



Q3 2023 Earnings

October 26, 2023



Supplemental Financial Data

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; Operational Excellence and Blueprint 2.0 implementation charges; and certain non-cash asset impairment charges. Also included in this presentation 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. Adjusted EBITDA also excludes Operational Excellence and Blueprint 2.0 implementation charges, certain non-cash asset impairment charges and the impact of stock compensation (including acquisition-related stock expense). 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. The impact of changes in foreign currency exchange rates used to translate the consolidated statements of operations is quantified by translating the current period revenues at the prior period exchange rates and comparing this amount to the prior period reported revenues. The Company believes that the presentation of the impact of changes in exchange rates, which are beyond the Company's control, is helpful to an investor's understanding of the performance of the underlying business. 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.

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 business strategies and plans; expectations relating to inventory; expectations relating to products, gaming and entertainment; anticipated cost savings; financial targets; anticipated financial performance for 2023; and expectations relating to the announced sale of the non-core eOne film and TV business, including the timing of completion and use of proceeds. 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 successfully execute on our Blueprint 2.0 strategy, including to focus on and scale select business initiatives and brands to drive profitability and to achieve anticipated cost savings;
- our ability to successfully compete in the play and entertainment industry;
- our ability to successfully evolve and transform our business and capabilities to address the global consumer landscape;
- our ability to design, develop, manufacture, and ship products on a timely, cost-effective and profitable basis;
- risks relating to our ability to successfully complete the announced sale of the eOne Film and Television business, including uncertainty as to whether the transaction will be completed in a timely manner or at all; the conditions precedent to completion of the transaction will be satisfied; risks of unexpected costs, liabilities or delays; the effect of ongoing actors’ strikes; and the effect of the announcement, pendency or consummation of the transaction on customers, employees, actors, writers, producers and operating results;
- inflation and 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;
- our dependence on third party relationships, including with third party manufacturers, licensors of brands, studios, content producers and entertainment distribution channels;
- the risk that any prolonged strike by, or lockout of, one or more of the unions that provide personnel essential to the production of films or television programs, such as the ongoing strike by the actors’ unions, could delay or halt our ongoing development, production and distribution activities; halts or delays, depending on the length of time, could cause a delay or interruption in our release of new films and television programs, which could impact our entertainment business;
- risks relating to 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 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, rising interest rates, higher commodity prices, labor costs or transportation costs, the coronavirus or other outbreaks of illness or disease, the occurrence of which could create work slowdowns, delays or shortages in production or shipment of products, increases in costs or delays in revenue;
- risks associated with international operations, such as conflict in territories in which we operate, 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;
- 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;
- risks related to our 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 and operating profit enhancing initiatives;
- risks relating to the impairment and/or write-offs of businesses, products and content we acquire and/or produce;
- the risk that acquisitions, dispositions and other investments we complete may not provide us with the benefits we expect, or the realization of such benefits may be significantly delayed. We may not achieve a successful or timely sale of non-core assets;
- 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;
- fluctuations in our business due to seasonality;
- 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;
- 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; and
- other risks and uncertainties as may be detailed 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.



Third Quarter Highlights

40% revenue growth in Wizards of the Coast and Digital Gaming segment behind strong launch of *Baldur's Gate III*

Franchise Brands grew +8% behind growth in MAGIC: THE GATHERING, DUNGEONS & DRAGONS, HASBRO GAMING & TRANSFORMERS

Adjusted Operating Profit Margin expansion of 6.7 margin points behind growth in Wizards & Digital Segment & cost savings initiatives

2023 guidance updated to reflect impact of Toy category declines

eOne Film & TV transaction on-track to close by end of year

Near-term focus on executing the holiday, resetting the cost base, removing complexity & sharpening future innovation pipeline

| | REPORTED | ADJUSTED |
|----------------------------------|---------------------------|-----------------------|
| Net Revenue | \$1.5B -10% | \$1.5B -10% |
| Operating Profit | (\$170M) >-100% | \$343M +27% |
| Net Earnings (Loss) | (\$171M) >-100% | \$228M +16% |
| Earnings (Loss) Per Share | (\$1.23) | \$1.64 |
| EBITDA | (\$115M) >-100% | \$402M +16% |



Hasbro's Transformation: Refocus on Play



Execute Blueprint 2.0

Enhance Hasbro's Gaming leadership, both tabletop and digital

Double-down on fewer, bigger brands

Drive new growth through direct to consumer and licensing



Operate with Excellence

Focus on bottom line performance by prioritizing fewer, bigger brands

Deliver Operational Excellence cost savings

Targeting 20% adjusted operating profit margin by 2027



Strengthen Balance Sheet

Invest to drive profitable growth

De-lever Balance Sheet and maintain Investment Grade rating

Return excess cash to shareholders

Third Quarter 2023



Hasbro Inc. Third Quarter 2023 Performance



| Q3 2023 Reported Results (\$ millions, except earnings per share) | Wizards of the Coast & Digital Gaming | Consumer Products | Entertainment | Corporate & Other | Hasbro |
|--|---|----------------------|----------------|----------------------|-----------------|
| Revenue | \$424 | \$957 | \$123 | N/A | \$1,503 |
| % vs PY | +40% | -18% | -42% | N/A | -10% |
| Operating Profit (Loss) | \$203 | \$96 | (\$469) | (\$1) | (\$170) |
| Operating Margin % | 48.0% | 10.0% | >-100% | N/A | -11.3% |
| Q3 2022 Operating Margin % | 33.7% | 11.8% | -13.7% | N/A | 11.6% |
| Operating Profit (Loss) vs PY | +99% | -30% | >-100% | +97% | >-100% |
| Hasbro Net Loss | | | | | (\$171) |
| Net Earnings (Loss) vs. PY | | | | | >-100% |
| Loss Per Share | | | | | (\$1.23) |
| % vs PY | | | | | >-100% |



Hasbro Inc. Third Quarter 2023 Performance-As Adjusted

| Q3 2023 Adjusted Results (\$ millions, except earnings per share) | Wizards of the Coast & Digital Gaming | Consumer Products | Entertainment | Corporate & Other | Hasbro |
|--|---|----------------------|---------------|----------------------|----------------|
| Revenue | \$424 | \$957 | \$123 | N/A | \$1,503 |
| % vs PY | +40% | -18% | -42% | N/A | -10% |
| Operating Profit | \$203 | \$107 | \$8 | \$24 | \$343 |
| Operating Margin % | 48.0% | 11.2% | 6.6% | N/A | 22.8% |
| Q3 2022 Operating Margin % | 33.7% | 12.6% | 2.8% | N/A | 16.1% |
| Operating Profit vs PY | +99% | -27% | +37% | +45% | +27% |
| Hasbro Net Earnings | | | | | \$228 |
| Net Earnings vs PY | | | | | +16% |
| Diluted Earnings Per Share | | | | | \$1.64 |
| % vs PY | | | | | +15% |

As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 33-41. This includes among other items, \$473.0M (\$369.0M after-tax) for the quarter and nine months ended October 1, 2023 related to the sale of the eOne Film and TV business not directly supporting the Company's Entertainment Strategy within the Entertainment segment. The assets and liabilities of these businesses were revalued and disclosed separately on the balance sheet.



Hasbro Inc. Nine Months 2023 Performance

| YTD 2023 Reported Results (\$ millions, except earnings per share) | Wizards of the Coast & Digital Gaming | Consumer Products | Entertainment | Corporate & Other | Hasbro |
|---|---------------------------------------|-------------------|----------------|-------------------|-----------------|
| Revenue | \$1,094 | \$2,133 | \$488 | N/A | \$3,714 |
| % vs PY | +11% | -17% | -22% | N/A | -11% |
| Operating Profit (Loss) | \$423 | \$62 | (\$801) | (\$23) | (\$340) |
| Operating Margin % | 38.6% | 2.9% | >-100% | N/A | -9.2% |
| YTD 2022 Operating Margin % | 44.0% | 5.4% | -0.4% | N/A | 12.8% |
| Operating Profit (Loss) vs PY | -3% | -56% | >-100% | +39% | >-100% |
| Hasbro Net Loss | | | | | (\$428) |
| Net Earnings (Loss) vs. PY | | | | | >-100% |
| Loss Per Share | | | | | (\$3.09) |
| % vs PY | | | | | >-100% |



Hasbro Inc. Nine Months 2023 Performance-As Adjusted

| YTD 2023 Adjusted Results (\$ millions, except earnings per share) | Wizards of the Coast & Digital Gaming | Consumer Products | Entertainment | Corporate & Other | Hasbro |
|---|---------------------------------------|-------------------|---------------|-------------------|----------------|
| Revenue | \$1,094 | \$2,133 | \$488 | N/A | \$3,714 |
| % vs PY | +11% | -17% | -22% | N/A | -11% |
| Operating Profit (Loss) | \$423 | \$94 | (\$15) | \$26 | \$527 |
| Operating Margin % | 38.6% | 4.4% | -3.1% | N/A | 14.2% |
| YTD 2022 Operating Margin % | 44.0% | 6.5% | 8.0% | N/A | 15.6% |
| Operating Profit (Loss) vs PY | -3% | -44% | >-100% | >100% | -19% |
| Hasbro Net Earnings | | | | | \$297 |
| Net Earnings vs PY | | | | | -32% |
| Diluted Earnings Per Share | | | | | \$2.13 |
| % vs PY | | | | | -32% |

As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 36-41. This includes among other items, \$473.0M (\$369.0M after-tax) for the quarter and nine months ended October 1, 2023 related to the sale of the eOne Film and TV business not directly supporting the Company's Entertainment Strategy within the Entertainment segment. The assets and liabilities of these businesses were revalued and disclosed separately on the balance sheet.

