



## ASX RELEASE

3 September 2020

### Speaker Notes from Tinybeans Investor Presentation

**Tinybeans Group Limited (ASX: TNY)** (“Tinybeans” or “the Company”), the technology platform that connects parents with the most trusted tools and resources on the planet to help every family thrive, is pleased to share the speaker notes for the investor presentation recently posted and can be found [here](#).

Tinybeans CEO, Eddie Geller said,

*“We are pleased to provide investors with these speaker notes with the key aspects of the most recent investor presentation.*

*The team is working hard to deliver on all our growth initiatives and I'm proud to say that the year has started very well for us all. Not only are we endeavouring to drive all facets of the business, but we're doing that while embracing many cultural developments happening in society. These stem from equality and inclusiveness that are vital to improve the wellbeing of all. Plus enable evolutions in the product set to further attract more diverse audiences. I'm excited to provide the market updates not only in operational results but product enhancements as there will many through the next 12 months and beyond.*

*We hope this information is informative and continues to showcase our strategy in becoming the most trusted parenting platform on the planet. We also hope these materials convey the potential of TNY, and confidence as we deliver on the Company's tremendous potential.”*

This announcement was approved for release by the CEO.



The notes below are to be used in conjunction with the TNY Investor presentation posted on the [ASX](#) on August 28, 2020.

## Pages

### 1. Welcome to Tinybeans

Good morning and welcome to Tinybeans financial results briefing for the 12-month period ending 30 June 2020 (FY20).

Thank you for taking part in this virtual presentation.

My name is Eddie Geller, Managing Director and CEO of Tinybeans

### 2. Tinybeans at a Glance

For those of you that are new to the story, page 2 provides a snapshot of the company and our performance in recent years. The company has delivered revenue growth averaging 81% year on year since FY16. Completing FY20 with approximately \$6M in revenues is a very pleasing result given the challenges in the second half.

### 3. Strong Growth and Performance

The company has delivered strong growth over the past 12 months across all key metrics, from premium subscriptions being up 42%, to advertising revenues up 61%. Beyond the stellar financial metrics, the key takeaway here is with the tremendous growth of our active audience of now just on 3.7 million monthly users, it positions the company for even more growth in the years to come. This is of notable importance given the richer parenting services we're looking to launch through the next 12 to 24 months.

### 4. FY20: From the CEO

Beyond the financial metrics, the company has undergone a transformation through FY20. From acquiring Red Tricycle and completing its integration, to onboarding a new leadership team based in the U.S. taking the company forward. Now, all marketing, sales, product and engineering resides in the market its designing the product for. Furthermore, this new team has already begun to deliver success with new brand wins such as Apple, Google and General Mills to name a few. Cash in bank at June 30 of \$5.2M enables us to invest in growth and strive to deliver larger returns in years to come.



## **5. Record Revenue Growth**

With the enhanced value proposition, new key brands contributed to the 54% lift in revenue growth in FY20, a staggering 236% of growth over a two year period.

## **6. COVID-19 Update**

The company has taken many steps to insulate the business where possible and used the challenges of the global pandemic as a means to become even stronger.

## **7. Advertising Value Proposition**

The platform provides advertisers a complete offering to ensure that their messages are presented to the right audience at the right time to drive engagement and any other metrics the advertiser is utilizing to measure success with.

## **8. YouTube Kids Case Study**

Tinybeans was successful in winning YouTube Kids as a new brand account in FY20 across both the Red Tricycle and Tinybeans platforms. The campaign was very effective for the client as illustrated by the campaign metrics where we delivered results three times higher than industry benchmarks.

## **9. Premium Subscriptions**

FY20 delivered another solid year for premium subscriptions, underpinned by 12-month retention metric which hit a record 90%. This means that 90% of premium customers that signed up 12 months earlier are being retained on the platform and continued with their subscription. This continued devotion drove contract value to hit a record \$2.26M.

## **10. Scalability and Operating Leverage**

As you can see from the chart on the right, the pace at which revenues climbed in Q4 was faster than incurred costs. The merged operations between the two companies are complete, with a headcount of around 50.



The key takeaway here is that the company delivered a 91% gross margin for FY20, putting the company in an enviable position that will enable it to continue to grow revenues without a large increase in cost. With advertising and premium subscriptions driving 95% of the revenues, the high margins here should sustain into the future.

