

Fourth Quarter and Full Year 2017 Earnings Conference Call Presentation February 22, 2017

Participant Dial-In: (800) 708-4539 Passcode: 46403742# Playback available on www.JAKKS.com/Investors





EXECUTIVE TEAM ON THE CALL

STEPHEN BERMAN Chairman & Chief Executive Officer

DANNY SUNG Senior Vice President - Finance





SAFE HARBOR STATEMENT

The Company would like to point out that any comments made about JAKKS Pacific's future performance, events or circumstances, including 2017 estimates of sales and/or EBITDA growth, as well as any other forward-looking statements concerning 2017 and beyond are subject to Safe Harbor protection under Federal securities laws. These statements reflect the Company's best judgment based on current market trends and conditions today, and are subject to certain risks and uncertainties, which could cause actual results to differ materially from those projected in forward-looking statements. For details concerning these and other such risks and uncertainties, you should consult JAKKS' most recent 10-K and 10-Q filings with the SEC, as well as the Company's other reports, subsequently filed with the SEC from time to time. As a reminder, this conference is being recorded.





Q4 2017 RESULTS

(in US \$ millions, except per share data)

		Q4		
	2017	2016	\$Δ	%Δ
Net Sales	136.6	167.0	(30.4)	(18%)
Gross Profit %	22.1%	31.2%	(910) bps	
Net (Loss) Attributable to JAKKS	(30.4)	(7.6)	(22.8)	(301%)
Diluted (Loss) Per Share	(1.33)	(0.47)	(0.86)	(183%)
Adjusted EBITDA	(6.8)	4.0	(10.8)	(271%)

🚲 🔶 🥥 🛕 🎲 🍰 🔔 🛣 🛦 🐴 🚈 🏟 📩 🙆 🏷



PRODUCT CATEGORIES – NET SALES

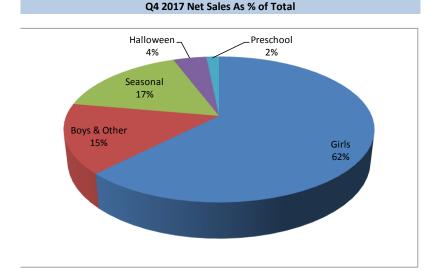
(In US \$ millions except per share data)

	Q4			
_	2017	2016	\$Δ	%Δ
Girls	85.2	101.4	(16.2)	(16%)
Boys & Other	21.1	25.5	(4.4)	(17%)
		_0.0	()	(=: , - ,
Seasonal	22.5	25.5	(3.0)	(12%)
Halloween	5.7	5.0	0.7	14%
Preschool	2.1	9.7	(7.6)	(78%)
Total	136.6	167.0	(30.5)	(18%)

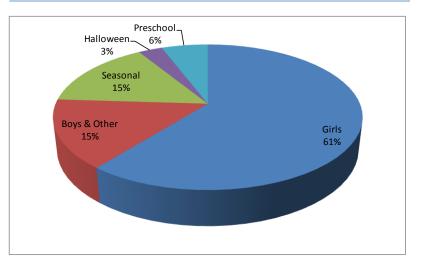




PRODUCT CATEGORIES



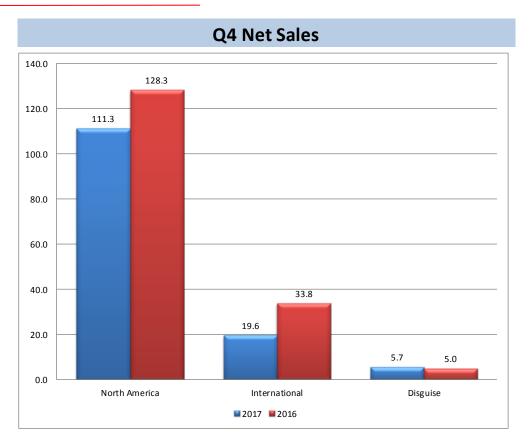
Q4 2016 Net Sales As % of Total







SEGMENT RESULTS







Q4 2017 RESULTS

(in US \$ millions, except per share data)

	Q4				
	2017	% of Sales	2016	% of Sales	%Δ
Net sales	136.6		167.0		-18.2%
Cost of sales	106.4	77.9%	114.9	68.8%	-7.4%
Gross profit	30.2	22.1%	52.1	31.2%	-42.1%
SG&A	56.7	41.5%	54.5	32.6%	4.1%
Operating Income (Loss)	(26.6)	19.5%	(2.4)	1.4%	NM
Interest Expense, net	(2.3)	1.7%	(3.5)	2.1%	33.5%
Other	0.8	0.6%	0.2	0.0%	NM
Provision for income taxes	0.7	0.5%	1.9	1.1%	-62.5%
Net (Loss) attributable to JAKKS Pacific, Inc.	(30.4)	22.3%	(7.6)	4.5%	-301.0%
(Loss) per share - diluted	\$ (1.33)	\$	(0.47)		183.0%
Adjusted EBITDA	(6.8)	5.0%	4.0	2.4%	-270.2%

🚲 🔶 🧔 🔝 🚵 🔔 🌋 🌋 🖄 🚳 📩 🙆 📩 🙆



Q4 2017 RESULTS (without charges)

(in US \$ millions, except per share data)

			Q4		
	2017	% of Sales	2016	% of Sales	%Δ
Net sales	136.6	i	167.0		-18.2%
Cost of sales	92.6	67.8%	114.9	68.8%	-19.4%
Gross profit	44.(32.2%	52.1	31.2%	-15.5%
SG&A	54.3	39.8%	54.5	32.6%	-0.4%
Operating Income (Loss)	(10.3) 7.5%	(2.4)	1.4%	-329.2%
Interest Expense, net	(2.3) 1.7%	(3.5)	2.1%	34.3%
Other	0.1	0.0%	0.2	0.1%	-2.0%
Provision for income taxes	0.7	0.5%	1.9	1.1%	63.2%
Tax Impact of Additional Charges	0.7	NM	_	NM	NM
Net (loss) attributable to JAKKS Pacific, Inc.	(13.9) 10.2%	(7.6)	4.5%	82.9%
(Loss) per share - diluted	\$ (0.61)	\$ (0.47)		29.8%
Adjusted EBITDA	(6.8) 5.0%	4.0	2.4%	-270.0%

🚲 🔶 🧔 🔝 🚵 🔔 🌋 🌋 🖄 🚳 📩 🙆 📩 🙆



Q4 2017 RESULTS

(in US \$ millions)

	Q4			
_	2017	2016	\$Δ	%Δ
Cash Flow From Operations	17.2	37.4	(20.2)	(53.9%)
Free Cash Flow	12.8	33.9	(21.1)	(62.3%)





BALANCE SHEET HIGHLIGHTS

(in US \$ millions)

	As of Decem		
	2017	2016	\$Δ
Cash & Cash Equivalents and Restricted Cash	65.0	86.1	(21.1)
Accounts Receivable, net	142.5	173.6	(31.1)
Inventory, net	58.4	75.4	(17.0)
Accounts Payable and Accrued Liabilities	109.7	106.8	2.9
Working Capital	146.9	236.6	(89.7)





THANK YOU

