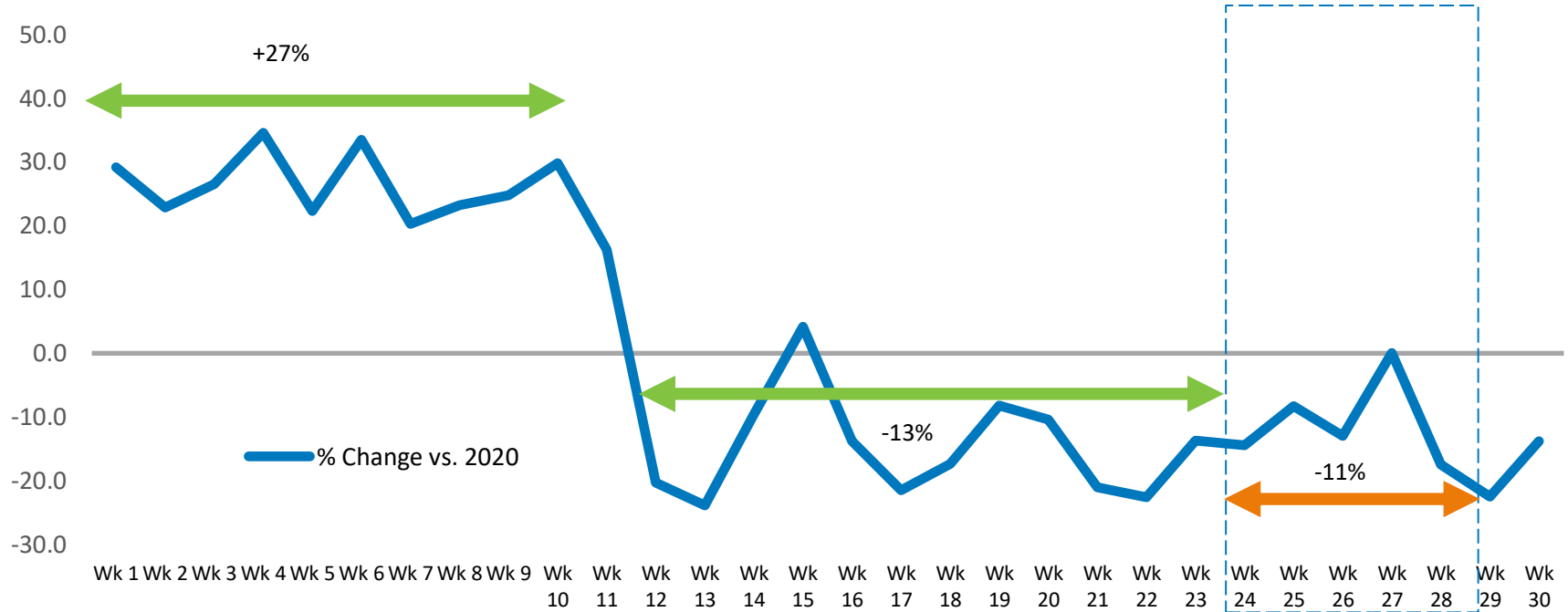


For Male buyers, the least popular price segment was the <\$29

Question : Thinking ahead to future mid-year toy sales, what price range would you like to see more of?