Brand Portfolio Performance



Q3 2023 Brand Category Highlights

Net Revenue by Brand Portfolio

| (\$ millions) | Q3 2023 | Q3 2022 | % Change | YTD 2023 | YTD 2022 | % Change |
|---|----------------|----------------|-------------|----------------|----------------|-------------|
| Franchise Brands¹ | \$1011 | \$940 | +8% | \$2,413 | \$2,416 | - |
| Partner Brands | \$228 | \$350 | -35% | \$534 | \$776 | -31% |
| Portfolio Brands | \$170 | \$209 | -19% | \$369 | \$457 | -19% |
| Non-Hasbro Branded Film & TV | \$94 | \$177 | -47% | \$398 | \$529 | -25% |
| Total | \$1,503 | \$1,676 | -10% | \$3,714 | \$4,178 | -11% |

Amounts may not sum due to rounding

Franchise Performance

Third quarter growth in DUNGEONS & DRAGONS (>+100%), TRANSFORMERS (+29%), MAGIC: THE GATHERING (+20%) and HASBRO GAMING (+3%)

Partner Brands

Exited licenses represent approximately half of the decline; Comping strong 2022 entertainment slate

Portfolio Brands

Focusing on fewer brands; good momentum for FURBY; G.I. JOE up in the quarter

Non-Hasbro Branded Film & TV

Impact from industry strikes and businesses exited in late 2022

¹Effective Q1 2023, the Company realigned its Brand Portfolios to Franchise Brands, Partner Brands, Portfolio Brands and Non-Hasbro Branded Film & TV. Franchise Brands include DUNGEONS & DRAGONS, Hasbro Gaming, MAGIC: THE GATHERING, NERF, PEPPA PIG, PLAY-DOH and TRANSFORMERS. A schedule of historical quarterly revenue is available at <https://investor.hasbro.com/> under Financials & Filings.

Q3 2023 Operating Margin Performance



As Reported Operating Profit Margin Drivers

(\$ millions)

| Q3 2022 Op Profit Margin | 11.6% | \$194 |
|--|---------------|----------------|
| Volume & Mix* | -0.1 pts | (\$21) |
| Royalties | -0.1 pts | (\$2) |
| COS Savings > Cost Inflation* | +1.9 pts | \$28 |
| Operating Expenses | +1.4 pts | \$20 |
| Investments: A&P, Key Initiatives | +1.7 pts | \$26 |
| All Other: Impairment, Program Amortization and Divestitures | -27.6 pts | (\$416) |
| Q3 2023 Op Profit Margin | -11.3% | (\$170) |

Amounts may not sum due to rounding

Adjusted Operating Profit Margin Drivers

(\$ millions)

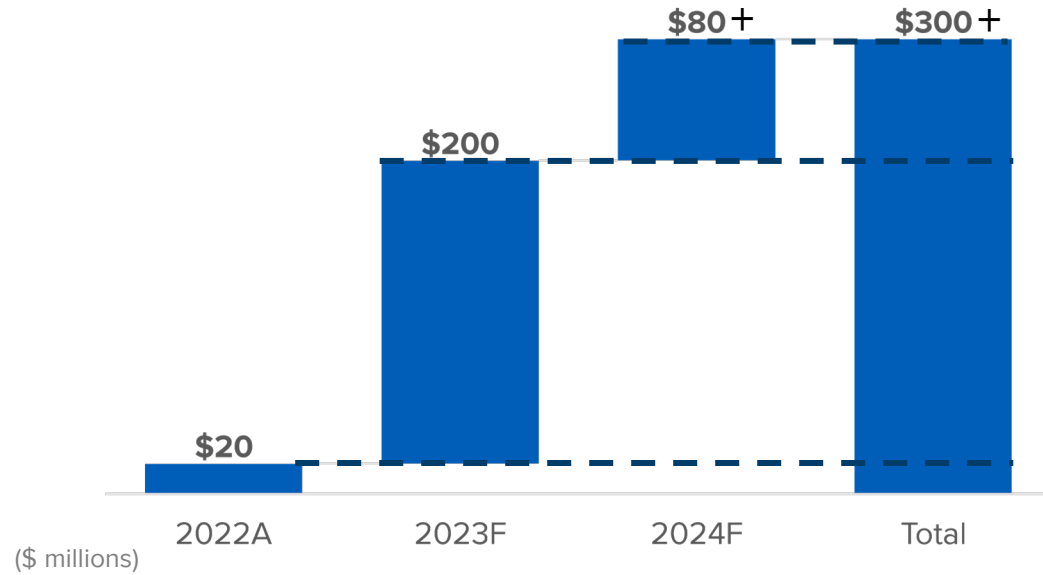
| Q3 2022 Op Profit Margin (Adjusted) | 16.1% | \$271 |
|--|--------------|--------------|
| Volume & Mix* | +0.3pts | (\$21) |
| Royalties | -0.1 pts | (\$2) |
| COS Savings > Cost Inflation* | +1.9 pts | \$28 |
| Operating Expenses | +1.4 pts | \$20 |
| Investments: A&P, Key Initiatives | +1.7 pts | \$26 |
| All Other: Program Amortization and Divestitures | +1.5 pts | \$20 |
| Q3 2023 Op Profit Margin (Adjusted) | 22.8% | \$343 |

*Volume/Mix represents gross sales volume impact to operating profit and impact of mix on net sales. Royalties, COS, A&P and Program Amortization are calculated on a volume-adjusted basis. COS Savings > Cost Inflation is defined as the cost of goods savings from our Operational Excellence program is greater than the cost of goods inflation.

As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 39.

Operational Excellence Program

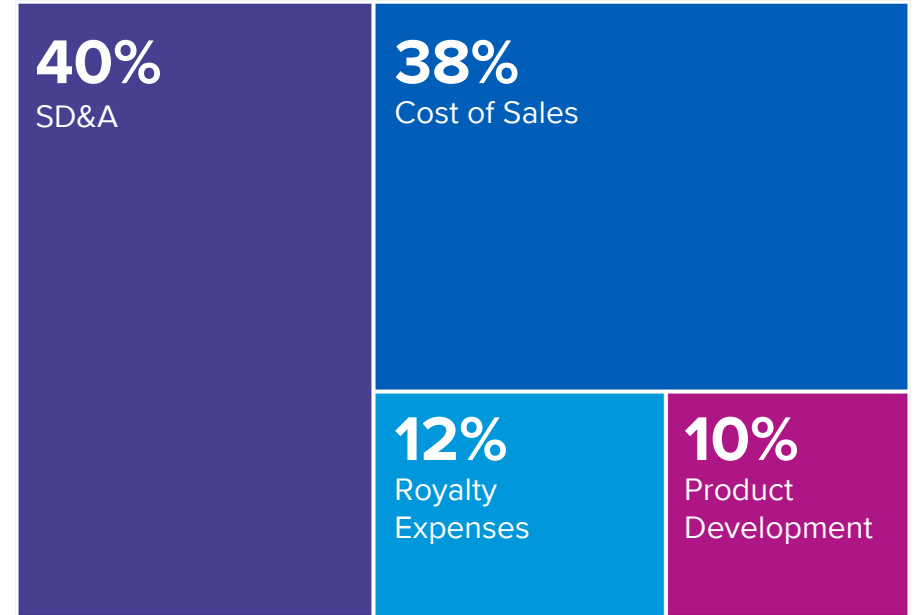
Cumulative Cost Savings



YTD Update: \$154M In Year Savings vs **\$65M** Cash Spent

On track to deliver **\$250-300M** annual savings ahead of plan

Forecasted 2025 Savings Breakdown



- + Delivered gross savings of \$174M cumulatively since beginning of cost savings program in 2022
- + 320 basis point improvement in Q3; Cost savings offset by inventory management efforts and strategic investments in 2023
- + Of the expected \$200M cost to achieve, a total of \$82M has been paid since the beginning of the cost savings program in 2022

