

Funko

Q4 2025 EARNINGS

March 12, 2026



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Executive Summary





CEO

Josh Simon

“We closed the year with two consecutive quarters of solid financial results. Our fourth quarter performance was driven by strong sales of entertainment properties, notably KPop Demon Hunters and Stranger Things, as well as our Bitty Pop! franchise and the launch of Pop! Yourself in Europe.

"Looking ahead, we're excited about the 2026 entertainment slate and executing our 'Make Culture POP!' strategy -- winning the moments that shape culture, scaling storytelling across new products and platforms, expanding our touchpoints with fans and driving profitable growth.”



Executive Summary

Funko delivered better-than-expected Net Sales and Adjusted EBITDA and improved its Balance Sheet

- Net sales of \$273M were above expectations, on strong sales of KPop Demon Hunters, Stranger Things, Bitty Pop!; launch of Pop! Yourself in Europe.
- Adjusted EBITDA¹ of \$23M or 8.5% of net sales was at the high end of guidance range.
- Paid down \$16M of debt in Q4 and entered into Amendment #5 of our credit agreement in February, extending maturity to December 2027.

Advanced “Make Culture Pop!” strategy, announced new partnerships, and renewed key licensing deals

- Continued to build out “Make Culture POP!” growth strategy, with initiatives to add new fandoms and new form factors, increase speed to market, nurture collector community and expand internationally.
- Met with key retail partners at the Toy Fairs in London, Nuremberg and New York for joint business planning discussions for 2026 and beyond.
- Renewed key licenses with major studio partners including Disney (Pixar, Marvel and Lucasfilm), Warner Brothers, NBC Universal, 20th Century Studios and Paramount.
- Announced new creative relationship with film and television production company Rideback to develop original film, TV and animated content.

Positive outlook for 2026

- FY’26 guidance includes net sales growth in the low-single-digits and substantial improvement in profitability
- Strong entertainment content slate across big studio franchises and properties in Funko’s wheelhouse



¹ Adjusted EBITDA and adjusted EBITDA margin are non-GAAP measures. For a reconciliation of adjusted EBITDA and adjusted EBITDA margin to the corresponding U.S. GAAP measure, please see Appendix.

MAKE CULTURE

Turning pop culture into collectibles & collectibles into culture



CULTURE generates demand

Being at the center of moments fans care about, while they're happening

- Franchise selection across 900+ licenses
- New & emerging fandoms
- Rapid response sensing & drops



CREATIVITY gives it form

Creating products that are a canvas for iconic & scalable collectibles and stories

- Extensions of core franchises
- New formats & categories
- Original and owned IP
- Core collectibles



COMMERCE puts it in fans' hands

Meeting fans everywhere they are, turning shelves into stages

- Direct-to-consumer
- Retail partner expansion
- International scale
- Physical + digital experiences

