



Third Quarter 2017 Earnings

October 23, 2017

Safe Harbor

FORWARD-LOOKING STATEMENTS: This presentation contains forward-looking statements concerning management's expectations, goals, objectives and similar matters, which are subject to risks and uncertainties. These forward-looking statements may include comments concerning our product and entertainment plans, anticipated product performance, business opportunities, plans and strategies, costs, financial goals and expectations for our future financial performance and achieving our objectives, as well as the anticipated impact of foreign exchange rates. There are many factors that could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in these forward-looking statements, including consumer and retailer interest in and acceptance of our products and product lines, changes in marketing and business plans and strategies as well as future global economic conditions, including foreign exchange rates. Some of those factors are set forth in the Company's Annual Reports on Form 10-K, in the Company's Quarterly Reports on Form 10-Q, in the Company's Current Reports on Form 8-K, the risk factors in the earnings release for the third quarter 2017 and in the Company's other public disclosures. The Company undertakes no obligation to make any revisions to the forward-looking statements contained in this presentation to reflect events or circumstances occurring after the date of this presentation.

REGULATION G: Information required by Securities and Exchange Commission Regulation G, regarding non-GAAP financial measures, as well as other financial and statistical information, will be available at the time of the conference call on the Investor Relations' section of Hasbro's website at: investor.hasbro.com, under the subheading "Financial Information" – "Quarterly Results."



Brand Blueprint



Third Quarter Snapshot

■ Q3 2017 Net Revenues \$1.79B up 7% year-over-year

- Includes a \$27.9M favorable impact from foreign exchange
- U.S. and Canada segment up 7%; International segment up 7%; Entertainment and Licensing segment up 4%
- Emerging markets revenues increased 8%

■ Third Quarter Brand Portfolio Performance

- Franchise Brands up 7%; Growth in NERF, TRANSFORMERS, MY LITTLE PONY and MONOPOLY
- Partner Brands Revenues Declined 2%; BEYBLADE, STAR WARS, DISNEY DESCENDANTS and SESAME STREET growth offset by declines primarily in YOKAI WATCH and DREAMWORKS' TROLLS
- Hasbro Gaming up 22%; Growth from diverse brand portfolio
- Emerging Brands up 9%; BABY ALIVE and FURREAL FRIENDS main drivers

■ Operating Profit \$361.0M in Q3 2017 vs. \$362.1M in Q3 2016

- Negatively impacted by bad debt expense associated with Toys“R”Us bankruptcy filing in US and Canada

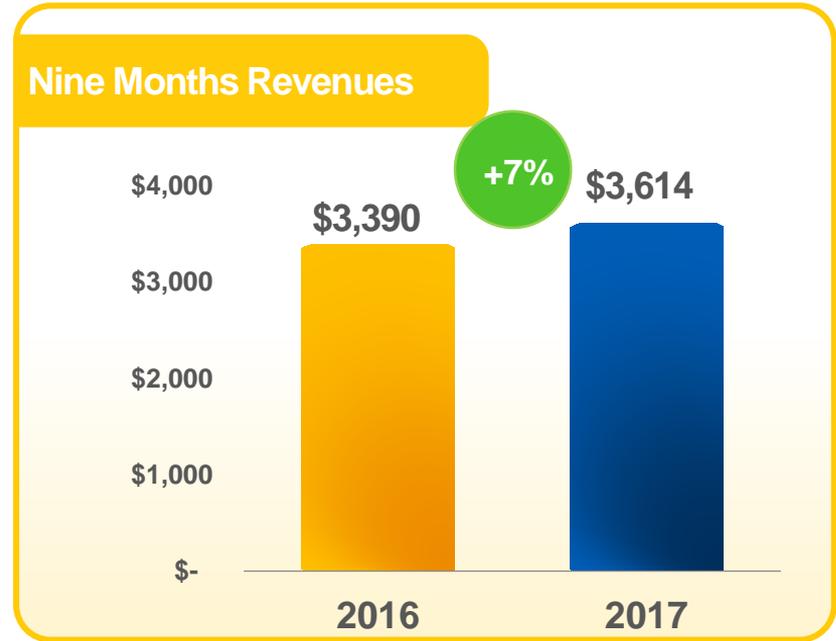
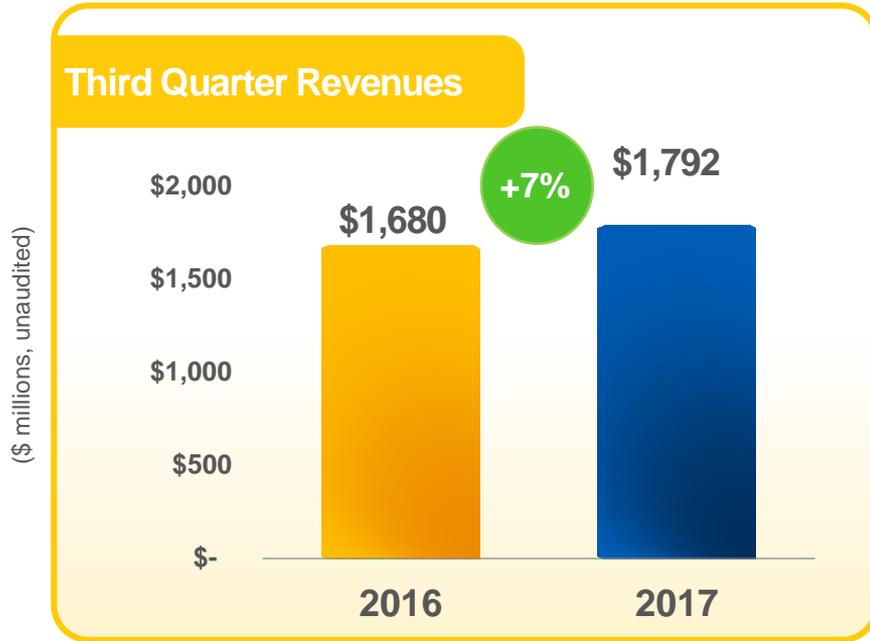
■ Strong Financial Position & Balance Sheet

