

tonies Company Presentation

Creator of a new multi-billion Euro category
in kids entertainment and beyond

tonies SE | May 24, 2022



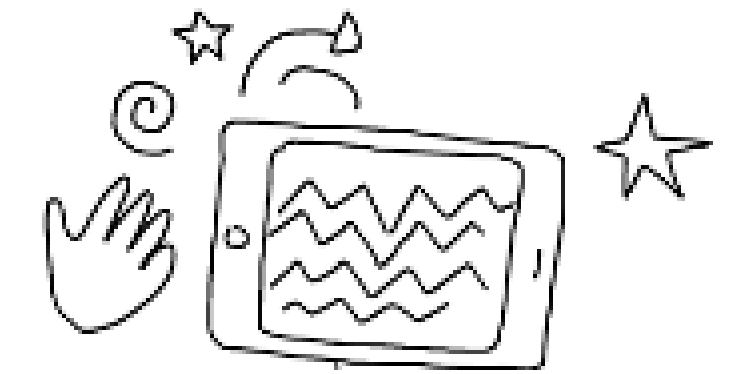
tonies is the largest interactive audio platform for kids in the world ... loved by kids, their parents and our retail customers



*Digitally
connected*

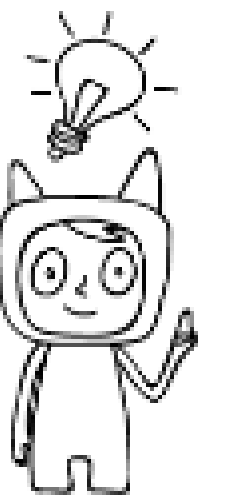


No screen-time

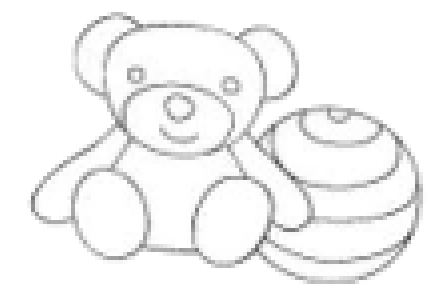
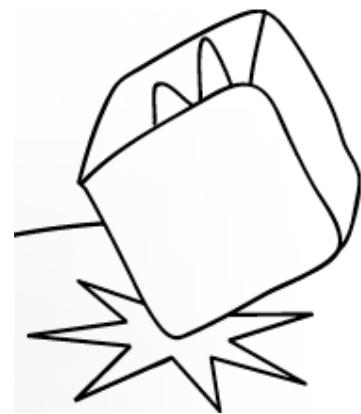


Audio / Listening

Educational

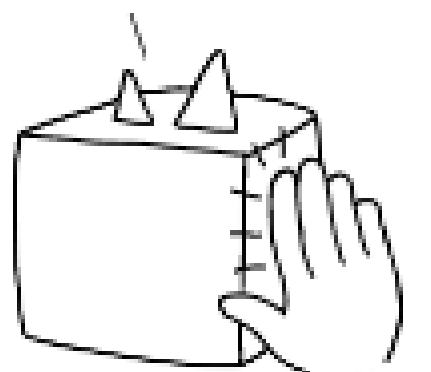


Child friendly



Playful

Independent play



We are the pioneers of connected, technology-enabled audio systems for kids and provider of premium, curated audio content

Our ecosystem is tailored to the needs of young families by providing a playful, safe and screen-free audio experience



Toniebox: Smart, connected audio player allows for a large installed base, anchoring our proprietary ecosystem



Tonies: Extensive and constantly growing choice of over 600 exciting characters (with premium content) are triggering steady usage and repurchases

Data: We understand our consumers thanks to our data-driven and insight-supported business model

Superior content distribution requires proprietary tech platform

Gaming



Video



Audio

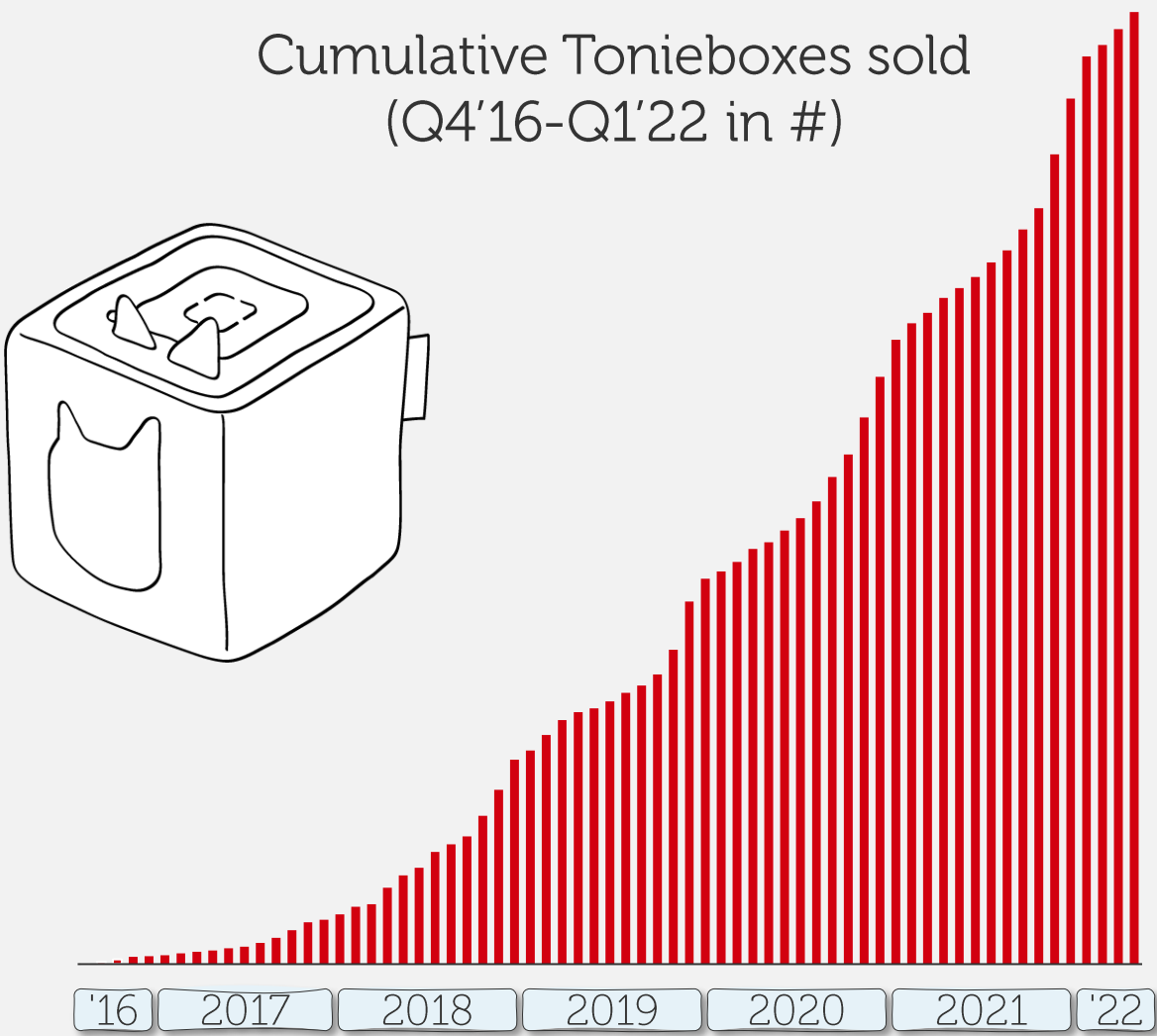


Our business model in a nutshell



Our platform is exponentially growing with more and more Tonieboxes...

Cumulative Tonieboxes sold (Q4'16-Q1'22 in #)

