



# ERGOBABY INVESTOR PRESENTATION

June 2015





# ABOUT ERGOBABY

Industry: Premium designer, manufacturer and distributor of baby gear and care products – including baby carriers, travel systems, swaddlers and nursing pillows

Mission: We are dedicated to building a global community of confident parents with smart, ergonomic solutions that enable and encourage bonding between parents and babies.

Endorsements: Carrier listed as “one of the 20 best products in the last 20 years” by Parenting Magazine.

**QUICK  
FACTS:** \$82M in  
2014 sales

~100  
employees

Offices in  
US &  
Europe

Distributors  
in 50+  
countries

# INVESTOR HIGHLIGHTS



1. Premium baby brands with passionate consumer following
  - Ergobaby – Market Leader in ergonomic baby carriers for parent and baby comfort
  - Orbit Baby – User-centric innovative design travel systems featuring Smarthub™ solution
2. Positive industry dynamics
  - Baby Gear Market has stable growth
  - Millennial parents with higher disposable income
  - Growth in online research and shopping
3. Strong Growth Potential
  - Continuing brand momentum with proven marketing strategy
  - Continuing International Market expansion
  - Innovation in existing lines and Expanding into new categories
4. Seasoned Leadership Team from Diverse Industries
  - Management team in place since 2013
  - Backgrounds from Munchkin, Mattel, Emak, Guess? and Ideo Lab

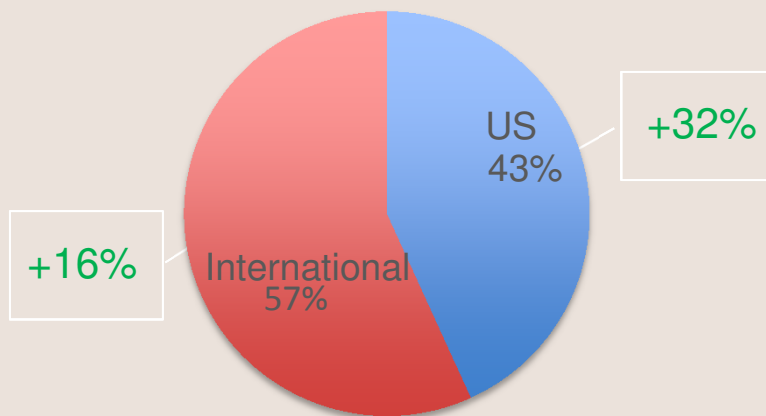
# SOLID FINANCIAL PERFORMANCE ACROSS BRANDS AND REGIONS



- 2014 revenue from Ergobaby grew 19.7%
- 2014 revenue from Orbit Baby increased 35.7%
- Major product innovations: Four-Position 360 carrier, Orbit Baby G3
- New product introductions drive +20% of revenues



2014 Carrier Sales by Region



- Continued growth in key markets of US, Europe, and Japan
- Working with a strong group of international distributors who share the same passion to grow globally

# 1. ERGOBABY SETS THE CARRIER STANDARD



The Original Carrier was introduced in 2003

Key Benefits:

- Wide Ergonomic Seat
- Padded Waistband and Shoulders
- Multiple Carry Positions for Parent

Why It Succeeded:

- Parents could wear baby **longer** due to increased **comfort**
- Attachment Parenting Community became ambassadors: babywearing = baby bonding



# 1. NEXT GENERATION OF CARRIER INNOVATION: THE FOUR POSITION 360



In 2014, launched the Four Position 360 in all global markets

## Key Benefits:

- Added front-outward carry option
- Bucket seat maintains an ergonomic alignment
- Wider velcro-waistband for increased back support

## Why it Succeeded:

- Broader target audience was looking for a comfortable forward-facing option
- It maintained the comfort standard we set with our Original Carrier

2014 results: Captured 19% of Ergobaby carrier sales in its first year of launch





# 1. ORBIT BABY LEADS TRAVEL SYSTEM DEVELOPMENT

Orbit Baby launched a completely modular travel system built around the patented Smarhub™

## Key Benefits:

- Car Seat could be put straight onto stroller frame without any attachments making it easy to move baby in and out of car
- Multiple seats developed that can all be used on the same stroller frame
- Became a travel system that could grow as the family grew
- Patented rotation feature gives baby a 360-degree view of the world



360° seat rotation for easy docking and 360° view



Dual seating modes for optimal strolling & jogging experience

Unique suspension for smooth ride

Latest game-changing innovation: O2, an industry-first hybrid stroller + jogger

## 2. BABY PRODUCTS: ATTRACTIVE MARKET WITH POSITIVE GROWTH



- US Baby Durables Market estimated at \$9.1B in 2014 with increase of 1.2% over 2013\*
  - Sales at current prices expected to grow moderately through 2019 to \$10.1B (11% higher vs. 2014)
- Demographics Improving
  - Birth rates have stabilized and starting to improve
- 43% of births in 2013 were to women age 30+ → more established in their careers & higher discretionary income
- Some 23% of women 35+ have a HHI of \$100K+
- This group likely to be more educated about baby durables, since many have multiple children and are **interested in buying quality products even if it means paying more.**

