



Q4/FY

2022 Earnings

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February 16, 2023

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 and plans for growth; anticipated profit growth, cost savings and cash costs to achieve savings; expectations relating to products, gaming and entertainment to be developed and delivered in the near term; and anticipated financial performance for 2023 and medium to long-term targets. Our actual actions or results may differ materially from those expected or anticipated in the forward-looking statements due to both known and unknown risks and uncertainties. Factors that might cause such a difference include, but are not limited to:

- our ability to successfully execute on our Blueprint 2.0 strategy, including to focus on and scale select business initiatives and brands to drive profitability;
- our ability to design, develop, manufacture, and ship products on a timely, cost-effective and profitable basis;
- our ability to successfully compete in the global 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 successfully address the global consumer landscape;
- inflation and downturns in global and regional economic conditions impacting one or more of the markets in which we sell products, which can negatively impact our retail customers and consumers, result in lower employment levels, consumer disposable income, retailer inventories and spending, including lower spending on purchases of our products;
- our dependence on third party relationships, including with third party manufacturers, licensors of brands, studios, content producers and entertainment distribution channels;
- risks relating to the concentration of manufacturing for many of our products in the People’s Republic of China and our ability to successfully diversify sourcing of our products to reduce reliance on sources of supply in China;
- our ability to successfully develop and continue to execute plans to mitigate the negative impact of the coronavirus on our business;
- risks related to other economic and public health conditions or regulatory changes in the markets in which we and our customers, partners, licensees, suppliers and manufacturers operate, such as inflation, rising interest rates, higher commodity prices, labor costs or transportation costs, or outbreaks of disease, the occurrence of which could create work slowdowns, delays or shortages in production or shipment of products, increases in costs or delays in revenue;
- risks associated with international operations, such as currency conversion, currency fluctuations, the imposition of tariffs, quotas, shipping delays or difficulties, border adjustment taxes or other protectionist measures, and other challenges in the territories in which we operate; the success of our key partner brands, including the ability to secure, maintain and extend agreements with our key partners or the risk of delays, increased costs or difficulties associated with any of our or our partners’ planned digital applications or media initiatives;
- risks related to our leadership changes;
- our ability to attract and retain talented and diverse employees;
- our ability to realize the benefits of cost-savings and efficiency and/or revenue and operating profit enhancing initiatives;
- risks relating to the impairment and/or write-offs of products and content we acquire and produce;
- risks relating to investments, acquisitions and dispositions, including the ability to realize the anticipated benefits of acquired assets or businesses; fluctuations in our business due to seasonality;
- the concentration of our customers, potentially increasing the negative impact to our business of difficulties experienced by any of our customers or changes in their purchasing or selling patterns;
- the bankruptcy or other lack of success of one or more of our significant retailers, licensees and other partners; and
- other risks and uncertainties as may be detailed from time to time in our public announcements and U.S. Securities and Exchange Commission (“SEC”) filings.

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



Supplemental Financial Data

Use of Non-GAAP Financial Measures

The financial tables accompanying this presentation include non-GAAP financial measures as defined under SEC rules, specifically Adjusted operating profit, Adjusted net earnings and Adjusted net earnings per diluted share, which exclude, where applicable, acquisition and related costs, acquired intangible amortization, Blueprint 2.0 implementation charges; Operational Excellence charges as well as 2021 losses on the music sale and charges from UK tax reform. Also included in this presentation 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 Blueprint 2.0 implementation charges, Operational Excellence charges and the impact of stock compensation (including acquisition-related stock expense). As required by SEC rules, we have provided reconciliations on the attached schedules of these measures to the most directly comparable GAAP measure. Management believes that Adjusted net earnings, Adjusted net earnings per diluted share and Adjusted operating profit provide investors with an understanding of the underlying performance of our business absent unusual events. Management believes that EBITDA and Adjusted EBITDA are appropriate measures for evaluating the operating performance of our business because they reflect the resources available for strategic opportunities including, among others, to invest in the business, strengthen the balance sheet and make strategic acquisitions. The impact of changes in foreign currency exchange rates used to translate the consolidated statements of operations is quantified by translating the current period revenues at the prior period exchange rates and comparing this amount to the prior period reported revenues. The Company believes that the presentation of the impact of changes in exchange rates, which are beyond the Company's control, is helpful to an investor's understanding of the performance of the underlying business. These non-GAAP measures should be considered in addition to, not as a substitute for, or superior to, net earnings or other measures of financial performance prepared in accordance with GAAP as more fully discussed in our consolidated financial statements and filings with the SEC. As used herein, "GAAP" refers to accounting principles generally accepted in the United States of America.



Entertaining and Connecting Generations of Fans Through Play

Blueprint 2.0

- ▶ Engage consumers across games, play and experiences
- ▶ Enhance Hasbro's Gaming Leadership
 - Portfolio of high-growth, high profit brands
- ▶ Focus on Fewer, Bigger Brands to engage consumers and delight fans
 - MAGIC: THE GATHERING, DUNGEONS & DRAGONS, NERF, PEPPA PIG, PLAY-DOH, HASBRO GAMING and TRANSFORMERS
 - Gain share in focus categories: Action Figures & Accessories; Arts & Crafts; Games; Outdoor & Sports; Preschool Toys
- ▶ Advance direct to consumer and licensing
- ▶ Understand and deliver for our fans with the Brand Insights Platform

Meaningful Progress Toward Transformation

- ▶ Positioning Hasbro for success
- ▶ Improved Adjusted Operating Profit Margin
- ▶ Wizards of the Coast delivered another record-breaking year
 - MAGIC: THE GATHERING became Hasbro's first \$1B brand
- ▶ Full-Year Growth in PEPPA PIG, PLAY-DOH and Hasbro products for Marvel and Star Wars
- ▶ Full-Year Growth in key investment areas: Direct to Consumer up 15%; Licensing up 5%
- ▶ On track to deliver \$250-300M in annualized run-rate cost savings by year-end 2022, \$50M achieved in full-year 2022 with \$20M of actualized savings

Disciplined Cash Management

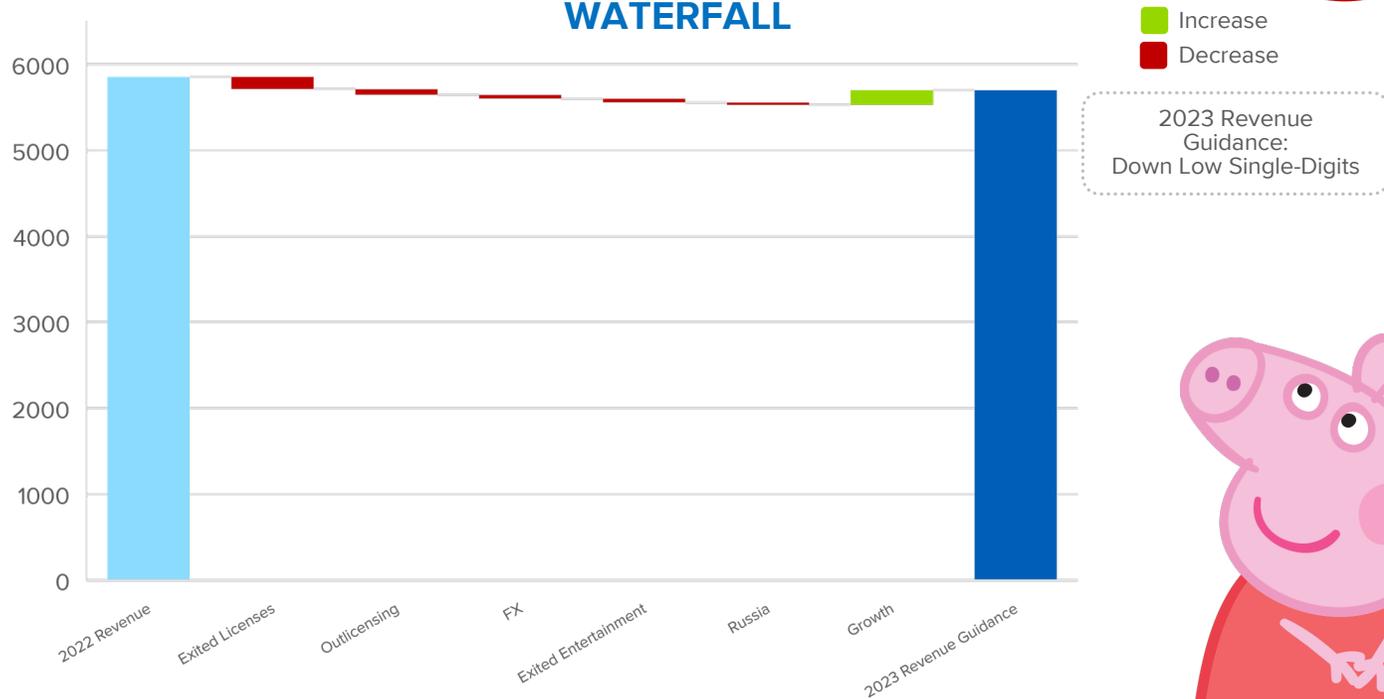
- ▶ Continued Investment in key growth initiatives
- ▶ Focused on reducing inventory
- ▶ Paid \$385.3M in Dividends for the Full-Year 2022
- ▶ Repurchased \$125M in Hasbro common stock FY 2022; \$241.6M remains available in current authorization
- ▶ Purchased D&D Beyond for \$146M
- ▶ Repaid \$88M in long-term debt
- ▶ \$513M in cash at year end



2023 Outlook

- ▶ Revenue down low-single digits
- ▶ Expand Adjusted Operating Profit Margin of 50 to 70 basis points, excluding Operational Excellence charge and other non-GAAP items*
- ▶ Adjusted Earnings per diluted share in the range of \$4.45-\$4.55
- ▶ Adjusted EBITDA approximately flat with 2022 Adjusted EBITDA
- ▶ Operating Cash Flow in the range of \$600-\$700M

2023 REVENUE WATERFALL



+ Approx. \$135M Excess Retail Inventory

Medium and Long-Term Objectives

- ▶ Mid-single digit revenue CAGR through 2027
- ▶ High single-digit operating profit CAGR to achieve 20% adjusted operating profit margin by full-year 2027
- ▶ Operating cash flow improvement with a target of \$1B annually by full-year 2025
- ▶ \$250-\$300M annualized run-rate cost savings by year-end 2025

Targets are based off 2022 results and do not reflect the potential sale of select entertainment assets. The Company plans to update its outlook upon completion of this process if it results in the sale of non-core entertainment assets.



*The Company is not able to reconcile its forward-looking non-GAAP adjusted operating profit margin, adjusted earnings per diluted share and adjusted EBITDA measures because the Company cannot predict with certainty the timing and amounts of discrete items such as charges associated with its cost-savings program, which could impact GAAP results.



