

# Funtastic Ltd

Home to leading brands.....

Half Year Results Presentation

31<sup>st</sup> March 2015

# 1H15 Result Key Issues

- Softer than expected international sales largely due to higher field inventory levels (most which have sold through within the 2nd quarter) and timing in the shipment of the new Chill Factor range.
- Lower domestic margins because of ongoing clearance activities, channel mix and weakening of the Australian Dollar.
- Higher overhead costs primarily due to additional one-off rationalisation costs and timing of marketing expenditure.

# Profit & Loss

Profit Summary (\$m)	1H15	1H14
Revenue	50.4	61.3
EBITDA before Impairment	(4.2)	1.7
EBIT	(6.2)	(0.6)
Loss after tax for the period	(28.5)	(25.9)
Loss includes:		
Impairment of goodwill and intangibles	(11.1)	
Tax (predominantly reversal of previously recognised and unused tax losses)	(9.5)	
Loss from discontinued operations	(0.4)	(23.0)
EPS	(4.27)	(3.92)

# Balance Sheet

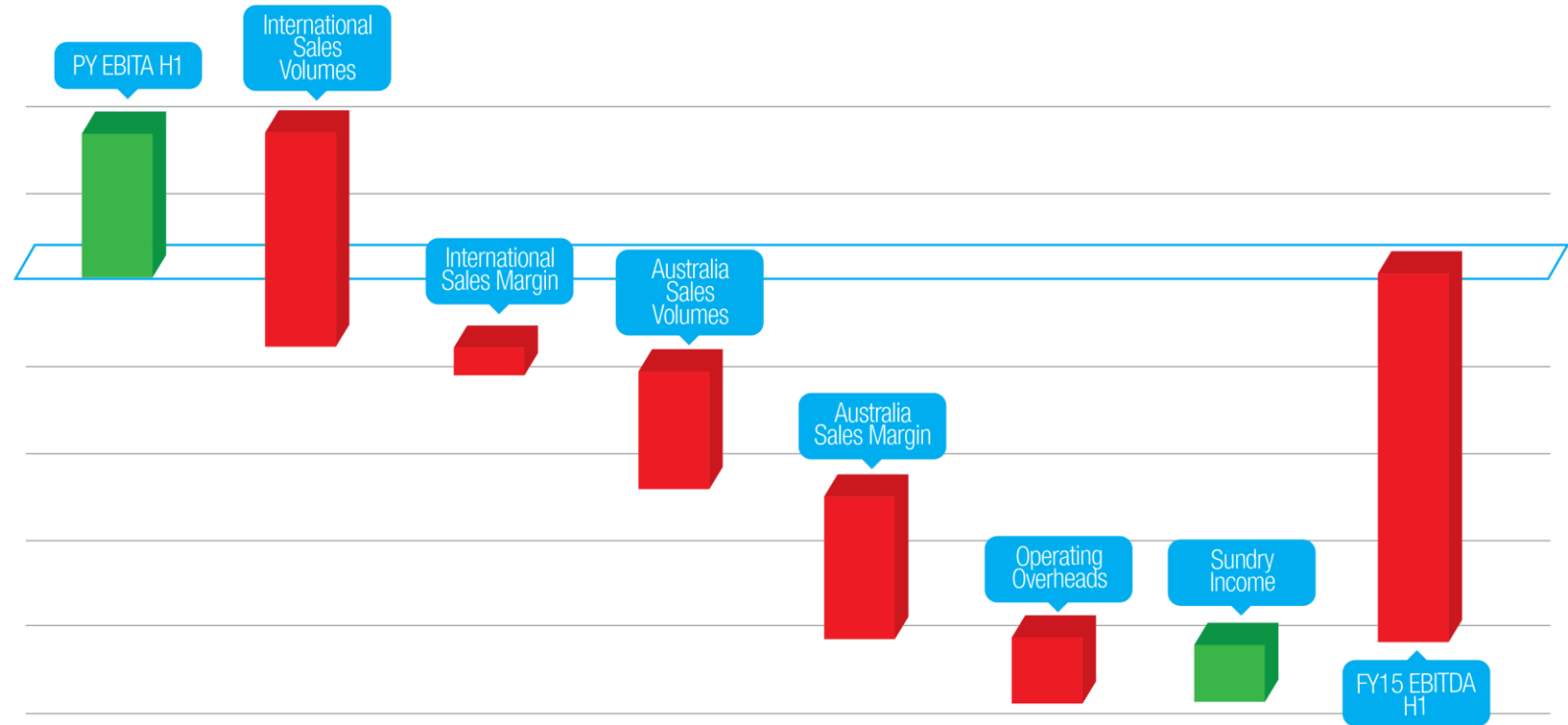
(\$m)	Jan-15	Jul-14	Var
Current Assets	<b>38.4</b>	46.3	(7.9)
Non Current Assets	<b>60.4</b>	82.1	(21.7)
Total Assets	<b>98.8</b>	128.4	(29.6)
Current Liabilities	<b>58.5</b>	52.3	6.2
Non current liabilities	<b>0.9</b>	8.3	(7.4)
Shareholders Funds	<b>39.3</b>	67.8	(28.5)

- Net debt \$41.2m
- Facility limit \$56.2m, which has been extended to July 2016.

