



Q4 & Full Year 2020 Earnings

FEBRUARY 8, 2021



Safe Harbor

Certain statements in this presentation contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which may be identified by the use of forward-looking words or phrases, include statements relating to: our future performance and prospects for growth in 2021; our ability to achieve our financial and business goals; and our liquidity. 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 develop and execute plans to mitigate the negative impact of the coronavirus on our business;
- our ability to design, develop, produce, manufacture, source and ship products on a timely and cost-effective and profitable basis;
- rapidly changing consumer interests in the types of products and entertainment we offer;
- the challenge of developing and offering products and storytelling experiences sought after by children, families and audiences given increasing technology and entertainment offerings available;
- our ability to develop and distribute engaging storytelling across media to drive brand awareness;
- our dependence on third party relationships, including with third party manufacturers, licensors of brands, studios, content producers and entertainment distribution channels;
- our ability to successfully compete in the global play and entertainment industry, including with manufacturers, marketers, and sellers of toys and games, digital gaming products and digital media, as well as with film studios, television production companies and independent distributors and content producers;
- our ability to successfully evolve and transform our business and capabilities to address a changing global consumer landscape and retail environment, including changing inventories policies of our customers and increased emphasis on ecommerce;
- our ability to develop new and expanded areas of our business, such as through eOne, Wizards of the Coast, and our other entertainment, digital gaming and esports initiatives;
- risks associated with international operations, such as currency conversion, currency fluctuations, the imposition of tariffs, quotas, border adjustment taxes or other protectionist measures, and other challenges in the territories in which we operate;
- our ability to successfully implement changes to our supply chain, inventory management, sales policies or pricing of our products;
- 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;
- other economic and public health conditions or regulatory changes in the markets in which we and our customers, suppliers and manufacturers operate, such as higher commodity prices, labor costs or transportation costs, or outbreaks of disease, such as the coronavirus, the occurrence of which could create work slowdowns, delays or shortages in production or shipment of products, increases in costs or delays in revenue;

Safe Harbor continued

- 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;
- 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 of our significant retailers, licensees and other business partners;
- risks relating to the use of third-party manufacturers for the manufacturing of our products, including 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;
- our ability to attract and retain talented and diverse employees;
- our ability to realize the benefits of cost-savings and efficiency and/or revenue efficiency enhancing initiatives including initiatives to integrate eOne into our business;
- 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;
- risks relating to the impairment and/or write-offs of acquired products and films and television programs we acquire and produce;
- risks relating to investments and acquisitions, such as our acquisition of eOne, which risks include: integration difficulties; inability to retain key personnel; diversion of management time and resources; failure to achieve anticipated benefits or synergies of acquisitions or investments; and risks relating to the additional indebtedness incurred in connection with a transaction;
- 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; 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 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

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 earnings per diluted share, which exclude, where applicable, the 2020 impact of eOne acquisition and related costs, purchased intangible amortization, other severance costs and income tax expense associated with U.K tax reform. For 2019, Pro Forma Adjusted operating profit, Pro Forma Adjusted net earnings and Pro Forma Adjusted earnings per diluted share exclude the impact of charges associated with the settlement of the Company's U.S. pension plan, purchased intangible amortization and certain charges incurred by eOne related to prior restructuring programs and other acquisitions. Also included in the financial tables are the non-GAAP financial measures of EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA. EBITDA represents net earnings attributable to Hasbro, Inc. excluding interest expense, income taxes, depreciation and amortization. Adjusted EBITDA also excludes the impact of the charges/gains noted above. 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, Pro Forma Adjusted net earnings, Adjusted earnings per diluted share, Pro Forma Adjusted net earnings per diluted share, Adjusted operating profit, and Pro Forma Adjusted operating profit provides 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

Hasbro Brand Blueprint



Creating the World's Best Play & 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

Diversified portfolio leveraging long-term investments made in **Digital-First** orientation, including ecomm and omni-channel retail, digital gaming and across Hasbro



SUCCESSFUL EXECUTION IN 2020

- Q4 2020 Growth in **U.S. & CAN** and **eOne** Segments
- Franchise Brands **MAGIC: THE GATHERING, MONOPOLY** and **NERF** all up in the quarter
- Partner Brand **Star Wars** up in Q4
- **Hasbro Gaming** growth across the portfolio, including **Dungeons and Dragons**
- eComm tops **\$1B** for the full year 2020
- Integrated acquisition of **eOne**
- Human Capital Management
 - Focused on **health and safety** of workplace
 - Engaged on important issues: **racial equality** and **justice**
 - Recommitted to **diversity, inclusion** and **engagement** across the organization



STRONG FINANCIAL POSITION

FY 2020 Revenues: \$5.47B
Net Earnings: \$222.5M
Adjusted Net Earnings: \$514.6M*
EBITDA \$788.2M*
Adjusted EBITDA \$1.02B*
Paid \$373M in dividends
\$1.45B in cash at year end
\$976M FY 2020 operating cash flow

**A reconciliation of Adjusted Net Earnings can be found on slide 39; adjusted EBITDA can be found on slide 40.*



Q4 2020 snapshot

▶ REVENUE

\$1.72B

▶ OPERATING PROFIT

As Reported **\$186.4M**

As Adjusted **\$261.4M**

▶ NET EARNINGS

As Reported **\$105.2M**

As Adjusted **\$175.3M**

▶ EPS: NET EARNINGS

As Reported **\$0.76** per diluted share

As Adjusted **\$1.27** per diluted share



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

FY 2020 snapshot

▶ REVENUE

\$5.47B

▶ OPERATING PROFIT

As Reported **\$501.8M**

As Adjusted **\$826.7M**

▶ NET EARNINGS

As Reported **\$222.5M**

As Adjusted **\$514.6M**

▶ EPS: NET EARNINGS

As Reported **\$1.62** per diluted share

As Adjusted **\$3.74** per diluted share



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

POWER RANGERS



Jonathan Entwistle
Creative Steward

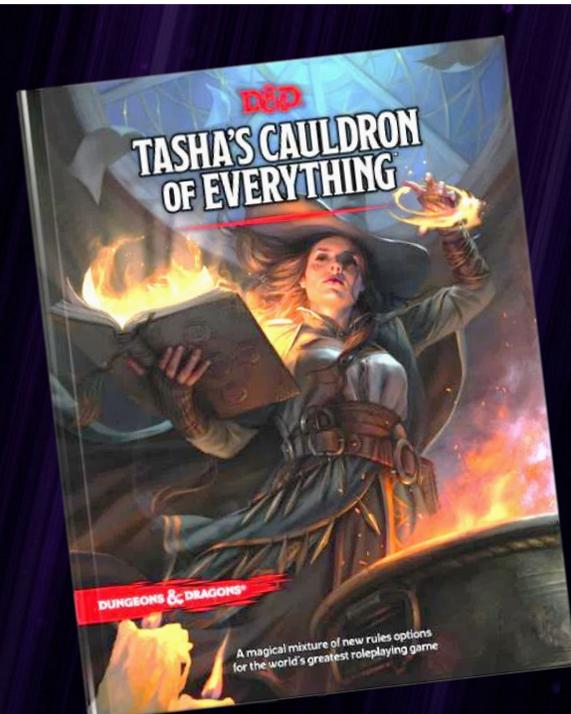
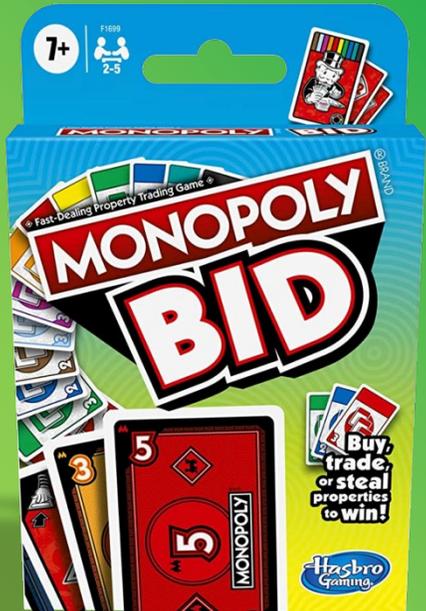


Q4

2021 ANNOUNCEMENTS & HIGHLIGHTS

PARTNER BRAND

STAR WARS MANDO MONDAYS



Kristen Mackenzie Alison Aubrey
Stewart Davis Brie Plaza
Daniel with Victor and Mary
Levy Garber Steenburgen

