



Q1 2024 Earnings

April 24, 2024

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-related costs, acquired intangible amortization; Operational Excellence and Blueprint 2.0 implementation 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 attributable to noncontrolling interests, depreciation and amortization of intangibles. Adjusted EBITDA also excludes Operational Excellence and Blueprint 2.0 implementation 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. 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.

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 products, gaming and entertainment; anticipated cost savings; financial targets; capital allocation priorities; dividend declarations; and anticipated financial performance for 2024 and beyond. 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:

Factors that might cause such a difference include, but are not limited to:

- our ability to successfully execute on our business strategy and transformation initiatives, 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 industry and further develop our digital gaming and licensing business;
- our ability to transform our business and capabilities to address the changing global consumer landscape;
- our ability to design, develop, manufacture, and ship products on a timely, cost-effective and profitable basis;
- 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;
- 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 customers and consumers, result in lower employment levels, consumer disposable income, retailer inventories and spending, including lower spending on purchases of our products;
- 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, or 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;
- our dependence on third party relationships, including with third party partners, manufacturers, distributors, studios, content producers, licensors, licensees, and outsourcers, which creates reliance on others and loss of control;
- 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 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, particularly following recent workforce reductions;
- 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; ;
- 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 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.



Hasbro's Transformation



Focus on Play

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

Return excess cash to shareholders

Deleverage Balance Sheet and maintain Investment Grade rating

First Quarter 2024 Highlights



Total Hasbro revenue decline of -24%; Revenues declined 9% absent the impact of the eOne film and television divestiture

Wizards of the Coast and Digital Gaming segment grew 7% behind growth in MAGIC: THE GATHERING and ongoing strength in Licensed Digital Gaming

First quarter toy performance in line with expectations; FURBY and Hasbro Games performed well in the quarter

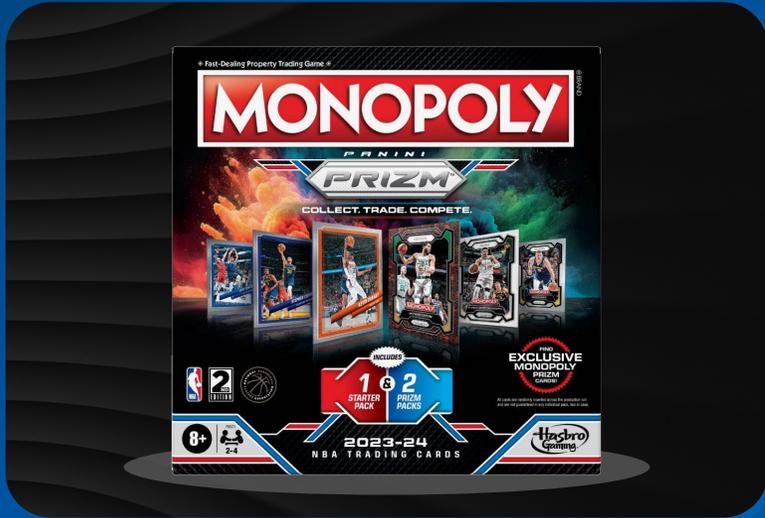
Adjusted operating profit improvement reflects favorable business mix and benefits to productivity from Operational Excellence

Inventory levels remain healthy both at retail and at Hasbro

EPS growth from improved operations and favorability from stock compensation adjustment and net interest expense reduction

| | REPORTED | ADJUSTED |
|---------------------------|-------------------------|-------------------------|
| Net Revenue | \$757.3M -24% | \$757.3M -24% |
| Operating Profit | \$116M NM | \$149M NM |
| Net Earnings | \$58M NM | \$85M NM |
| Earnings Per Share | \$0.42 | \$0.61 |
| EBITDA | \$158M NM | \$173M +75% |

First Quarter 2024





Hasbro Inc. First Quarter 2024 Performance

| Q1 2024 Reported Results (\$ millions, except earnings per share) | Wizards of the Coast & Digital Gaming | Consumer Products | Entertainment | Corporate & Other | Hasbro |
|--|---------------------------------------|-------------------|---------------|-------------------|---------------|
| Revenue | \$316 | \$413 | \$28 | N/A | \$757 |
| % vs PY | +7% | -21% | -85% | N/A | -24% |
| Operating Profit (Loss) | \$123 | (\$47) | \$6 | \$35 | \$116 |
| Operating Margin % | 38.8% | -11.4% | 20.7% | N/A | 15.3% |
| Q1 2023 Operating Margin % | 26.0% | -8.8% | -4.7% | N/A | 1.8% |
| Operating Profit vs PY | +60% | -2% | NM | NM | NM |
| Hasbro Net Earnings | | | | | \$58 |
| Net Earnings vs. PY | | | | | NM |
| Diluted Earnings Per Share | | | | | \$0.42 |
| % vs PY | | | | | NM |



Hasbro Inc. First Quarter 2024 Performance-As Adjusted

| Q1 2024 Adjusted Results (\$ millions, except earnings per share) | Wizards of the Coast & Digital Gaming | Consumer Products | Entertainment | Corporate & Other | Hasbro |
|--|---|----------------------|---------------|----------------------|---------------|
| Revenue | \$316 | \$413 | \$28 | N/A | \$757 |
| % vs PY | +7% | -21% | -85% | N/A | -24% |
| Operating (Loss) Profit | \$123 | (\$38) | \$18 | \$45 | \$149 |
| Operating Margin % | 38.8% | -9.2% | 65.0% | N/A | 19.6% |
| Q1 2023 Operating Margin % | 26.0% | -6.8% | -1.3% | N/A | 4.7% |
| Operating Profit vs PY | +60% | -7% | NM | NM | NM |
| Hasbro Net Earnings | | | | | \$85 |
| Net Earnings vs PY | | | | | NM |
| Diluted Earnings Per Share | | | | | \$0.61 |
| % vs PY | | | | | NM |

As adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 26.31.

