



CEO PRESENTATION TO ANNUAL GENERAL MEETING OF SHAREHOLDERS 13 December 2021

13 December 2021: Toys"R"Us ANZ Limited (ASX: TOY) (**TOY** or the **Company**) here provides a copy of the CEO Presentation to the Annual General Meeting of Shareholders to be held at 11:00 am on Monday 13 December 2021.

This announcement is authorised for release by the Board of Directors.

For media enquiries please contact:

Rochelle Burbury, Third Avenue Consulting
0408 774 577
Rochelle@thirdavenue.com.au

ABOUT TOYS"R"US ANZ LIMITED

Toys"R"Us ANZ Limited (ASX: TOY) is an Australian based listed company with a mission to enrich the lives of people by encouraging exploration, creativity and living life more fully through the enjoyment of toys and hobbies. In addition to distributing leading products throughout Australia for key partners via its trading business Funtastic, the company recently acquired 100% of the Hobby Warehouse Group in November 2020, including Australian e-commerce websites Toys"R"Us, Babies"R"Us and Hobby Warehouse and the distribution business Mittoni Pty Ltd. The Company changed its name from Funtastic Limited to Toys"R"Us ANZ Limited on the 24 June 2021. Further information is available at corporate.toysrus.com.au



CEO PRESENTATION TO AGM

2021



ersonal use only

ersonna
use only



ToysRUs®

At Toys“R”Us we believe that toys and hobbies have the power to change lives, create new experiences and build memories and connections that last a lifetime.

PROFORMA SUMMARY

FY21 Revenue

\$48.2m

96% increase vs pcp

FY20 Revenue

\$24.6m

FY21 Gross Profit

\$11.1m

214% increase vs pcp

FY20 Gross Profit

\$3.5m

FY21 Cash

\$17.3m

295% increase vs pcp

FY20 Cash

-\$8.9m

- Toys“R”Us ANZ Limited (ASX: TOY) is the exclusive licensee for Toys“R”Us®, Babies“R”Us® and associated IP in Australia and New Zealand.
- TOY is a digital-first e-commerce direct to consumer retailer of toy, baby, hobby and lifestyle products.
- October 2021, TOY signed a long-term exclusive license agreement to operate Toys“R”Us and Babies“R”Us in the United Kingdom.

Based on FY21 proforma unaudited management accounts (inclusive of Hobby Warehouse Group for the full year)

THE STORY SO FAR...



- 185 vendors, 625 brands, 16,000 products.
- Toys“R”Us, Babies“R”Us and Hobby Warehouse retail brands.
- 177k active customers.
- \$115 average order value, 24% gross profit margin¹.
- \$8.75 average cost of customer acquisition².

FUTURE-FOCUSED BUSINESS MODEL

- Digital-first strategy - aligned with how shoppers are and will increasingly shop in the future.
- Low cost of doing business – centralized efficient operations incorporating state-of-the-art logistics technologies.
- Expansion to UK, Europe’s largest toy market with 25%+ retail online.

COMPETITIVE ADVANTAGE

- World’s most loved and trusted children and baby brands Toys“R”Us and Babies“R”Us, improved conversions and market recognition.
- Unbroken demographic journey – addressing the needs of families from newborn, toddlers through to teenagers and adults.
- Expansive product range, specialising in toy, baby and hobby.

¹ Average for the three months ending 30 November 2021 excluding tax and freight.

² Calculated as total click-ad cost divided by total number of all e-commerce orders for the three months ending 30 November 2021.

KEY ACHIEVEMENTS

2021

FY21 KEY ACHIEVEMENTS

- Acquisition of Hobby Warehouse, Toys“R”Us and Babies“R”Us e-commerce Australian brands and Mittoni IT, an e-sports B2B distribution business.
- Strategic restructure and right-sizing of Funtastic toy distribution operations, sale of non-core B2B assets Chill Factor and confectionery business.
- Opening of interim 5,500m² e-commerce fulfilment warehouse in Victoria.
- Secured agreement to lease new 19,650m² office and warehouse facility, scheduled for completion mid-2022.
- Change of company name to Toys“R”Us ANZ Limited.

