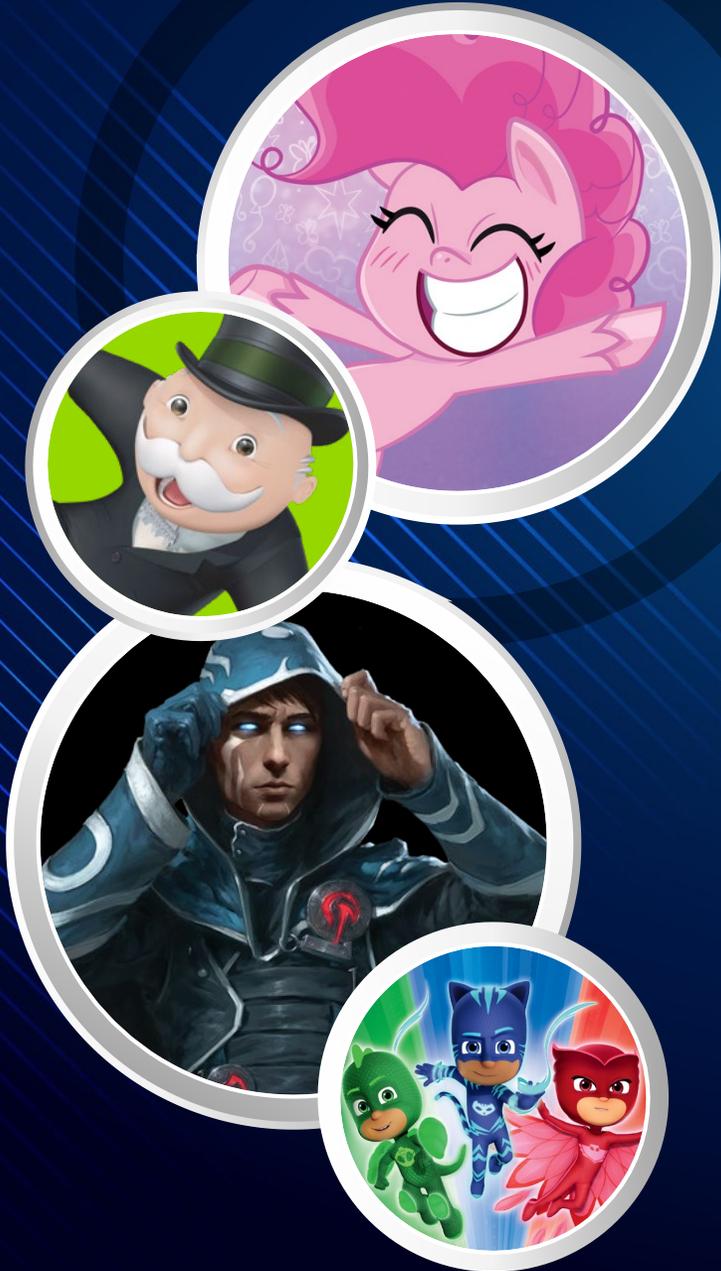




# Q3 2020 Earnings

OCTOBER 26, 2020



# 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: the impact of, and actions and initiatives taken and planned to be taken to, try and manage the negative impact of the global coronavirus outbreak on our business; our expectations concerning the upcoming holiday season and our future results; and our working capital and 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 to 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 that are 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 and practices of our customers;
- 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 actions to lessen the impact of potential and enacted tariffs imposed on our products, including any 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 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.

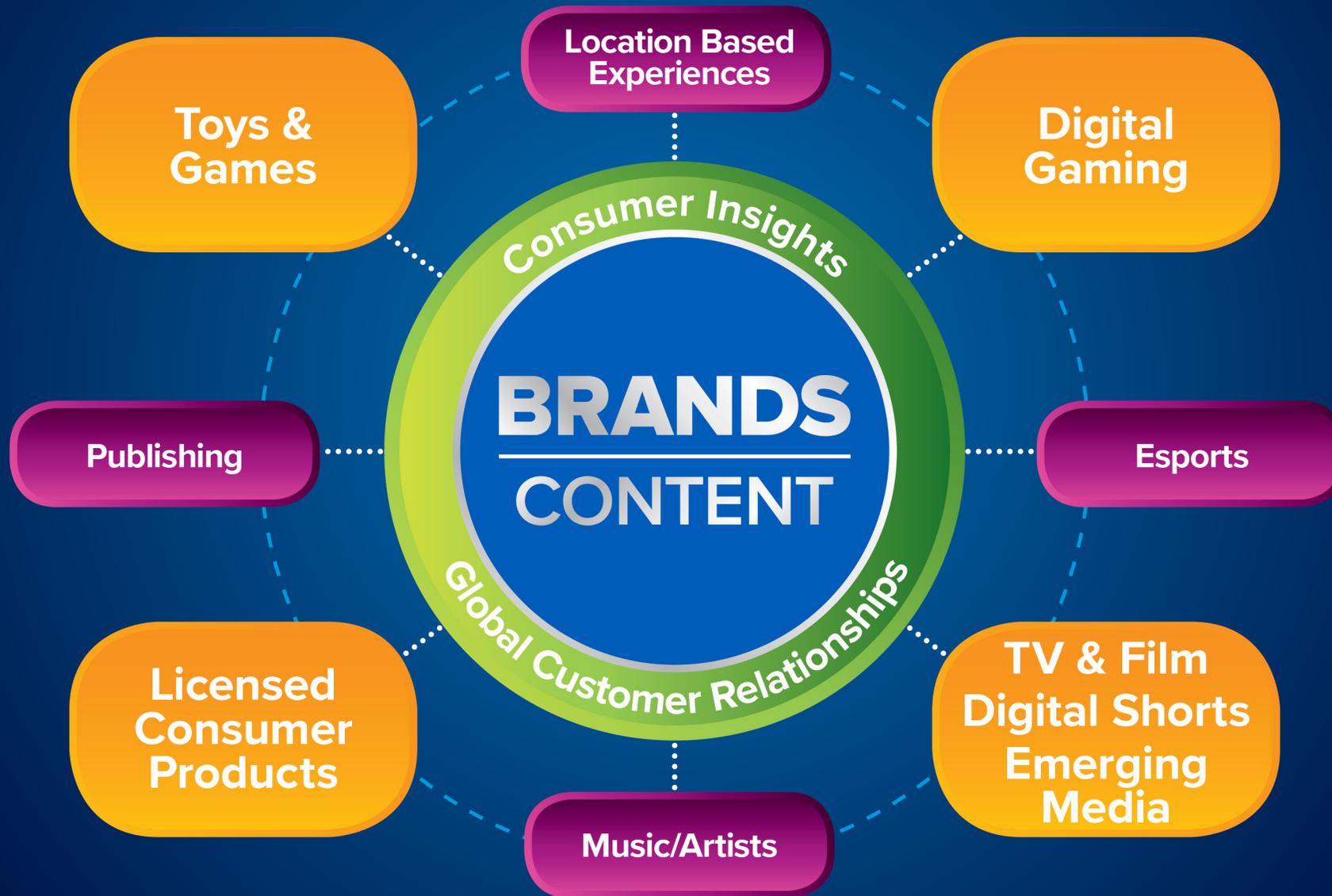
The statements contained herein are based on our current beliefs and expectations. We undertake no obligation to make any revisions to the forward-looking statements contained in this release or to update them to reflect events or circumstances occurring after the date of this presentation.

# 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 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 acquisition-related charges. 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, Adjusted earnings per diluted share and 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's 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



## FOCUSED ON FOUR ESSENTIAL AREAS IN NEAR TERM

**Supply:** Partner factories and warehouses are currently open and operating. Production is caught up in most instances.

**Demand:** Consumer demand remained positive in the quarter; revenue gains led by Franchise Brands and Gaming; ecomm up 50% globally

**Liquidity:** Substantial liquidity and access to cash

**Community:** Our global teams remain focused on supporting our people, health & safety workplace protocols & supporting remote work arrangements.



## STRONG FINANCIAL POSITION

Q3 2020 Revenues: \$1.78B  
Net Earnings: \$220.9M  
Adjusted Net Earnings: \$258.9M\*  
Adjusted EBITDA \$428.2M\*  
\$1.1B in cash at quarter end  
\$494.3M Q3 operating cash flow  
\$1.5B Revolving Credit Facility available

*\*A reconciliation of Adjusted Net Earnings can be found on slide 36; adjusted EBITDA can be found on slide 37.*



# Q3 2020 snapshot

## ▶ REVENUE

**\$1.78B**

## ▶ OPERATING PROFIT

As Reported **\$336.6M**

As Adjusted **\$367.2M**

## ▶ NET EARNINGS

As Reported **\$220.9M**

As Adjusted **\$258.9M**

## ▶ EPS: NET EARNINGS

As Reported **\$1.61** per diluted share

As Adjusted **\$1.88** per diluted share



*\*The As Adjusted figures are non-GAAP financial measures.  
A reconciliation of non-GAAP financial measures can be found  
on slides 31-37*



