

Spin Master Reports Very Strong Q2 2017 Financial Results

Revenue growth of 54%; Adjusted EBITDA growth of 72%; Raises guidance for 2017

TORONTO, Aug. 1, 2017 /CNW/ - Spin Master Corp. ("Spin Master" or the "Company") (TSX: TOY www.spinmaster.com), a leading global children's entertainment company, today announced its financial results for the second quarter ended June 30, 2017. The Company's full Management's Discussion and Analysis and Unaudited Interim Consolidated Financial Statements for the three and six month periods ended June 30, 2017 are available on SEDAR (www.sedar.com) and posted on the Company's website at www.spinmaster.com/financial-info.php.

"The second quarter of 2017 was the highest revenue and EBITDA we have ever recorded," said Anton Rabie, Spin Master's Chairman and Co-Chief Executive Officer. "Sales growth, complemented by improved operating leverage, resulted in Q2 Adjusted EBITDA¹ increasing over 72% from Q2 2016. The quarter was also highlighted by the launch of *Hatchimals Colleggtibles*, which have been selling out at retail globally; the success of this product demonstrates the strength of *Hatchimals* as a recognizable global brand. Subsequent to quarter-end, we acquired Aerobie, a leading manufacturer of outdoor flying disks and sports toys. The acquisition underlines our focus on leveraging our strong foundation in the Outdoor business segment, following our 2016 acquisition of Swimways."

Q2 2017 Financial Highlights Compared to the Same Period in 2016²

- Revenue of US\$276.7 million increased 54.2% from US\$179.4 million. Excluding revenue from Swimways, which was acquired in Q3 2016, Q2 revenue grew 37.4%
- In Constant Currency¹ terms, revenue increased by 55.9%
- Gross Product Sales¹ increased 52.2% to US\$283.2 million, compared to US\$186.0 million, driven by sales of *PAW Patrol*, *Hatchimals* and Swimways, which more than offset declines in *Secret Life of Pets* and *Angry Birds* licensed products and *Spy Gear*. Excluding Swimways, Gross Product Sales¹ grew 35.0%
- Gross Product Sales¹ increased 60.3% in North America, 32.4% in Europe and 42.4% in the Rest of World. International Gross Product Sales¹ on a combined basis represented 30.9% of total Gross Product Sales¹
- Other Revenue, which primarily reflects merchandising royalty and television distribution income from products marketed by third parties using Spin Master's owned intellectual property, as well as app revenue from Toca Boca and Sago Mini, increased to US\$17.6 million from US\$12.4 million. The increase was primarily driven by licensing and merchandising revenue
- Gross profit increased 54.4% to US\$141.4 million, representing 51.1% of revenue, compared with US\$91.6 million, or 51.1% of revenue in 2016. The steady gross margin rate reflects the positive product mix effect of higher sales of owned intellectual property products and higher Other Revenue, offset by lower gross margin Swimways sales
- Selling, general and administrative expenses ("SG&A"), excluding share-based compensation expenses, represented 39.4% of revenue compared to 41.3%, reflecting an increase in the Company's operating leverage
- Net income was US\$22.1 million, or US\$0.22 per share, compared with US\$3.6 million, or US\$0.04 per share
- Adjusted Net Income¹ was US\$22.2 million, or US\$0.22 per share, compared to US\$11.7 million, or US\$0.12 per share
- Adjusted EBITDA¹ was US\$43.7 million compared with US\$25.4 million; Adjusted EBITDA Margins¹ increased to 15.8% compared to 14.2%, primarily due to improved operating leverage
- Free Cash Flow¹ was US\$24.8 million compared to US\$(11.0) million, primarily due to higher cash from operating activities partially offset by higher television show production spend
- On April 28, 2017, Spin Master acquired certain assets of Marbles, a leader in brain-building and high-quality games, for consideration of US\$4.7 million, which was paid in Q1 2017 and funded from existing cash resources. The Company incurred approximately \$1.2 million in transaction related costs. Marbles' operations are included in the Activities, Games & Puzzles and Fun Furniture business segment

"Spin Master continues to successfully execute on its growth strategies, demonstrated by our exceptional Q2 results," said Ben Gadbois, Spin Master's President & COO. "Our 36-month brand innovation pipeline is a key driver in our very strong revenue growth. Our international business continues to expand. During the quarter we launched *PAW Patrol* and *Hatchimals* in China, and initial reception to these brands has been very positive. Our acquisition strategy continues to contribute to revenue and earnings growth. Having just closed Marbles and Aerobie, our 6th and 7th acquisitions post our initial public offering, we are maintaining our proven acquisition approach to ensure we leverage Spin Master's global infrastructure and capitalize on growth opportunities."

