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# EDITED TRANSCRIPT

HAS - Hasbro Inc at Nasdaq Investor Program

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## CORPORATE PARTICIPANTS

**Brian D. Goldner** *Hasbro, Inc. - Chairman and CEO*

## CONFERENCE CALL PARTICIPANTS

**Stephanie Marie Schiller Wissink** *Jefferies LLC, Research Division - Equity Analyst*

## PRESENTATION

**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

Good morning, everyone. My name is Steph Wissink. I'm a senior research analyst at Jefferies. And on behalf of our entire firm, welcome to the 2017 Nasdaq Conference.

It's my pleasure this morning to introduce the team from Hasbro. Hasbro is a leading entertainment product company with over \$5 billion in annual revenues. The company has a very well-defined brand architecture, which you'll hear about this morning, and they manage a portfolio of both owned and licensed brands. The company has successfully evolved as consumer tastes have changed, given a relentless commitment to robust insights, novel innovation and playful inspiration.

Hasbro is led by a world-class management team, including Brian Goldner, the Chairman and CEO, who is with us today. Please join me in welcoming Brian to the stage.

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**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Thank you, very much, and good morning. Thank you all for being here this morning early. I'm very happy to be here for the first time at the Nasdaq conference. And just to remind you, I will probably make some forward-looking statements, and so I'd ask you to refer to our SEC filings as we do this.

So Hasbro -- thank you, Steph, for the introduction. Hasbro is today quickly evolving to be a global play and entertainment company. I'm going to talk to you today a little bit about what our strategic differentiators are and how our strategy has evolved over time and how we bring our brands to life.

As a little bit of table setting, I'll remind you that last year, we did achieve over \$5 billion in revenue for the first time. It was a record year for the company, and we grew our revenues by 13%. Our operating profit grew by 14% as reported. And in February, our board also increased our dividend by 12% to \$0.57 per quarter. And we generate extremely strong cash flows. In fact, our success last year led us to achieve \$775 million. And our operating cash flow target annually is \$550 million to \$650 million.

As we look at capital priorities, of course, first and foremost, we're investing in our business to drive long-term growth and shareholder returns. We then focus on returning excess cash to our shareholders in the form of both the dividend and then share buybacks that we do over time. I talked about the quarterly dividend increasing. And the dividend has increased, on average, 14% over the last 10 years. And we've bought back in more than \$5 billion worth of stock over the time or returned to shareholders more than \$5 billion over the last 10 years.

So again, the plan that we have put together and the strategy we are executing has really been about a 10-year plan to put in place. I've been with the company 17 years. We really have a team in place that's now enabling us with all kinds of new capabilities to build our business. And to use a bit of a U.S. baseball analogy, we're probably in the third inning as we develop the strategy. The first was establishing a core brand strategy. Building out a global brand organization was the second step. And then more recently, we've adopted and created what we call our Brand Blueprint for success as we build our company.



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So this is the Brand Blueprint. If you were to bring down onto one piece of paper the strategy of the company, it really brings together all the elements that we're developing. We put our brands in the center of everything we do. We surround our brands with proprietary consumer insights that we garner in a number of different ways. And then, of course, we're telling stories around our brands, developing great characters and story that create a deep connection between our brands and our fans, families and children around the world.

We then also surround those brands with great product innovations, consumer products licensing business and other categories, digital gaming as well as other digital engagement and immersive entertainment experiences; so yes, episodic television and motion pictures, but also an array of digital marketing and digital engagement, social media that we can talk to today. And of course, this is all framed by global omni-channel retail relationships.

So we'll talk a bit about Hasbro brands. Our brands are incredibly important to our company, right about 50% of revenues in a given year, up from being about 17% of revenues 15 years ago. So it's really grown and continues to grow. Last year, we grew it by a few percent. But over a 10-year period, it's been a 10% CAGR in growth. And our brands enjoy operating profit margins 20% or better. Company average operating profit margin, for perspective, is -- was last year was we'll use 15.7%. So our brands are more profitable on average than other portfolio brands.

