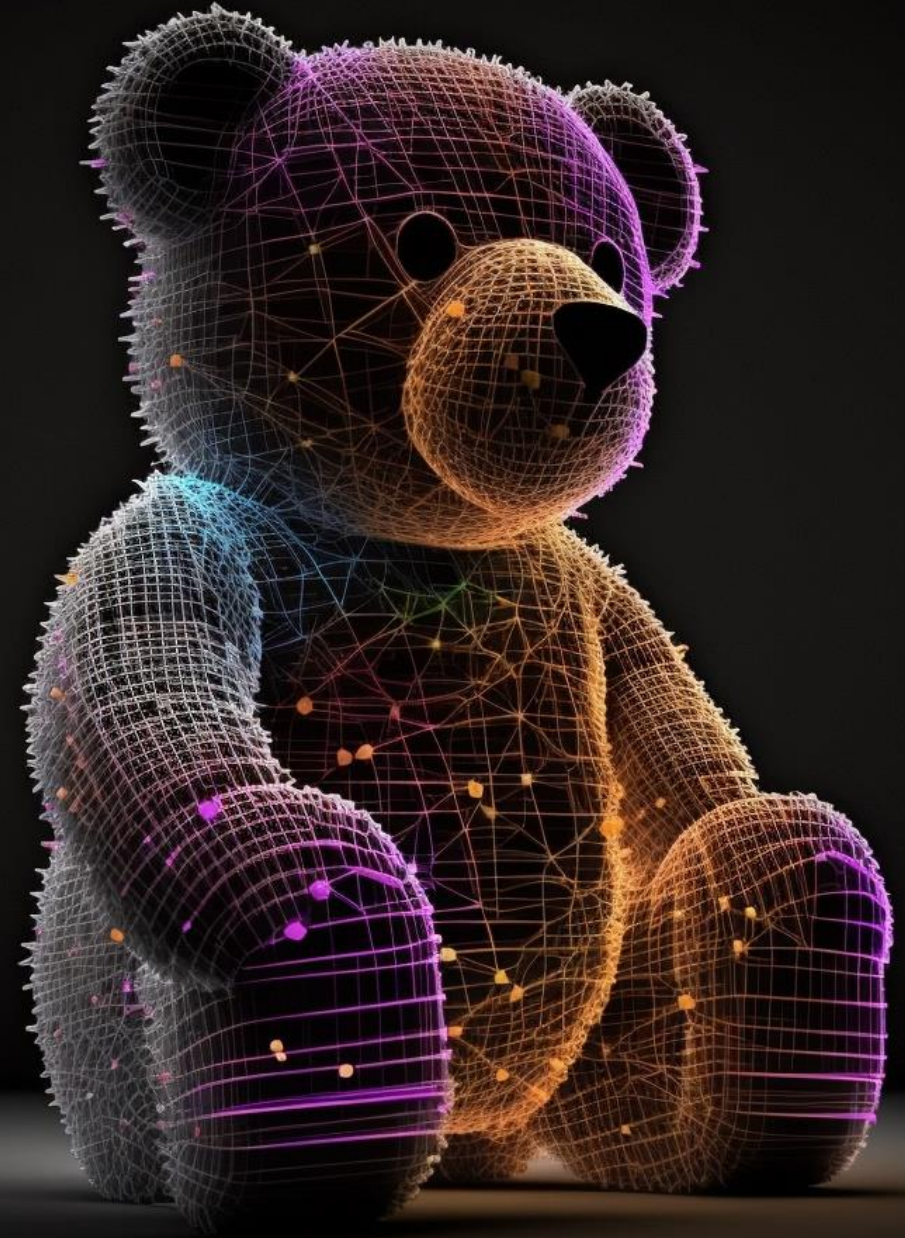




# Toys Market Presentation

FY 2023 & YTD Apr 2024

20<sup>th</sup> June 2024



# Agenda

01

## Full Year 2023 Australia Toys

Key highlights in Australia  
and impact of economic  
crisis on pricing and  
changing landscape of  
ecommerce

