



# Q2 2023 Earnings

August 3, 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 press release 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.

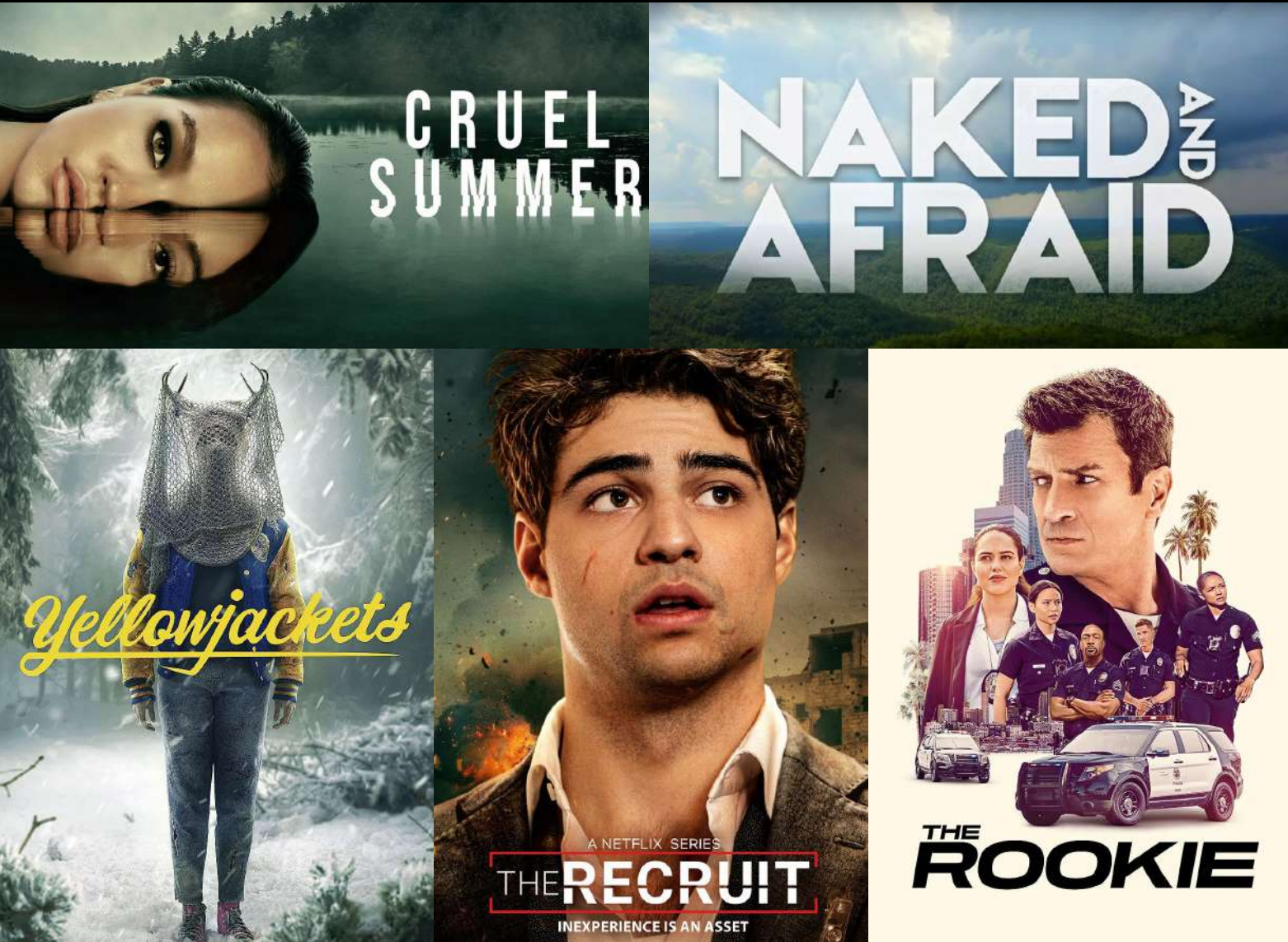
Certain statements in this presentation contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which may be identified by the use of forward-looking words or phrases, include statements relating to: our business strategies and plans for growth; expectations relating to products and gaming and entertainment launches; anticipated cost savings; financial targets; changes in leadership; and anticipated financial performance for 2023, and expectations relating to the announced sale of the non-core 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;
- our ability to design, develop, manufacture, and ship products on a timely, cost-effective and profitable basis;
- our ability to successfully compete in the global toy and game industry;
- our ability to successfully evolve and transform our business and capabilities to successfully address the global consumer landscape;
- 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;
- 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 other economic and public health conditions or regulatory changes in the markets in which we and our customers, partners, licensees, suppliers and manufacturers operate, such as inflation, rising interest rates, higher commodity prices, labor costs or transportation costs, or outbreaks of 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 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 products and content we acquire and produce;
- risks relating to loss of data or security breaches;
- risks relating to investments, acquisitions and dispositions, including the ability to realize the anticipated benefits of acquired assets or businesses and the ability to successfully complete in a timely manner, if at all, the disposition of the non-core film and TV business;
- fluctuations in our business due to seasonality;
- the concentration of our customers, potentially increasing the negative impact to our business of difficulties experienced by any of our customers or changes in their purchasing or selling patterns;
- the bankruptcy or other lack of success of one or more of our significant retailers, licensees and other partners; and
- other risks and uncertainties as may be detailed from time to time 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 press release or to update them to reflect events or circumstances occurring after the date of this presentation.



# Sale of eOne Film/TV



## Deal Commentary

Definitive agreement to sell eOne Film and TV to Lionsgate for approximately \$500M

- \$375M cash and the assumption of production financing loans

Purchase includes:

- ▶ Team of talented employees
- ▶ 6,500 asset content library
- ▶ Active productions for non-Hasbro owned IP (The Rookie, Yellowjackets, Naked and Afraid)
- ▶ Canadian Film & TV operations
- ▶ eOne unscripted business

Expect to close deal by year-end 2023

# Second Quarter Highlights

Second quarter revenue, operating profit, inventory reduction and cost savings initiatives at or ahead of plan

Announced sale of eOne film and TV business to Lionsgate; expect to close transaction by year-end 2023

Compelling innovation: MAGIC: THE GATHERING Universes Beyond *The Lord of the Rings: Tales of Middle-earth*; MONOPOLY NBA Prizm and Super Mario Brothers editions; FURBY launch off to a good start

Inventory down 16% across Hasbro and 24% in Consumer Products; Retail inventories down 16%

Adjusted EPS of \$0.49 includes a \$0.14 per share content impairment charge for *Dungeons & Dragons: Honor Among Thieves*

Updated 2023 guidance: Consumer Products remains on track and Wizards of the Coast and Digital Gaming outlook higher



	REPORTED	ADJUSTED
Net Revenue	\$1.2B -10%	\$1.2B -10%
Operating Profit (Loss)	(\$189M) >-100%	\$137M -43%
Net Earnings (Loss)	(\$235M) >-100%	\$68M -58%
Earnings (Loss) Per Share	(\$1.69)	\$0.49
EBITDA	(\$128M) >-100%	\$199M -36%

# Hasbro's Transformation



## Execute Blueprint 2.0

Enhance Hasbro's Gaming leadership, both tabletop and digital

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Double-down on fewer, bigger brands

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Advance direct and licensing

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## Operate with Excellence

Focus on bottom line performance by prioritizing fewer, bigger brands

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Deliver Operational Excellence cost savings

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Targeting 20% adjusted operating profit margin by 2027

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## Strengthen Balance Sheet

Invest to drive profitable growth

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De-lever Balance Sheet and maintain Investment Grade rating

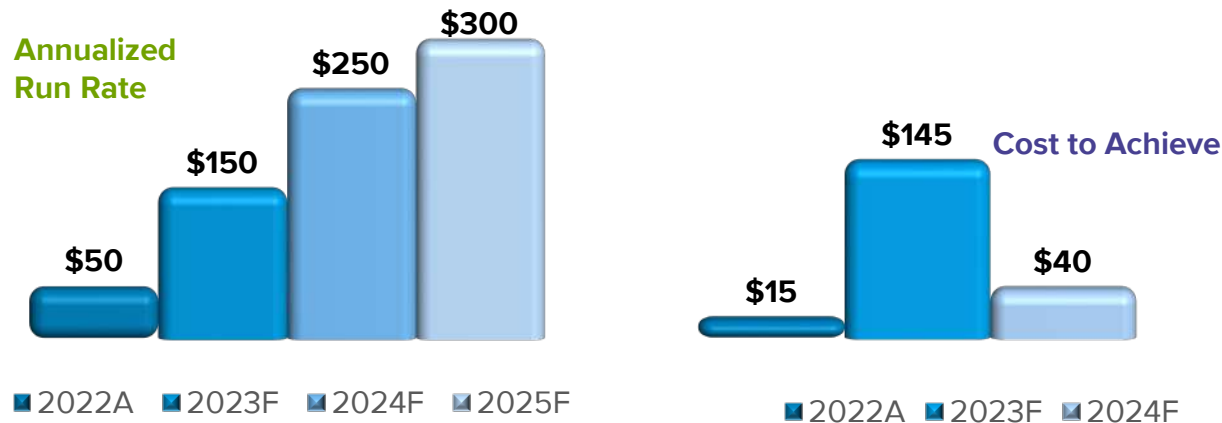
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Return excess cash to shareholders

