



Playmates Toys Limited
2021 Interim Results Briefing
13 August 2021

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
 - Our 2021 Interim 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



Our 2021 Interim Results Reflected

- Increase in turnover due to:
 - Severe restrictions on economic activities during 1H 2020 due to COVID-19
 - Government stimulus and increased consumer spending during 1H 2021
 - Solid performance of ***Godzilla vs Kong*** products
 - Continued strong demand for our ***Miraculous: Tales of Ladybug & Cat Noir*** toy line
- Gross profit ratio increase due to:
 - Lower product development, tooling, packaging expenses; partially offset by:
 - Higher % of sales in International markets, which carry lower gross margin
 - Increases in finished product costs
- Lower recurring operating expenses as percentage of sales due to:
 - Lower promotional expenses
 - Lower provision for unfulfilled advanced royalties
 - Reduction in overhead expenses

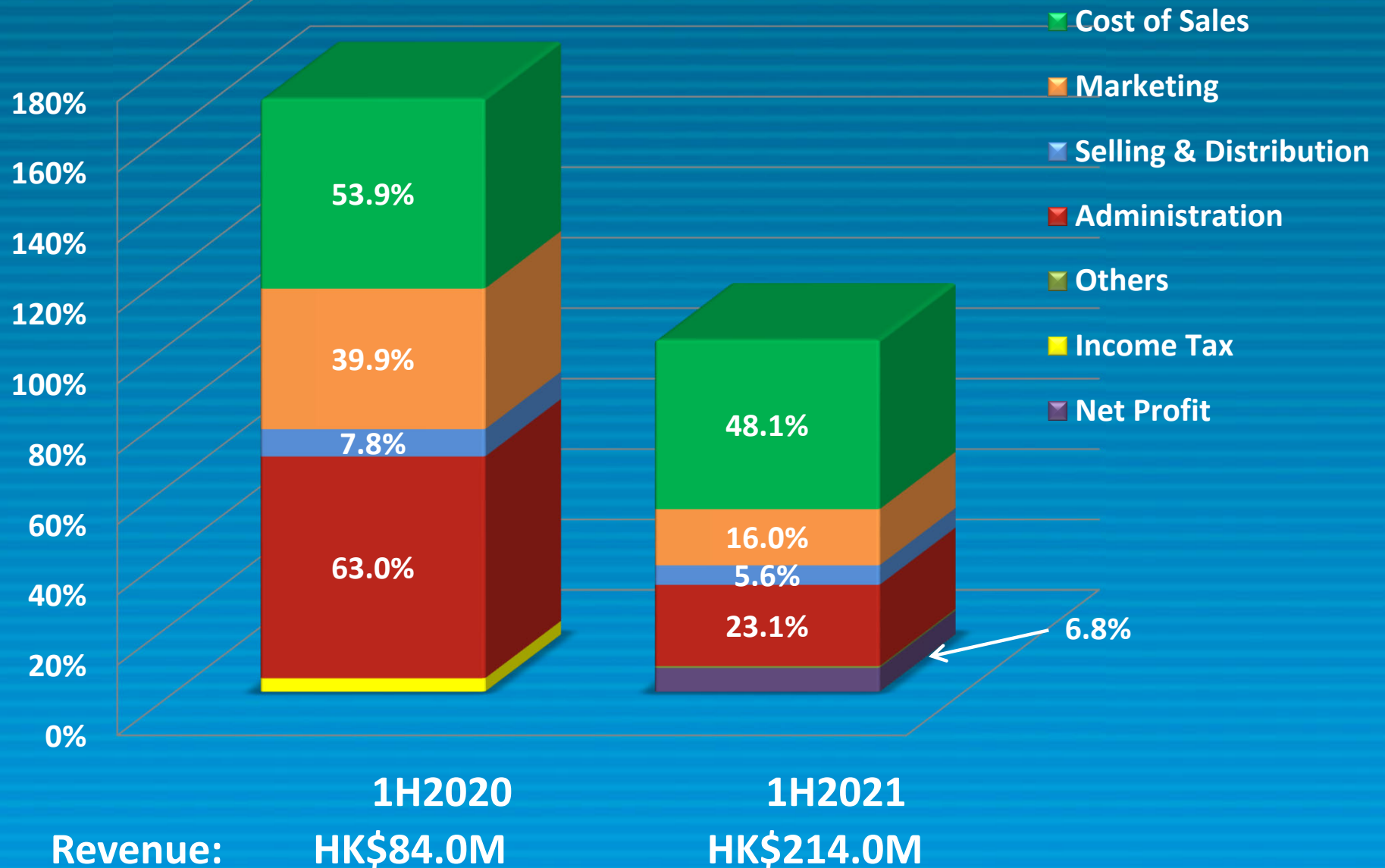
Financial Performance

Income Statement Highlights

HK\$ Million	1H2020	1H2021	+/-%
Revenue	84.0	214.0	154.8
Gross Profit	38.7	111.0	187.0
Marketing	(33.5)	(34.1)	1.8
Selling & Distribution	(6.5)	(11.9)	83.1
Administration	(53.0)	(49.5)	-6.6
Operating (Loss)/Profit	(54.3)	15.5	N/A
(Loss)/Profit before Taxation	(49.4)	14.5	N/A
Income Tax expense	(3.2)	0.0	N/A
Net (Loss)/Profit	(52.6)	14.5	N/A
(Loss)/Earnings per Share (HK¢)	(4.46)	1.23	N/A

