UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 29, 2024
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-6682

HASBRO, INC.
(Exact name of registrant as specified in its charter)

Rhode Island	**05-0155090**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1027 Newport Avenue	
Pawtucket, Rhode Island	**02861**
(Address of Principal Executive Offices)	(Zip Code)

(401) 431-8697
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.50 par value per share	**HAS**	**The NASDAQ Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [x] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No [x]

The number of shares of Common Stock, par value $.50 per share, outstanding as of October 28, 2024 was 139,501,418.

Hasbro, Inc.
Form 10-Q
For the Quarter Ended September 29, 2024

Special Note Regarding Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q ("Quarterly Report") contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which may be identified by the use of forward-looking words or phrases, include statements relating to: our business strategies and plans; products, gaming and entertainment; anticipated cost savings; expected debt repayments; expected impact of newly issued accounting pronouncements; and financial targets. Our actual actions or results may differ materially from those expected or anticipated in the forward-looking statements due to both known and unknown risks and uncertainties.

Factors that might cause such a difference include, but are not limited to:

- our ability to successfully execute on our business strategy and transformation initiatives, and to achieve anticipated cost savings;
- our ability to successfully innovate and invest in digital gaming, licensing arrangements and partnerships;
- our ability to successfully compete in the play industry;
- our ability to transform our business and capabilities to address the changing global consumer landscape, including evolving demographics for our products and advancements in technology;
- our ability to design, develop, manufacture, and ship products on a timely and profitable basis;
- the concentration of our customers, potentially increasing the negative impact to our business of difficulties experienced by any of our customers or changes in their purchasing or selling patterns;
- inflation and downturns in global and regional economic conditions impacting one or more of the markets in which we sell products, which can negatively impact our customers and consumers, result in lower employment levels, consumer disposable income, retailer inventories and spending, including lower spending on purchases of our products;
- risks related to political, economic and public health conditions or regulatory changes in the markets in which we and our customers, partners, licensees, suppliers and manufacturers operate, such as inflation, rising interest rates, tariffs, higher commodity prices, labor costs or transportation costs, or outbreaks of illness or disease, the occurrence of which could create work slowdowns, delays or shortages in production or shipment of products, increases in costs or delays in revenue;
- our dependence on third party relationships, including with third party partners, manufacturers, distributors, studios, content producers, licensors, licensees, and outsourcers, which creates reliance on others and loss of control;
- risks relating to the concentration of manufacturing for many of our products in the People's Republic of China and our ability to successfully diversify sourcing of our products to reduce reliance on sources of supply in China;
- risks associated with international operations, such as conflict in territories in which we operate, currency conversion, currency fluctuations, the imposition of tariffs, quotas, shipping delays or difficulties, border adjustment taxes or other protectionist measures, and other challenges in the territories in which we operate;
- the success of our key partner brands, including the ability to secure, maintain and extend agreements with our key partners or the risk of delays, increased costs or difficulties associated with any of our or our partners' planned digital applications or media initiatives;
- risks related to our leadership changes;
- our ability to attract and retain talented and diverse employees, particularly following recent workforce reductions;
- risks relating to the impairment and/or write-offs of businesses, products and content we acquire and/or produce;
- the risk that acquisitions, dispositions and other investments we complete may not provide us with the benefits we expect, or the realization of such benefits may be significantly delayed;
- our ability to protect our assets and intellectual property, including as a result of infringement, theft, misappropriation, cyber-attacks or other acts compromising the integrity of our assets or intellectual property;

- fluctuations in our business due to seasonality;
- the risk of product recalls or product liability suits and costs associated with product safety regulations;
- changes in accounting or tax laws or regulations, or the interpretation and application of such laws and regulations, which may cause us to alter reserves or make other changes which significantly impact our reported financial results;
- the impact of litigation or arbitration decisions or settlement actions;
- the bankruptcy or other lack of success of one or more of our significant retailers, licensees and other partners; and
- other risks and uncertainties as may be detailed in our public announcements and U.S. Securities and Exchange Commission ("SEC") filings.

For a detailed discussion of these and other risks, uncertainties and factors, see Part I, Item 1A— "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "2023 Annual Report").

The statements contained herein are based on our current beliefs and expectations. We undertake no obligation to make any revisions to the forward-looking statements contained in this Form 10-Q or to update them to reflect events or circumstances occurring after the date of this Form 10-Q.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Millions of Dollars Except Share Data)
(Unaudited)

	September 29, 2024	October 1, 2023	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents, including restricted cash of $0.3 million, $1.1 million and $0.6 million	$ 696.1	$ 185.5	$ 545.4
Short-term investments	489.3	—	—
Accounts receivable, net	1,069.2	1,102.0	1,029.3
Inventories	375.4	617.7	332.0
Prepaid expenses and other current assets	391.6	286.2	416.9
Assets held for sale	—	1,048.7	—
Total current assets	3,021.6	3,240.1	2,323.6
Property, plant and equipment, less accumulated depreciation of $643.2 million, $603.3 million and $618.9 million	564.2	474.6	488.6
Other assets:			
Goodwill	2,278.9	3,238.8	2,279.2
Other intangible assets, net of accumulated amortization of $1,350.5 million, $1,229.3 million and $1,296.9 million	539.5	655.1	587.5
Other	825.7	731.6	862.0
Total other assets	3,644.1	4,625.5	3,728.7
Total assets	$ 7,229.9	$ 8,340.2	$ 6,540.9
LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY			
Current liabilities			
Current portion of long-term debt	$ 500.0	$ 60.0	$ 500.0
Accounts payable	420.3	371.4	340.6
Accrued liabilities	1,132.5	985.4	1,215.8
Liabilities held for sale	—	607.4	—
Total current liabilities	2,052.8	2,024.2	2,056.4
Long-term debt	3,462.6	3,654.6	2,965.8
Other liabilities	404.8	438.2	431.7
Total liabilities	$ 5,920.2	$ 6,117.0	$ 5,453.9
Commitments and contingencies (Note 14)			
Shareholders' equity			
Preference stock of $2.50 par value. Authorized 5,000,000 shares; none issued	—	—	—
Common stock of $0.50 par value. Authorized 600,000,000 shares; issued 220,286,736 shares at September 29, 2024, October 1, 2023, and December 31, 2023	110.1	110.1	110.1
Additional paid-in capital	2,609.5	2,574.1	2,590.6
Retained earnings	2,408.2	3,348.3	2,188.4
Accumulated other comprehensive loss	(227.8)	(208.4)	(201.5)
Treasury stock, at cost; 80,798,468 shares at September 29, 2024; 81,541,637 shares at October 1, 2023; and 81,498,181 shares at December 31, 2023	(3,612.8)	(3,626.3)	(3,625.7)
Noncontrolling interests	22.5	25.4	25.1
Total shareholders' equity	1,309.7	2,223.2	1,087.0
Total liabilities, noncontrolling interests and shareholders' equity	$ 7,229.9	$ 8,340.2	$ 6,540.9

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(Millions of Dollars Except Per Share Data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 29, 2024	October 1, 2023	September 29, 2024	October 1, 2023
Net revenues	$ 1,281.3	$ 1,503.4	$ 3,033.9	$ 3,714.4
Costs and expenses:				
Cost of sales	378.9	494.5	820.8	1,132.0
Program cost amortization	7.9	68.4	24.5	325.3
Royalties	98.0	106.9	204.2	295.8
Product development	76.3	76.7	212.2	232.4
Advertising	101.9	81.9	213.8	249.8
Amortization of intangibles	17.1	19.2	51.2	65.1
Impairment of goodwill	—	—	—	231.2
Loss on disposal of business	—	473.0	24.4	473.0
Selling, distribution and administration	299.3	352.3	852.6	1,050.0
Total costs and expenses	979.4	1,672.9	2,403.7	4,054.6
Operating profit (loss)	301.9	(169.5)	630.2	(340.2)
Non-operating expense (income):				
Interest expense	46.2	47.1	127.7	140.0
Interest income	(14.7)	(3.8)	(36.0)	(15.6)
Other (income) expense, net	(19.9)	2.2	(15.7)	(0.7)
Total non-operating expense, net	11.6	45.5	76.0	123.7
Earnings (loss) before income taxes	290.3	(215.0)	554.2	(463.9)
Income tax expense (benefit)	67.0	(44.6)	133.3	(36.9)
Net earnings (loss)	223.3	(170.4)	420.9	(427.0)
Net earnings attributable to noncontrolling interests	0.1	0.7	1.0	1.2
Net earnings (loss) attributable to Hasbro, Inc.	$ 223.2	$ (171.1)	$ 419.9	$ (428.2)
Net earnings (loss) per common share:				
Basic	$ 1.60	$ (1.23)	$ 3.01	$ (3.09)
Diluted	$ 1.59	$ (1.23)	$ 3.00	$ (3.09)
Cash dividends declared per common share	$ 0.70	$ 0.70	$ 1.40	$ 2.10

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Earnings (Loss)
(Millions of Dollars)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 29, 2024	October 1, 2023	September 29, 2024	October 1, 2023
Net earnings (loss)	$ 223.3	$ (170.4)	$ 420.9	$ (427.0)
Other comprehensive earnings (loss):				
Foreign currency translation adjustments, net of tax	(1.4)	(2.7)	(28.1)	46.4
Net gains (losses) on cash flow hedging activities, net of tax	(4.2)	5.0	0.7	(2.2)
Reclassifications to earnings, net of tax:				
Net gains on cash flow hedging activities	0.1	2.9	1.2	2.5
Amortization of unrecognized pension and postretirement amounts	(0.1)	(0.1)	(0.1)	(0.2)
Total other comprehensive (loss) earnings, net of tax	(5.6)	5.1	(26.3)	46.5
Total comprehensive earnings attributable to noncontrolling interests	0.1	0.7	1.0	1.2
Total comprehensive earnings (loss) attributable to Hasbro, Inc.	$ 217.6	$ (166.0)	$ 393.6	$ (381.7)

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Millions of Dollars)
(Unaudited)

	Nine months ended	
	September 29, 2024	**October 1, 2023**
Cash flows from operating activities:		
Net earnings (loss)	$ 420.9	$ (427.0)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation of plant and equipment	74.0	88.0
Loss on disposal of business	24.4	473.0
Impairment of goodwill	—	231.2
Impairment of intangible assets	—	65.0
Amortization of intangibles	51.2	65.1
Program production cost amortization	24.5	325.3
Deferred income taxes	21.0	(47.1)
Stock-based compensation	28.8	55.9
Other non-cash items	(13.7)	(6.6)
Change in operating assets and liabilities net of acquired balances:		
Increase in accounts receivable	(49.7)	(86.3)
(Increase) decrease in inventories	(45.5)	53.0
Decrease in prepaid expenses and other current assets	8.2	17.0
Program spend, net	(20.7)	(337.5)
Increase (decrease) in accounts payable and accrued liabilities	72.7	(127.5)
Change in net deemed repatriation tax	(45.9)	(34.4)
Other	37.4	27.8
Net cash provided by operating activities	587.6	334.9
Cash flows from investing activities:		
Additions to property, plant and equipment	(146.2)	(160.4)
Purchases of investments	(571.0)	—
Net (settlement) proceeds from sale of business	(12.0)	—
Sale of investments	91.0	—
Other	2.8	(2.2)
Net cash utilized by investing activities	(635.4)	(162.6)
Cash flows from financing activities:		
Proceeds from borrowings with maturity greater than three months	498.6	2.5
Repayments of borrowings with maturity greater than three months	—	(107.0)
Net proceeds from other short-term borrowings	—	0.3
Dividends paid	(292.2)	(290.9)
Payments related to tax withholding for share-based compensation	(13.0)	(15.7)
Stock-based compensation transactions	7.6	—
Payment of financing costs	(5.3)	—
Other	(4.9)	(7.2)
Net cash provided by (utilized by) financing activities	190.8	(418.0)
Effect of exchange rate changes on cash	7.7	(11.5)
Net increase (decrease) in cash, cash equivalents and restricted cash	150.7	(257.2)
Net change due to cash classified as held for sale	—	(70.4)
Net increase (decrease) in cash, cash equivalents and restricted cash	150.7	(327.6)
Cash, cash equivalents and restricted cash at beginning of year	545.4	513.1
Cash, cash equivalents and restricted cash at end of period	$ 696.1	$ 185.5
Supplemental information		
Cash paid during the period for:		
Interest	$ 101.8	$ 126.7
Income taxes, net	$ 70.2	$ 96.9

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Shareholders' Equity
(Millions of Dollars)
(Unaudited)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests	Total Shareholders' Equity
Balance, December 31, 2023	$ 110.1	$ 2,590.6	$ 2,188.4	$ (201.5)	$ (3,625.7)	$ 25.1	$ 1,087.0
Net earnings attributable to Hasbro, Inc.	—	—	58.2	—	—	—	58.2
Net earnings attributable to noncontrolling interests	—	—	—	—	—	0.9	0.9
Other comprehensive loss	—	—	—	(1.8)	—	—	(1.8)
Stock-based compensation transactions	—	(16.9)	—	—	6.9	—	(10.0)
Stock-based compensation expense	—	(5.0)	—	—	—	—	(5.0)
Dividends declared	—	1.2	(98.6)	—	—	—	(97.4)
Distributions paid to noncontrolling owners and other foreign exchange	—	—	—	—	—	(2.0)	(2.0)
Balance, March 31, 2024	$ 110.1	$ 2,569.9	$ 2,148.0	$ (203.3)	$ (3,618.8)	$ 24.0	$ 1,029.9
Net earnings attributable to Hasbro, Inc.	—	—	138.5	—	—	—	138.5
Other comprehensive loss	—	—	—	(18.9)	—	—	(18.9)
Stock-based compensation transactions	—	2.9	—	—	2.4	—	5.3
Stock-based compensation expense	—	17.5	—	—	2.3	—	19.8
Dividends declared	—	1.8	(1.8)	—	—	—	—
Distributions paid to noncontrolling owners and other foreign exchange	—	—	—	—	—	(1.7)	(1.7)
Balance, June 30, 2024	$ 110.1	$ 2,592.1	$ 2,284.7	$ (222.2)	$ (3,614.1)	$ 22.3	$ 1,172.9
Net earnings attributable to Hasbro, Inc.	—	—	223.2	—	—	—	223.2
Net earnings attributable to noncontrolling interests	—	—	—	—	—	0.1	0.1
Other comprehensive loss	—	—	—	(5.6)	—	—	(5.6)
Stock-based compensation transactions	—	0.6	—	—	2.0	—	2.6
Stock-based compensation expense	—	14.7	—	—	(0.7)	—	14.0
Dividends declared	—	2.1	(99.7)	—	—	—	(97.6)
Distributions paid to noncontrolling owners and other foreign exchange	—	—	—	—	—	0.1	0.1
Balance, September 29, 2024	$ 110.1	$ 2,609.5	$ 2,408.2	$ (227.8)	$ (3,612.8)	$ 22.5	$ 1,309.7

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Shareholders' Equity
(Millions of Dollars)
(Unaudited)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests	Total Shareholders' Equity
Balance, December 25, 2022	$ 110.1	$ 2,540.6	$ 4,071.4	$ (254.9)	$ (3,634.4)	$ 29.1	$ 2,861.9
Net loss attributable to Hasbro, Inc.	—	—	(22.1)	—	—	—	(22.1)
Net earnings attributable to noncontrolling interests	—	—	—	—	—	0.4	0.4
Other comprehensive earnings	—	—	—	17.5	—	—	17.5
Stock-based compensation transactions	—	(19.0)	—	—	5.0	—	(14.0)
Stock-based compensation expense	—	15.7	—	—	—	—	15.7
Dividends declared	—	0.5	(97.5)	—	—	—	(97.0)
Buyout of redeemable noncontrolling interest	—	(2.1)	—	—	—	—	(2.1)
Distributions paid to noncontrolling owners and other foreign exchange	—	—	—	—	—	(1.6)	(1.6)
Balance, April 2, 2023	$ 110.1	$ 2,535.7	$ 3,951.8	$ (237.4)	$ (3,629.4)	$ 27.9	$ 2,758.7
Net loss attributable to Hasbro, Inc.	—	—	(235.0)	—	—	—	(235.0)
Net earnings attributable to noncontrolling interests	—	—	—	—	—	0.1	0.1
Other comprehensive earnings	—	—	—	23.9	—	—	23.9
Stock-based compensation transactions	—	(1.1)	—	—	0.7	—	(0.4)
Stock-based compensation expense	—	18.5	—	—	2.4	—	20.9
Dividends declared	—	1.5	(98.7)	—	—	—	(97.2)
Distributions paid to noncontrolling owners and other foreign exchange	—	—	—	—	—	(0.8)	(0.8)
Balance, July 2, 2023	$ 110.1	$ 2,554.6	$ 3,618.1	$ (213.5)	$ (3,626.3)	$ 27.2	$ 2,470.2
Net loss attributable to Hasbro, Inc.	—	—	(171.1)	—	—	—	(171.1)
Net earnings attributable to noncontrolling interests	—	—	—	—	—	0.7	0.7
Other comprehensive earnings	—	—	—	5.1	—	—	5.1
Stock-based compensation transactions	—	(1.3)	—	—	(0.1)	—	(1.4)
Stock-based compensation expense	—	19.2	—	—	0.1	—	19.3
Dividends declared	—	1.6	(98.7)	—	—	—	(97.1)
Distributions paid to noncontrolling owners and other foreign exchange	—	—	—	—	—	(2.5)	(2.5)
Balance, October 1, 2023	$ 110.1	$ 2,574.1	$ 3,348.3	$ (208.4)	$ (3,626.3)	$ 25.4	$ 2,223.2

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Condensed Notes to Consolidated Financial Statements
(Millions of Dollars and Shares Except Per Share Data)
(Unaudited)

(1) Basis of Presentation

In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all normal and recurring adjustments necessary to present fairly the consolidated financial position of Hasbro, Inc. and all consolidated subsidiaries ("Hasbro" or the "Company") as of September 29, 2024, October 1, 2023, and December 31, 2023, and the results of its operations and cash flows and shareholders' equity for the periods ended September 29, 2024 and October 1, 2023 in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and condensed notes thereto. Actual results could differ from those estimates.

