



Q2

2022 Earnings

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July 19, 2022

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 business strategies; the ability to achieve our financial and business goals and objectives; anticipated financial performance or business prospects in our business and our segments in future periods; expectations relating to products, gaming and entertainment to be developed and delivered throughout the year; expectations relating to inventory; our debt to EBITDA targets; expected cash generation; 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 design, develop, manufacture, and ship products on a timely, cost-effective and profitable basis;
- our ability to execute on our brand blueprint strategy, including focus and scale select business initiatives and brands to drive profitability;
- our ability to successfully grow our digital gaming and consumer direct businesses;
- our ability to build on multi-generational brands;
- our ability to develop and timely distribute engaging storytelling across media to drive brand awareness;
- our ability to navigate through 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 ability to successfully evolve and transform our business and capabilities to address a changing global consumer landscape and retail environment, including due to consumer preferences, changing inventory and sales policies and practices of our customers and increased emphasis on ecommerce;
- our ability to implement strategies to lessen the impact of any increased shipping costs, shipping delays or changes in required methods of shipping, as well as our ability to take any price increases to offset increased shipping costs, increases in prices of raw materials or other increases in costs of our products;
- 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;
- 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 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;
- our ability to successfully develop and continue to execute plans to mitigate the negative impact of the coronavirus on our business, including, without limitation, negative impacts to our supply chain and costs that have occurred and could continue to occur in countries where we source significant amounts of product;
- 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 continuing impact of the crisis between Russia and Ukraine on our business, including on receivables;
- 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 or more of our significant retailers, licensees and other partners;
- 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 enhancing initiatives;
- 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 products and content we acquire and produce;
- risks relating to investments, acquisitions and dispositions, including the ability to realize the anticipated benefits of acquired assets or businesses;
- 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 press release 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 net earnings per diluted share, which exclude, where applicable, acquisition and related costs, acquired intangible amortization, as well as 2021 losses on the music sale and charges from UK tax reform. 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. Segment EBITDA represents segment operating profit (loss) plus other income or expense, less depreciation and amortization of intangibles. Adjusted EBITDA also excludes the impact of stock compensation (including acquisition-related stock expense). As required by SEC rules, we have provided reconciliations on the attached schedules of these measures to the most directly comparable GAAP measure. Management believes that Adjusted net earnings, Adjusted net earnings per diluted share and Adjusted operating profit provide investors with an understanding of the underlying performance of our business absent unusual events. Management believes that EBITDA and Adjusted EBITDA are appropriate measures for evaluating the operating performance of our business because they reflect the resources available for strategic opportunities including, among others, to invest in the business, strengthen the balance sheet and make strategic acquisitions. These non-GAAP measures should be considered in addition to, not as a substitute for, or superior to, net earnings or other measures of financial performance prepared in accordance with GAAP as more fully discussed in our consolidated financial statements and filings with the SEC. As used herein, "GAAP" refers to accounting principles generally accepted in the United States of America.



Investing to Grow: Hasbro Brand Blueprint



Creating the World's Best Play & Entertainment Experiences

Brand Blueprint Leadership

- Revenue growth in Consumer Products and Wizards & Digital Gaming segments; Entertainment segment declined 18%, down 4% excluding the music business sold in Q3 2021
- Growth in Franchise Brands, Partner Brands, Emerging Brands
- End-to End Brand Executions including MY LITTLE PONY, NERF, PEPPA PIG, POWER RANGERS
- Hasbro products for the Marvel portfolio and *Star Wars*TM drove growth in Partner Brand portfolio

Industry-Leading Gaming Portfolio

- Hasbro's Total Gaming Portfolio up 2%, up 4% absent FX
- MAGIC: THE GATHERING up 11%
 - Double digit growth in Tabletop
 - Every major set has exceeded \$100M in sales
 - Digital declined as expected, versus *MTG Arena* mobile launch last year
- DUNGEONS & DRAGONS
 - Strengthened digital tabletop play with Q2 Acquisition of D&D Beyond
 - YOY revenue down led by comparison to *Dark Alliance* digital launch in 2021
- Licensed Digital Gaming, up 20%
 - Strength in Hasbro brands Monopoly and Yahtzee

Maintain Guidance for FY22

- 2022 Guidance
 - Low-single digit revenue growth (constant currency)
 - Mid-single digit Operating Profit growth to achieve FY22 **adjusted operating profit margin** of **16%**
 - Pricing began in Q2 to offset higher costs
 - Well positioned with high-quality inventory to meet demand
- Capital Allocation Focus
 - Expect to be at low end of operating cash flow range \$700-\$800M
 - Paid **\$192M in Dividends** YTD
 - **Repurchased \$124M** in Hasbro common stock
 - On target to meet debt to adjusted EBITDA target of 2.0 to 2.5X in 2023
 - \$628M in **cash** at quarter end



Q2 2022 snapshot



Net
Revenues

\$1.34B up 1%; up 4% absent FX

Operating
Profit

As Reported **\$219.1M**
As Adjusted* **\$241.0M** up 14%

Net
Earnings

As Reported **\$142.0M**
As Adjusted* **\$160.6M** up 10%

Earnings
Per Share

As Reported **\$1.02** per diluted share
As Adjusted* **\$1.15** per diluted share

EBITDA

As Reported **\$285.4M**
As Adjusted* **\$308.3M** up 6%

*The As Adjusted figures are non-GAAP financial measures.
A reconciliation of non-GAAP financial measures can be found on slides 28-32.



YTD 2022 snapshot



Net
Revenues

\$2.50B up 3%; up 5% absent FX

Operating
Profit

As Reported **\$339.1M**
As Adjusted* **\$382.8M** down 1%

Net
Earnings

As Reported **\$203.3M**
As Adjusted* **\$240.0M** down 15%

Earnings
Per Share

As Reported **\$1.46** per diluted share
As Adjusted* **\$1.72** per diluted share

EBITDA

As Reported **\$459.4M**
As Adjusted* **\$500.4M** down 8%

*The As Adjusted figures are non-GAAP financial measures.
A reconciliation of non-GAAP financial measures can be found on slides 28-32.





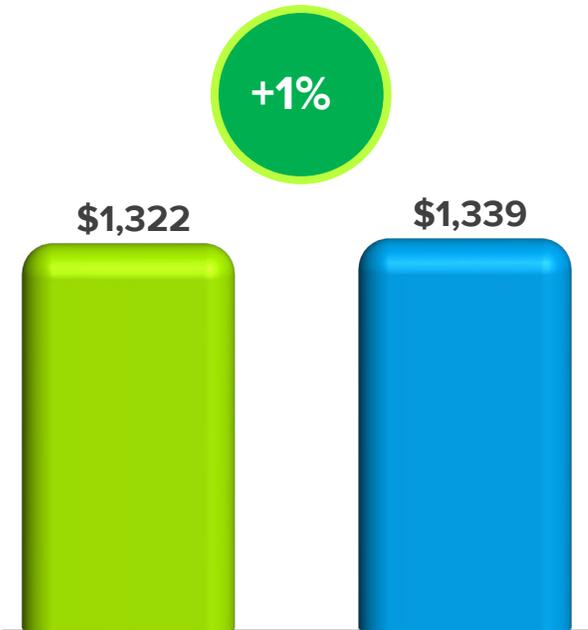
 **Q2**
2022
ANNOUNCEMENTS
& HIGHLIGHTS



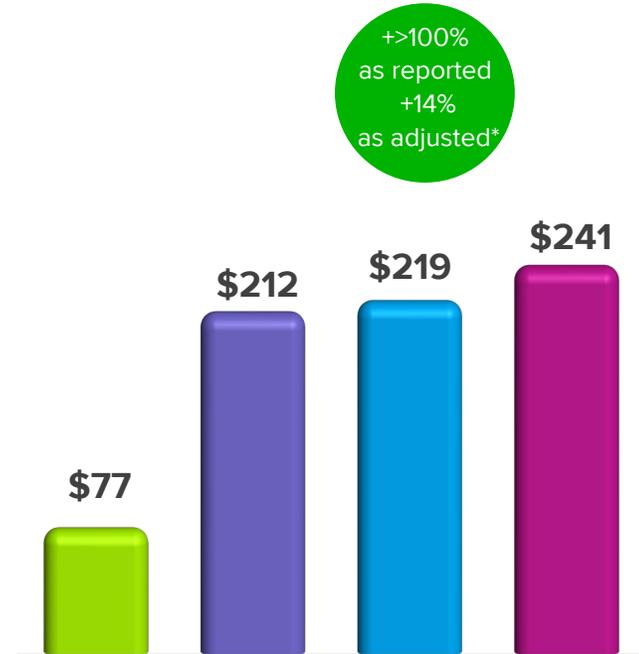
Second Quarter Net Revenue & Operating Profit Performance

