



# Fourth Quarter & Full-Year 2017 Earnings

February 7, 2018

# Safe Harbor

**FORWARD-LOOKING STATEMENTS:** This presentation contains forward-looking statements concerning management's expectations, goals, objectives and similar matters, which are subject to risks and uncertainties. These forward-looking statements may include comments concerning our product and entertainment plans, anticipated product performance, business opportunities, plans and strategies, costs, financial goals and expectations for our future financial performance and achieving our objectives, as well as the anticipated impact of foreign exchange rates. There are many factors that could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in these forward-looking statements, including consumer and retailer interest in and acceptance of our products and product lines, changes in marketing and business plans and strategies as well as future global economic conditions, including foreign exchange rates. Some of those factors are set forth in the Company's Annual Reports on Form 10-K, in the Company's Quarterly Reports on Form 10-Q, in the Company's Current Reports on Form 8-K, the risk factors in the earnings release for the fourth quarter and full-year 2017 and in the Company's other public disclosures.

In December 2017, the U.S. enacted the Tax Cuts and Jobs Act that provided significant changes to the U.S. tax code, including a one-time repatriation tax payable over eight years. As a result of the Act, the Company recognized a net charge of \$296.5 million. Given the significant complexities associated with the changes in the U.S. tax code, the estimated financial impact for the fourth-quarter and full year 2017 are provisional and subject to further analysis which could result in changes to this estimate during 2018 as further guidance is issued.

The Company undertakes no obligation to make any revisions to the forward-looking statements contained in this presentation to reflect events or circumstances occurring after the date of this presentation.

**REGULATION G:** Information required by Securities and Exchange Commission Regulation G, regarding non-GAAP financial measures, as well as other financial and statistical information, will be available at the time of the conference call on the Investor Relations' section of Hasbro's website at [investor.hasbro.com](http://investor.hasbro.com), under the subheading "Financial Information" – "Quarterly Results."



# Brand Blueprint



# Fourth Quarter Snapshot

- **Q4 2017 Net Revenues \$1.60B down 2% year-over-year;** Includes a \$44.3M favorable impact from foreign exchange
  - U.S. and Canada segment down 1%; International segment down 5%; Entertainment and Licensing segment up 7%
  - Emerging markets revenues decreased 5%
- **Fourth Quarter Brand Portfolio Performance**
  - Franchise Brands up 11%: Growth in TRANSFORMERS, MAGIC: THE GATHERING, NERF, MONOPOLY and MY LITTLE PONY
  - Partner Brands Revenues Declined 21%: BEYBLADE, MARVEL, SESAME STREET and DISNEY DESCENDANTS growth more than offset by declines primarily in STAR WARS, DREAMWORKS' TROLLS and YO-KAI WATCH
  - Hasbro Gaming down 4%: Growth across diverse brand portfolio offset by declines in PIE FACE and other brands
  - Emerging Brands down 5%: BABY ALIVE growth more than offset by declines in FURBY and PLAYSKOOL
- **Operating Profit \$271M in Q4 2017 vs. \$255M in Q4 2016**
  - Q4 2017 operating profit impacted by lower revenues, higher sales allowances and increased advertising
  - Q4 2016 operating profit includes a pre-tax \$32.9 million non-cash goodwill impairment charge
- **Net Earnings**
  - U.S. tax reform, passed in December 2017, resulted in a \$296.5 million net charge, or \$2.35 per diluted share
  - Adjusted Q4 17 net earnings, excluding the impact of tax reform, were \$291.2M, or \$2.30 per diluted share
  - Reported Q4 17 net loss of \$5.3M, or \$0.04 per diluted share
- **Strong Financial Position & Balance Sheet**
  - \$1.58B in cash at quarter end
  - Receivables and inventory in good position

# Full-Year 2017 Snapshot

- **FY 2017 Net Revenues \$5.2B up 4% year-over-year**, Includes a \$79.2M favorable impact from foreign exchange
  - U.S. and Canada segment up 5%; International segment up 2%; Entertainment and Licensing segment up 8%
  - Emerging markets revenues increased 5%

- **Full Year Brand Portfolio Performance**

- Franchise Brands up 10%: Growth in TRANSFORMERS, NERF, MONOPOLY and MY LITTLE PONY
- Partner Brands revenues declined 10%: BEYBLADE, MARVEL and SESAME STREET growth more than offset by declines including STAR WARS, YO-KAI WATCH and DISNEY FROZEN
- Hasbro Gaming up 10%: Growth across Hasbro's broad spectrum of gaming experiences
- Emerging Brands up 2%: BABY ALIVE and FURREAL FRIENDS main drivers

- **Operating Profit \$810M for FY 2017 vs. \$788M for FY 2016**

- FY 2017 operating profit margin essentially flat, declining 10 basis points to 15.6% versus 2016
- Cost management delivered good operating profit margin for the year
- FY 2016 operating profit includes a pre-tax \$32.9 million non-cash goodwill impairment charge

