



# Q1 2021 Earnings

APRIL 27, 2021



# Safe Harbor

Certain statements in this presentation contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which may be identified by the use of forward-looking words or phrases, include statements relating to: our future performance and expectations for growth in future quarters and 2021; our ability to return television and film entertainment revenues to 2019 levels; the impact of the global coronavirus outbreak on our business; the ability to achieve our financial and business goals and objectives; the expected adequacy of supply and operation of our manufacturing facilities; product and entertainment plans, including the content and timing of entertainment production and releases; changes in the methods of content distribution; marketing and promotional efforts; anticipated expenses; working capital; liquidity; and the anticipated impact of acquisitions and dispositions. 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 design, develop, produce, manufacture, source and ship products on a timely, cost-effective and profitable basis;
- rapidly changing consumer interests in the types of products and entertainment we offer;
- the challenge of developing and offering products and storytelling experiences that are sought after by children, families and audiences given increasing technology and entertainment offerings available;
- our ability to develop and distribute engaging storytelling across media to drive brand awareness;
- our dependence on third party relationships, including with third party manufacturers, licensors of brands, studios, content producers and entertainment distribution channels;
- our ability to successfully compete in the global play and entertainment industry, including with manufacturers, marketers, and sellers of toys and games, digital gaming products and digital media, as well as with film studios, television production companies and independent distributors and content producers;
- our ability to successfully evolve and transform our business and capabilities to address a changing global consumer landscape and retail environment, including changing inventory policies and practices of our customers;
- our ability to develop new and expanded areas of our business, such as through eOne, Wizards of the Coast, and our other entertainment and digital gaming;
- our ability to successfully develop and execute plans to mitigate the negative impact of the coronavirus on our business, including, without limitation, negative impacts to our supply chain that could occur as the pandemic worsens in countries, such as India, where we source significant amounts of product;
- risks associated with international operations, such as currency conversion, currency fluctuations, the imposition of tariffs, quotas, shipping delays of difficulties, border adjustment taxes or other protectionist measures, and other challenges in the territories in which we operate;
- our ability to successfully implement actions to lessen the impact of potential and enacted tariffs imposed on our products, including any changes to our supply chain, inventory management, sales policies or pricing of our products;
- downturns in global and regional economic conditions impacting one or more of the markets in which we sell products, which can negatively impact our retail customers and consumers, result in lower employment levels, consumer disposable income, retailer inventories and spending, including lower spending on purchases of our products;
- other economic and public health conditions or regulatory changes in the markets in which we and our customers, partners, licensees, suppliers and manufacturers operate, such as higher commodity prices, labor costs or transportation costs, or outbreaks of disease, such as the coronavirus, the occurrence of which could create work slowdowns, delays or shortages in production or shipment of products, increases in costs or delays in revenue;
- 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;
- fluctuations in our business due to seasonality;
- the concentration of our customers, potentially increasing the negative impact to our business of difficulties experienced by any of our customers or changes in their purchasing or selling patterns;
- the bankruptcy or other lack of success of one of our significant retailers, such as the bankruptcy of Toys"R"Us in the United States and Canada;
- the bankruptcy or other lack of success of one or more of our licensees and other business partners;
- risks relating to the use of third-party manufacturers for the manufacturing of our products, including the concentration of manufacturing for many of our products in the People's Republic of China and our ability to successfully diversify sourcing of our products to reduce reliance on sources of supply in China;
- our ability to attract and retain talented employees;
- our ability to realize the benefits of cost-savings and efficiency and/or revenue enhancing initiatives, including initiatives to integrate eOne into our business;
- 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;
- risks relating to the impairment and/or write-offs of products and films and television programs we acquire and produce;
- risks relating to investments, acquisitions and dispositions;
- the risk of product recalls or product liability suits and costs associated with product safety regulations;
- changes in tax laws or regulations, or the interpretation and application of such laws and regulations, which may cause us to alter tax reserves or make other changes which would significantly impact our reported financial results;
- the impact of litigation or arbitration decisions or settlement actions; and
- other risks and uncertainties as may be detailed from time to time in our public announcements and SEC filings.