\*Mintel Report – US Baby Durables April 2015

N=1062 parents 18 years old+ with children under 4 years old



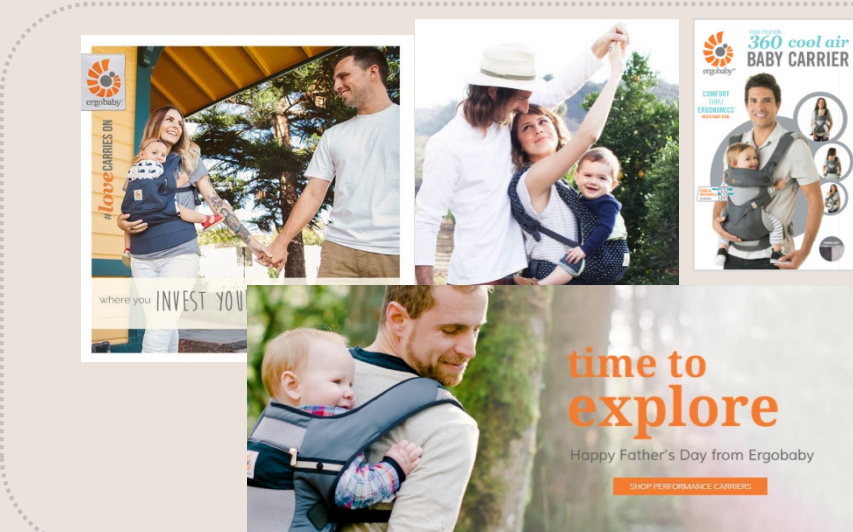
# 2. MILLENNIAL MOMS ARE THE TARGET AUDIENCE



**90%**  
of all new American moms are Millennials

Millennials represent **\$170 billion** in annual purchasing power

Millennials are willing to pay for **quality & innovation**



Brands that target *moms & dads* appeal to Millennials, who view parenting as a *team sport*, with more equal gender roles.

51% of Millennials look to customer reviews before purchase

Ergobaby Original Baby Carrier - Black/Camel - One Size  
from ERGObaby  
★★★★☆ 498 customer reviews

ERGObaby Four Position 360 Baby Carrier, Grey  
from ERGObaby  
★★★★☆

Orbit Baby G3 Stroller Seat, Black  
from Orbit Baby  
★★★★☆ 36 customer reviews | 12 answered questions

Ergobaby Performance Collection Carrier, Charcoal Grey  
from ERGObaby  
★★★★☆ 131 customer reviews