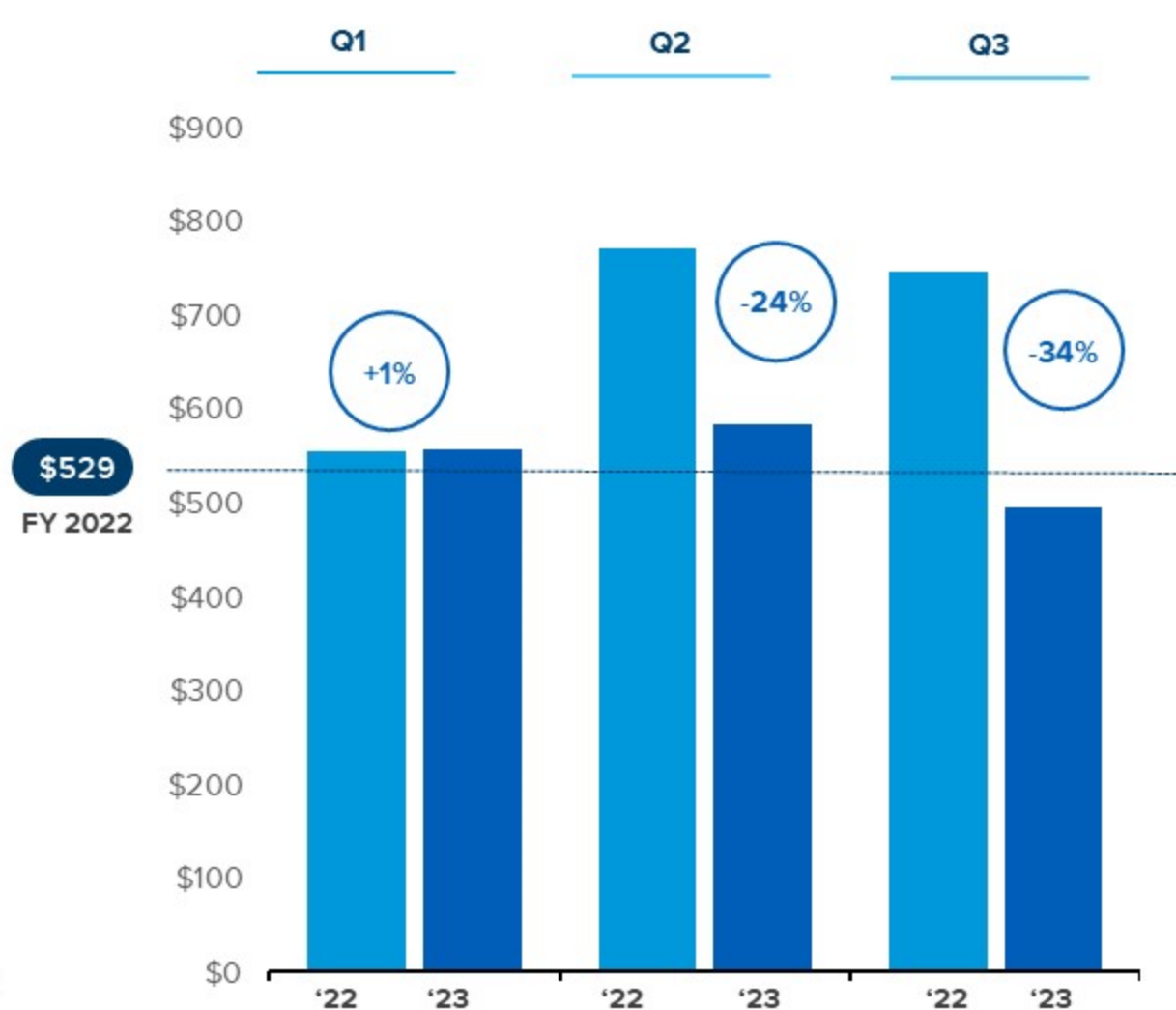
Owned Inventory Reduction



Inventory Summary

Total Hasbro

Consumer Products



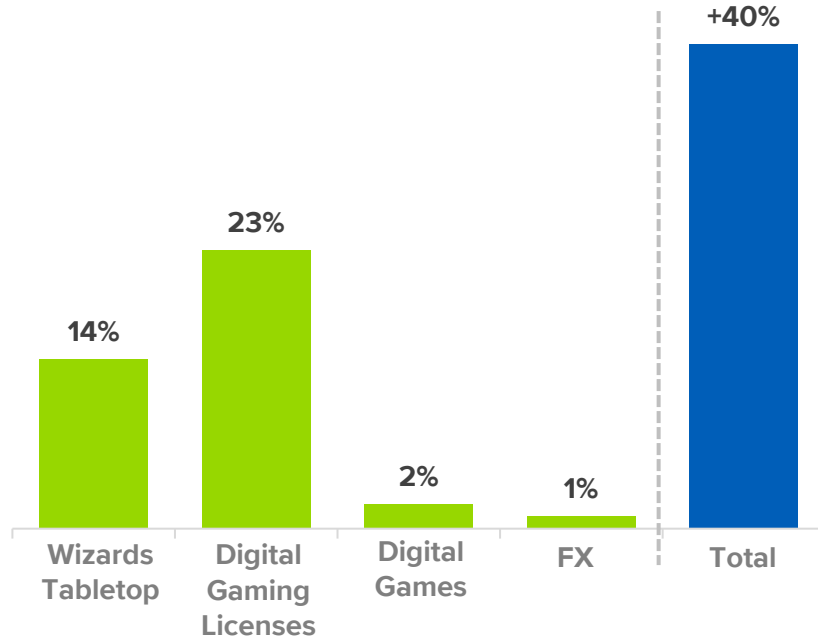
Wizards of the Coast & Digital Gaming Segment



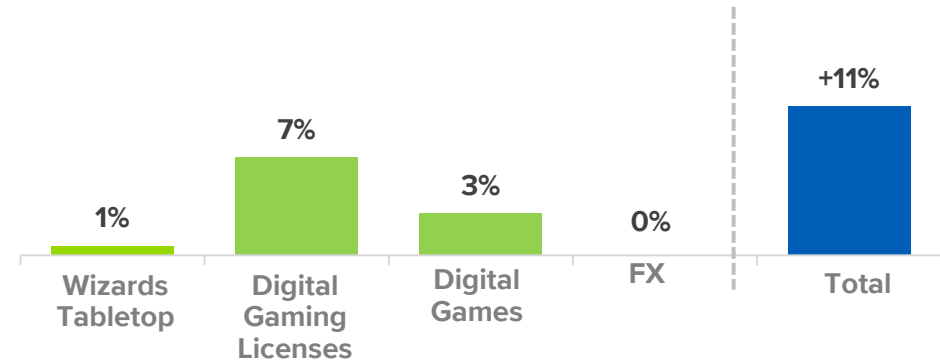
Wizards of the Coast & Digital Gaming Segment Performance



Q3 2023 Revenue Bridge



YTD 2023 Revenue Bridge



Key Business Drivers

Strong growth in digital and licensed gaming revenue behind *Baldur's Gate III* and *Monopoly Go!*

MAGIC: THE GATHERING tabletop revenues increased behind release of *Wilds of Eldraine* and *Commander Masters*

Universes Beyond The Lord of the Rings: Tales of Middle-earth continues to perform well

Q3 Margin Commentary

Total Operating Margin of 48.0% vs. 33.7% LY

(+) High profit digital licensing revenues

(+) Incremental set release Q3 2023 vs. Q3 2022

(-) Higher royalties and investments in MagicCon, talent & infrastructure

Consumer Products Segment





Hasbro Q3 Share in Focus Categories

Focus Categories – Q3 2023

| Focus Category | Hasbro Share Change | Hasbro Share | Hasbro Position |
|---------------------------------|---------------------|--------------|-----------------|
| Action Figures & Accessories | ▲ +2.1 pts | 24.7% | 1 |
| Arts & Crafts | ▲ +1.2 pts | 22.7% | 1 |
| Games | ▼ -0.2 pts | 14.8% | 2 |
| Preschool Toys | ▲ +0.1 pts | 5.9% | 3 |
| Blasters/Shooters & Accessories | ▲ +0.6 pts | 49.1% | 1 |

Action Figures & Accessories

TRANSFORMERS revenue and POS growth

Arts & Crafts

PLAY-DOH growth in Consumer Products revenues and POS

Preschool Toys

PEPPA PIG growth in POS

Games

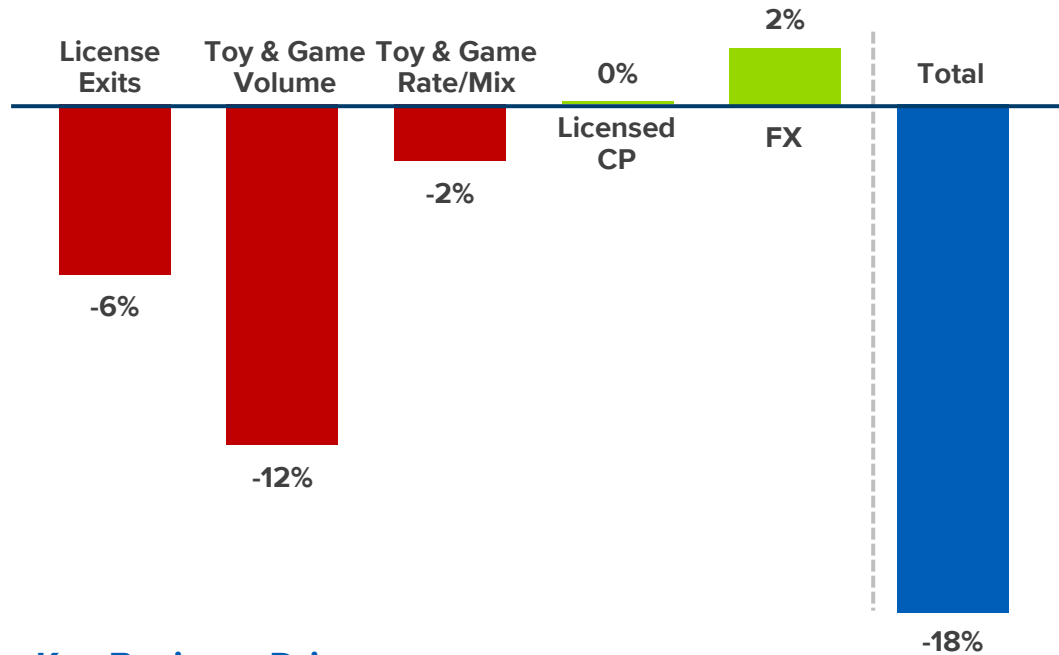
MONOPOLY POS increase; Games category does not reflect majority of MAGIC: THE GATHERING or DUNGEONS & DRAGONS

Share data includes products manufactured by Hasbro only. Source: Circana/Retail Tracking Service/G10 (US,CA,BR,MX,UK,FR,GE,SP,IT,AU)/Supercategories (Action Figures & Accessories, Arts & Crafts), Segments (Games, Preschool Toys), Class (Blasters/Shooters & Accessories)/Jul - Sep 2022 & Jul - Sep 2023/Projected USD



Consumer Products Performance

Q3 2023 Revenue Bridge



Key Business Drivers

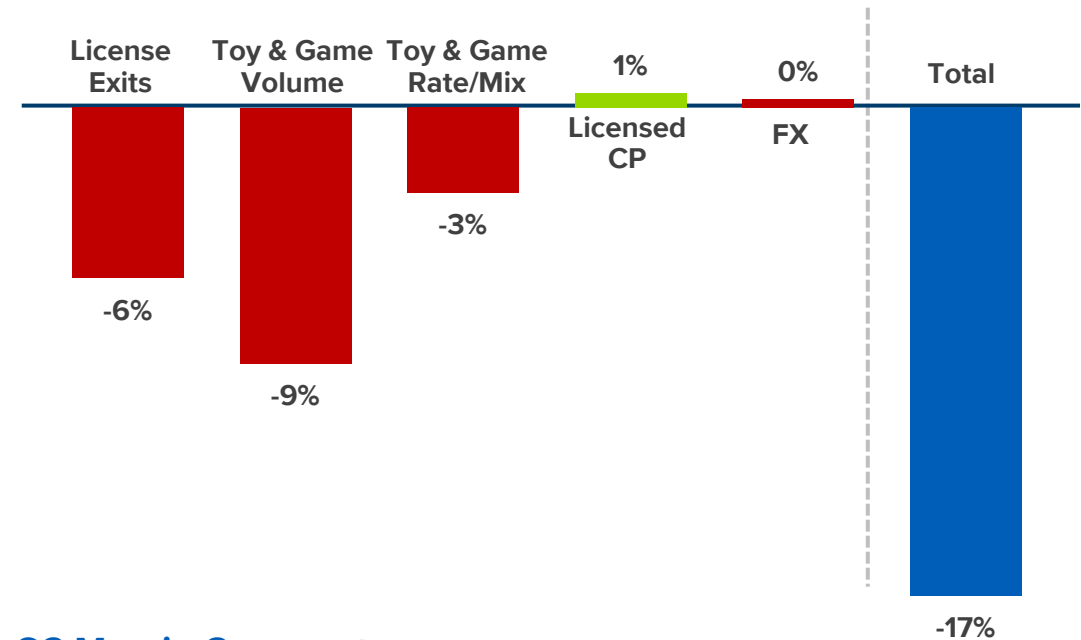
Revenue impacted by softer than expected retail environment and exited licenses

