UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 27, 2021
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-6682

HASBRO, INC.
(Exact name of registrant as specified in its charter)

Rhode Island	**05-0155090**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1027 Newport Avenue **Pawtucket, Rhode Island**	**02861**
(Address of Principal Executive Offices)	(Zip Code)

(401) 431-8697
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.50 par value per share	HAS	The NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [x] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No [x]

The number of shares of Common Stock, par value $.50 per share, outstanding as of July 26, 2021 was 137,683,075.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Millions of Dollars Except Share Data)
(Unaudited)

	June 27, 2021	June 28, 2020	December 27, 2020
ASSETS			
Current assets			
Cash and cash equivalents including restricted cash of $83.1 million, $71.9 million and $73.2 million	$ 1,228.2	$ 1,038.0	$ 1,449.7
Accounts receivable, less allowance for doubtful accounts of $30.5 million, $28.0 million and $28.1 million	865.9	911.3	1,391.7
Inventories	499.6	564.2	395.6
Prepaid expenses and other current assets	543.2	672.2	609.6
Assets held for sale	479.5	—	—
Total current assets	3,616.4	3,185.7	3,846.6
Property, plant and equipment, less accumulated depreciation of $589.1 million, $528.2 million and $553.0 million	466.2	482.2	489.0
Other assets			
Goodwill	3,420.8	3,666.0	3,691.7
Other intangible assets, net of accumulated amortization of $1,002.5 million, $855.0 million and $964.6 million	1,248.3	1,559.1	1,530.8
Other	1,350.5	1,329.1	1,260.2
Total other assets	6,019.6	6,554.2	6,482.7
Total assets	$ 10,102.2	$ 10,222.1	$ 10,818.3
LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	$ 0.8	$ 6.4	$ 6.6
Current portion of long-term debt	189.6	378.6	432.6
Accounts payable	382.4	335.2	425.5
Accrued liabilities	1,396.5	1,261.4	1,538.6
Liabilities held for sale	76.3	—	—
Total current liabilities	2,045.6	1,981.6	2,403.3
Long-term debt	4,388.7	4,802.5	4,660.0
Other liabilities	753.0	771.7	793.9
Total liabilities	$ 7,187.3	$ 7,555.8	$ 7,857.2
Redeemable noncontrolling interests	24.5	24.1	24.4
Shareholders' equity			
Preference stock of $2.50 par value. Authorized 5,000,000 shares; none issued	—	—	—
Common stock of $0.50 par value. Authorized 600,000,000 shares; issued 220,286,736 shares at June 27, 2021, June 28, 2020, and December 27, 2020	110.1	110.1	110.1
Additional paid-in capital	2,361.2	2,297.3	2,329.1
Retained earnings	4,110.3	4,064.8	4,204.2
Accumulated other comprehensive loss	(183.5)	(308.1)	(195.0)
Treasury stock, at cost; 82,617,426 shares at June 27, 2021; 83,264,365 shares at June 28, 2020; and 82,979,403 shares at December 27, 2020	(3,547.6)	(3,560.0)	(3,551.7)
Noncontrolling interests	39.9	38.1	40.0
Total shareholders' equity	2,890.4	2,642.2	2,936.7
Total liabilities, noncontrolling interests and shareholders' equity	$ 10,102.2	$ 10,222.1	$ 10,818.3

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(Millions of Dollars Except Per Share Data)
(Unaudited)

	Quarter Ended		Six Months Ended	
	June 27, 2021	June 28, 2020	June 27, 2021	June 28, 2020
Net revenues	$ 1,322.2	$ 860.3	$ 2,437.0	$ 1,965.9
Costs and expenses:				
Cost of sales	345.0	253.2	634.9	515.9
Program cost amortization	110.7	50.6	208.2	182.8
Royalties	111.5	97.4	220.4	210.2
Product development	87.2	58.4	149.0	112.2
Advertising	105.4	72.3	193.3	174.0
Amortization of intangibles	29.7	34.7	62.6	71.5
Loss on assets held for sale	101.8	—	101.8	—
Selling, distribution and administration	354.3	281.2	642.9	560.3
Acquisition and related costs	—	10.3	—	160.1
Total costs and expenses	1,245.6	858.1	2,213.1	1,987.0
Operating profit (loss)	76.6	2.2	223.9	(21.1)
Non-operating expense (income):				
Interest expense	46.1	49.6	94.0	104.3
Interest income	(1.2)	(0.9)	(2.4)	(5.6)
Other income, net	(9.4)	(2.8)	(38.3)	(4.1)
Total non-operating expense, net	35.5	45.9	53.3	94.6
Earnings (loss) before income taxes	41.1	(43.7)	170.6	(115.7)
Income tax expense (benefit)	63.0	(10.8)	75.0	(14.9)
Net earnings (loss)	(21.9)	(32.9)	95.6	(100.8)
Net earnings attributable to noncontrolling interests	1.0	1.0	2.3	2.8
Net earnings (loss) attributable to Hasbro, Inc.	$ (22.9)	$ (33.9)	$ 93.3	$ (103.6)
Net earnings (loss) per common share:				
Basic	$ (0.17)	$ (0.25)	$ 0.68	$ (0.75)
Diluted	$ (0.17)	$ (0.25)	$ 0.68	$ (0.75)
Cash dividends declared per common share	$ 0.68	$ 0.68	$ 1.36	$ 1.36

