



Liolios Gateway Conference September 2018



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Highlights & Strategic Goals

Highlights:

- Transforming from toy to “kids’ consumer products” company
- Sales driven by new licenses, new IP, geographic and channel expansion
- Strong foundation of repeatable, evergreen brands
- Long-term licensing partnerships with leading global brands
- Top 6 manufacturer in the \$20B (retail) U.S. toy market (according to NPD June 2018)

Strategic Goals:

- Continue to build on solid base of evergreen properties and exclusive/private label product lines
- Build stable of owned IP
- Expand Studio JP’s production of animated content
- Enter new categories organically and through acquisitions, including non-toy consumer products for kids
- Broaden reach geographically and through online channels

Key Player Across Major Toy Categories

NPD Top 11 Toy Categories

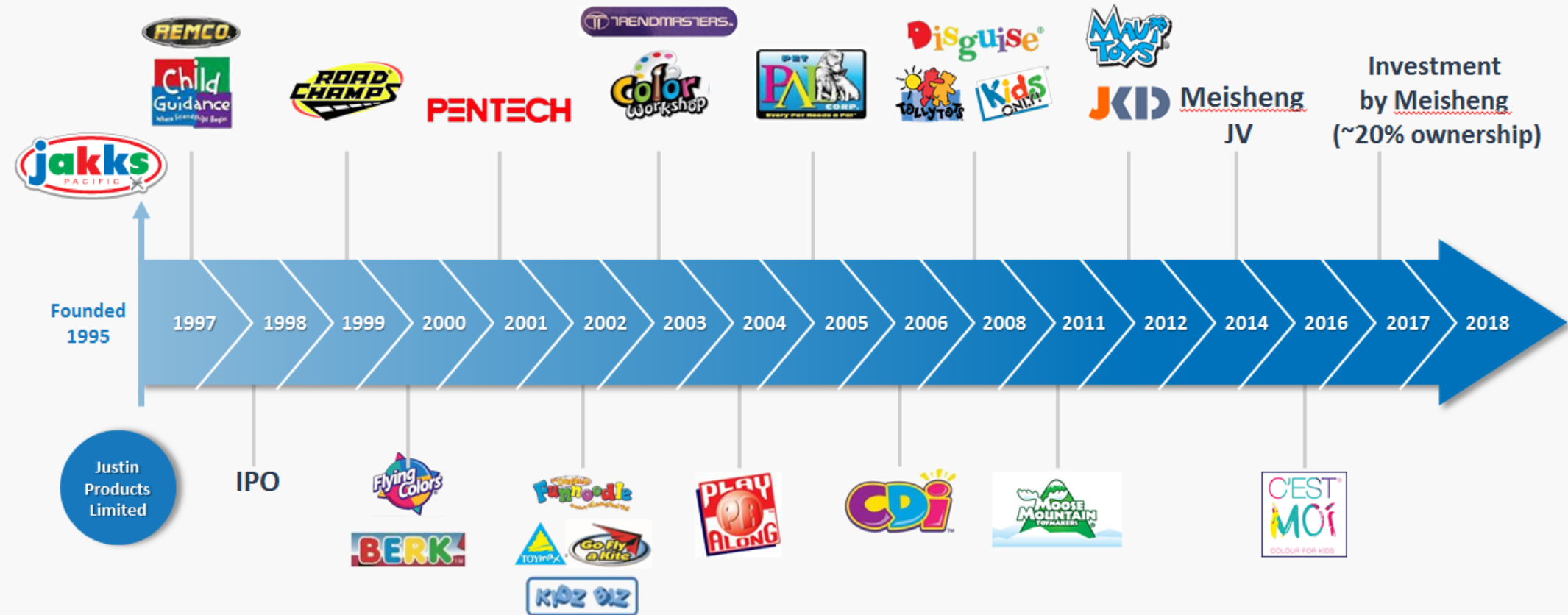


Additional JAKKS Categories

Dolls	✓
Games/Puzzles	✓
Action Figures & Accessories	✓
Infant/Toddler/Preschool	✓
Plush	✓
Vehicles	✓
Arts & Crafts	✓
Outdoor & Sports Toys	✓
Building Sets	
Youth Electronics	
All other toys	✓

