



**Fourth Quarter and Full Year 2025
Financial Results Conference Call Management Remarks
February 10, 2026**

Fred Wightman, Vice President, Investor Relations

Thank you and good morning, everyone.

Joining me today are Chris Cocks, Hasbro's chief executive officer, and Gina Goetter, Hasbro's chief financial officer and chief operating officer. We will begin today's call with Chris and Gina providing commentary on the Company's performance before taking your questions.

Our earnings release and presentation slides for today's call are posted on our investor website.

The press release and presentation include information regarding Non-GAAP adjustments and Non-GAAP financial measures. Our call today will discuss certain Adjusted measures, which exclude these Non-GAAP Adjustments. A reconciliation of GAAP to non-GAAP measures is included in the press release and presentation.

Please note that whenever we discuss earnings per share or EPS, we are referring to earnings per diluted share.

Before we begin, I would like to remind you that during this call and the question and answer session that follows, members of Hasbro management may make forward-looking statements concerning management's expectations, goals, objectives and similar matters.

There are many factors that could cause actual results or events to differ materially from the anticipated results or other expectations expressed in these forward-looking statements.

These factors include those set forth in our annual report on form 10-K, our most recent 10-Q, in today's press release and in our other public disclosures.

We undertake no obligation to update any forward-looking statements made today to reflect events or circumstances occurring after the date of this call.

I would now like to introduce Chris Cocks, Chris.

Chris Cocks, Hasbro CEO

Last year, we introduced *Playing To Win*, our strategic roadmap to guide Hasbro from turnaround into a new era of growth and profitability. At its core are two pillars: play and partnership.

Those pillars define Hasbro. Our brands have been delighting fans since 1860, when Milton Bradley introduced his first board game. Partnership has been equally foundational. We have worked with premier partners for more than 70 years, beginning with the Walt Disney Company in 1954. Today, we work with over 1,000 partners across more than 5,000 collaborations.

Play and partnership anchor everything we do. They power our mission to bring joy and community to fans of all ages through the magic of play. And our KPI for that mission is simple: delight.

So how many kids, families, and fans did we delight over the past year?

When we announced *Playing To Win*, we used objective measures like YouTube views, Circana point of sale, box office receipts, and Sensor Tower data to estimate our annual reach. Our initial estimate was 585 million people.

It turns out that was conservative.

Since then, we have continued to refine our understanding of brand reach. In late 2025, we conducted a large-scale survey across eight major markets, reaching tens of thousands of consumers, and combined those results with third-party data to better understand the reach of our brands. The result was clear. Hasbro now reaches more than one billion people every year.

From TRANSFORMERS movies, to families visiting PEPPA PIG theme parks, to MAGIC played in hobby shops around the world, Hasbro positively impacted nearly one in eight consumers globally. I am incredibly proud of that. It puts into perspective why we do what we do and why we are pushing so hard to position this company for its next century. Our brands and partnerships create joy for an enormous audience through the simple, powerful magic of play.

That delight is not abstract. It is showing up directly in our results.

Inspiring a lifetime of play is what animates our teams, and in 2025 they translated that passion into outstanding performance.

In the fourth quarter, Hasbro grew revenues by more than 30 percent. Adjusted operating profit grew nearly 180 percent. Our Consumer Products business returned to growth, up over 7 percent, with MONOPOLY, PEPPA PIG, and Marvel all growing. Wizards of the Coast capped off a remarkable year with 86 percent sales growth in the quarter, driven by the combined strength of MAGIC and digital.

For the full year, Hasbro grew revenue 14 percent. Adjusted operating profit margin reached a record level above 24 percent. Adjusted operating profit exceeded 1.1 billion dollars, also a record.

That momentum is being reinforced by partnerships across the company.

In Toys, we added KPop Demon Hunters, the global phenomenon and Netflix's most popular film, as a co master toy licensee. That partnership is already underway, with a MONOPOLY Deal cross-over and many more exciting new role play, interactive plush and games coming over the next few months.

This morning, we also announced the primary toy license for the world of Harry Potter and the upcoming HBO Original Harry Potter Series with Warner Brothers Discovery, joining new recently announced partnerships for Voltron with Amazon MGM Studios and Street Fighter with Legendary Pictures. These collaborations will begin in the back half of 2026 and build into 2027. These are iconic franchises with global reach, and we are honored to partner with such world-class IP owners.

