


# Q1
## 2023 Earnings

April 27, 2023


# Safe Harbor

Certain statements in this presentation 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 for growth; expectations relating to products, gaming and entertainment; anticipated cost savings; financial targets; changes in leadership; and anticipated financial performance for 2023. 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 Blueprint 2.0 strategy, including to focus on and scale select business initiatives and brands to drive profitability;
- our ability to design, develop, manufacture, and ship products on a timely, cost-effective and profitable basis;
- our ability to successfully compete in the global play and entertainment industry;
- our ability to successfully evolve and transform our business and capabilities to successfully address the global consumer landscape;
- 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 retail customers and consumers, result in lower employment levels, consumer disposable income, retailer inventories and spending, including lower spending on purchases of our products;
- our dependence on third party relationships, including with third party manufacturers, licensors of brands, studios, content producers and entertainment distribution channels;
- 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;
- our ability to successfully develop and continue to execute plans to mitigate the negative impact of the coronavirus on our business;
- risks related to other 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, higher commodity prices, labor costs or transportation costs, or outbreaks of 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;
- risks associated with international operations, such as 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;
- our ability to realize the benefits of cost-savings and efficiency and/or revenue and operating profit enhancing initiatives;
- risks relating to the impairment and/or write-offs of products and content we acquire and produce;
- risks relating to loss of data or security breaches;
- risks relating to investments, acquisitions and dispositions, including the ability to realize the anticipated benefits of acquired assets or businesses;
- fluctuations in our business due to seasonality;
- 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;
- 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 from time to time in our public announcements and U.S. Securities and Exchange Commission ("SEC") filings.

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 presentation or to update them to reflect events or circumstances occurring after the date of this presentation.

# Supplemental Financial Data

## Use of Non-GAAP Financial Measures

The financial tables accompanying this presentation include non-GAAP financial measures as defined under SEC rules, specifically Adjusted operating profit, Adjusted net earnings and Adjusted net earnings per diluted share, which exclude, where applicable, acquisition and related costs, acquired intangible amortization; and Operational Excellence charges. Also included in this press release are the non-GAAP financial measures of EBITDA and Adjusted EBITDA. EBITDA represents net earnings attributable to Hasbro, Inc. excluding interest expense, income tax expense, net earnings (loss) attributable to noncontrolling interests, depreciation and amortization of intangibles. Segment EBITDA represents segment operating profit (loss) plus other income or expense, less depreciation and amortization of intangibles. Adjusted EBITDA also excludes Operational Excellence charges and the impact of stock compensation (including acquisition-related stock expense). As required by SEC rules, we have provided reconciliations on the attached schedules of these measures to the most directly comparable GAAP measure. Management believes that Adjusted net earnings, Adjusted net earnings per diluted share and Adjusted operating profit provide investors with an understanding of the underlying performance of our business absent unusual events. Management believes that EBITDA and Adjusted EBITDA are appropriate measures for evaluating the operating performance of our business because they reflect the resources available for strategic opportunities including, among others, to invest in the business, strengthen the balance sheet and make strategic acquisitions. The impact of changes in foreign currency exchange rates used to translate the consolidated statements of operations is quantified by translating the current period revenues at the prior period exchange rates and comparing this amount to the prior period reported revenues. The Company believes that the presentation of the impact of changes in exchange rates, which are beyond the Company's control, is helpful to an investor's understanding of the performance of the underlying business. These non-GAAP measures should be considered in addition to, not as a substitute for, or superior to, net earnings or other measures of financial performance prepared in accordance with GAAP as more fully discussed in our consolidated financial statements and filings with the SEC. As used herein, "GAAP" refers to accounting principles generally accepted in the United States of America.

# Entertaining and Connecting Generations of Fans Through Play

## Blueprint 2.0

- Engage consumers across games, play and experiences
- Enhance Hasbro's Gaming Leadership
  - Portfolio of high-growth, high-profit brands
- Focus on Fewer, Bigger Brands to engage consumers and delight fans
  - MAGIC: THE GATHERING, DUNGEONS & DRAGONS, NERF, PEPPA PIG, PLAY-DOH, HASBRO GAMING and TRANSFORMERS
  - Gain share in focus categories: Action Figures & Accessories; Arts & Crafts; Games; Outdoor & Sports; Preschool Toys
- Advance direct to consumer and licensing
- Understand and deliver for our fans with the Brand Insights Platform

## Progress Continues Toward Transformation

- Focus on high-growth, high-profit categories
- Improve cost structure to drive shareholder value
- Announced key executive leadership team new hires
- Wizards of the Coast and Digital Gaming delivered growth in the quarter
- Q1 2023 Growth in DUNGEONS & DRAGONS, MAGIC: THE GATHERING and TRANSFORMERS
- Continued Growth in key investment areas: Direct to Consumer up 21%; Total Gaming up 2%; Consumer Products Licensing up 2%
- On track to deliver $250-300M in annualized run-rate cost savings by year-end 2025; $35M achieved in Q1 2023

## Disciplined Cash Management

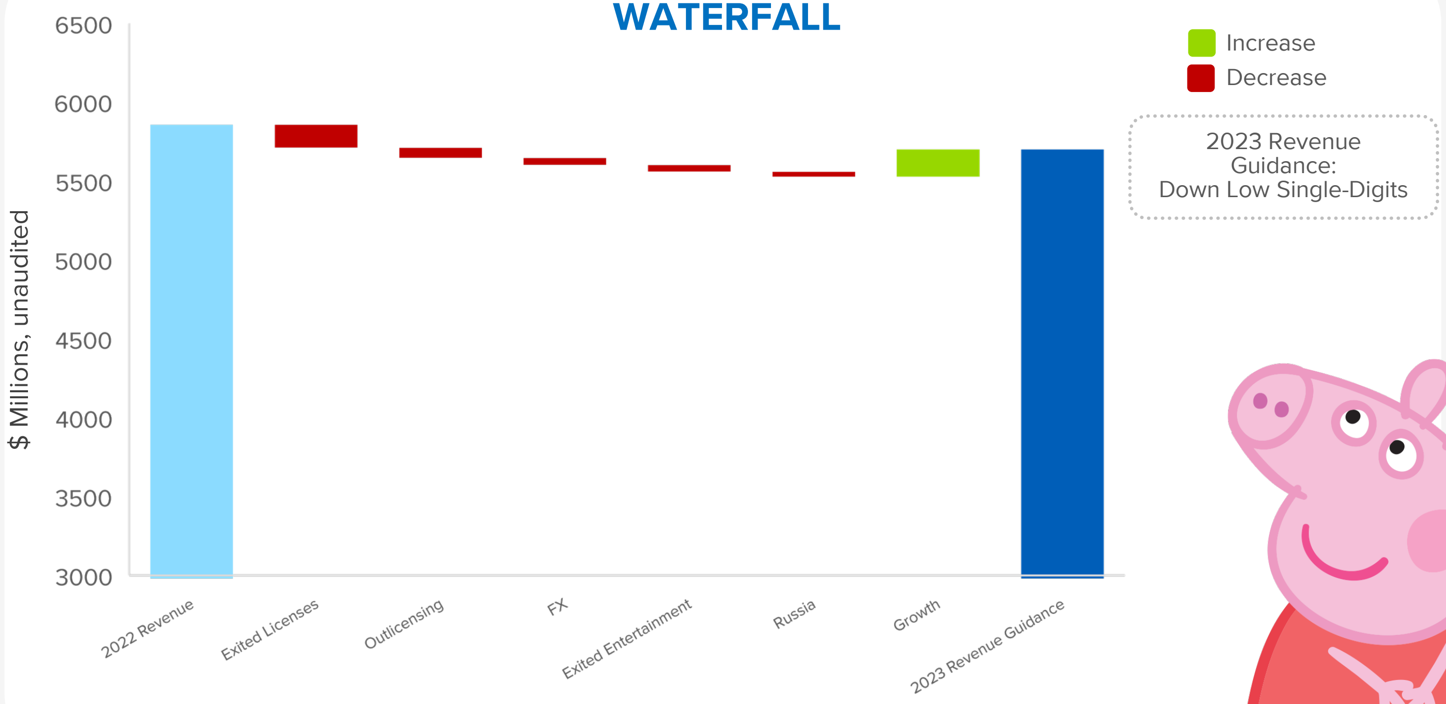
- Expect cash generation to improve as year progresses
- Ongoing investments in key growth initiatives
- Continued focus on reducing inventory
- Cash collection strong, but collecting fewer Q4 revenues
- Paid $96.7M in Dividends for the First Quarter 2023
- Repaid $30M in long-term debt
- $53 million of Capex led by investments in Wizards of the Coast for future digital gaming releases
- $386M in cash at quarter end

