

**Playmates Toys Limited**

**2015 Interim Results Briefing**

**21 August 2015**



# Forward-Looking Statements

This presentation and subsequent discussion contain forward-looking statements with respect to the financial condition, results of operation and business of Playmates Toys Limited. Such forward-looking statements represent expectations or beliefs concerning future events and involve known and unknown risks and uncertainties which could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

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# About Playmates Toys

- Founded: 1966
- First Group listing: 1984
- HKSE#0869 – Playmates Toys Limited
- A leading manufacturer of promotional toys
- Create, design, market & distribute branded toy products worldwide
- More information – [www.playmatestoys.com](http://www.playmatestoys.com)

## Our Mission

We create superior shareholder value by selectively investing in proprietary and licensed brands and delivering quality, safe, and innovative toys to consumers while managing costs prudently to maximize operational leverage.

# Our Latest Performance



# State of the Toy Industry

## Operating Environment in 1H 2015:

- US economy remained on steady recovery path
- US consumer confidence supported at high level
- NPD reported US toy sales in retail dollars +6.5%\*
- Disruptions at US west coast ports dissipated by Q2
- Major action adventure movies prompted strong competitions among boy's action toys
- Strong US\$ hit international businesses

\* Source: The NPD Group/Retail Tracking Services

# Playmates Toys Results

Our 1H 2015 results reflected:

- Sales of TMNT products continued to perform well driven by sustained popularity of the TV show & introduction of new product segments
- Lower comparative period-over-period sales due to shipments of TMNT movie products in 1H 2014
- Lower sales in most international markets due to weakness of local currencies



# Income Statement Highlights

HK\$ Million	1H 2014	1H 2015	+/-%
<b>Revenue</b>	<b>835.2</b>	<b>687.7</b>	<b>-17.7</b>
<b>Gross Profit</b>	<b>517.5</b>	<b>434.3</b>	<b>-16.1</b>
<b>Marketing</b>	<b>(152.1)</b>	<b>(132.2)</b>	<b>-13.1</b>
<b>Selling &amp; Distribution</b>	<b>(38.6)</b>	<b>(29.4)</b>	<b>-23.8</b>
<b>Administration</b>	<b>(59.9)</b>	<b>(57.6)</b>	<b>-3.9</b>
<b>Operating Profit</b>	<b>266.9</b>	<b>215.1</b>	<b>-19.4</b>
<b>Profit before taxation</b>	<b>263.9</b>	<b>210.5</b>	<b>-20.2</b>
<b>Income Tax</b>	<b>(88.4)</b>	<b>(54.2)</b>	<b>-38.7</b>
<b>Net Profit</b>	<b>175.5</b>	<b>156.3</b>	<b>-10.9</b>
<b>Basic Earnings per Share (HK¢)</b>	<b>14.93</b>	<b>13.18</b>	
<b>Interim Dividend per Share (HK¢)</b>	<b>5.00</b>	<b>5.00</b>	

# Balance Sheet Highlights

**HK\$ Million** **30/06/14** **30/06/15**

<b>Inventories</b>	<b>77.6</b>	<b>67.6</b>
<b>Trade Receivables</b>	<b>315.8</b>	<b>242.7</b>
<b>Cash &amp; Bank Balances</b>	<b>630.2</b>	<b>987.5</b>
<b>Net Current Assets</b>	<b>737.6</b>	<b>1,009.5</b>
<b>Net Assets</b>	<b>777.5</b>	<b>1,077.9</b>

**Net Asset per Share (HK\$)** **0.65** **0.89**

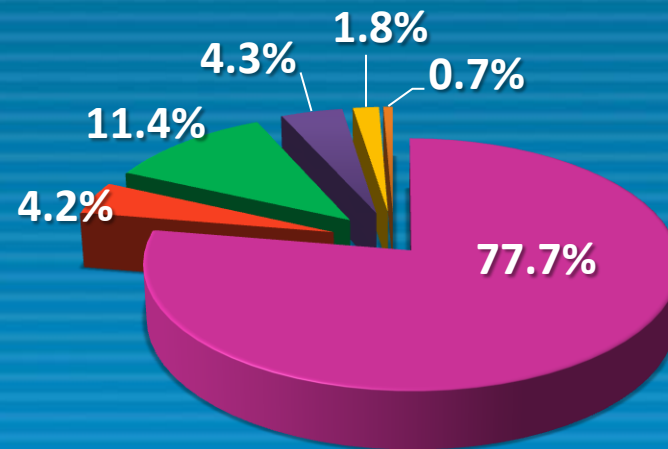
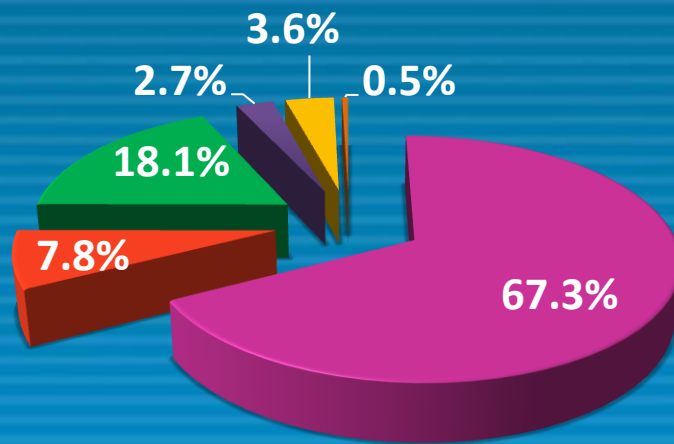
**Gearing Ratio** **0.0** **0.0**