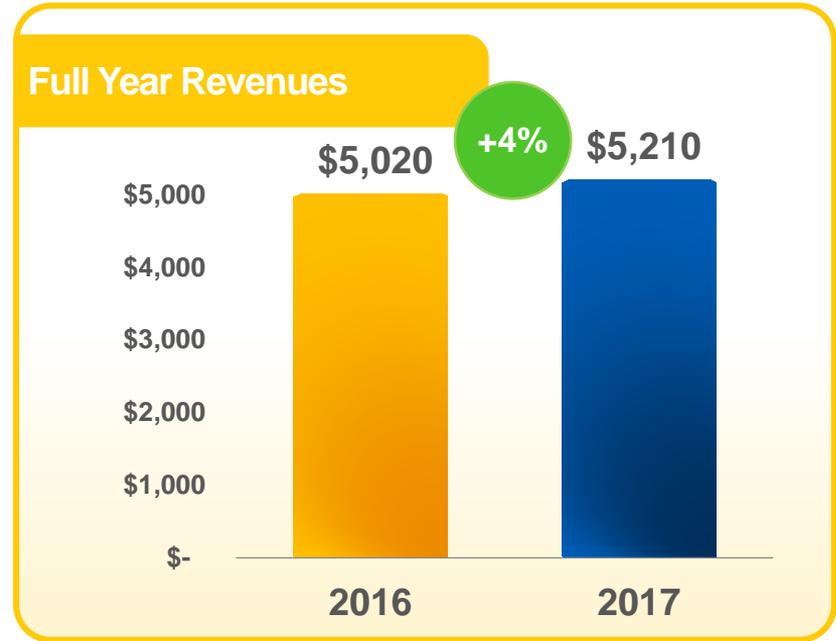
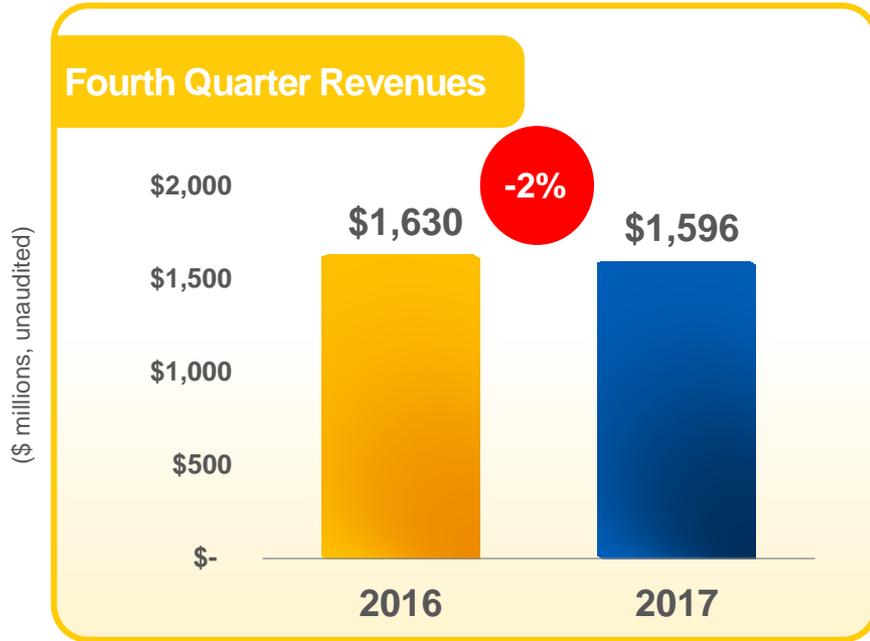
- **Net Earnings**

- U.S. tax reform, passed in December 2017, resulted in a \$296.5 million net charge, or \$2.33 per diluted share;
- Adjusted net earnings, excluding the impact of tax reform, were \$693.1 million or \$5.46 per share;
- Reported net earnings of \$396.6 million or \$3.12 per diluted share

- **Strong Financial Position & Balance Sheet**

- \$1.58B in cash at year end; Board approved 11% increase in quarterly dividend to \$0.63 per share
- \$724 million in operating cash flow; Returned \$427M to shareholders through dividend and share repurchases

# Fourth Quarter and Full Year Net Revenue Performance



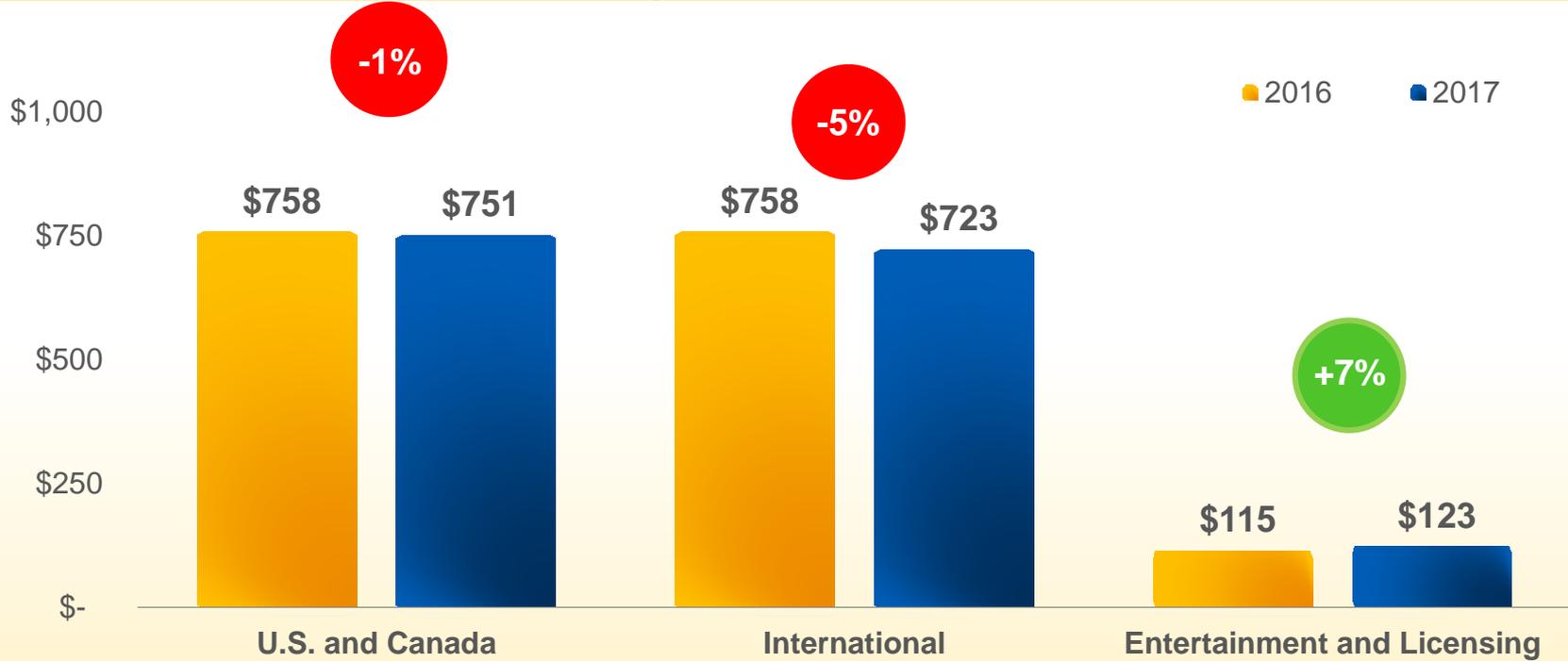
FY 2017 Revenue Growth in Each Operating Segment