Q2 2022

NET REVENUES



OPERATING PROFIT



2nd Quarter Growth in Franchise Brands, Partner Brands & Emerging Brands
 Hasbro Gaming & TV/Film/Entertainment revenues declined in the quarter

Wizards of the Coast & Digital Gaming segment +3%; Consumer Products segment +7%; Entertainment segment -18%, down 4% excluding the music business

Revenues include a \$32.7M negative impact from Foreign Exchange; Up 4% Absent FX

- Adjusted Operating Profit* improvement of 200 basis points in the second quarter
- Operating Profit Margin:** As Reported **16.4%**; As Adjusted* **18.0%**
- Maintain FY 2022 Profit Guidance: **Adjusted Operating Profit Margin* 16%**

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 30.



Six Months Net Revenue & Operating Profit Performance

YTD 2022

NET REVENUES



YTD 2022 Growth in Franchise Brands, Partner Brands & Emerging Brands
Hasbro Gaming & TV/Film/Entertainment down
 (TV/Film/Entertainment up 9% excluding music revenues)

OPERATING PROFIT



- Price increases took effect Q2 2022 to offset higher input and freight costs
- **Operating Profit Margin:** As Reported **13.6%**; As Adjusted* **15.3%**
- Maintain FY 2022 Profit Guidance: **Adjusted Operating Profit Margin 16%**

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 30.



\$ Millions, unaudited

Wizards of the Coast & Digital Gaming segment +5%; **Consumer Products** segment +5%; **Entertainment** segment -7%, up 9% absent sale of music business

Revenues include a \$50.1M negative impact from Foreign Exchange; Up 5% Absent FX

Second Quarter & Six Months Brand Portfolio Performance

	Q2 2022	Q2 2021	% Change	YTD 2022	YTD 2021	% Change
Franchise Brands ¹	\$744	\$677	+10%	\$1,287	\$1,200	+7%
Partner Brands	\$219	\$212	+3%	\$426	\$400	+6%
Hasbro Gaming ²	\$126	\$147	-14%	\$269	\$283	-5%
Emerging Brands ¹	\$92	\$90	+3%	\$168	\$163	+3%
TV/Film/Entertainment ³	\$158	\$196	-19%	\$352	\$391	-10%
Total	\$1,339	\$1,322	+1%	\$2,502	\$2,437	+3%

Totals may not add up due to rounding

¹Beginning in fiscal year 2022, Hasbro designated PEPPA PIG as a franchise brands. Net revenue by brand portfolio has been restated to show the reclassification of PEPPA PIG historical revenues to franchise brands from emerging brands.

²Hasbro'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 \$528M for Q2 2022, up 2% vs. \$519M for Q2 2021 and \$907M YTD 2022, up 3% vs. \$885M YTD 2021.

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

³Second quarter 2021 TV/Film/Entertainment includes \$33.4M of Music revenue which was sold at the beginning of the third quarter 2021.

Q2 PERFORMANCE

FRANCHISE BRANDS

MAGIC: THE GATHERING, MY LITTLE PONY, PEPPA PIG, and PLAY-DOH grew for the quarter

PARTNER BRANDS

Growth driven primarily by Hasbro products for the Marvel portfolio and *Star Wars*TM

HASBRO GAMING

Growth in YAHTZEE, led by digital gaming. AVALON HILL'S HeroQuest, CONNECT 4 and OPERATION

DUNGEONS & DRAGONS

down related to 2021 release of *Dark Alliance*

EMERGING BRANDS

Growth led by POWER RANGERS and FURREAL FRIENDS

TV/FILM/ENTERTAINMENT

Revenues down 4% excluding music business sold in the beginning of Q3 2021

Total Gaming

Q2 2022
\$528M
Up 2%



\$ Millions, unaudited

Second Quarter 2022 Major Expense Items

	Q2 2022	Q2 2021	% CHANGE YOY	Q2 2022 % OF REVENUE	NOTES
Cost of Sales	\$412	\$345	+19.3%	30.7%	Revenue growth; Higher freight and input costs pressures as forecasted; Pricing increases began Q2 22
Program Production Cost Amortization	\$81	\$111	-27.1%	6.0%	Lower content deliveries within the quarter
Royalties	\$110	\$112	-1.3%	8.2%	Slight decrease in royalties driven by sale of music business
Product Development	\$79	\$87	-9.2%	5.9%	Maintain significant innovation in investment including in Wizards; incentive compensation down YOY
Advertising	\$84	\$105	-20.0%	6.3%	Higher spend Q2 21 in support of digital gaming launches; sale of music business
Selling, Distribution & Administration	\$327	\$354	-7.7%	24.4%	Lower administrative costs associated with salary and benefits, lower depreciation as a result of no digital gaming launch Q2 22

\$ Millions, unaudited



Six Months 2022 Major Expense Items

	Six Months 2022	Six Months 2021	% CHANGE YOY	Six Months % OF REVENUE	NOTES
Cost of Sales	\$745	\$635	+17.3%	29.8%	Revenue growth; Higher freight and input costs pressures as forecasted
Program Production Cost Amortization	\$219	\$208	+5.3%	8.8%	Higher content deliveries 1H 22 vs. 1H 21
Royalties	\$200	\$220	-9.2%	8.0%	Lower royalties driven by sale of music business
Product Development	\$149	\$149	-	5.9%	Investments in innovation and including in Wizards of the Coast, including digital gaming and talent
Advertising	\$162	\$193	-16.3%	6.5%	Lower digital gaming launch support YOY and sale of music business
Selling, Distribution & Administration	\$634	\$643	-1.3%	25.3%	SD&A down 110 basis points on lower depreciation associated with digital gaming and lower and compensation expense

\$ Millions, unaudited

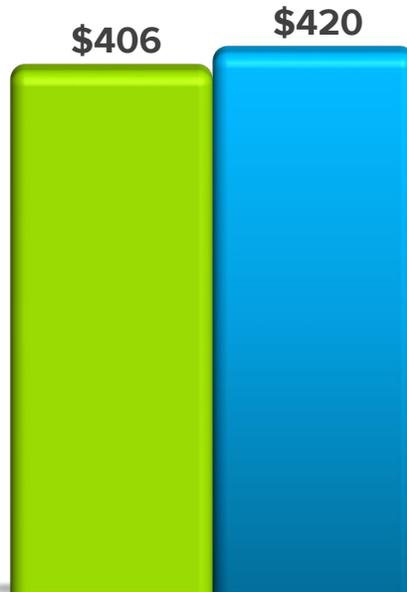


Wizards of the Coast & Digital Gaming Segment

\$ Millions, unaudited

NET REVENUES

+3%



Q2 2022



OPERATING PROFIT

+17%



- Revenues up 5% absent \$8.2M negative impact of FX
- MAGIC: THE GATHERING up 11%
- Licensed Digital Gaming up 20%
- DUNGEONS & DRAGONS Down led by *Dark Alliance* comp
- Tabletop revenue up 15%
- Digital & Licensed Gaming down 36%, as forecasted
 - Difficult comparison against *Magic: The Gathering Arena* mobile and *Dark Alliance* launches in 2021

- Operating Profit Margin 53.7% of revenue, up 630 basis points
- Lower development, advertising and depreciation expenses vs. *Dark Alliance* launch in Q2 21 more than offset higher paper and freight costs
- Continued investment in digital gaming and talent