The three months ended September 29, 2024 and October 1, 2023 were 13-week periods. The nine months ended September 29, 2024 and October 1, 2023 were 39-week and 40-week periods, respectively.

The results of operations for the three and nine months ended September 29, 2024 are not necessarily indicative of results to be expected for the full year 2024, nor were those of the comparable 2023 periods representative of those actually experienced for the full year 2023.

These consolidated financial statements have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and disclosures normally included in the consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The Company filed with the SEC audited consolidated financial statements for the fiscal year ended December 31, 2023 in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 ("2023 Form 10-K"), which includes all such information and disclosures and, accordingly, should be read in conjunction with the financial information included herein.

Other Adjustments
During the nine months ended September 29, 2024, the Company corrected prior period errors associated with an $18.1 million benefit related to the reversal of stock compensation expense for the Company's performance stock awards that should have been recorded during fiscal year 2023 (recorded in Selling, distribution and administration on the Consolidated Statements of Operations), a $31.1 million expense and associated liability related to historical environmental exposures in accordance with Accounting Standard Codification 410, Asset Retirement and Environmental Obligations (recorded in Selling, distribution and administration on the Consolidated Statements of Operations), and a $26.7 million benefit related to an over-accrual of vendor commitment liabilities (recorded in Cost of sales on the Consolidated Statements of Operations). The recording of these items was not considered to be material, individually or in the aggregate, to the Company's prior year financial statements or the 2024 consolidated financial statements.

Significant Accounting Policies
The Company's significant accounting policies are summarized in Note 1 to the consolidated financial statements included in the Company's 2023 Form 10-K.

Recently Adopted Accounting Standards
During the three and nine months ended September 29, 2024, there were no recently adopted accounting standards that had a material effect on the Company’s financial statements.

Issued Accounting Pronouncements
In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The amendments in this update enhance disclosures for significant segment expenses for all public entities required to report segment information in accordance with ASC 280. The standard did not change the definition of a segment, the method for determining segments or the criteria for aggregating operating segments into reportable segments. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Retrospective adoption is required for all prior periods presented in the financial statements. We are assessing the impact of this ASU and upon adoption

expect that any impact would be limited to additional segment expense disclosures in the footnotes to our consolidated financial statements. We expect to adopt the standard beginning with our 2024 Form 10-K.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements in Income Tax Disclosures*. The amendments in this update enhance the transparency and decision usefulness of income tax disclosures. This amendment requires public companies to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. Additionally, under the amendment, entities are required to disclose the amount of income taxes paid disaggregated by federal, state and foreign taxes, as well as disaggregated by material individual jurisdictions. Finally, the amendment requires entities to disclose income from continuing operations before income tax expense disaggregated between domestic and foreign and income tax expense from continuing operations disaggregated by federal, state and foreign. The new rules are effective for annual periods beginning after December 15, 2024. We are currently assessing the impact of this ASU on our consolidated financial statements.

There were no other recently issued accounting pronouncements which would have a material effect on the Company’s condensed consolidated financial statements.

(2) Revenue Recognition

Revenue is recognized when control of the promised goods, functional intellectual property or production is transferred to the customers or licensees, in an amount that reflects the consideration the Company expects to be entitled to in exchange for transferring those goods. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. The majority of the Company’s revenues are derived from sales of finished products to customers. See Note 1 of the Company's 2023 Annual Report for the Company's revenue recognition accounting policy.

Contract Assets and Liabilities
In the ordinary course of business, the Company’s Consumer Products, Wizards of the Coast and Digital Gaming and Entertainment segments enter into contracts to license certain of the Company’s intellectual property, providing licensees right-to-use or access such intellectual property for use in the production and sale of consumer products and digital game development, and for use within content for distribution over streaming platforms and for television and film. The Company also licenses owned television and film content for distribution to third parties in formats that include broadcast, digital streaming and theatrical. Through these arrangements, the Company may receive advanced royalty payments from licensees, either in advance of a licensees’ subsequent sales to customers or, prior to the completion of the Company’s performance obligation. In addition, the Company’s Wizards of the Coast and Digital Gaming segment may receive advanced payments from end users of its digital games at the time of the initial purchase, through in-application purchases or through subscription services. These digital gaming revenues are recognized over a period of time, determined based on player usage patterns or the estimated playing life of the user, or when additional downloadable content is made available, or as with subscription services, ratably over the subscription term. The Company defers revenues on all licensee and digital gaming advanced payments until the respective performance obligations are satisfied. The Company records the aggregate deferred revenues as contract liabilities, with the current portion recorded within Accrued liabilities and the long-term portion recorded as Other non-current liabilities in the Company’s Consolidated Balance Sheets. The Company records contract assets, primarily related to (1) minimum guarantees being recognized in advance of contractual invoicing, which are recognized ratably over the terms of the respective license periods, and (2) film and television distribution revenues recorded for content delivered, where payment will occur over the license term. The current portion of contract assets is recorded in Prepaid expenses and Other current assets and the long-term portion is recorded within Other long-term assets.

(Millions of Dollars and Shares Except Per Share Data)

The changes in carrying amounts of contract assets and liabilities for the nine months ended September 29, 2024 and October 1, 2023 are as follows:

	September 29, 2024	October 1, 2023
Assets		
Balance at beginning of the year	$ 213.3	$ 594.4
Recognized in current year	252.9	389.4
Amounts reclassified to accounts receivable	(221.9)	(427.4)
Reclassified to assets held for sale [(1)]	—	(384.6)
Foreign currency impact	(1.8)	(5.3)
Ending Balance	$ 242.5	$ 166.5
Liabilities		
Balance at beginning of the year	$ 230.8	$ 113.0
Recognized in current year	168.1	254.5
Amounts in beginning balance reclassified to revenue	(53.1)	(68.3)
Current year amounts reclassified to revenue	(96.0)	(156.6)
Reclassified to liabilities held for sale [(1)]	—	(27.5)
Foreign currency impact	7.1	(2.1)
Ending Balance	$ 256.9	$ 113.0

[(1)] *See Note 3 for additional information on assets and liabilities held for sale.*

Unsatisfied performance obligations

Unsatisfied performance obligations relate primarily to in-production television content to be delivered in the future under existing agreements with partnering content providers such as broadcasters, distributors, television networks and subscription video on demand services. As of September 29, 2024, unrecognized revenue attributable to unsatisfied performance obligations expected to be recognized in the future was $2.7 million. Of this amount, we expect to recognize $0.6 million in the remainder of 2024 and $2.1 million in 2025. These amounts include only fixed consideration.

Accounts Receivable and Allowance for Credit Losses

The Company's balance for accounts receivable on the Consolidated Balance Sheets as of September 29, 2024 and October 1, 2023 are primarily from contracts with customers. A summary of the activity in the allowance for credit losses for the nine months ended September 29, 2024 and October 1, 2023 are as follows:

	September 29, 2024	October 1, 2023
Balance at beginning of the year	$ 12.7	$ 20.0
Charged to costs and expenses, net	4.6	2.8
Customer accounts written off—net of recoveries	(0.5)	(0.8)
Reclassified to assets held for sale [(1)]	—	(1.4)
Foreign currency impact	(0.6)	0.2
Ending balance	$ 16.2	$ 20.8

[(1)] *See Note 3 for additional information on assets held for sale.*

Disaggregation of revenues

The Company disaggregates its revenues from contracts with customers by reportable segment: Consumer Products, Wizards of the Coast and Digital Gaming, and Entertainment. The Company further disaggregates revenues within its Consumer Products segment by major geographic region: North America, Europe, Latin America, and Asia Pacific; within its Wizards of the Coast and Digital Gaming segment by category: Tabletop Gaming and Digital and Licensed Gaming; and within its Entertainment segment by category: Film & TV, Family Brands, and Other. Finally, the Company disaggregates its revenues by brand portfolio into three brand categories: Franchise Brands, Partner Brands and Portfolio Brands. We believe these collectively depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

(Millions of Dollars and Shares Except Per Share Data)

Effective in the first quarter of 2024, subsequent to the sale of the eOne Film and TV business (as defined in Note 3), the Company moved the remaining Non-Hasbro Branded Film & TV brands into Portfolio Brands to align with the Company's Brand Strategy. For comparability, net revenues for the three and nine months ended October 1, 2023, have been reclassified to reflect the movement, resulting in a change of $0.3 million and $1.2 million, respectively.

The following table represents consolidated Consumer Products segment net revenues by major geographic region for the three and nine months ended September 29, 2024 and October 1, 2023:

	Three Months Ended		Nine Months Ended	
	September 29, 2024	October 1, 2023	September 29, 2024	October 1, 2023
North America	$ 526.8	$ 573.6	$ 1,072.0	$ 1,234.7
Europe	162.3	208.7	341.8	472.2
Asia Pacific	81.9	61.8	193.3	191.5
Latin America	89.1	112.8	190.5	234.1
Net revenues	$ 860.1	$ 956.9	$ 1,797.6	$ 2,132.5

The following table represents consolidated Wizards of the Coast and Digital Gaming segment net revenues by category for the three and nine months ended September 29, 2024 and October 1, 2023:

	Three Months Ended		Nine Months Ended	
	September 29, 2024	October 1, 2023	September 29, 2024	October 1, 2023
Tabletop Gaming	$ 296.8	$ 290.5	$ 832.6	$ 806.9
Digital and Licensed Gaming	107.2	133.1	339.7	287.5
Net revenues	$ 404.0	$ 423.6	$ 1,172.3	$ 1,094.4

The following table represents consolidated Entertainment segment net revenues by category for the three and nine months ended September 29, 2024 and October 1, 2023:

	Three Months Ended		Nine Months Ended	
	September 29, 2024	October 1, 2023	September 29, 2024	October 1, 2023
Film and TV (1)	$ 1.6	$ 102.1	$ 3.4	$ 423.8
Family Brands	15.6	20.8	60.6	63.7
Net revenues	$ 17.2	$ 122.9	$ 64.0	$ 487.5

(1) *Net revenues from the Company's Film and TV portfolio were primarily associated with the Company's non-core eOne Film and TV business sold to Lionsgate during the fourth quarter of 2023.*

The following table presents consolidated net revenues by brand portfolio for the three and nine months ended September 29, 2024 and October 1, 2023:

	Three Months Ended		Nine Months Ended	
	September 29, 2024	October 1, 2023	September 29, 2024	October 1, 2023
Franchise Brands	$ 941.6	$ 1,011.0	$ 2,334.7	$ 2,412.8
Partner Brands	190.1	228.2	402.4	533.8
Portfolio Brands	149.6	170.6	296.8	370.6
Non-Hasbro Branded Film & TV (1)	—	93.6	—	397.2
Net revenues	$ 1,281.3	$ 1,503.4	$ 3,033.9	$ 3,714.4

(1) *Net revenues from the Company's Non-Hasbro-branded Film and TV portfolio were associated with the Company's non-core eOne Film and TV business sold to Lionsgate during the fourth quarter of 2023.*

(Millions of Dollars and Shares Except Per Share Data)

(3) Sale of Non-Core Entertainment One Film and TV Business

On December 27, 2023, the Company completed the sale of its Entertainment One film and television business ("eOne Film and TV") to Lions Gate Entertainment Corp., Lions Gate Entertainment Inc. and Lions Gate International Motion Pictures S.à.r.l (collectively "Lionsgate"), pursuant to the terms of an Equity Purchase Agreement dated August 3, 2023, among Hasbro and Lionsgate. The Company sold eOne Film and TV for a sales price of $375.0 million in cash, subject to the satisfaction of customary net working capital closing conditions and holdbacks for certain retained liabilities, plus the assumption by Lionsgate of production financing loans. During the nine months ended September 29, 2024, the Company recorded a $24.4 million expense in Loss on disposal of business on the Consolidated Statements of Operations associated with certain purchase price and related adjustments.

The Company recorded a pre-tax non-cash charge of $539.0 million within Loss on disposal of business on the Consolidated Statements of Operations for the year ended December 31, 2023, of which $473.0 million was recorded during the three and nine months ended October 1, 2023. The Company also recorded pre-tax cash transaction expenses of $35.1 million within Selling, distribution and administration expense on the Consolidated Statements of Operations for the year ended December 31, 2023. See Note 3 of the Company's 2023 Annual Report for further detail of the Company's sale of the eOne Film and TV business.

The Company determined that the non-core eOne Film and TV business met the criteria to be classified as held for sale at October 1, 2023, but did not meet the criteria to be classified as discontinued operations. As a result, the related assets and liabilities were included in the separate assets and liabilities held-for-sale line items of the asset and liability sections of the consolidated balance sheets. The following table summarizes the assets and liabilities held for sale at October 1, 2023:

		October 1, 2023
Assets:		
Cash and cash equivalents including restricted cash of $4.1 million	$	70.4
Accounts receivable, less allowance for doubtful accounts of $1.4 million		85.2
Inventories		2.7
Prepaid expenses and other current assets		402.6
Property, plant and equipment, less accumulated depreciation of $21.3 million		53.6
Other assets		891.5
Write-down loss allowance (1)		(457.3)
Total assets held for sale	$	1,048.7
Liabilities:		
Short-term borrowings	$	141.9
Current portion of long-term debt		8.2
Accounts payable and accrued liabilities		404.4
Long-term debt		0.8
Other liabilities		52.1
Total liabilities held for sale	$	607.4

(1) In addition to the write-down loss allowance of $457.3 million, the Company also recognized $15.7 million of currency translation losses on the classification of held for sale. The pre-tax non-cash loss on assets held for sale of $473.0 million includes both the write-down allowance and the currency translation losses.

(Millions of Dollars and Shares Except Per Share Data)

(4) Earnings (Loss) Per Share

Net earnings (loss) per share data for the three and nine months ended September 29, 2024 and October 1, 2023 were computed as follows:

	Three Months Ended		Nine Months Ended	
	September 29, 2024	October 1, 2023	September 29, 2024	October 1, 2023
Net earnings (loss) attributable to Hasbro, Inc.	$ 223.2	$ (171.1)	$ 419.9	$ (428.2)
Average shares outstanding	139.5	138.8	139.3	138.7
Effect of dilutive securities:				
Options and other share-based awards	1.0	—	0.7	—
Equivalent Shares	140.5	138.8	140.0	138.7
Net earnings (loss) attributable to Hasbro, Inc. per common share				
Basic	$ 1.60	$ (1.23)	$ 3.01	$ (3.09)
Diluted	$ 1.59	$ (1.23)	$ 3.00	$ (3.09)

For the three and nine months ended September 29, 2024, options and restricted stock units totaling 1.1 million and 1.9 million, respectively, were excluded from the calculation of diluted earnings per share because to include them would have been anti-dilutive. For the three and nine months ended October 1, 2023, options and restricted stock units totaling 2.1 million and 2.5 million, respectively, were excluded from the calculation of diluted earnings per share because to include them would have been anti-dilutive. Of the fiscal 2023 amount, 1.9 million and 1.7 million shares, respectively, would have been included in the calculation of diluted shares had the Company not had a net loss for the three and nine months ended October 1, 2023. Assuming the Company was in a net earnings position, the awards and options that would have been included, under the treasury stock method, would have resulted in an additional 0.4 million and 0.2 million shares, respectively, being included in the diluted earnings per share calculation for the three and nine months ended October 1, 2023.

(5) Goodwill

Changes in the carrying amount of goodwill, by operating segment, for the nine months ended September 29, 2024 and October 1, 2023 are as follows:

	Consumer Products	Wizards of the Coast and Digital Gaming	Entertainment [1]	Total
2024				
Balance as of December 31, 2023	$ 1,582.3	$ 371.7	$ 325.2	$ 2,279.2
Foreign exchange translation	(0.1)	(0.2)	—	(0.3)
Balance as of September 29, 2024	$ 1,582.2	$ 371.5	$ 325.2	$ 2,278.9

	Consumer Products	Wizards of the Coast and Digital Gaming	Entertainment [1]	Total
2023				
Balance as of December 25, 2022	$ 1,584.7	$ 371.5	$ 1,513.9	$ 3,470.1
Foreign exchange translation	(0.1)	—	—	(0.1)
Impairment during the period	—	—	(231.2)	(231.2)
Balance as of October 1, 2023	$ 1,584.6	$ 371.5	$ 1,282.7	$ 3,238.8

(Millions of Dollars and Shares Except Per Share Data)

(1) During the fourth quarter of 2023, the Company recorded $960.0 million of non-cash goodwill impairment charges within the Entertainment segment. See further detail in the 2023 Annual Report.