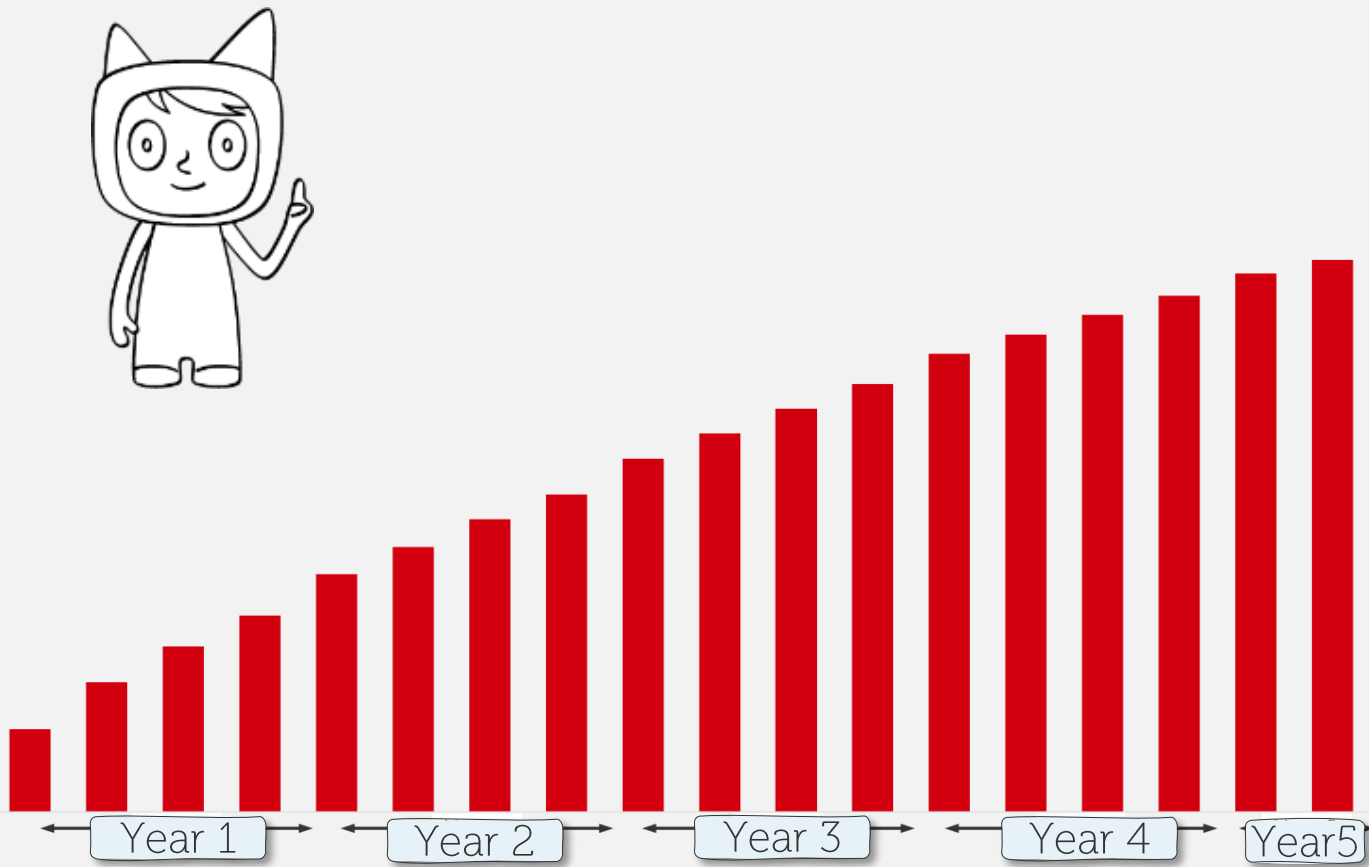


~80%

of active Tonieboxes per month

... fueling our razorblade business model with highly predictable Tonie sales

Subscription-like cohorts



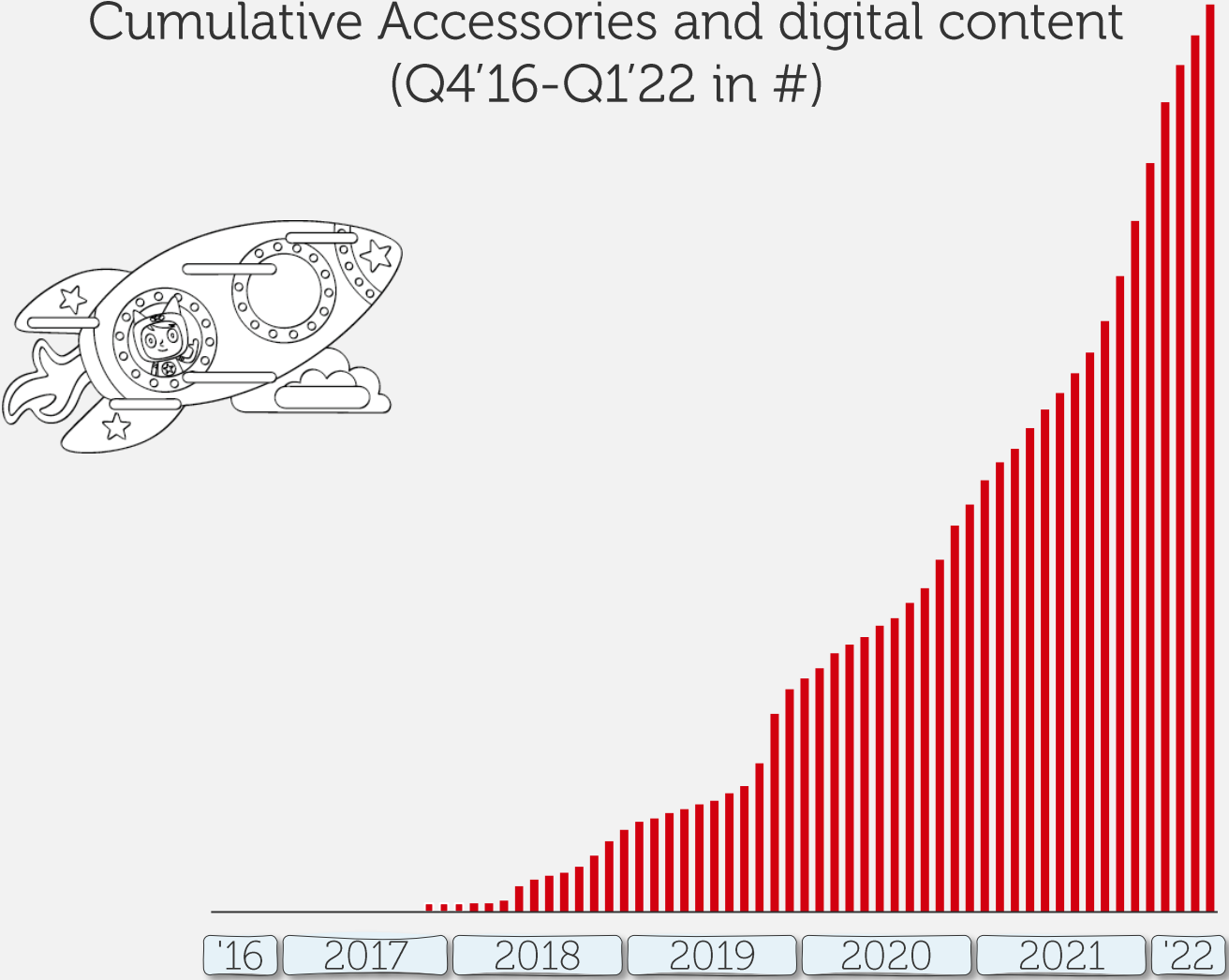
>20

Tonies per Toniebox after 4,5 years

YEAH!

... and adding high margin products to our Tonies universe

Cumulative Accessories and digital content (Q4'16-Q1'22 in #)



...and we just started

... with more to come



A winning business model accelerating further



Accelerating growth, building the largest platform in the market

EUR 188m
Group Revenue 2021

40%
YoY Revenue growth

International expansion exceeding plan and following DACH blueprint

19%
international Revenue in 2021
vs. 7% PY

EUR 20m
US Revenue 2021
(+25% vs. Plan)

Continuing our razorblade business model with highly predictable Tonie sales

3.7m
Tonieboxes sold
until end of Q1 2022

44m
Tonies sold
until end of Q1 2022

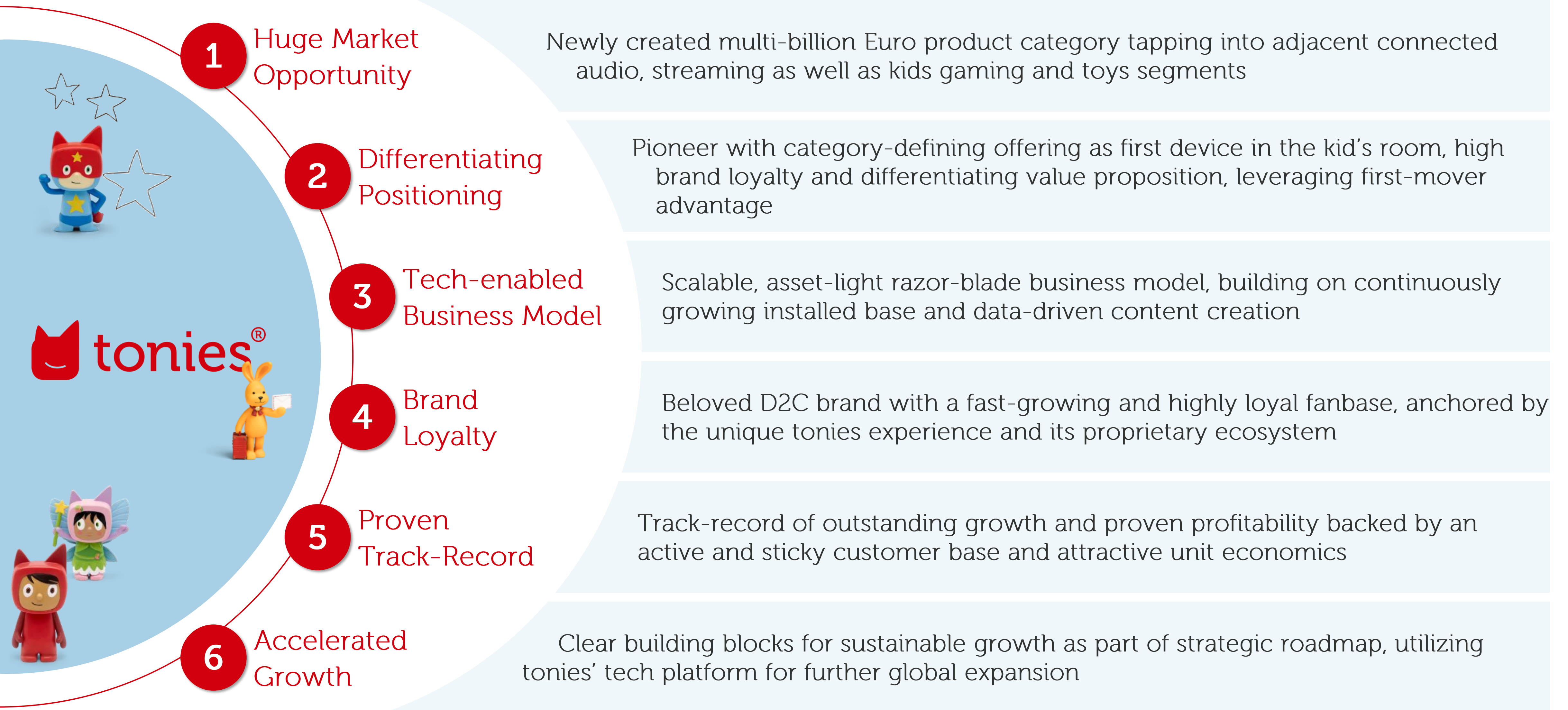
Conscious growth investments on the back of a profitable DACH business

54.1% (+4pp)
Gross margin 2021

Profitable
DACH business

Only ~**EUR 10m** equity funding until IPO in November 2021 (EUR 135m revenue in 2020)

Key investment highlights



We have created a new multi-billion Euro category in the intersection of four huge consumer markets

Kids

Market #1:
Video Gaming

EUR 136bn
7% CAGR
(2020A-25E)

Market #2: Trad. Toys
and Games (TTG)

EUR 70bn
3% CAGR
(2020A-25E)

Digital

EUR 16bn
10% CAGR
(2020A-25E)

Market #3:
Connected Audio

EUR 52bn
13% CAGR
(2020A-25E)

Market #4:
Video Streaming



Connected toys market

EURbn

16% CAGR
(2020A-25E)