Wizards of the Coast & Digital Gaming Segment

YTD 2022

NET REVENUES



OPERATING PROFIT



\$ Millions, unaudited



- Revenues up 7% absent \$11.1M negative impact of FX
- MAGIC: THE GATHERING up 10%
- Licensed Digital Gaming up 5%
- DUNGEONS & DRAGONS Down led by *Dark Alliance* comp
- Tabletop Revenue up 13%
- Digital & Licensed Gaming down 18%
 - Difficult comparison against *Magic: The Gathering Arena* mobile and *Dark Alliance* launches in 2021

- Operating Profit increased due to higher revenues, decreased advertising and promotion to support digital gaming initiatives and lower depreciation
- Operating profit margin 48.6%, up 190 basis points

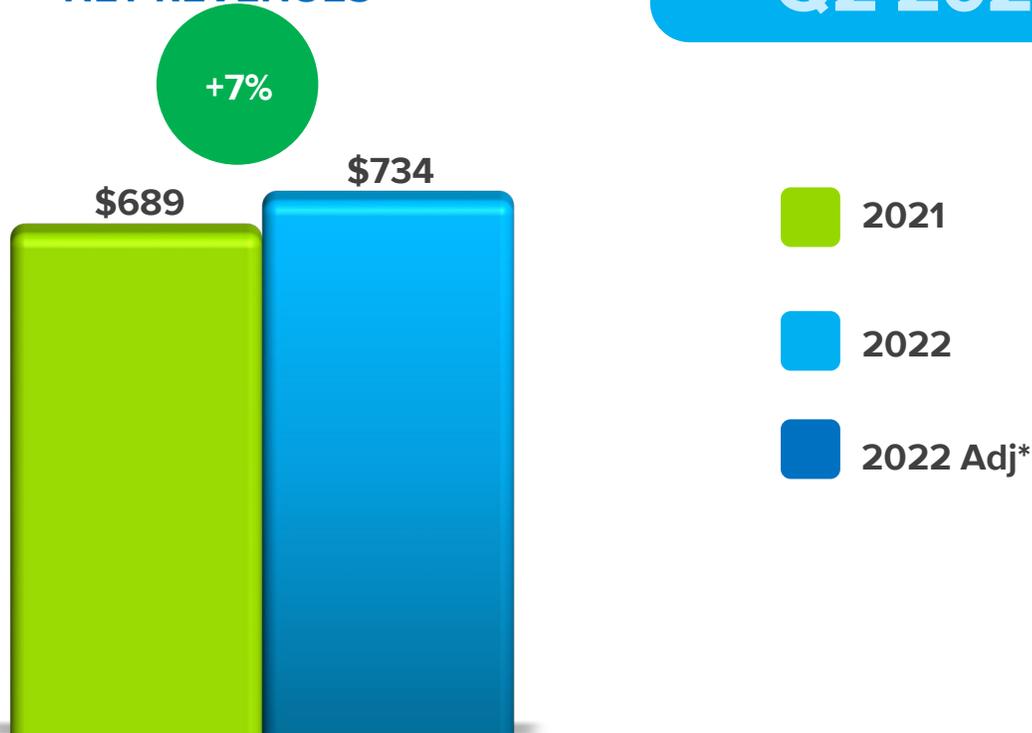


Consumer Products Segment

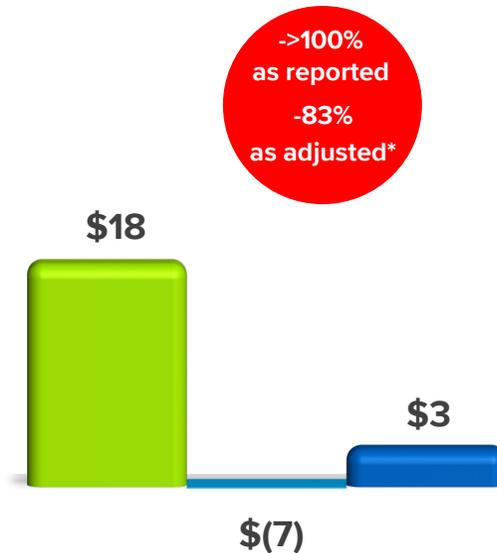
Q2 2022

NET REVENUES

\$ Millions, unaudited



OPERATING PROFIT



- Revenue Up 9% absent \$19.1M negative impact of FX
- Growth in **Franchise Brands, Partner Brands, Hasbro Gaming and Emerging Brands**

- Q2 2022 POS down
- Preschool POS up
- Europe POS up absent Russia
- Amazon Prime Day shift to Q3 from Q2 2021
- POS does not include MAGIC: THE GATHERING or DUNGEONS & DRAGONS

- Adjusted Operating Profit decreased due to higher freight and input costs, particularly in Europe; partially offset by price increases
- Price increases took effect in Q2 2022 on a phased basis

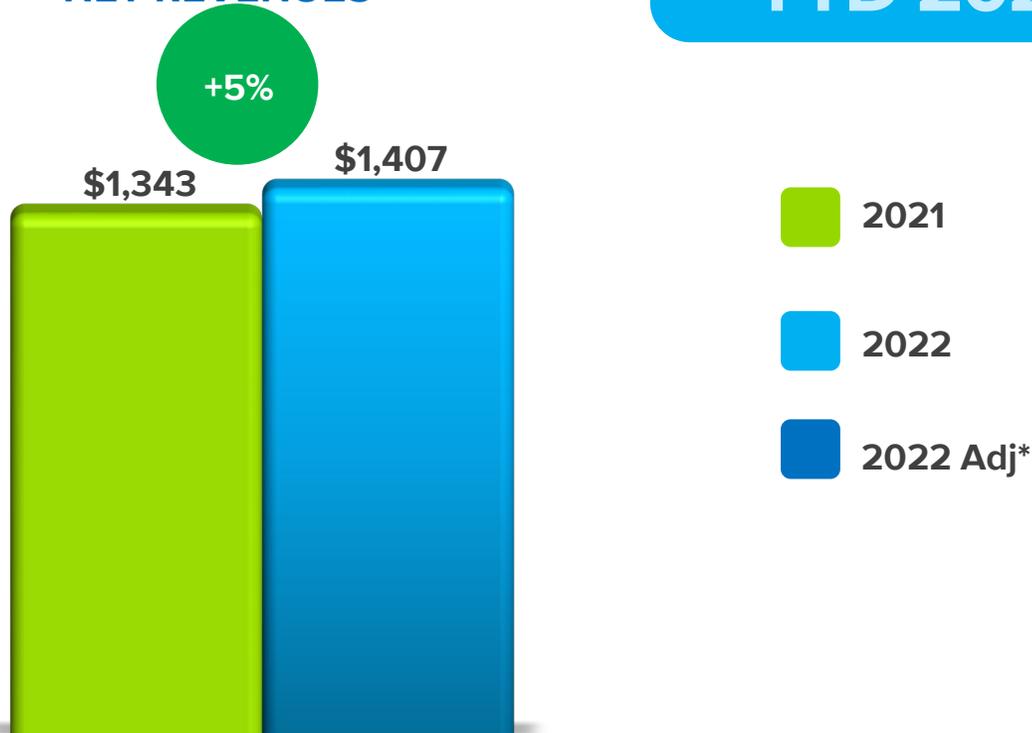


Consumer Products Segment

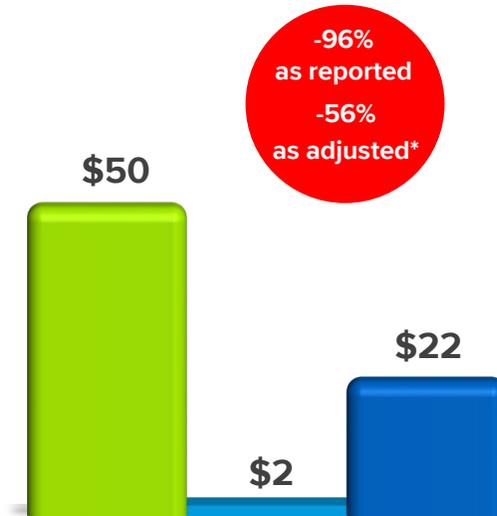
YTD 2022

NET REVENUES

\$ Millions, unaudited



OPERATING PROFIT



- Revenue Up 7% absent \$32.6M negative impact of FX
- Growth in **Franchise Brands, Partner Brands, Hasbro Gaming and Emerging Brands**

