



Q4/FY

2021 Earnings

.....
February 7, 2022



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 outlook for growth in 2022 and 2023; goals and expectations relating to products, gaming and entertainment to be developed and delivered across our Brand Blueprint; our ability to achieve our other financial and business goals; and our liquidity. 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. Specific 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 and cost-effective and profitable basis;
- our ability to implement shipping strategies to lessen the impact of any increased shipping costs due to shipping delays or changes in required methods of shipping, as well as our ability to take any price increases to offset shipping costs, increases in prices of raw materials or other increases in costs of our products;
- rapidly changing consumer interests in the types of products and entertainment we offer;
- the challenge of developing and offering products and storytelling experiences sought after by children, families and audiences given increasing technological and entertainment offerings available and that compete with our offerings for consumers' attention;
- 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 and increased emphasis on ecommerce;
- our ability to develop and grow areas of our Brand Blueprint, such as through eOne, Wizards of the Coast, and our other entertainment and digital gaming initiatives;
- 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 and costs that have occurred and could continue to occur in countries 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 or difficulties, border adjustment taxes or other protectionist measures, and other challenges in the territories in which we operate;
- our ability to successfully implement 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 inflation, 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 or more of our significant retailers, licensees and other 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;
- risks related to sourcing of products from countries outside of China, such as Vietnam and India, where the Covid-19 pandemic has negatively impacted our vendors and the ability to transport products to our markets;
- risks related to our recent leadership changes;
- our ability to attract and retain talented and diverse employees;
- our ability to realize the benefits of cost-savings and efficiency and/or revenue 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 production of entertainment due to strikes, lockouts or other union actions that could halt or delay productions;
- 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 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 U.S. Securities and Exchange Commission ("SEC") filings.

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



Supplemental Financial Data

Use of Non-GAAP Financial Measures

The financial tables accompanying this presentation include non-GAAP financial measures as defined under SEC rules, specifically Adjusted operating profit, Adjusted net earnings and Adjusted net earnings per diluted share, which exclude, where applicable, acquisition and related costs, acquired intangible amortization, loss on disposal of business and related costs, severance, UK Tax Reform, stock acceleration and net loss on Discovery investment. Also included in this press release are the non-GAAP financial measures of EBITDA and Adjusted EBITDA. EBITDA represents net earnings attributable to Hasbro, Inc. excluding interest expense, income tax expense, net earnings (loss) attributable to noncontrolling interests, depreciation and amortization of intangibles. Segment EBITDA represents segment operating profit (loss) plus other income or expense, less depreciation and amortization of intangibles. Adjusted EBITDA also excludes the impact of stock compensation (including stock acceleration expense and acquisition-related stock expense), acquisition-related costs, loss on disposal of business and related costs, severance and net loss on Discovery investment. As required by SEC rules, we have provided reconciliations on the attached schedules of these measures to the most directly comparable GAAP measure. Management believes that Adjusted net earnings, Adjusted net earnings per diluted share and Adjusted operating profit provide investors with an understanding of the underlying performance of our business absent unusual events. Management believes that EBITDA and Adjusted EBITDA are appropriate measures for evaluating the operating performance of our business because they reflect the resources available for strategic opportunities including, among others, to invest in the business, strengthen the balance sheet and make strategic acquisitions. 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.



Investing to Grow: Hasbro Brand Blueprint



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 leveraging Hasbro's industry-leading brands in toys, games and licensed merchandise.

Wizards of the Coast & Digital Gaming: Highly profitable business growing through player expansion, new games and new IP. Successfully doubled the size of Wizards by YE 2021, two years ahead of target.

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

Brand Blueprint Drives Profitable Growth Across Hasbro's Diversified Business

- Full year **double digit growth** in revenue, operating profit, earnings and adjusted EBITDA
- **Revenue growth** across segments, brand portfolios and geographies
- **2021 Best Year Ever** for Wizards of the Coast
- Furthered **eOne** integration with new Hasbro brand-led content campaigns and the launch of Hasbro products for **PEPPA PIG** and **PJ MASKS**
- Strengthened Balance Sheet, paying down over \$1B in long-term debt

Strong Financial Position

FY 2021 Net Revenues: \$6.42B, up 17%

FY Operating Profit: \$763.3M, or 11.9% of revenues

Adjusted Operating Profit*: \$995.2M, or 15.5% of revenues, up 20%

Net Earnings: \$428.7M, or \$3.10 per diluted share

Adjusted Net Earnings*: \$723.4M, or \$5.23 per diluted share, up 41%

EBITDA: \$1.04B

Adjusted EBITDA*: \$1.31B, up 23%

FY 2021 Operating Cash Flow: \$817.9M

- Paid \$374.5M in **Dividends** in the full year
- Repaid \$1.08B in **debt** in full year
- \$1.02B in **cash** at year end

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 31-36.



Q4 2021 snapshot



Net Revenues

\$2.01B up 17%

Operating Profit

As Reported **\$171.5M**
As Adjusted* **\$219.9M**

Net Earnings

As Reported **\$82.2M**
As Adjusted* **\$168.4M**

Earnings Per Share

As Reported **\$0.59** per diluted share
As Adjusted* **\$1.21** per diluted share

EBITDA

As Reported **\$203.9M**
As Adjusted* **\$306.5M**

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 31-36.

FY 2021

snapshot



Net Revenues

\$6.42B up 17%

Operating Profit

As Reported **\$763.3M**
As Adjusted* **\$995.2M** up 20%

Net Earnings

As Reported **\$428.7M**
As Adjusted* **\$723.4M** up 41%

Earnings Per Share

As Reported **\$3.10** per diluted share
As Adjusted* **\$5.23** per diluted share

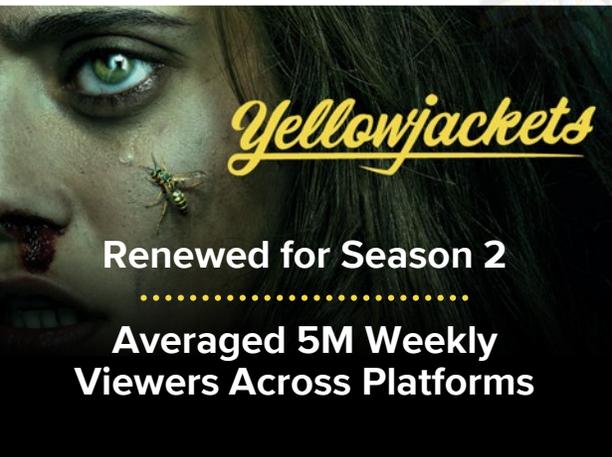
EBITDA

As Reported **\$1.04B**
As Adjusted* **\$1.31B**

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Hasbro Q4 2021 ANNOUNCEMENTS & HIGHLIGHTS





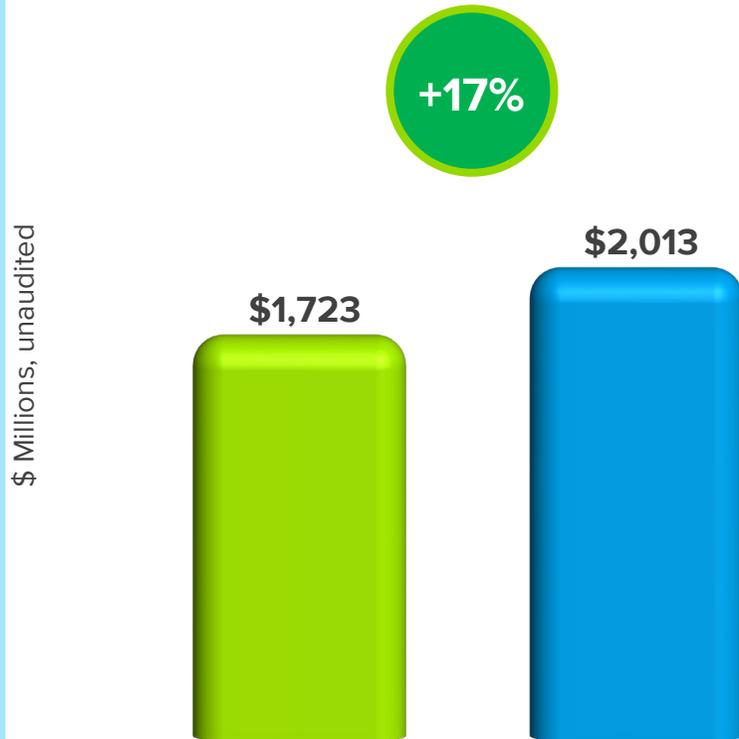
Chris Cocks

Appointed chief executive officer
and a member of Board of Directors.
Effective February 25, 2022