FY22 KEY ACHIEVEMENTS

- Disciplined capital use resulting in \$17.3m cash, sufficient to realise growth goals.
- Commissioning of Autonomous Mobile Robot (AMR) state-of-the-art e-commerce storage and picking logistics centre.
- Soft-launch of Babies“R”Us as an independent e-commerce platform.
- Secured long-term exclusive license agreement to operate Toys“R”Us, Babies“R”Us and associated IP in the United Kingdom.
- Strong order growth in October and November 2021 periods.

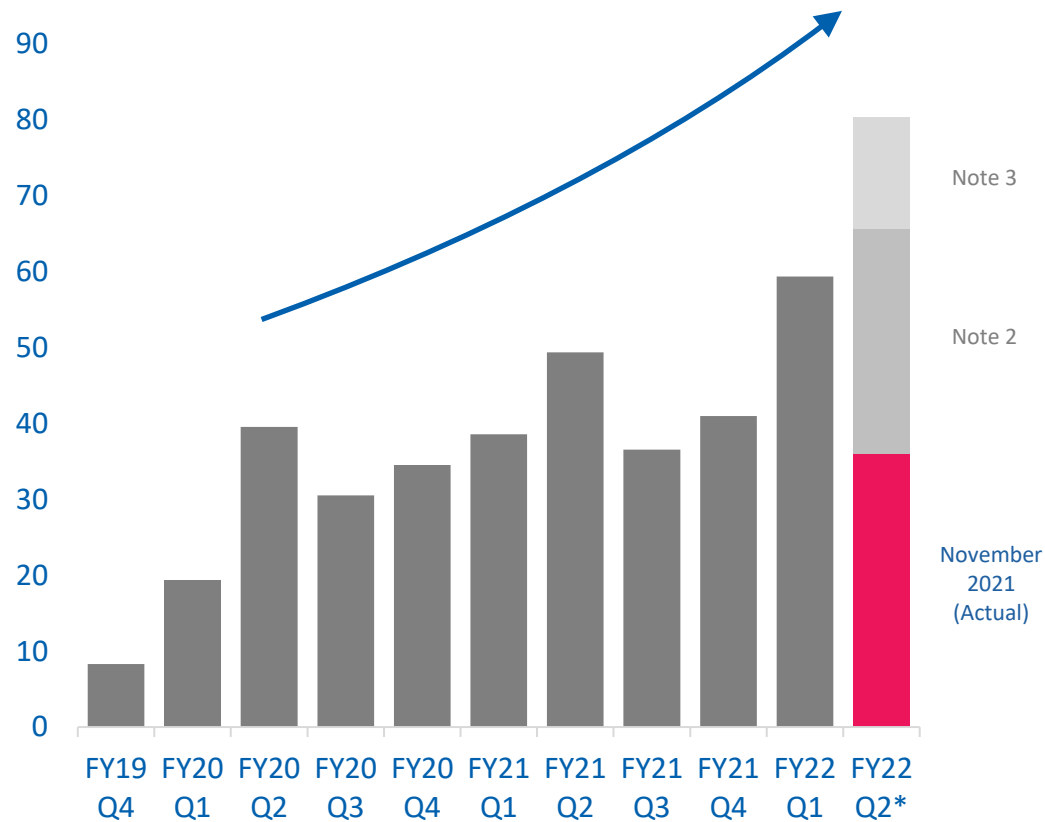
ersonal use only

TRADING HIGHLIGHTS



STRONG ORDER VOLUME MOMENTUM

E-Commerce # Orders Received By Quarter¹ (\$'000s)



- Monthly online marketing spend was increased in September, following commissioning of autonomous robot warehouse operations.
- 31.2k orders (including pre-orders) received via the Toys“R”Us e-commerce website in November, equating to ~81% increase on pcp.
- Shoppers purchasing earlier in the peak trading season, likely due to delivery network delays and supply disruption events that have been widely publicised in Australia

* Not a forecast, provided for illustrative purposes only, actual November 2021 figures (unaudited).

