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 June 30, 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 July 26, 2024 was 139,407,124.

Hasbro, Inc.
Form 10-Q
For the Quarter Ended June 30, 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 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 compete in the play industry;
- our ability to transform our business and capabilities to address the changing global consumer landscape;
- 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)

	June 30, 2024	July 2, 2023	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents including restricted cash of $0.3 million, $4.9 million and $0.6 million	$ 626.8	$ 216.6	$ 545.4
Short-term investments	483.0	—	—
Accounts receivable, net	789.0	877.0	1,029.3
Inventories	357.6	731.3	332.0
Prepaid expenses and other current assets	418.0	684.1	416.9
Total current assets	2,674.4	2,509.0	2,323.6
Property, plant and equipment, less accumulated depreciation of $635.5 million, $643.4 million and $618.9 million	542.9	515.4	488.6
Other assets:			
Goodwill	2,278.8	3,239.2	2,279.2
Other intangible assets, net of accumulated amortization of $1,331.7 million, $1,259.3 million and $1,296.9 million	552.8	724.8	587.5
Other	815.2	1,621.3	862.0
Total other assets	3,646.8	5,585.3	3,728.7
Total assets	$ 6,864.1	$ 8,609.7	$ 6,540.9
LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	$ —	$ 148.2	$ —
Current portion of long-term debt	500.0	69.4	500.0
Accounts payable	297.5	363.4	340.6
Accrued liabilities	1,032.6	1,369.4	1,215.8
Total current liabilities	1,830.1	1,950.4	2,056.4
Long-term debt	3,461.4	3,668.5	2,965.8
Other liabilities	399.7	520.6	431.7
Total liabilities	$ 5,691.2	$ 6,139.5	$ 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 June 30, 2024, July 2, 2023, and December 31, 2023	110.1	110.1	110.1
Additional paid-in capital	2,592.1	2,554.6	2,590.6
Retained earnings	2,284.7	3,618.1	2,188.4
Accumulated other comprehensive loss	(222.2)	(213.5)	(201.5)
Treasury stock, at cost; 80,905,996 shares at June 30, 2024; 81,568,249 shares at July 2, 2023; and 81,498,181 shares at December 31, 2023	(3,614.1)	(3,626.3)	(3,625.7)
Noncontrolling interests	22.3	27.2	25.1
Total shareholders' equity	1,172.9	2,470.2	1,087.0
Total liabilities, noncontrolling interests and shareholders' equity	$ 6,864.1	$ 8,609.7	$ 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		Six Months Ended	
	June 30, 2024	**July 2, 2023**	**June 30, 2024**	**July 2, 2023**
Net revenues	$ 995.3	$ 1,210.0	$ 1,752.6	$ 2,211.0
Costs and expenses:				
Cost of sales	237.7	352.2	441.9	637.5
Program cost amortization	8.5	134.4	16.6	256.9
Royalties	55.3	119.9	106.2	188.9
Product development	70.4	72.4	135.9	155.7
Advertising	60.4	85.1	111.9	167.9
Amortization of intangibles	17.1	22.8	34.1	45.9
Impairment of goodwill	—	231.2	—	231.2
Loss on disposal of business	15.3	—	24.4	—
Selling, distribution and administration	318.5	380.6	553.3	697.7
Total costs and expenses	783.2	1,398.6	1,424.3	2,381.7
Operating profit (loss)	212.1	(188.6)	328.3	(170.7)
Non-operating expense (income):				
Interest expense	43.0	46.6	81.5	92.9
Interest income	(13.0)	(5.8)	(21.3)	(11.8)
Other (income) expense, net	(0.8)	(1.5)	4.2	(2.9)
Total non-operating expense, net	29.2	39.3	64.4	78.2
Earnings (loss) before income taxes	182.9	(227.9)	263.9	(248.9)
Income tax expense	44.4	7.0	66.3	7.7
Net earnings (loss)	138.5	(234.9)	197.6	(256.6)
Net earnings attributable to noncontrolling interests	—	0.1	0.9	0.5
Net earnings (loss) attributable to Hasbro, Inc.	$ 138.5	$ (235.0)	$ 196.7	$ (257.1)
Net earnings (loss) per common share:				
Basic	$ 0.99	$ (1.69)	$ 1.41	$ (1.85)
Diluted	$ 0.99	$ (1.69)	$ 1.41	$ (1.85)
Cash dividends declared per common share	$ 0.70	$ 0.70	$ 1.40	$ 1.40

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		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Net earnings (loss)	$ 138.5	$ (234.9)	$ 197.6	$ (256.6)
Other comprehensive earnings (loss):				
Foreign currency translation adjustments, net of tax	(22.8)	24.8	(26.7)	49.1
Net gains (losses) on cash flow hedging activities, net of tax	3.2	(2.6)	4.9	(7.1)
Reclassifications to earnings, net of tax:				
Net losses (gains) on cash flow hedging activities	0.7	1.8	1.1	(0.4)
Amortization of unrecognized pension and postretirement amounts	—	(0.1)	—	(0.2)
Total other comprehensive (loss) earnings, net of tax	(18.9)	23.9	(20.7)	41.4
Total comprehensive earnings attributable to noncontrolling interests	—	0.1	0.9	0.5
Total comprehensive earnings (loss) attributable to Hasbro, Inc.	$ 119.6	$ (211.1)	$ 176.0	$ (215.7)

See accompanying condensed notes to consolidated financial statements.

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

	Six months ended	
	June 30, 2024	**July 2, 2023**
Cash flows from operating activities:		
Net earnings (loss)	$ 197.6	$ (256.6)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation of plant and equipment	49.6	54.6
Loss on disposal of business	24.4	—
Impairment of goodwill	—	231.2
Impairment of intangible assets	—	65.0
Amortization of intangibles	34.1	45.9
Program cost amortization	16.6	256.9
Deferred income taxes	12.8	(24.9)
Stock-based compensation	14.8	36.6
Other non-cash items	6.0	(2.0)
Change in operating assets and liabilities net of acquired balances:		
Decrease in accounts receivable	228.7	237.5
Increase in inventories	(32.7)	(48.4)
Increase in prepaid expenses and other current assets	(12.7)	(14.6)
Program spend, net	(12.5)	(251.8)
Decrease in accounts payable and accrued liabilities	(192.7)	(192.1)
Change in net deemed repatriation tax	(8.2)	(34.4)
Other	39.3	16.3
Net cash provided by operating activities	365.1	119.2
Cash flows from investing activities:		
Additions to property, plant and equipment	(97.7)	(112.1)
Investments	(480.1)	—
Other	2.4	(3.7)
Net cash utilized by investing activities	(575.4)	(115.8)
Cash flows from financing activities:		
Proceeds from borrowings with maturity greater than three months	498.6	1.6
Repayments of borrowings with maturity greater than three months	—	(90.7)
Net repayments from other short-term borrowings	—	6.6
Dividends paid	(194.6)	(193.8)
Payments related to tax withholding for share-based compensation	(11.9)	(14.5)
Stock-based compensation transactions	4.0	—
Payment of financing costs	(5.3)	—
Other	(2.3)	(5.4)
Net cash provided by (utilized by) financing activities	288.5	(296.2)
Effect of exchange rate changes on cash	3.2	(3.7)
Net increase (decrease) in cash, cash equivalents and restricted cash	81.4	(296.5)
Cash, cash equivalents and restricted cash at beginning of year	545.4	513.1
Cash, cash equivalents and restricted cash at end of period	$ 626.8	$ 216.6
Supplemental information		
Cash paid during the period for:		
Interest	$ 73.3	$ 87.1
Income taxes, net	$ 14.4	$ 84.6

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

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

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 June 30, 2024, July 2, 2023, and December 31, 2023, and the results of its operations and cash flows and shareholders' equity for the periods ended June 30, 2024 and July 2, 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 June 30, 2024 and July 2, 2023 were 13-week and 14-week periods, respectively. The six months ended June 30, 2024 and July 2, 2023 were 26-week and 27-week periods, respectively.

The results of operations for the three and six months ended June 30, 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 three months ended March 31, 2024, the Company corrected a prior year error and recorded 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. The $18.1 million benefit recorded during the three months ended March 31, 2024 is not considered to be material to the full year 2023 or 2024 consolidated financial statements.

During the three months ended June 30, 2024, the Company corrected a prior year error and recorded 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*. The $31.1 million expense was recorded in Selling, distribution and administration on the Consolidated Statements of Operations. Additionally, during the three months ended June 30, 2024, the Company corrected a prior year error and recorded a $26.7 million benefit related to an over-accrual of vendor commitment liabilities. The $26.7 million benefit was recorded in Cost of sales on the Consolidated Statements of Operations. The recording of these two items were 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 six months ended June 30, 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 six months ended June 30, 2024 and July 2, 2023 are as follows:

	June 30, 2024	July 2, 2023
Assets		
Balance at beginning of the year	$ 213.3	$ 594.4
Recognized in current year	135.8	320.3
Amounts reclassified to accounts receivable	(109.6)	(352.1)
Foreign currency impact	(2.3)	7.3
Ending Balance	$ 237.2	$ 569.9
Liabilities		
Balance at beginning of the year	$ 230.8	$ 113.0
Recognized in current year	131.9	164.0
Amounts in beginning balance reclassified to revenue	(45.4)	(58.8)
Current year amounts reclassified to revenue	(58.5)	(97.9)
Foreign currency impact	0.1	(1.0)
Ending Balance	$ 258.9	$ 119.3

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 June 30, 2024, unrecognized revenue attributable to unsatisfied performance obligations expected to be recognized in the future was $2.4 million. Of this amount, we expect to recognize $1.5 million in the remainder of 2024 and $0.9 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 June 30, 2024 and July 2, 2023 are primarily from contracts with customers. A summary of the activity in the allowance for credit losses for the six months ended June 30, 2024 and July 2, 2023 are as follows:

	June 30, 2024	July 2, 2023
Balance at beginning of the year	$ 12.7	$ 20.0
Charged to costs and expenses, net	1.8	1.5
Customer accounts written off—net of recoveries	(0.6)	—
Foreign currency impact	(0.8)	0.7
Ending balance	$ 13.1	$ 22.2

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.

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 six months ended July 2, 2023, have been reclassified to reflect the movement, resulting in a change of $0.8 million and $0.9 million, respectively.

