



# Investor Day

AUGUST 3 / BURBANK, CA



# Debbie Hancock

Vice President, Investor Relations





# Safe Harbor

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





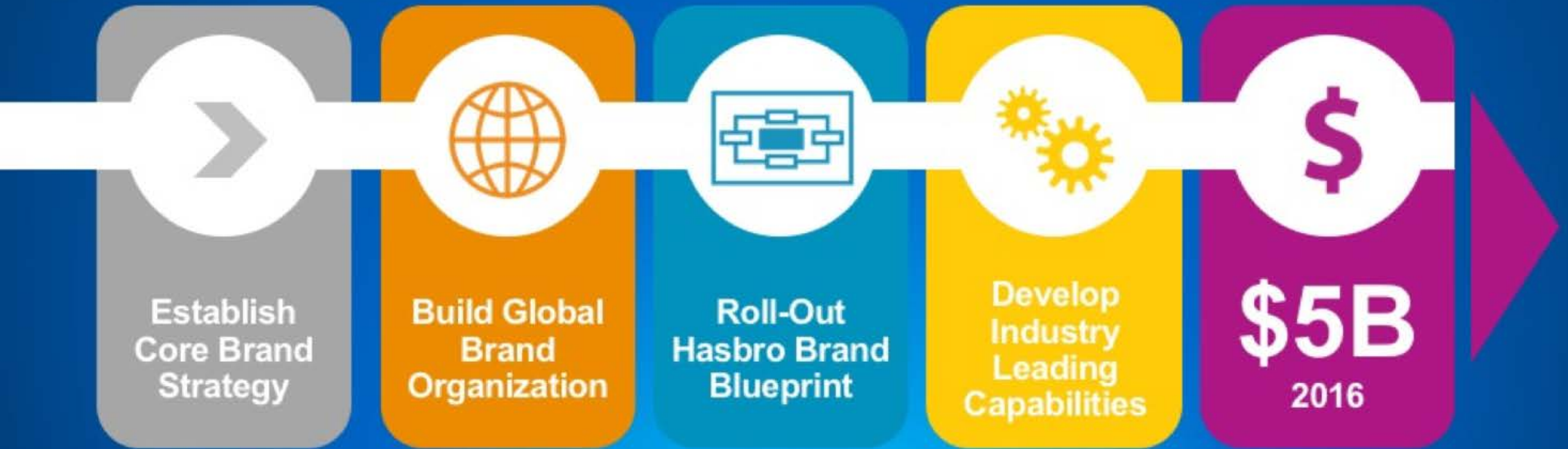
# Brian Goldner

Chief Executive Officer and  
Chairman of the Board

The Hasbro logo is displayed in a stylized, white, cursive font within a blue, rounded rectangular frame. The frame has a white border and a slight 3D effect, giving it the appearance of a sticker or a badge. The logo is positioned in the lower right area of the slide, overlapping the blue background and the image of Optimus Prime.



# 20-Year Path



**Global Play & Entertainment Company**



# Medium-Term Objectives

- 1 Developed economies are targeted to grow low to mid-single digits through brand innovation and market share gains\*
- 2 Target continued double-digit revenue growth in emerging markets\*
- 3 We believe operating profit margins are sustainable and can grow slightly in the near term; focused on improvement in the next two to three years
- 4 We expect to generate operating cash flow in the amount of \$550M to \$650M on average

\*Excluding the impact of foreign exchange







# GLOBAL Consumer Insights





Content

Commerce

Innovation



Top brands

Store availability

Sort Best sellers



Click here for price

Nerf Modulus Tri-Strike

4.5 (153)

Click here for price

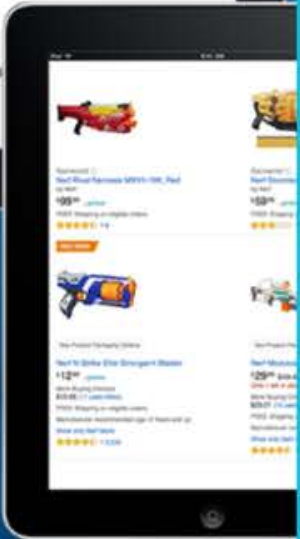
Nerf Modulus Long Range Upgrade Kit

4.5 (17)

Click here for price

Nerf Modulus Recon MK3 Blaster

4.5 (134)





# Brand Blueprint











# THE Modern, Agile Global Play & Entertainment Company





Global  
**17% Online**\*\*\*

**7.5 Hrs**

Media/Day  
by 2018\*

**Global  
Disruption**

**Digital  
Overtakes**

Linear TV  
Ad Revenue  
by 2017\*\*

\*Source: Statista

\*\*Source: PWC

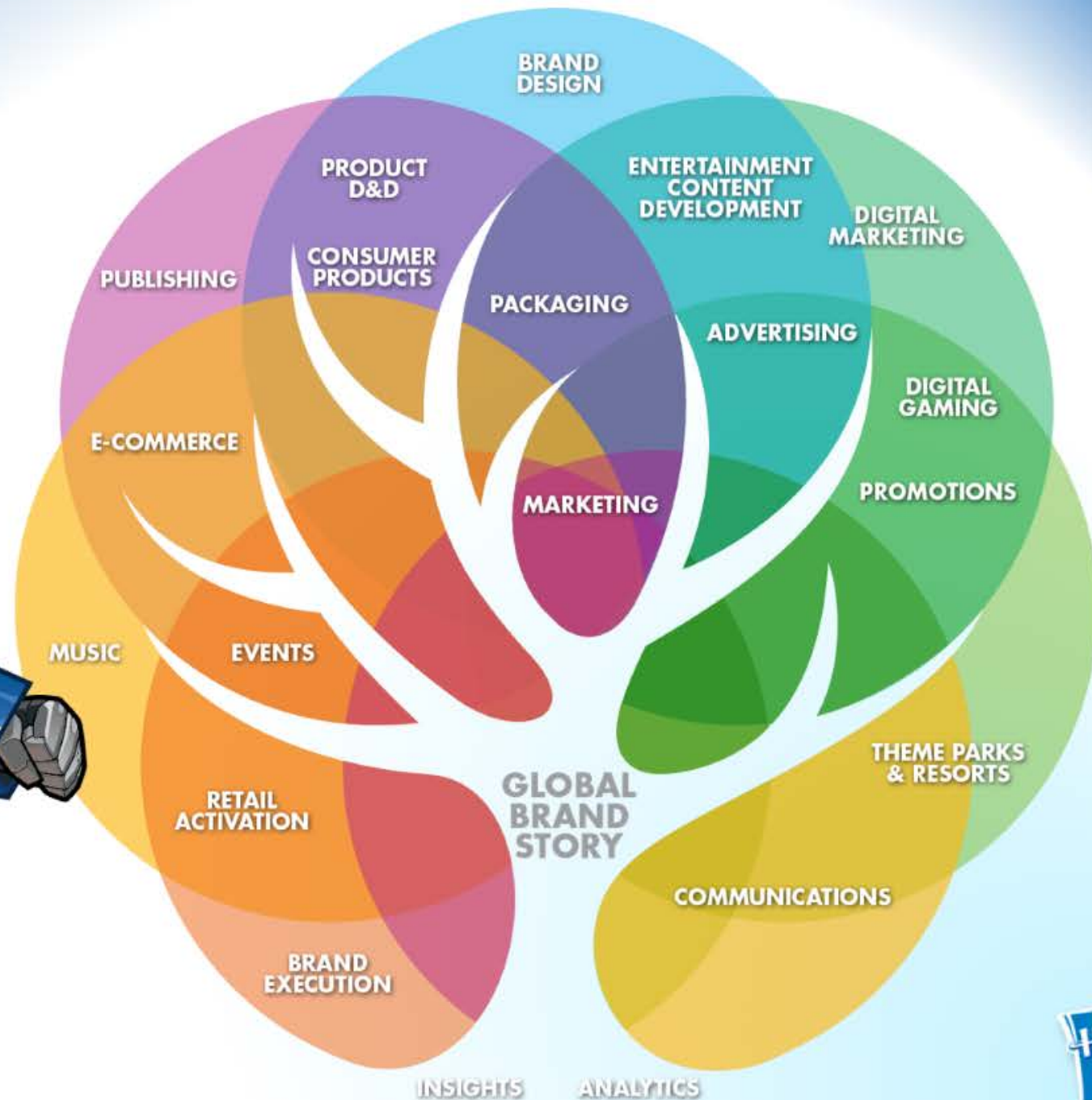
\*\*\*Global Toys and Sporting Goods  
FY 2016: Kantar Retail