FY 2017 Strong Consumer Takeaway Globally at Retail

FY 2017 Revenue Growth in Franchise Brands, Hasbro Gaming and Emerging Brands



# Fourth Quarter Segment Net Revenues



## U.S. and Canada

Growth in Franchise Brands and Emerging Brands; Inventory in good shape overall

## International

Growth in Franchise Brands and Hasbro Gaming; Working to clear excess retail inventory in Europe

## Entertainment and Licensing

Growth in Consumer Products and Digital Gaming



# Full Year Segment Net Revenues



## U.S. and Canada

Growth in Franchise Brands, Hasbro Gaming and Emerging Brands; Partner Brands down; Inventory in good shape overall

## International

Growth in Franchise Brands and Hasbro Gaming; Partner Brands and Emerging Brands down; Working to clear excess retail inventory in Europe

## Entertainment and Licensing

Growth in Consumer Products, Digital Gaming and the addition of Boulder Media



# International Segment Revenues

	Q4 2017 As Reported	Q4 2017 Absent FX	Full Year 2017 As Reported	Full Year 2017 Absent FX
Europe	-8%	-15%	-2%	-6%
Latin America	-6%	-9%	+5%	+2%
Asia Pacific	+13%	+10%	+12%	+11%
<b>International</b>	<b>-5%</b>	<b>-10%</b>	<b>+2%</b>	<b>-2%</b>

## International Segment Foreign Exchange Impact

Fourth Quarter 2017: +\$42.0M; FY 2017: +\$75.3M

Emerging Markets: Q4 17 down 5%; FY 2017 up 5%

- Absent FX, Q4 17 emerging markets down approximately 9%; up 2% FY 2017



# Fourth Quarter & Full Year Brand Portfolio Performance

(\$ millions, unaudited)	Q4 2017	Q4 2016	% Change	Full Year 2017	Full Year 2016	% Change
<b>Franchise Brands</b>	\$764	\$686	+11%	\$2,568	\$2,328	+10%
<b>Partner Brands</b>	343	434	-21%	1,272	1,413	-10%
<b>Hasbro Gaming*</b>	343	357	-4%	893	813	+10%
<b>Emerging Brands</b>	146	154	-5%	477	466	+2%
<b>Total</b>	<b>\$1,596</b>	<b>\$1,630</b>	<b>-2%</b>	<b>\$5,210</b>	<b>\$5,020</b>	<b>+4%</b>

**Total Gaming\*:**  
 Q4: \$546M, +5%  
 FY 2017: \$1.5B, +8%



\*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, totaled \$546M for Q4 2017, up 5% vs. \$519M in Q4 2016. Full year 2017 total gaming revenue totaled \$1.5B, up 8% vs. \$1.4B in full year 2016.

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



# Fourth Quarter Major Expense Items

(\$ millions, unaudited)	Q4 2017	Q4 2016	% Change YOY*	Q4 2017 % of Revenue
Cost of Sales	\$629	\$635	-1%	39.4%
Royalties	\$123	\$136	-10%	7.7%
Product Development	\$76	\$75	+1%	4.8%
Advertising	\$160	\$148	+8%	10.0%
Amortization of Intangibles	\$7	\$9	-24%	0.4%
Program Production Cost Amortization	\$20	\$18	+7%	1.2%
Selling, Distribution & Administration**	\$312	\$354	-12%	19.5%

\*Percent changes may not calculate due to rounding

\*\*Q4 2016 SD&A includes pre-tax \$32.9 million non-cash goodwill impairment charge



# Full Year Major Expense Items

(\$ millions, unaudited)	Full Year 2017	Full Year 2016	% Change YOY*	Full Year % of Revenue
Cost of Sales	\$2,034	\$1,905	+7%	39.0%
Royalties	\$405	\$410	-1%	7.8%
Product Development	\$269	\$266	+1%	5.2%
Advertising	\$502	\$469	+7%	9.6%
Amortization of Intangibles	\$29	\$35	-17%	0.6%
Program Production Cost Amortization	\$36	\$36	-0.4%	0.7%
Selling, Distribution & Administration	\$1,125	\$1,111	+1%	21.6%

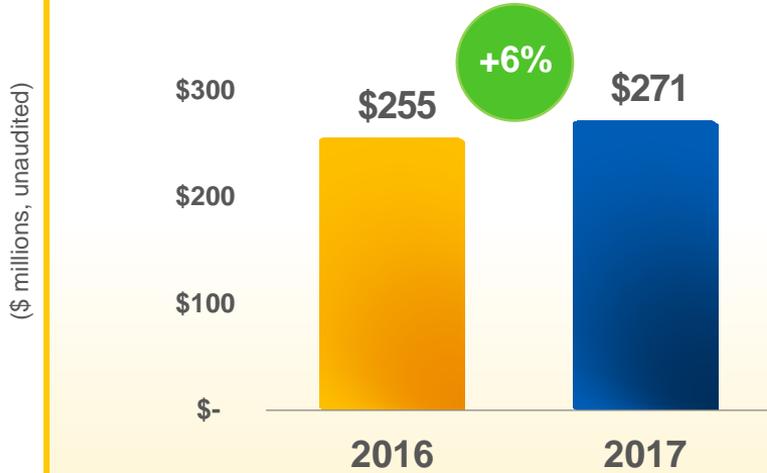
\*Percent changes may not calculate due to rounding

\*\*FY 17 SD&A includes bad debt expense associated with the Toys“R”Us bankruptcy filing in the U.S. and Canada; Q4 2016 SD&A includes pre-tax \$32.9 million non-cash goodwill impairment charge