- \$1.2B in cash at quarter end
- Returned \$ 164.3M to shareholders in the quarter

■ Net Earnings of \$266M, or \$2.09 per diluted share, in Q3 2017 vs. \$256.2M, or \$2.03 per diluted share, in Q3 2016

- Q3 2017 Reported net earnings include a \$0.04 per diluted share benefit vs. Q3 2016 from the adoption of FASB ASU No. 2016-09

Third Quarter and Nine Months Net Revenue Performance



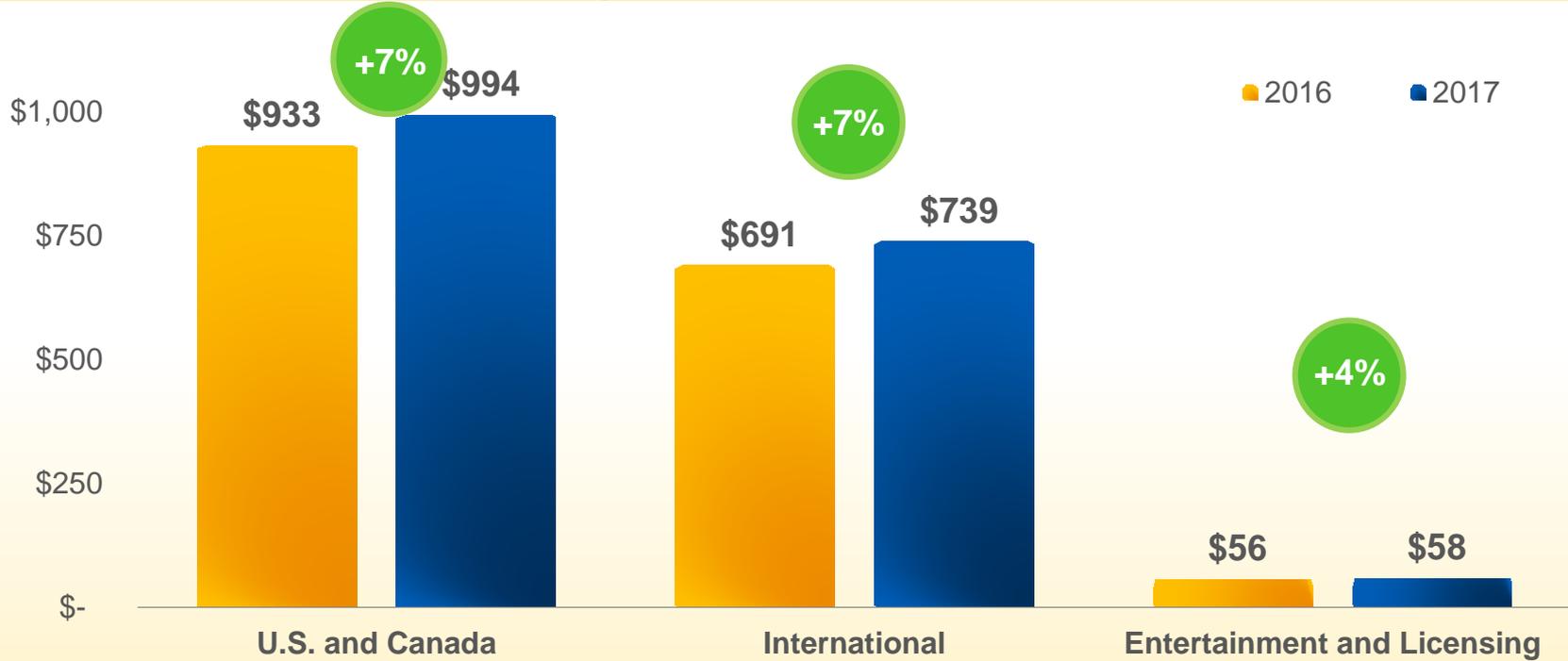
Revenue growth in each Operating Segment with double-digit consumer takeaway globally at retail

Q3 2017 and YTD 2017 Revenue Growth in Franchise Brands, Hasbro Gaming and Emerging Brands

Effective management of short-term disruptions: Toys“R”Us bankruptcy filing in US and Canada and ongoing softness in the UK and Brazil



Third Quarter Segment Net Revenues



U.S. and Canada

Growth in all Categories: Franchise Brands, Partner Brands, Hasbro Gaming and Emerging Brands; Inventory in good position