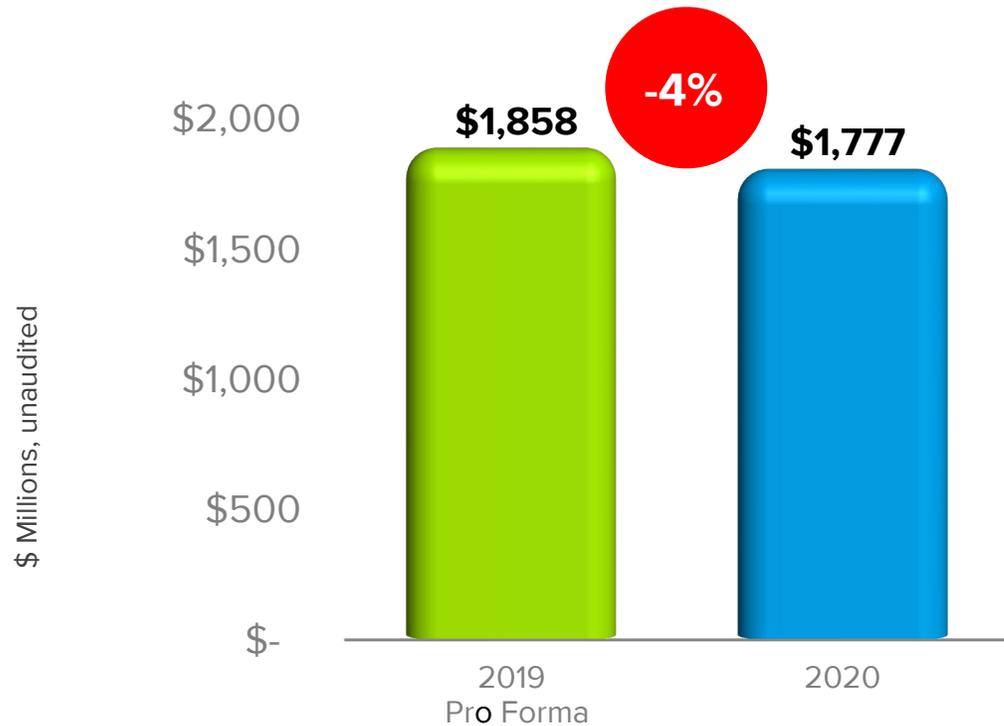
# Q3

2020 ANNOUNCEMENTS & HIGHLIGHTS

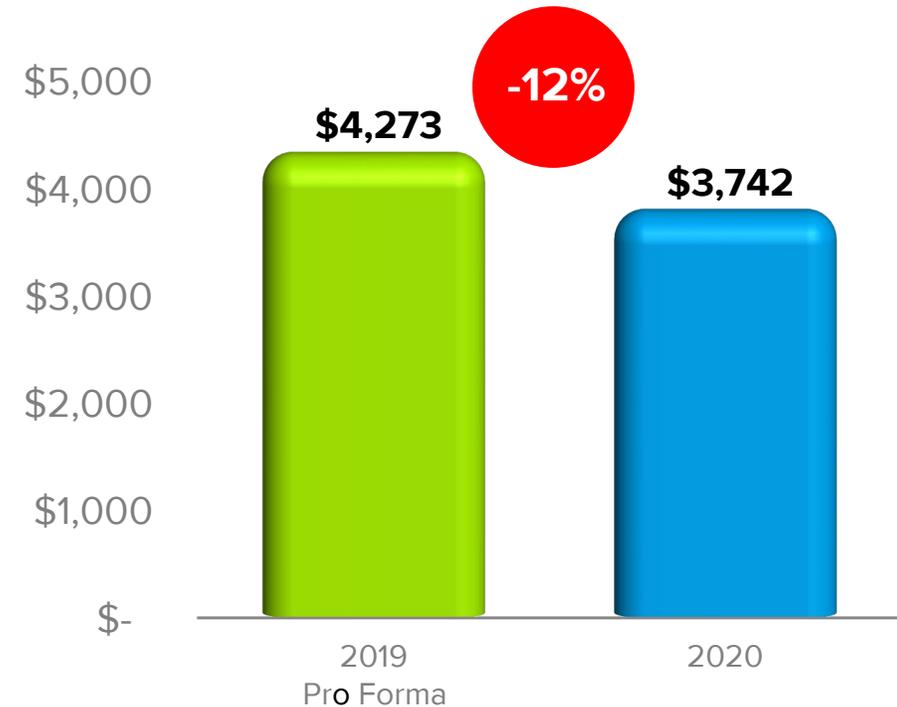


# Third Quarter & Nine Months Net Revenues Performance

## THIRD QUARTER NET REVENUES



## NINE MONTHS NET REVENUES



- Growth in toys, games and digital initiatives offset by a decline in entertainment
- Consumer demand remained strong in the third quarter 2020; Global POS up mid-single digits
- Revenue growth in the U.S. and Canada segment and European region; ecomm revenues up 50% globally
- eOne TV and Film revenues impacted by delivery delays due to timing of production returning
- FX had a negative \$1M impact on revenues in the third quarter 2020; YTD 2020 negative impact is \$28M

For comparability, the third 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 34 and 35.

# Third Quarter & Nine Months Brand Portfolio Performance

## 3<sup>rd</sup> QUARTER 2020

- Consumer demand for Hasbro brands and stories remained strong through the third quarter 2020.
- Q3 2020 growth in FRANCHISE BRANDS: MAGIC: THE GATHERING, MONOPOLY and PLAY-DOH.
- PARTNER BRANDS Growth in Lucasfilm's *Star Wars* offset by declines in *Marvel* and *Frozen*.
- Growth in HASBRO GAMING led by DUNGEONS AND DRAGONS as well as Classic Games.
- EMERGING BRANDS revenues declined on pro forma basis.
- TV/FILM/ENTERTAINMENT Late Q3 return to production in some locations delayed completion and delivery of productions; shifting timing of revenues to future periods.

(millions of dollars)	Q3 2020	Pro Forma Q3 2019	% CHANGE	Nine Months 2020	Pro Forma Nine Months 2019	% CHANGE
FRANCHISE BRANDS	\$808	\$780	+4%	\$1,581	\$1,750	-10%
PARTNER BRANDS	\$409	\$427	-4%	\$730	\$812	-10%
HASBRO GAMING <sup>1</sup>	\$239	\$232	+3%	\$516	\$463	+11%
EMERGING BRANDS <sup>2</sup>	\$155	\$189	-18%	\$325	\$411	-21%
TV/FILM/ENTERTAINMENT <sup>3</sup>	\$166	\$231	-28%	\$590	\$836	-29%
<b>TOTAL</b>	<b>\$1,777</b>	<b>\$1,858</b>	<b>-4%</b>	<b>\$3,742</b>	<b>\$4,273</b>	<b>-12%</b>

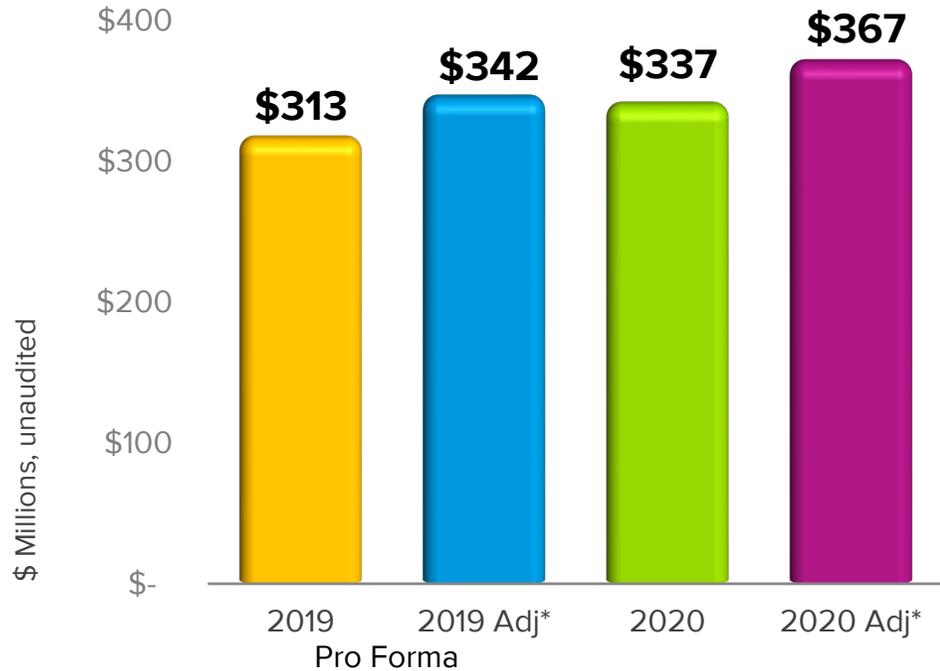
<sup>1</sup>Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY which are included in Franchise Brands in the table above, was \$543M for Q3 2020, up 21% vs. \$449M for Q3 2019. YTD 2020 Hasbro's total gaming was \$1.2B, up 11% versus \$1.1B YTD 2019. *Hasbro believes its gaming portfolio is a competitive differentiator and views it in its entirety.*

<sup>2</sup> 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 nine months ended September 29, 2019 includes the pro forma net revenues of \$52M and \$145M, respectively, for those brands.

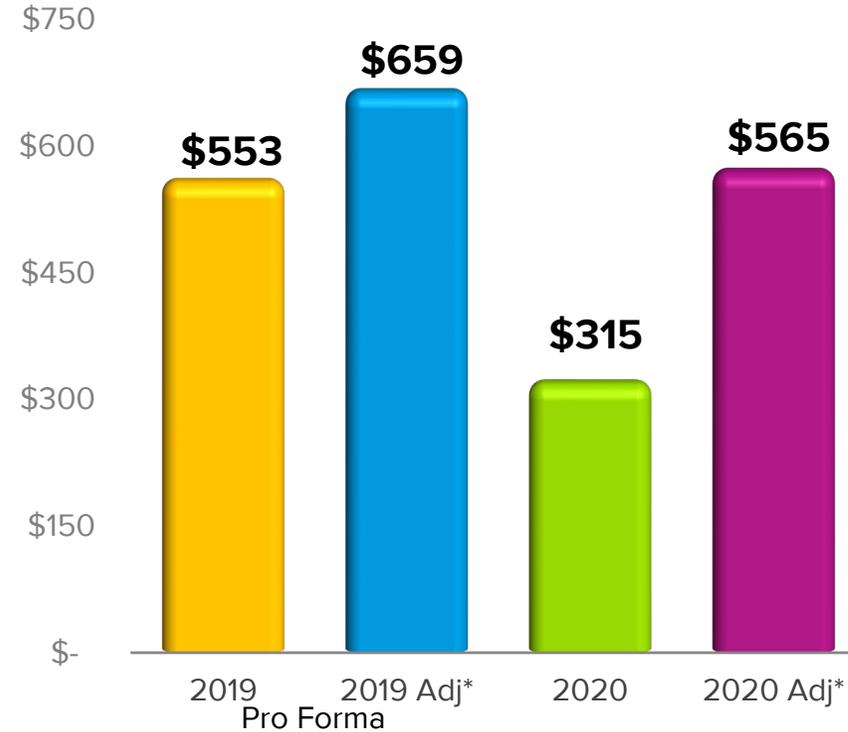
<sup>3</sup>TV/Film/Entertainment represents eOne net revenues not allocated to the Emerging Brands portfolio.