Declining POS trends and planned business exits

Growth in PLAY-DOH, TRANSFORMERS and G.I. JOE; FURBY performing well

Consumer Products Licensing growth in the quarter

YTD 2023 Revenue Bridge



Q3 Margin Commentary

Total Adjusted Operating Margin of 11.2% vs. 12.5% LY

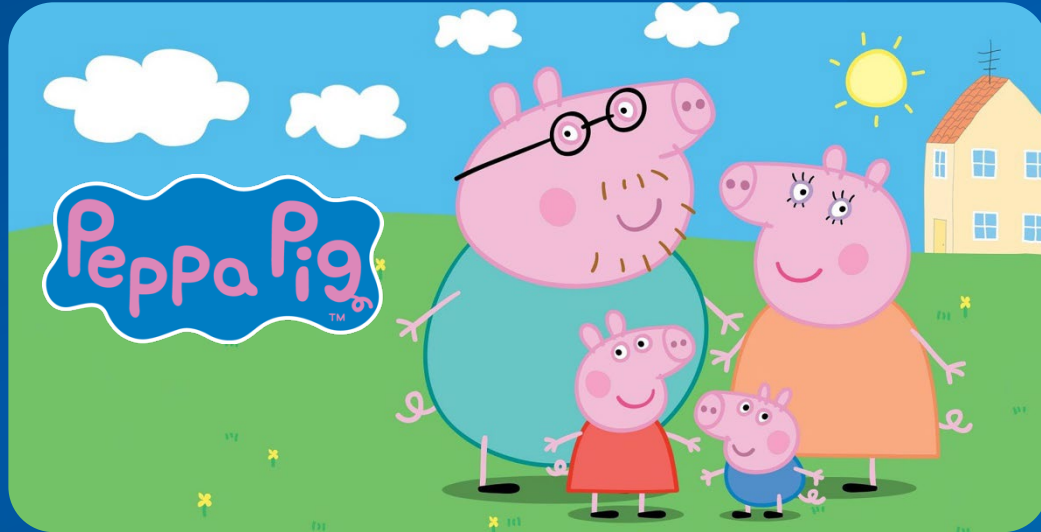
(-) Unfavorable mix and costs to clear inventory

(-) Fixed cost de-leverage

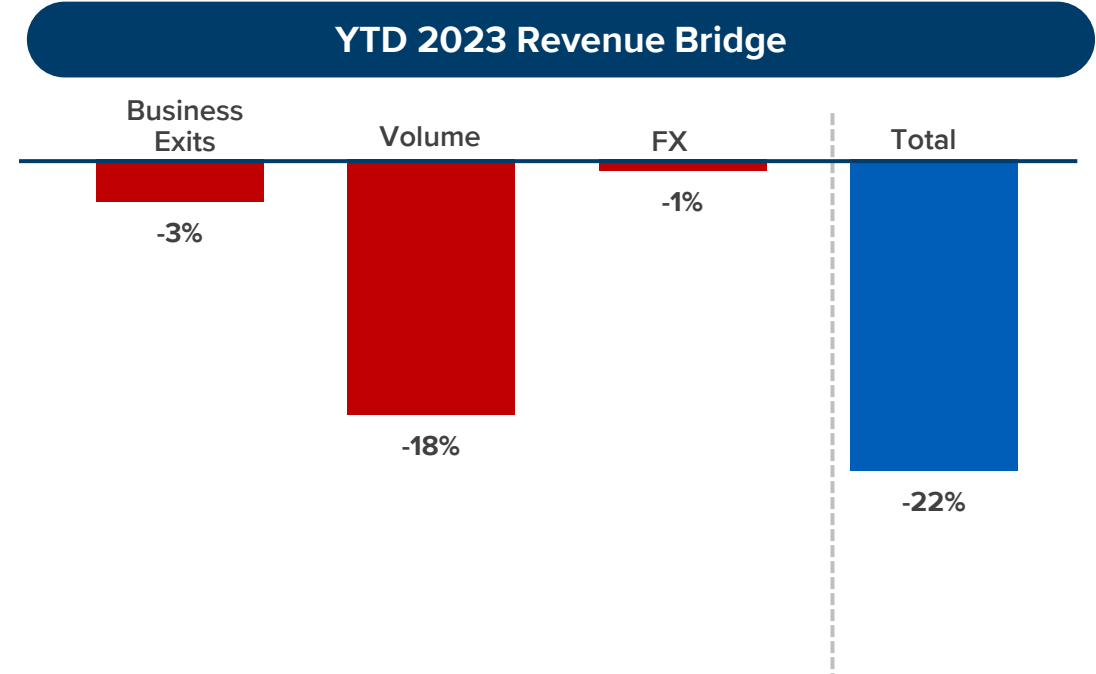
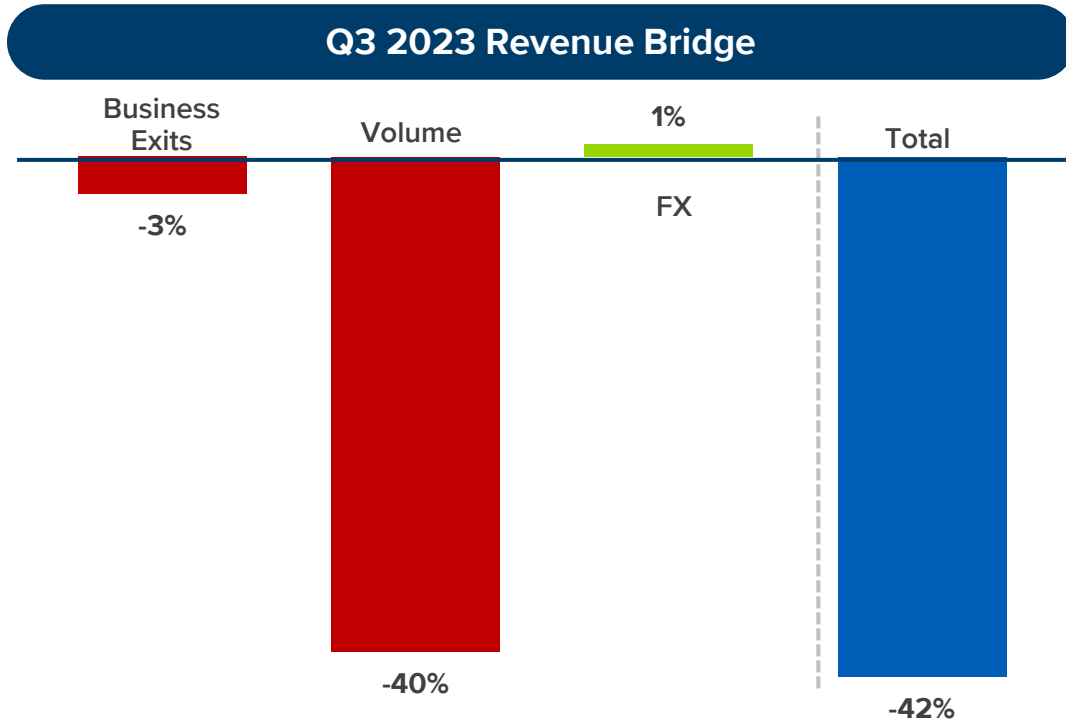
(+) Cost savings offset cost inflation

(+) Lower royalties and advertising

Entertainment Segment



Entertainment Segment Performance



Key Business Drivers

Revenue decline primarily due to the impact of industry strikes and exited businesses

eOne Film and TV sale on pace to close by year end

Growth in Family Brands

Q3 Margin Commentary

Total Adjusted Operating Margin of 6.6% vs. 2.8% LY

(+) Exited businesses

(+) lower program amortization

(+) lower compensation expense

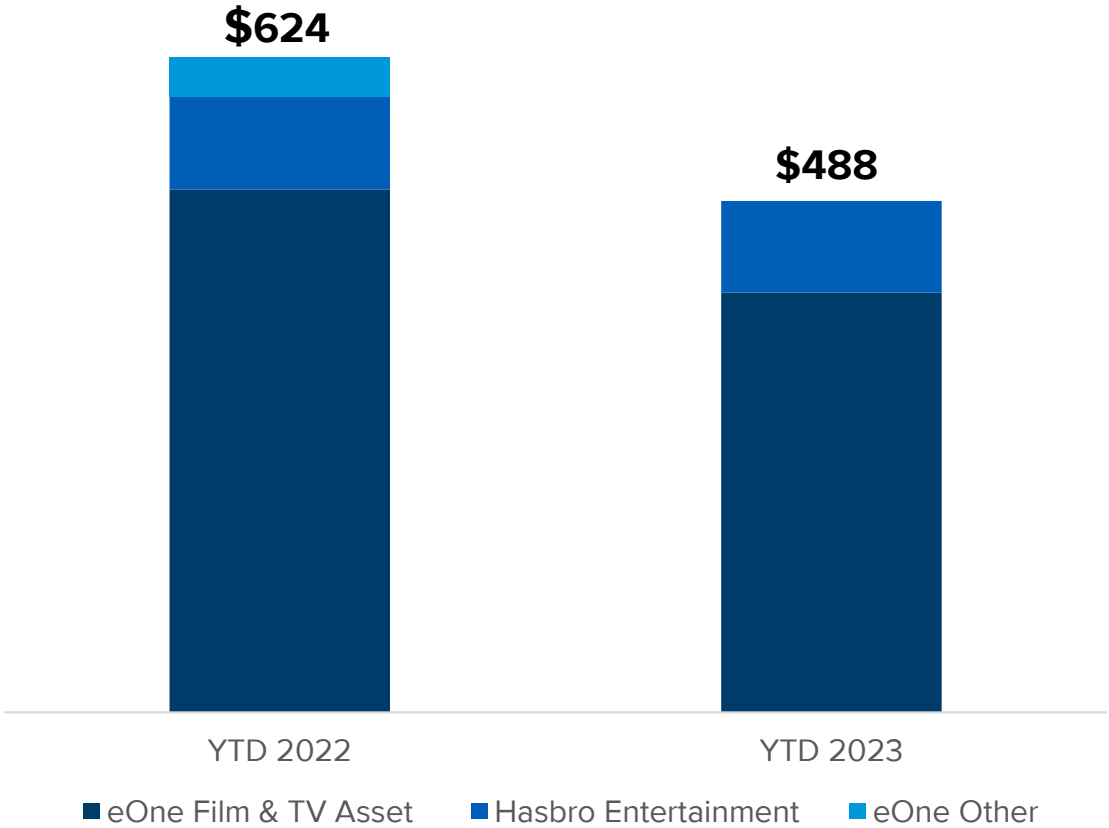
Business exits reflects Music and Other businesses exited in late 2022.

As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 33-38.

Entertainment Segment Financials and Deal Update



YTD Entertainment Segment Revenue



\$ Millions; Unaudited Financials

YTD 2022 included eOne businesses which were exited in late 2022. As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 36-38.

