



First Quarter 2018 Earnings

APRIL 23, 2018

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 first quarter 2018 and in the Company's other public disclosures.

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, under the subheading "Financials & Filings – Quarterly Results."



Brand Blueprint



FIRST QUARTER SNAPSHOT

Q1 2018 Net Revenues \$716M down 16% year-over-year

- Revenue decline due to the liquidation of Toys“R”Us and retail inventory overhang, primarily in Europe
- U.S. and Canada segment down 19%; International segment down 17%; Entertainment and Licensing segment up 21%
- Positive consumer takeaway

First Quarter Brand Portfolio Revenue Performance

- Franchise Brands down 19%: Growth in MONOPOLY offset by declines in other Franchise Brands
- Partner Brands declined 6%: Growth in BEYBLADE and MARVEL offset by declines in other Partner Brands
- Hasbro Gaming down 22%: Growth in DUNGEONS AND DRAGONS, JENGA, new game launches offset by other portfolio games
- Emerging Brands declined 6%: LITTLEST PET SHOP and STRETCH ARMSTRONG revenues up in the quarter

Operating Loss: -\$80M in Q1 2018 vs. Operating Profit \$78M in Q1 2017

- Includes \$87.8 million of incremental costs from Toys“R”Us, mostly bad debt, and severance associated with accelerating the transformation of Hasbro’s commercial organization; Adjusted operating profit of \$7.4M

Net Earnings: Q1 2018 Net Loss was -\$112.5M, or \$0.90 per diluted share; Adjusted Net Earnings for Q1 2018 were \$12.4M, or \$0.10 per diluted share

- As Reported Net Loss includes after tax expenses of \$61.4M associated with Toys“R”Us liquidation;
- Severance expense of \$15.7M associated with the acceleration of the Company’s commercial organization transformation; and
- Net charge of \$47.8M related to U.S. tax reform

Strong Financial Position & Balance Sheet

- \$1.6B in cash at quarter end
- Returned \$109.6M to shareholders through dividend and share repurchases



