

Supplemental Financial Information/Guidance

Reconciliation of Net Income to EBITDA, Adjusted EBITDA, Adjusted Pro Forma Net Income, Adjusted Pro Forma Earnings per Diluted Share



	Estimated Range for FY 2018	
	<i>(In millions except per share amounts)</i>	
Net income	\$ 31.7	\$ 37.5
Interest expense, net	21.5	22.5
Income tax expense	6.4	7.6
Depreciation and amortization	37.9	39.4
EBITDA	\$ 97.4	\$ 106.9
Adjustments:		
Equity-based compensation (a)	3.9	4.4
Acquisition transaction costs and other expenses (b)	0.0	0.0
Foreign currency transaction (gain) loss (c)	(1.4)	(1.4)
Adjusted EBITDA	\$ 100.0	\$ 110.0
Net income	\$ 31.7	\$ 37.5
Equity-based compensation (a)	3.9	4.4
Acquisition transaction costs and other expenses (b)	0.0	0.0
Foreign currency transaction (gain) loss (c)	(1.4)	(1.4)
Income tax expense (d)	(3.8)	(4.4)
Adjusted pro forma net income	\$ 30.5	\$ 36.1
Weighted-average shares of Class A common stock outstanding	23.8	23.8
Dilutive common units of FAH, LLC that are convertible into Class A common stock	27.3	27.3
Adjusted pro forma weighted-average shares of Class A stock outstanding - diluted	51.1	51.1
Adjusted pro forma earnings per diluted share	\$ 0.60	\$ 0.71

- (a) Represents non-cash charges related to equity-based compensation programs, which vary from period to period depending on timing of awards.
- (b) Represents legal, accounting, and other related costs incurred in connection with the IPO and acquisitions, both potential and completed.
- (c) Represents both unrealized and realized foreign currency (gains) losses on transactions other than in U.S. dollars.
- (d) Represents the income tax expense effect of (i) the above adjustments and (ii) the pass-through entity taxable income as if the parent were company was a subchapter C corporation in periods prior to the IPO. This assumption uses an effective tax rate of 25.0% for the adjustments and the pass-through entity taxable income.

The supplemental financial information and guidance included herein should be read in conjunction with Funko's first quarter 2018 earnings release issued on May 10, 2018 and is as of such date, and does not take into account any future changes in currency fluctuation.

Forward Looking Statement



This supplemental financial information contains forward-looking statements regarding our anticipated financial results. These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: our ability to maintain and realize the full value of our license agreements; the ongoing level of popularity of our products with consumers; changes in the retail industry and markets for our consumer products; our ability to maintain our relationships with retail customers and distributors; our ability to compete effectively; fluctuations in our gross margin; our dependence on content development and creation by third parties; our ability to develop and introduce products in a timely and cost-effective manner; our ability to obtain, maintain and protect our intellectual property rights or those of our licensors; potential violations of the intellectual property rights of others; our ability to attract and retain qualified employees and maintain our corporate culture; risks associated with our international operations; changes in U.S. tax law; foreign currency exchange rate exposure; the possibility or existence of global and regional economic downturns; our dependence on vendors and outsourcers; risks relating to government regulation; risks relating to litigation, including products liability claims and securities class action litigation; any failure to successfully integrate or realize the anticipated benefits of acquisitions or investments; reputational risk resulting from our e-commerce business and social media presence; risks relating to our indebtedness and our ability to secure additional financing; the potential for our electronic data to be compromised; the influence of our significant stockholder, ACON, and the possibility that ACON's interests may conflict with the interests of our other stockholders; risks relating to our organizational structure; volatility in the price of our Class A common stock; and the potential that we will fail to establish and maintain effective internal control over financial reporting. These and other important factors discussed under the caption "Risk Factors" in our filings with the Securities and Exchange Commission could cause actual results to differ materially from those indicated by the forward-looking statements. Any such forward-looking statements represent management's estimates as of the date of May 10, 2018. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to May 10, 2018.