Hasbro

Investor
Presentation

Safe Harbor

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include expectations concerning the Company’s potential performance in the future and the Company’s ability to achieve its financial and business goals, such as the belief the Company will return to profitable growth in 2019, the Company’s actions, plans, and strategies relating to the application of tariffs to the Company’s products, the proposed acquisition of Entertainment One, and estimates for full-year program production amortization expense and royalty expense, and may be identified by the use of forward-looking words or phrases.

The Company's actual actions or results may differ materially from those expected or anticipated in the forward-looking statements due to both known and unknown risks and uncertainties. Specific factors that might cause such a difference include, but are not limited to: (i) the Company's ability to design, develop, produce, manufacture, source and ship products on a timely and cost-effective basis, as well as achieve and maintain interest in and purchase of those products by retail customers and consumers in quantities and at prices that will be sufficient to recover the Company’s costs and earn a profit; (ii) downturns in economic conditions impacting one or more of the markets in which the Company sells products, including, without limitation, changes in exchange rates or other macroeconomic conditions that impact customers and consumers for the Company’s products in the United Kingdom, Brazil, and Russia, which can negatively impact the Company’s retail customers and consumers, and which can result in lower employment levels, consumer disposable income, retailer inventories and spending, including lower spending on purchases of the Company’s products; (iii) factors which can lower discretionary consumer spending, such as higher costs for fuel and food, drops in the value of homes or other consumer assets, and high levels of consumer debt; (iv) consumer interest in entertainment properties for which the Company is developing and marketing and sales of products or content associated with such entertainment properties; (v) the Company’s ability to successfully evolve and transform its business to address a changing global consumer landscape and retail environment, one in which online shopping and digital first marketing are increasingly critical, traditional retailers face challenges from disintermediation and our success depends on developing additional retail channels and paths to our consumers, and difficulties or delays the Company may experience in successfully implementing and developing new capabilities and making the changes to its business that are required to be successful under these changing marketplace conditions; (vi) the application of tariffs to some or all of the Company’s products being imported into other markets, which would significantly increase the price of the Company’s products and substantially harm sales if applied to any significant amount of the Company’s products; (vii) the ability of the Company to successfully implement actions to lessen the impact of the application of tariffs imposed on our products, including any changes to our supply chain, inventory management, sales policies or pricing of our products (viii) our ability to successfully develop, launch and grow new areas of our business, such as Magic: The Gathering Arena and esports initiatives from our Wizards of the Coast business; (ix) other economic and public health conditions or regulatory changes in the markets in which the Company and its customers and suppliers operate which could create delays or increase the Company’s costs, such as higher commodity prices, labor costs or transportation costs, or outbreaks of disease; (x) currency fluctuations, including movements in foreign exchange rates, which can lower the Company’s net revenues and earnings, and significantly impact the Company’s costs; (xi) the concentration of the Company's customers, potentially increasing the negative impact to the Company of difficulties experienced by any of the Company’s customers or changes in their purchasing or selling patterns; (xii) the ability of the Company to successfully develop, produce and distribute movies under its relationship with Paramount Pictures Corporation, and consumer interest in those movies and related merchandise; (xiii) consumer interest in programming created by Hasbro Studios, and other factors impacting the financial performance of Hasbro Studios and the Discovery Family Channel; (xiv) existing retail inventories, which can depress purchases of new products by retailers and/or other aspects of the inventory policies of the Company’s retail customers, including retailers’ potential decisions to lower their inventories, even if it results in lost sales, as well as the concentration of the Company's revenues in the second half and fourth quarter of the year, which coupled with reliance by retailers on quick response inventory management techniques increases the risk of underproduction of popular items, overproduction of less popular items and failure to achieve compressed shipping schedules; (xv) the success of our key partner brands, including the Company’s ability to maintain and extend solid relationships with its 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; (xvi) work disruptions, which may impact the Company's ability to manufacture or deliver product in a timely and cost-effective manner; (xvii) the bankruptcy or other lack of success of one of the Company's significant retailers, such as the recent bankruptcy of Toys“R”Us in the United States and Canada, or the bankruptcy or lack of success of a smaller retail customer of the Company, such as Sears Holdings Corporation, any of which could negatively impact the Company's revenues or bad debt exposure and create challenges to the Company and its financial performance as the Company attempts to recapture this lost business through other customers or channels and faces suppressed sales of new products caused by the liquidation of existing retail inventories into the market; (xviii) ability to realize the benefits of cost-savings and efficiency enhancing initiatives; (xix) the impact of competition on revenues, margins and other aspects of the Company's business, including the ability to offer Company products which consumers choose to buy instead of competitive products, the ability to secure, maintain and renew popular licenses and the ability to attract and retain talented employees; (xx) concentration of manufacturing for many of the Company’s products in the People’s Republic of China and the associated impact to the Company of social, economic or public health conditions and other factors affecting China, the movement of products into and out of China, the cost of producing products in China and exporting them to other countries, including without limitation, the application of tariffs to some or all of the products the Company purchases from vendors in China, and imports into the United States, which would significantly increase the price of the Company’s products and substantially harm sales if applied to any significant amount of the Company’s products; (xxi) the ability of the Company to successfully diversify sourcing of its products to reduce reliance on sources of supply in China;; (xxii) risks relating to investments and acquisitions, such as the Company’s proposed acquisition of Entertainment One, which risks include: uncertainty of the satisfaction of closing conditions; unexpected costs, liabilities or delays; integration difficulties; inability to retain key personnel; diversion of management time and resources; failure to achieve anticipated benefits or synergies of acquisitions or investments; inability to complete financings on satisfactory terms or at all; risks relating to the additional indebtedness incurred in connection with a transaction; and fluctuations in foreign exchange rates; (xxiii) the Company’s ability to protect its assets and intellectual property, including as a result of infringement, theft, misappropriation, cyber-attacks or other acts compromising the integrity of the Company’s assets or intellectual property; (xxiv) the risk of product recalls or product liability suits and costs associated with product safety regulations; (xxv) the impact of other market conditions, third party actions or approvals and competition which could reduce demand for the Company’s products or delay or increase the cost of implementation of the Company's programs or alter the Company's actions and reduce actual results; (xxvi) changes in tax laws or regulations, or the interpretation and application of such laws and regulations, which may cause the Company to alter tax reserves or make other changes which significantly impact its reported financial results; (xxvii) the impact of litigation or arbitration decisions or settlement actions; and (xxviii) other risks and uncertainties as may be detailed from time to time in the Company's public announcements and Securities and Exchange Commission (“SEC”) filings. The statements contained herein are based on the Company’s current beliefs and expectations. The Company undertakes 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

We have used non-GAAP financial measures as defined under SEC rules in this presentation. Specifically, we refer to Adjusted net earnings, Adjusted earnings per diluted share, Adjusted operating profit and Adjusted return on invested capital.

As required by SEC rules, we have provided reconciliations of these measures to the most directly comparable GAAP measure. Management believes that these Non-GAAP financial measures provide investors with an understanding of the underlying performance of the Company’s business absent unusual events.

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 the Company's financial statements and filings with the SEC. As used herein, "GAAP" refers to accounting principles generally accepted in the United States of America.

Creating the World's Best Play and Entertainment Experiences

Hasbro's Brand Blueprint: A Proprietary Advantage

Unique **Strategy** Fueled by Unmatched **Brand Portfolio** and **Industry-leading** Capabilities in Innovation, Content, Gaming, Digital and Licensing

- Q3 2019 revenue growth in **Partner Brands** and **Emerging Brands**
- Q3 2019 Growth in EL&D driven by ***Magic: The Gathering Arena*** and ***Bumblebee*** film revenues
- Announced an agreement to purchase Entertainment One (eOne) for approximately £3.3 billion. The transaction is expected to close at the end of Q4 2019 or early 2020.