First Quarter Net Revenue Performance

FIRST QUARTER NET REVENUES

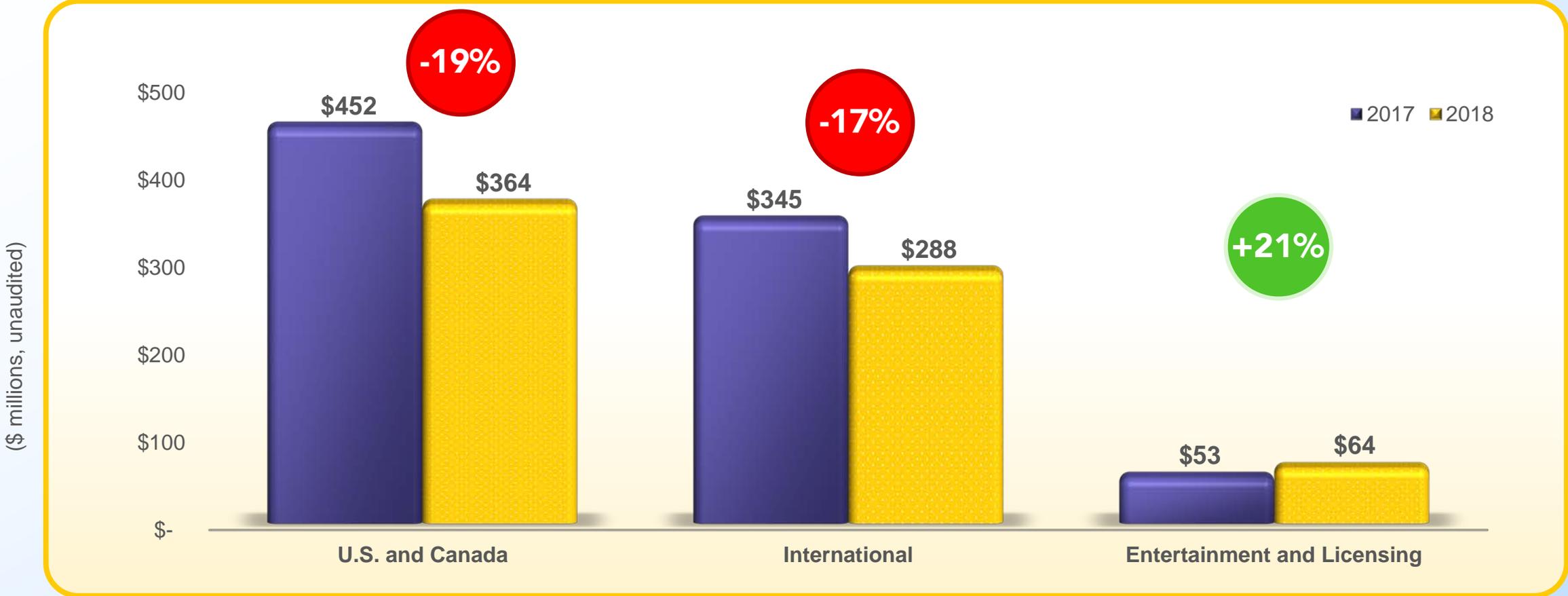


Toys“R”Us liquidation in the U.S. and U.K., along with uncertainty in its other operations

Retail inventory overhang, primarily in Europe



First Quarter Segment Net Revenues



U.S. & CANADA
 First quarter performance reflects the Toys“R”Us liquidation

INTERNATIONAL
 Q1 2018 performance reflects efforts to clear excess inventory in Europe; Toys“R”Us liquidation in the U.K. and uncertainty in its other operations

ENTERTAINMENT & LICENSING
 Growth in Consumer Products and Digital Gaming; Favorable impact from adoption of ASC 606



International Segment Revenues

	Q1 2018 AS REPORTED	Q1 2018 ABSENT +\$19.5M FX
Europe	-28%	-35%
Latin America	+2%	-
Asia Pacific	+3%	-2%
INTERNATIONAL	-17%	-22%

Emerging Markets

- Q1 2018 down 5% vs. Q1 2017
- Absent FX, Q1 2018 emerging markets down approximately 9%



First Quarter Brand Portfolio Performance

(\$ millions, unaudited)	Q1 2018	Q1 2017	% CHANGE
Franchise Brands	\$362	\$449	-19%
Partner Brands	201	213	-6%
Hasbro Gaming*	105	136	-22%
Emerging Brands	49	52	-6%
TOTAL	\$716	\$850	-16%

Total Gaming*
Q1: \$203.5M, -20%



*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 \$203.5M for Q1 2018, down 20% vs. \$253.3M in Q1 2017.

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

First Quarter Major Expense Items

(\$ millions, unaudited)	Q1 2018	Q1 2017	% CHANGE YOY*	Q1 2018 % OF REVENUE
Cost of Sales	\$255	\$306	-17%	35.6%
Royalties**	\$70	\$64	+8%	9.7%
Product Development	\$57	\$63	-8%	8.0%
Advertising	\$68	\$81	-16%	9.5%
Amortization of Intangibles	\$6	\$8	-18%	0.9%
Program Production Cost Amortization	\$12	\$6	+116%	1.7%
Selling, Distribution & Administration**	\$328	\$244	+34%	45.8%