02

## YTD Apr 2024 Global Toys

Australia versus the rest  
of the world

03

## YTD Apr 2024 Australia Toys

Challenging conditions in  
first 4 months into 2024

04

## 2H 2024 Outlook

Looking ahead to the  
second half of 2024





02

Australia  
Toys 2023  
Summary  
Highlights

# How did the economic crisis change gifting during Xmas?

1 out of 2 changed their purchasing habits

**21%**

Spent less as they had less budget due to increased cost of living

**19%**

Had to cut spend elsewhere to spend on gifting

**10%**

Spent less on gifting to save

**35%**

of respondents spend on gifting did not change

**15%**

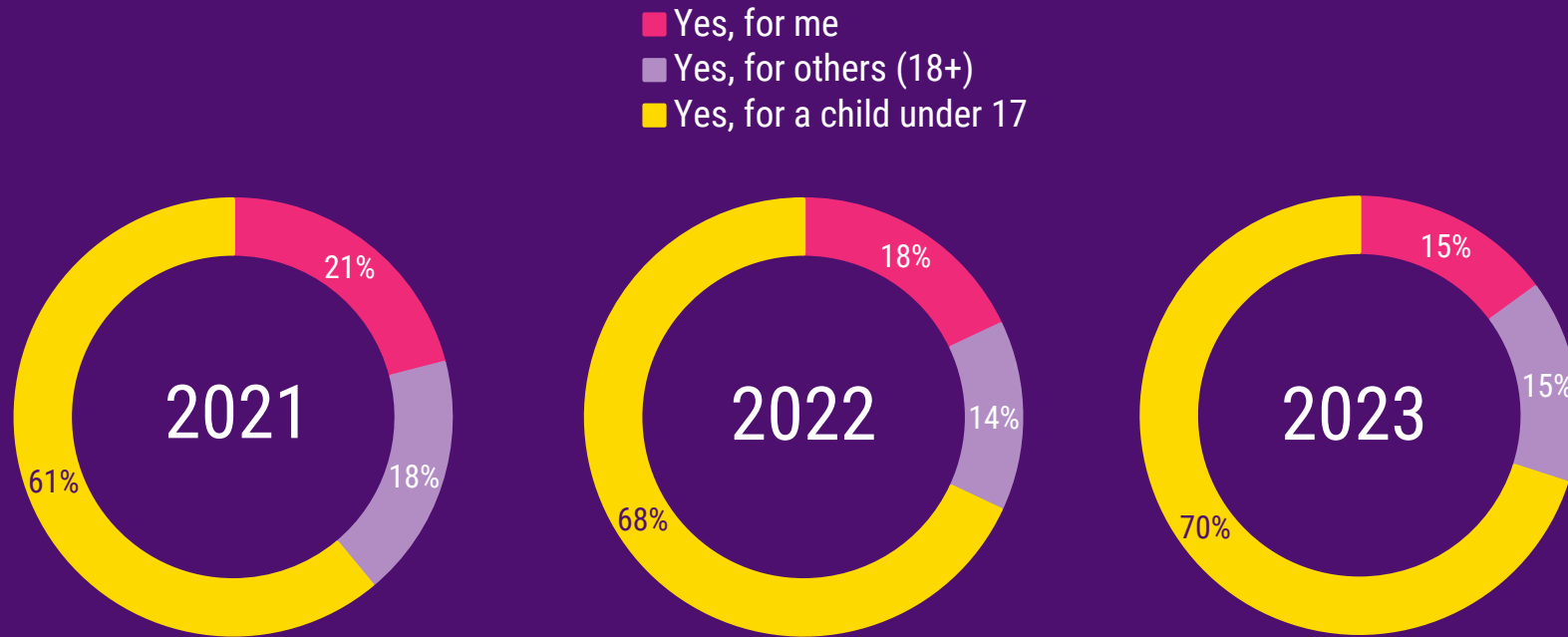
spent more  
1.5 out of 10 respondents





# Share of self gifting and for 18+ decreased after COVID

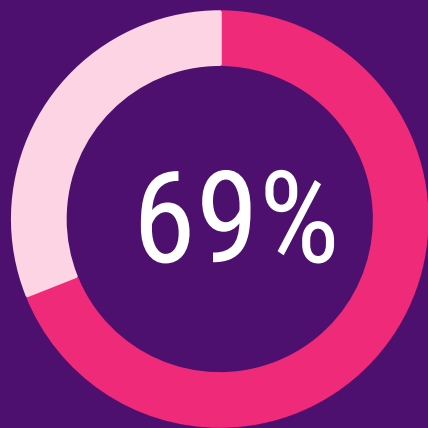
This could be another reason that impacted higher priced toys



# 7 out of 10 people cut back on spend

Dining out & takeaways followed by travel & vacation and Clothing, Shoes & personal accessories were the areas that were most affected

## Top 3 Areas Cut Back On



Of consumers responded that they have cut back on spending in the last 6 months



Dining out & Takeaways



Travel & Vacation



Clothing, Shoes & Personal Accessories

**Toys & Board Games was the least affected**

# Reasons for spending less on toys? Financials!

Social media usage, digital activities & pop icons might be driving kids out of toys at a younger age

1

Trying to save money & less disposable income

2

Children spend more time on electronics. Younger mobile phone adoption

3

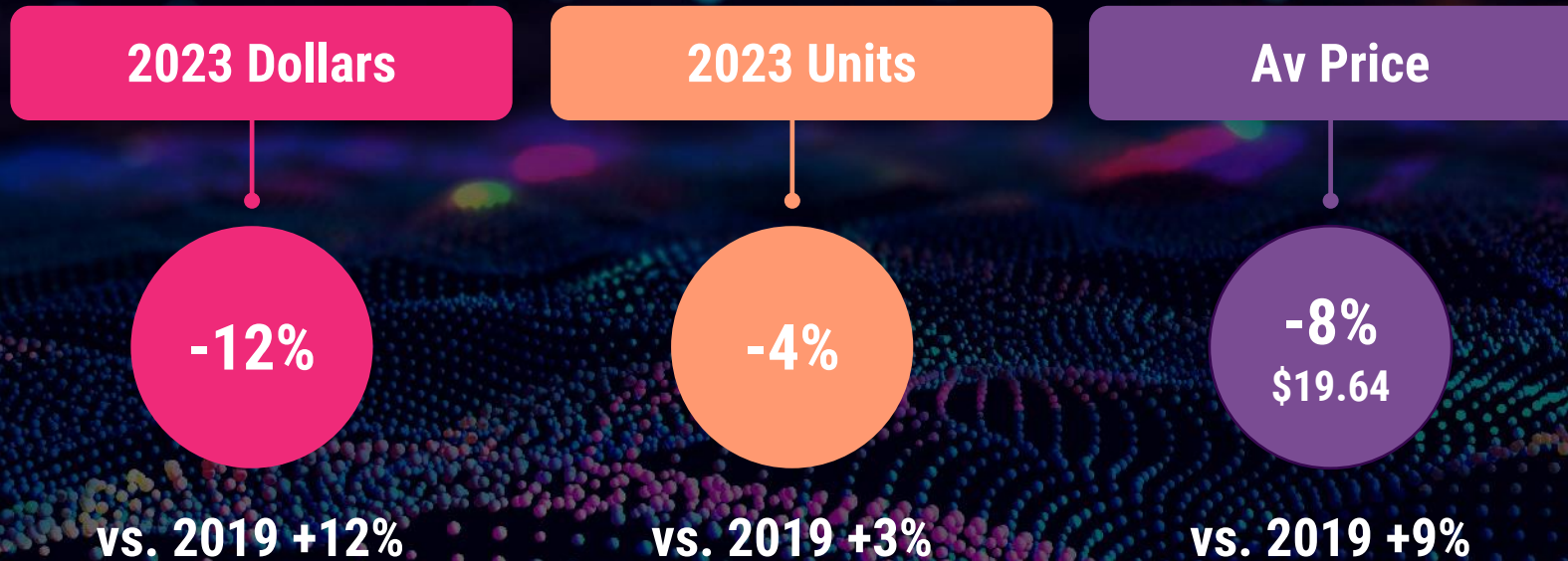
Spend less on Toys because I receive hand me downs/buy second-hand toys