"We continue to see tremendous value in content creation," said Ronnen Harary, Spin Master's Co-Chief Executive Officer. "Innovative, original and meaningful content represents a valuable proprietary platform from which we are able to develop new products, entertainment franchises and digital properties. We are executing on the strategy of content creation through our internally developed entertainment properties, such as *PAW Patrol*, *Rusty Rivets* and a new slate of exciting properties for 2018

and beyond, but also by partnering on new and established licensed content."

Q2 2017 Gross Product Sales¹ by Business Segment (US\$ millions)

	Q2 2017	Q2 2016	% Change
Activities, Games & Puzzles and Fun Furniture	\$57.8	\$53.5	8.0%
Remote Control and Interactive Characters	\$84.0	\$20.4	310.9%
Boys Action and High-Tech Construction	\$17.6	\$37.5	(53.1%)
Pre-School and Girls	\$90.2	\$74.6	20.9%
Outdoor	\$33.6	-	n/a
Gross Product Sales¹	\$283.2	\$186.0	52.2%
Other Revenue	\$17.6	\$12.4	42.2%
Sales Allowances ¹	(\$24.1)	(\$19.0)	26.7%
Revenue	\$276.7	\$179.4	54.2%

June 30, 2017 Year to Date ("YTD") Results Compared to the Same Period in 2016

For the six months ended June 30, 2017, Spin Master generated revenue of US\$504.4 million, an increase of 47.9% from US\$341.1 million. In Constant Currency¹ terms, revenue increased by 49.6%. Excluding the acquisition of Swimways, YTD revenue increased 29.1% to US\$440.3 million. YTD Gross profit increased to US\$254.7 million, or 50.5% of revenue, compared with US\$177.0 million, or 51.9% of revenue. SG&A expenses YTD, excluding share based compensation expenses associated with equity participation agreements and the grants of restricted share units to employees at the initial public offering, represented 40.4% of revenue compared to 41.5% last year. YTD Net income was US\$32.2 million, or US\$0.32 per share, an increase of 137.9% from US\$13.5 million, or US\$0.14 per share. Adjusted Net Income¹ YTD was US\$35.8 million, or US\$0.35 per share, up 53.6% from US\$23.3 million, or US\$0.24 per share. YTD Adjusted EBITDA¹ increased to US\$74.5 million, up 51.0% from US\$49.4 million. Adjusted EBITDA Margins¹ YTD increased slightly to 14.8% from 14.5%. YTD Free Cash Flow¹ was US\$29.8 million compared to US\$5.3 million.

Q2 YTD Gross Product Sales¹ by Business Segment (US\$ millions)

	Q2 YTD 2017	Q2 YTD 2016	% Change
Activities, Games & Puzzles and Fun Furniture	\$105.8	\$103.2	2.5%
Remote Control and Interactive Characters	\$130.5	\$42.0	210.4%
Boys Action and High-Tech Construction	\$30.7	\$60.5	(49.2%)
Pre-School and Girls	\$174.9	\$154.1	13.5%
Outdoor	\$70.3	-	n/a
Gross Product Sales¹	\$512.3	\$359.8	42.4%
Other Revenue	\$38.1	\$18.4	107.1%
Sales Allowances ¹	(\$46.0)	(\$37.1)	23.8%
Revenue	\$504.4	\$341.1	47.9%

Q2 and YTD 2017 Business Segment Gross Product Sales¹ Compared to the Same Periods in 2016

Gross Product Sales¹ in the Activities, Games & Puzzles and Fun Furniture segment increased 8.0% and 2.5% for the Q2 and YTD periods respectively, primarily due to steady growth in *Cardinal*, *Etch A Sketch*, and *Kinetic Rock* which offset declines in *Kinetic Sand* and *Kinetic Foam*. Gross Product Sales¹ in the Remote Control and Interactive Characters segment increased 310.9% and 210.4% in the Q2 and YTD periods respectively, primarily due to sales of *Hatchimals*, *Hatchimals Colleggtibles* and *Zoomer Zupps* offsetting a decline in *Air Hogs*. Gross Product Sales¹ in the Boys Action and High-Tech Construction segment decreased 53.1% and 49.2% in the Q2 and YTD periods respectively, primarily due to the decline in *Angry Birds* and *Secret Life of Pets* licensed products, partially offset by the increase in sales of *Meccano*, *Tech Deck* and *Pirates of the Caribbean* licensed products. Gross Product Sales¹ in the Pre-School and Girls segment increased 20.9% and 13.5% for the Q2 and YTD periods respectively, driven by *PAW Patrol*, offset by declines in *Brightlings* and *Little Charmers*. Gross Product Sales¹ in the Outdoor segment reflected sales of Swimways pool and outdoor products under the *Swimways*, *Kelsyus* and *Coop* brands.