During the nine months ended October 1, 2023, the Company recorded non-cash impairment charges of $296.2 million within the Entertainment segment. These impairment charges consisted of a $231.2 million goodwill impairment charge recorded within Impairment of goodwill and a $65.0 million intangible asset impairment charge, recorded in Selling, distribution and administration costs, within the Consolidated Statements of Operations for the nine months ended October 1, 2023.

(6) Other Comprehensive Earnings (Loss)

Components of Other comprehensive earnings (loss) are presented within the Consolidated Statements of Comprehensive Earnings (Loss). The following table presents the related tax effects on changes in Other comprehensive earnings (loss) for the three and nine months ended September 29, 2024 and October 1, 2023.

	Three Months Ended		Nine Months Ended	
	September 29, 2024	October 1, 2023	September 29, 2024	October 1, 2023
Other comprehensive earnings (loss), tax effect:				
Tax benefit (expense) on cash flow hedging activities	$ 0.4	$ (0.7)	$ (0.8)	$ 1.6
Reclassifications to earnings (loss), tax effect:				
Tax (benefit) expense on cash flow hedging activities	—	(0.9)	(0.5)	(1.4)
Amortization of unrecognized pension and postretirement amounts	—	—	—	0.1
Total tax effect on other comprehensive earnings (loss)	$ 0.4	$ (1.6)	$ (1.3)	$ 0.3

Changes in the components of Accumulated other comprehensive earnings (loss), net of tax for the nine months ended September 29, 2024 and October 1, 2023 are as follows:

	Pension and Postretirement Amounts	Gains (Losses) on Derivative Instruments	Unrealized Holding Gains (Losses) on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss
2024					
Balance at December 31, 2023	$ (4.2)	$ (16.8)	$ (0.1)	$ (180.4)	$ (201.5)
Current period other comprehensive earnings (loss)	(0.1)	1.9	—	(28.1)	(26.3)
Balance at September 29, 2024	$ (4.3)	$ (14.9)	$ (0.1)	$ (208.5)	$ (227.8)
2023					
Balance at December 25, 2022	$ (3.0)	$ (12.0)	$ (0.1)	$ (239.8)	$ (254.9)
Current period other comprehensive earnings (loss)	(0.2)	0.3	—	46.4	46.5
Balance at October 1, 2023	$ (3.2)	$ (11.7)	$ (0.1)	$ (193.4)	$ (208.4)

Gains (Losses) on Derivative Instruments

At September 29, 2024, the Company had remaining deferred losses on foreign currency forward contracts, net of tax, of $0.2 million in Accumulated other comprehensive earnings (loss) ("AOCE"). These instruments hedge payments related to inventory purchased in the nine months ended September 29, 2024 or forecasted to be purchased during the remainder of 2024, intercompany expenses expected to be paid or received during 2024 and cash receipts for sales made at the end of the third quarter of 2024 or forecasted to be made in the remainder of 2024. These amounts will be reclassified into the Consolidated Statements of Operations upon the sale of the related inventory or recognition of the related sales expenses.

(Millions of Dollars and Shares Except Per Share Data)

In addition to foreign currency forward contracts, the Company entered into hedging contracts on future interest payments related to the 3.15% Notes that were repaid in full in the aggregate principal amount of $300.0 million in 2021, and the 5.10% Notes due 2044. At the date of debt issuance, these contracts were terminated and the fair value on the date of settlement was deferred in AOCE and is being amortized to interest expense over the life of the related Notes using the effective interest rate method. At September 29, 2024, deferred losses, net of tax of $13.5 million related to these instruments remained in AOCE. For each of the three months ended September 29, 2024 and October 1, 2023, previously deferred losses, net of tax of $0.2 million related to these instruments were reclassified from AOCE to net earnings. For the nine months ended September 29, 2024 and October 1, 2023, previously deferred losses, net of tax of $0.5 million and $0.5 million, respectively, related to these instruments were reclassified from AOCE to net earnings.

Of the net deferred losses included in AOCE at September 29, 2024, the Company expects net losses of approximately $0.4 million to be reclassified to the Consolidated Statements of Operations within the next twelve months. However, the amount ultimately realized in earnings is dependent on the fair value of the hedging instruments on the settlement dates.

See Note 12 for additional discussion on reclassifications from AOCE to earnings.

(7) Additional Balance Sheet Information

Components of Accrued liabilities for the periods ended September 29, 2024, October 1, 2023 and December 31, 2023 were as follows:

	September 29, 2024	October 1, 2023	December 31, 2023
Royalties	$ 335.4	$ 148.9	$ 286.8
Deferred revenue	103.2	112.1	101.6
Lag & cancellation charges	51.2	83.0	118.9
Dividends [1]	—	97.1	97.2
Severance	51.0	55.5	83.7
Accrued income taxes	99.3	27.3	61.6
Other taxes	60.5	63.8	68.7
Interest	49.5	38.1	29.9
General vendor accruals	57.8	57.9	51.9
Participations and residuals	18.3	30.4	34.0
Advertising	70.0	52.3	45.0
Lease liability - current	32.2	28.1	30.5
Payroll and management incentives	79.8	63.8	85.6
Defined contribution plans	16.0	27.3	29.7
Freight	34.7	32.3	22.9
Insurance	12.3	12.2	13.3
Professional fees	18.6	16.0	12.4
Accrued expenses - IIP & IIC	0.5	2.7	0.7
Other	42.2	36.6	41.4
Total accrued liabilities	$ 1,132.5	$ 985.4	$ 1,215.8

[1] *During the fourth quarter of 2024, the Board of Directors declared a quarterly cash dividend of $0.70 per common share payable on December 4, 2024, to shareholders of record at the close of business on November 24, 2024.*

Prepaid expenses and other current assets include accrued income, current of $173.6 million, $92.0 million, and $85.6 million as of September 29, 2024, October 1, 2023 and December 31, 2023, respectively.

Other assets include deferred tax assets of $407.1 million, $251.7 million, and $427.9 million as of September 29, 2024, October 1, 2023 and December 31, 2023, respectively, and content assets of $145.1 million, $196.5 million, and $162.8 million as of September 29, 2024, October 1, 2023 and December 31, 2023, respectively

(Millions of Dollars and Shares Except Per Share Data)

(8) Debt

The carrying costs, which are equal to the outstanding principal amounts, and fair values of the Company's long-term borrowings as of September 29, 2024, October 1, 2023 and December 31, 2023 are as follows:

	September 29, 2024		October 1, 2023		December 31, 2023	
	Carrying Cost	Fair Value	Carrying Cost	Fair Value	Carrying Cost	Fair Value
3.90% Notes Due 2029	$ 900.0	$ 869.5	$ 900.0	$ 797.4	$ 900.0	$ 839.8
3.55% Notes Due 2026	675.0	662.4	675.0	629.3	675.0	641.0
3.00% Notes Due 2024	500.0	498.2	500.0	483.2	500.0	488.4
6.35% Notes Due 2040	500.0	536.5	500.0	483.7	500.0	520.1
3.50% Notes Due 2027	500.0	486.6	500.0	461.4	500.0	472.2
6.05% Notes Due 2034	500.0	526.5	—	—	—	—
5.10% Notes Due 2044	300.0	279.7	300.0	245.1	300.0	271.6
6.60% Debentures Due 2028	109.9	117.5	109.9	113.0	109.9	116.0
Variable % Notes Due December 30, 2024 [(1)]	—	—	250.0	250.0	—	—
Production Financing Facilities [(2)]	—	—	—	—	—	—
Total long-term debt	$ 3,984.9	$ 3,976.9	$ 3,734.9	$ 3,463.1	$ 3,484.9	$ 3,349.1
Less: Deferred debt expenses	22.3	—	20.3	—	19.1	—
Less: Current portion	500.0	—	60.0	—	500.0	—
Long-term debt	$ 3,462.6	$ 3,976.9	$ 3,654.6	$ 3,463.1	$ 2,965.8	$ 3,349.1

[(1)] During the fourth quarter of 2023, the Company paid the remaining principal balance of the Variable % Notes Due December 30, 2024.
[(2)] The Company's production financing facilities were assumed by Lionsgate effective upon the closing of the sale of the eOne Film and TV business in the fourth quarter of 2023 and were recorded in liabilities held for sale as of October 1, 2023. See Note 3 for additional information.

2034 Notes
In May 2024, the Company issued an aggregate of $500.0 million of senior unsecured debt securities that bear a fixed interest rate of 6.05% due 2034 (the "2034 Notes"). In connection with the issuance of the 2034 Notes, the 2034 Notes were issued with an original issuance discount of $1.4 million and the Company capitalized $5.3 million of debt issuance costs. The original issuance discount and debt issuance costs will be amortized over the term of the 2034 Notes.

Other Financing Arrangements
The Company's third amended and restated revolving credit facility with Bank of America, as administrative agent, swing line lender, a letter of credit issuer and a lender and certain other financial institutions as lenders thereto (the "Amended Revolving Credit Facility") provides the Company with commitments having a maximum aggregate principal amount of $1.25 billion. The Amended Revolving Credit Agreement contains certain financial covenants setting forth leverage and coverage requirements, and certain other limitations typical of an investment grade facility, including with respect to liens, mergers and incurrence of indebtedness. It also provides for a potential additional incremental commitment increase of up to $500.0 million subject to agreement of the lenders.

The Company also has a supplier finance program which provides participating suppliers the option of receiving payment in advance of an invoice due date, to be paid by certain administering banks, on the basis of invoices that the Company has confirmed as valid and approved. The Company’s obligation is to make payment in the invoice amount negotiated with participating suppliers, to the administering banks on the invoice due date. The Company’s suppliers are not required to participate in the supplier finance program. The early payment transactions between the Company’s supplier and the administering bank are subject to an agreement between those parties, and the Company does not participate in any financial aspect of the agreements between the Company’s suppliers and the administering banks. The Company has not pledged any assets to the administering bank under the supplier financing program. The Company or the administering bank may terminate the agreement upon at least 30 days’ written notice. The amount of obligations confirmed under the program that remain unpaid by the Company were $118.7 million, $105.7 million, and $43.3 million as of September 29, 2024, October 1, 2023 and December 31, 2023, respectively. These obligations are presented within Accounts payable in our Consolidated Balance Sheets. The activity related to this program is reflected within the operating activities section of the Consolidated Statements of Cash Flows.

(Millions of Dollars and Shares Except Per Share Data)

(9) Investments in Productions and Investments in Acquired Content Rights

Investments in productions and investments in acquired content rights are predominantly monetized on a title-by-title basis and are recorded within Other assets in the Company's Consolidated Balance Sheets to the extent they are considered recoverable against future revenues. These amounts are being amortized to program cost amortization using a model that reflects the consumption of the asset as it is released through various channels including broadcast licenses, theatrical release and home entertainment. Amounts capitalized are reviewed periodically on an individual title basis and any portion of the unamortized amount that appears not to be recoverable from future net revenues is expensed as part of program cost amortization during the period the loss becomes evident.

The Company's unamortized investments in productions and investments in acquired content rights consisted of the following at September 29, 2024, October 1, 2023, and December 31, 2023:

	September 29, 2024	October 1, 2023	December 31, 2023
Investment in Films and Television Programs: (1)			
Individual Monetization			
Released, net of amortization	$ 73.7	$ 78.3	$ 74.7
Completed and not released	—	—	5.1
In production	12.3	27.2	27.1
Pre-production	4.8	18.4	10.4
	90.8	123.9	117.3
Film/TV Group Monetization			
Released, net of amortization	42.5	14.6	26.0
In production	—	33.2	23.6
	42.5	47.8	49.6
Investment in Other Programming			
Released, net of amortization	5.0	16.5	16.1
Completed and not released	—	—	—
In production	5.9	6.8	0.8
Pre-production	0.9	1.5	0.8
	11.8	24.8	17.7
Total Program Investments	$ 145.1	$ 196.5	$ 184.6

(1) *Investments in productions and investments in acquired content totaling $734.8 million were removed from the Company's balance sheet as of December 31, 2023, in connection with the sale of the eOne Film and TV business completed on December 27, 2023. See Note 3 for additional information.*

The Company's program cost amortization related to released programming during the three and nine months ended September 29, 2024 and October 1, 2023, consist of the following:

	Three Months Ended		Nine Months Ended	
	September 29, 2024	October 1, 2023	September 29, 2024	October 1, 2023
Investment in production	$ 7.9	$ 60.3	$ 24.5	$ 294.5
Investment in content	—	8.1	—	30.8
Total program cost amortization	$ 7.9	$ 68.4	$ 24.5	$ 325.3

(10) Income Taxes

The Company and its subsidiaries file income tax returns in the United States and various state and international jurisdictions. In the normal course of business, the Company is regularly audited by U.S. federal, state and local, and international tax authorities in various tax jurisdictions.

The effective tax rate ("ETR") was 23.1% for the three months ended September 29, 2024, and 20.8% for the three months ended October 1, 2023. The following items caused the third quarter ETR in 2024 to be different from the third quarter 2023 ETR:

- During the three months ended September 29, 2024 the Company recorded a discrete tax expense of $1.1 million, primarily associated with the interest accruals on uncertain tax positions.

- During the three months ended October 1, 2023 the Company recorded a discrete tax benefit of $104.4 million, primarily associated with the loss on assets held for sale.

The ETR was 24.1% for the nine months ended September 29, 2024, and 8.0% for the nine months ended October 1, 2023. The following items caused the year-to-date ETR in 2024 to be significantly different from the 2023 year-to-date ETR:

- During the nine months ended September 29, 2024, the Company recorded unfavorable adjustments to the 2023 Loss on Sale of the Film & TV reporting unit of $24.4 million with no tax benefit. The Company also recorded a net discrete tax expense of $1.8 million, primarily associated with stock-based compensation.

- During the nine months ended October 1, 2023, the Company recorded an impairment of goodwill related to the Film and TV reporting unit of $231.2 million with no tax benefit. The Company also recorded a net discrete tax benefit of $113.3 million, exclusive of the goodwill impairment, primarily associated with tax benefits on the impairment of trade names in the Film & TV reporting unit in the second quarter and loss on assets held for sale of $473.0 million in the third quarter.

(11) Fair Value of Financial Instruments

The Company measures certain financial instruments at fair value. The fair value hierarchy consists of three levels:

- Level 1 fair values are based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access;

- Level 2 fair values are those based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities;

- Level 3 fair values are based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

(Millions of Dollars and Shares Except Per Share Data)

At September 29, 2024, October 1, 2023 and December 31, 2023, the Company had the following assets and liabilities measured at fair value in its Consolidated Balance Sheets (excluding assets for which the fair value is measured using net asset value per share):

	Fair Measurements Using:			
	Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
September 29, 2024				
Assets:				
Short-term investments	$ 489.3	$ 489.3	$ —	$ —
Available-for-sale securities	0.6	0.6	—	—
Derivatives	3.4	—	3.4	—
Total assets	$ 493.3	$ 489.9	$ 3.4	$ —
Liabilities:				
Derivatives	$ 5.9	$ —	$ 5.9	$ —
Option agreement	1.7	—	—	1.7
Total liabilities	$ 7.6	$ —	$ 5.9	$ 1.7
October 1, 2023				
Assets:				
Available-for-sale securities	$ 1.2	$ 1.2	$ —	$ —
Derivatives	8.3	—	8.3	—
Total assets	$ 9.5	$ 1.2	$ 8.3	$ —
Liabilities:				
Derivatives	$ 2.1	$ —	$ 2.1	$ —
Option agreement	1.7	—	—	1.7
Total liabilities	$ 3.8	$ —	$ 2.1	$ 1.7
December 31, 2023				
Assets:				
Available-for-sale securities	$ 1.1	$ 1.1	$ —	$ —
Derivatives	0.7	—	0.7	—
Total assets	$ 1.8	$ 1.1	$ 0.7	$ —
Liabilities:				
Derivatives	$ 3.9	$ —	$ 3.9	$ —
Option agreement	1.7	—	—	1.7
Total Liabilities	$ 5.6	$ —	$ 3.9	$ 1.7

At September 29, 2024, the Company held $489.3 million of U.S. Treasury bills which are classified as held-to maturity and carried at amortized cost, and were recorded in Short-term investments in the Company's Consolidated Balance Sheet. This amount reflects the proceeds from the Company’s $500 million debt offering completed in May 2024, which proceeds, together with available cash, are expected to be used to repay indebtedness of the Company due in November 2024.

(Millions of Dollars and Shares Except Per Share Data)

The Company's derivatives primarily consist of foreign currency forward and option contracts. The Company uses current forward rates of the respective foreign currencies to measure the fair value of these contracts. There were no changes in these valuation techniques during the three and nine months ended September 29, 2024. There were no material changes to fair value measurements of the Company's financial instruments which use significant unobservable inputs (Level 3) for three and nine months ended September 29, 2024 and October 1, 2023.

Other Fair Value Measurements
The Company's financial instruments include cash and cash equivalents, accounts receivable, short-term borrowings, accounts payable and certain Accrued liabilities. At September 29, 2024, October 1, 2023 and December 31, 2023, the carrying cost of these instruments approximated their fair value. The Company's financial instruments at September 29, 2024, October 1, 2023 and December 31, 2023 also include certain assets and liabilities measured at fair value, as described above. See Note 8 for the fair value of the Company's outstanding debt.

