



Q3 2021 Earnings

OCTOBER 26, 2021



Safe Harbor

Certain statements in this presentation contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which may be identified by the use of forward-looking words or phrases, include statements relating to: our future performance and expectations for growth in 2021; the ability to achieve our financial and business goals and objectives; our efforts to ship sufficient product to meet demand due to supply chain issues affecting businesses globally; product and entertainment plans, including the content and timing of product and content releases; marketing and promotional efforts; anticipated expenses; working capital; and 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. Factors that might cause such a difference include, but are not limited to:

- our ability to design, develop, produce, manufacture, source and ship products on a timely, cost-effective and profitable basis;
- 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 that are sought after by children, families and audiences given increasing technological and entertainment offerings that are 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 supply chain challenges;
- 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 actions to lessen the impact of potential and enacted tariffs imposed on our products, including any changes to our supply chain, inventory management, sales policies or pricing of our products;
- downturns in global and regional economic conditions impacting one or more of the markets in which we sell products, which can negatively impact our retail customers and consumers, result in lower employment levels, consumer disposable income, retailer inventories and spending, including lower spending on purchases of our products;
- other economic and public health conditions or regulatory changes in the markets in which we and our customers, partners, licensees, suppliers and manufacturers operate, such as 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, our licensees or other business partners;
- risks relating to the use of third party manufacturers for the manufacturing of our products, including the concentration of manufacturing for many of our products in the People's Republic of China and our ability to successfully diversify sourcing of our products to reduce reliance on sources of supply in China;
- risks related to sourcing of products from countries outside of China, such as India and Vietnam, where the Covid-19 pandemic has negatively impacted our vendors and the ability to transport products to our markets;
- our ability to successfully implement our succession plans to appoint a permanent CEO following the passing of Brian Goldner, our former Chairman and CEO;
- our ability to attract and retain talented officers and 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 would significantly impact our reported financial results;
- the impact of litigation or arbitration decisions or settlement actions; and
- other risks and uncertainties as may be detailed from time to time in our public announcements and SEC filings.

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



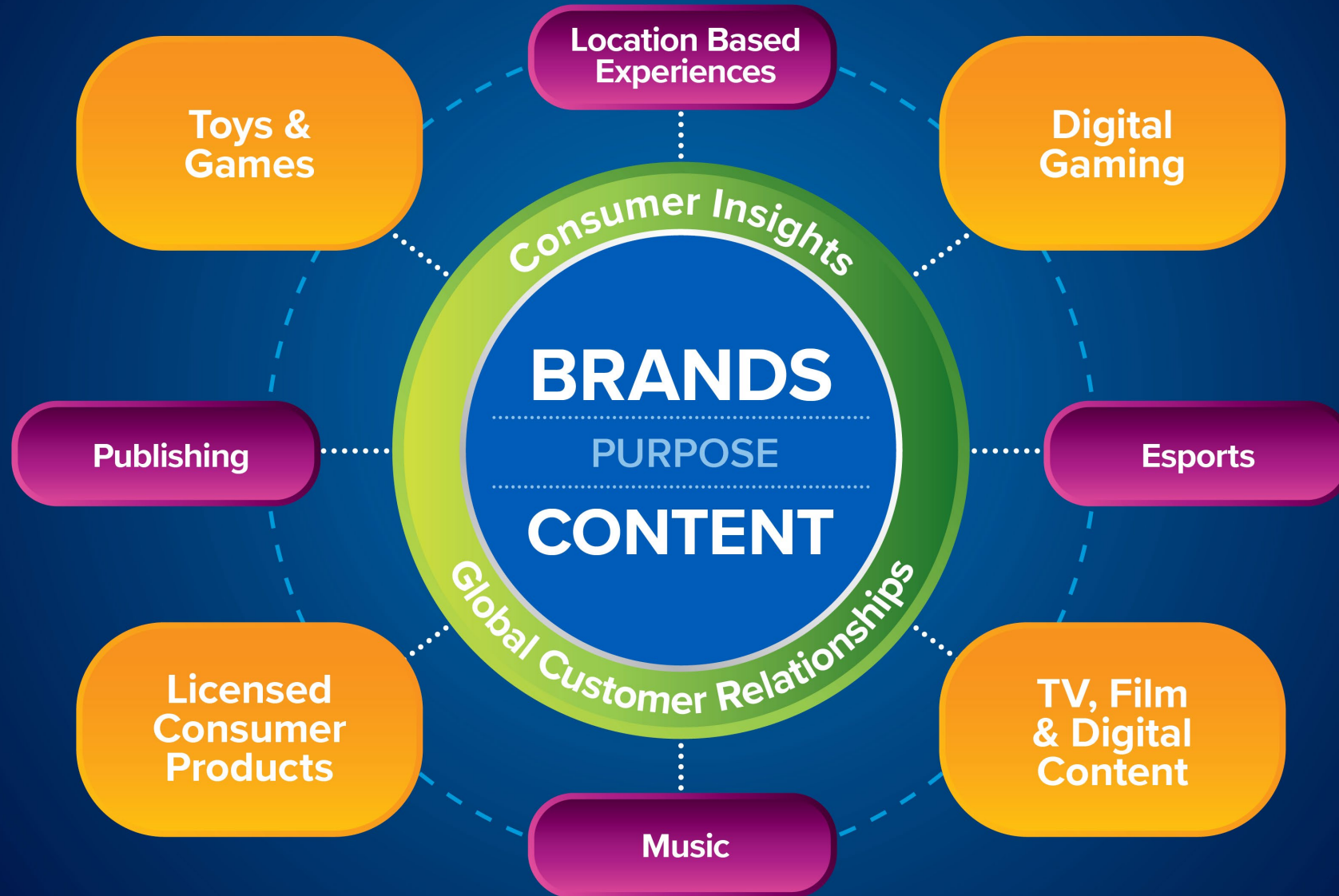
Supplemental Financial Data

Use of Non-GAAP Financial Measures

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



Hasbro 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 that we expect to grow in line with or ahead of the industry.

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

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

Differentiated Business Model Drives Growth in Q3

- Q3 2021 Growth in **Wizards of the Coast & Digital Gaming** and **Entertainment** segments; **Consumer Products** segment declined slightly due to shipping challenges in the quarter.
- **Growth in Franchise Brands, Hasbro Gaming, Emerging Brands & TV/Film/Entertainment**
- Executing the power of the **Brand Blueprint** with the Netflix release of *My Little Pony: A New Generation* and the launch of Hasbro's toy line for PEPPA PIG and PJ MASKS

Strong Financial Position

Q3 2021 Net Revenues: \$1.97B

Q3 Operating Profit: \$367.9M, or 18.7% of revenues

Adjusted Operating Profit*: \$389.6M, or 19.8% of revenues

Net Earnings: \$253.2M, or \$1.83 per diluted share

Adjusted Net Earnings*: \$271.2M, or \$1.96 per diluted share

EBITDA: \$443.0M

Adjusted EBITDA*: \$462.1M

YTD Operating Cash Flow: \$685.6M

- Paid \$93.3M in **Dividends** in the quarter
- Repaid \$400M in **debt** in the quarter
- \$1.18B in **cash** at quarter end

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 28-31.



Q3 2021

snapshot



*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 28-31.