Happiest Season



NURSES



MRS. HARRIS GOES TO PARIS

IN PRODUCTION



ALL THE OLD KNIVES

CHRIS PINE

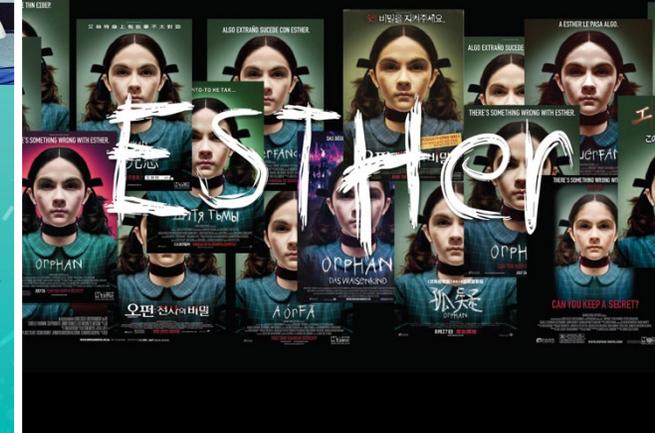
Q4

2021 ANNOUNCEMENTS & HIGHLIGHTS



eOne

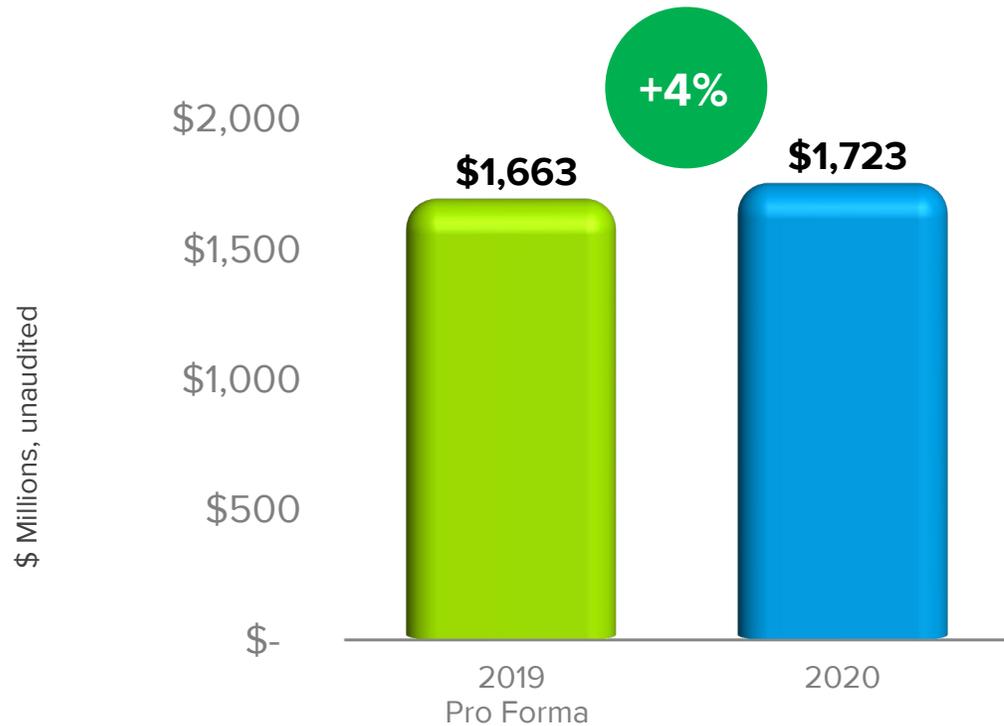
Nominated for 9 Grammys



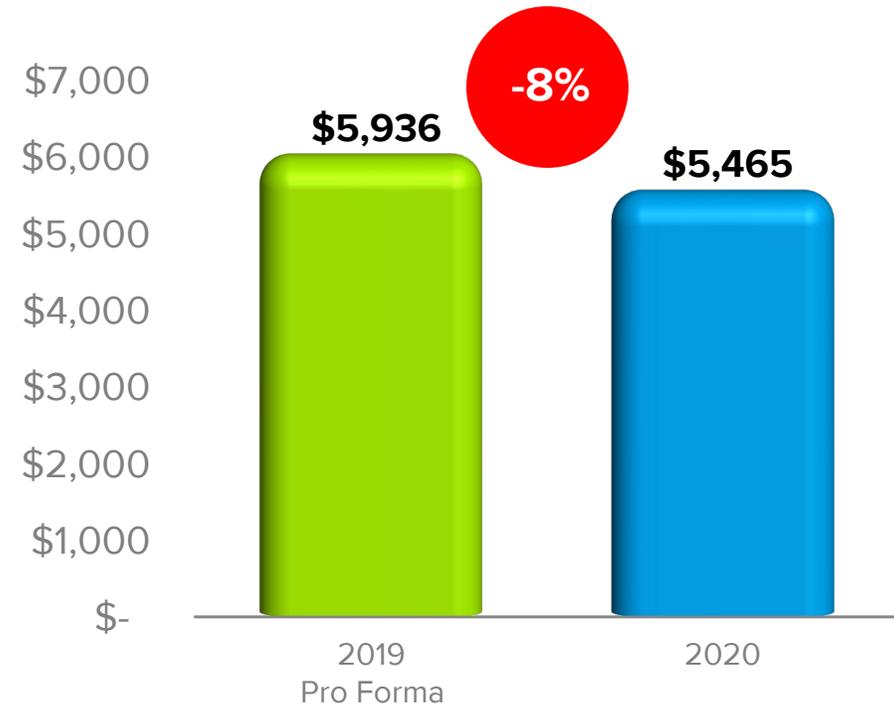
CRUEL SUMMER

Fourth Quarter & Full Year Net Revenues Performance

FOURTH QUARTER NET REVENUES



FULL YEAR NET REVENUES



- Fourth Quarter growth in Hasbro Gaming (and Total Gaming), TV, Film and Entertainment and Franchise Brands; Revenues increased in the U.S and Canada and eOne segments
- Full Year 2020 growth in Hasbro Gaming and Total Gaming; Revenues up in U.S and Canada segment
- ecomm revenues top \$1B globally for the full year 2020, up 43%
- FX had a positive \$12.2M impact on revenues in the fourth quarter 2020; FY 2020 negative impact is \$16.2M

For comparability, the fourth quarter of 2019 includes the pro forma results for the eOne Segment. See "Reconciliation of 2019 As Reported to Pro Forma Results" for the Pro Forma and Non-GAAP adjustments on slides 37 and 38.

Fourth Quarter & Full Year Brand Portfolio Performance

Total Gaming
FY 2020
\$1.76B +15%
Q4 2020
\$561.2M +27%

4th QUARTER 2020

- FRANCHISE BRANDS up including MAGIC: THE GATHERING, MONOPOLY and NERF.
- PARTNER BRANDS growth in Lucasfilm's *Star Wars* more than offset by declines in *Disney's Frozen*.
- Growth in HASBRO GAMING led by DUNGEONS AND DRAGONS as well as Classic Games.
- EMERGING BRANDS: growth in FURREAL FRIENDS and GI JOE offset by declines in other brands.
- TV/FILM/ENTERTAINMENT Q4 return to production in live action TV and film.

(millions of dollars)	Q4 2020	Pro Forma Q4 2019	% CHANGE	Full Year 2020	Pro Forma Full Year 2019	% CHANGE
FRANCHISE BRANDS	\$705	\$662	+7%	\$2,286	\$2,412	-5%
PARTNER BRANDS	\$350	\$409	-14%	\$1,079	\$1,221	-12%
HASBRO GAMING ¹	\$298	\$246	+21%	\$815	\$710	+15%
EMERGING BRANDS ²	\$155	\$167	-7%	\$480	\$579	-17%
TV/FILM/ENTERTAINMENT ³	\$214	\$179	+20%	\$805	\$1,015	-21%
TOTAL	\$1,723	\$1,663	+4%	\$5,465	\$5,936	-8%

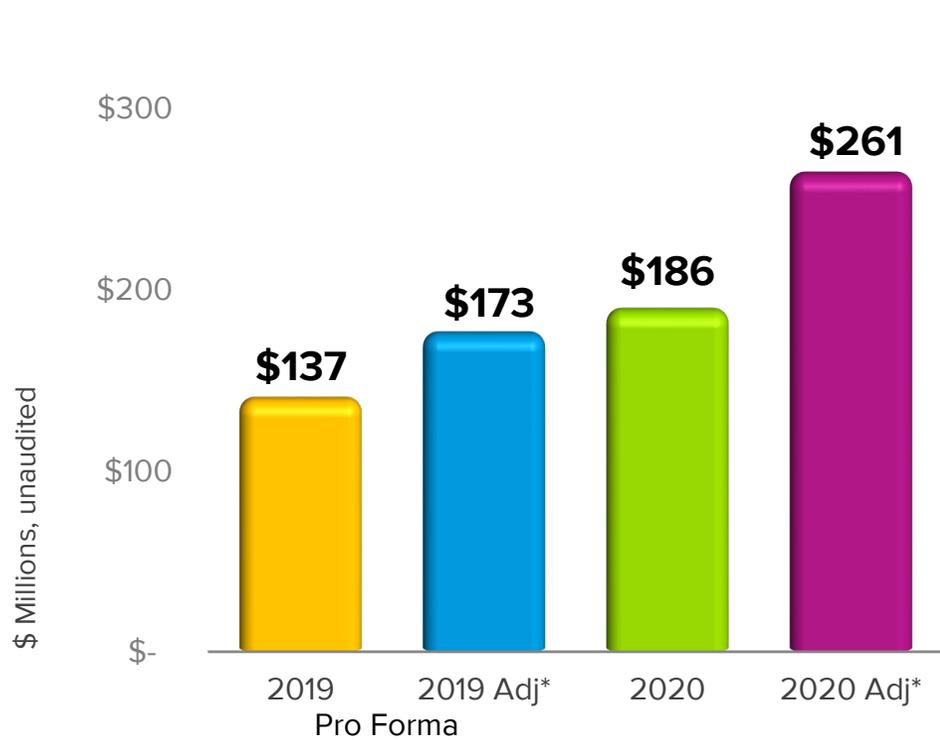
¹Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY which are included in Franchise Brands in the table above, was \$561.2M for Q4 2020, up 27% vs. \$442.1M for Q4 2019. FY 2020 Hasbro's total gaming was \$1.76B, up 15% versus \$1.5B FY 2019. *Hasbro believes its gaming portfolio is a competitive differentiator and views it in its entirety.*

² Emerging Brands portfolio includes the preschool brands, PEPPA PIG, PJ MASKS and RICKY ZOOM, acquired as part of the eOne acquisition. For comparability, the quarter and full year ended December 29, 2019 includes the pro forma net revenues of \$56.3M and \$201.1M, respectively, for those brands.

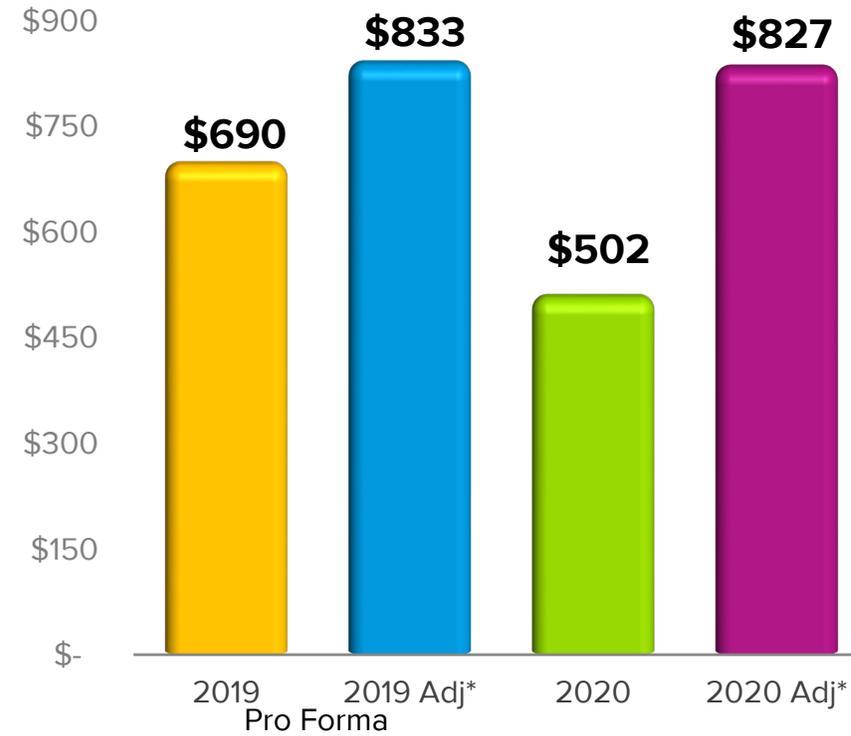
³TV/Film/Entertainment represents eOne net revenues not allocated to the Emerging Brands portfolio.