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Earnings (Loss)
(Millions of Dollars)
(Unaudited)

	Quarter Ended		Six Months Ended	
	June 27, 2021	June 28, 2020	June 27, 2021	June 28, 2020
Net earnings (loss)	$ (21.9)	$ (32.9)	$ 95.6	$ (100.8)
Other comprehensive earnings (losses):				
Foreign currency translation adjustments, net of tax	24.0	(7.1)	7.9	(139.0)
Unrealized holding gains on available-for-sale securities, net of tax	0.1	2.5	0.2	2.1
Net (losses) gains on cash flow hedging activities, net of tax	(3.2)	(3.7)	2.4	21.3
Reclassifications to earnings, net of tax:				
Net gains (losses) on cash flow hedging activities	1.8	(5.3)	0.6	(8.9)
Amortization of unrecognized pension and postretirement amounts	0.2	0.3	0.4	0.6
Total other comprehensive earnings (loss), net of tax	$ 22.9	$ (13.3)	$ 11.5	$ (123.9)
Total comprehensive earnings attributable to noncontrolling interests	1.0	1.0	2.3	2.8
Total comprehensive earnings (loss) attributable to Hasbro, Inc.	$ —	$ (47.2)	$ 104.8	$ (227.5)

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Millions of Dollars)
(Unaudited)

	Six Months Ended	
	June 27, 2021	June 28, 2020
Cash flows from operating activities:		
Net earnings (loss)	$ 95.6	$ (100.8)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation of plant and equipment	67.6	56.6
Amortization of intangibles	62.6	71.5
Asset impairments	—	40.9
Loss on assets held for sale	101.8	—
Program cost amortization	208.2	182.8
Deferred income taxes	43.6	(11.1)
Stock-based compensation	37.1	26.1
Other non-cash items	0.2	—
Change in operating assets and liabilities net of acquired balances:		
Decrease in accounts receivable	533.9	722.0
Increase in inventories	(109.5)	(125.4)
Decrease (increase) in prepaid expenses and other current assets	38.8	(40.2)
Program spend, net	(308.3)	(220.4)
Decrease in accounts payable and accrued liabilities	(169.3)	(344.4)
Change in net deemed repatriation tax	(18.4)	—
Other	(6.8)	0.6
Net cash provided by operating activities	577.1	258.2
Cash flows from investing activities:		
Additions to property, plant and equipment	(63.1)	(64.0)
Acquisitions, net of cash acquired	—	(4,403.9)
Other	(3.2)	13.1
Net cash utilized by investing activities	**(66.3)**	**(4,454.8)**
Cash flows from financing activities:		
Proceeds from borrowings with maturity greater than three months	114.7	1,023.5
Repayments of borrowings with maturity greater than three months	(635.0)	(98.2)
Net repayments of other short-term borrowings	(6.3)	(4.5)
Stock-based compensation transactions	9.4	1.8
Dividends paid	(187.5)	(186.2)
Payments related to tax withholding for share-based compensation	(9.5)	(5.7)
Redemption of equity instruments	—	(47.4)
Other	(4.2)	(4.8)
Net cash (utilized) provided by financing activities	(718.4)	678.5
Effect of exchange rate changes on cash	4.3	(24.4)
Net decrease in cash, cash equivalents and restricted cash	(203.3)	(3,542.5)
Net change due to cash classified as held for sale	(18.2)	—
Net decrease in cash, cash equivalents and restricted cash	(221.5)	(3,542.5)
Cash, cash equivalents and restricted cash at beginning of year	1,449.7	4,580.4
Cash, cash equivalents and restricted cash at end of period	$ 1,228.2	$ 1,037.9
Supplemental information		
Cash paid during the period for:		
Interest	$ 90.2	$ 81.5
Income taxes	$ 70.8	$ 30.4

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Shareholders' Equity and Redeemable Noncontrolling Interests
(Millions of Dollars)
(Unaudited)

Three Months Ended June 27, 2021

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests	Total Shareholders' Equity	Redeemable Noncontrolling Interests
Balance, March 28, 2021	$ 110.1	2,339.6	4,226.8	(206.4)	(3,550.6)	40.4	$ 2,959.9	$ 24.0
Net earnings (loss) attributable to Hasbro, Inc.	—	—	(22.9)	—	—	—	(22.9)	—
Net earnings attributable to noncontrolling interests	—	—	—	—	—	0.7	0.7	0.3
Other comprehensive earnings	—	—	—	22.9	—	—	22.9	—
Stock-based compensation transactions	—	2.6	—	—	1.9	—	4.5	—
Stock-based compensation expense	—	19.3	—	—	1.1	—	20.4	—
Dividends declared	—	—	(93.6)	—	—	—	(93.6)	—
Distributions paid to noncontrolling owners and other foreign exchange	—	(0.3)	—	—	—	(1.2)	(1.5)	0.2
Balance, June 27, 2021	$ 110.1	2,361.2	4,110.3	(183.5)	(3,547.6)	39.9	$ 2,890.4	$ 24.5