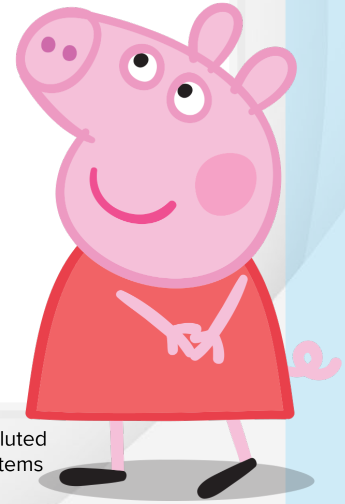
# 2023 Outlook

- Revenue down low-single digits
- Expand Adjusted Operating Profit Margin of 50 to 70 basis points, excluding Operational Excellence charge and other non-GAAP items*
- Adjusted Earnings per diluted share in the range of $4.45-$4.55
- Adjusted EBITDA approximately flat with 2022 Adjusted EBITDA
- Operating Cash Flow in the range of $600-$700M

**$75M Revenue Impact in Q1 2023**

## 2023 REVENUE WATERFALL



*The Company is not able to reconcile its forward-looking non-GAAP adjusted operating profit margin, adjusted earnings per diluted share and adjusted EBITDA measures because the Company cannot predict with certainty the timing and amounts of discrete items such as charges associated with its cost-savings program, which could impact GAAP results.

**$35M Cost Savings Recognized in Q1 2023**

# Medium and Long-Term Objectives

- Mid-single digit revenue CAGR through 2027
- High single-digit operating profit CAGR to achieve 20% adjusted operating profit margin by full-year 2027
- Operating cash flow improvement with a target of $1B annually by full-year 2025
- $250-$300M annualized run-rate cost savings by year-end 2025

**Targets are based off 2022 results and do not reflect the potential sale of select entertainment assets. The Company plans to update its outlook upon completion of this process if it results in the sale of non-core entertainment assets.**

# Blueprint 2.0

# Brand Insights Platform

# Q1 2023 snapshot

| | |
|---|---|
| **Net Revenues** | **$1.0B** down 14%; down 13% absent FX |
| **Operating Profit** | As Reported **$17.9M**<br>As Adjusted* **$47.2M** |
| **Net Earnings (Loss)** | As Reported **$(22.1M)**<br>As Adjusted* **$1.0M** |
| **Earnings (Loss) Per Share** | As Reported **$(0.16)** per share<br>As Adjusted* **$0.01** per diluted share |
| **EBITDA** | As Reported **$72.4M**<br>As Adjusted* **$98.7M** |

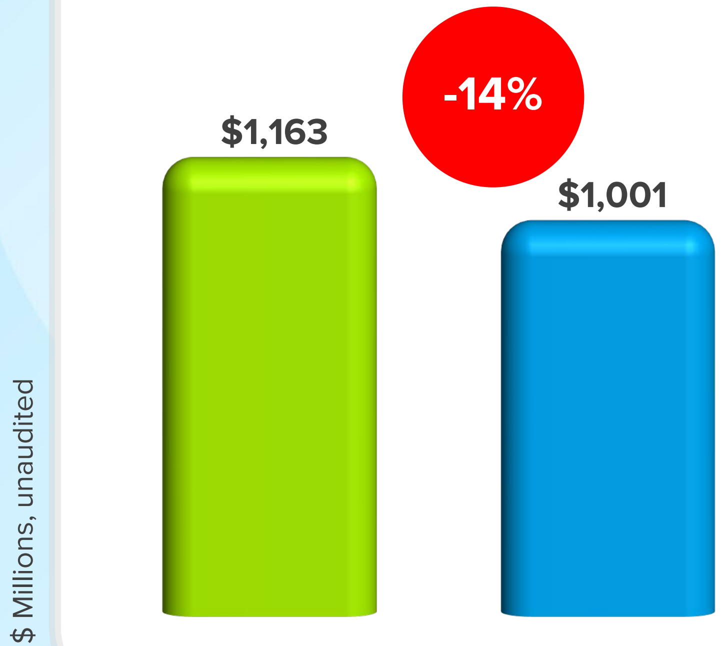
*The As Adjusted figures are non-GAAP financial measures.
A reconciliation of non-GAAP financial measures can be found on slides 25--29.


Indiana Jones
ADVENTURE SERIES
Kiya
& THE
KIMOJA
HEROES
NERF
ELITE JR.
PHYREXIA
ALL WILL BE ONE
Hasbro
Q1
2023 ANNOUNCEMENTS
& HIGHLIGHTS
Learn with Peppa Pig
Peppa's Rainbow Surprise
Let's Read
Clue
TRANSFORMERS
RISE OF THE BEASTS
MONOPOLY
DUNGEONS & DRAGONS
HONOUR AMONG THIEVES
SET FORTH ON A QUEST FOR TREASURE IN THE FORGOTTEN REALMS!
MARVEL
STUNT SQUAD
DUNGEONS & DRAGONS
HONOR AMONG THIEVES

# First Quarter Net Revenue & Operating Profit Performance

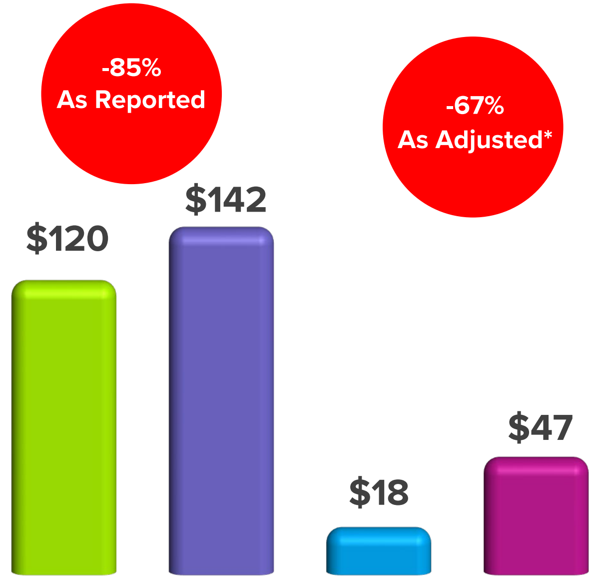
## Q1 2023

### NET REVENUES




2022
2022 Adjusted*
2023
2023 Adjusted*

### OPERATING PROFIT




- Making substantial progress implementing Blueprint 2.0 strategy
- MAGIC: THE GATHERING up 16%
- Consumer Products business focused on working through retail inventory
- Entertainment revenues declined due to timing of film and family brands releases

**Wizards of the Coast & Digital Gaming** segment +12%; **Consumer Products** segment -23%; **Entertainment** segment -19%

Revenues include a $15.8M negative impact from Foreign Exchange; down 13% Absent FX

- **Operating Profit Margin**: As Reported **1.8%;** As Adjusted* **4.7%**
- Negatively impacted by lower revenues and activity to clear retail inventory

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 27.