Net Revenues

\$1.97B

Operating Profit

As Reported **\$367.9M**

As Adjusted* **\$389.6M**

Net Earnings

As Reported **\$253.2M**

As Adjusted* **\$271.2M**

Earnings Per Share:

As Reported **\$1.83** per diluted share

As Adjusted* **\$1.96** per diluted share






 **Q3**
2021 ANNOUNCEMENTS & HIGHLIGHTS




Content in Development for over **30 Hasbro Brands**

SIGNED 2 NEW FIRST-LOOK DEALS WITH HIGH-PROFILE TALENT



Peter Dinklage
Estuary Films



Freida Pinto
Freebird Films

Peppa's Adventures


spotify **2,949,383**

apple **1,576,700**

amazon **3,490,292**

Over 8M Album Streams

TOTAL 8,016,375



NINJA EXPRESS



No.2 show on CBBC in the UK
(kids 6-12, w/c 13th September 2021)

#1 Kids Title on Netflix in 86 countries
(including U.S., Brazil, Mexico, UK, Germany, France, Spain, Italy, HK, Thailand, Singapore, Australia)

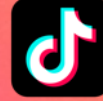
#1 Movie on Netflix in 20 countries
(including Brazil, Mexico, UK, Germany)

N

ALL NETFLIX STATS FOR WEEKEND OF PREMIERE

MY LITTLE PONY
A NEW GENERATION



 **14.8M** VIEWS ON TIKTOK
(12% Engagement Rate, outperforming TikTok benchmarks)

89% fresh on **Rotten Tomatoes**

Third Quarter Net Revenue & Operating Profit Performance

NET REVENUES

\$ Millions, unaudited



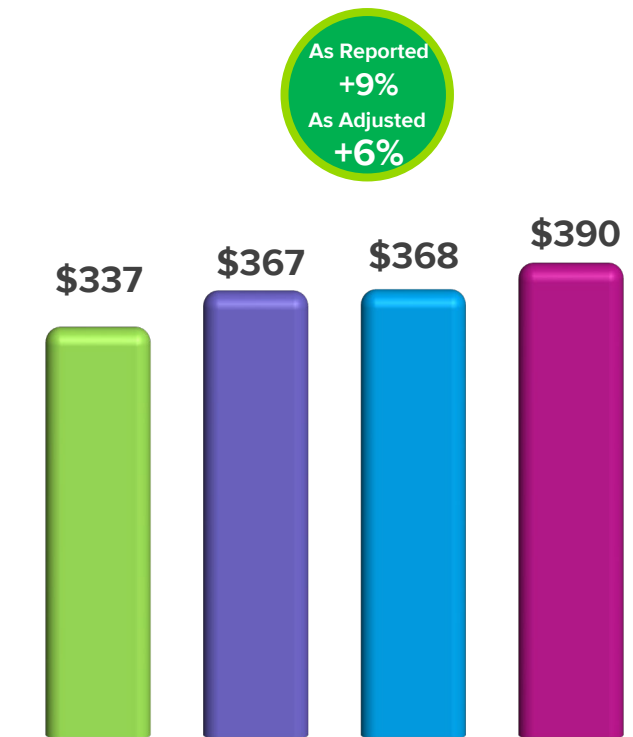
Q3 2021

- 2020
- 2020 Adjusted
- 2021
- 2021 Adjusted

Consumer Products segment -3%; **Wizards of the Coast & Digital Gaming** segment +32%; **Entertainment** segment +76%

Revenues include an \$13M positive impact from Foreign Exchange; Net Revenues increased 10% absent FX

OPERATING PROFIT



Operating Profit Margin Q3 2021

As Reported **18.7%**

As Adjusted **19.8%**

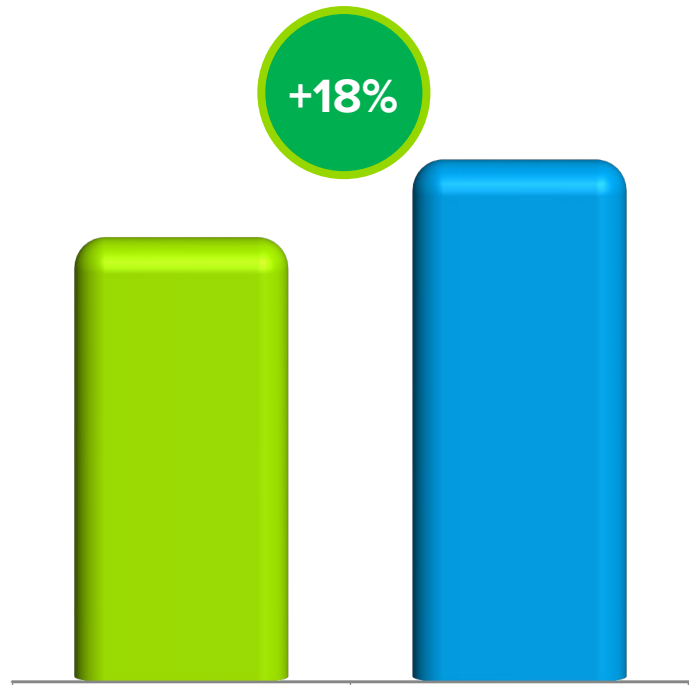
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Nine Months Net Revenue & Operating Profit Performance

NET REVENUES

\$ Millions, unaudited

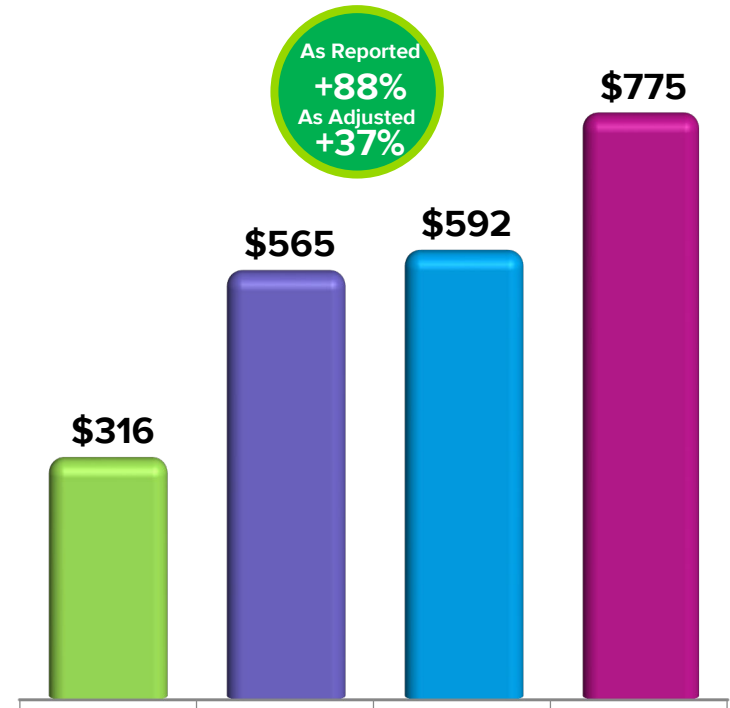


+18%

YTD 2021

- 2020
- 2020 Adjusted
- 2021
- 2021 Adjusted

OPERATING PROFIT



As Reported
+88%
As Adjusted
+37%

Consumer Products segment +9%; Wizards of the Coast & Digital Gaming segment +50%; Entertainment segment +17%

Revenues include a \$67M positive impact from Foreign Exchange; Net Revenues increased 16% absent FX

Operating Profit Margin YTD 2021

As Reported **13.4%**

As Adjusted **17.6%**

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 28.



Third Quarter and Nine Months Brand Portfolio Performance

(\$Million, unaudited)	Q3 2021	Q3 2020	% Change	YTD 2021	YTD 2020	% Change
Franchise Brands	\$882	\$808	+9%	\$2,023	\$1,581	+28%
Partner Brands	\$367	\$409	-10%	\$767	\$730	+5%
Hasbro Gaming ¹	\$282	\$239	+18%	\$565	\$516	+9%
Emerging Brands	\$178	\$155	+15%	\$399	\$325	+23%
TV/Film/Entertainment	\$262	\$166	+58%	\$652	\$590	+11%
Total	\$1,970	\$1,777	+11%	\$4,407	\$3,743	+18%

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 \$659M for Q3 2021, up 21% vs. \$543M for Q3 2020 and \$1.5B YTD 2021, up 28% vs. \$1.2B YTD 2020.