- 1H 2022 POS down; Preschool up
- Europe POS up absent Russia
- POS does not include MAGIC: THE GATHERING or DUNGEONS & DRAGONS

- Traditionally lower profit period for toys and games
- Operating Profit decreased due to lower revenues, primarily in Europe, coupled with higher freight and warehousing costs
- Additional price increases took effect in Q2 2022



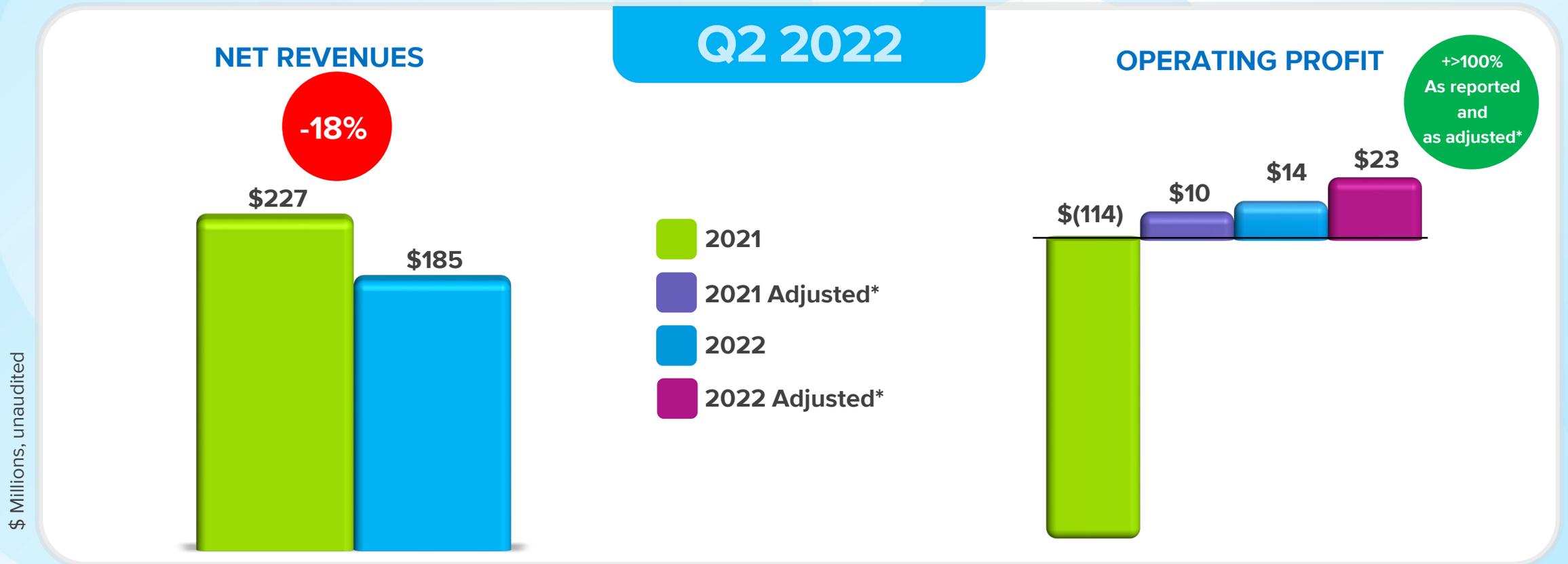
Consumer Products Segment Net Revenues by Geography

	Q2 2022	Q2 2021	% CHANGE	Six Months 2022	Six Months 2021	% CHANGE
NORTH AMERICA	\$433	\$391	+11%	\$838	\$754	+11%
EUROPE	\$162	\$176	-8%	\$339	\$365	-7%
ASIA PACIFIC	\$67	\$68	-3%	\$119	\$133	-11%
LATIN AMERICA	\$72	\$53	+36%	\$111	\$91	+22%
TOTAL SEGMENT	\$734	\$689	+7%	\$,1407	\$1,343	+5%

Q2 Growth
in all four
regions
absent FX



Entertainment Segment



- Segment declined 4% excluding Music business sold at the beginning of Q3 2021
- Revenues declined primarily related to the timing of deliveries in the TV business, partially offset by revenues from live entertainment
- Down 16% absent negative \$5.4 FX impact

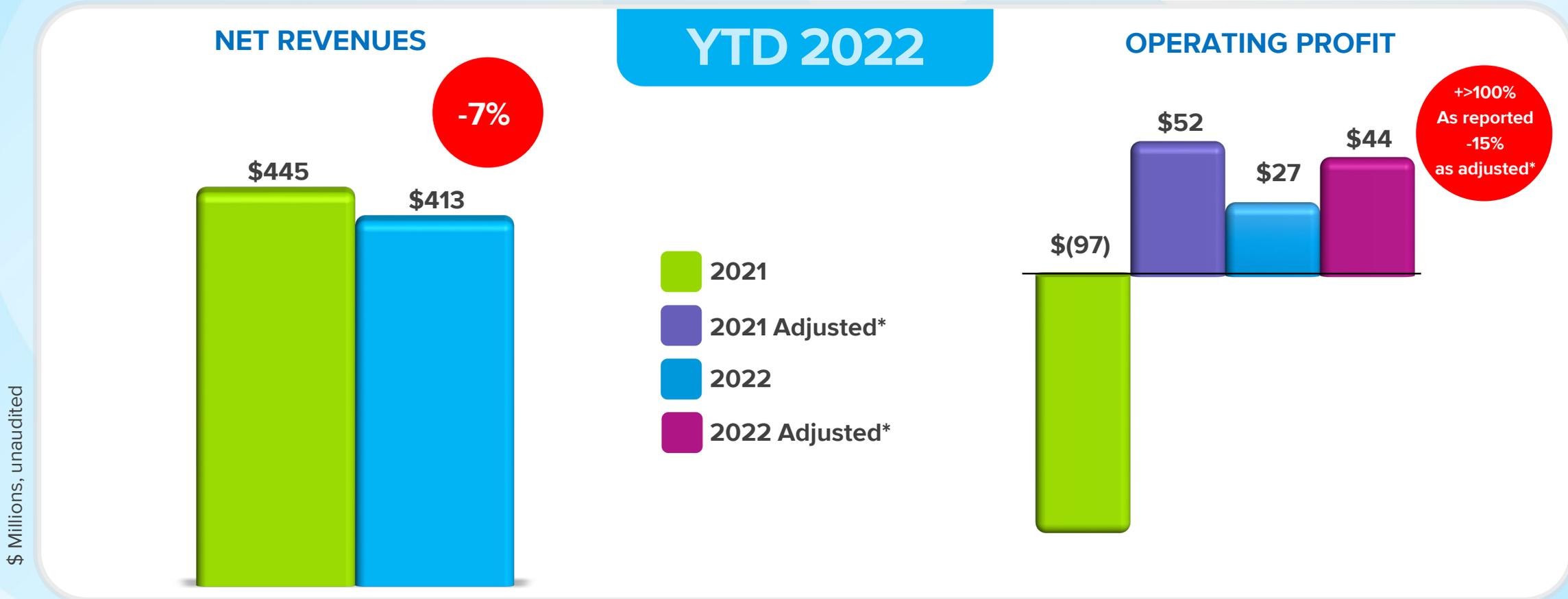
TV & Film deliveries for the quarter highlighted by *The Rookie Season 4*, *Fear the Walking Dead*, *Naked and Afraid*, *1917* and *Play-Doh Squished*

- **Adjusted Operating Profit*** improvement of +100% reflects favorable mix of content deliveries in the quarter, lower amortization and expenses
- **Adjusted Operating Profit Margin*** of 12.4%

*The As Adjusted figures are non-GAAP financial measures. A reconciliation of non-GAAP financial measures can be found on slide 28.