Q1 2024 Operating Margin Performance



As Reported Operating Profit Margin Drivers

(\$ millions)

| Q1 2023 Op Profit Margin | 1.8% | \$18 |
|---------------------------------|--------------|--------------|
| Volume & Mix* | -1.2 pts | (\$11) |
| Royalties | -0.7 pts | (\$5) |
| COS Savings > Cost Inflation* | +3.7 pts | \$28 |
| Operating Expenses | +7.8 pts | \$59 |
| eOne Divestiture | +1.9 pts | \$13 |
| All Other | +2.0 pts | \$15 |
| Q1 2024 Op Profit Margin | 15.3% | \$116 |

Adjusted Operating Profit Margin Drivers

(\$ millions)

| Q1 2023 Op Profit Margin (Adjusted) | 4.7% | \$47 |
|--|--------------|--------------|
| Volume & Mix* | -0.8 pts | (\$11) |
| Royalties | -0.7 pts | (\$5) |
| COS Savings > Cost Inflation* | +3.7 pts | \$28 |
| Operating Expenses | +7.8 pts | \$59 |
| eOne Divestiture | +2.5 pts | \$13 |
| All Other | +2.5 pts | \$18 |
| Q1 2024 Op Profit Margin (Adjusted) | 19.6% | \$149 |

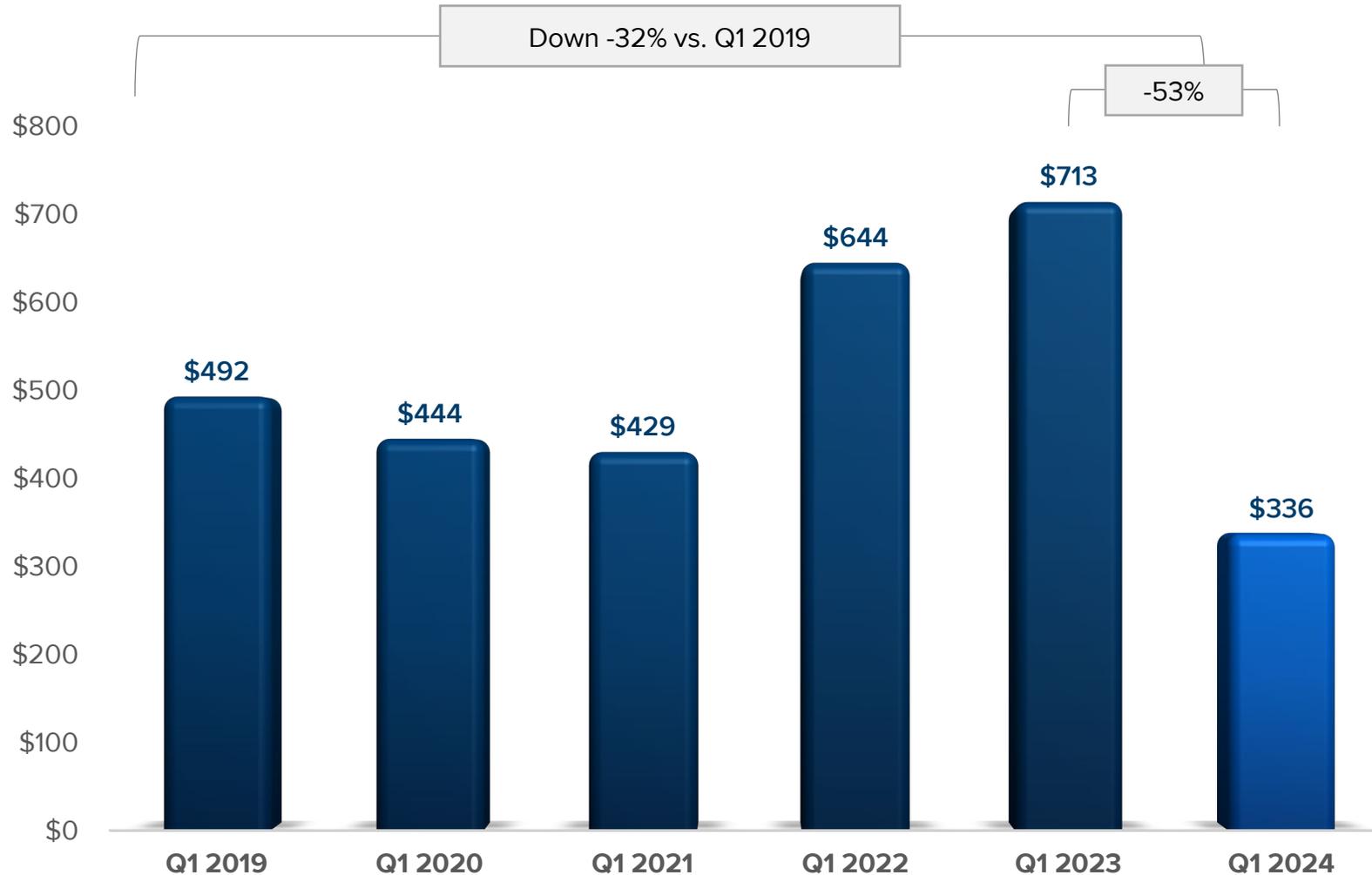
Amounts may not sum due to rounding

*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 29-30.