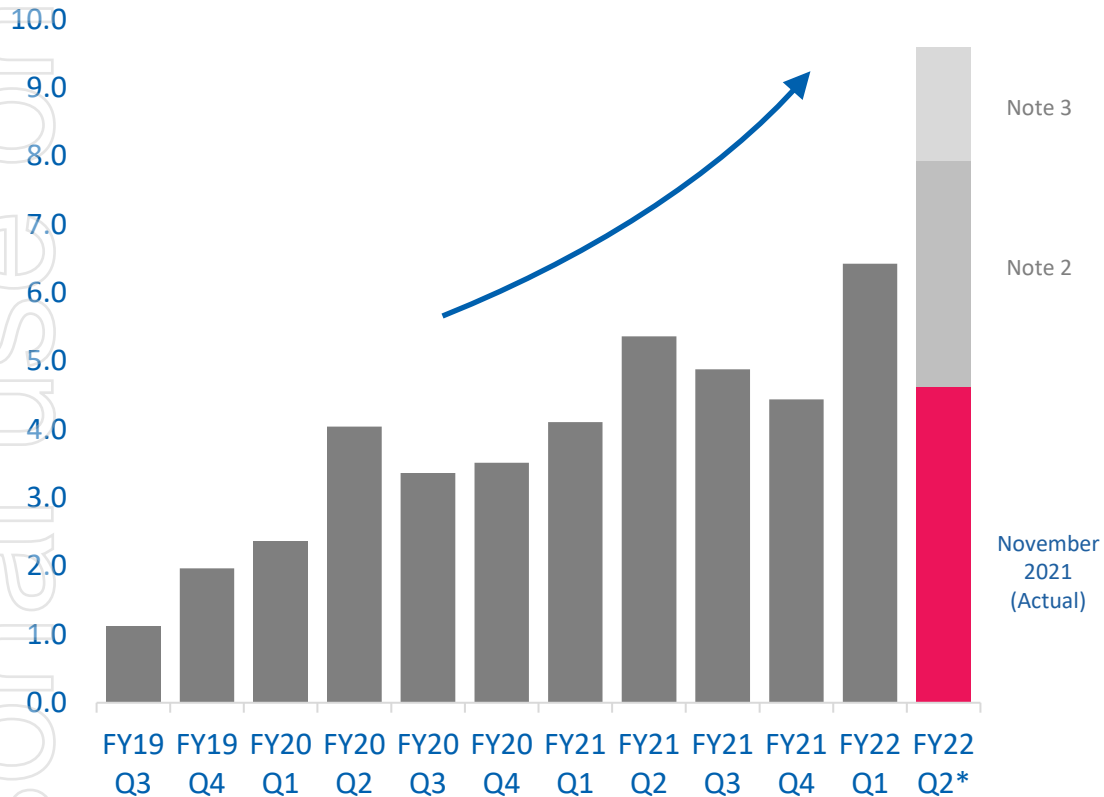
¹ Financial year extends 1 August to 31 July.

² Adding December 2020 and January 2021 with 0% YoY growth to November 2021 actuals.

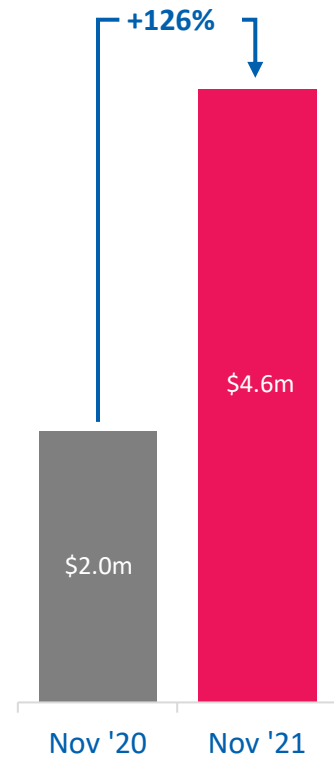
³ Adding December 2020 and January 2021 with 50% YoY growth to November 2021 actuals.