Fourth Quarter & Full Year Operating Profit

FOURTH QUARTER



FULL YEAR



Operating Profit Margin Q4 2020: Reported 10.8%; Adjusted 15.2%

Favorable

- Higher Revenues
- Product Mix
- Lower Advertising and Royalty Expense

Unfavorable

- Investment in digital gaming ahead of future year revenues
- Freight and Warehousing
- Bad Debt Expense

Operating Profit Margin Full Year 2020: Reported 9.2%; Adjusted 15.1%

Favorable

- Lower Expenses – Advertising, Royalties, SD&A
- Lower Program Amortization

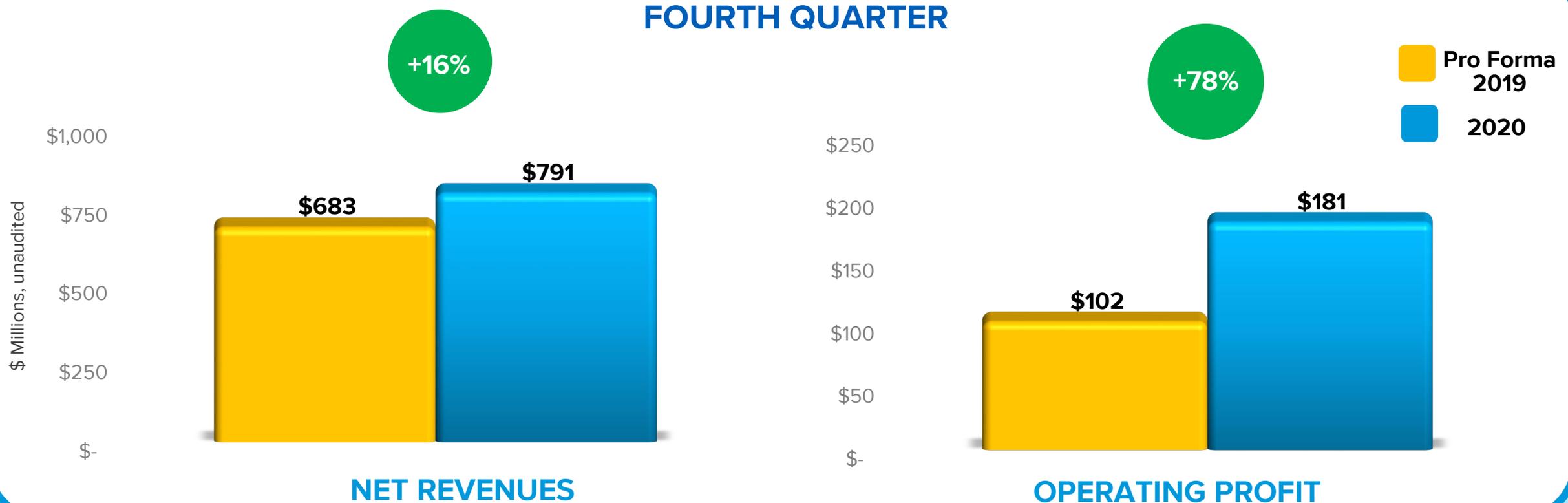
Unfavorable

- Lower Revenues
- Freight Expense



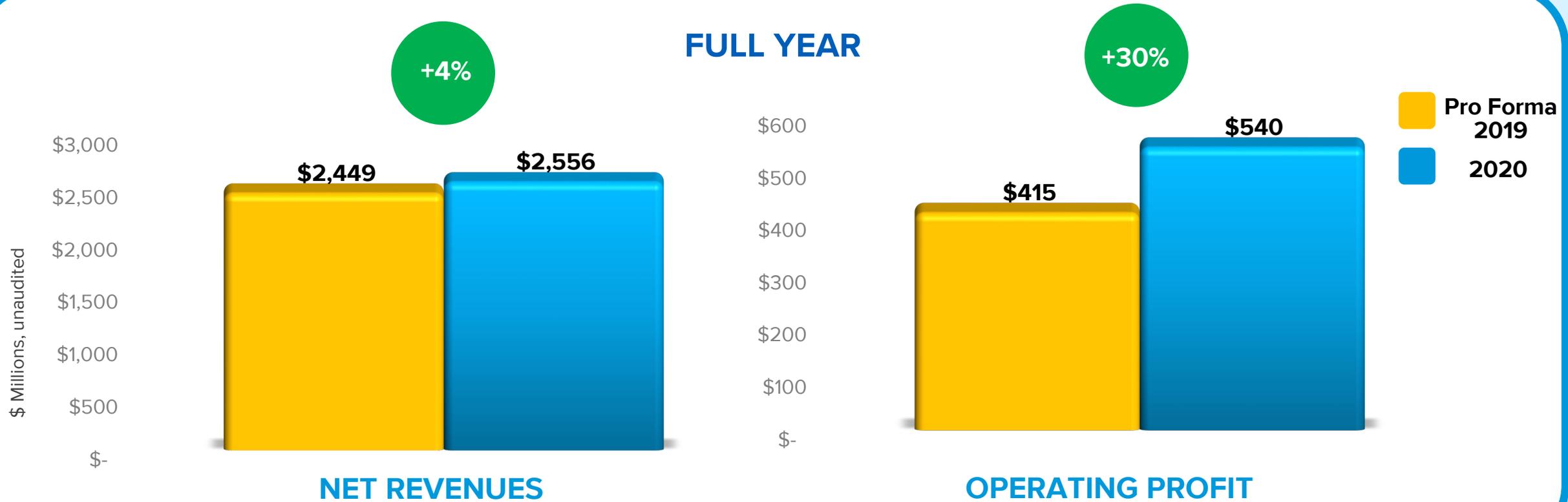
*The Adjusted figures are non-GAAP financial measures. See "Reconciliation of As Reported to Pro Forma Adjusted Operating Results" on slide 34. For comparability, the fourth quarter of 2019 includes the pro forma results for the eOne Segment. See "Reconciliation of 2019 As Reported to Pro Forma Results" for the Pro Forma and Non-GAAP adjustments on slides 37 and 38.

U.S. & Canada Segment Net Revenues & Operating Profit



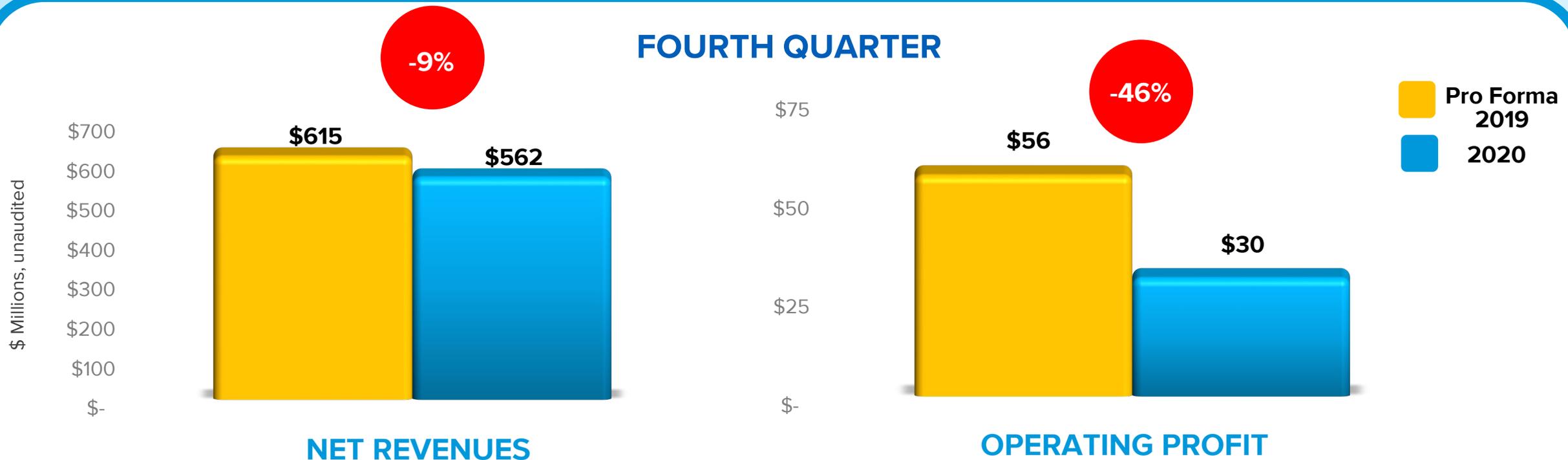
- Revenue growth in Franchise Brands: MAGIC: THE GATHERING, MONOPOLY and NERF; Hasbro Gaming across many brands, including DUNGEONS and DRAGONS; growth in Emerging Brands
- In Partner Brands, Lucasfilm's *Star Wars* revenue increased; Hasbro's products for Disney's *Frozen 2* decreased versus theatrical release in 2019
- Operating Profit and Operating Profit margin growth driven by higher revenues and favorable product mix, including MAGIC:THE GATHERING

U.S. & Canada Segment Net Revenues & Operating Profit



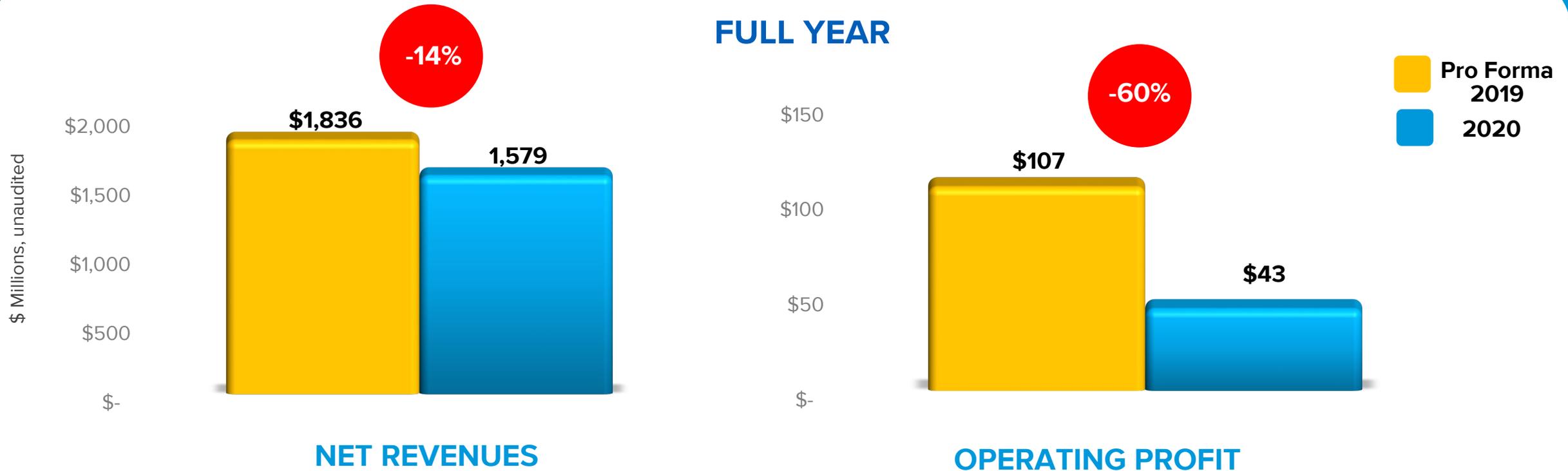
- Revenue growth in Franchise Brands, led by MAGIC: THE GATHERING; Hasbro Gaming revenues up; other categories down; Hasbro products for Lucasfilm's *Star Wars* grew for the year
- Operating Profit grew and Operating Profit Margin increased from favorable product mix, partially offset by higher freight and investments at Wizards of the Coast to support future launches

International Segment Net Revenues & Operating Profit



- Revenue declines primarily driven by Latin America and Asia; Revenues grew in European region
- Growth in Hasbro Gaming and MAGIC: THE GATHERING and *Star Wars*
- Q4 2020 International segment revenues favorably impacted by \$9M due to foreign exchange
- Operating Profit declined on lower revenues and efforts to clear inventory in Latin America and Asia, partially offset by favorable product mix and cost management

International Segment Net Revenues & Operating Profit



- Revenue declines in Latin America and Asia; European region revenues flat
- Growth in Hasbro Gaming and MAGIC: THE GATHERING and MONOPOLY; Hasbro product for *Star Wars* revenues up
- FY 2020 International segment revenues negatively impacted by \$16M due to foreign exchange
- Operating Profit declined as a result of lower revenues and efforts to clear inventory in Latin America; partially offset by cost saving initiatives and lower royalties