(Millions of Dollars and Shares Except Per Share Data)

The following table represents consolidated Consumer Products segment net revenues by major geographic region for the three and six months ended June 30, 2024 and July 2, 2023:

	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
North America	$ 306.1	$ 382.0	$ 545.2	$ 661.1
Europe	92.0	131.9	179.5	263.5
Asia Pacific	62.6	66.4	111.4	129.7
Latin America	63.8	74.9	101.4	121.3
Net revenues	$ 524.5	$ 655.2	$ 937.5	$ 1,175.6

The following table represents consolidated Wizards of the Coast and Digital Gaming segment net revenues by category for the three and six months ended June 30, 2024 and July 2, 2023:

	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Tabletop Gaming	$ 307.6	$ 298.5	$ 535.8	$ 516.4
Digital and Licensed Gaming	144.4	77.1	232.5	154.4
Net revenues	$ 452.0	$ 375.6	$ 768.3	$ 670.8

The following table represents consolidated Entertainment segment net revenues by category for the three and six months ended June 30, 2024 and July 2, 2023:

	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Film and TV (1)	$ 1.8	$ 153.3	$ 1.8	$ 321.7
Family Brands	17.0	25.9	45.0	42.9
Net revenues	$ 18.8	$ 179.2	$ 46.8	$ 364.6

(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 six months ended June 30, 2024 and July 2, 2023:

	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Franchise Brands	$ 786.6	$ 788.4	$ 1,393.1	$ 1,401.8
Partner Brands	124.6	172.9	212.3	305.6
Portfolio Brands	84.1	107.9	147.2	200.0
Non-Hasbro Branded Film & TV (1)	—	140.8	—	303.6
Net revenues	$ 995.3	$ 1,210.0	$ 1,752.6	$ 2,211.0

(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 three months ended June 30, 2024, the Company recorded a $15.3 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. 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.

(4) Earnings (Loss) Per Share

Net earnings (loss) per share data for the three and six months ended June 30, 2024 and July 2, 2023 were computed as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Net earnings (loss) attributable to Hasbro, Inc.	$ 138.5	$ (235.0)	$ 196.7	$ (257.1)
Average shares outstanding	139.5	138.8	139.2	138.7
Effect of dilutive securities:				
Options and other share-based awards	0.5	—	0.4	—
Equivalent Shares	140.0	138.8	139.6	138.7
Net earnings (loss) attributable to Hasbro, Inc. per common share				
Basic	$ 0.99	$ (1.69)	$ 1.41	$ (1.85)
Diluted	$ 0.99	$ (1.69)	$ 1.41	$ (1.85)

For the three and six months ended June 30, 2024, options and restricted stock units totaling 2.0 million and 2.3 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 six months ended July 2, 2023, options and restricted stock units totaling 4.3 million and 4.2 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, 1.2 million and 1.6 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 six months ended July 2, 2023. Assuming that these awards and options were included, under the treasury stock method, they would have resulted in an additional 0.2 million and 0.1 million shares, respectively, being included in the diluted earnings per share calculation for the three and six months ended July 2, 2023.

(5) Goodwill

Changes in the carrying amount of goodwill, by operating segment, for the six months ended June 30, 2024 and July 2, 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)	(0.3)	—	(0.4)
Balance as of June 30, 2024	$ 1,582.2	$ 371.4	$ 325.2	$ 2,278.8

(Millions of Dollars and Shares Except Per Share Data)

	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	0.2	—	0.3
Impairment during the period	—	—	(231.2)	(231.2)
Balance as of July 2, 2023	$ 1,584.8	$ 371.7	$ 1,282.7	$ 3,239.2

[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 six months ended July 2, 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 associated 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 three and six months ended July 2, 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 six months ended June 30, 2024 and July 2, 2023.

	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Other comprehensive earnings (loss), tax effect:				
Tax (benefit) expense on cash flow hedging activities	$ (1.2)	$ 1.2	$ (1.2)	$ 2.3
Reclassifications to earnings (loss), tax effect:				
Tax (benefit) expense on cash flow hedging activities	(0.3)	(0.6)	(0.5)	(0.4)
Amortization of unrecognized pension and postretirement amounts	—	—	—	0.1
Total tax effect on other comprehensive earnings (loss)	$ (1.5)	$ 0.6	$ (1.7)	$ 2.0

(Millions of Dollars and Shares Except Per Share Data)

Changes in the components of Accumulated other comprehensive earnings (loss), net of tax for the six months ended June 30, 2024 and July 2, 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)	—	6.0	—	(26.7)	(20.7)
Balance at June 30, 2024	$ (4.2)	$ (10.8)	$ (0.1)	$ (207.1)	$ (222.2)
2023					
Balance at December 25, 2022	$ (3.0)	$ (12.0)	$ (0.1)	$ (239.8)	$ (254.9)
Current period other comprehensive earnings (loss)	(0.2)	(7.6)	—	49.2	41.4
Balance at July 2, 2023	$ (3.2)	$ (19.6)	$ (0.1)	$ (190.6)	$ (213.5)

Gains (Losses) on Derivative Instruments
At June 30, 2024, the Company had remaining net deferred losses on foreign currency forward contracts, net of tax, of $3.1 million in Accumulated other comprehensive earnings (loss) ("AOCE"). These instruments hedge payments related to inventory purchased in the six months ended June 30, 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 second 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.

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 June 30, 2024, deferred losses, net of tax of $13.7 million related to these instruments remained in AOCE. For each of the three months ended June 30, 2024 and July 2, 2023, previously deferred losses of $0.2 million related to these instruments were reclassified from AOCE to net earnings. For the six months ended June 30, 2024 and July 2, 2023, previously deferred losses of $0.4 million and $0.4 million, respectively, related to these instruments were reclassified from AOCE to net earnings.

Of the net deferred losses included in AOCE at June 30, 2024, the Company expects net losses of approximately $2.4 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.

(Millions of Dollars and Shares Except Per Share Data)

(7) Additional Balance Sheet Information

Components of Accrued liabilities for the periods ended June 30, 2024, July 2, 2023 and December 31, 2023 were as follows:

	June 30, 2024	July 2, 2023	December 31, 2023
Royalties	$ 319.7	$ 170.1	$ 286.8
Deferred revenue	83.2	117.9	101.6
Lag & cancellation charges	76.3	82.6	118.9
Dividends [(1)]	—	97.1	97.2
Severance	63.0	70.7	83.7
Accrued income taxes	108.6	50.8	61.6
Other taxes	48.8	66.7	68.7
Interest	33.7	32.6	29.9
General vendor accruals	43.8	52.3	51.9
Participations and residuals	17.8	287.0	34.0
Advertising	25.8	51.7	45.0
Lease liability - current	32.7	35.2	30.5
Payroll and management incentives	51.8	31.2	85.6
Defined contribution plans	19.2	25.1	29.7
Freight	25.7	29.6	22.9
Insurance	14.3	12.1	13.3
Professional fees	10.1	13.0	12.4
Accrued expenses - IIP & IIC	0.5	57.3	0.7
Other	57.6	86.4	41.4
Total accrued liabilities	$ 1,032.6	$ 1,369.4	$ 1,215.8

[(1)] *During the third quarter of 2024, the Board of Directors has declared a quarterly cash dividend of $0.70 per common share payable on September 4, 2024, to shareholders of record at the close of business on August 21, 2024.*

Prepaid expenses and other current assets include accrued income, current of $159.3 million, $375.8 million, and $85.6 million as of June 30, 2024, July 2, 2023 and December 31, 2023, respectively.

Other assets include deferred tax assets of $397.4 million, $264.9 million, and $427.9 million as of June 30, 2024, July 2, 2023 and December 31, 2023, respectively, and content assets of $144.7 million, $949.1 million, and $162.8 million as of June 30, 2024, July 2, 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 June 30, 2024, July 2, 2023 and December 31, 2023 are as follows:

	June 30, 2024		July 2, 2023		December 31, 2023	
	Carrying Cost	Fair Value	Carrying Cost	Fair Value	Carrying Cost	Fair Value
3.90% Notes Due 2029	$ 900.0	$ 830.9	$ 900.0	$ 814.9	$ 900.0	$ 839.8
3.55% Notes Due 2026	675.0	644.8	675.0	628.0	675.0	641.0
3.00% Notes Due 2024	500.0	494.6	500.0	481.6	500.0	488.4
6.35% Notes Due 2040	500.0	512.1	500.0	510.1	500.0	520.1
3.50% Notes Due 2027	500.0	471.5	500.0	466.6	500.0	472.2
6.05% Notes Due 2034	500.0	500.1	—	—	—	—
5.10% Notes Due 2044	300.0	258.0	300.0	264.6	300.0	271.6
6.60% Debentures Due 2028	109.9	114.2	109.9	116.4	109.9	116.0
Variable % Notes Due December 30, 2024 [1]	—	—	265.0	265.0	—	—
Production Financing Facilities [2]	—	—	9.4	9.4	—	—
Total long-term debt	$ 3,984.9	$ 3,826.2	$ 3,759.3	$ 3,556.6	$ 3,484.9	$ 3,349.1
Less: Deferred debt expenses	23.5	—	21.4	—	19.1	—
Less: Current portion	500.0	—	69.4	—	500.0	—
Long-term debt	$ 3,461.4	$ 3,826.2	$ 3,668.5	$ 3,556.6	$ 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. 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 $72.4 million, $89.0 million, and $43.3 million as of June 30, 2024, July 2, 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 June 30, 2024, July 2, 2023, and December 31, 2023:

	June 30, 2024	July 2, 2023	December 31, 2023
Investment in Films and Television Programs: (1)			
Individual Monetization			
Released, net of amortization	$ 54.6	$ 552.3	$ 74.7
Completed and not released	—	53.6	5.1
In production	30.7	135.3	27.1
Pre-production	6.9	130.9	10.4
	92.2	872.1	117.3
Film/TV Group Monetization			
Released, net of amortization	43.1	17.5	26.0
In production	—	24.9	23.6
	43.1	42.4	49.6
Investment in Other Programming			
Released, net of amortization	0.3	22.1	16.1
Completed and not released	0.7	—	—
In production	4.8	8.7	0.8
Pre-production	3.6	3.8	0.8
	9.4	34.6	17.7
Total Program Investments	$ 144.7	$ 949.1	$ 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 six months ended June 30, 2024 and July 2, 2023, consist of the following:

	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Investment in production	$ 8.5	$ 123.3	$ 16.6	$ 234.2
Investment in content	—	11.1	—	22.7
Total program cost amortization	$ 8.5	$ 134.4	$ 16.6	$ 256.9

(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.

Our effective tax rate ("ETR") from continuing operations was 25.1% for the six months ended June 30, 2024 and (3.1)% for the six months ended July 2, 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 six months ended June 30, 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 $0.7 million, primarily associated with stock-based compensation.
- During the six months ended July 2, 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 $8.9 million, exclusive of the goodwill impairment, primarily associated with a tax benefit on the impairment of trade names in the Entertainment segment, offset by discrete tax expense on stock-based compensation and net activity related to uncertain tax positions, primarily interest accruals, combined with the phasing of the Company's income earned throughout 2023.