7



2020A

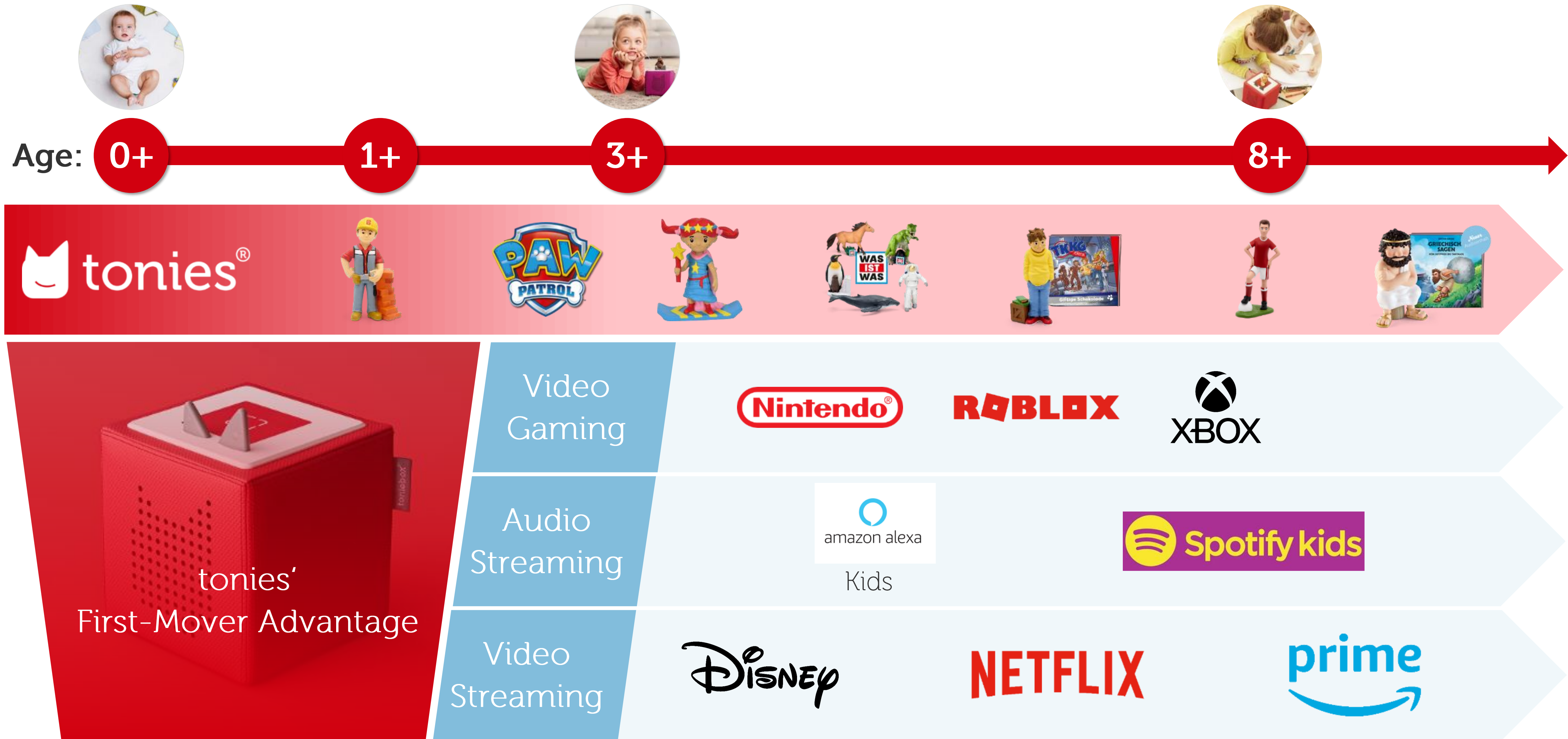
16

2025E

Note(s): Global market sizes refer to 2020, unless stated otherwise

Source(s): Leading consulting firm

Toniebox is the first connected device to enter the child's room



Note(s): Not recommended for kids below the age of 3

Our business model is based on a tech-driven, highly scalable D2C platform, leveraging our proprietary ecosystem

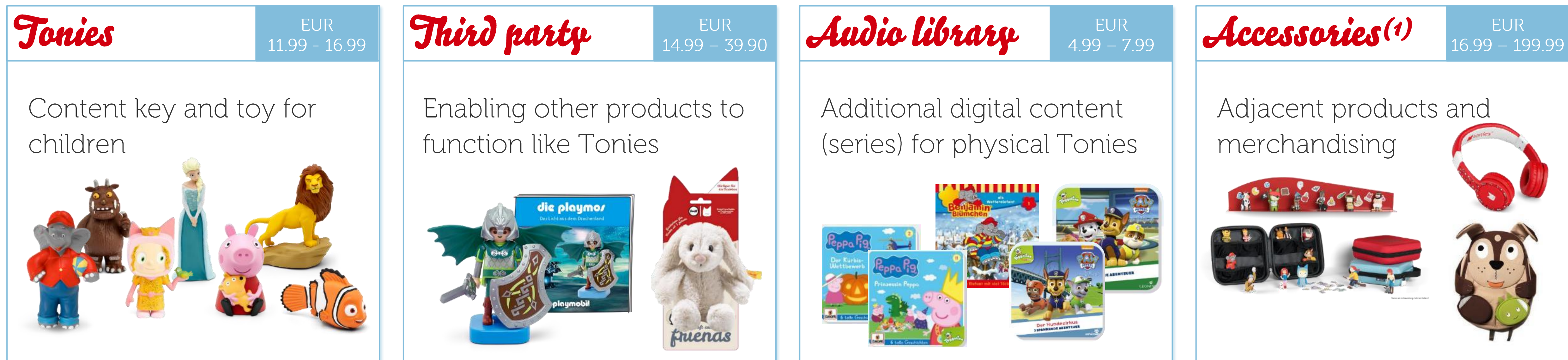



Toniebox

Central platform for the ecosystem



EUR
99.00

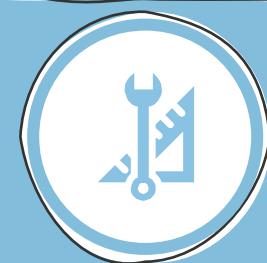


Proven business model with clear focus on value creation



Hardware

Contract manufacturing



Deep design expertise,
patented product (incl.
own production technology)

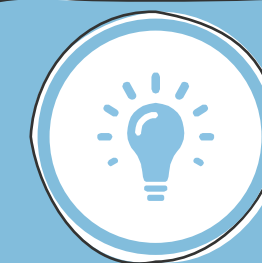
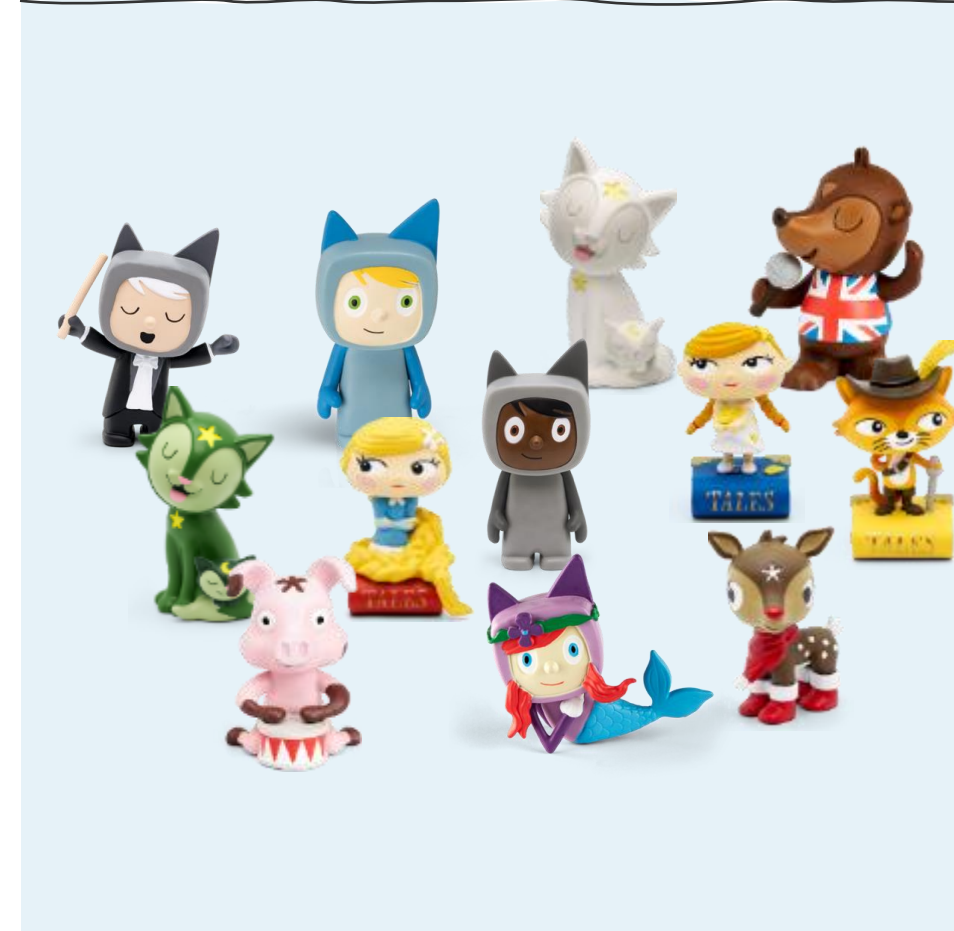
Data-driven content production

Third party licensing



Strong licensor
relationships, best in
class license management

Proprietary content creation



Competitive edge
through tech-stack and
continuous data flow

Distribution

Go-to-market



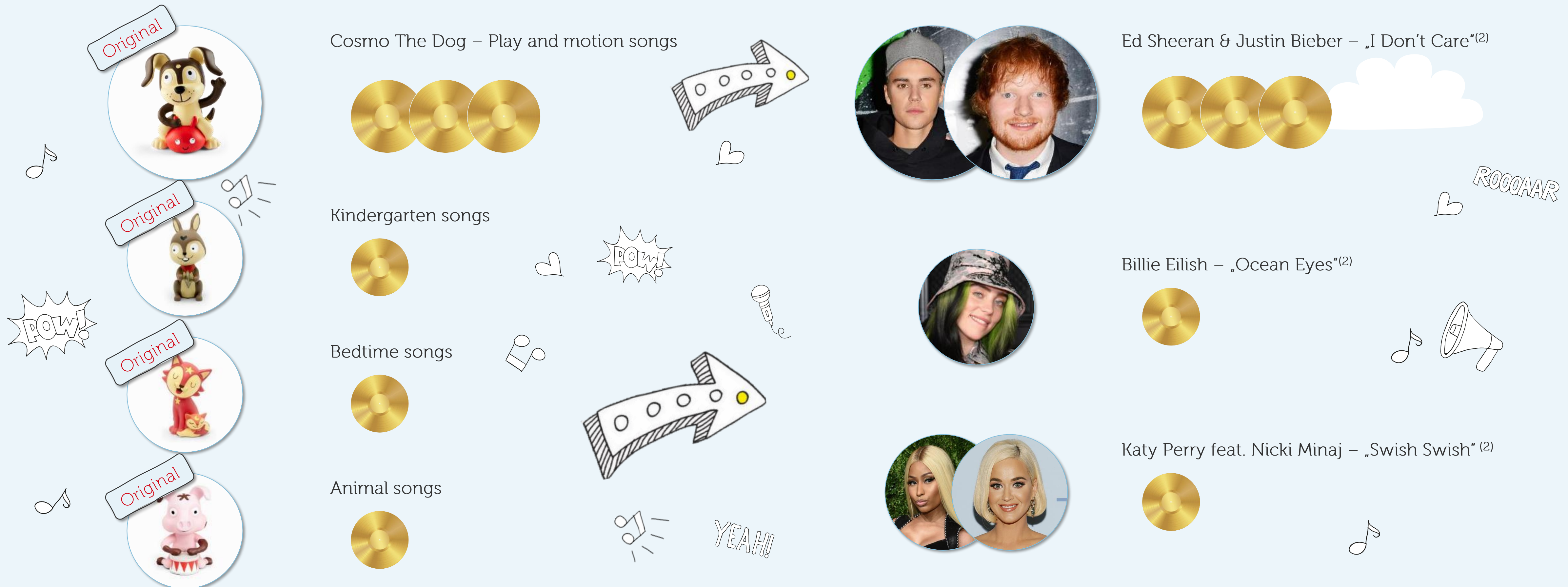
Brand with
strong pull for omni-
channel approach