**** Royalties and SD&A include expenses associated with Toys“R”Us and severance costs**

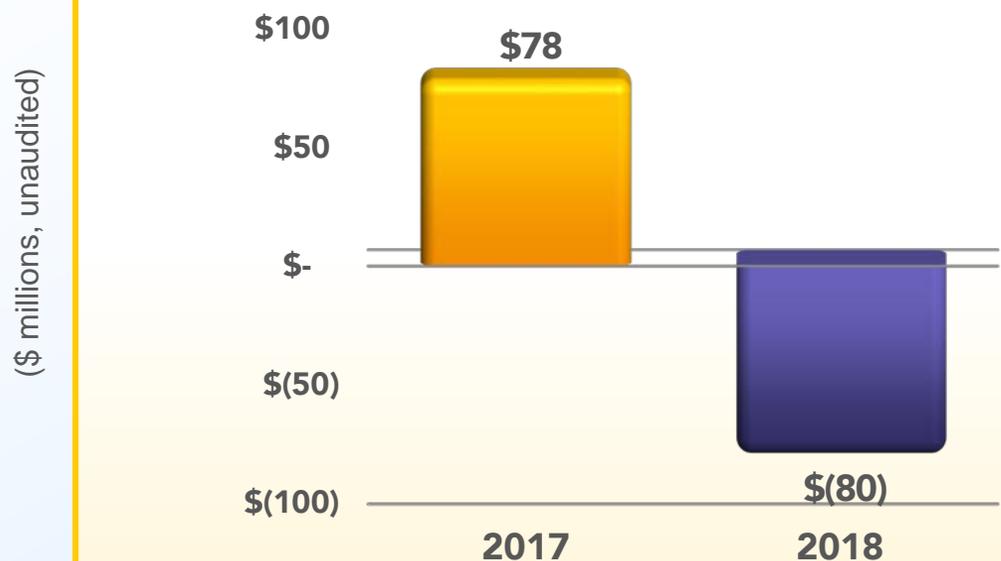


*Percent changes may not calculate due to rounding

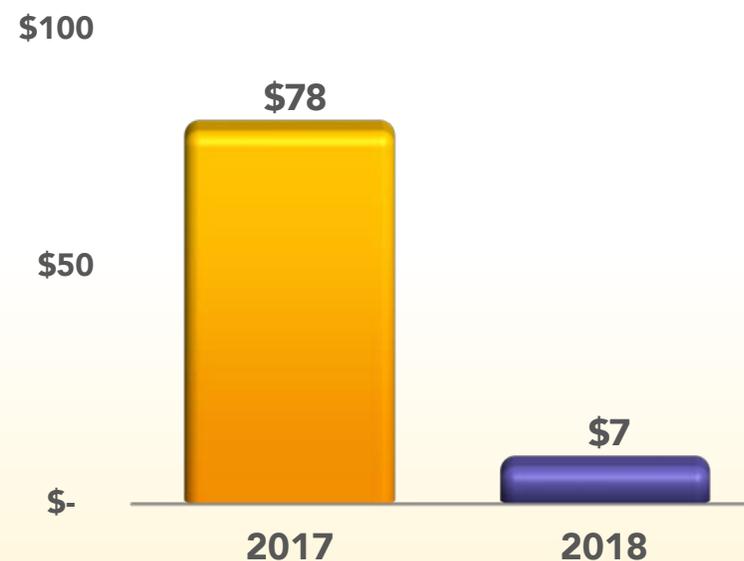
Note: Q1 2017 was a 14-week period, Q1 2018 is a 13-week period

First Quarter Operating Profit (Loss)

AS REPORTED FIRST QUARTER OPERATING PROFIT (LOSS)



AS ADJUSTED FIRST QUARTER OPERATING PROFIT



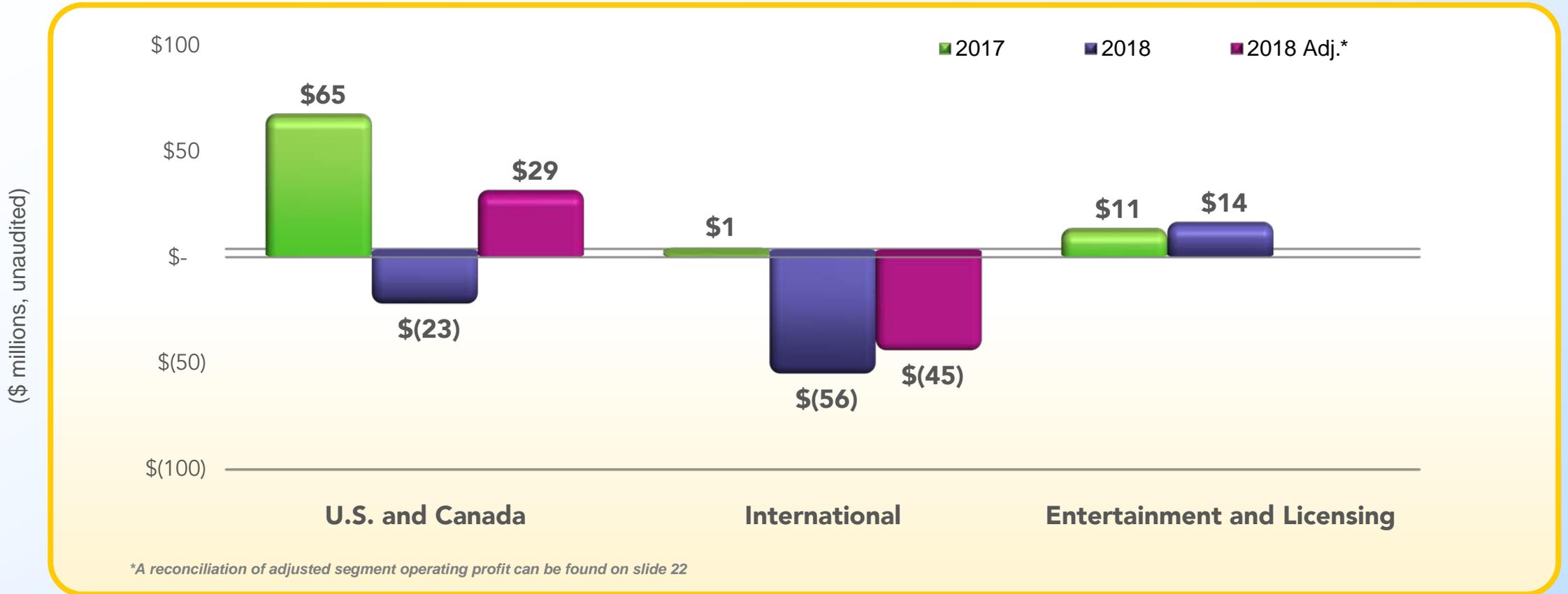
A reconciliation of operating profit can be found on slide 22