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# Operational Excellence Program

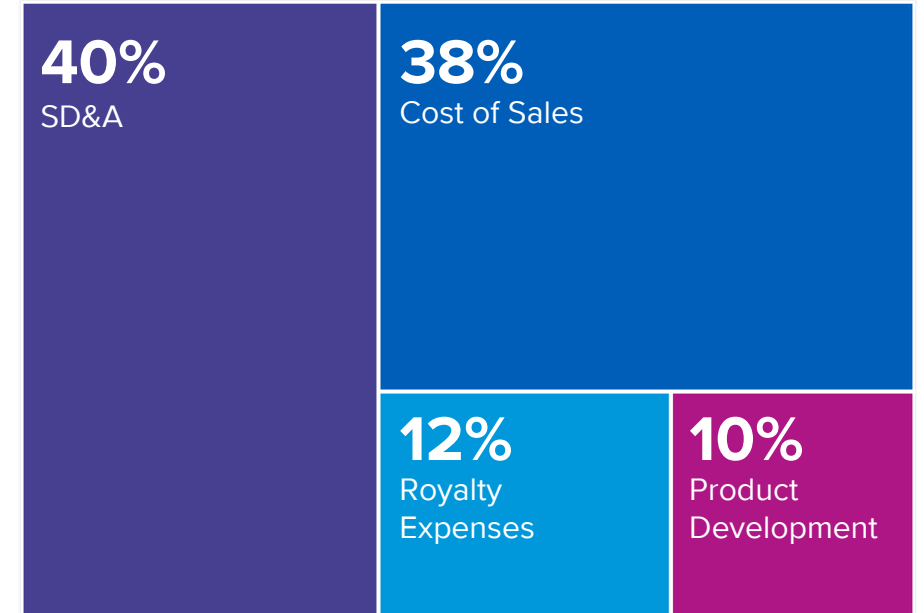
## Planned Annualized Run Rate Savings vs Cost to Achieve



**YTD Update: \$84M** Realized Savings vs **\$44M** Cash Spent

On track to deliver **\$250-300M** annual savings by 2025 YE

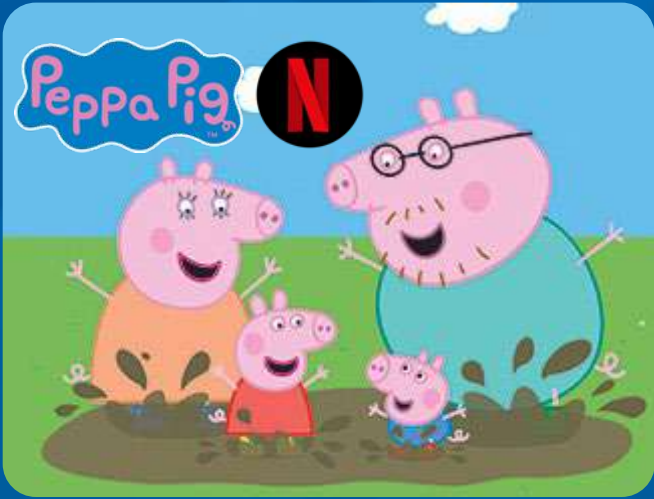
## Forecasted 2025 Savings Breakdown



- + Delivered gross savings of \$104M cumulatively since beginning of cost savings program in 2022
- + Cost savings offset by inventory management efforts and strategic investments in 1H 2023; expect greater pass through to bottom line in 2H 2023
- + Of the expected \$200M cost to achieve, a total of \$60M has been paid through June 2023



# Second Quarter 2023 Building Momentum







# Hasbro Inc. Second Quarter 2023 Performance

Q2 2023 Reported Results (\$ millions, except earnings per share)	Wizards of the Coast & Digital Gaming	Consumer Products	Entertainment	Corporate & Other	Hasbro
<b>Revenue</b>	<b>\$376</b>	<b>\$655</b>	<b>\$179</b>	<b>N/A</b>	<b>\$1,210</b>
% vs PY	-11%	-11%	-3%	N/A	-10%
<b>Operating Profit (Loss)</b>	<b>\$142</b>	<b>\$11</b>	<b>(\$324)</b>	<b>(\$18)</b>	<b>(\$189)</b>
Operating Margin %	37.9%	1.7%	>-100%	N/A	11.3%
Q2 2022 Operating Margin %	53.7%	-0.9%	7.7%	N/A	16.4%
Operating Profit (Loss) vs PY	-37%	>100%	>-100%	-27%	>-100%
<b>Hasbro Net Loss</b>					<b>(\$235)</b>
Net Earnings (Loss) vs. PY					>-100%
<b>Loss Per Share</b>					<b>(\$1.69)</b>
% vs PY					>-100%



# Hasbro Inc. Second Quarter 2023 Performance-As Adjusted

Q2 2023 Adjusted Results (\$ millions, except earnings per share)	Wizards of the Coast & Digital Gaming	Consumer Products	Entertainment	Corporate & Other	Hasbro
<b>Revenue</b>	<b>\$376</b>	<b>\$655</b>	<b>\$179</b>	<b>N/A</b>	<b>\$1,210</b>
% vs PY	-11%	-11%	-3%	N/A	-10%
<b>Operating Profit (Loss)</b>	<b>\$142</b>	<b>\$22</b>	<b>(\$21)</b>	<b>(\$7)</b>	<b>\$137</b>
Operating Margin %	37.9%	3.4%	-11.6%	N/A	11.3%
Q2 2022 Operating Margin %	53.7%	0.4%	12.4%	N/A	18.0%
Operating Profit (Loss) vs PY	-37%	>100%	>-100%	36%	-43%
<b>Hasbro Net Earnings</b>					<b>\$68</b>
Net Earnings (Loss) vs PY					-58%
<b>Diluted Earnings Per Share</b>					<b>\$0.49</b>
% vs PY					-57%

As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 34-42. This includes, among other items, \$296.2 million (\$279.9 million after tax) non-cash Goodwill and Asset impairment charges for second quarter and six months incurred within the Entertainment segment, of which \$231.2 is 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 is included in Selling, Distribution and Administration.



# Hasbro Inc. Six Months 2023 Performance

YTD 2023 Reported Results (\$ millions, except earnings per share)	Wizards of the Coast & Digital Gaming	Consumer Products	Entertainment	Corporate & Other	Hasbro
<b>Revenue</b>	<b>\$671</b>	<b>\$1,176</b>	<b>\$365</b>	<b>N/A</b>	<b>\$2,211</b>
% vs PY	-2%	-16%	-12%	N/A	-12%
<b>Operating Profit (Loss)</b>	<b>\$219</b>	<b>(\$35)</b>	<b>(\$333)</b>	<b>(\$22)</b>	<b>(\$171)</b>
Operating Margin %	32.7%	-2.9%	-91.3%	N/A	-7.7%
YTD 2022 Operating Margin %	48.6%	0.1%	6.4%	N/A	13.6%
Operating Profit (Loss) vs PY	-34%	>-100%	>-100%	4%	>-100%
<b>Hasbro Net Loss</b>					<b>(\$257)</b>
Net Earnings (Loss) vs. PY					>-100%
<b>Loss Per Share</b>					<b>(\$1.85)</b>
% vs PY					>-100%



# Hasbro Inc. Six 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
<b>Revenue</b>	<b>\$671</b>	<b>\$1,176</b>	<b>\$365</b>	<b>N/A</b>	<b>\$2,211</b>
% vs PY	-2%	-16%	-12%	N/A	-12%
<b>Operating Profit (Loss)</b>	<b>\$219</b>	<b>(\$13)</b>	<b>(\$23)</b>	<b>\$1</b>	<b>\$184</b>
Operating Margin %	32.7%	-1.1%	-6.4%	N/A	8.3%
YTD 2022 Operating Margin %	48.6%	1.6%	10.7%	N/A	15.3%
Operating Profit (Loss) vs PY	-34%	>-100%	>-100%	>100%	-52%
<b>Hasbro Net Earnings</b>					<b>\$69</b>
Net Earnings (Loss) vs PY					-71%
<b>Diluted Earnings Per Share</b>					<b>\$0.49</b>
% vs PY					-72%

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# Brand Portfolio Performance

## Net Revenue by Brand Portfolio

	Q2 2023	Q2 2022	% Change	YTD 2023	YTD 2022	% Change
<b>Franchise Brands<sup>1</sup></b>	<b>\$788</b>	<b>\$826</b>	<b>-5%</b>	<b>\$1,402</b>	<b>\$1,476</b>	<b>-5%</b>
<b>Partner Brands</b>	<b>\$173</b>	<b>\$219</b>	<b>-21%</b>	<b>\$306</b>	<b>\$426</b>	<b>-28%</b>
<b>Portfolio Brands</b>	<b>\$107</b>	<b>\$136</b>	<b>-21%</b>	<b>\$199</b>	<b>\$248</b>	<b>-20%</b>
<b>Non-Hasbro Branded Film &amp; TV</b>	<b>\$142</b>	<b>\$158</b>	<b>-10%</b>	<b>\$305</b>	<b>\$352</b>	<b>-13%</b>
<b>Total</b>	<b>\$1,210</b>	<b>\$1,339</b>	<b>-10%</b>	<b>\$2,211</b>	<b>\$2,502</b>	<b>-12%</b>

Amounts may not sum due to rounding

<sup>1</sup>Effective 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.