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



Q3 2021

FRANCHISE BRANDS

Up including, MAGIC: THE GATHERING, MY LITTLE PONY and TRANSFORMERS.

PARTNER BRANDS

Growth in Hasbro products for the Marvel portfolio, including the Spider-Man franchise, and Ghostbusters, were more than offset by declines in other properties.

HASBRO GAMING

Growth in many gaming brands including DUNGEONS & DRAGONS, GAME OF LIFE, CONNECT 4 and GUESS WHO.

EMERGING BRANDS

Growth in PEPPA PIG, PJ MASKS and GI JOE.

TV/FILM/ENTERTAINMENT

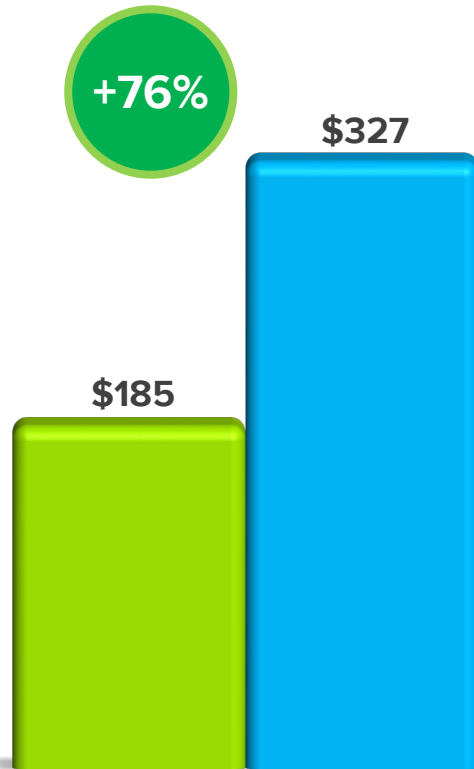
Growth in Scripted and Unscripted TV; Film; and animated content



Entertainment Segment

NET REVENUES

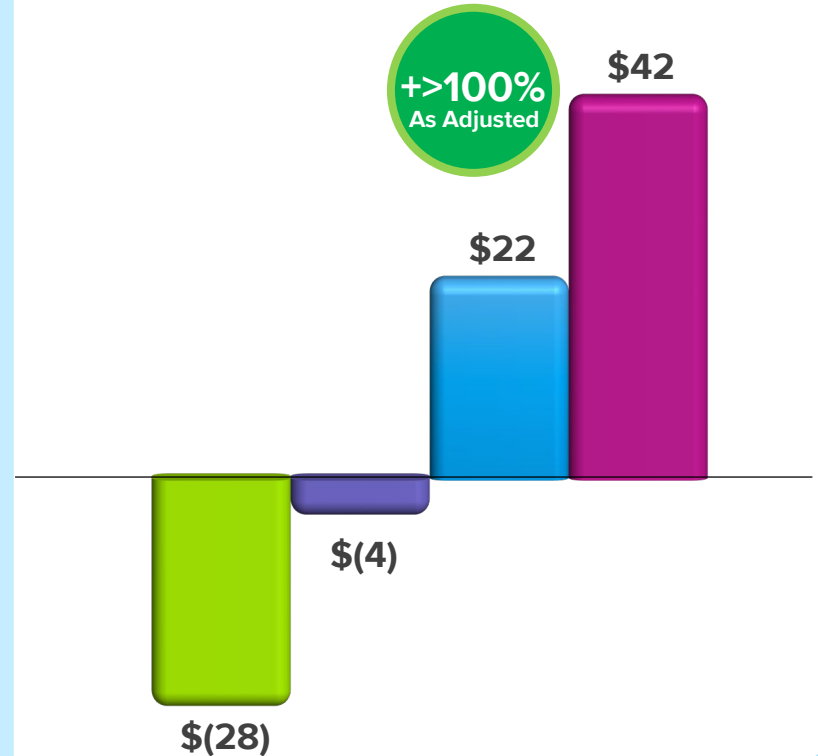
\$ Millions, unaudited



Q3 2021



OPERATING PROFIT (LOSS)



- **Entertainment** segment revenues growth in TV & Film, Family Brands; led by scripted and animated TV
- Successful launch of *My Little Pony: A New Generation* on Netflix

TV & Film deliveries for the quarter include: *Yellowjackets*; *The Rookie*; *Come from Away*; *Finch*

- **Adjusted Operating Profit** growth from higher revenues and lower administrative costs partially offset by higher program cost amortization, royalty and advertising expenses; Adjusted **Operating Profit Margin** of 12.9%, an increase of 1480 basis points vs. Q3 2020.

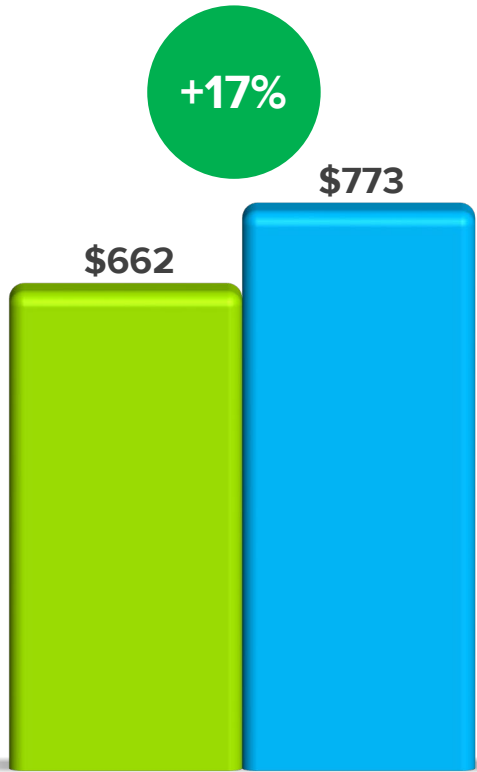
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Entertainment Segment

NET REVENUES

\$ Millions, unaudited

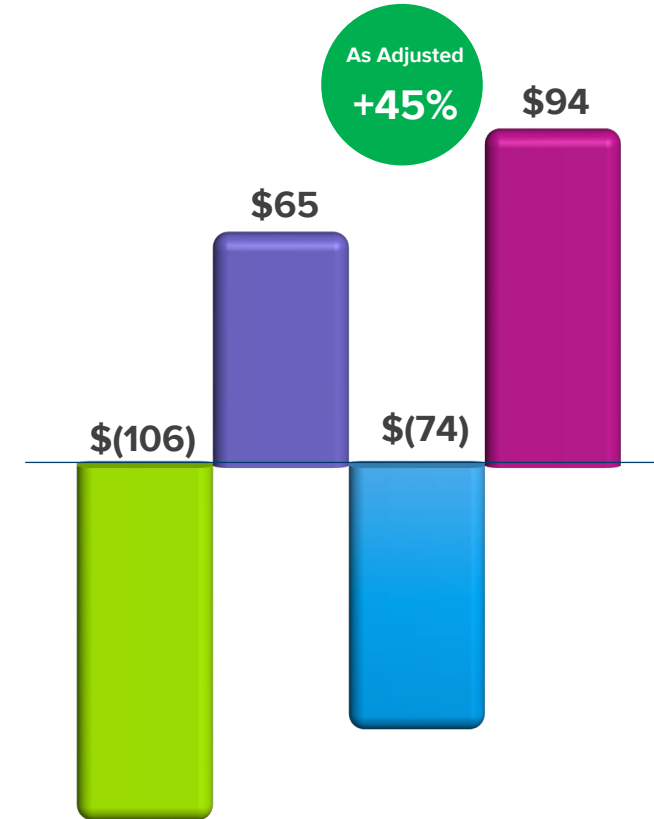


YTD

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

On track to reach 2019 **revenue** levels for the full year 2021, excluding the music business in the second half of the year.