Financial Performance

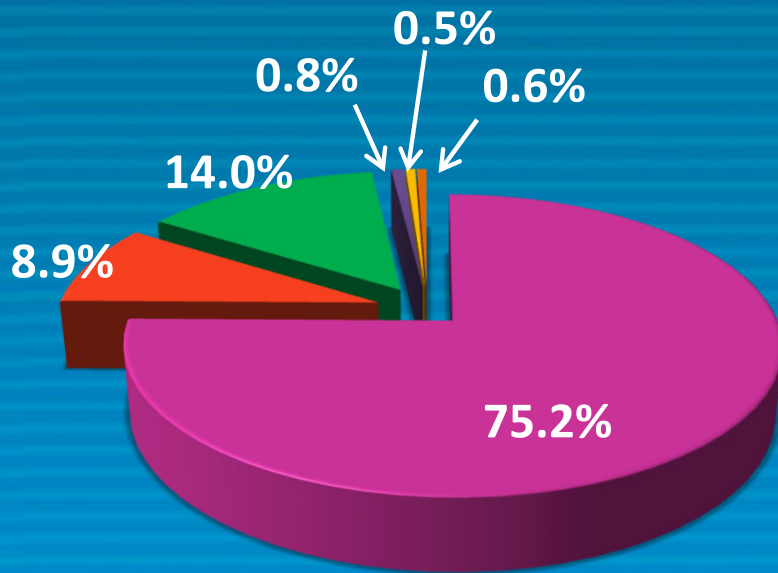
Margin Analysis



Financial Performance

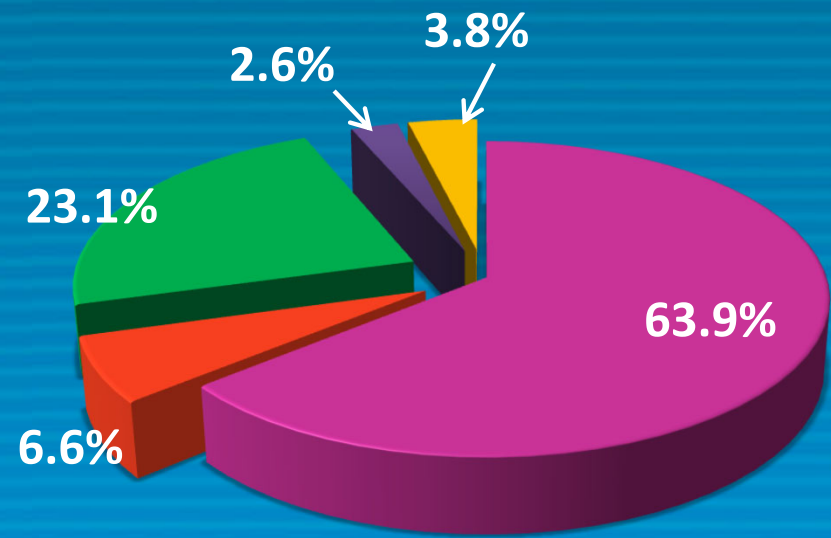
Revenue Breakdown by Regions

1H2020



HK\$84.0M

1H2021



HK\$214.0M

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

Financial Performance

Balance Sheet Highlights

HK\$ Million	30/6/2020	30/6/2021
Inventories	10.6	18.7
Trade Receivables	12.0	62.6
Cash & Bank Balances	968.5	985.8
Net Current Assets	904.4	923.9
Net Assets	933.8	966.6
Net Asset per Share (HK\$)	0.79	0.82
Gearing Ratio	0.0	0.0
Current Ratio	6.5	5.6

Looking Forward



Looking Forward

- COVID-19 continues to present severe challenges to operating environment
 - Global supply chain experiencing increasing disruption; logistics costs continue to spike
 - Expect our gross margin to be negatively impacted starting 2H 2021
 - We are actively working to minimize cost increases and shipment delays as much as possible
- Continue to offer ***Godzilla vs. Kong*** products inspired by the movie and the broader ***MonsterVerse*** and Toho's Classic Monsters in 2022
- Expect distribution of ***Miraculous: Tales of Ladybug & Cat Noir*** toy line to expand in 2H 2021; actively working on product line extensions for 2022 and beyond
- Continued expansion of ***Spy Ninjas*** toy line in 2021
- ***Vlad & Niki*** toys to launch in Fall 2021

And more to come...

GODZILLA vs. KONG

ONE WILL FALL

- *Godzilla vs. Kong* movie premiered successfully in late March 2021; released simultaneously in theaters and through streaming services, including HBOMax
