



Playmates Toys Limited
2016 Full Year Results Briefing
24 March 2017

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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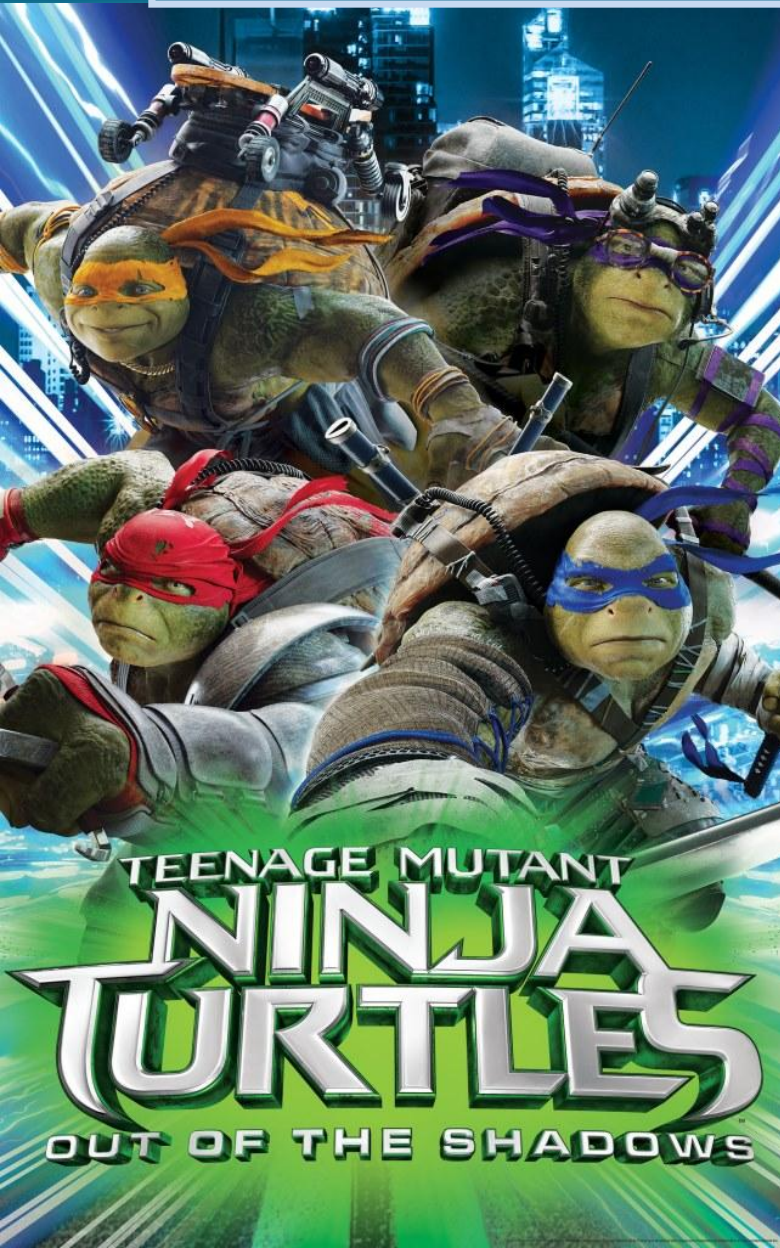
About Playmates Toys

- Founded: 1966
- First Group listing: 1984
- HKSE#0869 – Playmates Toys Limited
- A leading company in promotional toys
- Create, design, market & distribute branded products worldwide
- More information – 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



Operating Environment

During 2016:

- Economic and political uncertainties continued to impact businesses in key international markets
- Major action adventure movies prompted strong competition among boy's action toys
- NPD reported US retail toy \$ sales up by about 4.7%* but the action figure category recorded a slight year-over-year decline