International Segment Net Revenues

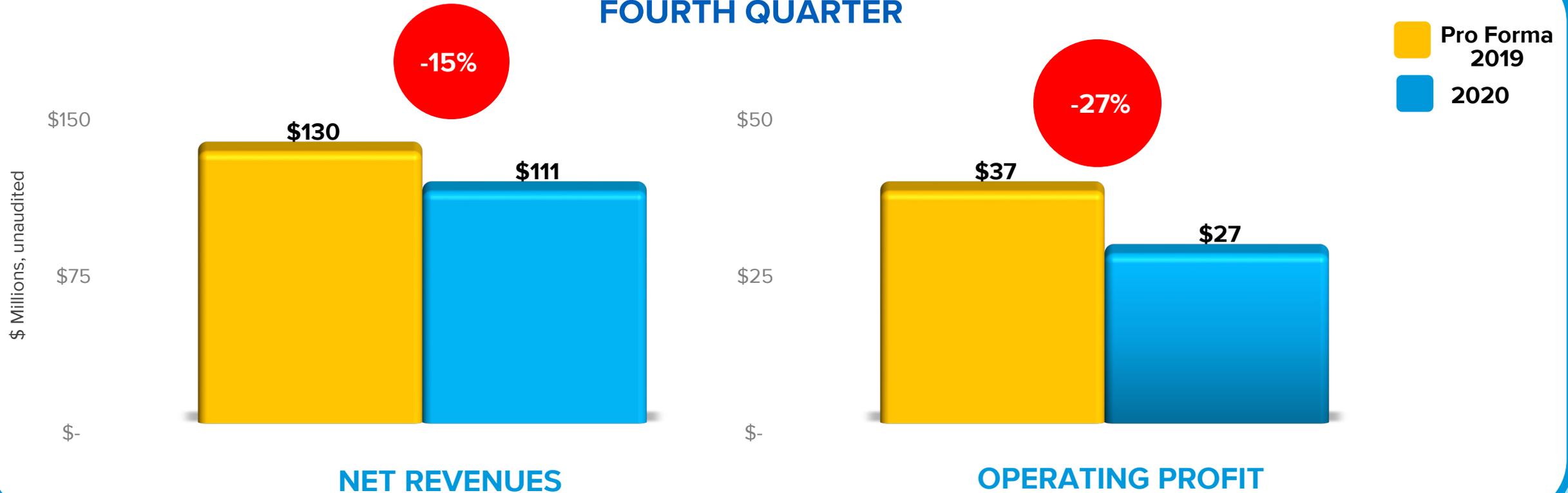
	Q4 2020 AS REPORTED	Q4 2020 ABSENT FX	FULL YEAR 2020 AS REPORTED	FULL YEAR 2020 ABSENT FX
EUROPE	+4%	--	--	-1%
LATIN AMERICA	-36%	-30%	-45%	-37%
ASIA PACIFIC	-17%	-21%	-18%	-19%
TOTAL INTERNATIONAL	-9%	-10%	-14%	-13%

Foreign Exchange had a positive \$9.4M impact on International segment revenues in the fourth quarter 2020 and a negative \$15.6M impact for the Full Year 2020



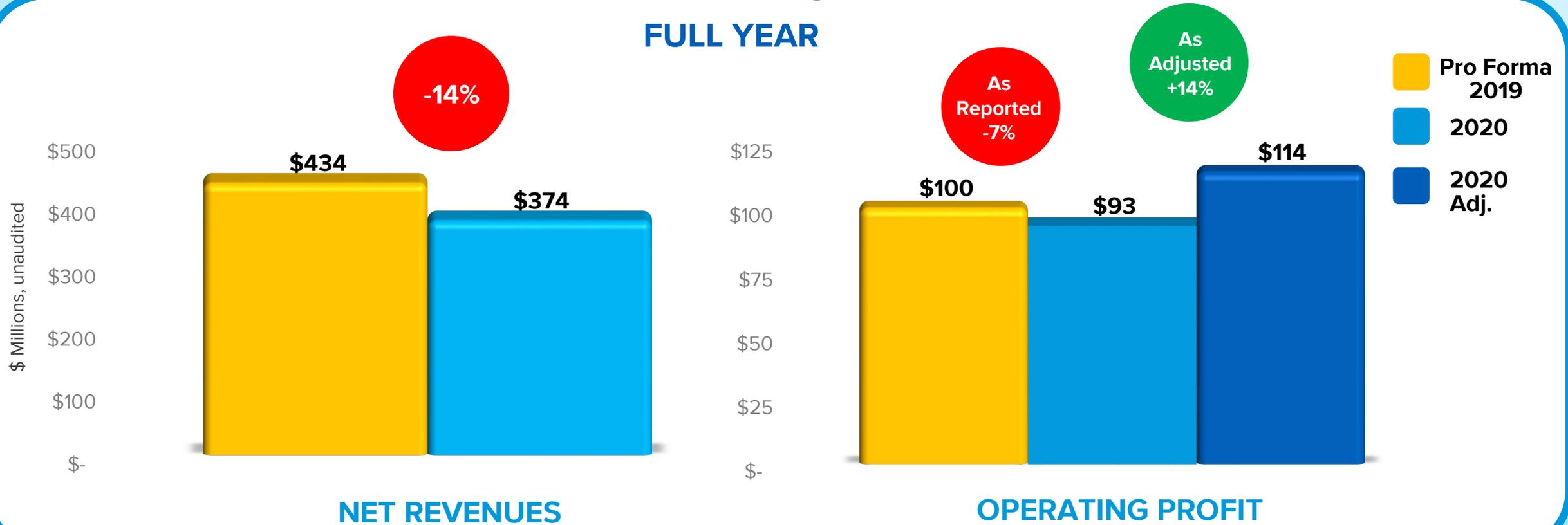
Entertainment, Licensing & Digital Segment Net Revenues & Operating Profit

FOURTH QUARTER



- EL&D revenues declined due to lower consumer products and entertainment revenues, partially offset by growth in digital gaming revenues
- Operating profit decreased due to lower revenues, partially offset by growth in high profit digital licensing and cost management

Entertainment, Licensing & Digital Segment Net Revenues & Operating Profit

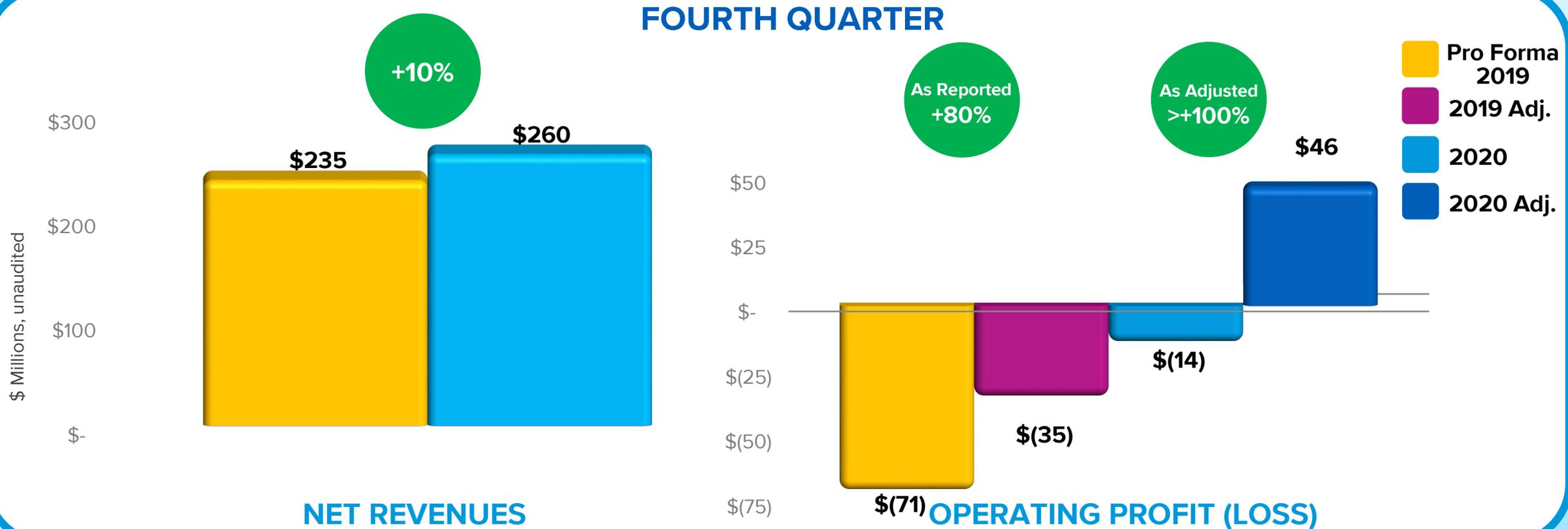


- EL&D revenues declined due to lower entertainment revenue compared to 2019, which included *Transformers Bumblebee* film revenue, and lower consumer products revenues
- Adjusted Operating Profit increased due to growth in high-profit licensed digital gaming and cost savings
- FY Adjusted Operating Profit excludes a \$21M charge associated with a write down of certain assets as a result of the transition to eOne entertainment strategy following the acquisition

A reconciliation of adjusted segment operating profit can be found on slide 36.



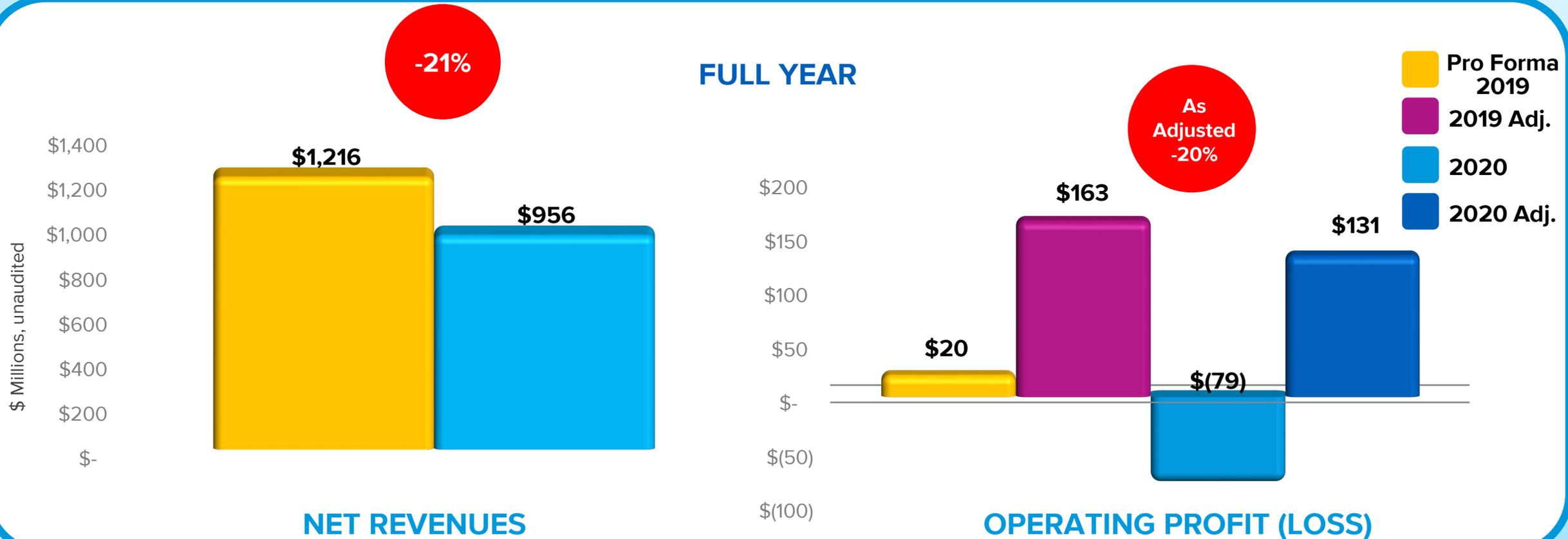
eOne Segment Net Revenues & Operating Profit (Loss)