Outlook

For the full year 2017, excluding Swimways, Spin Master now expects organic Gross Product Sales¹ growth to be higher than the guidance provided in connection with the release of Q1 2017 results in May 2017, with organic Gross Product Sales¹ now expected to grow in the mid 20% range, relative to 2016. Previous guidance provided expected organic Gross Product Sales¹

growth to be at the upper end of the Company's mid to high single digit long term organic Gross Product Sales¹ growth target range. Including Swimways, Spin Master now expects Gross Product Sales¹ growth in the low 30% range compared to 2016. Previous guidance expected Gross Product Sales¹ growth in the low teens compared to 2016. Over the long term, the growth rate for organic Gross Product Sales¹ is expected to converge towards the Company's long-term target of mid-to-high single digit growth. Seasonality for 2017 is expected to be consistent with prior years. Adjusted EBITDA Margins¹ are also expected to increase compared with prior guidance. Including Swimways and Toca Boca, Adjusted EBITDA Margins¹ in 2017 are now expected to increase by approximately 100 basis points over 2016. Previous guidance expected Adjusted EBITDA Margins¹ for 2017 to be in line with 2016.

- 1 Non-IFRS financial measure. See "Non-IFRS Financial Measures" below.
- 2 The financial highlights in this release are presented in US\$ millions, whereas the financial information in the MD&A is presented in US\$ thousands. This may result in immaterial differences in the calculated percentages reflected between the two documents.

Subsequent Events

On July 28, 2017, Spin Master acquired certain assets of Aerobie Inc., a leading manufacturer of outdoor flying disks and sports toys, for US\$10.65 million. The purchase consideration was financed from internal cash resources. The Aerobie portfolio will be managed by Swimways as part of the *Coop* family of outdoor leisure products and will be reported in the Outdoor business segment. Aerobie was founded in Palo Alto, CA in 1984 and focuses on creating high performance flying toys, resulting in the ground-breaking flying ring format. The Aerobie portfolio of flying discs includes the *Pro Ring*, *Superdisc* and *Sprint Ring* and the *Orbiter Boomerang*.

Conference call

Ben Gadbois, Global President & Chief Operating Officer, and Mark Segal, Executive Vice President and Chief Financial Officer will host a conference call to discuss Q2 2017 results on Wednesday, August 2, 2017 at 9:30 a.m. (ET).

The call-in numbers for participants are (647) 427-7450 or (888) 231-8191. A live webcast of the call will be accessible via Spin Master's website at: <http://www.spinmaster.com/events.php>. Following the call, both an audio recording and transcript of the call will be archived on the same website page.

About Spin Master

Spin Master (TSX:TOY; www.spinmaster.com) is a leading global children's entertainment company that creates, designs, manufactures, licenses and markets a diversified portfolio of innovative toys, games, products and entertainment properties. Spin Master is best known for award-winning brands including *Zoomer*®, *Bakugan*®, *Meccano*®, and 2017 Toys of the Year, *Hatchimals*®, *Air Hogs*® and *PAW Patrol*®. Since 2000, Spin Master has received 83 TIA Toy of the Year (TOTY) nominations with 25 wins across a variety of product categories, including 13 TOTY nominations for Innovative Toy of the Year, more than any of its competitors. To date, Spin Master has produced six television series, including 2007 success *Bakugan Battle Brawlers* and current hit *PAW Patrol*, which is broadcast in over 160 countries and territories globally. Spin Master employs over 1,500 people globally with offices in Canada, United States, Mexico, France, Italy, United Kingdom, Slovakia, Poland, Germany, Sweden, the Netherlands, China, Hong Kong, Japan, Vietnam and Australia.