NOVEMBER REVENUE GROWTH

E-Commerce Sales Revenue By Quarter¹ (\$m)



November YoY Revenue



- Increased average order values via Toys“R”Us combined with higher order volumes is leading to strong invoiced sales revenues.
- Invoiced revenues for November increased ~126% on pcp across all e-commerce channels and ~140% on pcp for Toys“R”Us.

* Not a forecast, provided for illustrative purposes only, actual November 2021 figures (unaudited).

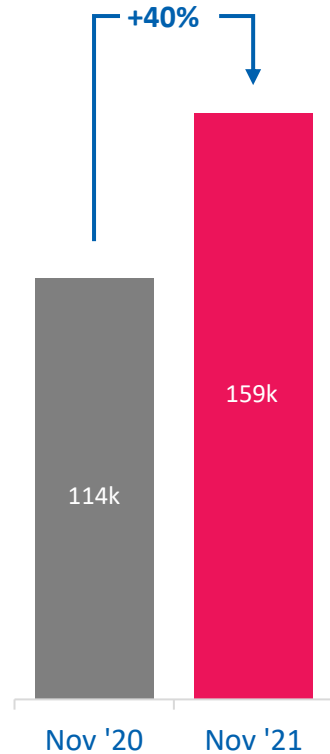
¹ Financial year extends 1 August to 31 July.

² Adding December 2020 and January 2021 with 0% YoY growth to November 2021 actuals.

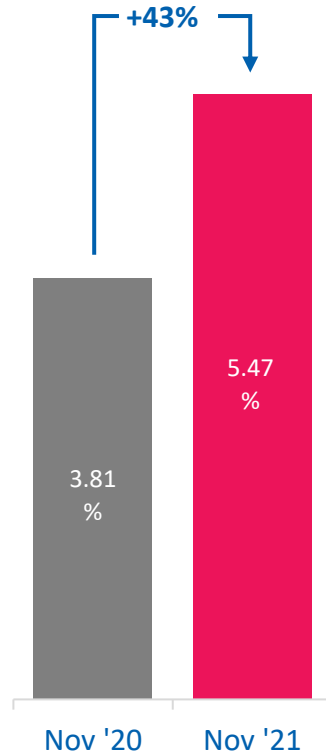
³ Adding December 2020 and January 2021 with 50% YoY growth to November 2021 actuals.