Lower revenues and expenses associated with Toys“R”Us and severance costs

Lower revenues which could not absorb the Company’s fixed costs in the smaller first quarter



First Quarter Segment Operating Profit (Loss)



U.S. & CANADA

Lower revenues and \$52.3 million of expenses related to Toys“R”Us, which was primarily bad debt

Adjusted operating profit reflects lower revenues and higher freight and warehousing expenses

INTERNATIONAL

Lower revenues and \$11.2 million of expense associated with Toys“R”Us, primarily bad debt

Adjusted operating loss was primarily the result of lower revenues

ENTERTAINMENT & LICENSING

High revenues drove 23% increase in operating profit

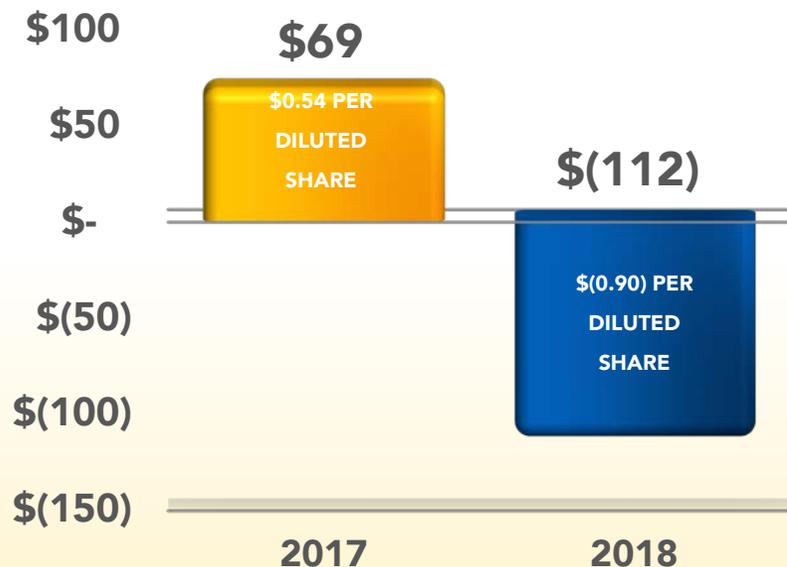
Operating profit margin 21.7% versus 21.5% last year



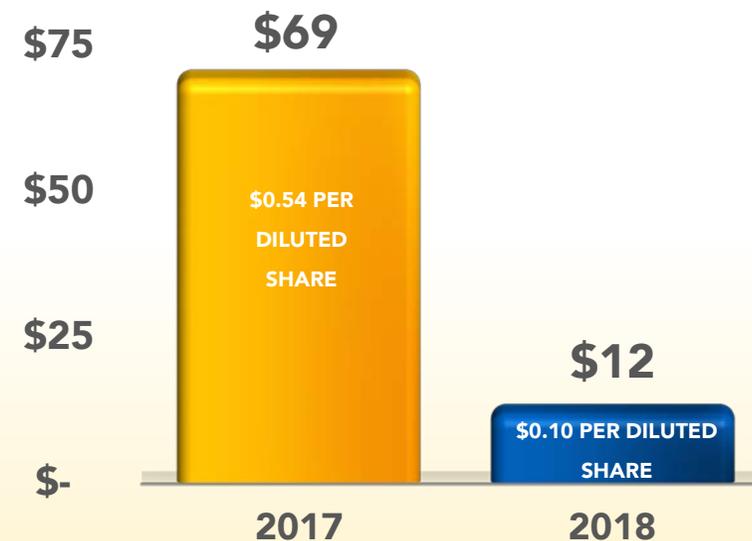
First Quarter Net Earnings (Loss)

(\$ millions, unaudited)

AS REPORTED FIRST QUARTER NET EARNINGS (LOSS)



AS ADJUSTED* FIRST QUARTER NET EARNINGS



After-tax Non-GAAP Adjustments Q1 2018*:

- \$61.4M, or \$0.49 per diluted share, associated with Toys“R”Us;
- \$15.7M, or \$0.12 per diluted share, in severance costs associated with accelerating Hasbro’s commercial organization transformation; and
- \$47.8M charge, or \$0.38 per diluted share, related to U.S tax reform



Key Cash Flow & Balance Sheet Data

(\$ millions, unaudited)	APRIL 1, 2018	APRIL 2, 2017	NOTES
Cash	\$1,599	\$1,463	Strong cash position
Depreciation	\$26	\$28	Increased depreciation of IT systems
Amortization of Intangibles	\$6	\$8	In line with full-year target of \$17M
TV Program and Film Spending	\$11	\$12	Targeting \$100 to \$125M in film and TV programming spend in 2018
Capital Expenditures	\$28	\$30	Targeting \$135M to \$155M for the full year
Dividends Paid	\$71	\$63	In February 2018, quarterly dividend increased 11% to \$0.63 per share. Payable on May 15, 2018.
Stock Repurchase	\$39	\$19	\$139.2M remains in authorization at quarter end
Operating Cash Flow	\$318	\$412	Generating strong cash flow; \$630M over trailing twelve month period
Accounts Receivable	\$613	\$677	Receivables decreased 9% and DSOs were 78 days
Inventory	\$517	\$416	Inventory up +24%, up 19% absent FX; In good condition