# Modern

# Agile





**TRANSFORMERS**

**STRETCH  
ARMSTRONG**  
AND THE  
FLEX FIGHTERS

# Story-Led Brands



my LITTLE  
PONY



Littlest  
Pet  
SHOP

HAÄA  
ZÜKI



Hasbro



# Franchise Economics



CONSUMER  
INSIGHTS



STORYTELLING



TOY & GAME  
INNOVATION



DIGITAL  
GAMING



CONSUMER  
PRODUCTS



TELEVISION



FILM







Valuable Owned Brands





# Franchise Economics



Transformers Licensed Model



- Toys & Games
- Consumer Products
- Digital Gaming
- Film
- Television



My Little Pony Self Production Model





# Building Storytelling Expertise

**BOULDER  
MEDIA**





TRANSFORMERS



# Grow Our Investments in Storytelling







TRANSFORMERS  
THE LAST KNIGHT

BUMBLEBEE

MARVEL  
BLACK  
PANTHER

MARVEL  
AVENGERS  
INFINITY WAR

TRANSFORMERS

STAR  
WARS  
EPISODE IX

Disney  
FROZEN

amazon



Детский мир

Walmart

Tmall  
理想生活上天猫



Alibaba Group

TARGET

Toys R Us

TESCO



— 2017 —

— 2018 —

— 2019 —

Disney  
BEAUTY  
AND THE  
BEAST

STAR  
WARS  
THE LAST JEDI

MARVEL STUDIOS  
THOR  
RAGNAROK

MARVEL  
GUARDIANS  
OF THE GALAXY  
VOL. 2

MARVEL  
SPIDER-MAN  
Homecoming

Untitled Spider-Man  
Animated Movie

DEADPOOL  
SEQUEL

MARVEL  
ANT-MAN  
AND THE WASP

VENOM

HAN SOLO  
A STAR WARS STORY

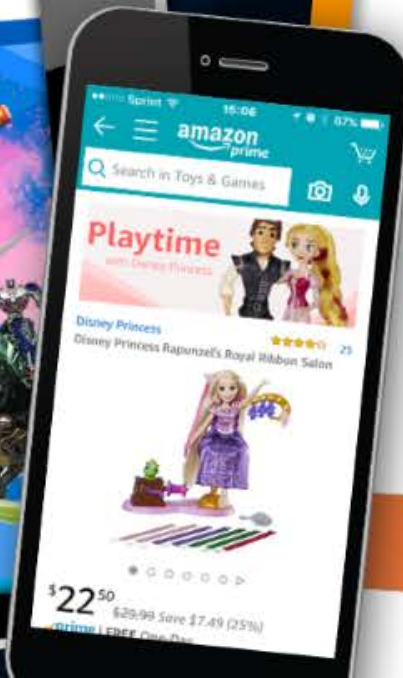
MARVEL  
CAPTAIN  
MARVEL

MARVEL  
AVENGERS  
UNTITLED

MARVEL  
SPIDER-MAN  
SEQUEL



# Activating Brand Engagement Online



It's time to transform

Walmart 



Hisense

ROLLBACK  
SAVE \$40  
**\$428**

Hisense® 55" Class 4K TV  
• 54.60" diagonal screen size  
• Was \$468



**\$25<sup>96</sup>**  
each  
Transformers™ 2017  
4-Movie Blu-ray™  
Collection with  
Figure



**\$7<sup>86</sup>**  
each  
Transformers™ Movie  
One-Step Changer Toy



ONLY AT WALMART  
**\$14<sup>92</sup>**  
each  
Transformers™ Movie  
Titan Hero Toy