(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 June 30, 2024, July 2, 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 Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		Fair Value Measurements Using:		
June 30, 2024				
Assets:				
Short-term investments	$ 483.0	$ 483.0	$ —	$ —
Available-for-sale securities	0.8	0.8	—	—
Derivatives	3.5	—	3.5	—
Total assets	$ 487.3	$ 483.8	$ 3.5	$ —
Liabilities:				
Derivatives	$ 8.5	$ —	$ 8.5	$ —
Option agreement	1.7	—	—	1.7
Total liabilities	$ 10.2	$ —	$ 8.5	$ 1.7
July 2, 2023				
Assets:				
Available-for-sale securities	$ 1.5	$ 1.5	$ —	$ —
Derivatives	4.3	—	4.3	—
Total assets	$ 5.8	$ 1.5	$ 4.3	$ —
Liabilities:				
Derivatives	$ 6.4	$ —	$ 6.4	$ —
Option agreement	1.7	—	—	1.7
Total liabilities	$ 8.1	$ —	$ 6.4	$ 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 June 30, 2024, the Company held $483.0 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 six months ended June 30, 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 six months ended June 30, 2024 and July 2, 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 June 30, 2024, July 2, 2023 and December 31, 2023, the carrying cost of these instruments approximated their fair value. The Company's financial instruments at June 30, 2024, July 2, 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 June 30, 2024, July 2, 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:

	June 30, 2024		July 2, 2023		December 31, 2023	
Hedged transaction	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**
Inventory purchases	$ 172.2	$ 5.3	$ 216.5	$ (5.3)	$ 129.9	$ (1.7)
Sales	110.5	(0.7)	118.6	0.3	89.7	(0.2)
Royalties and Other	30.5	0.5	143.5	—	31.7	(0.5)
Total	$ 313.2	$ 5.1	$ 478.6	$ (5.0)	$ 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 June 30, 2024, July 2, 2023 and December 31, 2023 as follows:

	June 30, 2024	July 2, 2023	December 31, 2023
Prepaid expenses and other current assets			
Unrealized gains	$ 3.4	$ 3.8	$ 0.5
Unrealized losses	(1.7)	(3.0)	(0.1)
Net unrealized gains	$ 1.7	$ 0.8	$ 0.4
Other assets			
Unrealized gains	$ 1.9	$ 0.5	$ —
Unrealized losses	(0.1)	(0.1)	—
Net unrealized gains	$ 1.8	$ 0.4	$ —
Accrued liabilities			
Unrealized gains	$ 0.2	$ 1.2	$ 0.7
Unrealized losses	(3.2)	(7.0)	(3.5)
Net unrealized losses	$ (3.0)	$ (5.8)	$ (2.8)

Net gains (losses) on cash flow hedging activities have been reclassified from other comprehensive earnings (loss) to net earnings for the three and six months ended June 30, 2024 and July 2, 2023 as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Statements of Operations Classification				
Cost of sales	$ —	$ (1.2)	$ 0.1	$ 1.3
Net revenues	(0.5)	0.1	(0.6)	0.2
Other	(0.2)	(0.5)	(0.3)	(0.7)
Net realized (losses) gains	$ (0.7)	$ (1.6)	$ (0.8)	$ 0.8

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 June 30, 2024, July 2, 2023 and December 31, 2023, the total notional amounts of the Company's undesignated derivative instruments were $246.6 million, $810.4 million, and $340.5 million, respectively.

(Millions of Dollars and Shares Except Per Share Data)

At June 30, 2024, July 2, 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:

	June 30, 2024	July 2, 2023	December 31, 2023
Prepaid expenses and other current assets			
Unrealized gains	$ —	$ 5.8	$ 0.3
Unrealized losses	—	(2.7)	—
Net unrealized gains	$ —	$ 3.1	$ 0.3
Accrued liabilities			
Unrealized gains	$ 0.4	$ —	$ 1.4
Unrealized losses	(5.8)	(0.2)	(2.5)
Net unrealized losses	$ (5.4)	$ (0.2)	$ (1.1)

The Company recorded a net loss of $4.9 million and a net gain of $4.2 million for three and six months ended June 30, 2024, respectively, and net gains of $6.8 million and $11.2 million, three and six months ended July 2, 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 June 30, 2024, the Company had a remaining balance of $0.7 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 six months ended June 30, 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 June 30, 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:

	Six Months Ended	
Operational Excellence	June 30, 2024	July 2, 2023
Balance at beginning of the year	$ 81.2	$ 84.9
Charges	7.4	—
Payments	(28.1)	(26.1)
Ending Balance	$ 60.5	$ 58.8

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 June 30, 2024:

Operational Excellence	Total
Charges incurred to date	$ 139.7
Estimated charges to be incurred on approved initiatives	—
Total expected charges on approved initiatives	$ 139.7

(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 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 six months ended June 30, 2024 and July 2, 2023 are as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2024	**July 2, 2023**	**June 30, 2024**	**July 2, 2023**
Net revenues:				
Consumer Products	$ 524.5	$ 655.2	$ 937.5	$ 1,175.6
Wizards of the Coast and Digital Gaming	452.0	375.6	768.3	670.8
Entertainment	18.8	179.2	46.8	364.6
Corporate and Other	—	—	—	—
Total net revenues	$ 995.3	$ 1,210.0	$ 1,752.6	$ 2,211.0
Intercompany revenues: (1)				
Consumer Products	$ 64.7	$ 80.8	$ 104.0	$ 145.2
Wizards of the Coast and Digital Gaming	36.0	45.2	73.9	52.9
Entertainment	12.0	11.4	20.5	12.8
Corporate and Other	(112.7)	(137.4)	(198.4)	(210.9)
Total intercompany revenues:	$ —	$ —	$ —	$ —
Operating profit (loss):				
Consumer Products (2)	$ (9.3)	$ 11.4	$ (56.2)	$ (34.6)
Wizards of the Coast and Digital Gaming	247.1	142.3	369.9	219.1
Entertainment (3)	(1.0)	(324.2)	4.8	(332.9)
Corporate and Other (3) (4)	(24.7)	(18.1)	9.8	(22.3)
Total Operating profit (loss)	212.1	(188.6)	328.3	(170.7)
Interest expense	43.0	46.6	81.5	92.9
Interest income	(13.0)	(5.8)	(21.3)	(11.8)
Other non-operating expense (income)	(0.8)	(1.5)	4.2	(2.9)
Earnings (loss) before income taxes	$ 182.9	$ (227.9)	$ 263.9	$ (248.9)

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

(2) During the three months ended June 30, 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 $7.3 million and $12.5 million for the three and six months ended June 30, 2024, respectively, and $10.4 million and $21.0 million for the three and six months ended July 2, 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.

During 2024, the Company experienced declines in revenue from $1,210.0 million and $2,211.0 million for the three and six months ended July 2, 2023, respectively, to $995.3 million and $1,752.6 million for the three and six months ended June 30, 2024, respectively, 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 segment driven by higher digital licensing revenue and contributions from MAGIC: THE GATHERING. The Company has made strong progress towards its ongoing turnaround efforts while achieving an operating profit of $212.1 million and $328.3 million during the three and six months ended June 30, 2024, respectively, as compared to an operating loss of $188.6 million and $170.7 million for the three and six months ended July 2, 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 June 30, 2024 and July 2, 2023:

	Three Months Ended			
	June 30, 2024		July 2, 2023	
	Amount	% of Net Revenues	Amount	% of Net Revenues
Net revenues	$ 995.3	100.0 %	$ 1,210.0	100.0 %
Costs and expenses:				
Cost of sales	237.7	23.9 %	352.2	29.1 %
Program production cost amortization	8.5	0.9 %	134.4	11.1 %
Royalties	55.3	5.6 %	119.9	9.9 %
Product development	70.4	7.1 %	72.4	6.0 %
Advertising	60.4	6.1 %	85.1	7.0 %
Amortization of intangibles	17.1	1.7 %	22.8	1.9 %
Impairment of goodwill	—	— %	231.2	19.1 %
Loss on disposal of business	15.3	1.5 %	—	— %
Selling, distribution and administration	318.5	32.0 %	380.6	31.5 %
Total costs and expenses	783.2	78.7 %	1,398.6	115.6 %
Operating profit (loss)	212.1	21.3 %	(188.6)	(15.6)%
Non-operating (income) expense:				
Interest expense	43.0	4.3 %	46.6	3.9 %
Interest income	(13.0)	(1.3)%	(5.8)	(0.5)%
Other income, net	(0.8)	(0.1)%	(1.5)	(0.1)%
Total non-operating expense, net	29.2	2.9 %	39.3	3.2 %
Earnings (loss) before income taxes	182.9	18.4 %	(227.9)	(18.8)%
Income tax expense	44.4	4.5 %	7.0	0.6 %
Net earnings (loss)	138.5	13.9 %	(234.9)	(19.4)%
Net earnings attributable to noncontrolling interests	—	— %	0.1	— %
Net earnings (loss) attributable to Hasbro, Inc.	$ 138.5	13.9 %	$ (235.0)	(19.4)%
Net earnings (loss) per common share:				
Basic	$ 0.99		$ (1.69)	
Diluted	$ 0.99		$ (1.69)	

Net revenues - Net revenues for the second quarter of 2024 declined 18% to $995.3 million from $1,210.0 million for the second quarter of 2023 primarily driven by a $160.4 million, or 90%, decline in the Entertainment driven by the sale of the eOne Film and TV business, and a $130.7 million, or 20%, decline in the Consumer Products segment, partially offset by a $76.4 million, or 20%, 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 three months ended June 30, 2024 and July 2, 2023:

	Three Months Ended		
	June 30, 2024	July 2, 2023	% Change
Franchise Brands	$ 786.6	$ 788.4	— %
Partner Brands	124.6	172.9	(28)%
Portfolio Brands	84.1	107.9	(22)%
Non-Hasbro Branded Film & TV (1)	—	140.8	(100)%
Total	$ 995.3	$ 1,210.0	(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 $1.8 million in the second quarter of 2024, compared to the second quarter of 2023. The net revenue decrease primarily reflects lower net revenues from NERF and TRANSFORMERS products. Net revenues from TRANSFORMERS products in the second quarter 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, primarily due to strong demand for *Modern Horizons 3* and strong early interest for *Bloomburrow*.

PARTNER BRANDS: Net revenues from the Partner Brands portfolio decreased $48.3 million, or 28%, in the second quarter of 2024, compared to the second 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 second 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 second quarter of 2024. Additionally, revenue in the second 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 $23.8 million, or 22%, in the second quarter of 2024 compared to the second quarter 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, along with revenue contributions from GI JOE products.

NON-HASBRO BRANDED FILM & TV: Net revenues from Non-Hasbro Branded Film & TV decreased $140.8 million in the second quarter of 2024 compared to the second 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 July 2, 2023, has been reclassified to reflect the movement, resulting in a change of $0.8 million.

OPERATING COSTS AND EXPENSES

Cost of sales - Cost of sales for the second quarter of 2024 was $237.7 million, or 23.9% of net revenues, compared to $352.2 million, or 29.1% of net revenues, for the second quarter of 2023. The Cost of sales decrease in dollars was driven primarily by lower sales volumes, cost savings from the Company's Operational Excellence Program, 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 $8.5 million, or 0.9% of net revenues, for the second quarter of 2024 from $134.4 million, or 11.1% of net revenues, for the second 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 second 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 second quarter of 2024 decreased to $55.3 million, or 5.6% of net revenues, compared to $119.9 million, or 9.9% of net revenues, for the second 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 in dollars and as a percent of net revenues during the second quarter of 2024 directly reflects the impact of the sale of the eOne Film and TV business.