Three Months Ended June 28, 2020

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests	Total Shareholders' Equity	Redeemable Noncontrolling Interests
Balance, March 29, 2020	$ 110.1	2,282.4	4,191.8	(294.8)	(3,560.3)	35.3	$ 2,764.5	$ 26.0
Noncontrolling interests related to acquisition of Entertainment One Ltd.	—	—	—	—	—	(1.4)	(1.4)	2.6
Net loss attributable to Hasbro, Inc.	—	—	(33.9)	—	—	—	(33.9)	—
Net earnings (loss) attributable to noncontrolling interests	—	—	—	—	—	1.0	1.0	—
Other comprehensive loss	—	—	—	(13.3)	—	—	(13.3)	—
Stock-based compensation transactions	—	(0.3)	—	—	—	—	(0.3)	—
Stock-based compensation expense	—	15.2	—	—	0.3	—	15.5	—
Dividends declared	—	—	(93.1)	—	—	—	(93.1)	—
Distributions paid to noncontrolling owners and other foreign exchange	—	—	—	—	—	3.2	3.2	(4.5)
Balance, June 28, 2020	$ 110.1	2,297.3	4,064.8	(308.1)	(3,560.0)	38.1	$ 2,642.2	$ 24.1

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Shareholders' Equity and Redeemable Noncontrolling Interests
(Millions of Dollars)
(Unaudited)

	Six Months Ended June 27, 2021							
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests	Total Shareholders' Equity	Redeemable Noncontrolling Interests
Balance, December 27, 2020	$ 110.1	2,329.1	4,204.2	(195.0)	(3,551.7)	40.0	$ 2,936.7	$ 24.4
Net earnings attributable to Hasbro, Inc.	—	—	93.3	—	—	—	93.3	
Net earnings attributable to noncontrolling interests	—	—	—	—	—	2.0	2.0	0.3
Other comprehensive earnings	—	—	—	11.5	—	—	11.5	—
Stock-based compensation transactions	—	(3.2)	—	—	3.0	—	(0.2)	—
Stock-based compensation expense	—	36.0	—	—	1.1	—	37.1	—
Dividends declared	—	—	(187.2)	—	—	—	(187.2)	—
Distributions paid to noncontrolling owners and other foreign exchange	—	(0.7)	—	—	—	(2.1)	(2.8)	(0.2)
Balance, June 27, 2021	$ 110.1	2,361.2	4,110.3	(183.5)	(3,547.6)	39.9	$ 2,890.4	$ 24.5

	Six Months Ended June 28, 2020							
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests	Total Shareholders' Equity	Redeemable Noncontrolling Interests
Balance, December 29, 2019	$ 110.1	2,275.7	4,354.6	(184.2)	(3,560.7)	—	$ 2,995.5	$ —
Noncontrolling interests related to acquisition of Entertainment One Ltd.	—	—	—	—	—	38.6	38.6	26.2
Net earnings (loss) attributable to Hasbro, Inc.	—	—	(103.6)	—	—	—	(103.6)	—
Net earnings (loss) attributable to noncontrolling interests	—	—	—	—	—	3.0	3.0	(0.1)
Other comprehensive loss	—	—	—	(123.9)	—	—	(123.9)	—
Stock-based compensation transactions	—	(4.2)	—	—	0.4	—	(3.8)	—
Stock-based compensation expense	—	25.8	—	—	0.3	—	26.1	—
Dividends declared	—	—	(186.2)	—	—	—	(186.2)	—
Distributions paid to noncontrolling owners and other foreign exchange	—	—	—	—	—	(3.5)	(3.5)	(2.0)
Balance, June 28, 2020	$ 110.1	2,297.3	4,064.8	(308.1)	(3,560.0)	38.1	$ 2,642.2	$ 24.1

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Condensed Notes to Consolidated Financial Statements
(Millions of Dollars and Shares Except Per Share Data)
(Unaudited)

(1) Basis of Presentation

In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all normal and recurring adjustments necessary to present fairly the consolidated financial position of Hasbro, Inc. and all majority-owned subsidiaries ("Hasbro" or the "Company") as of June 27, 2021 and June 28, 2020, and the results of its operations and cash flows and shareholders' equity for the periods then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes thereto. Actual results could differ from those estimates.

The quarters ended June 27, 2021 and June 28, 2020 were each 13-week periods. The six-month periods ended June 27, 2021 and June 28, 2020 were each 26-week periods.

The results of operations for the quarter ended June 27, 2021 are not necessarily indicative of results to be expected for the full year 2021, nor were those of the comparable 2020 period representative of those actually experienced for the full year 2020.