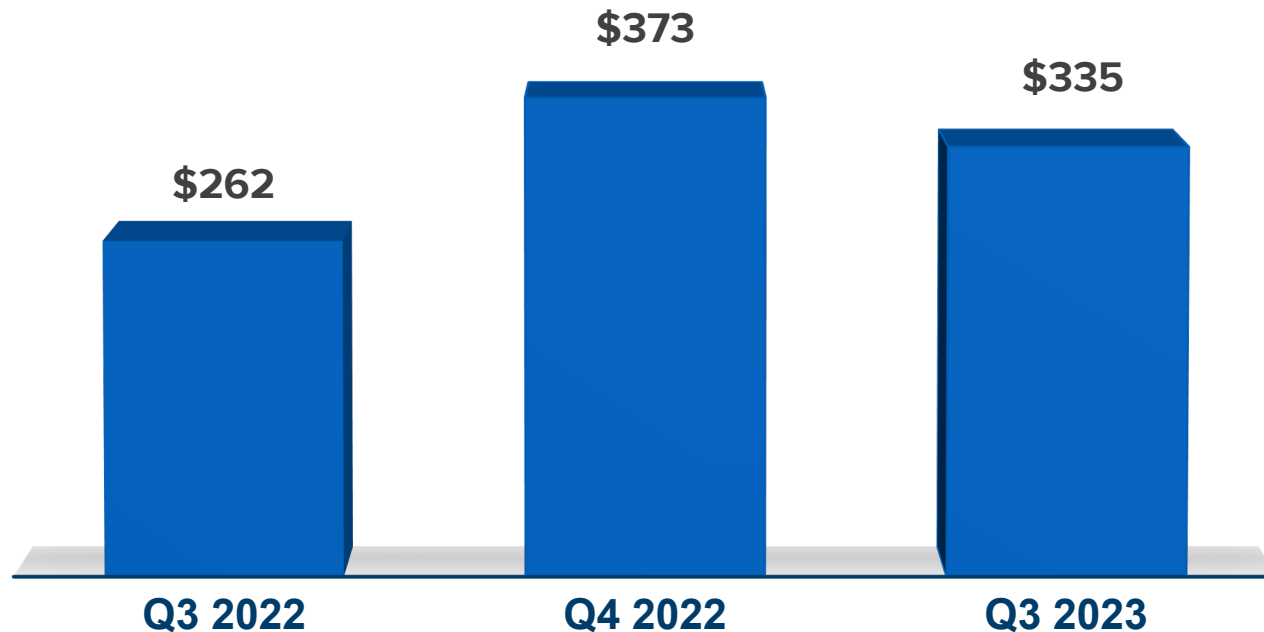
Other Comments

- Received expected regulatory approvals
- Transaction expected to close by year-end 2023
- eOne Film and TV asset to be sold has delivered ~\$400M of revenue YTD
 - Down ~20% YOY
- Full-year earnings are expected to be break even to a modest loss

Total Hasbro Inc. Cash Flow and Metrics



Operating Cash Flow



(\$millions)

Other Highlights

- Repaid \$107M of long-term debt YTD 2023
- Adjusted Underlying Tax Rate in Q3 of 23.2% vs. 19.9% prior year; YTD 24.4% vs. 21.1% prior year
- Additional Interest Expense of \$5.2M in Q3 and \$14.8M YTD
- Returned \$97M cash to shareholders via dividends in Q3: \$291M cumulative YTD

Updated Guidance for 2023



| | Previous | Updated |
|----------------------------|-----------------|-------------------------|
| Total Revenue | Down 3 - 6% | Down 13 - 15% |
| Consumer Products | Down MSD | Down Mid- to High-Teens |
| Wizards of the Coast | Up HSD | Up HSD |
| Entertainment | Down 25-30% | Down 25-30% |
| Adj Op Margin | Up 20 - 50 BPS | 13.0% - 13.5% |
| Adj EBITDA | Flat with 2022 | \$900 - \$950M |
| Operating Cash Flow | \$600M - \$700M | \$500 - \$600M |

Other Key Assumptions

- Gross cost savings on track to deliver \$200M in 2023
- Includes additional one-time costs to clear aged inventory on Hasbro’s balance sheet
- FY 2023 adjusted underlying tax rate expected to be 23-24%

The Company is not able to reconcile its forward-looking non-GAAP adjusted operating profit margin, adjusted earnings per diluted share and adjusted EBITDA measures because the Company cannot predict with certainty the timing and amounts of discrete items such as charges associated with its cost-savings program, which could impact GAAP results. Guidance does not reflect the announced sale of select entertainment assets. The Company plans to update its outlook upon completion of the transaction



Supplemental Financial Information



Condensed Consolidated Balance Sheets

HASBRO, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS ⁽¹⁾

(Unaudited)

(Millions of Dollars)

| | October 1, 2023 | September 25, 2022 |
|---|-------------------|--------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 185.5 | \$ 551.6 |
| Accounts Receivable, Net | 1,102.0 | 1,188.8 |
| Inventories | 617.7 | 844.5 |
| Prepaid Expenses and Other Current Assets | 286.2 | 658.8 |
| Assets Held for Sale | 1,048.7 | 16.8 |
| Total Current Assets | 3,240.1 | 3,260.5 |
| Property, Plant and Equipment, Net | 474.6 | 411.8 |
| Goodwill | 3,238.8 | 3,469.8 |
| Other Intangible Assets, Net | 655.1 | 1,079.7 |
| Other Assets | 731.6 | 1,404.3 |
| Total Assets | \$ 8,340.2 | \$ 9,626.1 |
| LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY | | |
| Short-Term Borrowings | \$ — | \$ 122.3 |
| Current Portion of Long-Term Debt | 60.0 | 122.6 |
| Accounts Payable and Accrued Liabilities | 1,356.8 | 2,097.0 |
| Liabilities Held for Sale | 607.4 | 15.0 |
| Total Current Liabilities | 2,024.2 | 2,356.9 |
| Long-Term Debt | 3,654.6 | 3,725.1 |
| Other Liabilities | 438.2 | 545.1 |
| Total Liabilities | 6,117.0 | 6,627.1 |
| Total Shareholders' Equity | 2,223.2 | 2,999.0 |
| Total Liabilities, Noncontrolling Interests and Shareholders' Equity | \$ 8,340.2 | \$ 9,626.1 |

⁽¹⁾ Amounts may not sum due to rounding



Condensed Statements of Operations

HASBRO, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS ⁽¹⁾

(Unaudited)

(Millions of Dollars and Shares Except Per Share Data)

| | Quarter Ended | | | | Nine Months Ended | | | |
|--|-----------------|----------------|--------------------|----------------|-------------------|----------------|--------------------|----------------|
| | October 1, 2023 | % Net Revenues | September 25, 2022 | % Net Revenues | October 1, 2023 | % Net Revenues | September 25, 2022 | % Net Revenues |
| Net Revenues | \$ 1,503.4 | 100.0% | \$ 1,675.9 | 100.0% | \$ 3,714.4 | 100.0% | \$ 4,178.2 | 100.0% |
| Costs and Expenses: | | | | | | | | |
| Cost of Sales | 494.5 | 32.9% | 586.6 | 35.0% | 1,132.0 | 30.5% | 1,331.2 | 31.9% |
| Program Cost Amortization | 68.4 | 4.5% | 146.5 | 8.7% | 325.3 | 8.8% | 365.7 | 8.8% |
| Royalties | 106.9 | 7.1% | 135.1 | 8.1% | 295.8 | 8.0% | 335.3 | 8.0% |
| Product Development | 76.7 | 5.1% | 82.4 | 4.9% | 232.4 | 6.3% | 231.2 | 5.5% |
| Advertising | 81.9 | 5.4% | 115.2 | 6.9% | 249.8 | 6.7% | 277.0 | 6.6% |
| Amortization of Intangibles | 19.2 | 1.3% | 26.9 | 1.6% | 65.1 | 1.8% | 81.2 | 1.9% |
| Selling, Distribution and Administration | 352.3 | 23.4% | 365.8 | 21.8% | 1,050.0 | 28.3% | 1,000.1 | 23.9% |
| Impairment of Goodwill | — | 0.0% | — | 0.0% | 231.2 | 6.2% | — | 0.0% |
| Loss on Assets Held for Sale | 473.0 | 31.5% | 23.1 | 1.4% | 473.0 | 12.7% | 23.1 | 0.6% |
| Operating Profit (Loss) | (169.5) | -11.3% | 194.3 | 11.6% | (340.2) | -9.2% | 533.4 | 12.8% |
| Interest Expense | 47.1 | 3.1% | 41.9 | 2.5% | 140.0 | 3.8% | 125.2 | 3.0% |
| Other Expense (Income), Net | (1.6) | -0.1% | (13.2) | -0.8% | (16.3) | -0.4% | (17.5) | -0.4% |
| Earnings (Loss) before Income Taxes | (215.0) | -14.3% | 165.6 | 9.9% | (463.9) | -12.5% | 425.7 | 10.2% |
| Income Tax Expense (Benefit) | (44.6) | -3.0% | 37.4 | 2.2% | (36.9) | -1.0% | 94.1 | 2.3% |
| Net Earnings (Loss) | (170.4) | -11.3% | 128.2 | 7.6% | (427.0) | -11.5% | 331.6 | 7.9% |
| Net Earnings (Loss) Attributable to Noncontrolling Interests | 0.7 | 0.0% | (1.0) | -0.1% | 1.2 | 0.0% | (0.8) | 0.0% |
| Net Earnings (Loss) Attributable to Hasbro, Inc. | \$ (171.1) | -11.4% | \$ 129.2 | 7.7% | \$ (428.2) | -11.5% | \$ 332.4 | 8.0% |
| Per Common Share | | | | | | | | |
| Net Earnings (Loss) | | | | | | | | |
| Basic | \$ (1.23) | | \$ 0.93 | | \$ (3.09) | | \$ 2.39 | |
| Diluted | \$ (1.23) | | \$ 0.93 | | \$ (3.09) | | \$ 2.39 | |
| Cash Dividends Declared | \$ 0.70 | | \$ 0.70 | | \$ 2.10 | | \$ 2.10 | |
| Weighted Average Number of Shares | | | | | | | | |
| Basic | 138.8 | | 138.3 | | 138.7 | | 138.9 | |
| Diluted | 139.2 | | 138.5 | | 139.0 | | 139.1 | |

⁽¹⁾ Amounts may not sum due to rounding

(MILLIONS OF DOLLARS) (UNAUDITED)

Condensed Consolidated Cash Flows



HASBRO, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

(Unaudited)