(12) Derivative Financial Instruments

Hasbro uses foreign currency forward and option contracts to mitigate the impact of currency rate fluctuations on firmly committed and projected future foreign currency transactions. These over-the-counter contracts, which hedge future currency requirements related to purchases of inventory, product sales and other cross-border transactions not denominated in the functional currency of the business unit, are primarily denominated in United States and Hong Kong dollars, and Euros. All contracts are entered into with a number of counterparties, all of which are major financial institutions. The Company believes that a default by a single counterparty would not have a material adverse effect on the financial condition of the Company. Hasbro does not enter into derivative financial instruments for speculative purposes.

Cash Flow Hedges
All of the Company's designated foreign currency forward contracts are considered to be cash flow hedges. These instruments hedge a portion of the Company's currency requirements associated with anticipated inventory purchases, product sales and other cross-border transactions, primarily for the remainder of 2024, and into 2025.

At September 29, 2024, October 1, 2023 and December 31, 2023, the notional amounts and fair values of the Company's foreign currency forward contracts designated as cash flow hedging instruments were as follows:

	September 29, 2024		October 1, 2023		December 31, 2023	
Hedged transaction	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**
Inventory purchases	$ 164.7	$ 1.3	$ 194.4	$ 3.4	$ 129.9	$ (1.7)
Sales	104.6	(3.2)	113.4	0.8	89.7	(0.2)
Royalties and Other	26.4	1.5	70.5	(0.9)	31.7	(0.5)
Total	$ 295.7	$ (0.4)	$ 378.3	$ 3.3	$ 251.3	$ (2.4)

(Millions of Dollars and Shares Except Per Share Data)

The Company has a master agreement with each of its counterparties that allows for the netting of outstanding forward contracts. The fair values of the Company's foreign currency forward contracts designated as cash flow hedges are recorded in the Consolidated Balance Sheets at September 29, 2024, October 1, 2023 and December 31, 2023 as follows:

	September 29, 2024	October 1, 2023	December 31, 2023
Prepaid expenses and other current assets			
Unrealized gains	$ 3.1	$ 5.9	$ 0.5
Unrealized losses	(0.2)	(2.0)	(0.1)
Net unrealized gains	$ 2.9	$ 3.9	$ 0.4
Other assets			
Unrealized gains	$ 0.5	$ 1.5	$ —
Unrealized losses	—	(0.1)	—
Net unrealized gains	$ 0.5	$ 1.4	$ —
Accrued liabilities			
Unrealized gains	$ 1.0	$ 0.4	$ 0.7
Unrealized losses	(4.0)	(2.4)	(3.5)
Net unrealized losses	$ (3.0)	$ (2.0)	$ (2.8)
Other liabilities			
Unrealized gains	$ 0.1	$ —	$ —
Unrealized losses	(1.0)	—	—
Net unrealized losses	$ (0.9)	$ —	$ —

Net gains (losses) on cash flow hedging activities have been reclassified from other comprehensive earnings (loss) to net earnings for the three and nine months ended September 29, 2024 and October 1, 2023 as follows:

	Three Months Ended		Nine Months Ended	
	September 29, 2024	October 1, 2023	September 29, 2024	October 1, 2023
Statements of Operations Classification				
Cost of sales	$ (0.6)	$ 1.8	$ (0.7)	$ 0.5
Net revenues	0.8	(0.1)	1.4	(0.2)
Other	(0.3)	1.2	—	1.7
Net realized (losses) gains	$ (0.1)	$ 2.9	$ 0.7	$ 2.0

Undesignated Hedges

The Company also enters into foreign currency forward contracts to minimize the impact of changes in the fair value of intercompany loans due to foreign currency changes. The Company does not use hedge accounting for these contracts as changes in the fair values of these contracts are substantially offset by changes in the fair value of the intercompany loans. As of September 29, 2024, October 1, 2023 and December 31, 2023, the total notional amounts of the Company's undesignated derivative instruments were $267.4 million, $807.5 million, and $340.5 million, respectively.

(Millions of Dollars and Shares Except Per Share Data)

At September 29, 2024, October 1, 2023 and December 31, 2023, the fair values of the Company's undesignated derivative financial instruments were recorded in the Consolidated Balance Sheets as follows:

	September 29, 2024	October 1, 2023	December 31, 2023
Prepaid expenses and other current assets			
Unrealized gains	$ —	$ 10.7	$ 0.3
Unrealized losses	—	(7.7)	—
Net unrealized gains	$ —	$ 3.0	$ 0.3
Accrued liabilities			
Unrealized gains	$ 0.2	$ —	$ 1.4
Unrealized losses	(2.2)	(0.1)	(2.5)
Net unrealized losses	$ (2.0)	$ (0.1)	$ (1.1)

The Company recorded a net gain of $4.5 million and a net gain of $8.7 million for three and nine months ended September 29, 2024, respectively, and net gains of $15.1 million and $26.4 million, three and nine months ended October 1, 2023, respectively, on these instruments to Other (income) expense, net relating to the change in fair value of such derivatives, substantially offsetting gains and losses from the change in fair value of intercompany loans to which the contracts relate.

For additional information related to the Company's derivative financial instruments (see Notes 6 and 11).

(Millions of Dollars and Shares Except Per Share Data)

(13) Restructuring Actions

During 2018 and 2020, the Company took certain restructuring actions including headcount reduction aimed at right-sizing the Company's cost-structure and integration actions related to the acquisition of eOne. As of September 29, 2024, the Company had a remaining balance of $0.6 million in severance and other employee expenses related to these programs included within Other accrued liabilities in the Consolidated Balance Sheets, after making payments of $1.9 million during the nine months ended September 29, 2024. Substantially all of the remaining cash payments related to these programs are expected to be made by the end of 2024.

During 2022 and 2023, Hasbro implemented its Operational Excellence program ("the Program"), an ongoing enterprise-wide initiative intended to improve our business through programs that include targeted cost-savings, supply chain transformation and certain other restructuring actions designed to drive growth and enhance shareholder value. The Company's organizational structure changes have resulted and will further result in workforce reductions as well as the reallocation of people and resources, which will include voluntary early retirement for certain groups of employees and additional involuntary reduction in employees ("Additional Actions"). The Company currently anticipates that the Additional Actions will be substantially complete over the next 18 to 24 months.

Charges related to the Program were recorded in Selling, distribution and administration within Corporate and Other. Going forward, the Company may implement further cost-saving initiatives under the Program that could result in additional restructuring charges including severance and other employee charges.

As of September 29, 2024, the liability balance associated with the Program related restructuring actions consisted of severance payments recorded within Other accrued liabilities in the Consolidated Balance Sheets as follows:

	Nine Months Ended	
Operational Excellence	September 29, 2024	October 1, 2023
Balance at beginning of the year	$ 81.2	$ 84.9
Charges	7.8	—
Payments	(40.1)	(33.9)
Ending Balance	$ 48.9	$ 51.0

The following table presents the restructuring charges incurred to date under the Program, along with the estimated charges expected to be incurred on approved initiatives under the Program as of September 29, 2024:

Operational Excellence	Total
Charges incurred to date	$ 140.1
Estimated charges to be incurred on approved initiatives	—
Total expected charges on approved initiatives	$ 140.1

(14) Commitments and Contingencies

Contingencies – The Company is subject to claims related to product and other commercial matters. In determining costs to accrue related to these items, the Company carefully analyzes cases and considers the likelihood of adverse judgments or outcomes, as well as the potential range of possible loss. The Company accrues for matters when losses are both probable and estimable. Any amounts accrued for these matters are monitored on an ongoing basis and are updated based on new developments or new information as it becomes available for each matter.

Litigation and Other Claims – The Company from time to time may be subject to lawsuits and other claims related to product, commercial, employee, environmental and other matters in the normal course of business. In determining costs to accrue related to these items, the Company carefully analyzes cases and considers the likelihood of adverse judgments or outcomes, as well as the potential range of possible loss. The Company accrues for matters when losses are both probable and estimable. Any amounts accrued for these matters are monitored on an ongoing basis and are updated based on new developments or new information as it becomes available for each matter.

Environmental Liabilities - The Company monitors for any estimated environmental contingencies related to its current physical locations and former owned or leased facilities in which it is responsible for environmental matters. The Company has estimated a $31.1 million environmental liability related to a previously owned manufacturing facility (environmental liability assumed as part of a historical acquisition), in which the Company is solely responsible for the mitigation and remediation activities.

Contractual obligations and commercial commitments, as detailed in the Company's 2023 Form 10-K, did not materially change outside of certain payments made in the normal course of business, except as disclosed above and as disclosed in Note 8.

(15) Segment Reporting

Hasbro is a game, toy, and intellectual property company with a broad portfolio of brands and entertainment content spanning toys, games, licensed products ranging from traditional to digital, as well as film and television entertainment. The Company's reportable segments are Consumer Products, Wizards of the Coast and Digital Gaming, Entertainment and Corporate and Other.

- The Consumer Products segment engages in the sourcing, marketing and sales of toy and game products around the world. The Consumer Products business also promotes the Company's brands through the out-licensing of our trademarks, characters and other brand and intellectual property rights to third parties, through the sale of branded consumer products such as toys and apparel. Additionally, through license agreements with third parties, we develop and sell products based on popular third-party brands.

- The Wizards of the Coast and Digital Gaming business engages in the promotion of the Company's brands through the development of trading card, role-playing and digital game experiences based on Hasbro and Wizards of the Coast games. Additionally, we license certain of our brands to other third-party digital game developers who transform Hasbro brand-based characters and other intellectual properties, into digital gaming experiences.

- The Entertainment segment engages in the development and production of Hasbro-branded entertainment content including film, television, children's programming, digital content and live entertainment focused on Hasbro-owned properties.

- Corporate and Other provides management and administrative services to the Company's principal reporting segments described above and consists of unallocated corporate expenses and administrative costs and activities not considered when evaluating segment performance as well as certain assets benefiting more than one segment.

(Millions of Dollars and Shares Except Per Share Data)

Information by segment and a reconciliation to reported amounts for the three and nine months ended September 29, 2024 and October 1, 2023 are as follows:

	Three Months Ended		Nine Months Ended	
	September 29, 2024	October 1, 2023	September 29, 2024	October 1, 2023
Net revenues:				
Consumer Products	$ 860.1	$ 956.9	$ 1,797.6	$ 2,132.5
Wizards of the Coast and Digital Gaming	404.0	423.6	1,172.3	1,094.4
Entertainment	17.2	122.9	64.0	487.5
Corporate and Other	—	—	—	—
Total net revenues	$ 1,281.3	$ 1,503.4	$ 3,033.9	$ 3,714.4
Intercompany revenues: (1)				
Consumer Products	$ 75.6	$ 72.7	$ 179.6	$ 226.8
Wizards of the Coast and Digital Gaming	46.0	43.5	119.9	136.6
Entertainment	17.2	14.8	37.7	39.4
Corporate and Other	(138.8)	(131.0)	(337.2)	(402.8)
Total intercompany revenues:	$ —	$ —	$ —	$ —
Operating profit (loss):				
Consumer Products (2)	$ 121.0	$ 96.1	$ 64.8	$ 61.5
Wizards of the Coast and Digital Gaming	181.2	203.4	551.1	422.5
Entertainment (3)	9.8	(468.5)	14.6	(801.4)
Corporate and Other (3) (4)	(10.1)	(0.5)	(0.3)	(22.8)
Total Operating profit (loss)	301.9	(169.5)	630.2	(340.2)
Interest expense	46.2	47.1	127.7	140.0
Interest income	(14.7)	(3.8)	(36.0)	(15.6)
Other non-operating expense (income)	(19.9)	2.2	(15.7)	(0.7)
Earnings (loss) before income taxes	$ 290.3	$ (215.0)	$ 554.2	$ (463.9)

(1) Amounts represent revenues from transactions with other operating segments that are included in the operating profit (loss) of the segment.

(2) During the nine months ended September 29, 2024, the Company recorded two non-recurring prior year adjustments: (i) a $31.1 million expense related to historical environmental exposures, and (ii) a $26.7 million benefit related to over-accrual of vendor commitment liabilities. See Note 1 for further information. Both of these originally related to the Consumer Products segment; however, because the non-recurring nature of these adjustments are related to historical periods and not associated with the on-going future operations of the Consumer Products segment, the Company recorded the error corrections within the Corporate and Other segment.

(3) Certain long-term assets, including property, plant and equipment, goodwill and other intangibles, which benefit multiple operating segments, are included in both Entertainment and Corporate and Other. Allocations of certain Corporate and Other expenses, related to these assets are made to the individual operating segments at the beginning of the year based on budgeted amounts. Any differences between actual and budgeted amounts are reflected in Corporate and Other because allocations are translated from the U.S. Dollar to local currency at budgeted rates when recorded. Corporate and Other also includes the elimination of inter-company balance sheet amounts.

(4) Corporate and Other Operating profit (loss) includes Operational Excellence related transformation office and consulting fees of $6.0 million and $18.5 million for the three and nine months ended September 29, 2024, respectively, and $8.4 million and $29.4 million for the three and nine months ended October 1, 2023, respectively, which are recorded within Selling, distribution and administration costs within the Consolidated Statements of Operations. Third party consultants were engaged to assist the Company in performing a comprehensive review of operations and developing a transformation plan designed to support the organization in identifying, realizing, and capturing savings through the identification of organizational initiatives intended to create efficiencies and improve business processes and operations. The consultants assisted in providing benchmark data and are currently assisting with the design of an improved operating model and supply chain function. The Company expects this consulting assistance to conclude within 2024 in line with the transformation plans.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(Dollar and share amounts in tables presented in millions, unless otherwise noted)

The following discussion and analysis should be read together with the accompanying unaudited consolidated financial statements and the notes thereto included in this Quarterly Report and the audited consolidated financial statements and the notes thereto in the 2023 Annual Report.

Overview

Hasbro, Inc. ("Hasbro") is a game, toy, and intellectual property company whose mission is to entertain and connect generations of fans through the exhilaration of play and the wonder of storytelling. We are Creating Magic Through Play by delivering engaging brand experiences for global audiences across gaming, consumer products and entertainment, with a portfolio of iconic brands including MAGIC: THE GATHERING, Hasbro Gaming, PLAY-DOH, NERF, TRANSFORMERS, DUNGEONS & DRAGONS, and PEPPA PIG, as well as premier partner brands.

Hasbro is guided by our purpose to create joy and community for all people around the world, one game, one toy, one story at a time. For the past decade, we have been consistently recognized for our corporate citizenship, including being named one of the 100 Best Corporate Citizens by 3BL Media.

Recent Developments

In fiscal year 2023, we embarked upon an ambitious, multi-year transformation guided by our revamped strategy to focus on fewer, bigger and better brands. Since that announcement, we have been able to create efficiencies in our supply chain, improve our inventory position, lower our costs, and reinvest back into the business. In addition, we have strengthened our leadership team with industry veterans and turnaround experts and have focused our strategic investments on our most valuable and profitable franchises across games, toys, licensing and entertainment. This focused strategy also led to the decision to sell certain non-core parts of our business, including the Entertainment One film and television business ("eOne Film and TV") in December 2023, while retaining brand-based created content and the capability to develop and produce entertainment including animation, digital shorts, scripted TV and theatrical films related to core Hasbro IP, as well as our Family Brands business. In addition, during 2023, we made the difficult decision to take additional headcount reductions and accelerate the process of certain organizational structure changes in an effort to strengthen our foundation and position Hasbro for growth.

Summary of Quarter and Year to Date Results

During 2024, the Company experienced declines in revenue from $1,503.4 million and $3,714.4 million for the three and nine months ended October 1, 2023, respectively, to $1,281.3 million and $3,033.9 million for the three and nine months ended September 29, 2024, respectively. The decline in revenue for the three months ended September 29, 2024 from three months ended October 1, 2023 is driven primarily by the sale of eOne Film and TV business and by broader industry trends, exited businesses, shifts in product mix, a lighter entertainment slate in the current year, reduced closeout sales in the Consumer Products business, and the decrease in our Wizards of the Coast and Digital Gaming revenues, mainly from the higher digital licensing of *Baldur's Gate 3* that was launched within the three months ended October 1, 2023 with no comparable releases in 2024. The decline in revenue for the nine months ended September 29, 2024 from nine months ended October 1, 2023is driven primarily by the sale of eOne Film and TV business and by broader industry trends, exited businesses, shifts in product mix, a lighter entertainment slate in the current year, and reduced closeout sales in the Consumer Products business, partially offset by increases in our Wizards of the Coast and Digital Gaming revenues driven by higher digital licensing revenue primarily due to *MONOPOLY GO!* as well as contributions from MAGIC: THE GATHERING. The Company has made strong progress towards its ongoing turnaround efforts while achieving an operating profit of $301.9 million and $630.2 million during the three and nine months ended September 29, 2024, respectively, as compared to an operating loss of $169.5 million and $340.2 million for the three and nine months ended October 1, 2023, respectively. See the below discussion for the consolidated and segment results of operations.