- Current President and Chief Operating Officer of Hasbro's Wizards of the Coast and Digital Gaming division
- Joined the Company in 2016

Fourth Quarter Net Revenue & Operating Profit Performance

NET REVENUES



Consumer Products segment +9%; **Wizards of the Coast & Digital Gaming** segment +18%; **Entertainment** segment +54%

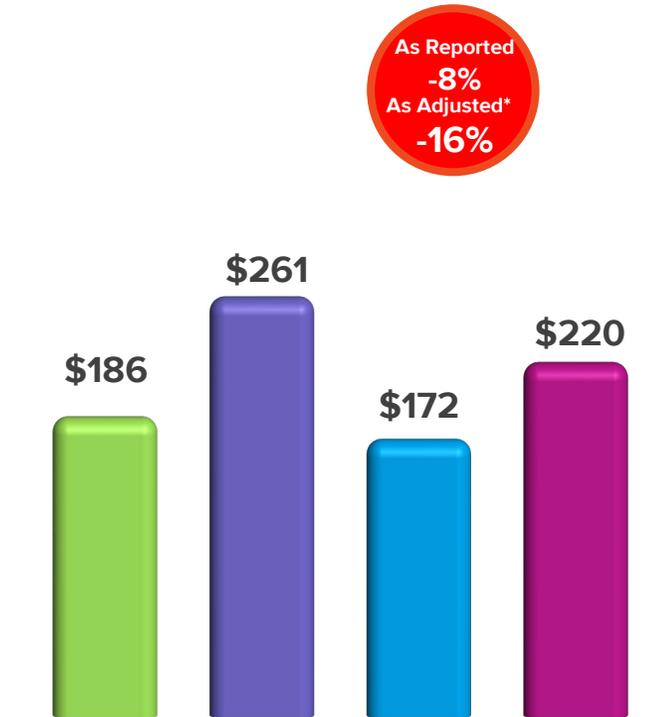
Revenues include a \$10M negative impact from Foreign Exchange

Q4 2021



4th Quarter Growth in **Franchise Brands, Partner Brands, Emerging Brands & TV/Film/Entertainment**

OPERATING PROFIT



- Mix shift to entertainment and consumer products, including growth in Partner Brands
- Increased advertising spend
- **Operating Profit Margin:** As Reported **8.5%**; As Adjusted* **10.9%**

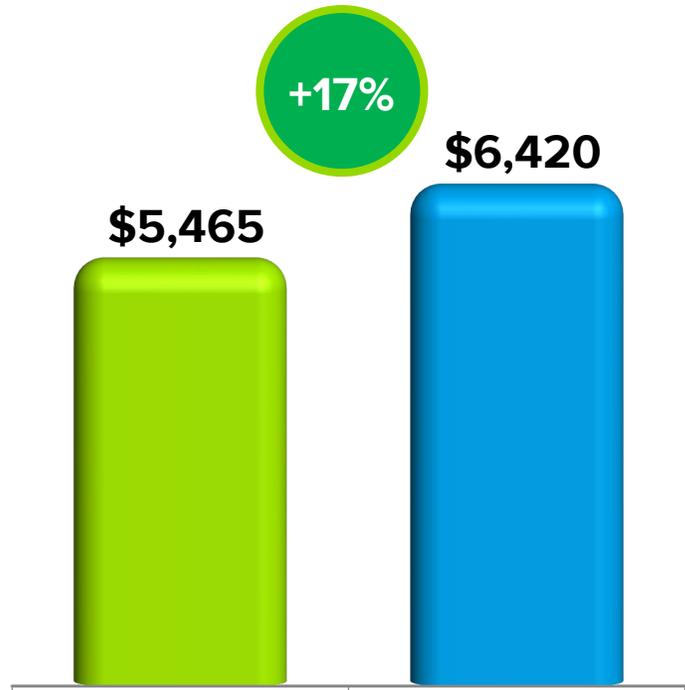
*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 33.



Full Year Net Revenue & Operating Profit Performance

NET REVENUES

\$ Millions, unaudited



Consumer Products segment +9%; **Wizards of the Coast & Digital Gaming** segment +42%; **Entertainment** segment +27%

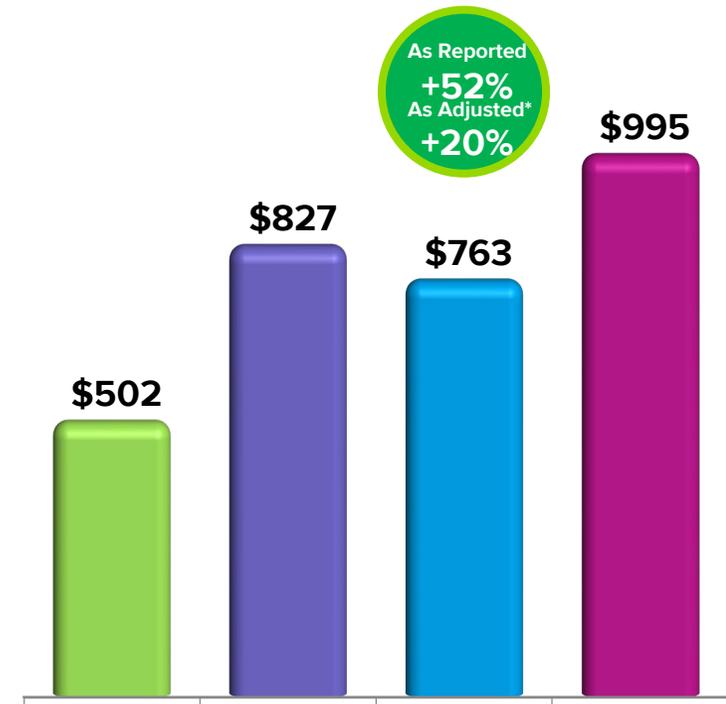
Revenues include a \$55M positive impact from Foreign Exchange

FY 2021



Full Year 2021 Growth in **Franchise Brands, Partner Brands, Hasbro Gaming, Emerging Brands & TV/Film/Entertainment**

OPERATING PROFIT



- Favorable Mix of Revenue
- Strategic Pricing to offset cost increases
- Investments in Innovation and advertising
- Operating Profit Margin FY 2021 As Reported 11.9%; As Adjusted* 15.5%

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 34.



Fourth Quarter and Full Year Brand Portfolio Performance

(\$Million, unaudited)	Q4 2021	Q4 2020	% Change	FY 2021	FY 2020	% Change
Franchise Brands	\$769	\$705	+9%	\$2,793	\$2,286	+22%
Partner Brands	\$394	\$350	+13%	\$1,161	\$1,079	+8%
Hasbro Gaming ¹	\$286	\$299	-4%	\$851	\$815	+4%
Emerging Brands	\$218	\$155	+41%	\$618	\$480	+29%
TV/Film/Entertainment	\$345	\$214	+61%	\$998	\$805	+24%
Total	\$2,013	\$1,723	+17%	\$6,420	\$5,465	+17%

Totals may not add up due to rounding

¹Hasbro'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 \$556M for Q4 2021, down 1% vs. \$561M for Q4 2020 and \$2.1B FY 2021, up 19% vs. \$1.8B FY 2020.