(Millions of Dollars)

| | Nine Months Ended | |
|--|-------------------|--------------------|
| | October 1, 2023 | September 25, 2022 |
| Cash Flows from Operating Activities: | | |
| Net Earnings (Loss) | \$ (427.0) | \$ 331.6 |
| Impairment of Goodwill | 231.2 | — |
| Loss on Assets Held for Sale | 473.0 | 23.1 |
| Other Non-Cash Adjustments | 545.6 | 544.0 |
| Changes in Operating Assets and Liabilities | (487.9) | (636.5) |
| Net Cash Provided by Operating Activities | <u>334.9</u> | <u>282.2</u> |
| Cash Flows from Investing Activities: | | |
| Additions to Property, Plant and Equipment | (160.4) | (130.7) |
| Investments and Acquisitions | — | (146.3) |
| Other | (2.2) | 11.2 |
| Net Cash Utilized by Investing Activities | <u>(162.6)</u> | <u>(265.8)</u> |
| Cash Flows from Financing Activities: | | |
| Proceeds from Long-Term Debt | 2.5 | 3.3 |
| Repayments of Long-Term Debt | (107.0) | (182.0) |
| Net Proceeds from Short-Term Borrowings | 0.3 | 121.6 |
| Purchases of Common Stock | — | (125.0) |
| Stock-Based Compensation Transactions | — | 74.2 |
| Dividends Paid | (290.9) | (288.6) |
| Payments Related to Tax Withholding for Share-Based Compensation | (15.7) | (21.1) |
| Other | (7.2) | (25.4) |
| Net Cash Utilized by Financing Activities | <u>(418.0)</u> | <u>(443.0)</u> |
| Effect of Exchange Rate Changes on Cash | (11.5) | (16.2) |
| Net Decrease in Cash Balances Classified as Held for Sale | <u>(70.4)</u> | <u>(4.8)</u> |
| Net Decrease in Cash and Cash Equivalents | (327.6) | (467.6) |
| Cash and Cash Equivalents at Beginning of Year | <u>513.1</u> | <u>1,019.2</u> |
| Cash and Cash Equivalents at End of Period | <u>\$ 185.5</u> | <u>\$ 551.6</u> |

⁽¹⁾ Amounts may not sum due to rounding

YTD 2023 Operating Margin Performance



As Reported Operating Profit Margin Drivers

(\$ millions)

| | | |
|---|--------------|----------------|
| YTD 2022 Op Profit Margin | 12.8% | \$533 |
| Volume & Mix* | -2.7 pts | (\$155) |
| Royalties | -0.6 pts | (\$23) |
| COS Savings > Cost Inflation* | +1.2 pts | \$45 |
| Operating Expenses | +1.6 pts | \$58 |
| Investments: A&P, Key Initiatives | -0.7 pts | (\$27) |
| All Other: Impairment, Divestiture and Program Amortization | -20.6 pts | (\$772) |
| YTD 2023 Op Profit Margin | -9.2% | (\$340) |

Adjusted Operating Profit Margin Drivers

(\$ millions)

| | | |
|---|--------------|--------------|
| YTD 2022 Op Profit Margin (Adjusted) | 15.6% | \$653 |
| Volume & Mix* | -2.4 pts | (\$155) |
| Royalties | -0.6 pts | (\$23) |
| COS Savings > Cost Inflation* | +1.2 pts | \$45 |
| Operating Expenses | +1.6 pts | \$58 |
| Investments: A&P, Key Initiatives | -0.7 pts | (\$27) |
| All Other: Impairment, Divestiture and Program Amortization | -0.5 pts | (\$25) |
| YTD 2023 Op Profit Margin (Adjusted) | 14.2% | \$527 |

*Volume/Mix represents gross sales volume impact to operating profit and impact of mix on net sales. Royalties, COS, A&P and Program Amortization are calculated on a volume-adjusted basis. COS Savings > Cost Inflation is defined as the cost of goods savings from our Operational Excellence program is greater than the cost of goods inflation.

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



Third Quarter 2023 Major Expense Items

| | Q3 2023 | Q3 2023 Adjusted* | Q3 2022 | Q3 2022 Adjusted* | % CHANGE Adjusted* YOY | Q3 2023 Adjusted* % OF REVENUE | NOTES Below exclude non-GAAP adjustments |
|---|---------|-------------------|---------|-------------------|------------------------|--------------------------------|---|
| Cost of Sales | \$495 | \$495 | \$587 | \$587 | -16% | 32.9% | Lower revenues; mix shift to high-margin licensed digital gaming; impact from cost savings |
| Program Production Cost Amortization | \$68 | \$68 | \$147 | \$143 | -52% | 4.5% | Down inline with lower deliveries |
| Royalties | \$107 | \$107 | \$135 | \$135 | -21% | 7.1% | Lower Partner Brands revenues, in part due to exited licenses partially offset by Universe Beyond |
| Product Development | \$77 | \$77 | \$82 | \$82 | -7% | 5.1% | Decrease due to cost savings associated with Operational Excellence Program |
| Advertising | \$82 | \$82 | \$115 | \$115 | -29% | 5.5% | Accrual catch-up to align spend to current demand |
| Selling, Distribution & Administration | \$352 | \$328 | \$366 | \$334 | -2% | 21.8% | Lower costs due to Operational Excellence Program; investments in Wizards and global brands |

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



Nine Months 2023 Major Expense Items

| | Nine Months 2023 | Nine Months 2023 Adjusted* | Nine Months 2022 | Nine Months 2022 Adjusted* | % CHANGE Adjusted* YOY | Nine Mo. 2023 Adjusted* % OF REVENUE | NOTES Below exclude non-GAAP adjustments |
|---|---------------------|----------------------------------|---------------------|----------------------------------|------------------------------|--|---|
| Cost of Sales | \$1,132 | \$1,132 | \$1,331 | \$1,331 | -15% | 30.5% | Decline mainly due to product mix partially offset by closeouts and allowances within Consumer Products segment |
| Program Production Cost Amortization | \$325 | \$325 | \$366 | \$362 | -10% | 8.8% | Impact of D&D movie offset by reduction in program amortization due to industry strikes |
| Royalties | \$296 | \$296 | \$335 | \$335 | -12% | 8.0% | Decline due to exited licenses within Consumer Products partially offset by <i>Universes Beyond</i> with Wizards & Digital Gaming |
| Product Development | \$232 | \$232 | \$231 | \$231 | +1% | 6.3% | Slight increase due to higher product development costs within Wizards |
| Advertising | \$250 | \$250 | \$277 | \$277 | -10% | 6.7% | Aligning spend with current demand |
| Selling, Distribution & Administration | \$1,050 | \$937 | \$1,000 | \$962 | -3% | 25.2% | Lower costs due to Operational Excellence Program; investments in Wizards and global brands |

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 40.



Key Cash Flow and Balance Sheet Data

| \$ Millions, unaudited | YTD 2023 | YTD 2022 | NOTES |
|--|----------|----------|--|
| Cash | \$186 | \$552 | Approximately \$70M of cash in Assets Held for Sale; Substantial majority of which will stay with Hasbro |
| Long-term Debt | \$3,655 | \$3,725 | Paid down \$107M in long-term Debt YTD 2023; \$151M of debt in Assets Held for Sale |
| Depreciation | \$88 | \$94 | FY 2023 depreciation target in line with FY 2022 |
| Amortization of Intangibles | \$65 | \$81 | Reflects POWER RANGERS impairment charge in Q4 2022: classification of eOne Film and TV library assets as held for sale in Q3 2023; full amortization of certain acquired IP in Q1 2023 and the addition of <i>D&D Beyond</i> in Q2 2022 |
| Program Spend, net | \$338 | \$498 | Declines related to lower deliveries resulting from the ongoing industry strikes |
| Capital Expenditures | \$160 | \$131 | Increase due to investments in digital gaming and establishing a new office for Wizards of the Coast |
| Dividends Paid | \$291 | \$289 | \$0.70 per share quarterly dividend paid in Q3 2023; Next \$0.70 per share dividend payable November 15 |
| Share Repurchase | - | \$125 | Plan to increase repurchases in future years |
| Operating Cash Flow | \$335 | \$262 | 2023 operating cash flow range \$500-\$600M |
| Accounts Receivable | \$1,102 | \$1,189 | 7% YOY decrease; DSO 67 days, up 2 days |
| Inventory | \$618 | \$845 | 27% YOY decrease driven by 34% decline in Consumer Products |
| Other Current Assets/Assets Held for Sale | \$1,335 | \$676 | Reclassification of eOne Film and TV assets as held for sale (\$1,049M) |



Segment Results-As Reported and As Adjusted-Q3 2023

HASBRO, INC.

SUPPLEMENTAL FINANCIAL DATA

SEGMENT RESULTS - AS REPORTED AND AS ADJUSTED ⁽⁹⁾

(Unaudited)

(Millions of Dollars)

Operating Results

| | Quarter Ended October 1, 2023 | | | Quarter Ended September 25, 2022 | | | % Change |
|--|-------------------------------|----------------------|------------|----------------------------------|----------------------|------------|----------|
| | As Reported | Non-GAAP Adjustments | Adjusted | As Reported | Non-GAAP Adjustments | Adjusted | |
| <u>Total Company Results</u> | | | | | | | |
| External Net Revenues ⁽¹⁾ | \$ 1,503.4 | \$ — | \$ 1,503.4 | \$ 1,675.9 | \$ — | \$ 1,675.9 | -10% |
| Operating Profit (Loss) | (169.5) | 512.1 | 342.6 | 194.3 | 76.2 | 270.5 | 27% |
| Operating Margin | -11.3% | 34.1 % | 22.8% | 11.6 % | 4.5 % | 16.1% | |
| <u>Segment Results</u> | | | | | | | |
| <u>Consumer Products:</u> | | | | | | | |
| External Net Revenues ⁽²⁾ | \$ 956.9 | \$ — | \$ 956.9 | \$ 1,160.8 | \$ — | \$ 1,160.8 | -18% |
| Operating Profit | 96.1 | 10.9 | 107.0 | 136.8 | 9.0 | 145.8 | -27% |
| Operating Margin | 10.0% | 1.1 % | 11.2% | 11.8 % | 0.8 % | 12.6% | |
| <u>Wizards of the Coast and Digital Gaming:</u> | | | | | | | |
| External Net Revenues ⁽³⁾ | \$ 423.6 | \$ — | \$ 423.6 | \$ 303.5 | \$ — | \$ 303.5 | 40% |
| Operating Profit | 203.4 | — | 203.4 | 102.2 | — | 102.2 | 99% |
| Operating Margin | 48.0% | — | 48.0% | 33.7 % | — | 33.7% | |
| <u>Entertainment:</u> | | | | | | | |
| External Net Revenues ⁽⁴⁾ | \$ 122.9 | \$ — | \$ 122.9 | \$ 211.6 | \$ — | \$ 211.6 | -42% |
| Operating Profit (Loss) | (468.5) | 476.6 | 8.1 | (28.9) | 34.8 | 5.9 | 37% |
| Operating Margin | >-100% | >100% | 6.6% | -13.7 % | 16.4 % | 2.8% | |
| <u>Corporate and Other:</u> | | | | | | | |
| Operating Profit (Loss) | \$ (0.5) | \$ 24.6 | \$ 24.1 | \$ (15.8) | \$ 32.4 | \$ 16.6 | -45% |



