



Value Investors: 1 High-Growth Stock to Own for the Next Decade

Description

Spin Master ([TSX:TOY](#)) is a leading global children's [entertainment company](#) creating exceptional play experiences through a diverse portfolio of innovative toys, entertainment franchises, and digital games. Spin Master is focused on growth through continuous innovation, international sales growth, developing evergreen global entertainment properties, establishing a leading position in digital games, and leveraging the company's global platform through strategic acquisitions.

Global scale

Over the past decade, Spin Master has expanded the company's international footprint, established sales and distribution offices around the world, and now distributes products in over 100 countries. During this time, Spin Master made strategic acquisitions of brands, resulting in significant growth, and diversifying brand portfolios and [expanding into new categories](#), while also providing recurring revenue and opportunities for further innovation.

Spin Master's diverse product offerings reduce the company's dependence on any single revenue stream, thereby improving the stability of the company's overall revenues and earnings. The company is currently the fifth-largest toy company and second-largest physical games company in the world. Spin Master has offices in major markets, including the United States, Canada, France, and Germany.

Significant market potential

Spin Master is a significant and valued partner for major toy retailers, inventors, entertainment companies, and suppliers. The company's global scale and reach has increased the market potential of the company's products and are attractive attributes to potential collaborators. Spin Master's scale and international infrastructure, combined with diversified product capabilities, represents a valuable asset when competing for new product opportunities and licences.

The company's broad international scale provides access to a large network of inventors, product developers and smaller regional toy companies, thereby increasing access to new ideas and

opportunities. Similarly, these potential collaborators recognize the benefits of Spin Master's global reach as it results in increased shelf space, enhancing the sales potential for the company's products. These attributes have helped Spin Master to develop strong relationships with major entertainment companies.

Diverse product portfolio

The company's distribution capabilities and strong relationships with these companies allow Spin Master to successfully compete against larger industry participants for entertainment licences. The breadth and diversity of Spin Master's portfolio provides the ability to effectively use the company's various development and marketing resources, advanced technologies, and other capabilities across all products, brands, and entertainment properties. Spin Master's scale also provides advantages in sourcing and supply chain management and provides operating leverage, as the company's fixed costs can be spread across a larger portfolio of products.

Spin Master's success in building strong, collaborative relationships is a key part of the company's culture. Since inception, the company has built a diverse network of collaborators around the world. In addition to toy inventors and designers, this network includes major entertainment studios, local and international broadcasters, engineering companies with unique technical expertise, animation studios, game developers, and other toy companies.

Spin Master's history of creating breakthrough, category-defining products with global appeal have enabled the company to build strong, enduring relationships with mass-market retailers, assisting it to secure prominent shelf space and online presence. At current market prices, the company appears to be significantly undervalued.

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