# Australia toys experienced the worst decline in 2023 but dollars still up vs. 2019

Volume held on in 2023. Australia was the 4<sup>th</sup> best performing country in units



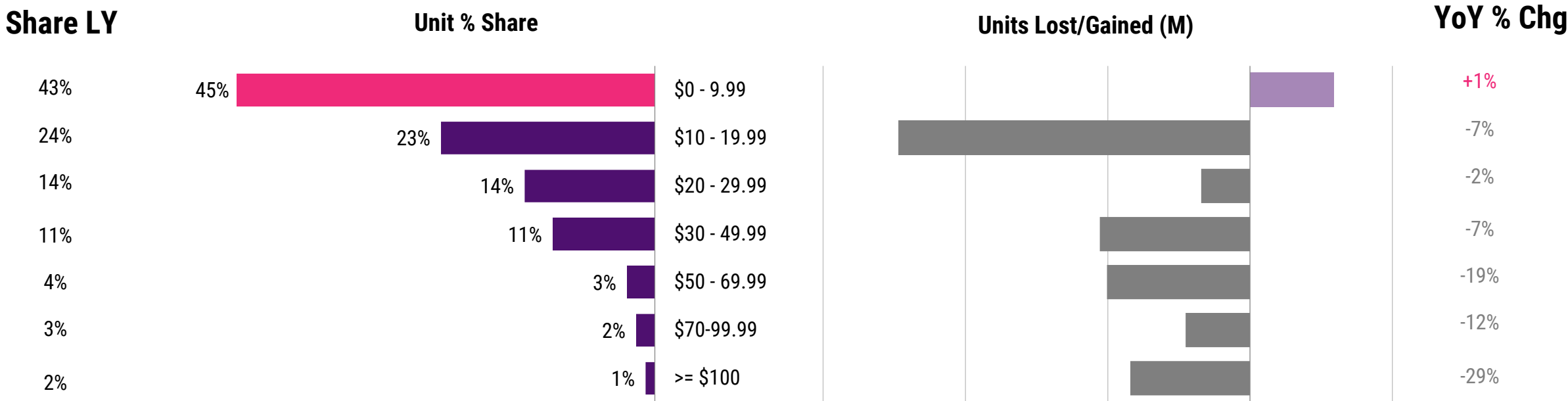
	Dollars	Units
G12	-7%	-7%
Netherlands	+2%	+3%
Mexico	Flat	+1%
Italy	-3%	-2%
Spain	-4%	-6%
France	-5%	-8%
Germany	-5%	-4%
UK	-5%	-7%
Canada	-7%	-6%
Belgium	-7%	-9%
USA	-8%	-8%
<b>Australia</b>	<b>-12%</b>	<b>-4%</b>
Brazil	-12%	-21%

(Excl. Drawing and Bicycles)



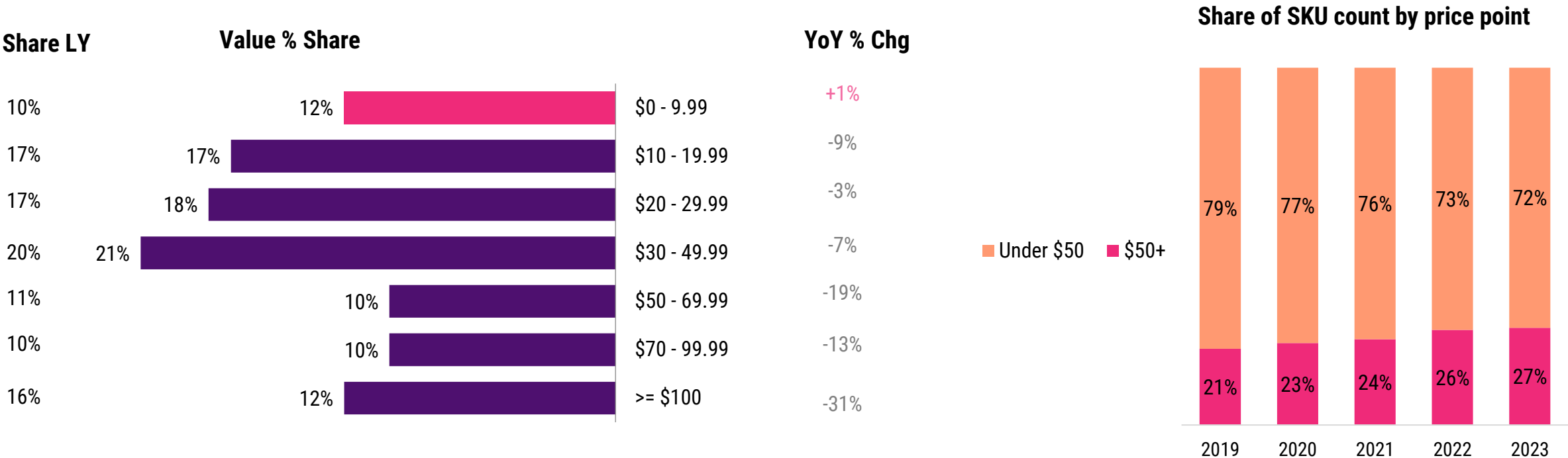
# Most toys bought <\$10, gained 2 p.p

Under \$10 was the only price segment that had units grew +1%.