Blueprint 2.0



Brand Insights Platform



Q4 2022 snapshot



Net Revenues **\$1.68B** down 17%; down 14% absent FX

Operating (Loss) Profit As Reported **\$(125.7)M**
As Adjusted* **\$269.2M**

Net (Loss) Earnings As Reported **\$(128.9)M**
As Adjusted* **\$181.9M**

Earnings (Loss) Per Share As Reported **\$(0.93)** per diluted share
As Adjusted* **\$1.31** per diluted share

EBITDA As Reported **\$(61.4)M**
As Adjusted* **\$327.2M**

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



FY 2022 snapshot



Net
Revenues

\$5.86B down 9%; down 6% absent FX

Operating
Profit

As Reported **\$407.7M**
As Adjusted* **\$922.5M**

Net
Earnings

As Reported **\$203.5M**
As Adjusted* **\$618.1M**

Earnings
Per Share

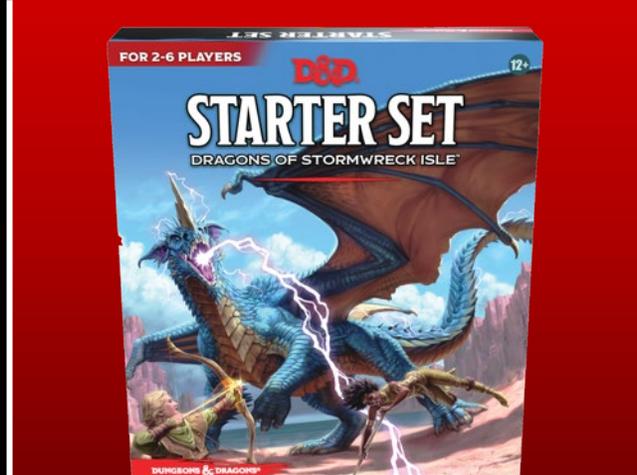
As Reported **\$1.46** per diluted share
As Adjusted* **\$4.45** per diluted share

EBITDA

As Reported **\$665.1M**
As Adjusted* **\$1.17B**

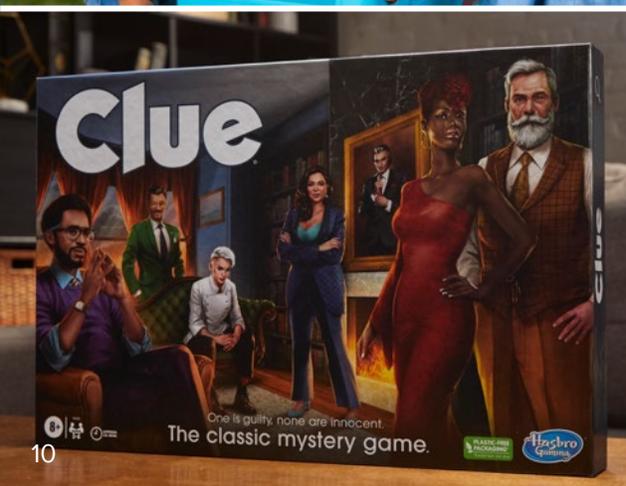
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Q4

2022
ANNOUNCEMENTS
& HIGHLIGHTS

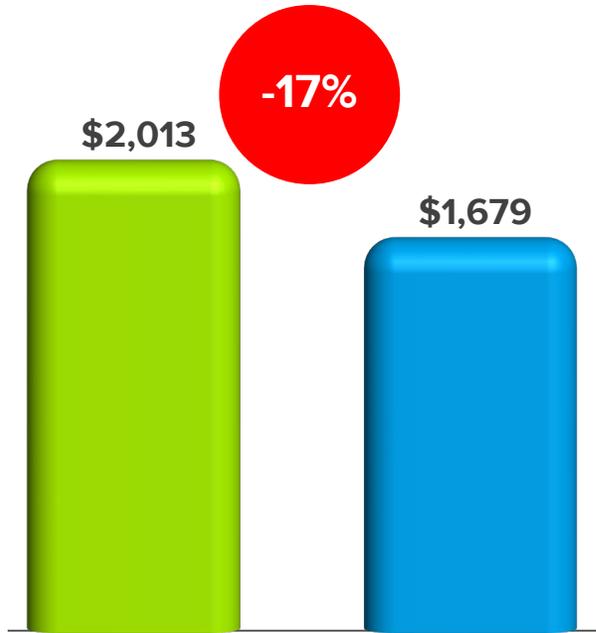


Fourth Quarter Net Revenue & Operating Profit Performance

Q4 2022

NET REVENUES

\$ Millions, unaudited



- 2021
- 2021 Adjusted*
- 2022
- 2022 Adjusted*

- MAGIC: THE GATHERING up 40%
- Consumer Products business underperformed
 - Teams focused on reducing inventory at retail
- Entertainment revenues declined due to timing of deliveries

Wizards of the Coast & Digital Gaming segment +22%; **Consumer Products** segment -26%; **Entertainment** segment -12%

Revenues include a \$62.5M negative impact from Foreign Exchange; down 14% Absent FX

OPERATING PROFIT



- **Operating Profit Margin:** As Reported -7.5%; As Adjusted* 16.0%
- Negatively impacted by activity to clear retail inventory and lower revenues
- Benefited from Operational Excellence savings; Lower compensation expense

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

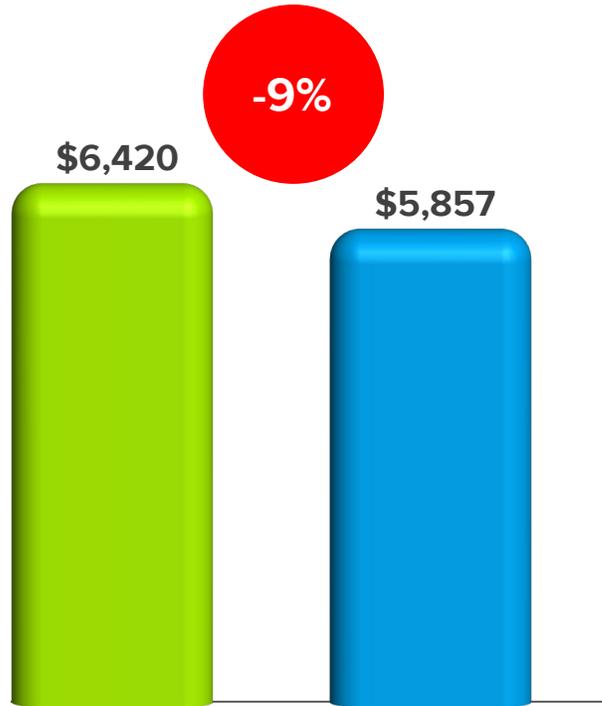


Full-Year Net Revenue & Operating Profit Performance

FY 2022

NET REVENUES

\$ Millions, unaudited

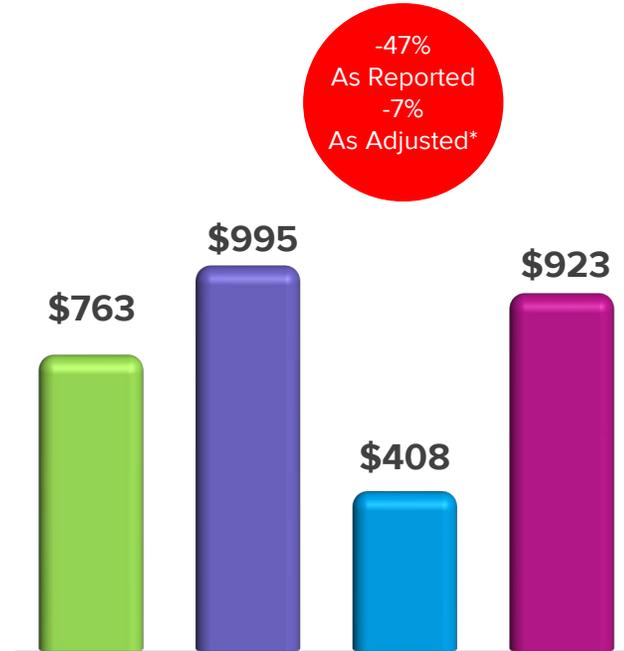


-9%

- 2021
- 2021 Adjusted*
- 2022
- 2022 Adjusted*

- Record year for Wizards & Digital Gaming; Growth in Hasbro Pulse and Licensing offset by declines in CP toys and games and Entertainment
- Implementing Blueprint 2.0
- Consumer-centric focus on fewer, bigger, better brands; Gaming; Digital; Direct to Consumer; and Licensing

OPERATING PROFIT



-47%
As Reported
-7%
As Adjusted*

- **Operating Profit Margin:** As Reported **7.0%**; As Adjusted* **15.8%** up 30 basis points YOY
- Starting to drive significant costs savings through **Operational Excellence** program

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



Wizards of the Coast & Digital Gaming segment +3%; **Consumer Products** segment -10%; **Entertainment** segment -17%, down 12% absent sale of music business

Revenues include a \$166M negative impact from Foreign Exchange; down 6% Absent FX

Fourth Quarter & Full-Year Brand Portfolio Performance

	Q4 2022	Q4 2021	% Change	FY 2022	FY 2021	% Change
Franchise Brands ¹	\$729	\$830	-12%	\$2,831	\$2,956	-4%
Partner Brands	\$276	\$394	-30%	\$1,052	\$1,161	-9%
Hasbro Gaming ²	\$263	\$286	-8%	\$743	\$850	-13%
Emerging Brands ¹	\$110	\$157	-30%	\$402	\$455	-12%
TV/Film/Entertainment ³	\$300	\$345	-13%	\$829	\$998	-17%
Total	\$1,679	\$2,013	-17%	\$5,857	\$6,420	-9%

Totals may not add up due to rounding

¹Beginning in fiscal year 2022, Hasbro designated PEPPA PIG as a franchise brand. 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 \$582M for Q4 2022, up 5% vs. \$556M for Q4 2021 and \$2.0B FY 2022, down 5% vs. \$2.1B FY 2021.

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

³ YTD 2021 TV/Film/Entertainment includes \$65.2M of Music revenue which was sold at the beginning of the third quarter 2021.