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

FRANCHISE BRANDS

MAGIC: THE GATHERING, MY LITTLE PONY, NERF, PLAY-DOH and TRANSFORMERS grew for the quarter and full year

PARTNER BRANDS

Growth driven primarily by Hasbro products for the Marvel portfolio, including the Spider-Man franchise; as well as Fortnite and Ghostbusters

HASBRO GAMING

Growth in DUNGEONS & DRAGONS, DUELMASTERS and HERO QUEST for the quarter and the full year; strong performance across the portfolio for the full year 2021

EMERGING BRANDS

Growth across the portfolio led by PEPPA PIG, PJ MASKS, GI JOE and FURREAL FRIENDS

TV/FILM/ENTERTAINMENT

Growth in Scripted and Unscripted TV; Film; and animated content



Fourth Quarter 2021 Major Expense Items

(\$ millions, unaudited)	Q4 2021	Q4 2020	% CHANGE YOY	Q4 2021 % OF REVENUE	NOTES
Cost of Sales	\$683	\$593	+15.2%	33.9%	Consumer Products and Wizards revenue growth; Higher freight and input costs partially offset by pricing, lower closeouts and allowances
Program Production Cost Amortization	\$232	\$119	+95.6%	11.5%	Higher content deliveries, driven by TV and Film growth
Royalties	\$228	\$183	+24.8%	11.3%	Higher Partner Brand and entertainment revenues
Product Development	\$87	\$85	+2.3%	4.3%	Wizards including digital gaming and Consumer Products innovation investments
Advertising	\$150	\$101	+48.0	7.4%	Higher spending in support of MAGIC: THE GATHERING tabletop and digital releases and Consumer Products holiday campaigns
Selling, Distribution & Administration, As Reported	\$428	\$366	+17%	21.3%	Higher depreciation, freight and compensation expense as well as cost savings
Selling, Distribution & Administration, As Adjusted*	\$405	\$370	+9.7%	20.1%	Adjusted SD&A down 130 basis points as percent of revenue; Higher depreciation, freight and compensation expense as well as cost savings. Adjusted to exclude Non-GAAP items

*A reconciliation of non-GAAP financial measures can be found on slides 31-36

Full Year 2021 Major Expense Items

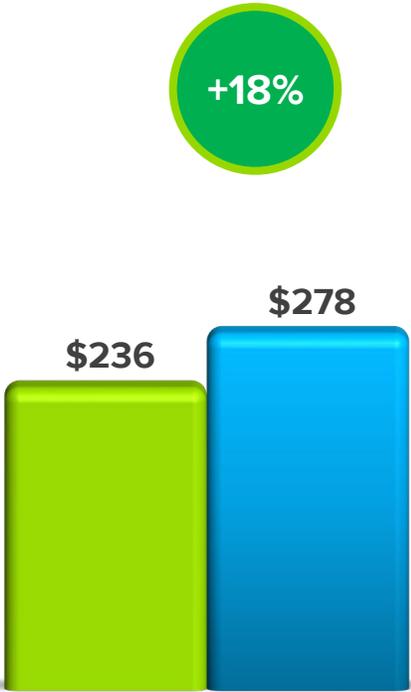
(\$ millions, unaudited)	FY 2021	FY 2020	% CHANGE YOY	FY 2021 % OF REVENUE	NOTES
Cost of Sales	\$1,927	\$1,719	+12.1%	30.0%	150 basis points lower as percent of revenue; favorable mix shift to MAGIC: THE GATHERING; lower closeouts and allowances in Consumer Products
Program Production Cost Amortization	\$629	\$387	+62.4%	9.8%	Growth in entertainment deliveries; In the 9-10% of revenue range as forecasted
Royalties	\$620	\$570	+8.8%	9.7%	High Partner Brand revenue, led by Marvel portfolio
Product Development	\$316	\$260	+21.7%	4.9%	Continued investments in tabletop and digital growth at Wizards and innovation across Hasbro brands
Advertising	\$507	\$413	+22.7	7.9%	Supporting Wizards tabletop and digital releases, <i>My Little Pony</i> animated feature, and higher spend to drive toy and game sales
Selling, Distribution & Administration, as Reported	\$1,433	\$1,252	+14%	22.3%	Higher freight expense; increased depreciation associated with Wizards digital games; higher compensation expense; benefit of cost savings
Selling, Distribution & Administration, as Adjusted*	\$1,395	\$1,244	+21%	21.7%	Adjusted SD&A declined 110 basis points as a percent of revenue; Higher freight expense; increased depreciation associated with Wizards digital games; higher compensation expense; benefit of cost savings; Adjusted to exclude Non-GAAP items

*A reconciliation of non-GAAP financial measures can be found on slides 31-36

Wizards of the Coast & Digital Gaming Segment

\$ Millions, unaudited

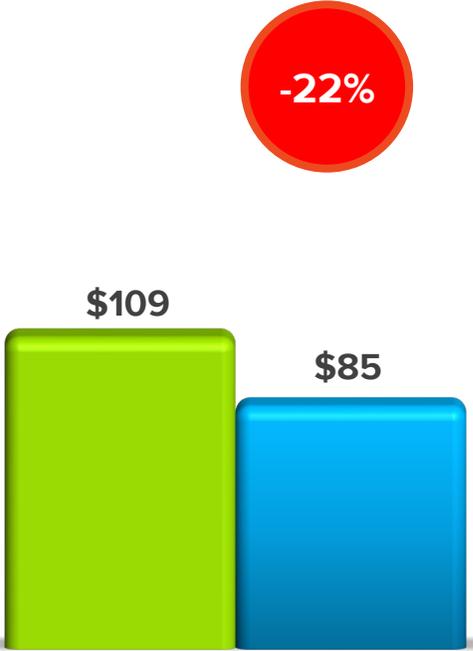
NET REVENUES



Q4 2021



OPERATING PROFIT



- Revenue growth in **MAGIC:THE GATHERING** and **DUNGEONS & DRAGONS**
- Growth in *Magic: The Gathering Arena* and *Dark Alliance*; **Licensed Digital Gaming** grew in the quarter

- Operating Profit declines due to higher development, administrative and advertising expenses in support of digital gaming initiatives



Wizards of the Coast & Digital Gaming Segment

NET REVENUES



FY
2021



OPERATING PROFIT



\$ Millions, unaudited

- **Wizards of the Coast** tops \$1B in revenues in FY 2021, doubling revenue two years ahead of target
- Tabletop revenues +44%, digital up 36%
- Revenue growth in **MAGIC:THE GATHERING** and **DUNGEONS & DRAGONS**
- Licensed Digital Games grew for the full year 2021

- Higher revenues drove increased **Operating Profit**, partially offset by higher development, depreciation and advertising expenses in support of new digital gaming initiatives
- **Operating Profit Margin 42.5%; Adjusted EBITDA*** grew 36%

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 35.