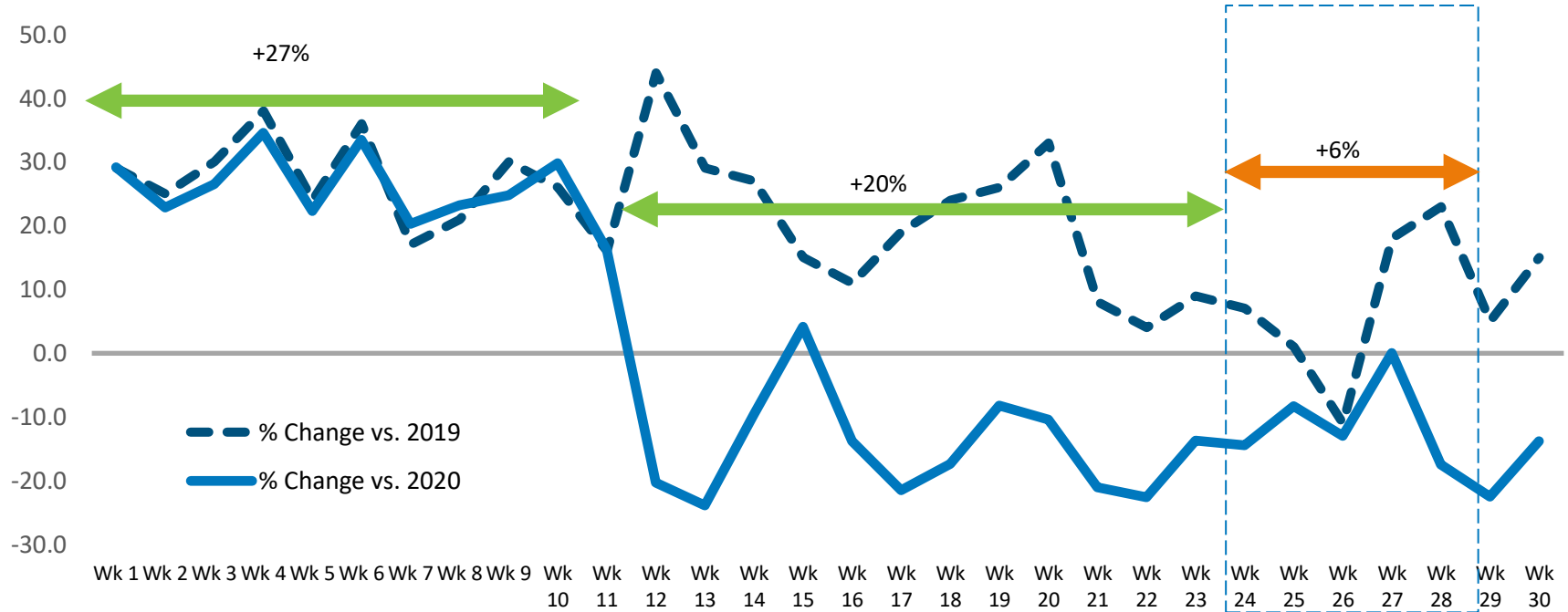
Toy Cat 2021 declined -11% vs. Toy Cat 2020

Sales grew in the first 10 weeks of the year but started to decline from week 11. However, the rate of decline slowed during the mid year sale



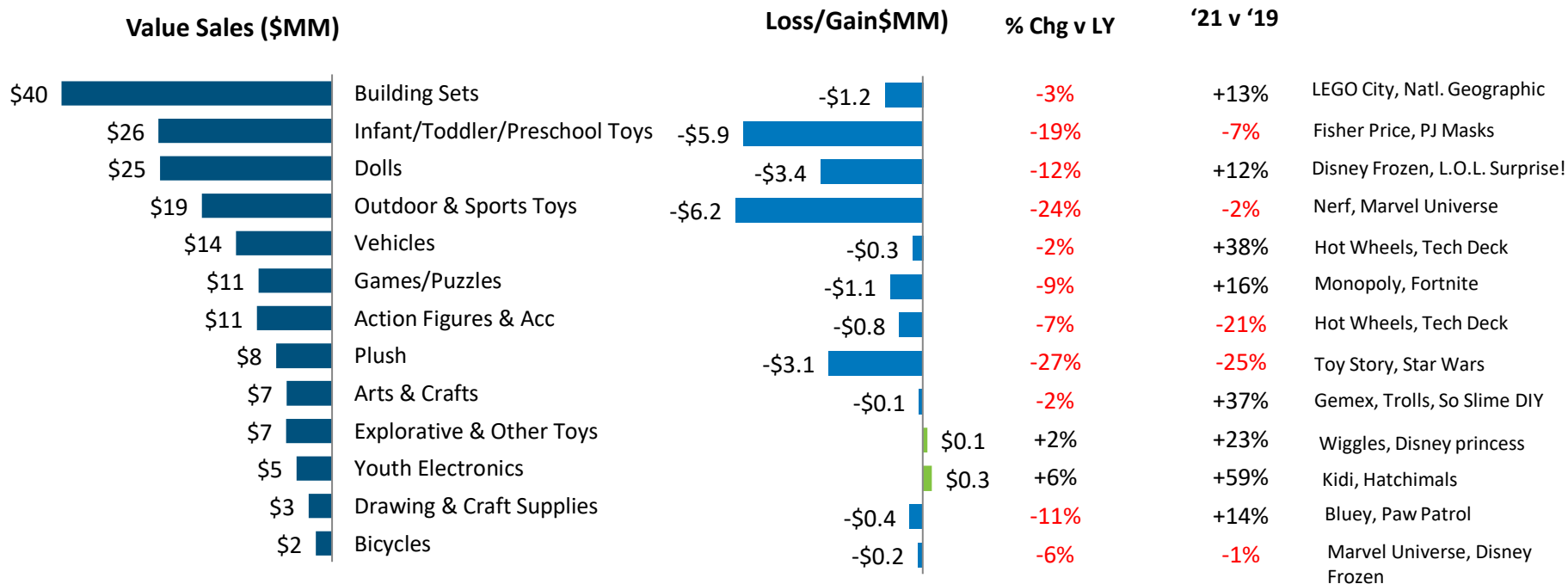
However, 2021 sales were well above TC 2019