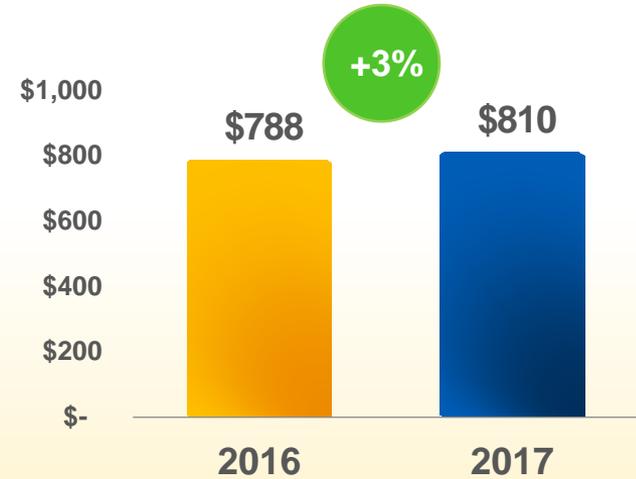


# Fourth Quarter and Full Year Operating Profit

## As Reported Fourth Quarter Operating Profit



## As Reported Full Year Operating Profit



Q4 2017 Operating Profit Margin 17.0% vs 15.7% in Q4 2016

Less favorable product mix & higher advertising offset lower incentive compensation expense; Q4 2016 includes goodwill impairment

FY 2017 Operating Profit Margin 15.6% vs 15.7% in FY 2016

Cost management delivered good operating profit margin for the year; FY 2016 includes goodwill impairment

# Non-OP

Other Expense (income), net	FY2017	FY 2016	FY 2015
Interest Income	\$(22.2)	\$(9.4)	\$(3.1)
Foreign Currency (Gains) Losses	(1.3)	\$32.9	\$16.1
Earnings from Discovery Family Channel	(23.3)	(23.8)	(19.0)
Revaluation of Tax Sharing Liability	(19.9)	--	--
Sale of Manufacturing Facilities	--	--	(6.6)
Gain on Sale of Certain Assets	--	--	(2.8)
Gain on Certain Investments	(3.3)	(6.2)	--
Other	(4.1)	4.6	6.3
<b>Total*</b>	<b>\$(74.1)</b>	<b>\$(1.8)</b>	<b>\$(9.1)</b>

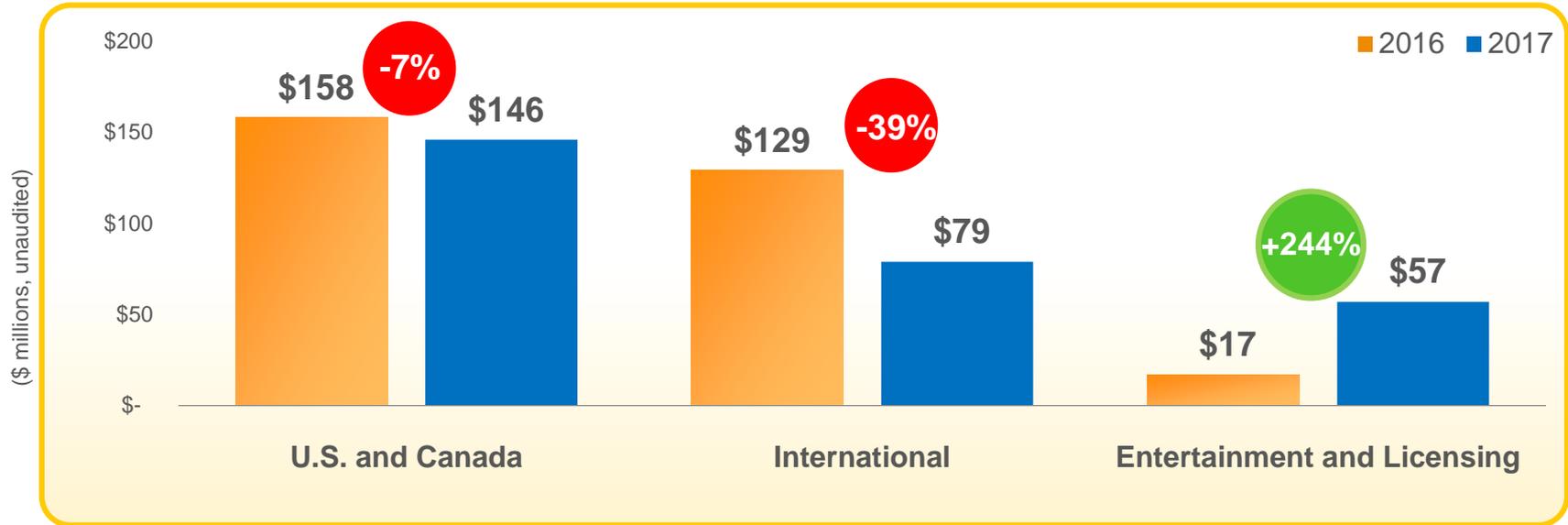
\*May not total due to rounding for presentation format



## 2017 Drivers

- 2017 Foreign Currency Gain versus loss in 2016
- Higher interest income from higher cash balances
- Gain on revaluation of tax sharing liability as a result of U.S. Tax Reform.

# Fourth Quarter Segment Operating Profit



## U.S. and Canada

Operating profit margin 19.5% vs. 20.9% in Q4 16; Lower revenue, higher tooling expense and advertising offset by benefit of lower royalty and administrative expense