## Q2 2023 Brand Category Highlights

### Franchise Performance

Second quarter growth in TRANSFORMERS (+83%), DUNGEONS & DRAGONS (+74%), and PEPPA PIG (+15%)

### Partner Brands

Exited licenses represent ~60% of the decline in Partner Brands

### Portfolio Brands

Focusing on fewer brands; FURBY launch off to a good start

### Non-Hasbro Branded Film & TV

Up absent businesses exited in late 2022

# Q2 2023 Operating Margin Performance



## As Reported Operating Profit Margin Drivers

(\$ millions)

<b>Q2 2022 Op Profit Margin</b>	<b>16.4%</b>	<b>\$219</b>
Volume & Mix*	-4.9 pts	(\$79)
Royalties	-1.7 pts	(\$21)
COS Savings > Cost Inflation	+1.2 pts	\$15
Operating Expenses	+3.0 pts	\$37
Investments: A&P, Key Initiatives	-1.6 pts	(\$20)
All Other: Impairment, Program Amortization and Divestitures	-27.9 pts	(\$339)
<b>Q2 2023 Op Profit Margin</b>	<b>-15.6%</b>	<b>(\$189)</b>

Amounts may not sum due to rounding.

## Adjusted Operating Profit Margin Drivers

(\$ millions)

<b>Q2 2022 Op Profit Margin (Adjusted)</b>	<b>18.0%</b>	<b>\$241</b>
Volume & Mix*	-4.7 pts	(\$79)
Royalties	-1.7 pts	(\$21)
COS Savings > Cost Inflation	+1.2 pts	\$15
Operating Expenses	+3.0 pts	\$37
Investments: A&P, Key Initiatives	-1.6 pts	(\$20)
All Other: Program Amortization and Divestitures	-2.8 pts	(\$36)
<b>Q2 2023 Op Profit Margin (Adjusted)</b>	<b>11.3%</b>	<b>\$137</b>

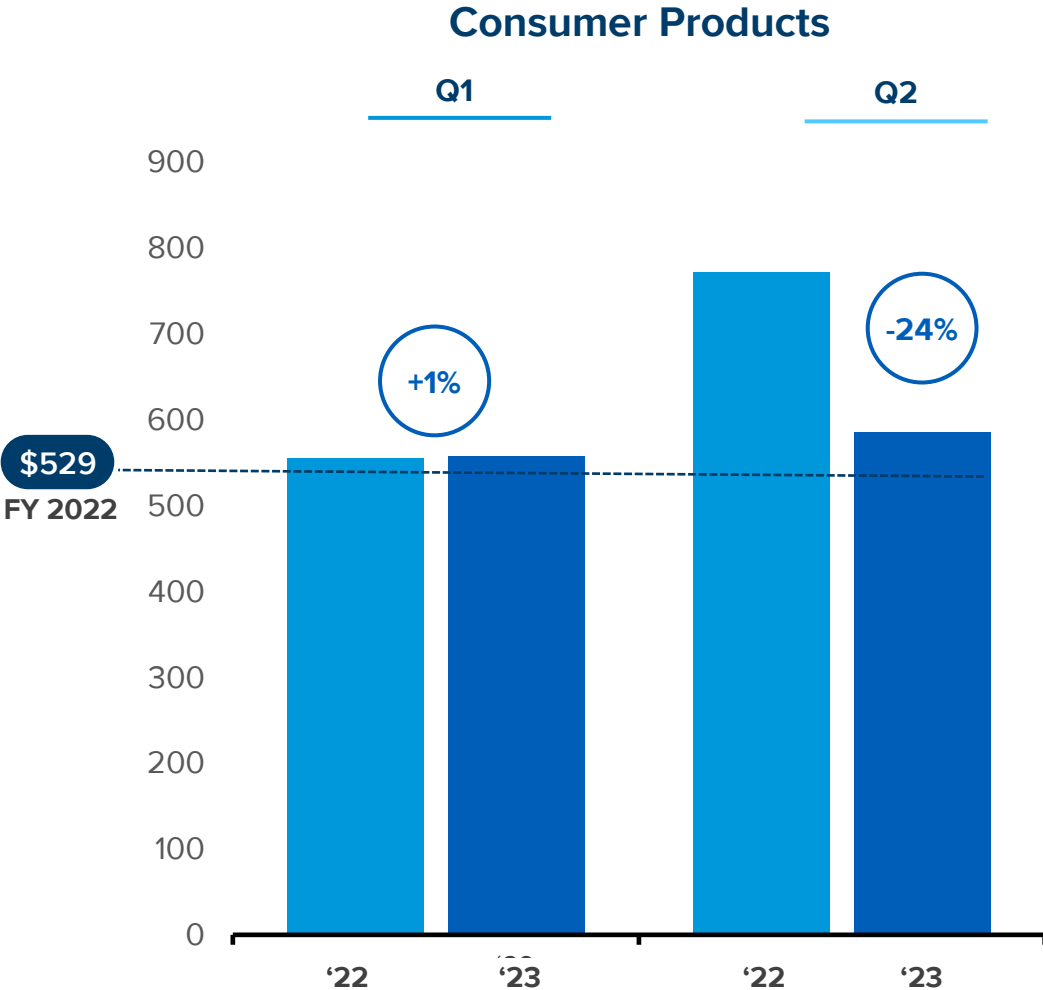
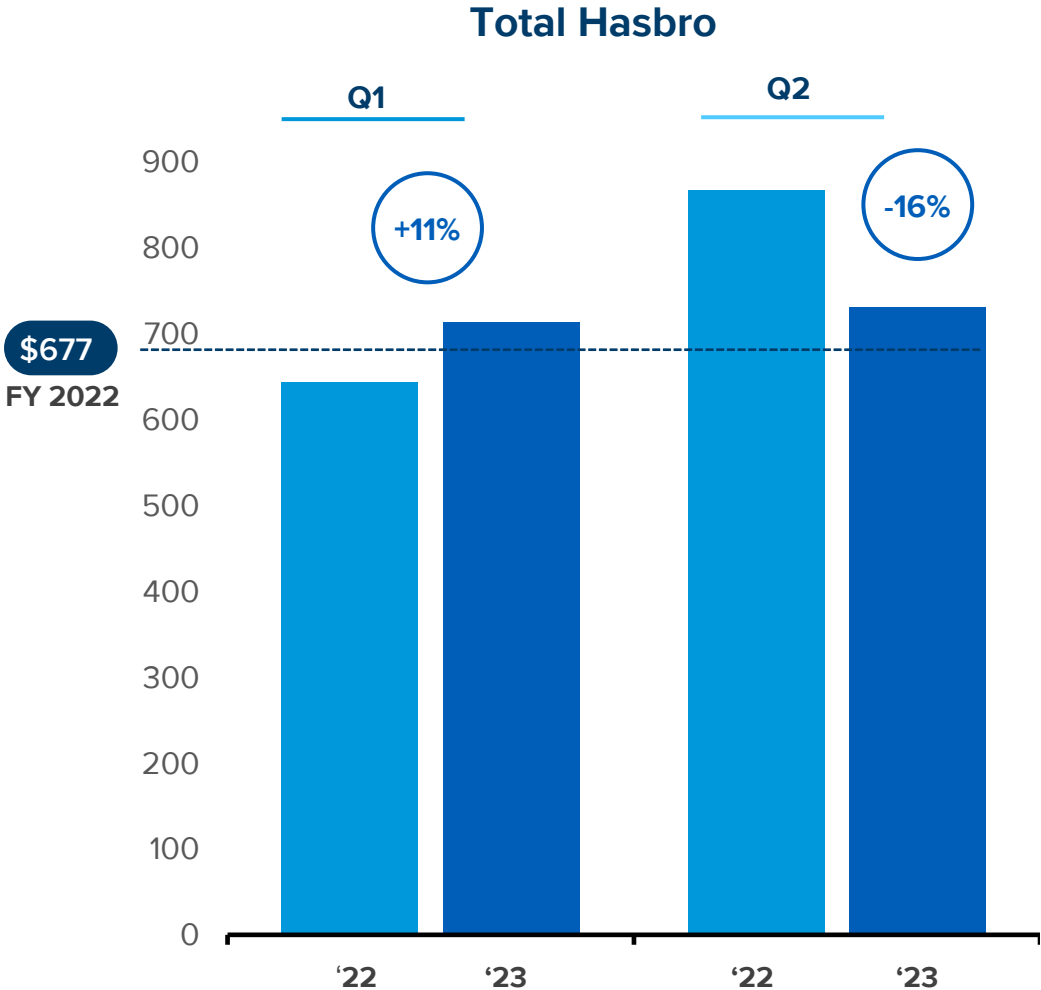
\*Volume/Mix represents gross sales volume impact to operating profit and impact of mix on net sales. Royalties, COS, A&P and Program Amortization are calculated on a volume-adjusted basis.

