

Q2 2023

Supplemental Slides



Disclaimer

This presentation for Spin Master Corp. ("Spin Master" or "the Company") contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects and opportunities. Specific forward-looking statements in this presentation include, without limitation, statements with respect to: the Company's outlook for 2023; future growth expectations in 2023 and beyond; the Company's dividend policy; drivers and trends for such growth and financial performance; the successful execution of its strategies for growth; the integration of and benefits from acquisitions; financial position, cash flows, and financial performance; and the creation of long term shareholder value.

Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made in this presentation, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect.

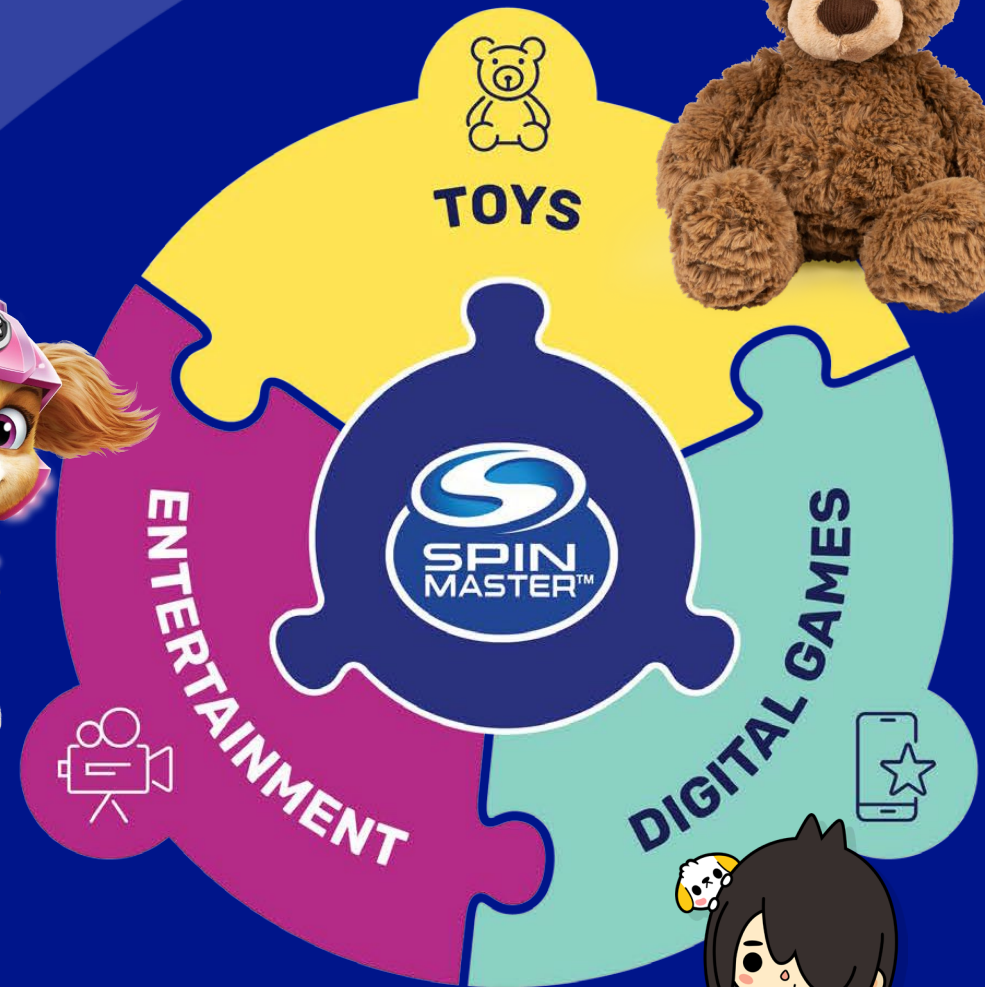
By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Company, could cause actual results to differ materially from the forward-looking information in this Press Release. Such risks and uncertainties include, without limitation, and the factors discussed in the Company's disclosure materials, including the Annual or subsequent, most recent interim MD&A and the Company's most recent Annual Information Form, filed with the securities regulatory authorities in Canada and available under the Company's profile on SEDAR+ (www.sedarplus.ca). These risk factors are not intended to represent a complete list of the factors that could affect the Company and investors are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

This presentation uses certain Non-GAAP financial measures and ratios. Non-GAAP financial measures and ratios do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. The composition, usefulness and quantitative reconciliation are incorporated by reference to sections "Non-GAAP Financial Measures and Ratios" in the Management's Discussion and Analysis dated August 2, 2023 for the three and six months ended June 30, 2023 ("MD&A"). The MD&A is available at www.sedarplus.ca.