Segment Realignment

Beginning with the first quarter of 2021, the Company realigned its financial reporting segments and business units, in order to align its reportable segments more closely with its current business structure. Reclassifications of certain prior year financial information has been made to conform to the current-year presentation. None of the changes impact the Company's previously reported consolidated net revenue, operating profits (losses), net earnings (losses) or net earnings (losses) per share. See Note 14 for more information on the Company’s 2021 segment realignment.

Legal Settlement

During the first quarter of 2021, the Company realized a gain of $25.6 million from a legal settlement related to a dispute associated with historical Entertainment One Ltd. ("eOne") foreign exchange hedging activities. The gain is included in other income, net within the Company's consolidated financial statements, included in Part I of this Form 10-Q.

Significant Accounting Policies

The Company's significant accounting policies are summarized in Note 1 to the consolidated financial statements included in the Company's Form 10-K for the year ended December 27, 2020.

These consolidated financial statements have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and disclosures normally included in the consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The Company filed with the SEC audited consolidated financial statements for the fiscal year ended December 27, 2020 in its Annual Report on Form 10-K ("2020 Form 10-K"), which includes all such information and disclosures and, accordingly, should be read in conjunction with the financial information included herein.

Recently Adopted Accounting Standards

In August 2018, the FASB issued Accounting Standards Update No. 2018-14 (ASU 2018-14) Compensation – Retirement Benefits – *Defined Benefit Plans – General (Subtopic 715-20)- Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans*. The amendments in this update modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. For public companies, this standard is effective for annual reporting periods beginning after December 15, 2020, and early adoption is permitted. The Company adopted the standard in the first quarter of 2021 and the adoption of the standard did not have a material impact on its consolidated financial statements.

In December 2019, the FASB issued Accounting Standards Update No. 2019-12 (ASU 2019-12), Income Taxes (Topic 740): *Simplifying the Accounting for Income Taxes*. The amendments in this update remove certain exceptions for performing intra-period tax allocations, recognizing deferred taxes for investments, and calculating income taxes in interim periods. The guidance also simplifies the accounting for franchise taxes, transactions that result in a step-up in the tax basis of goodwill, and the effect of enacted changes in tax laws or rates in interim periods. ASU 2019-12 is effective for fiscal years beginning after

(Millions of Dollars and Shares Except Per Share Data)

December 15, 2020 and early adoption is permitted. The Company adopted the standard in the first quarter of 2021 and the adoption of the standard did not have a material impact on its consolidated financial statements.

Issued Accounting Pronouncements

In March of 2020, the FASB issued Accounting Standards Update No. 2020-04 (ASU 2020-04) Reference Rate Reform (Topic 848): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting.* The amendments in this update provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions, for a limited period of time, to ease the potential burden of recognizing the effects of reference rate reform on financial reporting. The amendments in this update apply to contracts, hedging relationships and other transactions that reference the London Inter-Bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued due to the global transition away from LIBOR and certain other interbank offered rates. An entity may elect to apply the amendments provided by this update beginning March 12, 2020 through December 31, 2022. The Company does not currently expect the change from LIBOR to an alternate rate to have a material impact on its consolidated financial statements, and is continuing to evaluate the standard's potential impact to its consolidated financial statements.

(2) Revenue Recognition

Revenue Recognition

Revenue is recognized when control of the promised goods or content is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for transferring those goods or content. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable.

Contract Assets and Liabilities

Within our Consumer Products and Entertainment segments the Company may receive royalty payments from licensees in advance of the licensees' subsequent sales to their customers, or in advance of the Company's performance obligation being satisfied. In addition, the Company may receive payments from its digital gaming business in advance of the recognition of the revenues. The Company defers revenues on these advanced payments until its performance obligation is satisfied and records the aggregate deferred revenues as contract liabilities. The current portion of contract liabilities was recorded within Accrued Liabilities and the long-term portion was recorded as Other Non-current Liabilities in the Company's consolidated balance sheets. The Company records contract assets in the case of (1) minimum guarantees, which are recognized ratably over the term of the respective license period, being recognized in advance of contractual invoicing, and (2) film and television distribution revenue recorded for content delivered but for which payment will occur over the license term. The current portion of contract assets was recorded in Prepaid Expenses and Other Current Assets, respectively, and the long-term portion was recorded as Other Long-Term Assets.

At June 27, 2021, June 28, 2020 and December 27, 2020 the Company had the following contract assets and liabilities in its consolidated balance sheets:

	June 27, 2021	June 28, 2020	December 27, 2020
Assets			
Contract assets - current	$ 257.9	$ 252.9	$ 284.4
Contract assets - long term	72.6	108.5	77.0
Total [1]	$ 330.5	$ 361.4	$ 361.4
Liabilities			
Contract liabilities - current	$ 174.7	$ 141.7	$ 161.0
Contract liabilities - long term	21.3	23.5	18.2
Total [1]	$ 196.0	$ 165.2	$ 179.2

[1] For the six-month period ended June 27, 2021, contract assets of the eOne Music business in the amount of $29.0 million, which were previously classified under Prepaid Expenses and Other Current Assets and Other Long-Term Assets, have been transferred to Assets Held for Sale. Contract liabilities of the eOne Music business in the amount of $4.0 million, which were previously classified under Accrued Liabilities and Other Non-current Liabilities, have been transferred to Liabilities Held for Sale. For additional information, see Note 15.