# Cash Flow

(\$m)	1H15	1H14
Net Cash (used in)/provided by operating activities	<b>(7.0)</b>	7.6
Interest paid (net)	<b>(1.3)</b>	(2.0)
Net operating Cash flow	<b>(8.3)</b>	5.6
Net cash used in investing activities	<b>(0.8)</b>	(2.2)
Dividends paid	-	(3.3)
Proceeds from Borrowings	<b>7.6</b>	2.7
Repayment of Borrowings	<b>(0.3)</b>	(4.7)
Net Financing Cash Flow	<b>7.3</b>	(5.3)
Net Change in Cash Held	<b>(1.8)</b>	(1.9)

# 1<sup>st</sup> Half Performance Bridge (Before Impairment)



# H1 Trading Issues behind us

- Field Inventory levels have normalised
- Margins stabilising in Australian distribution
- Business restructuring completed

# Madman working capital update

As a result of the disposal of Madman Entertainment, a debtor of \$3.8m was recorded as at 31 July 2014 relating to the working capital adjustment from the sale on final settlement. This amount has been reduced to \$3.4m, being the company's best assessment of the amount recoverable. This assessment has been reviewed by the company's independent advisors and in line with the company's accounting policies which have been consistently applied. However, the independent accountant ultimately will rule on the final amount recoverable or payable, thus this remains uncertain and out of Funtastic's control subject to their assessment of the facts.

Final determination is expected by mid April 2015.



# Pathway back to profitability

- Expected improved 2nd half sales across the existing brands and distribution portfolio
- New product launches underway
- Improved margins/terms from retailers
- Lower warehousing and distribution costs
- Lower headcount
- Ongoing support from NAB with facilities extended to July 2016
- Positive 2H FY15 performance impact due to implementation of key initiatives

# 2<sup>nd</sup> Half New Product Launches

- Chill Factor Drink Bottle
- Crackin' Egg
- Crackin' Popcorn
- Crackin' Rice
- Anylock Bag Sealer
- Self-sealing water balloons (Zorbs)
- Grill Daddy
- Cyber Clean
- Glow in the dark balloons

## International development brands – we own and distribute



## Australian distribution toy and sporting brands

Girls Toys  CHILLFACTOR™



Boys Toys

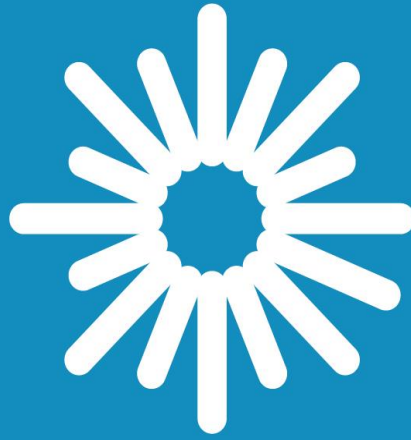


Preschool Toys



Outdoor & Sporting Toys





CHILLFACTOR™

## SLUSHY MAKER COLOUR BLAST

Introducing the next design evolution in the  
CHILL FACTOR™ Slushy Maker series – Colour  
Blast.





**Product Features:** More prominent branding on the silicone cup and plastic lid.

**Product Benefits:** Recognisable branding as we continue our evolution to an Internationally known brand. Refresh Colour Blast within product hierarchy.

**Product Features:**

Dual functionality to allow user to sip or pour chilled contents. Wider straw to allow for easy sipping. Aluminium water bag.

**Product Benefits:**

Never get caught without chilled water again. Perfect for athletic events. Encourages customers to take the magic of Chill Factor out of their home



Slushy Maker

Ice Twist

CHILLFACTOR™black





## Cocktail Maker

CHILLFACTOR<sup>™</sup>black



The logo features the text "Crackin' Eggs" inside a dark gray, egg-shaped oval. "Crackin'" is in white, and "Eggs" is in yellow. A trademark symbol (TM) is positioned to the upper right of "Eggs". The background of the slide has vertical stripes in yellow, blue, and green.

**Crackin'**  
**Eggs**<sup>TM</sup>

# CRACKIN' EGGS

The latest innovation in microwave cooking!