- Revenues increased as live-action TV & Film production resumed. Family Brands business revenues declined due to ongoing COVID-19 impacts on the consumer products business and lower advertising revenue from the YouTube platform, partially offset by increased sales in animated content and app revenues
- Q4 2020 eOne segment revenues favorably impacted by \$2.5M due to foreign exchange
- Adjusted Operating Profit increase due to higher revenues and lower advertising expenses



eOne Segment Net Revenues & Operating Profit (Loss)



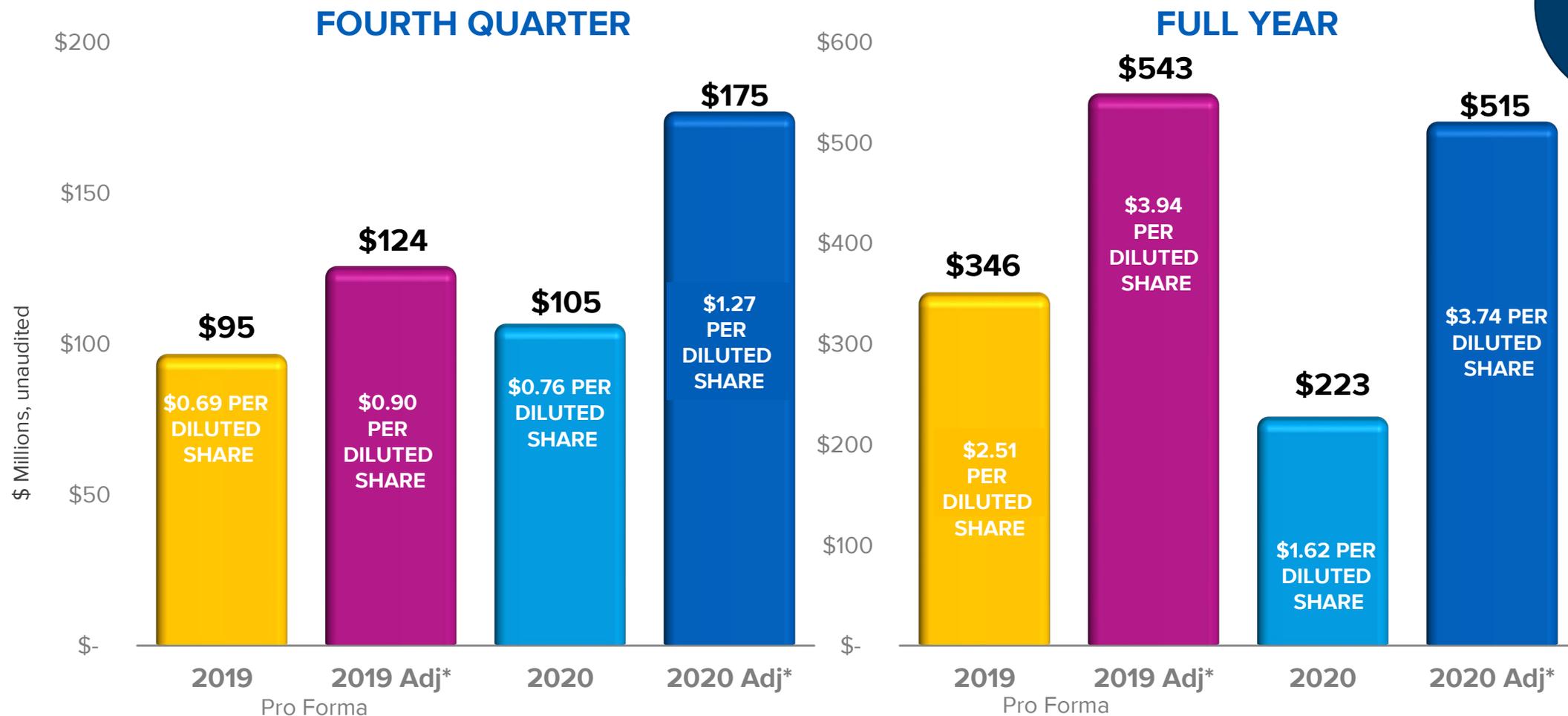
- Revenues declined due to timing of live-action production shutdowns in TV & Film due to COVID-19; Family Brands revenues declined due to lower consumer products and lower advertising revenue from the YouTube platform
- Full-year 2020 operating profit included \$112M of acquisition and integration costs and \$97.9M of purchased amortization
- Adjusted Operating Profit declined primarily related to the decrease in revenues partially offset by cost savings initiatives

A reconciliation of adjusted segment operating profit can be found on slide 35. For comparability, the fourth quarter of 2019 includes the pro forma results for the eOne Segment. See "Reconciliation of 2019 As Reported to Pro Forma Results" for the Pro Forma and Non-GAAP adjustments on slide 37.



Fourth Quarter & Full Year Net Earnings

Diluted Shares:
 FY 2020
 137.6M vs.
 FY 2019
 128.5



- Total Non-Operating Expense: Q4 2020 \$47.9M; FY 2020 \$179.8M
- Q4 2020 Underlying Tax Rate: 18.0% versus 18.2% in Q4 2019; FY 2020 Underlying tax rate: 21.0% vs 17.0%
 - Underlying rate absent intangible amortization associated with the eOne acquisition, one-time charges and ordinary discrete items



Key Cash Flow & Balance Sheet Data

YEAR ENDED

\$ Millions, unaudited	DEC 27, 2020	DEC 29, 2019	NOTES
Cash	\$1,450	\$4,580	Substantial cash on hand. FY 2019 included eOne related financing and hedging gains.
Long-term Debt	\$4,660	\$4,046	Paid off \$123 million in debt during the year
Depreciation	\$120	\$134	
Amortization of Intangibles	\$145	\$47	Reflects eOne acquisition purchased intangibles
Program Spend, net	\$439	\$34	Increase due to content spend with eOne
Capital Expenditures	\$126	\$134	Below full-year 2020 target of \$145-\$155M
Dividends Paid	\$373	\$337	\$0.68 per share quarterly dividend paid in Q4 2020; Next dividend payable May 17, 2021
Share Repurchase	\$0	\$61	Share repurchase suspended in 2019 as Company prioritizes delevering
Operating Cash Flow	\$976	\$653	Generating strong cash flow
Accounts Receivable	\$1,392	\$1,411	DSO down 17 days on pro forma basis; Strong cash collections
Inventory	\$396	\$446	Down 13%; Lower inventory positions in all regions
Goodwill	\$3,692	\$495	eOne acquisition goodwill

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

Product Safety

Environmental Sustainability

Human Rights & Ethical Sourcing

Diversity & Inclusion



Our Mission

Create the World's
**Best Play &
Entertainment
Experiences**

Our Values

- ▶ **Community**
Engaging, Purposeful and Giving
- ▶ **Creativity**
Curious, Playful and Inventive
- ▶ **Inclusion**
Diverse, Empowered and United
- ▶ **Integrity**
Responsible, Ethical and Trustworthy
- ▶ **Passion**
Driven, Focused and Courageous



Supplemental Financial Information

Condensed Consolidated Balance Sheets

(Thousands of Dollars)

	<u>December 27, 2020</u>	<u>December 29, 2019</u>
ASSETS		
Cash and Cash Equivalents ⁽¹⁾	\$ 1,449,676	\$ 4,580,369
Accounts Receivable, Net	1,391,726	1,410,597
Inventories	395,633	446,105
Prepaid Expenses and Other Current Assets	609,610	310,450
Total Current Assets	<u>3,846,645</u>	<u>6,747,521</u>
Property, Plant and Equipment, Net	489,041	382,248
Goodwill	3,691,709	494,584
Other Intangible Assets, Net	1,530,835	646,305
Other Assets	1,260,155	584,970
Total Assets	<u>\$ 10,818,385</u>	<u>\$ 8,855,628</u>
LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY		
Short-Term Borrowings	\$ 6,642	\$ 503
Current Portion of Long-Term Debt	432,555	-
Accounts Payable and Accrued Liabilities	1,964,144	1,256,579
Total Current Liabilities	<u>2,403,341</u>	<u>1,257,082</u>
Long-Term Debt ⁽¹⁾	4,660,015	4,046,457
Other Liabilities	793,866	556,559
Total Liabilities	<u>7,857,222</u>	<u>5,860,098</u>
Redeemable Noncontrolling Interests	24,426	-
Total Shareholders' Equity ⁽¹⁾	<u>2,936,737</u>	<u>2,995,530</u>
Total Liabilities, Noncontrolling Interests and Shareholders' Equity	<u>\$ 10,818,385</u>	<u>\$ 8,855,628</u>

⁽¹⁾ Cash and Cash Equivalents, Long-Term Debt and Total Shareholders' Equity balances as of December 29, 2019 were impacted by the eOne acquisition financing, which included proceeds from the issuance of long-term debt of \$2,354,957 and proceeds from the issuance of common stock of \$975,185.