Shifting to Wizards of the Coast, MAGIC delivered a record fourth quarter and grew sales nearly 60 percent for the full year.

We have a powerful lineup in 2026. It includes original IP like Lorwyn Eclipsed and Secrets of Strixhaven, alongside a blockbuster slate of Universes Beyond collaborations including *Teenage Mutant Ninja Turtles*, Marvel Super Heroes, *The Hobbit*, and *Star Trek*.

Avatar The Last Airbender, which launched in late November, is now the third highest-selling set in MAGIC'S history, trailing only Lord of the Rings and Final Fantasy. At the same time, Secret Lair delivered its largest quarter ever, and backlist sales once again set a record.

This balance of tentpole releases, premium offerings, and evergreen play reflects how the MAGIC system is designed to perform.

That momentum has carried into the new year. Lorwyn Eclipsed has already become the fastest-selling MAGIC IP premier set ever, surpassing Tarkir.

Player growth continues to underpin these results. Through the end of 2025, more than one million unique players participated in Organized Play, representing a 22 percent increase year over year.

That growth is supported by a broad global play network. We now have more than 10,000 active Wizards Play Network stores worldwide, up over 20 percent year over year, with expanded reach across traditional retail partners.

Taken together, this reinforces our confidence in MAGIC'S long-term growth. We are building a system of play with multiple entry points, product types, and engagement paths, and that system is positioned to continue driving growth into 2026 and beyond.

In the fourth quarter, we also shared more about our self-published video game strategy, including a new gameplay trailer for our science fiction RPG EXODUS and the first reveal of our D&D action-adventure game WARLOCK. Both titles have been in development since 2019 and are led by some of the most experienced creative and development talent in the industry.

The response has validated our confidence. Since debuting at The Game Awards, trailers for these titles have been viewed more than 100 million times across social, gaming, and owned channels.

We expect both games to launch in 2027, beginning with EXODUS in the first part of the year. We will share much more later this year, including extended gameplay walkthroughs that allow fans to fully step into the worlds Archetype Entertainment and Invoke have built.

All of this reflects meaningful change. New partnerships. New distribution. New digital capabilities. And it represents only part of what we have in motion.

In 2026, we expect our largest year ever with our longest-standing partner, the Walt Disney Company. We are launching products tied to four major films: Disney & Pixar's *Toy Story 5*, *Star Wars: The Mandalorian and Grogu*, *Spider Man Brand New Day*, and Marvel Studios *Avengers: Doomsday*, alongside an all-new MAGIC collaboration with Marvel Super Heroes. We also have a strong lineup of collectibles and exclusives, including standout Pulse drops later this year.

We are introducing creative new ways to experience PLAY-DOH that age up the brand later this year. PEPPA PIG'S baby sister Evie will celebrate a year of firsts as she approaches her first birthday, and we recently announced that PEPPA'S younger brother George is moderately deaf, as we continue to champion stories that reflect real children and families around the world.

TRANSFORMERS will begin celebrating the 40th anniversary of the 1986 animated film with a new product line and surprises throughout the year. D&D has major category expansions coming later this year, alongside continued growth on D&D BEYOND. We also announced a partnership with HBO and Craig Mazin on a BALDUR'S GATE series. Coming off the success of *The Last of Us*, Craig demonstrated what is possible when games serve as premium source material. That success reinforces our strategy to unlock long-term value by bringing our worlds to life with top-tier creative partners across more than 60 active entertainment projects.

Before I close, I want to address AI and how we're using it at Hasbro.

We're taking a human centric, creator led approach. AI is a tool that helps our teams move faster and focus on higher value work, but people make the decisions and people own the creative outcomes. Teams also have choice in how they use it, including not to use it at all when it doesn't fit the work or the brand.

We're beyond experimentation. We're deploying AI across financial planning, forecasting, order management, supply chain operations, training, and everyday productivity, under enterprise controls and clear guidelines around responsible use and IP protection.