Highly scalable backend enabling lock-in effect

Tonies Originals are as popular as today's renowned artists



4 of our Tonies Originals are already under the Top 10 best selling Tonies⁽¹⁾

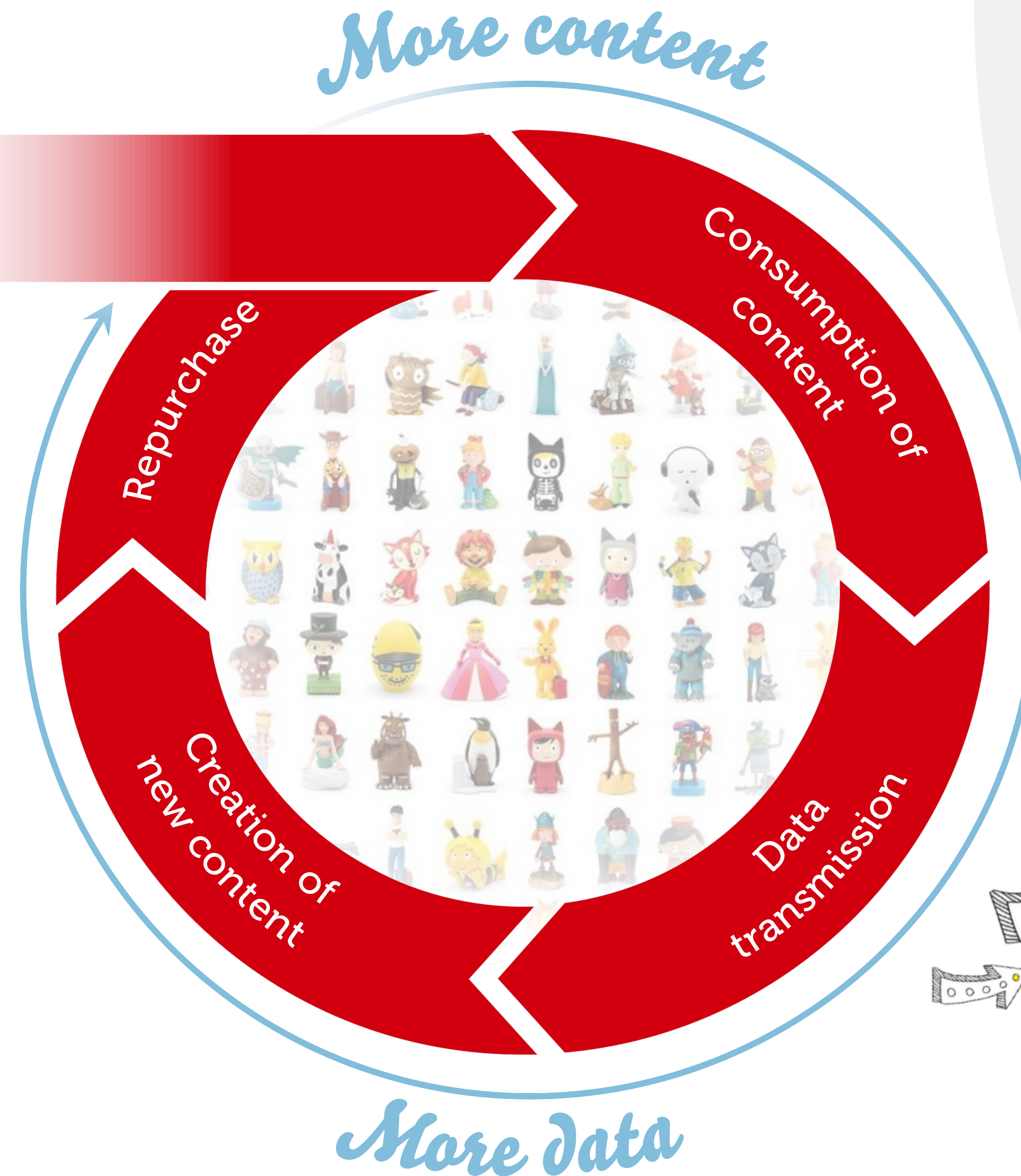
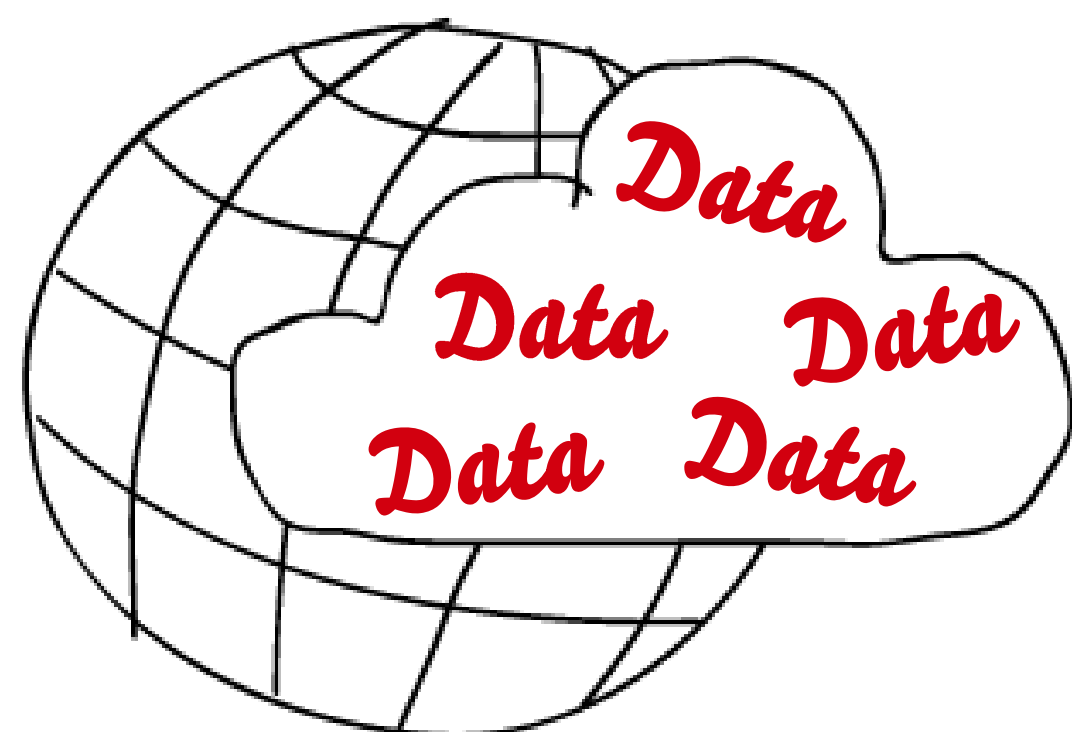


Note(s): (1) Unit sales refer to DACH; (2) Music recording certifications for German unit sales; = 200,000 units sold

tonies' content-driven flywheel provides comprehensive customer data



*Thanks to our data-driven approach,
we understand our users*



...what they listen for,
where and when

...how often and how
long they listen for

...how many users share
a box

...how intensively they
engage with the platform

Truly excited customers are the heart of our active fanbase



NPS⁽¹⁾

Our fans in action (example DACH)!

~90



~75



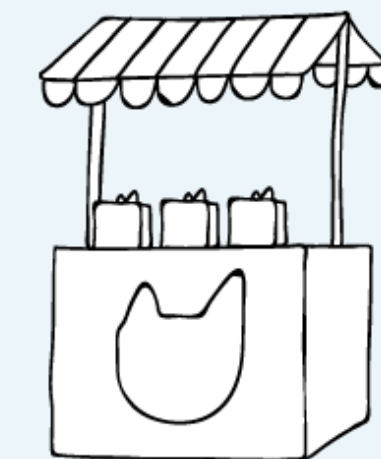
~70



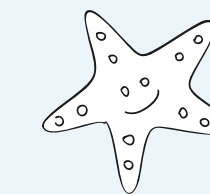
> 270 k fans on Facebook
> 160 k organized in
active groups – the biggest
with > 70 k members



High brand
identification



Power user



Self-made
accessories



Note(s): (1) Net Promoter Score; measured with different scales in markets, values from Q4 2021

Source(s): Company information

Our unique customer experience is highly recognized



Disney Creativity
Award 2020



German Brand
Award 2020



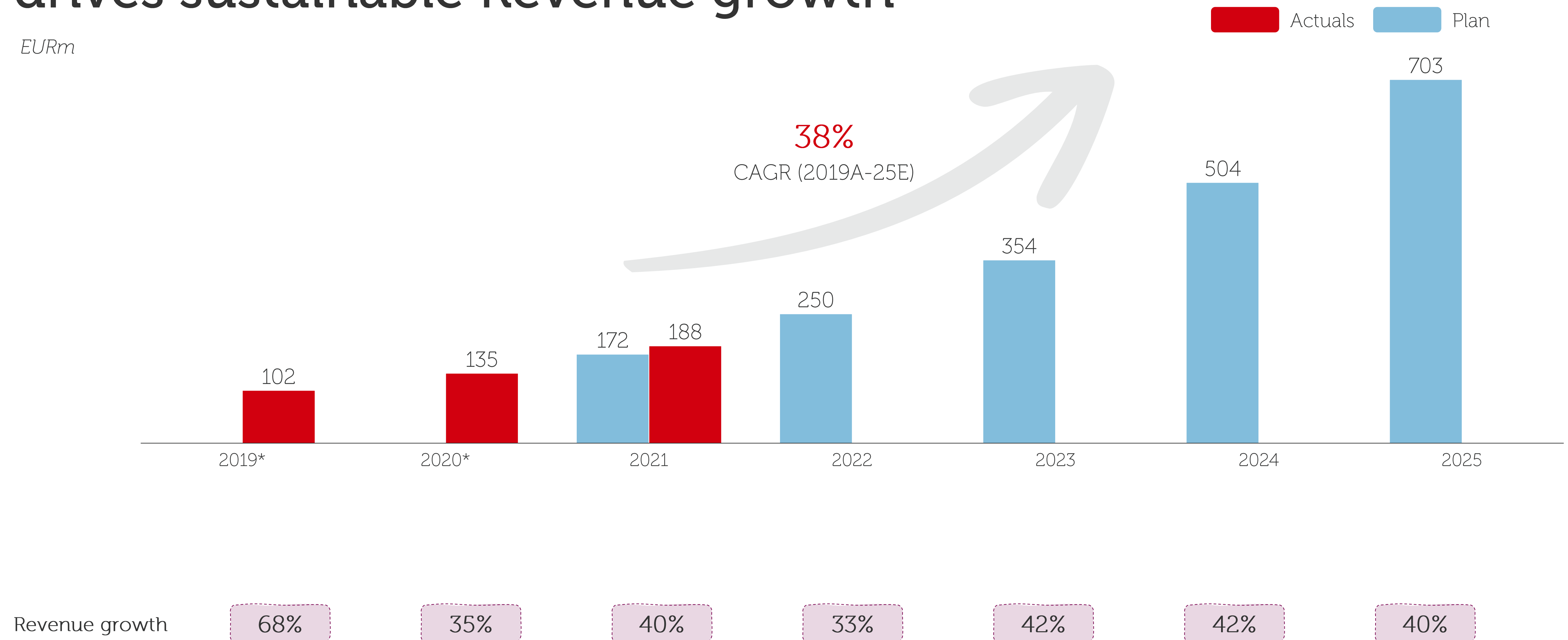
red**dot** award 2016
best of the best

Award-winning
audio system

Our highly loyal and continuously growing customer base drives sustainable Revenue growth