Adjusted Operating Profit increase driven by higher revenues and lower advertising and promotional spend partially offset by higher program amortization and royalties; Adjusted **Operating Profit Margin** of 12.2% increased 240 basis points YOY

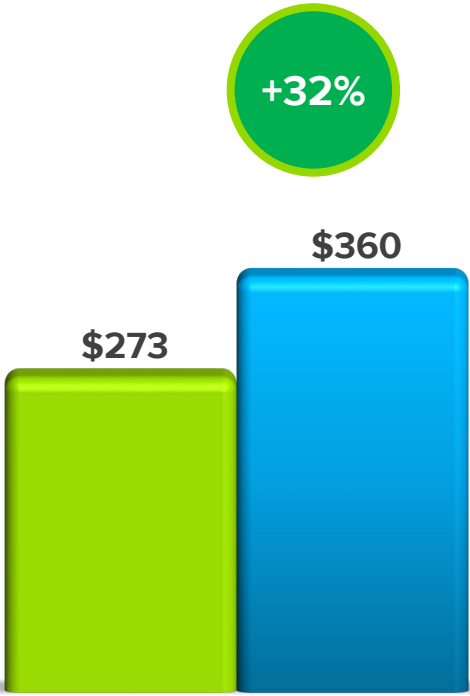
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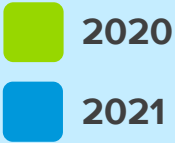
Wizards of the Coast & Digital Gaming Segment

\$ Millions, unaudited

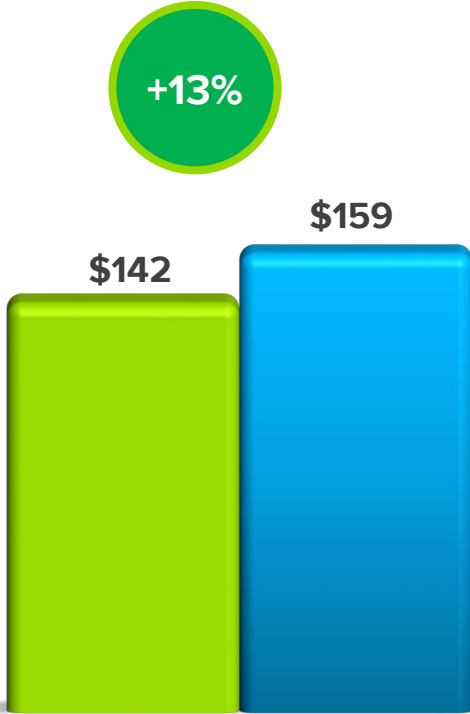
NET REVENUES



Q3 2021



OPERATING PROFIT



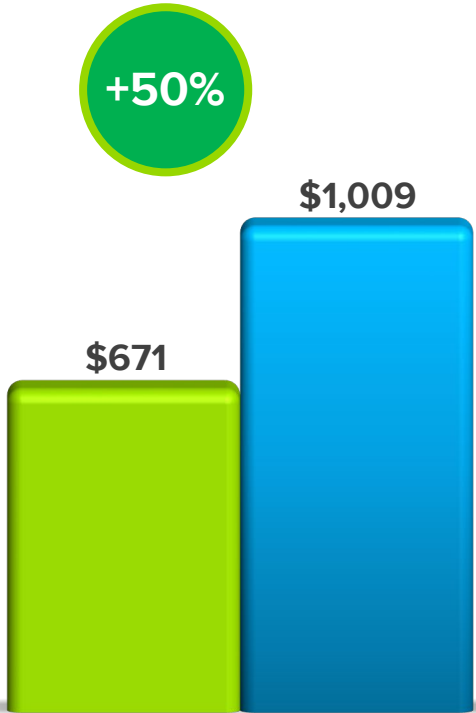
- Revenue growth in **MAGIC:THE GATHERING** and **DUNGEONS & DRAGONS**
- Strong performance led by *Forgotten Realms* and *Innistrad* set releases as well as *Magic: The Gathering Arena*; **Licensed Digital Gaming** grew in the quarter

- Higher revenues drove increased **Operating Profit**, partially offset by higher development, depreciation and advertising expenses in support of digital gaming initiatives



Wizards of the Coast & Digital Gaming Segment

NET REVENUES



OPERATING PROFIT



\$ Millions, unaudited

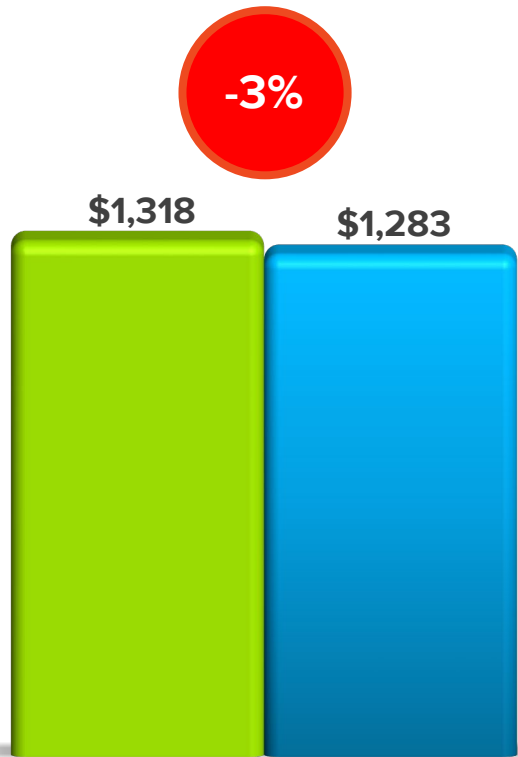
- Revenue growth in **MAGIC:THE GATHERING** and **DUNGEONS & DRAGONS**; Licensed Digital Games up YTD
- Strong performance led by record-setting *Strixhaven* and *Modern Horizons 2* sets releases in Q2 2021

- Higher revenues drove increased **Operating Profit**, partially offset by higher development, depreciation, advertising and administrative expenses in support of digital gaming initiatives



Consumer Products Segment

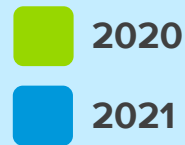
NET REVENUES



OPERATING PROFIT



Q3
2021



\$ Millions, unaudited

- Robust demand but revenue declined due to shipping constraints in the quarter
- Growth in **Hasbro Gaming** and **Emerging Brands**; Strong Growth in **Licensing**

- **Global POS** declined mid-single digits, reflecting low in-stock levels. **Games POS** up; **Toy POS** down single digits
- Anticipate significant POS improvement as in-stock levels improve, and increased advertising and out of aisle placement take affect.