Entertainment Segment



- Segment grew 9% excluding Music business sold at the beginning of Q3 2021
- Film and TV up 2%
- Family Brands up 2%

TV & Film deliveries YTD include:
TV: *Graymail, The Rookie Season 4, Naked and Afraid*
Film: *Deepwater* for Amazon and Hulu

- **Adjusted Operating Profit*** declined from the sale of the music business, partially offset by improved operating profit in the other categories within the segment
- **Adjusted Operating Profit Margin*** of 10.7%

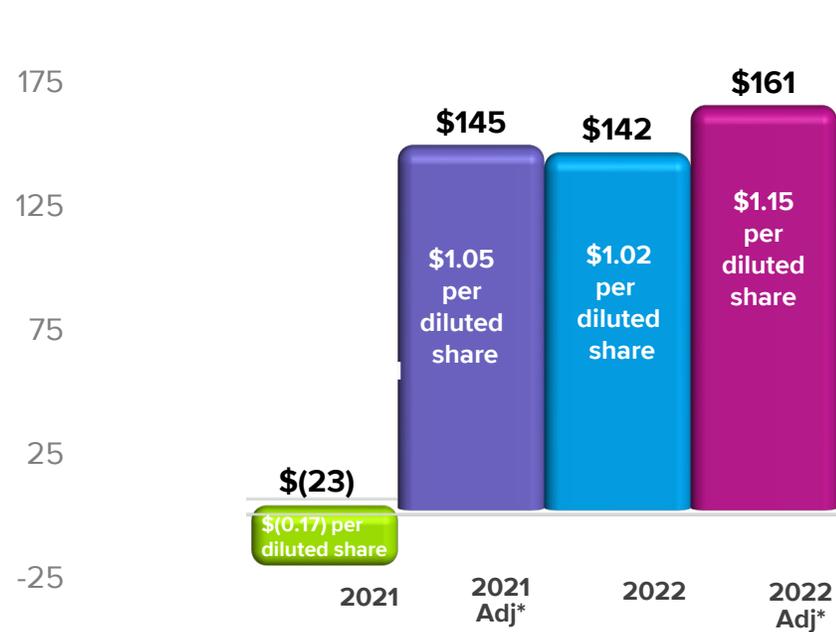


Second Quarter and Six Months 2022 Net Earnings

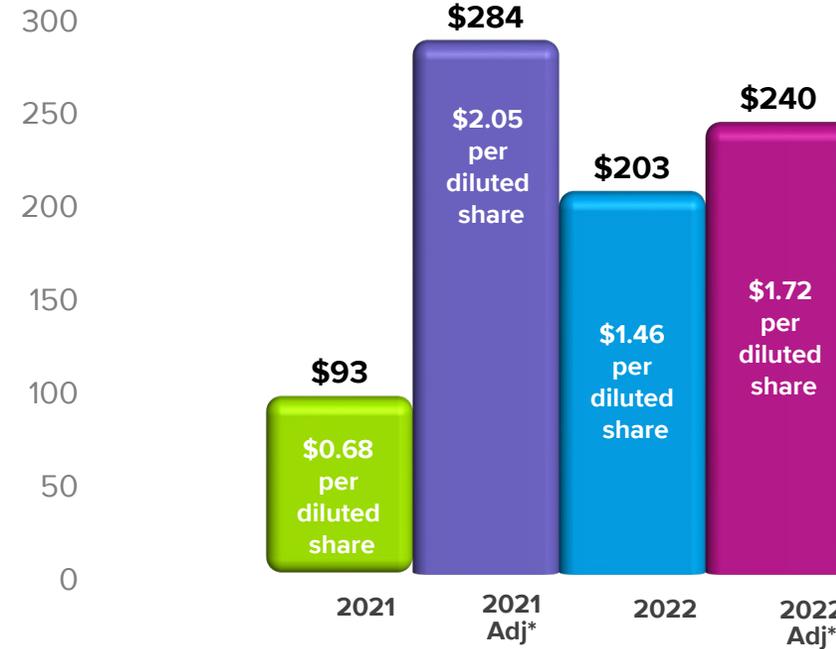
Q2 '22
Repurchased
1.4M shares of
Hasbro common
stock

\$ Millions, except per share data, unaudited

SECOND QUARTER



SIX MONTHS



Total Non-Operating Expense: Q2 2022 \$39.2M

Other income, net \$2.5 million dollars

Diluted Shares Q2 2022 139.2M vs. 137.8M Q2 2021

Adjusted Underlying Tax Rate* 21.6% Q2 2022 vs. 23.2% Q2 2021

Total Non-Operating Expense: 1H 2022 \$79.0M

Other income, net \$4.3 million dollars

Diluted Shares 1H 2022 139.4M vs. 138.2M 1H 2021

Adjusted Underlying Tax Rate* 22.0% 1H 2022 vs. 21.6% 1H 2021



Key Cash Flow and Balance Sheet Data

SIX MONTHS ENDED

\$ Millions, unaudited	JUN 26, 2022	JUN 27, 2021	NOTES
Cash	\$628	\$1,228	Completed D&D Beyond acquisition for \$146M; Returned \$316M to shareholders; Inventory on hand for 2H
Long-term Debt	\$3,739	\$4,389	Paid down \$50M in Debt in YTD
Depreciation	\$62	\$68	FY 2022 depreciation target \$139M
Amortization of Intangibles	\$54	\$63	Reflects sale of eOne music business in Q3 2021
Program Spend, net	\$296	\$308	FY 2022 target of \$725-\$825M
Capital Expenditures	\$76	\$63	FY 2022 target of \$150-180M
Dividends Paid	\$192	\$187	\$0.70 per share quarterly dividend paid in Q2 2022; Next dividend payable August 15
Share Repurchase	\$124	-	Company resumed share repurchase program in Q2 2022; FY 2022 Target \$75-\$150M
Operating Cash Flow	\$148	\$577	Expect to be at low end of target \$700-\$800M in Operating Cash Flow for FY 22
Accounts Receivable	\$871	\$866	DSO 59 days, flat YOY; Reflects higher receivables YOY and improved collections
Inventory	\$868	\$500	YOY increase due to accelerated purchases to meet 2H demand and mitigate supply chain challenges; Inventory of high quality



ESG Performance + Q2 2022 Achievements

Hasbro's clear sense of purpose and ESG strategy continue to **drive long-term value creation** for all stakeholders



for the 11th consecutive year



for the 1st consecutive year



for the 10th consecutive year

Climate and Sustainability

Ethical Sourcing and Human Rights

Diversity, Equity and Inclusion

Achieved

99.6%

Renewable Energy Goal

for Owned & Operated facilities

Achieved

100%

Supplier Participation Rate in Measurement of Environmental Performance

Achieved

100%

Audit rate annually for all third-party suppliers and major subcontractors, including supplemental oversight audits

Continued to foster a culture of inclusion throughout our practices and initiatives including unconscious bias training

On track to meet 2025 goals to increase female representation in leadership to 50% globally and racially/ethnically diverse representation in U.S. workforce to 25%

Joined the Science-Based Target Initiative (SBTi), committing to set science-based 2030 and 2050 goals to further reduce Greenhouse Gas Emissions.