Plan for Profitable Growth in 2019

Remain on Track to Deliver **Profitable Growth** for the Full-year 2019

- Q3 2019 revenues essentially flat; up 2% absent FX*
- YTD 2019 revenue up 3%; up 5% absent FX*
- YTD operating profit and margin improvement
- Expect full-year net cost savings of approx. $50M

**Q3 2019 revenues include $20.5M and YTD 2019 revenues include $65.5M negative impact of foreign exchange*

Strong Financial Position

Investing in **Long-term Profitable Growth** of Hasbro While Returning Cash to Shareholders

- **$1.1B** in cash at quarter end
- Generated **$861M** in TTM operating cash flow
- Marketing and product development investments for **MAGIC: THE GATHERING** and future digital games

Medium-Term OBJECTIVES

1. We are targeting developed economies to grow low- to mid-single digits through brand innovation and market share gains*
2. Return emerging markets revenue to growth, targeting high-single digit growth*
3. Gaming across formats including Wizards and digital projected to deliver above-trend revenue growth
4. We believe we can return to a 15% and higher operating profit margin over the next few years as we return to revenue growth with a right-sized expense base
5. We expect to generate operating cash flow in the amount of $600M to $700M on average

***Excluding the impact of foreign exchange**
Information is as of February 15, 2019.

SUCCESSFULLY EVOLVING INTO A GLOBAL PLAY & ENTERTAINMENT COMPANY

Strategy for Growth: **Brand Blueprint**

INDUSTRY-LEADING PORTFOLIO
REACHING ACROSS BROAD DEMOGRAPHICS AND PLAY PATTERNS

Franchise & Partner Brands

TRANSFORMERS · NERF · My Little Pony · Play-Doh · baby alive · MONOPOLY · MAGIC THE GATHERING

STAR WARS · MARVEL · Disney Princess · Disney Frozen · Disney Descendants

Top Wing · Super Monsters · Trolls · Nintendo · Overwatch · Moon and Me · Beyblade Burst · Fortnite · UglyDolls · Sesame Street

Hasbro Gaming Brands

Taboo · Jenga · Scrabble · Pie Face! · Speak Out

Over 70+Other Gaming Brands

Dungeons & Dragons · Trivial Pursuit · The Game of Life · Operation · Clue · Bop It!

Emerging Brands

Challenger Brands >>

Littlest Pet Shop · FurReal · Playskool Heroes · Furby · Playskool · G.I. Joe

New Brands Franchise Brands in the Making >>

Hanazuki · Power Rangers · Stretch Armstrong · M.A.S.K. · Micronauts

Hasbro

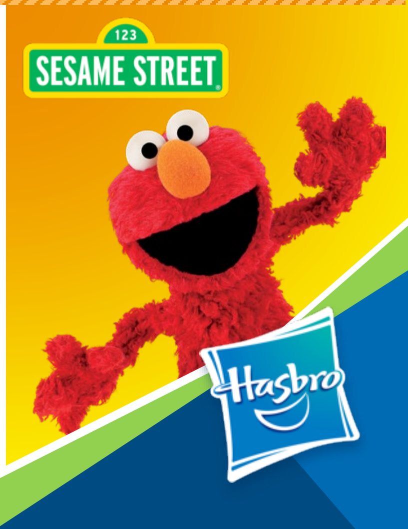
FRANCHISE BRANDS

- Global brands targeting diverse demographics and play patterns
- Represent ~50% of Hasbro's revenues
- Growth portfolio with above Company average operating profit margins

Hasbro

PARTNER BRANDS

STRATEGIC RELATIONSHIPS WITH BEST-IN-CLASS STORYTELLERS



GAMING

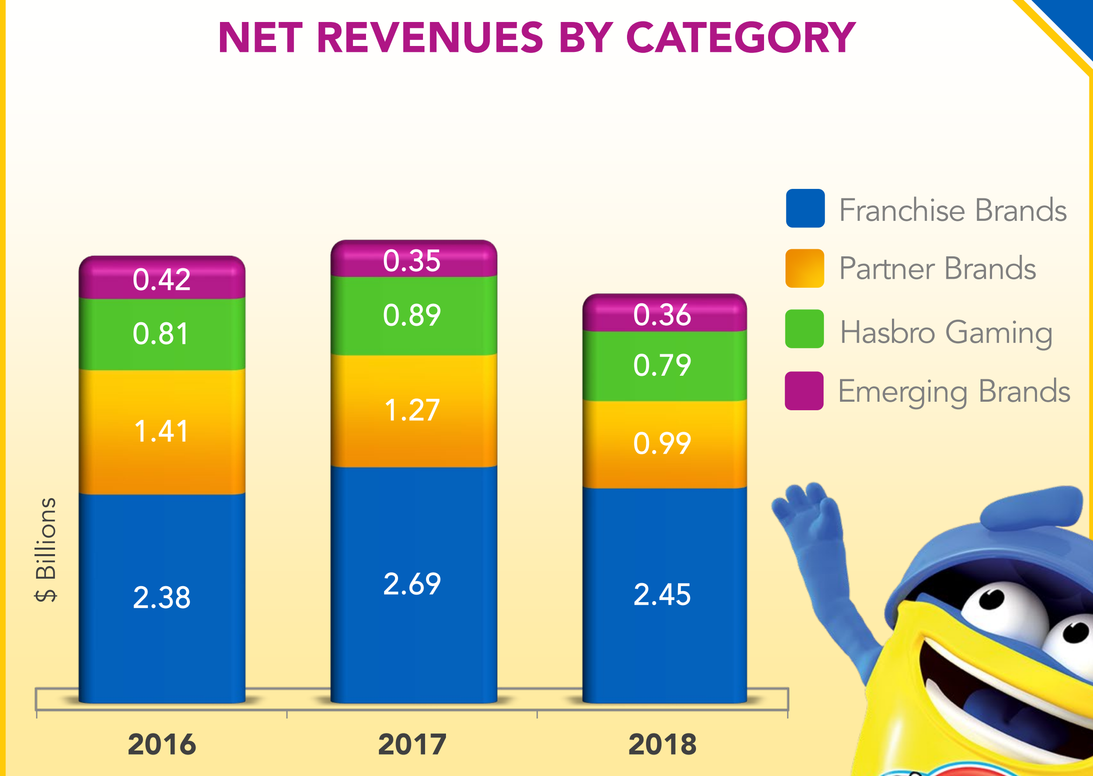
STRATEGIC OPPORTUNITY

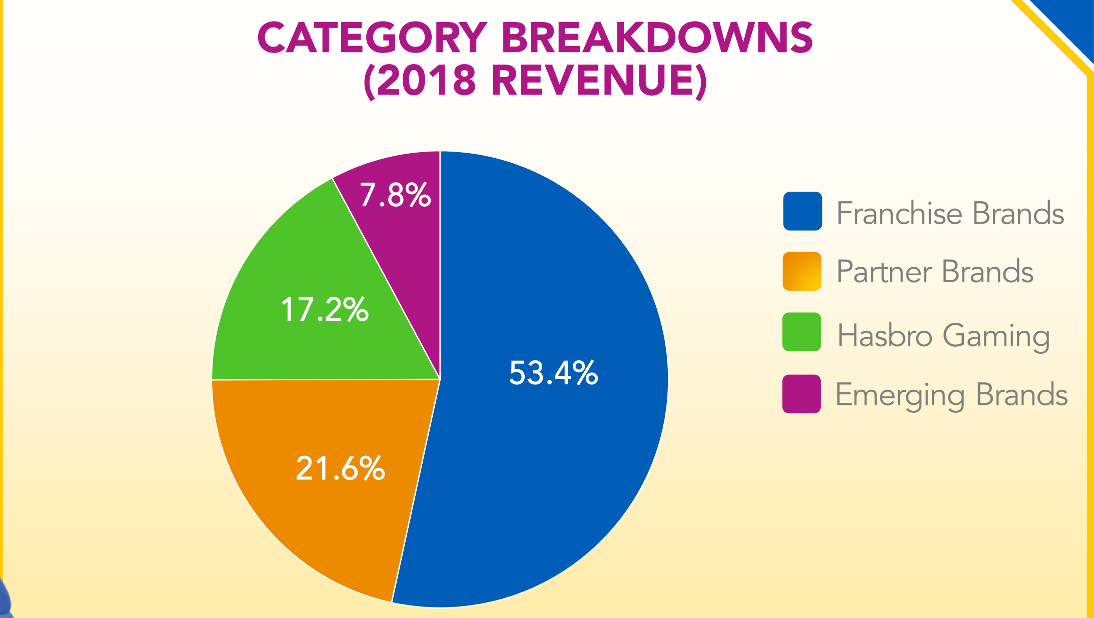
- Hasbro's Gaming Portfolio–unmatched expertise in the industry
- Appeals to broad demographics: kids, adults and fans across dimensions in Face-to-Face gaming, the Wizards of the Coast portfolio and in Digital Gaming
- Leveraging Social Media in game development and engagement
- Above Company average Operating Profit margins

EMERGING BRANDS

- The **Emerging Brands** category consists of **Challenger Brands** (e.g. FUR REAL FRIENDS, LITTLEST PET SHOP, PLAYSKOOL) and **New Brands** like POWER RANGERS and MICRONAUTS
- Potential **Franchise Brands** in the making
- **POWER RANGERS** product launched in North America in **April 2019**; International markets will rollout throughout 2019