Non-IFRS Financial Measures

In addition to using financial measures prescribed under IFRS, references are made in this press release to "Adjusted EBITDA", "Adjusted EBITDA Margin", "Adjusted Net Income", "Free Cash Flow", "Gross Product Sales", "Constant Currency" and "Sales Allowances", which are non-IFRS financial measures. Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

Adjusted EBITDA is calculated as EBITDA (i.e., net earnings before borrowing costs, taxes and depreciation and amortization) excluding one time or other non-recurring items that do not necessarily reflect the Company's underlying financial performance, including share based compensation expenses, foreign exchange gains or losses, restructuring costs, public offering costs and write downs, among other items. Adjusted EBITDA is used internally as the key benchmark for incentive compensation and by management as a measure of the Company's profitability.

Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by revenue. Management uses Adjusted EBITDA Margin to evaluate the Company's performance compared to internal targets and to benchmark its performance against key competitors.

Adjusted Net Income is calculated as net income excluding one time or other items that do not necessarily reflect the Company's underlying financial performance including foreign exchange gains or losses, restructuring costs, the accounting effect of the phantom equity expense and write downs, among other items and the corresponding impact these items have on income tax expense. Management uses Adjusted Net Income to understand the underlying financial performance of the business on a consistent basis over time.

Constant Currency represents Revenue and Gross Product Sales results that are presented excluding the impact from changes in foreign currency exchange rates. The current period and prior period results for entities reporting in currencies other than the US dollar are translated using consistent exchange rates, rather than using the actual exchange rate in effect during the respective periods. The difference between the current period and prior period results using the consistent exchange rates reflects the changes in the underlying performance results, excluding the impact from fluctuations in foreign currency exchange rates.

Free Cash Flow is calculated as cash from operations before changes in working capital less capital expenditures plus any cash used in brand or business acquisitions. Capital expenditures include expenditures on assets such as property, plant, equipment (primarily expenditures of tooling) and the production of television properties. Management uses the Free Cash Flow metric to analyze the cash flow being generated by the Company's business.

Gross Product Sales represent sales of the Company's products to customers, excluding the impact of marketing, incentive and Sales Allowance adjustments. Changes in Gross Product Sales are discussed because, while Spin Master records the details of such Sales Allowances (in its financial accounting systems at the time of sale in order to calculate revenue, such Sales Allowances are generally not associated with individual products, making revenue less meaningful when comparing its product category and geographical segment results to highlight trends in Spin Master's business.

Sales Allowances represent marketing and sales credits requested by customers relating to factors such as co-operative advertising, contractual discounts, negotiated discounts, customer audits, volume rebates, defective products, and costs incurred by customers to sell the Company's products and are booked as a reduction to Gross Product Sales. Management uses Sales Allowances to identify and compare the cost of doing business with individual retailers, different geographic markets and amongst various distribution channels.

Management believes that Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Free Cash Flow and Gross Product Sales are important supplemental measures of operating performance and highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management believes that Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Free Cash Flow, Gross Product Sales and Sales Allowances allow for assessment of the Company's operating performance and financial condition on a basis that is more consistent and comparable between reporting periods. The Company believes that lenders, securities analysts, investors and other interested parties frequently use these non-IFRS financial measures in the evaluation of issuers.

The following table presents a reconciliation of Net Income to EBITDA, Adjusted EBITDA and Adjusted Net Income, and Cash from (used in) Operations to Free Cash Flow for the three month and six month periods ended June 30, 2017 and 2016. All references to \$ refer to US\$:

(All amounts in US\$ 000's)

	Fiscal Three Months Ended, June 30			
	2017	2016	\$ Change	% Change
Net income (loss)	\$ 22,114	\$ 3,598	18,516	514.6%
Income tax expense (recovery)	\$ 8,431	\$ 1,056	7,375	698.4%
Finance costs	\$ 2,439	\$ 1,852	587	31.7%
Depreciation and amortization	\$ 10,602	\$ 7,526	3,076	40.9%
EBITDA (1)	\$ 43,586	\$ 14,032	29,554	210.6%
Normalization Adjustments:				
Restructuring (2)	\$ 434	\$ 275	159	57.8%
Foreign exchange loss (gain) (3)	\$ (6,706)	\$ 4,065	(10,771)	-265.0%
Stock Based Compensation (4)	\$ 2,857	\$ 7,017	(4,160)	-59.3%
Impairment of Intangible Asset (5)	\$ 2,316	\$ -	2,316	n.m.
Acquisition Related Incentive Compensation (6)	\$ 281	\$ -	281	n.m.
Extraordinary transaction costs (7)	\$ 956	\$ -	956	n.m.
Adjusted EBITDA (1)	\$ 43,724	\$ 25,389	18,335	72.2%
Income tax expense (recovery)	\$ 8,431	\$ 1,056	7,375	698.4%
Finance costs	\$ 2,439	\$ 1,852	587	31.7%
Depreciation and amortization	\$ 10,602	\$ 7,526	3,076	40.9%
Tax effect of normalization adjustments (9)	\$ 35	\$ 3,257	(3,222)	-98.9%
Adjusted Net Income (1)	\$ 22,217	\$ 11,698	10,519	89.9%
Cash from (used in) operations	\$ 19,668	\$ (21,434)	41,102	-191.8%
Plus:				
Changes in working capital	\$ 23,870	\$ 24,634	(764)	-3.1%
Cash from (used in) operations before working capital changes	\$ 43,538	\$ 3,200	40,338	n.m.
Less:				
Cash from (used in) investing	\$ (23,378)	\$ (44,370)	20,992	-47.3%
Plus:				