Our partners. We work with world-class, amazing global storytellers, particularly, The Walt Disney Company is a major licensor of ours, a partner of ours, around brands like STAR WARS as well as MARVEL and DISNEY PRINCESS and FROZEN. We have a relationship with DreamWorks now, Universal, for a brand called TROLLS and, of course, SESAME STREET and a few others. And last year, Partner Brands were 1.4% -- \$1.4 billion in revenue.

I mentioned earlier the global consumer insights. We use a number of different proprietary tools to build proprietary global consumer insights around our brands. I know a lot of companies talk about global consumer insights. It's not just secondary research done by other parties. It's primary research done by our team. We have a global -- we call them the GCI team, global insight hunters. They travel the world, use both quantitative and qualitative techniques so that we can understand better than anyone else what consumers both want and need in play experiences and how best to deliver that and then developing unique brand essences around our brands to ensure that we are creating a 360-degree experience for those fans and families that enjoy our brands and those experiences.

One of the ways we get across, what our brands are all about is storytelling. And we use a number of means, literally, an all-screens strategy in storytelling. And we'll talk about streamed content, OTT content or over-the-top channels like Netflix, as well as episodic programming that appears in nearly 190 markets around the world, as well as our film business. And we'll talk more about TRANSFORMERS. For example, we're here, this weekend will be the TRANSFORMERS premiere here in London, and it will be our fifth TRANSFORMERS movie.

About a year ago, we bought a company called Boulder Media in Dublin, Ireland, which is enabling us to scale our animation capability. They've also produced for a number of really renowned third-party content creators. They are a great team, and we're scaling them. We've been working with other animation studios over time, but now we will have our own animation capability in a tax-advantaged geography in Ireland that supports the animation industry.

On October 6 will be our first animated feature film called the MY LITTLE PONY movie. Hopefully, many of you know MY LITTLE PONY as a brand. It's been around since the '80s. And this is the first time there'll be a full-length feature film that will be distributed by Lionsgate. And we're very excited about it. Early indications are very positive for this is to bring the brand to a new place. Movies are incredibly important and powerful because they enable us globally at one moment in time to tell new stories around our brand with new characters, taking our characters that people love out to new destinations that we can portray in our movies.

We also are known for TRANSFORMERS. This year, we have a TRANSFORMERS film that actually launches next week. Then in 2018, we have a movie around one of the most renowned characters known as Bumblebee. He has his own film next year. And then in 2019, we'll come back with an all-new story around TRANSFORMERS in a new chronology. This is the last film that Michael Bay is directing for us this year. And we'll come back with a new story in 2019, and we're already working on that.



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So the way that we think about our character development is iterative, and it's been evolving over time. Bumblebee was first a character that was introduced in comic books, then he went into animation in about 9 different animated TV series over time for TRANSFORMERS since the '80s and then in films. And I mentioned, next summer, he will be featured in his own feature film.

We also are using a new -- lots of new modalities for this all-screen strategy for storytelling. So we created a brand called Hanazuki. It was 2 artists in Amsterdam. We found a brand. It's kind of a cross between maybe SpongeBob and Hello Kitty, so very quirky kind of a style. She's a -- Hanazuki is a moonflower. And it's all about allowing children to enjoy and celebrate and embrace their moods. So analogous to MY LITTLE PONY being all about friendship, she's all about moods. And we created 300 minutes of content. We streamed that content on YouTube as a key partner. YouTube is now one of the popular, in fact, most popular networks for children. And in doing this, we've already created, in just the last 4 months, 130 million views of this content, which is more than most kid's linear networks all put together. So new modalities of storytelling that are about the way the audience consumes content.

We, of course, focus a lot on toy and game innovation. We have teams now working on integrated play where we bring both analog and digital experiences to life seamlessly. Our audiences want to move from an analog play experience to a digital experience and back again very seamlessly, fastly, and so we have teams of people working on how we engage in that and do that, and we do that on most of our brands. We also have a number of different new initiatives around coding and other technologies. You'll see us working in AR, VR and MR; AR being one of the new platforms for our business, a way to create an immersive experience around play.