# Third Quarter & Nine Months Operating Profit

## THIRD QUARTER



## NINE MONTHS



### Operating Profit Margin Q3 2020

#### Favorable

- Product Mix
- Lower Program Amortization
- Lower Expenses

#### Unfavorable

- Lower Revenues
- Alignment of Accounting for certain eOne expenses versus 2019

### Operating Profit Margin Nine Months 2020

#### Favorable

- Product Mix
- Lower Expenses
- Lower Program Amortization

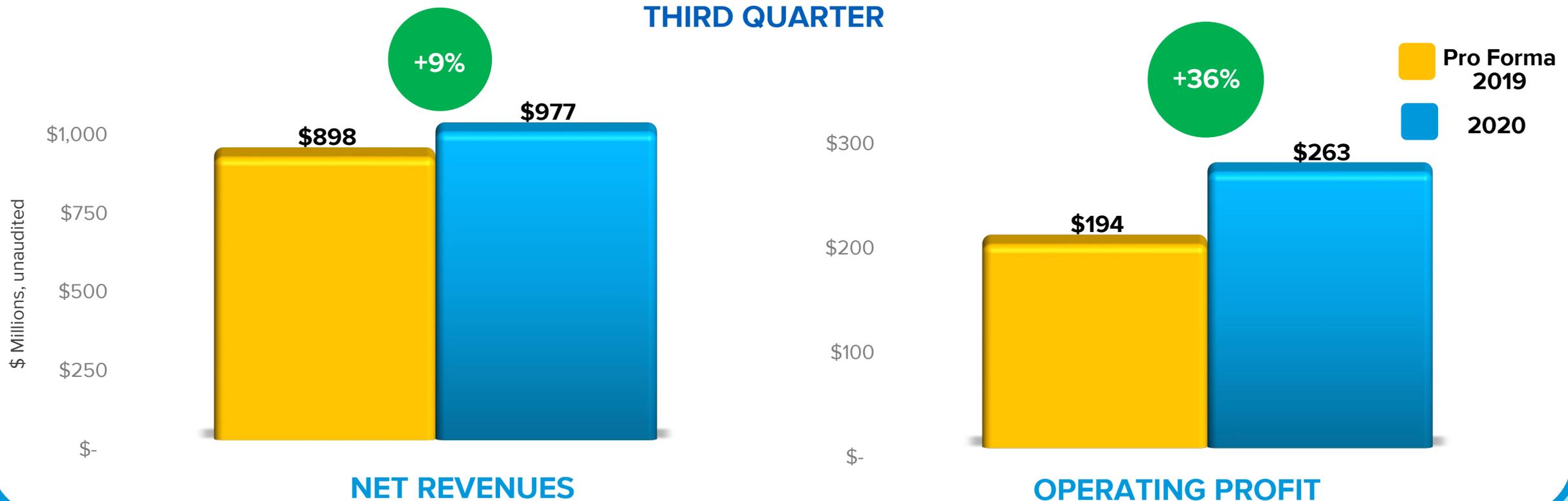
#### Unfavorable

- Lower Revenues
- Shipping



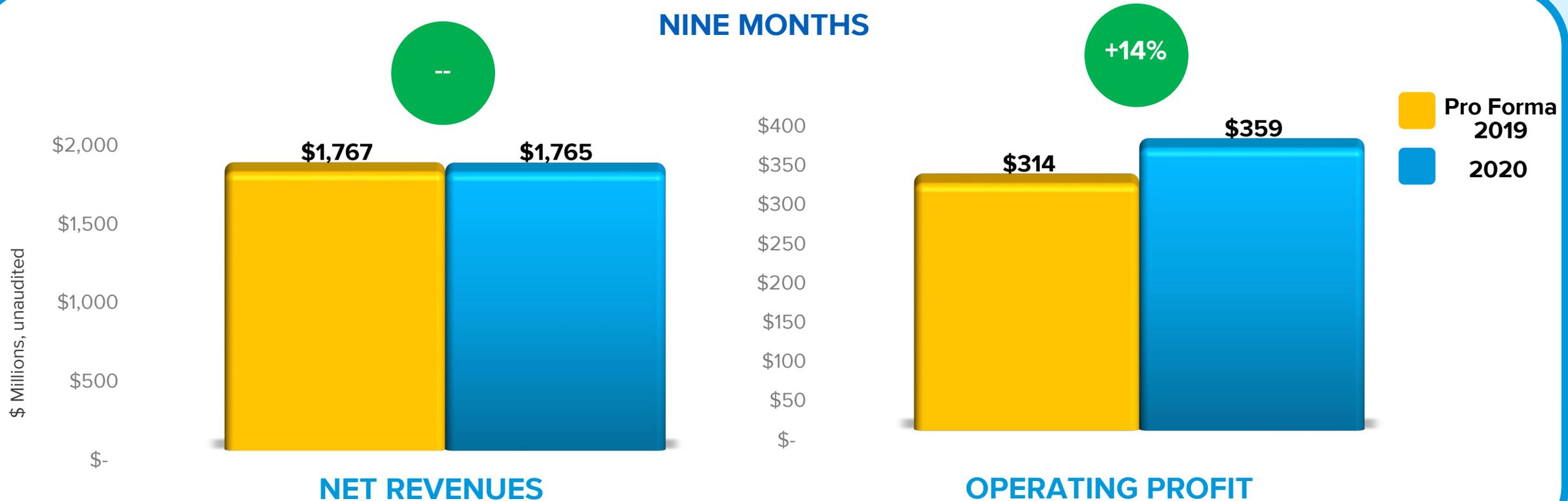
\*The Adjusted figures are non-GAAP financial measures. See "Reconciliation of As Reported to Pro Forma Adjusted Operating Results" on slides 31-33. For comparability, the third quarter of 2019 includes the pro forma results for the eOne Segment. See "Reconciliation of 2019 As Reported to Pro Forma Results" for the Pro Forma and Non-GAAP adjustments on slides 34 and 35.

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



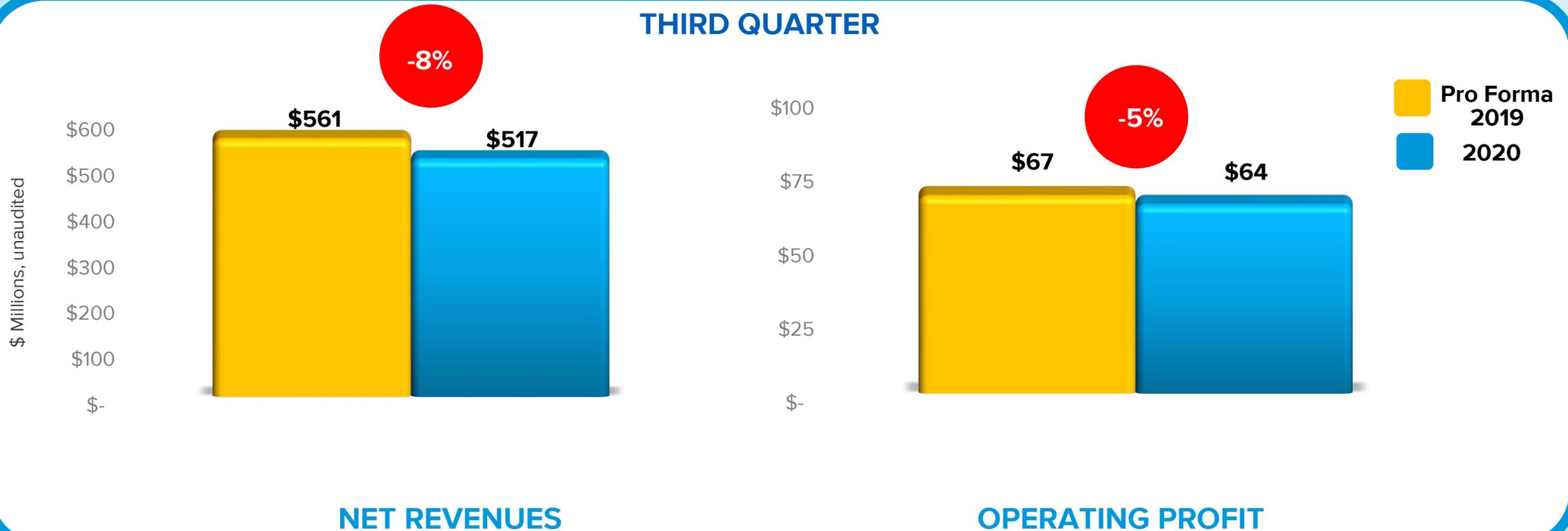
- Revenue growth in Franchise Brands, led by MAGIC: THE GATHERING, Emerging Brands and Hasbro Gaming
- In Partner Brands, Lucasfilm's *Star Wars* revenue increased
- Operating Profit and Operating Profit margin growth driven primarily by higher revenues and favorable product mix as well as reduced inventory costs and cost savings initiatives