REIMAGINING EVERYDAY PLAY

Leading Global Children's
Entertainment Company
with a Diversified
Multi-Platform Portfolio



Three Creative Centres

Toys

With distribution in over 100 countries, Spin Master is best known for award-winning brands PAW Patrol®, Bakugan®, Kinetic Sand®, Air Hogs®, Hatchimals®, Rubik's Cube® and GUND®, and is the global toy licensee for other popular properties.

Preschool, Dolls & Interactive



Wheels & Action



Activities, Games & Puzzles and Plush



Outdoor



Entertainment

Spin Master Entertainment creates and produces compelling multiplatform content, through its in-house studio and partnerships with outside creators, including the preschool franchise *PAW Patrol* and numerous other original shows, short-form series and feature films.



Digital Games

Spin Master has an established presence in digital games, anchored by the Toca Boca® and Sago Mini® brands, offering open-ended and creative game and educational play in digital environments.





2023 Q2 & YTD Q2 HIGHLIGHTS

	Q2	YTD Q2
Revenue	\$420.7M Q2 \$692.1M YTD Q2	↓ 16.9% ↓ 25.6%
Net Income	\$28.0M	\$26.1M
Adjusted Net Income ¹	\$49.4M	\$61.7M
Adjusted EBITDA ¹	\$88.4M	\$119.0M
Adjusted EBITDA Margin ¹	21.0%	17.2%
Cash provided by Operating Activities	\$19.1M	\$14.8M
Free Cash Flow ¹	\$(5.9M)	\$(40.3M)
Basic EPS	\$0.27	\$0.25
Adjusted Basic EPS ¹	\$0.48	\$0.59

