



**Playmates Toys Limited**  
**2015 Full Year Results Briefing**  
**24 March 2016**

# Forward-Looking Statements

This presentation and subsequent discussion may 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 products worldwide
- More information – [www.playmatestoys.com](http://www.playmatestoys.com)

## Our Mission

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

# Our Latest Performance





# State of the Toy Industry

## Operating Environment in 2015:

- US remained on steady economic recovery
- NPD reported US retail toy \$ sales up by about 6.7%, strongest industry performance in many years\*
- Currency weaknesses as well as economic and political uncertainties continued to impact businesses in international markets
- Major action adventure movies prompted strong competition among boy's action toys

\* Source: The NPD Group/Retail Tracking Services; Dollars, 52 weeks vs. YAG (January – December 2015 vs. 2014)

# Playmates Toys

Our 2015 results reflected:

- TMNT business sustained by Nickelodeon TV series alone – no movie driver
- Continued strong product execution – refreshment & extension of core action figure line + introduction of new segments
- Higher development and tooling expenses to launch new product segments
- Higher promotional expenses to sustain TMNT as one of the top action brands amidst strong competition

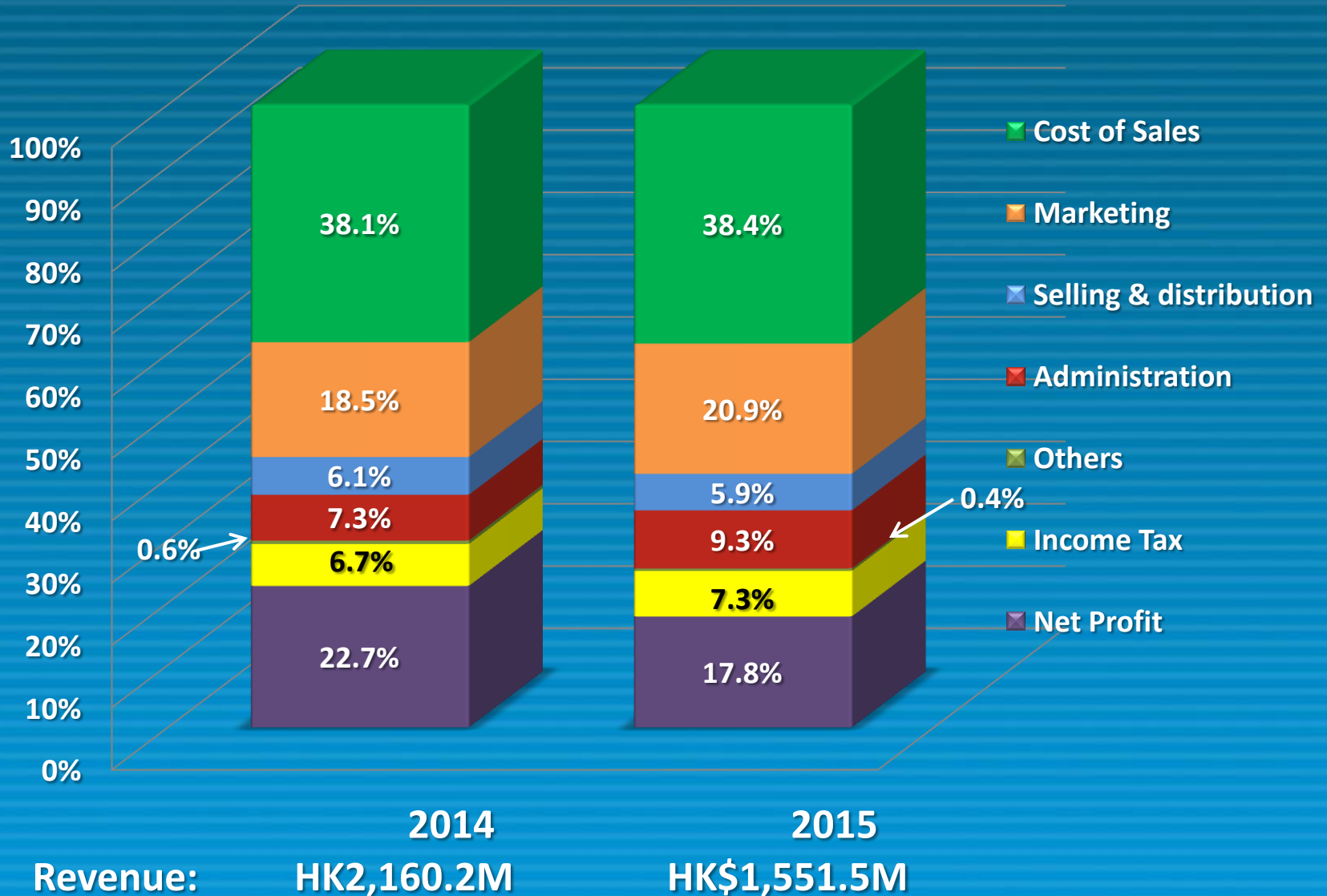


# Financial Highlights

## Income Statement

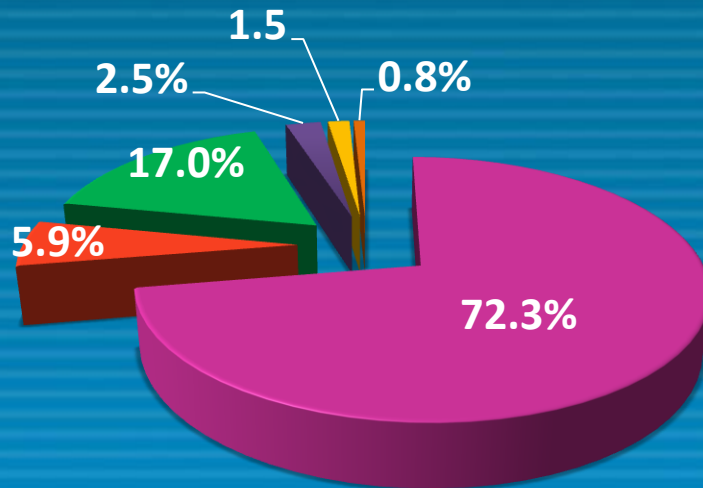
HK\$ Million	2014	2015	+/-%
Revenue	2,160.2	1,551.5	-28.2
Gross Profit	1,336.3	956.0	-28.5
Marketing	(398.7)	(324.4)	-18.6
Selling & Distribution	(130.7)	(91.1)	-30.3
Administration	(158.7)	(144.5)	-8.9
Operating Profit	648.2	396.1	-38.9
Profit before taxation	635.9	389.6	-38.7
Income Tax	(145.2)	(113.4)	-22.0
Net Profit	490.7	276.2	-43.7
Earnings per Share (HK¢)	41.44	22.84	-44.9
Dividend per Share (HK¢)	15.00	10.00	-33.3

# Margin Analysis



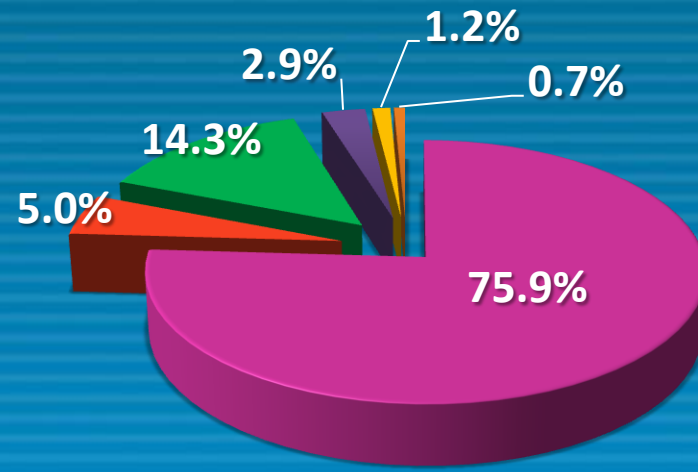
# Revenue Breakdown by Regions

2014



HK2,160.2M

2015



HK\$1,551.5M

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

# Financial Highlights

## Balance Sheet

HK\$ Million

31/12/2014

31/12/2015

<b>Inventories</b>	<b>44.2</b>	<b>28.2</b>
<b>Trade Receivables</b>	<b>529.7</b>	<b>311.0</b>