CUSTOMER ACQUISITION

Toys“R”Us
Active Customers



Toys“R”Us Click Ad
Conversion Rate

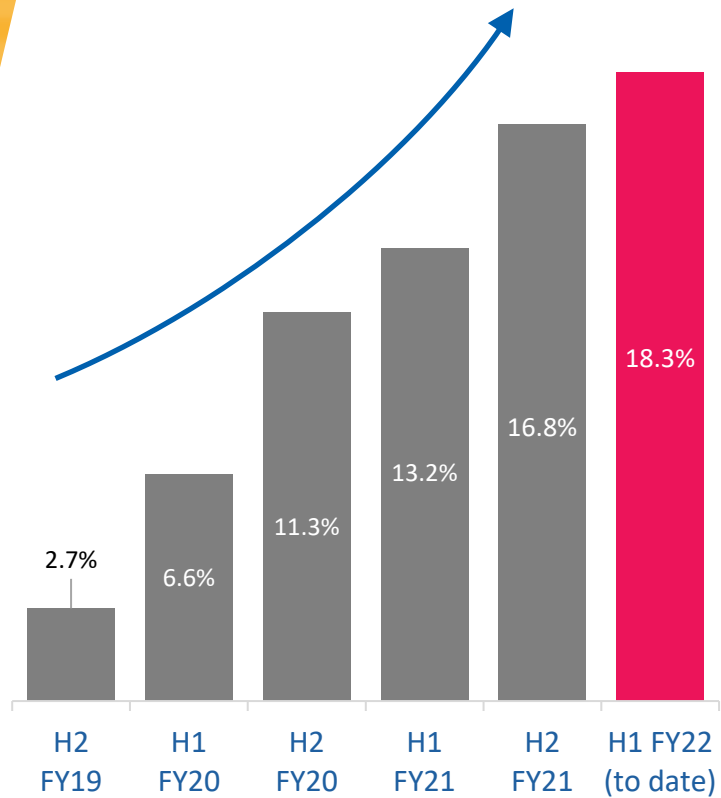


- Total active customers for Toys“R”Us increased ~40% on pcp to 159k following increased online marketing spend from September onward. Total active customers across all e-commerce channels increased ~36% on pcp to 177k.
- Higher average click-ad conversion rates contributed to improved ROI and customer conversion volumes prior to and during peak cyber weekend trading events.
- Average cost of customer acquisition via all Toys“R”Us orders for November was ~\$7.25¹.

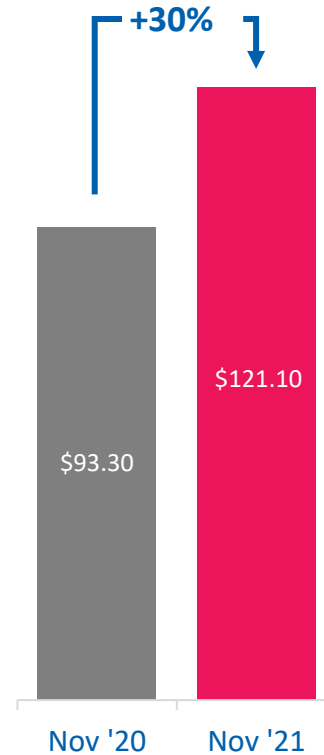
¹ Total cost of all click-ad campaigns divided by the total number of orders received via the toysrus.com.au website.