Toy Gross Product Sales¹ and Revenue by Creative Centre

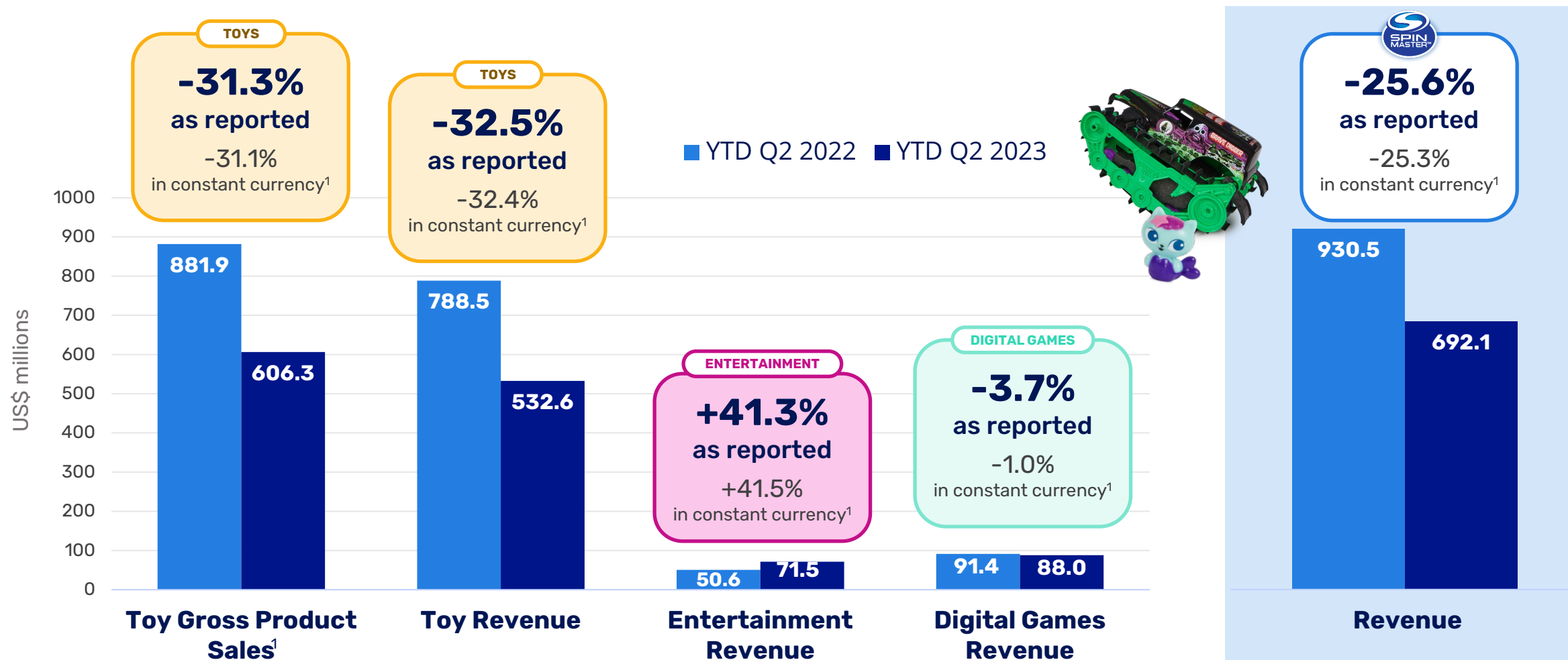
Q2 2023 vs. Q2 2022



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Toy Gross Product Sales¹ and Revenue by Creative Centre