- **Operating Profit** decline driven by lower revenues related to shipping constraints and higher freight costs

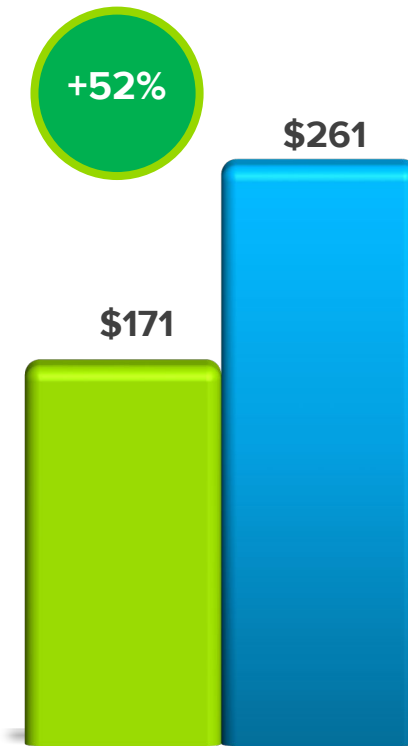


Consumer Products Segment

NET REVENUES



OPERATING PROFIT



\$ Millions, unaudited

- Revenue growth across Hasbro brands and product portfolio, including **Franchise Brands, Partner Brands, Hasbro Gaming** and **Emerging Brands**
- Revenue growth across all **geographic regions** and **Licensing**
- Global **POS** down slightly YTD; **Global Toy POS up single digits**, offset by strong Game performance YTD 2020.
- **Operating Profit** growth driven by higher revenues which more than offset higher royalty, advertising and freight expenses; **Operating Profit Margin** of 9.9% vs. 7.1% YTD 2020



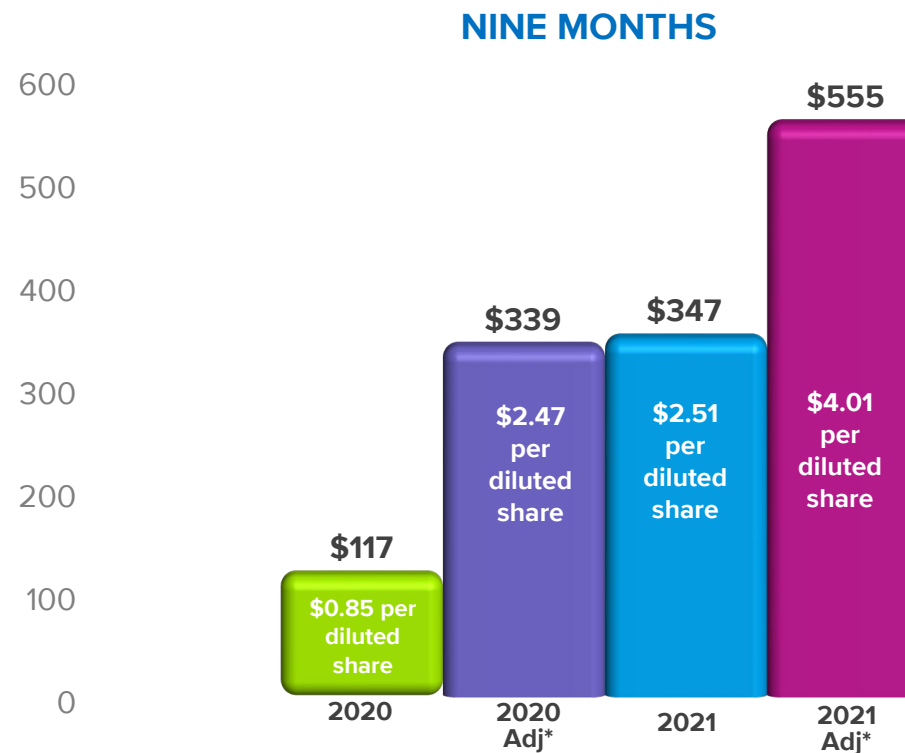
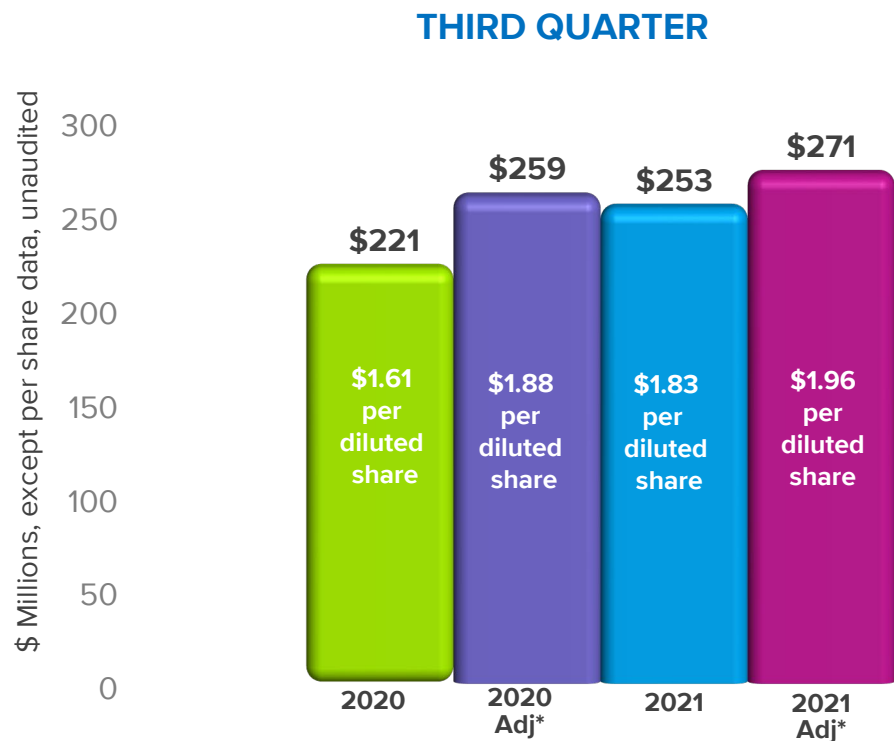
Consumer Products Segment Net Revenues by Geography

(\$ Millions, unaudited)

	Q3 2021	Q3 2020	% CHANGE	YTD 2021	YTD 2020	% CHANGE
NORTH AMERICA	\$805	\$830	-3%	\$1,559	\$1,435	+9%
EUROPE	\$304	\$317	-4%	\$669	\$615	+9%
ASIA PACIFIC	\$76	\$78	-3%	\$209	\$197	+6%
LATIN AMERICA	\$98	\$93	+6%	\$189	\$162	+16%
TOTAL SEGMENT	\$1,283	\$1,318	-3%	\$2,626	\$2,410	+9%



Third Quarter and Nine Months 2021 Net Earnings



- **Total Non-Operating Expense: Q3 2021 \$44.5M**
 - includes \$9M for Loss on Extinguishment of Debt
- **Diluted Shares Q3 2021 138.5M vs. Q3 2020 137.3M**
- **Q3 2021 Underlying Tax Rate: 23.4% vs. 19.8% in Q3 2020**
 - Tax rate driven by a change in the mix of income

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



Key Cash Flow & Balance Sheet Data

NINE MONTHS ENDED

\$ Millions, unaudited	SEPT. 26, 2021	SEPT. 27, 2020	NOTES
Cash	\$1,181	\$1,132	Maintain a strong cash position
Long-term Debt	\$3,977	\$4,778	Repaid \$400M in debt in Q3 2021; Retired \$972.5M in Long-term debt YTD 2021
Depreciation	\$116	\$94	Full-year Depreciation target is ~\$160M
Amortization of Intangibles	\$90	\$108	Reflects eOne acquisition purchased intangibles
Program Spend, net	\$526	\$295	Full-year content spend target of \$675-\$750M
Capital Expenditures	\$98	\$92	Trending at or below the low end of our full-year 2021 target of \$165-175M
Dividends Paid	\$281	\$279	\$0.68 per share quarterly dividend paid in August 2021; Next dividend payable November 15, 2021
Operating Cash Flow	\$686	\$494	Generating strong cash flow
Accounts Receivable	\$1,477	\$1,438	DSO 68 days, down 5 days YOY; Reflects higher revenues and improved collections across the business.
Inventory	\$544	\$540	Increased 1% YOY including \$8M impact from FX; down \$4M excluding FX
Goodwill	\$3,420	\$3,644	Reflects sale of eOne Music in Q3 2021