Product development - Product development expense for the second quarter of 2024 was $70.4 million, or 7.1% of net revenues, compared to $72.4 million, or 6.0% of net revenues, for the second quarter of 2023. The decrease in Product development expense during the second quarter of 2024 was driven by the Company's Operational Excellence Program along with phasing of product releases.

Advertising - Advertising expense for the second quarter of 2024 was $60.4 million, or 6.1% of net revenues, compared to $85.1 million, or 7.0% of net revenues, for the second quarter of 2023. The Advertising expense decrease during the second quarter of 2024 was primarily driven by the sale of the eOne Film and TV business, along with declines in advertising expense in the Consumer Products segment associated with lower net revenues.

Amortization of intangibles - Amortization of intangible assets decreased to $17.1 million, or 1.7% of net revenues, for the second quarter of 2024, compared to $22.8 million, or 1.9% of net revenues, for the second 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.

Impairment of goodwill - There were no goodwill impairment charges in the second quarter of 2024. During the second quarter 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 $318.5 million, or 32.0% of net revenues for the second quarter of 2024, from $380.6 million, or 31.5% of net revenues, for the second quarter of 2023. The decrease in Selling, distribution and administration expenses during the second quarter of 2024 primarily reflects lower administrative expenses due to cost savings from the Company's Operational Excellence Program and a prior year intangible asset impairment charge of $65.0 million related to the Company's eOne trademark intangible asset, 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 second quarter of 2024 was $212.1 million, or 21.3% of net revenues, compared to an operating loss of $188.6 million, or 15.6% of net revenues, for the second quarter of 2023 driven by the factors discussed above.

NON-OPERATING EXPENSE (INCOME)

Interest expense - Interest expense for the second quarter of 2024 totaled $43.0 million compared to $46.6 million in the second quarter of 2023. The decrease in Interest expense for the second quarter of 2024 primarily reflects lower average outstanding borrowings in the second quarter of 2024 as compared to second 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 $13.0 million for the second quarter of 2024, compared to $5.8 million in the second 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 $0.8 million for the second quarter of 2024, compared to Other income, net of $1.5 million in the second quarter of 2023. The change in Other income, net during 2024 was driven primarily by an increase in foreign currency exchange losses the second quarter of 2024 as compared to the second quarter of 2023.

INCOME TAXES

Income tax expense totaled $44.4 million on pre-tax income of $182.9 million in the second quarter of 2024 compared to income tax expense of $7.0 million on pre-tax loss of $227.9 million in the second 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 second quarter of 2024, the Company recorded a $15.3 million unfavorable adjustment to the 2023 Loss on Sale of the Film & TV reporting unit with no corresponding tax benefit. The second quarter of 2023 includes an impairment of goodwill related to the Film & TV reporting unit of $231.2 million with no tax benefit. During the second quarter of 2024, exclusive of the Loss on Sale adjustment, the Company recorded favorable net discrete tax adjustments of $1.1 million compared to a net benefit exclusive of the goodwill impairment of $12.2 million in the second quarter of 2023.

The favorable net discrete tax adjustments for the second quarter of 2024 are primarily associated with the release of various uncertain tax positions. The favorable net discrete tax adjustments for the second quarter of 2023 are primarily associated with a tax benefit on the impairment of trade names in Entertainment segment, offset by stock-based compensation and activity related to uncertain tax positions, primarily interest accruals. Absent discrete items, the tax rates for the second quarter of 2024 and 2023 were 22.9% and 28.2%, respectively. The decrease in the base rate of 22.9% for the second quarter of 2024, relative to the second quarter of 2023, is primarily due to the mix of jurisdictions where the Company earned its profits combined with the phasing of the Company's income earned throughout 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 June 30, 2024 and July 2, 2023:

	Three Months Ended		
	June 30, 2024	July 2, 2023	% Change
Net revenues:			
Consumer Products	$ 524.5	$ 655.2	(20)%
Wizards of the Coast and Digital Gaming	452.0	375.6	20 %
Entertainment	18.8	179.2	(90)%
Total net revenues	$ 995.3	$ 1,210.0	(18)%
Operating profit (loss):			
Consumer Products	$ (9.3)	$ 11.4	(182)%
Wizards of the Coast and Digital Gaming	247.1	142.3	74 %
Entertainment	(1.0)	(324.2)	(100)%
Corporate and Other	(24.7)	(18.1)	36 %
Total Operating profit (loss)	$ 212.1	$ (188.6)	(212)%

Consumer Products Segment

The following table presents the Consumer Products segment net revenues by major geographic region for the three months ended June 30, 2024 and July 2, 2023:

	Three Months Ended	
	June 30, 2024	July 2, 2023
North America	$ 306.1	$ 382.0
Europe	92.0	131.9
Asia Pacific	62.6	66.4
Latin America	63.8	74.9
Net revenues	$ 524.5	$ 655.2

The Consumer Products segment net revenues decreased 20% to $524.5 million for the second quarter of 2024 compared to $655.2 million for the second 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, TRANSFORMERS, MARVEL and STAR WARS products. Net revenues from TRANSFORMERS products in the second quarter of 2023 were supported by the June 2023 theatrical release of TRANSFORMERS: Rise of the Beasts. The net revenue decrease was driven by lower net revenues from the Company's products for STAR WARS and MARVEL which benefited from a robust slate of entertainment releases in prior years without a more recent release entertainment release to support revenue in the second quarter of 2024.

Consumer Products segment operating loss for the second quarter of 2024 was $9.3 million or 1.8% of segment net revenues, compared to a segment operating profit of $11.4 million or 1.7% of segment net revenues, for the second quarter of 2023. The decrease in operating profit in the second quarter of 2024 was driven by lower net revenue, partially offset by savings realized from the Company's Operational Excellence program, lower royalty expenses reflecting the mix of products sold, lower advertising and promotion expense 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 June 30, 2024 and July 2, 2023:

	Three Months Ended	
	June 30, 2024	**July 2, 2023**
Tabletop Gaming	$ 307.6	$ 298.5
Digital and Licensed Gaming	144.4	77.1
Net revenues	$ 452.0	$ 375.6

Wizards of the Coast and Digital Gaming segment net revenues increased 20.3% in the second quarter of 2024 to $452.0 million from $375.6 million in the second quarter of 2023. The net revenue increase in the Wizards of the Coast and Digital Gaming segment during the second 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, and *MONOPOLY GO!*. Tabletop Gaming revenue increased 3.0% behind growth in MAGIC: THE GATHERING primarily due to strong demand for *Modern Horizons 3* and strong early interest for *Bloomburrow*.

Wizards of the Coast and Digital Gaming segment operating profit was $247.1 million, or 54.7% of segment net revenues for the second quarter of 2024, compared to operating profit of $142.3 million, or 37.9% of segment net revenues, for the second quarter of 2023. The operating profit increase during the second quarter 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 three months ended June 30, 2024 and July 2, 2023:

	Three Months Ended	
	June 30, 2024	**July 2, 2023**
Film and TV	$ 1.8	$ 153.3
Family Brands	17.0	25.9
Net revenues	$ 18.8	$ 179.2

Entertainment segment net revenues decreased 90% to $18.8 million for the second quarter of 2024, compared to $179.2 million for the second quarter of 2023. The net revenue decrease in the Entertainment segment during the second 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 loss was $1.0 million, or 5.3% of segment net revenues for the second quarter of 2024, compared to an operating loss of $324.2 million, or 181% of segment net revenues for the second quarter of 2023. The increase in Entertainment segment operating results during the second quarter of 2024 was driven by a non-cash goodwill impairment charge of $231.2 million and intangible asset impairment charges of $65.0 million recorded during the second quarter of 2023, associated with the impairment review of the Company's Film and TV reporting unit.

Corporate and Other

Corporate and Other operating loss was $24.7 million for the second quarter of 2024 compared to an operating loss of $18.1 million for the second quarter of 2023. The increase in operating loss in the second quarter of 2024 as compared to the second quarter of 2023 primarily reflects 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 the two non-recurring adjustments.

RESULTS OF OPERATIONS

The following table presents the consolidated results of operations for the six months ended June 30, 2024 and July 2, 2023:

	Six Months Ended			
	June 30, 2024		July 2, 2023	
	Amount	% of Net Revenues	Amount	% of Net Revenues
Net revenues	$ 1,752.6	100.0 %	$ 2,211.0	100.0 %
Costs and expenses:				
Cost of sales	441.9	25.2 %	637.5	28.8 %
Program production cost amortization	16.6	0.9 %	256.9	11.6 %
Royalties	106.2	6.1 %	188.9	8.5 %
Product development	135.9	7.8 %	155.7	7.0 %
Advertising	111.9	6.4 %	167.9	7.6 %
Amortization of intangibles	34.1	1.9 %	45.9	2.1 %
Impairment of goodwill	—	— %	231.2	10.5 %
Loss on disposal of business	24.4	1.4 %	—	— %
Selling, distribution and administration	553.3	31.6 %	697.7	31.6 %
Total costs and expenses	1,424.3	81.3 %	2,381.7	107.7 %
Operating profit (loss)	328.3	18.7 %	(170.7)	(7.7)%
Non-operating (income) expense:				— %
Interest expense	81.5	4.7 %	92.9	4.2 %
Interest income	(21.3)	(1.2)%	(11.8)	(0.5)%
Other (income) expense, net	4.2	0.2 %	(2.9)	(0.1)%
Total non-operating expense, net	64.4	3.7 %	78.2	3.5 %
Earnings (loss) before income taxes	263.9	15.1 %	(248.9)	(11.3)%
Income tax expense	66.3	3.8 %	7.7	0.3 %
Net earnings (loss)	197.6	11.3 %	(256.6)	(11.6)%
Net earnings attributable to noncontrolling interests	0.9	0.1 %	0.5	— %
Net earnings (loss) attributable to Hasbro, Inc.	$ 196.7	11.2 %	$ (257.1)	(11.6)%
Net earnings (loss) per common share:				
Basic	$ 1.41		$ (1.85)	
Diluted	$ 1.41		$ (1.85)	

Net revenues - Net revenues for the first six months of 2024 decreased 21% to $1,752.6 million from $2,211.0 million for the first six months of 2023 primarily driven by a $317.8 million, or 87%, decline in the Entertainment segment and a $238.1 million, or 20%, decline in the Consumer Products segment, partially offset by a $97.5 million, or 15%, 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 six months ended June 30, 2024 and July 2, 2023:

	Six Months Ended		
	June 30, 2024	July 2, 2023	% Change
Franchise Brands	$ 1,393.1	$ 1,401.8	(1)%
Partner Brands	212.3	305.6	(31)%
Portfolio Brands	147.2	200.0	(26)%
Non-Hasbro Branded Film & TV (1)	—	303.6	(100)%
Total	$ 1,752.6	$ 2,211.0	(21)%

[(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 $8.7 million in the first six months of 2024, compared to the first six 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 six months of 2023 were supported by the June 2023 theatrical release of TRANSFORMERSs: 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, primarily due to strong demand for *Modern Horizons 3* and strong early interest for *Bloomburrow*.