International

Growth in Franchise Brands and Hasbro Gaming; Inventory in good position

Entertainment and Licensing

Growth in Consumer Products and Entertainment

Nine Months Segment Net Revenues



U.S. and Canada

Growth in Franchise Brands, Hasbro Gaming and Emerging Brands; Partner Brands flat; Inventory in good position

International

Growth in Franchise Brands and Hasbro Gaming; Inventory in good position

Entertainment and Licensing

Growth in Consumer Products and Digital Gaming



International Segment Revenues

	Q3 2017 As Reported	Q3 2017 Absent FX	9 Mos. 2017 As Reported	9 Mos. 2017 Absent FX
Europe	+3%	-1%	+2%	-1%
Latin America	+13%	+9%	+10%	+7%
Asia Pacific	+17%	+15%	+12%	+11%
International	+7%	+3%	+5%	+3%

International Segment Foreign Exchange Impact

Third Quarter 2017: +\$27.9M; YTD 2017: +\$33.3M

- Absent FX: Q3 2017 Revenues +3%; YTD +3%
- Q3 2017 Emerging Markets up 8% as reported; YTD 2017 up 11% as reported
- Absent FX, emerging markets up approximately 5% in Q3 and 7% YTD 2017



Third Quarter & Nine Months Brand Portfolio Performance

(\$ millions, unaudited)	Q3 2017	Q3 2016	% Change	Nine Mo. 2017	Nine Mo. 2016	% Change
Franchise Brands	\$827	\$773	+7%	\$1,804	\$1,642	+10%
Partner Brands	486	494	-2%	929	979	-5%
Hasbro Gaming*	280	230	+22%	550	457	+20%
Emerging Brands	198	183	+9%	331	312	+6%
Total	\$1,792	\$1,680	+7%	3,614	3,390	+7%

Total Gaming*:
 Q3: \$410M, +4%
 YTD: \$951M, +10%



*Hasbro'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, totaled \$425M for Q3 2017, up 4% vs. \$410M in Q3 2016. Nine months 2017 total gaming revenue totaled \$951M, up 10% vs. \$868M in nine months 2016.

Hasbro believes its gaming portfolio is a competitive differentiator and views it in its entirety.

Third Quarter Major Expense Items

(\$ millions, unaudited)	Q3 2017	Q3 2016	% Change YOY*	Q3 2017 % of Revenue
Cost of Sales	\$731	\$659	+11%	40.8%
Royalties	\$139	\$134	+4%	7.8%
Product Development	\$67	\$70	-4%	3.8%
Advertising	\$169	\$154	+10%	9.4%
Amortization of Intangibles	\$6	\$9	-25%	0.4%
Program Production Cost Amortization	\$5	\$6	-14%	0.3%
Selling, Distribution & Administration**	\$312	\$285	+10%	17.4%

*Percent changes may not calculate due to rounding

**Includes bad debt expense associated with the Toys“R”Us bankruptcy filing in the US and Canada



Nine Months Major Expense Items

(\$ millions, unaudited)	9 Mo. 2017	9 Mo. 2016	% Change YOY*	9 Mo. % of Revenue
Cost of Sales	\$1,405	\$1271	+11%	38.9%
Royalties	\$283	\$274	+3%	7.8%
Product Development	\$193	\$191	+1%	5.3%
Advertising	\$342	\$321	+7%	9.5%
Amortization of Intangibles	\$22	\$26	-15%	0.6%
Program Production Cost Amortization	\$16	\$18	-8%	0.4%
Selling, Distribution & Administration	\$813	\$757	+7%	22.5%

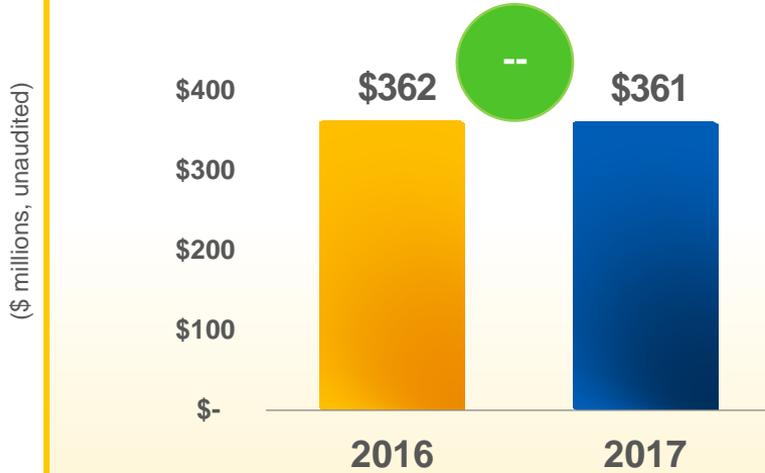
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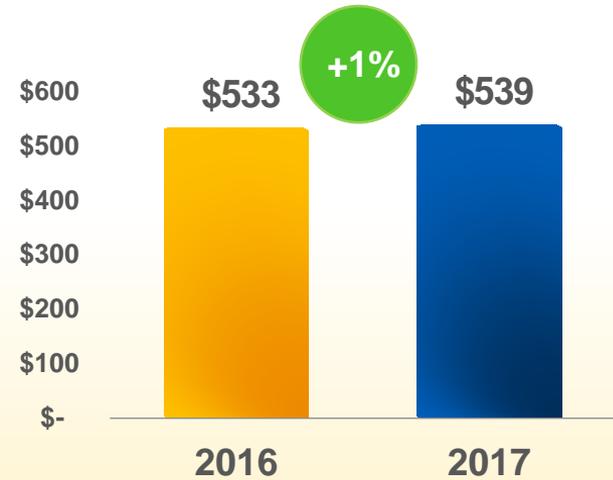