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



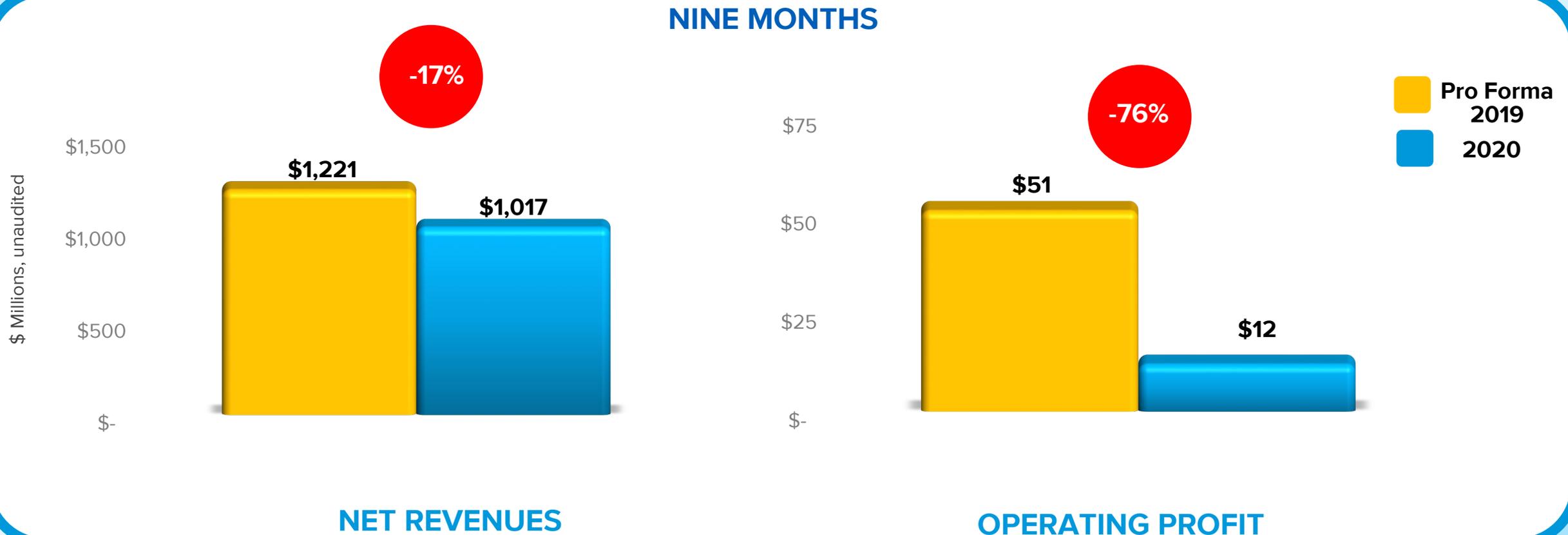
- Revenue growth in Hasbro Gaming, other categories down; MAGIC: THE GATHERING and Lucasfilm's *Star Wars* up
- Despite flat net revenues, Operating Profit and Operating Profit Margin grew from favorable product mix, including MAGIC: THE GATHERING, and lower expenses

# International Segment Net Revenues & Operating Profit



- Revenue declines primarily driven by Latin America; Revenue growth in European region
- Operating Profit declined on lower revenues, but Operating Profit Margin improved due to favorable mix, including growth in MAGIC: THE GATHERING, lower advertising spend and cost management

# International Segment Net Revenues & Operating Profit



- Revenue declines most meaningful in Latin America; Q3 2020 improvement in European region
- YTD 2020 International segment revenues negatively impacted by \$25M due to foreign exchange
- Operating Profit declined as a result of lower revenues and efforts to clear inventory in Latin America; partially offset by favorable product mix and lower expenses

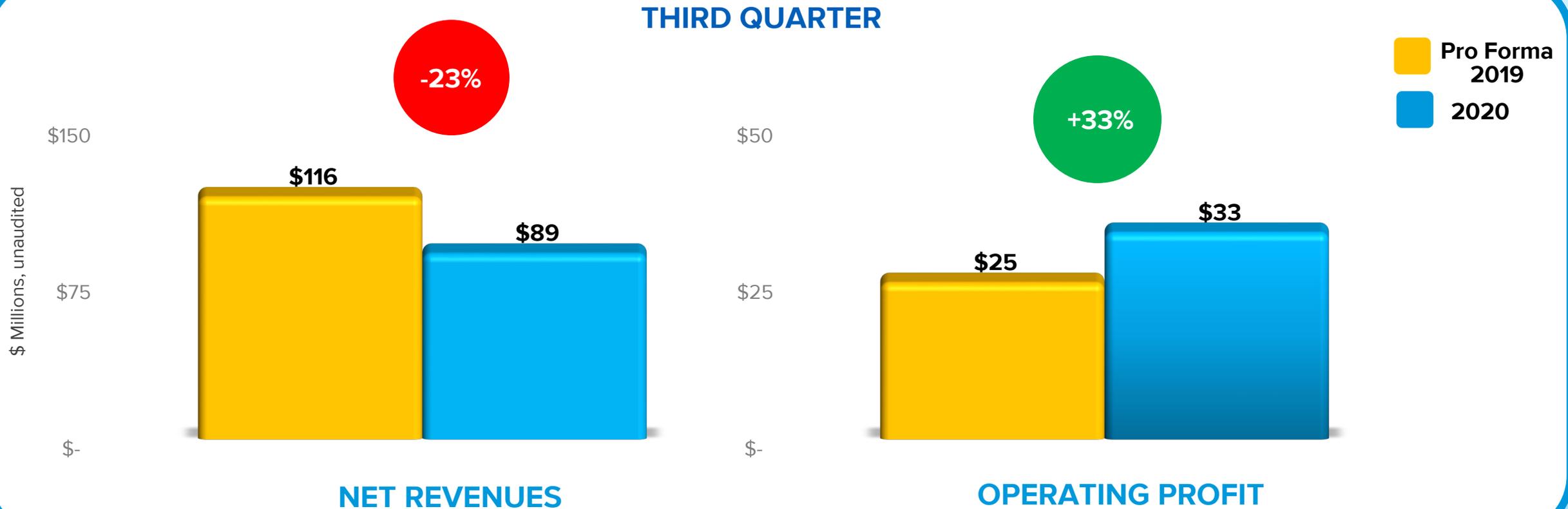
# International Segment Net Revenues

	Q3 2020 AS REPORTED	Q3 2020 ABSENT FX	Nine Months 2020 AS REPORTED	Nine Months 2020 ABSENT FX
EUROPE	+7%	+4%	-2%	-2%
LATIN AMERICA	-40%	-30%	-48%	-40%
ASIA PACIFIC	-9%	-10%	-19%	-18%
<b>TOTAL INTERNATIONAL</b>	<b>-8%</b>	<b>-7%</b>	<b>-17%</b>	<b>-15%</b>

Foreign Exchange had a negative \$1M impact on International segment revenues in the third quarter 2020 and a negative \$25M impact YTD 2020

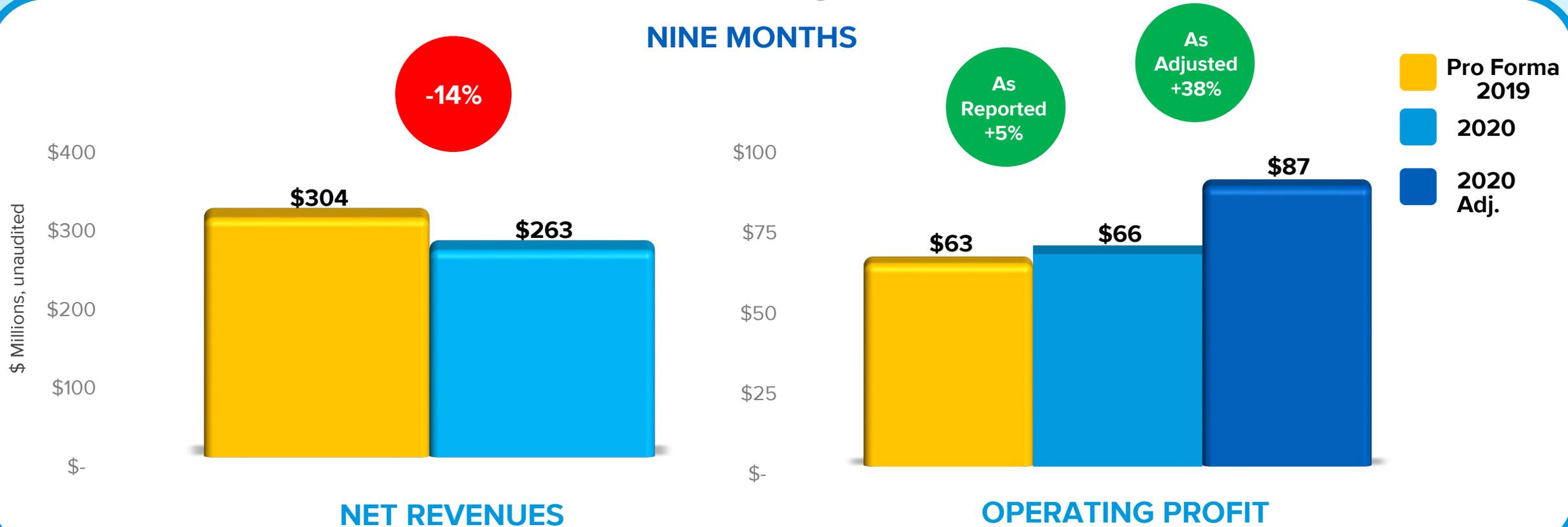


# Entertainment, Licensing & Digital Segment Net Revenues & Operating Profit



- EL&D revenues declined due to lower film revenue compared to 2019, which included *Transformer's Bumblebee* film revenue, partially offset by higher digital gaming revenues
- Operating profit and operating profit margin increased due to increased revenue from high profit digital licensing and decreased advertising costs versus the 2019 initial launch of *Magic: The Gathering Arena*

