



**TOYS“R”US ANZ LTD
(ASX: TOY)**

**H1 FY22
INVESTOR PRESENTATION**

MARCH 2022



ersonal use only



Toys“R”Us is the world’s most trusted children and baby brand.

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

FY22 H1 SUMMARY

FY22 H1 Revenue

\$23.4m

↑ 231%

FY21 H1 Revenue

\$7.1m

FY22 H1 Gross Profit

\$5.2m

↑ 161%

FY21 H1 Gross Profit

\$2.0m

31 Jan 22 Cash

\$14.8m

\$3.5m decrease

31 Jul 2021 Cash

\$18.3m

- 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.
- In October 2021, TOY signed a long-term exclusive license agreement to launch and operate Toys“R”Us and Babies“R”Us in the United Kingdom.

* Cash and equivalents includes cash, cash equivalents and term deposits held at bank.

** Based on unaudited statutory figures for each financial period, continuing operations.

CORPORATE SNAPSHOT

ASX Stock Code	TOY
Listing date	26 Oct 2020 (announcement acquisition by FUN)
H1 FY22 revenue (to 31/1/22)	\$23.4m
Cash balance as at 31 Jan 2022	\$14.8m
Share price as at 30 Mar 2022	\$0.125
Shares on issue	861.86m
Options (13.8c, 1 Nov 2023)	8.46m
Options (16.6c, 1 Nov 2024)	10.18m
Options (13.8c, 1 May 2025)	1.69m
Service rights & deferred share awards	1.0m
Fully diluted shares	883.19m
Fully diluted market cap	\$110.4m

24-Month Share Price and Volume



Top Shareholders (as at 24 Mar 2022)

Rank	Name	Units	%
1	Louis Mittoni	291.2m	33.8%
2	Jason Sourasis	105.6m	12.3%
3	UBS Nominees Pty Ltd (incl. Regal)	78.6m	9.1%
4	Theo Andriopoulos	41.3m	4.8%
5	National Nominees Limited	42.0m	4.9%
	Other Top 20	174.3m	20.2%
	Total Top 20	733.0m	85.0%



H1 FY22 KEY ACHIEVEMENTS

- 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 2021 to January 2022 period.
- Commissioning of Autonomous Mobile Robot (AMR) state-of-the-art e-commerce storage and picking logistics centre.
- Disciplined capital use resulting in sufficient cash to realise growth goals.
- Completed migration of accounting and Enterprise Resource Planning (ERP) systems during February and March 2022. The new ERP platform is cloud-based and will enable Toys“R”Us to better integrate Warehouse Management Systems (WHMs), automated robotic facilities, multi-tenant international operations, multi-currency and tax jurisdictions necessary for continued growth internationally.

COMPANY MANAGEMENT



Kevin Moore
Independent Non-Executive Chair



Nicki Anderson
Non-Executive Director



John Tripodi
Non-Executive Director



Louis Mittoni
Chief Executive Officer & Managing Director



Lian Yu
Chief Operating Officer



Wei Si
Chief Financial Officer & Company Secretary



Mike Coogan
Ecommerce & Marketing Director - UK



Diane Lee
Buying Director - UK

ersonal use only

THE STORY SO FAR...



- 185 vendors, 625 brands, 16,000 products.
- Toys“R”Us, Babies“R”Us and Hobby Warehouse retail brands.
- 191k active customers.
- \$112.50 average order value¹, 22.3% gross profit margin.
- \$10.15 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 toys, babies and hobbies.

¹ Average for the six months ending 31 January 2022 excluding tax and freight.

² Calculated as total click-ad cost divided by total number of all e-commerce orders for the six months ending 31 January 2022.