PARTNER BRANDS: Net revenues from the Partner Brands portfolio decreased $93.3 million, or 31%, in the first six months of 2024, compared to the first six months of 2023. During the first six 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 six months of 2024. Additionally, revenue in the first six 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 $52.8 million, or 26%, in the first six months of 2024 compared to the first six months of 2023. Lower net revenues from POWER RANGERS, MY LITTLE PONY, 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.

NON-HASBRO BRANDED FILM & TV: Net revenues from Non-Hasbro Branded Film & TV decreased $303.6 million in the first six months of 2024 compared to the first six 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 six months ended July 2, 2023, has been reclassified to reflect the movement, resulting in a change of $0.9 million.

OPERATING COSTS AND EXPENSES

Cost of sales - Cost of sales for the first six months of 2024 was $441.9 million, or 25.2% of net revenues, compared to $637.5 million, or 28.8% of net revenues, for the first six months of 2023. The Cost of sales decrease in dollars was driven primarily by lower sales volumes, cost savings from the Company's Operational Excellence Program, 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 $16.6 million, or 0.9% of net revenues, for the first six months of 2024 from $256.9 million, or 11.6% of net revenues, for the first six months of 2023. The decrease in dollars and as a percent of net revenues during the first six 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 six months of 2024 decreased to $106.2 million, or 6.1% of net revenues, compared to $188.9 million, or 8.5% of net revenues, for the first six months of 2023. The decrease in Royalty expense in dollars and as a percent of net revenues during the first six 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 six months of 2024 was $135.9 million, or 7.8% of net revenues, compared to $155.7 million, or 7.0% of net revenues, for the first six months of 2023. The decrease in Product development expense during the first six months of 2024 was driven by the Company's Operational Excellence Program along with phasing of product releases.

Advertising - Advertising expense for the first six months of 2024 was $111.9 million, or 6.4% of net revenues, compared to $167.9 million, or 7.6% of net revenues, for the first six months of 2023. The Advertising expense decrease during the first six 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 $34.1 million, or 1.9% of net revenues, for the first six months of 2024, compared to $45.9 million, or 2.1% of net revenues, for the first six 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 six months of 2024. During the first six 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 $553.3 million, or 31.6% of net revenues for the first six months of 2024, from $697.7 million, or 31.6% of net revenues, for the first six months of 2023. The decrease in Selling, distribution and administration expenses during the first six months of 2024 primarily reflects lower administrative expenses due to cost savings from the Company's Operational Excellence Program, 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 six months of 2024 was $328.3 million, or 18.7% of net revenues, compared to an operating loss of $170.7 million, or 7.7% of net revenues, for the first six months of 2023 driven by the factors discussed above.

NON-OPERATING EXPENSE (INCOME)

Interest expense - Interest expense for the first six months of 2024 totaled $81.5 million compared to $92.9 million in the first six months of 2023. The decrease in Interest expense for the first six months of 2024 primarily reflects lower average outstanding borrowings in the first six months of 2024 as compared to first six 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 $21.3 million for the first six months of 2024, compared to $11.8 million in the first six 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 expense (income), net - Other expense, net was $4.2 million for the first six months of 2024, compared to Other income, net of $2.9 million in the first six months of 2023. The change in Other expense (income), net during 2024 was driven primarily by an increase in foreign currency exchange losses the first six months of 2024 as compared to the first six months of 2023.

INCOME TAXES

Income tax expense totaled $66.3 million on pre-tax income of $263.9 million in the first six months of 2024 compared to income tax expense of $7.7 million on pre-tax loss of $248.9 million in the first six 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 six 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 six 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 six months of 2024, exclusive of the Loss on Sale adjustment, the Company recorded unfavorable net discrete tax adjustments of $0.7 million compared to a net benefit, exclusive of the goodwill impairment, of $8.9 million in the first six months of 2023.

The unfavorable net discrete tax adjustments for the first six months of 2024 are primarily associated with stock-based compensation offset by the release of various uncertain tax positions. The favorable net discrete tax adjustments for the first six months of 2023 are primarily associated with a tax benefit on the impairment of trade names in the Entertainment segment, offset by stock-based compensation and activity related to uncertain tax positions, primarily interest accruals. Absent discrete items, the tax rates for the first six months of 2024 and 2023 were 22.7% and 35.3% respectively. The decrease in the base rate of 22.7% for the first six months of 2024, relative to the first six months of 2023, is primarily due to the mix of jurisdictions where the Company earned its profits combined with the phasing of the Company's income earned throughout 2023.

SEGMENT RESULTS

The following table presents net external revenues and operating profit (loss) for the Company's reportable segments for the six months ended June 30, 2024 and July 2, 2023:

	Six Months Ended		
	June 30, 2024	July 2, 2023	% Change
Net revenues:			
Consumer Products	$ 937.5	$ 1,175.6	(20)%
Wizards of the Coast and Digital Gaming	768.3	670.8	15 %
Entertainment	46.8	364.6	(87)%
Total net revenues	$ 1,752.6	$ 2,211.0	(21)%
Operating profit (loss):			
Consumer Products	$ (56.2)	$ (34.6)	62 %
Wizards of the Coast and Digital Gaming	369.9	219.1	69 %
Entertainment	4.8	(332.9)	(101)%
Corporate and Other	9.8	(22.3)	(144)%
Total Operating profit (loss)	$ 328.3	$ (170.7)	(292)%

Consumer Products Segment

The following table presents the Consumer Products segment net revenues by major geographic region for the six months ended June 30, 2024 and July 2, 2023:

	Six Months Ended	
	June 30, 2024	July 2, 2023
North America	$ 545.2	$ 661.1
Europe	179.5	263.5
Asia Pacific	111.4	129.7
Latin America	101.4	121.3
Net revenues	$ 937.5	$ 1,175.6

The Consumer Products segment net revenues decreased 20% to $937.5 million for the first six months of 2024 compared to $1,175.6 million for the first six 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 six months of 2023 were supported by the June 2023 theatrical release of TRANSFORMERS: Rise of the Beasts. The net revenue decrease was driven by lower net revenues from the Company's products for STAR WARS and MARVEL which benefited from a robust slate of entertainment releases in prior years without a more recent release entertainment release to support revenue in the first six months of 2024

Consumer Products segment operating loss for the first six months of 2024 was $56.2 million or 6.0% of segment net revenues, compared to a segment operating loss of $34.6 million or 2.9% of segment net revenues, for the first six months of 2023. The decrease in operating profit in the first six months of 2024 was driven by lower net revenue, partially offset by savings realized from the Company's Operational Excellence program, lower royalty expenses reflecting the mix of products sold, lower advertising and promotion expense 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 six months ended June 30, 2024 and July 2, 2023:

	Six Months Ended	
	June 30, 2024	**July 2, 2023**
Tabletop Gaming	$ 535.8	$ 516.4
Digital and Licensed Gaming	232.5	154.4
Net revenues	$ 768.3	$ 670.8

Wizards of the Coast and Digital Gaming segment net revenues increased 15% in the first six months of 2024 to $768.3 million from $670.8 million in the first six months of 2023. The net revenue increase in the Wizards of the Coast and Digital Gaming segment during the first six 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 4% behind growth in MAGIC: THE GATHERING primarily due to strong demand for *Modern Horizons 3* and strong early interest for *Bloomburrow*.

Wizards of the Coast and Digital Gaming segment operating profit was $369.9 million, or 48.1% of segment net revenues for the first six months of 2024, compared to operating profit of $219.1 million, or 32.7% of segment net revenues, for the first six months of 2023. The operating profit increase during the first six 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 six months ended June 30, 2024 and July 2, 2023:

	Six Months Ended	
	June 30, 2024	**July 2, 2023**
Film and TV	$ 1.8	$ 321.7
Family Brands	45.0	42.9
Net revenues	$ 46.8	$ 364.6

Entertainment segment net revenues decreased 87% to $46.8 million for the first six months of 2024, compared to $364.6 million for the first six months of 2023. The net revenue decrease in the Entertainment segment during the first six 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 $4.8 million, or 10% of segment net revenues for the first six months of 2024, compared to an operating loss of $332.9 million, or 91% of segment net revenues for the first six months of 2023. The increase in Entertainment segment operating results during the first six months of 2024 was driven by a non-cash goodwill impairment charge of $231.2 million and intangible asset impairment charges of $65.0 million recorded during the first six months of 2023, associated with the impairment review of the Company's Film and TV reporting unit.

Corporate and Other

Corporate and Other operating profit was $9.8 million for the first six months of 2024 compared to an operating loss of $22.3 million for the first six months of 2023. The increase in operating profit in the first six months of 2024 as compared to the first six months of 2023 reflects savings realized from the Company's Operational Excellence program 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 funded 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.

During 2024, the Company expects to continue to fund its working capital needs primarily through available cash, cash flows from operations and if needed, by issuing commercial paper or borrowing under its revolving credit agreement. 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 June 30, 2024, the Company's cash and cash equivalents totaled $626.8 million, and the Company's short-term investments totaled $483.0 million. The majority of the Company's cash and cash equivalents held outside of the United States as of June 30, 2024, are denominated in the U.S. dollar.

As of June 30, 2024, the Company had a remaining liability of $95.0 million related to a one-time mandatory deemed repatriation tax on undistributed foreign earnings applied in 2017 and paid in interest free installments over eight years, all of which is reflected in current liabilities in the Company's Consolidated Balance Sheets and represents the Company's final two installments due in 2024 and 2025, respectively. Due to severe storms and flooding in 2024 in Providence County, Rhode Island, US federal tax payments initially due April 15, 2024 were delayed to July 15, 2024, and, accordingly, both the 2024 and 2025 installment payments are reflected in short term liabilities as of June 30, 2024. Additionally, during the second quarter, the federal government applied $8.2 million of a tax refund receivable against the 2024 transition tax payment, reducing the July 2024 payment from $45.9 million to $37.7 million.

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 June 30, 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 June 30, 2024. The Company had no borrowings outstanding under its revolving credit facility as of June 30, 2024. However, letters of credit outstanding under this facility as of June 30, 2024 were approximately $4.0 million. Amounts available and unused under the revolving credit facility at June 30, 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 $7.6 million was utilized as of June 30, 2024. Of the amount utilized under, or supported by, the uncommitted lines, the full $7.6 million represented letters of credit.

The Company has principal amounts of long-term debt as of June 30, 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 June 30, 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 June 30, 2024, the Company had invested the proceeds from the 2034 Notes in short-term investments.

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 $72.4 million, $89.0 million, and $43.3 million as of June 30, 2024, July 2, 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 six months ended June 30, 2024 and July 2, 2023.