Consumer Products Segment

NET REVENUES

+9%



OPERATING PROFIT

+3%



Q4
2021

2020
2021

\$ Millions, unaudited

- Robust Demand
- Revenue upside limited by shipping constraints in the quarter
- Growth in **Franchise Brands, Partner Brands and Emerging Brands; Strong Growth in Licensing**

- **North America** POS up low single digits; **North America Games** POS up double digits and **Global Games** POS up slightly*; **Global Toy** POS down mid single digits; **Global** POS down low single digits

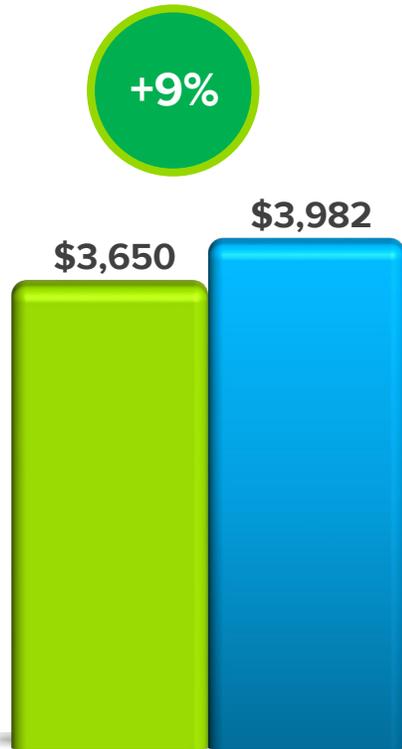
*does not include Magic: The Gathering or Dungeons & Dragons

- Operating Profit growth from price increases partially offset by significantly higher shipping and freight costs.
- Operating Profit improvement in Latin America and Asia Pacific regions



Consumer Products Segment

NET REVENUES



OPERATING PROFIT



\$ Millions, unaudited

- Revenue growth across Hasbro brands and product portfolio, including **Franchise Brands**, **Partner Brands** and **Emerging Brands**; **Hasbro Gaming** down slightly versus strong FY 2020; Category up versus 2019
- Revenue growth across all **geographic regions** and **Licensing**

- **North America** POS up low single digits; **Global Toy** POS down slightly; **Global Games** POS down vs. strong FY 2020**; **Global** POS down low single digits

**does not include Magic: The Gathering or Dungeons & Dragons

- **Operating Profit** growth driven by higher revenues and strategic pricing partially offset by higher freight and distribution expenses; **Operating Profit Margin** of 10.1%; **Adjusted EBITDA*** growth of 18%

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 35.



Consumer Products Segment Net Revenues by Geography

Strong Recovery
in
Latin America

(\$ Millions, unaudited)

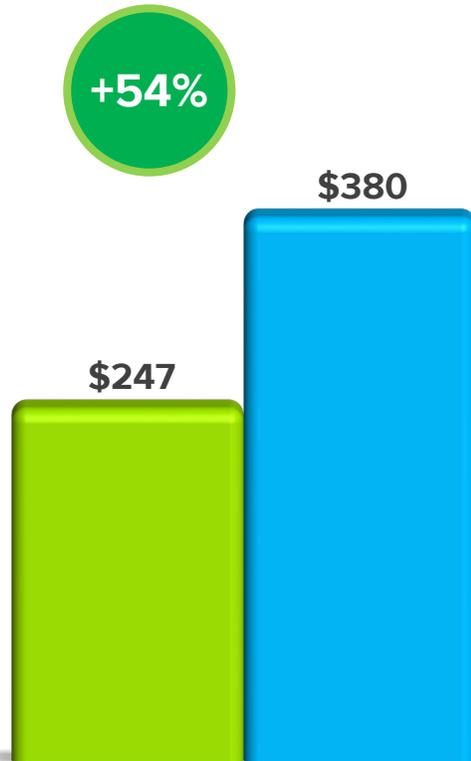
	Q4 2021	Q4 2020	% CHANGE	FY 2021	FY 2020	% CHANGE
NORTH AMERICA	\$757	\$681	+11%	\$2,316	\$2,116	+9%
EUROPE	\$399	\$374	+7%	\$1,068	\$989	+8%
ASIA PACIFIC	\$101	\$99	+3%	\$310	\$296	+5%
LATIN AMERICA	\$99	\$86	+15%	\$288	\$249	+16%
TOTAL SEGMENT	\$1,356	\$1,240	+9%	\$3,982	\$3,650	+9%



Entertainment Segment

NET REVENUES

\$ Millions, unaudited



+54%

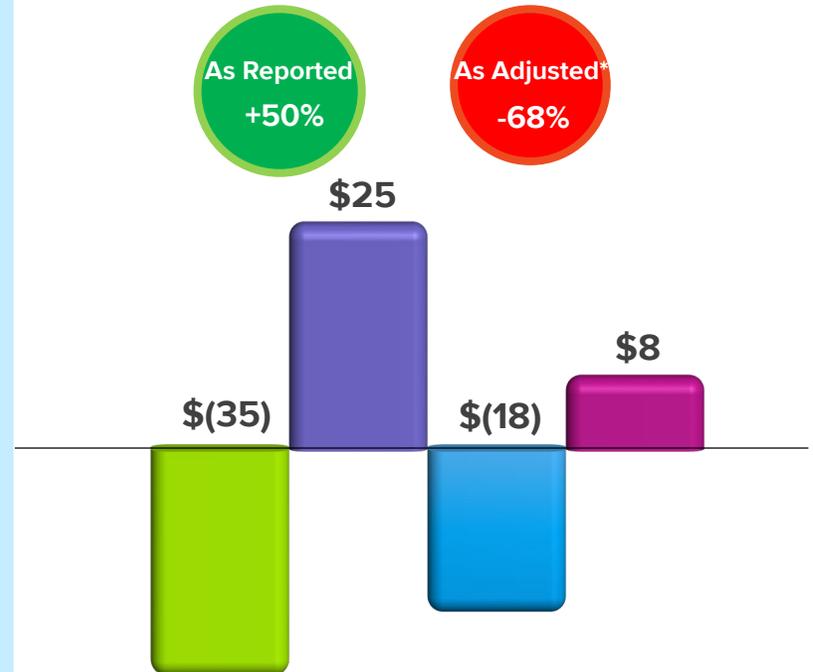
\$380

\$247

Q4 2021



OPERATING PROFIT (LOSS)



As Reported
+50%

As Adjusted*
-68%

\$(35)

\$25

\$(18)

\$8

- **Entertainment** segment revenues led by growth in TV & Film, primarily driven by scripted TV and the ramp up of unscripted deliveries
- Music Business Sold in Q3 2021

TV & Film deliveries for the quarter include:

TV: *Yellowjackets*, *Graymail* and *The Rookie*

Film: *Clifford the Big Red Dog* and *Mrs. Harris Goes to Paris*

- **Adjusted Operating Profit** decline from higher program cost amortization and mix of content deliveries in the quarter
- **Adjusted Operating Profit Margin*** of 2.2%

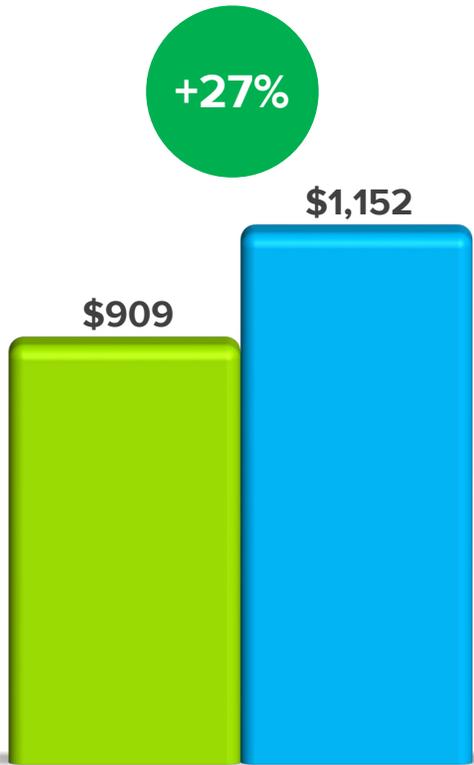
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Entertainment Segment

NET REVENUES

\$ Millions, unaudited



FY 2021



OPERATING PROFIT (LOSS)



Entertainment segment revenues increased behind strong production and content deliveries.