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



# Supplemental Financial Data

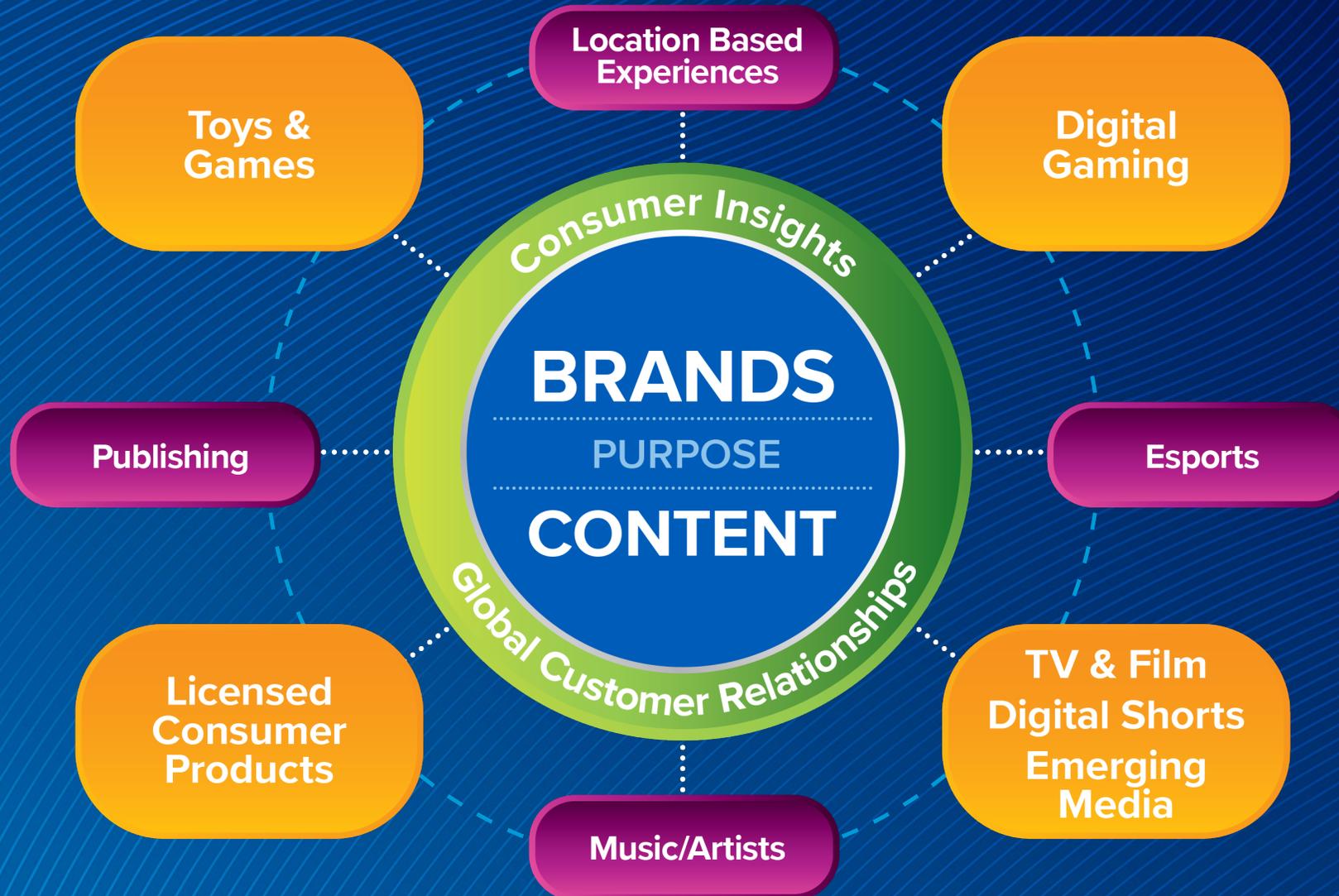
## Use of Non-GAAP Financial Measures

The financial tables accompanying this presentation include non-GAAP financial measures as defined under SEC rules, specifically Adjusted operating profit, Adjusted net earnings and Adjusted earnings per diluted share, which exclude, where applicable, the 2021 impact of purchased intangible amortization and stock compensation expense associated with retention awards granted at the time of the eOne acquisition, and for 2020, the impact of the eOne acquisition and related costs and purchased intangible amortization. Also included in the financial tables are the non-GAAP financial measures of EBITDA, and Adjusted EBITDA. EBITDA represents net earnings attributable to Hasbro, Inc. excluding interest expense, income taxes, depreciation and amortization. Adjusted EBITDA also excludes the impact of the charges/gains noted above, as well as non-cash stock compensation. As required by SEC rules, we have provided reconciliations on the attached schedules of these measures to the most directly comparable GAAP measure. Management believes that Adjusted net earnings, Adjusted earnings per diluted share and Adjusted operating profit provides investors with an understanding of the underlying performance of our business absent unusual events. Management believes that EBITDA and Adjusted EBITDA are appropriate measures for evaluating the operating performance of our business because they reflect the resources available for strategic opportunities including, among others, to invest in the business, strengthen the balance sheet and make strategic acquisitions. These non-GAAP measures should be considered in addition to, not as a substitute for, or superior to, net earnings or other measures of financial performance prepared in accordance with GAAP as more fully discussed in our consolidated financial statements and filings with the SEC. As used herein, "GAAP" refers to accounting principles generally accepted in the United States of America.



# Hasbro's Brand Blueprint

## Strategy for Growth



# Creating the World's Best Play & Entertainment Experiences

## Supercharging the Blueprint

Creating **immersive experiences** that drive **higher value** & capture the **economics** of Hasbro owned brands

**Consumer Products:** A cash-generating business that we expect to grow in line with or ahead of the industry

**Wizards of the Coast & Digital Gaming:** Highly profitable business growing through player expansion, new games and new IP. On track to double the size of Wizards by 2023.

**Entertainment:** Through strategic investment to create profitable TV and film, we can use storytelling to elevate existing brands and launch new brands

## Q1 2021 DELIVERS A STRONG START TO 2021

- Q1 2021 Growth in **Consumer Products** and **Wizards of the Coast & Digital Gaming** segments; **Entertainment** segment declined in Q1, as expected but remains on track to deliver growth for the full year 2021.
- **Franchise Brands, Partner Brands** and **Emerging Brands** grew in the quarter; **Hasbro Gaming** declined slightly versus outsized growth in Q1 2020.
- Q1 2021 As Reported **Operating Profit** increased to **\$147.3M**, or **13.2%** of revenues; Adjusted Operating Profit\* Increased to **\$174.1M**, or **15.6%** of revenues.

## Strong Financial Position

**Q1 2021 Net Revenues:** \$1.11B

**Net Earnings:** \$116.2M

**Adjusted Net Earnings:** \$138.4M\*

**EBITDA** \$235.3M\*

**Adjusted EBITDA** \$252.0M\*

Paid \$93.4M in **Dividends**

Retired \$300M in **debt** due in May 2021

**\$1.43B** in **cash** at quarter end

**\$377.6M Operating Cash Flow**

\*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 24-26.



# Q1 2021

## snapshot



\*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 25-27.

### Net Revenues

**\$1.11B**

### Operating Profit

As Reported **\$147.3M**

As Adjusted\* **\$174.1M**

### Net Earnings

As Reported **\$116.2M**

As Adjusted\* **\$138.4M**

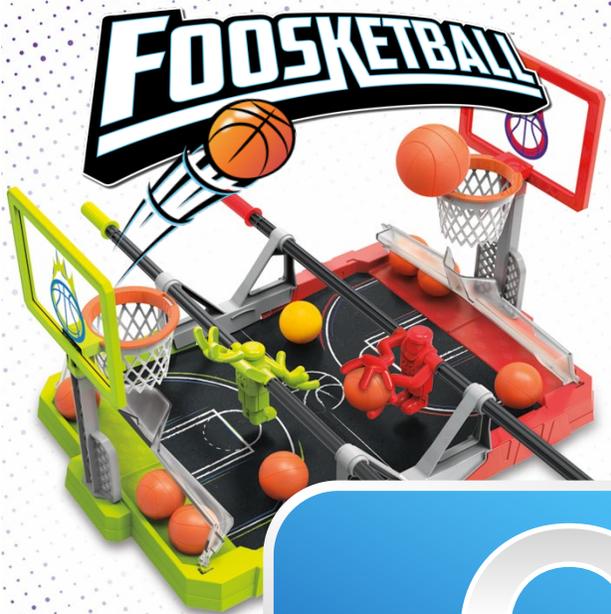
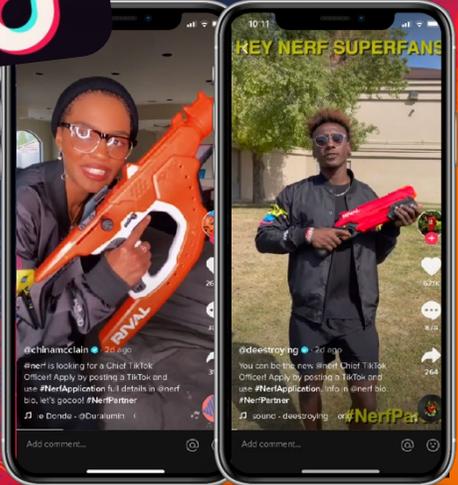
### EPS:

As Reported **\$0.84** per diluted share

As Adjusted\* **\$1.00** per diluted share



# NERF



# Potato Head



# MONOPOLY

## THE COMMUNITY CHEST CHALLENGE



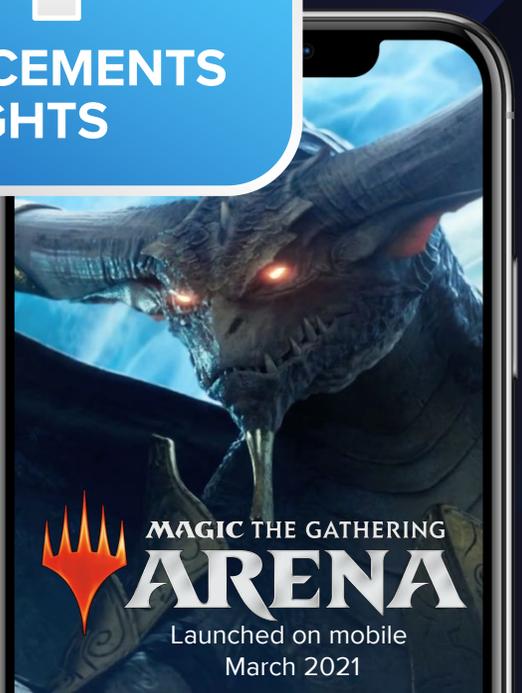
# Q1

## 2021 ANNOUNCEMENTS & HIGHLIGHTS

# POWER RANGERS



Special Olympics



# MAGIC THE GATHERING ARENA

Launched on mobile March 2021

# FORTNITE



PARTNER BRAND

# 50+

TV Projects in Production Across Scripted and Unscripted

# 200+

Projects in Development Across Film & TV



## CAST ADDITIONS

DUNGEONS & DRAGONS



Hugh Grant



Regé-Jean Page



Sophia Lillis

## NEW TV PARTNERSHIPS

Keke Palmer



Beau Willimon



Constance Wu



Risk

# Q1

## 2021 ANNOUNCEMENTS & HIGHLIGHTS



3 Grammy Wins for Kaytranada & Jonathan McReynolds



10 Years on nick jr.

Peppa Pig



GOLDEN GLOBE AWARDS WINNER

THE OSCARS NOMINEE



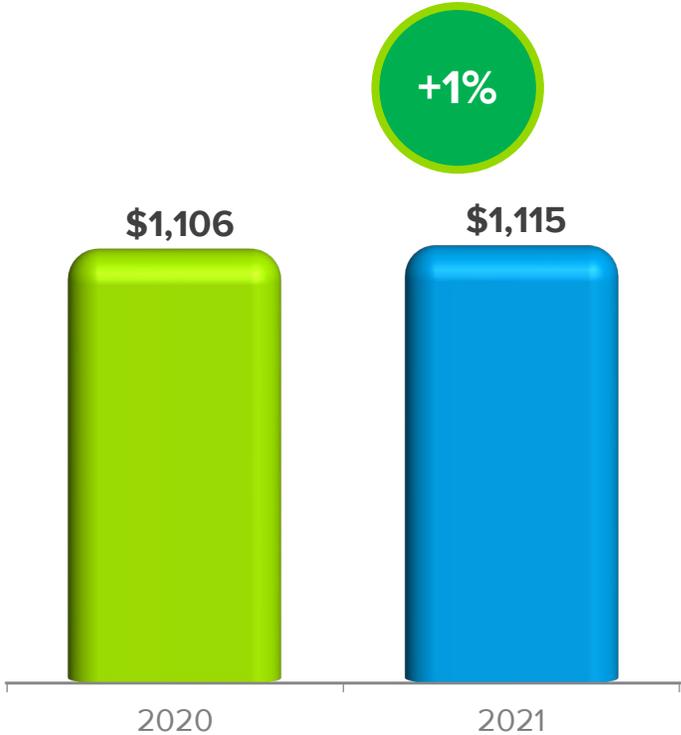
THE UNITED STATES VS. BILLIE HOLIDAY

# COME FROM AWAY

# First Quarter Net Revenue & Operating Profit Performance

## NET REVENUES

\$ Millions, unaudited



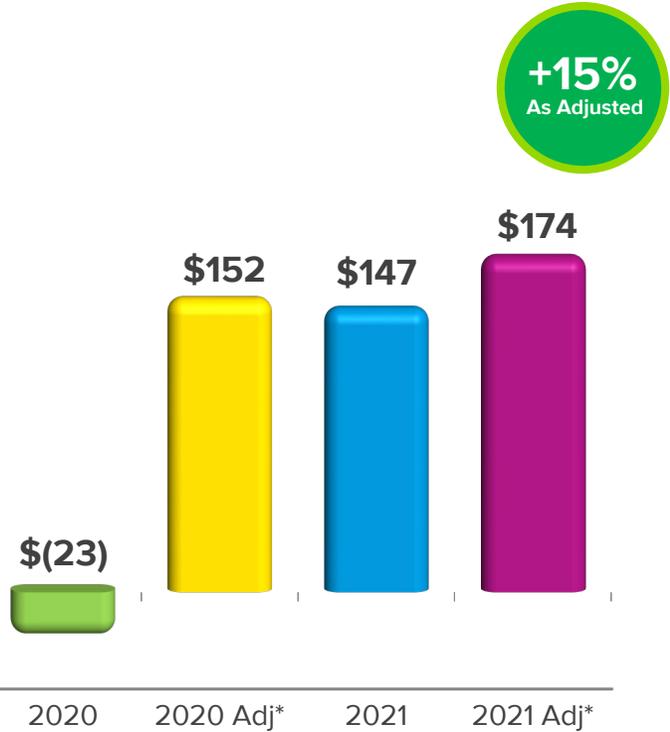
+1%

Q1  
2021

- 2020
- 2020 Adjusted
- 2021
- 2021 Adjusted

**Consumer Products** segment +14%; **Wizards of the Coast & Digital Gaming** segment grew 15%  
**Entertainment** segment down 32% in the first quarter; growth planned for the full year  
 Revenues include an \$18M positive impact from Foreign Exchange

## OPERATING PROFIT (LOSS)



+15%  
As Adjusted

**Operating Profit Margin Q1 2021:**  
 As Reported **13.2%**; Adjusted **15.6%**  
 • Adjusted operating profit improved 190 basis point versus Q1 2020

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



# First Quarter Brand Portfolio Performance

	Q1 2021	Q1 2020	% CHANGE
FRANCHISE BRANDS	\$492	\$397	+24%
PARTNER BRANDS	\$188	\$182	+3%
HASBRO GAMING <sup>1</sup>	\$136	\$140	-3%
EMERGING BRANDS	\$105	\$94	+11%
TV/FILM/ENTERTAINMENT	\$194	\$293	-34%
<b>TOTAL</b>	<b>\$1,115</b>	<b>\$1,106</b>	<b>+1%</b>

## Q1 2021

### FRANCHISE BRANDS

Up including, MAGIC: THE GATHERING, PLAY-DOH, NERF, TRANSFORMERS and BABY ALIVE.

### PARTNER BRANDS

Growth in the quarter led by Lucasfilm's Star Wars, Disney Princess and Marvel.

### HASBRO GAMING

Down slightly in the quarter versus Q1 2020 outperformance from COVID-related shutdowns. Growth in gaming brands DUNGEONS & DRAGONS, YAHTZEE and CLUE. New brand, FOOSKETBALL performed well.

### EMERGING BRANDS

Growth in FURREAL FRIENDS, SUPERSOAKER and GI JOE.

### TV/FILM/ENTERTAINMENT

Decline due theater closures and timing of deliveries planned for later in the year.

**Total Gaming**

Q1 2021  
\$365M  
+7%



<sup>1</sup>Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY which are included in Franchise Brands in the table above, was \$365M for Q1 2021, up 7% vs. \$341M for Q1 2020.

Hasbro believes its gaming portfolio is a competitive differentiator and views it in its entirety.

# Consumer Products Segment

## NET REVENUES



## OPERATING PROFIT (LOSS)



\$ Millions, unaudited

Revenue growth across Hasbro brands and product portfolio, including **Franchise Brands**, **Partner Brands** and **Emerging Brands**

Revenues include a positive \$9M impact from foreign exchange

- Revenue growth across all geographic regions led by the **U.S.** and **Europe**
- Global **POS** up **high single digits**; up **double digits** in North America

**Operating Profit** growth driven by higher revenues which more than offset higher royalty and advertising expenses; **Operating Profit Margin** up 660 basis points YOY

\*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 24.