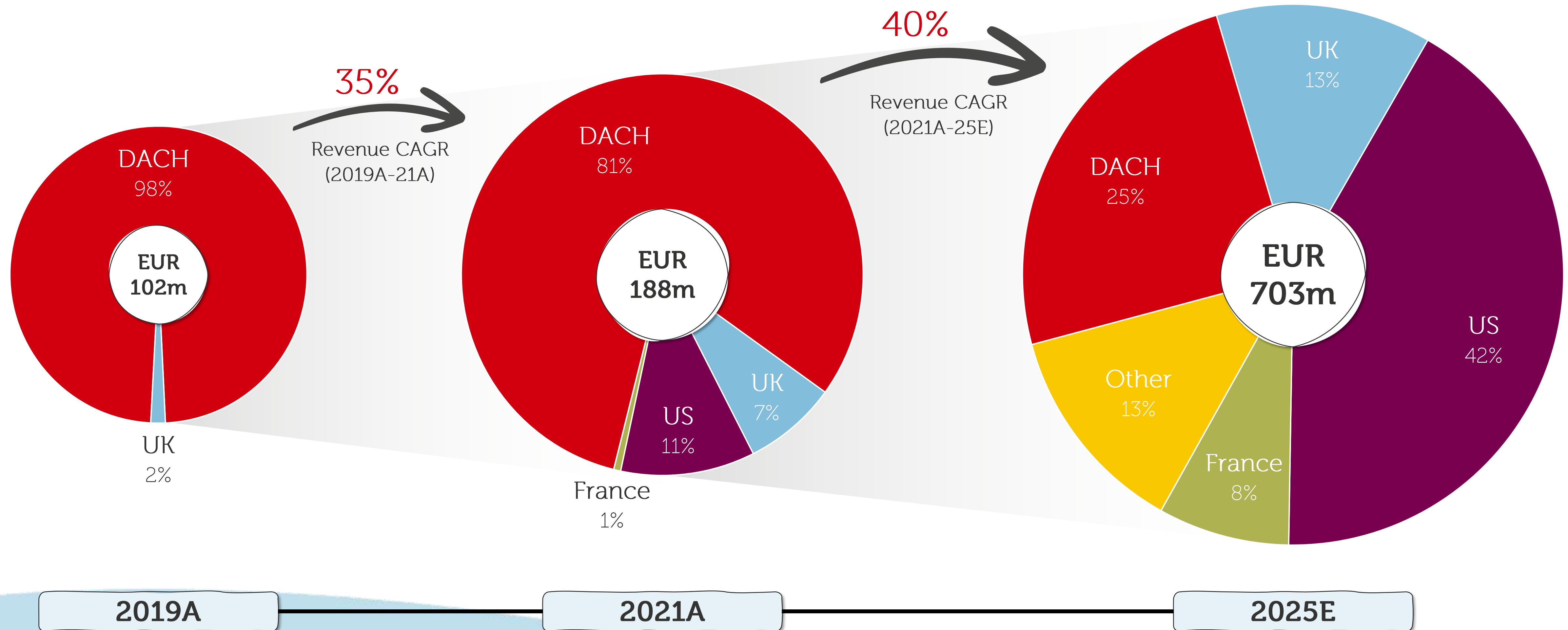


EURm



Note(s): *FY 2019 incl .Growth 2019 based on German GAAP (HGB), 2020 and 2021 IFRS, Revenue for 2020 in German GAAP (HGB) with has been previously communicated EUR 137m, difference is due to classification of certain discounts.;
Source(s): Company information

We intend to replicate our proven DACH success story globally 🐱

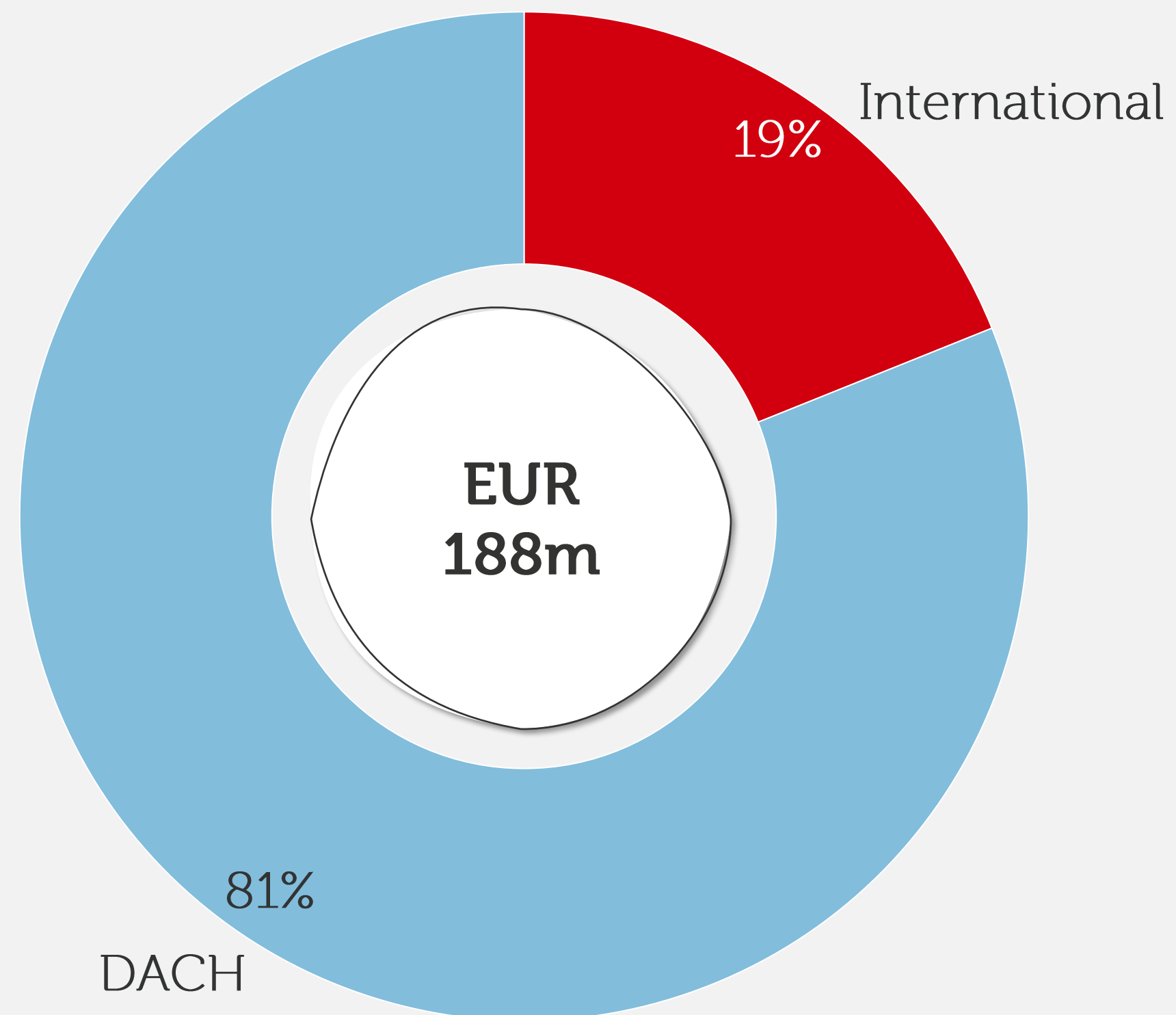


All markets have outperformed in 2021



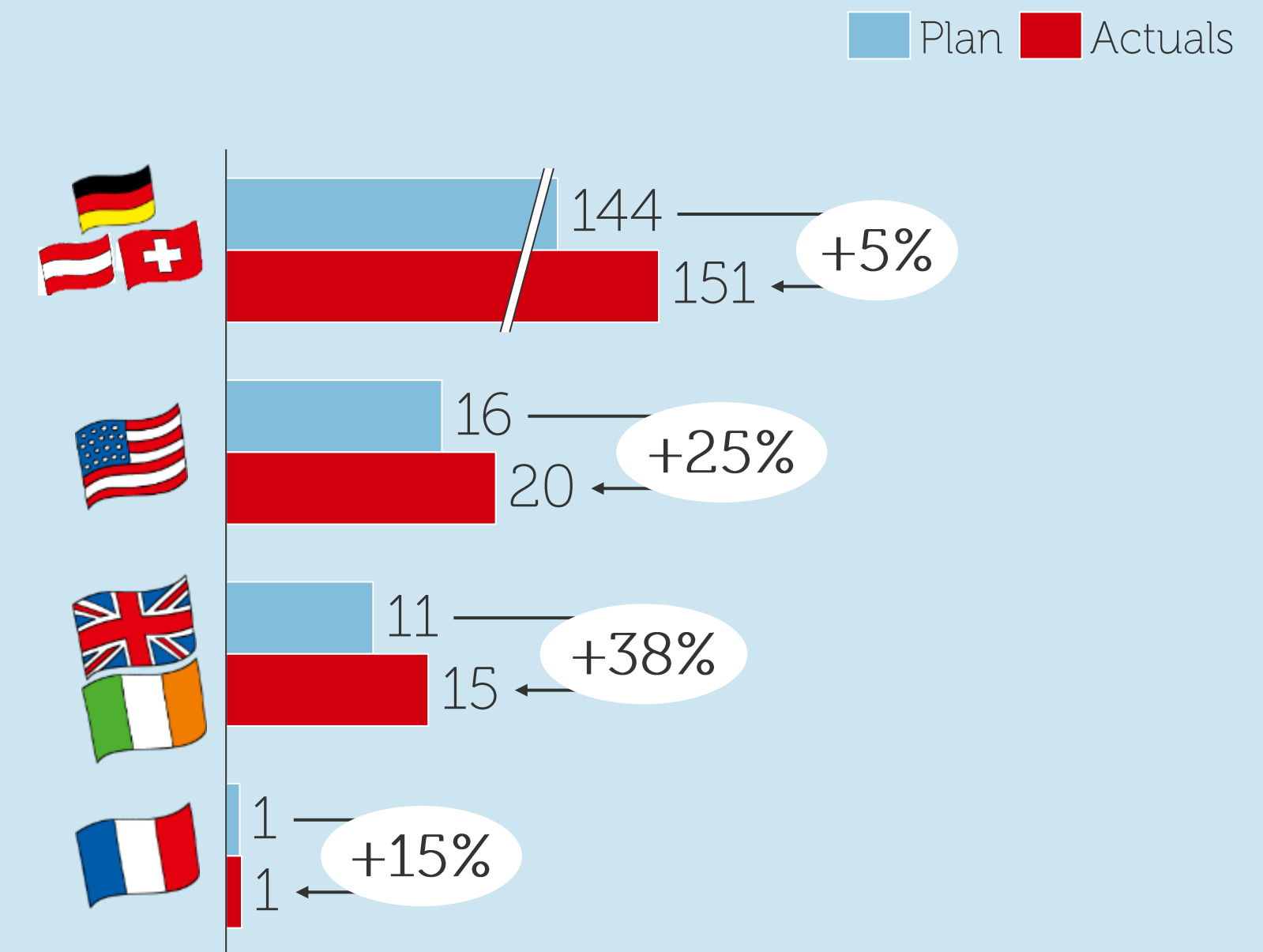
Geographic Group Revenue Split 2021

(in EURm¹)



Country Revenue vs. Plan

(in EURm¹)