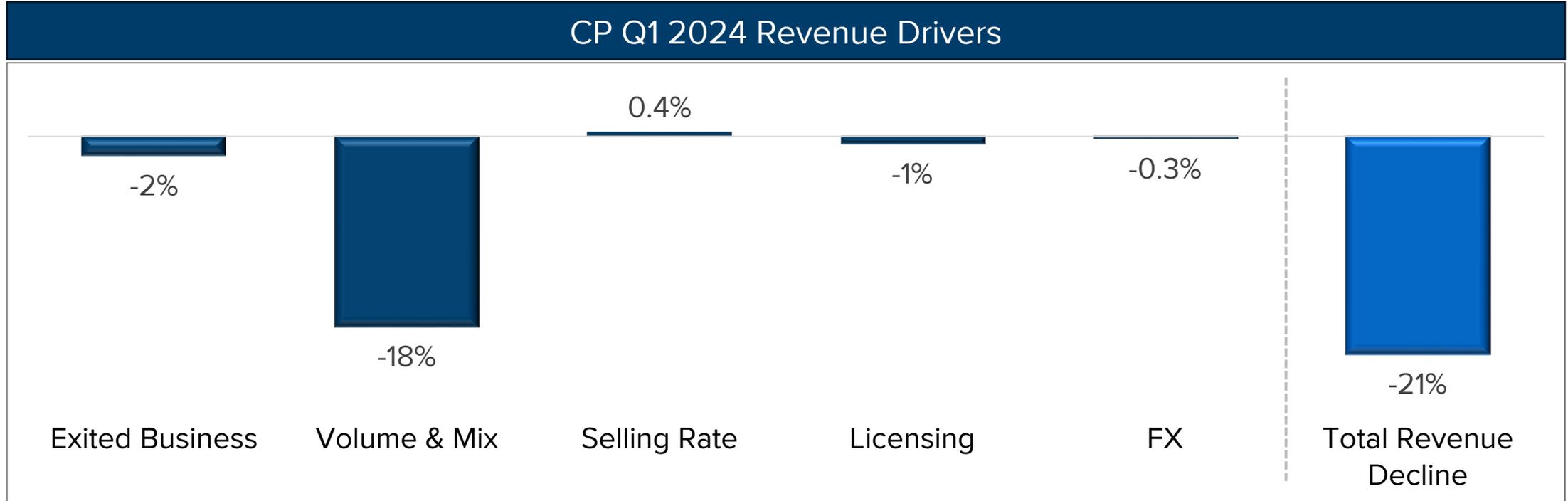


Total Hasbro Owned Inventory Reduction



- Total Q1 inventory -53% vs. PY with CP -57% and Wizards -36%
- Represents approximately 66 days of supply, which is consistent with 2023 year-end
- Inventory will build in Q2 to support customer innovation sell-in and shelf resets
- Mass Retail inventory remains at healthy levels

Consumer Products Performance



Revenue decline driven by broader market softness in key categories, reduction in closeout volume and timing of Hasbro Pulse initiatives versus Q1 2023

Brand Portfolio Performance



Q1 2024 Brand Category Highlights

Net Revenue by Brand Portfolio

| (\$ millions) | Q1 2024 | Q1 2023 | % Change |
|---|--------------|----------------|-------------|
| Franchise Brands | \$607 | \$613 | -1% |
| Partner Brands | \$88 | \$133 | -34% |
| Portfolio Brands | \$63 | \$92 | -32% |
| Non-Hasbro Branded Film & TV | \$- | \$163 | -100% |
| Total | \$757 | \$1,001 | -24% |

Amounts may not sum due to rounding

Franchise Brands

First quarter growth in PEPPA PIG (+41%), HASBRO GAMING (+6%), MAGIC THE GATHERING (+4%) DUNGEONS & DRAGONS (+3%).

Partner Brands

Light entertainment calendar coupled with exited licenses

Portfolio Brands

FURBY continued to perform supported by the launch of FURBLETS

Non-Hasbro Branded Film & TV

Business divested in December 2023

Consumer Products Op Margin Performance



| | | |
|--|--------------|---------------|
| Q1 2023 Op Profit Margin (Adjusted) | -6.8% | (\$35) |
| Volume & Mix* | -9.6 pts | (\$36) |
| Gross Sales to Net Sales Rate | +0.9 pts | \$6 |
| Royalties | -0.3 pts | (\$1) |
| COS Savings > Cost Inflation* | +3.1 pts | \$13 |
| Operating Expenses | +4.5 pts | \$19 |
| All Other | -0.9 pts | (\$2) |
| Q1 2024 Op Profit Margin (Adjusted) | -9.2% | (\$38) |

*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.

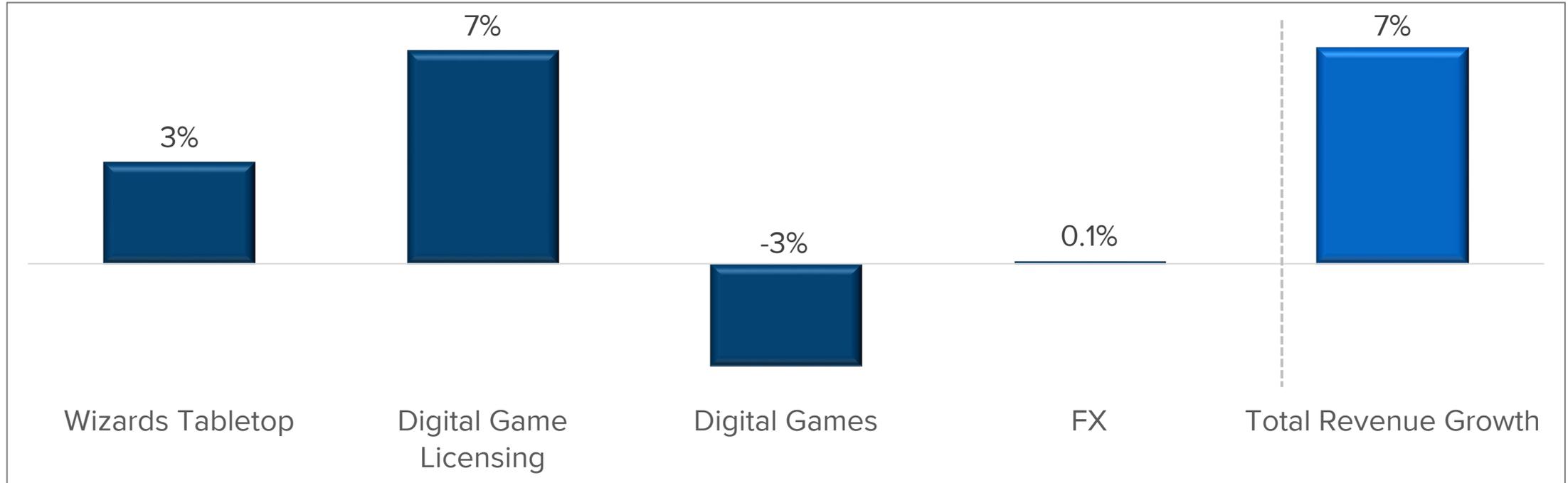
As adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 26-30.