* Source: The NPD Group/Retail Tracking Services; Dollars, January-December 2016

Our 2016 Results Reflected

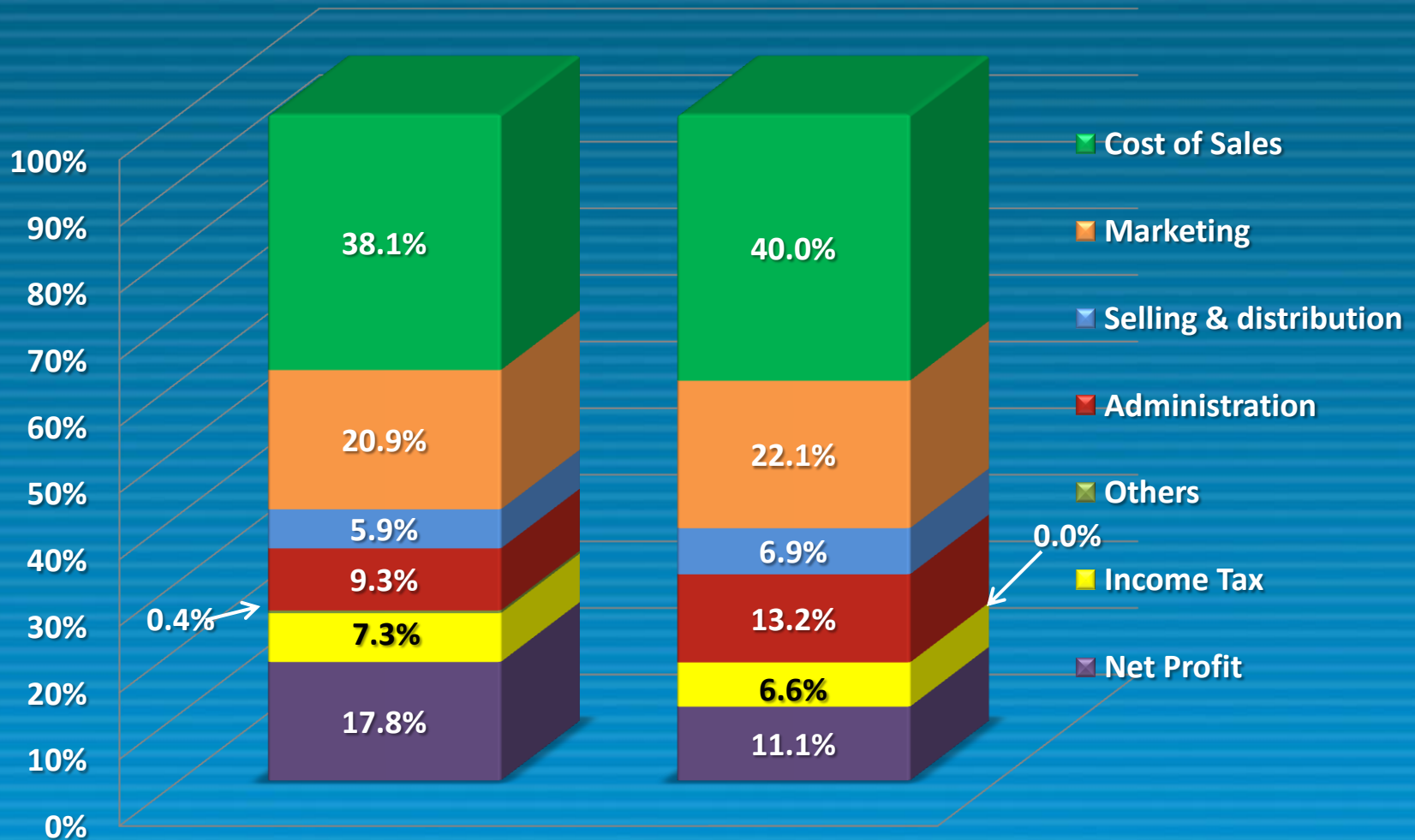
- TMNT Movie Sequel boosted sales, but not sufficient to offset negative impact from strong competition
- Higher proportion of sales from outside U.S.
- Higher R&D expenses for new products and develop new brands to be launched in 2017
- Lower recurring operating expenses: lower marketing, selling & distribution and overhead expenses

Financial Performance

Income Statement Highlights

HK\$ Million	2015	2016	+/-%
Revenue	1,551.5	992.9	-36.0
Gross Profit	956.0	595.7	-37.7
Marketing	(324.4)	(220.1)	-32.2
Selling & Distribution	(91.1)	(68.8)	-24.5
Administration	(144.5)	(131.6)	-8.9
Operating Profit	396.1	175.3	-55.7
Profit before taxation	389.6	176.1	-54.8
Income Tax	(113.4)	(65.9)	-41.8
Net Profit	276.2	110.2	-60.1
Earnings per Share (HK¢)	22.84	9.09	
Dividend per Share (HK¢)	10.00	10.00	