Consolidated Statements of Operations

(Thousands of Dollars and Shares Except Per Share Data)

	Quarter Ended				Year Ended			
	December 27, 2020	% Net Revenues	December 29, 2019	% Net Revenues	December 27, 2020	% Net Revenues	December 29, 2019	% Net Revenues
Net Revenues	\$ 1,722,971	100.0%	\$ 1,428,007	100.0%	\$ 5,465,443	100.0%	\$ 4,720,227	100.0%
Costs and Expenses:								
Cost of Sales	592,844	34.4%	577,049	40.4%	1,718,888	31.5%	1,807,849	38.3%
Program Cost Amortization	118,811	6.9%	27,480	1.9%	387,056	7.1%	85,585	1.8%
Royalties	182,884	10.6%	155,592	10.9%	569,981	10.4%	414,549	8.8%
Product Development	84,659	4.9%	72,910	5.1%	259,522	4.7%	262,156	5.6%
Advertising	101,315	5.9%	104,017	7.3%	412,730	7.6%	413,676	8.8%
Amortization of Intangibles	37,061	2.2%	11,814	0.8%	144,746	2.6%	47,259	1.0%
Selling, Distribution and Administration	366,460	21.3%	288,765	20.2%	1,252,140	22.9%	1,037,103	22.0%
Acquisition and Related Costs	52,573	3.1%	-	0.0%	218,566	4.0%	-	0.0%
Operating Profit	186,364	10.8%	190,380	13.3%	501,814	9.2%	652,050	13.8%
Interest Expense	47,428	2.8%	34,782	2.4%	201,130	3.7%	101,878	2.2%
Other Expense (Income), Net	462	0.0%	(143,163)	-10.0%	(21,378)	-0.4%	(44,038)	-0.9%
Earnings before Income Taxes	138,474	8.0%	298,761	20.9%	322,062	5.9%	594,210	12.6%
Income Tax Expense	32,308	1.9%	31,416	2.2%	96,621	1.8%	73,756	1.6%
Net Earnings	106,166	6.2%	267,345	18.7%	225,441	4.1%	520,454	11.0%
Net Earnings Attributable to Noncontrolling Interests	993	0.1%	-	0.0%	2,922	0.1%	-	0.0%
Net Earnings Attributable to Hasbro, Inc.	<u>\$ 105,173</u>	<u>6.1%</u>	<u>\$ 267,345</u>	<u>18.7%</u>	<u>\$ 222,519</u>	<u>4.1%</u>	<u>\$ 520,454</u>	<u>11.0%</u>
Per Common Share								
Net Earnings								
Basic	<u>\$ 0.77</u>		<u>\$ 2.02</u>		<u>\$ 1.62</u>		<u>\$ 4.07</u>	
Diluted	<u>\$ 0.76</u>		<u>\$ 2.01</u>		<u>\$ 1.62</u>		<u>\$ 4.05</u>	
Cash Dividends Declared	<u>\$ 0.68</u>		<u>\$ 0.68</u>		<u>\$ 2.72</u>		<u>\$ 2.72</u>	
Weighted Average Number of Shares								
Basic	<u>137,398</u>		<u>132,516</u>		<u>137,260</u>		<u>127,896</u>	
Diluted	<u>137,819</u>		<u>133,128</u>		<u>137,554</u>		<u>128,499</u>	

2020 Cost of Sales

As a % of Revenue	
Revenue	100.0%
Gross Margin	69.5%
Cost of Sales	31.5%

Board/Paper/Print	6.7%
Resins	3.9%
Electronics / Metals	1.6%
All Other	2.3%
Total	14.5%

Labor	6.2%
Factory Overhead	5.0%
Freight/Import Costs	2.3%
Tooling	1.3%
Inventory Variances	2.2%
Total	17.0%

Cost of Sales 31.5%



Condensed Consolidated Cash Flows

(Thousands of Dollars)

	Year Ended	
	December 27, 2020	December 29, 2019
Cash Flows from Operating Activities:		
Net Earnings	\$ 225,441	\$ 520,454
Non-Cash Pension Charge	-	110,962
Other Non-Cash Adjustments	811,031	225,276
Changes in Operating Assets and Liabilities	(60,132)	(203,631)
Net Cash Provided by Operating Activities	<u>976,340</u>	<u>653,061</u>
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(125,754)	(133,636)
Investments and Acquisitions, Net of Cash Acquired	(4,412,948)	(8,761)
Proceeds from Foreign Currency Hedges	-	79,990
Other	38,471	1,452
Net Cash Utilized by Investing Activities	<u>(4,500,231)</u>	<u>(60,955)</u>
Cash Flows from Financing Activities:		
Proceeds from Long-Term Debt	1,112,640	2,354,957
Repayments of Long-Term Debt	(275,514)	-
Net Repayments of Short-Term Borrowings	(8,617)	(8,828)
Purchases of Common Stock	-	(61,387)
Stock-Based Compensation Transactions	16,592	31,786
Dividends Paid	(372,652)	(336,604)
Employee Taxes Paid for Shares Withheld	(6,040)	(13,123)
Redemption of Equity Instruments	(47,399)	-
Deferred Acquisition Payments	-	(100,000)
Proceeds from Equity Issuance	-	975,185
Payments of Financing Costs	-	(26,653)
Other	(13,061)	(4,760)
Net Cash Provided by Financing Activities	<u>405,949</u>	<u>2,810,573</u>
Effect of Exchange Rate Changes on Cash	(12,751)	(4,681)
Cash and Cash Equivalents at Beginning of Year	<u>4,580,369</u>	<u>1,182,371</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,449,676</u>	<u>\$ 4,580,369</u>

PRO FORMA SEGMENT RESULTS (Unaudited)

SUPPLEMENTAL FINANCIAL DATA

(Thousands of Dollars)

For comparability, the quarter and year ended December 29, 2019 include the pro forma results for the eOne Segment. See "Reconciliation of 2019 As Reported to Pro Forma Results" for the pro forma adjustments.

	Quarter Ended			Year Ended		
	December 27, 2020	Pro Forma December 29, 2019	% Change	December 27, 2020	Pro Forma December 29, 2019	% Change
Segment Results						
<u>U.S. and Canada Segment:</u>						
External Net Revenues	\$ 790,622	\$ 682,631	16%	\$ 2,556,104	\$ 2,449,280	4%
Operating Profit	180,699	101,641	78%	539,727	415,436	30%
Operating Margin	22.9%	14.9%		21.1%	17.0%	
<u>International Segment ⁽¹⁾:</u>						
External Net Revenues	561,767	615,136	-9%	1,578,989	1,836,360	-14%
Operating Profit	30,133	55,894	-46%	42,466	107,304	-60%
Operating Margin	5.4%	9.1%		2.7%	5.8%	
<u>Entertainment, Licensing and Digital Segment:</u>						
External Net Revenues	110,975	130,201	-15%	373,854	434,467	-14%
Operating Profit	27,199	37,136	-27%	92,957	99,686	-7%
Operating Margin	24.5%	28.5%		24.9%	22.9%	
<u>eOne Segment ⁽²⁾:</u>						
External Net Revenues	259,607	235,160	10%	956,496	1,215,773	-21%
Operating (Loss) Profit	(14,223)	(71,380)	80%	(79,185)	19,987	>-100%
Operating Margin	-5.5%	-30.4%		-8.3%	1.6%	

⁽¹⁾ International Segment Net Revenues by Major Geographic Region

	December 27, 2020	Pro Forma December 29, 2019	% Change	December 27, 2020	Pro Forma December 29, 2019	% Change
Europe	\$ 382,311	\$ 369,489	3%	\$ 1,045,411	\$ 1,043,217	0%
Latin America	83,583	130,634	-36%	241,611	435,740	-45%
Asia Pacific	95,873	115,013	-17%	291,967	357,403	-18%
Total	\$ 561,767	\$ 615,136		\$ 1,578,989	\$ 1,836,360	

⁽²⁾ eOne Segment Net Revenues by Category

	December 27, 2020	Pro Forma December 29, 2019	% Change	December 27, 2020	Pro Forma December 29, 2019	% Change
Film and TV	\$ 180,825	\$ 140,581	29%	\$ 684,884	\$ 888,411	-23%
Family Brands	46,376	58,677	-21%	152,445	210,345	-28%
Music and Other	32,406	35,902	-10%	119,167	117,017	2%
Total	\$ 259,607	\$ 235,160		\$ 956,496	\$ 1,215,773	

SUPPLEMENTAL FINANCIAL DATA

PRO FORMA SEGMENT RESULTS (Unaudited)

(Thousands of Dollars)

For comparability, the quarter and full year ended December 29, 2019 include the pro forma results for the eOne Segment. See "Reconciliation of 2019 As Reported to Pro Forma Results" for the pro forma adjustments.

	Quarter Ended			Year Ended		
	December 27, 2020	Pro Forma December 29, 2019	% Change	December 27, 2020	Pro Forma December 29, 2019	% Change
Net Revenues by Brand Portfolio						
Franchise Brands	\$ 705,201	\$ 661,899	7%	\$ 2,286,079	\$ 2,411,847	-5%
Partner Brands	349,583	408,516	-14%	1,079,355	1,220,982	-12%
Hasbro Gaming ⁽³⁾	298,461	246,478	21%	814,798	709,750	15%
Emerging Brands ⁽⁴⁾	155,270	167,376	-7%	480,371	578,747	-17%
TV/Film/Entertainment ⁽⁵⁾	214,456	178,898	20%	804,840	1,014,674	-21%
Total	<u>\$ 1,722,971</u>	<u>\$ 1,663,167</u>		<u>\$ 5,465,443</u>	<u>\$ 5,936,000</u>	

(3) Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY, totaled \$561,189 and \$1,763,793 for the quarter and year ended December 27, 2020, respectively, up 27% and 15%, respectively, from revenues of \$442,132 and \$1,528,283 for the quarter and year ended December 29, 2019, respectively.

(4) Emerging Brands includes the preschool brands, PEPPA PIG, PJ MASKS and RICKY ZOOM, acquired as part of the eOne Acquisition. For comparability, the quarter and year ended December 29, 2019 includes the pro forma net revenues for those brands, which amounted to \$56,262 and \$201,099, respectively.

(5) TV/Film/Entertainment includes all other brands not detailed in ⁽⁴⁾ above acquired as part of the eOne Acquisition. For comparability, the quarter and year ended December 29, 2019 includes the pro forma net revenues of \$178,898 and \$1,014,674, respectively.

SUPPLEMENTAL FINANCIAL DATA RECONCILIATION OF AS REPORTED TO PRO FORMA ADJUSTED OPERATING RESULTS (Unaudited)

(Thousands of Dollars)

For comparability, the quarter and full year ended December 29, 2019 include the pro forma results for the eOne Segment. See "Reconciliation of 2019 As Reported to Pro Forma Results" for the pro forma and non-GAAP adjustments.

Non-GAAP Adjustments Impacting Operating Profit

	Quarter Ended			
	December 27, 2020		Pro Forma December 29, 2019	
	Pre-tax Adjustments	Post-tax Adjustments	Pre-tax Adjustments	Post-tax Adjustments
Acquisition and Related Costs ⁽¹⁾	\$ 52,573	\$ 47,866	\$ -	\$ -
Acquired Intangible Amortization ⁽²⁾	25,520	23,260	24,597	19,063
Severance ⁽³⁾	(3,084)	(2,703)	-	-
Pro Forma eOne Adjustments	-	-	11,984	9,288
Total	\$ 75,009	\$ 68,423	\$ 36,581	\$ 28,351

	Year Ended			
	December 27, 2020		Pro Forma December 29, 2019	
	Pre-tax Adjustments	Post-tax Adjustments	Pre-tax Adjustments	Post-tax Adjustments
Acquisition and Related Costs ⁽¹⁾	\$ 218,566	\$ 188,557	\$ -	\$ -
Acquired Intangible Amortization ⁽²⁾	97,856	80,731	98,388	76,251
Severance ⁽³⁾	8,470	7,422	-	-
Pro Forma eOne Adjustments	-	-	44,583	34,552
Total	\$ 324,892	\$ 276,710	\$ 142,971	\$ 110,803

⁽¹⁾ In association with the Company's acquisition of eOne, the Company incurred related expenses of \$52,573 and \$218,566, respectively, in the quarter and year ended December 27, 2020, comprised of the following:

(i) Acquisition and integration costs of \$40,886 and \$145,169 for the quarter and year ended December 27, 2020, respectively, including expense associated with the acceleration of eOne stock-based compensation and advisor fees settled at the closing of the acquisition, integration costs and impairment charges in the fourth quarter of 2020 for certain definite-lived intangible and other assets; and

(ii) Restructuring and related costs of \$11,687 and \$73,397 for the quarter and year ended December 27, 2020, respectively, including severance and retention costs, as well as impairment charges in the first quarter of 2020 for certain definite-lived intangible and production assets.