Halloween & Role Play
Kids Furniture
Youth Skincare & Makeup

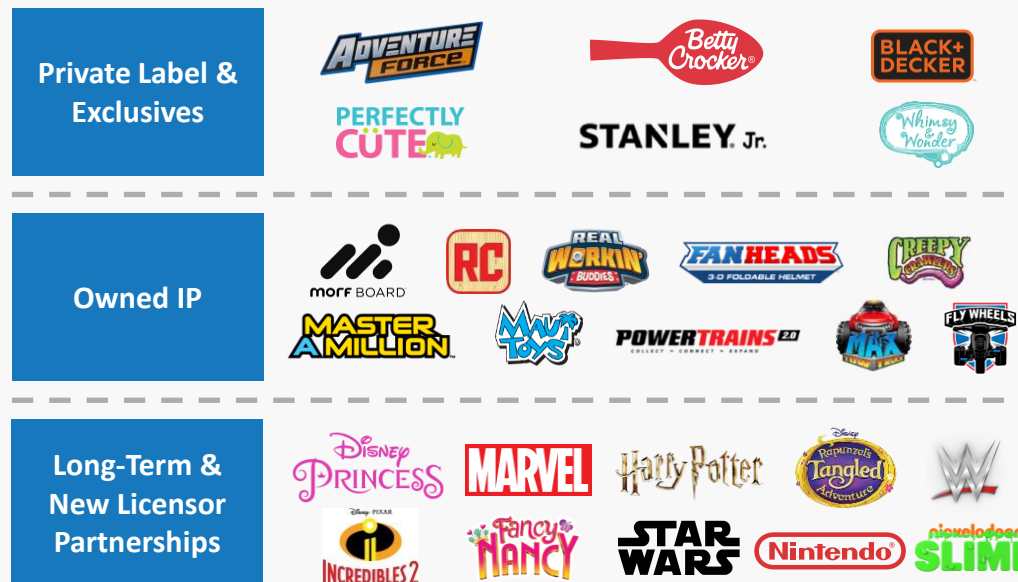
Track Record of Successful Acquisitions



Strong Portfolio of Brands Across Multiple Categories

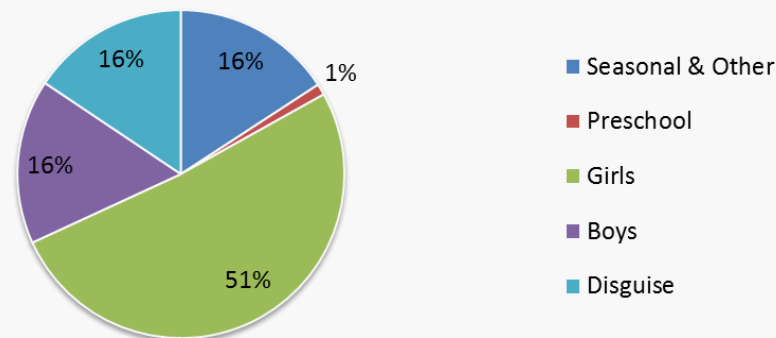
- Deep pool of owned and licensed brands across spectrum of toy categories, including Traditional Toys and Electronics, Role Play, Novelty and Seasonal Toys
- Focus on acquiring or licensing well-recognized trademarks and brand names as well as “evergreen brands” with long product histories
- Currently produces 8,000+ products for ages 3+
- Broad platform and industry expertise positioned successfully to acquire complementary businesses and grow the portfolio