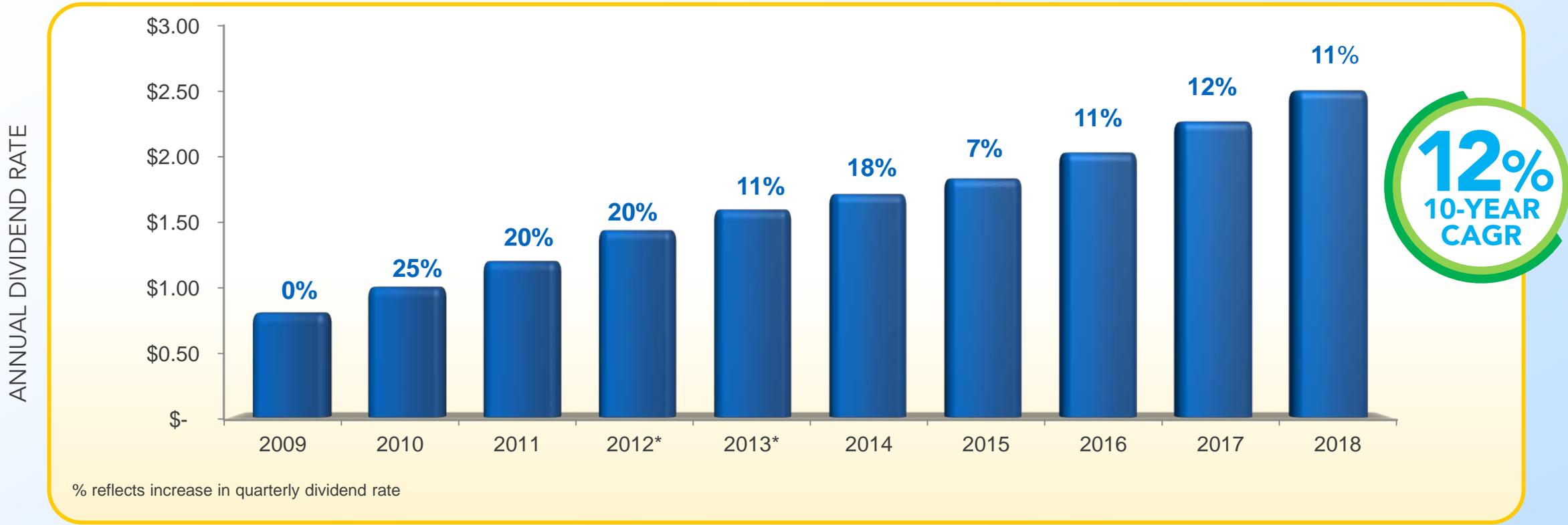


Capital Priorities

- 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



Returning Cash to Shareholders: DIVIDEND GROWTH



% reflects increase in quarterly dividend rate

11%
2018 Quarterly
Dividend Increase

**Dividend in 14
of last 15 years**

**10 Years
\$1.9B**



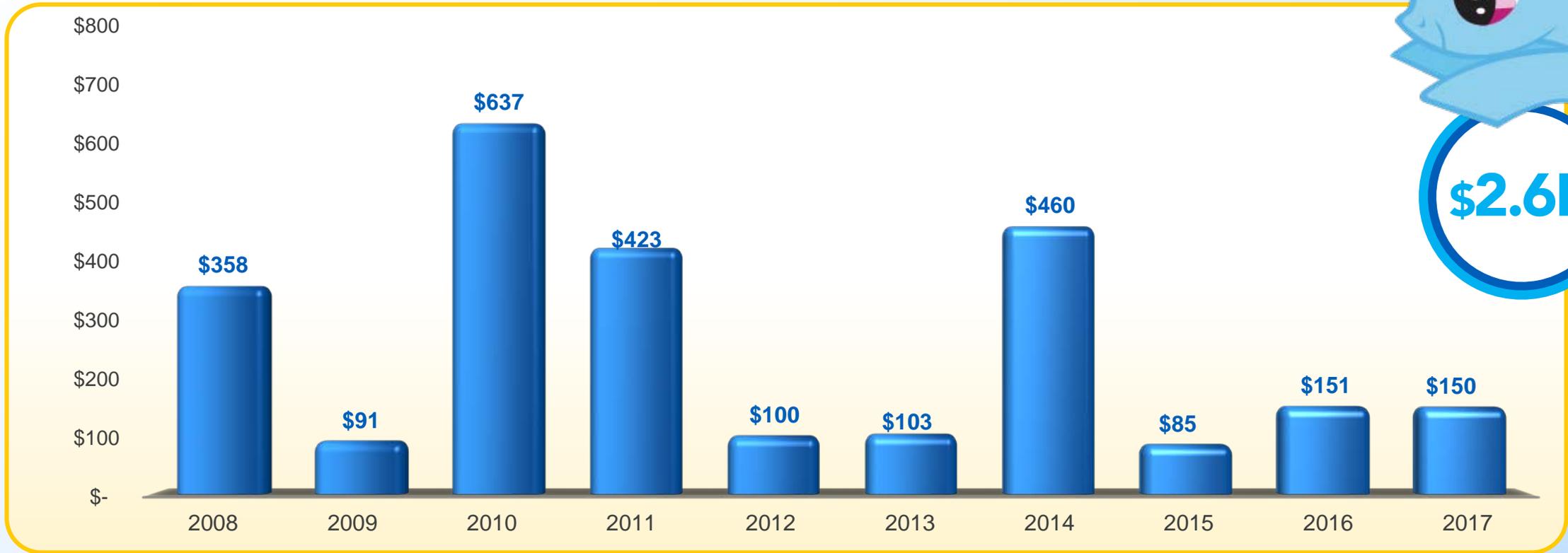
*2012 and 2013 annual dividend rates have been adjusted to move accelerated payment paid in 2012 to 2013

Returning Cash to Shareholders: SHARE REPURCHASE



\$2.6B

4 MILLIONS, UNAUDITED



Q1 2018 End
\$139.2M
Remains

Q1 2018 Repurchases
\$38.8M

10 Years
\$2.6B



CORPORATE SOCIAL RESPONSIBILITY

Playing with Purpose

We believe every day is a chance to do better.

Product Safety

Environmental Sustainability

Human Rights and Ethical Sourcing

Diversity and Inclusion



SUPPLEMENTARY FINANCIAL INFORMATION



First Quarter Consolidated Statements of Operations

(\$ millions, unaudited)	QUARTER ENDED			
	April 1, 2018	% Net Revenues	April 2, 2017	% Net Revenues
NET REVENUES	\$716	100.0%	\$850	100.0%
Cost of Sales	255	35.6%	306	36.0%
Royalties	70	9.7%	64	7.6%
Product Development	57	8.0%	63	7.4%
Advertising	68	9.5%	81	9.5%
Amortization of Intangibles	6	0.9%	8	0.9%
Program Production Cost Amortization	12	1.7%	6	0.7%
Selling, Distribution & Administration	328	45.8%	244	28.7%
OPERATING PROFIT (LOSS)	(\$80)	-11.2%	78	9.2%
Interest Expense	23	3.2%	24	2.9%
Other (Income) Expense, Net	(15)	-2.1%	(17)	(2.0)%
EARNINGS (LOSS) BEFORE INCOME TAXES	(88)	-12.3%	71	8.3%
Income Taxes	24	3.4%	2	0.3%
NET EARNINGS (LOSS)	(112)	-15.7%	69	8.1%
Diluted EPS	\$(0.90)		\$0.54	



Condensed Consolidated Balance Sheets

(\$ millions, unaudited)