YTD Q2 2023 vs. YTD Q2 2022

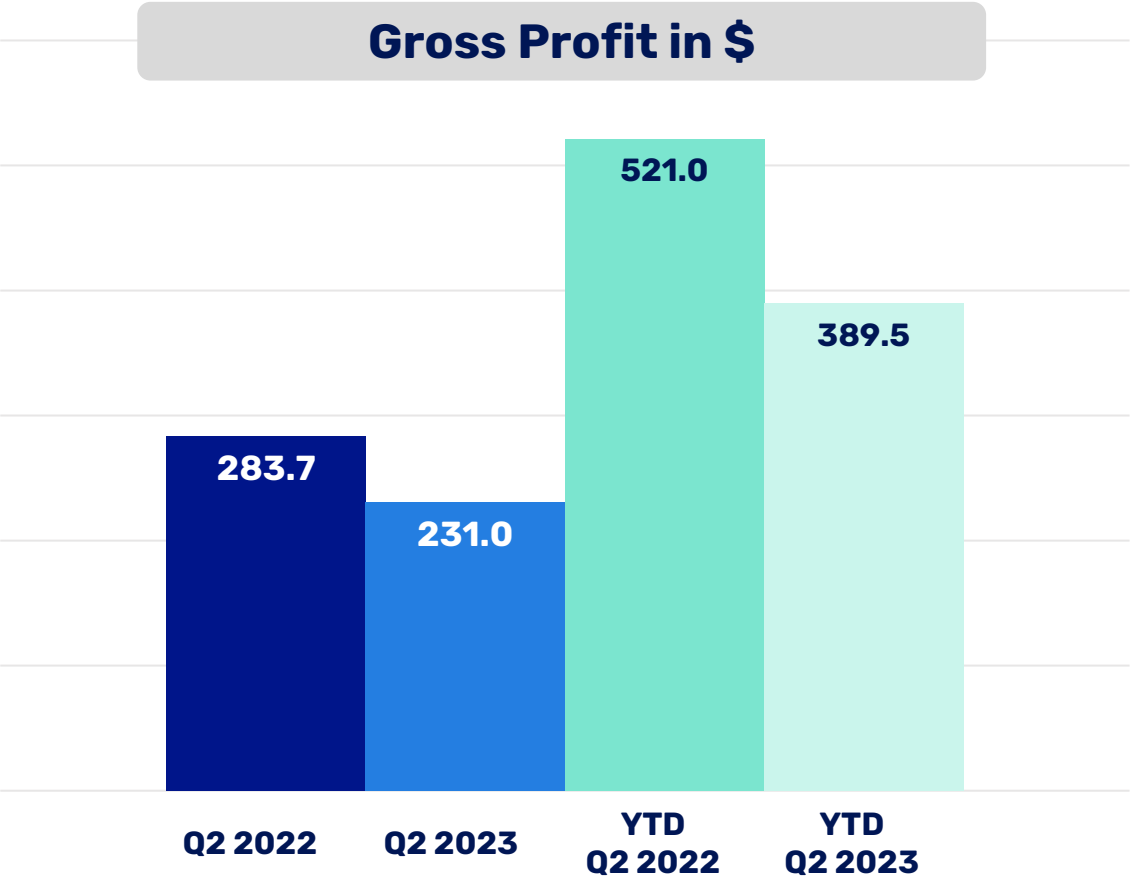


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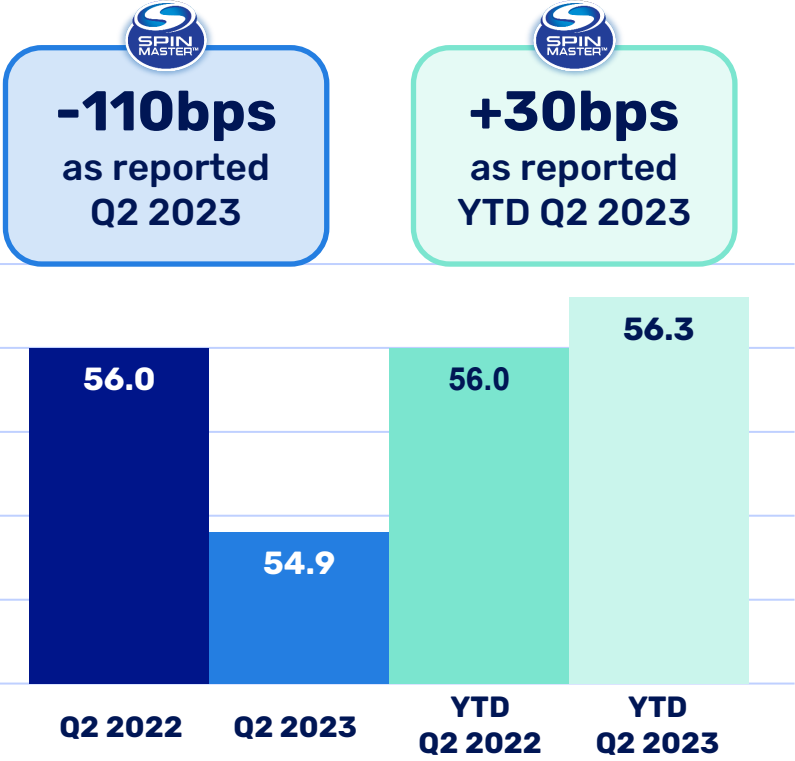
Gross Profit and Gross Margin



Gross Profit in \$



Gross Margin in %²



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2. Gross margin is calculated as Gross profit divided by Revenue.



Key P&L Financial Metrics



SG&A²

Adjusted SG&A^{1,2}

Depreciation and amortization
(COGS)

Depreciation and amortization
(SG&A)

Operating Income

Operating Margin³

Adjusted EBITDA¹

Adjusted EBITDA Margin¹

	Q2 2023	Q2 2022	% Change as reported	YTD Q2 2023	YTD Q2 2022	% Change as reported
SG&A ²	179.5	190.4	-5.7%	328.8	349.0	-5.8%
Adjusted SG&A ^{1,2}	163.5	181.0	-9.7%	303.0	334.8	-9.5%
Depreciation and amortization (COGS)	20.1	9.3	116.1%	31.4	19.8	58.6%
Depreciation and amortization (SG&A)	5.7	6.8	-16.2%	12.3	14.7	-16.3%
Operating Income	34.4	118.2	-70.9%	28.3	179.9	-84.3%
Operating Margin ³	8.2%	23.3%	-1510bps	4.1%	19.3%	-1520bps
Adjusted EBITDA ¹	88.4	113.7	-22.3%	119.0	209.4	-43.2%
Adjusted EBITDA Margin ¹	21.0%	22.5%	-150bps	17.2%	22.5%	-530bps

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2. Adjusted SG&A and SG&A exclude depreciation and amortization.