Toy Cat results need to be put in perspective since it coincides with the lockdown last year. As a result, it useful to make comparisons to 2019



Only two categories grew over Toy Cat 2020

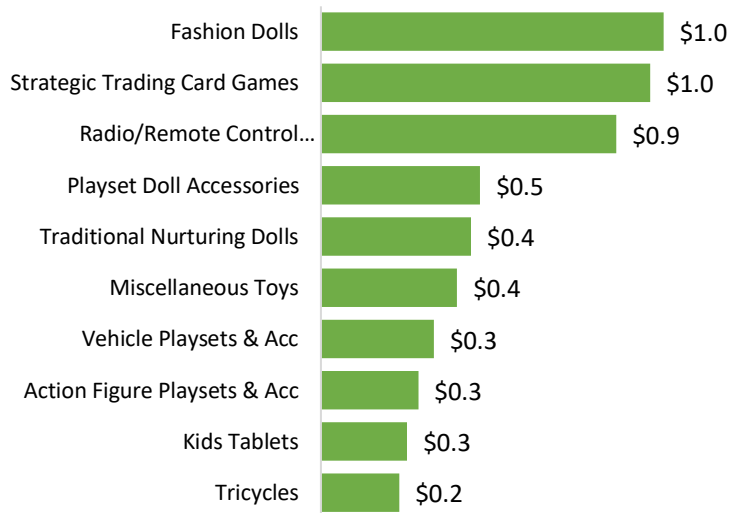
However, vast majority of supercategories grew vs. Toy Cat 2019



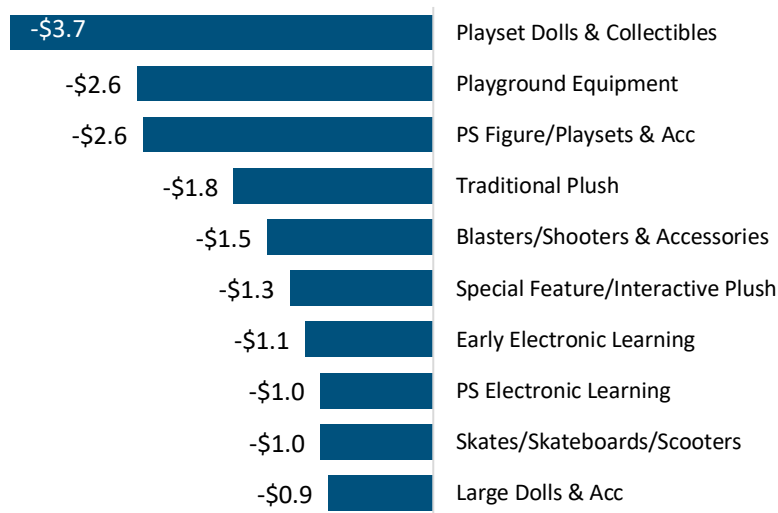
Subclass Performance Toy Cat

Fashion dolls were the fastest growing subclass during Toy Cat and Playset dolls and collectibles recorded the largest decline.

Top 10 Growing Subclass by Value-added TC (\$MM)