On track to submit SBTi targets for external validation by Q3 '22

Continued to promote the circular economy through our industry-leading Toy Recycling program, currently in 12 countries worldwide

On track to eliminate single-use plastic in all new toy and game packaging by end of 2022

Launched the implementation of the Responsible Recruitment Policy to improve factory accountability and to prevent forced labor

Strengthened capacity-building throughout supply chain through mandatory Hasbro Ethical Sourcing Academy training for all suppliers by adding more advanced courses

Continued to support worker well-being through female worker empowerment programs and support for migrant worker families

ESG Materiality Assessment

Conducted comprehensive ESG materiality assessment through research and benchmarking, internal and external stakeholder engagement and leadership workshops and discussions

Supplemental Financial Information

Condensed Consolidated Balance Sheets

(Millions of Dollars) (Unaudited)

	<u>June 26, 2022</u>	<u>June 27, 2021</u>
ASSETS		
Cash and Cash Equivalents	\$ 628.2	\$ 1,228.2
Accounts Receivable, Net	870.5	865.9
Inventories	867.5	499.6
Prepaid Expenses and Other Current Assets	719.2	543.2
Assets Held for Sale	-	479.5
Total Current Assets	<u>3,085.4</u>	<u>3,616.4</u>
Property, Plant and Equipment, Net	409.9	466.2
Goodwill	3,483.2	3,420.8
Other Intangible Assets, Net	1,156.9	1,248.3
Other Assets	1,367.6	1,350.5
Total Assets	<u>\$ 9,503.0</u>	<u>\$ 10,102.2</u>
LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY		
Short-Term Borrowings	\$ 98.0	\$ 0.8
Current Portion of Long-Term Debt	137.0	189.6
Accounts Payable and Accrued Liabilities	1,923.2	1,778.9
Liabilities Held for Sale	-	76.3
Total Current Liabilities	<u>2,158.2</u>	<u>2,045.6</u>
Long-Term Debt	3,739.0	4,388.7
Other Liabilities	570.0	753.0
Total Liabilities	<u>6,467.2</u>	<u>7,187.3</u>
Redeemable Noncontrolling Interests	23.0	24.5
Total Shareholders' Equity	<u>3,012.8</u>	<u>2,890.4</u>
Total Liabilities, Noncontrolling Interests and Shareholders' Equity	<u>\$ 9,503.0</u>	<u>\$ 10,102.2</u>



Condensed Statements of Operations

(Millions of Dollars and Shares Except Per Share Data) (Unaudited)

	Quarter Ended				Six Months Ended			
	June 26, 2022		June 27, 2021		June 26, 2022		June 27, 2021	
	\$	% Net Revenues	\$	% Net Revenues	\$	% Net Revenues	\$	% Net Revenues
Net Revenues	\$ 1,339.2	100.0%	\$ 1,322.2	100.0%	\$ 2,502.3	100.0%	\$ 2,437.0	100.0%
Costs and Expenses:								
Cost of Sales	411.5	30.7%	345.0	26.1%	744.6	29.8%	634.9	26.1%
Program Cost Amortization	80.7	6.0%	110.7	8.4%	219.2	8.8%	208.2	8.5%
Royalties	110.1	8.2%	111.5	8.4%	200.2	8.0%	220.4	9.0%
Product Development	79.2	5.9%	87.2	6.6%	148.8	5.9%	149.0	6.1%
Advertising	84.2	6.3%	105.4	8.0%	161.8	6.5%	193.3	7.9%
Amortization of Intangibles	27.2	2.0%	29.7	2.2%	54.3	2.2%	62.6	2.6%
Selling, Distribution and Administration	327.2	24.4%	354.3	26.8%	634.3	25.3%	642.9	26.4%
Loss on Assets Held for Sale	-	0.0%	101.8	7.7%	-	0.0%	101.8	4.2%
Operating Profit	219.1	16.4%	76.6	5.8%	339.1	13.6%	223.9	9.2%
Interest Expense	41.7	3.1%	46.1	3.5%	83.3	3.3%	94.0	3.9%
Other Expense (Income), Net	(2.5)	-0.2%	(10.6)	-0.8%	(4.3)	-0.2%	(40.7)	-1.7%
Earnings before Income Taxes	179.9	13.4%	41.1	3.1%	260.1	10.4%	170.6	7.0%
Income Tax Expense	39.4	2.9%	63.0	4.8%	56.7	2.3%	75.0	3.1%
Net Earnings	140.5	10.5%	(21.9)	-1.7%	203.4	8.1%	95.6	3.9%
Net Earnings Attributable to Noncontrolling Interests	(1.5)	-0.1%	1.0	0.1%	0.2	0.0%	2.3	0.1%
Net Earnings Attributable to Hasbro, Inc.	\$ 142.0	10.6%	\$ (22.9)	-1.7%	\$ 203.2	8.1%	\$ 93.3	3.8%
Per Common Share								
Net Earnings								
Basic	\$ 1.02		\$ (0.17)		\$ 1.46		\$ 0.68	
Diluted	\$ 1.02		\$ (0.17)		\$ 1.46		\$ 0.68	
Cash Dividends Declared	\$ 0.70		\$ 0.68		\$ 1.40		\$ 1.36	
Weighted Average Number of Shares								
Basic	139.0		137.8		139.2		137.8	
Diluted	139.2		137.8		139.4		138.2	



Condensed Consolidated Cash Flows

(Millions of Dollars) (Unaudited)

	Six Months Ended	
	June 26, 2022	June 27, 2021
Cash Flows from Operating Activities:		
Net Earnings	\$ 203.4	\$ 95.6
Other Non-Cash Adjustments	337.3	521.1
Changes in Operating Assets and Liabilities	<u>(392.9)</u>	<u>(39.6)</u>
Net Cash Provided by Operating Activities	<u>147.8</u>	<u>577.1</u>
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(75.8)	(63.1)
Investments and Acquisitions	(146.3)	-
Other	9.5	(3.2)
Net Cash Utilized by Investing Activities	<u>(212.6)</u>	<u>(66.3)</u>
Cash Flows from Financing Activities:		
Proceeds from Long-Term Debt	2.1	114.7
Repayments of Long-Term Debt	(152.5)	(635.0)
Net Proceeds of Short-Term Borrowings	97.2	(6.3)
Purchase of common stock	(124.0)	-
Stock-Based Compensation Transactions	74.2	9.4
Dividends Paid	(191.9)	(187.5)
Payments Related to Tax Withholding for Share-Based Compensation	(19.6)	(9.5)
Other	(5.4)	(4.2)
Net Cash Utilized Provided by Financing Activities	<u>(319.9)</u>	<u>(718.4)</u>
Effect of Exchange Rate Changes on Cash	(6.3)	4.3
Net Decrease in Cash Balances Classified as Held for Sale	-	(18.2)
Cash and Cash Equivalents at Beginning of Year	<u>1,019.2</u>	<u>1,449.7</u>
Cash and Cash Equivalents at End of Period	<u>\$ 628.2</u>	<u>\$ 1,228.2</u>



SEGMENT RESULTS - AS REPORTED and AS ADJUSTED-Q2 2022

(Unaudited) (Millions of Dollars)

Operating Results

	Quarter Ended June 26, 2022			Quarter Ended June 27, 2021			% Change
	Non-GAAP		Adjusted	Non-GAAP		Adjusted	
	As Reported	Adjustments		As Reported	Adjustments		
Total Company Results							
External Net Revenues ⁽¹⁾	\$ 1,339.2	\$ -	\$ 1,339.2	\$ 1,322.2	\$ -	\$ 1,322.2	1%
Operating Profit	219.1	21.9	241.0	76.6	135.0	211.6	14%
Operating Margin	16.4%	1.6%	18.0%	5.8%	10.2%	16.0%	
EBITDA	285.4	22.9	308.3	159.5	130.1	289.6	6%
Segment Results							
Consumer Products:							
External Net Revenues ⁽²⁾	\$ 734.2	\$ -	\$ 734.2	\$ 689.2	\$ -	\$ 689.2	7%
Operating Profit	(6.5)	9.6	3.1	17.8	-	17.8	-83%
Operating Margin	-0.9%	1.3%	0.4%	2.6%	-	2.6%	
EBITDA	41.8	8.4	50.2	46.6	8.1	54.7	-8%
Wizards of the Coast and Digital Gaming:							
External Net Revenues ⁽³⁾	\$ 419.8	\$ -	\$ 419.8	\$ 406.3	\$ -	\$ 406.3	3%
Operating Profit	225.6	-	225.6	192.9	-	192.9	17%
Operating Margin	53.7%	-	53.7%	47.5%	-	47.5%	
EBITDA	225.9	5.1	231.0	206.9	3.1	210.0	10%
Entertainment:							
External Net Revenues ⁽⁴⁾	\$ 185.2	\$ -	\$ 185.2	\$ 226.7	\$ -	\$ 226.7	-18%
Operating Profit	14.3	8.7	23.0	(113.7)	123.6	9.9	>100%
Operating Margin	7.7%	4.7%	12.4%	-50.2%	54.5%	4.4%	
EBITDA	24.2	6.2	30.4	(87.2)	106.7	19.5	56%
Corporate and Other:							
Operating (Loss) Profit	\$ (14.3)	\$ 3.6	\$ (10.7)	\$ (20.4)	\$ 11.4	\$ (9.0)	-19%
EBITDA	(6.5)	3.2	(3.3)	(6.8)	12.2	5.4	>-100%