3. Operating margin is calculated as Operating income divided by Revenue.

Key Balance Sheet and Cash Flow Metrics



(in US\$ millions)

	June 30, 2023	June 30, 2022	December 31, 2022
Cash and cash equivalents	554.9	558.1	644.3
Trade receivables, net	272.4	262.3	311.0
Other receivables ⁴	60.0	71.7	49.5
Inventories, net	151.6	184.1	105.1
Net working capital ¹	144.0	156.1	106.3
Capital Expenditures ²	28.3	27.5	23.3

Capital Allocation



Business Acquisitions:

4D ³	\$14.6M
HEXBUG ³	\$12.9M
Other	\$5.3M



As at Q2 2023 **repurchased**
\$10.5M (397,700) **subordinate**
voting shares



As at Q2 2023 **dividends**
paid were \$9.2M



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2. Capital Expenditures are defined as the sum of "Investment in property, plant and equipment" and "Investment in intangible assets" in the Consolidated interim statements of cash flows for the three and six months ended.

3. Advance of \$0.5M paid for both acquisitions in 2022.

4. Other receivables include investment tax credits receivable, royalties, sales tax and other balances

TOYS

2023

Q2 & YTD Q2

HIGHLIGHTS



		Q2	YTD Q2
Toy Gross Product Sales ¹	\$390.0M Q2	↓ 19.5%	↓ 31.3%
	\$606.3M YTD Q2		
Toy Revenue	\$346.3M Q2	↓ 20.9%	↓ 32.5%
	\$532.6M YTD Q2		
Adjusted EBITDA ¹		\$47.7M	\$26.3M
Adjusted EBITDA Margin ¹		13.8%	4.9%