Consumer Products really has to do with storytelling. So as we tell stories around our brands, we attract an array of licensees, making product in every other category other than toys and games. So they're making everything from T-shirts to backpacks to shoes or bedding and, therefore, paying us royalties for the ability to use our characters around our stories in their product. And this enables us to have hundreds of licensees and to command more space at retail, be it virtual retail or literal brick-and-mortar retail than just the toy and game departments. And of course, Consumer Products is very profitable for the company.

Digital gaming is another area where we've really leaned in because our brands perform so well. You may know that we own many of the best game brands names in the world like MONOPOLY, GAME OF LIFE. And so this is a great opportunity for us. We have recently bought a studio in Boulder, Colorado, known as Backflip Studios. So we're both using third party as well as our own first party to create new games. And our games perform incredibly well on mobile devices. And the number of global gamers has increased dramatically over time. There are now billions of people playing these games quite regularly.

Our gaming business goes beyond just mobile gaming. Of course, as I mentioned, our games business is a very robust and strategic differentiator for the company, and it has been growing as we continue to build games across a number of platforms, including social media gaming, using social listening and social scraping to develop new games and new games platforms.

We also enjoy omni-channel retail global relationships, and this is very important. We think, in fact, it's a strategic differentiator for us. As selling consumer products and selling toys and games online becomes increasingly technology-oriented, our direct relationship with these retailers in an omni-channel manner is enabling us to get closer to the consumer, and it really is the intersection of content and commerce and innovation, and that's really enabling the company to accelerate. And we're seeing that in our results as we go around the world in emerging markets where we're delivering double-digit growth, absent FX.

So these e-commerce partnerships continue to be expansive. We're doing new and unique things using the latest technology and going to market in much the way our online and omni-channel retailers want to go to market, experimenting profitably with them in all kinds of new technologies. So whether it's Amazon with their Dash Buttons or Walmart in using an interactive online experience in a manner they've never done before, we're always out there trying and trialing new things.

We're also a very socially responsible company. We're very focused on corporate social responsibility. In fact, in 2017, CR Magazine, Corporate Responsibility Magazine, named Hasbro the #1 corporate citizen. Our teams around the world take this very personally. It's a personal endeavor for all of us to be a great corporate citizen, focused very specifically on product safety, ethical sourcing and environmental sustainability. It's an area for us that we're very focused on. And we've been the world's most ethical company for a number of years.



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So as we go forward, we're very focused on long-term shareholder value, on creating visibility to our earnings in the power of our Brand Blueprint and bringing that to life around the world. So with that, that's the end of my prepared remarks, and I'll turn things back to Steph.

**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

So I prepared a few questions for Q&A. But please, if you have a question, just raise your hand, and we'll call on you. And I believe there might be a microphone just because we are a webcast.

## QUESTIONS AND ANSWERS

**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

So Brian, I want to start with just, take us back 10 to 12 years ago to the conversation among your leadership team, your board, to strategically exit manufacturing, to change the company into more of a management versus a manufacturing company, and how that laid the groundwork for what we're seeing today?

**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Yes. It really does go back to a fundamental focus on the consumer in a new and differentiated way, really understanding where the consumer was going over the last 10 years. If you think about it, 2007, the advent of things like Facebook and then iPhones and smartphones, and you could see where young audiences were going even at that moment. So we began to look at how would we accelerate those efforts and invest in that part of our business, therefore, looking at what the strategic differentiators would be and where you could really become more successful. And we didn't believe that manufacturing was a critical differentiator. So we're now an asset-light company. We own no manufacturing. We work with third parties around the world. It gives us the flexibility of sourcing. We're able to build new types of products and find the right kind of manufacturing partnership for new types of products, and therefore, that's not an area we think is a strategic differentiation. We're also working now on a global footprint for sourcing that goes beyond China. 22% of our products now is outside of China. And you'll see, I think, that growth midterm to probably 30-plus percent as we look at new modalities of product and the connections to digital play experiences.

**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

It's an interesting way to think about it in terms of your agility and your flexibility and the innovation process. And I think I can speak for my own household, but the play experiences that you're bringing today are far more elevated, far more immersive, so having that agility within your supply network versus being beholden to a vertical supply chain seemed pretty critical.