⁽¹⁾ Net Revenues by Brand Portfolio

	Quarter Ended		% Change
	June 26, 2022	June 27, 2021	
Franchise Brands ⁽ⁱ⁾	\$ 743.9	\$ 677.2	10%
Partner Brands	219.4	212.0	3%
Hasbro Gaming ⁽ⁱⁱ⁾	125.8	147.1	-14%
Emerging Brands ⁽ⁱ⁾	92.0	89.7	3%
TV/Film/Entertainment	158.1	196.2	-19%
Total	\$ 1,339.2	\$ 1,322.2	

⁽ⁱ⁾ Effective in the first quarter of 2022, the Company moved Peppa Pig into Franchise Brands from Emerging Brands. For comparability, the quarter ended June 27, 2021 net revenues have been restated to reflect the elevation of Peppa Pig from Emerging Brands into Franchise Brands resulting in a change of \$27.3

⁽ⁱⁱ⁾ Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY, which are reported in the Franchise Brands portfolio, totaled \$528.3 for the quarter ended June 26, 2022, up 1.7% from revenues of \$519.4 for the quarter ended June 27, 2021.

⁽²⁾ Consumer Products Segment Net Revenues by Major Geographic Region

	Quarter Ended		% Change
	June 26, 2022	June 27, 2021	
North America	\$ 433.3	\$ 391.4	11%
Europe	162.1	176.5	-8%
Asia Pacific	66.6	68.4	-3%
Latin America	72.2	52.9	36%
Total	\$ 734.2	\$ 689.2	

⁽³⁾ Wizards of the Coast and Digital Gaming Net Revenues by Category

	Quarter Ended		% Change
	June 26, 2022	June 27, 2021	
Tabletop Gaming	\$ 361.8	\$ 315.4	15%
Digital and Licensed Gaming	58.0	90.9	-36%
Total	\$ 419.8	\$ 406.3	

⁽⁴⁾ Entertainment Segment Net Revenues by Category

	Quarter Ended		% Change
	June 26, 2022	June 27, 2021	
Film and TV	\$ 148.2	\$ 164.3	-10%
Family Brands	22.8	26.1	-13%
Music and Other	14.2	36.3	-61%
Total	\$ 185.2	\$ 226.7	



SEGMENT RESULTS - AS REPORTED and AS ADJUSTED-YTD 2022

(Unaudited) (Millions of Dollars)

Operating Results

	Six Months Ended June 26, 2022			Six Months Ended June 27, 2021			% Change
	As Reported	Non-GAAP		As Reported	Non-GAAP		
		Adjustments	Adjusted		Adjustments	Adjusted	
Total Company Results							
External Net Revenues ⁽⁶⁾	\$ 2,502.3	\$ -	\$ 2,502.3	\$ 2,437.0	\$ -	\$ 2,437.0	3%
Operating Profit	339.1	43.7	382.8	223.9	161.8	385.7	-1%
Operating Margin	13.6%	1.7%	15.3%	9.2%	6.6%	15.8%	
EBITDA	459.4	41.0	500.4	394.8	146.8	541.6	-8%
Segment Results							
Consumer Products:							
External Net Revenues ⁽⁶⁾	\$ 1,407.0	\$ -	\$ 1,407.0	\$ 1,343.1	\$ -	\$ 1,343.1	5%
Operating Profit	2.1	19.9	22.0	50.1	-	50.1	-56%
Operating Margin	0.1%	1.4%	1.6%	3.7%	-	3.7%	
EBITDA	83.1	15.9	99.0	106.0	14.6	120.6	-18%
Wizards & Digital Gaming:							
External Net Revenues ⁽⁷⁾	\$ 682.6	\$ -	\$ 682.6	\$ 648.5	\$ -	\$ 648.5	5%
Operating Profit	332.0	-	332.0	302.9	-	302.9	10%
Operating Margin	48.6%	-	48.6%	46.7%	-	46.7%	
EBITDA	333.5	9.7	343.2	319.2	5.7	324.9	6%
Entertainment:							
External Net Revenues ⁽⁸⁾	\$ 412.7	\$ -	\$ 412.7	\$ 445.4	\$ -	\$ 445.4	-7%
Operating (Loss) Profit	26.5	17.5	44.0	(96.7)	148.5	51.8	-15%
Operating Margin	6.4%	4.2%	10.7%	-21.7%	33.3%	11.6%	
EBITDA	50.1	11.7	61.8	(19.0)	110.8	91.8	-33%
Corporate and Other:							
Operating (Loss) Profit	\$ (21.5)	\$ 6.3	\$ (15.2)	\$ (32.4)	\$ 13.3	\$ (19.1)	20%
EBITDA	(7.3)	3.7	(3.6)	(11.4)	15.7	4.3	>-100%

	Six Months Ended		% Change
	June 26, 2022	June 27, 2021	
(5) Net Revenues by Brand Portfolio			
Franchise Brands ⁽ⁱ⁾	\$ 1,287.0	\$ 1,200.3	7%
Partner Brands	425.9	400.0	6%
Hasbro Gaming ⁽ⁱⁱ⁾	269.4	283.4	-5%
Emerging Brands ⁽ⁱ⁾	168.4	162.8	3%
TV/Film/Entertainment	351.6	390.5	-10%
Total	\$ 2,502.3	\$ 2,437.0	

⁽ⁱ⁾ Effective in the first quarter of 2022, the Company moved Peppa Pig into Franchise Brands from Emerging Brands. For comparability, the six months ended June 27, 2021 net revenues have been restated to reflect the elevation of Peppa Pig from Emerging Brands into Franchise Brands resulting in a change of \$58.9M

⁽ⁱⁱ⁾ Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY, which are reported in the Franchise Brands portfolio, totaled \$907.1M for the six months ended June 26, 2022, up 2.5% from revenues of \$884.7M for the six months ended June 27, 2021.

	Six Months Ended		% Change
	June 26, 2022	June 27, 2021	
(6) Consumer Products Segment Net Revenues by Major Geographic Region			
North America	\$ 838.5	\$ 754.1	11%
Europe	338.8	365.0	-7%
Asia Pacific	118.8	133.2	-11%
Latin America	110.9	90.8	22%
Total	\$ 1,407.0	\$ 1,343.1	

	Six Months Ended		% Change
	June 26, 2022	June 27, 2021	
(7) Wizards of the Coast and Digital Gaming Net Revenues by Category			
Tabletop Gaming	\$ 554.0	\$ 490.7	13%
Digital and Licensed Gaming	128.6	157.8	-19%
Total	\$ 682.6	\$ 648.5	

	Six Months Ended		% Change
	June 26, 2022	June 27, 2021	
(8) Entertainment Segment Net Revenues by Category			
Film and TV	\$ 338.4	\$ 330.7	2%
Family Brands	46.0	44.9	2%
Music and Other	28.3	69.8	-59%
Total	\$ 412.7	\$ 445.4	