	April 1, 2018	April 2, 2017
Cash & Cash Equivalents	\$1,599	\$1,463
Accounts Receivable, Net	613	677
Inventories	517	416
Other Current Assets	293	243
TOTAL CURRENT ASSETS	3,022	2,780
Property, Plant & Equipment, Net	262	270
Other Assets	1,445	1,576
TOTAL ASSETS	\$4,729	\$4,646
Short-term Borrowings	22	65
Current Portion of long-term debt	-	350
Payables & Accrued Liabilities	831	787
TOTAL CURRENT LIABILITIES	853	1,202
Long-term Debt	1,694	1,199
Other Liabilities	611	394
TOTAL LIABILITIES	3,158	2,794
Total Shareholders' Equity	1,571	1,852
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$4,729	\$4,646



Condensed Consolidated Cash Flow

Quarter Ended

(\$ millions, unaudited)	April 1, 2018	April 2, 2017
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$318	\$412
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Property, Plant and Equipment	(28)	(30)
Other	2	(1)
NET CASH UTILIZED BY INVESTING ACTIVITIES	(26)	(31)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Repayments of Short-term Borrowings	(134)	(107)
Purchases of Common Stock	(38)	(19)
Stock-based Compensation Transactions	20	10
Dividends Paid	(71)	(63)
Employee Taxes Paid for Shares Withheld	(53)	(31)
NET CASH UTILIZED BY FINANCING ACTIVITIES	(276)	(212)
Effect of Exchange Rate Changes on Cash	2	12
Cash and Cash Equivalents at Beginning of Year	1,581	1,282
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	\$1,599	\$1,463



Supplemental Financial Data

Reconciliation of Non-GAAP Financial Measures

(Unaudited)

(Thousands of Dollars)

Net Earnings and Earnings per Share Excluding the Impact of Toys"R"Us, Severance and Tax Reform

	Quarter Ended			
	April 1, 2018	Diluted Per Share Amount ⁽¹⁾	April 2, 2017	Diluted Per Share Amount
<i>(all adjustments reported after-tax)</i>				
Net Earnings (Loss), as Reported	\$ (112,492)	\$ (0.90)	\$ 68,599	\$ 0.54
Incremental costs impact of Toys"R"Us ⁽²⁾	61,372	0.49	-	-
Severance ⁽³⁾	15,699	0.12	-	-
Impact of Tax Reform ⁽⁴⁾	47,790	0.38	-	-
Net Earnings, as Adjusted	<u>\$ 12,369</u>	<u>\$ 0.10</u>	<u>\$ 68,599</u>	<u>\$ 0.54</u>

⁽¹⁾ Diluted Per Share Amount for the impact of Toys"R"Us, severance and Tax Reform and net earnings, as adjusted, for Q1 2018 are calculated using dilutive shares of 126,095 for the quarter.

⁽²⁾ In the first quarter of 2018, Toys"R"Us announced a liquidation of its U.S. operations, as well as other retail impacts around the globe. As a result, the Company recognized incremental bad debt expense on outstanding Toys"R"Us receivables, royalty expense, inventory obsolescence as well as other related costs.

⁽³⁾ In the first quarter of 2018, the Company incurred severance charges, primarily outside the U.S., related to accelerating actions associated with a new go-to-market strategy designed to be more omni-channel and e-commerce focused. These charges were included in Corporate and Eliminations.

⁽⁴⁾ Represents the adjustment of certain provisional amounts recorded in the fourth quarter of 2017 based on additional guidance issued by the U.S. Treasury Department and the Internal Revenue Service in the first quarter of 2018.

The impact of the above items on Operating Profit (Loss), and impacted segments, and Income Taxes for the quarter ended April 1, 2018 is as follows:

2018	As Reported	% Net Revenues	Less Impact of Above Items ⁽⁵⁾	Excluding Impact of Above Items	% Net Revenues
Operating Profit (Loss)	\$ (80,419)	-11.2%	\$ 87,777	\$ 7,358	1.0%
U.S. and Canada Segment	(23,383)	-6.4%	52,277	28,894	7.9%
International Segment	(56,088)	-19.5%	11,151	(44,937)	-15.6%
Income tax expense (benefit)	24,104	3.4%	(37,084)	(12,980)	-1.8%

⁽⁵⁾ Additional pretax expense of \$24.3 million is included in Corporate and Eliminations.