**Current Ratio** **3.2** **4.0**

# Revenue Breakdown by Regions

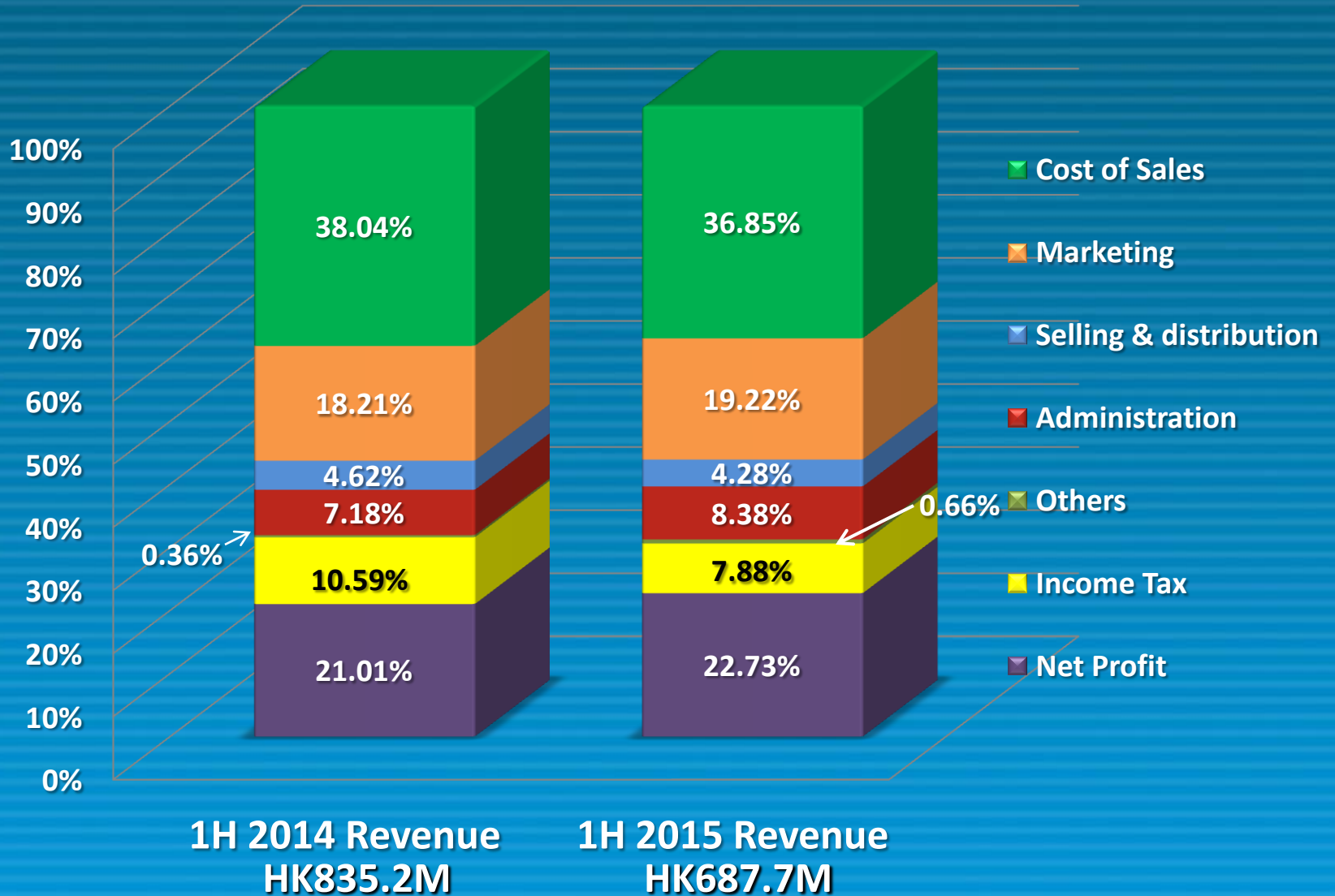
1H 2014

1H 2015



■ U.S.A. ■ Other Americas ■ Europe ■ Australasia ■ Asia ■ Others

# Margin Analysis



# Our Prospects

**nickelodeon.**



## 2H 2015 Outlook

- Competitive pressure will intensify
- Currency headwinds continue to impact international markets
- Period-over-period sales comparison will be more challenging due to significant boost of 1<sup>st</sup> TMNT Movie in 2014

# Longer Term Drivers

- Resilience of **TMNT franchise**
- **TMNT** entertainment pipeline feeding multiple formats/platforms: TV series, movie, online game, mobile app
- **Major New Brands** Launching 2017

## TMNT Pipeline

- **Season 3** of Nickelodeon's TMNT TV show maintains strong ratings
- **Season 4** to premier in October 2015
- ***Half Shell Heroes*** TV special to launch in November for younger fans
- **TMNT Movie 2** scheduled for June 2016
- Playmates continues to refresh and expand product line



## New Brands

- **Ben 10** – Cartoon Network to re-launch powerful global franchise in fall 2016 with Playmates as master toy partner
- **Mysticons** – Brand new animated girls action TV series planned for 2017 with Playmates as global master toy partner
- Other opportunities under consideration



**Playmates Toys Limited**  
**Thank You!**



TEENAGE MUTANT NINJA  
**TURTLES**



**GRAND NEW  
SEASON**  
COMING THIS FALL!