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

# Owned Inventory Reduction



## Inventory Summary



# Wizards of the Coast & Digital Gaming Segment





# Wizards of the Coast and Digital Gaming Performance

## 2022 Q2 Magic Releases

4

Major Sets

**\$103M**

Average Q2 Revenue  
Per Set

## 2023 Q2 Magic Releases

3

Major Sets

**\$128M**

Average Q2 Revenue  
Per Set



## Q2 Margin Commentary

Total Operating Margin of 37.9% vs. 53.7% LY

(-) Higher royalty expense

(-) Product Mix and fixed cost absorption

(-) Investment in talent & infrastructure

## Key Business Drivers

MAGIC: THE GATHERING tabletop revenues down as expected due to release timing and one less release in Q2 2023

Universes Beyond *The Lord of the Rings: Tales of Middle-earth*, second biggest set ever

Digital and licensed gaming revenue increased 33% with the addition of D&D Beyond and growth from *Arena*

# Consumer Products Segment





# Hasbro Q2 Share in Focus Categories

## Focus Categories – Q2 2023

Focus Category	Category Growth	Hasbro Share Change	Hasbro Share	Hasbro Position
Action Figures & Accessories	▼ -17.0%	▲ +3.2 pts	25.2%	1
Arts & Crafts	▼ -5.9%	▲ +1.3 pts	18.8%	1
Games	▼ -1.9%	▲ +0.6 pts	15.1%	2
Preschool Toys	▼ -10.4%	▼ -0.5 pts	6.2%	3
Blasters/Shooters & Accessories	▼ -26.6%	▲ +2.3 pts	49.7%	1

### Action Figures & Accessories

TRANSFORMERS revenue and POS growth

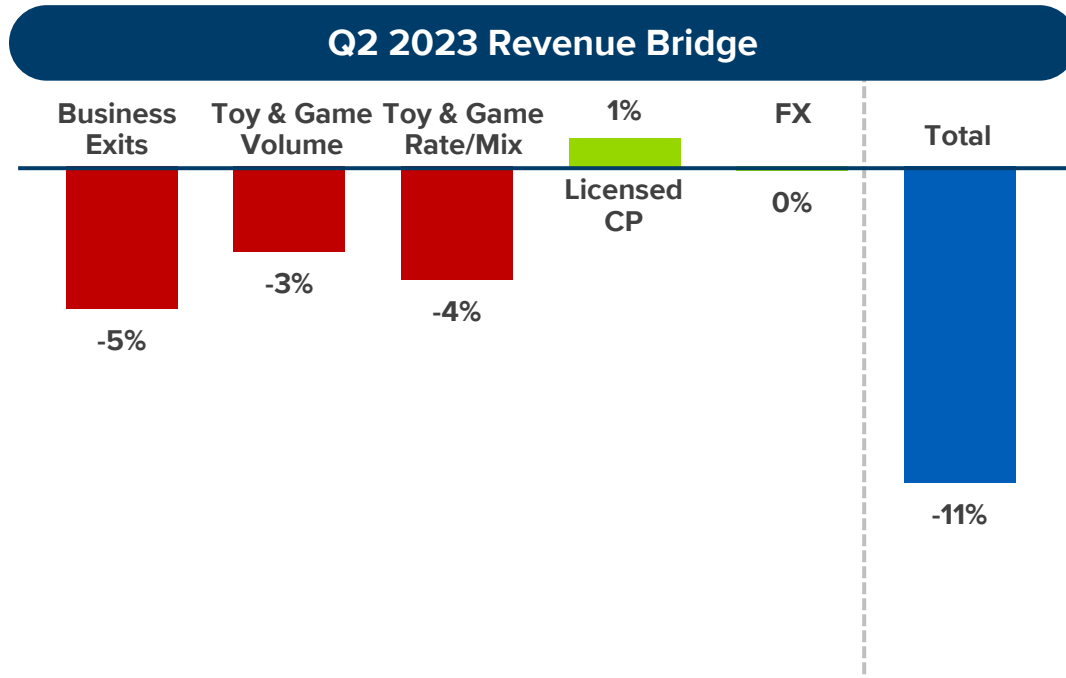
### Arts & Crafts

PLAY-DOH growth in POS

### Games

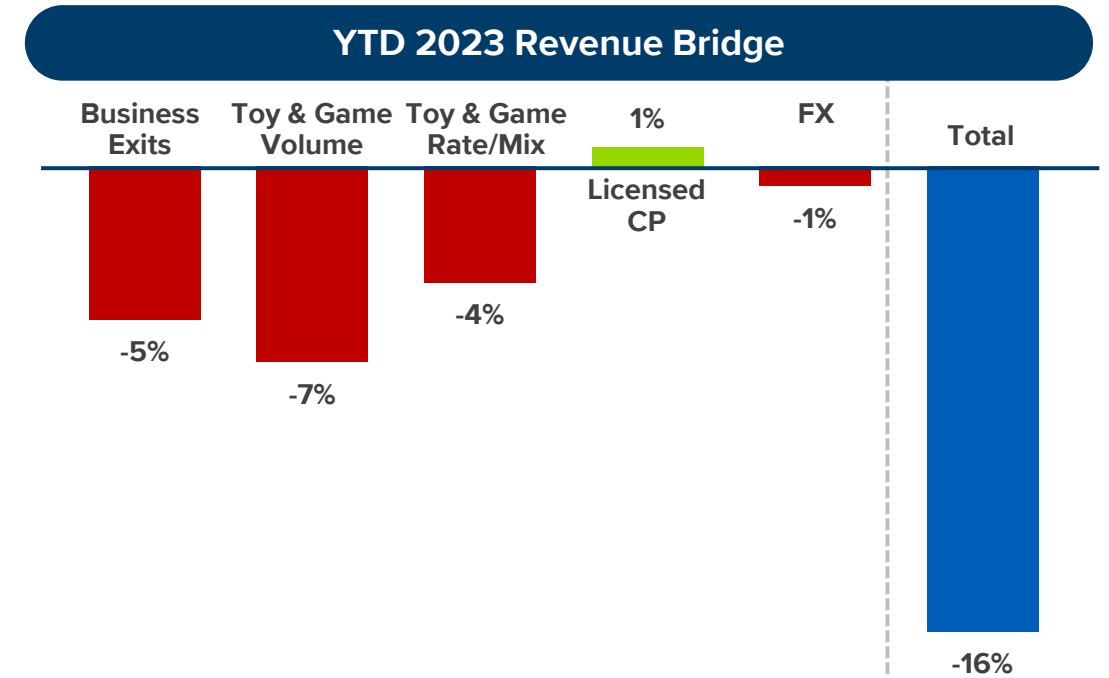
According to Circana, MONOPOLY regained #1 property rank among Games, excluding Trade Card Games globally\*; does not reflect majority of MAGIC: THE GATHERING or DUNGEONS & DRAGONS

# Consumer Products Performance



## Key Business Drivers

- Revenue impacted by POS declines & exited licenses
- Continued focus on clearing inventory resulting in higher close-out costs
- New innovation launching
- Consumer Products Licensing growth in the quarter



## Q2 Margin Commentary

- Total Adjusted Operating Margin of 3.4% vs. 0.4% LY
- (-) Volume decline and product mix
- (+) Gross Margin expansion and lower operating expenses
- (+) Higher Licensed Consumer Products revenues

Business exits reflect Russia and exited third-party licenses.

As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 34-39.

