



**Hasbro to Acquire Entertainment One
Conference Call Management Remarks
August 22, 2019**

Debbie Hancock, Hasbro, Senior Vice President, Investor Relations:

Good afternoon and thank you for joining us today to discuss Hasbro's acquisition of Entertainment One. With me today are Brian Goldner, Hasbro's chairman and chief executive officer, Deb Thomas, Hasbro's chief financial officer, and Darren Throop, chief executive officer of Entertainment One. We will begin with prepared remarks, then we'll have a question and answer session. In the interest of time, we ask you limit yourself to one question.

Our press release and slide presentation announcing the transaction are available on the investors section of our website. Our prepared remarks will be posted shortly after the conclusion of this call. A replay of this call will be available on our website approximately two hours following our call. Please note that the remarks made during this call do not constitute an offer to buy or sell or the solicitation of any offer to buy or sell securities or solicitation of any proxy, vote or approval.

Before we begin, I would like to remind you that certain statements we make during this call will be forward-looking. These statements involve known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed or implied. Such factors include those referenced in the Forward-looking Statement Safe Harbor included in our press release, and in our filings with the SEC.

Also during this call, we will be discussing certain non-GAAP financial measures. These forward-looking non-GAAP financial measures reflect management's current expectations and beliefs regarding the potential benefits and impact of the proposed transaction. Hasbro is not able to reconcile these forward-looking non-GAAP measures to reported measures at this time without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact or exact timing of items that may impact comparability. More information about non-GAAP measures can be found in our press release.

I will now turn the call over to Brian.

Brian Goldner, Hasbro, Chairman and CEO

Thank you, Debbie. Hello everyone and thank you for joining us today, on short notice. On behalf of the entire Hasbro team, Deb and I are delighted to be with you today, alongside Darren Throop, CEO of Entertainment One, to speak to the tremendous opportunity we see in this acquisition.

The combination of these two companies creates a compelling opportunity for both Hasbro and eOne, along with our respective employees, shareholders and partners. Over the past decade Hasbro has set an uncharted path to build amazing brands, informed by consumer insights, brought to life by storytelling and executed everywhere consumers want to experience them. We've strategically invested - adding capabilities in digital gaming, consumer products licensing, and entertainment across platforms, including film, tv and digital. The addition of eOne accelerates these efforts, bringing brands, entertainment expertise and scale to the execution of Hasbro's Brand Blueprint strategy.

The acceleration of our strategy is accomplished by:

- Expanding Hasbro's brand portfolio with eOne's beloved global preschool brands;
- Adding exceptional and proven TV and film expertise; and,

- By creating additional opportunities for long-term profitable growth.

I will highlight each of these.

eOne is a growing, profitable company with strong family brands as well as robust TV, Film and music capabilities. Nearly half of their EBITDA last year came from their family brand portfolio, a highly profitable business similar to how we view our Franchise Brands. The acquisition of eOne adds successful global preschool brands to Hasbro's robust portfolio. Peppa Pig, PJ Masks and other brands in development are highly profitable and merchandisable. These brands have many of the characteristics and profitability of our franchise brands.

The infant and preschool category within toys and games is the largest supercategory in the G11 markets and brands that are built on engaging stories and compelling characters stand out in what can be a crowded market. Peppa Pig and PJ Masks are tremendous properties executed across touchpoints including toys and games, consumer products, live shows, theme parks and importantly entertainment, including high growth SVOD and AVOD channels. Backed by Hasbro's global retail relationships, we see great promise in the portfolio, and the slate of additional brands, including Ricky Zoom which is already produced and distribution has been secured globally including on Nickelodeon in the U.S. and other top tier global networks this

September. The family brand team has proven success in launching new brands and we anticipate adding Hasbro IP to their development pipeline.

eOne also brings exceptional and proven expertise in TV and film. By developing, owning and distributing content, eOne and its capabilities positions Hasbro to capture more franchise economics across differentiated platforms. eOne has outstanding capabilities in scripted and unscripted TV development. We have a high level of interest and several offers from multiple platforms for unique stories based on Hasbro brands. By bringing more of this expertise inhouse we can better meet the interest in new, unexploited Hasbro IP on OTT platforms and networks enabling us to garner more of the economics for Hasbro and our shareholders.

In film, eOne is producing select high-quality productions, including future family titles like Clifford the Big Red Dog and working with sought after creative stewards including Shawn Levy. They bring strong relationships across the film value chain. These capabilities complement the talented team Hasbro has in TV and film for Hasbro brands both in animation at Boulder Media, and Allspark pictures.

With eOne's content creation capabilities across TV and film, we can reach audiences on all screens – from major distributors to broadcast, and cable to new media platforms including streaming. It fuels experiences with Hasbro brands across the fan economy – for

example the opportunity to build stories around a brand like Dungeons & Dragons for our avid gamers and global audiences is extremely compelling.