**\$15<sup>83</sup>**  
each  
Transformers™ Movie  
Generations Deluxe Toy



**\$6<sup>97</sup>**  
each  
Boys' Transformers™ Tee  
Sizes 4/5-10

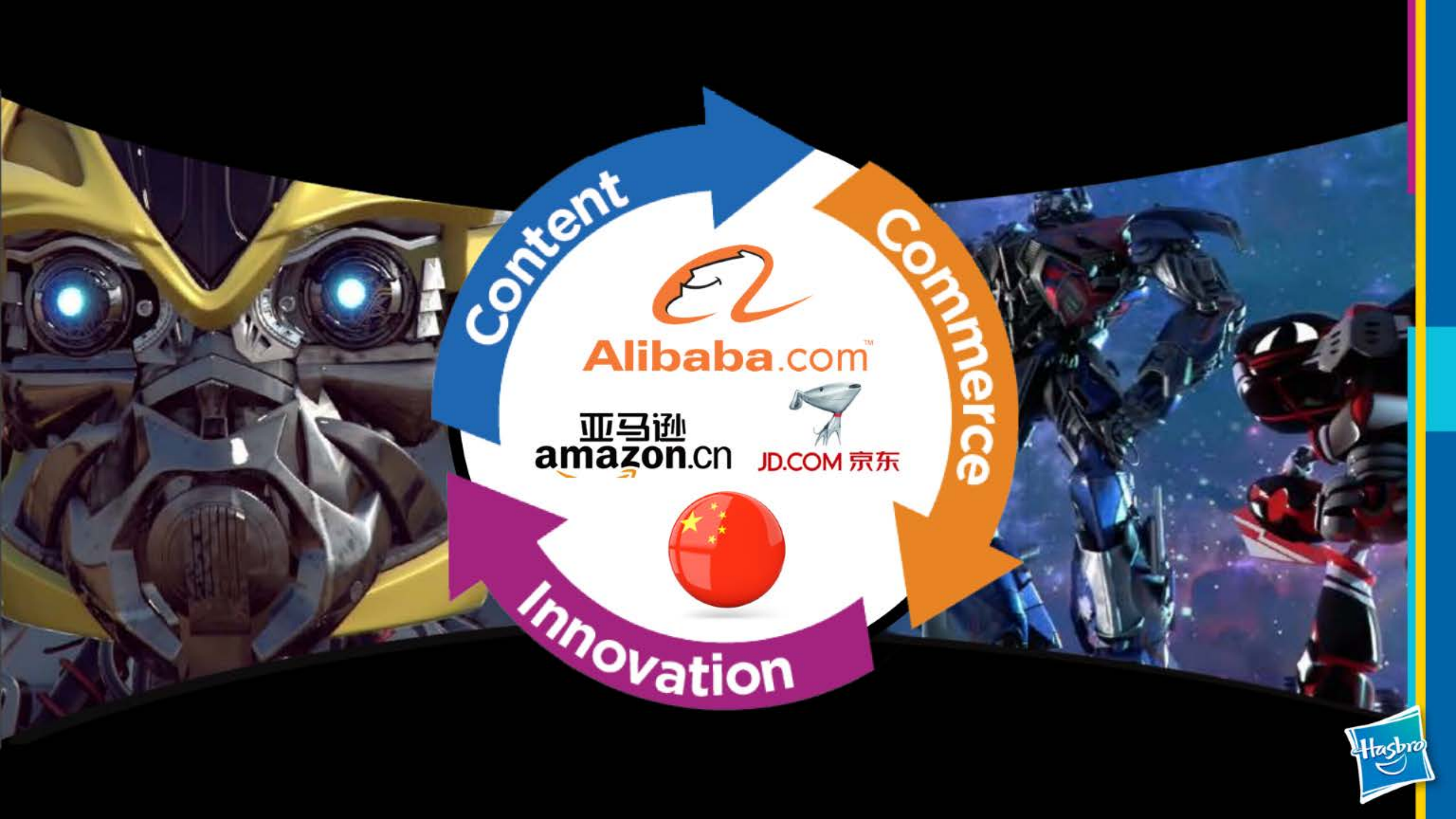


Order online. FREE Pickup as soon as today.



23BA1E







# TRANSFORMERS

## THE LAST KNIGHT



Alibaba.com

**35+** Partners  
**20+** Categories







JD. 京东  
.COM







送货车和擎天柱飞速前进，路遇狂派再次偷袭。擎天柱变身，迎击着汹涌而来的敌人。京东也化身一变，成为变形金刚，一拳将狂派战机击碎。中国红的机甲在落日余晖之下，显得格外帅气。京东版变形金刚和擎天柱并肩而战。京东小Joy也在京东货车变身之际，搭载着能量块，向大黄蜂奔去。大黄蜂获得新生一般的力量，加入 Autobots。



Overwhelming  
Social Buzz  
**100M**  
Impressions Over  
the Weekend

JD.京东.COM

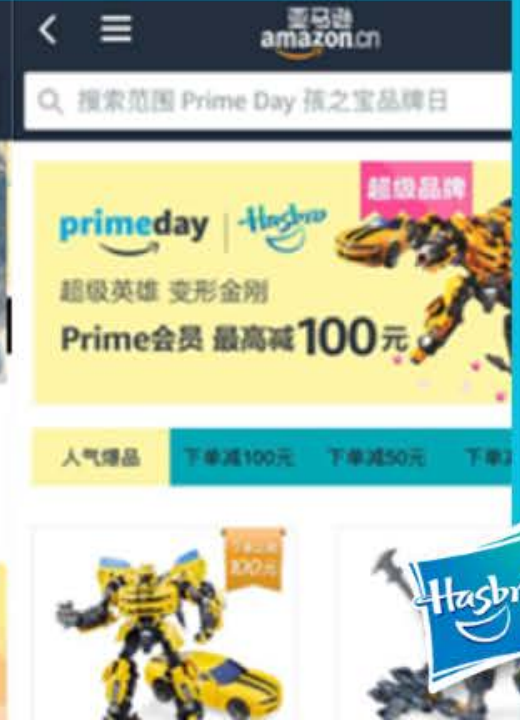
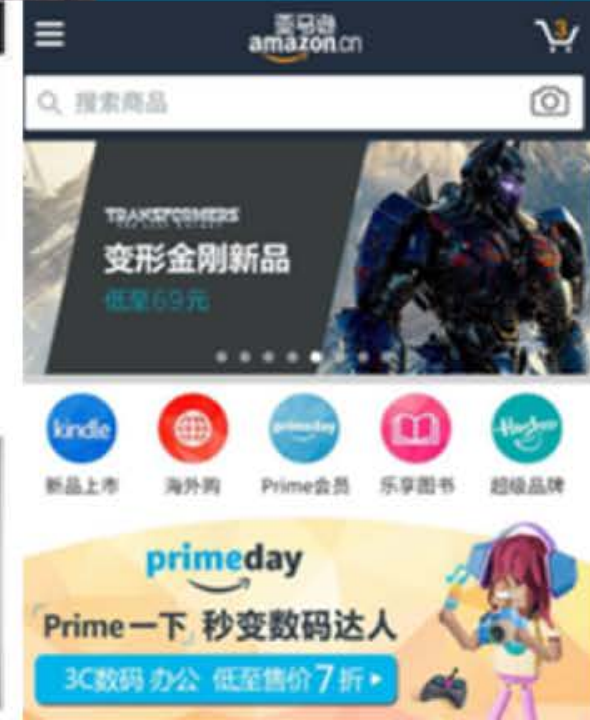




video playing  
in room











# Content Driven Brands



# Multi-category Commerce





**Transform Toy & Game  
Commercial Teams into**



**Brand Blueprint  
Accelerators**







# Immersive Brand Experiences







TOY & GAME



DIGITAL GAMING



TELEVISION



FILM



CONSUMER PRODUCTS

# TRANSFORMERS<sup>®</sup> ACROSS CATEGORIES







# Content on All Screens





my **LITTLE**  
**PONY**

baby  
alive

**FurReal**

**HAÑA  
ZÜKI**

**TRANSFORMERS**

**Hasbro**

**STRETCH  
ARMSTRONG**  
FLEX FIGHTERS

Hasbro



 **sia**  [@Sia](#) [Follow](#)

The new [#MyLittlePonyMovie](#) trailer is here! Songbird Serenade joins the adventure on October 6 ❤️ [lions.gt/mlptrailer](#) - Team Sia

 **My Little Pony: The Movie (2017) Official Trailer – Emily Blun...**  
My Little Pony: The Movie – Coming to theaters October 6! The film has an all-star voice cast including Emily Blunt, Kristin Chenoweth, Liev Schreiber, Micha...  
[youtube.com](#)

11:43 AM - 29 Jun 2017

400 Retweets 1,935 Likes





**Bumblebee will return to 1980s Volkswagen mode in next Transformers movie**

ANTHONY BRIZNICA @BRIZNICA

 **jessepalmrabc** [@jessepalmrabc](#) 23h



I'm a nerd 🤓

 **Ellen DeGeneres** [@TheEllenShow](#)

[@RWitherspoon](#) played "Speak Out." My apologies to her mother and whatever that horse did to her. [ellen.tv/2rrx5rL](#)