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

Product & Content Safety

Environmental Responsibility

Human Rights & Ethical Sourcing

Culture & Human Capital Management





OUR MISSION

Creating the
World's Best Play
& Entertainment
Experiences

OUR PURPOSE

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



OUR VALUES

PASSION

CREATIVITY

INTEGRITY

COMMUNITY

INCLUSION





Supplemental Financial Information

Condensed Consolidated Balance Sheets

(Millions of Dollars)

	September 26, 2021	September 27, 2020
ASSETS		
Cash and Cash Equivalents	\$ 1,181.2	\$ 1,132.4
Accounts Receivable, Net	1,476.6	1,438.4
Inventories	544.1	540.0
Prepaid Expenses and Other Current Assets	528.5	648.2
Total Current Assets	<u>3,730.4</u>	<u>3,759.0</u>
Property, Plant and Equipment, Net	441.9	477.2
Goodwill	3,420.2	3,644.1
Other Intangible Assets, Net	1,209.5	1,546.8
Other Assets	1,428.4	1,276.1
Total Assets	<u>\$ 10,230.4</u>	<u>\$ 10,703.2</u>
LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY		
Short-Term Borrowings	\$ 0.9	\$ 10.0
Current Portion of Long-Term Debt	187.6	369.3
Accounts Payable and Accrued Liabilities	2,261.9	1,936.3
Total Current Liabilities	<u>2,450.4</u>	<u>2,315.6</u>
Long-Term Debt	3,977.4	4,777.8
Other Liabilities	722.5	778.5
Total Liabilities	<u>7,150.3</u>	<u>7,871.9</u>
Redeemable Noncontrolling Interests	22.9	22.9
Total Shareholders' Equity	<u>3,057.2</u>	<u>2,808.4</u>
Total Liabilities, Noncontrolling Interests and Shareholders' Equity	<u>\$ 10,230.4</u>	<u>\$ 10,703.2</u>



Condensed Statements of Operations

(Millions of Dollars and Shares Except Per Share Data)

	Quarter Ended				Nine Months Ended			
	September 26, 2021	% Net Revenues	September 27, 2020	% Net Revenues	September 26, 2021	% Net Revenues	September 27, 2020	% Net Revenues
Net Revenues	\$ 1,970.0	100.0%	\$ 1,776.6	100.0%	\$ 4,407.0	100.0%	\$ 3,742.5	100.0%
Costs and Expenses:								
Cost of Sales	609.5	30.9%	610.1	34.3%	1,244.4	28.2%	1,126.0	30.1%
Program Cost Amortization	187.9	9.5%	85.4	4.8%	396.1	9.0%	268.2	7.2%
Royalties	171.8	8.7%	176.9	10.0%	392.2	8.9%	387.1	10.3%
Product Development	80.1	4.1%	62.7	3.5%	229.1	5.2%	174.9	4.7%
Advertising	163.3	8.3%	137.4	7.7%	356.6	8.1%	311.4	8.3%
Amortization of Intangibles	27.7	1.4%	36.2	2.0%	90.3	2.0%	107.7	2.9%
Selling, Distribution and Administration	361.8	18.4%	325.4	18.3%	1,004.7	22.8%	885.7	23.7%
Loss on Disposal of Business	-	0.0%	-	0.0%	101.8	2.3%	-	0.0%
Acquisition and Related Costs	-	0.0%	5.9	0.3%	-	0.0%	166.0	4.4%
Operating Profit	367.9	18.7%	336.6	18.9%	591.8	13.4%	315.5	8.4%
Interest Expense	43.3	2.2%	49.4	2.8%	137.3	3.1%	153.7	4.1%
Other Expense (Income), Net	1.2	0.1%	(12.0)	-0.7%	(39.5)	-0.9%	(21.7)	-0.6%
Earnings before Income Taxes	323.4	16.4%	299.2	16.8%	494.0	11.2%	183.5	4.9%
Income Tax Expense	68.5	3.5%	79.2	4.5%	143.5	3.3%	64.3	1.7%
Net Earnings	254.9	12.9%	220.0	12.4%	350.5	8.0%	119.2	3.2%
Net Earnings (Loss) Attributable to Noncontrolling Interests	1.7	0.1%	(0.9)	-0.1%	4.0	0.1%	1.9	0.1%
Net Earnings Attributable to Hasbro, Inc.	\$ 253.2	12.9%	\$ 220.9	12.4%	\$ 346.5	7.9%	\$ 117.3	3.1%
Per Common Share								
Net Earnings								
Basic	\$ 1.83		\$ 1.61		\$ 2.51		\$ 0.86	
Diluted	\$ 1.83		\$ 1.61		\$ 2.51		\$ 0.85	
Cash Dividends Declared	\$ 0.68		\$ 0.68		\$ 2.04		\$ 2.04	
Weighted Average Number of Shares								
Basic	138.1		137.3		137.9		137.2	
Diluted	138.5		137.5		138.3		137.5	



Condensed Consolidated Cash Flows

(Millions of Dollars)

	Nine Months Ended	
	September 26, 2021	September 27, 2020
Cash Flows from Operating Activities:		
Net Earnings (Loss)	\$ 350.5	\$ 119.2
Other Non-Cash Adjustments	814.2	561.8
Changes in Operating Assets and Liabilities	(479.1)	(186.7)
Net Cash Provided by Operating Activities	<u>685.6</u>	<u>494.3</u>
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(98.1)	(92.1)
Acquisition, Net of Cash Acquired	-	(4,403.9)
Proceeds From Sale of Business, Net of Cash	379.2	-
Other	(3.6)	24.3
Net Cash Provided (Utilized) by Investing Activities	<u>277.5</u>	<u>(4,471.7)</u>
Cash Flows from Financing Activities:		
Proceeds from Long-Term Debt	127.6	1,036.0
Repayments of Long-Term Debt	(1,062.1)	(147.3)
Net Repayments of Short-Term Borrowings	(6.2)	(0.3)
Stock-Based Compensation Transactions	24.6	1.8
Dividends Paid	(280.7)	(279.4)
Payments Related to Tax Withholding for Share-Based Compensation	(10.8)	(5.9)
Redemption of Equity Instruments	-	(47.4)
Debt Extinguishment Costs	(9.1)	-
Other	(6.8)	(7.0)
Net Cash (Utilized) Provided by Financing Activities	<u>(1,223.5)</u>	<u>550.5</u>
Effect of Exchange Rate Changes on Cash	(8.1)	(21.1)
Net Decrease in Cash and Cash Equivalents	(268.5)	(3,448.0)
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 Quarter	<u>\$ 1,181.2</u>	<u>\$ 1,132.4</u>



SEGMENT OPERATING RESULTS-AS REPORTED and AS ADJUSTED-Q3 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 September 27, 2020 are presented to align with the new reportable segments.