Perfect poached or scrumptious  
scrambled eggs with less mess  
and easy clean up

Dishwasher  
Safe

Easy grip  
surface

Fun, bold  
colours

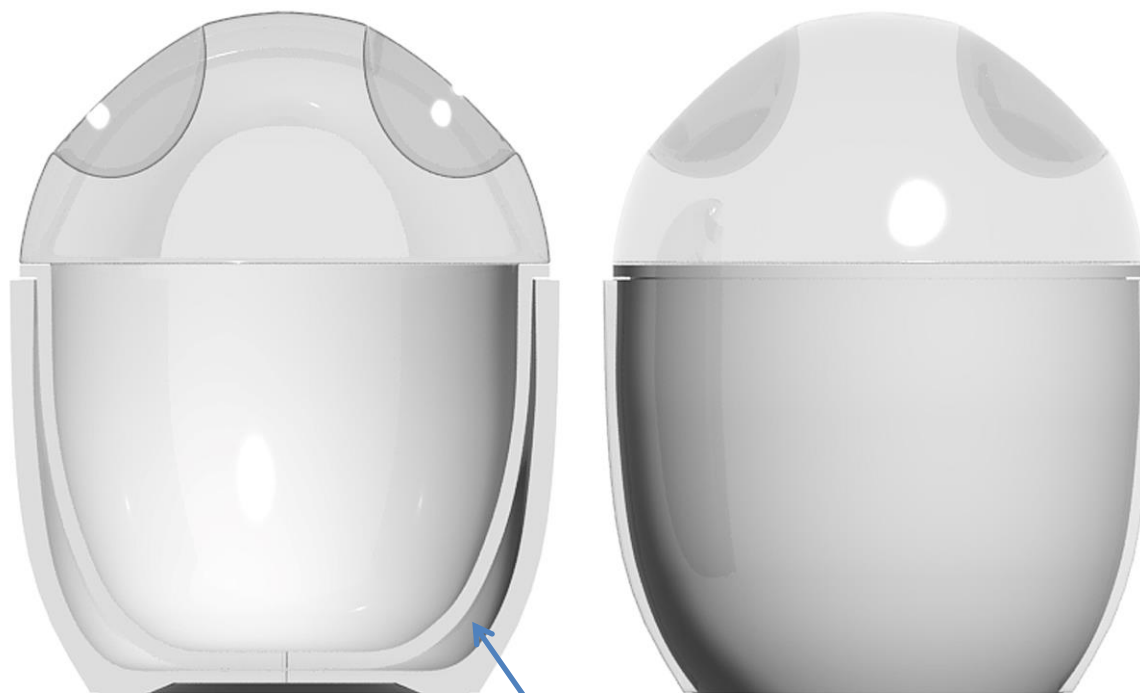
Double wall cup feature  
is cool to the touch,  
and safe to hold straight  
from the microwave



Create perfect eggs  
every time...in  
seconds

Perfect portion  
sized **Crackin'**  
**Eggs** Egg Cups  
so everyone can  
create their own  
healthy egg snack

**Crackin'**  
**Eggs**<sup>TM</sup>



### **Cool, Safe, Non-Slip Design**

The innovative double wall design provides isolation between the interior cavity and the exterior wall. It is this air chamber that maintains the exterior wall at a much lower temperature than the interior wall, therefore allowing the user to handle the Crackin' Eggs Egg Cup without the risk of burning.

# Crackin' Eggs: 3 Pack

## 2 x Small Egg Cups

Perfect for individual servings for after school snacks or breakfast on the go.

## 1 x Large Egg Cup

Great for Scrambled Eggs.



**Crackin'**  
**Eggs™**

# Crackin' Eggs: Single Pack

## 1 x Small Egg Cup

Perfect for individual servings for after school snacks, posy-gym workouts or breakfast on the go.





# CRACKIN' DEVELOPMENT



**CRACKIN'  
CORN**

**CRACKIN'  
RICE  
MAKER**



**CRACKIN'  
CAKE  
MAKER**

# Anylock

## ANYLOCK Bag Sealer

### Features

- A must have kitchen gadget
- Locks in freshness by securing the entire opening of your food bag
- Reusable plastic sealing prevents moisture and bugs from getting in your food
- Compact, easy to use and easy to store
- Assorted sizes work great on chip bags, snack bags, cereal bags, fresh and frozen foods, dry ingredients bags









### **Grill Daddy Cleans Your Grill with the Power of Steam**

Perfect for small to medium gas and charcoal grills - the Grill Daddy is the original "Revolutionary Grill-Cleaning Tool" that cleans grills in minutes...with the power of steam. No scraping needed. Easily steam away baked-on food, grease, and black residue. And best of all, brushes won't gunk up. Specially designed to clean and sanitize grills safely and thoroughly, the Grill Daddy keeps all grills looking brand new and keeps food tasting great.

### **Here's how it works**

The amazing Grill Daddy releases a measured amount of water that turns to grease-melting steam the instant it touches your preheated grill. This powerful sanitizing, liquefying action literally melts away charred build up. Just glide the stainless-steel brush along the grill. Use the scraper brush for tough grime and hard-to-clean areas. Unlike any other brush, the patented Grill Daddy is made from high-temperature heat-resistant ABS plastic and approved by the National Safety Foundation (NSF) for use with potable water. Brush heads are dishwasher-safe and safe to use on stainless steel, ceramic, and iron grills.







Hygiene & Well-Being

# Cyber Clean

## THE ORIGINAL



# Cyber Clean

## THE ORIGINAL



ersonal use only