1:32 PM - 17 May 2017

279 Retweets 2,329 Likes



3,737 likes

ryanseacrest FIRST WEEK DOWN  
#KellyandRyan

load more comments

salliesunshine22 You rocked y week!

gemenisbaby13 Ryan if you c show I'm going to stop watch only watching it because of y show was boring before you you make the show more fun Love you!! @ryanseacrest

petedonato headgear brou by @katyperry and @vogui

jessicanavarretta Perfect p dmarie1960 You've been i

iamcoldplay Are you com host in American idol @ry

ykot I'm so happy about nina to be awesom



 **darryljones** [@Westminster](#)

darryljones . And to end off the week of transformer #optimusprime salutes all that is Lond :.) a beautiful city that has many things see! Big thank you to @hasbro and the team for the fun project! Make sure you see the movie! And explore the various locations it was film in London. @Hasbro #transformersthelastknight #Hasbro #westminster #bigben #unitedkingdom #toyphotography #london .

avi988\_ru London is a capital of Great Britain! 🇬🇧

non\_1072 Beautiful shot! Love the colours, they really pop. Enjoyed this series a lot, great work Darryl. Can't WAIT for the movie! 🤩

1,606 likes

 **Hasbro** [@HasbroNews](#)


Introducing [#MonopolyGamer](#) Collector's Edition! Avail today at US @GameStop stores: [goo.gl/k79FZE](#)



**MONOPOLY GAMER**

Collector's Edition

AGES 8+



Nintendo

COLLECTOR'S EDITION

Hasbro Gaming

12:00 PM - 28 Jun 2017

# Story-Driven Marketing







**DUNGEONS  
& DRAGONS**

**STRATEGIC DIFFERENTIATOR  
GAMING**



**TRANSFORMERS  
EARTH WARS**

**DROP MIX**







#MTGCHAMP



Slippery Bogle  
Creature  
Eventide

FINALS

DUKE LEADS 2-1

MAGIC  
The Gathering  
WORLD  
CHAMPIONSHIP



SHAHAR SHENHAR 5 14 REID DUKE

GATHERING 2013 WORLDS WEEK FINALS!

LEYLINE OF SANCTITY SHOWS UP IN TIME FOR DEC



MAGIC  
The Gathering®





# The Next Evolution





# Agenda

**Investments for the Future**

Deb Thomas

**Executing our Brand Blueprint**

John Frascotti

**Entertainment in Brand Building**

Steve Davis, Meghan McCarthy,  
Samantha Lomow, Josh Feldman,  
Victor Lee, Finn Arnesen

**Gaming as a Strategic Differentiator**

Jonathan Berkowitz, Todd Heringer,  
Chris Cocks, Mark Blecher

**West Coast Capabilities,  
Partner and New Brands**

Samantha Lomow, Brian Chapman  
Gretchen Forrest, Josh Feldman,  
Meghan McCarthy, Victor Lee