Cash used for license, brand and business acquisitions	\$	4,675	\$	30,144	(25,469)	-84.5%
Free Cash Flow (1)	\$	24,835	\$	(11,026)	35,861	-325.2%

Footnotes:

- 1) See "Non-IFRS Financial Measures".
- 2) 2017 and 2016 restructuring primarily related to organizational changes.
- 3) Transaction gains and losses generated by the effect of foreign exchange recorded on assets and liabilities denominated in a currency that differs from the functional currency of the applicable entity are recorded as foreign exchange gain or loss in the period which they occur.
- 4) Stock based compensation is related to expenses associated with subordinate voting shares granted to equity participants and restricted stock units granted to employees at the time of the IPO and share option expense.
- 5) Impairment of Intangible asset related to Content Development, Licenses, Trademarks and Brands.
- 6) Remuneration expense associated with contingent consideration for the Swimways acquisition.
- 7) Extraordinary transaction costs relating to Marbles acquisition in the second quarter of 2017.
- 8) Tax effect of normalization adjustments (Footnotes 2-7). Normalization adjustments tax effected at the effective tax rate of the given period.

n.m. means not meaningful.

(All amounts in US\$ 000's)

Fiscal Six Months Ended, June 30					
	2017	2016	\$ Change	% Change	
Net income (loss)	\$ 32,201	\$ 13,535	18,666	137.9%	
Income tax expense (recovery)	\$ 12,287	\$ 5,561	6,726	120.9%	
Finance costs	\$ 5,303	\$ 3,612	1,691	46.8%	
Depreciation and amortization	\$ 19,816	\$ 12,898	6,918	53.6%	
EBITDA (1)	\$ 69,607	\$ 35,606	34,001	95.5%	
Normalization Adjustments:					
Restructuring (2)	\$ 1,186	\$ 931	255	27.4%	
Foreign exchange loss (gain) (3)	\$ (8,405)	\$ (975)	(7,430)	762.1%	
Stock Based Compensation (4)	\$ 5,581	\$ 13,801	(8,220)	-59.6%	
Impairment of Intangible Asset (5)	\$ 2,701	\$ -	2,701	n.m.	
Amortization of fair market value adjustments (6)	\$ 2,355	\$ -	2,355	n.m.	
Acquisition Related Incentive Compensation (7)	\$ 561	\$ -	561	n.m.	
Extraordinary transaction costs(8)	\$ 956	\$ -	956	n.m.	
Adjusted EBITDA (1)	\$ 74,542	\$ 49,363	25,179	51.0%	
Income tax expense (recovery)	\$ 12,287	\$ 5,561	6,726	120.9%	
Finance costs	\$ 5,303	\$ 3,612	1,691	46.8%	
Depreciation and amortization	\$ 19,816	\$ 12,898	6,918	53.6%	
Tax effect of normalization adjustments (9)	\$ 1,362	\$ 4,006	(2,644)	-66.0%	
Adjusted Net Income (1)	\$ 35,774	\$ 23,286	12,488	53.6%	
Cash from (used in) operations	\$ 44,537	\$ (17,273)	61,810	-357.8%	
Plus:					
Changes in working capital	\$ 20,432	\$ 44,688	(24,256)	-54.3%	
Cash from (used in) operations before working capital changes	\$ 64,969	\$ 27,415	37,554	n.m.	
Less:					
Cash from (used in) investing	\$ (39,811)	\$ (64,215)	24,404	-38.0%	
Plus:					
Cash used for license, brand and business acquisitions	\$ 4,675	\$ 42,133	(37,458)	-88.9%	
Free Cash Flow (1)	\$ 29,833	\$ 5,333	24,500	459.4%	