Net Revenues Brand Portfolio





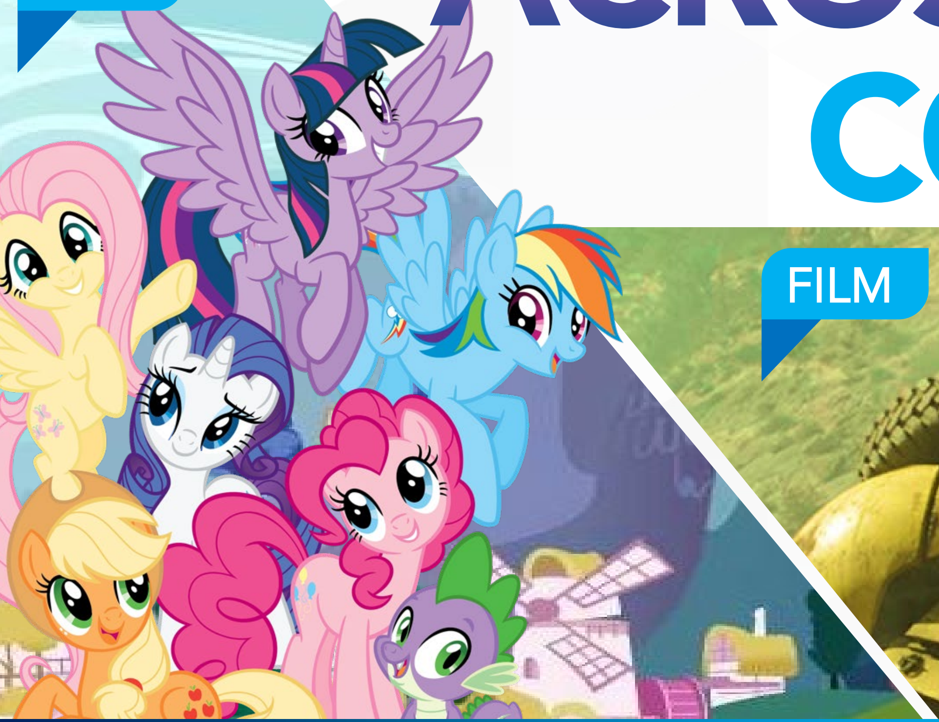
Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY which are included in Franchise Brands in the chart above for the full year 2018 totaled $1.4B, down 4% vs. $1.5B in full year 2017.

CONSUMER PRODUCTS

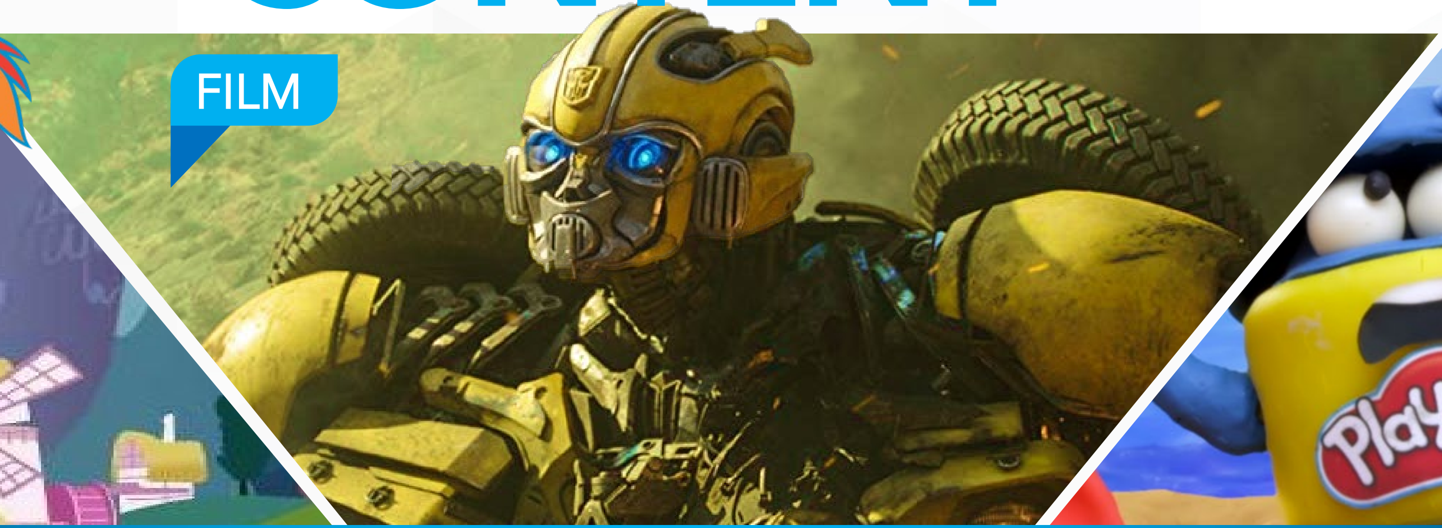
Leveraging brands in high-margin licensed immersive categories: Fashion, Apparel, Location-Based Entertainment, Publishing and Digital Gaming

EXPERTISE IN DELIVERING ACROSS PLATFORMS CONTENT

TV



FILM



DIGITAL

ALLSPARK PICTURES
A HASBRO COMPANY

Paramount
A VIACOM COMPANY

Discovery Family

BOULDER MEDIA

Hasbro

BUILDING DIGITAL GAMING EXPERTISE

Leverage Hasbro's Portfolio of Brands in all Platforms of Digital Play

- Investing in building our digital gaming resources and expertise, especially at Wizards of the Coast and Backflip Studios
- Using that expertise to develop our own digital gaming business
- Continue partnering with industry-leading digital gaming companies to license select titles

EXPANDING ACROSS DIVERSIFIED RETAIL CHANNELS

CONNECTING WITH CONSUMERS WHEREVER THEY SHOP

DIGITALLY INTEGRATED COMMERCE SHAPED BY CONSUMER CHANGES

PURE PLAY ECOMMERCE

MASS & HYPER

TOY SPECIALIST

DEPARTMENT STORES

SPECIALTY

Sporting Goods

Books

Craft

Baby

Travel/Duty Free

Electronics

FAN

GROCERY / DRUG

VALUE

CONVENIENCE

CLUB

*ECOMM IS PURE PLAY ONLY; ONLINE SALES OF OMNI-CHANNEL INCLUDED IN THOSE CATEGORIES (IE: WALMART.COM INCLUDED WITH WALMART IN MASS & HYPER)