**Q&A • Tours • Lunch**

Senior Management







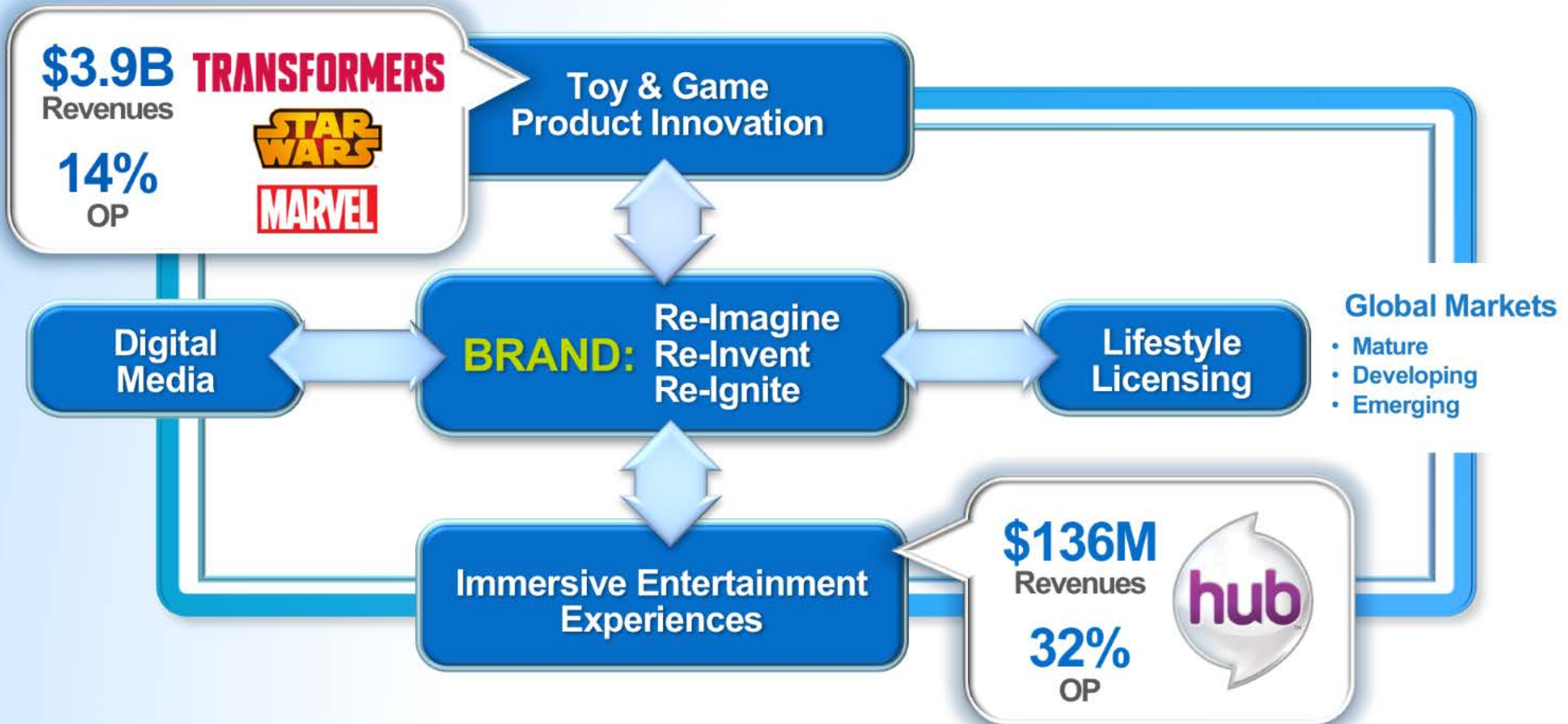
# Deb Thomas

Chief Financial Officer





# 2010 Hasbro's Strategic Blueprint





# Brand Blueprint





# Point of Arrival



Program Production  
Expense

2010

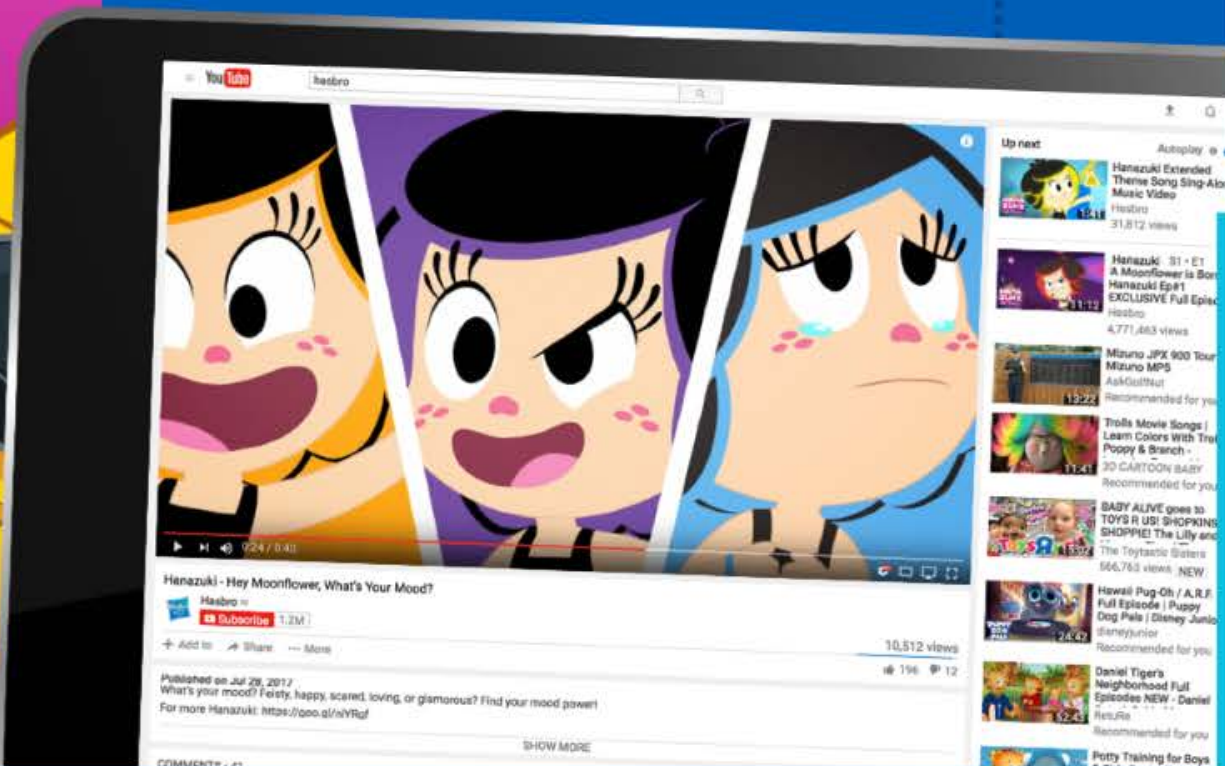
Today

\$57M

\$36M

Other Content Expenses

\$12M



**\$6.2B**  
Retail

Investment since 2010  
**\$535M**

Revenue Growth  
**+\$1B**





# Point of Arrival IT Investments

2012

2013

2014

2015

2016

2017

2018

Content Services Portal

SAP Global Rollout

eCommerce Program

Sales Forecasting

Packaging Design

Product to Market

Advanced Analytics Program

Talent Management

Corporate Performance Management

Supply Chain Planning

Wizards of the Coast

Investment  
2010-2017  
~\$600M

CPG IT Spend **2.3%**

Media & Entertainment  
IT Spend **5.4%**





amazon.com

  
Alibaba Group

Walmart 

Carrefour 



ToysRUs

bol.com 

Auchan

*falabella*

RYHAPPY

  
Детский мир

Walgreens

天猫 Tmall.com 

Hasbro

# Omnichannel Retail Partnerships



Ecommerce Drives

# Storytelling and Innovation





Ecommerce Drives

# Storytelling and Innovation

Ecommerce 2010

**3%\***

Ecommerce Today

**15%\***

Total Industry  
Projection by 2020

**25%\*\***

\*Company Data  
\*\* Kantar Retail



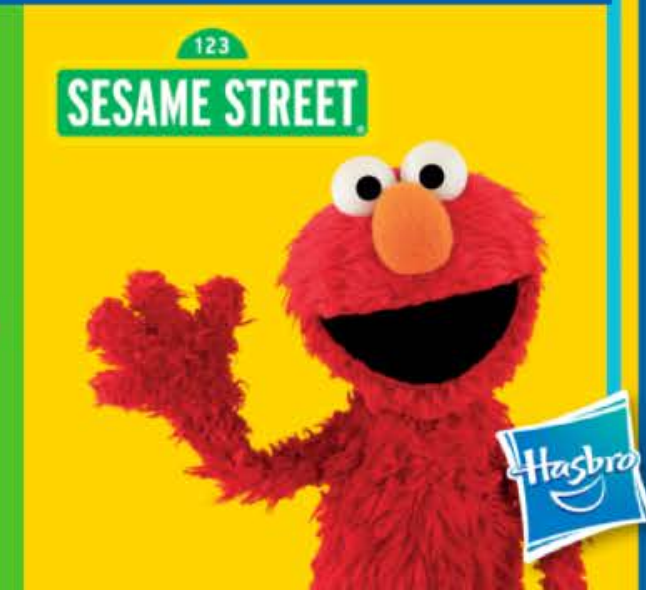




# Storytelling **Drives** Revenue



- ▶ Investment in Partner Brands
- ▶ People
- ▶ Digital Content





## 2016 Entertainment and Licensing Revenues



- Consumer Product Licensing
- Digital Gaming
- Entertainment

HAÑA  
ZÜKI



## Greater Franchise Economics

MASK



MICRONALITS

Toy & Game  
CAGR 2010-2016

4%

# Storytelling Drives Revenue

REVOLUTION



NERF



E&L  
CAGR 2010-2016

12%





# Entertainment Drives Merchandise & Expands Market Opportunity

## Entertainment Drives Merchandise



### U.S. Traditional Toy & Games

2004 Entertainment  
**15%**

Entertainment Toy Sales  
**+172%**

2016 Entertainment  
**38%**

Source: The NPD Group/Retail Tracking Service/Consumer Tracking Service  
Note: Entertainment properties as defined by Hasbro in 2004 & 2016  
Entertainment Brands: TV/DVD/Digital, Movie, VG

## Entertainment Broadens Our Addressable Market



U.S. Media & Entertainment Revenue  
**\$742B** by 2020



Worldwide Media & Entertainment Revenue  
**\$1.7T to \$2.2T** 2015-2020



Global Box Office 2016-2021  
**4% CAGR**



China Box Office  
**\$10B** by 2020

Source: PWC, "Global Entertainment and Media Outlook, 2015-2021", [www.pwc.com/outlook](http://www.pwc.com/outlook)





# Global Omnichannel Opportunity

## Mass



## Toy Specialist



## Ecommerce



## Value/Discount/ Modern Trade



## Impulse

(Grocery/Drug/Convenience)



## Fan



## Department Store



## Specialty

(Club, Sporting Goods, etc.)