- Improvement in underlying business model driven by fewer closeouts and improved cost structure
- Impact of volume decline driving deleverage, and creating material operating profit margin drag; gross margin improvement of +5.3 points
- Supply chain productivity more than offsetting the 2 points of cost inflation
- Operating expense reduction in support of the Operational Excellence initiative

Wizards of the Coast & Digital Gaming Performance



Wizards of the Coast Q1 2024 Revenue Drivers



Revenue growth driven by growth in *MAGIC: THE GATHERING* and Licensed Digital Gaming behind *Baldur's Gate 3* and *Monopoly Go!*

Wizards Tabletop represents tabletop *MAGIC: THE GATHERING*, *DUNGEONS & DRAGONS*, and other games; Digital Gaming Licenses represents our licensed digital gaming business and Digital Games represents *MAGIC: THE GATHERING Arena* and *D&D Beyond*.

Wizards of the Coast Op Margin Performance



| | | |
|--|--------------|--------------|
| Q1 2023 Op Profit Margin (Adjusted) | 26.0% | \$77 |
| Volume & Mix* | +4.0 pts | \$19 |
| Gross Sales to Net Sales Rate | -0.9 pts | (\$4) |
| Royalties | -1.2 pts | (\$4) |
| COS Savings > Cost Inflation* | +4.8 pts | \$15 |
| Operating Expenses | +5.7 pts | \$18 |
| All Other | +0.4 pts | \$1 |
| Q1 2024 Op Profit Margin (Adjusted) | 38.8% | \$123 |

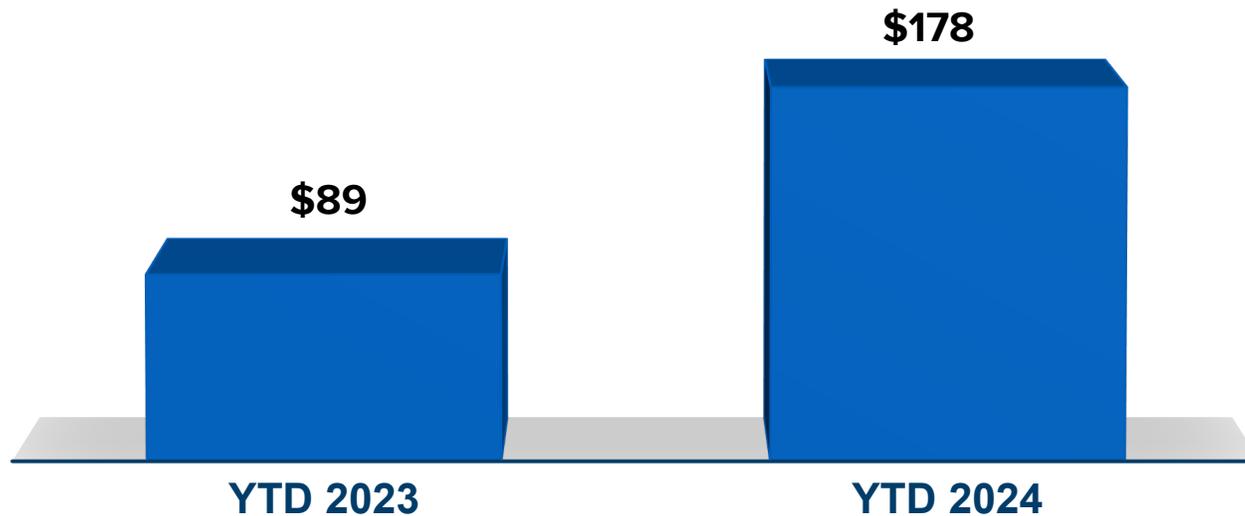
- Growth in Magic and Digital Licensing creating positive operating margin impact
- Higher royalty expense in Magic and D&D
- Supply chain productivity more than offsetting the 2 points of cost inflation
- Operating expense reduction in support of the Operational Excellence initiative

*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.

Total Hasbro, Inc. Cash Flow and Metrics



Operating Cash Flow



(\$millions)

Q1 2024 Highlights

- Operating cash improvement driven by underlying earnings growth and reduced production expense
- Capital spending relatively flat vs. LY
- Adjusted Underlying Q1 Tax Rate of 22.8% vs. 44.3% PY
- Interest Expense of \$39M in Q1 2024 or -17% vs. PY
- Returned \$97M cash to shareholders via dividends

Maintaining 2024 Guidance

2024 HEADLINES:



- CP Revenue outlook impacted by business exits and industry outlook
- WOTC Revenue decline in back-half driven by Magic Universes Beyond comparison
- Pro-forma Entertainment Segment down \$15M; OP margin approximately 60%
- OP margin expansion driven by favorable mix, supply chain productivity and cost reductions
- Capital spend of approximately \$225M
- Assumed tax rate of 24%