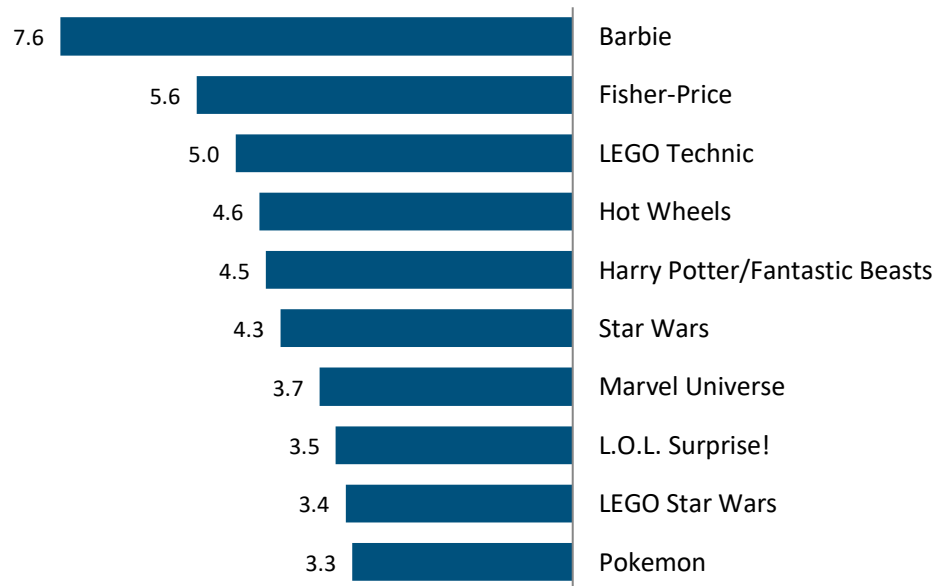
Fastest Declining Subclass by Value-added TC (\$MM)



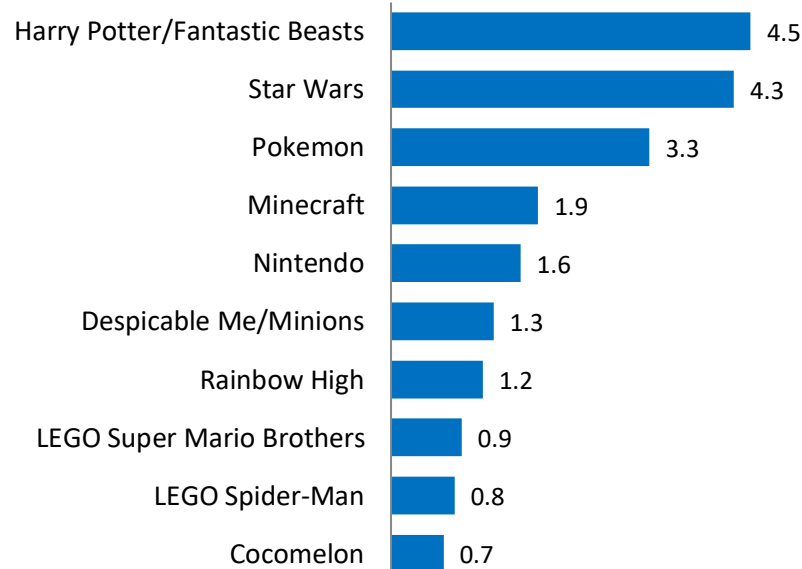
Top Properties & Top Gaining Properties

4/10 properties grew: Pokémon(>100%), Star Wars (+30%), Marvel Universe (+1%), Harry Potter(+46%). Similar to the YTD 9 out of top 10 properties were content driven.

Top 10 value (\$MM)



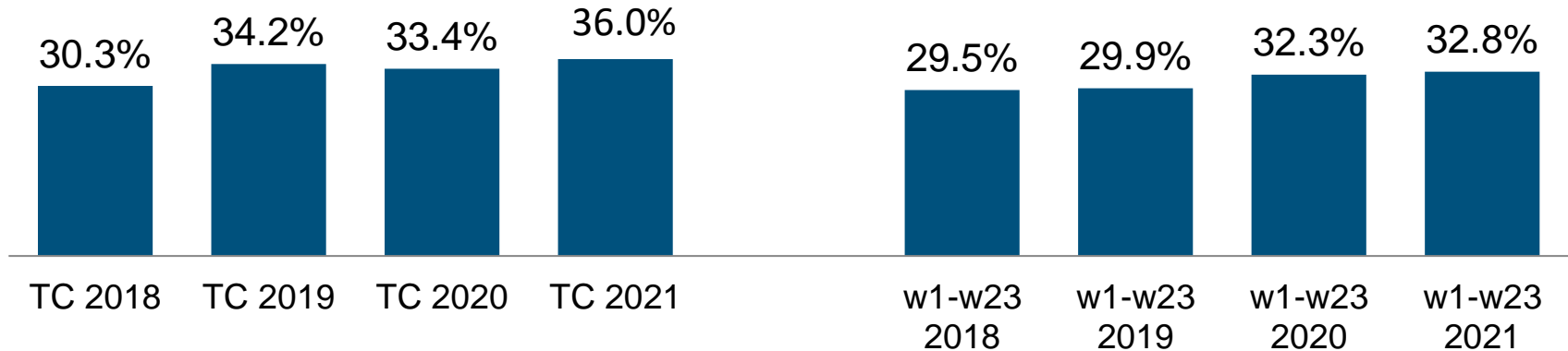
Top 10 Gaining (\$MM)