# Consumer Products Segment Net Revenues by Geography

(\$ Millions, unaudited)	Q1 2021 AS REPORTED	Q1 2020 AS REPORTED	% CHANGE
<b>NORTH AMERICA</b>	<b>\$363</b>	<b>\$322</b>	<b>+13%</b>
<b>EUROPE</b>	<b>188</b>	<b>157</b>	<b>+20%</b>
<b>ASIA PACIFIC</b>	<b>65</b>	<b>58</b>	<b>+11%</b>
<b>LATIN AMERICA</b>	<b>38</b>	<b>36</b>	<b>+6%</b>
<b>TOTAL SEGMENT</b>	<b>\$654M</b>	<b>\$573M</b>	<b>+14%</b>



# Wizards of the Coast & Digital Gaming Segment

## NET REVENUES



Q1  
2021



## OPERATING PROFIT



\$ Millions, unaudited

Revenue growth in **MAGIC:THE GATHERING** and **DUNGEONS & DRAGONS**; **Licensed Digital Games** also grew in the quarter

Strong performance led by **Kaldheim** and **Time Spiral Remastered** set releases

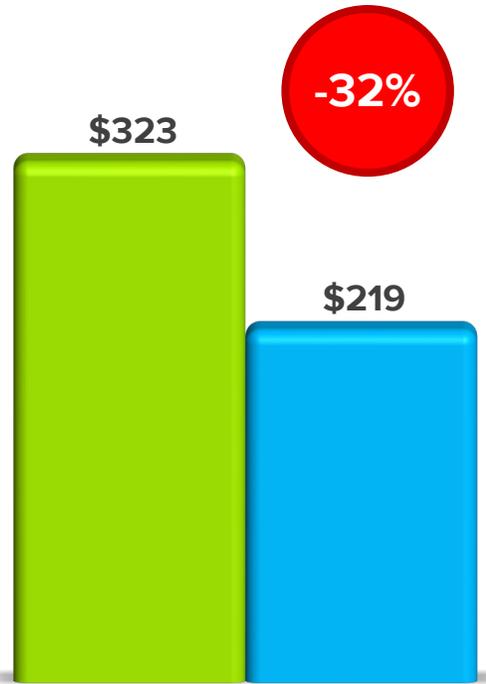
Revenues include a positive \$4M impact from Foreign Exchange

Higher revenues drove increased **Operating Profit**, partially offset by higher development, advertising and administrative expenses in support of digital gaming initiatives; **Operating Profit Margin 45.4%**



# Entertainment Segment

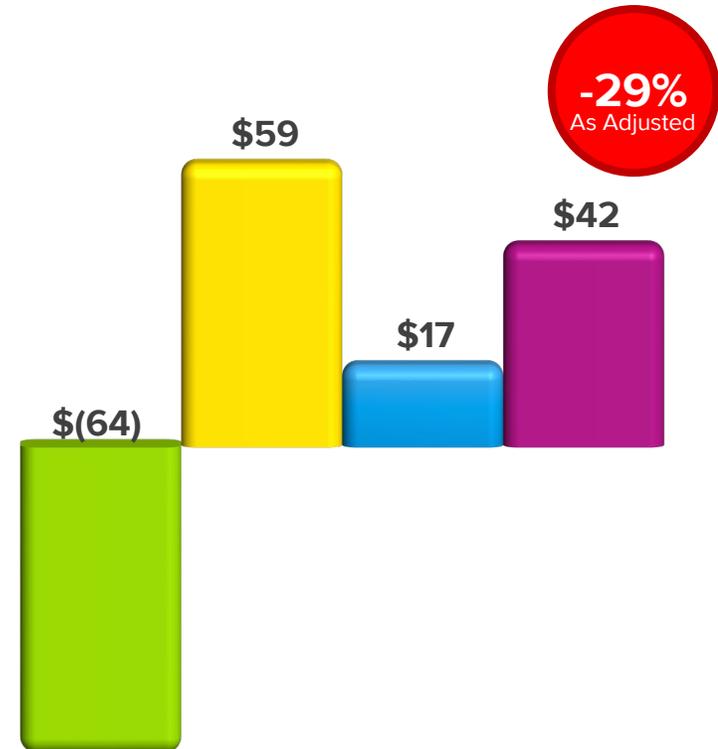
## NET REVENUES



Q1  
2021



## OPERATING PROFIT (LOSS)



\$ Millions, unaudited

**Entertainment** segment revenues declined as expected in the quarter; Revenues include a positive \$5M impact from Foreign exchange;

- Impacted by ongoing COVID-related theater shutdowns
- Timing of scripted TV deliveries weighted to 2H 2021
- Segment growth planned for full year 2021

**Adjusted Operating Profit** decreased due to lower revenues, partially offset by lower advertising and promotional spending due to less theatrical activity in the quarter; **Adjusted Operating Profit Margin** up 80 basis points

\*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 24.



# Segment Performance Historical

(Millions of Dollars)	FY 2020 As Reported	FY 2020 As Adjusted	PRO FORMA	
			FY 2019 As Reported	FY 2019 As Adjusted
<b>Consumer Products</b>				
Net Revenues	\$3,646.9	\$3,646.9	\$4,005.9	\$4,005.9
Operating Profit	308.1	308.1	361.3	361.3
EBITDA	443.3	480.3	545.0	586.9
<b>Wizards of the Coast &amp; Digital Gaming</b>				
Net Revenues	\$906.7	\$906.7	\$761.2	\$761.2
Operating Profit	420.4	420.4	294.7	294.7
EBITDA	434.9	444.3	304.9	312.5
<b>Entertainment</b>				
Net Revenues	\$909.1	\$909.1	\$1,168.9	\$1,168.9
Operating Profit	(141.1)	90.1	(20.8)	122.2
EBITDA	(47.0)	92.4	79.2	147.9

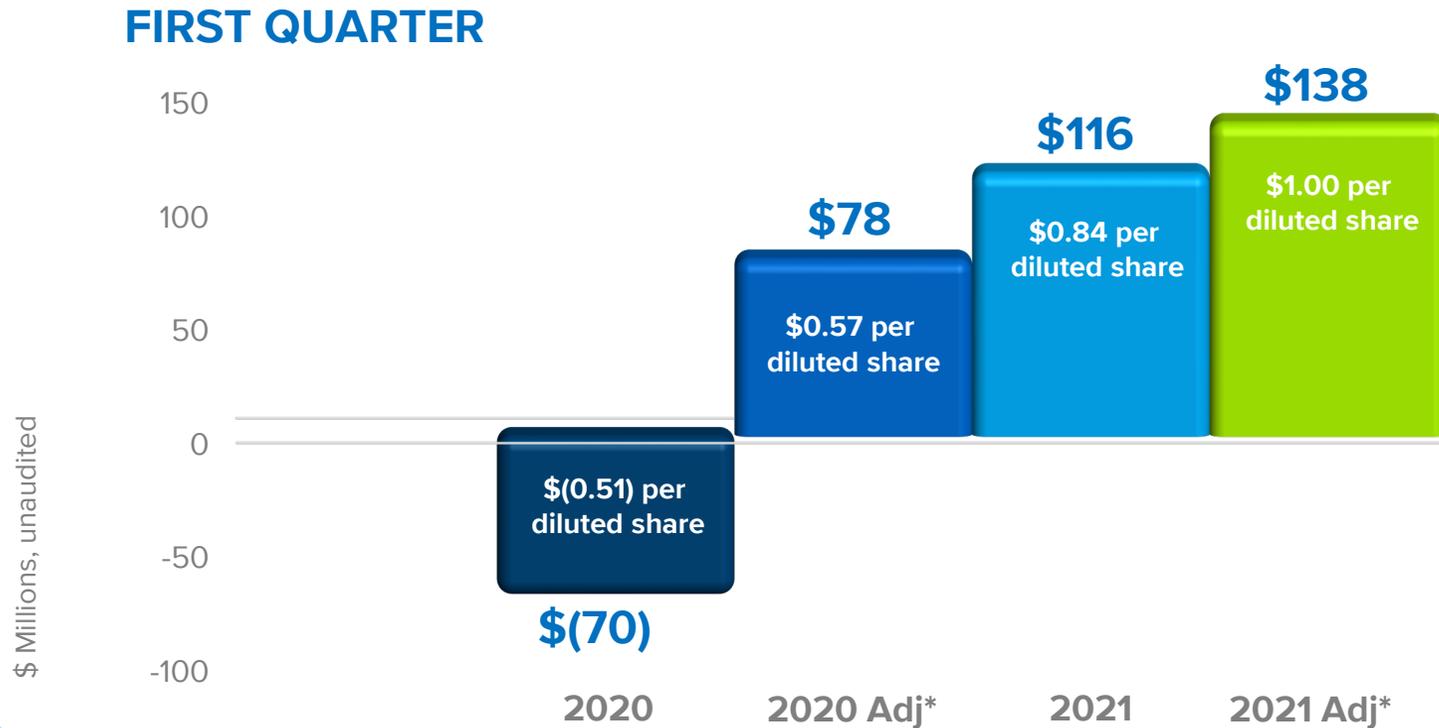
As adjusted measures exclude certain non-GAAP adjustments. See "Reconciliation of Non-GAAP Financial Measures" for Adjusted Operating Profit, EBITDA and Adjusted EBITDA on slides 28-29.