## International

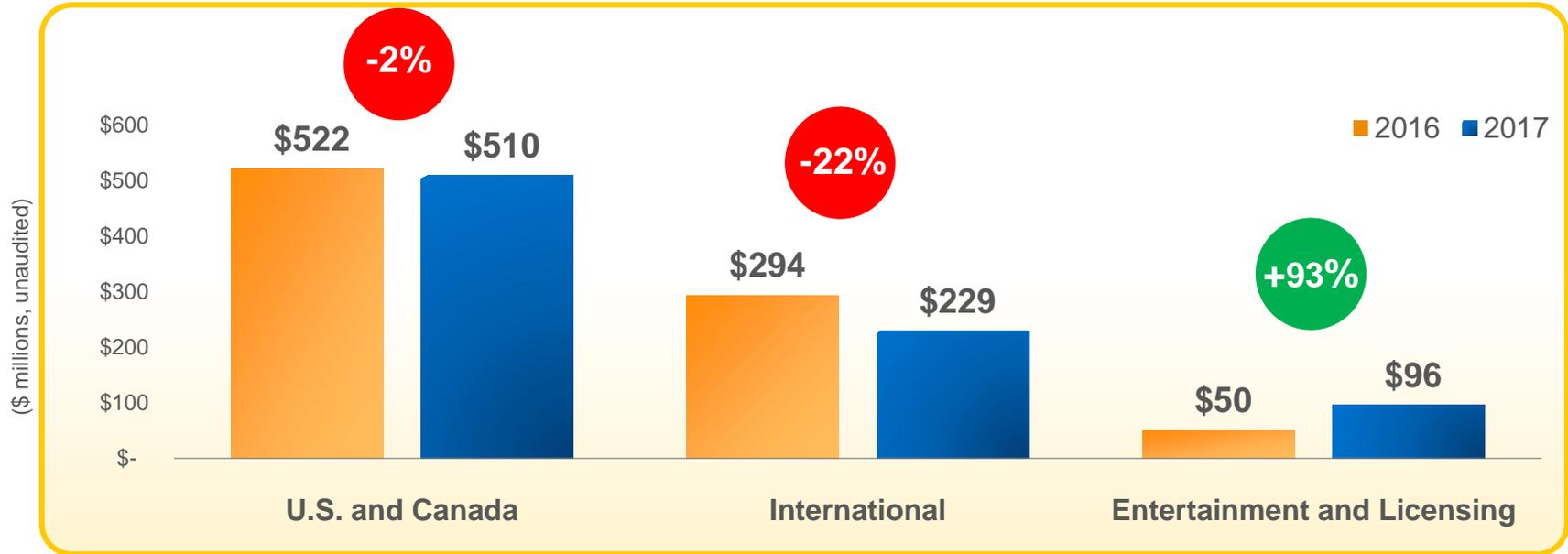
Operating profit margin 11.0% vs. 17.0% in Q4 16; Lower revenue, higher sales allowances, less favorable product mix and negative expense impact of FX partly offset by lower compensation, marketing and admin costs

## Entertainment and Licensing

Operating profit margin 46.2% vs. 14.4% in Q4 16; Absent 2016 goodwill impairment charge, Q4 16 operating profit margin 43.0%



# Full Year Segment Operating Profit



## U.S. and Canada

Operating profit margin 19.0% vs. 20.4% in FY16; Driven by less favorable product mix, increased advertising, TRU bad debt expense

## International

Operating profit margin 10.2% vs. 13.4% in FY16; Decline driven by higher sales allowances and unfavorable product mix

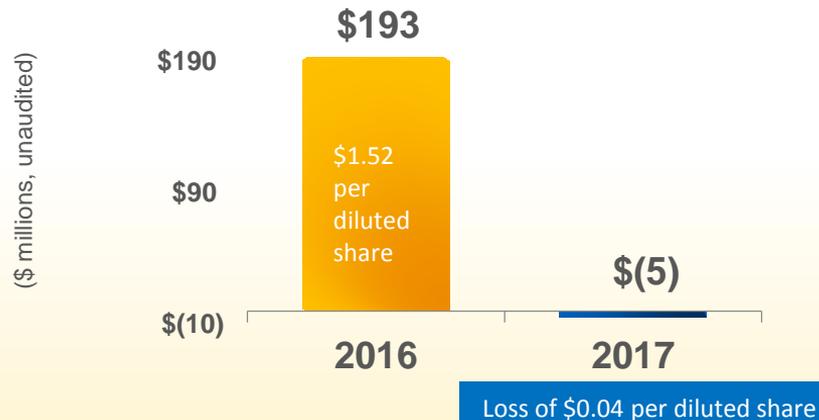
## Entertainment and Licensing

Operating profit margin 33.8% vs. 18.8% in FY16; Absent 2016 goodwill impairment charge, FY 16 operating profit margin 31.2%