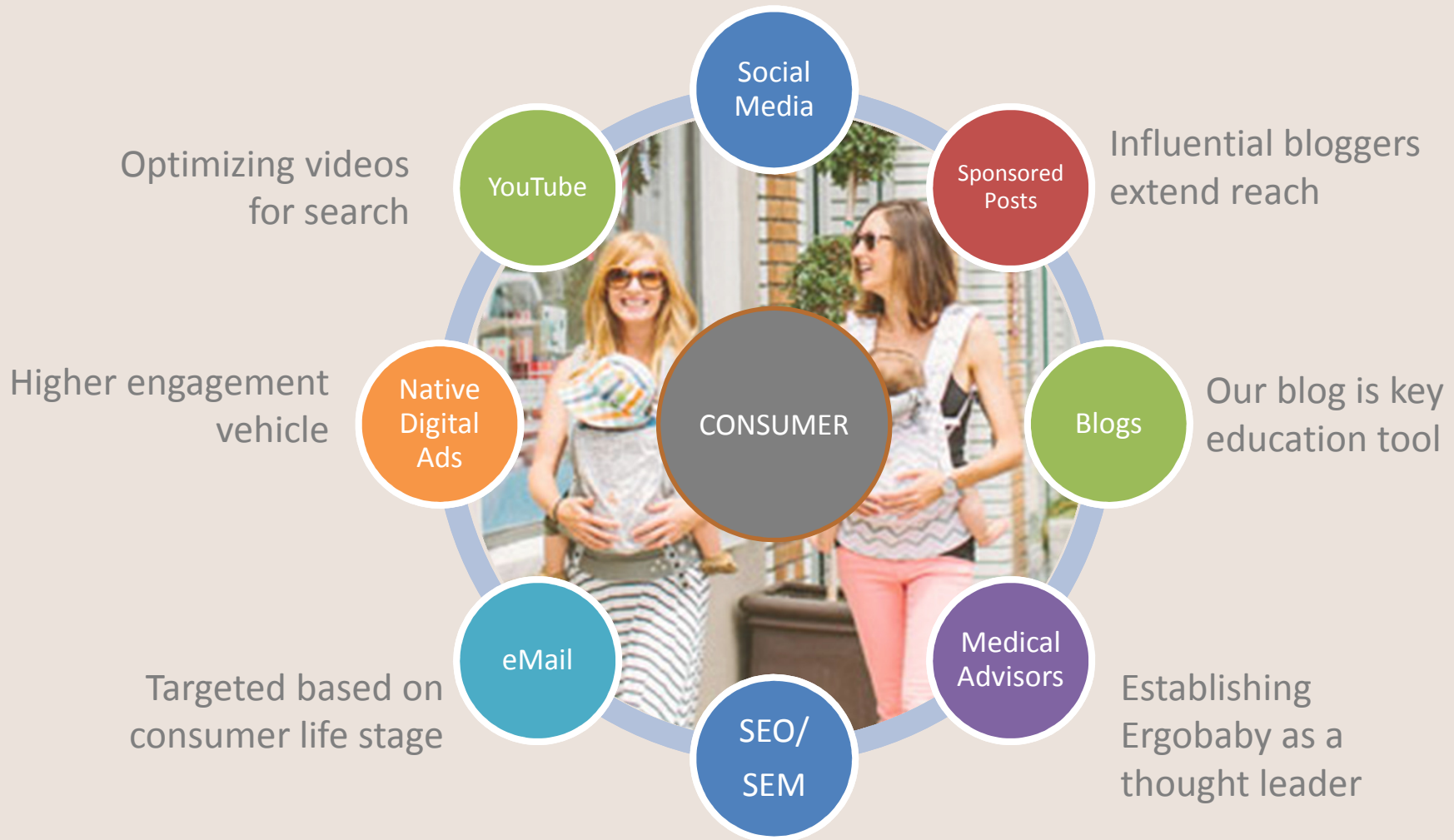


Millennials value brands with an *authentic narrative*. Beyond communicating product attributes, brands must *tell stories*, create *share-worthy content* & foster an *experience* around a product