# First Quarter Brand Portfolio Performance

$ Millions, unaudited

| | Net Revenue | | | Operating Profit (Loss) | | | | |
|---|---|---|---|---|---|---|---|---|
| | Q1 2023 | Q1 2022 | % Change | Q1 2023 | Q1 2022 | Q1 2023 Adj.* | Q1 2022 Adj.* | % Change Adj.* |
| Franchise Brands[1] | $613 | $650 | -6% | $62 | $143 | $70 | $152 | -54% |
| Partner Brands | $133 | $207 | -36% | $(13) | $(6) | $(13) | $(6) | >-100% |
| Portfolio Brands | $92 | $113 | -18% | $(11) | $2 | $(6) | $6 | >-100% |
| Non-Hasbro Branded Film & TV | $163 | $194 | -16% | $(16) | $(11) | $(12) | $(6) | -81% |
| **Total** | **$1,001** | **$1,163** | **-14%** | **$22** | **$127.2** | **$39** | **$146** | **-73%** |

Totals may not add up due to rounding

[1] Effective in the first quarter of 2023, the Company realigned its Brand Portfolios to Franchise Brands, Partner Brands, Portfolio Brands and Non-Hasbro Branded Film & TV. Franchise Brands include DUNGEONS & DRAGONS, Hasbro Gaming, MAGIC: THE GATHERING, NERF, PEPPA PIG, PLAY-DOH and TRANSFORMERS. A schedule of historical quarterly revenue is available at https://investor.hasbro.com/ under Financials & Filings.

(2) Hasbro Total Gaming Category includes all gaming revenue, most notably DUNGEONS & DRAGONS, Hasbro Gaming and MAGIC: THE GATHERING which are reported in the Franchise Brands portfolio

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 25-26.

**Total Gaming[2]**

**Q1 2023**
**$387M**
**up 2%**

### Q1 2023 PERFORMANCE

**FRANCHISE BRANDS**
Growth in DUNGEONS & DRAGONS, MAGIC: THE GATHERING, and TRANSFORMERS in the first quarter

**PARTNER BRANDS**
First quarter growth in Ghostbusters and initial shipments of products to support *Indiana Jones and the Dial of Destiny* offset by declines in other brands

**PORTFOLIO BRANDS**
Growth in G.I. JOE offset by declines across the portfolio

**Non-Hasbro Branded Film & TV**
Decrease driven by shifts in release timing of new film and Family Brands content

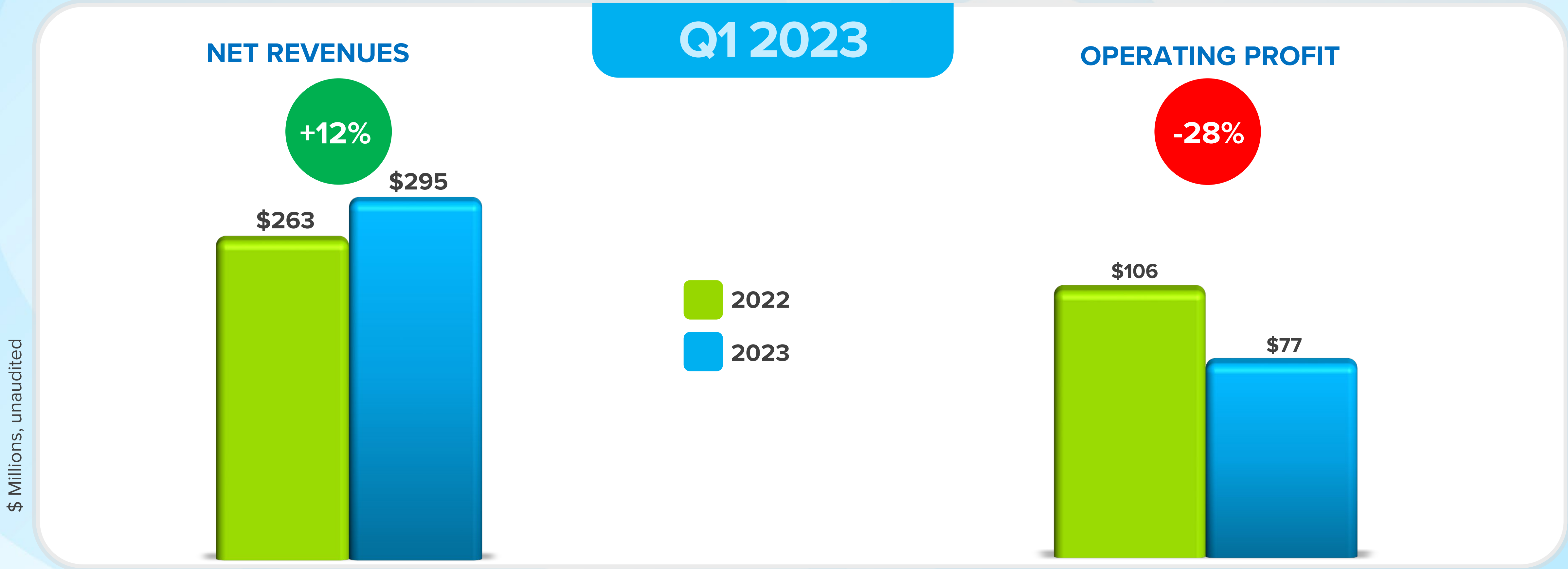
# First Quarter 2023 Major Expense Items

$ Millions, unaudited

| | Q1 2023 | Q1 2023 Adjusted* | Q1 2022 | Q1 2022 Adjusted* | % CHANGE Adjusted* YOY | Q1 2023 Adjusted* % OF REVENUE | NOTES Below exclude non-GAAP adjustments |
|---|---|---|---|---|---|---|---|
| **Cost of Sales** | $285 | $285 | $333 | $333 | -14% | 28.5% | Incremental expense for closeouts and allowances offset by Operational Excellence savings |
| **Program Production Cost Amortization** | $123 | $123 | $139 | $139 | -12% | 12.2% | Lower content deliveries within the quarter |
| **Royalties** | $69 | $69 | $90 | $90 | -23% | 6.9% | Lower Partner Brand revenues primarily associated with exiting certain licenses and 2H timing of entertainment-backed properties |
| **Product Development** | $83 | $83 | $70 | $70 | +20% | 8.3% | Ongoing investments in Wizards of the Coast tabletop games and digital gaming |
| **Advertising** | $83 | $83 | $78 | $78 | +7% | 8.3% | Increased advertising to support *Dungeons & Dragons: Honor Among Thieves* and our Wizards of the Coast brands |
| **Selling, Distribution & Administration** | $317 | $305 | $307 | $305 | -- | 30.4% | Lower costs offset by investments in Wizards teams, organized play events and marketing |

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 27.