Q3 2019
SNAPSHOT

REVENUE

$1.58B

OPERATING PROFIT

$297.2M

NET EARNINGS

As Reported **$212.9M**

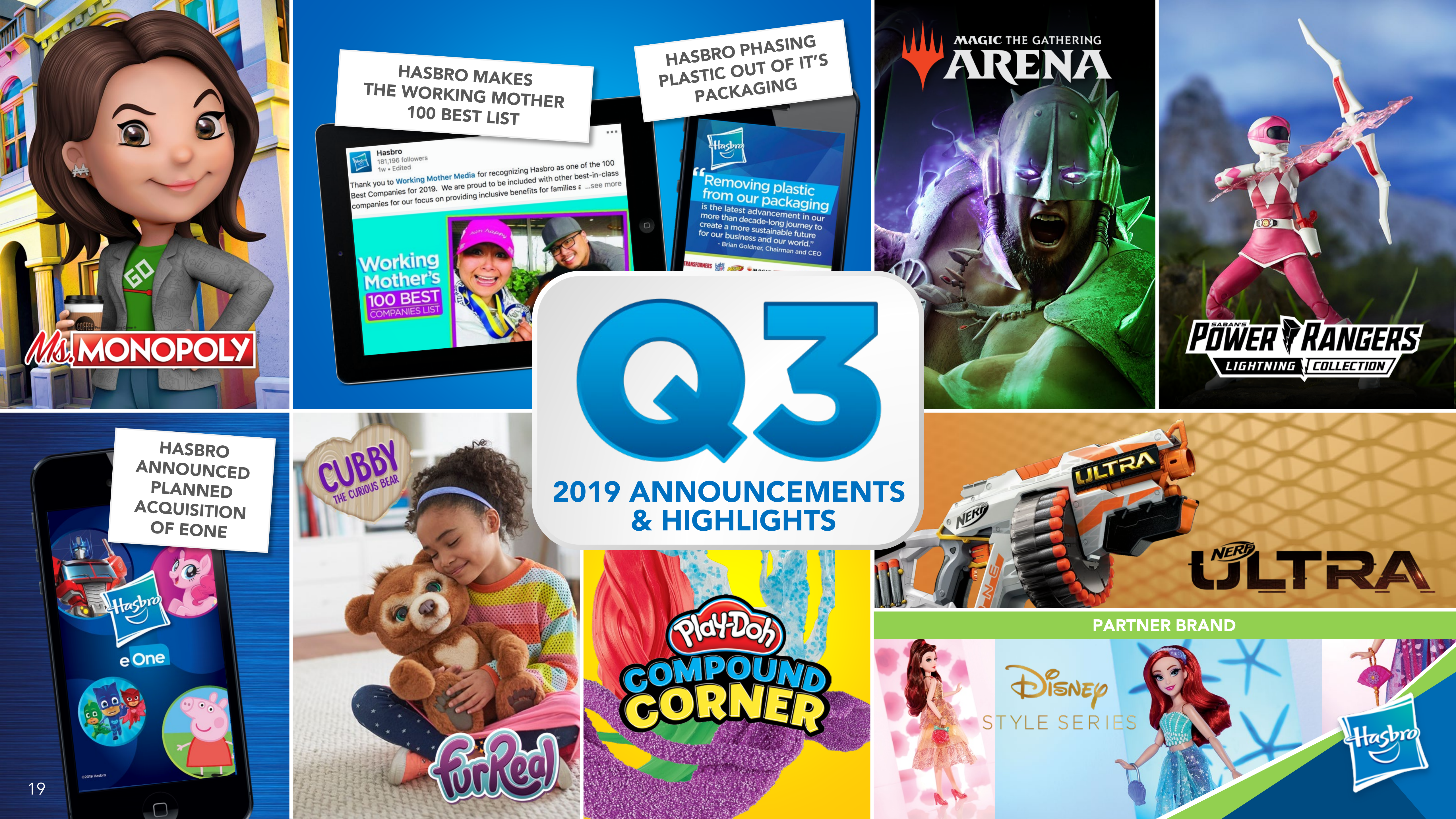
As Adjusted **$233.8M***

EPS

As Reported **$1.67**
per diluted share

As Adjusted **$1.84***
per diluted share

**A reconciliation of Non-GAAP financial measures can be found on slide 39*


Ms. MONOPOLY
HASBRO MAKES THE WORKING MOTHER 100 BEST LIST
Hasbro
181,196 followers
1w • Edited
Thank you to Working Mother Media for recognizing Hasbro as one of the 100 Best Companies for 2019. We are proud to be included with other best-in-class companies for our focus on providing inclusive benefits for families a ...see more
Working Mother's 100 BEST COMPANIES LIST
HASBRO PHASING PLASTIC OUT OF IT'S PACKAGING
"Removing plastic from our packaging is the latest advancement in our more than decade-long journey to create a more sustainable future for our business and our world."
- Brian Goldner, Chairman and CEO
MAGIC THE GATHERING ARENA
SABAN'S POWER RANGERS LIGHTNING COLLECTION
Q3
2019 ANNOUNCEMENTS & HIGHLIGHTS
HASBRO ANNOUNCED PLANNED ACQUISITION OF EONE
Hasbro
eOne
CUBBY THE CURIOUS BEAR
FurReal
Play-Doh COMPOUND CORNER
NERF ULTRA
PARTNER BRAND
Disney STYLE SERIES
Hasbro

Full Year 2018 in Review

REVENUE

$4.58B

OPERATING PROFIT

$331.1M

FY 2018 Operating Profit includes pre-tax charges of $267.3M excluded in the reconciliations of as reported to adjusted operating results

NET EARNINGS

$220.4M

EPS

$1.74 per diluted share

Adjusted Net Earnings for FY 2018 were $488.8M, or $3.85 per diluted share, excluding aggregate after-tax charges of $268.4M, or $2.11 per diluted share

A reconciliation of reported to adjusted operating profit and Net Earnings/EPS can be found on slides 40-42.

Multi-Year Revenue History

HASBRO NET REVENUES 2008-2018

2018 Revenues down 12%

- Including $43.0M Unfavorable Impact from Foreign Exchange
- Revenue decline due to loss of Toys "R" Us revenues in the U.S., Europe and Asia Pacific.
- Rapidly evolving retail landscape and reduced retailer inventory amidst challenging economic conditions in key markets, primarily the U.K.

Growth in BEYBLADE, MARVEL, LOST KITTIES, DUNGEONS & DRAGONS, MONOPOLY and MAGIC: THE GATHERING for **Full Year 2018**

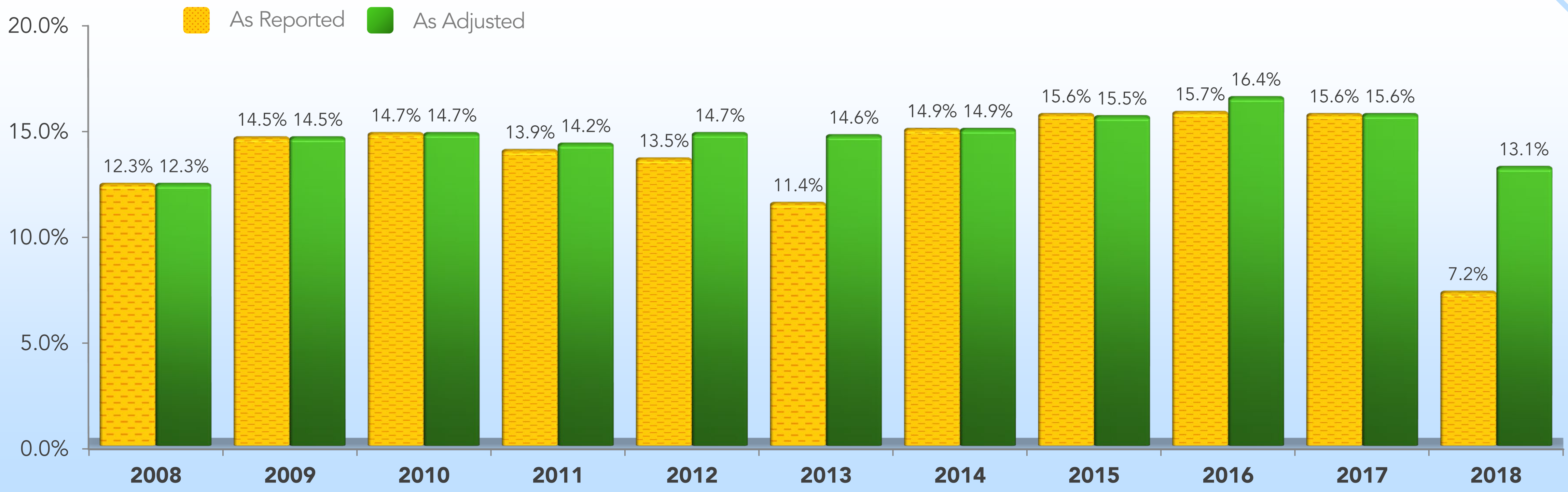
OPERATING MARGIN EXPANSION

Plan to return operating profit margin to 15% and higher over the next few years through a return to revenue growth and a right-sized expense base.

Continue **investing** in our business to reinvent and drive growth in our **Franchise Brands** and new brands that generate higher-margin **Entertainment and Licensing** revenues.

Operating Margin: Driving Long-Term Profitable Growth

HASBRO OPERATING MARGIN 2008-2018

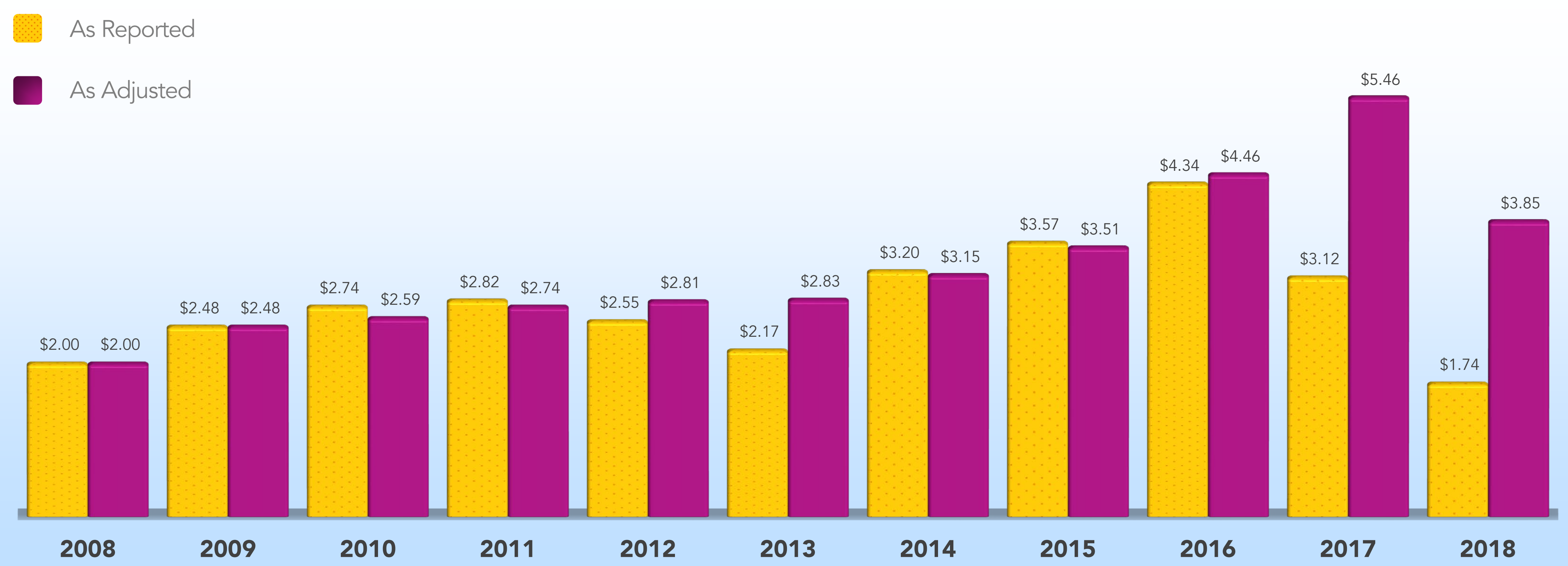


A reconciliation of reported to adjusted operating profit can be found on slide 40.