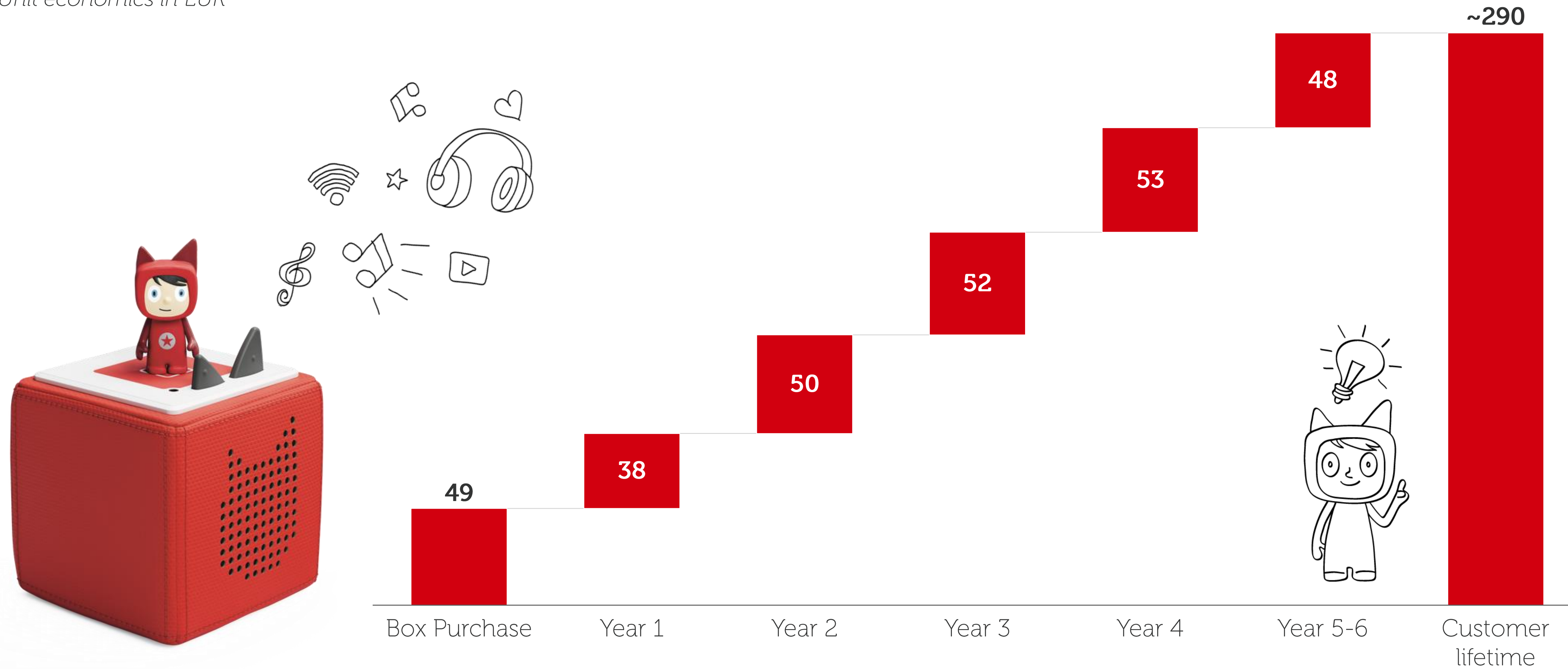
We have been able to provide supply for the extraordinary demand

Strong and highly predictable cohorts drive growth trajectory



Our strong unit economics are the backbone of our profitable business model

Unit economics in EUR



Note(s): Shown figures refer to a basket comprising 1 Toniebox, 24 Tonies, 2 Accessories and 2 episodes of mytonies

Source(s): Company information

The result: Our scalable business model will drive future profitability

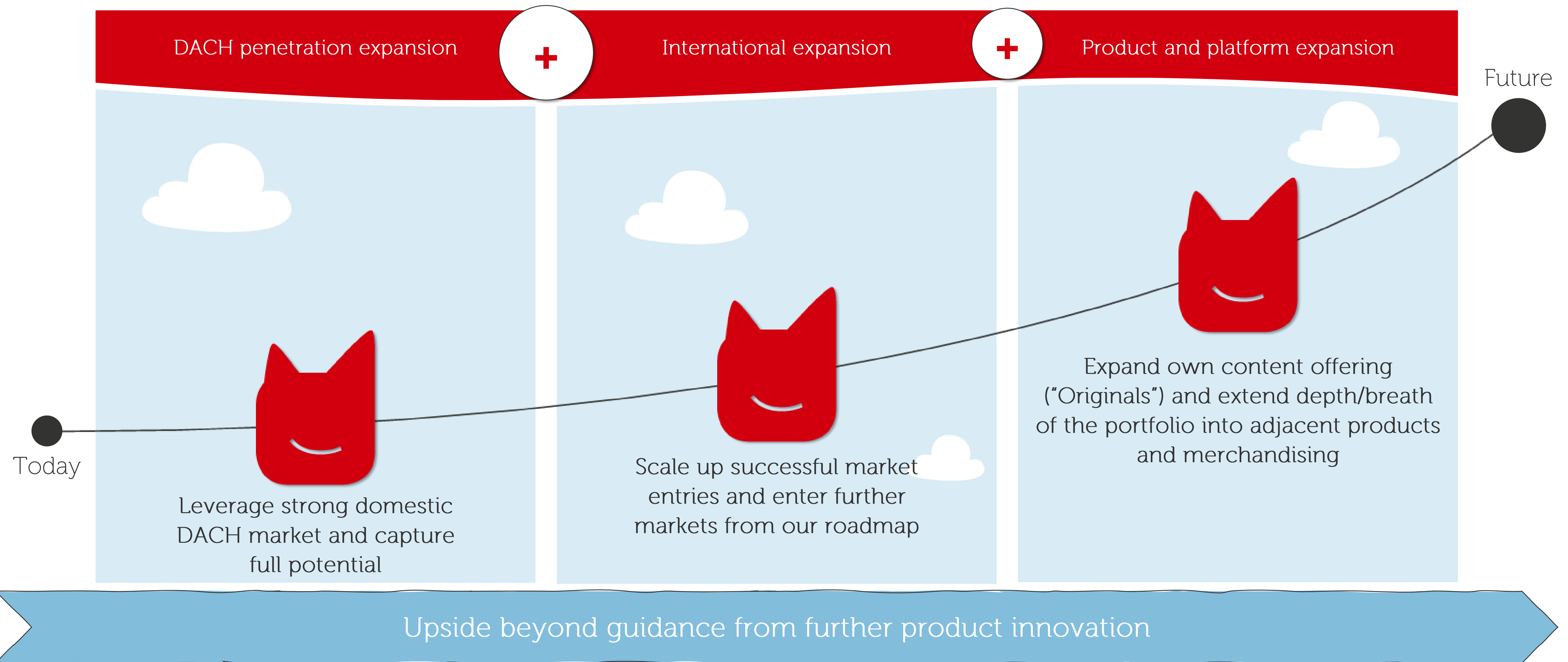


Financial Targets Overview

	2019(HGB)	2020(IFRS)	2021(IFRS)	Medium Term Group
Gross Margin before Licenses	44.6%	50.1%	54.1%	~70%
Licensing Costs	-17.6%	-17.8%	-18.7%	~12%
Gross Margin after Licenses	27.0%	32.4%	35.4%	~58%
Fulfillment Costs	-11.8%	-12.6%	-14.1%	~-18%
Contribution Margin	15.2%	19.7%	21.3%	~40%
Personnel Expenses	-6.6%	-9.0%	-11.9%	~-7%
Marketing Expenses	-1.2%	-3.9%	-9.8%	~-13%
OPEX	-6.1%	-8.8%	-9.6%	~-5%
Other Result	2.3%	1.8%	2.0	
Adj. EBITDA Margin	3.6%	-0,2%	-8.1%	~16%

Note(s): All figures shown as percentage of revenue; Not all figures add up perfectly due to rounding. IFRS show adjusted P&L