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

Reconciliation of Adjusted Operating Profit

	Quarter Ended		Six Months Ended	
	June 26, 2022	June 27, 2021	June 26, 2022	June 27, 2021
Operating Profit	\$ 219.1	\$ 76.6	\$ 339.1	\$ 223.9
Consumer Products	(6.5)	17.8	2.1	50.1
Wizards of the Coast and Digital Gaming	225.6	192.9	332.0	302.9
Entertainment	14.3	(113.7)	26.5	(96.7)
Corporate and Other	(14.3)	(20.4)	(21.5)	(32.4)
Non-GAAP Adjustments ⁽¹⁾	\$ 21.9	\$ 135.0	\$ 43.7	\$ 161.8
Consumer Product ⁽ⁱⁱ⁾	9.6	-	19.9	-
Entertainment ⁽ⁱⁱ⁾	8.7	123.6	17.5	148.5
Corporate and Other	3.6	11.4	6.3	13.3
Adjusted Operating Profit	\$ 241.0	\$ 211.6	\$ 382.8	\$ 385.7
Consumer Products	3.1	17.8	22.0	50.1
Wizards of the Coast and Digital Gaming	225.6	192.9	332.0	302.9
Entertainment	23.0	9.9	44.0	51.8
Corporate and Other	(10.7)	(9.0)	(15.2)	(19.1)

⁽¹⁾ Non-GAAP Adjustments include the following:

Acquisition-related costs ⁽ⁱ⁾	\$ 3.6	\$ 1.9	6.3	\$ 3.8
Acquired intangible amortization ⁽ⁱⁱ⁾	18.3	21.8	37.4	46.7
Loss on assets held for sale and related costs ⁽ⁱⁱⁱ⁾	-	111.3	-	111.3
Total	\$ 21.9	\$ 135.0	\$ 43.7	\$ 161.8

⁽ⁱ⁾ In association with the Company's acquisition of eOne, the Company incurred stock compensation expenses of \$3.6 (\$3.2 after-tax) and \$6.3 (\$5.6 after-tax) in the quarter and year ended June 26, 2022, respectively, and \$1.9 (\$1.6 after-tax) and \$3.8 (\$3.3 after-tax) in the quarter and year ended June 27, 2021, respectively. The expense is included within Selling, Distribution and Administration.

⁽ⁱⁱ⁾ Represents intangible amortization costs related to the intangible assets acquired in the eOne acquisition. Beginning in 2022, 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. In 2021, the intangible amortization costs were recorded within the Entertainment segment.

⁽ⁱⁱⁱ⁾ On April 25, 2021, the Company entered into a definitive agreement to sell the eOne music business for an aggregate sales price of \$385.0, subject to certain closing adjustments related to working capital and net debt. As such, the assets and liabilities of eOne music were revalued in the second quarter of 2021 and disclosed separately on the balance sheet. The charge of \$111.3 is comprised of a goodwill impairment loss of \$101.8 (included within Loss on Assets Held for Sale) and transaction costs of \$9.5 (included within Selling, Distribution and Administration). The after-tax combined charge is \$109.1.



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited) (Millions of Dollars)

Reconciliation of EBITDA and Adjusted EBITDA

	Quarter Ended		Six Months Ended	
	June 26, 2022	June 27, 2021	June 26, 2022	June 27, 2021
Net Earnings Attributable to Hasbro, Inc.	\$ 142.0	\$ (22.9)	\$ 203.2	\$ 93.3
Interest Expense	41.7	46.1	83.3	94.0
Income Tax Expense	39.4	63.0	56.7	75.0
Net Earnings Attributable to Noncontrolling Interests	(1.5)	1.0	0.2	2.3
Depreciation	36.6	42.6	61.7	67.6
Amortization of Intangibles	27.2	29.7	54.3	62.6
EBITDA	\$ 285.4	\$ 159.5	\$ 459.4	\$ 394.8
Non-GAAP Adjustments and Stock Compensation ⁽¹⁾	22.9	130.1	41.0	146.8
Adjusted EBITDA	\$ 308.3	\$ 289.6	\$ 500.4	\$ 541.6
Adjusted EBITDA by Segment:				
Consumer Products	\$ 50.2	\$ 54.7	\$ 99.0	\$ 120.6
Wizards of the Coast and Digital Gaming	231.0	210.0	343.2	324.9
Entertainment	30.4	19.5	61.8	91.8
Corporate and Other	(3.3)	5.4	(3.6)	4.3
Total Adjusted EBITDA	\$ 308.3	\$ 289.6	\$ 500.4	\$ 541.6
Consumer Products:				
Operating Profit	\$ (6.5)	\$ 17.8	\$ 2.1	\$ 50.1
Other (Expense) Income	5.6	1.5	6.4	7.7
Depreciation	25.5	19.5	39.4	32.6
Amortization of Intangibles	17.2	7.8	35.2	15.6
EBITDA	\$ 41.8	\$ 46.6	\$ 83.1	\$ 106.0
Non-GAAP Adjustments and Stock Compensation	8.4	8.1	15.9	14.6
Adjusted EBITDA	\$ 50.2	\$ 54.7	\$ 99.0	\$ 120.6
Wizards of the Coast and Digital Gaming:				
Operating Profit	\$ 225.6	\$ 192.9	\$ 332.0	\$ 302.9
Other (Expense) Income	(2.6)	(0.6)	(3.3)	(0.9)
Depreciation	1.9	14.6	3.8	17.2
Amortization of Intangibles	1.0	-	1.0	-
EBITDA	\$ 225.9	\$ 206.9	\$ 333.5	\$ 319.2
Non-GAAP Adjustments and Stock Compensation	5.1	3.1	9.7	5.7
Adjusted EBITDA	\$ 231.0	\$ 210.0	\$ 343.2	\$ 324.9
Entertainment:				
Operating Profit	\$ 14.3	\$ (113.7)	\$ 26.5	\$ (96.7)
Other (Expense) Income	(1.3)	2.3	0.6	25.6
Depreciation	2.3	2.2	5.1	5.0
Amortization of Intangibles	8.9	22.0	17.9	47.1
EBITDA	\$ 24.2	\$ (87.2)	\$ 50.1	\$ (19.0)
Non-GAAP Adjustments and Stock Compensation	6.2	106.7	11.7	110.8
Adjusted EBITDA	\$ 30.4	\$ 19.5	\$ 61.8	\$ 91.8

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars and Shares, Except Per Share Data)

Reconciliation of Net Earnings and Earnings per Share

	Quarter Ended			
		Diluted		Diluted
	June 26, 2022	Per Share Amount	June 27, 2021	Per Share Amount
<i>(all adjustments reported after-tax)</i>				
Net Earnings Attributable to Hasbro, Inc.	\$ 142.0	\$ 1.02	\$ (22.9)	(0.17)
Acquisition-related costs	3.3	0.02	1.6	0.01
Acquired intangible amortization	15.3	0.11	18.2	0.13
Loss on assets held for sale and related costs	-	-	109.1	0.79
UK Tax Reform ⁽¹⁾	-	-	39.4	0.29
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 160.6</u>	<u>\$ 1.15</u>	<u>\$ 145.4</u>	<u>\$ 1.05</u>

	Six Months Ended			
		Diluted		Diluted
	June 26, 2022	Per Share Amount	June 27, 2021	Per Share Amount
<i>(all adjustments reported after-tax)</i>				
Net Earnings Attributable to Hasbro, Inc.	\$ 203.2	\$ 1.46	\$ 93.3	0.68
Acquisition-related costs	5.6	0.04	3.3	0.02
Acquired intangible amortization	31.2	0.22	38.7	0.28
Loss on assets held for sale and related costs	-	-	109.1	0.79
UK Tax Reform ⁽¹⁾	-	-	39.4	0.29
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 240.0</u>	<u>\$ 1.72</u>	<u>\$ 283.8</u>	<u>\$ 2.05</u>

⁽¹⁾ In the second quarter of 2021, the Company recorded income tax expense of \$39.4 as a result of the revaluation of the Company's UK deferred taxes in accordance with Finance Act 2021 enacted by the United Kingdom on June 10, 2021. Effective April 1, 2023, the new law increases the corporate income tax rate to 25% from 19%.

2021 Cost of Sales

(Actual FX as Reported)

As a % of Revenue	
Revenue	100.0%
Cost of Sales	30.0%

Board / Paper / Print	7.6%
Resins	4.7%
Electronics / Metals	1.2%
All Other	0.7%
Total	14.2%

Labor	5.9%
Factory Overhead	4.1%
Freight / Import Costs	3.5%
Tooling	1.2%
Inventory Variances	1.1%
Total	15.8%