RESULTS OF OPERATIONS

The following table presents the consolidated results of operations for the three months ended September 29, 2024 and October 1, 2023:

	Three Months Ended			
	September 29, 2024		October 1, 2023	
	Amount	% of Net Revenues	Amount	% of Net Revenues
Net revenues	$ 1,281.3	100.0 %	$ 1,503.4	100.0 %
Costs and expenses:				
Cost of sales	378.9	29.6 %	494.5	32.9 %
Program production cost amortization	7.9	0.6 %	68.4	4.5 %
Royalties	98.0	7.6 %	106.9	7.1 %
Product development	76.3	6.0 %	76.7	5.1 %
Advertising	101.9	8.0 %	81.9	5.4 %
Amortization of intangibles	17.1	1.3 %	19.2	1.3 %
Loss on disposal of business	—	— %	473.0	31.5 %
Selling, distribution and administration	299.3	23.4 %	352.3	23.4 %
Total costs and expenses	979.4	76.4 %	1,672.9	111.3 %
Operating profit (loss)	301.9	23.6 %	(169.5)	(11.3)%
Non-operating (income) expense:				
Interest expense	46.2	3.6 %	47.1	3.1 %
Interest income	(14.7)	(1.1)%	(3.8)	(0.3)%
Other income, net	(19.9)	(1.6)%	2.2	0.1 %
Total non-operating expense, net	11.6	0.9 %	45.5	3.0 %
Earnings (loss) before income taxes	290.3	22.7 %	(215.0)	(14.3)%
Income tax expense (benefit)	67.0	5.2 %	(44.6)	(3.0)%
Net earnings (loss)	223.3	17.4 %	(170.4)	(11.3)%
Net earnings attributable to noncontrolling interests	0.1	— %	0.7	— %
Net earnings (loss) attributable to Hasbro, Inc.	$ 223.2	17.4 %	$ (171.1)	(11.4)%
Net earnings (loss) per common share:				
Basic	$ 1.60		$ (1.23)	
Diluted	$ 1.59		$ (1.23)	

Net revenues - Net revenues for the third quarter of 2024 declined 15% to $1,281.3 million from $1,503.4 million for the third quarter of 2023 primarily driven by a $105.7 million, or 86%, decline in the Entertainment driven by the sale of the eOne Film and TV business, a $96.8 million, or 10%, decline in the Consumer Products segment, and a $19.6 million, or 5%, decrease in the Wizards of the Coast and Digital Gaming segment. See the Segment Results discussion below for further details.

The following table presents net revenues by brand portfolio category for the three months ended September 29, 2024 and October 1, 2023:

	Three Months Ended		
	September 29, 2024	October 1, 2023	% Change
Franchise Brands	$ 941.6	$ 1,011.0	(7)%
Partner Brands	190.1	228.2	(17)%
Portfolio Brands	149.6	170.6	(12)%
Non-Hasbro Branded Film & TV [(1)]	—	93.6	(100)%
Total	$ 1,281.3	$ 1,503.4	(15)%

[1] Net revenues from the Company's Non-Hasbro-branded Film and TV portfolio were associated with the Company's non-core eOne Film and TV business sold to Lionsgate during the fourth quarter of 2023.

FRANCHISE BRANDS: Net revenues in the Franchise Brands portfolio decreased $69.4 million in the third quarter of 2024, compared to the third quarter of 2023. The net revenue decrease primarily reflects lower net revenues from NERF and DUNGEONS & DRAGONS products, partially offset by higher net revenues from *MONOPOLY GO!*, along with MAGIC: THE GATHERING products.

PARTNER BRANDS: Net revenues from the Partner Brands portfolio decreased $38.1 million, or 17%, in the third quarter of 2024, compared to the third quarter of 2023. Within the Partner Brands portfolio, there are a number of brands which are reliant on related entertainment, including television and movie releases. As such, net revenues from Partner Brands fluctuate depending on entertainment popularity, release dates and related product line offerings. Historically these entertainment-based brands experience higher revenues during years in which new content is released in theaters, for broadcast, and on streaming platforms.

During the third quarter of 2024, Partner Brands net revenue decreases were driven by lower net revenues from the Company's products for STAR WARS and MARVEL which benefited from a broader slate of entertainment releases in prior years without a more recent entertainment release to support revenue in the third quarter of 2024. This was partially offset by higher net revenues from BEY BLADE following the Company's reintroduction of the brand. Additionally, revenue in the third quarter of 2023 was higher due to the Company's products for INDIANA JONES supported by the June 2023 theatrical release of *Indiana Jones and the Dial of Destiny*.

PORTFOLIO BRANDS: Portfolio Brands net revenues decreased $21.0 million, or 12%, in the third quarter of 2024 compared to the third quarter of 2023. Lower net revenues from POWER RANGERS, BABY ALIVE, GI JOE and PJ MASKS products were partially offset by revenue contributions from MY LITTLE PONY trading card products.

NON-HASBRO BRANDED FILM & TV: Net revenues from Non-Hasbro Branded Film & TV decreased $93.6 million in the third quarter of 2024 compared to the third quarter of 2023. Net revenues from the Company's Non-Hasbro-branded Film and TV portfolio were associated with the eOne Film and TV business sold during the fourth quarter of 2023. Effective in the first quarter of 2024, the Company moved the remaining Non-Hasbro Branded Film & TV brands into Portfolio Brands to align with the Company's Brand Strategy. For comparability, net revenues for three months ended October 1, 2023, has been reclassified to reflect the movement, resulting in a change of $0.3 million.

OPERATING COSTS AND EXPENSES

Cost of sales - Cost of sales for the third quarter of 2024 was $378.9 million, or 29.6% of net revenues, compared to $494.5 million, or 32.9% of net revenues, for the third quarter of 2023. The Cost of sales decrease in dollars and as a percent of net revenues was driven primarily by lower sales volumes, supply chain productivity, and cost savings initiatives.

Program cost amortization - Program cost amortization decreased to $7.9 million, or 0.6% of net revenues, for the third quarter of 2024 from $68.4 million, or 4.5% of net revenues, for the third quarter of 2023. Program costs are capitalized as incurred and amortized primarily using the individual-film-forecast method which matches costs to the related recognized revenue. The decrease in dollars and as a percent of net revenues during the third quarter of 2024 was driven by the impact of the sale of the eOne Film and TV business during the fourth quarter of 2023 as prior year Program costs were primarily associated with the eOne Film and TV business.

Royalties - Royalty expense for the third quarter of 2024 decreased to $98.0 million, or 7.6% of net revenues, compared to $106.9 million, or 7.1% of net revenues, for the third quarter of 2023. Fluctuations in Royalty expense are generally related to the volume of content releases and deliveries and entertainment-driven products sold. The decrease in Royalty expense during the third quarter of 2024 directly reflects the impact of the sale of the eOne Film and TV business.

Product development - Product development expense for the third quarter of 2024 was $76.3 million, or 6.0% of net revenues, compared to $76.7 million, or 5.1% of net revenues, for the third quarter of 2023. The decrease in Product development expense during the third quarter of 2024 was primarily due to the Company's cost savings initiatives, along with phasing of product releases.

Advertising - Advertising expense for the third quarter of 2024 was $101.9 million, or 8.0% of net revenues, compared to $81.9 million, or 5.4% of net revenues, for the third quarter of 2023. The Advertising expense increase during the third quarter of 2024 was primarily driven by the sale initiatives in Consumer Products segment.

Amortization of intangibles - Amortization of intangible assets decreased to $17.1 million, or 1.3% of net revenues, for the third quarter of 2024, compared to $19.2 million, or 1.3% of net revenues, for the third quarter of 2023. The decrease in 2024 reflects lower definite lived intangible assets due to the sale of the eOne Film and TV business and impairments taken in 2023. See further detail of impairments taken in 2023 in Note 6 of the 2023 Annual Report.

Selling, distribution and administration - Selling, distribution and administration expenses decreased to $299.3 million, or 23.4% of net revenues for the third quarter of 2024, from $352.3 million, or 23.4% of net revenues, for the third quarter of 2023. The decrease in Selling, distribution and administration expenses during the third quarter of 2024 primarily reflects lower administrative expenses due to cost savings initiatives.

Operating Profit (Loss) - The operating profit for the third quarter of 2024 was $301.9 million, or 23.6% of net revenues, compared to an operating loss of $169.5 million, or 11.3% of net revenues, for the third quarter of 2023 driven by the factors discussed above.

NON-OPERATING EXPENSE (INCOME)

Interest expense - Interest expense for the third quarter of 2024 totaled $46.2 million compared to $47.1 million in the third quarter of 2023. The decrease in Interest expense for the third quarter of 2024 primarily reflects lower average outstanding borrowings in the third quarter of 2024 as compared to third quarter of 2023 due to the assumption of the production financing borrowings by Lionsgate as part of the eOne Film and TV business and due to the retirement of the Company's variable-rate Five-Year term loan using proceeds from the sale of the eOne Film and TV business, both occurring during the fourth quarter of 2023, partially offset by the issuance of the 2034 Notes (see Liquidity and Capital Resources discussion below for further information including description of the 2034 Notes).

Interest income - Interest income was $14.7 million for the third quarter of 2024, compared to $3.8 million in the third quarter of 2023. Higher Interest income in 2024 primarily reflects higher average interest rates in 2024 compared to 2023, along with the Company's investment in short-term treasury bills in connection with the issuance of the 2034 Notes (see Liquidity and Capital Resources discussion below for further information including description of the 2034 Notes).

Other income, net - Other income, net was $19.9 million for the third quarter of 2024, compared to Other income, net of $2.2 million in the third quarter of 2023. The change in Other income, net during 2024 was driven primarily by an increase in foreign currency exchange gains the third quarter of 2024 as compared to the third quarter of 2023.

INCOME TAXES

Income tax expense totaled $67.0 million on pre-tax income of $290.3 million in the third quarter of 2024 compared to income tax benefit of $44.6 million on pre-tax loss of $215.0 million in the third quarter of 2023. Both periods were impacted by discrete tax events including the accrual of potential interest and penalties on uncertain tax positions. During the third quarter of 2024, the Company recorded net discrete tax expense of $1.1 million compared to a net discrete tax benefit of $104.4 million in the third quarter of 2023.

The net unfavorable discrete tax expense for the third quarter of 2024 are primarily associated with interest accruals on uncertain tax positions. The net favorable discrete tax benefit for the third quarter of 2023 is primarily associated with a tax benefit on the loss on assets held for sale of $473.0 million, offset by stock compensation and activity related to uncertain tax benefits, primarily interest accruals. Absent discrete items, the tax rates for the third quarter of 2024 and 2023 were 22.7% and 23.2%, respectively. The decrease in the base rate of 22.7% for the third quarter of 2024, relative to the third quarter of 2023, is primarily due to the mix of jurisdictions where the Company earned its profits combined with the timing of income recognition during 2023.

SEGMENT RESULTS

The following table presents net external revenues and operating profit (loss) for the Company's reportable segments for the three months ended September 29, 2024 and October 1, 2023:

	Three Months Ended		
	September 29, 2024	October 1, 2023	% Change
Net revenues:			
Consumer Products	$ 860.1	$ 956.9	(10)%
Wizards of the Coast and Digital Gaming	404.0	423.6	(5)%
Entertainment	17.2	122.9	(86)%
Total net revenues	$ 1,281.3	$ 1,503.4	(15)%
Operating profit (loss):			
Consumer Products	$ 121.0	$ 96.1	26 %
Wizards of the Coast and Digital Gaming	181.2	203.4	(11)%
Entertainment	9.8	(468.5)	(102)%
Corporate and Other	(10.1)	(0.5)	1,920 %
Total Operating profit (loss)	$ 301.9	$ (169.5)	(278)%

Consumer Products Segment

The following table presents the Consumer Products segment net revenues by major geographic region for the three months ended September 29, 2024 and October 1, 2023:

	Three Months Ended		
	September 29, 2024	October 1, 2023	% Change
North America	$ 526.8	$ 573.6	(8)%
Europe	162.3	208.7	(22)%
Asia Pacific	81.9	61.8	33 %
Latin America	89.1	112.8	(21)%
Net revenues	$ 860.1	$ 956.9	(10)%

The Consumer Products segment net revenues decreased 10% to $860.1 million for the third quarter of 2024 compared to $956.9 million for the third quarter of 2023 primarily driven by broader industry trends, exited businesses, including out-licensing certain brands, shifts in product mix, and reduced closeout sales as a result of last year's inventory clean up initiatives.

The net revenue decrease primarily reflects lower net revenues from NERF, MARVEL and STAR WARS products. STAR WARS and MARVEL products benefited from a slate of entertainment releases in prior years without a more recent release entertainment release to support revenue in the third quarter of 2024. These declines in revenue were partially offset by revenue growth from BEY BLADE and TRANSFORMERS products and licensing revenue from MY LITTLE PONY.

Consumer Products segment operating profit for the third quarter of 2024 was $121.0 million or 14.1% of segment net revenues, compared to a segment operating profit of $96.1 million or 10.0% of segment net revenues, for the third quarter of 2023. The increase in operating profit in the third quarter of 2024 was driven by favorable product mix, and savings realized from the Company's cost savings initiatives, lower royalty expenses reflecting the mix of products sold, and lower freight costs, associated with the lower sales volumes.

Wizards of the Coast and Digital Gaming Segment

The following table presents Wizards of the Coast and Digital Gaming segment net revenues by category for the three months ended September 29, 2024 and October 1, 2023:

	Three Months Ended		
	September 29, 2024	**October 1, 2023**	**% Change**
Tabletop Gaming	$ 296.8	$ 290.5	2 %
Digital and Licensed Gaming	107.2	133.1	(19)%
Net revenues	$ 404.0	$ 423.6	(5)%

Wizards of the Coast and Digital Gaming segment net revenues decreased 4.6% in the third quarter of 2024 to $404.0 million from $423.6 million in the third quarter of 2023. The net revenue decrease in the Wizards of the Coast and Digital Gaming segment during the third quarter of 2024 was primarily attributable to revenue contributions from higher digital licensing of *Baldur's Gate 3*, the DUNGEONS & DRAGONS-based role-playing video game released during the third quarter 2023 with no comparable release during the third quarter 2024. The net revenue decrease from *Baldur's Gate 3* was partially offset by net revenue increase from *MONOPOLY GO!* and Tabletop Gaming revenue which increased 2.2% behind growth in MAGIC: THE GATHERING primarily due to strong demand for *Bloomburrow*, *Duskmourn*, and *Festival in a Box.*

Wizards of the Coast and Digital Gaming segment operating profit was $181.2 million, or 44.9% of segment net revenues for the third quarter of 2024, compared to operating profit of $203.4 million, or 48.0% of segment net revenues, for the third quarter of 2023. The operating profit decrease during the third quarter of 2024 was driven by decreased net revenues and lower digital licensing revenue mix, partially offset from the benefit of, cost savings initiatives.

Entertainment Segment

The following table presents Entertainment segment net revenues by category for the three months ended September 29, 2024 and October 1, 2023:

	Three Months Ended		
	September 29, 2024	**October 1, 2023**	**% Change**
Film and TV	$ 1.6	$ 102.1	(98)%
Family Brands	15.6	20.8	(25)%
Net revenues	$ 17.2	$ 122.9	(86)%

Entertainment segment net revenues decreased 86% to $17.2 million for the third quarter of 2024, compared to $122.9 million for the third quarter of 2023. The net revenue decrease in the Entertainment segment during the third quarter of 2024 was driven by lower net revenues as a result of the sale of the eOne Film and TV business during the fourth quarter of 2023.

Entertainment segment operating profit was $9.8 million, or 57.0% of segment net revenues for the third quarter of 2024, compared to an operating loss of $468.5 million, or 381% of segment net revenues for the third quarter of 2023. The increase in Entertainment segment operating results during the third quarter of 2024 was driven by recording of a loss on assets held for sale of $473.0 million in the third quarter that related to the sale of the eOne Film and TV business.

Corporate and Other

Corporate and Other operating loss was $10.1 million for the third quarter of 2024 compared to an operating loss of $0.5 million for the third quarter of 2023. The increase in operating loss in the third quarter of 2024 as compared to the third quarter of 2023 primarily reflects costs for certain retained liabilities associated with the eOne Film and TV business.

RESULTS OF OPERATIONS

The following table presents the consolidated results of operations for the nine months ended September 29, 2024 and October 1, 2023:

	Nine Months Ended			
	September 29, 2024		October 1, 2023	
	Amount	% of Net Revenues	Amount	% of Net Revenues
Net revenues	$ 3,033.9	100.0 %	$ 3,714.4	100.0 %
Costs and expenses:				
Cost of sales	820.8	27.1 %	1,132.0	30.5 %
Program production cost amortization	24.5	0.8 %	325.3	8.8 %
Royalties	204.2	6.7 %	295.8	8.0 %
Product development	212.2	7.0 %	232.4	6.3 %
Advertising	213.8	7.0 %	249.8	6.7 %
Amortization of intangibles	51.2	1.7 %	65.1	1.8 %
Impairment of goodwill	—	— %	231.2	6.2 %
Loss on disposal of business	24.4	0.8 %	473.0	12.7 %
Selling, distribution and administration	852.6	28.1 %	1,050.0	28.3 %
Total costs and expenses	2,403.7	79.2 %	4,054.6	109.2 %
Operating profit (loss)	630.2	20.8 %	(340.2)	(9.2)%
Non-operating (income) expense:				— %
Interest expense	127.7	4.2 %	140.0	3.8 %
Interest income	(36.0)	(1.2)%	(15.6)	(0.4)%
Other (income) expense, net	(15.7)	(0.5)%	(0.7)	— %
Total non-operating expense, net	76.0	2.5 %	123.7	3.3 %
Earnings (loss) before income taxes	554.2	18.3 %	(463.9)	(12.5)%
Income tax expense (benefit)	133.3	4.4 %	(36.9)	(1.0)%
Net earnings (loss)	420.9	13.9 %	(427.0)	(11.5)%
Net earnings attributable to noncontrolling interests	1.0	— %	1.2	— %
Net earnings (loss) attributable to Hasbro, Inc.	$ 419.9	13.8 %	$ (428.2)	(11.5)%
Net earnings (loss) per common share:				
Basic	$ 3.01		$ (3.09)	
Diluted	$ 3.00		$ (3.09)	

Net revenues - Net revenues for the first nine months of 2024 decreased 18% to $3,033.9 million from $3,714.4 million for the first nine months of 2023 primarily driven by a $423.5 million, or 87%, decline in the Entertainment segment and a $334.9 million, or 16%, decline in the Consumer Products segment, partially offset by a $77.9 million, or 7%, increase in the Wizards of the Coast and Digital Gaming segment. See the Segment Results discussion below for further details.