Operate efficiently to grow profitably

SKU discipline & assortment focus

Supply chain as an advantage

AI and analytics as force multipliers






Financial Summary

X-Men '97 –
Storm
1/6 Scale
Figure



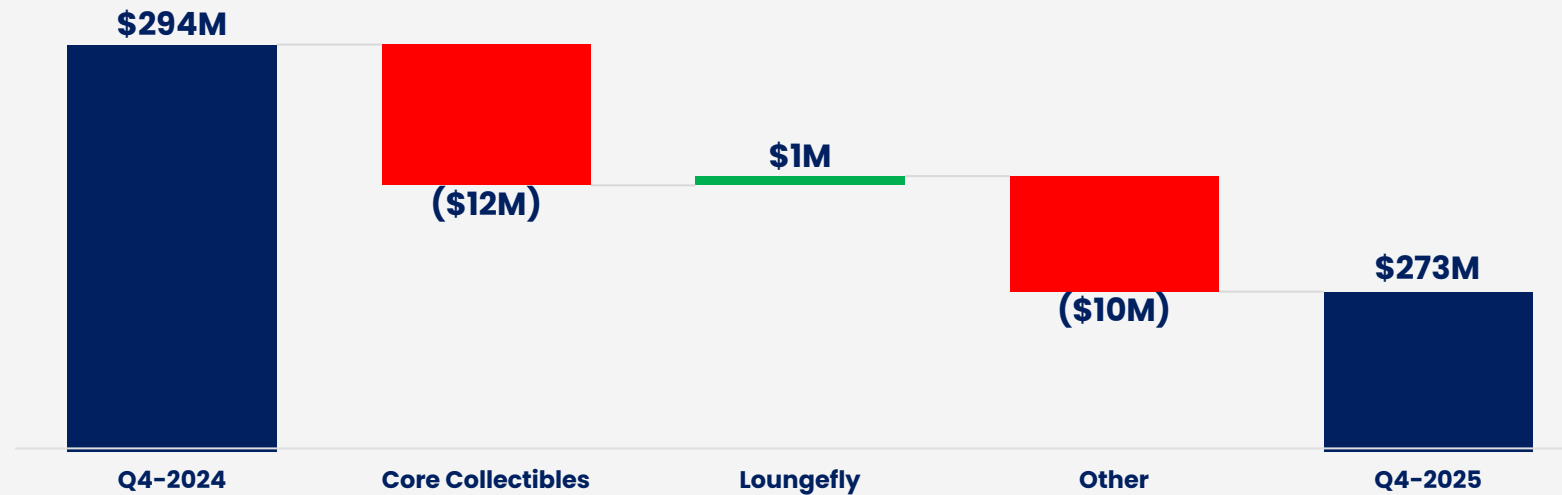
Q4'25 Results Above Guidance

	Guidance	Actual		Commentary
Net sales	Q4 sales up modestly vs. Q3 (\$251M)	Q4 sales (\$273M) were up 9% vs. Q3		Better-than-expected on strong sales of KPop Demon Hunters, Stranger Things, Bitty Pop!; launch of Pop! Yourself in Europe
Gross margin	~40%	40.9%		Slightly better-than-expected on lower allowances for discounts
Adj. EBITDA margin¹	Mid-to-high single digits	8.5%		At the upper-end of expectations on strong net sales and gross margin as well as SG&A management

¹ Adjusted EBITDA and adjusted EBITDA margin are non-GAAP measures. For a reconciliation of adjusted EBITDA and adjusted EBITDA margin to the corresponding U.S. GAAP measure, please see Appendix.



Q4'25 Net Sales Bridge



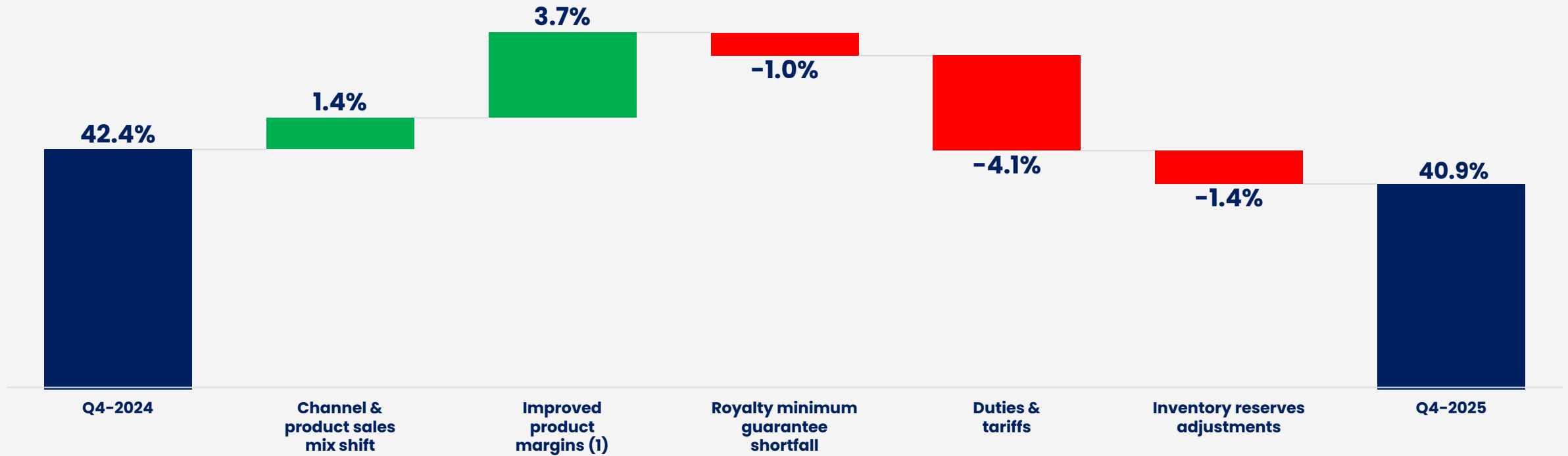
Core Collectibles: Net sales related to core collectibles declined \$12M, primarily in the United States, reflecting the continued impact of tariff disruption and macroeconomic uncertainty. The decline was partially offset by growth in Bitty Pop!

Loungefly - Improved trend in Q4 across all channels.

Other - The majority of the Other sales decline can be attributed to broader profit improvement plans, which included rationalizing underperforming SKUs and product lines.



Q4'25 Gross Margin Bridge



(1) Product margin is equal to gross product sales less factory costs over gross product sales

2026 Outlook

	Q1'26 Guidance	Full Year Guidance	Commentary
Net sales (vs. LY)	Flat to down 2%	Flat to up 3%	Core Pop! sales expected to grow high-single-digit %, offset by a double-digit % decrease in Loungefly sales due to a significant reduction in less-profitable SKUs
Gross margin	~41% to 43%	~41% to 43%	Assumes ongoing tariff rates of ~15% in the U.S.
Adj. EBITDA¹	Approximately break-even	\$70 million to \$80 million	Substantial increase expected vs 2025 due to full year of price increases and cost reductions, materially lower royalty minimum guarantee payments

¹ Adjusted EBITDA is a non-GAAP measure. A reconciliation of the adjusted EBITDA outlook to the corresponding GAAP measure on a forward-looking basis cannot be provided without unreasonable efforts, as we are unable to provide reconciling information with respect to certain items. However, for the first quarter of 2026 the company expects equity-based compensation of approximately \$4 million, depreciation and amortization of approximately \$15 million and interest expense of approximately \$5 million. For the full year 2026, the company expects equity-based compensation of approximately \$15 million, depreciation and amortization of approximately \$60 million and interest expense of approximately \$18 million, each of which is a reconciling item to net loss.