# First Quarter 2021 Net Earnings

## Diluted Shares

Q1 2021  
138.1M vs.  
Q1 2020  
137.1M



- **Total Non-Operating Expense: Q1 2021 \$17.8M**
  - Includes gain from legal settlement of \$25.6 million, \$0.19 per diluted share
- **Q1 2021 Underlying Tax Rate: 19.5% vs. 20.6% in Q1 2020**

\*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 26-27.



# Key Cash Flow & Balance Sheet Data

\$ Millions, unaudited	YEAR ENDED		NOTES
	MAR 28, 2021	MAR 29, 2020	
<b>Cash</b>	\$1,430	\$1,238	Strong cash position
<b>Long-term Debt</b>	\$4,674	\$5,156	Retired \$300M in debt due in May 2021
<b>Depreciation</b>	\$25	\$24	Full-year Depreciation target is ~\$160M
<b>Amortization of Intangibles</b>	\$33	\$37	Reflects eOne acquisition purchased intangibles
<b>Program Spend, net</b>	\$147	\$168	Full-year content spend target of \$675-\$750M
<b>Capital Expenditures</b>	\$24	\$31	Full-year 2021 target of \$165-175M
<b>Dividends Paid</b>	\$93	\$93	\$0.68 per share quarterly dividend paid in February 2021; Next dividend payable May 17, 2021
<b>Operating Cash Flow</b>	\$378	\$292	Generating strong cash flow
<b>Accounts Receivable</b>	\$810	\$964	DSO down 13 days; Improved collections and earlier sales phasing
<b>Inventory</b>	\$429	\$444	Down 3% YOY; Down 7% YOY absent FX Lower inventory positions in most regions
<b>Goodwill</b>	\$3,692	\$3,573	eOne acquisition goodwill



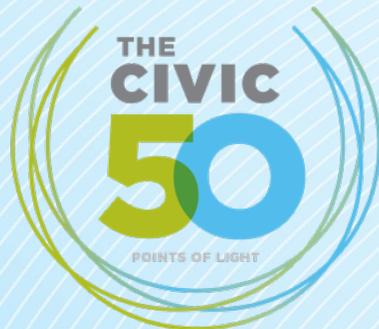
Our commitment to CSR reflects our desire to help build a safer, more **sustainable and inclusive company and world** for all.

Product & Content Safety

Environmental Responsibility

Human Rights & Ethical Sourcing

Culture & Human Capital Management





## OUR MISSION

Creating the  
World's Best Play  
& Entertainment  
Experiences

## OUR PURPOSE

Making the  
World a Better Place  
for All Children,  
Fans and Families



## OUR VALUES

PASSION

CREATIVITY

INTEGRITY

COMMUNITY

INCLUSION





# Supplemental Financial Information

# Condensed Consolidated Balance Sheets

(Millions of Dollars)

	<u>March 28, 2021</u>	<u>March 29, 2020</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,430.4	\$ 1,237.9
Accounts Receivable, Net	810.4	963.8
Inventories	429.2	444.4
Prepaid Expenses and Other Current Assets	566.0	672.4
Total Current Assets	<u>3,236.0</u>	<u>3,318.5</u>
Property, Plant and Equipment, Net	482.7	455.9
Goodwill	3,691.4	3,572.7
Other Intangible Assets, Net	1,513.0	1,615.8
Other Assets	1,266.0	1,461.5
Total Assets	<u>\$ 10,189.1</u>	<u>\$ 10,424.4</u>
<b>LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY</b>		
Short-Term Borrowings	\$ 8.8	\$ 9.4
Current Portion of Long-Term Debt	148.9	64.5
Accounts Payable and Accrued Liabilities	1,595.7	1,664.7
Total Current Liabilities	<u>1,753.4</u>	<u>1,738.6</u>
Long-Term Debt	4,674.1	5,156.3
Other Liabilities	777.7	739.0
Total Liabilities	<u>7,205.2</u>	<u>7,633.9</u>
Redeemable Noncontrolling Interests	24.0	26.0
Total Shareholders' Equity	<u>2,959.9</u>	<u>2,764.5</u>
Total Liabilities, Noncontrolling Interests and Shareholders' Equity	<u>\$ 10,189.1</u>	<u>\$ 10,424.4</u>



# Condensed Statements of Operations

(Millions of Dollars and Shares Except Per Share Data)

	Quarter Ended			
	March 28, 2021	% Net Revenues	March 29, 2020	% Net Revenues
Net Revenues	\$ 1,114.8	100.0%	\$ 1,105.6	100.0%
Costs and Expenses:				
Cost of Sales	289.9	26.0%	262.7	23.8%
Program Cost Amortization	97.5	8.7%	132.2	12.0%
Royalties	108.9	9.8%	112.8	10.2%
Product Development	61.8	5.5%	53.8	4.9%
Advertising	87.9	7.9%	101.7	9.2%
Amortization of Intangibles	32.9	3.0%	36.8	3.3%
Selling, Distribution and Administration	288.6	25.9%	279.1	25.2%
Acquisition and Related Costs	-	0.0%	149.8	13.5%
Operating Profit (Loss)	147.3	13.2%	(23.3)	-2.1%
Interest Expense	47.9	4.3%	54.7	4.9%
Other Income, Net	(30.1)	-2.7%	(6.0)	-0.5%
Earnings (Loss) before Income Taxes	129.5	11.6%	(72.0)	-6.5%
Income Tax Expense (Benefit)	12.0	1.1%	(4.1)	-0.4%
Net Earnings (Loss)	117.5	10.5%	(67.9)	-6.1%
Net Earnings Attributable to Noncontrolling Interests	1.3	0.1%	1.8	0.2%
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$ 116.2	10.4%	\$ (69.7)	-6.3%
Per Common Share				
Net Earnings (Loss)				
Basic	\$ 0.84		\$ (0.51)	
Diluted	\$ 0.84		\$ (0.51)	
Cash Dividends Declared	\$ 0.68		\$ 0.68	
Weighted Average Number of Shares				
Basic	137.7		137.1	
Diluted	138.1		137.1	



# Condensed Consolidated Cash Flows

(Millions of Dollars)

	Quarter Ended	
	March 28, 2021	March 29, 2020
Cash Flows from Operating Activities:		
Net Earnings (Loss)	\$ 117.5	\$ (67.9)
Other Non-Cash Adjustments	193.8	249.5
Changes in Operating Assets and Liabilities	66.3	110.0
Net Cash Provided by Operating Activities	377.6	291.6
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(23.9)	(30.8)
Acquisition, Net of Cash Acquired	-	(4,403.9)
Other	(1.6)	4.2
Net Cash Utilized by Investing Activities	(25.5)	(4,430.5)
Cash Flows from Financing Activities:		
Proceeds from Long-Term Debt	72.4	1,017.7
Repayments of Long-Term Debt	(344.9)	(50.2)
Net Proceeds from (Repayments of) Short-Term Borrowings	2.0	(1.4)
Stock-Based Compensation Transactions	4.7	1.8
Dividends Paid	(93.4)	(93.1)
Payments Related to Tax Withholding for Share-Based Compensation	(9.3)	(5.3)
Redemption of Equity Instruments	-	(47.4)
Other	(2.3)	(2.6)
Net Cash (Utilized) Provided by Financing Activities	(370.8)	819.5
Effect of Exchange Rate Changes on Cash	(0.6)	(23.1)
Cash and Cash Equivalents at Beginning of Year	1,449.7	4,580.4
Cash and Cash Equivalents at End of Quarter	1,430.4	\$ 1,237.9



## SEGMENT OPERATING RESULTS-AS REPORTED and AS ADJUSTED

(Millions of Dollars) (Unaudited)

Effective in the first quarter of 2021, the Company reorganized its reportable segments to Consumer Products, Wizards of the Coast and Digital Gaming, Entertainment, and Corporate and Other. For comparability, segment results for the first quarter of 2020 are presented to align with the new reportable segments.