# Wizards of the Coast & Digital Gaming Segment




- Revenues up 14% absent $3M negative impact of FX
- MAGIC: THE GATHERING up 16% in the quarter due to strong demand for *Phyrexia: All Will Be One* and continued demand for *Modern Horizons 2 and Warhammer 40K*
- DUNGEONS & DRAGONS up 13% in the quarter
- Tabletop revenue $218M, up 13%
- Digital & Licensed Gaming $77M, up 9% behind contributions from D&D Beyond

- Operating Profit Margin 26.0%; Expected FY 2023 operating margin range of high 30% as investments for long-term growth continue
- Q1 Operating profit declined due to investments in product development and personnel, higher product cost, advertising expense and costs supporting the return of organized play

# Consumer Products Segment


- Revenue down 21% absent $8M negative impact of FX, $6M in Europe
- Revenue decline in North America and Europe, partially offset by growth in Asia Pacific, Latin America and Licensing
- Teams focused on clearing retail inventory

- POS remains down YOY, but improving from Q4 trends
- POS up in Games and Preschool
- POS up for PEPPA PIG, PLAY-DOH and TRANSFORMERS
- Promotional activity to clear retail inventory
- POS does not include MAGIC: THE GATHERING or DUNGEONS & DRAGONS

- Operating margin -8.8%; Adjusted Operating margin* -6.8%
- Adjusted Operating Profit* decreased due to lower revenues, higher allowances and closeouts to sell through inventory, partially offset by savings from the Company's Operational Excellence program and lower costs



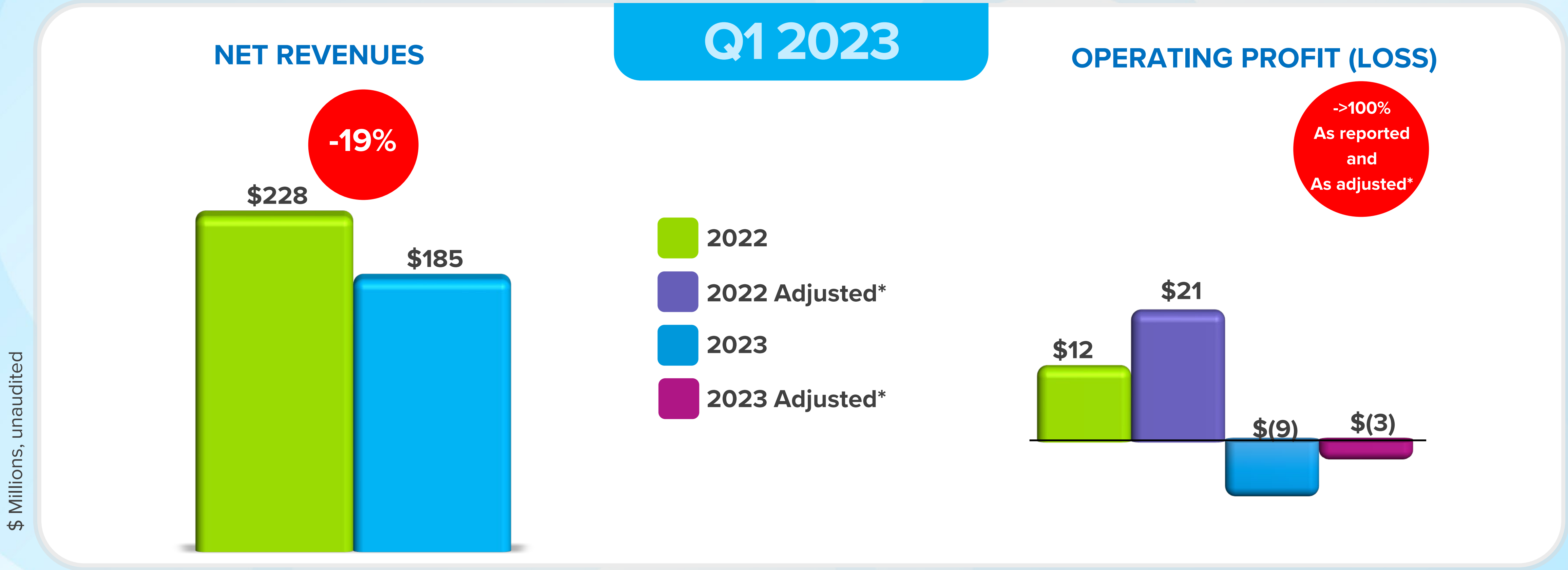
*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 25-26.

# Consumer Products Segment Net Revenues by Geography

| | Q1 2023 | Q1 2022 | % CHANGE |
|---|---|---|---|
| NORTH AMERICA | $279 | $405 | -31% |
| EUROPE | $132 | $177 | -26% |
| ASIA PACIFIC | $63 | $52 | +21% |
| LATIN AMERICA | $46 | $39 | +20% |
| TOTAL SEGMENT | $521 | $673 | -23% |

First Quarter Growth in Asia Pacific and Latin America

# Entertainment Segment




- Revenues declined due to year-over-year shifts in release timing of new films and Family Brands content in Q1 2023; Scripted TV revenues up
- Film and TV revenue down 11%
- Family Brands revenue down 27%
- Music and Other declined as the Company exited these businesses in 2021-2022

**TV & Film** deliveries for the quarter included *The Rookie; The Rookie: Feds; A Gentleman in Moscow; Yellowjackets; The Recruit*
**Family Brands:** *Power Rangers Beast Morphers; Peppa Pig*

- Operating margin -4.7%; Adjusted operating margin -1.3%*
- Adjusted Operating Loss* reflects lower revenues and higher advertising expense in support of *Dungeons & Dragons: Honor Among Thieves*



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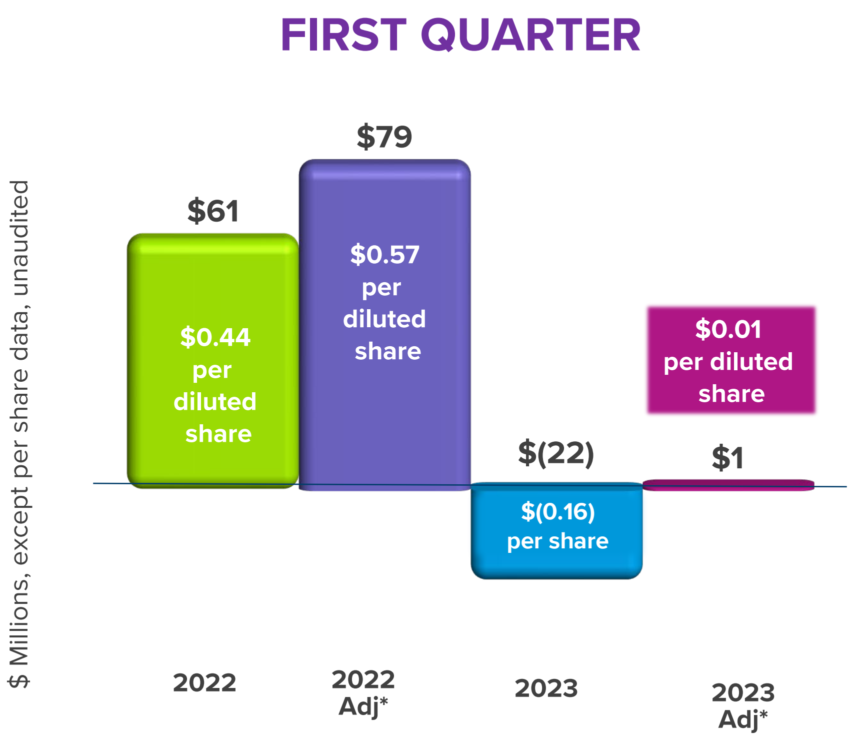
# First Quarter 2023 Net Earnings (Loss)




**Total Non-Operating Expense**: Q1 2023 $38.9M
- Other income, net $7.4 million dollars

**Diluted Shares** Q1 2023 138.7M vs. 139.6M from Q1 2022; **Basic Shares** 138.6M Q1 2023 vs. 139.3M in Q1 2022

**Adjusted Underlying Tax Rate*** 88.3% Q1 2023 vs. 20.4% Q1 2022
- The higher rate in Q1 2023 is a result of the mix of earnings and lower income in the quarter, combined with discrete items, mostly related to stock-based compensation; Full-year 2023 underlying adjusted rate expected to be between 20-21%