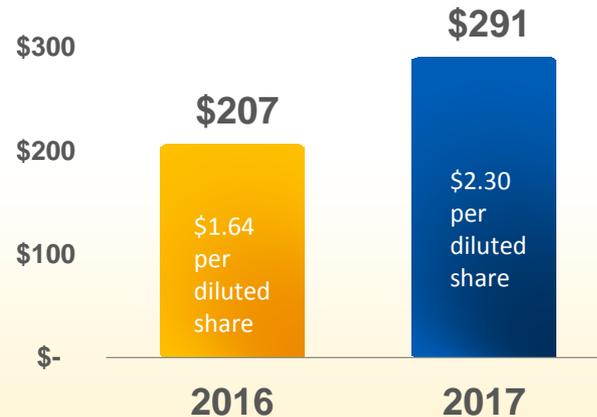


# Fourth Quarter Net Earnings Attributable to Hasbro, Inc.

## As Reported Q4 Net Earnings



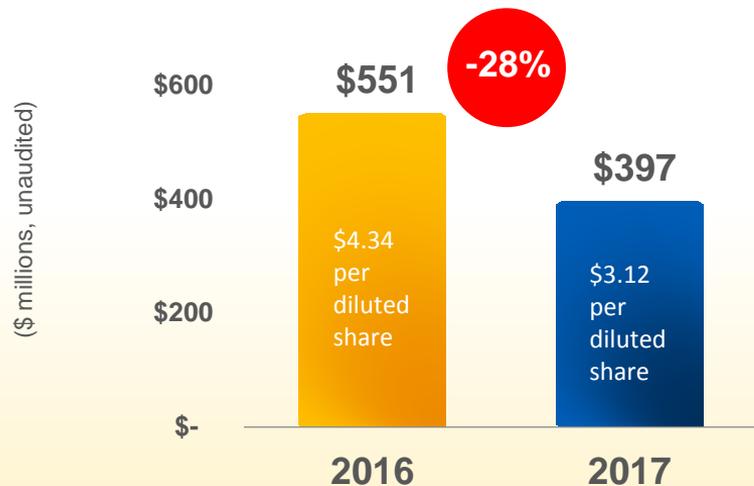
## As Adjusted Q4 Net Earnings



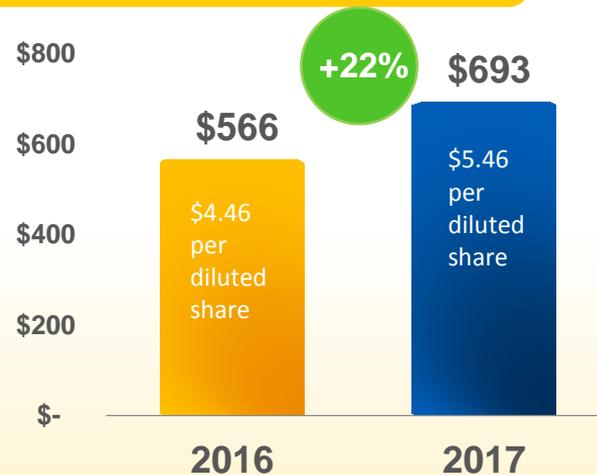
- 2017 fourth quarter net earnings include a net Charge of \$297M or \$2.35 per diluted share related to U.S. tax reform
  - Net charge included a provisional charge of \$316.4M recognized in income tax expense
  - Gain of \$19.9M in other income associated with U.S. tax reform
- 2016 fourth quarter net earnings include a post-tax \$14.7 million, or \$0.12 per diluted share, non-cash goodwill impairment charge related to Backflip Studios

# Net Earnings Attributable to Hasbro, Inc.

## As Reported Full Year Net Earnings



## As Adjusted Full Year Net Earnings



- 2017 full-year net charge of \$297M or \$2.33 per diluted share related to U.S. tax reform
  - Net charge included a provisional charge of \$316.4M recognized in income tax expense
  - Gain of \$19.9M in other income associated with U.S. tax reform
- 2016 net earnings include a post-tax \$14.7 million, or \$0.12 per diluted share, non-cash goodwill impairment charge related to Backflip Studios
 

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- Full-year 2017 Underlying Tax Rate of 19.9% vs. 24.5% in FY 2016

# Key Cash Flow & Balance Sheet Data

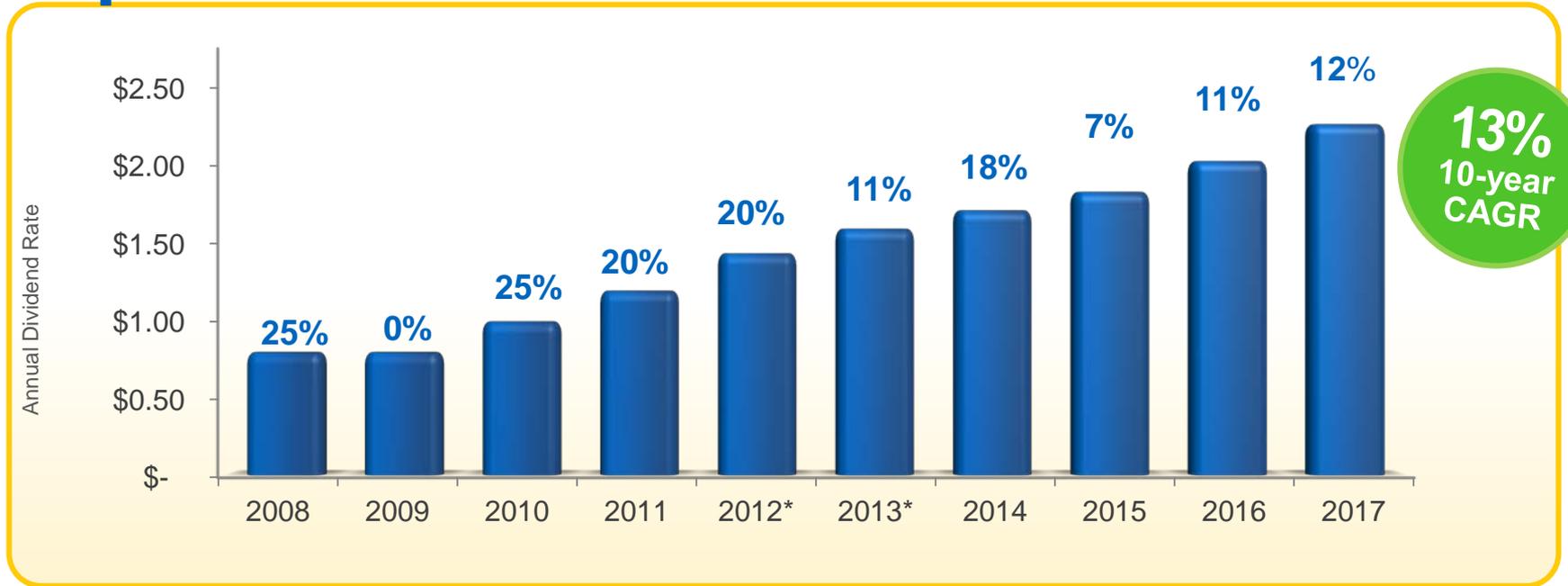
(\$ millions, unaudited)	Dec. 31, 2017	Dec. 25, 2016	Notes
Cash	\$1,581	\$1,282	Strong cash position
Depreciation	\$143	\$120	Increased depreciation of IT systems
Amortization of Intangibles	\$29	\$35	In line with full-year target of \$29M
TV Program and Film Spending	\$33	\$49	Continued investment in TV programming and film
Capital Expenditures	\$135	\$155	Below guidance for the full year
Dividends Paid	\$277	\$249	In February 2018, quarterly dividend increased 11% to \$0.63 per share. Payable on May 15, 2018.
Stock Repurchase	\$150	\$151	\$178M remains in authorization at year end
Operating Cash Flow	\$724	\$817	Generating strong cash flow
Accounts Receivable	\$1,405	\$1,320	DSOs up 6 days to 79 days; Increase due to TRU, collection timing and FX
Inventory	\$433	\$388	Inventory up +12%, up 5% absent FX; In good condition



# Capital Priorities

- Invest in the long-term profitable growth of Hasbro
- Return excess cash to shareholders through dividend and stock repurchase program
- Committed to goal of maintaining an investment grade rating and access to commercial paper market