### Operating Results

	Quarter Ended March 28, 2021			Quarter Ended March 29, 2020			% Change
	As Reported	Non-GAAP Adjustments	Adjusted	As Reported	Non-GAAP Adjustments	Adjusted	
<b>Total Company Results</b>							
External Net Revenues <sup>(1)</sup>	\$ 1,114.8	\$ -	\$ 1,114.8	\$ 1,105.6	\$ -	\$ 1,105.6	1%
Operating Profit (Loss)	147.3	26.8	174.1	(23.3)	174.8	151.5	15%
Operating Margin	13.2%	2.4%	15.6%	-2.1%	15.8%	13.7%	
EBITDA	235.3	16.7	252.0	43.3	160.6	203.9	24%
<b>Segment Results</b>							
<b>Consumer Products:</b>							
External Net Revenues <sup>(2)</sup>	\$ 653.9	\$ -	\$ 653.9	\$ 572.5	\$ -	\$ 572.5	14%
Operating Profit (Loss)	32.3	-	32.3	(9.7)	-	(9.7)	>100%
Operating Margin	4.9%	-	4.9%	-1.7%	-	-1.7%	
EBITDA	59.4	6.5	65.9	8.1	7.6	15.7	>100%
<b>Wizards of the Coast and Digital Gaming:</b>							
External Net Revenues	242.2	-	242.2	210.6	-	210.6	15%
Operating Profit	110.0	-	110.0	95.8	-	95.8	15%
Operating Margin	45.4%	-	45.4%	45.5%	-	45.5%	
EBITDA	112.3	2.6	114.9	97.1	1.9	99.0	16%
<b>Entertainment:</b>							
External Net Revenues <sup>(3)</sup>	218.7	-	218.7	322.5	-	322.5	-32%
Operating Profit (Loss)	17.0	24.9	41.9	(64.3)	123.6	59.3	-29%
Operating Margin	7.8%	11.4%	19.2%	-19.9%	38.3%	18.4%	
EBITDA	68.2	4.1	72.3	(34.3)	99.3	65.0	11%
<b>Corporate and Other:</b>							
Operating (Loss) Profit	(12.0)	1.9	(10.1)	(45.1)	51.2	6.1	>-100%
EBITDA	(4.6)	3.5	(1.1)	(27.6)	51.8	24.2	>-100%

### <sup>(1)</sup> Net Revenues by Brand Portfolio

	Quarter Ended		% Change
	March 28, 2021	March 29, 2020	
Franchise Brands	491.5	396.5	24%
Partner Brands	188.0	182.3	3%
Hasbro Gaming <sup>(i)</sup>	136.3	140.1	-3%
Emerging Brands	104.7	94.2	11%
TV/Film/Entertainment	194.3	292.5	-34%
<b>Total</b>	<b>\$ 1,114.8</b>	<b>\$ 1,105.6</b>	

<sup>i</sup>Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY, which are reported in the Franchise Brands portfolio, totaled \$365.3 for the quarter ended March 28, 2021, up 7% from revenues of \$340.5 for the quarter ended March 29, 2020.

### <sup>(2)</sup> Consumer Products Segment Net Revenues by Major Geographic Region

	Quarter Ended		% Change
	March 28, 2021	March 29, 2020	
North America	362.7	321.8	13%
Europe	188.5	156.7	20%
Asia Pacific	64.8	58.2	11%
Latin America	37.9	35.8	6%
<b>Total</b>	<b>\$ 653.9</b>	<b>\$ 572.5</b>	

### <sup>(3)</sup> Entertainment Segment Net Revenues by Category

	Quarter Ended		% Change
	March 28, 2021	March 29, 2020	
Film and TV	166.4	264.0	-37%
Family Brands	18.8	25.9	-27%
Music and Other	33.5	32.6	3%
<b>Total</b>	<b>\$ 218.7</b>	<b>\$ 322.5</b>	



## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

**Reconciliation of Adjusted Operating Profit**

	Quarter Ended	
	March 28, 2021	March 29, 2020
<b>Operating Profit (Loss)</b>	<b>\$ 147.3</b>	<b>\$ (23.3)</b>
Consumer Products	32.3	(9.7)
Wizards of the Coast and Digital Gaming	110.0	95.8
Entertainment	17.0	(64.3)
Corporate and Other	(12.0)	(45.1)
<b>Non-GAAP Adjustments <sup>(1)</sup></b>	<b>\$ 26.8</b>	<b>\$ 174.8</b>
Entertainment	24.9	123.6
Corporate and Other	1.9	51.2
<b>Adjusted Operating Profit (Loss)</b>	<b>\$ 174.1</b>	<b>\$ 151.5</b>
Consumer Products	32.3	(9.7)
Wizards of the Coast and Digital Gaming	110.0	95.8
Entertainment	41.9	59.3
Corporate and Other	(10.1)	6.1

<sup>(1)</sup> The Company's non-GAAP adjustments include the following:

Acquisition-related costs <sup>(i)</sup>	\$ 1.9	\$ 149.8
Acquired intangible amortization <sup>(ii)</sup>	24.9	25.0
Total	<u>\$ 26.8</u>	<u>\$ 174.8</u>

(i) In association with the Company's acquisition of eOne, the Company incurred related expenses of \$1.9 (\$1.7 after-tax) and \$149.8 (\$127.5 after-tax) in the quarters ended March 28, 2021 and March 29, 2020, respectively, comprised of the following:

(a) In the quarter ended March 28, 2021, the Company incurred stock compensation expense of \$1.9 associated with acquisition-related grants. In 2021, this expense is included within Selling, Distribution and Administration.  
 (b) In the quarter ended March 29, 2020, the Company incurred expenses of \$149.8, comprised of 1) acquisition and integration costs of \$95.7, including expense associated with the acceleration of eOne stock-based compensation and advisor fees settled at the closing of the acquisition, as well as integration costs; and 2) restructuring and related costs of \$54.1, including severance and retention costs, as well as impairment charges in the first quarter of 2020 for certain definite-lived intangible and production assets. In 2020, these expenses were included within Acquisition and Related Costs.

(ii) The Company incurred incremental intangible amortization costs related to the intangible assets acquired in the eOne acquisition.



## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

### Reconciliation of EBITDA and Adjusted EBITDA

	Quarter Ended	
	March 28, 2021	March 29, 2020
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$ 116.2	\$ (69.7)
Interest Expense	47.9	54.7
Income Tax Expense (Benefit)	12.0	(4.1)
Net Earnings Attributable to Noncontrolling Interests	1.3	1.8
Depreciation	25.0	23.8
Amortization of Intangibles	32.9	36.8
EBITDA	<u>\$ 235.3</u>	<u>\$ 43.3</u>
Non-GAAP Adjustments and Stock Compensation <sup>(1)</sup>	16.7	160.6
<b>Adjusted EBITDA</b>	<b><u>\$ 252.0</u></b>	<b><u>\$ 203.9</u></b>

<sup>(1)</sup> The Company's non-GAAP adjustments and stock compensation are comprised of the following:

Stock compensation	\$ 16.7	\$ 10.8
Acquisition-related costs	-	149.8
<b>Total</b>	<b><u>\$ 16.7</u></b>	<b><u>\$ 160.6</u></b>

### Adjusted EBITDA by Segment:

Consumer Products	\$ 65.9	\$ 15.7
Wizards of the Coast and Digital Gaming	114.9	99.0
Entertainment	72.3	65.0
Corporate and Other	(1.1)	24.2
<b>Total Adjusted EBITDA</b>	<b><u>\$ 252.0</u></b>	<b><u>\$ 203.9</u></b>

### Consumer Products:

Operating Profit (Loss)	\$ 32.3	\$ (9.7)
Other Income (Expense)	6.2	(5.7)
Depreciation	13.1	12.1
Amortization of Intangibles	7.8	11.4
EBITDA	<u>59.4</u>	<u>8.1</u>
Non-GAAP Adjustments and Stock Compensation	6.5	7.6
<b>Adjusted EBITDA</b>	<b><u>\$ 65.9</u></b>	<b><u>\$ 15.7</u></b>

### Wizards of the Coast and Digital Gaming:

Operating Profit	\$ 110.0	\$ 95.8
Other Income (Expense)	(0.3)	(1.0)
Depreciation	2.6	2.3
EBITDA	<u>112.3</u>	<u>97.1</u>
Non-GAAP Adjustments and Stock Compensation	2.6	1.9
<b>Adjusted EBITDA</b>	<b><u>\$ 114.9</u></b>	<b><u>\$ 99.0</u></b>

### Entertainment:

Operating Profit (Loss)	\$ 17.0	\$ (64.3)
Other Income (Expense)	23.3	3.0
Depreciation	2.8	1.7
Amortization of Intangibles	25.1	25.3
EBITDA	<u>68.2</u>	<u>(34.3)</u>
Non-GAAP Adjustments and Stock Compensation	4.1	99.3
<b>Adjusted EBITDA</b>	<b><u>\$ 72.3</u></b>	<b><u>\$ 65.0</u></b>



## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

### Reconciliation of Net Earnings and Earnings per Share

	Quarter Ended			
	March 28, 2021	Diluted Per Share Amount	March 29, 2020	Diluted Per Share Amount
<i>(all adjustments reported after-tax)</i>				
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$ 116.2	\$ 0.84	\$ (69.7)	\$ (0.51)
Acquisition-related costs	1.7	0.01	127.5	0.93
Acquired intangible amortization	20.5	0.15	19.9	0.15
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 138.4</u>	<u>\$ 1.00</u>	<u>\$ 77.7</u>	<u>\$ 0.57</u>



## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

**Reconciliation of Adjusted Operating Profit**

For comparability, the quarters and year ended December 29, 2019 includes the pro forma results for the eOne acquisition. Pro Forma reconciliations are provided in the 2020 quarterly Earnings Release tables.

	Quarter Ended					Fiscal Year	Pro Forma					
	March 2020		September 2020		December 2020	2020	March 2019		September 2019		December 2019	2019
<b>Operating Profit (Loss)</b>	<b>\$ (23.3)</b>	<b>\$ 2.2</b>	<b>\$ 336.6</b>	<b>\$ 186.3</b>	<b>\$ 501.8</b>	<b>\$ 139.3</b>	<b>\$ 100.7</b>	<b>\$ 313.0</b>	<b>\$ 136.8</b>	<b>\$ 689.8</b>		
Consumer Products	(9.7)	(45.3)	226.2	136.9	308.1	(14.4)	5.1	228.1	142.5	361.3		
Wizards & Digital Gaming	95.8	74.1	141.6	108.9	420.4	37.1	145.7	65.2	46.7	294.7		
Entertainment	(64.3)	(13.5)	(28.3)	(35.0)	(141.1)	94.8	(55.3)	19.1	(79.4)	(20.8)		
Corporate and Other	(45.1)	(13.1)	(2.9)	(24.5)	(85.6)	21.8	5.2	0.6	27.0	54.6		
<b>Non-GAAP Adjustments <sup>(1)</sup></b>	<b>\$ 174.8</b>	<b>\$ 44.4</b>	<b>\$ 30.6</b>	<b>\$ 75.1</b>	<b>\$ 324.9</b>	<b>\$ 36.6</b>	<b>\$ 40.6</b>	<b>\$ 29.2</b>	<b>\$ 36.6</b>	<b>\$ 143.0</b>		
Entertainment	123.6	22.6	24.7	60.3	231.2	36.6	40.6	29.2	36.6	143.0		
Corporate and Other	51.2	21.8	5.9	14.8	93.7	-	-	-	-	-		
<b>Adjusted Operating Profit (Loss)</b>	<b>\$ 151.5</b>	<b>\$ 46.6</b>	<b>\$ 367.2</b>	<b>\$ 261.4</b>	<b>\$ 826.7</b>	<b>\$ 175.9</b>	<b>\$ 141.3</b>	<b>\$ 342.2</b>	<b>\$ 173.4</b>	<b>\$ 832.8</b>		
Consumer Products	(9.7)	(45.3)	226.2	136.9	308.1	(14.4)	5.1	228.1	142.5	361.3		
Wizards & Digital Gaming	95.8	74.1	141.6	108.9	420.4	37.1	145.7	65.2	46.7	294.7		
Entertainment	59.3	9.1	(3.6)	25.3	90.1	131.4	(14.7)	48.3	(42.8)	122.2		
Corporate and Other	6.1	8.7	3.0	(9.7)	8.1	21.8	5.2	0.6	27.0	54.6		
<sup>(1)</sup> Non-GAAP Adjustments												
Acquisition and Related Costs	\$ 149.8	\$ 10.3	\$ 5.9	\$ 52.6	\$ 218.6	\$ -	\$ -	\$ -	\$ -	\$ -		
Acquired Intangible Amortization	25.0	22.6	24.7	25.6	97.9	24.6	24.6	24.6	24.6	98.4		
Severance	-	11.5	-	(3.1)	8.4	-	-	-	-	-		
Pro Forma eOne Adjustments	-	-	-	-	-	12.0	16.0	4.6	12.0	44.6		
<b>Total</b>	<b>\$ 174.8</b>	<b>\$ 44.4</b>	<b>\$ 30.6</b>	<b>\$ 75.1</b>	<b>\$ 324.9</b>	<b>\$ 36.6</b>	<b>\$ 40.6</b>	<b>\$ 29.2</b>	<b>\$ 36.6</b>	<b>\$ 143.0</b>		



## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

### Reconciliation of EBITDA and Adjusted EBITDA

For comparability, the quarters and year ended December 29, 2019 includes the pro forma results for the eOne acquisition. Pro Forma reconciliations are provided in the 2020 quarterly Earnings Release tables.