For the six months ended June 27, 2021, the Company collected $80.8 million of the contract assets and recognized $77.6 million of contract liabilities that were included in the December 27, 2020 balances.

(Millions of Dollars and Shares Except Per Share Data)

Unsatisfied performance obligations relate primarily to in-production television content to be delivered in the future under existing agreements with partnering content providers such as broadcasters, distributors, television networks and subscription video on demand services. As of June 27, 2021, unrecognized revenue attributable to unsatisfied performance obligations expected to be recognized in the future was $512.2 million. Of this amount, we expect to recognize approximately $363.5 million in the remainder of 2021, $122.9 million in 2022, and $19.8 million in 2023. These amounts include only fixed consideration.

Disaggregation of revenues

The Company disaggregates its revenues from contracts with customers by reportable segment: Consumer Products, Entertainment, and Wizards of the Coast & Digital Gaming. The Company further disaggregates revenues within its Consumer Products segment by major geographic region: North America, Europe, Latin America, and Asia Pacific; and within its Entertainment segment by category: Film & TV, Family Brands, and Music. Finally, the Company disaggregates its revenues by brand portfolio into five brand categories: Franchise Brands, Partner Brands, Hasbro Gaming, Emerging Brands, and Entertainment. We believe these collectively depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See Note 14 for further information.

(3) Business Combination

On December 30, 2019, the Company completed its acquisition of Entertainment One Ltd. ("eOne"), a global independent studio that specializes in the development, acquisition, production, financing, distribution and sales of entertainment content. The aggregate purchase price of $4.6 billion was comprised of $3.8 billion of cash consideration for shares outstanding and $0.8 billion related to the redemption of eOne's outstanding senior secured notes and the payoff of eOne's revolving credit facility. The Company financed the acquisition with proceeds from the following debt and equity financings: (1) the issuance of senior unsecured notes in an aggregate principal amount of $2.4 billion in November 2019, (2) the issuance of 10.6 million shares of common stock at a public offering price of $95.00 per share in November 2019 (resulting in net proceeds of $975.2 million) and (3) $1.0 billion in term loans provided by a term loan agreement, which were borrowed on the date of closing. See Note 8 for further discussion of the issuance of the senior unsecured notes and term loan agreement.

The addition of eOne accelerates the Company's brand blueprint strategy by expanding our brand portfolio with eOne's global preschool brands, adding proven TV and film expertise and executive leadership as well as by enhancing brand building capabilities and our storytelling capabilities to strengthen Hasbro brands.

eOne's results of operations and financial position have been included in the Company's consolidated financial statements and accompanying condensed footnotes since the date of the acquisition.

The acquisition was accounted for as a business combination under FASB Accounting Standards Codification Topic 805, Business Combinations (“Topic 805”). Pursuant to Topic 805, the Company allocated the eOne purchase price to tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date, December 30, 2019. The excess of the purchase price over those fair values was recorded to goodwill.

The following table summarizes the intangible assets acquired as part of the eOne Acquisition:

Intangible assets acquired	Weighted Average Amortization Period	Fair Value
Established brands	10 years	$ 615.0
Trade names	15 years	100.0
Artist relationships	14 years	100.0
Music catalogs	12 years	120.0
Other	8 years	121.0
Total intangible assets acquired	11 years	$ 1,056.0

Intangible assets consist of intellectual property associated with established brands, eOne artist relationships, eOne music catalogs and trademarks and tradenames with estimated useful lives ranging from 7 to 15 years, determined based on when the related cash flows are expected to be realized. The fair value of the intangible assets acquired was determined based on the estimated future cash flows to be generated from the acquired assets, considering assumptions related to contract renewal rates and estimated brand franchise revenue growth. eOne acquired intangible asset amortization expense for the quarter and six months ended June 27, 2021 were $21.8 million and $46.7 million, respectively. For the quarter and six months ended June 28, 2020, eOne acquired intangible asset amortization expense was $22.6 million and $47.6 million, respectively.

Deferred tax liabilities within other liabilities were adjusted to record the deferred tax impact of purchase price accounting adjustments, primarily related to intangible assets.

Investments in productions and content, or IIP and IIC, were valued at $564.8 million on the acquisition date, and include the fair value of completed films and television programs which have been produced by eOne or for which eOne has acquired distribution rights, as well as the fair value of films and television programs in production, pre-production and development. For films and television programs, fair values were estimated based on forecasted cash flows, discounted to present value. For titles less than 3 years old and titles in development, the content assets will be amortized using the individual film forecast method, wherein the amortization will phase to the revenues incurred. For titles over 3 years old, the estimated useful life is 10 years, and will be amortized straight-line over that period.