- Continued investment to reinvent and drive growth in our Franchise Brands and new brands
- Generate higher-margin Entertainment and Licensing revenues.

FY 2018 Operating Profit impacted by lower revenues and higher costs to clear retail inventory. Pre-tax charges of $267.3M associated with Toys"R"Us, the Company's 2018 Restructuring Program, and impairment charges related to Backflip Studios goodwill and other intangible assets.

Earnings Per Share 2008-2018



A reconciliation of reported to adjusted Net Earnings/EPS can be found on slide 41.

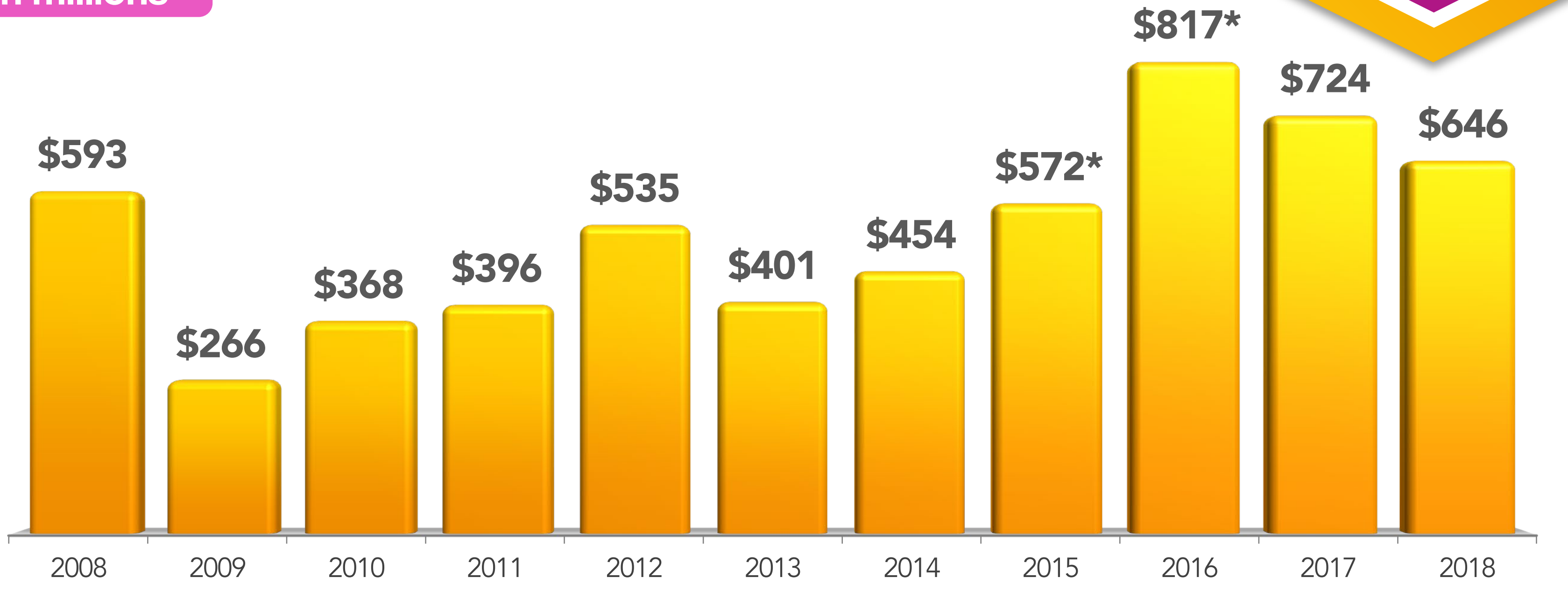
2018 Earnings Per Diluted Share of $1.74; As Adjusted $3.85 And Included After-tax Charges Of $268.4M, or $2.11 Per Diluted Share. After-tax Charges Consisted of:

- $96.9M, or $0.76 per diluted share, associated with fourth quarter 2018 non-cash impairment charges related to Backflip Studios goodwill and other intangible assets;
- $77.9M, or $0.61 per diluted share, of severance costs associated with previously announced organizational actions;
- $52.8M, or $0.42 per diluted share, associated with Toys"R"Us, primarily bad debt expense; and
- $40.7M, or $0.32 per diluted share, impact from U.S. tax reform based on remeasurement of current liabilities and additional regulations issued in 2018.

Consistently
Strong Cash Flow

Operating Cash Flow Target:
$600-$700M
on Average

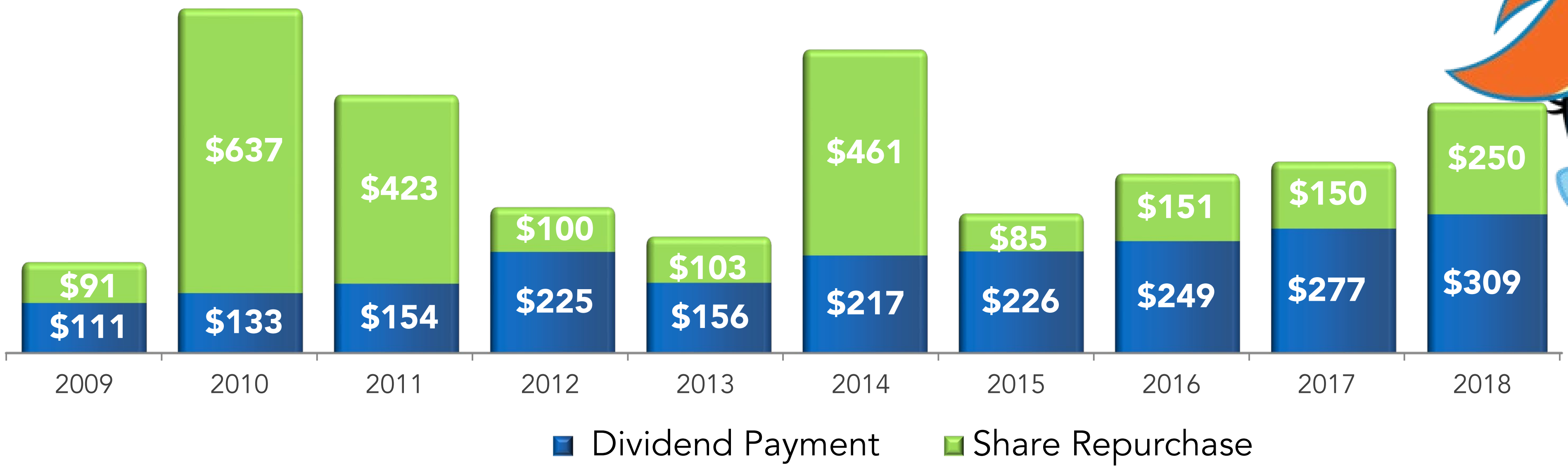
In millions



*2015-2016 Operating Cash Flows have been restated to reflect the adoption of ASU 2016-09