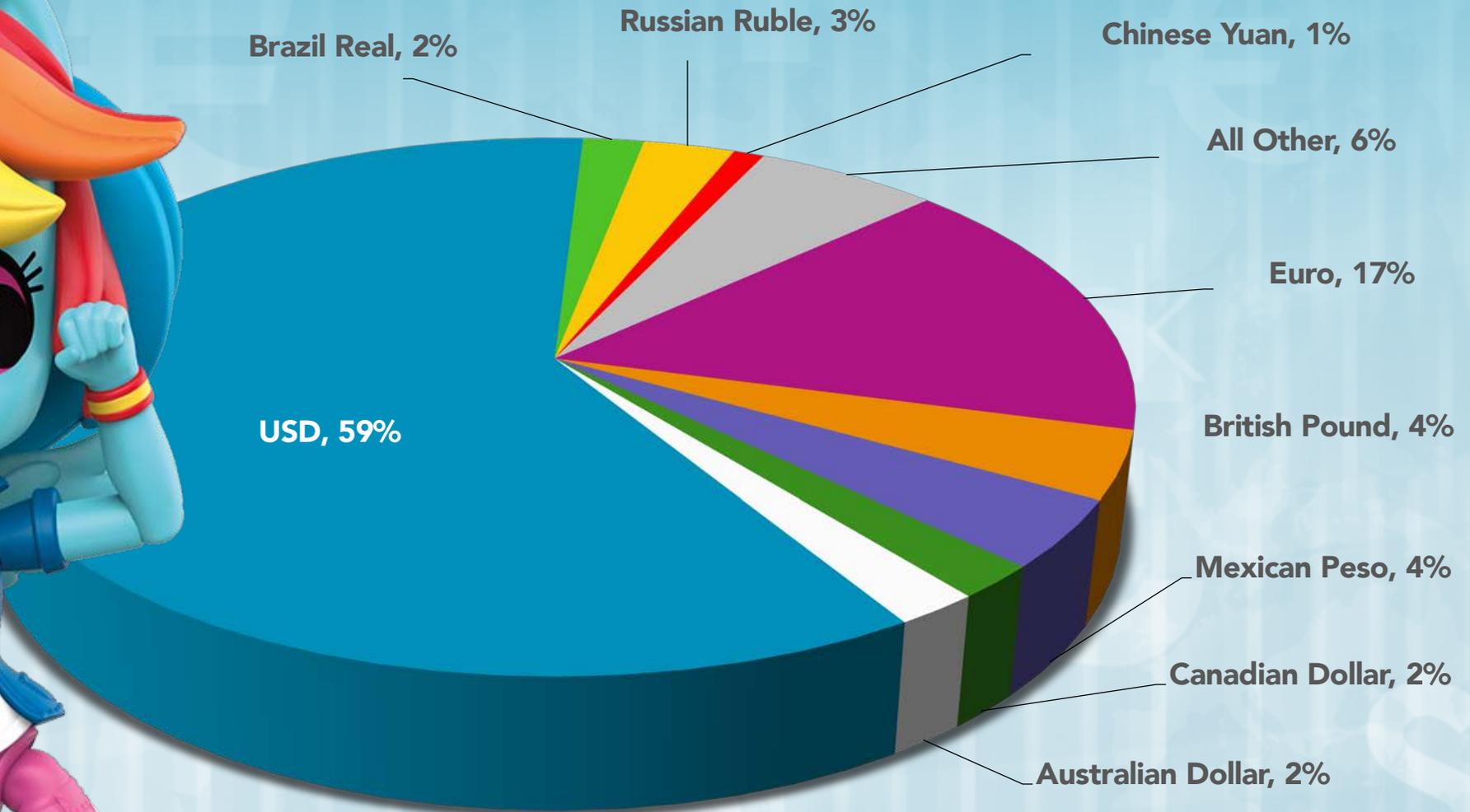
Supplemental Financial Data

Reconciliation of Non-GAAP Financial Measures (Unaudited)

Reconciliation of EBITDA

	Quarter Ended	
	April 1, 2018	April 2, 2017
Net Earnings (Loss)	\$ (112,492)	\$ 68,599
Interest Expense	22,809	24,456
Income Taxes (including Tax Reform)	24,104	2,238
Depreciation	26,221	27,702
Amortization of Intangibles	6,478	7,881
EBITDA	\$ (32,880)	\$ 130,876
Impact of Toys "R" Us and Severance	(87,777)	-
Adjusted EBITDA	\$ 54,897	\$ 130,876

2017 NET REVENUES BY CURRENCY



TRANSFORMERS



my LITTLE PONY



MONOPOLY



Franchise Brands

NERF



MAGIC THE GATHERING

baby alive





Creating the
World's **Best Play**
Experiences