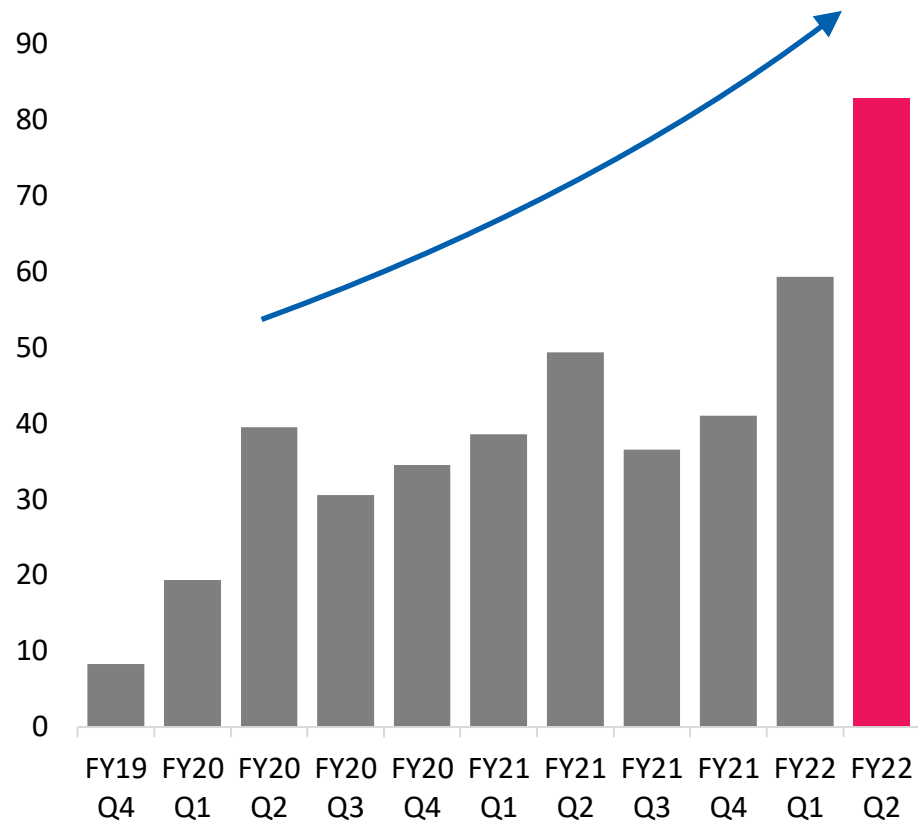
TRADING HIGHLIGHTS



ersonal use only

STRONG ORDER VOLUME MOMENTUM

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



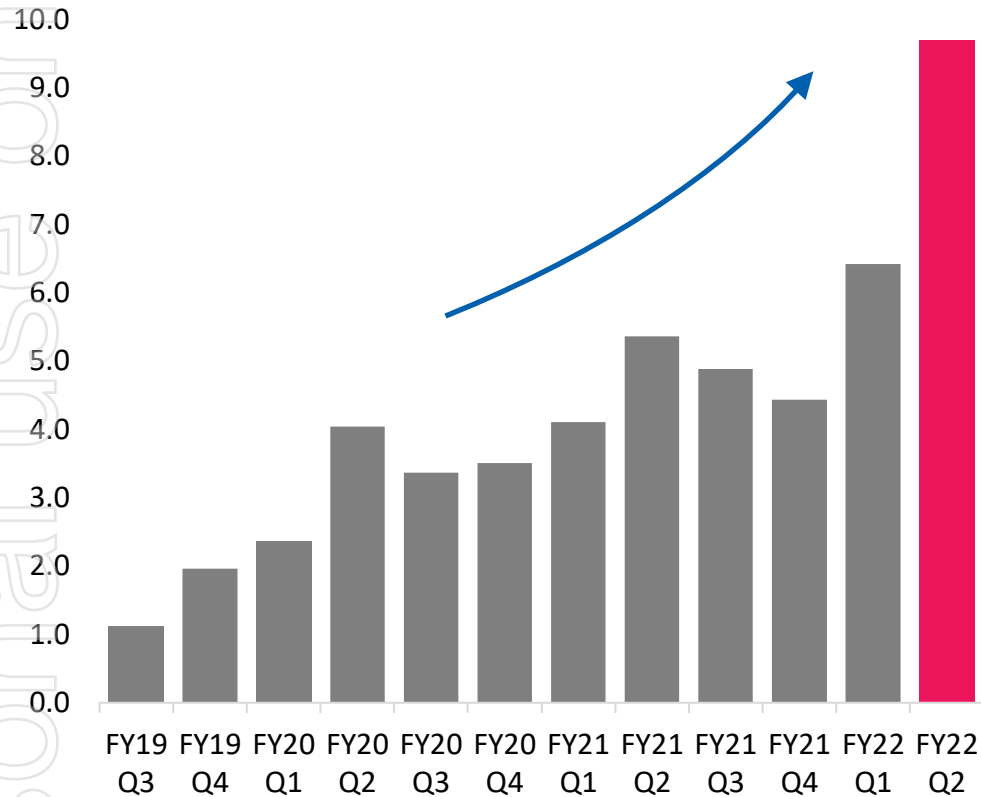
- Monthly online marketing spend was increased in H1 FY22, following commissioning of autonomous robot warehouse operations.
- 125k orders (including pre-orders) received via the Toys“R”Us e-commerce website in H1 FY22, equating to ~62% increase on pcp².
- Shoppers purchased earlier in the peak trading season, likely due to delivery network delays and supply disruption events that have been widely publicised in Australia.