# Just 1 out of 3 is spent above the \$50+

Share of \$50+ shrunk in 2023, driven by \$100+ price points. The entry level price point under \$10 was resilient. Proportions of SKU counts remain the same vs. the past few years





# Top 10 Properties ranked by dollar

4/10 properties grew. In 2023, Pokémon marked the largest ever sales and Barbie (#1 for 4 years in a row). Squishmallows and Bluey joins the top 10



# Key Highlights for 2023

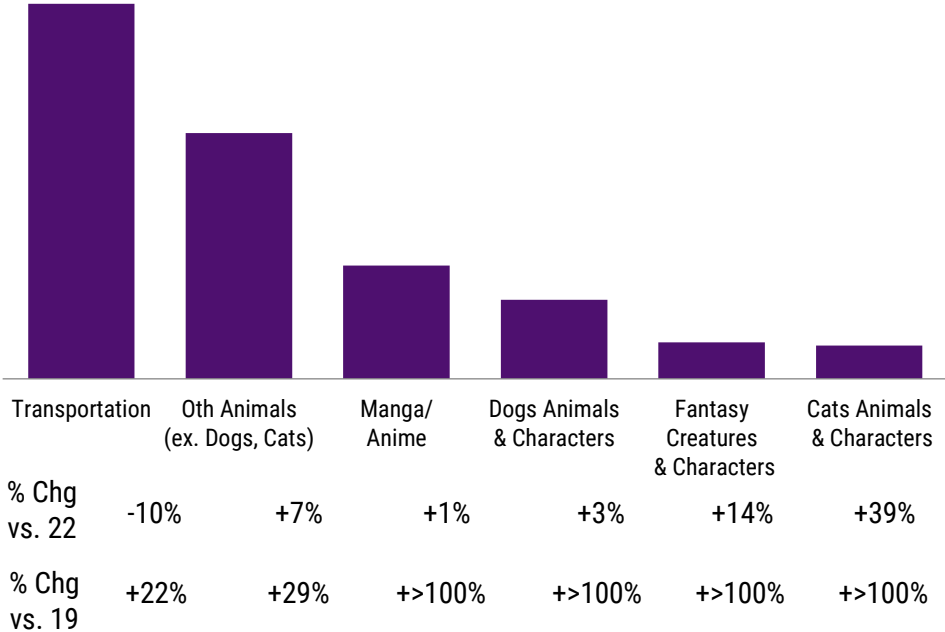
+23% Mini Vehicles  
+5% Trad. Plush  
+8% Trading cards



Top 3 Dollar Adding Manufacturer



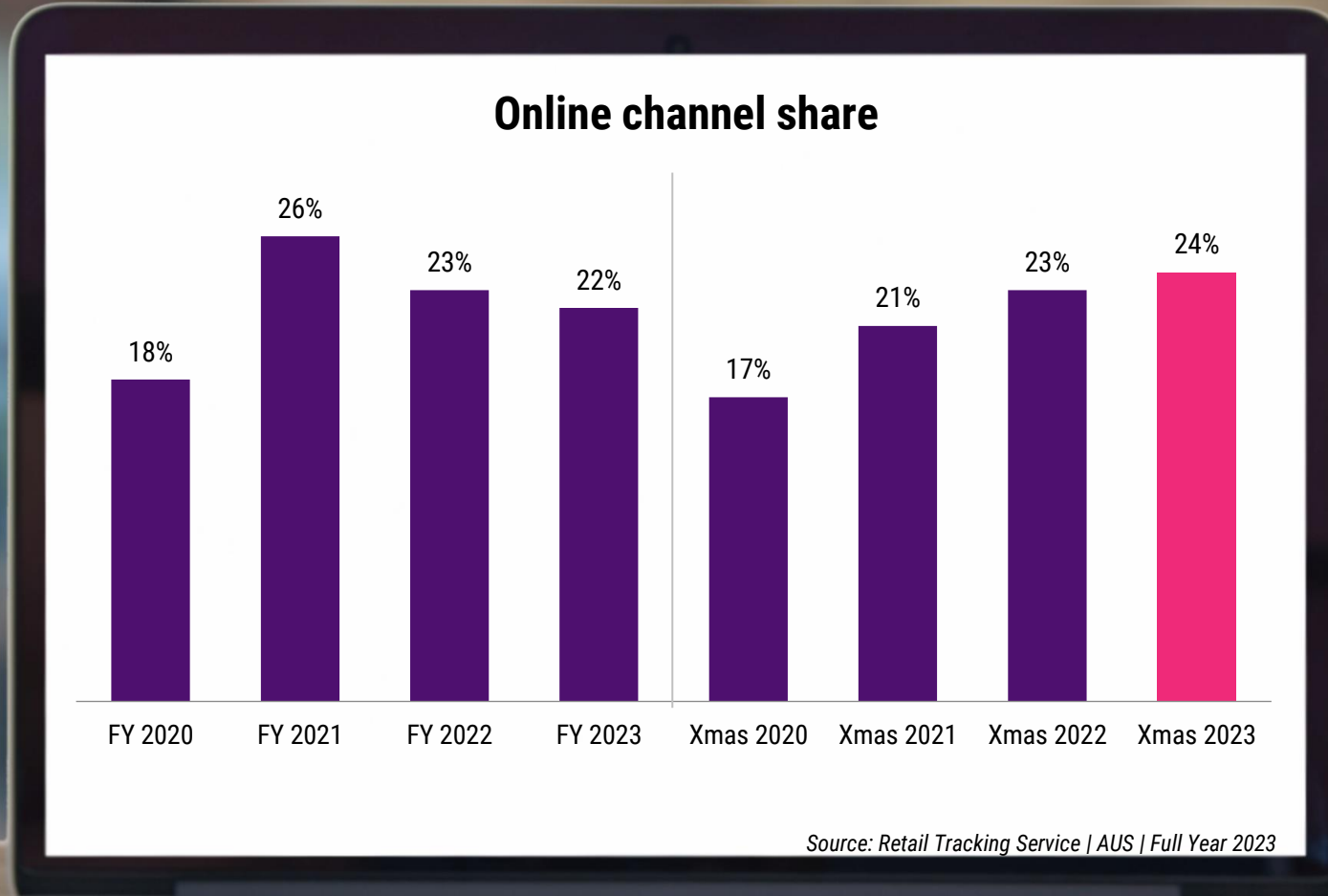
5 themes grew vs. 2022





# Online share development

Online shares remained strong post COVID. Christmas shares grew 1 P.P vs. 2022





03

Global Toys  
2024  
YTD April








# Global Toys: Key Findings

After posting an inflated 9% increase in value for March 24 globally, April 24 declined -16% due to timing shift for Easter from April 2023 to March



# Global Performance By Super Category

2/11 categories grew vs. YTD 2023. Buildings Sets driven by LEGO Icons and Disney Classic and Explorative & Other Toys driven by Miniverse and NBA & NFL trading cards/stickers.

