

[For immediate release]



PLAYMATES TOYS ANNOUNCED 2022 INTERIM RESULTS

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Highlights

	2022	2021
For the six months ended 30 June	HK\$'000	HK\$'000
Revenue	267,462	213,988
Gross profit	130,563	111,025
Operating profit	18,746	15,498
(Loss)/Profit before income tax	(7,326)	14,459
Income tax credit	5,914	24
(Loss)/Profit attributable to owners of the Company	(1,412)	14,483
(Loss)/Earnings per share	HK cents	HK cents
- Basic	(0.12)	1.23
- Diluted	(0.12)	1.23

- In the first half of 2022, Playmates Toys reported revenue of HK\$267 million (same period in 2021: HK\$214 million), operating profit of HK\$18.7 million (same period in 2021: HK\$15.5 million), and net loss of HK\$1.4 million (same period in 2021: net profit of HK\$14.5 million)
- **Miraculous: Tales of Ladybug & Cat Noir** TV show continues to air in over 120 countries worldwide and stream across multiple digital platforms; an upcoming animated musical movie is scheduled for global release in 2023
- We expect our operating environment to be challenging in the second half of the year; headwinds include high inflation suppressing consumer demand for non-essential goods, and elevated inventory levels as a result of pull-forward inventory purchases in response to supply chain disruptions.

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(August 19, 2022 – Hong Kong) – **Playmates Toys Limited** (“Playmates Toys” or “the Company”, HKEx Stock Code: 869) announced today its interim results for the six months ended 30 June 2022. Group worldwide turnover during the first half of 2022 was HK\$267 million (same period in 2021: HK\$214 million). The Company did not declare an interim dividend (2021 interim dividend: Nil).

Group Chairman Mr. Michael Chan commented: “The favourable year-over-year revenue comparison was driven by the expansion of our **Miraculous: Tales of Ladybug & Cat Noir** toy line, partially offset by a contraction in **Godzilla vs. Kong** product sales compared to last year.

Despite a challenging operating environment, the Company generated operating profit of HK\$18.7 million in the first half of 2022, representing an increase of 21% compared to the prior year period. Operating profit margin was consistent year-over-year.

We expect the headwinds we face in our operating environment to continue into the second half of the year. Many major economies are experiencing persistent high inflation. As a result, non-essential goods (including toys) are experiencing a slowdown, as many families struggle with dramatically higher food and energy prices. At the same time, supply chain disruptions over the past year prompted a pull-forward in inventory purchases, which has become a challenge to digest this year, just as consumer spending is slowing. Many retailers are also pulling back on orders, which has further compounded inventory issues that many, including us, are facing. As the supply chain bottleneck has shifted to warehouse capacity, we are taking decisive steps to reduce our inventory level, which will result in additional costs in the near-term, but will allow us to capitalize on upcoming opportunities.

Despite these near-term challenges, our team remains dedicated to bringing innovative toys to fans around the world, and building profitable, long-term, brand franchises.”

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