Segment Results-As Reported and As Adjusted-Q3 2023 Continued

⁽¹⁾ Effective in the first quarter of 2023, the Company realigned our brand portfolios to correspond with the Blueprint 2.0 strategy. Net Revenues by Brand Portfolio below have been restated to present the realigned structure.

| | Net Revenues | | |
|--|-------------------|--------------------|----------|
| | Quarter Ended | | |
| | October 1, 2023 | September 25, 2022 | % Change |
| Net Revenues by Brand Portfolio | | | |
| Franchise Brands ^(a) | \$ 1,011.0 | \$ 939.8 | 8% |
| Partner Brands | 228.2 | 349.9 | -35% |
| Portfolio Brands | 170.3 | 209.0 | -19% |
| Non-Hasbro Branded Film & TV | 93.9 | 177.2 | -47% |
| Total | <u>\$ 1,503.4</u> | <u>\$ 1,675.9</u> | |

^(a) Franchise Brands include: DUNGEONS & DRAGONS, Hasbro Gaming, MAGIC: THE GATHERING, NERF, PEPPA PIG, PLAY-DOH and TRANSFORMERS.

| | Net Revenues | | |
|------------------------------------|-----------------|--------------------|----------|
| | Quarter Ended | | |
| | October 1, 2023 | September 25, 2022 | % Change |
| MAGIC: THE GATHERING | \$ 287.4 | \$ 239.3 | 20% |
| Hasbro Total Gaming ^(b) | 628.0 | 508.6 | 23% |

^(b) Hasbro Total Gaming includes all gaming revenue, most notably DUNGEONS & DRAGONS, MAGIC: THE GATHERING and Hasbro Gaming.

| | Net Revenues | | |
|---|-----------------|--------------------|----------|
| | Quarter Ended | | |
| | October 1, 2023 | September 25, 2022 | % Change |
| ⁽²⁾ Consumer Products Segment Net Revenues by Major Geographic Region | | | |
| North America | \$ 573.6 | \$ 693.3 | -17% |
| Europe | 208.7 | 271.6 | -23% |
| Asia Pacific | 61.8 | 82.8 | -25% |
| Latin America | 112.8 | 113.1 | 0% |
| Total | <u>\$ 956.9</u> | <u>\$ 1,160.8</u> | |

Segment Results-As Reported and As Adjusted-Q3 2023 Continued



| | Net Revenues | | |
|--|-----------------|--------------------|----------|
| | Quarter Ended | | |
| | October 1, 2023 | September 25, 2022 | % Change |
| ⁽⁸⁾ Wizards of the Coast and Digital Gaming Net Revenues by Category | | | |
| Tabletop Gaming | \$ 290.5 | \$ 246.3 | 18% |
| Digital and Licensed Gaming | 133.1 | 57.2 | >100% |
| Total | <u>\$ 423.6</u> | <u>\$ 303.5</u> | |

| | Net Revenues | | |
|--|-----------------|--------------------|----------|
| | Quarter Ended | | |
| | October 1, 2023 | September 25, 2022 | % Change |
| ⁽⁴⁾ Entertainment Segment Net Revenues by Category | | | |
| Film and TV | \$ 102.1 | \$ 188.6 | -46% |
| Family Brands | 20.8 | 13.6 | 53% |
| Music and Other | — | 9.4 | -100% |
| Total | <u>\$ 122.9</u> | <u>\$ 211.6</u> | |



Segment Results-As Reported and As Adjusted-Nine Months 2023

Operating Results

| | Nine Months Ended October 1, 2023 | | | Nine Months Ended September 25, 2022 | | | % Change |
|---|-----------------------------------|----------------------|------------|--------------------------------------|----------------------|------------|----------|
| | As Reported | Non-GAAP Adjustments | Adjusted | As Reported | Non-GAAP Adjustments | Adjusted | |
| Total Company Results | | | | | | | |
| External Net Revenues ⁽⁵⁾ | \$ 3,714.4 | \$ — | \$ 3,714.4 | \$ 4,178.2 | \$ — | \$ 4,178.2 | -11% |
| Operating Profit (Loss) | (340.2) | 866.8 | 526.6 | 533.4 | 119.9 | 653.3 | -19% |
| Operating Margin | -9.2 % | 23.3 % | 14.2 % | 12.8 % | 2.9 % | 15.6 % | |
| Segment Results | | | | | | | |
| Consumer Products: | | | | | | | |
| External Net Revenues ⁽⁶⁾ | \$ 2,132.5 | \$ — | \$ 2,132.5 | \$ 2,567.8 | \$ — | \$ 2,567.8 | -17% |
| Operating Profit | 61.5 | 32.3 | 93.8 | 138.9 | 28.9 | 167.8 | -44% |
| Operating Margin | 2.9 % | 1.5 % | 4.4 % | 5.4 % | 1.1 % | 6.5 % | |
| Wizards of the Coast and Digital Gaming: | | | | | | | |
| External Net Revenues ⁽⁷⁾ | \$ 1,094.4 | \$ — | \$ 1,094.4 | \$ 986.1 | \$ — | \$ 986.1 | 11% |
| Operating Profit | 422.5 | — | 422.5 | 434.2 | — | 434.2 | -3% |
| Operating Margin | 38.6 % | — | 38.6 % | 44.0 % | — | 44.0 % | |
| Entertainment: | | | | | | | |
| External Net Revenues ⁽⁸⁾ | \$ 487.5 | \$ — | \$ 487.5 | \$ 624.3 | \$ — | \$ 624.3 | -22% |
| Operating Profit (Loss) | (801.4) | 786.2 | (15.2) | (2.4) | 52.3 | 49.9 | >-100% |
| Operating Margin | >-100% | >100% | -3.1 % | -0.4 % | 8.4 % | 8.0 % | |
| Corporate and Other: | | | | | | | |
| Operating Profit (Loss) | \$ (22.8) | \$ 48.3 | \$ 25.5 | \$ (37.3) | \$ 38.7 | \$ 1.4 | >100% |

Segment Results-As Reported and As Adjusted-Nine Months 2023 Continued



^(b) Effective in the first quarter of 2023, the Company realigned our brand portfolios to correspond with the Blueprint 2.0 strategy. Net Revenues by Brand Portfolio below have been restated to present the realigned structure.

| Net Revenues by Brand Portfolio | Net Revenues | | |
|---------------------------------|-------------------|--------------------|----------|
| | Nine Months Ended | | |
| | October 1, 2023 | September 25, 2022 | % Change |
| Franchise Brands ^(a) | \$ 2,412.8 | \$ 2,416.2 | 0% |
| Partner Brands | 533.8 | 775.8 | -31% |
| Portfolio Brands | 369.4 | 457.4 | -19% |
| Non-Hasbro Branded Film & TV | 398.4 | 528.8 | -25% |
| Total | \$ 3,714.4 | \$ 4,178.2 | |

^(a) Franchise Brands include: DUNGEONS & DRAGONS, Hasbro Gaming, MAGIC: THE GATHERING, NERF, PEPPA PIG, PLAY-DOH and TRANSFORMERS

| | Net Revenues | | |
|------------------------------------|-------------------|--------------------|----------|
| | Nine Months Ended | | |
| | October 1, 2023 | September 25, 2022 | % Change |
| MAGIC: THE GATHERING | \$ 827.5 | \$ 802.0 | 3% |
| Hasbro Total Gaming ^(b) | 1,505.7 | 1,415.7 | 6% |

^(b) Hasbro Total Gaming includes all gaming revenue, most notably DUNGEONS & DRAGONS, MAGIC: THE GATHERING and Hasbro Gaming.

| ^(b) Consumer Products Segment Net Revenues by Major Geographic Region | Net Revenues | | |
|--|-------------------|--------------------|----------|
| | Nine Months Ended | | |
| | October 1, 2023 | September 25, 2022 | % Change |
| North America | \$ 1,234.7 | \$ 1,531.8 | -19% |
| Europe | 472.2 | 610.4 | -23% |
| Asia Pacific | 191.5 | 201.6 | -5% |
| Latin America | 234.1 | 224.0 | 5% |
| Total | \$ 2,132.5 | \$ 2,567.8 | |

Segment Results-As Reported and As Adjusted-Nine Months 2023 Continued



| | Net Revenues | | |
|--|-------------------|--------------------|----------|
| | Nine Months Ended | | |
| | October 1, 2023 | September 25, 2022 | % Change |
| ⁽⁷⁾ Wizards of the Coast and Digital Gaming Net Revenues by Category | | | |
| Tabletop Gaming | \$ 806.9 | \$ 800.3 | 1% |
| Digital and Licensed Gaming | 287.5 | 185.8 | 55% |
| Total | \$ 1,094.4 | \$ 986.1 | |
| | | | |
| | Net Revenues | | |
| | Nine Months Ended | | |
| | October 1, 2023 | September 25, 2022 | % Change |
| ⁽⁸⁾ Entertainment Segment Net Revenues by Category | | | |
| Film and TV | \$ 423.8 | \$ 527.0 | -20% |
| Family Brands | 63.7 | 59.6 | 7% |
| Music and Other | — | 37.7 | -100% |
| Total | \$ 487.5 | \$ 624.3 | |

⁽⁷⁾ Amounts within this section may not sum due to rounding



Reconciliation of Non-GAAP Financial Measures

HASBRO, INC.