Market Size (\$M)		Losses & Gains (\$M)		% Chg	
				% Chg YGO	'24 vs. '21
	Building Sets			+21%	+32%
	Games/Puzzles			-4%	+1%
	Outdoor & Sports Toys			-4%	-33%
	Infant/Toddler/Preschool Toys			-7%	-9%
	Plush			-2%	+50%
	Explorative & Other Toys			+3%	+17%
	Dolls			-10%	-27%
	Action Figures & Acc			-12%	-10%
	Vehicles			0%	+10%
	Arts & Crafts			-12%	-8%
	Youth Electronics			-2%	-3%

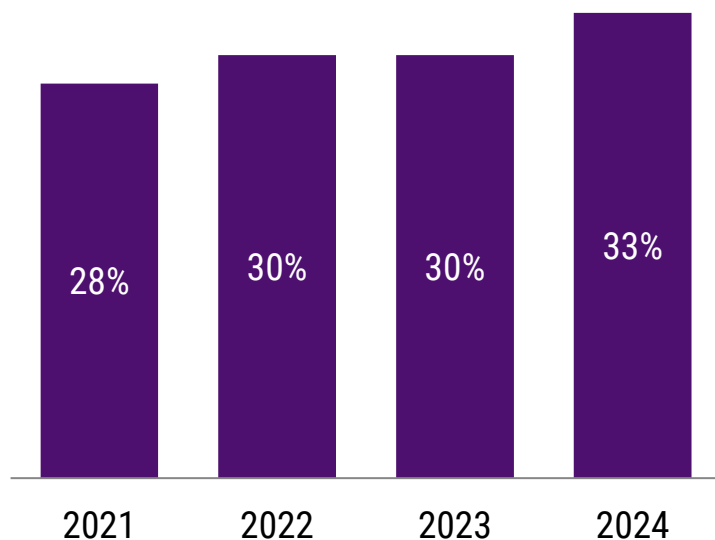
# G12: Licensed toys share – bigger than ever

Licensed toys worth \$5B at retail for first 4 months and grew (+6% vs. YTD Apr 2023).

Movies account for less over time as the entertainment space becomes more fragmented (VG, Sports, Motor vehicle brands)

YTD Apr 2024 Entertainment share of licensed toys

Licensed share by year YTD Apr



**29%**

Movie's share decline each year (-1% vs. YTD Apr 23)

2023: 30%  
2022: 32%  
2021: 33%

**13%**

Sports gain 2 share point (+25% vs. YTD Apr 23)

**27%**

TV/Digital remain same share for 3 years (+3% vs. YTD Apr 23)

2023-2022: 27%  
2021: 28%

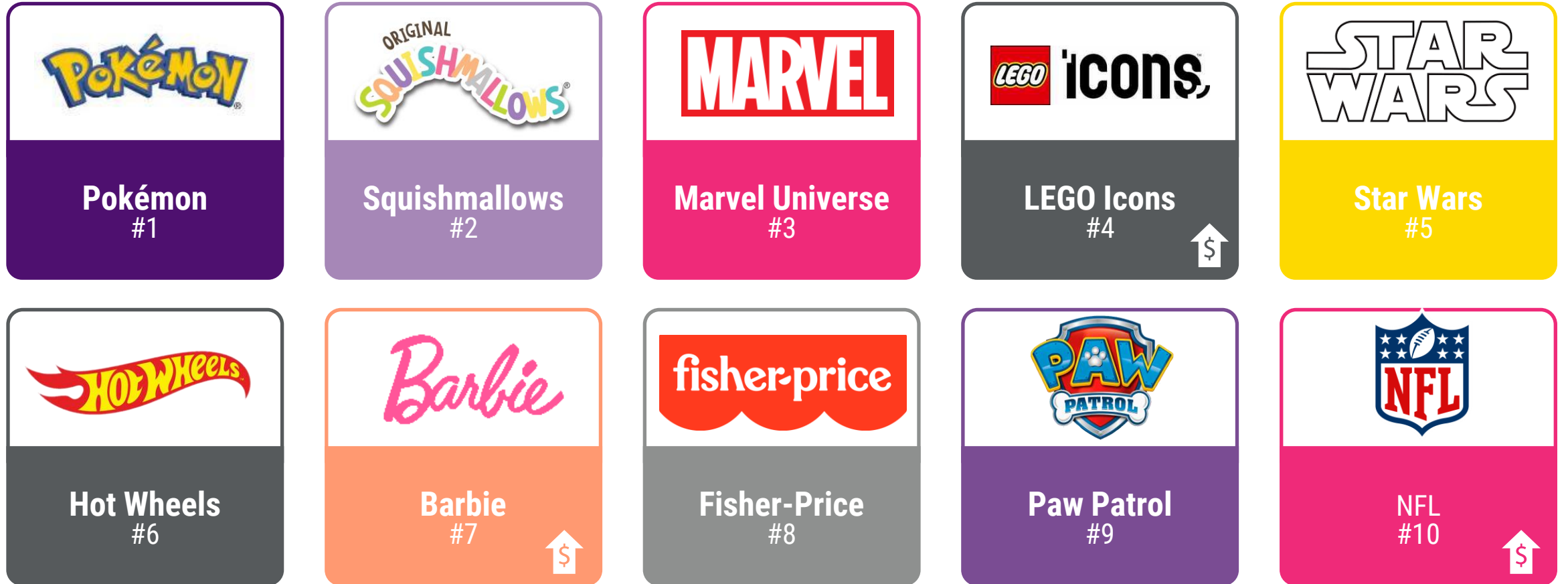
**34%**

Australia's movies share higher than global avg, but also in decline



# Top 10 Properties are global

3/10 properties grew. Pokémon maintained the #1 position. LEGO Icons, NFL, and Barbie were 3 properties that stood out +\$201M.