Margin Analysis

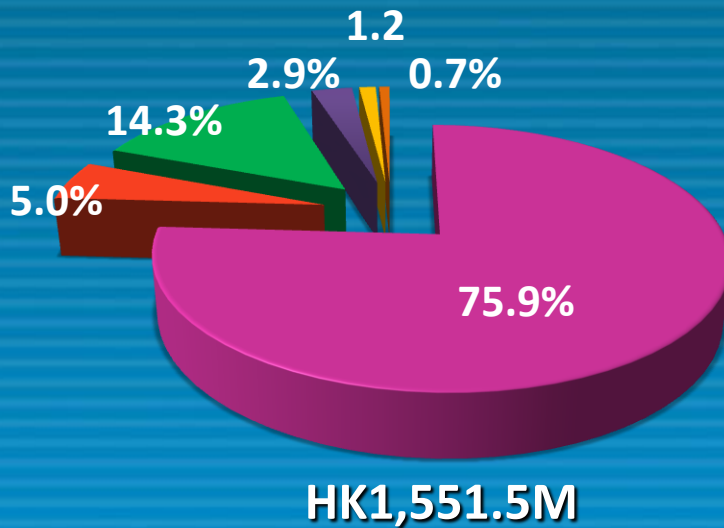


Revenue: HK1,551.5M

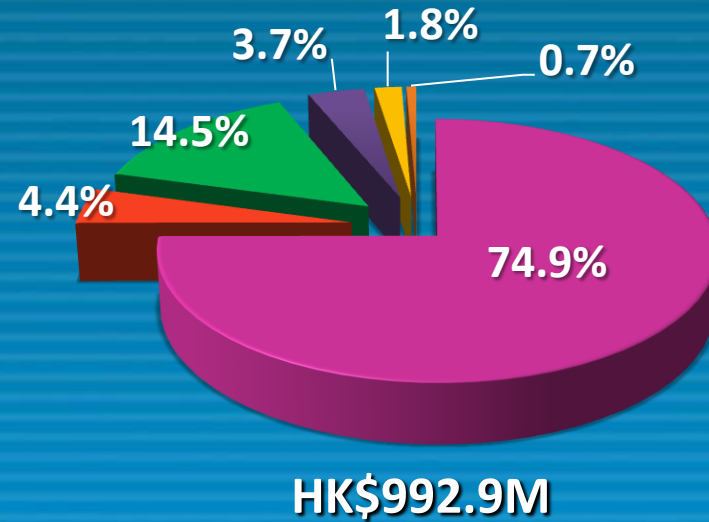
HK\$992.9M

Revenue Breakdown by Regions

2015



2016



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

Looking Forward

TEENAGE MUTANT NINJA
TURTLESTM



BEN
10TM

MYSTICONSTM

Looking Forward

- Challenges continue in international markets
- Entertainment-driven competition continues to intensify
- Though improbable, protectionist measures such as tariffs or border tax could negatively impact procurement and cost structure of entire toy industry

Playmates Pipeline

- Three New brands to be launched in 2017
 - Ben 10
 - Voltron
 - Mysticons
- Re-imagine TMNT franchise in 2018
- Actively pursuing selective new opportunities
 - More to come.....



TEENAGE MUTANT NINJA TURTLES™

- Current TV series in Season 5
- Launching in Fall 2018, re-imagined, all-new animated series, *Rise of the Teenage Mutant Ninja Turtles*
- Continued refreshment of core TMNT categories
- Developing all-new products to launch with new animated series in 2018

DREAMWORKS
VOLTRON
LEGENDARY
DEFENDER

The Rise of Voltron



- Season One of DreamWorks' Voltron: Legendary Defender premiered on Netflix in June 2016 to positive reviews
- Season Two premiered in January 2017 to even Greater viewer excitement
- Playmates launched all-new Voltron toy line in spring 2017; actively developing product extensions

NETFLIX
ALL EPISODES
June 10

- Cartoon Network re-launched Ben 10 in 2016, global rollout in 2017
- The original 2006 series spawned:
 - 4 animated TV series
 - 1 animated movie
 - 2 live-action movies
 - Global merchandise success
- Playmates launching all-new Ben 10 toy line in 2017



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
- Scheduled to debut on Nickelodeon in late 2017



Playmates Toys Limited

Thank You!