# Entertainment, Licensing & Digital Segment Net Revenues & Operating Profit

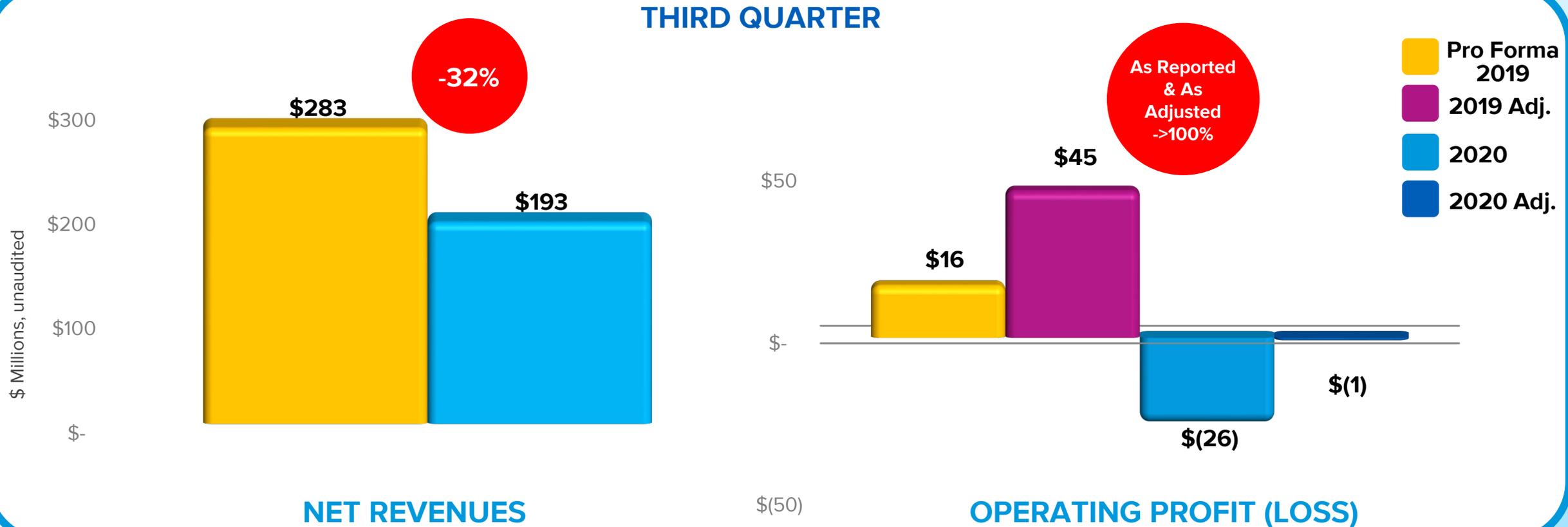


- EL&D revenues declined due to lower film revenue compared to 2019, which included *Transformer's Bumblebee* film revenue, and closure of Backflip Studios late in 2019, partially offset by higher digital gaming revenues
- Adjusted Operating Profit increased due to lower program amortization, increased revenue from high-profit digital licensing and in part due to the closure of Backflip Studios
- YTD Adjusted Operating Profit excludes a \$21M charge associated with a write down of certain assets resulting from the transition to eOne entertainment strategy following the acquisition

A reconciliation of adjusted segment operating profit can be found on slide 33

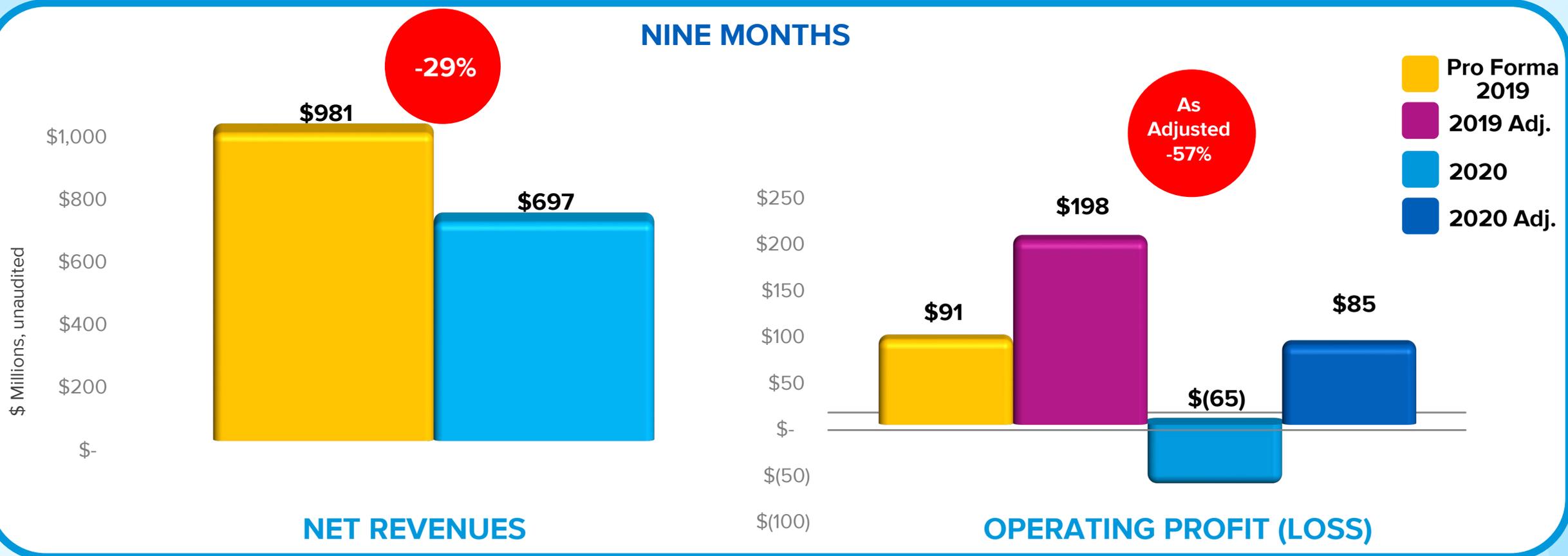


# eOne Segment Net Revenues & Operating Profit (Loss)



- Revenues declined due to timing of live-action production restart in TV & Film due to COVID-19 related shutdowns; Family Brands revenues declined due to lower consumer products and lower advertising revenue from the YouTube platform
- Adjusted Operating Loss primarily related to lower revenue partially offset by lower program amortization, advertising and royalties

# eOne Segment Net Revenues & Operating Profit (Loss)



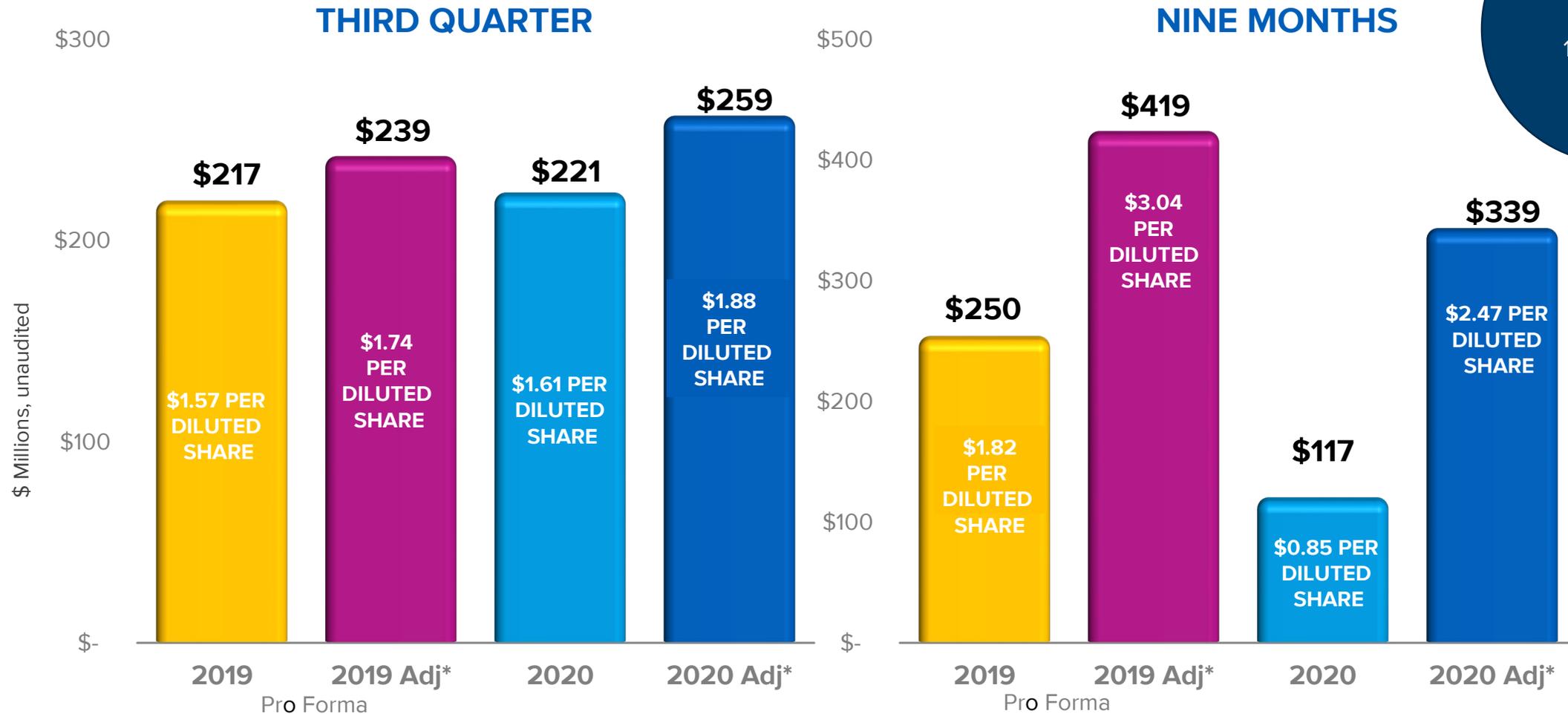
- Revenues declined due to timing of live-action production restart in TV & Film due to COVID-19 related shutdowns; Family Brands revenues declined due to lower consumer products and lower advertising revenue from the YouTube platform
- Adjusted Operating Profit declined primarily related to the decrease in revenues and the decline in YouTube advertising revenues, partially offset by lower expenses

A reconciliation of adjusted segment operating profit can be found on slide 33. For comparability, the third 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 35.