Capital Priorities

Dividend & Share Repurchase



8%
2019 Quarterly Dividend Increase

Dividend +13% on Average Over 10 Years

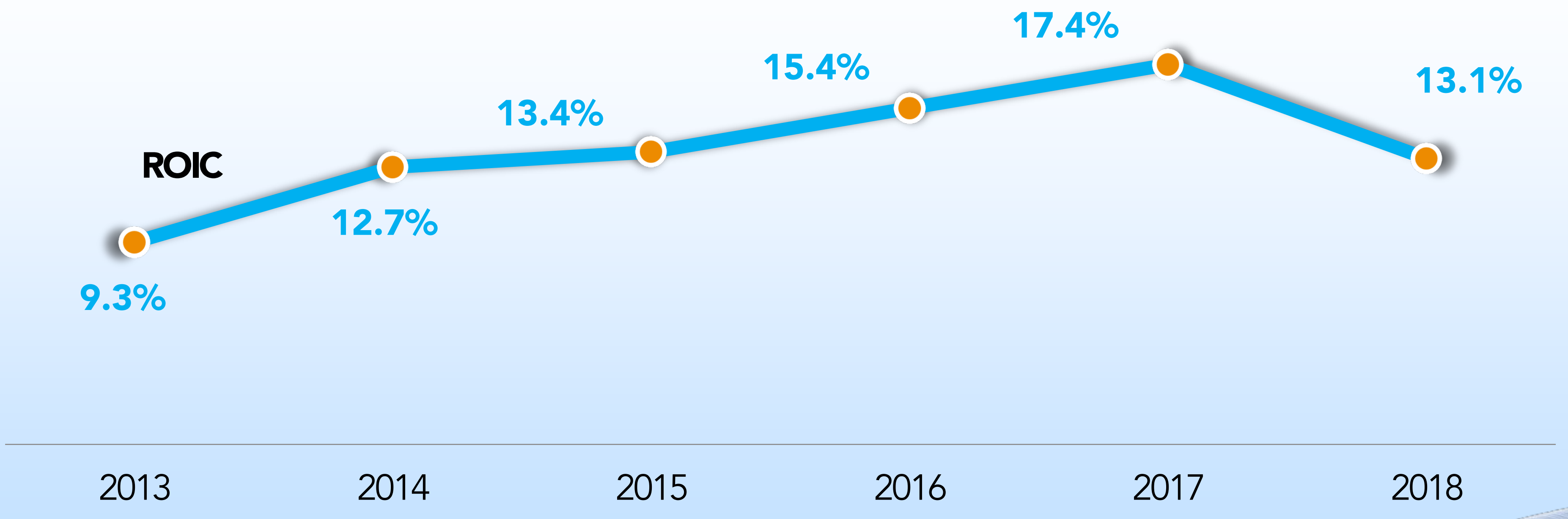
10 Years
$4.5B

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

BUILDING SHAREHOLDER VALUE

Return on Invested Capital (ROIC)

NET EARNINGS/(SHORT-TERM DEBT + LONG-TERM DEBT + SHAREHOLDER'S EQUITY)



Year end 2018 ROIC excludes aggregate after-tax charges of $268.4M, or $2.11 per diluted share;
2017 ROIC excludes impact of U.S. tax reform; Including tax reform ROIC was 10.8%. All other years are as reported.

Refer to slide 43 for a Reconciliation of Return on Invested Capital (ROIC)

Proven Leadership EXECUTIVE OFFICERS

Brian D. Goldner
Chairman of the Board and
Chief Executive Officer

John A. Frascotti
President and
Chief Operating Officer

Deborah M. Thomas
Executive Vice President and
Chief Financial Officer

Tom Courtney
Executive Vice President,
Chief Global Operations Officer

Stephen Davis
Executive Vice President
and Chief Content Officer

Dolph Johnson
Executive Vice President and
Chief Human Resources Officer

Tarrant Sibley
Executive Vice President,
Chief Legal Officer and
Corporate Secretary

Steve Zoltick
Executive Vice President and
Chief Information Officer

Experienced Board WITH DIVERSE SKILLS

Brian D. Goldner
Chairman of the Board
and Chief Executive Officer
Hasbro, Inc.

Kenneth A. Bronfin
Senior Managing Director
Hearst Ventures

Michael R. Burns
Vice Chairman
Lionsgate Entertainment Corp.

Hope Cochran
Managing Director
Madrona Venture Group

Sir Crispin Davis
Retired Chief Executive Officer
Reed Elsevier PLC

John A. Frascotti
President and Chief Operating Officer
Hasbro, Inc.

Lisa Gersh
Former Chief Executive Officer
Alexander Wang

Alan G. Hassenfeld
Retired Chairman and
Chief Executive Officer
Hasbro, Inc.

Tracy A. Leinbach
Retired Executive Vice President
and Chief Financial Officer
Ryder System, Inc.

Edward M. Philip
Lead Independent Director
Retired Chief Operating Officer
Partners in Health

Richard S. Stoddart
President and Chief Executive Officer
InnerWorkings, Inc.

Mary Beth West
Senior Vice President and Chief
Growth Officer
The Hershey Company

Linda K. Zecher
Chief Executive Officer and Managing
Partner
The Barkley Group

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

Playing with Purpose

We believe every day is a chance to do better.

- Product Safety
- Environmental Sustainability
- Human Rights & Ethical Sourcing
- Diversity & Inclusion

$20 Million in Total Philanthropic Support

Helping 4 Million Children in 2018

HOPE

$4.2M
Financial Support

JOY

1.4M
Toys & Games Donated

KINDNESS

25M
Children & Caring Adults Inspired to be Kind

SERVICE

94%
Employee Volunteer Participation

PARTNER BRAND

PARTNER BRAND

Hasbro 2019 Holiday Initiatives

PARTNER BRAND

PARTNER BRAND

Appendix

Full-Year Income Statements

($ Millions)	2018	2017	2016
Net Revenues	$4,580	$5,210	$5,020
Cost of Sales	1,851	2,033	1,905
Royalties	352	405	410
Product Development	246	269	266
Advertising	440	502	469
Amortization of Intangibles	29	29	35
Program Production Cost Amortization	44	36	36
Selling, Distribution & Administration	1,288	1,125	1,111
Operating Profit	$331	810	788
Interest Expense	91	98	97
Other Income, Net	(30)	(74)	(2)
Earnings Before Income Taxes	270	786	692
Income Taxes	50	390	159
Net Earnings	220	397	533
Net Loss Attributable to Noncontrolling Interests	-	-	(18)
Net Earnings Attributable to Hasbro, Inc.	$220	$397	$551
Diluted EPS	$1.74	$3.12	$4.34

Balance Sheets

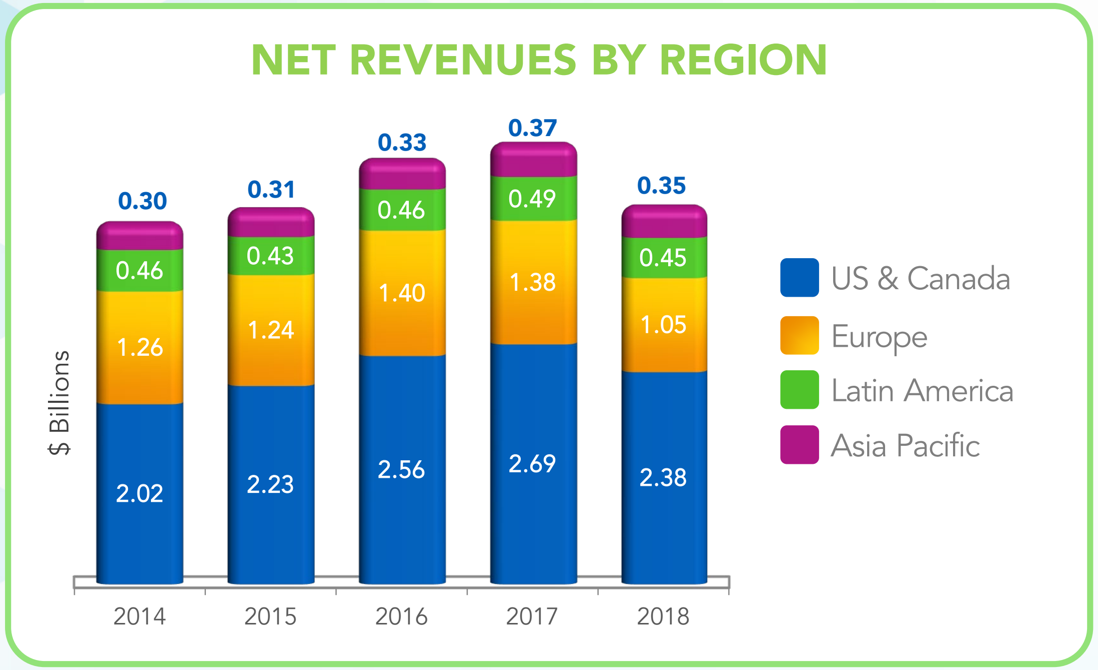
($ Millions)	Dec. 30, 2018	Dec. 31, 2017	Dec. 25, 2016
Cash & Cash Equivalents	$1,182	$1,581	$1,282
Accounts Receivable, Net	1,188	1,405	1,320
Inventories	443	433	388
Other Current Assets	269	214	238
Total Current Assets	$3,083	$3,634	$3,228
Property, Plant & Equipment, Net	256	260	267
Other Assets	1,924	1,396	1,596
Total Assets	$5,263	$5,290	$5,091
Short-term Borrowings	10	155	173
Current Portion of Long-Term Debt	-	-	350
Payables & Accrued Liabilities	1,265	1,097	1,096
Total Current Liabilities	$1,274	$1,252	$1,618
Long-term Debt	1,695	1,694	1,199
Other Liabilities	539	514	389
Total Liabilities	$3,509	$3,460	$3,206
Redeemable Non-controlling Interests	-	-	23
Total Shareholders' Equity	1,754	1,830	1,863
Total Liabilities, Redeemable Non-controlling Interests & Shareholders' Equity	$5,263	$5,290	$5,091