Operating Results

	Quarter Ended September 26, 2021			Quarter Ended September 27, 2020			% Change
	As Reported	Non-GAAP Adjustments	Adjusted	As Reported	Non-GAAP Adjustments	Adjusted	
Total Company Results							
External Net Revenues ⁽¹⁾	\$ 1,970.0	\$ -	\$ 1,970.0	\$ 1,776.6	\$ -	\$ 1,776.6	11%
Operating Profit	367.9	21.7	389.6	336.6	30.6	367.2	6%
Operating Margin	18.7%	1.1%	19.8%	18.9%	1.7%	20.7%	
EBITDA	443.0	19.1	462.1	422.3	19.8	442.1	5%
Segment Results							
Consumer Products:							
External Net Revenues ⁽²⁾	\$ 1,282.7	\$ -	\$ 1,282.7	\$ 1,317.8	\$ -	\$ 1,317.8	-3%
Operating Profit	210.4	-	210.4	226.2	-	226.2	-7%
Operating Margin	16.4%	-	16.4%	17.2%	-	17.2%	
EBITDA	253.5	9.0	262.5	267.0	10.1	277.1	-5%
Wizards of the Coast and Digital Gaming:							
External Net Revenues	360.2	-	360.2	273.4	-	273.4	32%
Operating Profit	159.4	-	159.4	141.6	-	141.6	13%
Operating Margin	44.3%	-	44.3%	51.8%	-	51.8%	
EBITDA	170.9	3.3	174.2	149.6	2.6	152.2	14%
Entertainment:							
External Net Revenues ⁽³⁾	327.1	-	327.1	185.4	-	185.4	76%
Operating Profit (Loss)	22.4	19.7	42.1	(28.3)	24.7	(3.6)	>100%
Operating Margin	6.8%	6.0%	12.9%	-15.3%	13.3%	-1.9%	
EBITDA	44.1	5.5	49.6	(0.4)	2.0	1.6	>100%
Corporate and Other:							
Operating (Loss) Profit	(24.3)	2.0	(22.3)	(2.9)	5.9	3.0	>-100%
EBITDA	(25.5)	1.3	(24.2)	6.1	5.1	11.2	>-100%

⁽¹⁾ Net Revenues by Brand Portfolio

	Quarter Ended		% Change
	September 26, 2021	September 27, 2020	
Franchise Brands	882.0	807.5	9%
Partner Brands	366.7	409.2	-10%
Hasbro Gaming ⁽ⁱ⁾	281.9	239.2	18%
Emerging Brands	177.5	155.0	15%
TV/Film/Entertainment	261.9	165.7	58%
Total	\$ 1,970.0	\$ 1,776.6	

(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 \$658.6 for the quarter ended September 26, 2021, up 21% from revenues of \$543.1 for the quarter ended September 27, 2020.

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

	Quarter Ended		% Change
	September 26, 2021	September 27, 2020	
North America	805.0	830.1	-3%
Europe	304.2	316.8	-4%
Asia Pacific	75.5	78.2	-3%
Latin America	98.0	92.7	6%
Total	\$ 1,282.7	\$ 1,317.8	

⁽³⁾ Entertainment Segment Net Revenues by Category

	Quarter Ended		% Change
	September 26, 2021	September 27, 2020	
Film and TV	255.4	141.6	80%
Family Brands	60.5	14.2	>100%
Music and Other	11.2	29.6	-62%
Total	\$ 327.1	\$ 185.4	



SEGMENT OPERATING RESULTS-AS REPORTED and AS ADJUSTED-Nine Months 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 nine months ended September 27, 2020 are presented to align with the new reportable segments.

Operating Results

	Nine Months Ended September 26, 2021			Nine Months Ended September 27, 2020			% Change
	As Reported	Non-GAAP Adjustments	Adjusted	As Reported	Non-GAAP Adjustments	Adjusted	
Adjusted Company Results							
External Net Revenues ⁽⁴⁾	\$ 4,407.0	\$ -	\$ 4,407.0	\$ 3,742.5	\$ -	\$ 3,742.5	18%
Operating Profit	591.8	183.5	775.3	315.5	249.8	565.3	37%
Operating Margin	13.4%	4.2%	17.6%	8.4%	6.7%	15.1%	
EBITDA	837.8	165.9	1,003.7	539.1	217.7	756.8	33%
Adjusted Segment Results							
Consumer Products:							
External Net Revenues ⁽⁵⁾	\$ 2,625.8	\$ -	\$ 2,625.8	\$ 2,409.8	\$ -	\$ 2,409.8	9%
Operating Profit	260.5	-	260.5	171.2	-	171.2	52%
Operating Margin	9.9%	-	9.9%	7.1%	-	7.1%	
EBITDA	359.5	23.6	383.1	263.2	26.8	290.0	32%
Wizards & Digital Gaming:							
External Net Revenues	1,008.7	-	1,008.7	670.7	-	670.7	50%
Operating Profit	462.3	-	462.3	311.5	-	311.5	48%
Operating Margin	45.8%	-	45.8%	46.4%	-	46.4%	
EBITDA	490.1	9.0	499.1	323.3	6.8	330.1	51%
Entertainment:							
External Net Revenues ⁽⁶⁾	772.5	-	772.5	662.0	-	662.0	17%
Operating (Loss) Profit	(74.3)	168.2	93.9	(106.1)	170.9	64.8	45%
Operating Margin	-9.6%	21.8%	12.2%	-16.0%	25.8%	9.8%	
EBITDA	25.1	116.3	141.4	(25.3)	102.7	77.4	83%
Corporate and Other:							
Operating (Loss) Profit	(56.7)	15.3	(41.4)	(61.1)	78.9	17.8	>-100%
EBITDA	(36.9)	17.0	(19.9)	(22.1)	81.4	59.3	>-100%

⁽⁴⁾ Net Revenues by Brand Portfolio

	Nine Months Ended		% Change
	September 26, 2021	September 27, 2020	
Franchise Brands	\$ 2,023.4	\$ 1,580.9	28%
Partner Brands	766.7	729.8	5%
Hasbro Gaming ⁽ⁱ⁾	565.3	516.3	9%
Emerging Brands	399.2	325.1	23%
TV/Film/Entertainment	652.4	590.4	11%
Total	\$ 4,407.0	\$ 3,742.5	

⁽ⁱ⁾ Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY, totaled \$1,543.3 for the nine months ended September 26, 2021, up 28% from revenues of \$1,202.6 for the nine months ended September 27, 2020.

⁽⁵⁾ Consumer Products Segment Net Revenues by Major Geographic Region

	Nine Months Ended		
	September 26, 2021	September 27, 2020	% Change
North America	\$ 1,559.1	\$ 1,434.9	9%
Europe	669.2	615.4	9%
Asia Pacific	208.7	197.1	6%
Latin America	188.8	162.4	16%
Total	\$ 2,625.8	\$ 2,409.8	

⁽⁶⁾ Entertainment Segment Net Revenues by Category

	Nine Months Ended		
	September 26, 2021	September 27, 2020	% Change
Film and TV	\$ 586.1	\$ 514.5	14%
Family Brands	105.4	58.9	79%
Music and Other	81.0	88.6	-9%
Total	\$ 772.5	\$ 662.0	



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

Reconciliation of Adjusted Operating Profit

	Quarter Ended		Nine Months Ended	
	September 26, 2021	September 27, 2020	September 26, 2021	September 27, 2020
Operating Profit (Loss)	\$ 367.9	\$ 336.6	\$ 591.8	\$ 315.5
Consumer Products	210.4	226.2	260.5	171.2
Wizards of the Coast and Digital Gaming	159.4	141.6	462.3	311.5
Entertainment	22.4	(28.3)	(74.3)	(106.1)
Corporate and Other	(24.3)	(2.9)	(56.7)	(61.1)
Non-GAAP Adjustments ⁽¹⁾	\$ 21.7	\$ 30.6	\$ 183.5	\$ 249.8
Entertainment	19.7	24.7	168.2	170.9
Corporate and Other	2.0	5.9	15.3	78.9
Adjusted Operating Profit (Loss)	\$ 389.6	\$ 367.2	\$ 775.3	\$ 565.3
Consumer Products	210.4	226.2	260.5	171.2
Wizards of the Coast and Digital Gaming	159.4	141.6	462.3	311.5
Entertainment	42.1	(3.6)	93.9	64.8
Corporate and Other	(22.3)	3.0	(41.4)	17.8
⁽¹⁾ Non-GAAP Adjustments include the following:				
Acquisition-related costs ⁽ⁱ⁾	\$ 2.0	\$ 5.9	\$ 5.8	\$ 166.0
Acquired intangible amortization ⁽ⁱⁱ⁾	19.7	24.7	66.4	72.3
Loss on disposal of business and related costs ⁽ⁱⁱⁱ⁾	-	-	111.3	-
Severance ^(iv)	-	-	-	11.5
Total	\$ 21.7	\$ 30.6	\$ 183.5	\$ 249.8