	Quarter Ended					Fiscal Year	Pro Forma				
	Quarter Ended		September		December		Quarter Ended		September		December
	March 2020	June 2020	2020	2020			2020	March 2019	June 2019	2019	
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$ (69.7)	\$ (33.9)	\$ 220.9	\$ 105.2	\$ 222.5	\$ 76.5	\$ (42.6)	\$ 216.5	\$ 95.5	\$ 345.9	
Interest Expense	54.7	49.6	49.4	47.4	201.1	54.0	53.3	52.2	63.6	223.1	
Income Tax Expense (Benefit)	(4.1)	(10.8)	79.2	32.3	96.6	17.8	(12.0)	50.2	1.0	57.0	
Net Earnings (Loss) Attributable to Noncontrolling Interests	1.8	1.0	(0.9)	1.0	2.9	2.2	0.4	2.3	0.5	5.4	
Depreciation	23.8	32.9	37.5	26.1	120.3	28.9	36.6	41.3	34.4	141.2	
Amortization of Intangibles	36.8	34.7	36.2	37.1	144.8	36.4	36.4	36.4	36.4	145.6	
EBITDA	\$ 43.3	\$ 73.5	\$ 422.3	\$ 249.1	\$ 788.2	\$ 215.8	\$ 72.1	\$ 398.9	\$ 231.4	\$ 918.2	
Non-GAAP Adjustments and Stock Compensation <sup>(1)</sup>	160.6	37.3	19.8	59.2	276.9	23.7	141.9	20.1	20.0	205.7	
<b>Adjusted EBITDA</b>	<b>\$ 203.9</b>	<b>\$ 110.8</b>	<b>\$ 442.1</b>	<b>\$ 308.3</b>	<b>\$ 1,065.1</b>	<b>\$ 239.5</b>	<b>\$ 214.0</b>	<b>\$ 419.0</b>	<b>\$ 251.4</b>	<b>\$ 1,123.9</b>	
<sup>(1)</sup> Non-GAAP Adjustments and Stock Compensation:											
Acquisition and Related Costs	\$ 149.8	\$ 10.3	\$ 5.9	\$ 52.6	\$ 218.6	\$ -	\$ -	\$ -	\$ -	\$ -	
Severance	-	11.5	-	(3.1)	8.4	-	-	-	-	-	
Pro Forma eOne Adjustments	-	-	-	-	-	12.0	16.0	4.6	12.0	44.6	
Pension Settlement	-	-	-	-	-	-	110.8	-	0.2	111.0	
Stock Compensation	10.8	15.5	13.9	9.7	49.9	11.7	15.1	15.5	7.8	50.1	
<b>Total</b>	<b>\$ 160.6</b>	<b>\$ 37.3</b>	<b>\$ 19.8</b>	<b>\$ 59.2</b>	<b>\$ 276.9</b>	<b>\$ 23.7</b>	<b>\$ 141.9</b>	<b>\$ 20.1</b>	<b>\$ 20.0</b>	<b>\$ 205.7</b>	
<b>Adjusted EBITDA by Segment:</b>											
Consumer Products	\$ 15.7	\$ (2.8)	\$ 277.1	\$ 190.3	\$ 480.3	\$ 29.7	\$ 93.3	\$ 284.0	\$ 179.9	\$ 586.9	
Wizards & Digital Gaming	99.0	78.9	152.2	114.2	444.3	41.3	149.7	69.7	51.8	312.5	
Entertainment	65.0	10.8	1.6	15.0	92.4	135.9	(9.1)	55.4	(34.3)	147.9	
Corporate and Other	24.2	23.9	11.2	(11.2)	48.1	32.6	(19.9)	9.9	54.0	76.6	
<b>Adjusted EBITDA</b>	<b>\$ 203.9</b>	<b>\$ 110.8</b>	<b>\$ 442.1</b>	<b>\$ 308.3</b>	<b>\$ 1,065.1</b>	<b>\$ 239.5</b>	<b>\$ 214.0</b>	<b>\$ 419.0</b>	<b>\$ 251.4</b>	<b>\$ 1,123.9</b>	
<b>Consumer Products</b>											
Operating Profit (Loss)	\$ (9.7)	\$ (45.3)	\$ 226.2	\$ 136.9	\$ 308.1	\$ (14.4)	\$ 5.1	\$ 228.1	\$ 142.5	\$ 361.3	
Other Income (Expense)	(5.7)	1.2	1.6	16.4	13.5	5.2	41.0	2.6	(11.7)	37.1	
Depreciation	12.1	20.8	27.8	15.3	76.0	15.1	23.5	29.6	25.5	93.7	
Amortization of Intangibles	11.4	11.4	11.4	11.5	45.7	13.3	13.2	13.2	13.2	52.9	
EBITDA	8.1	(11.9)	267.0	180.1	443.3	19.2	82.8	273.5	169.5	545.0	
Non-GAAP Adjustments and Stock Compensation	7.6	9.1	10.1	10.2	37.0	10.5	10.5	10.5	10.4	41.9	
<b>Adjusted EBITDA</b>	<b>\$ 15.7</b>	<b>\$ (2.8)</b>	<b>\$ 277.1</b>	<b>\$ 190.3</b>	<b>\$ 480.3</b>	<b>\$ 29.7</b>	<b>\$ 93.3</b>	<b>\$ 284.0</b>	<b>\$ 179.9</b>	<b>\$ 586.9</b>	
<b>Wizards &amp; Digital Gaming</b>											
Operating Profit	\$ 95.8	\$ 74.1	\$ 141.6	\$ 108.9	\$ 420.4	\$ 37.1	\$ 145.7	\$ 65.2	\$ 46.7	\$ 294.7	
Other Income (Expense)	(1.0)	0.3	5.7	0.4	5.4	-	-	-	0.8	0.8	
Depreciation	2.3	2.2	2.3	2.3	9.1	2.3	2.1	2.6	2.4	9.4	
Amortization of Intangibles	-	-	-	-	-	-	-	-	-	-	
EBITDA	97.1	76.6	149.6	111.6	434.9	39.4	147.8	67.8	49.9	304.9	
Non-GAAP Adjustments and Stock Compensation	1.9	2.3	2.6	2.6	9.4	1.9	1.9	1.9	1.9	7.6	
<b>Adjusted EBITDA</b>	<b>\$ 99.0</b>	<b>\$ 78.9</b>	<b>\$ 152.2</b>	<b>\$ 114.2</b>	<b>\$ 444.3</b>	<b>\$ 41.3</b>	<b>\$ 149.7</b>	<b>\$ 69.7</b>	<b>\$ 51.8</b>	<b>\$ 312.5</b>	
<b>Entertainment</b>											
Operating Profit (Loss)	\$ (64.3)	\$ (13.5)	\$ (28.3)	\$ (35.0)	\$ (141.1)	\$ 94.8	\$ (55.3)	\$ 19.1	\$ (79.4)	\$ (20.8)	
Other Income (Expense)	3.0	(2.6)	0.4	(15.1)	(14.3)	(5.3)	(1.6)	(3.7)	0.7	(9.9)	
Depreciation	1.7	2.4	2.8	2.8	9.7	2.6	1.9	3.4	2.5	10.4	
Amortization of Intangibles	25.3	23.1	24.7	25.6	98.7	24.9	24.9	24.9	24.8	99.5	
EBITDA	(34.3)	9.4	(0.4)	(21.7)	(47.0)	117.0	(30.1)	43.7	(51.4)	79.2	
Non-GAAP Adjustments and Stock Compensation	99.3	1.4	2.0	36.7	139.4	18.9	21.0	11.7	17.1	68.7	
<b>Adjusted EBITDA</b>	<b>\$ 65.0</b>	<b>\$ 10.8</b>	<b>\$ 1.6</b>	<b>\$ 15.0</b>	<b>\$ 92.4</b>	<b>\$ 135.9</b>	<b>\$ (9.1)</b>	<b>\$ 55.4</b>	<b>\$ (34.3)</b>	<b>\$ 147.9</b>	