**Wizards of the Coast &
Digital Gaming**

Consumer Products

**-3 to -5%
Revenue Decline**

**-7 to -12%
Revenue Decline**

**38 to 40%
OP Margin**

**4 to 6%
OP Margin**

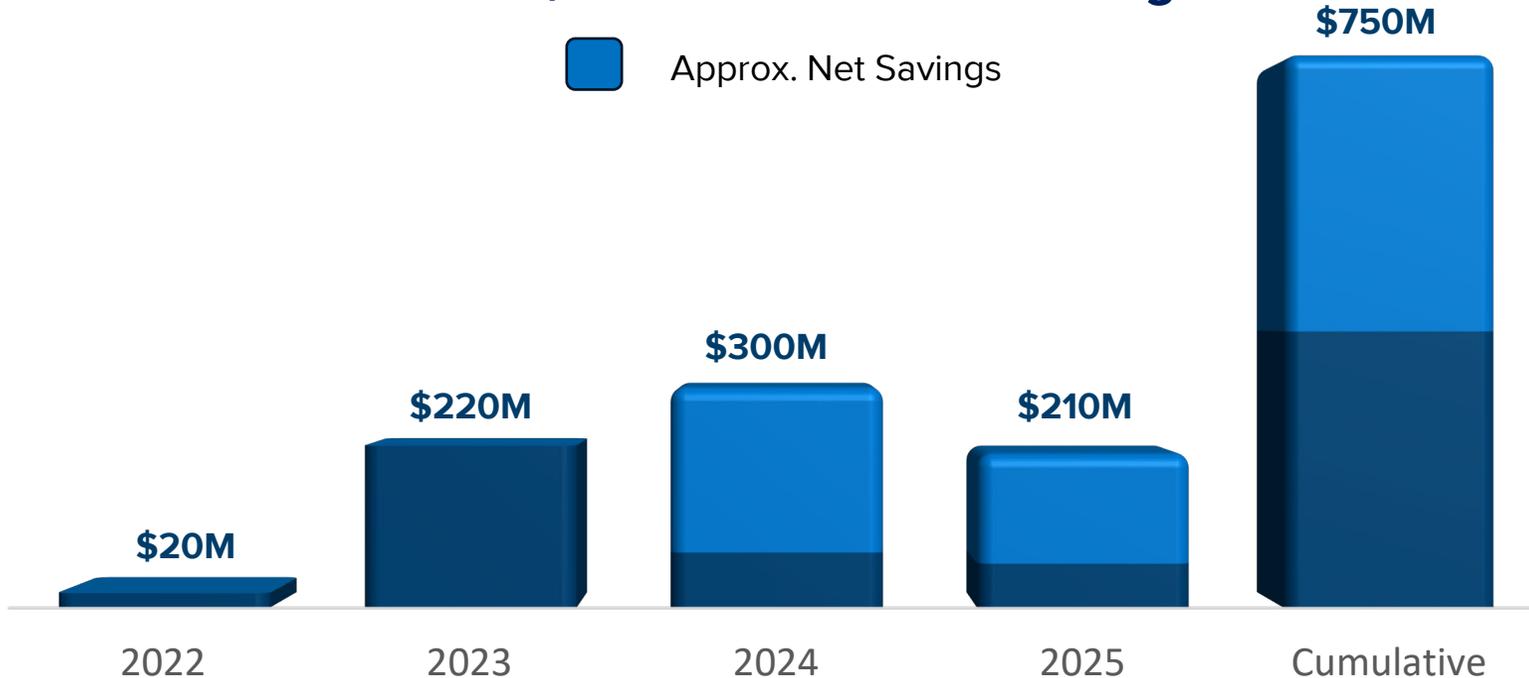
Total Hasbro, Inc Adj. EBITDA: \$925M to \$1B

The Company is not able to reconcile its forward-looking non-GAAP adjusted operating profit margin 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

Operational Excellence Program

Path to \$750 of Gross Cost Savings

 Approx. Net Savings



- On track to deliver \$750M of gross savings by 2025
- Expect approximately ~50% of gross savings to flow through to bottom line
- Realized ~\$50M of net cost savings in Q1 driven by Supply Chain and Operational Excellence savings



Supplemental Financial Information



Condensed Consolidated Balance Sheets

(Unaudited)

(Millions of Dollars)

| | March 31, 2024 | April 2, 2023 |
|---|-------------------|-------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 570.2 | \$ 386.2 |
| Accounts Receivable, Net | 632.5 | 685.2 |
| Inventories | 336.2 | 713.4 |
| Prepaid Expenses and Other Current Assets | 456.5 | 754.4 |
| Total Current Assets | 1,995.4 | 2,539.2 |
| Property, Plant and Equipment, Net | 501.3 | 509.1 |
| Goodwill | 2,278.8 | 3,470.1 |
| Other Intangible Assets, Net | 569.7 | 801.0 |
| Other Assets | 857.8 | 1,604.3 |
| Total Assets | <u>\$ 6,203.0</u> | <u>\$ 8,923.7</u> |
| LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY | | |
| Short-Term Borrowings | \$ — | \$ 134.5 |
| Current Portion of Long-Term Debt | 500.0 | 109.0 |
| Accounts Payable | 254.2 | 360.1 |
| Accrued Liabilities | 1,038.0 | 1,293.8 |
| Total Current Liabilities | 1,792.2 | 1,897.4 |
| Long-Term Debt | 2,966.9 | 3,682.4 |
| Other Liabilities | 414.0 | 585.2 |
| Total Liabilities | 5,173.1 | 6,165.0 |
| Total Shareholders' Equity | 1,029.9 | 2,758.7 |
| Total Liabilities, Noncontrolling Interests and Shareholders' Equity | <u>\$ 6,203.0</u> | <u>\$ 8,923.7</u> |

⁽¹⁾ Amounts may not sum due to rounding

Consolidated Statement of Operations



(Unaudited)