- Revenues up in TV & Film and Family Brands
- Sale of Music business completed at the beginning of Q3 2021

FY 2021 Revenues exceed 2019 levels**

**when adjusted for the sale of the Music business in Q3 2021

- **Adjusted Operating Profit** increase driven by higher revenues and lower administrative costs partially offset by higher program amortization and mix of revenue
- **Adjusted Operating Profit Margin*** of 8.9%; **Adjusted EBITDA*** growth of 76%

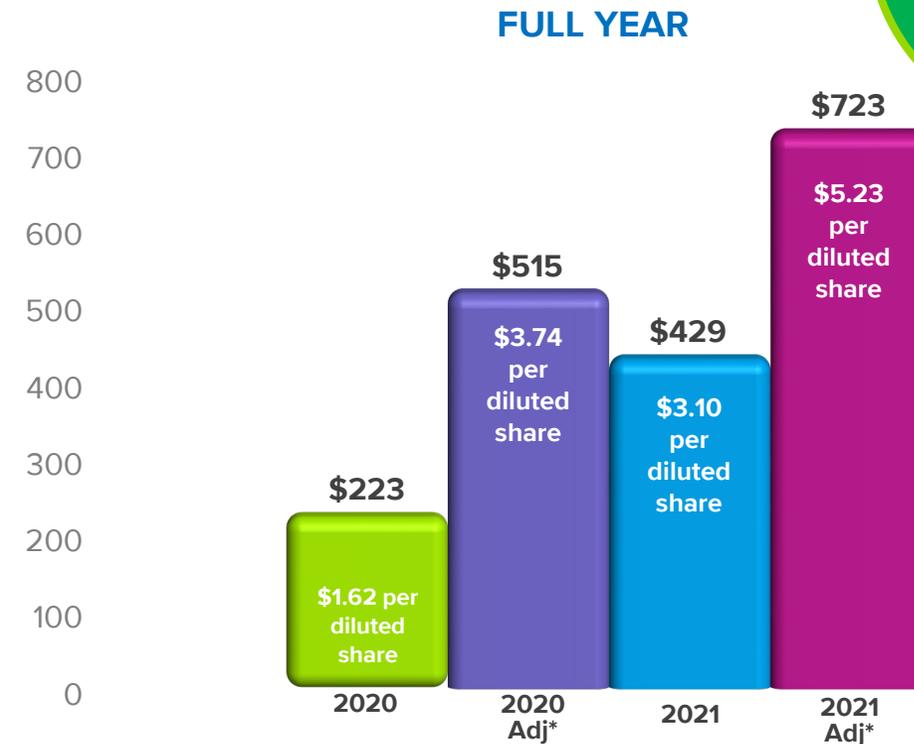
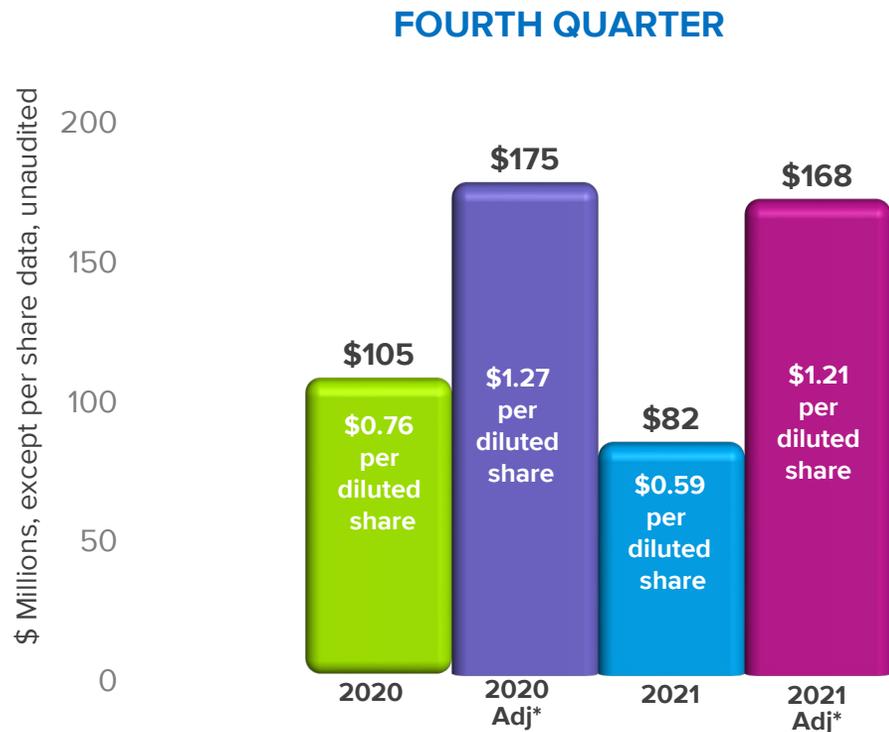
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Fourth Quarter and Full Year 2021 Net Earnings

Full Year 2021
Earnings Growth

As Reported +93%
As Adjusted +41%



Total Non-Operating, net: Q4 2021 \$83.6M

- Includes \$41.3M net of tax, non-cash, non-operating charge associated with Hasbro's investment in the Discovery Family Channel

Diluted Shares Q4 2021 138.7M vs. 137.8M Q4 2020

Underlying Tax Rate 16.9% Q4 2021 vs. 23.1% Q4 2020

Total Non-Operating, net : FY 2021 \$181.4M

- Includes \$41.3M net of tax, non-cash, non-operating charge associated with Hasbro's investment in the Discovery Family Channel

Diluted Shares FY 2021 138.4M vs. 137.6M FY 2020

Underlying Tax Rate 21.3% FY 2021 vs. 20.9% FY 2020



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Key Cash Flow & Balance Sheet Data

\$ Millions, unaudited	YEAR ENDED		NOTES
	DEC. 26, 2021	DEC. 27, 2020	
Cash	\$1,019	\$1,450	Maintain a strong cash position
Long-term Debt	\$3,824	\$4,660	Retired \$1.08B in long-term debt FY 2021
Depreciation	\$163	\$120	In-line with full year depreciation target
Amortization of Intangibles	\$117	\$145	Reflects eOne acquisition purchased intangibles
Program Spend, net	\$697	\$439	In-line with stated target of \$675-\$750M
Capital Expenditures	\$133	\$126	Below our full-year 2021 target of \$165-175M
Dividends Paid	\$375	\$373	\$0.68 per share quarterly dividend paid in Q4 2021; Dividend increased to \$0.70 per share, payable May 16, 2022
Operating Cash Flow	\$818	\$976	Continue to generate strong cash flow
Accounts Receivable	\$1,500	\$1,392	DSO 68 days, down 6 days YOY; Reflects growth in Entertainment and improved collections in International commercial markets
Inventory	\$552	\$396	YOY increase due to supply chain disruptions resulting in longer in-transit times- Inventory of very high quality; 2020 down versus 2019
Goodwill	\$3,420	\$3,692	Reflects sale of eOne Music in Q3 2021



Company Outlook

Medium Term

- Revenue growth in the mid-single digits on a compound annual basis, including mid-single growth in Consumer Products; high single digit to low double-digits growth in Wizards of the Coast & Digital Gaming and Entertainment segments
- By year end 2023 Adjusted Operating Profit margin expected to exceed 16% and Operating Cash Flow should reach approximately \$1B

Continued Growth in 2022

- Revenue and Operating Profit Growth in the low single digits
- Operating Cash Flow in the range of \$700-\$800M



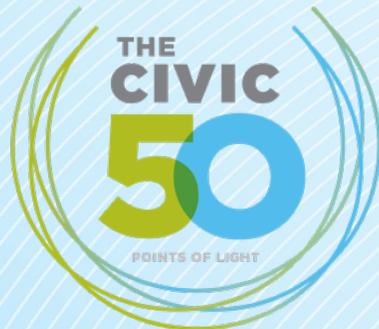
Our commitment to CSR reflects our desire to help build a safer, more **sustainable and inclusive company and world** for all.