# Third Quarter & Nine Months Net Earnings

**Diluted Shares:**  
Q3 2020  
137.5M vs.  
Q3 2019  
127.2M



- Total Non-Operating Expense: Q3 2020 \$37M; YTD 2020 \$132M
  - Q3 2019 Non-Operating Expense included a \$25.5 million charge related to hedging part of the British Pound Sterling purchase price of eOne
- Q3 2020 Underlying Tax Rate: 19.8% versus 18.2% in Q3 2019
  - Q3 2020 Underlying Tax Rate Includes \$13.7M of incremental tax expense related to a change in the U.K. tax code



# Key Cash Flow & Balance Sheet Data

## YEAR TO DATE ENDED

\$ Millions, unaudited	SEPT 27, 2020	SEPT 29, 2019	NOTES
<b>Cash</b>	\$1,132	\$1,060	Substantial cash on hand and access to cash through \$1.5B revolving credit facility
<b>Long-term Debt</b>	\$4,778	\$1,696	Reflects eOne acquisition financing completed in 2019
<b>Depreciation</b>	\$94	\$101	
<b>Amortization of Intangibles</b>	\$108	\$35	Reflects eOne acquisition purchased intangibles
<b>Program Spend, net</b>	\$295	\$44	Increase due to content spend with eOne; 2020 expected to be at the lower end of previously updated range of \$450-550M
<b>Capital Expenditures</b>	\$92	\$91	Expect to be slightly below full-year 2020 target of \$145-\$155M
<b>Dividends Paid</b>	\$279	\$251	\$0.68 per share quarterly dividend paid in Q3 2020; Next dividend payable November 16, 2020
<b>Share Repurchase</b>	\$0	\$60	Share repurchase suspended in 2019 as Company prioritizes delevering
<b>Operating Cash Flow</b>	\$494	\$390	Generating strong cash flow; TTM \$758M
<b>Accounts Receivable</b>	\$1,438	\$1,417	DSO down 9 days on pro forma basis; Strong cash collections
<b>Inventory</b>	\$540	\$589	Down 7% absent FX
<b>Goodwill</b>	\$3,644	\$485	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)

## ASSETS

Cash and Cash Equivalents
Accounts Receivable, Net
Inventories
Prepaid Expenses and Other Current Assets
Total Current Assets
Property, Plant and Equipment, Net
Goodwill
Other Intangible Assets, Net
Other Assets
Total Assets

	September 27, 2020	September 29, 2019
	\$ 1,132,405	\$ 1,060,432
	1,438,360	1,416,879
	540,039	589,132
	648,158	346,687
	<u>3,758,962</u>	<u>3,413,130</u>
	477,154	371,881
	3,644,118	485,042
	1,546,810	658,350
	1,276,133	626,221
	<u>\$ 10,703,177</u>	<u>\$ 5,554,624</u>

## LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY

Short-term Borrowings
Current Portion of Long-term Debt
Accounts Payable and Accrued Liabilities
Total Current Liabilities
Long-term Debt
Other Liabilities
Total Liabilities
Redeemable Noncontrolling Interests
Total Shareholders' Equity
Total Liabilities, Noncontrolling Interests and Shareholders' Equity

	\$ 10,032	\$ 7,903
	369,269	-
	1,936,248	1,458,832
	<u>2,315,549</u>	<u>1,466,735</u>
	4,777,807	1,696,204
	778,514	550,778
	<u>7,871,870</u>	<u>3,713,717</u>
	22,876	-
	2,808,431	1,840,907
	<u>\$ 10,703,177</u>	<u>\$ 5,554,624</u>

# Consolidated Statements of Operations

((Thousands of Dollars and Shares, Except Per Share Data))

	Quarter Ended				Nine Months Ended			
	September 27, 2020	% Net Revenues	September 29, 2019	% Net Revenues	September 27, 2020	% Net Revenues	September 29, 2019	% Net Revenues
Net Revenues	\$ 1,776,623	100.0%	\$ 1,575,173	100.0%	\$ 3,742,472	100.0%	\$ 3,292,220	100.0%
Costs and Expenses:								
Cost of Sales	610,105	34.3%	627,119	39.8%	1,126,044	30.1%	1,230,800	37.4%
Program Cost Amortization	85,424	4.8%	28,028	1.8%	268,245	7.2%	58,105	1.8%
Royalties	176,938	10.0%	128,008	8.1%	387,097	10.3%	258,957	7.9%
Product Development	62,709	3.5%	67,354	4.3%	174,863	4.7%	189,246	5.7%
Advertising	137,408	7.7%	140,256	8.9%	311,415	8.3%	309,659	9.4%
Amortization of Intangibles	36,172	2.0%	11,814	0.8%	107,685	2.9%	35,445	1.1%
Selling, Distribution and Administration	325,360	18.3%	275,384	17.5%	885,680	23.7%	748,338	22.7%
Acquisition and Related Costs	5,949	0.3%	-	0.0%	165,993	4.4%	-	0.0%
Operating Profit	336,558	18.9%	297,210	18.9%	315,450	8.4%	461,670	14.0%
Interest Expense	49,400	2.8%	22,764	1.4%	153,702	4.1%	67,096	2.0%
Other (Income) Expense, Net	(12,040)	-0.7%	14,700	0.9%	(21,840)	-0.6%	99,125	3.0%
Earnings before Income Taxes	299,198	16.8%	259,746	16.5%	183,588	4.9%	295,449	9.0%
Income Tax Expense	79,215	4.5%	46,797	3.0%	64,313	1.7%	42,340	1.3%
Net Earnings	219,983	12.4%	212,949	13.5%	119,275	3.2%	253,109	7.7%
Net (Loss) Earnings Attributable to Noncontrolling Interests	(915)	-0.1%	-	0.0%	1,929	0.1%	-	0.0%
Net Earnings Attributable to Hasbro, Inc.	\$ 220,898	12.4%	\$ 212,949	13.5%	\$ 117,346	3.1%	\$ 253,109	7.7%
Per Common Share								
Net Earnings								
Basic	\$ 1.61		\$ 1.68		\$ 0.86		\$ 2.00	
Diluted	\$ 1.61		\$ 1.67		\$ 0.85		\$ 1.99	
Cash Dividends Declared	\$ 0.68		\$ 0.68		\$ 2.04		\$ 2.04	
Weighted Average Number of Shares								
Basic	137,258		126,453		137,214		126,356	
Diluted	137,490		127,204		137,465		126,956	

# Condensed Consolidated Cash Flows

(Thousands of Dollars)

	<b>Nine Months Ended</b>	
	<b>September 27, 2020</b>	<b>September 29, 2019</b>
<b>Cash Flows from Operating Activities:</b>		
Net Earnings	\$ 119,275	\$ 253,109
Non-Cash Pension Charge	-	110,777
Other Non-Cash Adjustments	561,826	204,726
Changes in Operating Assets and Liabilities	(186,791)	(179,044)
Net Cash Provided by Operating Activities	<u>494,310</u>	<u>389,568</u>
<b>Cash Flows from Investing Activities:</b>		
Additions to Property, Plant and Equipment	(92,059)	(90,800)
Acquisition, Net of Cash Acquired	(4,403,929)	-
Other	24,297	4,340
Net Cash Utilized by Investing Activities	<u>(4,471,691)</u>	<u>(86,460)</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Long-term Debt	1,036,037	-
Repayments of Long-term Debt	(147,324)	-
Net Repayments of Short-term Borrowings	(319)	(1,425)
Purchases of Common Stock	-	(60,137)
Stock-Based Compensation Transactions	1,830	29,737
Dividends Paid	(279,423)	(250,760)
Employee Taxes Paid for Shares Withheld	(5,935)	(13,061)
Redemption of Equity Instruments	(47,399)	-
Deferred Acquisition Payments	-	(100,000)
Debt Issuance Costs	-	(21,534)
Other	(6,949)	-
Net Cash Provided (Utilized) by Financing Activities	<u>550,518</u>	<u>(417,180)</u>
Effect of Exchange Rate Changes on Cash	(21,101)	(7,867)
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 Period	<u>\$ 1,132,405</u>	<u>\$ 1,060,432</u>

# SUPPLEMENTAL FINANCIAL DATA

## PRO FORMA SEGMENT RESULTS (Unaudited)

(Thousands of Dollars)

	Quarter Ended			Nine Months Ended		
	September 27, 2020	Pro Forma September 29, 2019	% Change	September 27, 2020	Pro Forma September 29, 2019	% Change
<b><u>Segment Results</u></b>						
<b><u>U.S. and Canada Segment:</u></b>						
External Net Revenues	\$ 977,115	\$ 898,269	9%	\$ 1,765,482	\$ 1,766,649	0%
Operating Profit	262,977	193,686	36%	359,028	313,795	14%
Operating Margin	26.9%	21.6%		20.3%	17.8%	
<b><u>International Segment <sup>(1)</sup>:</u></b>						
External Net Revenues	517,007	561,137	-8%	1,017,222	1,221,224	-17%
Operating Profit	63,924	67,238	-5%	12,333	51,410	-76%
Operating Margin	12.4%	12.0%		1.2%	4.2%	
<b><u>Entertainment, Licensing and Digital Segment:</u></b>						
External Net Revenues	89,027	115,766	-23%	262,879	304,266	-14%
Operating Profit	32,791	24,594	33%	65,758	62,550	5%
Operating Margin	36.8%	21.2%		25.0%	20.6%	
<b><u>eOne Segment <sup>(2)</sup>:</u></b>						
External Net Revenues	193,474	283,310	-32%	696,889	980,613	-29%
Operating (Loss) Profit	(25,914)	15,812	>-100%	(64,962)	91,367	>-100%
Operating Margin	-13.4%	5.6%		-9.3%	9.3%	
<b><u><sup>(1)</sup> International Segment Net Revenues by Major Geographic Region</u></b>						
Europe	\$ 343,179	\$ 319,277	7%	\$ 663,100	\$ 673,728	-2%
Latin America	91,619	151,987	-40%	158,028	305,106	-48%
Asia Pacific	82,209	89,873	-9%	196,094	242,390	-19%
Total	\$ 517,007	\$ 561,137		\$ 1,017,222	\$ 1,221,224	
<b><u><sup>(2)</sup> eOne Segment Net Revenues by Category</u></b>						
Film and TV	\$ 138,514	\$ 199,949	-31%	\$ 504,059	\$ 747,830	-33%
Family Brands	26,252	53,828	-51%	106,069	151,668	-30%
Music and Other	28,708	29,533	-3%	86,761	81,115	7%
Total	\$ 193,474	\$ 283,310		\$ 696,889	\$ 980,613	

## SUPPLEMENTAL FINANCIAL DATA

### PRO FORMA SEGMENT RESULTS (Unaudited)

(Thousands of Dollars)

For comparability, the quarter and nine months ended September 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.