(Millions of Dollars and Shares Except Per Share Data)

| | Quarter Ended | | | |
|---|----------------|----------------|---------------|----------------|
| | March 31, 2024 | % Net Revenues | April 2, 2023 | % Net Revenues |
| Net Revenues | \$ 757.3 | 100.0% | \$ 1,001.0 | 100.0% |
| Costs and Expenses: | | | | |
| Cost of Sales | 204.2 | 27.0% | 285.3 | 28.5% |
| Program Cost Amortization | 8.1 | 1.1% | 122.5 | 12.2% |
| Royalties | 50.9 | 6.7% | 69.0 | 6.9% |
| Product Development | 65.5 | 8.6% | 83.3 | 8.3% |
| Advertising | 51.5 | 6.8% | 82.8 | 8.3% |
| Amortization of Intangibles | 17.0 | 2.2% | 23.1 | 2.3% |
| Selling, Distribution and Administration | 234.8 | 31.0% | 317.1 | 31.7% |
| Loss on Disposal of Business | 9.1 | 1.2% | — | 0.0% |
| Operating Profit | 116.2 | 15.3% | 17.9 | 1.8% |
| Non-operating expense (income): | | | | |
| Interest Expense | 38.5 | 5.1% | 46.3 | 4.6% |
| Interest Income | (8.3) | -1.1% | (6.0) | -0.6% |
| Other Expense (Income), Net | 5.0 | 0.7% | (1.4) | -0.1% |
| Total non-operating expense, net | 35.2 | 4.6% | 38.9 | 3.9% |
| Earnings (Loss) before Income Taxes | 81.0 | 10.7% | (21.0) | -2.1% |
| Income Tax Expense | 21.9 | 2.9% | 0.7 | 0.1% |
| Net Earnings (Loss) | 59.1 | 7.8% | (21.7) | -2.2% |
| Net Earnings Attributable to Noncontrolling Interests | 0.9 | 0.1% | 0.4 | 0.0% |
| Net Earnings (Loss) Attributable to Hasbro, Inc. | \$ 58.2 | 7.7% | \$ (22.1) | -2.2% |
| Per Common Share | | | | |
| Net Earnings (Loss) | | | | |
| Basic | \$ 0.42 | | \$ (0.16) | |
| Diluted | \$ 0.42 | | \$ (0.16) | |
| Cash Dividends Declared | \$ 0.70 | | \$ 0.70 | |
| Weighted Average Number of Shares | | | | |
| Basic | 139.1 | | 138.6 | |
| Diluted | 139.3 | | 138.6 | |

⁽¹⁾Amounts may not sum due to rounding



Condensed Consolidated Statement of Cash Flows

(Unaudited)

(Millions of Dollars)

| | Quarter Ended | |
|--|----------------|---------------|
| | March 31, 2024 | April 2, 2023 |
| Cash Flows from Operating Activities: | | |
| Net Earnings (Loss) | \$ 59.1 | \$ (21.7) |
| Loss on Disposal of Business | 9.1 | — |
| Other Non-Cash Adjustments | 60.9 | 181.9 |
| Changes in Operating Assets and Liabilities | 48.7 | (71.4) |
| Net Cash Provided by Operating Activities | 177.8 | 88.8 |
| Cash Flows from Investing Activities: | | |
| Additions to Property, Plant and Equipment | (45.8) | (53.2) |
| Other | (2.3) | (2.4) |
| Net Cash Utilized by Investing Activities | (48.1) | (55.6) |
| Cash Flows from Financing Activities: | | |
| Proceeds from Long-Term Debt | — | 1.2 |
| Repayments of Long-Term Debt | — | (35.5) |
| Net Repayments of Short-Term Borrowings | — | (7.7) |
| Stock-Based Compensation Transactions | 0.2 | — |
| Dividends Paid | (97.2) | (96.7) |
| Payments Related to Tax Withholding for Share-Based Compensation | (10.2) | (14.0) |
| Other | (1.7) | (3.9) |
| Net Cash Utilized by Financing Activities | (108.9) | (156.6) |
| Effect of Exchange Rate Changes on Cash | 4.0 | (3.5) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 24.8 | (126.9) |
| Cash and Cash Equivalents at Beginning of Year | 545.4 | 513.1 |
| Cash and Cash Equivalents at End of Period | \$ 570.2 | \$ 386.2 |

⁽¹⁾Amounts may not sum due to rounding



Hasbro Q1 Share in Focus Categories

Focus Categories – Q1 2024

| Focus Category | Hasbro Share Change | Hasbro Share | Hasbro Position |
|---------------------------------|---------------------|--------------|-----------------|
| Action Figures & Accessories | ▼ -1.2 pts | 20.0% | 1 |
| Arts & Crafts | ▲ +1.8 pts | 20.0% | 1 |
| Games excl. STCG* | ▲ +1.6 pts | 18.6% | 1 |
| Preschool Toys | ▼ -1.3 pts | 4.7% | 6 |
| Blasters/Shooters & Accessories | ▼ -1.1 pts | 48.0% | 1 |

Action Figures & Accessories

TRANSFORMERS POS growth in the quarter

Arts & Crafts

First quarter growth in PLAY-DOH POS

Games*

HASBRO GAMING POS up for the quarter

Preschool Toys

PEPPA PIG POS down in Q1

*Category does not reflect majority of MAGIC: THE GATHERING or DUNGEONS & DRAGONS



Key Cash Flow and Balance Sheet Data

| \$ Millions, unaudited | YTD 2024 | YTD 2023 | NOTES |
|-----------------------------|----------|----------|---|
| Cash | \$570 | \$386 | |
| Long-term Debt | \$2,967 | \$3,682 | |
| Depreciation | \$21 | \$24 | FY 2024 depreciation target in line with FY 2023 |
| Amortization of Intangibles | \$17 | \$23 | Decline a result of the eOne film and television divestiture and the full amortization of other acquired IP |
| Program Spend, net | \$9 | \$167 | eOne Film and TV business sold in December 2023 |
| Capital Expenditures | \$46 | \$53 | |
| Dividends Paid | \$97 | \$97 | \$0.70 per share quarterly dividend paid in Q1 2024; Next dividend payable May 15, 2024 |
| Operating Cash Flow | \$178 | \$89 | Improved operating results and benefits from working capital |
| Accounts Receivable | \$633 | \$685 | 8% YOY decrease; DSO 76 days, up 9 days |
| Inventory | \$336 | \$713 | 53% YOY decrease driven by 57% decline in Consumer Products |