The following table presents net revenues by brand portfolio category for the nine months ended September 29, 2024 and October 1, 2023:

	Nine Months Ended		
	September 29, 2024	October 1, 2023	% Change
Franchise Brands	$ 2,334.7	$ 2,412.8	(3)%
Partner Brands	402.4	533.8	(25)%
Portfolio Brands	296.8	370.6	(20)%
Non-Hasbro Branded Film & TV [(1)]	—	397.2	(100)%
Total	$ 3,033.9	$ 3,714.4	(18)%

[1] Net revenues from the Company's Non-Hasbro-branded Film and TV portfolio were associated with the Company's non-core eOne Film and TV business sold to Lionsgate during the fourth quarter of 2023.

FRANCHISE BRANDS: Net revenues in the Franchise Brands portfolio decreased $78.1 million, or 3%, in the first nine months of 2024, compared to the first nine months of 2023. The net revenue decrease primarily reflects lower net revenues from NERF and TRANSFORMERS products. Net revenues from TRANSFORMERS products in the first nine months of 2023 were supported by the June 2023 theatrical release of TRANSFORMERS: Rise of the Beasts. The lower net revenues from NERF and TRANSFORMERS products were partially offset by higher net revenues from *MONOPOLY GO!*, along with MAGIC: THE GATHERING products.

PARTNER BRANDS: Net revenues from the Partner Brands portfolio decreased $131.4 million, or 25%, in the first nine months of 2024, compared to the first nine months of 2023. During the first nine months of 2024, Partner Brands net revenue decreases were driven by lower net revenues from the Company's products for STAR WARS and MARVEL which benefited from a broader slate of entertainment releases in prior years without a more recent release entertainment release to support revenue in the first nine months of 2024. Additionally, revenue in the first nine months of 2023 was higher due to the Company's products for INDIANA JONES supported by the June 2023 theatrical release of *Indiana Jones and the Dial of Destiny*.

PORTFOLIO BRANDS: Portfolio Brands net revenues decreased $73.8 million, or 20%, in the first nine months of 2024 compared to the first nine months of 2023. Lower net revenues from POWER RANGERS, BABY ALIVE, and PJ MASKS products were partially offset by revenue contributions from FURBY products following the Company's reintroduction of the brand and refreshed product line during the second quarter of 2023 and licensing revenue for MY LITTLE PONY trading cards.

NON-HASBRO BRANDED FILM & TV: Net revenues from Non-Hasbro Branded Film & TV decreased $397.2 million in the first nine months of 2024 compared to the first nine months of 2023. Net revenues from the Company's Non-Hasbro-branded Film and TV portfolio were associated with the eOne Film and TV business sold during the fourth quarter of 2023. Effective in the first quarter of 2024, the Company moved the remaining Non-Hasbro Branded Film & TV brands into Portfolio Brands to align with the Company's Brand Strategy. For comparability, net revenues for nine months ended October 1, 2023, has been reclassified to reflect the movement, resulting in a change of $1.2 million.

OPERATING COSTS AND EXPENSES

Cost of sales - Cost of sales for the first nine months of 2024 was $820.8 million, or 27.1% of net revenues, compared to $1,132.0 million, or 30.5% of net revenues, for the first nine months of 2023. The Cost of sales decrease in dollars and as a percent of net revenues was driven primarily by lower sales volumes, supply chain productivity, and cost savings initiatives, and a non-recurring $26.7 million benefit related to a historical over-accrual of vendor commitment liabilities as discussed in Note 1 to the consolidated financial statements.

Program cost amortization - Program cost amortization decreased to $24.5 million, or 0.8% of net revenues, for the first nine months of 2024 from $325.3 million, or 8.8% of net revenues, for the first nine months of 2023. The decrease in dollars and as a percent of net revenues during the first nine months of 2024 was driven by the impact of the sale of the eOne Film and TV business during the fourth quarter of 2023 as prior year Program costs were primarily associated with the eOne Film and TV business.

Royalties - Royalty expense for the first nine months of 2024 decreased to $204.2 million, or 6.7% of net revenues, compared to $295.8 million, or 8.0% of net revenues, for the first nine months of 2023. The decrease in Royalty expense in dollars and as a percent of net revenues during the first nine months of 2024 directly reflects the impact of the sale of the eOne Film and TV business.

Product development - Product development expense for the first nine months of 2024 was $212.2 million, or 7.0% of net revenues, compared to $232.4 million, or 6.3% of net revenues, for the first nine months of 2023. The decrease in Product development expense during the first nine months of 2024 was driven by cost savings initiatives from cost savings initiatives, along with phasing of product releases.

Advertising - Advertising expense for the first nine months of 2024 was $213.8 million, or 7.0% of net revenues, compared to $249.8 million, or 6.7% of net revenues, for the first nine months of 2023. The Advertising expense decrease during the first nine months of 2024 was primarily driven by the sale of the eOne Film and TV business, along with declines in the advertising expense in the Consumer Products segment due to lower net revenues.

Amortization of intangibles - Amortization of intangible assets decreased to $51.2 million, or 1.7% of net revenues, for the first nine months of 2024, compared to $65.1 million, or 1.8% of net revenues, for the first nine months of 2023. The decrease in 2024 reflects lower definite lived intangible assets due to the sale of the eOne Film and TV business and impairments taken in 2023. See further detail of impairments taken in 2023 in Note 6 of the 2023 Annual Report.

Impairment of goodwill - There were no goodwill impairment charges during the first nine months of 2024. During the first nine months of 2023, the Company recorded $231.2 million of goodwill impairment charges associated with goodwill assigned to the Company's Film and TV reporting unit. See further details in the 2023 Annual Report.

Selling, distribution and administration - Selling, distribution and administration expenses decreased to $852.6 million, or 28.1% of net revenues for the first nine months of 2024, from $1,050.0 million, or 28.3% of net revenues, for the first nine months of 2023. The decrease in Selling, distribution and administration expenses in dollars and as a percent of net revenues during the first nine months of 2024 primarily reflects lower administrative expenses due to cost savings from cost savings initiatives, a prior year intangible asset impairment charge of $65.0 million related to the Company's eOne trademark intangible asset, along with a non-recurring stock-compensation adjustment of $18.1 million recorded during the first quarter of 2024, partially offset by a non-recurring $31.1 million expense related to historical environmental exposures as discussed in Note 1 to the consolidated financial statements.

Operating Profit (Loss) - The operating profit for the first nine months of 2024 was $630.2 million, or 20.8% of net revenues, compared to an operating loss of $(340.2) million, or 9.2% of net revenues, for the first nine months of 2023 driven by the factors discussed above.

NON-OPERATING EXPENSE (INCOME)

Interest expense - Interest expense for the first nine months of 2024 totaled $127.7 million compared to $140.0 million in the first nine months of 2023. The decrease in Interest expense for the first nine months of 2024 primarily reflects lower average outstanding borrowings in the first nine months of 2024 as compared to first nine months of 2023 due to the assumption of the production financing borrowings by Lionsgate as part of the eOne Film and TV business and due to the retirement of the Company's variable-rate Five-Year term loan using proceeds from the sale of the eOne Film and TV business, both occurring during the fourth quarter of 2023, partially offset by the issuance of the 2034 Notes (see Liquidity and Capital Resources discussion below for further information including description of the 2034 Notes).

Interest income - Interest income was $36.0 million for the first nine months of 2024, compared to $15.6 million in the first nine months of 2023. Higher Interest income in 2024 primarily reflects higher average interest rates in 2024 compared to 2023, along with the Company's investment in short-term treasury bills in connection with the issuance of the 2034 Notes (see Liquidity and Capital Resources discussion below for further information including description of the 2034 Notes).

Other income, net - Other income, net was $15.7 million for the first nine months of 2024, compared to Other income, net of $0.7 million in the first nine months of 2023. The change in Other income, net during 2024 was driven primarily by an increase in foreign currency exchange gains the first nine months of 2024 as compared to the first nine months of 2023.

INCOME TAXES

Income tax expense totaled $133.3 million on pre-tax income of $554.2 million in the first nine months of 2024 compared to an income tax benefit of $36.9 million on pre-tax loss of $463.9 million in the first nine months of 2023. Both periods were impacted by discrete tax events including the accrual of potential interest and penalties on uncertain tax positions. During the first nine months of 2024, the Company incurred a $24.4 million unfavorable adjustment to the 2023 Loss on Sale of the Film & TV reporting unit with no corresponding tax benefit. The first nine months of 2023 includes an impairment of goodwill related to the Film & TV reporting unit of $231.2 million with no tax benefit. During the first nine months of 2024, exclusive of the Loss on Sale adjustment, the Company recorded net discrete tax expense of $1.8 million compared to a net benefit, exclusive of the goodwill impairment, of $113.3 million in the first nine months of 2023.

The unfavorable net discrete tax expense for the first nine months of 2024 is primarily associated with stock-based compensation offset by the release of various uncertain tax positions. The net discrete tax benefits recorded in the first nine months of 2023 is primarily associated with a tax benefit on the impairment of trade names in the Entertainment segment in the second quarter and the loss on assets held for sale of $473.0 million, recorded in the third quarter. Absent discrete items, the tax rates for the first nine months of 2024 and 2023 were 22.7% and 25.0%, respectively. The decrease in the base rate of 22.7% for the first nine months of 2024, relative to the first nine months of 2023, is primarily due to the mix of jurisdictions where the Company earned its profits coupled with a pre-tax loss in the first nine months of 2023.

SEGMENT RESULTS

The following table presents net external revenues and operating profit (loss) for the Company's reportable segments for the nine months ended September 29, 2024 and October 1, 2023:

	Nine Months Ended		
	September 29, 2024	**October 1, 2023**	**% Change**
Net revenues:			
Consumer Products	$ 1,797.6	$ 2,132.5	(16)%
Wizards of the Coast and Digital Gaming	1,172.3	1,094.4	7 %
Entertainment	64.0	487.5	(87)%
Total net revenues	$ 3,033.9	$ 3,714.4	(18)%
Operating profit (loss):			
Consumer Products	$ 64.8	$ 61.5	5 %
Wizards of the Coast and Digital Gaming	551.1	422.5	30 %
Entertainment	14.6	(801.4)	(102)%
Corporate and Other	(0.3)	(22.8)	(99)%
Total Operating profit (loss)	$ 630.2	$ (340.2)	(285)%

Consumer Products Segment

The following table presents the Consumer Products segment net revenues by major geographic region for the nine months ended September 29, 2024 and October 1, 2023:

	Nine Months Ended		
	September 29, 2024	**October 1, 2023**	**% Change**
North America	$ 1,072.0	$ 1,234.7	(13)%
Europe	341.8	472.2	(28)%
Asia Pacific	193.3	191.5	1 %
Latin America	190.5	234.1	(19)%
Net revenues	$ 1,797.6	$ 2,132.5	(16)%

The Consumer Products segment net revenues decreased 16% to $1,797.6 million for the first nine months of 2024 compared to $2,132.5 million for the first nine months of 2023 primarily driven by broader industry trends, exited businesses, including out-licensing certain brands, shifts in product mix, and reduced closeout sales as a result of last year's inventory clean up initiatives. The net revenue decrease primarily reflects lower net revenues from NERF, TRANSFORMERS, STAR WARS and MARVEL products. Net revenues from TRANSFORMERS products in the first nine months of 2023 were supported by the June 2023 theatrical release of TRANSFORMERS: Rise of the Beasts. The net revenue decrease was also driven by lower net revenues from the Company's products for STAR WARS and MARVEL which benefited from a slate of entertainment releases in prior years without a more recent release entertainment release to support revenue in the first nine months of 2024. These revenue decreases were partially offset by revenue contributions from FURBY products following the Company's reintroduction of the brand and refreshed product line during the second quarter of 2023 and licensing revenue for MY LITTLE PONY trading cards.

Consumer Products segment operating profit for the first nine months of 2024 was $64.8 million or 3.6% of segment net revenues, compared to a segment operating profit of $61.5 million or 2.9% of segment net revenues, for the first nine months of 2023. The increase in operating profit in the first nine months of 2024 was driven by favorable licensing product mix, supply chain productivity, and cost savings realized from cost savings initiatives, partially offset by the lower sale volumes contributions.

Wizards of the Coast and Digital Gaming Segment

The following table presents Wizards of the Coast and Digital Gaming segment net revenues by category for the nine months ended September 29, 2024 and October 1, 2023:

	Nine Months Ended		
	September 29, 2024	**October 1, 2023**	**% Change**
Tabletop Gaming	$ 832.6	$ 806.9	3 %
Digital and Licensed Gaming	339.7	287.5	18 %
Net revenues	$ 1,172.3	$ 1,094.4	7 %

Wizards of the Coast and Digital Gaming segment net revenues increased 7% in the first nine months of 2024 to $1,172.3 million from $1,094.4 million in the first nine months of 2023. The net revenue increase in the Wizards of the Coast and Digital Gaming segment during the first nine months of 2024 was primarily attributable to revenue contributions from higher digital licensing of *Baldur's Gate 3*, the DUNGEONS & DRAGONS-based role-playing video game released during the third quarter 2023, and *MONOPOLY GO!*. Tabletop Gaming revenue increased 3% behind growth in MAGIC: THE GATHERING primarily due to strong demand for *Bloomburrow*, *Duskmourn, and Modern Horizons 3*.

Wizards of the Coast and Digital Gaming segment operating profit was $551.1 million, or 47.0% of segment net revenues for the first nine months of 2024, compared to operating profit of $422.5 million, or 38.6% of segment net revenues, for the first nine months of 2023. The operating profit increase during the first nine months of 2024 was driven by increased net revenues, contributions from higher digital licensing revenue mix, lower royalty expense, and cost savings initiatives.

Entertainment Segment

The following table presents Entertainment segment net revenues by category for the nine months ended September 29, 2024 and October 1, 2023:

	Nine Months Ended		
	September 29, 2024	**October 1, 2023**	**% Change**
Film and TV	$ 3.4	$ 423.8	(99)%
Family Brands	60.6	63.7	(5)%
Net revenues	$ 64.0	$ 487.5	(87)%

Entertainment segment net revenues decreased 87% to $64.0 million for the first nine months of 2024, compared to $487.5 million for the first nine months of 2023. The net revenue decrease in the Entertainment segment during the first nine months of 2024 was driven by lower net revenues as a result of the sale of the eOne Film and TV business during the fourth quarter of 2023.

Entertainment segment operating profit was $14.6 million, or 23% of segment net revenues for the first nine months of 2024, compared to an operating loss of $801.4 million, or 164% of segment net revenues for the first nine months of 2023. The increase in Entertainment segment operating results during the first nine months of 2024 was driven by a goodwill impairment charge of $231.2 million and intangible asset impairment charges of $65.0 million recorded during the first nine months of 2023, associated with the impairment review of the Company's Film and TV reporting unit. In the third quarter of 2023, the Entertainment segment recognized a loss on assets held for sale of $473.0 million that related to the sale of the non-core eOne Film and TV Business.

Corporate and Other

Corporate and Other operating loss was $0.3 million for the first nine months of 2024 compared to an operating loss of $22.8 million for the first nine months of 2023. The decrease in operating loss in the first nine months of 2024 as compared to the first nine months of 2023 reflects cost savings realized from cost savings initiatives and a benefit from an non-recurring adjustment for stock compensation expense reversal recorded in the first quarter of 2024, partially offset by the net impact of the two prior period non-recurring adjustments recorded during the second quarter of 2024. Refer to Note 1 to the consolidated financial statements for further information on these non-recurring adjustments.

OTHER INFORMATION

Commitments and Contingencies
The Company enters into purchase orders with vendors and other parties in the ordinary course of business. Refer to Item 7 of our 2023 Annual Report for additional information regarding the Company’s cash obligations and commitments as of the end of fiscal year 2023. Additionally, refer to Note 14 to the consolidated financial statements for a discussion of the Company’s commitments and contingencies. Contractual obligations and commercial commitments, as detailed in the Company's 2023 Form 10-K, did not materially change outside of certain payments made in the normal course of business and as otherwise set forth in this report.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically generated a significant amount of cash from operations. The Company primarily funds its operations and liquidity needs through cash on hand and from cash flows from operations, and when needed, borrowings under its commercial paper program and available lines of credit.

The Company believes that the funds available to it, including cash expected to be generated from operations, funds available through its commercial paper program or its available lines of credit, are adequate to meet its working capital needs for the next twelve months. The Company may also issue debt or equity securities from time to time, to provide additional sources of liquidity when pursuing opportunities to enhance our long-term competitive position, while maintaining a strong balance sheet.