⁽ⁱ⁾ In association with the Company's acquisition of eOne, the Company incurred related expenses of \$2.0 (\$1.7 after-tax) and \$5.8 (\$5.0 after-tax) in the quarter and nine months ended September 26, 2021, respectively, and \$5.9 (\$4.7 after-tax) and \$166.0 (\$140.7 after-tax) in the quarter and nine months ended September 27, 2020, respectively, comprised of the following:

(a) In the quarter and nine months ended September 26, 2021, the Company incurred stock compensation expense of \$2.0 and \$5.8 respectively, associated with acquisition-related grants. In 2021, this expense is included within Selling, Distribution and Administration.

(b) In the quarter and nine months ended September 27, 2020, the Company incurred expenses of \$5.9 and \$166.0, respectively, comprised of 1) acquisition and integration costs of \$4.6 and \$104.3, respectively, including expense associated with the acceleration of eOne stock-based compensation and advisor fees settled at the closing of the acquisition, as well as integration costs; and 2) restructuring and related costs of \$1.3 and \$61.7, respectively, including severance and retention costs, as well as impairment charges in the first quarter of 2020 for certain definite-lived intangible and production assets. In 2020, these expenses were included within Acquisition and Related Costs.

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

⁽ⁱⁱⁱ⁾ On April 25, 2021, the Company entered into a definitive agreement to sell the eOne music business for an aggregate sales price of \$385.0, subject to certain closing adjustments related to working capital and net debt. As such, the assets and liabilities of eOne music were revalued in the second quarter of 2021 and disclosed separately on the balance sheet. The charge of \$111.3 is comprised of a goodwill impairment loss of \$101.8 (included within Loss on Assets Held for Sale) and transaction costs of \$9.5 (included within Selling, Distribution and Administration). The after-tax combined charge is \$109.1.

^(iv) In the quarter ended June 28, 2020, the Company incurred \$11.5 of severance charges, associated with cost-savings initiatives within the Company's commercial and Film and TV businesses.



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

Reconciliation of EBITDA and Adjusted EBITDA

	Quarter Ended		Nine Months Ended	
	September 26, 2021	September 27, 2020	September 26, 2021	September 27, 2020
Net Earnings Attributable to Hasbro, Inc.	\$ 253.2	\$ 220.9	\$ 346.5	\$ 117.3
Interest Expense	43.3	49.4	137.3	153.7
Income Tax Expense	68.5	79.2	143.5	64.3
Net Earnings (Loss) Attributable to Noncontrolling Interests	1.7	(0.9)	4.0	1.9
Depreciation	48.6	37.5	116.2	94.2
Amortization of Intangibles	27.7	36.2	90.3	107.7
EBITDA	\$ 443.0	\$ 422.3	\$ 837.8	\$ 539.1
Non-GAAP Adjustments and Stock Compensation ⁽¹⁾	19.1	19.8	165.9	217.7
Adjusted EBITDA	\$ 462.1	\$ 442.1	\$ 1,003.7	\$ 756.8
⁽¹⁾ Non-GAAP Adjustments and Stock Compensation are comprised of the following:				
Stock compensation	\$ 19.1	\$ 13.9	\$ 54.6	\$ 40.2
Acquisition-related costs	-	5.9	-	166.0
Loss on disposal of business and related costs	-	-	111.3	-
Severance	-	-	-	11.5
Total	\$ 19.1	\$ 19.8	\$ 165.9	\$ 217.7



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	\$ 262.5	\$ 277.1	\$ 383.1	\$ 290.0
Wizards of the Coast and Digital Gaming	174.2	152.2	499.1	330.1
Entertainment	49.6	1.6	141.4	77.4
Corporate and Other	(24.2)	11.2	(19.9)	59.3
Total Adjusted EBITDA	\$ 462.1	\$ 442.1	\$ 1,003.7	\$ 756.8

Consumer Products:

Operating Profit	\$ 210.4	\$ 226.2	\$ 260.5	\$ 171.2
Other (Expense) Income	5.7	1.6	13.4	(2.9)
Depreciation	29.6	27.8	62.2	60.7
Amortization of Intangibles	7.8	11.4	23.4	34.2
EBITDA	253.5	267.0	359.5	263.2
Non-GAAP Adjustments and Stock Compensation	9.0	10.1	23.6	26.8
Adjusted EBITDA	\$ 262.5	\$ 277.1	\$ 383.1	\$ 290.0

Wizards of the Coast and Digital Gaming:

Operating Profit	\$ 159.4	\$ 141.6	\$ 462.3	\$ 311.5
Other (Expense) Income	(0.3)	5.7	(1.2)	5.0
Depreciation	11.8	2.3	29.0	6.8
EBITDA	170.9	149.6	490.1	323.3
Non-GAAP Adjustments and Stock Compensation	3.3	2.6	9.0	6.8
Adjusted EBITDA	\$ 174.2	\$ 152.2	\$ 499.1	\$ 330.1

Entertainment:

Operating Profit (Loss)	\$ 22.4	\$ (28.3)	\$ (74.3)	\$ (106.1)
Other (Expense) Income	(1.1)	0.4	24.5	0.8
Depreciation	2.8	2.8	7.8	6.9
Amortization of Intangibles	20.0	24.7	67.1	73.1
EBITDA	44.1	(0.4)	25.1	(25.3)
Non-GAAP Adjustments and Stock Compensation	5.5	2.0	116.3	102.7
Adjusted EBITDA	\$ 49.6	\$ 1.6	\$ 141.4	\$ 77.4



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			
	September 26, 2021	Diluted Per Share Amount	September 27, 2020	Diluted Per Share Amount
<i>(all adjustments reported after-tax)</i>				
Net Earnings Attributable to Hasbro, Inc.	\$ 253.2	\$ 1.83	\$ 220.9	\$ 1.61
Acquisition-related costs	1.7	0.01	4.7	0.03
Acquired intangible amortization	16.3	0.12	19.7	0.14
UK Tax Reform ⁽¹⁾	-	-	13.6	0.10
Net Earnings Attributable to Hasbro, Inc., as Adjusted	\$ 271.2	\$ 1.96	\$ 258.9	\$ 1.88

	Nine Months Ended			
	September 26, 2021	Diluted Per Share Amount	September 27, 2020	Diluted Per Share Amount
<i>(all adjustments reported after-tax)</i>				
Net Earnings Attributable to Hasbro, Inc.	\$ 346.5	\$ 2.51	\$ 117.3	\$ 0.85
Acquisition-related costs	5.0	0.04	140.7	1.02
Acquired intangible amortization	55.0	0.40	57.5	0.42
Loss on disposal of business and related costs	109.1	0.79	-	-
Severance	-	-	10.2	0.07
UK Tax Reform ⁽¹⁾	39.4	0.28	13.6	0.10
Net Earnings Attributable to Hasbro, Inc., as Adjusted	\$ 555.0	\$ 4.01	\$ 339.3	\$ 2.47

⁽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%. In the third quarter of 2020, the Company recorded income tax expense of \$13.6 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.