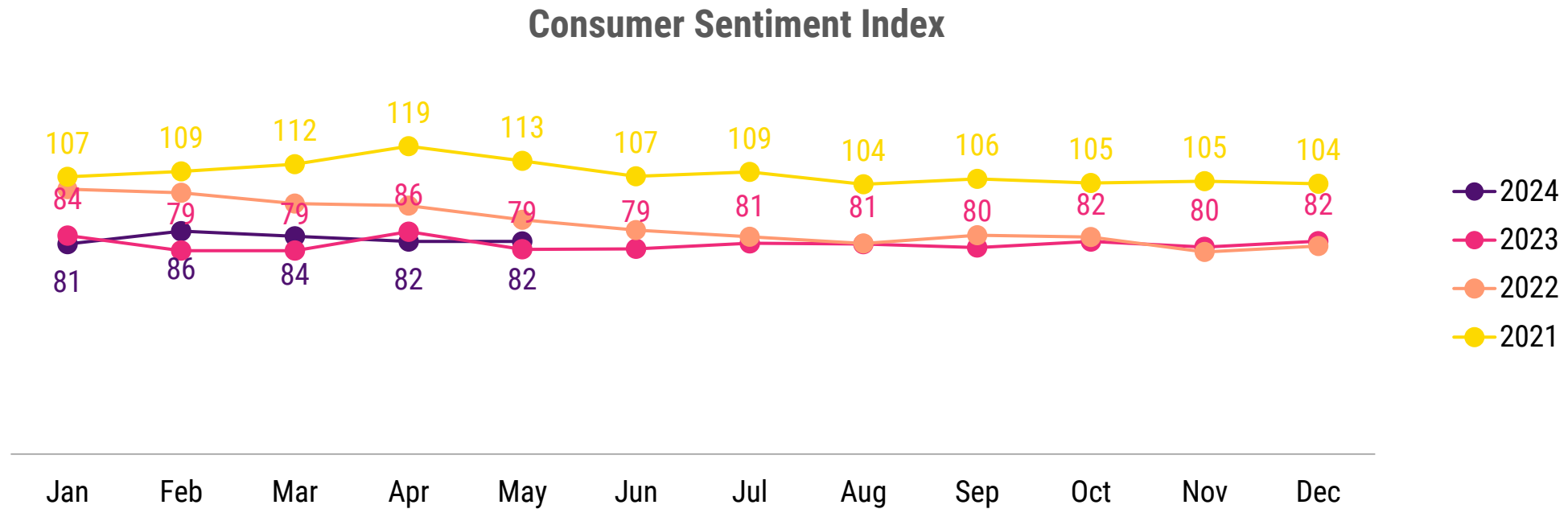


04

Australia  
Toys 2024  
YTD April

# Australia Consumer Sentiment

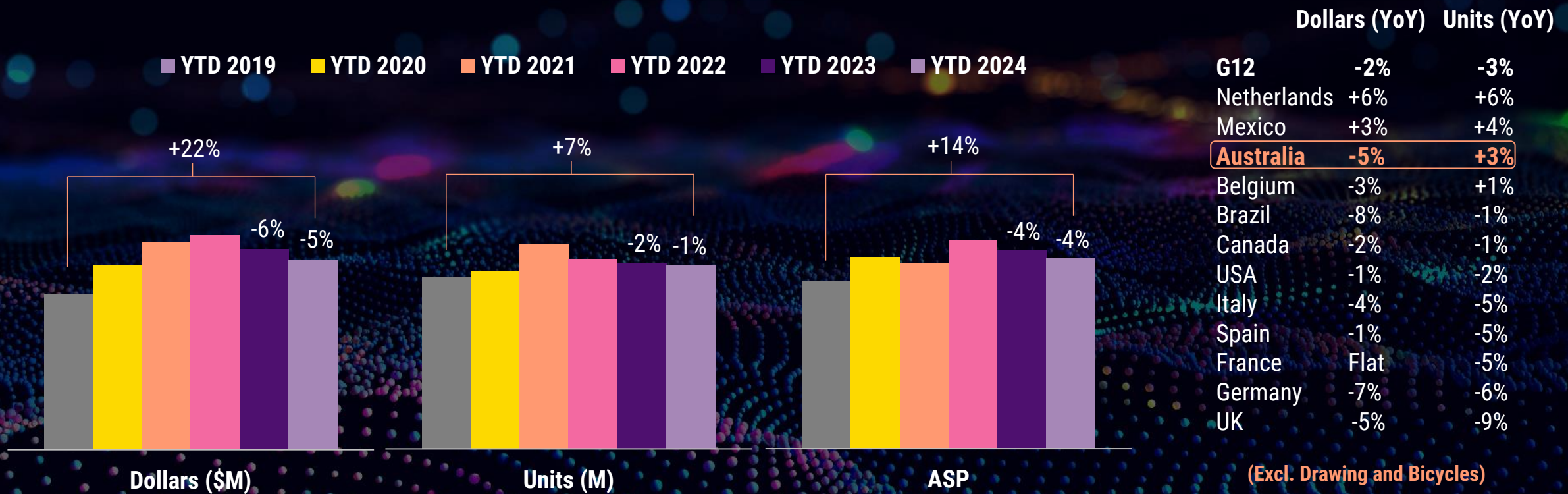
Consumer confidence outlook was bleak as the latest month (May24) dipped slightly below last year. Unemployment rate up at 4% in May 24, and cash rate remained at 4.35% since Nov 2023.