Key Brands



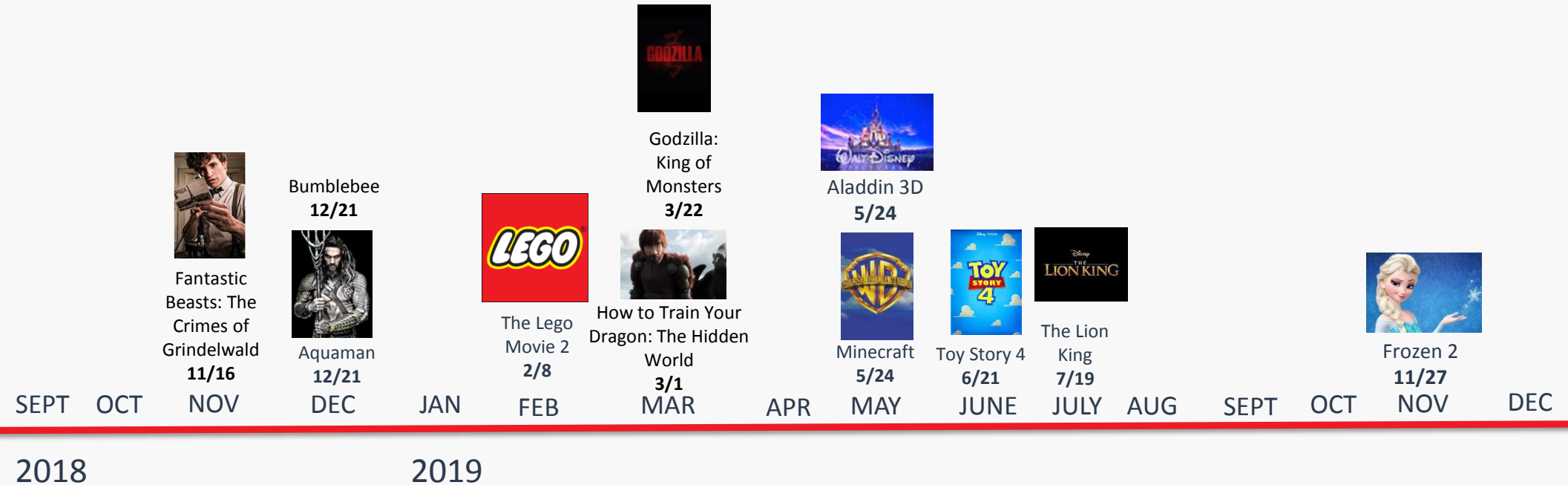
Net Sales By Category

(Jul 2017 - Jun 2018)



High-Profile Entertainment Licenses Create New Opportunities

*Wide variety of entertainment licensed across many product categories.
Content slate expected for 2019 looks promising.*



Robust Product Flow & Speed to Market

- Dedicated in-house design and marketing capabilities
- Product development cycle significantly faster than industry average
- Direct-to-retail distribution further reduces cycle time
- Hong Kong-based sourcing and operations (engineering, quality control, etc.)
- Vast array of third-party factories and production capabilities



Squish-Dee-Lish Case Study

- JAKKS spotted the rise in popularity of high-end slow-rise squishies on YouTube, and noticed they weren't available at mass retailers
- Within 9 months, JAKKS brainstormed different designs and styles, developed concepts, and went to mass market
- August 2017 Squish-Dee-Lish squishies are available at all major retailers

Tsum Tsum Case Study

- Launched as plush toys and app in Japan
- JAKKS spotted Tsum Tsum and instantly knew these Disney characters would also work as vinyl micro-collectible toys
- Within 3 months, JAKKS showed concepts and secured approvals from Disney
- Nov 2015, Tsum Tsum toys were exclusively at Target
- Jan 2016, product was in full distribution to mass retailers



Strategic expansion opens new distribution and licensing opportunities

- Experienced industry talent
- Direct selling and customized products at price points for each market
- O.E.M. sales to local licensees
- Capitalize on relationships with retailers and distributors
- Expanding footprint of direct sales network leads to greater licensing opportunities



Global Retail Partnerships

Shipped product to 65+ countries and growing

- US/Canada: 75,000+ doors
- UK: 3,000+ doors
- EMEA: 30,000+ doors
- Latin America: 15,000+ doors
- Asia: 1,000+ doors
- Australia: 800+ doors
- Mexico: 2,500 + doors



US/Canada



EMEA



Latin America



ASIA



Dedicating more resources to online retailers

- Online sales worldwide are continuing to grow at a rapid pace (including dedicated “e-tailers” and the dot.com sites of traditional retailers)
- Sales and marketing resources dedicated to online retailer customers
- Distribution infrastructure in place to optimize sales to online retailers and shipments to consumers
- Sales to online retailers grew in 2017, despite overall sales decline



- C'est Moi continues to grow distribution in Q3 & Q4 with new business activations with Amazon, Walmart.com, Riley Rose (A subsidiary of Forever 21), Ricky's NYC, Fab Fit Fun and Zulily (a subsidiary of QVC).
- On August 1st, C'est Moi debuted 11 NEW products to strengthen its assortment by introducing key products that address acne, and popular categories such as facial masks in addition to bath and body.
- C'est Moi continues to grow its exposure through its social channels, influencer network, press mentions and recent features at the Teen Choice Awards and Step Up Partnership events, including Pop Up Partnership Events held by the Environmental Working Group (EWG).
- Influencer content, new retailer activations and merchandising opportunities continue to drive awareness and conversion for C'est Moi.