**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Yes, it has been. It's also enabled us to invest in the change in capability. And the workforce composition is a good milestone for that or a good touch point for that. 50% of the employees of the company, we have about 5,500 employees globally, 50% of those employees have been with the company less than 5 years. So we've on-boarded new digital capabilities, new storytelling capabilities, animators, designers that now work in both the virtual and the literal space. We have a new AR, MR, VR team on the West Coast. It's co-located with our Wizards of the Coast company. So we're putting people around the world in places around the world where they're best suited to help create these new play experiences and new storytelling.

**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

How has the Brand Blueprint evolved over the course of that decade as you have shifted your capital priority strategies?



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**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

It's interesting, when you first write down the blueprint, it's just a piece of paper. And then over time, if you turn the blueprint on its side, what we're trying to do is build the heat map or the capabilities in each of these areas. Certainly, we began with toy and game innovation being pretty strong for us and these great omni-channel relationships being pretty strong. But we've accelerated our capabilities in all these other areas, which has actually enhanced our ability to deliver an innovative product line because of storytelling based on consumer insights, connected to digital gaming and other digital media, connected to our Consumer Products business. When you tell stories, MY LITTLE PONY movie, it happens this fall, will have more than 200 licensees; TRANSFORMERS, more than 250 licensees. So product now goes out globally. So you become more important to global retail because we're no longer just informing the toy and game department in store, but rather the entire box, be it a virtual box or a literal brick-and-mortar location. And so that's been all part of the way we think about capital. We want to invest in our business, first and foremost. And over about the last 10 years, we've invested about \$1 billion in our business expensed through the P&L, and that's enabled us to build these capabilities. I think, over time, that mitigates -- the investment mitigates now. We turn to the next phase where we're able to start to tell more stories around our brands, more streamed content across all screens. And then I think you'll see us, today, we view today sort of as a point of departure. It's we're getting on to the next place and building the company up for the future.

**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

Yes, it does feel like this has been a moment in time you prepared for, for a decade.

**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Yes, it does take -- it takes far longer. That old Bill Gates expression, people overestimate what they can do in a year and underestimate what you can do in 10. But you have to have that 10-year time horizon. In fact, our management team who you know, our rookie on our team is John Frascotti who came from the Adidas Reebok business 10 years ago. So he's the President of the company, for those of you who may not know him. So that management team and that continuity of management, focusing on how do we continue to reinvent our business, never being satisfied, we're sort of perpetually dissatisfied with how we go to market. And in doing that, we continue to improve and look at around the corner, where's the audience, the consumer going to be, and how do we best satisfy them in terms of entertainment and play.

**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

If John was here, he would talk about share of life. So talk a little bit about that concept and how you think about expanding your reach, your age demographics, getting into some of the collector market, the fan market, upcoming event for fans of your brands. So talk a little bit about how you create engagement experiences and then how you think about that share of life?

**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Yes. So, so many companies that are in FMCG positions sort of talk about how they may bring things to life, the share of wallet or share of mind, but it goes beyond that for us. Because our brands, are brands where people engage in character and story, we've seen that we're able to literally activate any area that a consumer or audience is interested in we're beginning to activate. So whether it's location-based entertainment with TRANSFORMERS rides or touring MY LITTLE PONY stage shows or soon, you'll see NERF -- opportunities to play NERF live and locally with all of your friends and trying to enable more of that play, the digital gaming piece, the consumer products piece and all the experiences in between, that's share of life for us. And so we view our brands through that lens; how am I able to create an experience that you enjoy as an audience, as a fan of the brand. If you enjoy that experience, that brand is meaningful to you, and then you'll travel with us across every one of those aspects in a 360-degree manner because we're making it incredibly exhilarating and enthralling for you, and in return, you spend time and effort and money with us as we give you these wonderful immersive experiences. So that's how we think about share of life differently than just a share of mind or share of wallet.