Q4 and FY 2022 PERFORMANCE

FRANCHISE BRANDS

Growth in MAGIC: THE GATHERING, PEPPA PIG and PLAY-DOH for the full year; MAGIC: THE GATHERING up 40% in Q4

PARTNER BRANDS

Full-year Growth in Hasbro products for Marvel, *Star Wars*TM and Fortnite

HASBRO GAMING

Declines across the portfolio for the quarter and the full year; CLUE up and a strong performance by *Wordle: the Party Game* in Q4

EMERGING BRANDS

Q4 Growth in G.I. JOE; POWER RANGERS grew for the full year offset by declines across the portfolio in both periods

TV/FILM/ENTERTAINMENT

Decrease driven by fewer film deliveries and the timing of deliveries

Note: Hasbro will be moving to new brand portfolio categories in Q1 2023. A five year quarterly historical will be posted on our investor website, <https://investor.hasbro.com/>

Total Gaming
Q4 2022
\$582M
up 5%
FY 2022
\$2.0B
Down 5%



\$ Millions, unaudited

Fourth Quarter 2022 Major Expense Items

	Q4 2022	Q4 2022 Adjusted	Q4 2021	Q4 2021 Adjusted	% CHANGE Adjusted YOY	Q4 2022 Adjusted % OF REVENUE	NOTES Below exclude non-GAAP adjustments
Cost of Sales	\$581	\$566	\$683	\$683	-17%	33.7%	Lower revenues as well as higher sales allowances and product costs in the Consumer Products segment; higher inventory provisions and FX impact
Program Production Cost Amortization	\$190	\$189	\$233	\$233	-19%	11.3%	Lower content deliveries within the quarter
Royalties	\$158	\$158	\$228	\$228	-31%	9.4%	Primarily driven by product mix within Consumer Products segment, primarily associated with exiting certain licenses
Product Development	\$77	\$77	\$87	\$87	-11%	4.6%	Decline reflects cost savings initiatives within Consumer Products, partially offset by ongoing investment in Wizards and Digital Gaming
Advertising	\$110	\$110	\$150	\$150	-27%	6.6%	Lower advertising spend in Consumer Products inline with focus on fewer brands
Selling, Distribution & Administration	\$666	\$302	\$428	\$405	-25%	18.0%	Lower compensation expense, lower depreciation, as a result of no comparable digital gaming launch

\$ Millions, unaudited



Full-Year 2022 Major Expense Items

	Full-Year 2022	Full-Year 2022 Adjusted	Full-Year 2021	Full-Year 2021 Adjusted	% CHANGE Adjusted YOY	Full-Year Adjusted % OF REVENUE	NOTES Below exclude non-GAAP adjustments
Cost of Sales	\$1,912	\$1,897	\$1,928	\$1,928	-2%	32.4%	Decrease due to lower revenues partially offset by increased product costs, sales allowances and higher inventory
Program Production Cost Amortization	\$556	\$551	\$629	\$629	-12%	9.4%	Mix and timing of deliveries in the entertainment segment
Royalties	\$493	\$493	\$620	\$620	-21%	8.4%	Lower royalties driven primarily by mix of revenues within the Consumer Products and Entertainment segments and the sale of music business
Product Development	\$308	\$308	\$316	\$316	-3%	5.3%	Savings reflect cost savings initiatives in the Consumer Products segment partially offset by ongoing investments in the Wizards of the Coast brands, digital gaming and talent
Advertising	\$387	\$387	\$507	\$507	-24%	6.6%	Lower advertising spend in Consumer Products inline with focus on fewer brands; lower expense in Entertainment segment related to sale of Music business and lower film releases
Selling, Distribution & Administration	\$1,666	\$1,264	\$1,433	\$1,395	-9%	21.6%	Lower compensation expense, lower depreciation as a result of no comparable digital gaming launch

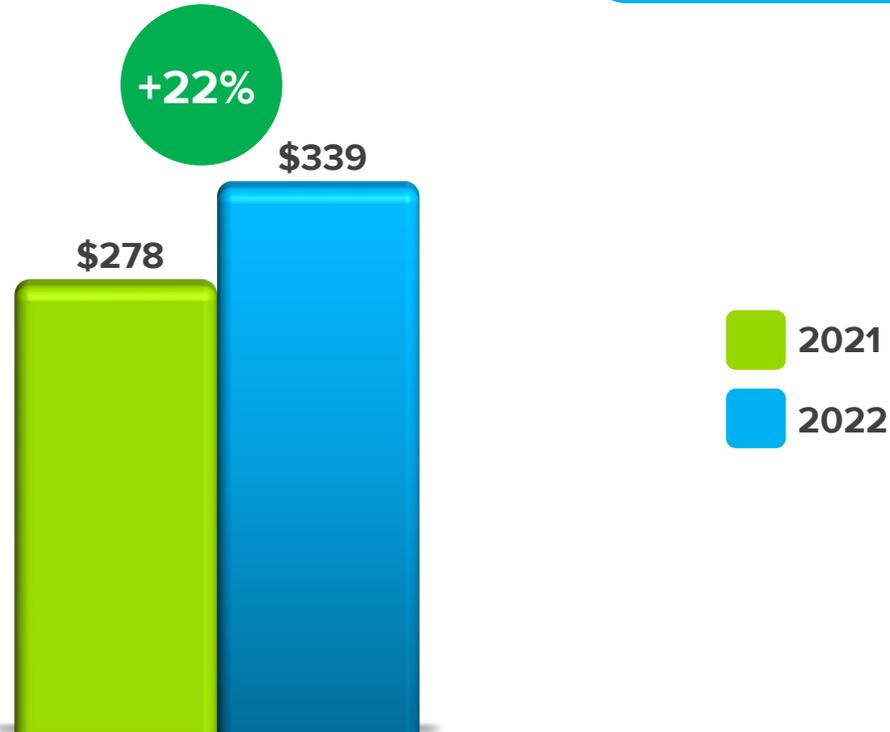
\$ Millions, unaudited



Wizards of the Coast & Digital Gaming Segment

Q4 2022

NET REVENUES



OPERATING PROFIT



\$ Millions, unaudited

- Revenues up 22%; up 25% absent \$8M negative impact of FX
- MAGIC: THE GATHERING up 40% in the quarter due to strong initial orders of *Domanaria Remastered*, and reorders of *Warhammer 40,000*
- DUNGEONS & DRAGONS down in the quarter mostly due to digital comp
- Tabletop revenue \$267M, up 40%
- Digital & Licensed Gaming \$72M, down 17%
 - Difficult comparison against premium game *Dark Alliance* and *Magic: The Gathering Arena* mobile launch

- Operating Profit Margin 30.7%
- Operating profit increase due to higher revenue in the quarter and decreased digital game depreciation and administrative costs
- Investments continue in digital gaming and talent



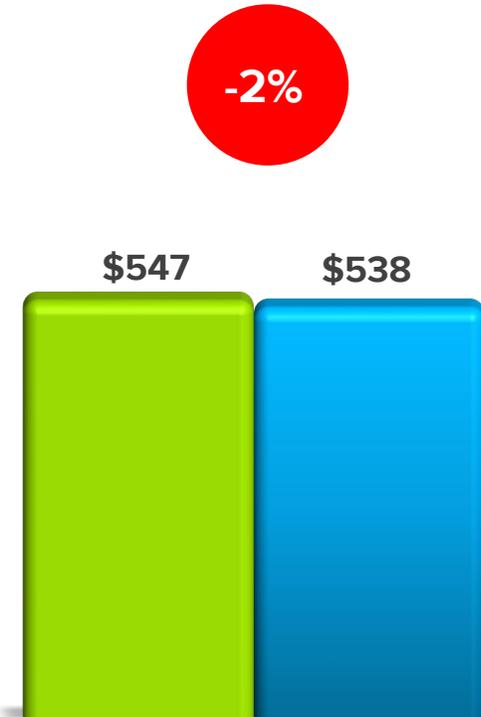
Wizards of the Coast & Digital Gaming Segment

FY 2022

NET REVENUES



OPERATING PROFIT



2021
2022

\$ Millions, unaudited

- Revenues up 5%, absent \$28M negative impact of FX
- MAGIC: THE GATHERING up 7%; up 10% absent FX
- DUNGEONS & DRAGONS down led by *Dark Alliance* comp
- Tabletop Revenue \$1.07B, up 12%
- Digital & Licensed Gaming \$258M, down 23%
 - Difficult comparison against *Magic: The Gathering Arena* mobile and *Dark Alliance* launches in 2021

- Operating profit margin 40.6%
- Operating Profit decreased slightly due to higher product and development costs and increased royalties partially offset by lower advertising and promotion and lower depreciation
- Investments continue in digital gaming and talent



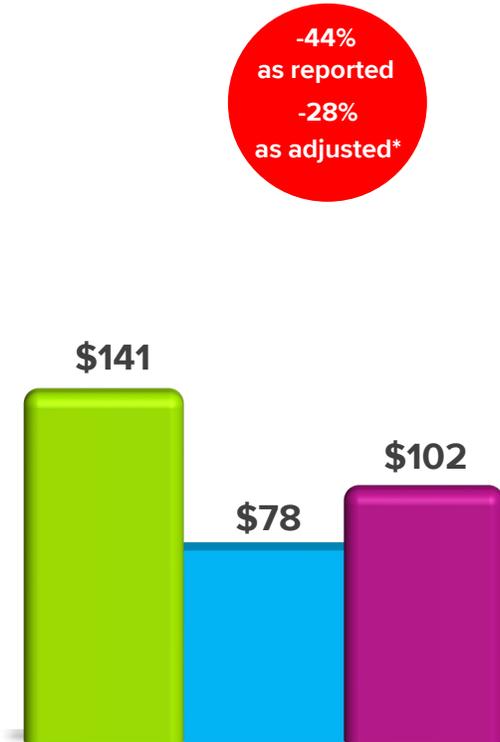
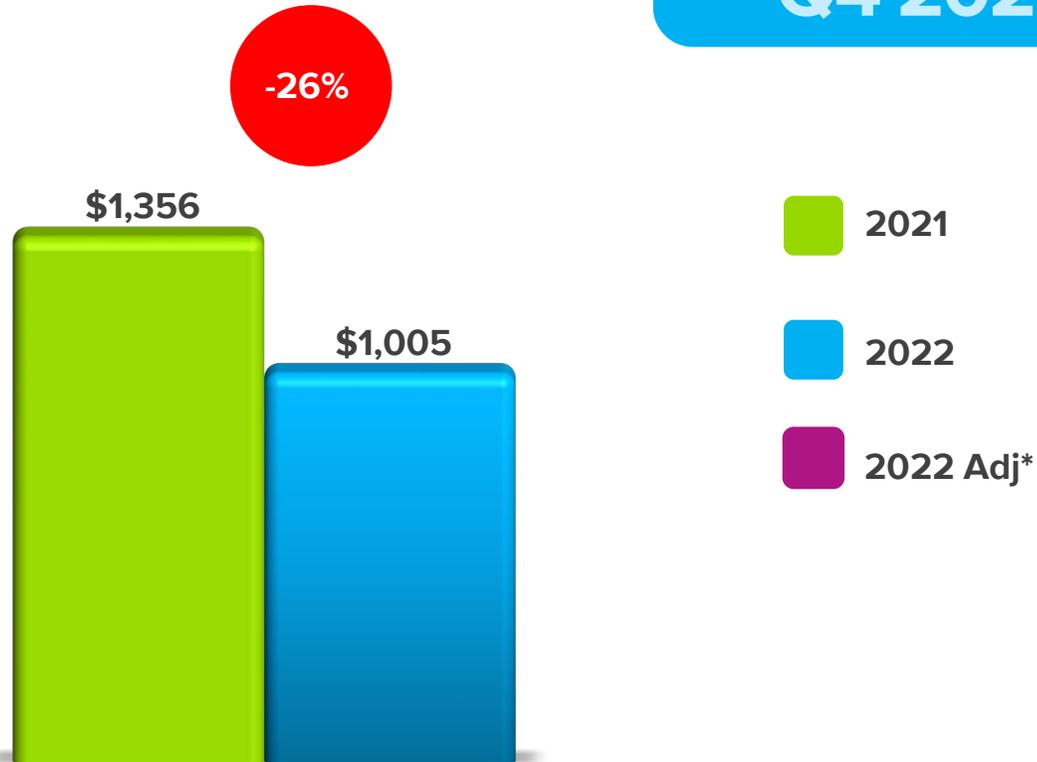
Consumer Products Segment

NET REVENUES

Q4 2022

OPERATING PROFIT

\$ Millions, unaudited



- Revenue down 23% absent \$45M negative impact of FX
- GI JOE, PEPPA PIG and new DUNGEONS & DRAGONS CP products revenue grew in the quarter