	Six Months Ended	
	June 30, 2024	**July 2, 2023**
Net cash provided by (utilized for):		
Operating activities	$ 365.1	$ 119.2
Investing activities	(575.4)	(115.8)
Financing activities	288.5	(296.2)

Net cash provided by Operating activities in the first six months of 2024 was $365.1 million compared to $119.2 million in the first six months of 2023. The $245.9 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 six months of 2024 compared to first six 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 $575.4 million in the first six months of 2024 compared to net cash utilized for Investing activities of $115.8 million in the first six months of 2023. Additions to property, plant and equipment were $97.7 million in the first six months of 2024 compared to $112.1 million in the first six months of 2023 and purchase of Short-term Investments of $480.1 million in the first six months of 2024 from the proceeds of the 2034 Notes compared to the prior year with no similar activity.

Net cash provided by Financing activities was $288.5 million in the first six months of 2024 compared to net cash utilized of $296.2 million in the first six months of 2023. Financing activities in the first six months of 2024 primarily include $500.0 million of proceeds from issuance of the 2034 Notes, dividends paid of $194.6 million and $11.9 million of payments related to tax withholdings for stock compensation coinciding with equity award vesting activity. Financing activities in the first six months of 2023 include $193.8 million of dividends paid, $45.0 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 $105.0 million and repayments of $142.5 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 $14.5 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 June 30, 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 June 30, 2024, July 2, 2023, or December 31, 2023.

INFLATION

The impact of inflation on the Company's business operations was significant during the first six 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 June 30, 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 June 30, 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 six months ended June 30, 2024. At June 30, 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 six months ended June 30, 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

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** Amended and Restated Employment Agreement between the Company and Christian P. Cocks dated May 22, 2024. (Incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed on May 24, 2024, File No. 1-6682.)

10.2** Fourth Amendment to Restated 2003 Stock Incentive Performance Plan. (Incorporated by reference to Appendix C to the Company’s definitive proxy statement for its 2024 Annual Meeting of Shareholders, File No. 1-6682.)

10.3** Form of 2024 Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.

10.4** Form of 2024 Restricted Stock Unit Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.

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: July 31, 2024

By: /s/ Gina Goetter
Gina Goetter
Executive Vice President and
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

HASBRO, INC.

RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN

CONTINGENT STOCK PERFORMANCE AWARD

(WITH TSR MODIFIER)

___________2024 GRANT

AGREEMENT, made effective as of ________, 2024, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated contingent stock performance award recipient (the "Participant").

WHEREAS, the Participant is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan").

WHEREAS, subject to and upon the terms and conditions of this Agreement, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), acting in accordance with the provisions of the Plan, is granting to Participant a contingent stock performance award dated ________, 2024; and

WHEREAS, subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth, the contingent stock performance award provides the Participant with the ability to earn shares of the Company’s common stock, par value $.50 per share (the "Common Stock"), contingent on the Company’s performance in achieving a pre-established cumulative diluted earnings per share (“EPS”) performance target over the period beginning on January 1, 2024 and ending on December 27, 2026 (the “Performance Period”), as adjusted by a total shareholder return (“TSR”) modifier (the “TSR Modifier”) for the period of time during the Performance Period, each performance target to be calculated and determined as set forth on Exhibit A hereto.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the parties hereto agree as follows:

W I T N E S S E T H:

1. By accepting this Award, the Participant hereby acknowledges and agrees that:

    (i) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after, is subject to the Company’s Clawback

Policy, as it may be amended from time to time by the Board in the future,

(ii) that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to 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; and

(iii) that if the Participant is notified by the Company or its equity plan administrator that Participant is required to enter into a Non-Competition, Non-Solicitation and Confidentiality Agreement with the Company, this Award shall be contingent upon and subject to the Participant (x) executing and delivering to the Company a Non-Competition, Non-Solicitation and Confidentiality Agreement by and between the Participant and the Company, in a form prescribed by and no later than a date designated by the Company; or (y) confirming and agreeing that the Participant remains bound by and subject to the terms of the Participant's previously executed Non-Competition, Non-Solicitation and Confidentiality Agreement(s), which confirmation and agreement will occur upon your acceptance of this Award. For the avoidance of doubt, if the Participant has not executed and delivered to the Company a Non-Competition, Non-Solicitation and Confidentiality Agreement or confirmed and agreed (through acceptance of this Award) the terms of the Participant's existing Non-Competition, Non-Solicitation and Confidentiality Agreement(s) no later than 90 days from the date of this Award, this Award will not take effect and will be null and void.

(iv) The acknowledgements and agreements set forth in this section are material conditions to receiving this Award, which would not have been made to the Participant otherwise.

2. This Agreement relates to an Award providing the Participant with the potential ability to earn shares of the Company's Common Stock contingent on the Company's performance in achieving a pre-established cumulative EPS target over the Performance Period, as adjusted by the TSR Modifier. The cumulative EPS target for the Performance Period are set forth on Exhibit A:

The threshold and maximum levels for cumulative EPS, as well as the TSR Modifier, contributing to shares being earned under this Award are set forth on Exhibit A to this Agreement. Following the end of the Performance Period, the Committee will determine the Company's cumulative EPS over the Performance Period and the TSR Modifier over the Performance Period. The Committee will certify the Company's cumulative EPS over the Performance Period and the TSR Modifier over the Performance Period as promptly as is reasonably possible following the completion of the Performance Period. The Award, to the extent earned based on attainment of the performance measures as certified by the Committee, will fully vest on March 7, 2027 (the "Vesting Date").

3. For purposes of this Award, the Company's EPS over the Performance Period will be computed on a consolidated basis in the same manner used by the Company in computing its consolidated financial performance under generally accepted accounting principles ("GAAP"), except for the deviations from GAAP which are set forth on Exhibit B to this Agreement. Further, EPS will be calculated based on actual results translated at exchange rates established at the beginning of the Performance Period.

4. The target number of shares of Common Stock which may be issuable under this Award in the event of 100% achievement of a pre-established cumulative EPS over the Performance Period is the specified number of shares communicated by separate communication to the Participant (the "Target Shares"). The table appearing on Exhibit A to this Agreement set forth the contingent number of shares of Common Stock which the Participant may actually earn under this Award, as a percentage of the Target Shares, based upon certain performance by the Company in achieving the EPS target. To compute the actual number of shares of Common Stock, if any, which may be earned by the Participant, the cumulative EPS performance of the Company, weighted at 100%, is applied to the table on Exhibit A, and then such number of shares of Common Stock, if any, is subject to a +/- 25%

modifier for the Company's TSR Performance against the TSR Comparator Group (as defined on Exhibit A).

On the date that the Company pays a cash dividend to holders of Common Stock, unless otherwise determined by the Committee in its sole discretion, the Company shall credit each Target Share with a dividend equivalent unit ("DEU"). DEUs will be calculated at the same dividend rate paid to other holders of shares of Common Stock and will equal the total number of Target Shares multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such date divided by the Fair Market Value (as defined in the Plan) of a share of Common Stock on such date. DEUs will be credited in whole shares only and any residual amount that cannot be converted to a whole share shall be aggregated with the immediately following dividend and used to calculate the DEUs attributable to such dividend, as described above. DEUs shall be subject to the same terms and conditions as the underlying Target Shares and will vest in accordance with the vesting schedule applicable to the shares subject to this Award. The Participant shall not be entitled to any voting rights with respect to the DEUs prior to vesting.

5. Subject to the terms of this Agreement, once the Company has determined the actual number of shares of Common Stock, if any, which have been earned by the Participant, the Company or its designee will as promptly as possible after the Vesting Date, but in all events not later than the 15th day of the third month following the end of the calendar year in which the Performance Period ends, issue any such shares of Common Stock which have been deemed earned to the Participant.

6. The Participant shall consult with the Company or its designee in advance of the issuance of any shares pursuant to this Award so as to designate the manner in which the Participant wishes to pay any withholding taxes due, and any such Participant's designation must be made by the Participant affirmatively to the Company, in the manner specified by the Company, and on or before the date selected by the Company. Each Participant who elects to pay withholding taxes in cash shall deliver to the Company or its designee, a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of the Participant earning any shares under this Award or being issued any shares pursuant to the provisions below

based on certain other events. Alternatively, a Participant may elect to satisfy the minimum withholding taxes required by law payable as a result of the issuance of any shares pursuant to this Award (the "Taxes"), in whole or in part, either (i) by having the Company withhold from the shares of Common Stock to be issued pursuant to this Award or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Participant and held by the Participant for at least six (6) months (represented by stock certificates duly endorsed to the Company or its designee or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date the Participant has become entitled to such shares pursuant to this Award is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of issuance. If the Participant fails to timely elect to pay the withholding taxes in some other manner pursuant to the preceding provisions, or otherwise does not timely remit payment of the required withholding taxes, then the Participant’s tax withholding requirements will be satisfied through the withholding of shares of Common Stock and to the extent a fractional share needs to be withheld, the Company or its designee will withhold the next highest number of full shares and will remit the value of the fraction of a share which exceeds the required withholding to the Participant. As soon as practicable after receipt of the withholding taxes and any other materials or information reasonably required by the Company or its designee, the Company or its designee shall deliver or cause to be delivered to the Participant, using the method of delivery determined by the Company or its designee, the shares payable pursuant to the Award (less any shares deducted to pay Taxes).

7. Until such time, if any, that actual shares of Common Stock become due and are issued to the Participant in accordance with the terms of this Agreement, the Participant will not

receive any dividends and will not have any voting rights with respect to any shares which may be issuable in the future pursuant to this Award. The Participant's rights under this Award shall be no greater than those of an unsecured general creditor of the Company, and nothing herein shall be construed as requiring the Company or any other person to establish a trust or to set aside assets to meet the Company's obligations hereunder.

8. (a) If a Participant who is an employee of the Company or of a direct or indirect subsidiary of the Company dies before the Performance Period is completed, then the Company will issue the number of shares of Common Stock to the executor, administrator or trustee of the Participant's estate, or the Participant's legal representative, as the case may be, that is computed by multiplying: (i) the number of shares of Common Stock which would have been issuable to the Participant pursuant to the Award assuming completion of the Performance Period and the Company's achievement over the Performance Period of cumulative EPS equal to target in each case by (ii) a fraction, the numerator of which is the number of days from the start of the Performance Period to the date that the Participant died and the denominator of which is the total number of days in the Performance Period. This pro-rated target award will be payable as soon following the Participant's death as is reasonably practicable. If a Participant dies after the end of the Performance Period, but prior to the delivery of any shares of Common Stock issuable pursuant to this Award, then the Company or its designee will issue to the Participant's estate, or the Participant's legal representative, as the case may be, the number of shares of Common Stock, if any, which would have otherwise been issuable to the Participant if the Participant had not died.