Anyone who knows me knows I'm an enthusiastic AI user, and that mindset extends across the enterprise. We're partnering with best-in-class platforms, including Google Gemini, OpenAI, and Eleven Labs, to embed AI into workflows where it adds real value.

The impact is tangible. Over the next year we anticipate these workflows will free up more than one million hours of lower value work, and we're reinvesting that capacity into innovation, creativity, and serving fans.

Our portfolio of IP, and the creators and talent behind it, are the foundation of this strategy. Great IP plus great storytelling is durable as technology evolves, and it positions us to benefit from disruption rather than being displaced by it.

In Toys, AI assisted design paired with 3D printing has fundamentally improved our process. We've reduced time from concept to physical prototype by roughly 80 percent, enabling faster iteration and more experimentation, with human judgment and human craft determining what ultimately gets selected and turned into a final product.

We believe the winners in AI will be companies that combine deep IP, creative talent, and disciplined deployment. That's exactly where Hasbro sits.

As we enter 2026, we view *Playing To Win*, and more importantly the execution behind it by our Hasbro, Wizards of the Coast, and digital studio teams, as a clear success. Despite market volatility and a shifting consumer environment, we returned this company to growth in a meaningful way.

We delighted more than one billion kids, families, and fans, secured partnerships that further underwrite future growth, advanced our evolution into a digital-first play and IP company, and delivered record profits for our shareholders.

In 2026, we expect that momentum to continue. Hasbro is firmly back on a growth trajectory powered by play, partnership, new digital capabilities, and most importantly our extraordinary brands.

With that, I will turn it over to Gina to walk through the financial details and our outlook for 2026.

Gina Goetter, Hasbro CFO and COO

Thanks, Chris, and good morning, everyone.

We closed 2025 with good momentum in the fourth quarter and clear evidence that our *Playing to Win* strategy is working. While the year included meaningful transformation actions and macro volatility, performance reflects the advantage of our diverse portfolio, the durability of our gaming-led growth model, and disciplined execution. We delivered double-digit revenue growth, expanded adjusted operating margins, generated substantial cash flow, and exited the year with increased financial flexibility.

Looking at the fourth quarter, net revenue was \$1.5 billion, up 31% year-over-year with growth coming from both of our main Segments. Adjusted operating profit was \$315M, up 180% versus prior year, resulting in a 21.8% operating margin. Adjusted earnings per diluted share were \$1.51, capping a year of accelerating momentum.

For the full year, net revenue grew 14% to \$4.7 billion, driven by exceptional performance in Wizards and continued progress across the rest of the portfolio. Adjusted operating profit increased 36% to \$1.1 billion, with an adjusted operating margin of 24.2%, up nearly 400 basis points versus last year driven by favorable mix and cost productivity. Adjusted earnings per diluted share were \$5.54.

In terms of Segment performance, In Q4, Wizards revenue grew 86% to \$630 million, driven by MAGIC, which was up 141% versus last year behind the strength of *Avatar: The Last Airbender* and *Final Fantasy's* holiday release. Operating profit in the quarter was \$284 million, resulting in a 45% operating margin.

For the full year, Wizards revenue increased 45% to \$2.2 billion, with operating profit of just over \$1 billion and an operating margin of 46%. MAGIC revenue grew nearly 60%, reinforcing its position as one of the strongest gaming franchises in the industry. Core MAGIC KPIs remained healthy, with growth in distribution, and a record year for Secret Lair & Backlist. *Monopoly Go!* continued to be a steady revenue and profit stream contributing \$168M with the monthly revenue pool remaining largely consistent as we moved through the year. The overall mix of business resulted in 420 basis point improvement in margin and a solid foundation heading into 2026

Consumer Products executed well in the fourth quarter, delivering \$800M of revenue, up 7% behind the strength of HASBRO GAMING and Marvel. Adjusted operating profit was \$54 million, reflecting improved product mix and promotional discipline, while supply chain productivity nearly offset the cost of tariffs

For the full year, Consumer Products revenue declined 4% to \$2.4 billion and delivered an adjusted operating profit of \$113 million, demonstrating resilience and an improved cost structure, even after absorbing nearly \$70M of tariff impact.

Owned and retail inventory positions remain healthy, and we exited the year with owned inventory at a record low of 75 days.