- POS declined in the quarter
- POS Up in Preschool
- POS Up for PEPPA PIG, PLAY-DOH, and Hasbro products for Marvel
- POS does not include MAGIC: THE GATHERING or DUNGEONS & DRAGONS

- Operating Profit margin 7.8%; Adjusted Operating Profit margin* 10.2%
- Adjusted Operating Profit* decreased due to lower revenues, higher allowances and promotional activity and costs associated with higher inventory levels



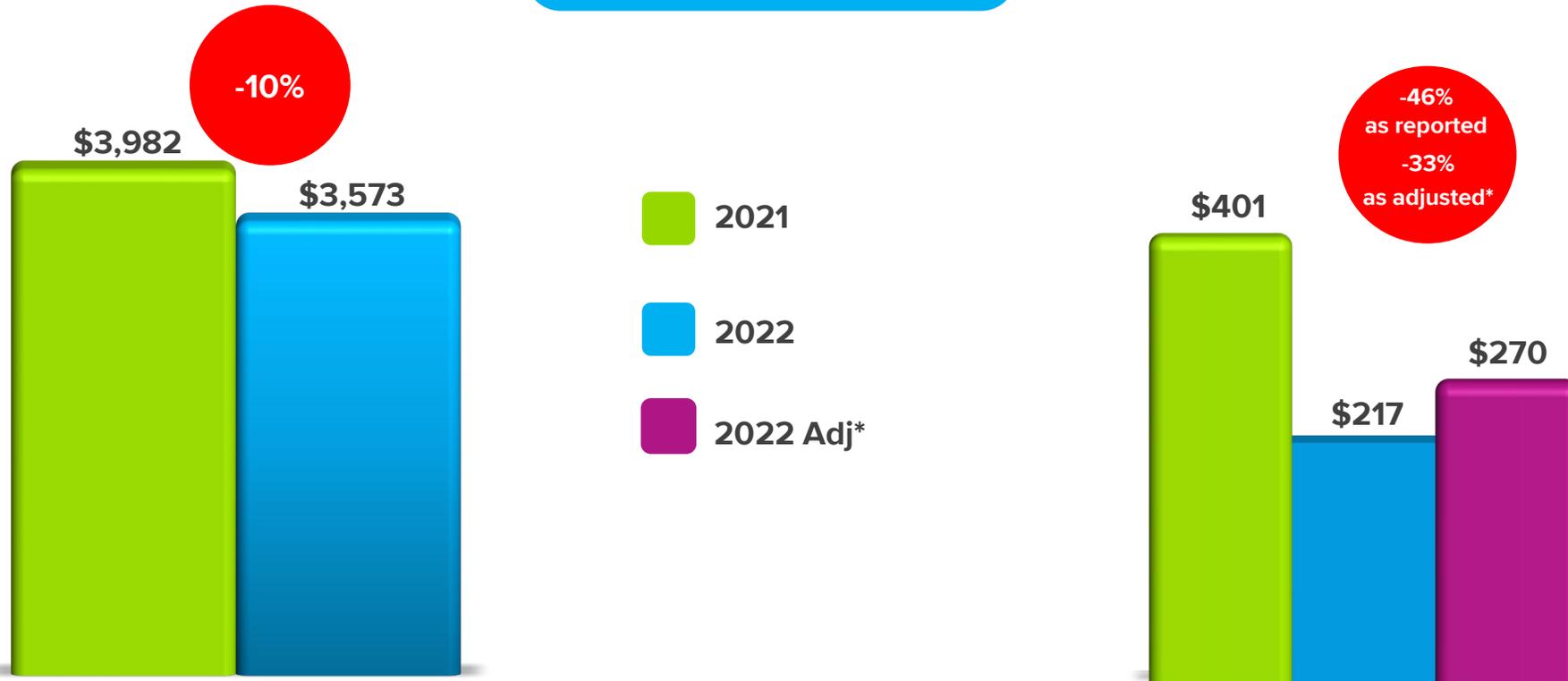
Consumer Products Segment

FY 2022

NET REVENUES

OPERATING PROFIT

\$ Millions, unaudited



- Revenue down 7% absent \$117M negative impact of FX
- Growth properties include: Franchise Brands MY LITTLE PONY, PEPPA PIG and PLAY-DOH; Hasbro Products for Marvel and Star Wars; POWER RANGERS
- Latin America up 9%
- FY 2022 POS down
- POS up in Preschool
- POS up for PLAY-DOH, PEPPA PIG, PJ MASKS, and Hasbro products for Marvel and Star Wars
- POS does not include MAGIC: THE GATHERING or DUNGEONS & DRAGONS
- Operating profit margin 6.1%; Adjusted operating profit margin* 7.6%
- Operating Profit decreased due to lower revenues, primarily in Europe and North America, coupled with higher freight, warehousing costs and increased allowances

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



Consumer Products Segment Net Revenues by Geography

	Q4 2022	Q4 2021	% CHANGE	Full-Year 2022	Full-Year 2021	% CHANGE
NORTH AMERICA	\$533	\$757	-30%	\$2,065	\$2,316	-11%
EUROPE	\$289	\$399	-27%	\$899	\$1,068	-16%
ASIA PACIFIC	\$92	\$101	-9%	\$293	\$310	-5%
LATIN AMERICA	\$91	\$99	-8%	\$315	\$288	+9%
TOTAL SEGMENT	\$1,005	\$1,356	-26%	\$3,573	\$3,982	-10%

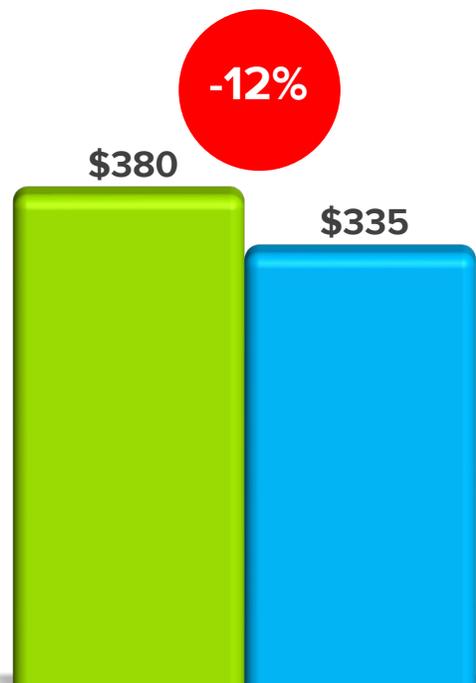
Full-Year
Growth in
Latin America



Entertainment Segment

Q4 2022

NET REVENUES



-12%

- 2021
- 2021 Adjusted*
- 2022
- 2022 Adjusted*

OPERATING PROFIT



>100%
As reported
and
As adjusted*

\$ Millions, unaudited

- Revenues decline due to decreased film and unscripted TV deliveries in Q4 2022; 2021 films included *Clifford the Big Red Dog* and *Orphan First Kill*; Scripted TV revenues up
- Film and TV revenue down 10%; 186 half hours produced scripted/unscripted TV series Q4 22 vs. 240 Q4 2021
- Family Brands revenue down 28%

TV & Film deliveries for the quarter included *Yellowjackets*; *The Rookie*; *The Rookie: Feds*; *The Recruit*; *Fear the Walking Dead*

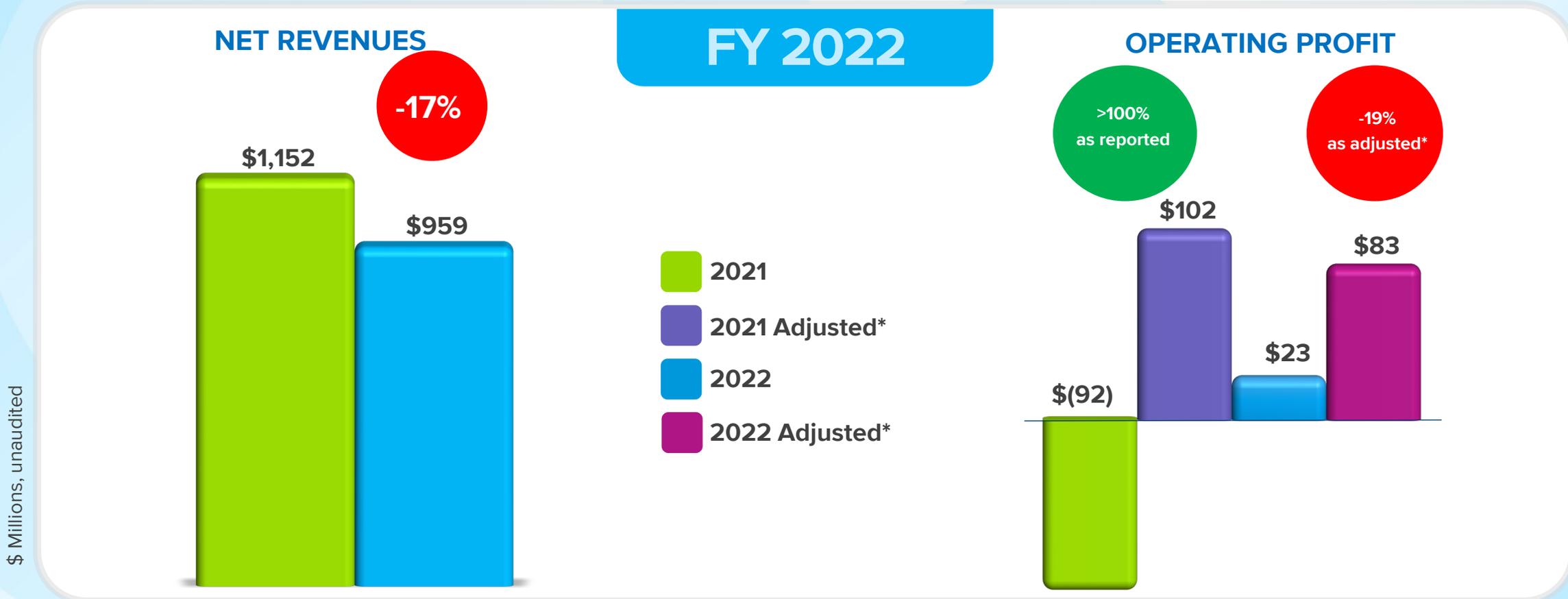
Family Brands: *Power Rangers Beast Morphers*; *Peppa Pig*

- Operating profit margin 7.5%; Adjusted operating profit margin 9.8%*
- Adjusted Operating Profit* increase reflects favorable mix of deliveries in the quarter and decreased admin, advertising and royalty expenses



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

Entertainment Segment



- Segment declined 12% excluding Music business sold at the beginning of Q3 2021
- Revenue declines due to less film deliveries in 2022 versus 2021 including the the delivery of *My Little Pony: A New Generation* in Family Brands; TV revenues increased driven by scripted TV

TV & Film deliveries include:

TV: *The Rookie, Naked and Afraid, Cruel Summer Season 2; The Rookie: Feds; Yellowjackets*

Film: *Deep Water* for Hulu and Amazon

Family Brands: *My Little Pony: Make Your Mark, Power Rangers Dino Fury and Beast Morphers; Peppa Pig; PJ Masks*