Product & Content Safety

Environmental Responsibility

Human Rights & Ethical Sourcing

Culture & Human Capital Management



2021 Key ESG/CSR Achievements

Climate & Sustainability

- ✓ Set goal to make **Potato Head brand with plant-based or renewable materials** by end of **2024**. Transitioning all other **existing toys and games** to recycled or renewable materials by **2033**
- ✓ On track to **eliminate plastic in new product packaging** by end of **2022**
- ✓ Achieved 99.6% **Renewable Energy Goal** for Owned & Operated facilities
- ✓ Continued **Global Expansion** of first-in-industry **Toy Recycling** program, in **12 countries** at end of 2021
- ✓ Achieved **100% Supplier Participation** in **Higg Index** environmental assessment tool

Ethical Sourcing & Human Rights

- ✓ **Audited 100% of Third-party Vendors** annually for social compliance
- ✓ **Implemented Female Empowerment Program** in third-party factories

Philanthropy

- ✓ **Impacted millions of children and families** through programming, in-kind and financial support
- ✓ Supported **equitable access to education, pediatric physical and mental health, stability** in times of crisis, and DE&I programming

Diversity, Equity & Inclusion

- ✓ Made meaningful progress toward our **goal of achieving balanced gender representation for women in leadership globally** by 2025 or sooner
- ✓ Progressed toward our **25% representation goal for racially and ethnically diverse employees** in the US by 2025 or sooner
- ✓ Continued to **foster a culture of inclusion**. For example, provided **unconscious bias workshops** for employees. Nearly **70% of US employees** now trained





Supplemental Financial Information

Condensed Consolidated Balance Sheets

(Unaudited) (Millions of Dollars)

	<u>December 26, 2021</u>	<u>December 27, 2020</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,019.2	\$ 1,449.7
Accounts Receivable, Net	1,500.4	1,391.7
Inventories	552.1	395.6
Prepaid Expenses and Other Current Assets	656.4	609.6
Total Current Assets	<u>3,728.1</u>	<u>3,846.6</u>
Property, Plant and Equipment, Net	421.1	489.0
Goodwill	3,419.6	3,691.7
Other Intangible Assets, Net	1,172.0	1,530.8
Other Assets	1,297.0	1,260.3
Total Assets	<u>\$ 10,037.8</u>	<u>\$ 10,818.4</u>
LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY		
Short-Term Borrowings	\$ 0.8	\$ 6.6
Current Portion of Long-Term Debt	200.1	432.6
Accounts Payable and Accrued Liabilities	2,255.0	1,964.1
Total Current Liabilities	<u>2,455.9</u>	<u>2,403.3</u>
Long-Term Debt	3,824.2	4,660.0
Other Liabilities	670.7	794.0
Total Liabilities	<u>6,950.8</u>	<u>7,857.3</u>
Redeemable Noncontrolling Interests	23.9	24.4
Total Shareholders' Equity	<u>3,063.1</u>	<u>2,936.7</u>
Total Liabilities, Noncontrolling Interests and Shareholders' Equity	<u>\$ 10,037.8</u>	<u>\$ 10,818.4</u>



Condensed Statements of Operations

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

	Quarter Ended				Year Ended			
	December 26, 2021	% Net Revenues	December 27, 2020	% Net Revenues	December 26, 2021	% Net Revenues	December 27, 2020	% Net Revenues
Net Revenues	\$ 2,013.4	100.0%	\$ 1,722.9	100.0%	\$ 6,420.4	100.0%	\$ 5,465.4	100.0%
Costs and Expenses:								
Cost of Sales	683.1	33.9%	592.9	34.4%	1,927.5	30.0%	1,718.9	31.5%
Program Cost Amortization	232.5	11.5%	118.9	6.9%	628.6	9.8%	387.1	7.1%
Royalties	228.2	11.3%	182.9	10.6%	620.4	9.7%	570.0	10.4%
Product Development	86.6	4.3%	84.6	4.9%	315.7	4.9%	259.5	4.7%
Advertising	150.0	7.5%	101.3	5.9%	506.6	7.9%	412.7	7.6%
Amortization of Intangibles	26.5	1.3%	37.0	2.1%	116.8	1.8%	144.7	2.6%
Selling, Distribution and Administration	428.0	21.3%	366.4	21.3%	1,432.7	22.3%	1,252.1	22.9%
Loss on Disposal of Business	7.0	0.3%	-	0.0%	108.8	1.7%	-	0.0%
Acquisition and Related Costs	-	0.0%	52.6	3.1%	-	0.0%	218.6	4.0%
Operating Profit	171.5	8.5%	186.3	10.8%	763.3	11.9%	501.8	9.2%
Interest Expense	42.4	2.1%	47.4	2.8%	179.7	2.8%	201.1	3.7%
Other Expense (Income), Net	41.2	2.0%	0.3	0.0%	1.7	0.0%	(21.4)	-0.4%
Earnings before Income Taxes	87.9	4.4%	138.6	8.0%	581.9	9.1%	322.1	5.9%
Income Tax Expense	3.1	0.2%	32.4	1.9%	146.6	2.3%	96.7	1.8%
Net Earnings	84.8	4.2%	106.2	6.2%	435.3	6.8%	225.4	4.1%
Net Earnings (Loss) Attributable to Noncontrolling Interests	2.6	0.1%	1.0	0.1%	6.6	0.1%	2.9	0.1%
Net Earnings Attributable to Hasbro, Inc.	\$ 82.2	4.1%	\$ 105.2	6.1%	\$ 428.7	6.7%	\$ 222.5	4.1%
Per Common Share								
Net Earnings								
Basic	\$ 0.59		\$ 0.77		\$ 3.11		\$ 1.62	
Diluted	\$ 0.59		\$ 0.76		\$ 3.10		\$ 1.62	
Cash Dividends Declared	\$ 0.68		\$ 0.68		\$ 2.72		\$ 2.72	
Weighted Average Number of Shares								
Basic	138.3		137.4		138.0		137.3	
Diluted	138.7		137.8		138.4		137.6	



Condensed Consolidated Cash Flows

(Millions of Dollars) (Unaudited)

	Year Ended	
	December 26, 2021	December 27, 2020
Cash Flows from Operating Activities:		
Net Earnings	\$ 435.3	\$ 225.4
Other Non-Cash Adjustments	1,203.8	811.0
Changes in Operating Assets and Liabilities	(821.2)	(60.1)
Net Cash Provided by Operating Activities	<u>817.9</u>	<u>976.3</u>
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(132.7)	(125.8)
Acquisition, Net of Cash Acquired	-	(4,412.9)
Proceeds From Sale of Business, Net of Cash	378.5	-
Other	(3.8)	38.5
Net Cash Provided (Utilized) by Investing Activities	<u>242.0</u>	<u>(4,500.2)</u>
Cash Flows from Financing Activities:		
Proceeds from Long-Term Debt	144.0	1,112.6
Repayments of Long-Term Debt	(1,220.1)	(275.5)
Net Repayments of Short-Term Borrowings	(5.6)	(8.6)
Stock-Based Compensation Transactions	30.6	16.6
Dividends Paid	(374.5)	(372.7)
Payments Related to Tax Withholding for Share-Based Compensation	(13.7)	(6.0)
Redemption of Equity Instruments	-	(47.4)
Debt Extinguishment Costs	(9.1)	-
Other	(11.4)	(13.1)
Net Cash (Utilized) Provided by Financing Activities	<u>(1,459.8)</u>	<u>405.9</u>
Effect of Exchange Rate Changes on Cash	(30.6)	(12.7)
Cash and Cash Equivalents at Beginning of Year	<u>1,449.7</u>	<u>4,580.4</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,019.2</u>	<u>\$ 1,449.7</u>



SEGMENT OPERATING RESULTS- AS REPORTED and AS ADJUSTED-Q4 2021 (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 quarter ended December 27, 2020 are presented to align with the new reportable segments.