⁽²⁾ The Company incurred incremental intangible amortization costs related to the intangible assets acquired in the eOne Acquisition.

⁽³⁾ In the second quarter of 2020, the Company incurred \$11,554 of severance charges, associated with cost-savings initiatives within the Company's commercial and Film and TV businesses. In the fourth quarter of 2020, the Company reclassified the Film & TV severance charge to the eOne integration restructuring charge discussed above. The \$8,470 of severance was recorded in Corporate and Eliminations.

SUPPLEMENTAL FINANCIAL DATA RECONCILIATION OF AS REPORTED TO PRO FORMA ADJUSTED OPERATING RESULTS Q4 2020

(Thousands of Dollars)

(Unaudited)

For comparability, the quarter ended December 29, 2019 include the pro forma results for the eOne Segment. See "Reconciliation of 2019 As Reported to Pro Forma Results" for the pro forma and non-GAAP adjustments.

	Quarter Ended December 27, 2020			Pro Forma Quarter Ended December 29, 2019			% Change
	As Reported	Non-GAAP Adjustments	Adjusted	As Reported	Non-GAAP Adjustments	Adjusted	
<u>Adjusted Company Results</u>							
External Net Revenues	\$ 1,722,971	\$ -	\$ 1,722,971	\$ 1,663,167	\$ -	\$ 1,663,167	4%
Operating Profit	186,364	75,009	261,373	136,778	36,581	173,359	51%
Operating Margin	10.8%	4.4%	15.2%	8.2%	2.2%	10.4%	
<u>Adjusted Segment Results</u>							
<u>U.S. and Canada Segment:</u>							
External Net Revenues	\$ 790,622	\$ -	\$ 790,622	\$ 682,631	\$ -	\$ 682,631	16%
Operating Profit	180,699	-	180,699	101,641	-	101,641	78%
Operating Margin	22.9%	-	22.9%	14.9%	-	14.9%	
<u>International Segment:</u>							
External Net Revenues	561,767	-	561,767	615,136	-	615,136	-9%
Operating Profit	30,133	-	30,133	55,894	-	55,894	-46%
Operating Margin	5.4%	-	5.4%	9.1%	-	9.1%	
<u>Entertainment, Licensing and Digital Segment:</u>							
External Net Revenues	110,975	-	110,975	130,201	-	130,201	-15%
Operating Profit	27,199	-	27,199	37,136	-	37,136	-27%
Operating Margin	24.5%	-	24.5%	28.5%	-	28.5%	
<u>eOne Segment:</u>							
External Net Revenues	259,607	-	259,607	235,160	-	235,160	10%
Operating (Loss) Profit	(14,223)	60,208	45,985	(71,380)	36,581	(34,799)	>100%
Operating Margin	-5.5%	23.2%	17.7%	-30.4%	15.6%	-14.8%	

Corporate and Eliminations:

The Corporate and Eliminations segment included non-GAAP adjustments of \$14,801 for the quarter ended December 27, 2020 consisting of eOne acquisition and related costs.

SUPPLEMENTAL FINANCIAL DATA

RECONCILIATION OF AS REPORTED TO PRO FORMA ADJUSTED OPERATING RESULTS FY 2020 (Unaudited)

(Thousands of Dollars)

For comparability, the full year ended December 29, 2019 include the pro forma results for the eOne Segment. See "Reconciliation of 2019 As Reported to Pro Forma Results" for the pro forma and non-GAAP adjustments.

	Year Ended December 29, 2020			Pro Forma Year Ended December 27, 2019			% Change
	As Reported	Non-GAAP Adjustments	Adjusted	As Reported	Non-GAAP Adjustments	Adjusted	
<u>Adjusted Company Results</u>							
External Net Revenues	\$ 5,465,443	\$ -	\$ 5,465,443	\$ 5,936,000	\$ -	\$ 5,936,000	-8%
Operating Profit	501,814	324,892	826,706	689,815	142,971	832,786	-1%
Operating Margin	9.2%	5.9%	15.1%	11.6%	2.4%	14.0%	
<u>Adjusted Segment Results</u>							
<u>U.S. and Canada Segment:</u>							
External Net Revenues	\$ 2,556,104	\$ -	\$ 2,556,104	\$ 2,449,280	\$ -	\$ 2,449,280	4%
Operating Profit	539,727	-	539,727	415,436	-	415,436	30%
Operating Margin	21.1%	-	21.1%	17.0%	-	17.0%	
<u>International Segment:</u>							
External Net Revenues	1,578,989	-	1,578,989	1,836,360	-	1,836,360	-14%
Operating Profit	42,466	-	42,466	107,304	-	107,304	-60%
Operating Margin	2.7%	-	2.7%	5.8%	-	5.8%	
<u>Entertainment, Licensing and Digital Segment:</u>							
External Net Revenues	373,854	-	373,854	434,467	-	434,467	-14%
Operating Profit	92,957	20,831	113,788	99,686	-	99,686	14%
Operating Margin	24.9%	5.6%	30.4%	22.9%	-	22.9%	
<u>eOne Segment:</u>							
External Net Revenues	956,496	-	956,496	1,215,773	-	1,215,773	-21%
Operating (Loss) Profit	(79,185)	210,273	131,088	19,987	142,971	162,958	-20%
Operating Margin	-8.3%	22.0%	13.7%	1.6%	11.8%	13.4%	

Corporate and Eliminations:

The Corporate and Eliminations segment included non-GAAP adjustments of \$93,788 for the year ended December 27, 2020 consisting of eOne acquisition and related costs and other severance expenses.

SUPPLEMENTAL FINANCIAL DATA RECONCILIATION OF 2019 AS REPORTED TO PRO FORMA RESULTS (Unaudited)

(Thousands of Dollars)

Pro forma results were prepared by combining the results of Hasbro and eOne for the quarter ended December 29, 2019, after giving effect to the eOne Acquisition as if it had been consummated on December 31, 2018.

These pro forma results do not represent financial results that would have been realized had the acquisition actually occurred on December 31, 2018, nor are they intended to be a projection of future results. The pro forma financial information is presented for illustrative purposes only and does not reflect the costs of any integration activities or cost savings or synergies that may be achieved as a result of the acquisition.

	Quarter Ended December 29, 2019			
	Hasbro As Reported	eOne (under U.S. GAAP)	Pro Forma Adjustments ⁽¹⁾	Pro Forma Combined
Net Revenues	\$ 1,428,007	\$ 235,160	\$ -	\$ 1,663,167
Hasbro Operating Profit	\$ 190,380	\$ -	\$ 17,778	\$ 208,158
eOne Operating Loss	-	(66,580)	(4,800)	(71,380)
Operating Profit (Loss)	190,380	(66,580)	12,978	136,778
Non-GAAP Adjustments	17,778	31,781	(12,978)	36,581
Adjusted Operating Profit (Loss) *	\$ 208,158	\$ (34,799)	\$ -	\$ 173,359
* Reconciliation to Pro Forma Adjusted results is as follows:				
Net Earnings (Loss)	\$ 267,345	\$ (50,266)	\$ (121,611)	\$ 95,468
Interest Expense	34,782	10,772	18,035	63,589
Other Income, net	(143,163)	(759)	120,097	(23,825)
Income Tax Expense (Benefit)	31,416	(26,815)	(3,543)	1,058
Net Earnings Attributable to Noncontrolling Interests	-	488	-	488
Operating Profit (Loss)	190,380	(66,580)	12,978	136,778
<u>Non-GAAP Adjustments</u>				
Hasbro:				
eOne Acquisition Costs	17,778	-	(17,778)	-
eOne:				
Restructuring and Related Charges	-	11,526	-	11,526
Acquisition Costs - eOne Deals	-	458	-	458
Hasbro Transaction Costs	-	3,245	(3,245)	-
Acquired Intangible Amortization	-	16,552	8,045	24,597
	17,778	31,781	(12,978)	36,581
Adjusted Operating Profit (Loss)	\$ 208,158	\$ (34,799)	\$ -	\$ 173,359

⁽¹⁾ The pro forma results include certain pro forma adjustments to net earnings that were directly attributable to the acquisition, as if the acquisition had occurred on December 31, 2018, including the following:

- elimination of acquisition and deal costs of \$17,778 incurred by Hasbro and \$3,245 incurred by eOne related to the eOne acquisition, included in Selling, Distribution and Administration;
- additional amortization expense of \$8,045 that would have been recognized as a result of the allocation of purchase consideration to definite-lived intangible assets subject to amortization;
- estimated differences in Interest Expense of \$18,035 as a result of incurring new debt and extinguishing historical eOne debt;
- elimination of \$120,097 gain in Other Income, net, related to the mark to market of foreign exchange forward and option contracts, which the Company entered into in order to hedge a portion of the British pound sterling purchase price for the eOne acquisition; and
- the income tax effect of the pro forma adjustments in the amount of \$3,543, calculated using a blended statutory income tax rate of 22.5% for the eOne adjustments and 21% for the Hasbro interest adjustments.

SUPPLEMENTAL FINANCIAL DATA RECONCILIATION OF 2019 AS REPORTED TO PRO FORMA RESULTS (Unaudited)

(Thousands of Dollars)

Pro forma results were prepared by combining the results of Hasbro and eOne for the full year ended December 29, 2019, after giving effect to the eOne Acquisition as if it had been consummated on December 31, 2018.

These pro forma results do not represent financial results that would have been realized had the acquisition actually occurred on December 31, 2018, nor are they intended to be a projection of future results. The pro forma financial information is presented for illustrative purposes only and does not reflect the costs of any integration activities or cost savings or synergies that may be achieved as a result of the acquisition.