CUSTOMER LOYALTY AND HIGHER AOVs

Toys“R”Us Repeat Customers



Toys“R”Us AOV

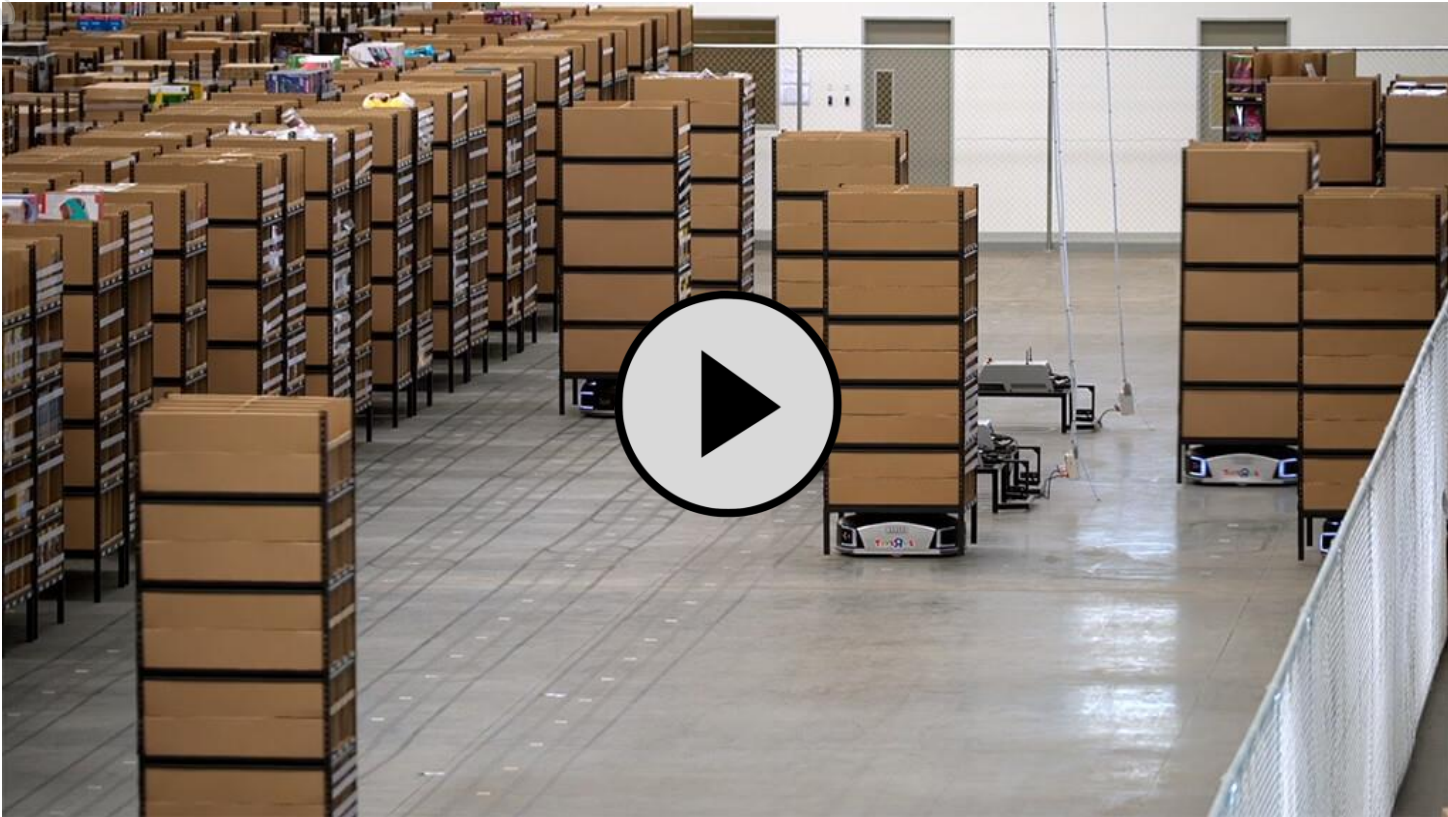


- Toys“R”Us repeat customers continued to rise despite lengthy delivery network delays and order backlogs, reaching 18.3% on 30 November 2021.
- Repeat customers placed orders for goods valued at \$143.30 on average for November 2021 compared to \$116.60 for first time customers, a 23% higher AOV.



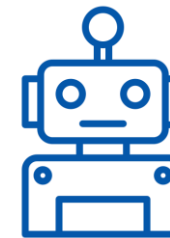
INNOVATIVE ROBOTICS DEVELOPMENT PROJECT

ersonal use only



Video Presentation to Shareholders

- Autonomous Mobile Robot facility installed & commissioned August 2021.
- Highly scalable and efficient picking processes aligned with future e-commerce business focus.
- 10-fold improvement in small-item pick efficiency and accuracy.



<https://vimeo.com/598572893/7e8c3936ad>

ersonal use only



BABIES R US[®]



THE STORY SO FAR...

- **Babies“R”Us was softly re-launched in August 2021 as an independent e-commerce platform.**
- **56 suppliers now onboard.**
- **85 brands currently featured on-site, with more brands to come in calendar Q1 2022.**
- **4,500 products now shoppable on site, with weekly additions.**
- **6,000+ products by end of Q1 2022.**

BABIES'R'US PARTNER BRANDS



Personal use only

ersonal use only

**A NEW
ADVENTURE...**



**UNITED
KINGDOM**



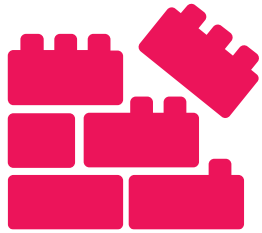
UK MARKET OPPORTUNITY

The UK is one of the most advanced e-commerce markets in Europe, whereby internet sales account for more than one quarter of all retail sales and is forecast to increase to be one-third of all retail sales by 2025.

The UK is ranked third worldwide by the number of online shoppers per capita, representing around 80% of the UK population; it is ranked fourth worldwide by online B2C revenue, estimated at £99 billion in the 2020 calendar year.

- Total addressable toy market for Toys“R”Us of £3.3 billion, representing the largest toy market in Europe and the fourth largest globally.
- Total addressable baby market for Babies“R”Us of ~£3.4 billion (includes maternity, equipment and clothing; excludes food and baby care).
- Former Toys“R”Us UK sales revenue peaked at £439m in 2015 and £421m in 2016 respectively.
- Toys“R”Us is well-known and much-loved in the UK.