¹ Financial year extends 1 August to 31 July.

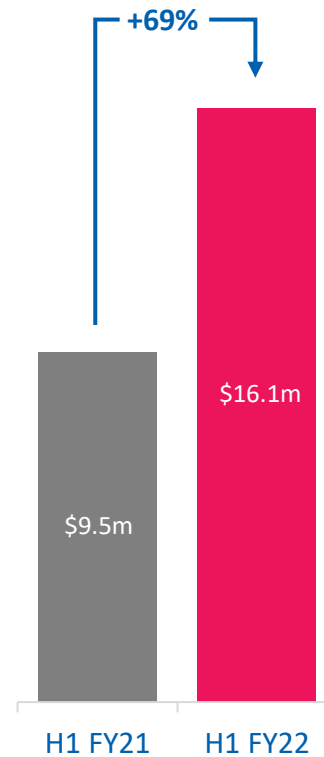
² Comparison of number of orders received (including pre-orders) with H1 FY21.

REVENUE GROWTH

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



YoY B2C Revenue



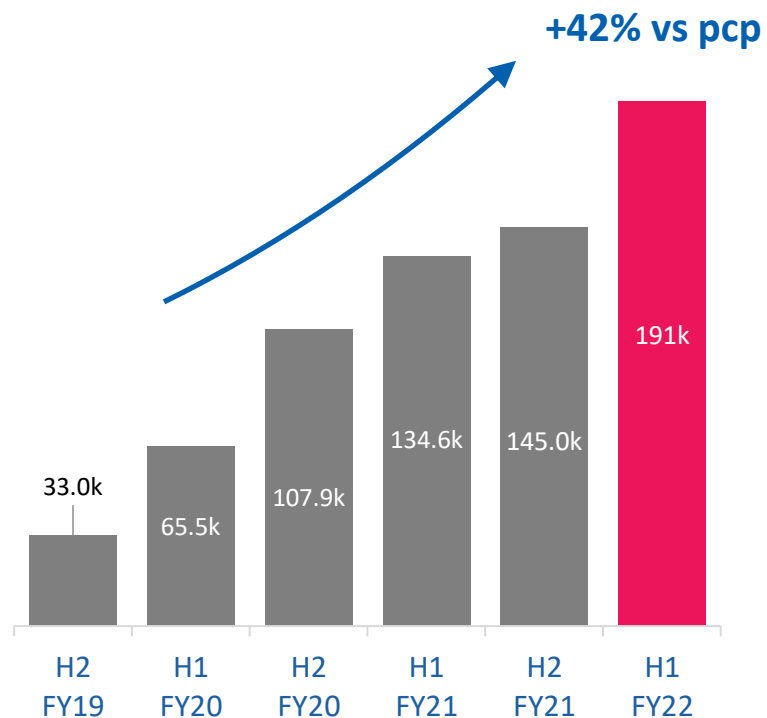
Increased average order values via Toys“R”Us, combined with higher order volumes, is driving strong invoiced sales revenue.

¹ Financial year extends 1 August to 31 July.