Entertainment performed in line with expectations for the quarter and the year, delivering stable revenue and adjusted margins consistent with our asset-light strategy.

Our cost transformation efforts contributed over \$175 million in gross savings across supply chain, product development and operating expenses, driving margin expansion and helping to offset the impact from tariffs. Through 2025 we have delivered almost \$800M of gross cost savings and are well on our path to the \$1B commitment.

From a cash and balance sheet perspective, 2025 was a strong year. We generated \$893 million of operating cash flow and ended the year with \$777 million of cash on the balance sheet. We returned \$393 million to shareholders through dividends while continuing to reduce debt and invest behind growth. We reached our gross leverage target, finishing the year at 2.3 times behind increased earnings and a reduced debt load.

Looking ahead to 2026, we are entering the year with momentum, clarity, and a durable foundation. Wizards remains our primary growth engine, supported by a robust pipeline and sustained engagement across tabletop, digital, and licensed gaming. And we expect Consumer Products will benefit from a healthy entertainment pipeline, which will enable improved consistency and margin performance.

Turning now to guidance, we expect Hasbro consolidated revenue to grow between 3% and 5% year-over-year, on a constant currency basis, with growth across each of our segments. We expect operating margins to be between 24% and 25% for the year, reflecting continued operating leverage and disciplined execution. And, we expect adjusted EBITDA to be in the range of \$1.40 to \$1.45 billion dollars.

At the segment level, Wizards is expected to deliver mid-single digit revenue growth supported by a healthy release cadence and continued engagement across the MAGIC ecosystem. Operating margins are expected to remain in the low-40% range, reflecting the underlying strength of the business while absorbing higher royalty expense and incremental costs associated with our planned 2027 video game releases, EXODUS and WARLOCK.

In Consumer Products, we expect revenue to grow low single digits year-over-year, with operating profit margins in the 6% to 8% range. Revenue growth is buoyed by the strong entertainment slate from our partners at The Walt Disney Company, creating leverage through the cost structure.

Entertainment revenue is expected to be slightly positive year-over-year, with operating margins of approximately 50%, reflecting the asset-light nature of the business and continued discipline around investment.

The 2026 outlook assumes approximately \$150M of gross cost savings from initiatives across supply chain, including the manufacturing diversification efforts, as well as a continuation of our transformation in several areas impacting operating expense.

In terms of phasing, we expect stronger revenue growth in the first half, driven by the timing of entertainment-related releases within Consumer Products, normalized retail order patterns, and year-over-year shifts in the cadence of MAGIC set releases. The stronger revenue growth in the first half will have a negative impact on margin, as the growth in both segments carries a higher royalty expense.

Margin expansion will come in the second half driven by favorable business mix within Consumer Products, a step-up in productivity across supply chain and leverage within operating expenses. Tariff costs will be relatively flat year-over-year in the back-half with much of the incremental cost landing in the front half of the year.

Capital allocation priorities are largely unchanged from last year. We will continue to invest in the business, specifically behind our highest-return growth opportunities, led by Wizards and digital gaming. Second, we are focused on paying down debt and maintaining a healthy balance sheet. And, we remain firmly committed to returning cash to shareholders through our dividend.

The Board has authorized the first quarter dividend, reinforcing our confidence in the durability of our cash flows. Finally, we are restarting share repurchases, and the Board has authorized a new \$1 billion share repurchase program, providing additional flexibility to return excess capital to shareholders over time.

While we do not provide EPS guidance, there are a few important items below the operating line to highlight for modeling purposes. First, interest expense is expected to be higher year-over-year, primarily related to planned refinancing activity. And second, we expect lower non-operating income, driven by translational foreign exchange impacts and the absence of prior-year benefits related to the Swiss deferred tax asset. Taken together, these items represent approximately a \$40 million year-over-year headwind to EPS, even as operating income continues to grow.

In summary, the 2026 outlook reflects the progress we've made as we executed the first year of our *Playing to Win* strategy and the durability of the business we're building. We are growing from a stronger earnings base, operating with greater discipline, and allocating capital with intention.

As we move through 2026, we believe the cadence of profitability becomes increasingly favorable, keeping us on track to our medium-term financial commitments.

With that, I'll turn it back to the Operator for questions.