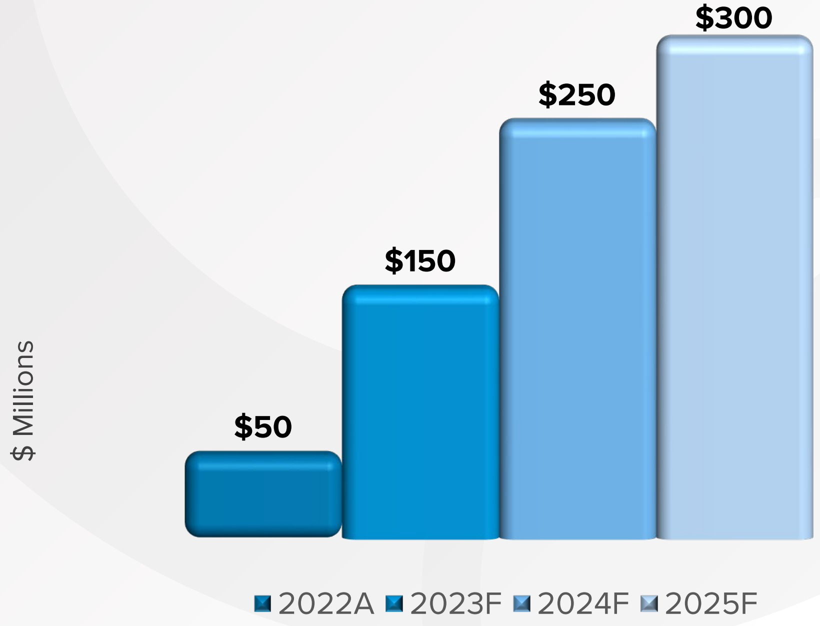
*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 29.

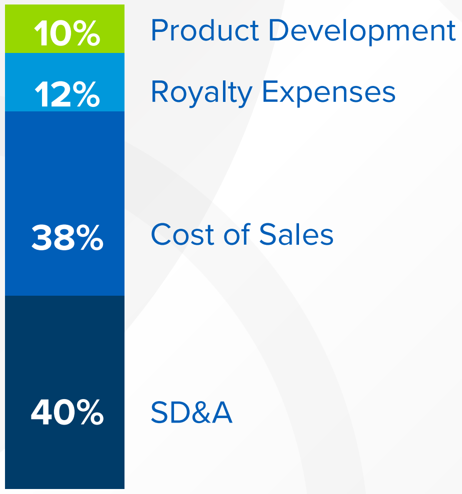
# Operational Excellence Program

# Objective: Deliver $250-300M in Annual Run-Rate Cost Savings by Year-end 2025

## Q1 2023 Realized Savings: $35M

### Annualized Run Rate Savings

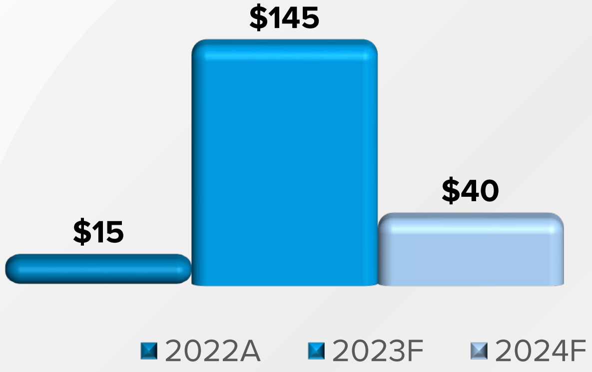



**Forecasted 2025 P&L Distribution**

## Q1 2023 Cash Spent: $17M

### Costs to Achieve*




**expected cash spend per year to achieve; does not include non-cash charges; In 2022, the Company recorded a $106M cash charge, of which $15M was paid in 2022 and the remainder will be paid in 2023.*

On track to achieve $150M in run-rate cost savings for the full-year 2023
On track to deliver $250-300M in annual run-rate cost savings by year-end 2025

# Key Cash Flow and Balance Sheet Data

| $ Millions, unaudited | FIRST QUARTER ENDED APR 2, 2023 | FIRST QUARTER ENDED MAR 27, 2022 | NOTES |
|---|---|---|---|
| **Cash** | $386 | $1,058 | Expect cash position to improve as the year progresses given the phasing of revenue |
| **Long-term Debt** | $3,682 | $3,738 | Paid down $30M in long-term Debt in Q1 2023 |
| **Depreciation** | $24 | $25 | FY 2023 depreciation target inline with FY 2022 |
| **Amortization of Intangibles** | $23 | $27 | Reflects Power Rangers impairment charge in Q4 2022 and the addition of D&D Beyond |
| **Program Spend, net** | $167 | $169 | FY 2023 planned content spend range remains $725-$825M |
| **Capital Expenditures** | $53 | $29 | Increase due to investments in digital gaming and establishing a new office for Wizards of the Coast |
| **Dividends Paid** | $97 | $95 | $0.70 per share quarterly dividend paid in Q1 2023; Next $0.70 per share dividend payable May 15 |
| **Share Repurchase** | - | - | Plan to increase repurchases in future years |
| **Operating Cash Flow** | $89 | $135 | 2023 operating cash flow range $600-$700M |
| **Accounts Receivable** | $685 | $932 | DSO 67 days, down 6 days; consistent with lower revenues and lower receivables |
| **Inventory** | $713 | $644 | YOY increase due to 1H tentpole release timing for MAGIC: THE GATHERING; CP inventory for theatrical launches including *Transformers: Rise of the Beasts* |

# ESG Performance & Q1 2023 Achievements

Long-term value creation for our business and stakeholders.

AMERICA'S MOST JUST COMPANIES CNBC 2023

2023 WORLD'S MOST ETHICAL COMPANIES® ETHISPHERE 12-TIME HONOREE

## Climate & Sustainability

**GHG GOALS:** Committed to set Science-Based Targets for 2030 (42% GHG reduction) and 2050 (net zero); validation by Science-Based Target Initiative (SBTi) expected summer 2023.

**CLIMATE RISK AND RESILIENCE PLAN:** Conducted internal climate risk assessment in accordance with TCFD.

**RESEARCH AND STUDENT ENGAGEMENT:** Supported Consumer Insights Sustainability MBA Capstone Project at Curry College.

## Philanthropy & Social Impact

**4 MILLION CHILDREN & YOUNG ADULTS IMPACTED:** Provided $21M total philanthropic support, including 850k donated toys & games in 2022.

**DISASTER RELIEF:** Partnered with Save the Children to provide emergency financial support and in-kind donations to families impacted by devastating earthquakes in Syria & Turkey, while engaging Hasbro team members through giving and volunteerism.

**CELEBRATING INCLUSION:** Funded Special Olympics Global Unified Programming in 8 countries and honored the most inclusive schools in the country by sponsoring their National Banner Recognition program.

**EMPOWERING GAME CREATORS:** Sponsored Games for Change's Student Challenge to combine student passion for games with digital learning and civic engagement.

## Human Rights & Ethical Sourcing

**SOCIAL COMPLIANCE AUDITS:** On track to achieve 100% audit rate and corrective action implemented for all third-party suppliers and major subcontractors.

**WORKER WELL-BEING:** Expanding worker well-being initiatives for factory workers in Asia, focusing on financial literacy, healthcare and digital learning.

## Human Rights & Ethical Sourcing

**DE&I 2025 GOALS:** On track to achieve our DE&I goals to increase women in leadership to 50% (globally) and racially/ethnically diverse representation to 25% (U.S.).

**INCLUSIVE BRANDS:** Launched Kiya & the Kimoja Heroes, a new Disney+ TV series reflecting Hasbro's commitment to create diverse and inclusive brands, content and play experiences.

## ESG Strategy

**EXTERNAL RECOGNITION:** Recognized for ESG leadership: World's Most Ethical Company (12th consecutive year), JUST Capital and Morningstar's Sustainalytics newly released 2023 top-rated ESG Companies list.

**ESG REPORTING:** Launched "PLAYING WITH PURPOSE" 2021-2022 comprehensive ESG Progress Report with new disclosures in accordance with SASB, GRI and TCFD.