Third Quarter and Nine Months Operating Profit

As Reported Third Quarter Operating Profit



As Reported Nine Mo. Operating Profit



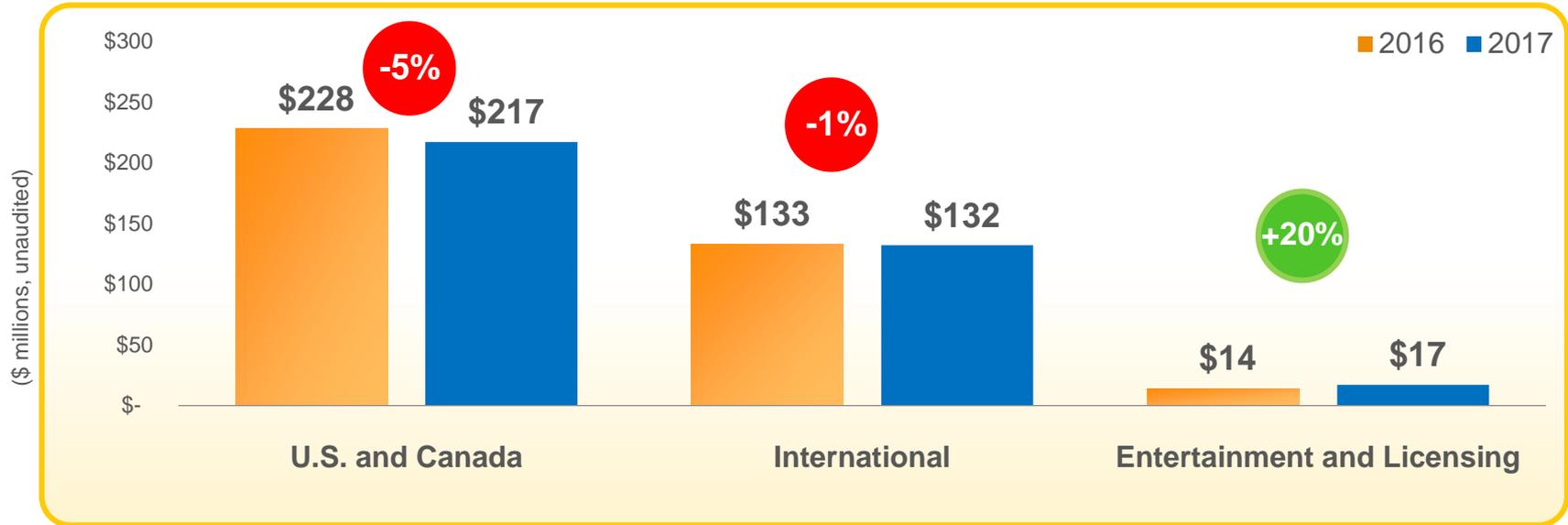
Q3 2017 Operating Profit Margin 20.1% vs 21.6% in Q3 2016

Approx. negative 100 bp impact from bad debt expense; less favorable product mix

YTD 2017 Operating Profit Margin 14.9% vs 15.7% in 2016

Negative impact from bad debt expense; less favorable product mix; higher closeouts YTD

Third Quarter Segment Operating Profit



U.S. and Canada

Operating profit margin 21.9% vs. 24.4% in Q3 16; Bad debt expense and less favorable product mix

International

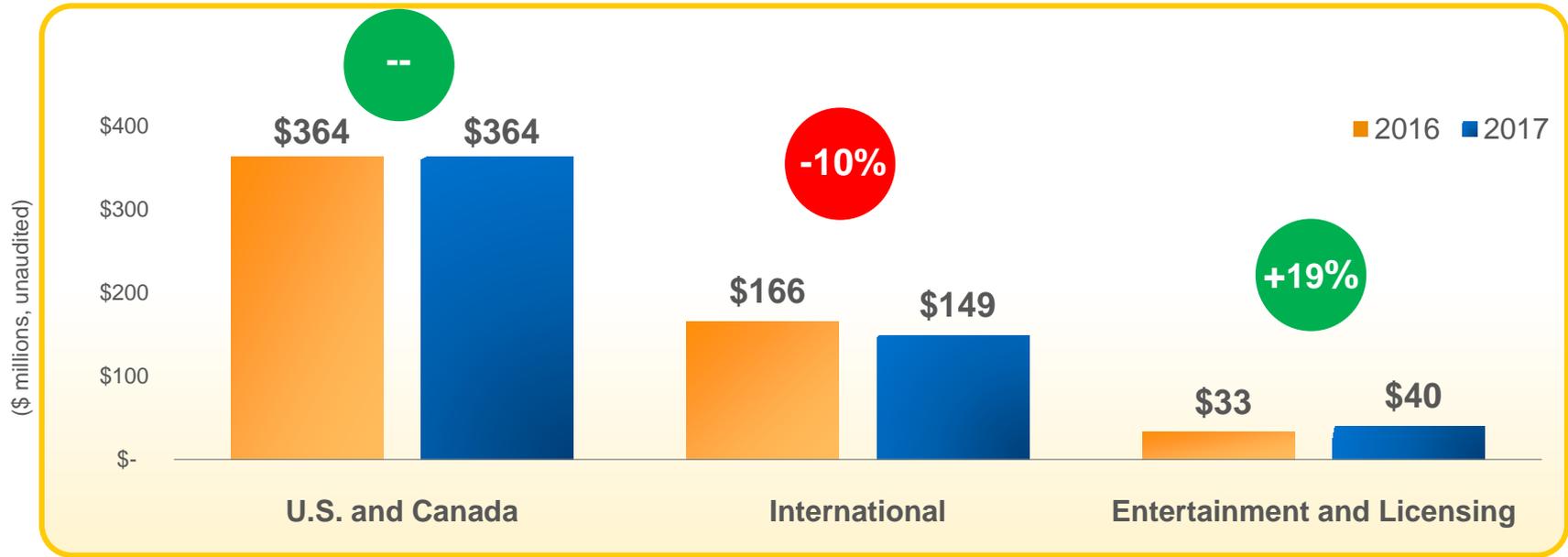
Operating profit margin 17.9% vs. 19.3% in Q3 16; Less favorable product mix

