



Playmates Toys Limited
2017 Full Year Results Briefing
5 March 2018

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.

Content

- About Playmates Toys
- Our Mission
- Our Latest Performance
 - Operating Environment
 - Our 2017 Results Reflected
 - Financial Performance
- Looking Forward

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.playmatestoy.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

TALES OF THE
TEENAGE MUTANT NINJA
TURTLES



Operating Environment

During 2017:

- NPD reported US retail toy sales slightly increased by 1%*, but Action Figure category recorded a year-over-year decline
- Major competitive action adventure brands backed by major movie releases
- Several key international markets impacted by strength of US dollar

* Source: The NPD Group/Retail Tracking Services; Dollars, January-December 2017

Our 2017 Results Reflected

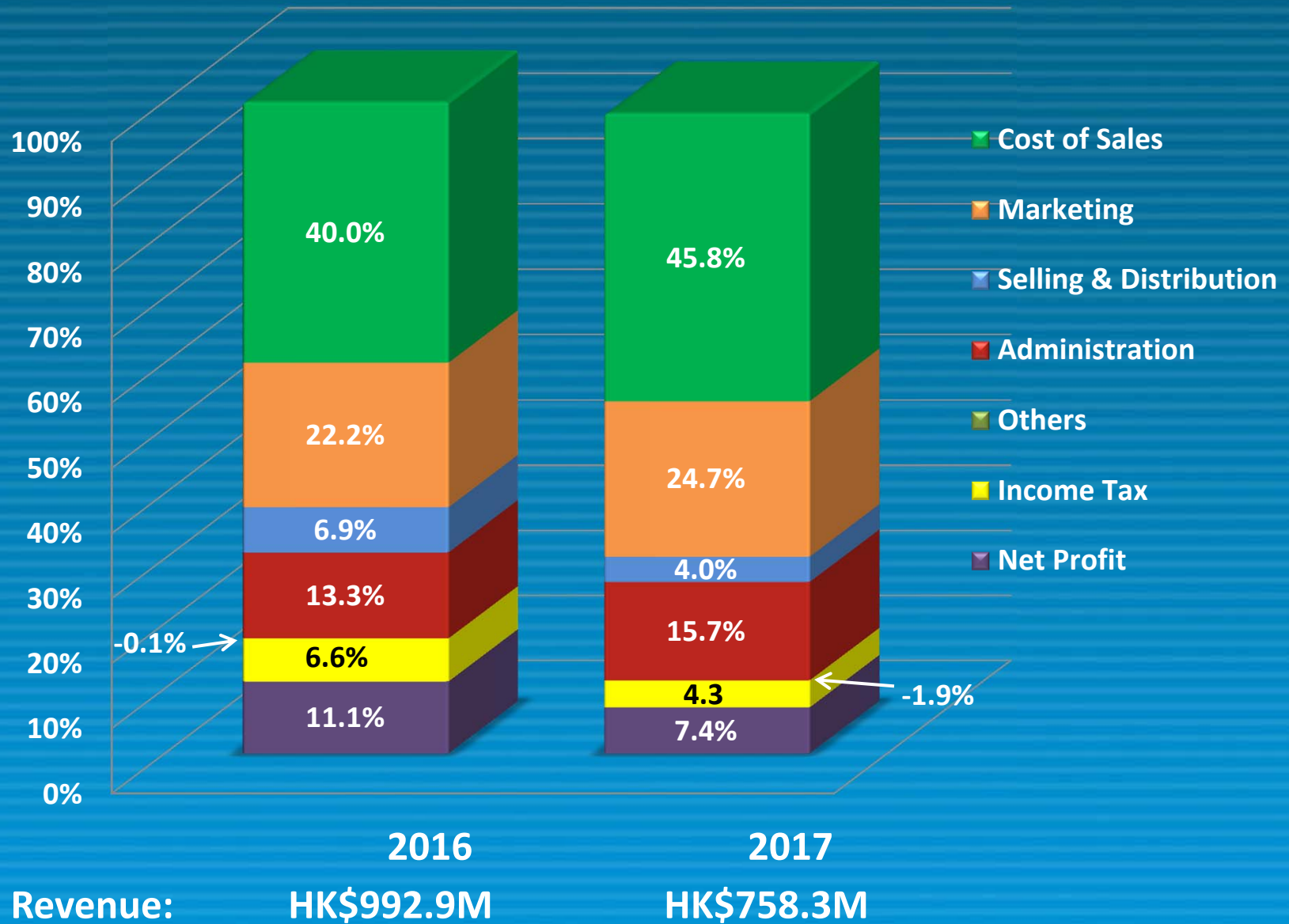
- Phasing out current iteration of *TMNT* business in planned transition to launch new iteration in Fall 2018
- *Ben 10* and *Voltron* contributed to 2017 revenue
- Lower gross profit ratio primarily driven by higher proportion of sales outside U.S. and moderate planned clearance of non-carryforward products
- Lower recurring operating expenses: lower marketing, selling & distribution and overhead expenses