We are ready to capture multi-dimensional growth opportunities



DACH shows further growth potential

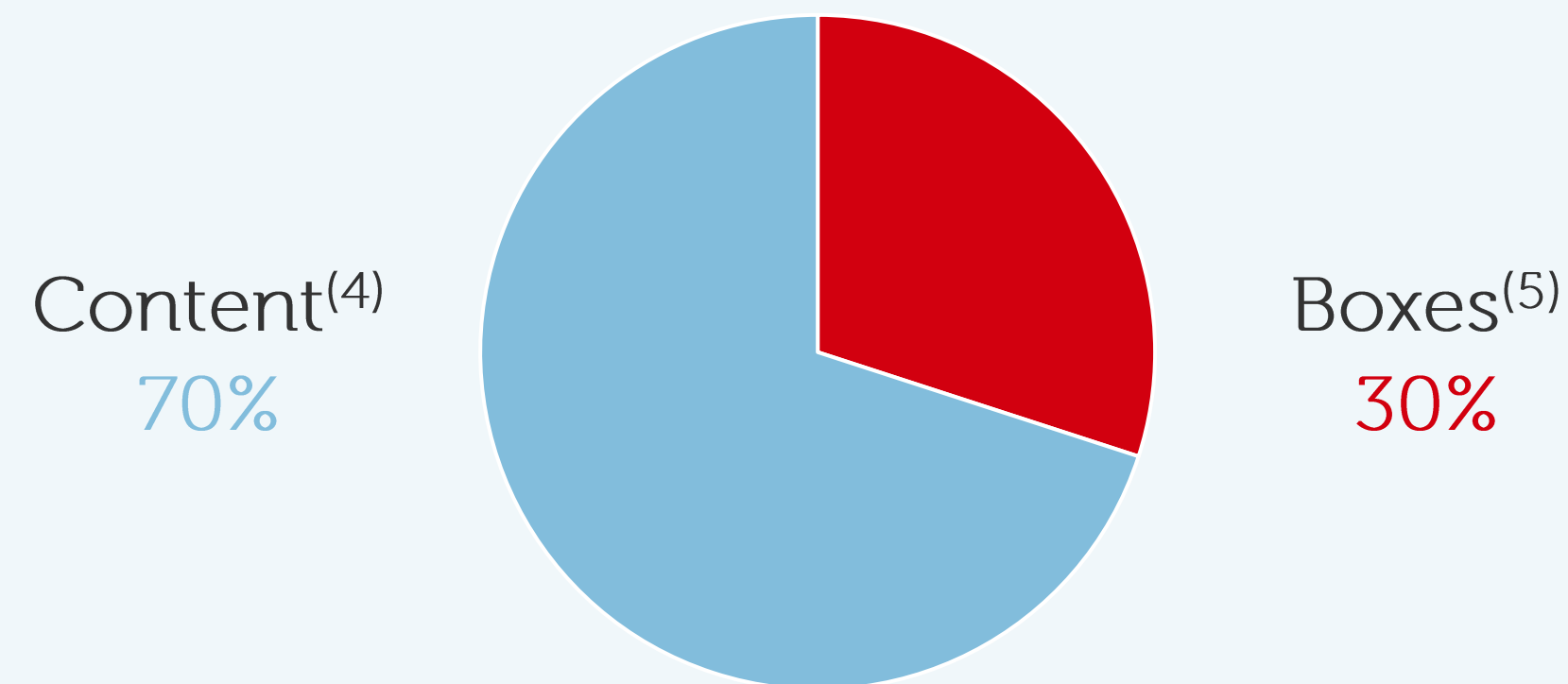


2020A

35%⁽²⁾ penetration

1.9m⁽³⁾ installed base

127.4m revenue

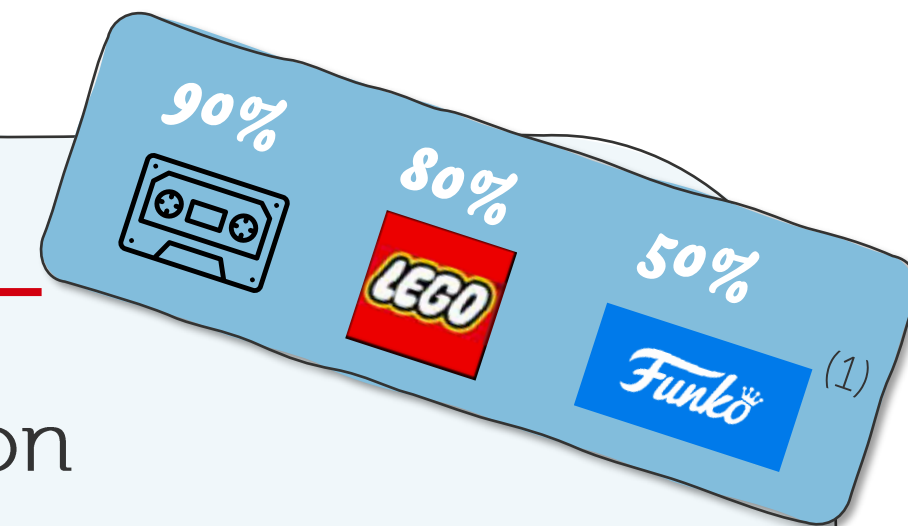
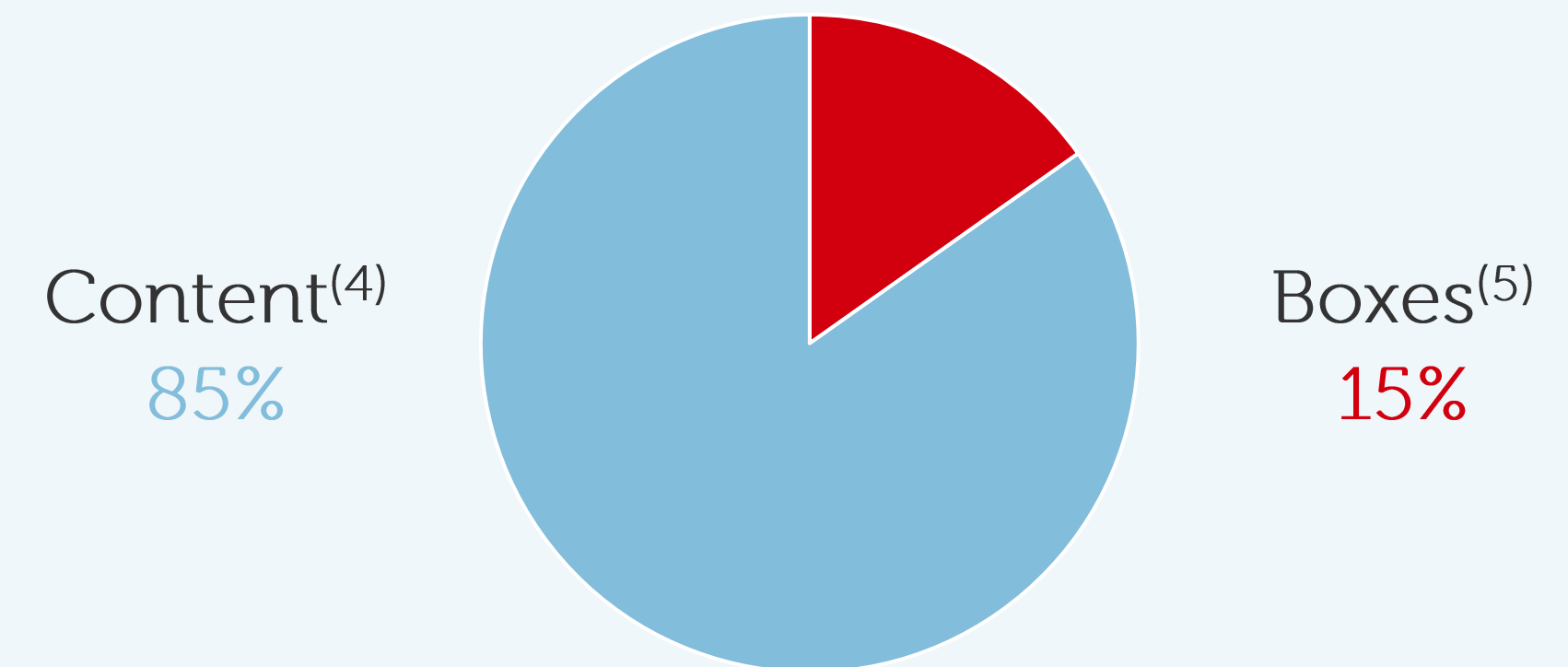


2025E

52%⁽²⁾ penetration

2.8m⁽³⁾ installed base

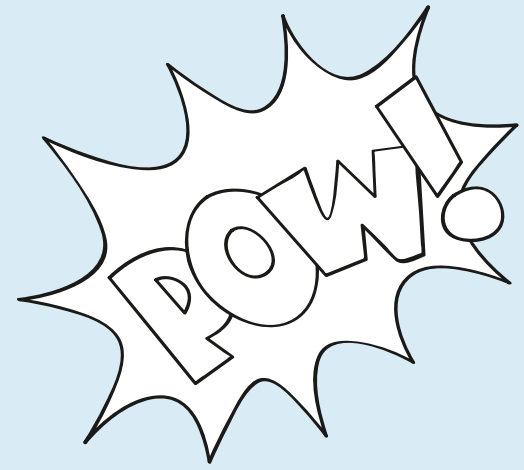
172.9m revenue



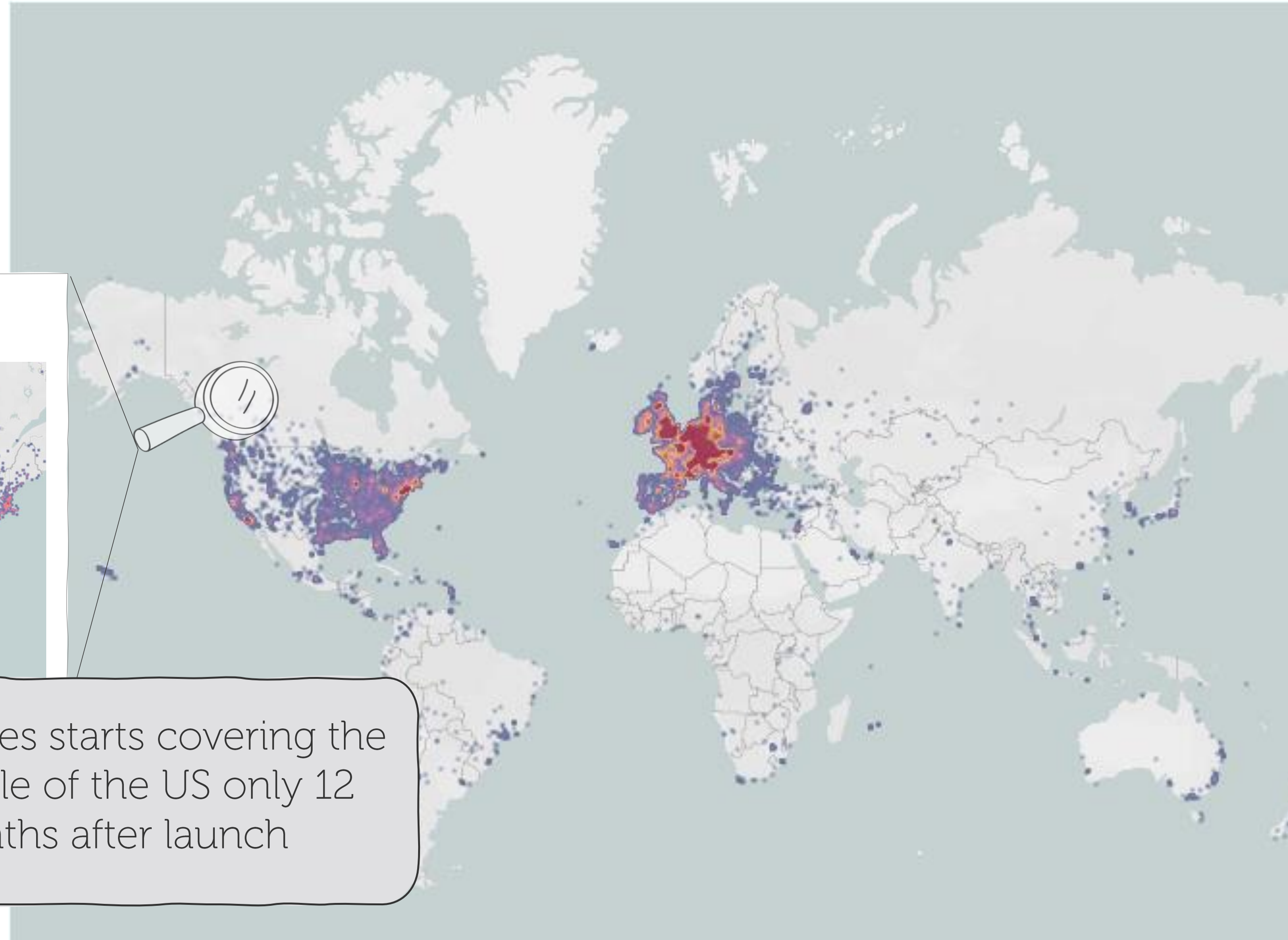
Content-driven structural growth



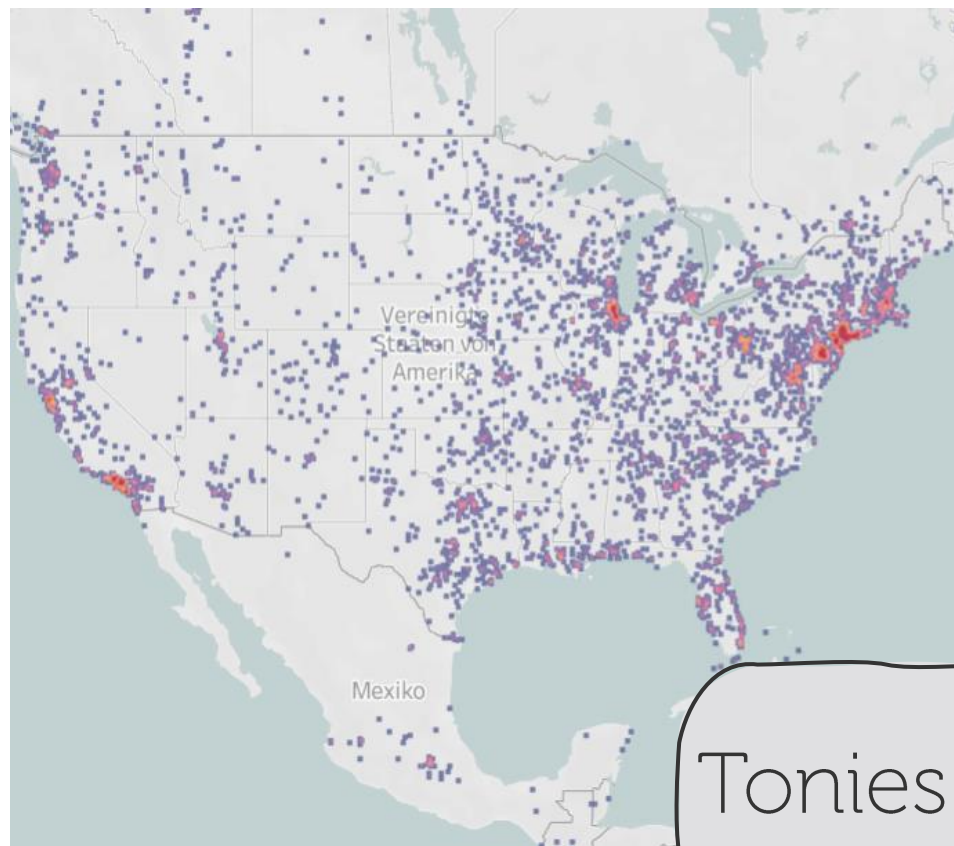
US with continued excellent traction in first full year...