Goodwill of $3.2 billion represents the excess of the purchase price over the fair value of the underlying tangible and identifiable intangible assets acquired and liabilities assumed. The acquisition goodwill represents the value placed on the combined company’s brand building capabilities, our storytelling capabilities and franchise economics in TV, film and other mediums to strengthen Hasbro brands. In addition, the acquisition goodwill depicts added benefits of long-term profitable growth through in-sourcing toy and game production for the acquired preschool brands and cost-synergies, as well as future revenue growth opportunities. The goodwill recorded as part of this acquisition was included within the Entertainment and Consumer Products segments for the year ended December 27, 2020. The goodwill associated with the acquisition will not be amortized for financial reporting purposes and will not be deductible for federal tax purposes. See Note 5 for information on the Company's goodwill reallocation during the first quarter of 2021 and the goodwill impairment charge due to the assets held for sale relating to the eOne music business during the second quarter of 2021.

For the quarter and six months ended June 28, 2020, the Company incurred $10.3 million and $160.1 million, respectively, of charges related to the eOne Acquisition, which were recorded in acquisition and related costs within the Company’s Consolidated Statement of Operations. Included within the Entertainment segment results for the six months ended June 28, 2020 were $98.5 million of acquisition and related charges. The remaining charges were included in Corporate and Other.

The acquisition and related costs for the quarter and six months ended June 28, 2020 consisted of the following:

- Acquisition and integration costs of $4.0 million and $99.7 million for the quarter and six months ended June 28, 2020, respectively, including, for the six months ended June 28, 2020, $47.4 million of expense associated with the acceleration of eOne stock-based compensation and $38.2 million of advisor fees settled at the closing of the acquisition, as well as integration costs; and

- Restructuring and related costs of $6.3 million and $60.4 million for the quarter and six months ended June 28, 2020, respectively, including severance and retention costs for the quarter and six months ended June 28, 2020 of $6.3 million and $19.5 million, respectively, as well as $40.9 million in impairment charges for certain definite-lived intangible and production assets for the six months ended June 28, 2020. The impairment charges of $40.9 million were driven by the change in strategy for the combined company’s entertainment assets.

(Millions of Dollars and Shares Except Per Share Data)

(4) Earnings Per Share

Net earnings (loss) per share data for the quarters and six months ended June 27, 2021 and June 28, 2020 were computed as follows:

	2021		2020	
Quarter	**Basic**	**Diluted**	**Basic**	**Diluted**
Net loss attributable to Hasbro, Inc.	$ (22.9)	(22.9)	$ (33.9)	(33.9)
Average shares outstanding	137.8	137.8	137.2	137.2
Effect of dilutive securities:				
Options and other share-based awards	—	—	—	—
Equivalent Shares	137.8	137.8	137.2	137.2
Net earnings loss attributable to Hasbro, Inc. per common share	$ (0.17)	(0.17)	$ (0.25)	(0.25)

	2021		2020	
Six Months	**Basic**	**Diluted**	**Basic**	**Diluted**
Net earnings (loss) attributable to Hasbro, Inc.	$ 93.3	93.3	$ (103.6)	(103.6)
Average shares outstanding	137.8	137.8	137.2	137.2
Effect of dilutive securities:				
Options and other share-based awards	—	0.4	—	—
Equivalent Shares	137.8	138.2	137.2	137.2
Net earnings (loss) attributable to Hasbro, Inc. per common share	$ 0.68	0.68	$ (0.75)	(0.75)

For the quarter and six months ended June 27, 2021, options and restricted stock units totaling 4.6 million and 2.2 million respectively, were excluded from the calculation of diluted earnings per share because to include them would have been anti-dilutive. For the quarter and six months ended June 28, 2020, options and restricted stock units totaling 4.0 million and 4.0 million, respectively, were excluded from the calculation of diluted earnings per share because to include them would have been anti-dilutive. Of the fiscal 2021 amount, 2.5 million shares would have been included in the calculation of diluted shares had the Company not had a loss for the quarter ended June 27, 2021. Assuming that these awards and options were included, under the treasury stock method, they would have resulted in an additional 0.4 million shares being included in the diluted earnings per share calculation for the quarter ended June 27, 2021. Of the fiscal 2020 amount, 0.6 million and 0.9 million shares, respectively, would have been included in the calculation of diluted shares had the Company not had a net loss for the quarter and six months ended June 28, 2020. Assuming that these awards and options were included, under the treasury stock method, they would have resulted in an additional 0.1 million and 0.3 million shares, respectively, being included in the diluted earnings per share calculation for the quarter and six months ended June 28, 2020.

(Millions of Dollars and Shares Except Per Share Data)

(5) Goodwill

During the first quarter of 2021, the Company realigned its financial reporting structure creating the following three principal reportable segments: Consumer Products, Wizards of the Coast & Digital Gaming and Entertainment. In our realignment, some, but not all, of our reporting units were changed. As a result of these changes, the Company reallocated its goodwill among the revised reporting units based on the change in relative fair values of the respective reporting units.