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Toy Gross Product Sales¹

Q2 2023 vs. Q2 2022



**Toy Gross Product Sales¹ decreased by 19.5% to
\$390.0M**

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Toy Gross Product Sales¹

YTD 2023 vs. YTD 2022



**Wheels
& Action**

-32.8%



**Preschool and
Dolls & Interactive**

-30.3%



**Activities,
Games & Puzzles
and Plush**

-31.5%



Outdoor

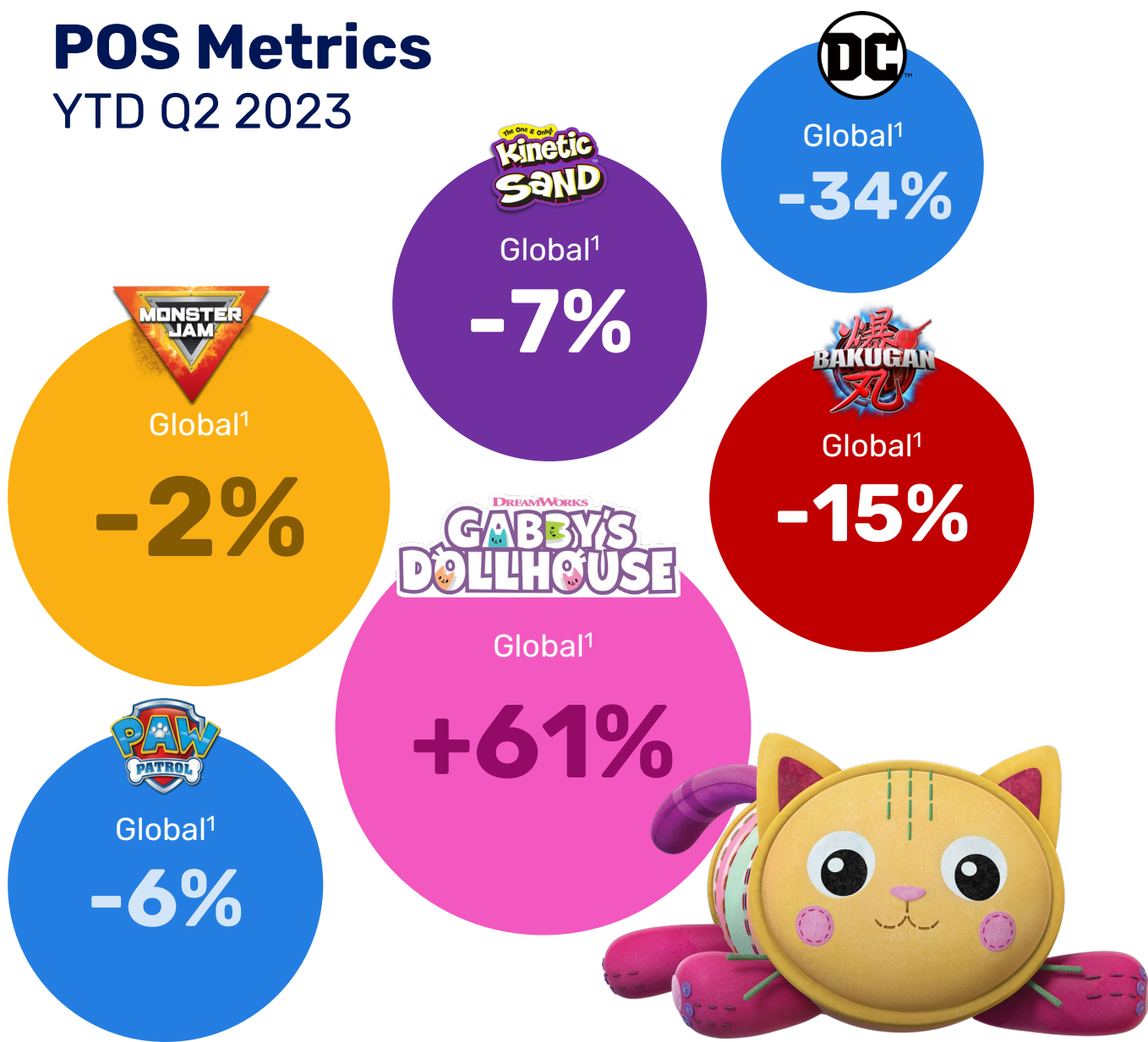
-30.8%

**Toy Gross Product Sales¹ decreased by 31.3% to
\$606.3M**

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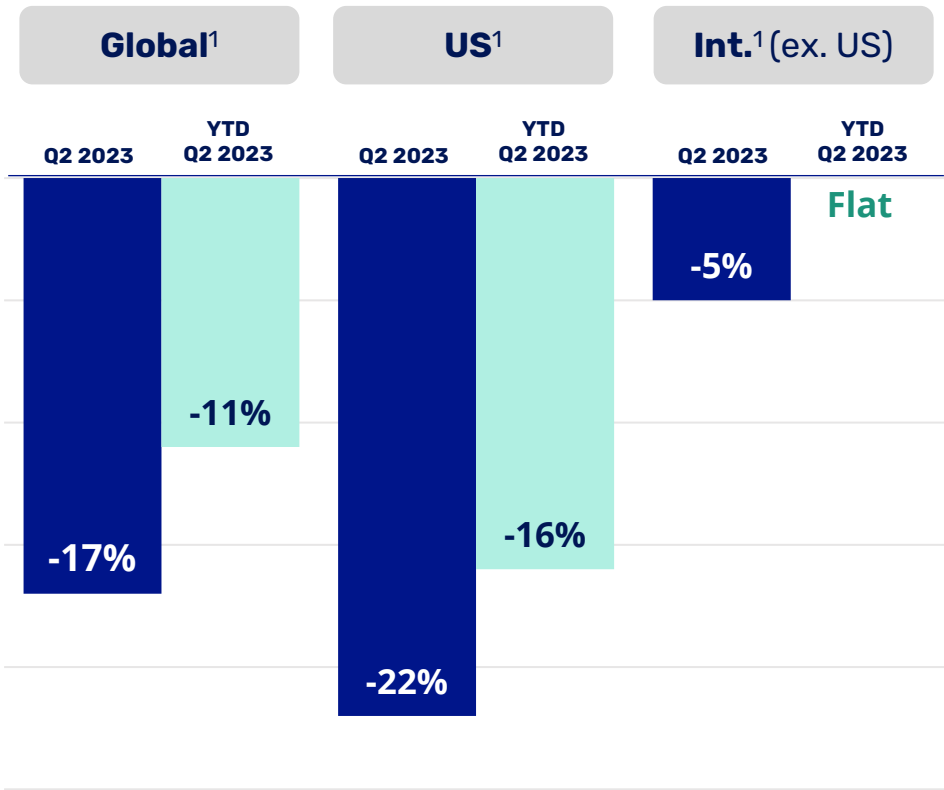
POS Metrics

