

Spin Master Announces Acquisition of GUND from Enesco

Acquisition Expands Spin Master's Brand Portfolio With New Plush Toy Business

TORONTO, March 5, 2018 /CNW/ - Spin Master Corp. (TSX:TOY; www.spinmaster.com), a leading global children's entertainment company, is pleased to announce the purchase of GUND, the oldest soft toy brand in the United States, from Enesco LLC, a portfolio company of Balmoral Funds, a private equity firm.



Established in 1898, GUND is one of the leading plush toy manufacturers in the world, recognized by the American Brand Council as one of the most trusted toy brands in the U.S. Universally known and loved for its iconic "Gotta Getta GUND" campaign, the brand connects effortlessly with multiple generations of people who have shared special moments of their lives with this affordable luxury.

"GUND's iconic portfolio of toys has won the hearts – and hugs – of children around the world for more than a century," said Anton Rabie, Spin Master Co-Chief Executive Officer and Co-Founder. "We are thrilled to welcome GUND former owner and industry veteran, Bruce Raiffe, into the Spin Master family as our values closely align. We are focused on preserving GUND's excellent reputation rooted in quality product and cherished memories that last a lifetime."

According to a recent NPD report, the plush toy category grew 6% worldwide in 2017. With the acquisition of GUND, Spin Master will now have a solid platform from which to expand into the infant toy and specialty gift categories.

Spin Master Global President and COO Ben Gadbois feels the new acquisition closely aligns with Spin Master's key growth strategies. "GUND further diversifies our product line and opens up significant opportunities for broader distribution. We will also be able to drive international growth leveraging our well-established global infrastructure," he said. "GUND introduces Spin Master into the gift business as plush offers a tried-and-true play value for kids to enjoy with their parents during everyday moments."

Enesco CEO Todd Mavis is pleased that the iconic GUND brand will be in good hands, with the resources to maximize its global consumer appeal. "We've really enjoyed working with the entire GUND team and wish them continued success in their new partnership with Spin Master," said Mavis.

The acquisition of GUND marks Spin Master's 20th acquisition since the company was founded, and the ninth since its initial public offering in 2015. The purchase consideration is US\$79.1M, which will be settled utilizing Spin Master's internally generated cash resources and its credit facility. The acquisition of GUND is expected to close on April 1, 2018.

*Source: The NPD Group / Retail Tracking Service, January-December 2017

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®*, *Erector®* by *Meccano®*, *Hatchimals®*, *Air Hogs®* and *PAW Patrol®*. Since 2000, Spin Master has received 92 TIA Toy of The Year (TOTY) nominations with 28 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 1,600 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.

About Enesco

Enesco, LLC is a global leader in the gift, home décor and plush toy industries with a portfolio that includes some of the world's

most recognizable brands and licenses, including Gund®, Jim Shore Heartwood Creek®, Walt Disney Archives™, Disney Showcase®, Disney by Britto™, Department 56® Village, Pusheen™, Designs by Lolita®, and Our Name Is Mud®. Serving more than 40,000 customers worldwide, the company designs, develops and distributes consumer products to a wide variety of specialty card and gift retailers, home décor boutiques, national retail chains and direct-to-consumer retailers. Enesco is owned by Balmoral Funds, a Los Angeles-based private equity firm founded in 2005. Balmoral focuses on partnering with talented and committed management teams to invest in and revitalize companies.



SOURCE Spin Master

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