Financial Performance

Income Statement Highlights

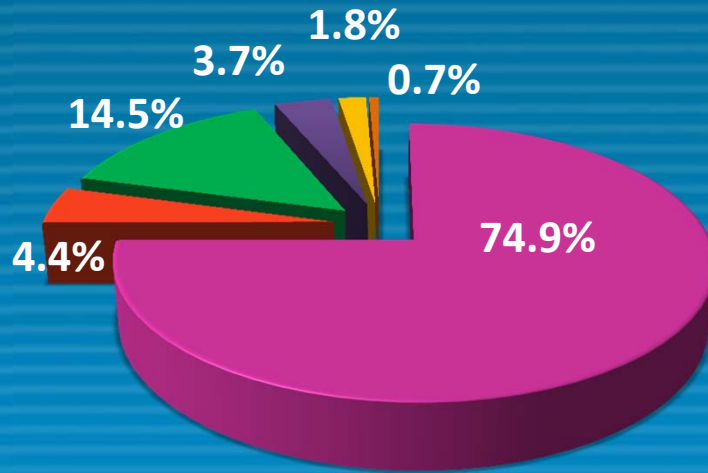
HK\$ Million	2016	2017	+/-%
Revenue	992.9	758.3	-23.6%
Gross Profit	595.7	411.3	-30.9%
Marketing	(220.1)	(187.3)	-14.9%
Selling & Distribution	(68.8)	(30.6)	-55.5%
Administration	(131.6)	(119.2)	-9.4%
Operating Profit	175.3	74.1	-57.7%
Profit before taxation	176.1	88.5	-49.7%
Income Tax	(65.9)	(32.8)	-50.2%
Net Profit	110.2	55.8	-49.4%
Earnings per Share (HK¢)	9.09	4.63	
Dividend per Share (HK¢)	10.00	6.00	

Margin Analysis



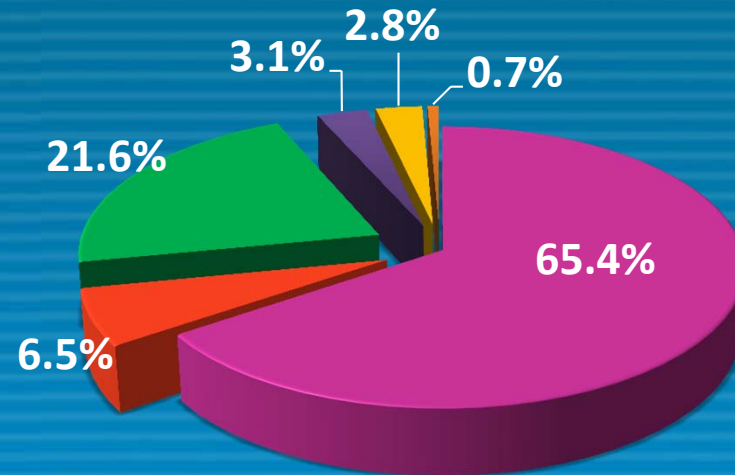
Revenue Breakdown by Regions

2016



HK\$992.9M

2017



HK\$758.3M

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

Financial Performance

Balance Sheet Highlights

HK\$ Million

31/12/2016

31/12/2017

Inventories	15.2	22.7
Trade Receivables	174.8	169.4
Cash & Bank Balances	1,006.5	1,021.2
Net Current Assets	1,087.3	1,020.2
Net Assets	1,126.4	1,064.7

Net Asset per Share (HK\$) **0.93** **0.89**

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

Current Ratio **6.6** **5.3**

Looking Forward



Looking Forward

- Limiting shipments of current *TMNT* products since late 2017 to prepare for the launch of the next iteration - *Rise of the Teenage Mutant Ninja Turtles* - in Fall 2018
- Continue to develop *Ben 10* new products for Fall 2018 and beyond
- Monitor performance of *Voltron* and *Mysticons* to determine level of further investment
- Actively pursuing selective new opportunities



- Current iteration of *TMNT* enjoyed good 5 year run since 2012, with 5 seasons of animated TV show and 2 major movies
- Consistently ranked among top selling boy's action toy brands in key markets
- ALL-NEW animated series, *Rise of the Teenage Mutant Ninja Turtles*, launching in Fall 2018



- Playmates all-new *Ben 10* toy line commenced shipment in early 2017 and expanded distribution in Fall 2017
- Launching Season 2 products in Spring 2018
- Continued development of new products for Fall 2018 and beyond.



Playmates Toys Limited

Thank You!