As of September 29, 2024, the Company's cash and cash equivalents totaled $696.1 million, and the Company's short-term investments totaled $489.3 million. The majority of the Company’s cash and cash equivalents held outside of the United States as of September 29, 2024, are denominated in the U.S. dollar.

Under the Company’s commercial paper program, at the request of the Company and subject to market conditions, the Company may issue notes from time to time up to an aggregate principal amount outstanding at any given time of $1.0 billion. The Company intends to use the commercial paper program as its primary short-term borrowing facility. As of September 29, 2024, the Company had no outstanding borrowings related to the commercial paper program.

The Company’s revolving credit facility with Bank of America, provides the Company with commitments having a maximum aggregate principal amount of $1.25 billion. The revolving credit facility also provides for a potential additional incremental commitment increase of up to $500.0 million subject to agreement of the lenders. The Company's revolving credit facility contains certain financial covenants setting forth leverage and coverage requirements, and certain other limitations typical of an investment grade facility, including with respect to liens, mergers and incurrence of indebtedness. The Company was in compliance with all covenants as of September 29, 2024. The Company had no borrowings outstanding under its revolving credit facility as of September 29, 2024. However, letters of credit outstanding under this facility as of September 29, 2024 were approximately $4.0 million. Amounts available and unused under the revolving credit facility at September 29, 2024 were approximately $1.2 billion, inclusive of borrowings under the Company’s commercial paper program. The Company also has other uncommitted lines from various banks, of which approximately $7.8 million was utilized as of September 29, 2024. Of the amount utilized under, or supported by, the uncommitted lines, the full $7.8 million represented letters of credit.

The Company has principal amounts of long-term debt as of September 29, 2024 of $4.0 billion, due at varying times from 2024 through 2044. Of the total principal amount of long-term debt, $500.0 million is current as of September 29, 2024 which represents the Company's 3% fixed-rate notes due November 2024 (the "2024 Notes"). See Note 8 to the Company’s consolidated financial statements for additional information on long-term debt and long-term debt interest repayment, respectively.

In May 2024, the Company issued an aggregate of $500.0 million of senior unsecured debt securities that bears a fixed interest of 6.05% due 2034 (the "2034 Notes"). In connection with the issuance of the 2034 Notes, the 2034 Notes were issued with an original issuance discount of $1.4 million and capitalized $5.3 million of debt issuance costs. The original issuance discount and debt issuance costs will be amortized over the term of the 2034 Notes. It is anticipated that proceeds from the 2034 Notes, along with existing cash available, will be utilized to repay the 2024 Notes. As of September 29, 2024, the Company had invested the proceeds from the 2034 Notes in short-term investments.

From time to time, the Company or its affiliates may seek to retire or purchase outstanding debt through cash purchases, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

The Company has a supplier finance program which provides participating suppliers the option of receiving payment in advance of an invoice due date, to be paid by certain administering banks, on the basis of invoices that the Company has confirmed as valid and approved. The Company's obligation is to make payment in the invoice amount negotiated with participating suppliers, to the administering banks on the invoice due date. The Company's suppliers are not required to participate in the supplier finance program. The early payment transactions between the Company's supplier and the administering bank are subject to an agreement between those parties, and the Company does not participate in any financial aspect of the agreements between the Company's suppliers and the administering banks. The Company has not pledged any assets to the administering bank under the supplier financing program. The Company or the administering bank may terminate the agreement upon at least 30 days' written notice.

The amount of obligations confirmed under the supplier finance program that remain unpaid by the Company were $118.7 million, $105.7 million, and $43.3 million as of September 29, 2024, October 1, 2023 and December 31, 2023, respectively. These obligations are presented within Accounts payable in the Company's Consolidated Balance Sheets. The activity related to this program is reflected within the operating activities section of the Consolidated Statements of Cash Flows.

Cash Flow

The following table summarizes the changes in the Consolidated Statement of Cash Flows, expressed in millions of dollars, for the nine months ended September 29, 2024 and October 1, 2023.

	Nine Months Ended	
	September 29, 2024	**October 1, 2023**
Net cash provided by (utilized for):		
Operating activities	$ 587.6	$ 334.9
Investing activities	(635.4)	(162.6)
Financing activities	190.8	(418.0)

Net cash provided by Operating activities in the first nine months of 2024 was $587.6 million compared to $334.9 million in the first nine months of 2023. The $252.7 million increase in net cash provided by Operating activities after adjusting for non-cash items, was primarily attributable to improved net income in the first nine months of 2024 compared to first nine months of 2023, and working capital benefits, primarily as a result of the sale of the eOne Film and TV business.

Net cash utilized for Investing activities was $635.4 million in the first nine months of 2024 compared to net cash utilized for Investing activities of $162.6 million in the first nine months of 2023. Additions to property, plant and equipment were $146.2 million in the first nine months of 2024 compared to $160.4 million in the first nine months of 2023 and purchase of Short-term Investments of $571.0 million in the first nine months of 2024 primarily from the proceeds of the 2034 Notes compared to the prior year with no similar activity.

Net cash provided by Financing activities was $190.8 million in the first nine months of 2024 compared to net cash utilized of $418.0 million in the first nine months of 2023. Financing activities in the first nine months of 2024 primarily include $500.0 million of proceeds from issuance of the 2034 Notes, dividends paid of $292.2 million and $13.0 million of payments related to tax withholdings for stock compensation coinciding with equity award vesting activity. Financing activities in the first nine months of 2023 include $290.9 million of dividends paid, $60.0 million of principal amortization payments toward the Company's Five-Year Tranche loan, which was retired during the fourth quarter of 2023 using the proceeds received from the sale of eOne Film and TV, as well as drawdowns of $117.9 million and repayments of $162.0 million related to production financing loans, all of which were assumed by Lionsgate effective upon the closing of the sale of the eOne Film and TV business in the fourth quarter of 2023, and $15.7 million of payments related to tax withholdings for stock compensation coinciding with equity award vesting activity.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. As such, management is required to make certain estimates, judgments and assumptions that it believes are reasonable based on the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods presented. The significant accounting policies which management believes are the most critical to aid in fully understanding and evaluating the Company's reported financial results include recoverability of goodwill and intangible assets and income taxes. These critical accounting policies are detailed in the Company's 2023 Form 10-K.

FINANCIAL RISK MANAGEMENT

The Company is exposed to market risks attributable to fluctuations in foreign currency exchange rates primarily as the result of sourcing products priced in U.S. dollars, Hong Kong dollars and Euros while marketing and selling those products in more than twenty currencies. Results of operations may be affected primarily by changes in the value of the U.S. dollar, Euro, British pound sterling, Canadian dollar, Japanese Yen, Brazilian real and Mexican peso and, to a lesser extent, other currencies in Latin America and Asia Pacific countries.

To manage this exposure, the Company has hedged a portion of its forecasted foreign currency transactions using foreign exchange forward contracts and foreign exchange option contracts. The Company is also exposed to foreign currency risk with respect to its net cash and cash equivalents or short-term borrowing positions in currencies other than the U.S. dollar. The Company believes, however, that the on-going risk on the net exposure should not be material to its financial condition. In addition, the Company's revenues and costs have been, and will likely continue to be, affected by changes in foreign currency rates. A significant change in foreign exchange rates can materially impact the Company's revenues and earnings due to translation of foreign-denominated revenues and expenses. The Company does not hedge against translation impacts of foreign exchange. From time to time, affiliates of the Company may make or receive intercompany loans in currencies other than their functional currency. The Company manages this exposure at the time the loan is made by using foreign exchange contracts.

The Company reflects derivatives at their fair value as an asset or liability on the Consolidated Balance Sheets. The Company does not speculate in foreign currency exchange contracts. See Note 12 to the Company’s consolidated financial statements for further details on the Company's derivatives.

As of September 29, 2024, the Company had fixed-rate debt of $4.0 billion. The Company may from time to time assess interest rate swaps related to its outstanding debt. The Company did not have any outstanding swaps as of September 29, 2024, October 1, 2023, or December 31, 2023.

INFLATION

The impact of inflation on the Company's business operations was significant during the first nine months of 2024 and throughout 2023. The Company monitors the impact of inflation to its business operations on an ongoing basis and may need to implement actions such as price adjustments to mitigate the impact of changes to the rate of inflation in future periods. However, future volatility of general price inflation could affect consumer purchases of our products and spending on entertainment. Additionally, the impact of inflation on costs and availability of materials, costs for shipping and warehousing and other operational overhead, could adversely affect the Company's financial results.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The information required by this item is included in Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and is incorporated herein by reference.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures
The Company maintains disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company carried out an evaluation, under

the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of September 29, 2024. Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

Changes in internal control over financial reporting

There were no changes in the Company's internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Exchange Act, during the quarter ended September 29, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is currently party to certain legal proceedings, none of which it believes to be material to its business or financial condition.

Item 1A. Risk Factors.

In connection with information set forth in this Quarterly Report on Form 10-Q, the risk factors discussed under Item 1A. Risk Factors, in Part I of our 2023 Form 10-K and in our subsequent filings, including in this filing, should be considered. The risks set forth in our 2023 Form 10-K and in our subsequent filings, including in this filing, could materially and adversely affect our business, financial condition, and results of operations. There are no material changes from the risk factors as previously disclosed in our 2023 Form 10-K, in any of our subsequently filed reports or as otherwise set forth in this Quarterly Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In May 2018, the Company announced that its Board of Directors authorized the repurchase of an additional $500 million of common stock, its most recent share repurchase authorization. Purchases of the Company's common stock may be made from time to time, subject to market conditions. These shares may be repurchased in the open market or through privately negotiated transactions. The Company has no obligation to repurchase shares under this authorization and there is no expiration date for this repurchase authorization. The timing, actual number, and value of shares that are repurchased will depend on a number of factors, including the price of the Company's stock and the Company’s generation of, and uses for, cash.

There were no repurchases of the Company’s Common Stock during the nine months ended September 29, 2024. At September 29, 2024, Hasbro had $241.6 million remaining available under its share repurchase authorization.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the nine months ended September 29, 2024, none of our officers or directors adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) and (c) of Regulation S-K.

Item 6. Exhibits [NTD: Legal to review]

3.1 Restated Articles of Incorporation of the Company. (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)

3.2 Amendment to Articles of Incorporation, dated June 28, 2000. (Incorporated by reference to Exhibit 3.4 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)

3.3 Amendment to Articles of Incorporation, dated May 19, 2003. (Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2003, File No. 1-6682.)

3.4 Second Amended and Restated Bylaws of the Company (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated September 30, 2022, File No. 1-6682.)

3.5 Certificate of Designations of Series C Junior Participating Preference Stock of Hasbro, Inc. dated June 29, 1999. (Incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)

3.6 Certificate of Vote(s) authorizing a decrease of class or series of any class of shares. (Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No 1-6682.)

4.1 Indenture, dated as of July 17, 1998, by and between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to Citibank, N.A. as Trustee. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 14, 1998, File No. 1-6682.)

4.2 Indenture, dated as of March 15, 2000, by and between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4(b)(i) to the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 1999, File No. 1-6682.)

4.3 First Supplemental Indenture, dated as of September 17, 2007, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 17, 2007, File No. 1-6682.)

4.4 Second Supplemental Indenture, dated as of May 13, 2009, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 13, 2009, File No. 1-6682.)

4.5 Third Supplemental Indenture, dated as of March 11, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 11, 2010, File No. 1-6682.)

4.6 Fourth Supplemental Indenture, dated May 13, 2014, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 13, 2014, file No. 1-6682.)

4.7 Fifth Supplemental Indenture, dated September 13, 2017, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 13, 2017, file No. 1-6682.)

4.8 Sixth Supplemental Indenture dated as of November 19, 2019, among the Company and The Bank of New York Mellon Trust Company, N.A. and U.S. Bank, National Association, supplementing the Indenture dated as of March 15, 2000. (Incorporated by reference to Exhibit 1.2 to the Company's Current Report on Form 8-K filed November 19, 2019, File No. 1-6682.)

4.9 Seventh Supplemental Indenture dated as of May 14, 2024, among the Company and The Bank of New York Mellon Trust Company, N.A. and U.S. Bank, National Association, supplementing the Indenture dated as of March 15, 2000. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 14, 2024, File No. 1-6682.)

10.1** Hasbro, Inc. 2024 Performance Rewards Program

31.1* Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.

31.2* Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.

32.1* Certification of the Chief Executive Officer Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934.

32.2* Certification of the Chief Financial Officer Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934.

101.INS XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document.

101.SCH XBRL Taxonomy Extension Schema Document

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB XBRL Taxonomy Extension Labels Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

** Furnished herewith*

*** Indicates management contract or compensatory plan, contract or arrangement*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HASBRO, INC.
(Registrant)

Date: October 31, 2024

By: /s/ Gina Goetter
Gina Goetter
Chief Financial Officer and Chief Operating Officer
(Duly Authorized Officer and Principal Financial Officer)

Hasbro, Inc.

2024 Performance Rewards Program

January 1, 2024

Hasbro, Inc.

Performance Rewards Program

1.0 Background

1.1 Performance Rewards Program (“PRP”)

Establishes standard criteria to determine PRP eligibility and overall company or business objectives.

Provides guidelines for the establishment of target incentive awards.

The following describes the various plans that are funded pursuant to the PRP.

Total Hasbro Plan- Funding under the PRP for eligible employees identified pursuant to Section 1.5 is based on performance of Hasbro, Inc. and its subsidiaries (the “Company”).

Business Unit Plans - Funding under the PRP for eligible employees identified pursuant to Section 1.5 will be based on the performance of the applicable business unit of the Company. For purposes of this document, each of the following is referred to as a “Business Unit”:

1. Toys, Games, Licensing & Entertainment (“TGLE”)
2. Wizards of the Coast and Digital Gaming (“WOTC”)
3. Commercial

Performance objectives and goals are established to measure performance achievement and may be based on one or more of the following:

Total Hasbro Plan:

Net Revenue
Operating Profit Dollars
Hasbro Strategic Scorecard

Business Unit Plans:
Business Unit Net Revenue
Business Unit Operating Profit Dollars
Hasbro Strategic Scorecard

1.2 Purpose

The Company has established this PRP for the purpose of providing annual incentive compensation to those employees who contribute significantly to the growth and success of the Company's business; to attract and retain, in the employ of the Company, individuals of outstanding ability; and to align the interests of employees with the interest of the Company's shareholders.

1.3 General Guideline

No employee has any legal entitlement to participate in the PRP or to receive an incentive award under the PRP.

1.4 Scope

The PRP is applicable to eligible employees of the Company.

1.5 Eligibility

Management shall determine, in its sole discretion, those employees whose duties and responsibilities contribute significantly to the growth and success of the Company's business and are eligible to participate in the PRP. Eligibility to participate in the PRP does not guarantee the receipt of an incentive award under the PRP. Unless otherwise required by law or determined by management, if an employee is eligible to participate in the PRP and/or any other annual incentive (or similar) plan implemented from time to time by the Company, such employee may only participate in one plan at the same time, as determined by the Company in its sole discretion. Eligible employees will be assigned to the Total Hasbro Plan or a Business Unit Plan for an employee's applicable Business Unit, in each case at the Company's sole discretion. Eligible employees selected to participate in either the Total Hasbro Plan or one of the Business Unit Plans are referred to herein as "participants."

1.1 Incentive Award Levels

1.2 Target Incentive Award

Except as otherwise determined by the Company, target incentive awards are expressed as a percentage of earned base salary for the PRP year. For purposes of this PRP, earned base salary means all base compensation for the participant for the fiscal year, which base compensation shall include all base compensation amounts deferred into the Company's retirement savings plan (but excluding any matching or Company contributions made to such plan on the participant's behalf), the Company's Non-Qualified Deferred Compensation Plan and/or any similar successor plans for the fiscal year and excludes, where allowed by law, any bonus or other benefits for the fiscal year. By design, the target incentive awards are the award levels that PRP participants are eligible to earn when they, the Company or their applicable Business Unit achieve both their financial and strategic goals and objectives, as applicable. Target incentive awards may be determined by job level, previously determined percentage of earned base salary, or a previously determined fixed percentage or amount. Target incentive awards may also vary by region or Business Area.

1.3 Maximum Incentive Award

Under the PRP, the maximum incentive award for participants is 300% of the target incentive award.

3.0 Measures of Performance

- Total Hasbro - PRP funding for the Total Hasbro Plan is based 80% on Total Hasbro Financial Metric Performance and 20% on the Hasbro Strategic Scorecard, each as described below.

- Business Unit Plans - PRP funding for each of the Business Unit Plans is based 80% on the applicable Business Unit Financial Metric performance and 20% on the Hasbro Strategic Scorecard, each as described below.

1.1 Establishing Total Hasbro or Business Unit Performance Metrics and Targets

In the first quarter of the PRP year, the Company's senior management will establish performance metrics and the level of target performance for the year associated with each of the performance metrics for the Total Hasbro Plan and the various Business Unit Plans. Those performance metrics and target levels are reviewed and approved by the Company's Chief Executive Officer ("CEO") and, with respect to any plan in which a Section 16 Officer of the Company participates, by the Company's Board of Directors ("Board") or the Compensation Committee of the Board (the "Compensation Committee").