Entertainment and Licensing

Operating profit margin 28.9% vs. 25.1% in Q3 16; Higher revenues and better expense leverage



Nine Months Segment Operating Profit



U.S. and Canada

Operating profit margin 18.7% vs. 20.2% in Q3 16; Higher revenues offset by less favorable product mix; bad debt expense

International

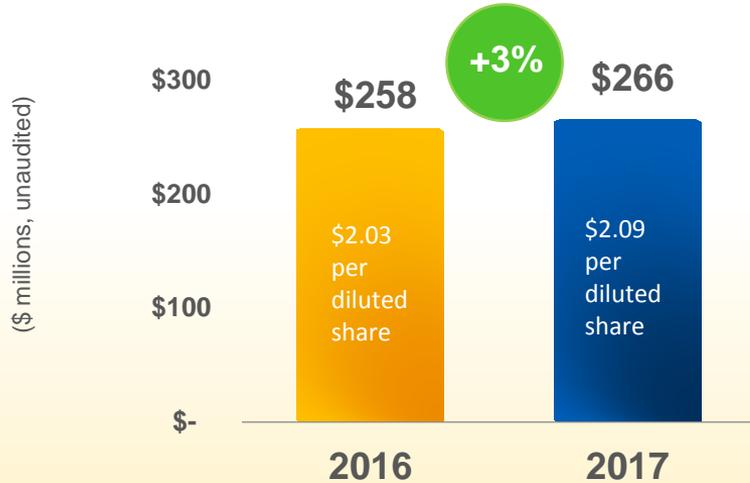
Operating profit margin 9.9% vs. 11.5% in Q3 16; Higher revenues offset by softness in UK and Brazil; Higher closeouts

Entertainment and Licensing

Operating profit margin 24.3% vs. 22.2% in Q3 16; Higher revenues and expense leverage

Third Quarter and Nine Months Net Earnings Attributable to Hasbro, Inc.

As Reported Q3 2017 Net Earnings

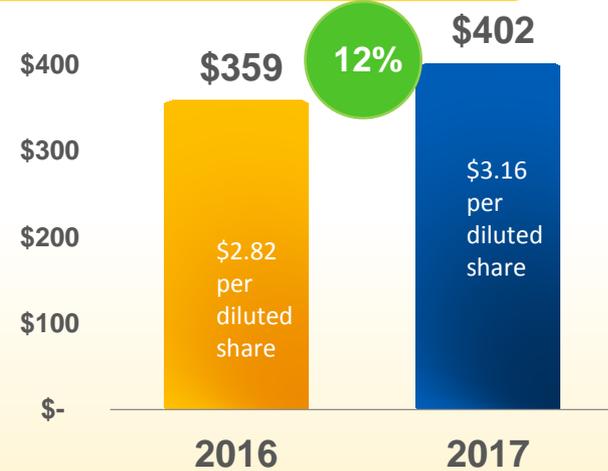


Q3 2017 Underlying Tax Rate of 23.5%
vs. 26.1% in Q3 2016

Q3 2017 Other Income \$14M vs. Other Income \$9M in Q3 2016

Q3 2017 includes an approx. \$0.04 per diluted share benefit
from adoption of FASB ASU No. 2016-09

As Reported Nine Months Net Earnings



YTD 2017 Other Income of \$42M vs.
Other Income \$12M YTD 2016

YTD 2017 Other Income \$42M vs. Other Income \$12M YTD 2016

YTD 2017 includes an approx. \$0.16 per diluted share benefit
from adoption of FASB ASU No. 2016-09