#### **Net Revenues by Brand Portfolio**

Franchise Brands	\$ 807,555	\$ 779,659	4%	\$ 1,580,878	\$ 1,749,948	-10%
Partner Brands	409,214	427,029	-4%	729,772	812,466	-10%
Hasbro Gaming <sup>(3)</sup>	239,222	232,287	3%	516,337	463,272	11%
Emerging Brands <sup>(4)</sup>	154,965	188,589	-18%	325,101	411,371	-21%
TV/Film/Entertainment <sup>(5)</sup>	165,667	230,919	-28%	590,384	835,776	-29%
Total	<u>\$ 1,776,623</u>	<u>\$ 1,858,483</u>		<u>\$ 3,742,472</u>	<u>\$ 4,272,833</u>	

<sup>(3)</sup> Hasbro's total gaming category, including all gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY, totaled \$543,107 and \$1,202,604 for the quarter and nine months ended September 27, 2020, respectively, up 21% and 11%, respectively, from revenues of \$449,393 and \$1,086,151 for the quarter and nine months ended September 29, 2019, respectively.

<sup>(4)</sup> 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 nine months ended September 29, 2019 includes the pro forma net revenues for those brands, which amounted to \$52,391 and \$144,837, respectively.

<sup>(5)</sup> TV/Film/Entertainment includes all other brands not detailed in <sup>(4)</sup> above acquired as part of the eOne Acquisition. For comparability, the quarter and nine months ended September 29, 2019 includes the pro forma net revenues of \$230,919 and \$835,776, respectively.

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

(Thousands of Dollars)

For comparability, the quarter and nine months ended September 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			
	September 27, 2020		Pro Forma September 29, 2019	
	Pre-tax Adjustments	Post-tax Adjustments	Pre-tax Adjustments	Post-tax Adjustments
Acquisition and Related Costs <sup>(1)</sup>	\$ 5,949	\$ 4,726	\$ -	\$ -
Acquired Intangible Amortization <sup>(2)</sup>	24,716	19,637	24,597	19,063
Pro Forma eOne Adjustments	-	-	4,558	3,532
<b>Total</b>	<b>\$ 30,665</b>	<b>\$ 24,363</b>	<b>\$ 29,155</b>	<b>\$ 22,595</b>

	Nine Months Ended			
	September 27, 2020		Pro Forma September 29, 2019	
	Pre-tax Adjustments	Post-tax Adjustments	Pre-tax Adjustments	Post-tax Adjustments
Acquisition and Related Costs <sup>(1)</sup>	\$ 165,993	\$ 140,691	\$ -	\$ -
Acquired Intangible Amortization <sup>(2)</sup>	72,336	57,471	73,791	57,188
Severance <sup>(3)</sup>	11,554	10,125	-	-
Pro Forma eOne Adjustments	-	-	32,599	25,264
<b>Total</b>	<b>\$ 249,883</b>	<b>\$ 208,287</b>	<b>\$ 106,390</b>	<b>\$ 82,452</b>

<sup>(1)</sup> In association with the Company's acquisition of eOne, the Company incurred related expenses of \$5,949 and \$165,993, respectively, in the quarter and nine months ended September 27, 2020, comprised of the following:

(i) Acquisition and integration costs of \$4,599 and \$104,283 for the quarter and nine months ended September 27, 2020, respectively, including expense associated with the acceleration of eOne stock-based compensation and advisor fees settled at the closing of the acquisition, as well as integration costs; and

(ii) Restructuring and related costs of \$1,350 and \$61,710 for the quarter and nine months ended September 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.

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

<sup>(3)</sup> 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. These charges were included in Corporate and Eliminations.

# SUPPLEMENTAL FINANCIAL DATA RECONCILIATION OF AS REPORTED TO PRO FORMA ADJUSTED OPERATING RESULTS Q3 2020

(Thousands of Dollars) (Unaudited)

For comparability, the quarter and nine months ended September 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.

## Reconciliation of Operating Profit (Loss) Results

	Quarter Ended September 27, 2020			Pro Forma Quarter Ended September 29, 2019			% Change
	As Reported	Non-GAAP Adjustments	Adjusted	As Reported	Non-GAAP Adjustments	Adjusted	
<b><u>Adjusted Company Results</u></b>							
External Net Revenues	\$ 1,776,623	\$ -	\$ 1,776,623	\$ 1,858,483	\$ -	\$ 1,858,483	-4%
Operating Profit	336,558	30,665	367,223	313,022	29,155	342,177	7%
Operating Margin	18.9%	1.7%	20.7%	16.8%	1.6%	18.4%	
<b><u>Adjusted Segment Results</u></b>							
<u>U.S. and Canada Segment:</u>							
External Net Revenues	\$ 977,115	\$ -	\$ 977,115	\$ 898,269	\$ -	\$ 898,269	9%
Operating Profit	262,977	-	262,977	193,686	-	193,686	36%
Operating Margin	26.9%	-	26.9%	21.6%	-	21.6%	
<u>International Segment:</u>							
External Net Revenues	517,007	-	517,007	561,137	-	561,137	-8%
Operating Profit	63,924	-	63,924	67,238	-	67,238	-5%
Operating Margin	12.4%	-	12.4%	12.0%	-	12.0%	
<u>Entertainment, Licensing and Digital Segment:</u>							
External Net Revenues	89,027	-	89,027	115,766	-	115,766	-23%
Operating Profit	32,791	-	32,791	24,594	-	24,594	33%
Operating Margin	36.8%	-	36.8%	21.2%	-	21.2%	
<u>eOne Segment:</u>							
External Net Revenues	193,474	-	193,474	283,310	-	283,310	-32%
Operating (Loss) Profit	(25,914)	24,716	(1,198)	15,812	29,155	44,967	>-100%
Operating Margin	-13.4%	12.8%	-0.6%	5.6%	10.3%	15.9%	

## Corporate and Eliminations:

The Corporate and Eliminations segment included non-GAAP adjustments of \$5,949 for the quarter ended September 27, 2020, consisting of eOne acquisition and related costs.

## SUPPLEMENTAL FINANCIAL DATA

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

(Thousands of Dollars)

For comparability, the quarter and nine months ended September 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.

	Nine Months Ended September 29, 2020			Pro Forma Nine Months Ended September 27, 2019			% Change
	As Reported	Non-GAAP Adjustments	Adjusted	As Reported	Non-GAAP Adjustments	Adjusted	
<b><u>Adjusted Company Results</u></b>							
External Net Revenues	\$ 3,742,472	\$ -	\$ 3,742,472	\$ 4,272,833	\$ -	\$ 4,272,833	-12%
Operating Profit	315,450	249,883	565,333	553,037	106,390	659,427	-14%
Operating Margin	8.4%	6.7%	15.1%	12.9%	2.5%	15.4%	
<b><u>Adjusted Segment Results</u></b>							
<b><u>U.S. and Canada Segment:</u></b>							
External Net Revenues	\$ 1,765,482	\$ -	\$ 1,765,482	\$ 1,766,649	\$ -	\$ 1,766,649	0%
Operating Profit	359,028	-	359,028	313,795	-	313,795	14%
Operating Margin	20.3%	-	20.3%	17.8%	-	17.8%	
<b><u>International Segment:</u></b>							
External Net Revenues	1,017,222	-	1,017,222	1,221,224	-	1,221,224	-17%
Operating Profit	12,333	-	12,333	51,410	-	51,410	-76%
Operating Margin	1.2%	-	1.2%	4.2%	-	4.2%	
<b><u>Entertainment, Licensing and Digital Segment:</u></b>							
External Net Revenues	262,879	-	262,879	304,266	-	304,266	-14%
Operating Profit	65,758	20,831	86,589	62,550	-	62,550	38%
Operating Margin	25.0%	7.9%	32.9%	20.6%	-	20.6%	
<b><u>eOne Segment:</u></b>							
External Net Revenues	696,889	-	696,889	980,613	-	980,613	-29%
Operating (Loss) Profit	(64,962)	150,065	85,103	91,367	106,390	197,757	-57%
Operating Margin	-9.3%	21.5%	12.2%	9.3%	10.8%	20.2%	

#### **Corporate and Eliminations:**

The Corporate and Eliminations segment included non-GAAP adjustments of \$78,987 for the nine months ended September 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 September 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 September 29, 2019			
	Hasbro As Reported	eOne (under U.S. GAAP)	Pro Forma Adjustments <sup>(1)</sup>	Pro Forma Combined
Net Revenues	\$ 1,575,173	\$ 283,310	\$ -	\$ 1,858,483
Operating Profit	\$ 297,210	\$ 22,294	\$ (6,482)	\$ 313,022
Non-GAAP Adjustments	-	22,673	6,482	29,155
Adjusted Operating Profit *	\$ 297,210	\$ 44,967	\$ -	\$ 342,177

\* Reconciliation to Pro Forma Adjusted results is as follows:

Net Earnings	\$ 212,949	\$ 2,958	\$ 629	\$ 216,536
Interest Expense	22,764	10,302	19,105	52,171
Other Expense (Income), Net	14,700	2,687	(25,533)	(8,146)
Income Tax Expense	46,797	4,025	(683)	50,139
Net Earnings Attributable to Noncontrolling Interests	-	2,322	-	2,322
Operating Profit	297,210	22,294	(6,482)	313,022

## Non-GAAP Adjustments

eOne:				
Restructuring and Related Charges	-	3,234	-	3,234
Acquisition Costs - eOne Deals	-	1,324	-	1,324
Hasbro Transaction Costs	-	3,244	(3,244)	-
Acquired Intangible Amortization	-	14,871	9,726	24,597
	-	22,673	6,482	29,155
Adjusted Operating Profit	\$ 297,210	\$ 44,967	\$ -	\$ 342,177

<sup>(1)</sup> 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:

- deal costs of \$3,244 incurred by eOne related to the eOne acquisition, included in Selling, Distribution and Administration;
- additional amortization expense of \$9,726 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 \$19,105 as a result of incurring new debt and extinguishing historical eOne debt;
- reduction in Other Expense of \$25,533 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 \$683, 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 nine months ended September 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.