ACTIVE CUSTOMERS

Total eCommerce Active Customers



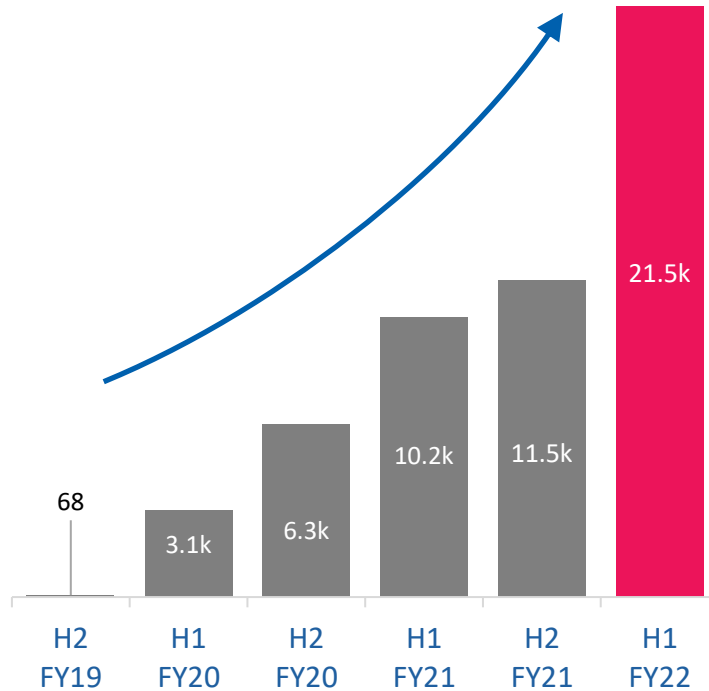
Total active customers increased markedly during H1 FY22, despite lengthy delivery network delays and order backlogs.



ersonal use only

CUSTOMER LOYALTY AND HIGHER AOVs

Unique Toys“R”Us Repeat Customers



- Toys“R”Us repeat customers increased significantly in H1 FY22 driven by email and SMS marketing, reaching 21.5k on 31 January 2022.
- Average Toys“R”Us order value (AOV) in H1 FY22 was \$112.00, +19% from \$94.10 in H1 FY21, with repeat customers spending approximately 25% more on average than first-time customers¹.
- Average cost of customer acquisition² of \$10.10 in H1 FY22, trending to \$9.00 in March 2022³.

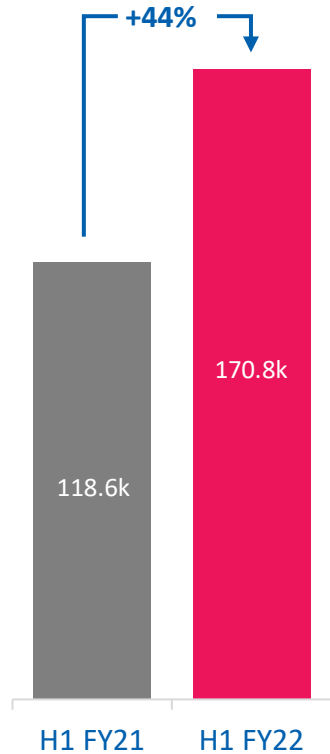
¹ AOV of repeat customers measured as having purchased two or more times in a given month and averaged over the FY22 H1 period when compared with a first purchase.

² Calculated as total click-ad cost divided by total number of e-commerce orders for the six months ending 31 January 2022 on www.toysrus.com.au.

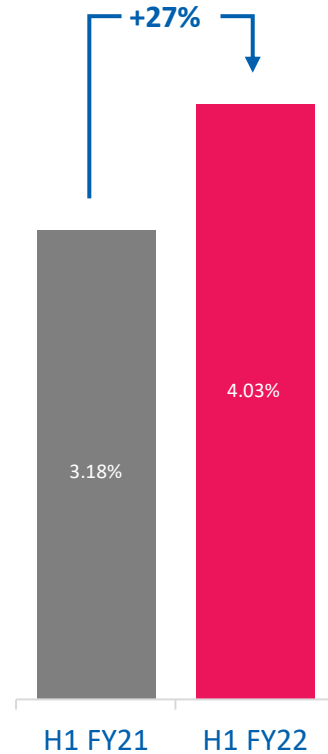
³ Total click-ad cost divided by total number of Toys R Us e-commerce orders from 1 March to 30 March 2022.