# Supplemental Financial Information

# Condensed Consolidated Balance Sheets

(Millions of Dollars) (Unaudited)

| | April 2, 2023 | March 27, 2022 |
|---|---|---|
| **ASSETS** | | |
| Cash and Cash Equivalents | $ 386.2 | $ 1,057.9 |
| Accounts Receivable, Net | 685.2 | 931.7 |
| Inventories | 713.4 | 644.3 |
| Prepaid Expenses and Other Current Assets | 754.4 | 621.4 |
| Total Current Assets | 2,539.2 | 3,255.3 |
| Property, Plant and Equipment, Net | 509.1 | 422.6 |
| Goodwill | 3,470.1 | 3,419.3 |
| Other Intangible Assets, Net | 801.0 | 1,136.6 |
| Other Assets | 1,604.3 | 1,284.9 |
| Total Assets | $ 8,923.7 | $ 9,518.7 |
| **LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY** | | |
| Short-Term Borrowings | $ 134.5 | $ 104.1 |
| Current Portion of Long-Term Debt | 109.0 | 155.8 |
| Accounts Payable and Accrued Liabilities | 1,653.9 | 1,783.1 |
| Total Current Liabilities | 1,897.4 | 2,043.0 |
| Long-Term Debt | 3,682.4 | 3,737.9 |
| Other Liabilities | 585.2 | 633.6 |
| Total Liabilities | 6,165.0 | 6,414.5 |
| Redeemable Noncontrolling Interests | - | 23.5 |
| Total Shareholders' Equity | 2,758.7 | 3,080.7 |
| Total Liabilities, Noncontrolling Interests and Shareholders' Equity | $ 8,923.7 | $ 9,518.7 |

(1) Amounts may not sum due to rounding

# Condensed Statements of Operations

(Millions of Dollars and Shares Except Per Share Data) (Unaudited)

| | Quarter Ended | | | |
|---|---|---|---|---|
| | April 2, 2023 | % Net Revenues | March 27, 2022 | % Net Revenues |
| Net Revenues | $ 1,001.0 | 100.0% | $ 1,163.1 | 100.0% |
| Costs and Expenses: | | | | |
| Cost of Sales | 285.3 | 28.5% | 333.1 | 28.6% |
| Program Cost Amortization | 122.5 | 12.2% | 138.5 | 11.9% |
| Royalties | 69.0 | 6.9% | 90.1 | 7.7% |
| Product Development | 83.3 | 8.3% | 69.6 | 6.0% |
| Advertising | 82.8 | 8.3% | 77.6 | 6.7% |
| Amortization of Intangibles | 23.1 | 2.3% | 27.1 | 2.3% |
| Selling, Distribution and Administration | 317.1 | 31.7% | 307.1 | 26.4% |
| Operating Profit | 17.9 | 1.8% | 120.0 | 10.3% |
| Interest Expense | 46.3 | 4.6% | 41.6 | 3.6% |
| Other Expense (Income), Net | (7.4) | -0.7% | (1.8) | -0.2% |
| Earnings (Loss) before Income Taxes | (21.0) | -2.1% | 80.2 | 6.9% |
| Income Tax Expense | 0.7 | 0.1% | 17.3 | 1.5% |
| Net Earnings (Loss) | (21.7) | -2.2% | 62.9 | 5.4% |
| Net Earnings Attributable to Noncontrolling Interests | 0.4 | 0.0% | 1.7 | 0.1% |
| Net Earnings (Loss) Attributable to Hasbro, Inc. | $ (22.1) | -2.2% | $ 61.2 | 5.3% |
| | | | | |
| Per Common Share | | | | |
| Net Earnings (Loss) | | | | |
| Basic | $ (0.16) | | $ 0.44 | |
| Diluted | $ (0.16) | | $ 0.44 | |
| | | | | |
| Cash Dividends Declared | $ 0.70 | | $ 0.70 | |
| | | | | |
| Weighted Average Number of Shares | | | | |
| Basic | 138.6 | | 139.3 | |
| Diluted | 138.7 | | 139.6 | |

(1) Amounts may not sum due to rounding

# Condensed Consolidated Cash Flows

(Millions of Dollars) (Unaudited)

| | Quarter Ended | |
|---|---|---|
| | April 2, 2023 | March 27, 2022 |
| Cash Flows from Operating Activities: | | |
| Net Earnings | $ (21.7) | $ 62.9 |
| Other Non-Cash Adjustments | 181.9 | 179.3 |
| Changes in Operating Assets and Liabilities | (71.4) | (107.5) |
| Net Cash Provided by Operating Activities | 88.8 | 134.7 |
| Cash Flows from Investing Activities: | | |
| Additions to Property, Plant and Equipment | (53.2) | (29.2) |
| Other | (2.4) | 5.3 |
| Net Cash (Utilized) Provided by Investing Activities | (55.6) | (23.9) |
| Cash Flows from Financing Activities: | | |
| Proceeds from Long-Term Debt | 1.2 | 1.3 |
| Repayments of Long-Term Debt | (35.5) | (133.9) |
| Net Proceeds from Short-Term Borrowings | (7.7) | 103.3 |
| Stock-Based Compensation Transactions | - | 70.2 |
| Dividends Paid | (96.7) | (94.5) |
| Payments Related to Tax Withholding for Share-Based Compensation | (14.0) | (19.3) |
| Other | (3.9) | (4.6) |
| Net Cash Utilized by Financing Activities | (156.6) | (77.5) |
| Effect of Exchange Rate Changes on Cash | (3.5) | 5.4 |
| Cash and Cash Equivalents at Beginning of Year | 513.1 | 1,019.2 |
| Cash and Cash Equivalents at End of Period | $ 386.2 | $ 1,057.9 |

[(1)] Amounts may not sum due to rounding

# SEGMENT RESULTS - AS REPORTED and AS ADJUSTED-Q1 2023

(Unaudited) (Millions of Dollars)

**Operating Results**

| | Quarter Ended April 2, 2023 | | | Quarter Ended March 27, 2022 | | | |
|---|---|---|---|---|---|---|---|
| | As Reported | Non-GAAP Adjustments | Adjusted | As Reported | Non-GAAP Adjustments | Adjusted | % Change |
| **Total Company Results** | | | | | | | |
| External Net Revenues [2] | $ 1,001.0 | $ - | $ 1,001.0 | $ 1,163.1 | $ - | $ 1,163.1 | -14% |
| Operating Profit [2] | 17.9 | 29.3 | 47.2 | 120.0 | 21.8 | 141.8 | -67% |
| Operating Margin | 1.8% | 2.9% | 4.7% | 10.3% | 1.9% | 12.2% | |
| EBITDA | 72.4 | 26.3 | 98.7 | 174.0 | 18.1 | 192.1 | -49% |
| **Segment Results** | | | | | | | |
| Consumer Products: | | | | | | | |
| External Net Revenues [3] | $ 520.4 | $ - | $ 520.4 | $ 672.8 | $ - | $ 672.8 | -23% |
| Operating Profit | (46.0) | 10.6 | (35.4) | 8.6 | 10.3 | 18.9 | >-100% |
| Operating Margin | -8.8% | 2.0% | -6.8% | 1.3% | 1.5% | 2.8% | |
| EBITDA | (11.5) | 6.9 | (4.6) | 41.3 | 7.5 | 48.8 | >-100% |
| Wizards of the Coast and Digital Gaming: | | | | | | | |
| External Net Revenues [4] | $ 295.2 | $ - | $ 295.2 | $ 262.8 | $ - | $ 262.8 | 12% |
| Operating Profit | 76.8 | - | 76.8 | 106.4 | - | 106.4 | -28% |
| Operating Margin | 26.0% | - | 26.0% | 40.5% | - | 40.5% | |
| EBITDA | 81.2 | 5.2 | 86.4 | 107.6 | 4.6 | 112.2 | -23% |
| Entertainment: | | | | | | | |
| External Net Revenues [5] | $ 185.4 | $ - | $ 185.4 | $ 227.5 | $ - | $ 227.5 | -19% |
| Operating Profit (Loss) | (8.7) | 6.2 | (2.5) | 12.2 | 8.8 | 21.0 | >-100% |
| Operating Margin | -4.7% | 3.3% | -1.3% | 5.4% | 0.04 | 9.2% | |
| EBITDA | 3.5 | 4.6 | 8.1 | 25.9 | 5.5 | 31.4 | -74% |
| Corporate and Other: | | | | | | | |
| Operating Profit (Loss) | $ (4.2) | $ 12.5 | $ 8.3 | $ (7.2) | $ 2.7 | $ (4.5) | >100% |
| EBITDA | (0.8) | 9.6 | 8.8 | (0.8) | 0.5 | (0.3) | >100% |