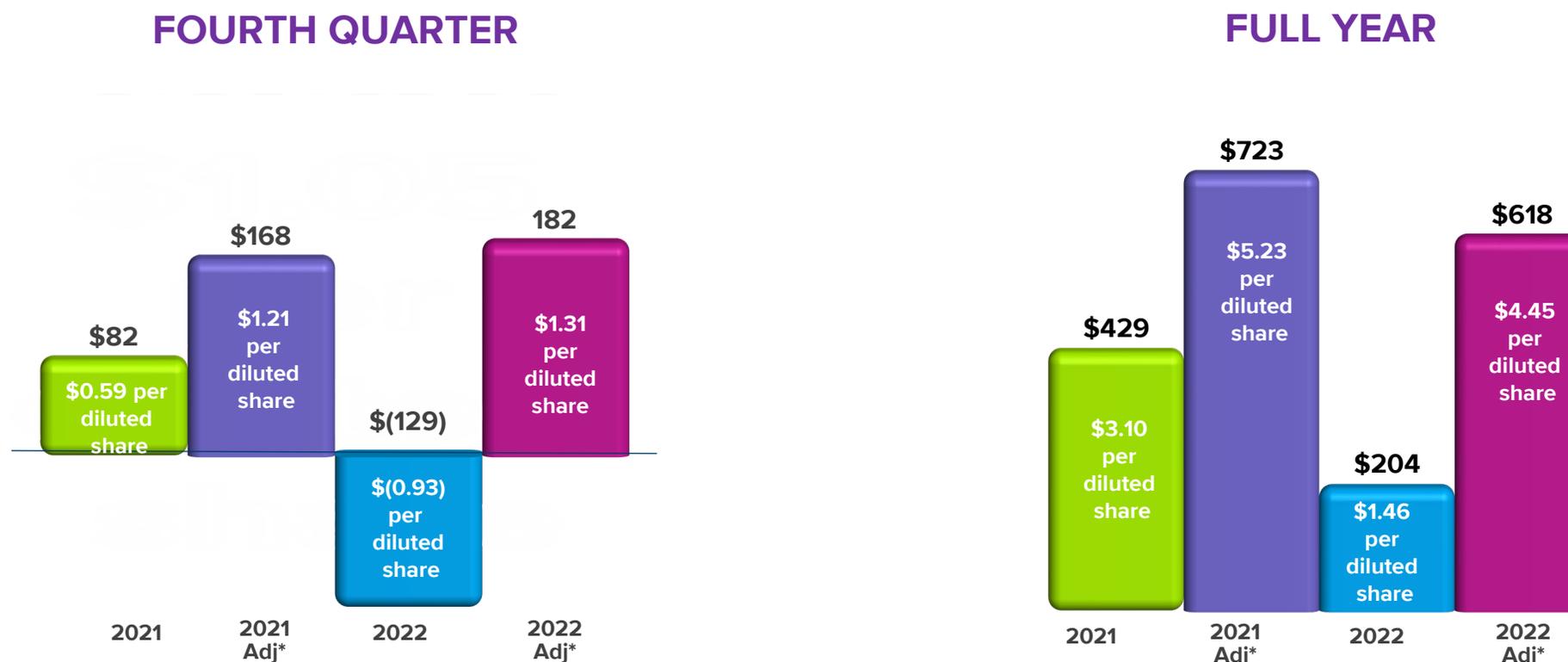
- Operating profit margin 2.4%; Adjusted Operating Profit Margin* of 8.6%

- Adjusted Operating Profit* declined from the sale of the music business and reduced revenues partially offset by a decline in expenses



Fourth Quarter and Full-Year 2022 Net Earnings

\$ Millions, except per share data, unaudited



Total Non-Operating Expense: Q4 2022 \$38.5M

Other income, net \$7.3 million dollars

Diluted Shares Q4 2022 138.5M vs. 138.7M from Q4 2021

Adjusted Underlying Tax Rate* 23.6% Q4 2022 vs. 16.9% Q4 2021

Total Non-Operating Expense: FY 2022 \$146.2M

Other income, net \$24.8 million dollars**

Diluted Shares FY 2022 138.9M vs. 138.4M FY 2021

Repurchased \$125M of Hasbro common stock

Adjusted Underlying Tax Rate* 21.8% FY 2022 vs. 21.3% FY 2021

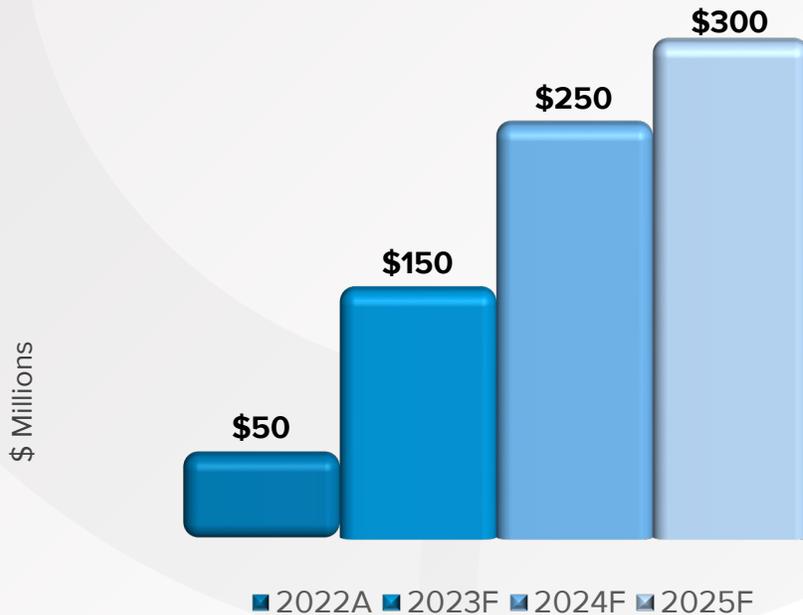


Operational Excellence Program

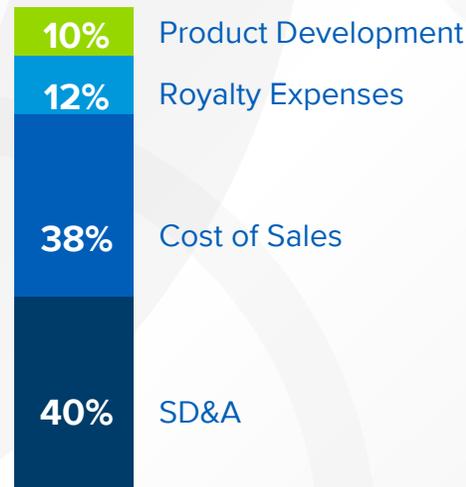
Objective: Deliver \$250-300M in Annual Run-Rate Cost Savings by Year-end 2025

Q4 2022 Realized Savings: \$20M

Annualized Run Rate Savings



Forecasted 2025 P&L Distribution



Costs to Achieve*



*expected cash spend per year to achieve; does not include non-cash charges; In 2022, the Company recorded a \$106M cash charge, of which \$15M was paid in 2022 and the remainder will be paid in 2023.

On track to deliver \$250-300M in annual run-rate cost savings by year-end 2025



Key Cash Flow and Balance Sheet Data

FULL YEAR ENDED

\$ Millions, unaudited	DEC 25, 2022	DEC 26, 2021	NOTES
Cash	\$513	\$1,019	Returned \$510.3M to shareholders; Completed D&D Beyond acquisition for \$146M
Long-term Debt	\$3,711	\$3,824	Paid down \$88M in Debt in FY 2022
Depreciation	\$127	\$163	FY 2023 depreciation target inline with FY 2022
Amortization of Intangibles	\$105	\$117	Reflects sale of eOne music business in Q3 2021 and addition of D&D Beyond in 2022
Program Spend, net	\$768	\$697	Within expected range for FY 2022; FY 2023 planned content spend range remains \$725-\$825M
Capital Expenditures	\$174	\$133	FY 2023 target of \$195-\$205M
Dividends Paid	\$385	\$375	\$0.70 per share quarterly dividend paid in Q4 2022; Next \$0.70 per share dividend payable May 15
Share Repurchase	\$125	-	Plan to increase repurchases in future years
Operating Cash Flow	\$373	\$818	2023 operating cash flow range \$600-\$700M
Accounts Receivable	\$1,132	\$1,500	DSO 61 days, down 7 days YOY due to geographical sales mix and exiting business in Russia
Inventory	\$677	\$552	YOY increase due to lower revenues in the Consumer Products segment and 1H tentpole release timing for MAGIC: THE GATHERING



2022 ESG Progress

Long-term value creation for our stakeholders through responsible and sustainable business practices.

CLIMATE & ENVIRONMENT

- **GHG GOALS:** Committed to set Science-Based Targets for 2030 (approx. 40% GHG reduction) and 2050 (net zero); validation by Science-Based Target Initiative (SBTi) expected March 2023.
- **CLIMATE RISK AND RESILIENCE PLAN:** Initiated new framework in accordance with TCFD (expected completion 2023).
- **WASTE REDUCTION:** Continued to minimize virgin plastic in single-use, disposable toy and game packaging (excl. Wizards), where feasible.
- **CIRCULAR ECONOMY:** Continued to offer consumers free-of-charge recycling, providing a second life for “well-loved” toys and games; Hasbro’s Toy Recycling program is available in US, CA, UK, FR and 8 additional countries.
- **NATURAL RESOURCE CONSERVATION:** Supported global reforestation efforts by planting 100,000 trees in partnership with One Tree Planted.

HUMAN RIGHTS & ETHICAL SOURCING

- **SOCIAL COMPLIANCE AUDITS:** Ensured 100% of third-party suppliers and major subcontractors were audited annually through unannounced audits, supplemented by spot, oversight audits.
- **RESPONSIBLE RECRUITMENT POLICY:** Developed new policy to educate suppliers regarding contract labor risks, drive factory accountability and ensure compliance with new forced labor laws.
- **CAPACITY BUILDING:** Continued to require all third-party suppliers and major subcontractors to complete Hasbro Ethical Sourcing Academy bi-annually, more advanced courses added in 2022.
- **WORKER WELL-BEING:** Continued to pilot healthcare, financial literacy and family engagement programs designed to promote worker well-being in factories.

PHILANTHROPY & SOCIAL IMPACT

- **MILLIONS OF CHILDREN & YOUNG ADULTS IMPACTED:** Provided philanthropic support, including donated toys & games.
- **84% EMPLOYEE VOLUNTEER RATE:** Employees supported global volunteer program in completing more than 350 service projects.
- **REFUGEE SUPPORT:** Launched 1:1 (Buy One, Give One) online consumer activation through Pulse D2C channel; 100K toys and games donated to Ukrainian refugees (donation valued at \$2.5M).
- **BRAND ENGAGEMENT:** Launched innovative *MAGIC: THE GATHERING* Secret Lair card drop, raising \$1.3M+ for The Trevor Project to support LGBTQ+ youth.

ESG STRATEGY

- **ESG REPORT:** Launched “PLAYING WITH PURPOSE” comprehensive ESG progress report with new disclosures in accordance with SASB, GRI and TCFD.
- **ESG ASSESSMENT:** Conducted robust ESG materiality assessment, incorporating input and feedback from key external and internal stakeholders.
- **EXTERNAL RECOGNITION:** Continued to be recognized for ESG performance and corporate citizenship.