## 143K Potential Doors Around the World

### 87% Reached Through Just 27 Retailers

Global		9,700 stores 17 countries		10,000 stores 28 countries		6,914 stores 7 countries		1,119 stores 8 countries
Regional		4,000 stores 5 countries		850 stores 6 countries		835 stores 2 countries		4,502 stores 3 countries
		4,000 stores 5 countries		850 stores 6 countries		6,727 stores 2 countries		
Local		14,059 stores 1 country		8,574 stores 1 country		2,700 stores 1 country		1,521 stores 1 country
		800 stores 1 country		15,000 stores 1 country		4,000 stores 1 country		4,500 stores 1 country
		5,000 stores 1 country		520 stores 1 country		600 stores 1 country		800 stores 1 country
		11,400 stores 1 country		8,200 stores 1 country		1,000 stores 1 country		2,700 stores 1 country





# THE Modern, Agile Global Play & Entertainment Company





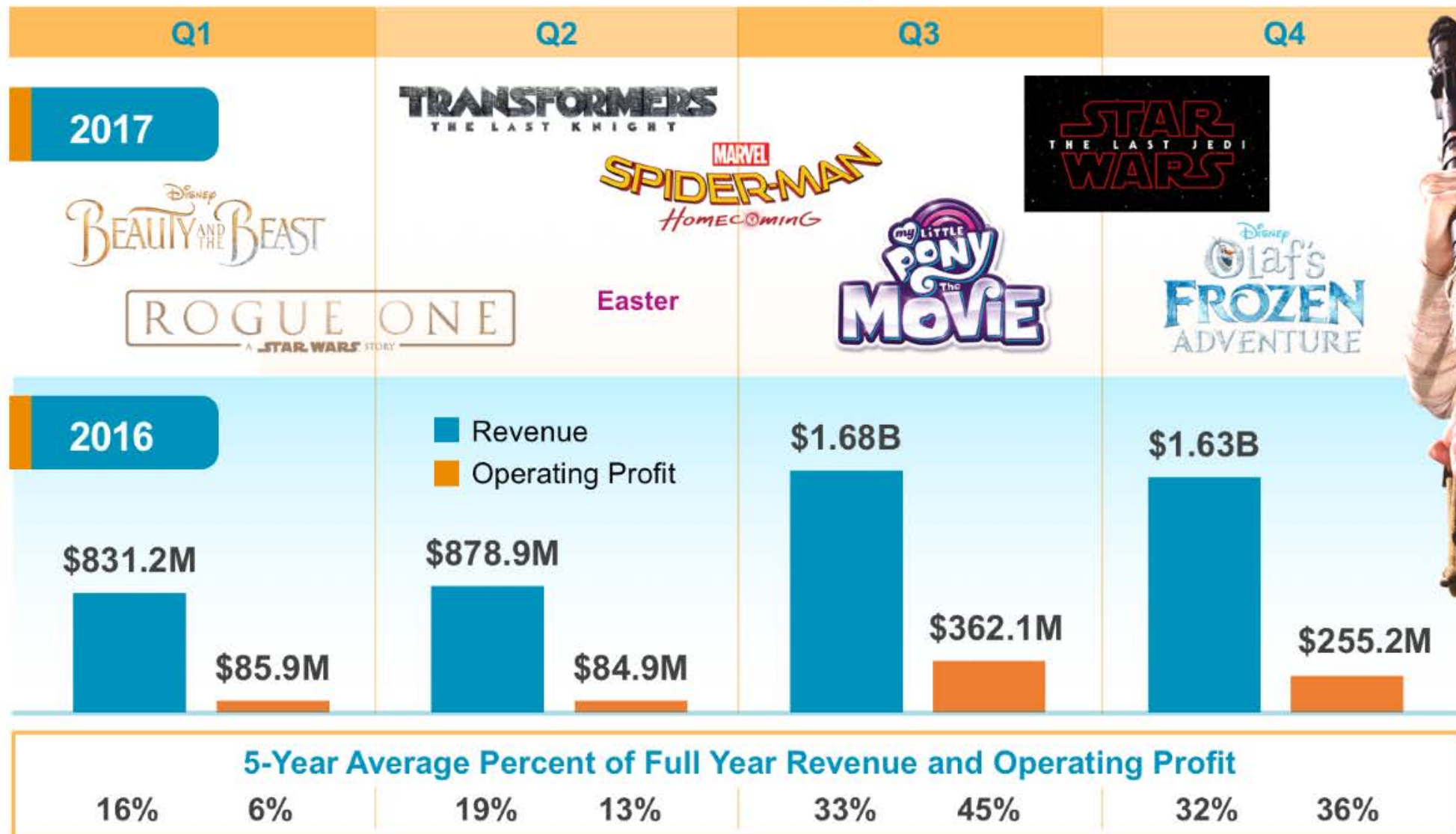
# Deb Thomas

Chief Financial Officer





# Revenue Phasing







# 2017 Cost and Expense Trends

% of Net Revenues	Actual 2013	Actual 2014	Actual 2015	Actual 2016	2017 Trends	Comments Regarding 2017 Trends
Cost of Sales	40.7%	39.7%	37.7%	38.0%	➔	Rising input costs and less favorable hedging
Royalties	6.7%	7.2%	8.5%	8.2%	↔	Anticipate similar product mix and royalties for 2017
Product Development	5.0%	5.2%	5.5%	5.3%	↔	Continue investing in innovation
Advertising	9.8%	9.8%	9.2%	9.3%	➔	Targeting a small increase; Remains below historical levels; Leveraging digital and global reach; Investing in New Brands
Intangible Amortization	1.4%	1.2%	1.0%	0.7%	➔	Projecting \$29M in 2017 as additional assets become amortized
Programming Amortization	1.2%	1.1%	1.0%	0.7%	↔	\$45-\$55 Million in cash spend planned for 2017
S D & A	20.6%	20.8%	21.7%	21.5%	↔	Increasing IT depreciation offset by expense leverage
Interest Expense	2.2%	2.2%	2.2%	1.9%	↔	Consistent with historical trends as % of revenues
Underlying Tax Rate	25.8%	26.5%	26.4%	24.5%	➔	2017 underlying tax rate 24.5% to 25.5% including discrete items 19.5% to 21.5%

Data excludes all charges and benefits during the periods as detailed in Hasbro's year end earnings release.