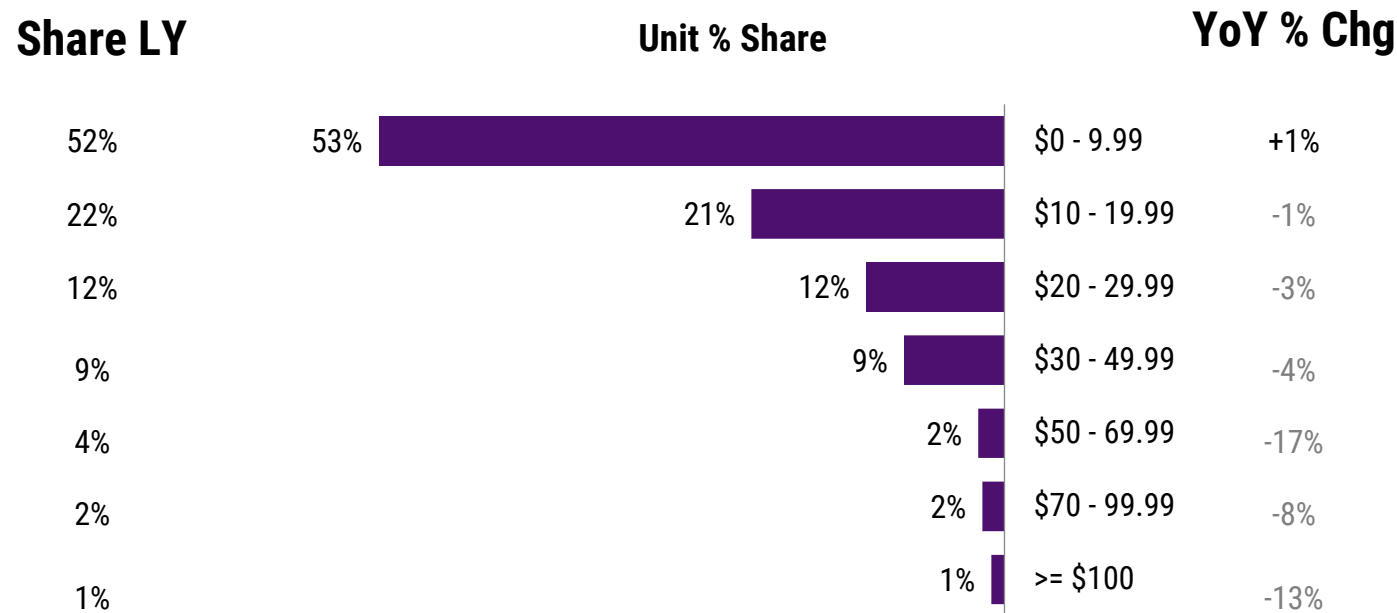
# Australia Toy Industry: YTD April 2024

Volume declining less than dollars, held on in 2024 as consumers continued to buy cheaper toys overall due to financial constraints. Australia is performing better than the Global Average for Units.



# Volume: More than half of toys sold at <\$10

Under \$10 was the only price segment that had units grew +1%.



**<\$10**  
53% Share  
(+1 P.P)

**\$50+**  
5% Share  
(-2 P.P)





# Value: <\$10 the only price point that grew

**<\$10**

15% Share (+1 P.P)

Grew +4% in  
dollars

**\$50+**

28% share (-3 P.P)

Accounted for  
64% of total  
dollar losses





# 2024 Australia Product Category Trends

For YTD Apr 2024, 4 supercategories grew vs. YTD Apr 2023

DOLLAR  
GROWTH



**+6%**  
**Vehicles**

Driven by Hot Wheels,  
Cars The Movie and  
Teamsterz



**+4%**  
**Explorative &  
Other Toys**

Driven by Miniverse,  
Lankybox and Match  
Attax



**+13%**  
**Building Sets**

Driven by LEGO  
Icons, LEGO  
Disney Classic and  
LEGO Technic



**+11%**  
**Youth Electronics**

Driven by Bitzee, Robo  
Alive and LeapPad  
Tablet



Collectibles

**12.2%**

**Units Collectibles Grew +3%**

**Top Gaining Collectibles by Subclass:**  
Miscellaneous Toys, Playset Dolls & Collectibles and Action  
Figure Collectibles

# Top 10 Properties

5/10 properties grew. Hot Wheels leads for YTD Apr 2024. LEGO Icons and Bluey joins the top 10.



Hot Wheels  
#1



Pokémon  
#2



Barbie  
#3



Star Wars  
#4



LEGO Icons  
#5




Marvel Universe  
#6



LEGO Technic  
#7



Fisher-Price  
#8



LEGO City  
#9



Bluey  
#10

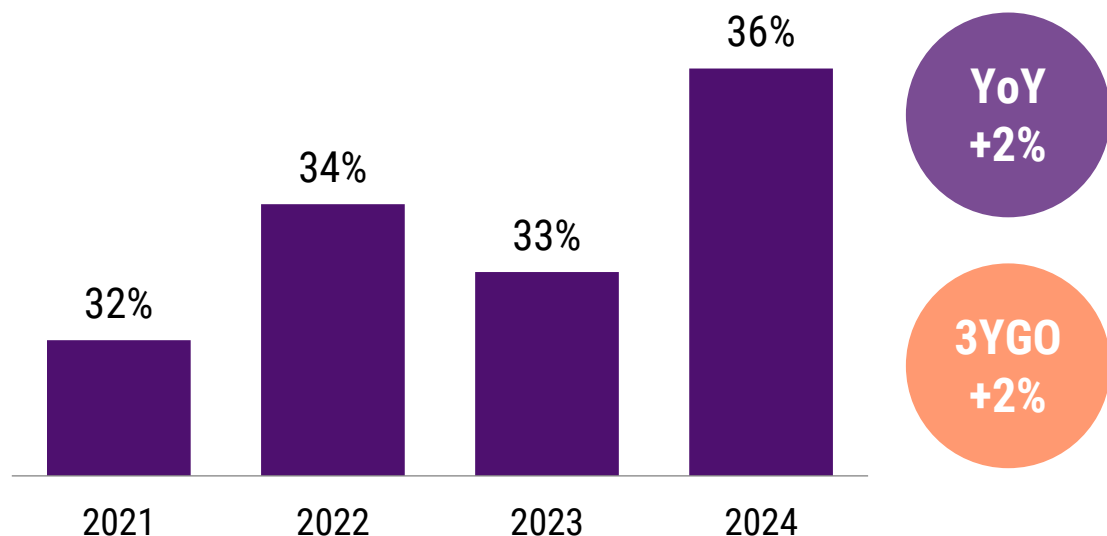




# Licenses still key to toys

Licenses grew 3% share from 2023 and account for \$1 out of \$3 spent

Licenses Share of Total Toys (YTD April)