- Consumer demand for our movie product line has been strong since it launched in Fall 2020
- We will continue to offer products inspired by the movie as well as the broader *MonsterVerse* and *Toho's* Classic Monsters in 2022





Miraculous: Tales of Ladybug & Cat Noir airs in over 120 countries worldwide and streams across multiple digital platforms



Our extensive new line launched in a number of major international markets in Fall 2020, and online in the US market in the summer of 2021.






Consumer demand for the brand has been strong, and we expect distribution to expand in the second half of 2021

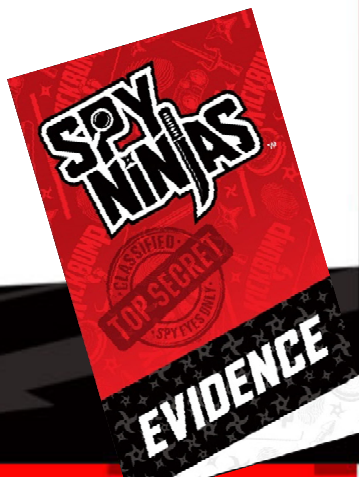


We are actively working on product line extensions for 2022 and beyond








-  **Spy Ninjas** – popular, action-packed YouTube adventure series
-  First wave of products launched online in late 2020 with promising initial results
-  2021 will see an expansion of product line





-  **VLAD & NIKI** have become a global YouTube phenomenon, as one of the highest rated boys channels on the platform
-  Captures more than five billion monthly views on 16 YouTube channels in 13 languages, with more than 120 million subscribers worldwide
-  Our **VLAD & NIKI** toy line will be found in the pre-school aisle starting in Fall 2021





Pikwik Pack, a brand new pre-school series created by Toronto-based Guru Studio, is airing on Disney Junior channel in US and a number of key international markets



Targeting initial launch of product line in Spring 2022



Playmates Toys Limited

Thank You!