	Consumer Products	Wizards of the Coast & Digital Gaming	Entertainment	Total
2021				
Balance at December 27, 2020	$ 1,385.7	53.1	2,252.9	$ 3,691.7
Goodwill allocation	199.4	254.2	(453.6)	—
Foreign exchange translation	—	0.4	(0.3)	0.1
Impairment during the period	—	—	(101.8)	(101.8)
Reclass to assets held-for-sale	—	—	(169.2)	(169.2)
Balance at June 27, 2021	$ 1,585.1	307.7	1,528.0	$ 3,420.8

In conjunction with the goodwill reallocation described above, during the first quarter of 2021, the Company performed an impairment test of goodwill balances held by the reporting units impacted by the segment realignment. The reporting units were tested as of December 28, 2020 and included our Europe, Asia Pacific, Global Consumer Products Licensing, Wizards of the Coast and Family Brands reporting units. Based on the results of the goodwill assessment, we determined that the fair values of each of these reporting units exceeded their carrying values, and as such, we concluded that there was no indication of goodwill impairment for these reporting units as of December 28, 2020.

During the second quarter of 2021, the Company entered into a definitive agreement to sell the Entertainment One Music business ("eOne Music") for an aggregate sales price of $385.0 million, subject to certain closing adjustments related to working capital and net debt. Based on the value of the net assets held by eOne Music, which included goodwill and intangible assets allocated to eOne Music as part of the eOne acquisition, the Company recorded a pre-tax non-cash goodwill impairment charge of $101.8 million within Loss on Assets Held for Sale in the Consolidated Statements of Operations, and within the Entertainment segment for the quarter ended June 27, 2021. See also Note 15.

(6) Other Comprehensive Earnings (Loss)

Components of other comprehensive earnings (loss) are presented within the consolidated statements of comprehensive earnings (loss). The following table presents the related tax effects on changes in other comprehensive earnings (loss) for the quarters and six months ended June 27, 2021 and June 28, 2020.

	Quarter Ended		Six Months Ended	
	June 27, 2021	June 28, 2020	June 27, 2021	June 28, 2020
Other comprehensive earnings (loss), tax effect:				
Tax benefit on unrealized holding gains	$ —	$ (0.7)	$ —	(0.6)
Tax expense (benefit) on cash flow hedging activities	0.6	1.4	(0.4)	(5.8)
Tax benefit on foreign currency translation adjustments	—	8.4	—	8.4
Reclassifications to earnings, tax effect:				
Tax (expense) benefit on cash flow hedging activities	(0.2)	1.2	—	1.5
Amortization of unrecognized pension and postretirement amounts	(0.1)	(0.1)	(0.1)	(0.2)
Total tax effect on other comprehensive earnings (loss)	$ 0.3	$ 10.2	$ (0.5)	3.3

(Millions of Dollars and Shares Except Per Share Data)

Changes in the components of accumulated other comprehensive earnings (loss) for the six months ended June 27, 2021 and June 28, 2020 are as follows:

	Pension and Postretirement Amounts	Gains (Losses) on Derivative Instruments	Unrealized Holding Gains (Losses) on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss
2021					
Balance at December 27, 2020	$ (40.7)	(22.1)	0.4	(132.6)	(195.0)
Current period other comprehensive earnings (loss)	0.4	3.0	0.2	7.9	11.5
Balance at June 27, 2021	$ (40.3)	(19.1)	0.6	(124.7)	(183.5)
2020					
Balance at December 29, 2019	$ (36.2)	(5.2)	(0.2)	(142.6)	(184.2)
Current period other comprehensive earnings (loss)	0.6	12.4	2.1	(139.0)	(123.9)
Balance at June 28, 2020	$ (35.6)	7.2	1.9	(281.6)	(308.1)

Gains (Losses) on Derivative Instruments

At June 27, 2021, the Company had remaining net deferred losses on foreign currency forward contracts, net of tax, of $3.2 million in accumulated other comprehensive earnings (loss) ("AOCE"). These instruments hedge payments related to inventory purchased in the second quarter of 2021 or forecasted to be purchased during the remainder of 2021 through 2022, intercompany expenses expected to be paid or received during 2021, television and movie production costs paid in 2021, and cash receipts for sales made at the end of the first quarter of 2021 or forecasted to be made in the remainder of 2021 and, to a lesser extent, 2022. These amounts will be reclassified into the consolidated statements of operations upon the sale of the related inventory or recognition of the related sales or expenses.

In addition to foreign currency forward contracts, the Company entered into hedging contracts on future interest payments related to the 3.15% Notes, that were repaid in full in the aggregate principal amount of $300.0 million during the first quarter of 2021 (See Note 8) and, the 5.10% Notes due 2044. At the date of debt issuance, these contracts were terminated and the fair value on the date of settlement was deferred in AOCE and is being amortized to interest expense over the life of the related notes using the effective interest rate method. At June 27, 2021, deferred losses, net of tax of $15.9 million related to these instruments remained in AOCE. For the quarters ended June 27, 2021 and June 28, 2020, previously deferred losses of $0.3 million and $0.5 million, respectively, were reclassified from AOCE to net earnings. For the six-month periods ended June 27, 2021 and June 28, 2020, previously deferred losses of $0.8 million and $0.9 million, respectively, were reclassified from AOCE to net earnings.