# Capital Priorities: Dividend



*% reflects increase in quarterly dividend rate*

**11%**  
2018 Quarterly  
Dividend Increase

**Dividend in 14  
of last 15 years**

**10 Years  
\$1.9B**



\*2012 and 2013 annual dividend rates have been adjusted to move accelerated payment paid in 2012 to 2013

# Capital Priorities: Share Repurchase



FY 2017 End  
**\$178M Remains**

Q4 2017 Repurchases  
**\$39M; FY 2017  
\$150M**

10 Years  
**\$2.6B**

# Corporate Social Responsibility



## Focus Areas

Product Safety

Human Rights & Ethical Sourcing

Environmental Sustainability

Diversity & Inclusion



# Supplementary Financial Information

# Fourth Quarter and Full Year Consolidated Statements of Operations

(\$ millions, unaudited)	Quarter Ended				Full Year Ended			
	Dec. 31, 2017	% Net Revenues	Dec. 25, 2016	% Net Revenues	Dec. 31, 2017	% Net Revenues	Dec. 25, 2016	% Net Revenues
<b>Net Revenues</b>	<b>\$1,596</b>	<b>100.0%</b>	<b>\$1,630</b>	<b>100.0%</b>	<b>\$5,210</b>	<b>100.0%</b>	<b>\$5,020</b>	<b>100.0%</b>
Cost of Sales	629	39.4%	635	38.9%	2,033	39.0%	1,905	38.0%
Royalties	123	7.7%	136	8.3%	405	7.8%	410	8.2%
Product Development	76	4.8%	75	4.6%	269	5.2%	266	5.3%
Advertising	160	10.0%	148	9.1%	502	9.6%	469	9.3%
Amortization of Intangibles	7	0.4%	9	0.5%	29	0.6%	35	0.7%
Program Production Cost Amortization	20	1.2%	18	1.1%	36	0.7%	36	0.7%
Selling, Distribution & Administration	312	19.5%	354	21.7%	1,125	21.6%	1,111	22.1%
<b>Operating Profit</b>	<b>271</b>	<b>17.0%</b>	<b>255</b>	<b>15.7%</b>	<b>810</b>	<b>15.6%</b>	<b>788</b>	<b>15.7%</b>
Interest Expense	25	1.5%	25	1.5%	98	1.9%	97	1.9%
Other (Income) Expense, Net	(32)	-2.0%	10	0.6%	(74)	-1.4%	(2)	0.0%
<b>Earnings Before Income Taxes</b>	<b>279</b>	<b>17.5%</b>	<b>220</b>	<b>13.5%</b>	<b>786</b>	<b>15.1%</b>	<b>692</b>	<b>13.8%</b>
Income Taxes	284	17.8%	39	2.4%	390	7.5%	159	3.2%
<b>Net Earnings (Loss)</b>	<b>(5)</b>	<b>-0.3%</b>	<b>181</b>	<b>11.1%</b>	<b>397</b>	<b>7.6%</b>	<b>533</b>	<b>10.6%</b>
Net Loss Attributable to Noncontrolling Interests	-	0%	(12)	(0.7)%	-	0%	(18)	(0.4)%
<b>Net Earnings (Loss) Attributable to Hasbro, Inc.</b>	<b>\$(5)</b>	<b>-0.3%</b>	<b>\$193</b>	<b>11.8%</b>	<b>\$397</b>	<b>7.6%</b>	<b>\$551</b>	<b>11.0%</b>
<b>Diluted EPS</b>	<b>\$(0.04)</b>		<b>\$1.52</b>		<b>\$3.12</b>		<b>\$4.34</b>	



# Condensed Consolidated Balance Sheets

(\$ millions, unaudited)	December 31, 2017	December 25, 2016
Cash & Cash Equivalents	\$1,581	\$1,282
Accounts Receivable, Net	1,405	1,320
Inventories	433	388
Other Current Assets	214	238
<b>Total Current Assets</b>	<b>3,634</b>	<b>3,228</b>
Property, Plant & Equipment, Net	260	268
Other Assets	1,396	1,596
<b>Total Assets</b>	<b>\$5,290</b>	<b>\$5,091</b>
Short-term Borrowings	155	173
Current Portion of long-term debt	-	350
Payables & Accrued Liabilities	1,097	1,096
<b>Total Current Liabilities</b>	<b>1,252</b>	<b>1,618</b>
Long-term Debt	1,694	1,199
Other Liabilities	514	389
<b>Total Liabilities</b>	<b>3,460</b>	<b>3,206</b>
Redeemable Noncontrolling Interests	-	23
Total Shareholders' Equity	1,830	1,863
<b>Total Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity</b>	<b>\$5,290</b>	<b>\$5,091</b>



# Condensed Consolidated Cash Flow-Full Year Ended

(\$ millions, unaudited)

	December 31, 2017	December 25, 2016
<b>Net Cash Provided by Operating Activities</b>	<b>\$724</b>	<b>\$817</b>
<b>Cash Flows from Investing Activities:</b>		
Additions to Property, Plant and Equipment	(135)	(155)
Acquisitions	-	(12)
Other	3	29
<b>Net Cash Utilized by Investing Activities</b>	<b>(131)</b>	<b>(138)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Borrowings with Maturity Greater than 3 Months	494	-
Repayments of Borrowings with Maturity Greater than 3 Months	(350)	-
Net Proceeds from (Repayments of) Short-term Borrowings	(18)	9
Purchases of Common Stock	(151)	(150)
Stock-based Compensation Transactions	29	42
Dividends Paid	(277)	(249)
Employee Taxes Paid for Shares Withheld	(32)	(22)
Other	(7)	(6)
<b>Net Cash Utilized by Financing Activities</b>	<b>(312)</b>	<b>(375)</b>
Effect of Exchange Rate Changes on Cash	18	2
Cash and Cash Equivalents at Beginning of Year	1,282	977
<b>Cash and Cash Equivalents at End of the Year</b>	<b>\$1,581</b>	<b>\$1,282</b>

Certain reclassifications have been made to the prior year cash flow statement to conform to the current year presentation.