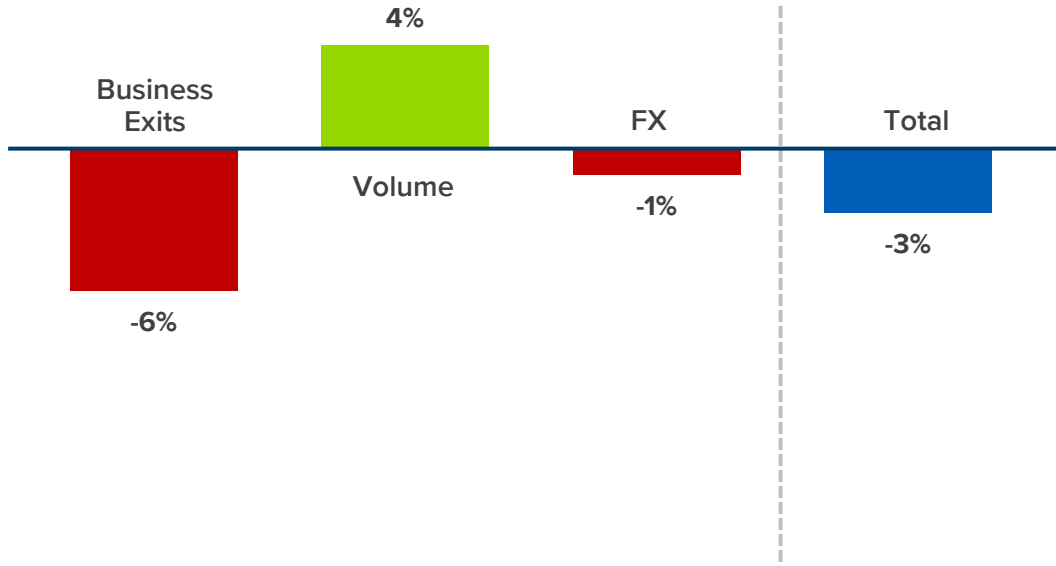


# Entertainment Segment



# Entertainment Segment Performance

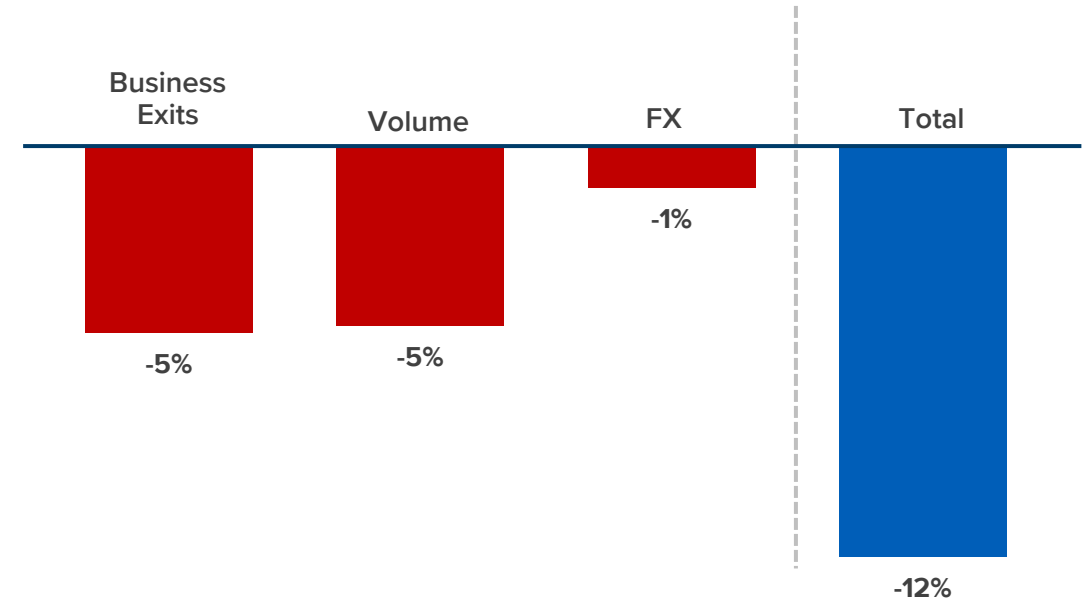
## Q2 2023 Revenue Bridge



### Key Business Drivers

- Revenue decline primarily due to exited businesses
- Scripted TV growth in the quarter
- Growth in Family Brands
- Entered deal to sell eOne TV/Film assets by year-end

## YTD 2023 Revenue Bridge



### Q2 Margin Commentary

- Total Adjusted Operating Margin of -11.6% vs. 12.4% LY
- (-) Content impairment on *Dungeons & Dragons Honor Among Thieves*
- (-) Lower catalog revenues
- (+) Lower operating expenses

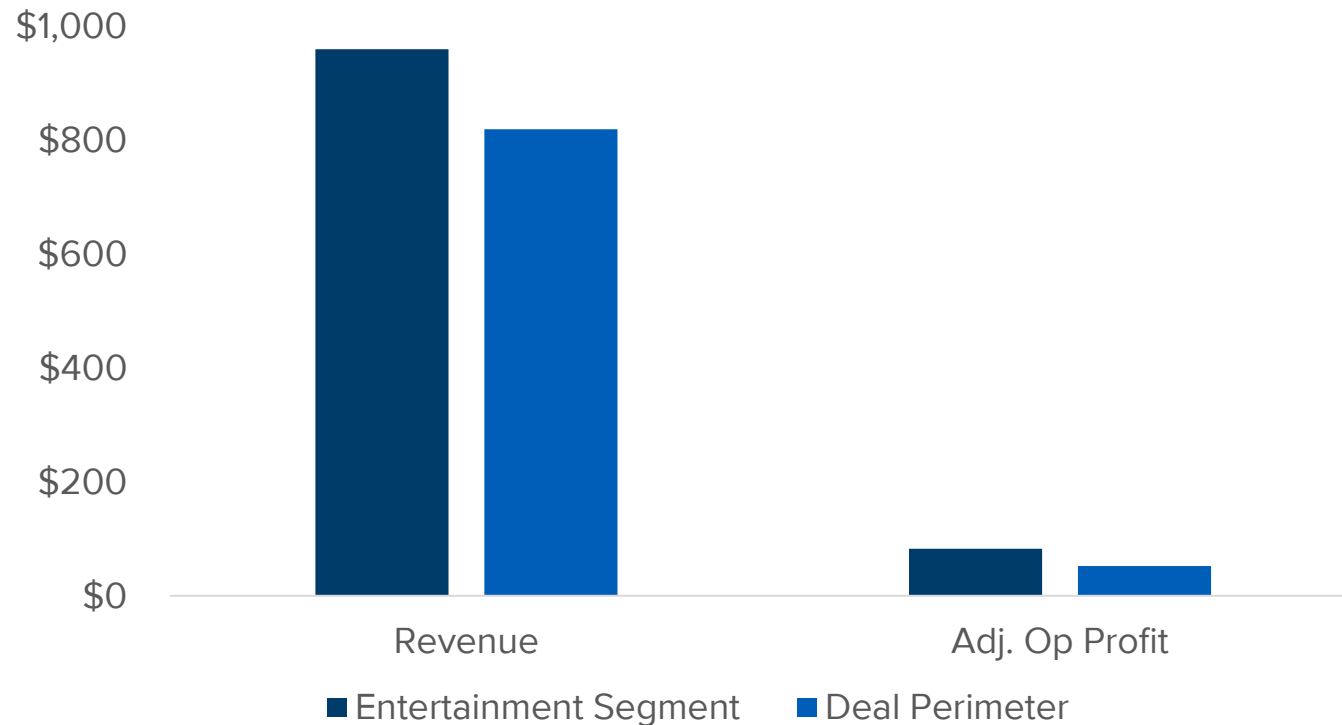
Business exits reflects Music and Other businesses exited in late 2022.

As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 34-39.

# Entertainment Segment Financials and Deal Perimeter



## 2022 Entertainment Revenue & Adjusted Operating Profit



\$ Millions; Unaudited Financials

## Other Comments

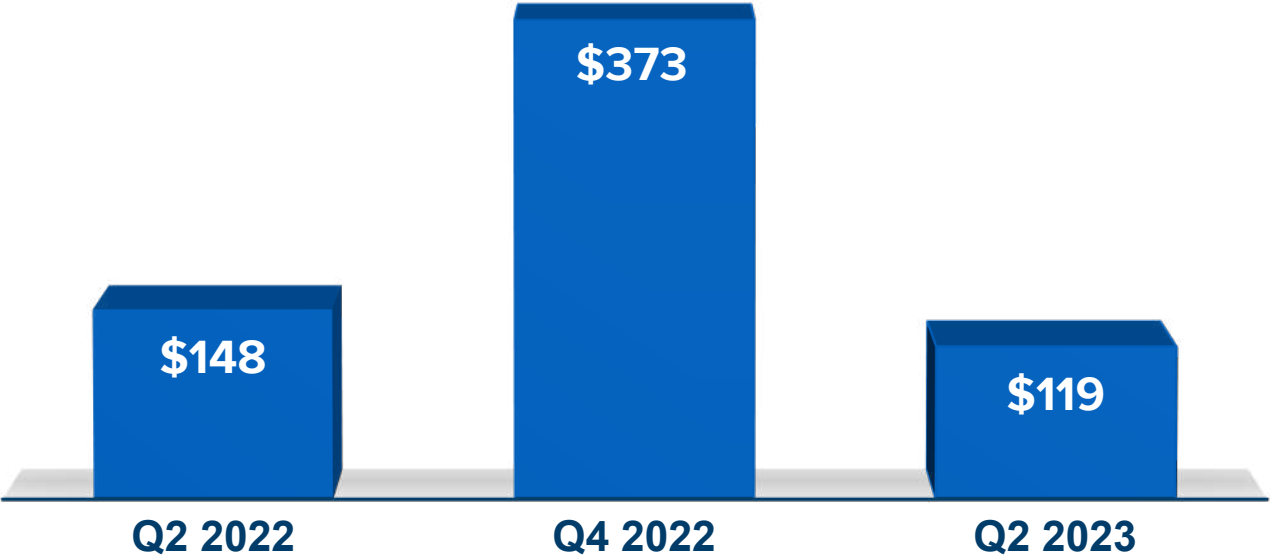
- eOne deal perimeter
  - Approximately 85% of 2022 Entertainment Segment Revenue
  - Approximately 60% of 2022 Entertainment Segment Adjusted Operating Profit
- Transaction expected to close by year-end 2023

*As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slides 34-42  
The Deal Perimeter estimates are unaudited, pro forma figures presented for illustrative purposes only.*

# Total Hasbro Inc. Cash Flow and Metrics



## Operating Cash Flow



## Other Highlights

- Repaid \$91M of long-term debt YTD 2023
- Adjusted Underlying Tax Rate in Q2 of 26.3% vs. 21.6% prior year; YTD 27.7% vs. 22.0% prior year
- Additional Interest Expense of \$5M in Q2 and \$10M YTD
- Returned \$97M cash to shareholders via dividends in Q2: \$194M cumulative YTD



# Updated Guidance for 2023



	Previous	Updated
<b>Total Revenue</b>	Down LSD	Down 3-6%
Consumer Products	Down MSD	Down MSD
Wizards of the Coast	Up MSD	Up HSD
Entertainment	Up LSD	Down 25-30%
<b>Adj Op Margin</b>	Up 50 to 70 BPS	Up 20 to 50 BPS
<b>Adj EBITDA</b>	Flat with 2022	Flat with 2022
<b>Operating Cash Flow</b>	\$600M - \$700M	\$600M - \$700M