	Nine Months Ended September 29, 2019			
	Hasbro As Reported	eOne (under U.S. GAAP)	Pro Forma Adjustments <sup>(2)</sup>	Pro Forma Combined
Net Revenues	\$ 3,292,220	\$ 980,613	\$ -	\$ 4,272,833
Operating Profit	\$ 461,670	\$ 118,901	\$ (27,534)	\$ 553,037
Non-GAAP Adjustments	-	78,856	27,534	106,390
Adjusted Operating Profit *	\$ 461,670	\$ 197,757	\$ -	\$ 659,427
* Reconciliation to Pro Forma Adjusted results is as follows:				
Net Earnings	\$ 253,109	\$ 28,132	\$ (30,798)	\$ 250,443
Interest Expense	67,096	35,073	57,316	159,485
Other Expense, Net	99,125	28,479	(45,345)	82,259
Income Tax Expense	42,340	22,303	(8,707)	55,936
Net Earnings Attributable to Noncontrolling Interests	-	4,914	-	4,914
Operating Profit	461,670	118,901	(27,534)	553,037
<u>Non-GAAP Adjustments</u>				
eOne:				
Restructuring and Related Charges	-	21,882	-	21,882
Acquisition Costs - eOne Deals	-	10,717	-	10,717
Hasbro Transaction Costs	-	3,244	(3,244)	-
Acquired Intangible Amortization	-	43,013	30,778	73,791
	-	78,856	27,534	106,390
Adjusted Operating Profit	\$ 461,670	\$ 197,757	\$ -	\$ 659,427

<sup>(2)</sup> 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:

- deal costs of \$3,244 incurred by eOne related to the eOne acquisition, included in Selling, Distribution and Administration;
- additional amortization expense of \$30,778 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 \$57,316 as a result of incurring new debt and extinguishing historical eOne debt;
- total reduction in Other Expense of \$45,345, consisting of:
  - \$19,812 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
  - \$25,533 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 \$8,707, 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 nine months ended September 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			
	September 27, 2020	Diluted	Pro Forma	Pro Forma Diluted Per
		Per Share Amount	September 29, 2019	Share Amount <sup>(1)</sup>
<i>(all adjustments reported after-tax)</i>				
Net Earnings Attributable to Hasbro, Inc.	\$ 220,898	\$ 1.61	\$ 216,536	\$ 1.57
Acquisition and Related Costs	4,726	0.03	-	-
Acquired Intangible Amortization	19,637	0.14	19,063	0.14
UK Tax Reform <sup>(2)</sup>	13,680	0.10	-	-
Pro Forma eOne Adjustments	-	-	3,532	0.03
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 258,941</u>	<u>\$ 1.88</u>	<u>\$ 239,131</u>	<u>\$ 1.74</u>
	Nine Months Ended			
	September 27, 2020	Diluted	Pro Forma	Pro Forma Diluted Per
		Per Share Amount	September 29, 2019	Share Amount <sup>(1)</sup>
<i>(all adjustments reported after-tax)</i>				
Net Earnings Attributable to Hasbro, Inc.	\$ 117,346	\$ 0.85	\$ 250,443	\$ 1.82
Acquisition and Related Costs	140,691	1.02	-	-
Acquired Intangible Amortization	57,471	0.42	57,188	0.42
Severance	10,125	0.07	-	-
UK Tax Reform <sup>(2)</sup>	13,680	0.10	-	-
Pro Forma eOne Adjustments	-	-	25,264	0.18
Pension <sup>(3)</sup>	-	-	85,852	0.62
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 339,313</u>	<u>\$ 2.47</u>	<u>\$ 418,747</u>	<u>\$ 3.04</u>

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

<sup>(2)</sup> 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. 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.

<sup>(3)</sup> 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.

# SUPPLEMENTAL FINANCIAL DATA

## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)

Thousands of Dollars & Shares, Except Per Share Data

For comparability, the quarter and nine months ended September 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 September 29, 2019			
	September 27, 2020	Hasbro As Reported	eOne (under U.S. GAAP)	Pro Forma Adjustments <sup>(4)</sup>	Pro Forma Combined
Net Earnings Attributable to Hasbro, Inc.	\$ 220,898	\$ 212,949	\$ 2,958	\$ 629	\$ 216,536
Interest Expense	49,400	22,764	10,302	19,105	52,171
Income Tax Expense	79,215	46,797	4,025	(683)	50,139
Net (Loss) Earnings Attributable to Noncontrolling Interests	(915)	-	2,322	-	2,322
Depreciation	37,513	38,608	2,667	-	41,275
Amortization of Intangibles	36,172	11,814	14,871	9,726	36,411
EBITDA	\$ 422,283	\$ 332,932	\$ 37,145	\$ 28,777	\$ 398,854
Non-GAAP Adjustments	5,949	25,533	7,802	(28,777)	4,558
Adjusted EBITDA	\$ 428,232	\$ 358,465	\$ 44,947	\$ -	\$ 403,412

	Nine Months Ended	Nine Months Ended September 29, 2019			
	September 27, 2020	Hasbro As Reported	eOne (under U.S. GAAP)	Pro Forma Adjustments <sup>(5)</sup>	Pro Forma Combined
Net Earnings Attributable to Hasbro, Inc.	\$ 117,346	\$ 253,109	\$ 28,132	\$ (30,798)	\$ 250,443
Interest Expense	153,702	67,096	35,073	57,316	159,485
Income Tax Expense	64,313	42,340	22,303	(8,707)	55,936
Net Earnings Attributable to Noncontrolling Interests	1,929	-	4,914	-	4,914
Depreciation	94,100	101,016	5,770	-	106,786
Amortization of Intangibles	107,685	35,445	43,013	30,778	109,236
EBITDA	\$ 539,075	\$ 499,006	\$ 139,205	\$ 48,589	\$ 686,800
Non-GAAP Adjustments	177,547	136,310	55,655	(48,589)	143,376
Adjusted EBITDA	\$ 716,622	\$ 635,316	\$ 194,860	\$ -	\$ 830,176

<sup>(4)</sup> Pro Forma Adjustments for the quarter ended September 29, 2019 includes the mark to market of acquisition-related foreign exchange forward and option contracts of \$25,533 and deal costs of \$3,244, 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.

<sup>(5)</sup> Pro Forma Adjustments for the nine months ended September 29, 2019 include debt refinancing costs of \$19,812, the mark to market of acquisition-related foreign exchange forward and option contracts of \$25,533, and deal costs of \$3,244, which are excluded from pro forma results, and also shown as a Non-GAAP Adjustment 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 <sup>(1)</sup>	\$ 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.

<sup>(1)</sup> 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

# SUPPLEMENTAL FINANCIAL DATA

## FY2019 PRO FORMA AND AS REPORTED NET REVENUES BY BRAND PORTFOLIO (Unaudited) (Thousands of Dollars)

The following unaudited quarterly pro forma brand portfolio net revenue information presents the combination of the historical quarterly brand portfolio revenue of Hasbro and eOne for FY2019 and is intended to provide information about how the eOne acquisition might have affected the Company's historical quarterly revenue. Hasbro's standalone, as reported quarterly brand portfolio net revenue for FY2019 is also presented below. The pro forma net revenue information is not necessarily indicative of what the combined company's revenue actually would have been had the acquisition been completed as of the dates indicated, nor does it purport to project the future revenue of the combined company.

	Q1	% of Total	Q2	% of Total	Q3	% of Total	Q4	% of Total	Full Year	% of Total
<b>Franchise Brands</b>	\$ 393,574	33%	\$ 576,715	47%	\$ 779,659	42%	\$ 661,899	40%	\$ 2,411,847	41%
<b>Partner Brands</b>	171,989	14%	213,448	18%	427,029	23%	408,516	24%	1,220,982	20%
<b>Hasbro Gaming</b>	107,565	9%	123,420	10%	232,287	13%	246,478	15%	709,750	12%
<b>Emerging Brands <sup>(1)</sup></b>	116,135	10%	106,647	9%	188,589	10%	167,376	10%	578,747	10%
<b>TV/Film/Entertainment <sup>(2)</sup></b>	409,459	34%	195,398	16%	230,919	12%	178,898	11%	1,014,674	17%
<b>Total</b>	<u>\$ 1,198,722</u>		<u>\$ 1,215,628</u>		<u>\$ 1,858,483</u>		<u>\$ 1,663,167</u>		<u>\$ 5,936,000</u>	

<sup>(1)</sup> Emerging Brands includes the preschool brands, PEPPA PIG, PJ MASKS and RICKY ZOOM, acquired as part of the eOne acquisition.

<sup>(2)</sup> TV/Film/Entertainment includes all other brands not detailed in <sup>(1)</sup> above acquired as part of the eOne acquisition.

### As Reported 2019

	Q1	% of Total	Q2	% of Total	Q3	% of Total	Q4	% of Total	Full Year	% of Total
<b>Franchise Brands</b>	\$ 393,574	54%	\$ 576,715	59%	\$ 779,659	49%	\$ 661,899	46%	\$ 2,411,847	51%
<b>Partner Brands</b>	171,989	23%	213,448	22%	427,029	27%	408,516	29%	1,220,982	26%
<b>Hasbro Gaming</b>	107,565	15%	123,420	12%	232,287	15%	246,478	17%	709,750	15%
<b>Emerging Brands</b>	59,382	8%	70,954	7%	136,198	9%	111,114	8%	377,648	8%
<b>TV/Film/Entertainment</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>\$ 732,510</u>		<u>\$ 984,537</u>		<u>\$ 1,575,173</u>		<u>\$ 1,428,007</u>		<u>\$ 4,720,227</u>	