	Quarter Ended December 26, 2021			Quarter Ended December 27, 2020			% Change
	As Reported	Non-GAAP		As Reported	Non-GAAP		
		Adjustments	Adjusted		Adjustments	Adjusted	
Total Company Results							
External Net Revenues ⁽¹⁾	\$ 2,013.4	\$ -	\$ 2,013.4	\$ 1,722.9	\$ -	\$ 1,722.9	17%
Operating Profit	171.5	48.4	219.9	186.3	75.1	261.4	-16%
Operating Margin	8.5%	2.4%	10.9%	10.8%	4.4%	15.2%	
EBITDA	203.9	102.6	306.5	249.1	59.2	308.3	-1%
Segment Results							
<u>Consumer Products:</u>							
External Net Revenues ⁽²⁾	\$ 1,355.8	\$ -	\$ 1,355.8	\$ 1,239.8	\$ -	\$ 1,239.8	9%
Operating Profit	140.9	-	140.9	136.9	-	136.9	3%
Operating Margin	10.4%	-	10.4%	11.0%	-	11.0%	
EBITDA	173.0	9.0	182.0	180.1	10.2	190.3	-4%
<u>Wizards of the Coast and Digital Gaming:</u>							
External Net Revenues	\$ 277.9	\$ -	\$ 277.9	\$ 236.0	\$ -	\$ 236.0	18%
Operating Profit	84.7	-	84.7	108.9	-	108.9	-22%
Operating Margin	30.5%	-	30.5%	46.1%	-	46.1%	
EBITDA	103.6	3.4	107.0	111.6	2.6	114.2	-6%
<u>Entertainment:</u>							
External Net Revenues ⁽³⁾	\$ 379.7	\$ -	\$ 379.7	\$ 247.1	\$ -	\$ 247.1	54%
Operating Profit (Loss)	(17.5)	25.7	8.2	(35.0)	60.3	25.3	-68%
Operating Margin	-4.6%	6.8%	2.2%	-14.2%	24.4%	10.2%	
EBITDA	8.4	12.5	20.9	(21.7)	36.7	15.0	39%
<u>Corporate and Other:</u>							
Operating (Loss) Profit	\$ (36.6)	\$ 22.7	\$ (13.9)	\$ (24.5)	\$ 14.8	\$ (9.7)	-43%
EBITDA	(81.1)	77.7	(3.4)	(20.9)	9.7	(11.2)	70%

⁽¹⁾ Net Revenues by Brand Portfolio

	Quarter Ended		% Change
	December 26, 2021	December 27, 2020	
Franchise Brands	\$ 769.3	\$ 705.2	9%
Partner Brands	394.3	349.6	13%
Hasbro Gaming ⁽ⁱ⁾	286.1	298.5	-4%
Emerging Brands	218.4	155.3	41%
TV/Film/Entertainment	345.3	214.3	61%
Total	\$ 2,013.4	\$ 1,722.9	

⁽ⁱ⁾ 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 \$555.7 for the quarter ended December 26, 2021, down 1% from revenues of \$561.2 for the quarter ended December 27, 2020.

⁽²⁾ Consumer Products Segment Net Revenues by Major Geographic Region

	Quarter Ended		% Change
	December 26, 2021	December 27, 2020	
North America	\$ 756.8	\$ 681.3	11%
Europe	398.5	373.8	7%
Asia Pacific	101.4	98.5	3%
Latin America	99.1	86.2	15%
Total	\$ 1,355.8	\$ 1,239.8	

⁽³⁾ Entertainment Segment Net Revenues by Category

	Quarter Ended		% Change
	December 26, 2021	December 27, 2020	
Film and TV	\$ 346.4	\$ 186.0	86%
Family Brands	27.6	27.6	0%
Music and Other	5.7	33.5	-83%
Total	\$ 379.7	\$ 247.1	



SEGMENT OPERATING RESULTS- AS REPORTED and AS ADJUSTED-Full Year 2021

(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 full year ended December 27, 2020 are presented to align with the new reportable segments.

	Year Ended December 26, 2021			Year Ended December 27, 2020			% Change		Year Ended			
	As Reported	Non-GAAP Adjustments	Adjusted	As Reported	Non-GAAP Adjustments	Adjusted			December 26, 2021	December 27, 2020	% Change	
Total Company Results												
External Net Revenues ⁽⁴⁾	\$ 6,420.4	\$ -	\$ 6,420.4	\$ 5,465.4	\$ -	\$ 5,465.4	17%	(4) Net Revenues by Brand Portfolio	\$ 2,792.7	\$ 2,286.1	22%	
Operating Profit	763.3	231.9	995.2	501.8	324.9	826.7	20%	Franchise Brands	1,161.0	1,079.4	8%	
Operating Margin	11.9%	3.6%	15.5%	9.2%	5.9%	15.1%		Partner Brands	851.4	814.8	4%	
EBITDA	1,041.7	268.5	1,310.2	788.2	276.9	1,065.1	23%	Hasbro Gaming ⁽ⁱ⁾	617.6	480.4	29%	
								TV/Film/Entertainment	997.7	804.7	24%	
								Total	\$ 6,420.4	\$ 5,465.4		
Segment Results												
Consumer Products:												
External Net Revenues ⁽⁵⁾	\$ 3,981.6	\$ -	\$ 3,981.6	\$ 3,649.6	\$ -	\$ 3,649.6	9%	(5) Consumer Products Segment Net Revenues by Major Geographic Region	\$ 2,315.9	\$ 2,116.2	9%	
Operating Profit	401.4	-	401.4	308.1	-	308.1	30%	North America	1,067.7	989.2	8%	
Operating Margin	10.1%	-	10.1%	8.4%	-	8.4%		Europe	310.1	295.6	5%	
EBITDA	532.5	32.6	565.1	443.3	37.0	480.3	18%	Asia Pacific	287.9	248.6	16%	
								Latin America	\$ 3,981.6	\$ 3,649.6		
								Total				
Wizards & Digital Gaming:												
External Net Revenues	\$ 1,286.6	\$ -	\$ 1,286.6	\$ 906.7	\$ -	\$ 906.7	42%	(6) Entertainment Segment Net Revenues by Category	\$ 932.5	\$ 700.5	33%	
Operating Profit	547.0	-	547.0	420.4	-	420.4	30%	Film and TV	132.9	86.5	54%	
Operating Margin	42.5%	-	42.5%	46.4%	-	46.4%		Family Brands	86.8	122.1	-29%	
EBITDA	593.7	12.4	606.1	434.9	9.4	444.3	36%	Music and Other	\$ 1,152.2	\$ 909.1		
								Total				
Entertainment:												
External Net Revenues ⁽⁶⁾	\$ 1,152.2	\$ -	\$ 1,152.2	\$ 909.1	\$ -	\$ 909.1	27%					
Operating (Loss) Profit	(91.8)	193.9	102.1	(141.1)	231.2	90.1	13%					
Operating Margin	-8.0%	16.8%	8.9%	-15.5%	25.4%	9.9%						
EBITDA	33.5	128.8	162.3	(47.0)	139.4	92.4	76%					
Corporate and Other:												
Operating (Loss) Profit	\$ (93.3)	\$ 38.0	\$ (55.3)	\$ (85.6)	\$ 93.7	\$ 8.1	>-100%					
EBITDA	(118.0)	94.7	(23.3)	(43.0)	91.1	48.1	>-100%					

⁽ⁱ⁾ Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY, totaled \$2,098.9 for year ended December 26, 2021, up 19% from revenues of \$1,763.8 for year ended December 27, 2020.