FY 2023 Entertainment Segment Financials



\$ Millions; Unaudited Financials

| | Divested Film & TV Assets | Hasbro Entertainment (Remain Co) | Total Entertainment Segment |
|---|---------------------------|-------------------------------------|--------------------------------|
| Revenue | \$573M | \$86M | \$659M |
| % vs. LY | -30% | -34% | -31% |
| Operating Profit (Loss) | (\$836M) | (\$1,075M) | (\$1,912M) |
| Adjusted Operating Profit (Loss) | (\$40M) | (\$6M) | (\$46M) |
| % of Revenue | -7% | -7% | -7% |

As adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found in the Q4 and Full Year 2023 earnings presentation on our investor website. This includes among other items; Non-cash Goodwill and Asset impairment charges of \$1,307.2 (\$1,278.2 after-tax) for the full year ended December 31, 2023, respectively, related to the goodwill impairment of Film & TV and Family Brands as well as the impairment of certain definite-lived intangibles and the Loss on disposal of a business of \$539.0 (\$419.7 after-tax) for the full year ended December 31, 2023 related to the sale of the eOne Film and TV business not directly supporting the Company's Entertainment Strategy. These charges are included within the Entertainment segment.

Segment Results-As Reported and As Adjusted-Q1 2024



(Unaudited)
(Millions of Dollars)

Operating Results

| | Quarter Ended March 31, 2024 | | | Quarter Ended April 2, 2023 | | | % Change |
|---|------------------------------|----------------------|----------|-----------------------------|----------------------|------------|----------|
| | As Reported | Non-GAAP Adjustments | Adjusted | As Reported | Non-GAAP Adjustments | Adjusted | |
| Total Company Results | | | | | | | |
| External Net Revenues ⁽¹⁾ | \$ 757.3 | \$ — | \$ 757.3 | \$ 1,001.0 | \$ — | \$ 1,001.0 | -24% |
| Operating Profit | 116.2 | 32.4 | 148.6 | 17.9 | 29.3 | 47.2 | >100% |
| Operating Margin | 15.3% | 4.3% | 19.6% | 1.8% | 2.9% | 4.7% | |
| Segment Results | | | | | | | |
| Consumer Products: | | | | | | | |
| External Net Revenues ⁽²⁾ | \$ 413.0 | \$ — | \$ 413.0 | \$ 520.4 | \$ — | \$ 520.4 | -21% |
| Operating Profit (Loss) | (46.9) | 9.1 | (37.8) | (46.0) | 10.6 | (35.4) | -7% |
| Operating Margin | -11.4% | 2.2% | -9.2% | -8.8% | 2.0% | -6.8% | |
| Wizards of the Coast and Digital Gaming: | | | | | | | |
| External Net Revenues ⁽³⁾ | \$ 316.3 | \$ — | \$ 316.3 | \$ 295.2 | \$ — | \$ 295.2 | 7% |
| Operating Profit | 122.8 | — | 122.8 | 76.8 | — | 76.8 | 60% |
| Operating Margin | 38.8% | — | 38.8% | 26.0% | — | 26.0% | |
| Entertainment: | | | | | | | |
| External Net Revenues ⁽⁴⁾ | \$ 28.0 | \$ — | \$ 28.0 | \$ 185.4 | \$ — | \$ 185.4 | -85% |
| Operating Profit (Loss) | 5.8 | 12.4 | 18.2 | (8.7) | 6.2 | (2.5) | >100% |
| Operating Margin | 20.7% | 44.3% | 65.0% | -4.7% | 3.3% | -1.3% | |
| Corporate and Other: | | | | | | | |
| Operating Profit (Loss) | \$ 34.5 | \$ 10.9 | \$ 45.4 | \$ (4.2) | \$ 12.5 | \$ 8.3 | >100% |



Segment Results-As Reported and As Adjusted-Q1 2024 Continued

(UNAUDITED) (MILLIONS OF DOLLARS)

| | Net Revenues | | |
|---|----------------|---------------|----------|
| | Quarter Ended | | |
| | March 31, 2024 | April 2, 2023 | % Change |
| (1) Net Revenues by Brand Portfolio | | | |
| Franchise Brands ^(a) | \$ 606.5 | \$ 613.4 | -1% |
| Partner Brands | 87.7 | 132.7 | -34% |
| Portfolio Brands ^(b) | 63.1 | 92.1 | -31% |
| Non-Hasbro Branded Film & TV ^(b) | — | 162.8 | -100% |
| Total | \$ 757.3 | \$ 1,001.0 | |

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

^(b) Effective in the first quarter of 2024, the Company moved the remaining Non-Hasbro Branded Film & TV brands into Portfolio Brands to align with the Company's Brand Strategy. For comparability net revenues for quarter ended April 2, 2023, has been restated to reflect the movement, resulting in a change of \$0.1.

| | Net Revenues | | |
|------------------------------------|----------------|---------------|----------|
| | Quarter Ended | | |
| | March 31, 2024 | April 2, 2023 | % Change |
| MAGIC: THE GATHERING | \$ 237.9 | \$ 229.1 | 4% |
| Hasbro Total Gaming ^(c) | 408.0 | 386.5 | 6% |

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

| | Net Revenues | | |
|--|----------------|---------------|----------|
| | Quarter Ended | | |
| | March 31, 2024 | April 2, 2023 | % Change |
| (2) Consumer Products Segment Net Revenues by Major Geographic Region | | | |
| North America | \$ 239.1 | \$ 279.1 | -14% |
| Europe | 87.5 | 131.6 | -34% |
| Asia Pacific | 48.8 | 63.3 | -23% |
| Latin America | 37.6 | 46.4 | -19% |
| Total | \$ 413.0 | \$ 520.4 | |

| | Net Revenues | | |
|---|----------------|---------------|----------|
| | Quarter Ended | | |
| | March 31, 2024 | April 2, 2023 | % Change |
| (3) Wizards of the Coast and Digital Gaming Net Revenues by Category | | | |
| Tabletop Gaming | \$ 228.2 | \$ 217.9 | 5% |
| Digital and Licensed Gaming | 88.1 | 77.3 | 14% |
| Total | \$ 316.3 | \$ 295.2 | |

| | Net Revenues | | |
|---|----------------|---------------|----------|
| | Quarter Ended | | |
| | March 31, 2024 | April 2, 2023 | % Change |
| (4) Entertainment Segment Net Revenues by Category | | | |
| Film and TV | \$ — | \$ 168.4 | -100% |
| Family Brands | 28.0 | 17.0 | 65% |
| Total | \$ 28.0 | \$ 185.4 | |