SUPPLEMENTAL FINANCIAL DATA

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited)

(Millions of Dollars)

Reconciliation of Adjusted Operating Profit ⁽¹⁾

| | Quarter Ended | | Nine Months Ended | |
|---|-------------------|--------------------|-------------------|--------------------|
| | October 1, 2023 | September 25, 2022 | October 1, 2023 | September 25, 2022 |
| Operating Profit (Loss) | \$ (169.5) | \$ 194.3 | \$ (340.2) | \$ 533.4 |
| Consumer Products | 96.1 | 136.8 | 61.5 | 138.9 |
| Wizards of the Coast and Digital Gaming | 203.4 | 102.2 | 422.5 | 434.2 |
| Entertainment | (468.5) | (28.9) | (801.4) | (2.4) |
| Corporate and Other | (0.5) | (15.8) | (22.8) | (37.3) |
| Non-GAAP Adjustments ⁽²⁾ | \$ 512.1 | \$ 76.2 | \$ 866.8 | \$ 119.9 |
| Consumer Products | 10.9 | 9.0 | 32.3 | 28.9 |
| Entertainment | 476.6 | 34.8 | 786.2 | 52.3 |
| Corporate and Other | 24.6 | 32.4 | 48.3 | 38.7 |
| Adjusted Operating Profit | \$ 342.6 | \$ 270.5 | \$ 526.6 | \$ 653.3 |
| Consumer Products | 107.0 | 145.8 | 93.8 | 167.8 |
| Wizards of the Coast and Digital Gaming | 203.4 | 102.2 | 422.5 | 434.2 |
| Entertainment | 8.1 | 5.9 | (15.2) | 49.9 |
| Corporate and Other | 24.1 | 16.6 | 25.5 | 1.4 |
| ⁽²⁾ Non-GAAP Adjustments include the following: | | | | |
| Acquisition-related costs ⁽ⁱ⁾ | \$ — | \$ 3.8 | \$ 1.9 | \$ 10.1 |
| Acquired intangible amortization ⁽ⁱⁱ⁾ | 14.5 | 17.1 | 49.4 | 54.5 |
| Operational Excellence charges ⁽ⁱⁱⁱ⁾ | | | | |
| Transformation office and consultant fees | 8.4 | 7.2 | 29.4 | 7.2 |
| Loss on assets held for sale ^(b) | — | 23.1 | — | 23.1 |
| Impairment of assets ^(c) | — | 3.7 | — | 3.7 |
| Severance and other employee charges ^(d) | — | 21.3 | — | 21.3 |
| Blueprint 2.0 implementation charges ^(iv) | | | | |
| eOne TV and Film business sale process charges ^(a) | 16.2 | — | 16.9 | — |
| Loss on assets held for sale ^(b) | 473.0 | — | 473.0 | — |
| Impairment of goodwill and intangible assets ^(v) | — | — | 296.2 | — |
| Total | \$ 512.1 | \$ 76.2 | \$ 866.8 | \$ 119.9 |

⁽ⁱ⁾ In association with the Company's acquisition of eOne, the Company incurred stock compensation expenses of \$1.9 (\$1.7 after-tax) for the nine months ended October 1, 2023, and \$3.8 (\$3.3 after-tax) and \$10.1 (\$8.9 after-tax), respectively, in the quarter and nine months ended September 25, 2022. The expense is included within Selling, Distribution and Administration.

⁽ⁱⁱ⁾ Represents intangible amortization costs related to the intangible assets acquired in the eOne acquisition. The Company has allocated certain of these intangible amortization costs between the Consumer Products and Entertainment segments, to match the revenue generated from such intangible assets. While amortization of acquired intangibles is being excluded from the related GAAP financial measure, the revenue of the acquired company is reflected within the Company's operating results to which these assets contribute.

⁽ⁱⁱⁱ⁾ These costs relate to the comprehensive review of the Company's operations and development of a transformation plan to support the organization in identifying, realizing and capturing savings to create efficiencies and improve business processes and operations. These charges consists of:

^(a) Program related consultant and transformation office fees of \$8.4 (\$6.4 after tax) and \$29.4 (\$22.5 after-tax) for the quarter and nine months ended October 1, 2023, and \$7.2 (\$5.5 after-tax) in the quarter and nine months ended September 25, 2022, are included within Selling, Distribution and Administration within the Corporate and Other segment.

^(b) Loss on assets held for sale of \$23.1 (\$21.1 after-tax) for the quarter and nine months ended September 25, 2022 related to the exit of non-core businesses within the Entertainment segment. The assets and liabilities of these businesses were revalued and disclosed separately on the balance sheet. The charge is comprised of a goodwill impairment loss of \$11.8 and other asset impairments of \$11.3.

^(c) Assets impairments of \$3.7 (\$3.7 after-tax) for the quarter and nine months ended September 25, 2022, related to projects discontinued as part of the strategic review included in Program Cost Amortization within the Entertainment segment.

^(d) Severance and other employee charges of \$21.3 (\$19.1 after-tax) for the quarter and nine months ended September 25, 2022, associated with cost-savings initiatives across the Company.

^(iv) The Company announced the results of its strategic review, Blueprint 2.0, a consumer-centric approach focusing on fewer, bigger brands, expanded licensing, branded entertainment, and high-margin growth in games, digital and direct. As the Company implements the new strategy, charges recognized are \$489.2 (\$381.5 after tax) and \$489.9 (\$382.0 after-tax), respectively, for the quarter and nine months ended October 1, 2023, respectively, consisting of:

^(a) eOne TV and Film business sale process charges of \$16.2 (\$12.5 after tax) and \$16.9 (\$13.0 after-tax) for the quarter and nine months ended October 1, 2023, respectively, as a result of the sale process for the part of its eOne TV and film business not directly supporting the Company's Branded Entertainment Strategy. These charges are included in Selling, Distribution and Administration.

^(b) Loss on assets held for sale of \$473.0 (\$369.0 after-tax) for the quarter and nine months ended October 1, 2023 related to the planned sale of the eOne Film and TV business not directly supporting the Company's Entertainment Strategy within the Entertainment segment. The assets and liabilities of these businesses were revalued and disclosed separately on the balance sheet.

^(v) Non-cash Goodwill and Asset impairment charges of \$296.2 (\$279.9 after tax) for the nine months ended October 1, 2023 incurred within the Entertainment segment, of which \$231.2 related to the goodwill impairment of Film & TV due to the expected economic impact of industry factors and \$65.0 related to an impairment of the Company's definite-lived intangible, eOne Trademark, which are included in Impairment of Goodwill and Selling, Distribution and Administration, respectively.

⁽¹⁾ Amounts may not sum due to rounding



Reconciliation of Non-GAAP Financial Measures

HASBRO, INC.

SUPPLEMENTAL FINANCIAL DATA

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited)

(Millions of Dollars)

Reconciliation of EBITDA and Adjusted EBITDA ⁽¹⁾

| | Quarter Ended | | Nine Months Ended | |
|--|-------------------|--------------------|-------------------|--------------------|
| | October 1, 2023 | September 25, 2022 | October 1, 2023 | September 25, 2022 |
| Net Earnings (Loss) Attributable to Hasbro, Inc. | \$ (171.1) | \$ 129.2 | \$ (428.2) | \$ 332.4 |
| Interest Expense | 47.1 | 41.9 | 140.0 | 125.2 |
| Income Tax Expense (Benefit) | (44.6) | 37.4 | (36.9) | 94.1 |
| Net Earnings (Loss) Attributable to Noncontrolling Interests | 0.7 | (1.0) | 1.2 | (0.8) |
| Depreciation | 33.4 | 32.7 | 88.0 | 94.4 |
| Amortization of Intangibles | 19.2 | 26.9 | 65.1 | 81.2 |
| EBITDA | \$ (115.3) | \$ 267.1 | \$ (170.8) | \$ 726.5 |
| Non-GAAP Adjustments and Stock Compensation ⁽²⁾ | 516.8 | 78.4 | 869.6 | 119.4 |
| Adjusted EBITDA | \$ 401.5 | \$ 345.5 | \$ 698.8 | \$ 845.9 |

⁽²⁾ Non-GAAP Adjustments and Stock Compensation are comprised of the following:

| | | | | |
|--|-----------------|----------------|-----------------|-----------------|
| Stock compensation | \$ 19.2 | \$ 23.1 | \$ 54.1 | \$ 64.1 |
| Operational Excellence charges | 8.4 | 55.3 | 29.4 | 55.3 |
| Blueprint 2.0 implementation charges | 489.2 | — | 489.9 | — |
| Impairment of goodwill and intangible Assets | — | — | 296.2 | — |
| Total | \$ 516.8 | \$ 78.4 | \$ 869.6 | \$ 119.4 |

⁽¹⁾ Amounts may not sum due to rounding



Reconciliation of Non-GAAP Financial Measures

HASBRO, INC.

SUPPLEMENTAL FINANCIAL DATA

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited)

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

Reconciliation of Net Earnings and Earnings per Share ⁽¹⁾

| <i>(all adjustments reported after-tax)</i> | Quarter Ended | | | |
|--|-----------------|--------------------------|--------------------|--------------------------|
| | October 1, 2023 | Diluted Per Share Amount | September 25, 2022 | Diluted Per Share Amount |
| Net Earnings (Loss) Attributable to Hasbro, Inc. | \$ (171.1) | \$ (1.23) | \$ 129.2 | \$ 0.93 |
| Acquisition and related costs | — | — | 3.3 | 0.02 |
| Acquired intangible amortization | 11.0 | 0.08 | 14.3 | 0.10 |
| Operational Excellence charges | 6.4 | 0.05 | 49.4 | 0.36 |
| Blueprint 2.0 implementation charges | 381.5 | 2.74 | — | — |
| Net Earnings Attributable to Hasbro, Inc., as Adjusted | \$ 227.8 | \$ 1.64 | \$ 196.2 | \$ 1.42 |

| <i>(all adjustments reported after-tax)</i> | Nine Months Ended | | | |
|--|-------------------|--------------------------|--------------------|--------------------------|
| | October 1, 2023 | Diluted Per Share Amount | September 25, 2022 | Diluted Per Share Amount |
| Net Earnings (Loss) Attributable to Hasbro, Inc. | \$ (428.2) | \$ (3.09) | \$ 332.4 | \$ 2.39 |
| Acquisition and related costs | 1.7 | 0.01 | 8.9 | 0.06 |
| Acquired intangible amortization | 38.6 | 0.28 | 45.5 | 0.33 |
| Operational Excellence charges | 22.5 | 0.16 | 49.4 | 0.36 |
| Blueprint 2.0 implementation charges | 382.0 | 2.75 | — | — |
| Impairment of goodwill and intangible assets | 279.9 | 2.01 | — | — |
| Net Earnings Attributable to Hasbro, Inc., as Adjusted | \$ 296.5 | \$ 2.13 | \$ 436.2 | \$ 3.14 |

⁽¹⁾ Amounts may not sum due to rounding