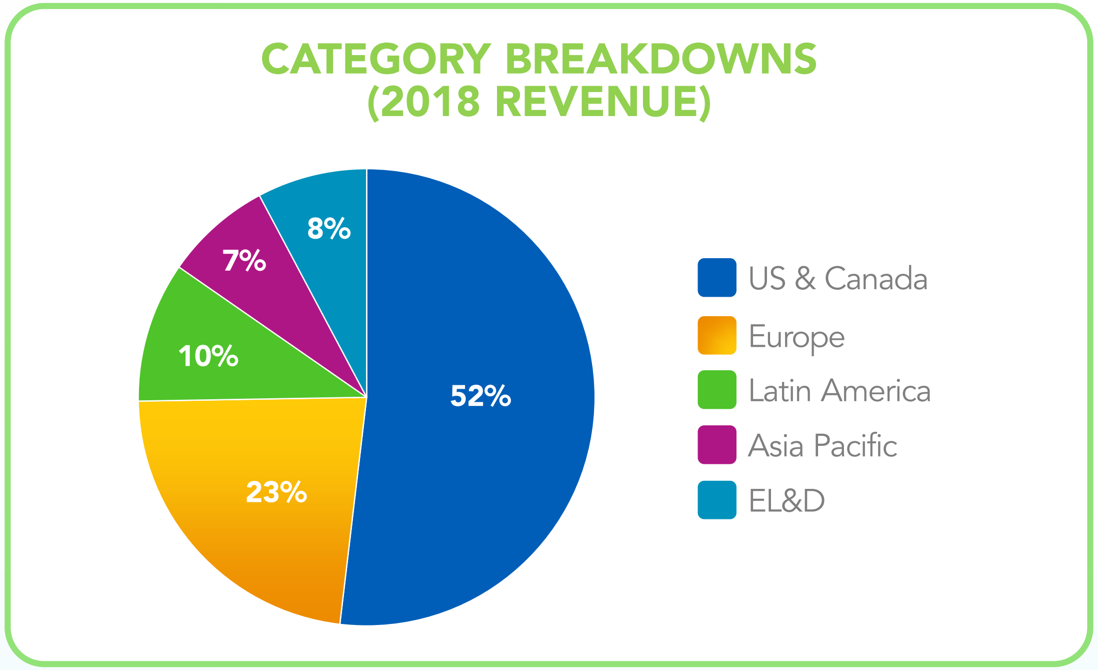
Condensed Cash Flow

($ Millions)	Dec. 30, 2018	Dec. 25, 2017	Dec. 25, 2016
Net Cash Provided by Operating Cash Flows	$646	$724	$817
Cash Flows from Investing Activities			
Additions to Property, Plant & Equipment	(140)	(135)	(155)
Acquisitions/Dispositions	(155)	-	(12)
Other	9	3	29
Net Cash Utilized by Investing Activities	(286)	$(131)	$(138)
Cash Flows from Financing Activities			
Net proceeds from borrowings with maturity greater than 3 months	-	494	
Repayments of borrowings with maturity greater than 3 months	-	(350)	
Net Proceeds from (Repayments of) Short-term Borrowings	(142)	(18)	9
Purchases of Common Stock	(250)	(151)	(150)
Stock-based Compensation Transactions	30	29	42
Dividends Paid	(309)	(277)	(249)
Employee Taxes Paid for Shares Withheld	(58)	(32)	(22)
Other	(7)	(7)	(6)
Net Cash Utilized by Financing Activities	(737)	(312)	(375)
Effect of Exchange Rate Changes on Cash	(21)	18	2
Cash and Cash Equivalents at Beginning of Year	1,581	1,282	977
Cash and Cash Equivalents at End of Period	$1,182	$1,581	$1,282

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

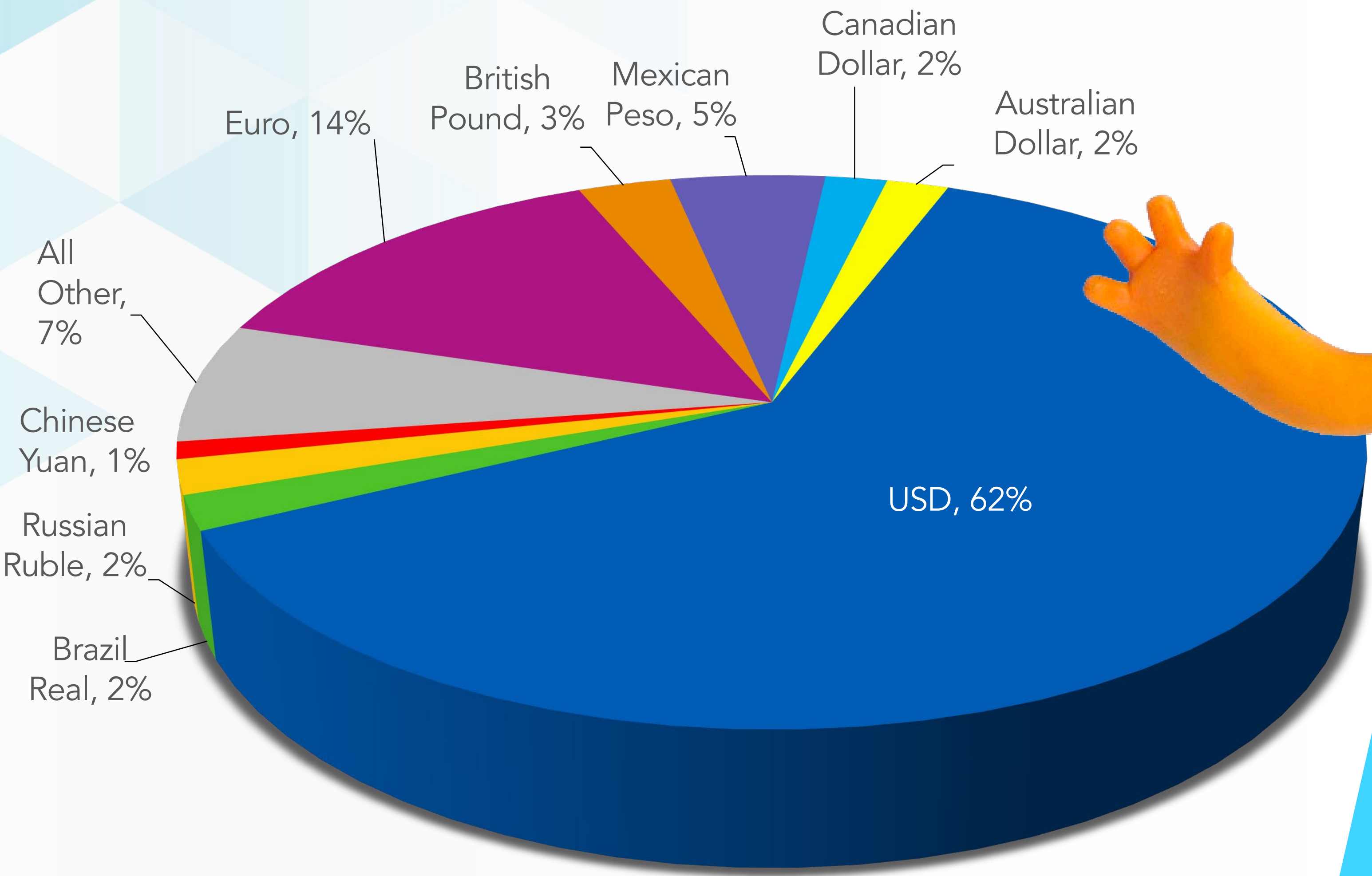
Net Revenues by Region





- 2018 lower revenues reflect the loss of Toys"R"Us revenues in the U.S., Europe and Asia Pacific and impact from liquidated inventory in the markets
- International revenues decline also reflects changing consumer shopping behaviors, a rapidly evolving European retail landscape and reducing retail inventory amidst challenging economic conditions
- Full year 2018 revenues included a $43M negative impact from Foreign Exchange

2018 Net Revenues
by Currency



SUPPLEMENTAL FINANCIAL DATA

Reconciliation of Reported to Adjusted Net Earnings and Earnings Per Share (Unaudited)
(Thousands of Dollars, Except Per Share Data)

Reconciliation of Net Earnings and Earnings per Share

	Quarter Ended							
(all adjustments reported after-tax)		September 29, 2019		Diluted Per Share Amount		September 30, 2018		Diluted Per Share Amount
Net Earnings, as Reported	$	212,949	$	1.67	$	263,861	$	2.06
Impact of Tax Reform [1]		—		—		(17,336)		(0.14)
Acquisition-related foreign exchange loss [2]		20,886		0.16		—		—
Net Earnings, as Adjusted	$	233,835		1.84	$	246,525	$	1.93

	Nine Months Ended							
(all adjustments reported after-tax)		September 29, 2019		Diluted Per Share Amount		September 30, 2018		Diluted Per Share Amount
Net Earnings, as Reported	$	253,109	$	1.99	$	211,668	$	1.67
Incremental costs impact of Toys"R"Us		—		—		61,372		0.48
Severance		—		—		15,699		0.12
Impact of Tax Reform [1]		—		—		30,454		0.24
Acquisition-related foreign exchange loss [2]		20,886		0.16		—		—
Pension [3]		85,852		0.68		—		—
Net Earnings, as Adjusted	$	359,847	$	2.83	$	319,193	$	2.52

[1] The Company made adjustments to provisional U.S. Tax Reform amounts recorded in the fourth quarter of 2017 based on additional regulations issued in the first quarter of 2018.