# Non-OP

Other Expense (income), net	1H 2017	FY 2016	FY 2015
Interest Income	\$(10.7)	\$(9.4)	\$(3.1)
Foreign Currency (Gains) Losses	(3.6)	\$32.9	\$16.1
Earnings from Discovery Family Channel	(11.8)	(23.8)	(19.0)
Sale of Manufacturing Facilities	--	--	(6.6)
Gain on Sale of Certain Assets	--	--	(2.8)
Gain on Sale of Certain Investments	(1.9)	(6.2)	--
Other	(0.1)	4.6	6.3
<b>Total*</b>	<b>\$(28.1)</b>	<b>\$(1.8)</b>	<b>\$(9.1)</b>

\*May not total due to rounding for presentation format



## 2017 Drivers

Q1 Foreign Currency Gain versus loss in 2016 1H 2017

- Higher interest income from higher cash balances
- Higher earnings from 40% share of Discovery Family Channel





# Full Year Projected Tax Rate in 2017



	Favorable Impact to EPS
Q1 2017 Actual	\$0.11
Q2 2017 Actual	\$0.01
Q3 2017 Estimate	\$0.02-\$0.05
Q4 2017 Estimate	\$0.11-\$0.13

2017 EPS could be  
**favorably impacted** by  
\$0.25-\$0.30 per share

**Favorable Impact to**  
Tax Rate from ASU  
2016-091

Full Year 2017 Underlying Tax  
Rate is **expected to be in the**  
**range of 24.5% to 25.5%**





# Q&A





# Investor Day

AUGUST 3 / BURBANK, CA





**John Frascotti**  
President





# Brand Blueprint





# Brand Blueprint





# Brand Blueprint



Digital  
Gaming

Toy & Game  
Product Innovation

Storytelling

**HASBRO BRANDS**

Consumer Insights

Immersive Entertainment  
Experiences

Consumer  
Products

**GLOBAL  
MARKETS**  
Developed  
Developing  
Emerging

OMNI-CHANNEL RETAIL PARTNERSHIPS





GLOBAL

# Consumer Insights





Future  
of Play



Modern  
Fan Girls



Modern  
Play

Multi-country  
Longitudinal Studies

Modern  
Parent



Kids  
Media

Gaming



GLOBAL

# Consumer Insights





# Data

Advanced Data Analytics  
Predictive Modeling





# Predictive Analytics



▶ **Media & Marketing Mix**

▶ **Storytelling Formats & Platforms**

▶ **Price Elasticity**



# Storytelling







Emotionally  
Engages  
Audience

Deepens Brand  
Love/Loyalty

# Storytelling Brand Engagement



Expands  
Audience





# Content Drives Revenue Across the Blueprint

Content



Publishing



Toys & Games

Location-based Entertainment



Digital Gaming

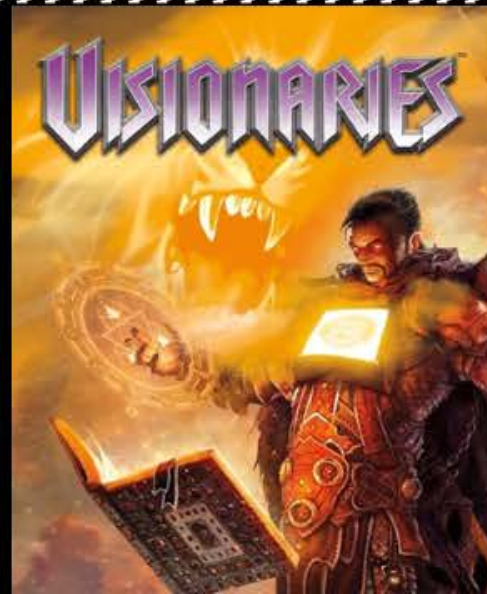


Consumer Products





# MOTION PICTURES







# ANIMATED CONTENT







# Digital Storytelling





# Digital Content

125B

Views of  
UGC

2B  
views







# Content is KING



NETFLIX

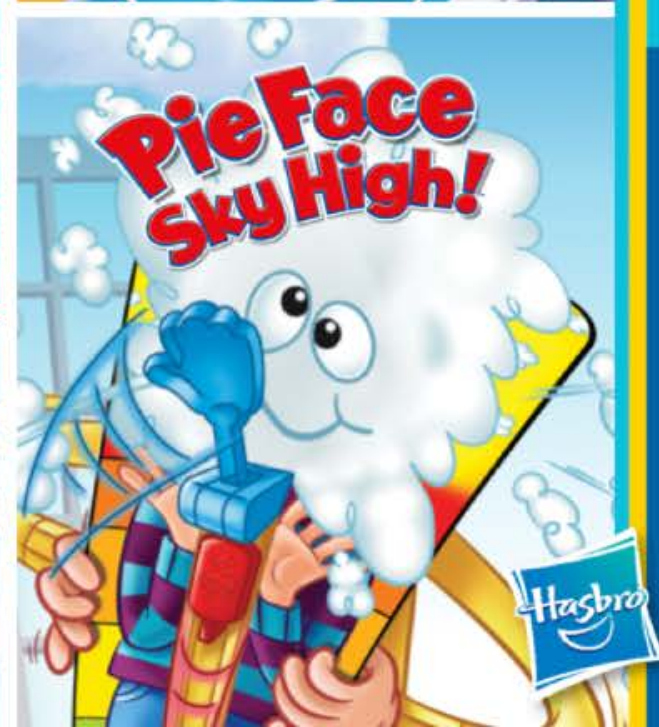
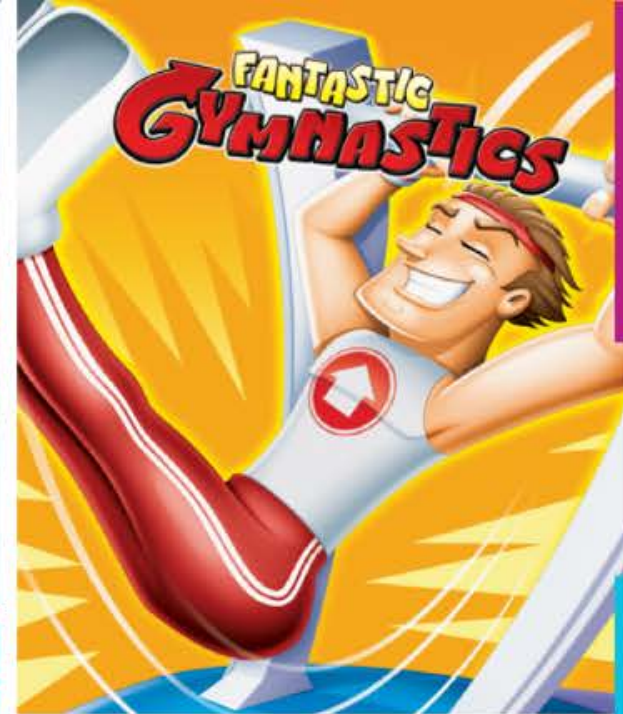
amazon Prime



You Tube









## Franchise & Partner Brands

TRANSFORMERS



MONOPOLY



## Hasbro Gaming Brands

Taboo



Pie Face!