December 2021 – Toniebox activated across the world



USA

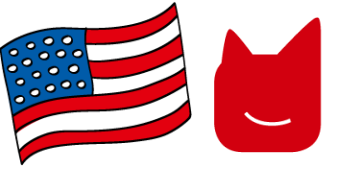


Tonies starts covering the whole of the US only 12 months after launch

YEAH!



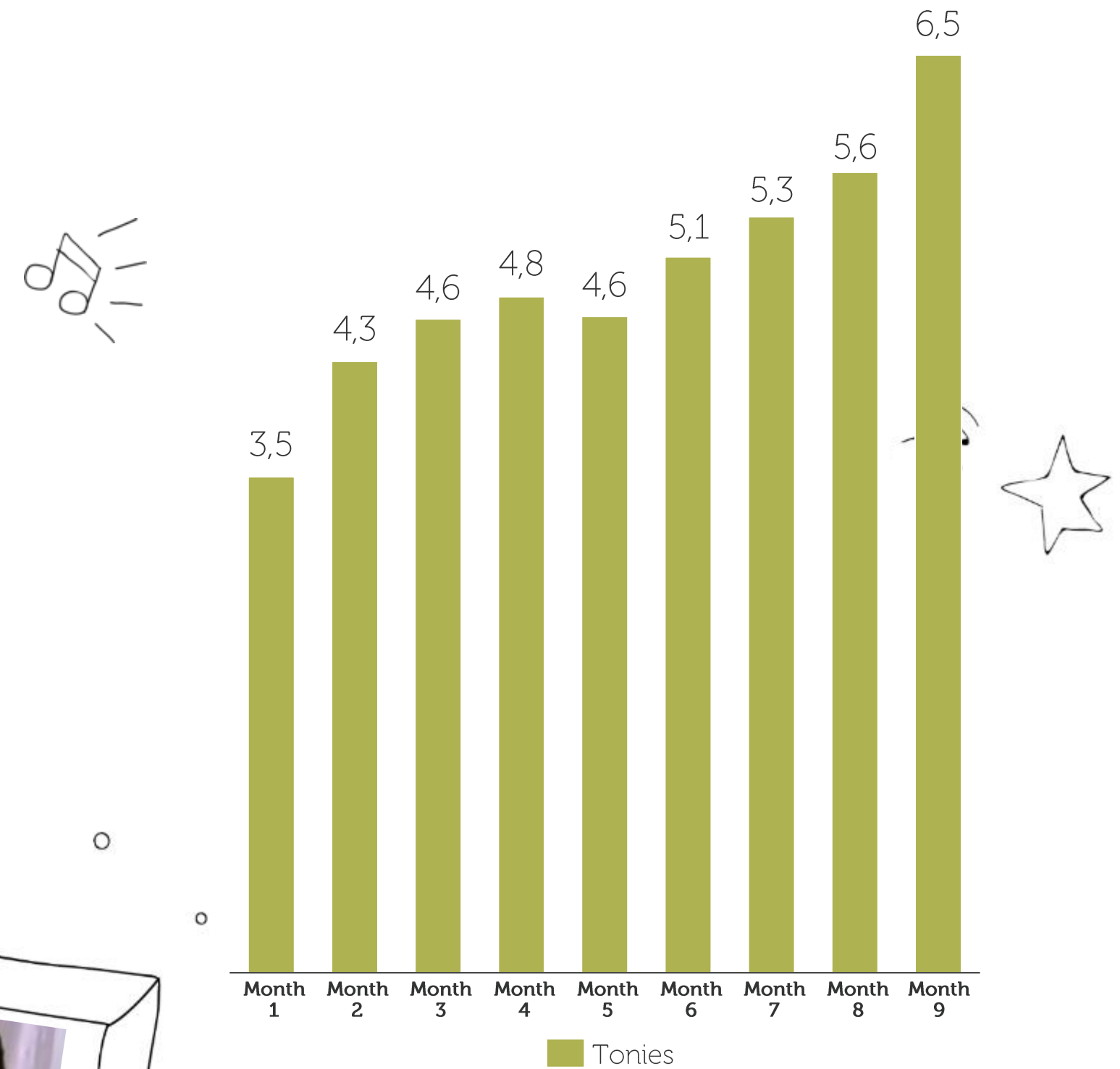
We have built some real momentum in the vast US market



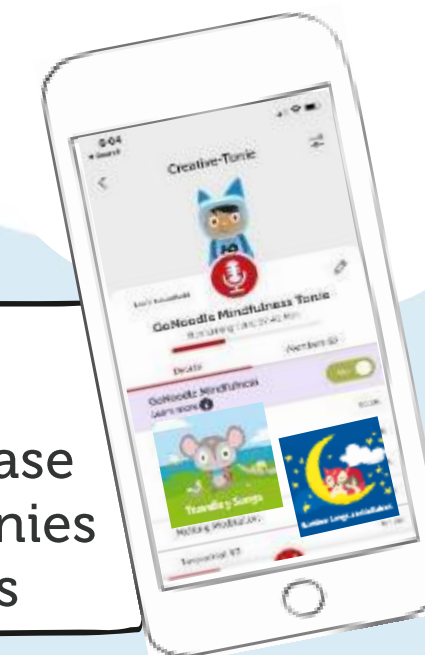
YEAH!



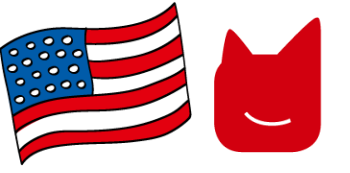
Bestseller



20%
of US user base
use digital tonies
downloads



We have a star powered portfolio with local heroes by end of 2021



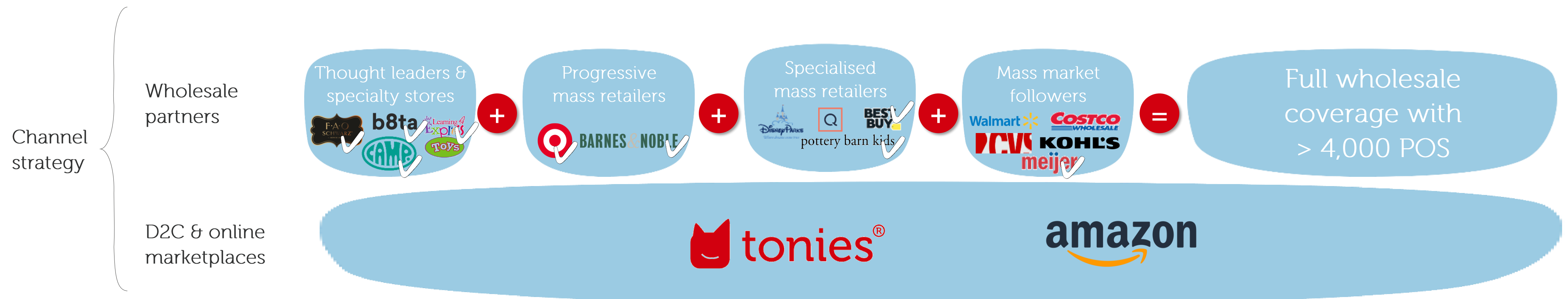
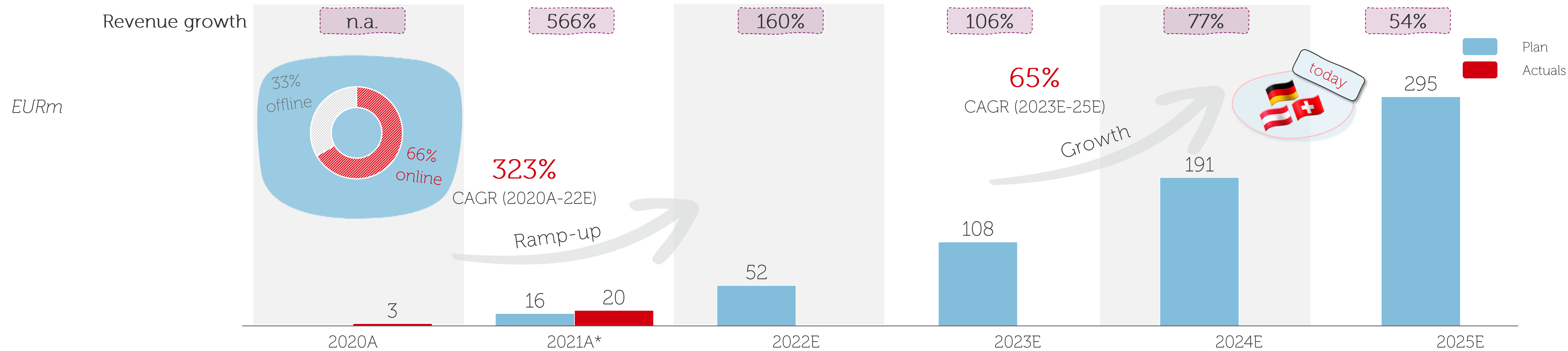
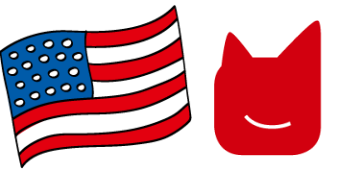
CURRENT PORTFOLIO



UPCOMING LAUNCHES 2022



We have proven product fit in the US and leverage our strong growth momentum on the back of a clear growth strategy

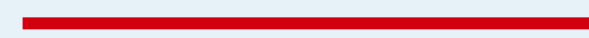


Improving our platform and product offering to satisfy and grow our fanbase is key element of our strategic roadmap



Toniebox

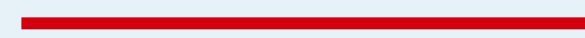
Next generation
Toniebox and target
group expansion



Installed Base ↗

Tonies

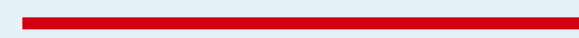
Alternative materials
and category
innovation



Cohorts ↗

Own content

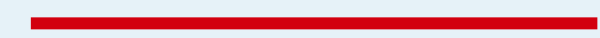
Signature content and
storytelling (Tonies
Originals)



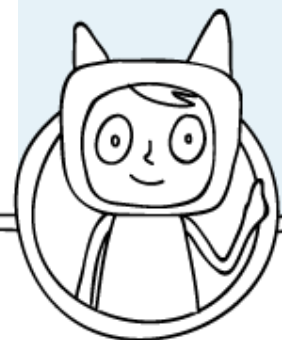
Profitability ↗

Accessories / Merchandise

Adjacent products to
enhance product and
brand experience



Cross-selling ↗



Innovation Unit
Tonielab was set up
on January 01, 2021

Innovation drives customer loyalty and stickiness

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Thank you !