# Supplemental Financial Data

## Reconciliation of Non-GAAP Financial Measures (Unaudited)

### Net Earnings and Earnings per Share Excluding the Impact of Tax Reform and Goodwill Impairment

	Quarter Ended			
	Dec. 31, 2017	Diluted Per Share Amount <sup>(1)</sup>	Dec. 25, 2016	Diluted Per Share Amount
Net Earnings (Loss) Attributable to Hasbro, Inc., as Reported	\$ (5,298)	\$ (0.04)	\$ 192,725	\$ 1.52
Impact of Tax Reform	296,512	2.35	-	-
Goodwill Impairment Charge	-	-	14,674	0.12
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 291,214</u>	<u>\$ 2.30</u>	<u>\$ 207,399</u>	<u>\$ 1.64</u>

<sup>(1)</sup> Diluted Per Share Amount for the impact of tax reform and net earnings, as adjusted, for Q4 2017 are calculated using dilutive shares of 126,369 for the quarter.

	Year Ended			
	Dec. 31, 2017	Diluted Per Share Amount	Dec. 25, 2016	Diluted Per Share Amount
Net Earnings Attributable to Hasbro, Inc., as Reported	\$ 396,607	\$ 3.12	\$ 551,380	\$ 4.34
Impact of Tax Reform	296,512	2.33	-	-
Goodwill Impairment Charge	-	-	14,674	0.12
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 693,119</u>	<u>\$ 5.46</u>	<u>\$ 566,054</u>	<u>\$ 4.46</u>

The line items impacted by tax reform and the goodwill impairment charge as well as these line items excluding these amounts as a percentage of revenues is as follows:

	2017	As Reported	% Net Revenues	Less Impact of Tax Reform	Excluding Impact of Tax Reform	% Net Revenues
<b>Quarter Ended December 31, 2017</b>						
Other (Income) Expense, Net	\$	(32,014)	-2.0%	\$ 19,911 (1a)	\$ (12,103)	-0.8%
Income Taxes		283,884	17.8%	(316,423) (1b)	(32,539)	-2.0%
<b>Year Ended December 31, 2017</b>						
Other (Income) Expense, Net	\$	(74,059)	-1.4%	\$ 19,911 (1a)	\$ (54,148)	-1.0%
Income Taxes		389,543	7.5%	(316,423) (1b)	73,120	1.4%

(1) As a result of the U.S. tax reform that was passed in December 2017, the Company made the following non-operating adjustments to its financials:

- (1a) An estimated gain of \$19.9 million related to a change in the value of a long-term liability due to the change in corporate tax rate that takes effect in 2018.
- (1b) Recognition of a one-time repatriation tax liability and adjustments to the Company's deferred tax assets and liabilities to reflect the lower corporate tax rate that takes effect in 2018.

These amounts are provisional based on the information reviewed by the Company, and may change as new information is reviewed and analyzed.

	2016	As Reported	% Net Revenues	Less Goodwill Impairment Charge	Excluding Goodwill Impairment Charge	% Net Revenues
<b>Quarter Ended December 25, 2016</b>						
Selling, Distribution and Administration	\$	353,791	21.7%	\$ (32,858) <sup>(1)</sup>	\$ 320,933	19.7%
Tax Expense		39,333	2.4%	8,327	47,660	2.9%
Net Loss Attributable to Noncontrolling Interests		(12,126)	-0.7%	9,857	(2,269)	-0.1%
<b>Year Ended December 25, 2016</b>						
Selling, Distribution and Administration	\$	1,110,769	22.1%	\$ (32,858) <sup>(1)</sup>	\$ 1,077,911	21.5%
Tax Expense		159,338	3.2%	8,327	167,665	3.3%
Net Loss Attributable to Noncontrolling Interests		(18,229)	-0.4%	9,857	(8,372)	-0.2%

(1) This charge was recorded in the Entertainment and Licensing segment. Excluding this charge, operating profit and margin for the segment for the quarter ended December 25, 2016 would have been \$49,367 and 43.0%, respectively, and \$82,734 and 31.2%, respectively, for the year ended December 25, 2016.



## Supplemental Financial Data

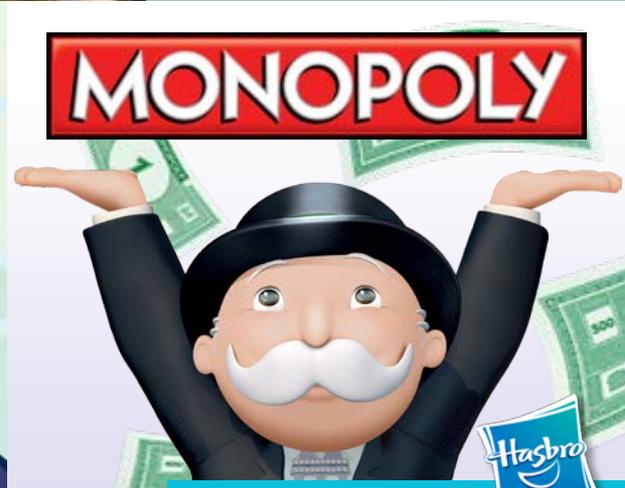
### Reconciliation of Non-GAAP Financial Measures (Unaudited)

#### **Reconciliation of EBITDA**

Net Earnings (Loss) Attributable to Hasbro, Inc.
Net Loss Attributable to Noncontrolling Interests
Interest Expense
Income Taxes (including tax reform)
Depreciation
Amortization of Intangibles
EBITDA
Impact of Tax Reform/Goodwill Impairment
Adjusted EBITDA

	Quarter Ended		Year Ended	
	Dec. 31, 2017	Dec. 25, 2016	Dec. 31, 2017	Dec. 25, 2016
	\$ (5,298)	\$ 192,725	\$ 396,607	\$ 551,380
	-	(12,126)	-	(18,229)
	24,516	25,142	98,268	97,405
	283,884	39,333	389,543	159,338
	35,165	30,380	143,018	119,707
	6,564	8,690	28,818	34,763
	<u>\$ 344,831</u>	<u>\$ 284,144</u>	<u>\$ 1,056,254</u>	<u>\$ 944,364</u>
	19,911	(32,858)	19,911	(32,858)
	<u>\$ 324,920</u>	<u>\$ 317,002</u>	<u>\$ 1,036,343</u>	<u>\$ 977,222</u>

# Franchise Brands





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