(1) Amounts may not sum due to rounding

**(2)** Effective in the first quarter of 2023, the Company is realigning our brand portfolios to correspond with the Blueprint 2.0 strategy. Net Revenues by Brand Portfolio below have been restated to present net revenues and operating profit under the realigned structure.

Schedule and footnotes continue on next slide (Slide 26)

# SEGMENT RESULTS - AS REPORTED and AS ADJUSTED-Q1 2023 CONTINUED

(Unaudited) (Millions of Dollars)

| Net Revenue by Brand Portfolio | Net Revenues Quarter Ended April 2, 2023 | Net Revenues Quarter Ended March 27, 2022 | % Change |
|---|---|---|---|
| Franchise Brands [(a)] | $ 613.4 | $ 650.4 | -6% |
| Partner Brands | 132.7 | 206.5 | -36% |
| Portfolio Brands | 92.0 | 112.6 | -18% |
| Non-Hasbro Branded Film & TV | 162.9 | 193.6 | -16% |
| Total | $ 1,001.0 | $ 1,163.1 | |

| Operating Profit (Loss) and Adjusted Operating Profit (Loss) by Brand Portfolio | Operating Profit (Loss) [(i)] Quarter Ended April 2, 2023 | Operating Profit (Loss) [(i)] Quarter Ended March 27, 2022 | % Change | Adjusted Operating Profit (Loss) [(i)] Quarter Ended April 2, 2023 | Adjusted Operating Profit (Loss) [(i)] Quarter Ended March 27, 2022 | % Change |
|---|---|---|---|---|---|---|
| Franchise Brands [(a)] | $ 61.6 | $ 142.5 | -57% | $ 69.9 | $ 152.3 | -54% |
| Partner Brands | (13.2) | (5.6) | >-100% | (13.2) | (5.6) | >-100% |
| Portfolio Brands | (10.8) | 1.7 | >-100% | (6.2) | 6.0 | >-100% |
| Non-Hasbro Branded Film & TV | (15.5) | (11.4) | -36% | (11.6) | (6.4) | -81% |
| Total | $ 22.1 | $ 127.2 | | $ 38.9 | $ 146.3 | |

(i) Operating Profit (Loss) by Brand Portfolio excludes Corporate and Other. For the quarter ended April 2, 2023, and quarter ended March 27, 2022 there was an Operating Loss of $4.2 and $7.2, respectively, relating to unallocated Corporate and Other expenses. Adjusted Operating Profit (Loss) for Corporate and Other was $8.3 for the quarter ended April 2, 2023 and ($4.5) for the quarter ended March 27, 2022, respectively. Adjusted measures exclude certain non-GAAP adjustments. See "Reconciliation of Non-GAAP Financial Measures" for Adjusted Operating Profit

(a) Franchise Brands include: DUNGEONS & DRAGONS, Hasbro Gaming, MAGIC: THE GATHERING, NERF, PEPPA PIG, PLAY-DOH and TRANSFORMERS.

| | Net Revenues Quarter Ended April 2, 2023 | Net Revenues Quarter Ended March 27, 2022 | % Change |
|---|---|---|---|
| MAGIC: THE GATHERING | 229.1 | 197.2 | 16% |
| Hasbro Total Gaming [(b)] | 386.5 | 378.8 | 2% |

(b) Hasbro Total Gaming includes all gaming revenue, most notably DUNGEONS & DRAGONS, MAGIC: THE GATHERING and Hasbro Gaming.

(3) **Consumer Products Segment Net Revenues by Major Geographic Region**

| | Quarter Ended April 2, 2023 | Quarter Ended March 27, 2022 | % Change |
|---|---|---|---|
| North America | $ 279.1 | $ 405.2 | -31% |
| Europe | 131.6 | 176.7 | -26% |
| Asia Pacific | 63.4 | 52.2 | 21% |
| Latin America | 46.4 | 38.7 | 20% |
| Total | $ 520.5 | $ 672.8 | |

(4) **Wizards of the Coast and Digital Gaming Net Revenues by Category**

| | Quarter Ended April 2, 2023 | Quarter Ended March 27, 2022 | % Change |
|---|---|---|---|
| Tabletop Gaming | $ 217.9 | $ 192.2 | 13% |
| Digital and Licensed Gaming | 77.3 | 70.6 | 9% |
| Total | $ 295.2 | $ 262.8 | |

(5) **Entertainment Segment Net Revenues by Category**

| | Quarter Ended April 2, 2023 | Quarter Ended March 27, 2022 | % Change |
|---|---|---|---|
| Film and TV | $ 168.4 | $ 190.2 | -11% |
| Family Brands | 17.0 | 23.2 | -27% |
| Music and Other | - | 14.1 | -100% |
| Total | $ 185.4 | $ 227.5 | |

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES* (Unaudited) (Millions of Dollars)

**Reconciliation of Adjusted Operating Profit (Loss) (1)**

| | Quarter Ended | |
|---|---|---|
| | **April 2, 2023** | **March 27, 2022** |
| **Operating Profit (Loss)** | **$ 17.9** | **$ 120.0** |
| Consumer Products | (46.0) | 8.6 |
| Wizards of the Coast and Digital Gaming | 76.8 | 106.4 |
| Entertainment | (8.7) | 12.2 |
| Corporate and Other | (4.2) | (7.2) |
| **Non-GAAP Adjustments (1)** | **$ 29.3** | **$ 21.8** |
| Consumer Product | 10.6 | 10.3 |
| Entertainment | 6.2 | 8.8 |
| Corporate and Other | 12.5 | 2.7 |
| **Adjusted Operating Profit (Loss)** | **$ 47.2** | **$ 141.8** |
| Consumer Products | (35.4) | 18.9 |
| Wizards of the Coast and Digital Gaming | 76.8 | 106.4 |
| Entertainment | (2.5) | 21.0 |
| Corporate and Other | 8.3 | (4.5) |

(1) Non-GAAP Adjustments include the following:

| | | |
|---|---|---|
| Acquisition-related costs (i) | $ 1.9 | $ 2.7 |
| Acquired intangible amortization (ii) | 16.8 | 19.1 |
| Operational Excellence charges (iii) | | |
| Transformation office and consultant fees | 10.6 | - |
| Total | $ 29.3 | $ 21.8 |

[1]Amounts may not sum due to rounding

(i) In association with the Company's acquisition of eOne, the Company incurred stock compensation expenses of $1.9 ($1.7 after-tax) in the quarter ended April 2, 2023, and $2.7 ($2.3 after-tax) in the quarter ended March 27, 2022. The expense is included within Selling, Distribution and Administration.

(ii) Represents intangible amortization costs related to the intangible assets acquired in the eOne acquisition. The Company has allocated certain of these intangible amortization costs between the Consumer Products and Entertainment segments, to match the revenue generated from such intangible assets.