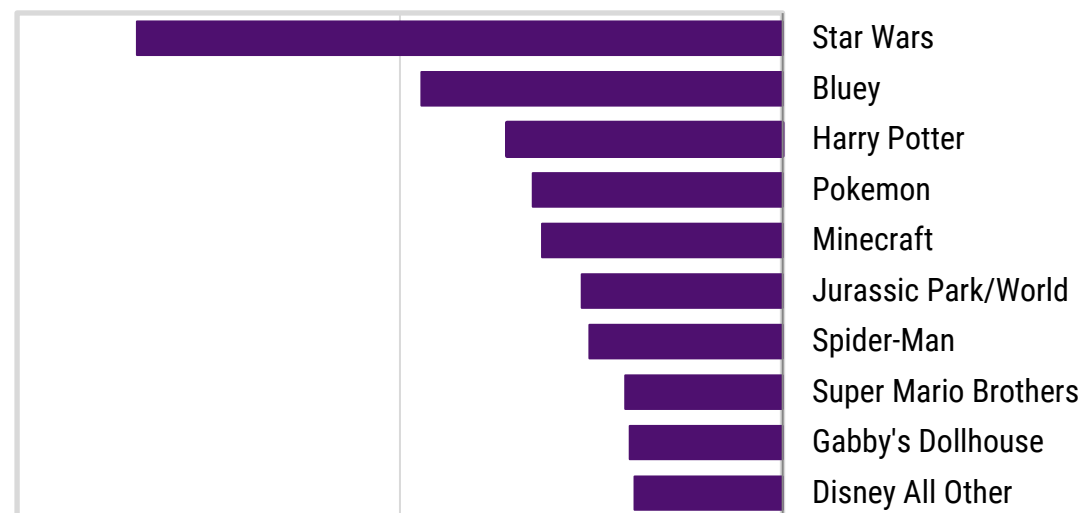
## KEY TAKEAWAY



**5 Licenses Grew:** SW, Bluey, Spider-Man, Gabby's Dollhouse & Disney All Other.

**New to the Top 10:** Gabby's Dollhouse & Disney All Other

Top 10 Licenses in 2024



# Corp Manufacturers \$M Gainers

Within the top 10, 4 Manufacturers grew and collectively at 42% share (+6 P.P)

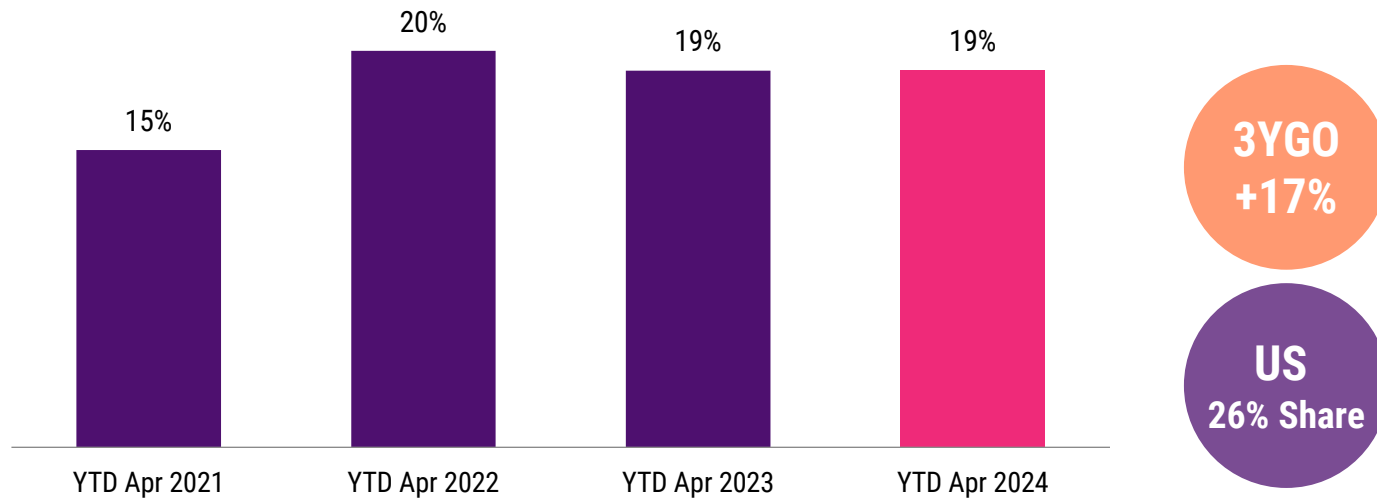


Outside of the top 10, next top 4 manufacturers collectively grew +31% in dollars

# Online Shares for YTD Apr 2024

Online share remain flat vs. YoY but 4% more than 2021.

## Online channel share



Source: Retail Tracking Service | AUS | YTD Apr 2024





05

2H 2024  
OUTLOOK

# Newness in Toys

In YTD April 2022 & 2023, share of new SKUs account for 12% of overall toy sales, YTD April 2024 account for more: 15%

## New Items for YTD 2022



## New Items for YTD 2023



## New Items for YTD 2024





# 2024 Product trends

Some of key trends for 2024

Collectibles Unboxing Monsters  
Animés Video Games Plush  
Reveal Surprise! Innovation  
Pop culture MICRO Food  
ASMR Animals Sport Social media  
Corns TikTok Netflix Fans





# Future Toy Purchase Plans

**28% do not plan to buy toys in 2024**  
(vs. 21% did not plan to buy in 2023)

**36%**

Plan to spend the  
SAME in 2024

**41% in 2023**

**20%**

Plan to spend  
LESS in 2024

**18% in 2023**

**15%**

Plan to spend  
MORE in 2024

**17% in 2023**

**Cautious, considered and compromising consumers in 2024**



**11%**

did not buy in  
2023 but  
**plan to buy**  
toys in 2024

# Conclusion and Outlook

- Australia was unique as impact on unit sales were minimal compared to dollars and was the third best performing country vs. G12
- License is in growth. Entertainment is more fragmented – Video Games, Motor/Vehicles brands and Sports licenses
- Collectibles still positive +3% in volumes
- First 4 months have been tough, but 2<sup>nd</sup> half should bring more newness



# Questions & Answers



# Thank you