...UK PLANS ARE PROGRESSING



- 363 vendors and service provider contacts have registered interest to partner with, supply and support the relaunch of Toys“R”Us UK.
- E-commerce platform, ERP systems (including consumption tax modules) and key international supplier relationships are transferable from Australia across geographies.
- Cash generative and well-funded Australian business can support “capital-light” UK market entry ramp-up strategy.

COMMENCING H1 2022

Execution of the Toys“R”Us and Babies“R”Us UK strategy will gather pace following passing of resolutions at the AGM and commencement of the long-term UK license.

SENIOR APPOINTMENT – UK

MIKE COOGAN MARKETING AND E-COMMERCE DIRECTOR



- Experience of 27 years within former Toys“R”Us UK in the position of Marketing and e-Commerce Director, including development and management of e-commerce and marketing teams.
- Extensive expertise in e-commerce and retail including e-fulfilment, web development, call centre operations and digital marketing.
- Intimate understanding the Toys“R”Us and Babies“R”Us brands within the UK toy and baby retail context, and a track record for driving growth and maximising return on investment.

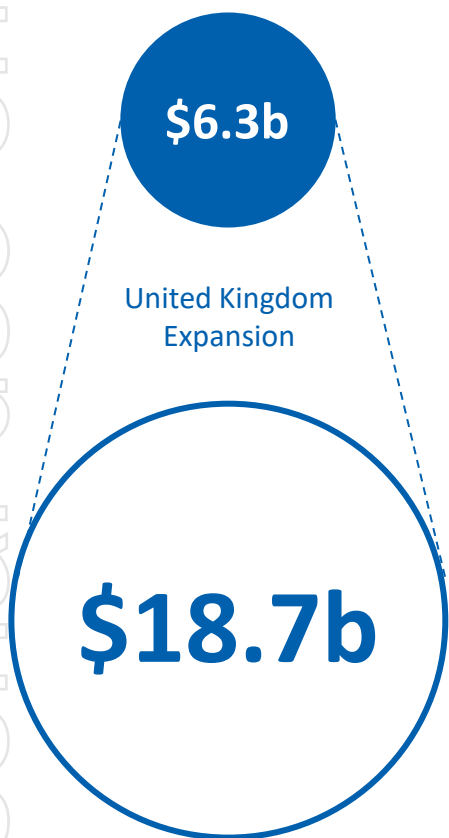
ersonal use only

SUMMARY AND OUTLOOK

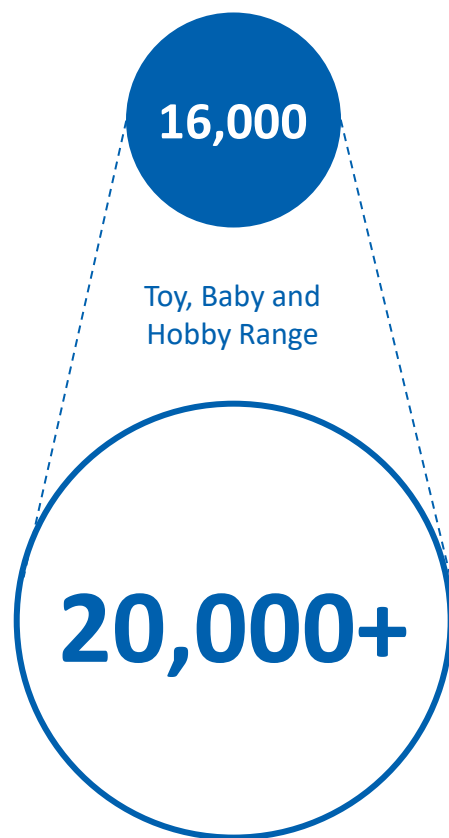


GROWTH OPPORTUNITIES

TOTAL ADDRESSABLE MARKET



VENDOR, BRAND AND PRODUCT RANGE



- Acquisition of the UK region license, very importantly, consolidates the company's growth trajectory for the foreseeable future.
- Ability to leverage combined growth, vendor partnerships and future strength of Australia, New Zealand and United Kingdom territories.
- Increased local and global marketing of Toys“R”Us will promote growth.
- Ongoing expansion of brands and range.