Footnotes:

- 1) See "Non-IFRS Financial Measures".
- 2) 2017 and 2016 restructuring primarily related to organizational changes.
- 3) Transaction gains and losses generated by the effect of foreign exchange recorded on assets and liabilities denominated in a currency that differs from the functional currency of the applicable entity are recorded as foreign exchange gain or loss in the period which they occur.
- 4) Stock based compensation is related to expenses associated with subordinate voting shares granted to equity participants and restricted stock units granted to employees at the time of the IPO and share option expense.

- 5) Impairment of Intangible asset related to Content Development, Licenses, Trademarks and Brands.
- 6) Amortization of Fair Market Value adjustments relating to acquisition of Swimways in the third quarter of 2016.
- 7) Remuneration expense associated with contingent consideration for the Swimways acquisition.
- 8) Extraordinary transaction costs relating to Marbles acquisition in the second quarter of 2017.
- 9) Tax effect of normalization adjustments (Footnotes 2-7). Normalization adjustments tax effected at the effective tax rate of the given period.

n.m. means not meaningful.

Forward-Looking Statements

Certain statements, other than statements of historical fact, contained in this press release constitute "forward-looking information" within the meaning of certain securities laws, including the *Securities Act* (Ontario), and are based on expectations, estimates and projections as of the date on which the statements are made in this press release. The words "plans", "expects", "projected", "estimated", "forecasts", "anticipates", "indicative", "intend", "guidance", "outlook", "potential", "prospects", "seek", "strategy", "targets" or "believes", or variations of such words and phrases or statements that certain future conditions, actions, events or results "will", "may", "could", "would", "should", "might" or "can", or negative versions thereof, "be taken", "occur", "continue" or "be achieved", and other similar expressions, identify statements containing forward-looking information. Statements of forward-looking information in this press release include, without limitation, statements with respect to: the Company's outlook for 2017 (see "Outlook"); future growth expectations; the Company's operating momentum, financial position, cash flows and financial performance; the Company's future growth, drivers for such growth, and the successful execution of its strategies for growth; the seasonality of financial results and performance; and expected entertainment properties for 2018 and beyond.

Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made in this press release, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect. In addition to any factors and assumptions set forth above in this press release, the material factors and assumptions used to develop the forward-looking information include, but are not limited to: the expanded use of advanced technology, robotics and innovation the Company applies to its products will have a level of success consistent with its past experiences; the Company will continue to successfully secure broader licenses from third parties for major entertainment properties consistent with past practices; the expansion of sales and marketing offices in new markets will increase the sales of products in that territory; the Company will be able to successfully identify and integrate strategic acquisition opportunities; the Company will be able to maintain its distribution capabilities; the Company will be able to leverage its global platform to grow sales from acquired brands; the Company will be able to recognize and capitalize on opportunities earlier than its competitors; the Company will be able to continue to build and maintain strong, collaborative relationships; the Company will maintain its status as a preferred collaborator; the culture and business structure of the Company will support its growth; the current business strategies of the Company will continue to be desirable on an international platform; the Company will be able to expand its portfolio of owned branded intellectual property and successfully license it to third parties; use of advanced technology and robotics in the Company's products will expand; access of entertainment content on mobile platforms will expand; fragmentation of the market will continue to create acquisition opportunities; the Company will be able to maintain its relationships with its employees, suppliers and retailers; the Company will continue to attract qualified personnel to support its development requirements; and the Company founders will continue to be involved in the Company and that the risk factors noted below, collectively, do not have a material impact on the Company.

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Company, could cause actual results to differ materially from the forward-looking information in this press release. Such risks and uncertainties include, without limitation, the factors discussed under "Risk Factors" in the Company's continuous disclosure documents filed under the Company's profile on SEDAR (www.sedar.com) including the Company's MD&A and Annual Information Form. These risk factors are not intended to represent a complete list of the factors that could affect the Company and investors are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

SOURCE Spin Master Corp.

For further information: Mark Segal, Executive Vice President and Chief Financial Officer, marks@spinmaster.com; Karoline Hunter, Senior Director, Investor Relations & Associate General Counsel, karolineh@spinmaster.com

<https://spinmaster.mediaroom.com/2017-08-01-Spin-Master-Reports-Very-Strong-Q2-2017-Financial-Results>