	Year Ended December 29, 2019			
	Hasbro As Reported	eOne (under U.S. GAAP)	Pro Forma Adjustments ⁽²⁾	Pro Forma Combined
Net Revenues	\$ 4,720,227	\$ 1,215,773	\$ -	\$ 5,936,000
Hasbro Operating Profit	\$ 652,050	\$ -	\$ 17,778	\$ 669,828
eOne Operating Profit	-	52,321	(32,334)	19,987
Operating Profit	652,050	52,321	(14,556)	689,815
Non-GAAP Adjustments	17,778	110,637	14,556	142,971
Adjusted Operating Profit *	\$ 669,828	\$ 162,958	\$ -	\$ 832,786
* Reconciliation to Pro Forma Adjusted results is as follows:				
Net Earnings (Loss)	\$ 520,454	\$ (22,134)	\$ (152,409)	\$ 345,911
Interest Expense	101,878	45,845	75,351	223,074
Other (Income) Expense, net	(44,038)	27,720	74,752	58,434
Income Tax Expense (Benefit)	73,756	(4,512)	(12,250)	56,994
Net Earnings Attributable to Noncontrolling Interests	-	5,402	-	5,402
Operating Profit	652,050	52,321	(14,556)	689,815
<u>Non-GAAP Adjustments</u>				
Hasbro:				
eOne Acquisition Costs	17,778	-	(17,778)	-
eOne:				
Restructuring and Related Charges	-	33,408	-	33,408
Acquisition Costs - eOne Deals	-	11,175	-	11,175
Hasbro Transaction Costs	-	6,489	(6,489)	-
Acquired Intangible Amortization	-	59,565	38,823	98,388
	17,778	110,637	14,556	142,971
Adjusted Operating Profit	\$ 669,828	\$ 162,958	\$ -	\$ 832,786

(1) The pro forma results include certain pro forma adjustments to net earnings that were directly attributable to the acquisition, as if the acquisition had occurred on December 31, 2018, including the following:

- elimination of acquisition and deal costs of \$17,778 incurred by Hasbro and \$6,489 incurred by eOne related to the eOne acquisition, included in Selling, Distribution and Administration;
- additional amortization expense of \$38,823 that would have been recognized as a result of the allocation of purchase consideration to definite-lived intangible assets subject to amortization;
- estimated differences in Interest Expense of \$75,351 as a result of incurring new debt and extinguishing historical eOne debt;
- total adjustments to Other (Income) Expense, net of \$74,752, consisting of:
 - elimination of \$19,812 expense related to premiums paid by eOne in connection with the early redemption of its senior secured notes and the related write-off of unamortized deferred finance charges associated with the senior secured notes, and
 - elimination of \$94,564 net gain related to the mark to market of foreign exchange forward and option contracts, which the Company entered into in order to hedge a portion of the British pound sterling purchase price for the eOne acquisition; and
- the income tax effect of the pro forma adjustments in the amount of \$12,250, calculated using a blended statutory income tax rate of 22.5% for the eOne adjustments and 21% for the Hasbro interest adjustments.

SUPPLEMENTAL FINANCIAL DATA

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)

Thousands of Dollars & Shares, Except Per Share Data

For comparability, the quarter and full year ended December 29, 2019 includes the pro forma results for the eOne Segment. See "Reconciliation of 2019 As Reported to Pro Forma Results" for the pro forma and non-GAAP adjustments.

Reconciliation of Net Earnings and Earnings per Share

	Quarter Ended			
	December 27, 2020	Diluted Per Share Amount	Pro Forma December 29, 2019	Pro Forma Diluted Per Share Amount ⁽¹⁾
<i>(all adjustments reported after-tax)</i>				
Net Earnings Attributable to Hasbro, Inc.	\$ 105,173	\$ 0.76	\$ 95,468	\$ 0.69
Acquisition and Related Costs	47,866	0.35	-	-
Acquired Intangible Amortization	23,260	0.17	19,063	0.14
Severance	(2,703)	(0.02)	-	-
UK Tax Reform ⁽²⁾	1,709	0.01	-	-
Pension ⁽³⁾	-	-	143	-
Pro Forma eOne Adjustments	-	-	9,288	0.07
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 175,305</u>	<u>\$ 1.27</u>	<u>\$ 123,962</u>	<u>\$ 0.90</u>
	Year Ended			
December 27, 2020	Diluted Per Share Amount	Pro Forma December 29, 2019	Pro Forma Diluted Per Share Amount ⁽¹⁾	
<i>(all adjustments reported after-tax)</i>				
Net Earnings Attributable to Hasbro, Inc.	\$ 222,519	\$ 1.62	\$ 345,911	\$ 2.51
Acquisition and Related Costs	188,557	1.37	-	-
Acquired Intangible Amortization	80,731	0.59	76,251	0.55
Severance	7,422	0.05	-	-
UK Tax Reform ⁽²⁾	15,389	0.11	-	-
Pension ⁽³⁾	-	-	85,995	0.63
Pro Forma eOne Adjustments	-	-	34,552	0.25
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 514,618</u>	<u>\$ 3.74</u>	<u>\$ 542,709</u>	<u>\$ 3.94</u>

⁽¹⁾ 2019 Pro Forma Diluted Per Share Amount is calculated using weighted average shares outstanding of 137,586 for the quarter and year ended December 29, 2019, which includes the pro forma impact of issuing shares associated with the financing of the eOne Acquisition.

⁽²⁾ In the third quarter of 2020, the Company recorded income tax expense of \$13,680 as a result of the revaluation of Hasbro's UK tax attributes in accordance with the Finance Act of 2020 enacted by the United Kingdom on July 22, 2020. In the fourth quarter of 2020, the Company recorded additional tax expense of \$1,709 related to the revaluation. Effective back to April 1, 2020, the new law maintains the corporate income tax rate at 19% instead of the planned reduction to 17% that was previously enacted in the UK Finance Act of 2016.

⁽³⁾ In the second quarter of 2019, the Company recognized a non-cash charge of \$110,777 (\$85,852 after-tax) related to the settlement of its U.S. defined benefit pension plan. In the fourth quarter of 2019, the Company recognized an additional \$185 non-cash charge (\$143 after-tax) related to the settlement.

SUPPLEMENTAL FINANCIAL DATA

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)

Thousands of Dollars & Shares, Except Per Share Data

For comparability, the quarter and full year ended December 29, 2019 includes the pro forma results for the eOne Segment. See "Reconciliation of 2019 As Reported to Pro Forma Results" for the pro forma and non-GAAP adjustments.

Reconciliation of EBITDA

	Quarter Ended		Quarter Ended December 29, 2019			
	December 27, 2020		Hasbro	eOne	Pro Forma	Pro Forma
			As Reported	(under U.S. GAAP)	Adjustments ⁽⁴⁾	Combined
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$	105,173	\$ 267,345	\$ (50,266)	\$ (121,611)	\$ 95,468
Interest Expense		47,428	34,782	10,772	18,035	63,589
Income Tax Expense (Benefit)		32,308	31,416	(26,815)	(3,543)	1,058
Net Earnings Attributable to Noncontrolling Interests		993	-	488	-	488
Depreciation		26,129	32,512	1,839	-	34,351
Amortization of Intangibles		37,061	11,814	16,552	8,045	36,411
EBITDA	\$	249,092	\$ 377,869	\$ (47,430)	\$ (99,074)	\$ 231,365
Non-GAAP Adjustments		49,489	(102,134)	15,229	99,074	12,169
Adjusted EBITDA	\$	298,581	\$ 275,735	\$ (32,201)	\$ -	\$ 243,534

	Year Ended		Year Ended December 29, 2019			
	December 27, 2020		Hasbro	eOne	Pro Forma	Pro Forma
			As Reported	(under U.S. GAAP)	Adjustments ⁽⁵⁾	Combined
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$	222,519	\$ 520,454	\$ (22,134)	\$ (152,409)	\$ 345,911
Interest Expense		201,130	101,878	45,845	75,351	223,074
Income Tax Expense (Benefit)		96,621	73,756	(4,512)	(12,250)	56,994
Net Earnings Attributable to Noncontrolling Interests		2,922	-	5,402	-	5,402
Depreciation		120,229	133,528	7,609	-	141,137
Amortization of Intangibles		144,746	47,259	59,565	38,823	145,647
EBITDA	\$	788,167	\$ 876,875	\$ 91,775	\$ (50,485)	\$ 918,165
Non-GAAP Adjustments		227,036	34,176	70,884	50,485	155,545
Adjusted EBITDA	\$	1,015,203	\$ 911,051	\$ 162,659	\$ -	\$ 1,073,710

⁽⁴⁾ Pro Forma Adjustments for the quarter ended December 29, 2019 include the gain on acquisition-related foreign exchange forward and option contracts, partially offset by bridge loan costs, for a net gain of \$120,097, and deal costs of \$21,023, which are excluded from pro forma results, and also shown as Non-GAAP Adjustments within Hasbro and eOne. The net impact to Pro Forma Adjusted EBITDA is zero.

⁽⁵⁾ Pro Forma Adjustments for the year ended December 29, 2019 include the gain on acquisition-related foreign exchange forward and option contracts, partially offset by bridge loan costs, for a net gain of \$94,564, deal costs of \$24,267, and debt refinancing costs of \$19,812, which are excluded from pro forma results, and also shown as Non-GAAP Adjustments within Hasbro and eOne. The net impact to Pro Forma Adjusted EBITDA is zero.

SUPPLEMENTAL FINANCIAL DATA

eOne - FY2019 RESULTS OF OPERATIONS (AS REPORTED UNDER US GAAP) (Unaudited) (Thousands of Dollars)

	Quarter Ended				Year Ended
	March 2019	June 2019	September 2019	December 2019	December 2019
Net Revenues ⁽¹⁾	\$ 466,212	\$ 231,091	\$ 283,310	\$ 235,160	\$ 1,215,773
Costs and Expenses:					
Cost of Sales	14,141	17,053	11,497	24,878	67,569
Program Cost Amortization	160,857	64,527	92,662	90,414	408,460
Royalties	81,147	55,865	49,533	39,659	226,204
Advertising	21,173	32,870	30,593	37,241	121,877
Amortization of Intangibles	12,117	16,025	14,871	16,552	59,565
Selling, Distribution and Administration	61,130	63,791	61,860	92,996	279,777
Operating Profit (Loss)	115,647	(19,040)	22,294	(66,580)	52,321
Interest Expense	12,563	12,208	10,302	10,772	45,845
Other Expense (Income), Net	4,556	21,236	2,687	(759)	27,720
Earnings (Loss) before Income Taxes	98,528	(52,484)	9,305	(76,593)	(21,244)
Income Tax Expense (Benefit)	21,632	(3,354)	4,025	(26,815)	(4,512)
Net Earnings (Loss)	76,896	(49,130)	5,280	(49,778)	(16,732)
Net Earnings Attributable to Noncontrolling Interests	2,190	402	2,322	488	5,402
Net Earnings (Loss) Attributable to eOne	\$ 74,706	\$ (49,532)	\$ 2,958	\$ (50,266)	\$ (22,134)

The eOne financial results above include certain charges that would have been excluded to calculate Adjusted results, as historically reported by eOne. Those charges are outlined below for each quarter in fiscal year 2019.

⁽¹⁾ eOne Net Revenues by category are as follows:

	Quarter Ended				Year Ended
	March 2019	June 2019	September 2019	December 2019	December 2019
Film and TV	\$ 387,611	\$ 160,270	\$ 199,949	\$ 140,581	\$ 888,411
Family Brands	56,612	41,228	53,828	58,677	210,345
Music and Other	21,989	29,593	29,533	35,902	117,017
Total	\$ 466,212	\$ 231,091	\$ 283,310	\$ 235,160	\$ 1,215,773

SUPPLEMENTAL FINANCIAL DATA

eOne - FY2019 RESULTS OF OPERATIONS (AS REPORTED UNDER US GAAP) (Unaudited)

(Thousands of Dollars)

Non-GAAP Adjustments

	Quarter Ended				Year Ended
	March 2019	June 2019	September 2019	December 2019	December 2019
Restructuring and Related Charges	\$ 11,275	\$ 7,373	\$ 3,234	\$ 11,526	\$ 33,408
Acquisition Costs - eOne Deals	729	8,664	1,324	458	11,175
Hasbro Transaction Costs	-	-	3,244	3,245	6,489
Selling, Distribution and Administration	12,004	16,037	7,802	15,229	51,072
Debt Refinancing Costs	-	19,812	-	-	19,812
Other Expense (Income), Net	-	19,812	-	-	19,812
Total	\$ 12,004	\$ 35,849	\$ 7,802	\$ 15,229	\$ 70,884