1.2 Total Hasbro Performance Metrics

Total Hasbro Financial Metric Performance is measured by Net Revenue and Operating Profit Dollars. Net Revenue and Operating Profit Dollars performance is determined by individually assessing Total Hasbro Financial Metric Performance against the goals for each metric, applying the performance scale and weighting each metric. The Hasbro Strategic Scorecard is assessed by reviewing both quantitative and qualitative factors against each strategic metric individually to determine the overall Hasbro Strategic Scorecard result. The results of both the financial metrics and the Hasbro Strategic Scorecard are then weighted to determine the overall payout factor as set forth below.

The weightings and definitions of the Total Hasbro Financial Metrics Performance are:

Metric	Definition	Weighting
Net Revenue	Third party gross sales (after returns) less sales allowances, plus third-party royalty income, digital gaming revenue, and entertainment revenue	40%
Operating Profit Dollars	Total earnings from operations excluding non-operating costs, interest expenses or income tax related charges, and other management agreed non-GAAP adjusted charges	40%

The weighting and definition of the Hasbro Strategic Scorecard metric is as follows:

Metric	Definition	Weighting
Cost Savings	Net savings from operating model improvements	20%

1.3 Business Unit Performance Metrics

Each Business Unit will assess financial performance based on Net Revenue and Operating Profit Dollars specific to the respective Business Unit. Business Unit Financial Metrics Performance is determined by individually assessing Business Unit performance against goals for each metric, applying the performance scale, weighting each metric and summing the total. The Hasbro Strategic Scorecard is assessed by reviewing both quantitative and qualitative factors to determine the overall Hasbro Strategic Scorecard result. The results of both the Business Unit Financial Metrics Performance and the Hasbro Strategic Scorecard are then weighted to determine the overall Business Unit payout factor as set forth below.

The weightings and definitions for the Business Unit Financial Metrics Performance are:

Metric	Definition	Weighting
Business Unit Net Revenue	As applicable for the respective Business Unit: Third party gross sales (after returns) less sales allowances, plus third-party royalty income, digital gaming revenue, and entertainment revenue	40%
Business Unit Operating Profit Dollars	As applicable for the respective Business Unit: Total earnings from operations excluding non-operating costs, interest expenses or income tax related charges, and other management agreed non-GAAP adjusted charges	40%

The weighting and definition for the Hasbro Strategic Scorecard metric is as follows:

Metric	Definition	Weighting
Cost Savings	Net savings from operating model improvements	20%

4.0 Development of Funding Pools

After the end of the fiscal year, the actual performance for Total Hasbro and each of the Business Units will be calculated (based on Total Hasbro and the respective Business Unit's performance against the target goals established for each financial and strategic performance metric as of fiscal year-end) and approved by the Company's Chief Financial Officer. The performance scales for the financial metrics for the Total Hasbro Plan and Business Unit Plans, as applicable, are as follows:

Metric	Weight	Category	Performance Ranges		
			Minimum/Threshold	Target	Maximum
Total Hasbro Net Revenue	40%	% Achievement	90%	100%	110%
		Payout Range	50%	100%	200%
Total Hasbro Operating Profit Dollars	40%	% Achievement	90%	100%	115%
		Payout Range	50%	100%	200%

Metric	Weight	Category	Performance Ranges		
			Minimum/Threshold	Target	Maximum
TGLE Net Revenue	40%	% Achievement	90%	100%	110%
		Payout Range	50%	100%	200%
TGLE Operating Profit Dollars	40%	% Achievement	80%	100%	135%
		Payout Range	50%	100%	200%

Metric	Weight	Category	Performance Ranges		
			Minimum/Threshold	Target	Maximum
WOTC Net Revenue	40%	% Achievement	90%	100%	110%
		Payout Range	50%	100%	200%
WOTC Operating Profit Dollars	40%	% Achievement	90%	100%	115%
		Payout Range	50%	100%	200%

Metric	Weight	Category	Performance Ranges		
			Minimum/Threshold	Target	Maximum
Commercial Net Revenue	40%	% Achievement	90%	100%	125%
		Payout Range	50%	100%	300%
Commercial Operating Profit Dollars	40%	% Achievement	80%	100%	125%
		Payout Range	50%	100%	200%

Strategic Scorecard Performance Scale:

The metrics included on the Hasbro Strategic Scorecard will be assessed using a combination of quantitative and qualitative measures. Achievement will range from 0% to a maximum of 200%.

In the event that achievement for a financial performance metric is between threshold performance and target performance or between target performance and maximum performance, the applicable funding pool scale percentage, applicable to each PRP plan, will be applied. The performance scales for the Total Hasbro and each Business Unit plan are included in the appendix to this document.

In the case of the Total Hasbro Plan, the financial performance metric must achieve threshold performance, or no award is payable under that metric before the performance scale is applied to the applicable metric. The failure of one financial metric to achieve threshold performance does not impact the other financial metric; provided, however, that for funding to occur at least one financial metric must achieve threshold performance.

In the case of the Business Unit Plans, both financial performance metrics must achieve at least threshold performance, or no award is payable for the Business Unit Financial Metrics Performance component of the respective Business Unit Plan.

The payout attributable to each performance metric (financial and strategic) will be weighted and added to arrive at the overall achievement which determines the funding pool.

An illustrative example of the development of a funding pool for the Total Hasbro Plan is as follows:

If Total Hasbro achieves Net Revenue of 100% of target (which results in 100% funding) and Operating Profit Dollars of 90% of target (which results in 50% funding) and the Hasbro strategic scorecard achieves 95%, then the aggregate weighted achievement for the Total Hasbro Plan would be 79%, calculated as follows:

Metric	Weight		Result		Weighted Result
Total Hasbro Net Revenue	40%	x	100%	=	40%
Total Hasbro Operating Profit Dollars	40%	x	50%	=	20%
Hasbro Strategic Scorecard	20%	x	95%	=	19%
Final Weighted PRP Performance Factor				=	**79%**

Illustrative examples of the development of a funding pool for the TGLE Business Unit Plan are as follows:

If the TGLE Business Unit achieves Net Revenue of 100% of target (which results in 100% funding) and Business Unit Operating Profit Dollars of 65% of target (which is below the 80% threshold), the Business Unit component of the respective Business Unit Plan will not fund (0% funding). In this scenario, the funding pool, if any, will be determined solely by the Hasbro Strategic Scorecard component of the Business Unit Plans.

or

If the TGLE Business Unit achieves Net Revenue of 90% of target (which results in 50% funding), and Operating Profit Dollars of 100% of target (which results in 100% funding), the aggregate weighted achievement for the Business Unit component of the TGLE Plan would be 60%, combined with the Hasbro Strategic Scorecard component (95% achievement), would be 79%, calculated as follows:

Metric	Weight		Result		Weighted Result
TGLE Net Revenue	40%	x	50%	=	20%
TGLE Operating Profit Dollars	40%	x	100%	=	40%
Hasbro Strategic Scorecard	20%	x	95%	=	19%
Final Weighted PRP Performance Factor				=	**79%**

If the WOTC Business Unit achieves Net Revenue of 100% of target (which results in 100% funding), and Operating Profit Dollars of 115% of target (which results in 200% funding), the aggregate weighted achievement for the Business Unit component of the WOTC Plan would be 120%, combined with the Hasbro Strategic Scorecard component (95% achievement), would be 139%, calculated as follows:

Metric	Weight		Result		Weighted Result
WOTC Net Revenue	40%	x	100%	=	40%
WOTC Operating Profit Dollars	40%	x	200%	=	80%
Hasbro Strategic Scorecard	20%	x	95%	=	19%
Final Weighted PRP Performance Factor				=	**139%**

If the Commercial Business Unit achieves Net Revenue of 125% of target (which results in 300% funding), and Operating Profit Dollars of 100% of target (which results in 100% funding), the aggregate weighted achievement for the Business Unit component of the Commercial Plan would be 160%, combined with the Hasbro Strategic Scorecard component (95% achievement), would be 179%, calculated as follows:

Metric	Weight		Result		Weighted Result
Commercial Net Revenue	40%	x	300%	=	120%
Commercial Operating Profit Dollars	40%	x	100%	=	40%
Hasbro Strategic Scorecard	20%	x	95%	=	19%
Final Weighted PRP Performance Factor				=	**179%**

Once all the Business Unit results have been calculated, the funding pool of each respective Business Unit is developed. The Business Unit component funding pool for each of the Business Units (weighted at 80%), combined with the Hasbro strategic scorecard funding pool (weighted at 20%), will equal the aggregate of the PRP funding pool for the respective Business Unit Plan.

4.1 Funding Pools

The Company calculates the Total Hasbro Plan funding pool based on the Company's Financial Metric Performance through the end of the fiscal year against the applicable performance targets and the Hasbro Strategic Scorecard ("Total Hasbro Plan Funding Pool"). The Company calculates the funding pool for the Business Unit Plans based on Business Unit Financial Metric Performance through the end of the fiscal year against applicable financial performance targets for the respective Business Unit and performance against the Hasbro Strategic Scorecard (the "Business Unit Funding Pool"). The aggregate pool for all Business Unit Plans, together with the Total Hasbro Plan Funding Pool, is referred to hereinafter as the "Funding Pool".

The CEO and the Compensation Committee reserve the right to alter the Funding Pool after year end, but prior to the actual payment of awards to participants in the PRP.

4.2 High Performer Pool

Following the end of the year, but prior to the payment of all awards under the PRP, management of the Company, in its sole discretion, may determine it appropriate to reward high-performing Company employees through an additional funding pool (the "High Performer Pool"). Funding of the High Performer Pool is determined by the achievement of the Company's Operating Profit Dollars, overall Company or reporting Business Unit performance and affordability. The aggregate amount of the High Performer Pool is subject to Compensation Committee approval.

4.3 Total Awards Under the PRP

The aggregate of all incentive awards under the PRP shall consist of the sum of the Funding Pool and the High Performer Pool.

4.4. Management Review

Payment of any incentive award to an employee is subject to management's review. For purposes of the PRP, management has the ability to review the proposed payout of any incentive award under the PRP to an eligible employee and to determine whether such proposed incentive award should be adjusted based on the participant's performance, contributions to the organization, or any other factor not prohibited by applicable law. In completing this review, management has the option of providing a zero-value incentive award to the employee regardless of Total Hasbro or Business Unit performance. For participants that do not receive an incentive award or that receive a reduced incentive award, including for any of the reasons set forth in Section 5.0 below, the portion of such employee's potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other PRP participants in the manner determined by management.

5.0 Removals, Transfers, Terminations, Promotions and Hiring Eligibility

Except to the extent applicable legal requirements or the terms of an employment agreement mandate a different result, the following scenarios will be addressed under the PRP in the manner set forth below.

5.1 Participants whose employment with the Company is terminated because of retirement or disability:

(i) After the close of the PRP year, but prior to the actual distribution of incentive awards for such year, may be awarded an incentive award for the plan year at the discretion of the EVP and Chief People Officer.

(ii) After the beginning, but prior to the close of the PRP year, no award shall be granted unless authorized at the discretion of the EVP and Chief People Officer.

5.2 Participants whose employment with the Company is terminated because of death:

(i) After the close of the PRP year, but prior to the actual distribution of awards for such year, shall be awarded an incentive award. Such payment will be made to the deceased employee's estate.

(ii) After the beginning, but prior to the close of the PRP year, no award shall be granted unless authorized at the discretion of the EVP and Chief People Officer. Any such payments will be made to the deceased employee's estate.

1.3 Participants who resign for any reason during the PRP year or after the close of the PRP year, but prior to the distribution of incentive awards for such year, will not receive an incentive award for any PRP year.

1.4 Participants who are terminated from the employ of the Company or any of its subsidiaries for cause or for any offense involving moral turpitude or an offense involving breach of the fiduciary duty owed by the individual to the Company will not be entitled to an incentive award for any PRP year.

1.5 Participants who are terminated from the employ of the Company or any of its subsidiaries due to any reason other than the ones enumerated above, including, without limitation, employees who are discharged due to job elimination:

(i) After the close of the PRP year, but prior to the actual distribution of incentive awards for such year, may be awarded an incentive award. No award shall be granted unless authorized at the discretion of the EVP and Chief People Officer.

(ii) After the beginning, but prior to the close of the PRP year, the employee is no longer eligible for that year. However, a discretionary incentive award may be granted by the EVP and Chief People Officer.

5.6 Participants under statutory or contractual notices:

(i) At the end of the fiscal year, except as may be required by contract or applicable law, no award shall be granted unless authorized at the discretion of the EVP and Chief People Officer.

(ii) Which ends prior to the close of the PRP year, shall not be eligible for an incentive award for that plan year except as may be required by contract or applicable law. However, a discretionary incentive award may be granted by the EVP and Chief People Officer.

1.7 Participants transferred during the PRP year from one division or business unit of the Company to another where such transfer results in the participant being assigned to different plans during the same PRP year (e.g., from the Total Hasbro Plan to a Business Unit Plan; from a Business Unit Plan to the Total Hasbro Plan; or from a Business Unit Plan to a different Business Unit Plan), will be eligible to receive an incentive award (subject to achievement of the requisite performance) under the plan associated with such employee's position at the end of the PRP year, but the award amount may be based on the performance of the respective plans associated with the employee's positions during the same PRP year, in such amount and in such manner as determined in the sole discretion of the EVP and Chief People Officer.

1.8 Employees hired during the PRP year must be actively employed on or before October 1st or another date designated by the EVP and Chief People Officer of the PRP year to participate in the PRP for that PRP year. Incentive awards will be made based upon the employee's earned base salary during the period of their employment with the Company during the PRP year.

1.9 The eligibility for an incentive award under the PRP for employees who remain employed with the Company during the PRP year but whose change in employment status through promotion or reclassification affects their level of participation:

(i) Prior to October 1st or another date designated by the EVP and Chief People Officer, of the PRP year, will participate at the level consistent with the promotion or reclassification.

(ii) After October 1st or another date designated by the EVP and Chief People Officer, but prior to the close of the PRP year, will participate at the level consistent with their classification prior to the promotion or reclassification.

1.10 The eligibility for an incentive award under the PRP for employees who remain employed with the Company during the PRP year but whose change in employment status through demotion affects their level of participation will be determined in the sole discretion of the EVP and Chief People Officer.

1.1 Administration of the PRP

1.2 Amendments to the PRP (Contingency Clause)

The CEO and the Compensation Committee reserve the right to interpret, amend, modify, or terminate the PRP in accordance with changing conditions at any time in their sole discretion.

1.3 Incentive Award Distribution

Incentive awards, when payable, shall be paid as near to the close of the Company's fiscal year as may be feasible. Participants in the PRP must be employed at the time of award distribution in order to receive an incentive award, except as otherwise provided herein.

No individual has the right to receive an incentive award until it has been approved and distributed in accordance with the provisions of the PRP.

1.4 Non-Assignment of Awards

Participants eligible to receive incentive awards shall not have any right to pledge, assign, or otherwise dispose of any unpaid or projected awards.

1.5 Deferral of Awards

Participants eligible to defer incentive awards through the Deferred Compensation Program (DCP) may elect to do so during the annual DCP enrollment.

1.6 Clawback of Awards

By accepting any incentive award under the Plan, the participant acknowledges and agrees that any incentive compensation the participant is awarded is subject to the Hasbro, Inc. Clawback Policy, as it may be amended from time to time by the Board. Such acknowledgement and agreement is a material condition to receiving any incentive award under the Plan, which would not have been awarded to the participant otherwise.

1.7 Stock Ownership

Additionally, the participant acknowledges and agrees that if the participant is now, or becomes subject in the future to, the Hasbro, Inc. Executive Stock Ownership Policy, as it may be amended from time to time by the Board (the "Stock Ownership Policy"), then the receipt of any incentive award under the PRP is contingent upon the participant's compliance with the terms of the Stock Ownership Policy, including without limitation, the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met. Failure to comply with the Stock Ownership Policy may, in the Company's sole discretion, result in the reduction or total elimination of any incentive award that otherwise might be payable under the PRP and/or result in the Company determining to substitute other forms of compensation, such as equity, for any award the participant otherwise might have received under the PRP.

Exhibit 31.1

CERTIFICATION

I, Chris Cocks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hasbro, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2024

/s/ Chris Cocks
Chris Cocks
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Gina Goetter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hasbro, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2024

/s/ Gina Goetter
Gina Goetter
Chief Financial Officer and Chief Operating Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Executive Officer of Hasbro, Inc., a Rhode Island corporation (the "Company"), does hereby certify that to the best of the undersigned's knowledge:

1) the Company's Quarterly Report on Form 10-Q for the quarter ended September 29, 2024, as filed with the Securities and Exchange Commission (the "10-Q Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Company's 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Chris Cocks
Chris Cocks
Chief Executive Officer of Hasbro, Inc.

Dated: October 31, 2024

A signed original of this written statement required by Section 906 has been provided to Hasbro, Inc. and will be retained by Hasbro, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Financial Officer of Hasbro, Inc., a Rhode Island corporation (the "Company"), does hereby certify that to the best of the undersigned's knowledge:

1) the Company's Quarterly Report on Form 10-Q for the quarter ended September 29, 2024, as filed with the Securities and Exchange Commission (the "10-Q Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Company's 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gina Goetter
Gina Goetter
Chief Financial Officer and Chief Operating Officer of Hasbro, Inc.

Dated: October 31, 2024

A signed original of this written statement required by Section 906 has been provided to Hasbro, Inc. and will be retained by Hasbro, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.