Over 70+  
Other  
Gaming  
Brands

DUNGEONS  
& DRAGONS



CLUE



SCRABBLE

OPERATION

## Emerging Brands

Challenger  
Brands >>



New Brands  
Franchise Brands  
in the Making >>

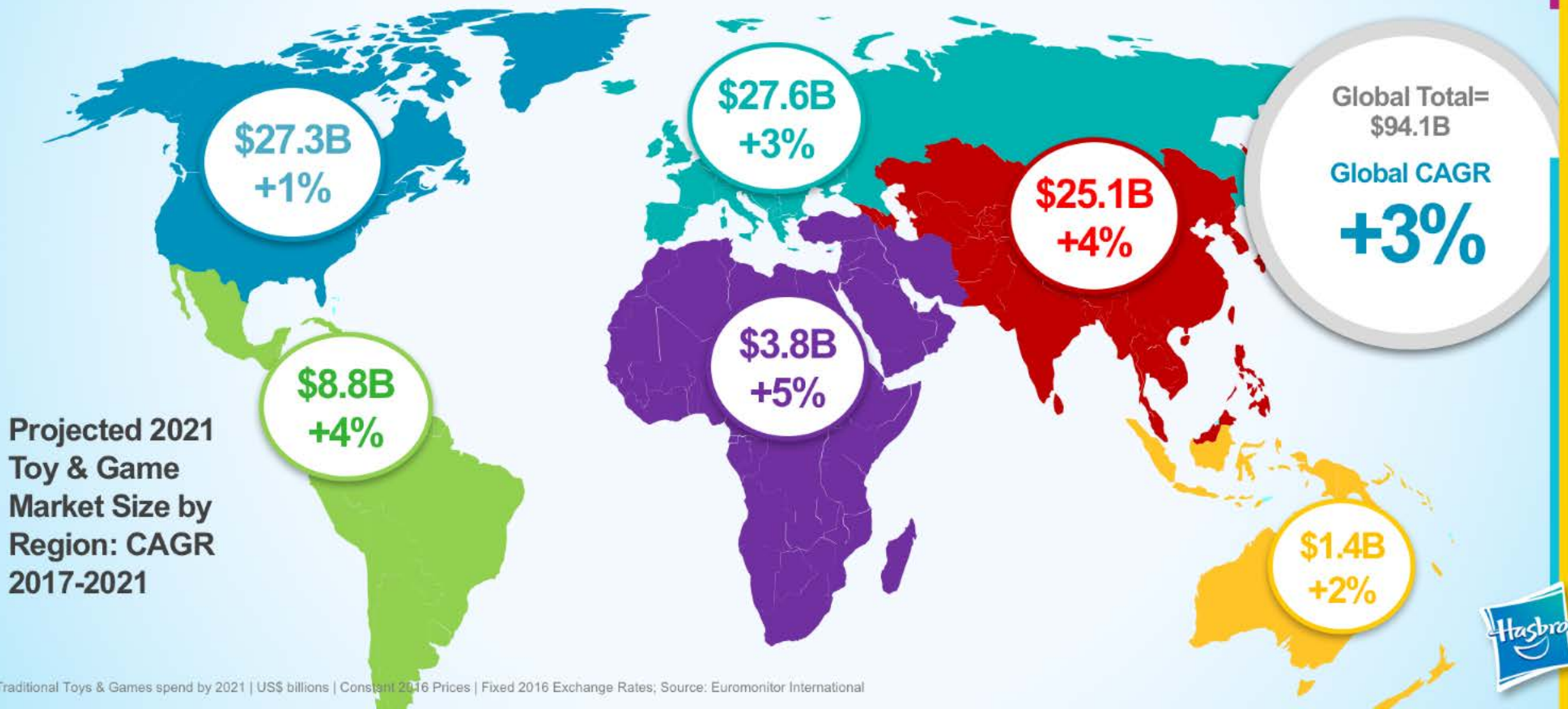


MICRONAUTS





# Euromonitor Annual Toy Industry Projections







# Franchise Brands





# NERF RIVAL

PRECISION BATTLING







# **NERF** **NITRO**

amazon.com<sup>®</sup>



**"I got it and  
love it!!"**

**"I was expecting  
Nerf quality and  
that's exactly  
what I got!"**







Parent Guide Included



STEAM-based  
learning experiences  
for all kids age 2-6  
years old





# Littlest Pet Shop®

UNLEASHED







# FAN ECONOMY





Toy & Game  
Product Innovation



Consumer  
Products



Digital  
Gaming



Tencent 腾讯



# TRANSFORMERS



Immersive Entertainment  
Experiences





For  
**Fans**



For  
**Families**



THE PREMIER HASBRO FANmily™ EVENT

SEPT  
8-10  
2017







# Partner Brands





# 2018 Theatrical Releases

Feb 16

MARVEL  
BLACK  
PANTHER

May 4

MARVEL  
AVENGERS  
INFINITY WAR

May 25

HAN SOLO  
A STAR WARS STORY

June 1

DEADPOOL  
SEQUEL

July 6

MARVEL  
ANT-MAN  
THE WASP

Oct 5

VENOM

Dec 14

Untitled  
Spider-Man  
Animated  
Movie

Dec 21

BUMBLEBEE





baby  
alive



# CHALLENGER BRANDS







**baby  
alive**







# baby alive





5.1B

# User-Generated Content

baby  
alive



my Show!

572,231 views

BABY ALIVE and the BAU... LILLY's revenge. The TOYTASTIC Sisters!

The Toytastic Sisters

Subscribe 127K

Add to Share More

BABY ALIVE goes to TOYS R US! SHOPKINS SHOPPIE! The Lilly and Mommy Show! The TOYTASTIC Sisters

The Toytastic Sisters

Subscribe 127K

Add to Share More

Baby Alive Learning Co School!! - Baby Alive V

The Toy Heroes

Subscribe 318K

Add to Share More





# Gaming





NEW  
Brands

HAÑA  
ZÜKI

STRETCH  
ARMSTRONG  
AND THE  
FLEX FIGHTERS

Hasbro



# HAÑA ZÜKI

You Tube 

**158M+**  
Global Views

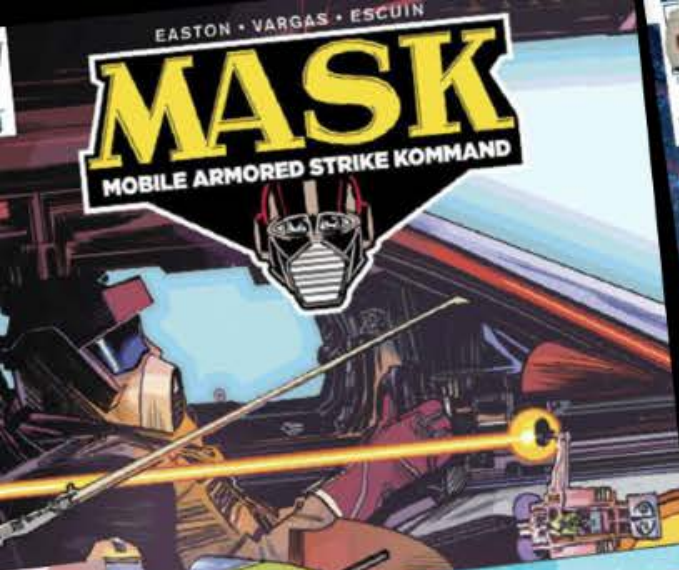




# New Brands







IDW Comics





One  
Voice



# Consumer Products







# Culture & Organization





OUR PURPOSE IS TO  
**Make the World a Better Place  
for Children and Their Families.**





# Our Values

## Passion

Driven, Focused  
and Courageous

## Creativity

Curious, Playful  
and Inventive

## Integrity

Responsible, Ethical  
and Trustworthy

## Community

Dedicated, Inclusive  
and Giving





agile



entrepreneurial

digital first



flexible



fast







digital & content expertise

new technology



creative storytellers



world class marketers

entrepreneurs



innovative thinkers