DIVERSITY, EQUITY & INCLUSION

- **2025 DE&I GOALS:** On track to achieve our goals to increase women in leadership to 50% (globally) and racially/ethnically diverse representation to 25% (U.S. workforce).
- **INCLUSIVE CULTURE:** Continued to foster a culture of inclusion through unconscious bias training and Employee Network events.
- **DE&I REPORT:** Launched DE&I spotlight report, as part of comprehensive ESG Report.

Supplemental Financial Information

Condensed Consolidated Balance Sheets

(Millions of Dollars) (Unaudited)

	<u>December 25, 2022</u>	<u>December 26, 2021</u>
ASSETS		
Cash and Cash Equivalents	\$ 513.1	\$ 1,019.2
Accounts Receivable, Net	1,132.4	1,500.4
Inventories	676.8	552.1
Prepaid Expenses and Other Current Assets	676.8	656.4
Total Current Assets	2,999.1	3,728.1
Property, Plant and Equipment, Net	422.8	421.1
Goodwill	3,470.1	3,419.6
Other Intangible Assets, Net	814.6	1,172.0
Other Assets	1,589.3	1,297.0
Total Assets	<u>\$ 9,295.9</u>	<u>\$ 10,037.8</u>
LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY		
Short-Term Borrowings	\$ 142.4	\$ 0.8
Current Portion of Long-Term Debt	113.2	200.1
Accounts Payable and Accrued Liabilities	1,934.1	2,255.0
Total Current Liabilities	2,189.7	2,455.9
Long-Term Debt	3,711.2	3,824.2
Other Liabilities	533.1	670.7
Total Liabilities	6,434.0	6,950.8
Redeemable Noncontrolling Interests	-	23.9
Total Shareholders' Equity	2,861.9	3,063.1
Total Liabilities, Noncontrolling Interests and Shareholders' Equity	<u>\$ 9,295.9</u>	<u>\$ 10,037.8</u>



Condensed Statements of Operations

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

	Quarter Ended				Year Ended			
	December 25, 2022	% Net Revenues	December 26, 2021	% Net Revenues	December 25, 2022	% Net Revenues	December 26, 2021	% Net Revenues
Net Revenues	\$ 1,678.5	100.0%	\$ 2,013.4	100.0%	\$ 5,856.7	100.0%	\$ 6,420.4	100.0%
Costs and Expenses:								
Cost of Sales	580.6	34.6%	683.1	33.9%	1,911.8	32.6%	1,927.5	30.0%
Program Cost Amortization	189.8	11.3%	232.5	11.5%	555.5	9.5%	628.6	9.8%
Royalties	157.7	9.4%	228.2	11.3%	493.0	8.4%	620.4	9.7%
Product Development	76.7	4.6%	86.6	4.3%	307.9	5.3%	315.7	4.9%
Advertising	110.3	6.6%	150.0	7.5%	387.3	6.6%	506.6	7.9%
Amortization of Intangibles	24.1	1.4%	26.5	1.3%	105.3	1.8%	116.8	1.8%
Selling, Distribution and Administration	666.0	39.7%	428.0	21.3%	1,666.1	28.4%	1,432.7	22.3%
Loss on Disposal of Business	(1.0)	-0.1%	7.0	0.3%	22.1	0.4%	108.8	1.7%
Operating Profit (Loss)	<u>(125.7)</u>	<u>-7.5%</u>	<u>171.5</u>	<u>8.5%</u>	<u>407.7</u>	<u>7.0%</u>	<u>763.3</u>	<u>11.9%</u>
Interest Expense	45.8	2.7%	42.4	2.1%	171.0	2.9%	179.7	2.8%
Other Expense (Income), Net	<u>(7.3)</u>	<u>-0.4%</u>	<u>41.2</u>	<u>2.0%</u>	<u>(24.8)</u>	<u>-0.4%</u>	<u>1.7</u>	<u>0.0%</u>
Earnings (Loss) before Income Taxes	(164.2)	-9.8%	87.9	4.4%	261.5	4.5%	581.9	9.1%
Income Tax Expense	<u>(35.6)</u>	<u>-2.1%</u>	<u>3.1</u>	<u>0.2%</u>	<u>58.5</u>	<u>1.0%</u>	<u>146.6</u>	<u>2.3%</u>
Net Earnings (Loss)	(128.6)	-7.7%	84.8	4.2%	203.0	3.5%	435.3	6.8%
Net Earnings (Loss) Attributable to Noncontrolling Interests	0.3	0.0%	2.6	0.1%	(0.5)	0.0%	6.6	0.1%
Net Earnings (Loss) Attributable to Hasbro, Inc.	<u>\$ (128.9)</u>	<u>-7.7%</u>	<u>\$ 82.2</u>	<u>4.1%</u>	<u>\$ 203.5</u>	<u>3.5%</u>	<u>\$ 428.7</u>	<u>6.7%</u>
Per Common Share								
Net Earnings (Loss)								
Basic	<u>\$ (0.93)</u>		<u>\$ 0.59</u>		<u>\$ 1.47</u>		<u>\$ 3.11</u>	
Diluted	<u>\$ (0.93)</u>		<u>\$ 0.59</u>		<u>\$ 1.46</u>		<u>\$ 3.10</u>	
Cash Dividends Declared	<u>\$ 0.70</u>		<u>\$ 0.68</u>		<u>\$ 2.80</u>		<u>\$ 2.72</u>	
Weighted Average Number of Shares								
Basic	<u>138.3</u>		<u>138.3</u>		<u>138.7</u>		<u>138.0</u>	
Diluted	<u>138.5</u>		<u>138.7</u>		<u>138.9</u>		<u>138.4</u>	



Condensed Consolidated Cash Flows

(Millions of Dollars) (Unaudited)

	Year Ended	
	December 25, 2022	December 26, 2021
Cash Flows from Operating Activities:		
Net Earnings	\$ 203.0	\$ 435.3
Other Non-Cash Adjustments	1,047.6	1,203.8
Changes in Operating Assets and Liabilities	(877.7)	(821.2)
Net Cash Provided by Operating Activities	<u>372.9</u>	<u>817.9</u>
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(174.2)	(132.7)
Investments and Acquisitions	(146.3)	-
Proceeds From Sale of Business, Net of Cash	-	378.5
Other	7.5	(3.8)
Net Cash (Utilized) Provided by Investing Activities	<u>(313.0)</u>	<u>242.0</u>
Cash Flows from Financing Activities:		
Proceeds from Long-Term Debt	3.8	144.0
Repayments of Long-Term Debt	(206.0)	(1,220.1)
Net Proceeds of Short-Term Borrowings	141.7	(5.6)
Stock repurchases	(125.0)	-
Stock-Based Compensation Transactions	74.2	30.6
Dividends Paid	(385.3)	(374.5)
Payments Related to Tax Withholding for Share-Based Compensation	(24.0)	(13.7)
Debt Extinguishment Costs	-	(9.1)
Other	(32.7)	(11.4)
Net Cash Utilized by Financing Activities	<u>(553.3)</u>	<u>(1,459.8)</u>
Effect of Exchange Rate Changes on Cash	(12.7)	(30.6)
Net Decrease in Cash and Cash Equivalents	(506.1)	(430.5)
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 Year	<u>\$ 513.1</u>	<u>\$ 1,019.2</u>



SEGMENT RESULTS - AS REPORTED and AS ADJUSTED-Q4 2022

(Unaudited) (Millions of Dollars)

Operating Results

	Quarter Ended December 25, 2022			Quarter Ended December 26 2021			% Change
	As Reported	Non-GAAP Adjustments	Adjusted	As Reported	Non-GAAP Adjustments	Adjusted	
Total Company Results							
External Net Revenues ⁽¹⁾	\$ 1,678.5	\$ -	\$ 1,678.5	\$ 2,013.4	\$ -	\$ 2,013.4	-17%
Operating Profit (Loss)	(125.7)	394.9	269.2	171.5	48.4	219.9	22%
Operating Margin	-7.5%	23.5%	16.0%	8.5%	2.4%	10.9%	
EBITDA	(61.4)	388.6	327.2	203.9	102.6	306.5	7%
Segment Results							
Consumer Products:							
External Net Revenues ⁽²⁾	\$ 1,004.7	\$ -	\$ 1,004.7	\$ 1,355.8	\$ -	\$ 1,355.8	-26%
Operating Profit	78.4	23.7	102.1	140.9	-	140.9	-28%
Operating Margin	7.8%	2.4%	10.2%	10.4%	-	10.4%	
EBITDA	141.8	23.9	165.7	173.0	9.0	182.0	-9%
Wizards of the Coast and Digital Gaming:							
External Net Revenues ⁽³⁾	\$ 339.0	\$ -	\$ 339.0	\$ 277.9	\$ -	\$ 277.9	22%
Operating Profit	104.1	-	104.1	84.7	-	84.7	23%
Operating Margin	30.7%	-	30.7%	30.5%	-	30.5%	
EBITDA	110.5	5.4	115.9	103.6	3.4	107.0	8%
Entertainment:							
External Net Revenues ⁽⁴⁾	\$ 334.8	\$ -	\$ 334.8	\$ 379.7	\$ -	\$ 379.7	-12%
Operating Profit (Loss)	25.1	7.6	32.7	(17.5)	25.7	8.2	>100%
Operating Margin	7.5%	2.3%	9.8%	-4.6%	6.8%	2.2%	
EBITDA	40.0	5.9	45.9	8.4	12.5	20.9	>100%
Corporate and Other:							
Operating Profit (Loss)	\$ (333.3)	\$ 363.6	\$ 30.3	\$ (36.6)	\$ 22.7	\$ (13.9)	>100%
EBITDA	(353.7)	353.4	(0.3)	(81.1)	77.7	(3.4)	91%

⁽¹⁾ Net Revenues by Brand Portfolio

	Quarter Ended		% Change
	December 25, 2022	December 26, 2021	
Franchise Brands ⁽ⁱ⁾	\$ 729.5	\$ 830.2	-12%
Partner Brands	276.2	394.3	-30%
Hasbro Gaming ⁽ⁱⁱ⁾	262.6	286.1	-8%
Emerging Brands ⁽ⁱ⁾	110.3	157.5	-30%
TV/Film/Entertainment	299.9	345.3	-13%
Total	\$ 1,678.5	\$ 2,013.4	

⁽ⁱ⁾ Effective in the first quarter of 2022, the Company moved PEPPA PIG into Franchise Brands from Emerging Brands. For comparability, the quarter ended December 26, 2021 net revenues have been restated to reflect the elevation of PEPPA PIG from Emerging Brands into Franchise Brands resulting in a change of \$60.9M.

⁽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 \$581.8M for the quarter ended December 25, 2022, up 4.7% from revenues of \$555.7M for the quarter ended December 26, 2021.