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**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

And maybe talk a little bit about NERF because that is one brand that, in addition to your games business, has just been a solid, solid contributor over many, many years, maybe defying some of the parameters that you historically had for the brand. So tell us a little bit more about that. It's a case study for innovation.

**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Yes, it's a great -- it's actually the right -- exact right words, which is it's a case study. So if you were to go back in time, NERF at year 2000, when we all first -- many of us first started, NERF was about a \$20 million business. And today, it's the biggest brand in the company. And we've said that STAR WARS was \$500 million, and so it's bigger than that. We haven't said how big, but bigger than STAR WARS. And so how do you -- how have you created that over time? Well, it first began with this consumer insight. So when people ask me, what do you mean by that? What was interesting is NERF was always seen in a very -- as in a very American play pattern, meaning people get up and they may shoot darts at one another, the blasters that we use, the dart blasters. And so, of course, there was reticence around the world for, is that really a play pattern that would work outside the U.S.? And so we said, look, let's go out. We think it is. Let's go do the research. And so we went out around the world, proprietary research. And the key unlock was that moms would say there are certain things that you couldn't do around the house, and NERF was the unlock that said, oh, yes, now you can. So mom says you can't, NERF says you can. It was an agreement that then was made over NERF play between the child and now the fans who've grown up on the brand and moms all over the world. And in fact, NERF is one of our most successful product lines in markets like Germany and Brazil and other places around the world. And so it's a brand that really resonates. The other interesting thing about it is it's using all kinds of new modalities of storytelling. What we do is we create online engagement through social media with what we call today NERF NATION, NERF NATION are our fans. And we produced about 2% of all of the content that exist in the world of NERF. If you were to go to your phone and go to YouTube and just pull up NERF or Astro NERF, it, probably 3 million -- circa 3 million videos online. And we're producing thousands, but not millions, of videos. And that's coming from the inspiration of our fans. We use some social influencers we have for many years. We identified a group called DUDE PERFECT who do these incredible trick shots. You may have seen them on some of these sporting events, and they inspire our fans. And so as we put a little pebble in the pond, what we get back in return are all this engagement for the brand. And then that's enabled us to go out and understand from them where do we go from here and what other play patterns might they be interested even if they don't understand yet that they are. So this summer, we're launching NERF NITRO. NERF NITRO takes all the fun of the blaster play into cars; so basically, soft, safe, foam cars. They can now do trick shots and stunts that no other car can do because of the way that, that system works. So those are these new play experiences that are based on those proprietary insights.

**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

So let's talk a little bit about content. Big premiere this weekend here, but this content cycle is really unprecedented. We've not seen one so robust, both your own brands, but your partner brands. So maybe talk a little bit about the balance of revenue in the company, how you think about the margin structure, but then also just the velocity of content that we see coming, particularly in boys action, but also broadly across your portfolio.

**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Yes. What's interesting about our business, if you look at that core toy business through an NPD lens, so like Nielsen data, what you see is that brands that are driven by story over the last 3 years have grown more than 8% on average; whereas brands that have no benefit of story, and storytelling can be, as I've mentioned many times, can be told over multiple different screens, have grown about 3%. So the industry is growing, but you see this much faster acceleration of those brands benefiting from storytelling. We also have entered this era of unprecedented entertainment, and I've said that recently over the last few years. But frankly, Steph, it's only getting bigger. And there's plenty of room because the calendar for great storytelling has stretched. In the past, we would always talk about summer movies. And summer movies were Memorial Day to Labor Day, let's call it, in the U.S., September timing. Now a great branded piece of entertainment can launch as early as Valentine's Day and go through Christmas Day with something like STAR WARS. So the calendar stretched, which gives us more opportunity, more room for great storytelling. Our partners like STAR WARS and MARVEL are telling great stories. PRINCESS tells great stories around, and FROZEN is certainly a great story that's been