We are also excited about the teams and opportunities in music, live events, and other immersive entertainment businesses within eOne's portfolio. For example, Round Room, a premier live entertainment company has executed a tremendously successful PJ Masks live touring event. Round Room with Hasbro IP fits squarely into our ambition for extensive location-based entertainment initiatives.

Through our combined businesses, including eOne's preschool brands and immersive entertainment capabilities, we expect to be better positioned to unlock the full franchise value of our brands and our stories than we are working only with partners. This complements our relationships in the film and TV space, providing greater opportunity to produce amazing stories for all screens.

Finally, the acquisition improves our growth outlook and enhances long-term profitability through clearly identified in-sourcing and cost synergies, as well as revenue growth opportunities. Deb will speak to this shortly.

Let me close by saying we couldn't be more excited to welcome eOne and its talented employees to the Hasbro family as we work together to unlock the value from our combined organizations and drive long-term

value for our stakeholders. We are looking forward to having Darren on board, who will continue to lead eOne as well as several top executives who have agreed to join us on our journey.

I'd like to now turn the call over to Deb.

Deb Thomas, Hasbro, Chief Financial Officer

Thank you, Brian and thank you to everyone for joining us tonight. Through the combination of two profitable and financially disciplined companies, we expect this acquisition to unlock value in the short- and long-term for our stakeholders. As Brian spoke to, we believe it creates a compelling opportunity for both companies to develop amazing brands and content which strengthen our revenue and profit outlook going forward.

We have identified approximately \$130 million in insourcing and other global annual run rate synergies we expect to achieve by 2022. Specifically, eOne's preschool brands have robust toy and game licensing programs, which we plan to bring in house over the next several years, capturing significant incremental economics.

Also, in partnership with our global consumer products organization, we see opportunity to enhance the profitability of eOne's licensing and merchandising activities.

Finally, while our businesses are highly complementary, we have clearly identified global cost synergies.

Based on all of these strong synergies, we expect the acquisition to be accretive to adjusted EPS in the first year following the transaction, excluding one-time transaction costs and purchased intangible amortization. By year three following the close of the transaction, we see this delivering mid- to high-teen adjusted EPS accretion.

I will speak to the specifics of the transaction momentarily, but Hasbro is engaging in this transaction committed to returning to our targeted 2 to 2.5 times gross debt to EBITDA ratio. We believe we can accomplish this in 3 to 4 years. We remain committed to our dividend and expect to maintain it, but we will suspend our share repurchase program while we prioritize achieving our leverage target.

The transaction represents an enterprise value of \$4.0 billion or £3.3 billion and eOne shareholders will receive £5.60 per common share. We expect to finance this transaction with the proceeds of debt financing as well as approximately \$1.0 to \$1.25 billion in cash from equity financing. We are not using our cash on hand to ensure liquidity in our business.

To secure funding of the purchase price, we have entered into a debt commitment letter with Bank of America Merrill Lynch to provide a 364-day senior unsecured bridge loan facility.

Beyond the brands, capabilities and talented team eOne will bring to Hasbro, we believe we are adding a financially disciplined organization

that has a proven ability in delivering profit and revenue which ultimately positions us to more quickly drive revenue and profit over the medium-term.

As Brian said, I am excited at the opportunity to work with this amazing team and organization going forward.

I'd like to now turn it over to Darren.

Darren Throop, Entertainment One, CEO

Thank you, Deb and thank you, Brian. Happy to be here with you both to speak about this major milestone in the history of eOne. A deal myself and my management team are extremely excited about. This transaction creates significant, immediate value for our shareholders and recognizes the unique strengths of our company.

Throughout this process it was apparent to me that Hasbro values what we have created at eOne. Working with the Hasbro team illuminated how we share consistent visions of our two company's future. Hasbro brings a deep portfolio of meaningful IP which we can put our teams against. I believe our two businesses can build something amazing together – for audiences, consumers, employees, partners and for shareholders.

We also see a strong cultural fit. We are two organizations that share a passion for creativity and storytelling. We both have built successful

global brands that are rich in story and highly merchandisable. And, as Deb said, we are committed to making smart financial decisions that allow our businesses to profitably grow for a long period of time.

Our two companies are highly complementary and together we believe we can unlock real value. Adding Hasbro's toy and game expertise, along with its retail relationships, will strengthen Peppa Pig, PJ Masks and newer brands like Ricky Zoom. For eOne, we look forward to creating content around Hasbro's amazing vault of IP. Putting our talented teams in TV, film, music and other areas like live shows against a robust portfolio of Hasbro brands is truly a unique and unparalleled opportunity, and one we are very excited about.

This major milestone is a result of our team's passion, dynamism and excellence from across our business day in and day out. I am so proud of the work we have all done to get us here and I am looking forward to eOne's next chapter including continuing to lead eOne after the transaction closes in the coming months.

I'll turn it back over to Brian.