Key Cash Flow & Balance Sheet Data

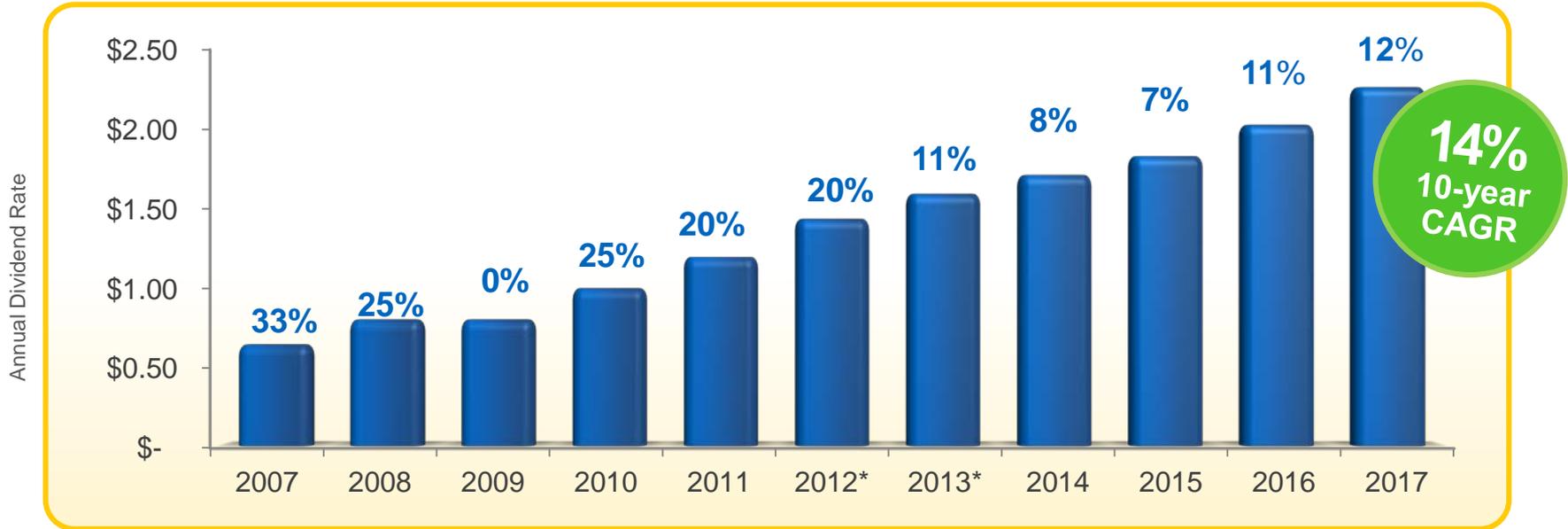
(\$ millions, unaudited)	Oct. 1, 2017	Sept. 25, 2016	Notes
Cash	\$1,245	\$830	Strong cash position, mostly held overseas
Depreciation	\$42	\$32	Increased depreciation of IT systems
Amortization of Intangibles	\$6	\$9	In line with full-year target of \$29M
TV Program and Film Spending	\$6	\$11	Continued investment in TV programming and film
Capital Expenditures	\$36	\$37	Tooling and information systems investments
Dividends Paid	\$71	\$64	In February 2017, quarterly dividend increased 12% to \$0.57 per share. Next dividend payable on November 15, 2017.
Stock Repurchase	\$93	\$37	\$216.5M remains in authorization at quarter end
Operating Cash Flow	\$164	\$111	\$823M over past 12 months
Accounts Receivable	\$1,656	\$1,453	DSOs up 5 days to 83 days; AR in good condition and collections strong
Inventory	\$629	\$608	Inventory up 4%, flat absent FX; well positioned to support the holiday

Capital Priorities



- Invest in the long-term profitable growth of Hasbro
- Return excess cash to shareholders through dividend and stock repurchase program
- Maintain an investment grade rating and access to commercial paper market