(b) If a Participant with at least one year of Credited Service of the Company suffers a permanent physical or mental disability (as defined below), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based on the Company's performance against its cumulative EPS target, as adjusted by the TSR Modifier. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period, as adjusted by the TSR Modifier, will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant became disabled and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(c) If a Participant who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at either an Early Retirement Date or a Normal Retirement Date (each as defined below), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based on the Company's performance against its cumulative EPS target, as adjusted by the TSR Modifier. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period, as adjusted by the TSR Modifier, will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant retired and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(d) Except as otherwise determined by the Committee (or, if delegated by the Committee, by a subcommittee of the Committee or an officer of the Company), if a Participant ceases to be employed by the Company or by a direct or indirect subsidiary of the Company before the Vesting Date for any reason other than the reasons set forth in subsections (a), (b) and (c) of this Section 9, including, without limitation, if Participant resigns from the Company (or a direct or indirect subsidiary of the Company) or the Participant’s employment is terminated by the Company (or a direct or indirect subsidiary of the Company) without cause or for cause or for any other reason that casts such discredit on the Participant as to make termination of the Participant’s employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of Cause in the Plan), the Award will be forfeited and the Participant will not have any further rights under the Award, including, without limitation, any rights to receive shares of Common Stock.

For purposes of subsections (a), (b) and (c) above:

* A year of "Credited Service" shall mean a calendar year in which the Participant is paid for at least 1,000 hours of employment with the Company or of a subsidiary of the Company.
* "Early Retirement Date" shall mean: the day on which a Participant who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (l0) or more years of Credited Service, retires. A Participant is eligible for early retirement on the first day of the calendar month coincident with or immediately following the attainment of age fifty-five (55) and the completion of ten (l0) years of Credited Service, and "early retirement" shall mean retirement by an eligible Participant at the Early Retirement Date.
* "Normal Retirement Date" shall mean: the day on which a Participant who has attained age sixty-five (65) with five (5) or more years of Credited Service, retires. A Participant is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Participant's attainment of age sixty-five (65) and completion of five (5) or more years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Participant at the Normal Retirement Date.

* "Permanent physical or mental disability" shall mean: a Participant's inability to perform his or her job or any position which the Participant can reasonably perform with his or her background and training by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration, all as determined by the Committee in its discretion.

9. In the event of a Change in Control (as defined in the Plan) prior to the Vesting Date, this Award will be treated in accordance with the provisions of the Plan applicable to a Change in Control, provided, however, that for purposes of computing the payment due to the Participant as a result of a termination of employment following a Change in Control under the terms set forth in the Plan, (i) the full number of Target Shares will be used (as opposed to the actual number of shares, if any, that may be issuable based on performance through the date of the termination of employment following the Change in Control) and (ii) no pro-ration of the Award will be applied to account for less than the full Performance Period having had elapsed as of the date of the termination of employment following a Change in Control.

10. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Award.

11. This Award shall not be transferable by the Participant, in whole or in part, except in accordance with Section 7 of the Plan. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Award or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Award or any interest therein, shall be null and void and without effect.

12. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Participant, Participant’s successors and permitted assigns, and the Company and its successors and assigns.

13. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

14. In the event of any inconsistency between the provisions of this Agreement and, if applicable, the terms of the Participant's Employment Agreement, the provisions set forth in the Employment Agreement shall control, provided that to the extent the provisions of this Agreement or the Participant's Employment Agreement are inconsistent with the terms of the Plan, then the terms of the Plan shall control.

15. Notwithstanding any other terms and conditions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the issuance of this Award or any shares of Common Stock and the Participant may become entitled to under the Award in the future, the Company shall not be required to deliver any such securities prior to the completion of any registration or qualification of any such securities under any non-U.S. securities, exchange control or other law, or under the ruling or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify any such securities with any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of any such securities. Further, the Participant agrees that his or her participation in the trade and acceptance of such securities is voluntary and that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of any such securities.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and the Participant have entered this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Chris Cocks
Chris Cocks
Chief Executive Officer

By: ___________________________
Participant

<u>Exhibit A</u>
<u>Performance Criteria and Conditions</u>

<u>Performance Target</u>:

The cumulative EPS target for the Performance Period is:

EPS: $______

For purposes of this Agreement, the Company's cumulative EPS over the Performance Period will be computed on a consolidated basis in the same manner used by the Company in computing its consolidated financial performance under generally accepted accounting principles ("GAAP"), except for the deviations from GAAP which are set forth on <u>Exhibit B</u> to this Agreement. Further, EPS will be calculated based on actual results translated at exchange rates established at the beginning of the Performance Period.

Number of Shares:

The total number of shares of Common Stock which may be issuable under this Award will be equal to the product of the (i) the Target Shares and (ii) the Payout Factor set forth below, subject to adjustment for the TSR Modifier as described below (with any fractional shares rounded up to the next whole share).

Payout Factor for EPS Metric:
The EPS metric is weighted at 100%. The payout percentage for the EPS metric shall be determined resulting in a total payout factor (the "Payout Factor"), prior to the adjustment for the TSR Modifier. By way of example, if performance for the cumulative EPS metric is achieved at 80% (i.e., threshold), then the payout for that metric would be 50%, resulting in an overall Payout Factor (prior to adjustment for the TSR Modifier) of 50% (i.e., 100% weighting x 50% payout for the EPS metric.

In the event that achievement for a metric is between threshold (80%) and target (100%) or between target (100%) and maximum (125% for cumulative EPS performance, the applicable payout percentage will be determined by linear interpolation between threshold and target performance or target and maximum performance, as applicable.
There is no payout for the EPS metric if achievement is less than threshold.

EPS	Achievement	Payout
Less than $____	<80%	0%
$____ (Threshold)	80%	50%
$_____ (Target)	100%	100%
$______ (Maximum)	125%	200%

Adjustment for TSR Modifier:

The number of shares earned based on the Payout Factor, as determined above, is subject to a +/- 25% modifier based on the Company's TSR Performance against the TSR Comparator Group over the TSR Performance Period.

- If the Company's TSR Performance is below the 25th percentile of the TSR Performance of the TSR Comparator Group over the TSR Performance Period, then the number of shares earned according to the Payout Factor will be reduced by 25%.

- If the Company's TSR Performance is greater than the 75th percentile of the TSR Performance of the TSR Comparator Group over the TSR Performance Period, then the number of shares earned according to the Payout Factor will be increased by 25%.

- The number of shares earned based on the Payout Factor will not be modified if the Company's TSR Performance is between the 25th and 75th percentile of the TSR Performance of the TSR Comparator Group.

The following definitions shall apply for the purpose of applying the TSR Modifier:

<u>TSR Performance Calculation</u>:
Hasbro's stock price change + Dividends (assumed reinvested) divided by the beginning stock price. The change in stock price will be calculated using a 20-trading average closing stock price including adjustments for cash and stock dividends prior to the beginning and the end of the performance period.

<u>Beginning Stock Price</u>:
The beginning stock price will be determined using the 20-trading day average closing stock price ending on the first day of the performance period.

<u>Ending Stock Price</u>:
The ending stock price will be determined using the 20-trading day average closing stock price ending on the last day of the performance period.

"<u>20-Trading Day Average Closing Price</u>" means the average of the closing transaction prices of a share of Common Stock of the Company, as reported on the principal national stock exchange on which such Common Stock is traded for the 20 business days immediately preceding the date for which the average stock price is being determined.

"<u>TSR Comparator Group</u>" means the S&P 500. For purposes of determining TSR Performance with respect to the TSR Performance Period, the companies included in S&P 500 shall be determined at the beginning of the TSR Performance Period, excluding those entities that are bankrupt, listed on the pink sheets or not listed at all. Should a company within the TSR Comparator Group become bankrupt after the start of the TSR Performance Period, they shall be assigned a TSR of -100%. Companies emerging from bankruptcy shall not be tracked for purposes of the current TSR Performance Period. If a company is acquired during the TSR Performance Period or is taken private, it will be eliminated for the entire measurement period. Companies with stock splits or recapitalizations during the TSR Performance Period will have their opening share price adjusted for the split or recapitalization. If two companies within the TSR Comparator Group merge, only the surviving entity shall be counted. Should a company within the TSR Comparator Group merge with a company outside of the TSR Comparator Group, then that entity shall be excluded from the final calculation.

Percentile Rank:

Hasbro's percentile rank compared to the comparator companies (excluding Hasbro) is determined by interpolating between the percentile ranks for the comparator companies immediately above and below them based on differences in TSR.

Exhibit B

Adjustments

The EPS metric will be computed excluding the impact of the following events or activities which occur during the Performance Period:

(i) Non-GAAP adjustments, including but not limited to:
   a. Hasbro Transformation Office ("HTO") charges, including severance, consulting fees and other one-time costs associated with the transformation program.
   b. eOne acquisition intangible amortization; and
   c. Other Non-GAAP adjustments not contemplated in the plan, including non-cash impairment charges, acquisition or divestiture costs, and other restructuring events outside of the HTO program.

(ii) The results of any material divesture or acquisition made by the Company in any fiscal year during the Performance Period.

(iii) Unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of $25 million in any fiscal year during the Performance Period, which costs, or expenses are related to changes in accounting rules that are effective after the date of this Agreement.

(iv) Unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of $25 million in any fiscal year during the Performance Period, which costs, or expenses relate to litigations, arbitrations, or regulatory matters, or cash settlements.

(v) Unanticipated one-time operational or tax costs associated with changes to the US or international tax codes that impact cash flow, operating profit and/or tax expense in excess of $25 million in any fiscal year during the Performance Period.

(vi) Any customer bankruptcy or significant financial issue that is estimated to have an impact on the Company's net sales of $100,000,000 or more over the Performance Period.

(vii) Significant unanticipated or unbudgeted payments outside the normal course of business in any fiscal year during the Performance Period related to unanticipated tax payments greater than $25 million or contract amendments, renewals, or arrangements greater than $25 million.

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN

RESTRICTED STOCK UNIT

This RESTRICTED STOCK UNIT AWARD AGREEMENT, which is entered into effective as of _______, 2024 (the "Grant Date"), is made by and between _____________________ (the "Participant") and Hasbro, Inc. (the "Company").

WHEREAS, the Company maintains the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan") and has selected the Participant to receive this Restricted Stock Unit award.

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. Terms of Agreement. The following are the terms and conditions of this Restricted Stock Unit award (the "Agreement"):

A. The Participant is hereby granted _______ Stock Units, subject to and conditioned upon the terms and conditions of this Agreement as set forth herein.

B. The "Vesting Schedule" for Stock Units subject to this Agreement is as follows:

Vesting Date	Vest Quantity
D-MM-2025	_______
D-MM-2026	_______
D-MM-2027	_______

C. Stock Units are notional shares of the Company's common stock, par value $.50 per share ("Common Stock") granted under this Agreement and subject to the terms of this Agreement and the Plan, the provisions of which are incorporated herein as if set forth in full.