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told around a brand. And then we complement that with our own brands. On average, we would expect, even over time, our Partner Brands or licensed brands to be about 25% to 28% of the revenues of the company. And that's important to note that fulcrum between that and the rest of the revenues coming from our owned and operated because that fulcrum is important in that our Partner Brands, we make low double digit, so low teens operating profit margins. Whereas I mentioned earlier, the company's brands, we're making a high teens, 20% or better in our games business, significantly better operating profit margin. And that's how you get to that blended operating profit margin that's grown over time of 15.7% last year as reported. And so that for us is the way we think about it go forward. So people have said to me many times, well, how do you expect it to be 25% to 28%? Are you limiting the growth of your partners? And the answer is, of course not. We'll let our partners grow as fast as we can. We're bringing new innovation to them. We think about our partners' brands like we think about our own brands. We invest with dedicated resources, and we want them to be twice the size over time, over some period of time based on all this entertainment. However, we also expect to continue to grow and have grown our own franchise and owned and operated brands. And that fulcrum, that portfolio mix of 75-25, we expect to be maintained over time.

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**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

Let's talk about another brand case study, which is the DISNEY PRINCESS license that you successfully won. Talk a little bit about the insights that your team went through. It's such a robust process and I think ultimately brought to Disney something very, very differentiated and unique. So maybe just give us some insight into that process.

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**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Yes, it really does always for us begin with the audience and the consumer. We've done a lot of proprietary studies. These are big, both a moment in time and longitudinal studies around consumers, so around modern girls, modern fans, modern gamers, modern parents, China and also modern princess. And so we did some research, and we were working with The Walt Disney Company on a smaller brand of their space based on a Disney Channel movie called the Descendants. So it was a small -- smaller opportunity than PRINCESS and FROZEN. But in doing that, we went out and did some proprietary research. And what we really came to understand is that the princesses, there are 11 of them for those of you who don't know, minus Anna and Elsa who are from the FROZEN fame...

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**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

Yes, they're not in the sorority just yet, right?

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**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

They're not in the -- well, they're princesses, but they're not part of the 11 princesses. They're beyond that. So we have dedicated resource between PRINCESS and FROZEN at the company because we do focus on them differently, of course. So what we found is that, effectively, the 11 princesses could represent 11 doorways into the princess room, if you think about it. And then each of those princesses had a different past and history, some were more or less interested in the prince, some are more or less interested in nature, some are more or less interested in fashion, and their fashions and their thought processes were very different. So what we decided to do was to develop all of the 11 dolls at once, which really hadn't been done the way we had done it before. We developed unique, true-to-their-character styling and their head sculpts and the looks, including the sizes. So if you look at the princesses lined up, their actual heights relative to one another are reflected. So we made multiple bodies and multiple heads that are unique to them. And so we created really a unique experience that was meaningful to the audience who will then participate by participating with many of the different princesses because, as we know, particularly little girls, they have a focus on and they want to enter that room through a multitude of doors, and they want to try out a multitude of roles and that we think that's very empowering, and that's what we really heard from girls, the empowerment through the PRINCESS. And so that's just one example of the way we thought about developing the line, and then how do we bring that to life globally is also part of the way we thought about the business. And I think that won the praise of Disney and the respect of how we go to market. We're now bringing great innovations to that brand. This year, we have a great product called Dance Code Belle, which



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is a coding product, which allows little children to literally program the dance routine through a rudimentary coding and then bring Belle to life who dances with you and for you.

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**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

That's great. I want to make sure we talk a little bit about China and emerging markets because China is a key driver of the model. Two things with respect to China, one is just the globalization of the box office and how that caters to you -- are we cutting out?

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**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Are we done?

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**Unidentified Participant**

Yes.

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**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

Can we do 1 second?

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**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Yes, sure. I'll talk about emerging markets. So we expect emerging markets to grow double digits, absent FX. We've seen that in our business. China for us is a giant unlock. And one of the brands that's going to be the beachhead for us in China is TRANSFORMERS. It was a brand that was on the air in the 1980s in animation. And we have a lot of fans there, multiple ages, and so that's just one entry point among many into China.

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**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

Thank you.

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**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Great. Thank you.

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**Stephanie Marie Schiller Wissink** - *Jefferies LLC, Research Division - Equity Analyst*

Thank you, everyone.

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**Brian D. Goldner** - *Hasbro, Inc. - Chairman and CEO*

Thanks, guys.

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