Capital Priorities: Dividend



% reflects increase in quarterly dividend rate

↑ 12%
2017 Quarterly Dividend Increase

↑ Dividend in 13 of last 14 years

10 Years \$1.7B



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

Capital Priorities: Share Repurchase

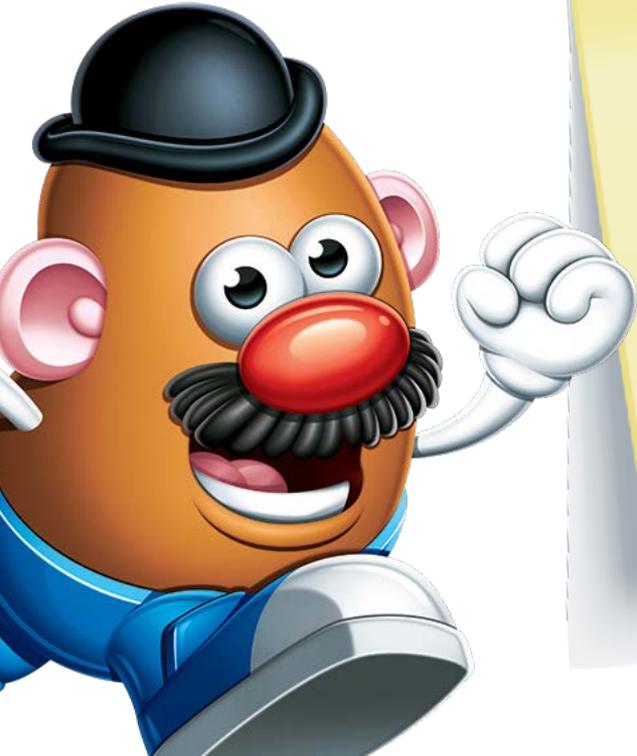


Q3 2017 End
\$216.5M
Remains

Q3 2017 Repurchases
\$93M; YTD 2017
\$112M

10 Years
\$3.5B

Making the World a Better Place



Corporate Social Responsibility

- ✓ Product Safety
- ✓ Ethical Sourcing
- ✓ Environmental Sustainability



MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



1500 Pounds of Play-Doh

3 Concerts

1500 NERF Blasters

40+ Panels

15,000 NERF Darts

40+ Celebrity Meet & Greets



**SEPT
8-10
2017**

HASCON

THE PREMIER HASBRO FANmily™ EVENT



Supplementary Financial Information

Third Quarter and Nine Months Consolidated Statements of Operations

(\$ millions, unaudited)	Quarter Ended				Nine Months Ended			
	Oct. 1, 2017	% Net Revenues	Sept. 25, 2016	% Net Revenues	Oct. 1, 2017	% Net Revenues	Sept. 25, 2016	% Net Revenues
Net Revenues	\$1,792	100.0%	\$1,680	100.0%	\$3,614	100.0%	\$3,390	100.0%
Cost of Sales	731	40.8%	659	39.2%	1,405	38.9%	1,271	37.5%
Royalties	139	7.8%	134	8.0%	283	7.8%	274	8.1%
Product Development	67	3.8%	70	4.2%	193	5.3%	191	5.6%
Advertising	169	9.4%	154	9.2%	342	9.5%	321	9.5%
Amortization of Intangibles	6	0.4%	9	0.5%	22	0.6%	26	0.8%
Program Production Cost Amortization	5	0.3%	6	0.4%	16	0.4%	18	0.5%
Selling, Distribution & Administration	312	17.4%	285	17.0%	813	22.5%	757	22.3%
Operating Profit	361	20.1%	362	21.6%	539	14.9%	533	15.7%
Interest Expense	25	1.4%	24	1.4%	74	2.0%	72	2.1%
Other (Income) Expense, Net	(14)	(0.8%)	(9)	(0.5)%	(42)	(1.2)%	(12)	(0.4)%
Earnings Before Income Taxes	350	19.5%	346	20.6%	508	14.0%	473	13.9%
Income Taxes	84	4.7%	90	5.4%	106	2.9%	120	3.5%
Net Earnings	266	14.8%	256	15.2%	402	11.1%	353	10.4%
Net Loss Attributable to Noncontrolling Interests	-	0%	(2)	(0.1)%	-	0%	(6)	(0.2)%
Net Earnings Attributable to Hasbro, Inc.	\$266	14.8%	\$258	15.3%	\$402	11.1%	\$359	10.6%
Diluted EPS	\$2.09		\$2.03		\$3.16		\$2.82	

Condensed Consolidated Balance Sheets

(\$ millions, unaudited)	October 1, 2017	September 25, 2016
Cash & Cash Equivalents	\$1,245	\$830
Accounts Receivable, Net	1,656	1,453
Inventories	629	608
Other Current Assets	233	256
Total Current Assets	3,762	3,147
Property, Plant & Equipment, Net	264	247
Other Assets	1,519	1,561
Total Assets	\$5,545	\$4,955
Short-term Borrowings	189	179
Current Portion of long-term debt	-	350
Payables & Accrued Liabilities	1,296	1,087
Total Current Liabilities	1,485	1,616
Long-term Debt	1,693	1,198
Other Liabilities	410	364
Total Liabilities	3,588	3,179
Redeemable Noncontrolling Interests	-	35
Total Shareholders' Equity	1,956	1,742
Total Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity	\$5,545	\$4,955



Condensed Consolidated Cash Flow-Nine Months Ended

(\$ millions, unaudited)

	October 1, 2017	Sept. 25, 2016
Net Cash Provided by Operating Activities	\$202	\$195
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(103)	(104)
Acquisitions and Investments, Net of Cash Acquired	-	(12)
Other	6	26
Net Cash Utilized by Investing Activities	(97)	(90)
Cash Flows from Financing Activities:		
Proceeds from Borrowings with Maturity Greater than 3 Months	494	-
Proceeds from Borrowings with Maturity Greater than 3 Months	(350)	-
Net Proceeds from (Repayments of) Short-term Borrowings	16	14
Purchases of Common Stock	(112)	(104)
Stock-based Compensation Transactions	29	38
Dividends Paid	(206)	(185)
Employee Taxes Paid for Shares Withheld	(32)	(22)
Other	-	1
Net Cash Utilized by Financing Activities	(161)	(259)
Effect of Exchange Rate Changes on Cash	19	8
Cash and Cash Equivalents at Beginning of Year	1,282	977
Cash and Cash Equivalents at End of Quarter	\$1,245	\$830



Supplemental Financial Data

Reconciliation of Non-GAAP Financial Measures (Unaudited)

HASBRO, INC.