YTD Q2 2023



Geographic Spin Master POS

YoY Q2 2023 and YTD Q2 2023



ENTERTAINMENT

2023

Q2 & YTD Q2

HIGHLIGHTS



		Q2	YTD Q2
Entertainment Revenue	\$33.9M Q2	↑ 19.4%	↑ 41.3%
	\$71.5M YTD Q2		
Operating Income		\$15.7M	\$45.0M
Adjusted Operating Income ¹		\$16.3M	\$46.2M
Operating Margin		46.3%	62.9%
Adjusted Operating Margin ¹		48.1%	64.6%

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DIGITAL GAMES

2023

Q2 & YTD Q2

HIGHLIGHTS



Digital Games
Revenue

\$40.5M Q2

\$88.0M YTD Q2

Q2

YTD Q2

↑ 0.5%

↓ 3.7%

Operating Income

\$9.6M

\$25.8M

Adjusted Operating Income¹

\$12.8M

\$31.8M

Operating Margin

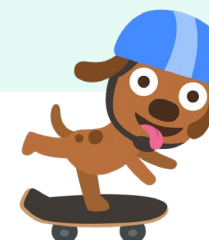
23.7%

29.3%

Adjusted Operating Margin¹

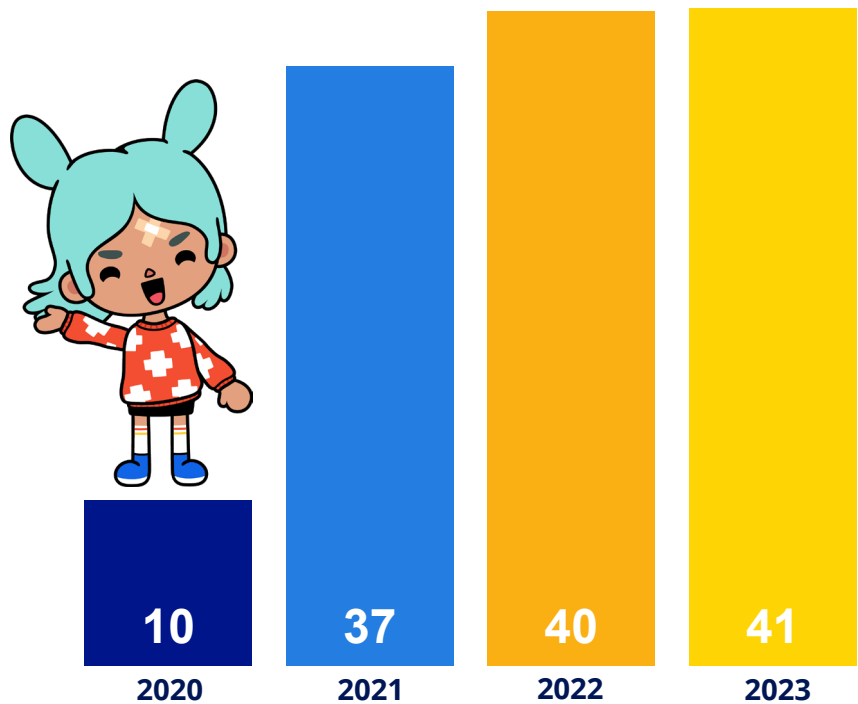
31.6%

36.1%



Digital Games

Digital Games Revenue – Q2 (US\$ millions)



TOCA BOCA
Ages 6+

~ 76M
vs. 75M Q2 2022



Flat



Toca
Monthly Active Users (MAU)



TOCA LIFE WORLD
Ages 6+

~ 58M*
vs. 56M Q2 2022



+3%

Toca Life World MAU

* included in Toca Boca balance above



SAGO mini
Ages 2-5

~ 293k
vs. 306K Q2 2022



-4%

Sago
Active Subscribers



Ages 2-5

~ 37k
vs. 38K Q2 2022



-1%

Originator
Active Subscribers

Kids in
230+
countries play
digital games

Maintains 2023 Outlook



Toy Gross
Product Sales¹

Revenue

Adjusted
EBITDA Margin¹

2022

\$1,979M

\$2,020M

19.2%

2023
OUTLOOK



➡ **Flat to slightly down**
compared to 2022.