## Other Key Assumptions

- Cost savings on track for \$150M in-year; no change to long-range targets
- Underlying adjusted tax rate of approximately 23.5% vs. prior guidance of 20-21%
- Cash from eOne transaction to be used for debt paydown

*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 <sup>(1)</sup>

(Unaudited)

(Millions of Dollars)

	July 2, 2023	June 26, 2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 216.6	\$ 628.2
Accounts Receivable, Net	877.0	870.5
Inventories	731.3	867.5
Prepaid Expenses and Other Current Assets	684.1	719.2
Total Current Assets	2,509.0	3,085.4
Property, Plant and Equipment, Net	515.4	409.9
Goodwill	3,239.2	3,483.2
Other Intangible Assets, Net	724.8	1,156.9
Other Assets	1,621.3	1,367.6
Total Assets	\$ 8,609.7	\$ 9,503.0
<b>LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY</b>		
Short-Term Borrowings	\$ 148.2	\$ 98.0
Current Portion of Long-Term Debt	69.4	137.0
Accounts Payable and Accrued Liabilities	1,732.8	1,923.2
Total Current Liabilities	1,950.4	2,158.2
Long-Term Debt	3,668.5	3,739.0
Other Liabilities	520.6	570.0
Total Liabilities	6,139.5	6,467.2
Redeemable Noncontrolling Interests	—	23.0
Total Shareholders' Equity	2,470.2	3,012.8
Total Liabilities, Noncontrolling Interests and Shareholders' Equity	\$ 8,609.7	\$ 9,503.0

<sup>(1)</sup> Amounts may not sum due to rounding

# Condensed Statements of Operations



## HASBRO, INC.

### CONSOLIDATED STATEMENTS OF OPERATIONS <sup>(1)</sup>

(Unaudited)

(Millions of Dollars and Shares Except Per Share Data)

	Quarter Ended				Six Months Ended			
	July 2, 2023	% Net Revenues	June 26, 2022	% Net Revenues	July 2, 2023	% Net Revenues	June 26, 2022	% Net Revenues
Net Revenues	\$ 1,210.0	100.0%	\$ 1,339.2	100.0%	\$ 2,211.0	100.0%	\$ 2,502.3	100.0%
Costs and Expenses:								
Cost of Sales	352.2	29.1%	411.5	30.7%	637.5	28.8%	744.6	29.8%
Program Cost Amortization	134.4	11.1%	80.7	6.0%	256.9	11.6%	219.2	8.8%
Royalties	119.9	9.9%	110.1	8.2%	188.9	8.5%	200.2	8.0%
Product Development	72.4	6.0%	79.2	5.9%	155.7	7.0%	148.8	5.9%
Advertising	85.1	7.0%	84.2	6.3%	167.9	7.6%	161.8	6.5%
Amortization of Intangibles	22.8	1.9%	27.2	2.0%	45.9	2.1%	54.3	2.2%
Selling, Distribution and Administration	380.6	31.5%	327.2	24.4%	697.7	31.6%	634.3	25.3%
Impairment of Goodwill	231.2	19.1%	—	0.0%	231.2	10.5%	—	0.0%
Operating Profit (Loss)	(188.6)	-15.6%	219.1	16.4%	(170.7)	-7.7%	339.1	13.6%
Interest Expense	46.6	3.9%	41.7	3.1%	92.9	4.2%	83.3	3.3%
Other Expense (Income), Net	(7.3)	-0.6%	(2.5)	-0.2%	(14.7)	-0.7%	(4.3)	-0.2%
Earnings (Loss) before Income Taxes	(227.9)	-18.8%	179.9	13.4%	(248.9)	-11.3%	260.1	10.4%
Income Tax Expense	7.0	0.6%	39.4	2.9%	7.7	0.3%	56.7	2.3%
Net Earnings (Loss)	(234.9)	-19.4%	140.5	10.5%	(256.6)	-11.6%	203.4	8.1%
Net Earnings (Loss) Attributable to Noncontrolling Interests	0.1	0.0%	(1.5)	-0.1%	0.5	0.0%	0.2	0.0%
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$ (235.0)	-19.4%	\$ 142.0	10.6%	\$ (257.1)	-11.6%	\$ 203.2	8.1%
Per Common Share								
Net Earnings (Loss)								
Basic	\$ (1.69)		\$ 1.02		\$ (1.85)		\$ 1.46	
Diluted	\$ (1.69)		\$ 1.02		\$ (1.85)		\$ 1.46	
Cash Dividends Declared	\$ 0.70		\$ 0.70		\$ 1.40		\$ 1.40	
Weighted Average Number of Shares								
Basic	138.8		139.0		138.7		139.2	
Diluted	139.0		139.2		138.8		139.4	

<sup>(1)</sup> Amounts may not sum due to rounding

(MILLIONS OF DOLLARS) (UNAUDITED)

# Condensed Consolidated Cash Flows



## HASBRO, INC.

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup>

(Unaudited)

(Millions of Dollars)

	Six Months Ended	
	July 2, 2023	June 26, 2022
Cash Flows from Operating Activities:		
Net Earnings (Loss)	\$ (256.6)	\$ 203.4
Impairment of Goodwill	231.2	—
Other Non-Cash Adjustments	432.1	337.3
Changes in Operating Assets and Liabilities	(287.5)	(392.9)
Net Cash Provided by Operating Activities	119.2	147.8
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(112.1)	(75.8)
Investments and Acquisitions	—	(146.3)
Other	(3.7)	9.5
Net Cash Utilized by Investing Activities	(115.8)	(212.6)
Cash Flows from Financing Activities:		
Proceeds from Long-Term Debt	1.6	2.1
Repayments of Long-Term Debt	(90.7)	(152.5)
Net Proceeds from Short-Term Borrowings	6.6	97.2
Purchases of Common Stock	—	(124.0)
Stock-Based Compensation Transactions	—	74.2
Dividends Paid	(193.8)	(191.9)
Payments Related to Tax Withholding for Share-Based Compensation	(14.5)	(19.6)
Other	(5.4)	(5.4)
Net Cash Utilized by Financing Activities	(296.2)	(319.9)
Effect of Exchange Rate Changes on Cash	(3.7)	(6.3)
Net Decrease in Cash and Cash Equivalents	(296.5)	(391.0)
Cash and Cash Equivalents at Beginning of Year	513.1	1,019.2
Cash and Cash Equivalents at End of Period	\$ 216.6	\$ 628.2

<sup>(1)</sup> Amounts may not sum due to rounding



# YTD 2023 Operating Margin Performance



## As Reported Operating Profit Margin Drivers

(\$ millions)

<b>YTD 2022 Op Profit Margin</b>	<b>13.6%</b>	<b>\$339</b>
Volume & Mix	-4.4 pts	(\$134)
Royalties	-1.0 pts	(\$21)
COS Savings > Cost Inflation	+0.7 pts	\$17
Operating Expenses	+1.7 pts	\$38
Investments: A&P, Key Initiatives	-2.4 pts	(\$54)
All Other: Impairment, Divestiture and Program Amortization	-15.9 pts	(\$355)
<b>YTD 2023 Op Profit Margin</b>	<b>-7.7%</b>	<b>(\$171)</b>

## Adjusted Operating Profit Margin Drivers

(\$ millions)

<b>YTD 2022 Op Profit Margin (Adjusted)</b>	<b>15.3%</b>	<b>\$383</b>
Volume & Mix	-4.3 pts	(\$134)
Royalties	-1.0 pts	(\$21)
COS Savings > Cost Inflation	+0.7 pts	\$17
Operating Expenses	+1.8 pts	\$38
Investments: A&P, Key Initiatives	-2.4 pts	(\$54)
All Other: Impairment, Divestiture and Program Amortization	-1.8 pts	(\$45)
<b>YTD 2023 Op Profit Margin (Adjusted)</b>	<b>8.3%</b>	<b>\$184</b>



# Second Quarter 2023 Major Expense Items

	Q2 2023	Q2 2023 Adjusted*	Q2 2022	Q2 2022 Adjusted*	% CHANGE Adjusted* YOY	Q2 2023 Adjusted* % OF REVENUE	NOTES Below exclude non-GAAP adjustments
<b>Cost of Sales</b>	\$352	\$352	\$412	\$412	-14%	29.1%	Lower revenues; mix shift; Reduced costs partially offset by closeouts and allowances
<b>Program Production Cost Amortization</b>	\$134	\$134	\$81	\$81	+67%	11.1%	<i>Dungeons &amp; Dragons: Honor Among Thieves</i> delivery and \$25M impairment
<b>Royalties</b>	\$120	\$120	\$110	\$110	+9%	9.9%	Increase driven by Universes Beyond launch partially offset by declines in royalties associated with exited licenses
<b>Product Development</b>	\$72	\$72	\$79	\$79	-9%	6.0%	Decrease due to cost savings associated with Operational Excellence Program
<b>Advertising</b>	\$85	\$85	\$84	\$84	+1%	7.0%	Advertising to support <i>Dungeons &amp; Dragons: Honor Among Thieves</i> partially offset by timing of Consumer Products advertising spend
<b>Selling, Distribution &amp; Administration</b>	\$381	\$305	\$327	\$324	-6%	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.