⁽⁵⁾ Amounts within this section may not sum due to rounding

(UNAUDITED) (MILLIONS OF DOLLARS)



Reconciliation of Non-GAAP Financial Measures

(Unaudited)

(Millions of Dollars)

Reconciliation of EBITDA and Adjusted EBITDA ⁽¹⁾

| | Quarter Ended | |
|--|-----------------|----------------|
| | March 31, 2024 | April 2, 2023 |
| Net Earnings (Loss) Attributable to Hasbro, Inc. | \$ 58.2 | \$ (22.1) |
| Interest Expense | 38.5 | 46.3 |
| Income Tax Expense | 21.9 | 0.7 |
| Net Earnings Attributable to Noncontrolling Interests | 0.9 | 0.4 |
| Depreciation | 21.3 | 24.0 |
| Amortization of Intangibles | 17.0 | 23.1 |
| EBITDA | \$ 157.8 | \$ 72.4 |
| Non-GAAP Adjustments and Stock Compensation ⁽²⁾ | 15.0 | 26.3 |
| Adjusted EBITDA | \$ 172.8 | \$ 98.7 |
| ⁽²⁾ Non-GAAP Adjustments and Stock Compensation are comprised of the following: | | |
| Stock compensation | \$ (5.0) | \$ 15.7 |
| Operational Excellence charges | 10.9 | 10.6 |
| Blueprint 2.0 implementation charges | 9.1 | — |
| Total | \$ 15.0 | \$ 26.3 |

⁽¹⁾ Amounts may not sum due to rounding



Reconciliation of Non-GAAP Financial Measures

(Unaudited)

(Millions of Dollars)

Reconciliation of Adjusted Operating Profit ⁽¹⁾

| | Quarter Ended | |
|--|-----------------|----------------|
| | March 31, 2024 | April 2, 2023 |
| Operating Profit (Loss) | \$ 116.2 | \$ 17.9 |
| Consumer Products | (46.9) | (46.0) |
| Wizards of the Coast and Digital Gaming | 122.8 | 76.8 |
| Entertainment | 5.8 | (8.7) |
| Corporate and Other | 34.5 | (4.2) |
| Non-GAAP Adjustments ⁽²⁾ | \$ 32.4 | \$ 29.3 |
| Consumer Products | 9.1 | 10.6 |
| Entertainment | 12.4 | 6.2 |
| Corporate and Other | 10.9 | 12.5 |
| Adjusted Operating Profit (Loss) | \$ 148.6 | \$ 47.2 |
| Consumer Products | (37.8) | (35.4) |
| Wizards of the Coast and Digital Gaming | 122.8 | 76.8 |
| Entertainment | 18.2 | (2.5) |
| Corporate and Other | 45.4 | 8.3 |
| ⁽²⁾ Non-GAAP Adjustments include the following: | | |
| Acquisition-related costs ⁽ⁱ⁾ | \$ — | \$ 1.9 |
| Acquired intangible amortization ⁽ⁱⁱ⁾ | 12.4 | 16.8 |
| Operational Excellence charges ⁽ⁱⁱⁱ⁾ | | |
| Transformation office and consultant fees ^(a) | 5.2 | 10.6 |
| Severance and other employee charges ^(b) | 5.7 | — |
| Blueprint 2.0 implementation charges ^(iv) | | |
| Loss on disposal of business ^(a) | 9.1 | — |
| Total | \$ 32.4 | \$ 29.3 |

Reconciliation of Non-GAAP Financial Measures

- (i) In association with the Company's acquisition of eOne, the Company incurred stock compensation expenses of \$1.9 (\$1.7 after-tax) in the quarter ended April 2, 2023. 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 consist of:
 - (a) Program related consultant and transformation office fees of \$5.2 (\$3.9 after tax) for the quarter ended March 31, 2024 and \$10.6 (\$8.1 after-tax) for the quarter ended April 2, 2023, respectively, are included within Selling, Distribution and Administration within the Corporate and Other segment.
 - (b) Severance and other employee charges of \$5.7 (\$4.4 after-tax) for the quarter ended March 31, 2024, 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 consist of:
 - (a) Loss on disposal of a business of \$9.1 (\$9.1 after-tax) for the quarter ended March 31, 2024 related to the sale of the eOne Film and TV business not directly supporting the Company's Entertainment Strategy within the Entertainment segment, which was executed on December 27, 2023. The year to date charge is included within Loss on Disposal of Business.

⁽¹⁾ Amounts may not sum due to rounding



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 | | | |
|--|----------------|--------------------------|---------------|--------------------------|
| | March 31, 2024 | Diluted Per Share Amount | April 2, 2023 | Diluted Per Share Amount |
| Net Earnings (Loss) Attributable to Hasbro, Inc. | \$ 58.2 | \$ 0.42 | \$ (22.1) | \$ (0.16) |
| Acquisition-related costs | — | — | 1.7 | 0.01 |
| Acquired intangible amortization | 9.3 | 0.07 | 13.3 | 0.10 |
| Operational Excellence charges | 8.3 | 0.06 | 8.1 | 0.06 |
| Blueprint 2.0 implementation charges | 9.1 | 0.07 | — | — |
| Net Earnings Attributable to Hasbro, Inc., as Adjusted | <u>\$ 84.9</u> | <u>\$ 0.61</u> | <u>\$ 1.0</u> | <u>\$ 0.01</u> |

Amounts may not sum due to rounding