SUMMARY AND OUTLOOK

FY22 has commenced strongly with Sep, Oct and Nov months up 60%, 81% and 140% on the pcp respectively with Toys“R”Us Active Customers up ~40% YoY and AOVs up ~30% YoY.

 remains focused on:

- Driving top-line growth over the medium-term through disciplined deployment of capital to achieve 5% market share aspiration in toys, baby and hobby addressable markets in all licensed regions.
- Accelerating Babies“R”Us operations and scale from calendar Q1 2022 onward.
- Re-launching Toys“R”Us in the UK from calendar H1+ 2022 with sufficient capacity and capability to meet shopper demand from launch through to the peak 2022 trading season.
- Refining marketing, logistics, technologies and business systems to support scale and global growth, with improved shopper experience central to decision making.



TOYS“R”US GLOBAL – AGM VIDEO MESSAGE



Yehuda Shmidman

Chair & CEO of WHP Global &
Toys“R”Us Global

Board Observer of Toys“R”Us ANZ

<https://vimeo.com/655738717/d50c5daf50>

Video Message to Shareholders

ersonal use only



Important Notice and Disclaimer

The information in this document and discussed at this presentation (collectively, the Presentation) has been prepared by Toys R Us ANZ Limited (ABN 94 063 886 199) (TOY or the Company). Your receipt or viewing of the Presentation evidences your acceptance of, and agreement to be bound by, the terms below.

No Offer

The Presentation is not a prospectus, product disclosure statement, disclosure document or other offer document under Australian law or any other law. It does not and is not intended to constitute an offer for subscription, financial product advice, invitation, solicitation or recommendation by any person or to any person with respect to the purchase or sale of any securities or financial products in any jurisdictions, and also does not form the basis of any contract or commitment to sell or apply for securities in TOY or any of its subsidiaries or related entities. The information in the Presentation has been prepared without taking account of any person's investment objectives, financial situation or particular needs and nothing in the Presentation constitutes investment, legal, tax or other advice. You must not rely on the Presentation, and must make your own independent assessment and rely upon your own independent taxation legal, financial or other professional advice.

Financial Information

All amounts of money in the Presentation are in Australian dollars unless otherwise stated. Totals and percentages may be subject to rounding. The Presentation contains financial information that may not have been prepared in accordance with disclosure requirements of applicable accounting standards and other mandatory reporting requirements in Australia.

Forward Looking Statements

The Presentation contains certain forward looking statements, including estimates, projections and opinions (Forward Looking Statements). Forward Looking Statements may involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of TOY, and have been made based upon management's expectations and beliefs concerning future developments and their potential effect on TOY. No representation is made that any Forward Looking Statements will be achieved or will prove correct. Actual future results and operations could vary materially from the Forward Looking Statements. Circumstances may change and the contents of the Presentation may become outdated as a result. TOY is not obliged to update such outdated information.

Past Performance

Past performance information given in the Presentation is given for illustrative purposes only and is not an indication of future performance.

Disclaimer

The information in the Presentation is in summary form and is therefore not necessarily complete, and does not contain all information that would be relevant to an investor. The material contained in the Presentation may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness, fairness or reliability of the information in the Presentation, or of the opinions and conclusions in it. To the maximum extent permitted by law, TOY and each of its subsidiaries and affiliates, and each of their respective directors, employees, officers, partners, agents and advisers, and any other person involved in the preparation of the Presentation, disclaim all liability and responsibility (including but not limited to any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use of, or reliance on anything contained in, or omitted from, the Presentation. TOY has no responsibility or obligation to inform you of any matter arising or coming to its notice, after the date of the Presentation, which may affect any matter referred to in the Presentation. This Presentation should be read in conjunction with TOY's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.





Thank You