CUSTOMER ACQUISITION

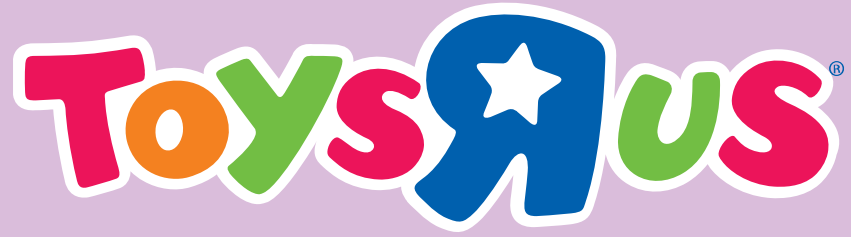
Toys“R”Us
Active Customers



Toys“R”Us Click Ad
Conversion Rate



- Total active customers for Toys“R”Us increased ~44% in H1 FY22 vs pcp to 170.8k, following increased investment in online marketing.
- Total active customers across all e-commerce channels increased ~42% on pcp to 191k.
- Higher average click-ad conversion rates continued to contribute to improved ROI and customer conversion volumes.

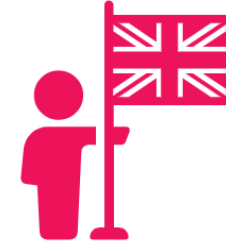


**UNITED
KINGDOM
EXPANSION**



ersonal use only

UK MARKET OPPORTUNITY

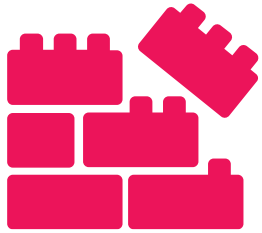


■ The UK is one of the most advanced e-commerce markets in Europe, whereby internet sales account for more than one quarter of all retail sales and is forecast to increase to be one-third of all retail sales by 2025.

■ 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.
- Toys“R”Us UK team has been in contact with 183 registered vendors early 2022, proceeded to arrange terms with 134, and working through range proposals with 105 vendors.
- Cash generative and well-funded Australian business can support “capital-light” UK market entry ramp-up strategy.

COMMENCING MID-YEAR 2022

- Planned Toys“R”Us launch with ~5,000 items.
- Babies“R”Us to launch with ~1,400 items.
- Arrangements with delivery carriers complete.
- Negotiations with several 3PL partners nearing completion.

SENIOR APPOINTMENTS – UK

ersonal use only



- In mid-December 2021, Toys“R”Us ANZ announced its senior executive team located in London, UK, including highly experienced Marketing and eCommerce Director Mike Coogan and Buying Director Diane Lee.
- This team was strengthened further in February 2022, welcoming senior buying team members Katie Ellis, James Ford, Sarah Harding and Lukasz Jasinski.
- Our new team members bring:
 - Extensive expertise in e-commerce and retail, including e-fulfilment, web development, call centre operations and digital marketing.
 - Intimate understanding of the Toys“R”Us and Babies“R”Us brands within the UK toy and baby retail context.
 - A track record for driving growth and maximising return on investment.

INVESTMENT HIGHLIGHTS

Established business reintroducing one of the world's best-loved children's brands to Australia through a digital-first operating model

Superior selection and pricing funded by lower operating costs, with investments in robotic automation and capacity to maintain this advantage

Delivering strong growth in revenue underpinned by improvements to operational capabilities and customer service levels

B2B business complements B2C operations and continues to contribute strong and profitable growth for the Company

Implementing plans to accelerate and scale the Toys“R”Us, Babies“R”Us and Hobby Warehouse operations in Australia, and relaunch Toys“R”Us and Babies“R”Us in the UK in mid-2022

A world-class executive team pursuing a medium-term goal of 5% market share penetration in the toys, baby and hobby markets in all licensed regions



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

Contact:

Louis Mittoni

Managing Director

investor-relations@toysrus.com.au