<b>Cash &amp; Bank Balances</b>	<b>785.8</b>	<b>877.5</b>
<b>Net Current Assets</b>	<b>978.4</b>	<b>1,087.2</b>
<b>Net Assets</b>	<b>1,036.4</b>	<b>1,133.6</b>

**Net Asset per Share (HK\$)**                      **0.86**                      **0.94**

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

**Current Ratio**                                      **3.4**                                      **5.3**

# Looking Forward



# 2016 Externalities

- Uncertainties in global economic outlook
- Challenges continue in international markets
- Strong entertainment-driven competition



nickelodeon

# TEENAGE MUTANT NINJA TURTLES



# TMNT Entertainment Pipeline

- Continued development of popular TMNT TV series on Nickelodeon – Season 4 premiered in October 2015
- Paramount's 2<sup>nd</sup> TMNT movie, ***Teenage Mutant Ninja Turtles: Out of the Shadows*** to premier in June 2016

# TMNT Product Pipeline

- Continued refreshment and extension of core TMNT action figure categories + established new segments: *Half Shell Heroes* and *T-Machines*
- Introduction of new TMNT product segments:
  - Movie II line launched in Spring 2016
  - *T-Blast* and *T-Sprint* launched in Spring 2016
- Actively developing new segments for 2017 and beyond



## New Brand – Ben 10

- Cartoon Network to re-launch Ben 10, the powerful global franchise, for new generation of fans in 2016
- The original 2006 series spawned:
  - 4 animated TV series
  - 1 animated movie
  - 2 live-action movies
  - Global merchandise success
- Playmates to launch all-new Ben 10 toy line in 2017



## New Brand – Voltron

- DreamWorks Animation re-imagines Voltron, the classic robot franchise, as a Netflix Original Series in 2016
- According to Netflix, it currently has:
  - Over 75 million members in
  - Over 190 countries enjoying
  - Over 125 million hours of TV shows and movies a day
  - A dedicated section of kids contents
- Playmates to launch all-new Voltron toy line in 2017

# New Brand – Mysticons

- Brand new animated action TV series developed by Nelvana Studio, Nickelodeon and Topps Company
- Targeting girls audience, ***Mysticons*** tells the epic tale of 4 girls who transform into legendary warriors
- To debut on Nickelodeon in 2017







**Playmates Toys Limited**

**Thank You!**