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

	Quarter Ended		% Change
	December 25, 2022	December 26, 2021	
North America	\$ 533.0	\$ 756.8	-30%
Europe	289.1	398.5	-27%
Asia Pacific	91.8	101.4	-9%
Latin America	90.8	99.1	-8%
Total	\$ 1,004.7	\$ 1,355.8	

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

	Quarter Ended		% Change
	December 25, 2022	December 26, 2021	
Tabletop Gaming	\$ 266.7	\$ 190.5	40%
Digital and Licensed Gaming	72.3	87.4	-17%
Total	\$ 339.0	\$ 277.9	

⁽⁴⁾ Entertainment Segment Net Revenues by Category

	Quarter Ended		% Change
	December 25, 2022	December 26, 2021	
Film and TV	\$ 310.6	\$ 346.4	-10%
Family Brands	19.8	27.5	-28%
Music and Other	4.4	5.8	-24%
Total	\$ 334.8	\$ 379.7	



SEGMENT RESULTS - AS REPORTED and AS ADJUSTED-FY 2022

(Unaudited) (Millions of Dollars)

	Year Ended December 25, 2022			Year Ended December 26, 2021			% Change
	As Reported	Non-GAAP		As Reported	Non-GAAP		
		Adjustments	Adjusted		Adjustments	Adjusted	
Total Company Results							
External Net Revenues ⁽⁵⁾	\$ 5,856.7	\$ -	\$ 5,856.7	\$ 6,420.4	\$ -	\$ 6,420.4	-9%
Operating Profit	407.7	514.8	922.5	763.3	231.9	995.2	-7%
Operating Margin	7.0%	8.8%	15.8%	11.9%	3.6%	15.5%	
EBITDA	665.1	508.0	1,173.1	1,041.7	268.5	1,310.2	-10%
Segment Results							
Consumer Products:							
External Net Revenues ⁽⁶⁾	\$ 3,572.5	\$ -	\$ 3,572.5	\$ 3,981.6	\$ -	\$ 3,981.6	-10%
Operating Profit	217.3	52.6	269.9	401.4	-	401.4	-33%
Operating Margin	6.1%	1.5%	7.6%	10.1%	-	10.1%	
EBITDA	442.7	48.5	491.2	532.5	32.6	565.1	-13%
Wizards & Digital Gaming:							
External Net Revenues ⁽⁷⁾	\$ 1,325.1	\$ -	\$ 1,325.1	\$ 1,286.6	\$ -	\$ 1,286.6	3%
Operating Profit	538.3	-	538.3	547.0	-	547.0	-2%
Operating Margin	40.6%	-	40.6%	42.5%	-	42.5%	
EBITDA	549.7	20.4	570.1	593.7	12.4	606.1	-6%
Entertainment:							
External Net Revenues ⁽⁸⁾	\$ 959.1	\$ -	\$ 959.1	\$ 1,152.2	\$ -	\$ 1,152.2	-17%
Operating Profit (Loss)	22.7	59.9	82.6	(91.8)	193.9	102.1	-19%
Operating Margin	2.4%	6.2%	8.6%	-8.0%	16.8%	8.9%	
EBITDA	85.3	50.6	135.9	33.5	128.8	162.3	-16%
Corporate and Other:							
Operating Profit (Loss)	\$ (370.6)	\$ 402.3	\$ 31.7	\$ (93.3)	\$ 38.0	\$ (55.3)	>100%
EBITDA	(412.6)	388.5	(24.1)	(118.0)	94.7	(23.3)	-3%

	Year Ended		% Change
	December 25, 2022	December 26, 2021	
	(5) Net Revenues by Brand Portfolio		
Franchise Brands ⁽ⁱ⁾	\$ 2,830.6	\$ 2,955.6	-4%
Partner Brands	1,052.0	1,161.0	-9%
Hasbro Gaming ⁽ⁱⁱ⁾	743.3	851.4	-13%
Emerging Brands ⁽ⁱ⁾	402.1	454.7	-12%
TV/Film/Entertainment	828.7	997.7	-17%
Total	\$ 5,856.7	\$ 6,420.4	

⁽ⁱ⁾ Effective in the first quarter of 2022, the Company moved PEPPA PIG into Franchise Brands from Emerging Brands. For comparability, the year ended December 25, 2021 net revenues have been restated to reflect the elevation of PEPPA PIG from Emerging Brands into Franchise Brands resulting in a change of \$162.9M.

⁽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 \$1,997.5M for the year ended December 25, 2022, down 4.8% from revenues of \$2,098.9M for the year ended December 26, 2021.

	Year Ended		% Change
	December 25, 2022	December 26, 2021	
	(6) Consumer Products Segment Net Revenues by Major Geographic Region		
North America	\$ 2,064.8	\$ 2,315.9	-11%
Europe	899.5	1,067.7	-16%
Asia Pacific	293.4	310.1	-5%
Latin America	314.8	287.9	9%
Total	\$ 3,572.5	\$ 3,981.6	

	Year Ended		% Change
	December 25, 2022	December 26, 2021	
	(7) Wizards of the Coast and Digital Gaming Net Revenues by Category		
Tabletop Gaming	\$ 1,067.0	\$ 950.6	12%
Digital and Licensed Gaming	258.1	336.0	-23%
Total	\$ 1,325.1	\$ 1,286.6	

	Year Ended		% Change
	December 25, 2022	December 26, 2021	
	(8) Entertainment Segment Net Revenues by Category		
Film and TV	\$ 837.6	\$ 932.5	-10%
Family Brands	79.4	132.9	-40%
Music and Other	42.1	86.8	-51%
Total	\$ 959.1	\$ 1,152.2	



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

Reconciliation of Adjusted Operating Profit (Loss)

	Quarter Ended		Year Ended	
	December 25, 2022	December 26, 2021	December 25, 2022	December 26, 2021
Operating Profit (Loss)	\$ (125.7)	\$ 171.5	\$ 407.7	\$ 763.3
Consumer Products	78.4	140.9	217.3	401.4
Wizards of the Coast and Digital Gaming	104.1	84.7	538.3	547.0
Entertainment	25.1	(17.5)	22.7	(91.8)
Corporate and Other	(333.3)	(36.6)	(370.6)	(93.3)
Non-GAAP Adjustments ⁽¹⁾	\$ 394.9	\$ 48.4	\$ 514.8	\$ 231.9
Consumer Product	23.7	-	52.6	-
Entertainment	7.6	25.7	59.9	193.9
Corporate and Other	363.6	22.7	402.3	38.0
Adjusted Operating Profit (Loss)	\$ 269.2	\$ 219.9	\$ 922.5	\$ 995.2
Consumer Products	102.1	140.9	269.9	401.4
Wizards of the Coast and Digital Gaming	104.1	84.7	538.3	547.0
Entertainment	32.7	8.2	82.6	102.1
Corporate and Other	30.3	(13.9)	31.7	(55.3)
⁽¹⁾ Non-GAAP Adjustments include the following:				
Acquisition-related costs ⁽ⁱ⁾	\$ 4.5	\$ 1.9	14.6	\$ 7.7
Acquired intangible amortization ⁽ⁱⁱ⁾	16.9	18.6	71.4	85.0
Loss on disposal of eOne music ⁽ⁱⁱⁱ⁾	-	7.0	-	118.3
Stock Acceleration ^(iv)	-	20.9	-	20.9
Brand Blueprint implementation charges ^(v)				
Loss on disposal of non-core businesses ^(a)	(1.0)	-	22.1	-
Impairment and other asset charges ^(b)	296.6	-	300.3	-
Operational Excellence charges ^(vi)				
Severance and other employee charges ^(c)	72.8	-	94.1	-
Transformation office and consultant fees ^(c)	5.1	-	12.3	-
Total	\$ 394.9	\$ 48.4	\$ 514.8	\$ 231.9

*Footnotes are on the following slide



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

Adjusted Operating Profit-Non-GAAP Adjustments:

(i) In association with the Company's acquisition of eOne, the Company incurred stock compensation expenses of \$4.5 (\$4.0 after-tax) and \$14.6 (\$12.9 after-tax) in the quarter and year ended December 25, 2022, respectively, and \$1.9 (\$1.6 after-tax) and \$7.7 (\$6.6 after-tax) in the quarter and year ended December 26, 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. In the quarter ended December 26, 2021, the Company finalized the closing working capital adjustment, which resulted in an additional loss of \$7.0. The total charge of \$118.3 is comprised of a goodwill impairment loss of \$108.8 (included within Loss on Disposal of Business) and transaction costs of \$9.5 (included within Selling, Distribution and Administration). The after-tax combined charge is \$116.1 for the year ended December 26, 2021.

(iv) In the quarter and year ended December 26, 2021, the Company incurred \$20.9 of stock compensation expense associated with the accelerated vesting of certain equity awards as a result of the passing of its former CEO.

(v) The Company announced the results of its strategic review, Blueprint 2.0, a consumer-centric approach focusing on fewer, bigger brands, expanded licensing, branded entertainment, and high-margin growth in games, digital and direct. Charges of \$295.6 (\$228.3 after-tax) and \$322.4 (\$253.1 after tax) for the quarter and year ended December 25, 2022, respectively, have been recognized as the Company implements the new strategy, consisting of:

(a) Loss on disposal of non-core businesses for the year ended December 25, 2022 of \$22.1 (\$21.1 after-tax) related to the exit of non-core businesses within the Entertainment segment. In the quarter ended December 25, 2022, the Company completed the sale process, which resulted in a reduction of the loss of \$1.0 (\$0.1 after-tax). The year to date charge is comprised of a goodwill impairment loss of \$11.8 and asset impairments of \$10.3 (included within Loss on Disposal of Business).

(b) Assets impairments and charges of \$296.6 (\$228.4 after-tax) and \$300.3 (\$232.0 after tax) for the quarter and year ended December 25, 2022, respectively, related to charges incurred as a result of the Company's focused investment strategy on fewer, bigger brands. In the fourth quarter of 2022, the Company incurred a \$281.3 impairment within the Corporate and Other segment, of which, \$281.0 related to a partial impairment of the Company's finite-lived intangible, Power Rangers, in Selling, Distribution and Administration; and incurred incremental asset charges related to product cancellations, consisting of inventory and asset write offs of \$14.9 in Cost of Sales within the Consumer Products segment. Within the Entertainment segment, the company incurred strategy related asset impairments of certain discontinued projects of \$0.4 and \$4.1 within Program Cost Amortization for the quarter and year ended December 25, 2022, respectively.

(vi) In support of Blueprint 2.0, Hasbro announced an Operational Excellence program to deliver significant annualized savings. Charges of \$77.9 (\$64.6 after-tax) and \$106.4 (\$89.2 after tax) for the quarter and year ended December 25, 2022, respectively, relating to this program have been recognized, consisting of:

(c) Severance and other employee charges of \$72.8 and \$94.1 for the quarter and year ended December 25, 2022, respectively, associated with cost-savings initiatives across the Company and program related transformation office and consultant fees of \$5.1 and \$12.3 for the quarter and year ended December 25, 2022, respectively, are included within Selling, Distribution and Administration within the Corporate and Other segment.