# Six Months 2023 Major Expense Items

	Six Months 2023	Six Months 2023 Adjusted*	Six Months 2022	Six Months 2022 Adjusted*	% CHANGE Adjusted* YOY	Six Mo. 2023 Adjusted* % OF REVENUE	NOTES Below exclude non-GAAP adjustments
<b>Cost of Sales</b>	\$638	\$638	\$745	\$745	-14%	28.8%	Incremental expense for closeouts and allowances offset by Operational Excellence savings
<b>Program Production Cost Amortization</b>	\$257	\$257	\$219	\$219	+17%	11.6%	Increased due to delivery of <i>Dungeons &amp; Dragons Honor Among Thieves</i>
<b>Royalties</b>	\$189	\$189	\$200	\$200	+6%	8.5%	Increase driven by Universes Beyond launch partially offset by declines in royalties associated with exited licenses
<b>Product Development</b>	\$156	\$156	\$149	\$149	+5%	7.0%	Recognized cost savings offset by investments in Wizards of the Coast tabletop games and digital gaming
<b>Advertising</b>	\$168	\$168	\$162	\$162	+4%	7.6%	Increased advertising to support <i>Dungeons &amp; Dragons: Honor Among Thieves</i> and our Wizards of the Coast brands
<b>Selling, Distribution &amp; Administration</b>	\$698	\$609	\$634	\$628	-3%	27.5%	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	\$217	\$628	Expect cash position to improve as the year progresses given the phasing of revenue
Long-term Debt	\$3,669	\$3,739	Paid down \$91M in long-term Debt YTD 2023
Depreciation	\$55	\$62	FY 2023 depreciation target inline with FY 2022
Amortization of Intangibles	\$46	\$54	Reflects Power Rangers impairment charge in Q4 2022 and the addition of D&D Beyond
Program Spend, net	\$252	\$296	Declines related to the ongoing writer's strike and business exits within the Entertainment Segment
Capital Expenditures	\$112	\$76	Increase due to investments in digital gaming and establishing a new office for Wizards of the Coast
Dividends Paid	\$194	\$192	\$0.70 per share quarterly dividend paid in Q2 2023; Next \$0.70 per share dividend payable August 15
Share Repurchase	-	\$124	Plan to increase repurchases in future years
Operating Cash Flow	\$119	\$148	2023 operating cash flow range \$600-\$700M
Accounts Receivable	\$877	\$871	DSO 66 days, up 7 days
Inventory	\$731	\$868	YOY decrease driven by 24% decline in Consumer Products



# Segment Results - As Reported and As Adjusted-Q2 2023

## HASBRO, INC.

### SUPPLEMENTAL FINANCIAL DATA

### SEGMENT RESULTS - AS REPORTED AND AS ADJUSTED <sup>(9)</sup>

(Unaudited)

(Millions of Dollars)

#### Operating Results

	Quarter Ended July 2, 2023			Quarter Ended June 26, 2022			
	As Reported	Non-GAAP Adjustments	Adjusted	As Reported	Non-GAAP Adjustments	Adjusted	% Change
<b>Total Company Results</b>							
External Net Revenues <sup>(1)</sup>	\$ 1,210.0	\$ —	\$ 1,210.0	\$ 1,339.2	\$ —	\$ 1,339.2	-10%
Operating Profit (Loss)	(188.6)	325.4	136.8	219.1	21.9	241.0	-43%
Operating Margin	-15.6%	26.9 %	11.3%	16.4 %	1.6 %	18.0%	

#### Segment Results

##### Consumer Products:

External Net Revenues <sup>(2)</sup>	\$ 655.2	\$ —	\$ 655.2	\$ 734.2	\$ —	\$ 734.2	-11%
Operating Profit (Loss)	11.4	10.8	22.2	(6.5)	9.6	3.1	>100%
Operating Margin	1.7%	1.6 %	3.4%	(0.9)%	1.3 %	0.4%	

##### Wizards of the Coast and Digital Gaming:

External Net Revenues <sup>(3)</sup>	\$ 375.6	\$ —	\$ 375.6	\$ 419.8	\$ —	\$ 419.8	-11%
Operating Profit	142.3	—	142.3	225.6	—	225.6	-37%
Operating Margin	37.9%	—	37.9%	53.7 %	—	53.7%	

##### Entertainment:

External Net Revenues <sup>(4)</sup>	\$ 179.2	\$ —	\$ 179.2	\$ 185.2	\$ —	\$ 185.2	-3%
Operating Profit (Loss)	(324.2)	303.4	(20.8)	14.3	8.7	23.0	>-100%
Operating Margin	>-100%	>100%	-11.6%	7.7 %	4.7 %	12.4%	

##### Corporate and Other:

Operating Profit (Loss)	\$ (18.1)	\$ 11.2	\$ (6.9)	\$ (14.3)	\$ 3.6	\$ (10.7)	36%
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# Segment Results - As Reported and As Adjusted-Q2 2023 Continued



<sup>(1)</sup> 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 net revenues and operating profit under the realigned structure.

	Net Revenues		
	Quarter Ended		
	July 2, 2023	June 26, 2022	% Change
<b>Net Revenues by Brand Portfolio</b>			
Franchise Brands <sup>(a)</sup>	\$ 788.4	\$ 826.0	-5%
Partner Brands	172.9	219.4	-21%
Portfolio Brands	107.1	135.8	-21%
Non-Hasbro Branded Film & TV	141.6	158.0	-10%
Total	\$ 1,210.0	\$ 1,339.2	

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

	Net Revenues		
	Quarter Ended		
	July 2, 2023	June 26, 2022	% Change
MAGIC: THE GATHERING	\$ 311.0	\$ 365.5	-15%
Hasbro Total Gaming <sup>(a)</sup>	491.2	528.3	-7%

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

# Segment Results - As Reported and As Adjusted-Q2 2023 Continued



	Net Revenues		
	Quarter Ended		
	July 2, 2023	June 26, 2022	% Change
<b><sup>(2)</sup> Consumer Products Segment Net Revenues by Major Geographic Region</b>			
North America	\$ 382.0	\$ 433.3	-12%
Europe	131.9	162.1	-19%
Asia Pacific	66.4	66.6	0%
Latin America	74.9	72.2	4%
Total	\$ 655.2	\$ 734.2	

	Quarter Ended		
	July 2, 2023	June 26, 2022	% Change
<sup>(2)</sup> <u>Wizards of the Coast and Digital Gaming Net Revenues by Category</u>			
Tabletop Gaming	\$ 298.5	\$ 361.8	-17%
Digital and Licensed Gaming	77.1	58.0	33%
Total	\$ 375.6	\$ 419.8	

	Quarter Ended		
	July 2, 2023	June 26, 2022	% Change
<sup>(4)</sup> Entertainment Segment Net Revenues by Category			
Film and TV	\$ 153.3	\$ 148.2	3%
Family Brands	25.9	22.8	14%
Music and Other	—	14.2	-100%
Total	\$ 179.2	\$ 185.2	



# Segment Results - As Reported and As Adjusted-Six Months 2023

## Operating Results

	Six Months Ended July 2, 2023			Six Months Ended June 26, 2022			
	As Reported	Non-GAAP Adjustments	Adjusted	As Reported	Non-GAAP Adjustments	Adjusted	% Change
<b>Total Company Results</b>							
External Net Revenues <sup>(5)</sup>	\$ 2,211.0	\$ —	\$ 2,211.0	\$ 2,502.3	\$ —	\$ 2,502.3	-12%
Operating Profit (Loss)	(170.7)	354.7	184.0	339.1	43.7	382.8	-52%
Operating Margin	(7.7)%	16.0 %	8.3 %	13.6 %	1.7 %	15.3 %	

## Segment Results

### Consumer Products:

External Net Revenues <sup>(6)</sup>	\$ 1,175.6	\$ —	\$ 1,175.6	\$ 1,407.0	\$ —	\$ 1,407.0	-16%
Operating Profit (Loss)	(34.6)	21.4	(13.2)	2.1	19.9	22.0	>-100%
Operating Margin	(2.9)%	1.8 %	(1.1)%	0.1 %	1.4 %	1.6 %	

### Wizards of the Coast and Digital Gaming:

External Net Revenues <sup>(7)</sup>	\$ 670.8	\$ —	\$ 670.8	\$ 682.6	\$ —	\$ 682.6	-2%
Operating Profit	219.1	—	219.1	332.0	—	332.0	-34%
Operating Margin	32.7 %	—	32.7 %	48.6 %	—	48.6 %	

### Entertainment:

External Net Revenues <sup>(8)</sup>	\$ 364.6	\$ —	\$ 364.6	\$ 412.7	\$ —	\$ 412.7	-12%
Operating Profit (Loss)	(332.9)	309.6	(23.3)	26.5	17.5	44.0	>-100%
Operating Margin	-91.3 %	84.9 %	(6.4)%	6.4 %	4.2 %	10.7 %	

### Corporate and Other:

Operating Profit (Loss)	\$ (22.3)	\$ 23.7	\$ 1.4	\$ (21.5)	\$ 6.3	\$ (15.2)	>100%
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# Segment Results - As Reported and As Adjusted-Six Months 2023 Continued



<sup>(3)</sup> 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 net revenues and operating profit under the realigned structure.