## **11. Trading Update – FY21 to Date**

As anticipated, FY21 has commenced very well for the company with all key performance metrics on the up, which is particularly unusual given the summer months in the U.S. region. Advertising and premium revenues have continued to increase and are at record highs compared to the same period 12 months earlier. Typically this quarter is a softer advertising quarter yet we are seeing growth ahead of the industry. The really exciting update is that our value proposition to advertisers has continued to resonate, bringing in amazing new large brands such as Walmart and SpinMaster. And, with Google increasing their investments from previous years, has allowed for a great start to this new fiscal.

## **12. Market Opportunity**

As I am sure everyone can appreciate, the market for babies and parenting is immense. Whether you are evaluating it based on product spend in the U.S., which is well over \$1 trillion, or just in digital advertising, which last year overtook TV as the main channel for advertising in the world, the market for targeting parents and their families cannot be ignored.

As we evolve the product experience to offer richer consumer services that will enable ecommerce and service based revenues, the data suggests that the company should be able to grow ARPU at a faster rate once the new features are enabled on the platform. Plus the ability to target not only parents, but their extended family, who love to spoil the children in their lives, the platform will offer a unique ability to expand revenues through them also.

## **13. On Demand Parenting Journey**

This page illustrates the very small set of questions, every parent (and sometimes the grandparent) in the world asks at various times of their parenting journey. Tinybeans will not be designed to answer every question a parent may have, however we will create a product that assists with a large subset of these.



Whether it is, “What to do this weekend?” or “What should I do when my child does X?”, or gifts to buy them. We are building a platform that will not only assist parents by offering them ways to have these questions answered, but also enable 3<sup>rd</sup> parties to create shop fronts and have their products recommended at various times for the parent and their child. When we have the customer at the centre of everything and we remain authentic and relevant, the potential to help them and in turn have them transact is very high.

#### **14. Audience Growth & Monetization**

Our strategy is to broaden the experience on the app and platform to go beyond the photos and the basic content. We are building an experience that will offer community engagement beyond just your family. Parents will be able to find other parents that are similar to them based on their stage of parenting and engage in various ways. As that engagement grows, which will drive content and product recommendations, we see substantial monetization opportunities in relation to these interactions. Whether they are subscription or transactional based, there are a myriad of services that will be offered to parents enabling them to engage daily, while the company grows its offerings and in turn revenues from these customers. The key takeaway here is around the entire experience as it relates to a stage/milestone in a child's life. Be relevant in it and monetize it.

#### **15. FY21 Key Execution Priorities**

As I have shared in previous points, there are many facets of our strategy that are critical to get right this year to ensure success in audience growth and in turn revenues in future years. This page points to the critical elements that the company will focus on to enable this growth. With that said, as all investments need evaluation, we have outlined here the barometer for success so the market can assess our results directly. We are expecting these to drive growth not only this year but form the basis for accelerated growth in future years. Whether its retaining our employees, or retaining our customers, we're very focused on these priorities this year and expect to update the market on our progress throughout.

#### **16. User Growth and Consumer revenue growth**

As I expressed in earlier points, we have a single sales team committed to growing ad revenues with the current platform. While this continues to grow, our product and



engineering teams are focused on redesigning the app and web experience to drive, not only accelerated growth in user sign ups, but also consumer revenues. These revenues will be formulated from new subscriptions, ecommerce and other transaction revenues. Having said this, to accelerate user growth, countless experiments will be run on the platform to determine the best way to retain a customer and in turn monetize them. This is why we expect flat to linear growth in user sign ups over the next 12 months or so, with user growth beginning to accelerate after that. In conclusion here, we are driving the strategy to enable consumer based revenue streams to be larger than advertising revenues within 3 years.

## 17. Why Tinybeans?

Tinybeans has not only built a loyal and growing fan base among parents and their families, but is also growing and diverse revenue streams with large brand advertising and consumer driven subscriptions. With the brand trust we have amassed to forge with millions of families around the world, validated by a world class net promoter score of over 70, the company is in an enviable position to not only grow off the back of these facets but also grow a brand that we believe will last generations.

### For more information, please contact:

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### About Tinybeans Group

**Tinybeans Group Limited (ASX: TNY)** is a mobile and web-based technology platform that connects parents with the most trusted digital tools and resources on the planet to help every family thrive. Being Apple's App of the Day in the U.S. in October 2019 and again in March 2020, puts Tinybeans in the elite company of best apps in the world!

Tinybeans (now with Red Tricycle) serves a deeply engaged user base in over 200 countries/territories and enjoys over 100,000 5-star reviews in the Apple App Store and the Google Play stores.

[www.tinybeans.com](http://www.tinybeans.com)