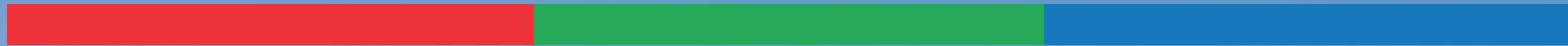
- Joint venture with Meisheng, leading Chinese animation company
- Jared Wolfson recently rejoined JAKKS, following years as a leading producer of content for Disney, Nickelodeon, Netflix and others
- High quality animated content to support JAKKS Brands
- Initial focus on short form, web-distribution
- Future new revenue streams from content distribution



Investment Highlights

- 1 Leading manufacturer within the \$20bn US toy market
- 2 Strong portfolio of highly recognizable, owned, licensed and exclusive brands across multiple categories
- 3 Long-term licensing relationships with leading global content developers
- 4 Global network of best-in-class retail partners
- 5 Established worldwide footprint with high operating leverage
- 6 Foundation for continued future growth through new licenses, new IP and geographic & channel expansion
- 7 Founder-led management team with deep industry experience

Financial Snapshot



Key Stats

Trading Information (@ Aug 29, 2018)

Stock Price **\$2.55**

52 Week High/Low ⁽¹⁾ \$3.60/\$1.95

Avg. Daily Vol. (3 mo.) ⁽¹⁾ 60K

Shares Outstanding 29.2M

Public Float (excl. >5% owners) ⁽¹⁾ 39%

Insider Holdings 34%

Valuation Measures

Market Cap **\$74.5M**

Enterprise Value \$189.0M

EV/Revenue (LTM) 0.3X

EV/Adj. EBITDA (LTM) 21.7X

P/E (LTM) N/M

- 1) Source is CapIQ.
- 2) See attached reconciliation.
- 3) Includes restricted cash.

Financial Data (@ June 30, 2018)

Net Sales (LTM) **\$597.8M**

Adj. EBITDA (LTM)⁽²⁾ \$8.7M

EPS (LTM) (\$4.48)

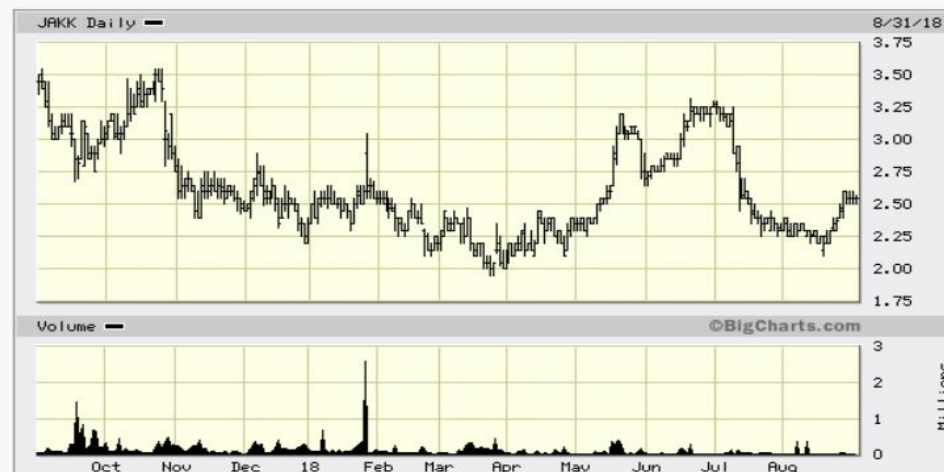
Cash & Equiv.⁽³⁾ \$63.0M

Total Assets \$348.9M

Total Debt \$177.5M

Total Liabilities \$308.6M

Equity \$40.3M



Adjusted EBITDA Reconciliation



NASDAQ: JAKK

(In US\$ millions)

LTM June 30, 2018

Net income (loss)	\$	(102.8)
Income from joint ventures		(0.2)
Other income		(0.2)
Loss on extinguishment of convertible senior notes		0.9
Interest income		(0.1)
Interest expense		8.5
Provision for (benefit from) income taxes		1.4
Depreciation and amortization		18.3
Goodwill and other intangibles impairment		13.5
Write-off of investment in DreamPlay LLC		7.0
Acquisition related and other		0.3
Restricted stock compensation expense		2.6
Bad debt write-offs		21.4
Inventory impairment		9.6
Change in fair value of convertible senior notes		3.4
Restructuring charge		1.1
Minimum guarantee shortfalls		23.9
Adjusted EBITDA	\$	8.7