Licensed toys had been more popular during Toy Cat compared to 1H of the year

During Toy Cat 2021, licensed and unlicensed toys declined, however licensed rate of decline was slower -4% and unlicensed -15%

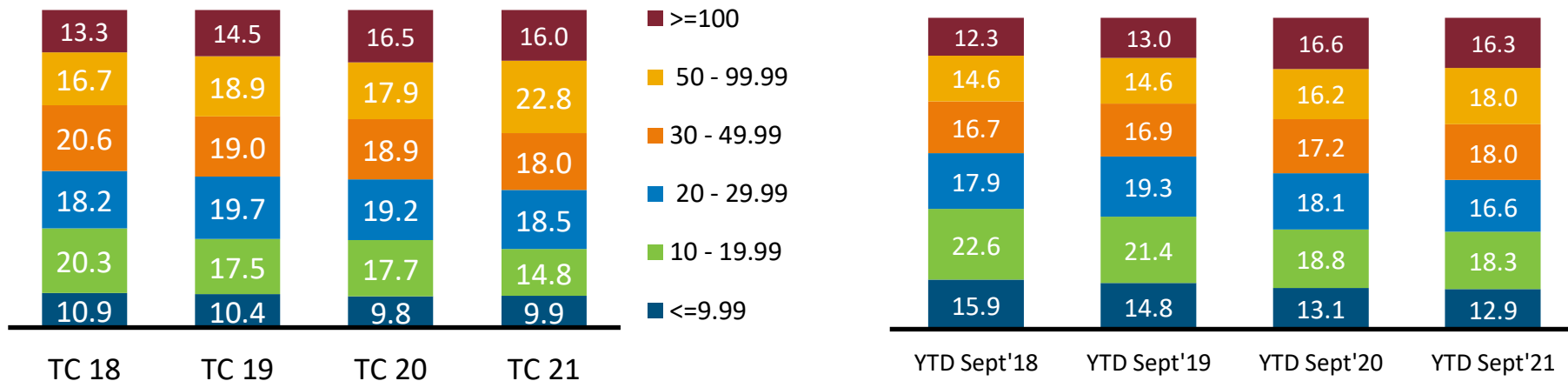
Total Toy Market – Licensed Toys Market Share (\$%)



Higher prices (\$50+) continued to have higher shared during Toycat

Share of lower price (under \$10- \$20)segments has gone down over the years during TC

Total Toy Market – Price Brackets Share (\$%)



Toy Cat 2021: Top 12 Toys ranked by \$

Barbie Dreamhouse #1 (2019, 2020, 2021) and 6 new toys

Rank '20	Rank '21	Item Description	Distributor	Dollars	Av Price
1	1	Barbie Dreamhouse	Mattel	\$1,574,291	\$183
2	2	LeapPad Tablet Ultimate	VTech	\$745,843	\$159
NEW	3	Technic Ferrari 488 GTE	LEGO	\$693,356	\$208
7	4	Kidizoom Duo 5.0	VTech	\$669,983	\$74
NEW	5	Harry Potter Hogwarts Chamber Of Secrets	LEGO	\$655,128	\$179
NEW	6	Rainbow High Doll Asst	MGA	\$654,129	\$40
16	7	Barbie 3 In 1 Dreamcamper Vehicle And Accessories	Mattel	\$638,959	\$94
8	8	Technic Bugatti Chiron	LEGO	\$604,080	\$406
>50	9	Technic Lamborghini Sian FKP 37 Set	LEGO	\$562,909	\$444
NEW	10	Harry Potter Hogsmeade Village Visit	LEGO	\$540,878	\$110
NEW	11	Harry Potter Hogwarts Wizards Chess	LEGO	\$536,184	\$86
NEW	12	L.O.L. Surprise! Dance Dance Dance Tots Asst	MGA	\$498,251	\$12



#14



#23



#26



#29

Conclusion

Toy Sales are well above 2019 level (-6% vs. YTD' Sep 2020 but grew +17% vs YTD Sep'2019)

Higher Price Points of \$50-\$100 still popular both during Toy Cat as well as YTD Sep'21

Licensed toys share was the highest in last 3 years during Toy Cat. Licensed toys gained 1 share point in the YTD Sep'21

Content driven properties were popular during Mid Year TC and for the YTD Sep'21



Thank you

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