(iii) Program related transformation office and consultant fees of $10.6 ($8.1 after-tax) for the quarter ended April 2, 2023, are included within Selling, Distribution and Administration within the Corporate and Other segment.

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

## Reconciliation of EBITDA and Adjusted EBITDA [1]

| | Quarter Ended | |
|---|---|---|
| | April 2, 2023 | March 27, 2022 |
| Net Earnings (Loss) Attributable to Hasbro, Inc. | $ (22.1) | $ 61.2 |
| Interest Expense | 46.3 | 41.6 |
| Income Tax Expense | 0.7 | 17.3 |
| Net Earnings Attributable to Noncontrolling Interests | 0.4 | 1.7 |
| Depreciation | 24.0 | 25.1 |
| Amortization of Intangibles | 23.1 | 27.1 |
| EBITDA | $ 72.4 | $ 174.0 |
| Non-GAAP Adjustments and Stock Compensation [1] | 26.3 | 18.1 |
| **Adjusted EBITDA** | **$ 98.7** | **$ 192.1** |
| [1] Non-GAAP Adjustments and Stock Compensation are comprised of the following: | | |
| Stock compensation | $ 15.7 | $ 18.1 |
| Operational Excellence charges | 10.6 | - |
| **Total** | **$ 26.3** | **$ 18.1** |
| **Adjusted EBITDA by Segment:** | | |
| Consumer Products | $ (4.6) | $ 48.8 |
| Wizards of the Coast and Digital Gaming | 86.4 | 112.2 |
| Entertainment | 8.1 | 31.4 |
| Corporate and Other | 8.8 | (0.3) |
| **Total Adjusted EBITDA** | **$ 98.7** | **$ 192.1** |
| **Consumer Products:** | | |
| Operating Profit (Loss) | $ (46.0) | $ 8.6 |
| Other Income | 8.5 | 0.8 |
| Depreciation | 12.1 | 13.9 |
| Amortization of Intangibles | 13.9 | 18.0 |
| EBITDA | $ (11.5) | $ 41.3 |
| Non-GAAP Adjustments and Stock Compensation | 6.9 | 7.5 |
| **Adjusted EBITDA** | **$ (4.6)** | **$ 48.8** |
| **Wizards of the Coast and Digital Gaming:** | | |
| Operating Profit | $ 76.8 | $ 106.4 |
| Other Expense | (0.5) | (0.7) |
| Depreciation | 3.0 | 1.9 |
| Amortization of Intangibles | 1.9 | - |
| EBITDA | $ 81.2 | $ 107.6 |
| Non-GAAP Adjustments and Stock Compensation | 5.2 | 4.6 |
| **Adjusted EBITDA** | **$ 86.4** | **$ 112.2** |
| **Entertainment:** | | |
| Operating Profit (Loss) | $ (8.7) | $ 12.2 |
| Other Income | 3.6 | 1.9 |
| Depreciation | 1.9 | 2.8 |
| Amortization of Intangibles | 6.7 | 9.0 |
| EBITDA | $ 3.5 | $ 25.9 |
| Non-GAAP Adjustments and Stock Compensation | 4.6 | 5.5 |
| **Adjusted EBITDA** | **$ 8.1** | **$ 31.4** |

[1]Amounts may not sum due to rounding

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars and Shares, Except Per Share Data)

## Reconciliation of Net Earnings (Loss) and Earnings per Share [1]

| | Quarter Ended | | | |
|---|---|---|---|---|
| *(all adjustments reported after-tax)* | April 2, 2023 | Diluted Per Share Amount | March 27, 2022 | Diluted Per Share Amount |
| Net Earnings (Loss) Attributable to Hasbro, Inc. | $ (22.1) | $ (0.16) | $ 61.2 | 0.44 |
| Acquisition-related costs | 1.7 | 0.01 | 2.3 | 0.02 |
| Acquired intangible amortization | 13.3 | 0.10 | 15.9 | 0.11 |
| Operational Excellence charges | 8.1 | 0.06 | - | - |
| Net Earnings Attributable to Hasbro, Inc., as Adjusted | $ 1.0 | $ 0.01 | $ 79.4 | $ 0.57 |

[1]Amounts may not sum due to rounding

# 2022 Cost of Sales (Actual FX as Reported)

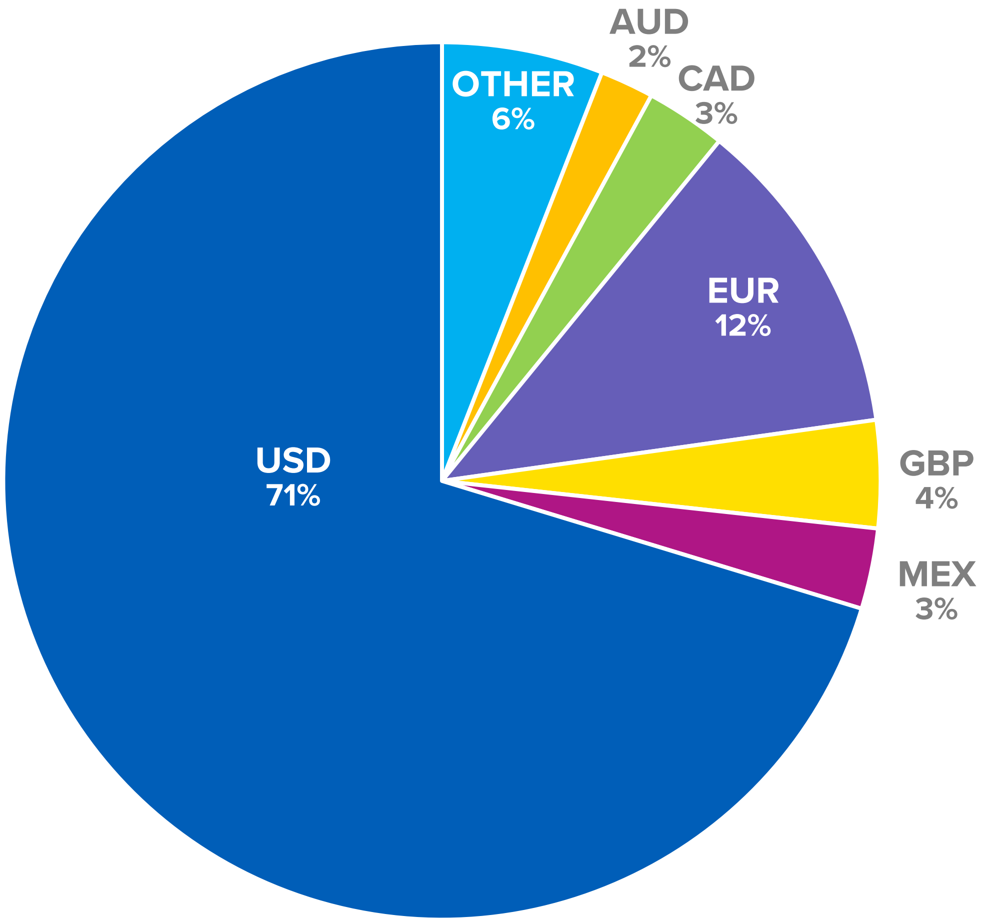
| As a % of Revenue | |
|---|---|
| Revenue | 100.0% |
| Gross Margin | 67.4% |
| Cost of Sales | 32.6% |

| | |
|---|---|
| Board/Paper/Print | 5.3% |
| Resins | 5.1% |
| Electronics / Metals | 1.8% |
| All Other | 2.1% |
| | |
| Total | 14.3% |

| | |
|---|---|
| Labor | 5.6% |
| Factory Overhead | 4.8% |
| Freight/Import Costs | 4.1% |
| Tooling | 1.3% |
| Inventory Variances | 2.5% |
| Total | 18.3% |

Cost of Sales 32.6%

# 2022 External Net Revenue by Currency




Other includes currencies that are less than 1%