Brand Highlights

KPop Demon
Hunters Exclusive
Derpy Cosplay
Light-Up Glow Mini
Backpack





Q4'25

Top 10 Properties

41%
of Q4 Net Sales

7%
of Q4 Net
Sales

1. **Funko**

2. **ONE PIECE**

3. **NETFLIX
STRANGER
THINGS**

4. **POKÉMON**

5. **KPOP
DEMON
HUNTERS**

6. **HELLO
KITTY**

7. **MARVEL**

8. **Disney
Lilo & Stitch**

9. **Harry Potter**

10. **Disney
MICKEY
AND FRIENDS**



Topps – 2026 MLB Series One Baseball Super Box

Funko is collaborating with Topps Trading Cards on its 2026 MLB Series One Baseball SuperBox. The SuperBox, now being sold in Walmart, Target, GameStop, Dick's Sporting Goods, select Major League Baseball team retailers and others, includes a Bitty Pop! mystery figure of a star MLB player, as well as a chance at a rare Funko trading card.

the toybook 
**PULSE
OF PLAY**
AWARDS

Viral Hit of the Year

Embracing Pop Culture: By winning the 2026 Viral Hit of the Year award for KPop Demon Hunters, Funko remains a defining voice in the pop culture industry.





Bitty Pop! Expansion

In Q4'25, Bitty Pop! was officially introduced in the toy aisle of **1,800** Walmart stores, helping to expand and strengthen our relationship with a key wholesale partner.



Appendix



Q4'25 Financial Summary

	Q4-2025	Q4-2024
Net sales	\$273.1 M	\$293.7 M
Gross margin	40.9%	42.4%
SG&A	\$90.9 M	\$102.8 M
Adjusted net income¹	\$2.5 M	\$4.4 M
Adj. EBITDA¹	\$23.3 M	\$26.3 M
Adj. EBITDA margin¹	8.5%	8.9%



¹ Adjusted net income, adjusted EBITDA and adjusted EBITDA margin are non-GAAP measures. For a reconciliation of adjusted net income, adjusted EBITDA and adjusted EBITDA margin to the corresponding U.S. GAAP measure, please see Appendix.

Reconciliation of Non-GAAP Financial Metrics

	Three Months Ended December 31,	
	2025	2024
	(in thousands)	
Net loss	\$ (180)	\$ (1,420)
Interest expense, net	5,199	4,212
Income tax expense (benefit)	1,436	1,705
Depreciation and amortization	14,778	16,174
EBITDA	\$ 21,233	\$ 20,671
Adjustments:		
Equity-based compensation ⁽¹⁾	2,630	3,072
Acquisition transaction costs and other expenses ⁽²⁾	(302)	1,583
Certain severance, relocation and related costs ⁽³⁾	—	12
Foreign currency transaction loss (gain) ⁽⁴⁾	208	380
Tax receivable agreement liability adjustments ⁽⁵⁾	(427)	547
Adjusted EBITDA	\$ 23,342	\$ 26,265
Adjusted EBITDA margin ⁽⁷⁾	8.5%	8.9%



Reconciliation of Non-GAAP Financial Metrics cont'd

	Three Months Ended December 31,	
	2025	2024
	(in thousands)	
Net loss	\$ (180)	\$ (1,420)
Equity-based compensation ⁽¹⁾	2,630	3,072
Acquisition transaction costs and other expenses ⁽²⁾	(302)	1,583
Certain severance, relocation and related costs ⁽³⁾	—	12
Foreign currency transaction loss (gain) ⁽⁴⁾	208	380
Tax receivable agreement liability adjustments ⁽⁵⁾	(427)	547
Income tax effect of adjustments and valuation allowance reversal ⁽⁶⁾	595	235
Adjusted net income	\$ 2,524	\$ 4,409



Reconciliation of Non-GAAP Financial Metrics cont'd

- (1) Represents non-cash charges related to equity-based compensation programs, which vary from period to period depending on timing of awards.

For the three months ended December 31, 2025, includes gain on the sale of certain assets held for sale. For the three months ended December 31, 2024, includes charges related to fair market value adjustments of certain assets held for sale, related to a potential business initiative.
- (2)
- (3) Represents certain severance, relocation and related costs.
- (4) Represents both unrealized and realized foreign currency losses (gains) on transactions other than in U.S. dollars.
- (5) Represents recognized adjustments to the tax receivable agreement liability.
- (6) Represents the income tax expense (benefit) effect of the above adjustments including adding back the valuation allowance related to the net loss. This adjustment uses an effective tax rate of 25% for all periods presented.
- (7) Adjusted EBITDA margin is calculated as Adjusted EBITDA as a percentage of net sales.