[2] In the third quarter of 2019, the Company and Entertainment One Ltd. ("eOne") announced that they entered into a definitive agreement under which the Company will acquire eOne in an all-cash transaction, to be paid in British pound sterling. The Company hedged a portion of its exposure to fluctuations in the British pound sterling in relation to the acquisition using a series of both foreign exchange forward and option contracts. These contracts do not qualify for hedge accounting and, as such, were marked to market through other expense in the Company's Consolidated Statement of Operations. The Q3 2019 impact was a loss of $25.5 million, or $20.9 million after-tax.

[3] In the second quarter of 2019, the Company recognized a $110.8 million non-cash charge ($85.9 million after-tax) related to the settlement of its U.S. defined benefit pension plan.

Reconciliation of EBITDA

	Quarter Ended				Nine Months Ended			
		September 29, 2019		September 30, 2018		September 29, 2019		September 30, 2018
Net Earnings	$	212,949	$	263,861	$	253,109	$	211,668
Interest Expense		22,764		22,779		67,096		68,391
Income Taxes (including Tax Reform)		46,797		31,933		42,340		63,862
Depreciation		38,608		42,623		101,016		104,915
Amortization of Intangibles		11,814		8,841		35,445		19,873
EBITDA	$	332,932	$	370,037	$	499,006	$	468,709
Non-GAAP Adjustments (see above)		(25,533)		—		(136,310)		87,777
Adjusted EBITDA	$	358,465	$	370,037	$	635,316	$	556,486

Supplemental Financial Data

RECONCILIATION OF OPERATING PROFIT – REPORTED AS ADJUSTED (2012-2018)

($ Thousands, unaudited)	2012		2013		2014		2015		2016		2017		2018	
	$	%	$	%	$	%	$	%	$	%	$	%	$	%
Operating Profit Reconciliation														
Operating Profit, as Reported	551,785	13.5%	467,093	11.4%	635,375	14.9%	691,933	15.6%	788,048	15.7%	810,359	15.6%	331,052	7.2%
Restructuring of Equity Method Investment					(1,458)	0.0%								
Restructuring Charges	47,176	1.2%	36,710	0.9%	5,224	0.1%							89,349	2.0%
Pension Charges			6,993	0.2%										
Arbitration Award Settlement Charges			46,050	1.1%										
Product-Related Charges			40,587	1.0%										
Gain on Sale of Manufacturing Operations							(3,061)	-0.1%						
Goodwill Impairment									32,858	0.7%				
Asset Impairments													117,556	2.6%
Incremental Costs Impact of Toys"R"Us													60,360	1.3%
Operating Profit, as Adjusted	598,961	14.7%	597,433	14.6%	639,141	14.9%	688,872	15.5%	820,906	16.4%	810,359	15.6%	598,317	13.1%

Supplemental Financial Data

RECONCILIATION OF NET EARNINGS/EPS – REPORTED AS ADJUSTED 2012-2018

($ Thousands, unaudited)	2012		2013		2014		2015		2016		2017		2018	
	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS
Net Earnings and Diluted EPS Reconciliation														
Net Earnings Attributable to Hasbro, Inc., as Reported	335,999	2.55	286,198	2.17	415,930	3.20	451,838	3.57	551,380	4.34	396,607	3.12	220,434	1.74
Restructuring of Equity Method Investment, Net of Tax					18,072	0.14								
Restructuring Charges, Net of Tax	34,762	0.26	26,416	0.20	5,156	0.04							77,948	0.61
Gain from Sale of Intellectual Property License Rights, Net of Tax					(23,892)	(0.18)								
Benefits from Tax Exam Settlements			(23,637)	(0.18)	(6,570)	(0.05)								
Pension Charges, Net of Tax			4,461	0.03										
Arbitration Award Settlement Charges, Net of Tax			53,053	0.40										
Product-Related Charges, Net of Tax			25,895	0.20										
Gain on Sale of Manufacturing Operations, Net of Tax							(6,885)	(0.05)						
Goodwill Impairment, Net of Tax									14,674	0.12				
Asset Impairments, Net of Tax													96,928	0.76
Impact of Tax Reform											296,512	2.33	40,650	0.32
Incremental Costs Impact of Toys"R"Us, Net of Tax													52,829	0.42
Net Earnings Attributable to Hasbro, Inc., as Adjusted	370,761	2.81	372,386	2.83	408,696	3.15	444,953	3.51	566,054	4.46	693,119	5.46	488,789	3.85

Supplemental Financial Data

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited)

(Thousands of Dollars)

Reconciliation of Net Earnings and Earnings per Share

	Quarter Ended			
(all adjustments reported after-tax)	December 30, 2018	Diluted Per Share Amount	December 31, 2017	Diluted Per Share Amount
Net Earnings (Loss), as Reported	$ 8,766	$ 0.07	$ (5,298)	$ (0.04)
Incremental costs impact of Toys"R"Us	(8,543)	(0.07)	-	-
Severance	62,249	0.49	-	-
Impact of Tax Reform [1]	10,196	0.08	296,512	2.35
Asset Impairments	96,928	0.76	-	-
Net Earnings, as Adjusted	$ 169,596	$ 1.33	$ 291,214	$ 2.30

	Year Ended			
(all adjustments reported after-tax)	December 30, 2018	Diluted Per Share Amount	December 31, 2017	Diluted Per Share Amount
Net Earnings, as Reported	$ 220,434	$ 1.74	$ 396,607	$ 3.12
Incremental costs impact of Toys"R"Us	52,829	0.42	-	-
Severance	77,948	0.61	-	-
Impact of Tax Reform [1]	40,650	0.32	296,512	2.33
Asset Impairments	96,928	0.76	-	-
Net Earnings, as Adjusted	$ 488,789	$ 3.85	$ 693,119	$ 5.46

[1] The Company made adjustments to provisional U.S. Tax Reform amounts recorded in the fourth quarter of 2017 based on additional regulations issued in 2018.

Reconciliation of EBITDA	Quarter Ended		Year Ended	
	December 30, 2018	December 31, 2017	December 30, 2018	December 31, 2017
Net Earnings (Loss)	$ 8,766	$ (5,298)	$ 220,434	$ 396,607
Interest Expense	22,435	24,516	90,826	98,268
Income Taxes (including Tax Reform)	(13,894)	283,884	49,968	389,543
Depreciation	34,340	35,165	139,255	143,018
Amortization of Intangibles	8,830	6,564	28,703	28,818
EBITDA	$ 60,477	$ 344,831	$ 529,186	$ 1,056,254
Non-GAAP Adjustments	179,488	(19,911)	267,265	(19,911)
Adjusted EBITDA	$ 239,965	$ 324,920	$ 796,451	$ 1,036,343

Supplemental Financial Data

RECONCILIATION OF RETURN ON INVESTED CAPITAL

(Unaudited)
(Thousands of Dollars)

	Net Earnings	Total Debt	Total Equity	Total Invested Capital	ROIC
December 30, 2018					
As Reported	$220,434	$1,704,832	$1,754,486	$3,459,318	6.4%
Adjustments (reported after-tax):					
Incremental costs of impact of Toys"R"Us	52,829		52,829		
Severance	77,948		77,948		
Impact of Tax Reform	40,650		40,650		
Asset Impairments	96,928		96,928		
As Adjusted	$488,789	$1,704,832	$2,022,841	$3,727,673	13.1%
December 31, 2017					
As Reported	$396,607	$1,848,566	$1,829,957	$3,678,523	10.8%
Adjustments (reported after-tax):					
Impact of Tax Reform	296,512		296,512	296,512	
As Adjusted	$693,119	$1,848,566	$2,126,469	$3,975,035	17.4%