➡ **In line** with 2022

➡ **Flat to slightly up**
compared to 2022

CSR Vision

Reimagining Everyday Play for Future Generations

Spin Master creates magical play experiences for children and their families. We foster an inclusive culture, empowering children to grow and learn through play while acting as responsible custodians of the world these children will one day inherit.



Our Environment

We are committed to minimizing the impact of our operations on the planet to ensure we protect the world for children and families today and for generations to come.



Our Products

As a leading children's entertainment company, we are committed to producing safe, high-quality and responsibly sourced products. We are striving to incorporate responsible product materials and packaging to provide consumers with more sustainable options.



Our People

Our talented team is the driving force behind our purpose of creating magical experiences for children and their families. We are committed to investing in our employees' well-being and development and to fostering an inclusive workplace where everyone can thrive, grow and ultimately have fun.



Our Communities

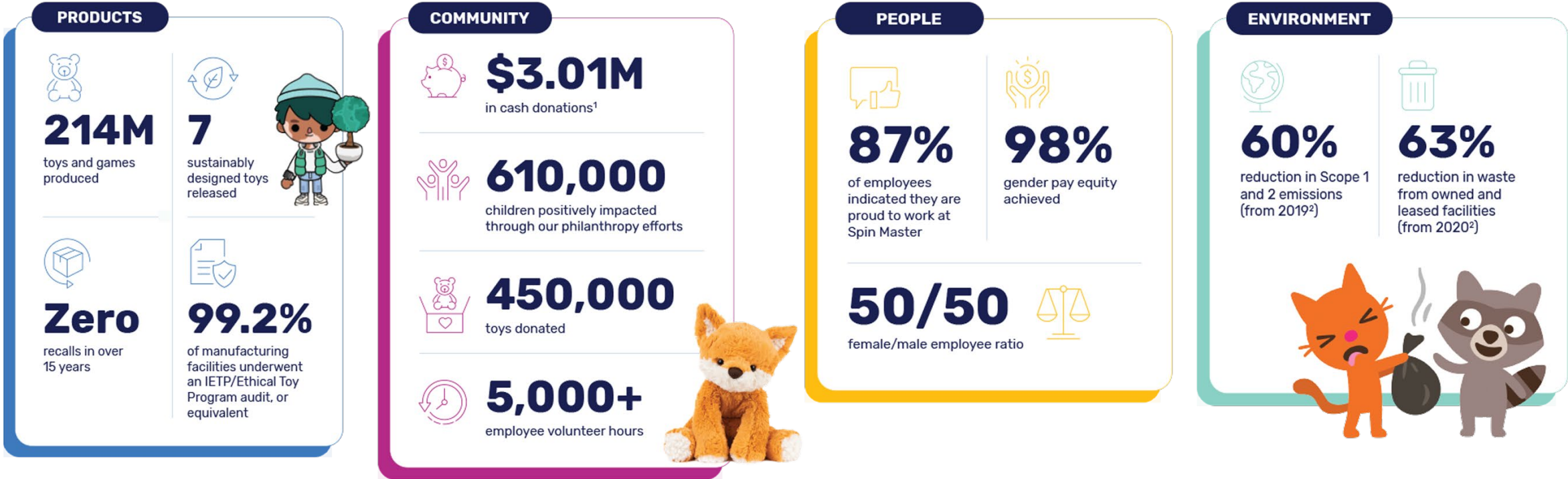
We give children in communities around the world the opportunity to grow, explore and learn through the power of play. Through our in-kind donations, investments in educational programming, local community engagement and employee volunteerism, we are helping children harness their creativity and develop skills to achieve things they thought unimaginable.



1. Cash donations include monetary contributions to registered charities, cost of goods of donated products and direct operational costs associated with donations.
2. Subject to external verification.



2022 CSR Performance



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2. Subject to external verification.