	Net Revenues		
	Six Months Ended		
	July 2, 2023	June 26, 2022	% Change
<b>Net Revenues by Brand Portfolio</b>			
Franchise Brands <sup>(4)</sup>	\$ 1,401.8	\$ 1,476.4	-5%
Partner Brands	305.6	425.9	-28%
Portfolio Brands	199.1	248.4	-20%
Non-Hasbro Branded Film & TV	304.5	351.6	-13%
Total	\$ 2,211.0	\$ 2,502.3	

<sup>(4)</sup> Franchise Brands include: DUNGEONS & DRAGONS, Hasbro Gaming, MAGIC: THE GATHERING, NERF, PEPPA PIG, PLAY-DOH and TRANSFORMERS

	Net Revenues		
	Six Months Ended		
	July 2, 2023	June 26, 2022	% Change
MAGIC: THE GATHERING	\$ 540.1	\$ 562.7	-4%
Hasbro Total Gaming <sup>(2)</sup>	877.7	907.1	-3%

<sup>(2)</sup> Hasbro Total Gaming includes all gaming revenue, most notably DUNGEONS & DRAGONS, MAGIC: THE GATHERING and Hasbro Gaming.

# Segment Results - As Reported and As Adjusted-Six Months 2023 Continued



	Six Months Ended		
	July 2, 2023	June 26, 2022	% Change
<b><u>(6) Consumer Products Segment Net Revenues by Major Geographic Region</u></b>			
North America	\$ 661.1	\$ 838.5	-21%
Europe	263.5	338.8	-22%
Asia Pacific	129.7	118.8	9%
Latin America	121.3	110.9	9%
Total	<u>\$ 1,175.6</u>	<u>\$ 1,407.0</u>	

	Six Months Ended		
	July 2, 2023	June 26, 2022	% Change
<b><u>(7) Wizards of the Coast and Digital Gaming Net Revenues by Category</u></b>			
Tabletop Gaming	\$ 516.4	\$ 554.0	-7%
Digital and Licensed Gaming	154.4	128.6	20%
Total	<u>\$ 670.8</u>	<u>\$ 682.6</u>	

	Six Months Ended		
	July 2, 2023	June 26, 2022	% Change
<b><u>(8) Entertainment Segment Net Revenues by Category</u></b>			
Film and TV	\$ 321.7	\$ 338.4	-5%
Family Brands	42.9	46.0	-7%
Music and Other	—	28.3	-100%
Total	<u>\$ 364.6</u>	<u>\$ 412.7</u>	

(2) 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 <sup>(1)</sup>

	Quarter Ended		Six Months Ended	
	July 2, 2023	June 26, 2022	July 2, 2023	June 26, 2022
<b>Operating Profit (Loss)</b>	<b>\$ (188.6)</b>	<b>\$ 219.1</b>	<b>\$ (170.7)</b>	<b>\$ 339.1</b>
Consumer Products	11.4	(6.5)	(34.6)	2.1
Wizards of the Coast and Digital Gaming	142.3	225.6	219.1	332.0
Entertainment	(324.2)	14.3	(332.9)	26.5
Corporate and Other	(18.1)	(14.3)	(22.3)	(21.5)
<b>Non-GAAP Adjustments <sup>(2)</sup></b>	<b>\$ 325.4</b>	<b>\$ 21.9</b>	<b>\$ 354.7</b>	<b>\$ 43.7</b>
Consumer Products	10.8	9.6	21.4	19.9
Entertainment	303.4	8.7	309.6	17.5
Corporate and Other	11.2	3.6	23.7	6.3
<b>Adjusted Operating Profit (Loss)</b>	<b>\$ 136.8</b>	<b>\$ 241.0</b>	<b>\$ 184.0</b>	<b>\$ 382.8</b>
Consumer Products	22.2	3.1	(13.2)	22.0
Wizards of the Coast and Digital Gaming	142.3	225.6	219.1	332.0
Entertainment	(20.8)	23.0	(23.3)	44.0
Corporate and Other	(6.9)	(10.7)	1.4	(15.2)

### <sup>(2)</sup> Non-GAAP Adjustments include the following:

Acquisition-related costs <sup>(3)</sup>	\$ —	\$ 3.6	\$ 1.9	\$ 6.3
Acquired intangible amortization <sup>(4)</sup>	18.1	18.3	34.9	37.4
Operational Excellence charges <sup>(5)</sup>				
Transformation office and consultant fees	10.4	—	21.0	—
Blueprint 2.0 implementation charges <sup>(6)</sup>				
eOne TV and Film business sale process charges <sup>(6)</sup>	0.7	—	0.7	—
Impairment of Goodwill and Intangible Assets <sup>(6)</sup>	296.2	—	296.2	—
<b>Total</b>	<b>\$ 325.4</b>	<b>\$ 21.9</b>	<b>\$ 354.7</b>	<b>\$ 43.7</b>

<sup>(1)</sup> In association with the Company's acquisition of eOne, the Company incurred stock compensation expenses of \$1.9 (\$1.7 after-tax) in the six months ended July 2, 2023, and \$3.6 (\$3.2 after-tax) and \$6.3 (\$5.6 after-tax) in the quarter and six months ended June 26, 2022. The expense is included within Selling, Distribution and Administration.

<sup>(2)</sup> 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.

<sup>(3)</sup> Program related consultant and transformation office fees of \$10.4 (\$8.0 after tax) and \$21.0 (\$16.1 after-tax) for the quarter and six months ended July 2, 2023, are included within Selling, Distribution and Administration within the Corporate and Other segment. 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.

<sup>(4)</sup> 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. Charges recognized in Selling, Distribution and Administration, as the Company implements the new strategy are \$0.7 (\$0.5 after tax) for the quarter and six months ended July 2, 2023, consisting of:

<sup>(5)</sup> eOne TV and Film business sale process charges of \$0.7 (\$0.5 after-tax) for the quarter and six months ended July 2, 2023, 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.

<sup>(6)</sup> Non-cash Goodwill and Asset impairment charges of \$296.2 (\$279.9 after tax) for quarter and six months ended July 2, 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 is included in Selling, Distribution and Administration.

<sup>(7)</sup> Amounts may not sum due to rounding



# Reconciliation of Non-GAAP Financial Measures

## Reconciliation of EBITDA and Adjusted EBITDA <sup>(1)</sup>

	Quarter Ended		Six Months Ended	
	July 2, 2023	June 26, 2022	July 2, 2023	June 26, 2022
Net Earnings Attributable to Hasbro, Inc.	\$ (235.0)	\$ 142.0	\$ (257.1)	\$ 203.2
Interest Expense	46.6	41.7	92.9	83.3
Income Tax Expense	7.0	39.4	7.7	56.7
Net Earnings Attributable to Noncontrolling Interests	0.1	(1.5)	0.5	0.2
Depreciation	30.6	36.6	54.6	61.7
Amortization of Intangibles	22.8	27.2	45.9	54.3
<b>EBITDA</b>	<b>\$ (127.9)</b>	<b>\$ 285.4</b>	<b>\$ (55.5)</b>	<b>\$ 459.4</b>
Non-GAAP Adjustments and Stock Compensation <sup>(2)</sup>	326.5	22.9	352.8	41.0
<b>Adjusted EBITDA</b>	<b>\$ 198.6</b>	<b>\$ 308.3</b>	<b>\$ 297.3</b>	<b>\$ 500.4</b>

<sup>(2)</sup> Non-GAAP Adjustments and Stock Compensation are comprised of the following:				
Stock compensation	\$ 19.2	\$ 22.9	\$ 34.9	\$ 41.0
Operational Excellence charges	10.4	—	21.0	—
Blueprint 2.0 implementation charges	0.7	—	0.7	—
Impairment of Goodwill and Intangible Assets	296.2	—	296.2	—
<b>Total</b>	<b>\$ 326.5</b>	<b>\$ 22.9</b>	<b>\$ 352.8</b>	<b>\$ 41.0</b>

<sup>(1)</sup> Amounts may not sum due to rounding



# Reconciliation of Non-GAAP Financial Measures

## Reconciliation of Net Earnings and Earnings per Share <sup>(1)</sup>

(all adjustments reported after-tax)	Quarter Ended			
	July 2, 2023	Diluted Per Share Amount	June 26, 2022	Diluted Per Share Amount
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$ (235.0)	\$ (1.69)	\$ 142.0	\$ 1.02
Acquisition and related costs	—	—	3.3	0.02
Acquired intangible amortization	14.3	0.10	15.3	0.11
Operational Excellence charges	8.0	0.06	—	—
Blueprint 2.0 implementation charges	0.5	—	—	—
Impairment of Goodwill and Intangible Assets	279.9	2.01	—	—
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 67.7</u>	<u>\$ 0.49</u>	<u>\$ 160.6</u>	<u>\$ 1.15</u>

(all adjustments reported after-tax)	Six Months Ended			
	July 2, 2023	Diluted Per Share Amount	June 26, 2022	Diluted Per Share Amount
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$ (257.1)	\$ (1.85)	\$ 203.2	\$ 1.46
Acquisition and related costs	1.7	0.01	5.6	0.04
Acquired intangible amortization	27.6	0.20	31.2	0.22
Operational Excellence charges	16.1	0.12	—	—
Blueprint 2.0 implementation charges	0.5	—	—	—
Impairment of Goodwill and Intangible Assets	279.9	2.02	—	—
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 68.7</u>	<u>\$ 0.49</u>	<u>\$ 240.0</u>	<u>\$ 1.72</u>

<sup>(1)</sup> Amounts may not sum due to rounding