SUPPLEMENTAL FINANCIAL DATA

(Unaudited)

(Thousands of Dollars)

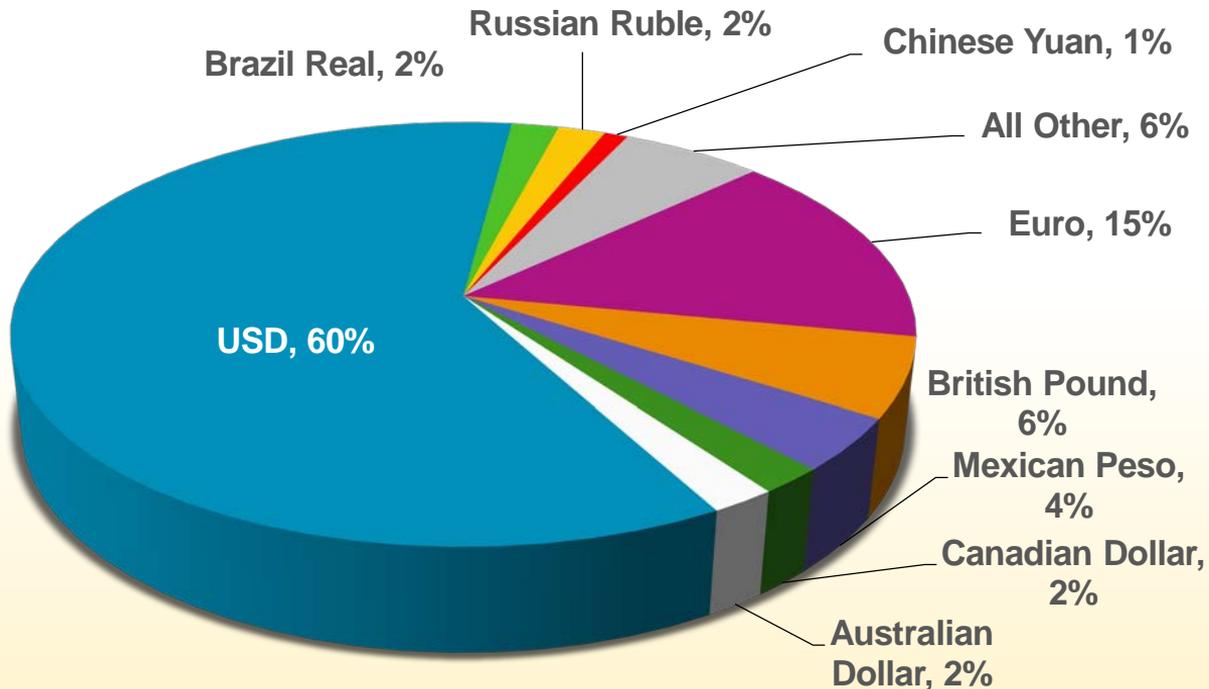
Reconciliation of EBITDA

	Quarter Ended		Nine Months Ended	
	Oct. 1, 2017	Sept. 25, 2016	Oct. 1, 2017	Sept. 25, 2016
Net Earnings Attributable to Hasbro, Inc.	\$ 265,583	\$ 257,798	\$ 401,905	\$ 358,655
Net Loss Attributable to Noncontrolling Interests	-	(1,636)	-	(6,103)
Interest Expense	25,072	24,305	73,752	72,263
Income Taxes	84,258	90,162	105,659	120,005
Depreciation	42,062	32,236	107,853	89,327
Amortization of Intangibles	6,492	8,691	22,254	26,073
EBITDA	<u>\$ 423,467</u>	<u>\$ 411,556</u>	<u>\$ 711,423</u>	<u>\$ 660,220</u>

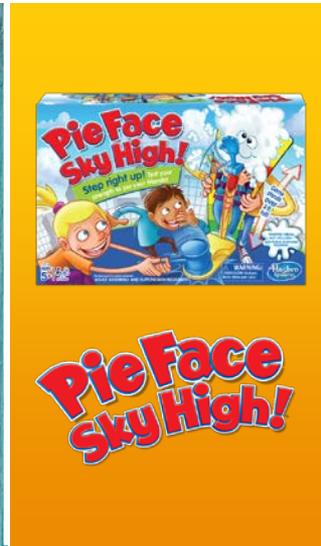


2016 Revenue by Currency

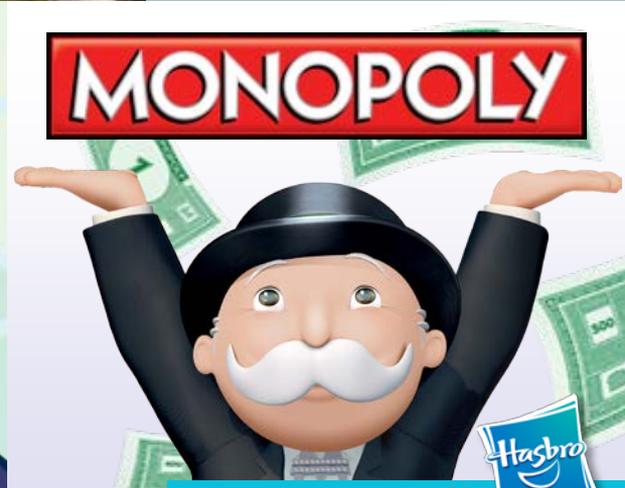
Hasbro 2016 Net Revenues by Currency



Hasbro 2017 Initiatives



Franchise Brands





Creating the
World's **Best Play**
Experiences