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

Reconciliation of EBITDA and Adjusted EBITDA

	Quarter Ended		Year Ended	
	December 25, 2022	December 26, 2021	December 25, 2022	December 26, 2021
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$ (128.9)	\$ 82.2	\$ 203.5	\$ 428.7
Interest Expense	45.8	42.4	171.0	179.7
Income Tax Expense	(35.6)	3.1	58.5	146.6
Net Earnings (Loss) Attributable to Noncontrolling Interests	0.3	2.6	(0.5)	6.6
Depreciation	32.9	47.1	127.3	163.3
Amortization of Intangibles	24.1	26.5	105.3	116.8
EBITDA	\$ (61.4)	\$ 203.9	\$ 665.1	\$ 1,041.7
Non-GAAP Adjustments and Stock Compensation ⁽¹⁾	388.6	102.6	508.0	268.5
Adjusted EBITDA	\$ 327.2	\$ 306.5	\$ 1,173.1	\$ 1,310.2
⁽¹⁾ Non-GAAP Adjustments and Stock Compensation are comprised of the following:				
Stock compensation	\$ 15.1	\$ 41.6	\$ 79.2	\$ 96.2
Loss on disposal of business and related costs	-	7.0	-	118.3
Blueprint 2.0 implementation charges (i)	295.6	-	322.4	-
Operational Excellence charges	77.9	-	106.4	-
Net Loss on Discovery Investment (ii)	-	54.0	-	54.0
Total	\$ 388.6	\$ 102.6	\$ 508.0	\$ 268.5

(i) Brand Blueprint 2.0 implementation charges includes a partial impairment of the Company's definite-lived intangible, Power Rangers, of \$281.0 (215.2 net of taxes)

(ii) The Company owns a 40% interest in a joint venture, Discovery Family Channel, with Discovery Communications, Inc. In the fourth quarter of 2021, the Company recorded an impairment of \$74.1. This resulted in a reduction to the Discovery Option Liability of \$20.1. Net loss of \$54.0 million (\$41.3 net of taxes)

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited) (Millions of Dollars)

Reconciliation of EBITDA and Adjusted EBITDA-By Segment**Adjusted EBITDA by Segment:**

Consumer Products	\$ 165.7	\$ 182.0	\$ 491.2	\$ 565.1
Wizards of the Coast and Digital Gaming	115.9	107.0	570.1	606.1
Entertainment	45.9	20.9	135.9	162.3
Corporate and Other	(0.3)	(3.4)	(24.1)	(23.3)
Total Adjusted EBITDA	\$ 327.2	\$ 306.5	\$ 1,173.1	\$ 1,310.2

Consumer Products:

Operating Profit	\$ 78.4	\$ 140.9	\$ 217.3	\$ 401.4
Other (Expense) Income	27.2	5.3	72.9	18.7
Depreciation	19.8	19.0	84.3	81.2
Amortization of Intangibles	16.4	7.8	68.2	31.2
EBITDA	\$ 141.8	\$ 173.0	442.7	532.5
Non-GAAP Adjustments and Stock Compensation	23.9	9.0	48.5	32.6
Adjusted EBITDA	\$ 165.7	\$ 182.0	\$ 491.2	\$ 565.1

Wizards of the Coast and Digital Gaming:

Operating Profit	\$ 104.1	\$ 84.7	\$ 538.3	\$ 547.0
Other (Expense) Income	1.3	(0.6)	(3.2)	(1.8)
Depreciation	3.2	19.5	9.9	48.5
Amortization of Intangibles	1.9	-	4.7	-
EBITDA	\$ 110.5	\$ 103.6	549.7	593.7
Non-GAAP Adjustments and Stock Compensation	5.4	3.4	20.4	12.4
Adjusted EBITDA	\$ 115.9	\$ 107.0	\$ 570.1	\$ 606.1

Entertainment:

Operating Profit (Loss)	\$ 25.1	\$ (17.5)	\$ 22.7	\$ (91.8)
Other (Expense) Income	4.7	4.2	18.8	28.7
Depreciation	2.2	2.9	9.6	10.7
Amortization of Intangibles	8.0	18.8	34.2	85.9
EBITDA	\$ 40.0	\$ 8.4	85.3	33.5
Non-GAAP Adjustments and Stock Compensation	5.9	12.5	50.6	128.8
Adjusted EBITDA	\$ 45.9	\$ 20.9	\$ 135.9	\$ 162.3

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

Reconciliation of Net Earnings (Loss) and Earnings per Share

	Quarter Ended			
	Diluted		Diluted	
	December 25, 2022	Per Share Amount	December 26, 2021	Per Share Amount
<i>(all adjustments reported after-tax)</i>				
Net Earnings (Loss) Attributable to Hasbro, Inc.	\$ (128.9)	\$ (0.93)	\$ 82.2	0.59
Acquisition-related costs	4.0	0.03	1.6	0.01
Acquired intangible amortization	13.9	0.10	15.4	0.11
Loss on disposal of business and related costs	-	-	7.0	0.05
Blueprint 2.0 implementation charges ⁽¹⁾	228.3	1.64	-	-
Operational Excellence charges	64.6	0.47	-	-
Stock Acceleration	-	-	20.9	0.15
Net Loss on Discovery Investment	-	-	41.3	0.30
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 181.9</u>	<u>\$ 1.31</u>	<u>\$ 168.4</u>	<u>\$ 1.21</u>

	Year Ended			
	Diluted		Diluted	
	December 25, 2022	Per Share Amount	December 26, 2021	Per Share Amount
<i>(all adjustments reported after-tax)</i>				
Net Earnings Attributable to Hasbro, Inc.	\$ 203.5	\$ 1.46	\$ 428.7	3.10
Acquisition-related costs	12.9	0.09	6.6	0.05
Acquired intangible amortization	59.4	0.43	70.4	0.51
Loss on disposal of business and related costs	-	-	116.1	0.84
Blueprint 2.0 implementation charges ⁽¹⁾	253.1	1.82	-	-
Operational Excellence charges	89.2	0.64	-	-
UK Tax Reform ⁽²⁾	-	-	39.4	0.28
Stock Acceleration	-	-	20.9	0.15
Net Loss on Discovery Investment	-	-	41.3	0.30
Net Earnings Attributable to Hasbro, Inc., as Adjusted	<u>\$ 618.1</u>	<u>\$ 4.45</u>	<u>\$ 723.4</u>	<u>\$ 5.23</u>

⁽¹⁾ Brand Blueprint 2.0 implementation charges includes a partial impairment of the Company's definite-lived intangible, Power Rangers, of \$215.2.

⁽²⁾ 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

2022 Cost of Sales (Actual FX as Reported)

As a % of Revenue	
Revenue	100.0%
Gross Margin	67.4%
Cost of Sales	32.6%

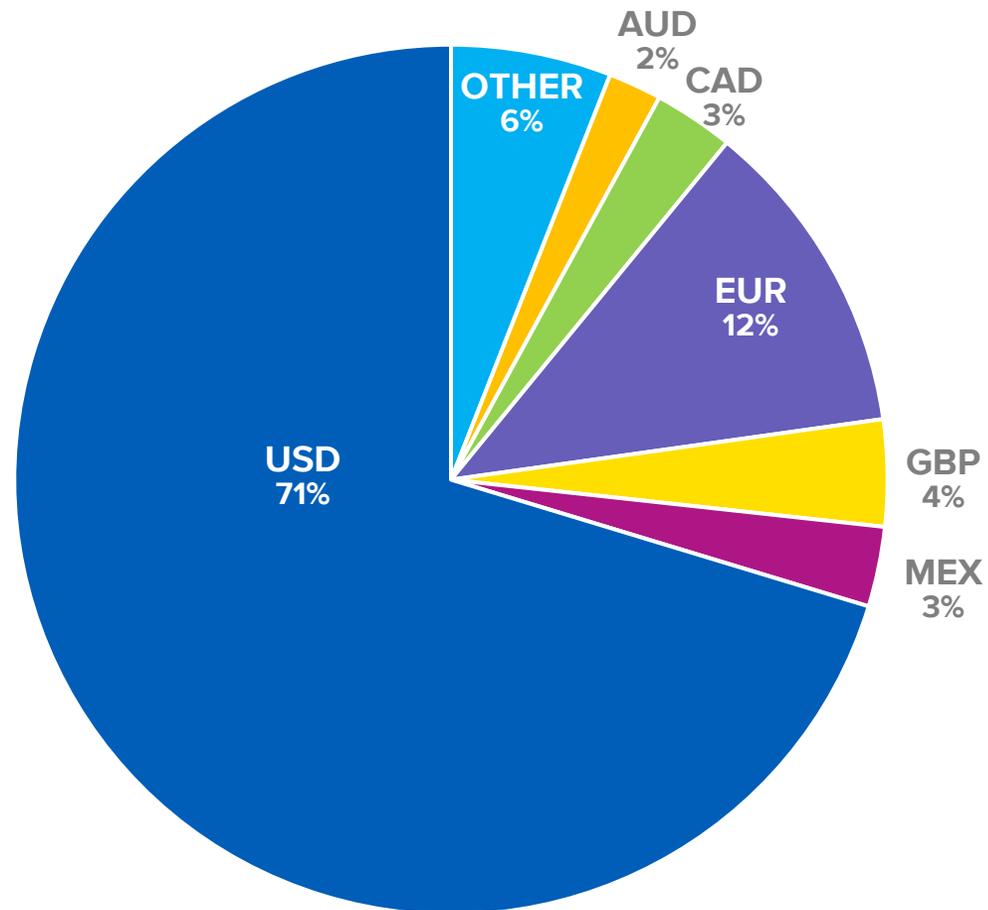
Board/Paper/Print	5.3%
Resins	5.1%
Electronics / Metals	1.8%
All Other	2.1%
Total	14.3%

Labor	5.6%
Factory Overhead	4.8%
Freight/Import Costs	4.1%
Tooling	1.3%
Inventory Variances	2.5%
Total	18.3%

Cost of Sales 32.6%



2022 External Net Revenue by Currency



Other includes currencies that are less than 1%



2022 Other (Income) Expense, Net

	2022	2021
Earnings from Discovery Family Channel	(8.1)	(20.8)
Foreign currency (gains) losses	\$ (5.3)	\$ (5.1)
Loss (gain) on investments	(1.1)	(3.8)
Loss (gain) on PP&E	0.4	(0.2)
Legal settlement	—	(26.7)
Discovery Family Channel option	—	(20.1)
Discovery Family Channel impairment	—	74.1
Other	1.1	9.7
	<u>\$ (13.0)</u>	<u>7.1</u>

- Earnings from the Discovery joint venture are comprised of the Company's share in the results of the Network. Foreign currency (gains) losses reflect fluctuations of foreign currency translation across the Company's international markets against the U.S. dollar.
- The 2022 gain on investments primarily reflects further recoupment of the 2020 loss on investments as well as increase in fair value of the Company's available for sale investment. During 2021, the gain on investments primarily reflects a recoupment of the 2020 loss on investments, which was driven by a partial write off of an investment in Quibi, a mobile streaming service, which was obtained as part of the eOne acquisition.
- The gain on PP&E in 2020 reflects a \$6.1 million gain related to the sale of the Dragonvale software and brand.
- During the 2021, the Company realized a gain of \$26.7 million from a legal settlement related to a historical eOne dispute.
- In relation to the Discovery joint venture, Hasbro and Discovery have a put/call option on the share of the Discovery Family Channel. The option's fair value is periodically re-measured and in 2021, as a result of the Discovery Family Channel impairment, the adjustment of the option's fair value resulted in a \$20.1 million gain. In 2020, the Company recorded a gain of \$1.5 million due to the option's value decrease.
- During 2021, the Company recorded an impairment loss of \$74.1 million related to its investment in Discovery Family Channel. The Network projected a significant decline in affiliate revenue driven by changes in the cable distribution industry due to a decline in linear subscribers.