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

Reconciliation of EBITDA and Adjusted EBITDA

	Quarter Ended		Year Ended	
	December 26, 2021	December 27, 2020	December 26, 2021	December 27, 2020
Net Earnings Attributable to Hasbro, Inc.	\$ 82.2	\$ 105.2	\$ 428.7	\$ 222.5
Interest Expense	42.4	47.4	179.7	201.1
Income Tax Expense	3.1	32.4	146.6	96.7
Net Earnings Attributable to Noncontrolling Interests	2.6	1.0	6.6	2.9
Depreciation	47.1	26.1	163.3	120.3
Amortization of Intangibles	26.5	37.0	116.8	144.7
EBITDA	\$ 203.9	\$ 249.1	\$ 1,041.7	\$ 788.2
Non-GAAP Adjustments and Stock Compensation ⁽¹⁾	102.6	59.2	268.5	276.9
Adjusted EBITDA	\$ 306.5	\$ 308.3	\$ 1,310.2	\$ 1,065.1
⁽¹⁾ Non-GAAP Adjustments and Stock Compensation are comprised of the following:				
Stock compensation (i)	\$ 41.6	\$ 9.7	\$ 96.2	\$ 49.9
Acquisition-related costs	-	52.6	-	218.6
Loss on disposal of business and related costs	7.0	-	118.3	-
Severance	-	(3.1)	-	8.4
Net Loss on Discovery Investment (ii)	54.0	-	54.0	-
Total	\$ 102.6	\$ 59.2	\$ 268.5	\$ 276.9

(i) Stock compensation includes non-gaap adjustments, consisting of: stock acceleration expense of \$20.9 in the quarter and year ended December 26, 2021; and acquisition-related stock expense of \$1.9 and \$7.7 in the quarter and year ended December 26, 2021, respectively.

(ii) The Company owns a 40% interest in a joint venture, Discovery Family Channel, with Discovery Communications, Inc. In the fourth quarter of 2021, the Company recorded an impairment of \$74.1. This resulted in a reduction to the Discovery Option Liability of \$20.1. Net loss of \$54.0 million (\$41.3 net of taxes)



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES-Reconciliation of EBITDA and Adjusted EBITDA by Segment
(Unaudited) (Millions of Dollars)

Reconciliation of EBITDA and Adjusted EBITDA-By Segment

Adjusted EBITDA by Segment:

Consumer Products	\$ 182.0	\$ 190.3	\$ 565.1	\$ 480.3
Wizards of the Coast and Digital Gaming	107.0	114.2	606.1	444.3
Entertainment	20.9	15.0	162.3	92.4
Corporate and Other	(3.4)	(11.2)	(23.3)	48.1
Total Adjusted EBITDA	\$ 306.5	\$ 308.3	\$ 1,310.2	\$ 1,065.1

Consumer Products:

Operating Profit	\$ 140.9	\$ 136.9	\$ 401.4	\$ 308.1
Other (Expense) Income	5.3	16.4	18.7	13.5
Depreciation	19.0	15.3	81.2	76.0
Amortization of Intangibles	7.8	11.5	31.2	45.7
EBITDA	173.0	180.1	532.5	443.3
Non-GAAP Adjustments and Stock Compensation	9.0	10.2	32.6	37.0
Adjusted EBITDA	\$ 182.0	\$ 190.3	\$ 565.1	\$ 480.3

Wizards of the Coast and Digital Gaming:

Operating Profit	\$ 84.7	\$ 108.9	\$ 547.0	\$ 420.4
Other (Expense) Income	(0.6)	0.4	(1.8)	5.4
Depreciation	19.5	2.3	48.5	9.1
EBITDA	103.6	111.6	593.7	434.9
Non-GAAP Adjustments and Stock Compensation	3.4	2.6	12.4	9.4
Adjusted EBITDA	\$ 107.0	\$ 114.2	\$ 606.1	\$ 444.3

Entertainment:

Operating Profit (Loss)	\$ (17.5)	\$ (35.0)	\$ (91.8)	\$ (141.1)
Other (Expense) Income	4.2	(15.1)	28.7	(14.3)
Depreciation	2.9	2.8	10.7	9.7
Amortization of Intangibles	18.8	25.6	85.9	98.7
EBITDA	8.4	(21.7)	33.5	(47.0)
Non-GAAP Adjustments and Stock Compensation	12.5	36.7	128.8	139.4
Adjusted EBITDA	\$ 20.9	\$ 15.0	\$ 162.3	\$ 92.4



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

Reconciliation of Net Earnings and Earnings per Share

	Quarter Ended			
	December 26, 2021	Diluted Per Share Amount	December 27, 2020	Diluted Per Share Amount
<i>(all adjustments reported after-tax)</i>				
Net Earnings Attributable to Hasbro, Inc.	\$ 82.2	\$ 0.59	\$ 105.2	\$ 0.76
Acquisition-related costs	1.6	0.01	47.9	0.35
Acquired intangible amortization	15.4	0.11	23.2	0.17
Loss on disposal of business and related costs	7.0	0.05	-	-
Severance	-	-	(2.8)	(0.02)
UK Tax Reform ⁽¹⁾	-	-	1.8	0.01
Stock Acceleration	20.9	0.15	-	-
Net Loss on Discovery Investment	41.3	0.30	-	-
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 168.4</u>	<u>\$ 1.21</u>	<u>\$ 175.3</u>	<u>\$ 1.27</u>
	Year Ended			
	December 26, 2021	Diluted Per Share Amount	December 27, 2020	Diluted Per Share Amount
<i>(all adjustments reported after-tax)</i>				
Net Earnings Attributable to Hasbro, Inc.	\$ 428.7	\$ 3.10	\$ 222.5	\$ 1.62
Acquisition-related costs	6.6	0.05	188.6	1.37
Acquired intangible amortization	70.4	0.51	80.7	0.59
Loss on disposal of business and related costs	116.1	0.84	-	-
Severance	-	-	7.4	0.05
UK Tax Reform ⁽¹⁾	39.4	0.28	15.4	0.11
Stock Acceleration	20.9	0.15	-	-
Net Loss on Discovery Investment	41.3	0.30	-	-
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 723.4</u>	<u>\$ 5.23</u>	<u>\$ 514.6</u>	<u>\$ 3.74</u>

⁽¹⁾ In the second quarter of 2021, the Company recorded income tax expense of \$39.4 as a result of the revaluation of the Company's UK deferred taxes in accordance with Finance Act 2021 enacted by the United Kingdom on June 10, 2021. Effective April 1, 2023, the new law increases the corporate income tax rate to 25% from 19%. At year end 2020, the Company recorded income tax expense of \$15.4 as a result of the revaluation of Hasbro's UK tax attributes in accordance with the Finance Act of 2020 enacted by the United Kingdom on July 22, 2020. Effective back to April 1, 2020, the law maintained the corporate income tax rate at 19% instead of the planned reduction to 17% that was previously enacted in the UK Finance Act of 2016.



2021 Cost of Sales

(Actual FX as Reported)

As a % of Revenue	
Revenue	100.0%
Cost of Sales	30.0%

Board/Paper/Print	7.6%	Labor	5.9%
Resins	4.7%	Factory Overhead	4.1%
Electronics / Metals	1.2%	Freight/Import Costs	3.5%
All Other	0.7%	Tooling	1.2%
		Inventory Variances	1.1%
Total	14.2%	Total	15.8%