# 3. GROWING BRAND EQUITY THRU DIGITAL AND SOCIAL COMMUNITY



>200k community



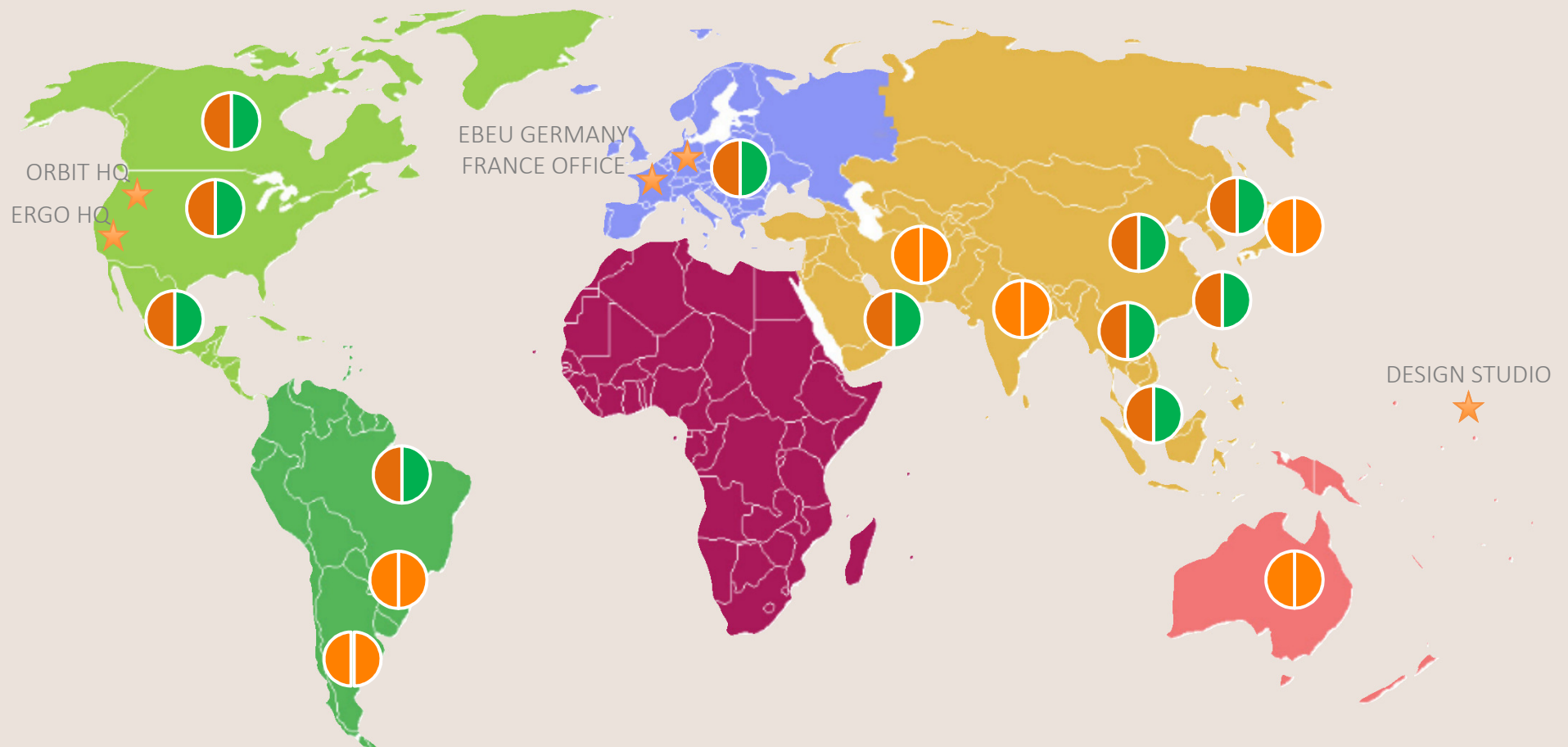
# 3. GROWING GLOBAL REACH



Distributors present in 50+ Countries

- Orbit 17 distributors worldwide
- Ergo 25 distributors worldwide

Ergobaby  Orbit Baby



### 3. GROWTH IN EXPANDING CATEGORY PRESENCE



Carriers are at the the core of the our business. With acquisition of Orbit Baby in 2011, product line extended into travel systems. Today, we are extending Ergobaby brand into new product categories.

<b>Brand</b>					
<b>Activity</b>	Babywearing	Nurse	Sleep	Stroll	Drive
<b>Unique Positioning</b>	<p>Giving new parents a confident babywearing, nursing, and bedtime experience with amazing comfort for both parent and baby</p>			<p>Premium travel system that provide innovative safety &amp; convenience on everyday travels</p>	
<b>Categories</b>	<p>Baby Carriers Swaddlers Nursing Pillows (launched Q2 2015)</p>			<p>Car Seats Strollers</p>	

# 3. EXCITING NEW LINE AND CATEGORY EXPANSIONS



- Delivers innovation in comfort, ergonomics and transport – all core competencies
- Appeals to our existing consumer base



Swaddler

Positions baby to sleep longer and more peacefully

Key features:

- Arm pockets for a more secure swaddle
- Hip positioner to allow for movement of baby's hips and legs



Nursing Pillow

Curved foam positions baby tummy to tummy with mom for more comfortable breastfeeding experience

Key features:

- Firm foam that will not collapse over time
- Curved shape to help to better position baby and mom
- Removable cover for easy cleaning



Orbit Baby O2

A hybrid stroller that goes from trail run to coffee run

Key features:

- Smarthub™ allows for interchangeability of seats
- Adjustable seat position allows for ideal aerodynamics when jogging back to higher mode when strolling so baby can take in world with you
- Seat rotates 360 degrees to allow for parent-baby interaction

## 4. SEASONED LEADERSHIP TEAM FROM DIVERSE INDUSTRIES



Name	Title	Hire	Background
Margaret Hardin	Chief Executive Officer	2013	<ul style="list-style-type: none"> <li>• President of Munchkin, Inc (2008-2013)</li> <li>• COO of Munchkin, Inc (2003-2008)</li> <li>• CFO of Munchkin, Inc (2000-2003)</li> <li>• Finance at Procter &amp; Gamble</li> </ul>
Mike Sanders	CFO and COO	2013	<ul style="list-style-type: none"> <li>• CFO at Big Strike</li> <li>• CFO at EMAK Worldwide</li> <li>• 10 years at Ernst &amp; Young</li> </ul>
Yann Boulbain	SVP, Global Sales	2010	<ul style="list-style-type: none"> <li>• International Sales at Guess? And BCBG MaxAzaria</li> <li>• Responsible for growing international sales and expanding retail operations</li> </ul>
Joseph Hei	Chief Design Officer	2004	<ul style="list-style-type: none"> <li>• Founder and former CEO of Orbit Baby</li> <li>• Previously worked for IDEO Lab</li> </ul>
Cynthia Neiman	Chief Marketing Officer	2013	<ul style="list-style-type: none"> <li>• SVP Marketing Mattel</li> <li>• SVP Marketing Munchkin</li> <li>• Leadership roles at Eteamz.com and IKEA</li> <li>• Extensive experience in digital and social media</li> </ul>



THANK YOU