D. If the Participant is notified by the Company or its equity plan administrator that Participant is required to enter into a Non-Competition, Non-Solicitation and Confidentiality Agreement with the Company, this Agreement shall be contingent upon and subject to the Participant (i) executing and delivering to the Company a Non-Competition, Non-Solicitation and Confidentiality Agreement by and between the Participant and the Company, in a form prescribed by and no later than a date designated by the Company; or (ii) confirming and agreeing that Participant remains bound by and subject to the terms of Participant's previously executed Non-Competition, Non-Solicitation and Confidentiality Agreement(s), which confirmation and agreement will occur upon your acceptance of this Agreement. For the avoidance of doubt, if the Participant has not executed and delivered to the Company a Non-Competition, Non-Solicitation and Confidentiality Agreement or confirmed and agreed (through acceptance of this Agreement) to the terms of the Participant's existing Non-Competition, Non-Solicitation and Confidentiality Agreements no later than 90 days from the Grant Date, this Agreement and the grant of Stock Units represented by this Agreement will not take effect and will be null and void. The acknowledgements and agreements set forth in this section are material conditions to receiving this Agreement, which would not have been made to the Participant otherwise.

E. By accepting this Agreement, the Participant hereby acknowledges and agrees that this Agreement, any Stock Units or shares of Common Stock the Participant may become entitled to pursuant to this Agreement, any proceeds received upon the sale of any such shares of Common Stock, and any other incentive compensation the Company grants to the Participant, is subject to the Company's Clawback Policy, as it may be amended from time to time by the Board in the future. Additionally, by accepting this Agreement, the Participant hereby acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, then the Participant shall comply with the terms of such Stock Ownership Policy. The acknowledgements and agreements set forth in this section are material conditions to receiving this Agreement, which would not have been made to the Participant otherwise.

F. For record-keeping purposes only, the Company shall maintain an account with respect to this Agreement (a "Stock Unit Account") for the Participant where Stock Units related to this award shall be accumulated and accounted for by the Company. Without limiting the provisions of Section 8(b) of the Plan, in the event the Company pays a stock dividend or reclassifies or divides or combines its outstanding Common Stock then an appropriate adjustment shall be made to the number of Stock Units subject to this Agreement. The Stock Unit Account will reflect notional fractional shares of Common Stock to the nearest hundredth of a share on a one Stock Unit for one share of Common Stock basis.

G. Other terms used in this Agreement are defined pursuant to Section 7 or elsewhere in this Agreement or the Plan.

2. Dividends and Voting Rights. On the date that the Company pays a cash dividend to holders of Common Stock, unless otherwise determined by the Compensation Committee of the Company's Board of Directors (the "Committee") in its sole discretion, the Company shall credit each unvested Stock Unit with a dividend equivalent unit ("DEU"). DEUs will be calculated at the same dividend rate paid to other holders of shares of Common Stock and will equal the total number of unvested Stock Units multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such date divided by the Fair Market Value (as defined in the Plan) of a share of Common Stock on such date. DEUs will be credited in whole shares only and

any residual amount that cannot be converted to a whole share shall be aggregated with the immediately following dividend and used to calculate the DEUs attributable to such dividend, as described above. DEUs shall be subject to the same terms and conditions as the underlying Stock Units and will vest in accordance with the Vesting Schedule. The Participant shall not be entitled to any voting rights with respect to the Stock Units or DEUs prior to vesting.

3. Vesting and Forfeiture of Units. Stock Units subject to this Agreement shall vest in accordance with the Vesting Schedule; provided, however, that the Participant remains employed by the Company through and including the last day of the applicable vesting date(s); and further provided, however, that Stock Units may vest earlier (either in whole or in part, as applicable) only in the situations and under the terms and conditions which are explicitly provided for in the following paragraphs.

A. Notwithstanding the Vesting Schedule, in connection with a Change in Control (as defined below), the Stock Units will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

B. Notwithstanding the Vesting Schedule, if the Participant terminates employment with the Company prior to the end of the Vesting Schedule due to (i) the Participant's Retirement (as defined below); or (ii) after the one-year anniversary of the Participant's hire date, the Participant's death or Disability (as defined below), the Participant will be entitled, as of such Participant's Date of Termination, to a pro-rata portion of unvested Stock Units subject to this Award calculated by multiplying the total number of unvested Stock Units subject to this Award by a fraction, the numerator of which is the number of days from the Grant Date or, if later, the most recent vesting date set forth in the Vesting Schedule that immediately precedes the Participant's Date of Termination, through and including the Participant's Date of Termination and the denominator of which is the number of days from the Grant Date or, if later, the most recent vesting date set forth in the Vesting Schedule that immediately precedes the Participant's Date of Termination through and including the last vesting date in the Vesting Schedule. The Participant will forfeit any unvested Stock Units subject to this Award which do not vest in accordance with the provisions of this paragraph.

C. If the Participant's Date of Termination occurs prior to the end of the Vesting Schedule for any reason other than the reasons set forth in the preceding sections, including, without limitation, if the Participant's employment is terminated by the Company for cause or for such other reason that casts such discredit on the Participant as to make termination of the Participant's employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of cause), then all unvested Stock Units subject to this Agreement shall be forfeited, effective as of the Participant's Date of Termination, and the Participant shall not be entitled to any rights or benefits of this Agreement.

D. Stock Units subject to this Agreement may not be sold, assigned, transferred, pledged, or otherwise encumbered, except to the extent otherwise provided by either the terms of the Plan or by the Committee.

4. Settlement in Shares of Common Stock. Provided that the Participant's interest in Stock Units subject to this Agreement has become vested, in whole or in part, in accordance with these terms and conditions, such Stock Units shall be delivered to the Participant on the vesting date in actual shares of Common Stock. Such vesting shall occur on the applicable vesting date as set forth in the Vesting Schedule; provided, however, that if Section 3.A (termination of employment in connection with a Change in Control) or Section 3.B. (termination of employment due to Retirement, death or Disability) applies, such vesting shall occur effective on the Participant's Date of Termination. The conversion of Stock Units will occur on the basis of one share of Common Stock for every one Stock Unit (including associated DEUs) which vests. Such shares of Common Stock shall be registered in the name of the Participant effective as of the date of conversion and shall be delivered to the Participant within a reasonable time thereafter in the manner determined in the sole discretion of the Company, which may be by electronic delivery to the Participant's stock plan account or in such other manner as determined in the sole discretion of the Company. To the extent that there are notional fractional shares of Common Stock in a Stock Unit Account which have vested upon settlement, such notional fractional shares shall be rounded to the nearest whole share in determining the number of shares of Common Stock to be received upon conversion.

5. Income Taxes. The Participant shall pay to the Company promptly upon request, and in any event at the time the Participant recognizes taxable income in respect of the shares of Common Stock received by the Participant upon the conversion of all or a portion of Stock Units subject to this Agreement, an amount equal to the taxes the Company determines it is required to withhold under applicable law with respect to such shares of Common Stock. Such payment shall be made in the form of cash, the delivery of shares of Common Stock already owned by the Participant or by withholding such number of shares otherwise deliverable pursuant to this Agreement as is equal to the withholding tax due or in any combination of such methods. If the Participant does not affirmatively instruct the Company prior to the applicable vesting date, in such manner and at such time as determined in the sole discretion of the Company, that such Participant will pay withholding taxes in another manner specified above, the Company shall withhold shares to cover applicable taxes upon the settlement of the Agreement.

6. Definitions. For purposes of this Agreement, the terms used herein are defined as follows:

A. Change in Control. The term "Change in Control" shall have the meaning ascribed to it in the Plan.

B. Credited Service. A year of “Credited Service” shall mean a calendar year in which the Participant is paid for at least 1,000 hours of employment with the Company or any entity directly or indirectly controlled by the Company (a “Subsidiary”).

C. Date of Termination. The Participant’s “Date of Termination” shall be the first day occurring on or after the Grant Date on which the Participant ceases employment with the Company or any Subsidiary (a “Termination of Employment”), regardless of the reason for such Termination of Employment; provided that a Termination of Employment shall not be deemed to occur by reason of a transfer of the Participant between the Company and a Subsidiary or between two Subsidiaries; and further provided that a Termination of Employment shall not be deemed to occur while the Participant is on an approved leave of absence from the Company or any Subsidiary.

D. Disability. The term “Disability” shall mean the Participant’s inability to perform such Participant’s job or any position which the Participant can perform with such Participant’s background and training by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration.

E. Retirement. The term “Retirement” shall mean either “Early Retirement” or “Normal Retirement.” For this purpose, Early Retirement means attainment of age fifty-five (55) with ten (l0) or more years of Credited Service and Normal Retirement means attainment of age sixty-five (65) with five (5) or more years of Credited Service.

F. Retirement Date. The term “Retirement Date” shall mean the day on which the Participant terminates employment with the Company after having satisfied the requirements for Retirement.

G. Plan Definitions. Except where the context clearly implies or indicates to the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

7. Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, including upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company’s assets and business, and the Participant and the successors and permitted assigns of the Participant, including but not limited to, the estate of the Participant and the executor, administrator or trustee of such estate, and the guardian or legal representative of the Participant.

8. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding.

9. Plan Governs. In the event of any inconsistency between the provisions of this Agreement and, if applicable, the terms of the Participant's Employment Agreement, the provisions set forth in the Participant's Employment Agreement shall govern; provided, however, that to the extent the provisions of this Agreement or the Participant's Employment Agreement are inconsistent with the terms of the Plan, then the terms of the Plan shall govern.

10. No Employment Contract. The Participant acknowledges that this Agreement does not constitute a contract for employment for any period of time and does not modify the at will nature of the Participant's employment with the Company, pursuant to which both the Company and the Participant may terminate the employment relationship at any time, for any or no reason, with or without notice or, if applicable, the terms of the Participant's Employment Agreement.

11. Amendment. This Agreement may be amended by a written agreement of the Participant and the Company, without the consent of any other person.

12. Entire Agreement. This Agreement, any Appendix hereto, and the Plan contain the entire agreement and understanding of the parties hereto with respect to the award contained herein and therein and supersede all prior communications, representations and negotiations in respect thereof.

13. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law and any court determining the unenforceability of any provisions shall have the power to reduce the scope or duration of such provision to render such provision enforceable.

14. Non-U.S. Securities Law. Notwithstanding any other terms and conditions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the issuance of this Agreement or and any Stock Units or shares of Common Stock the Participant may become entitled to under this Agreement in the future, the Company shall not be required to deliver any such securities prior to the completion of any registration or qualification of any such securities under any non-U.S. securities, exchange control or other law, or under the rulings or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any governmental agency, which registration, qualification or approval the Company shall, in its sole discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify any such securities with any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of any such securities. Further, the Participant agrees that participation in the trade and acceptance of such securities is voluntary and that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant's consent to the

extent necessary to comply with securities or other laws applicable to issuance of any such securities.

IN WITNESS WHEREOF, the Participant has executed this Agreement, and the Company has caused these presents to be executed in its name and on its behalf, all effective as of the Grant Date. By accepting the terms of this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Chris Cocks
Name: Chris Cocks
Title: Chief Executive Officer

By:_____
Name:

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: July 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: July 31, 2024

/s/ Gina Goetter

Gina Goetter
Executive Vice President and
Chief Financial 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 June 30, 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: July 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 June 30, 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
Executive Vice President and Chief Financial Officer of Hasbro, Inc.

Dated: July 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.