Of the amount included in AOCE at June 27, 2021, the Company expects net losses of approximately $4.6 million to be reclassified to the consolidated statements of operations within the next 12 months. However, the amount ultimately realized in earnings is dependent on the fair value of the hedging instruments on the settlement dates.

(Millions of Dollars and Shares Except Per Share Data)

(7) Accrued Liabilities

Components of accrued liabilities for the periods ended June 27, 2021, June 28, 2020 and December 27, 2020 were as follows:

	June 27, 2021	June 28, 2020	December 27, 2020
Participations and residuals	$ 278.6	$ 335.6	$ 295.6
Royalties	139.4	135.6	229.2
Deferred revenue	174.7	141.7	161.0
Payroll and management incentives	86.9	48.9	132.4
Dividends	93.6	93.2	93.4
Other taxes	57.9	51.7	81.9
Advertising	83.0	53.2	58.6
Severance	37.5	47.2	49.7
Lease liability - Current	44.9	42.4	45.0
Accrued income taxes	42.9	36.7	29.7
Other	357.1	275.2	362.1
Total accrued liabilities[1]	$ 1,396.5	$ 1,261.4	$ 1,538.6

[1] For the six-month period ended June 27, 2021, liabilities of $24.4 million attributable to the eOne Music business, which were previously classified within Accrued Liabilities, have been transferred to Liabilities Held for Sale. For additional information, see Note 15.

(Millions of Dollars and Shares Except Per Share Data)

(8) Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, short-term borrowings, accounts payable and certain accrued liabilities. At June 27, 2021, June 28, 2020 and December 27, 2020, the carrying cost of these instruments approximated their fair value. The Company's financial instruments at June 27, 2021, June 28, 2020 and December 27, 2020 also include certain assets and liabilities measured at fair value (see Notes 11 and 12) as well as long-term borrowings. The carrying costs, which are equal to the outstanding principal amounts, and fair values of the Company's long-term borrowings as of June 27, 2021, June 28, 2020 and December 27, 2020 are as follows:

	June 27, 2021		June 28, 2020		December 27, 2020	
	Carrying Cost	Fair Value	Carrying Cost	Fair Value	Carrying Cost	Fair Value
3.90% Notes Due 2029	$ 900.0	982.1	$ 900.0	938.1	$ 900.0	1,011.2
3.55% Notes Due 2026	675.0	731.9	675.0	712.2	675.0	752.7
3.00% Notes Due 2024	500.0	530.2	500.0	523.4	500.0	540.6
6.35% Notes Due 2040	500.0	675.2	500.0	579.7	500.0	636.5
3.50% Notes Due 2027	500.0	538.1	500.0	516.0	500.0	544.5
2.60% Notes Due 2022	300.0	308.0	300.0	309.7	300.0	311.5
5.10% Notes Due 2044	300.0	353.0	300.0	304.0	300.0	338.1
3.15% Notes Due 2021 (1)	—	—	300.0	318.6	300.0	302.3
6.60% Debentures Due 2028	109.9	136.0	109.9	124.5	109.9	137.4
Variable % Notes Due December 30, 2022 (2)	50.0	50.0	400.0	400.0	300.0	300.0
Variable % Notes Due December 30, 2024	562.5	562.5	592.5	592.5	577.5	577.5
Production Financing Facilities	212.6	212.6	142.0	142.0	165.5	165.5
Total long-term debt	$ 4,610.0	5,079.6	$ 5,219.4	5,460.7	$ 5,127.9	5,617.8
Less: Deferred debt expenses	31.7	—	38.3	—	35.3	—
Less: Current portion	189.6	—	378.6	—	432.6	—
Long-term debt	$ 4,388.7	5,079.6	$ 4,802.5	5,460.7	$ 4,660.0	5,617.8

(1) During the first quarter of 2021, the Company repaid in full its 3.15% Notes, in the aggregate amount of $300.0 million due in May 2021.

(2) During the second quarter of 2021, the Company repaid $250.0 million of the Variable % Notes Due December 30, 2022.

In November 2019, in conjunction with the Company's acquisition of eOne, the Company issued an aggregate of $2.4 billion of senior unsecured debt securities (the "Notes") consisting of the following tranches: $300.0 million of notes due 2022 (the "2022 Notes") that bear interest at a fixed rate of 2.60%, $500.0 million of notes due 2024 (the "2024 Notes") that bear interest at a fixed rate of 3.00%, $675.0 million of notes due 2026 (the "2026 Notes") that bear interest at a fixed rate of 3.55% and $900.0 million of notes due 2029 (the "2029 Notes") that bear interest at a fixed rate of 3.90%. Net proceeds from the issuance of the Notes, after deduction of $20.0 million of underwriting discount and fees, totaled $2.4 billion. These costs are being amortized over the life of the Notes, which range from three to ten years. The Notes bear interest at the stated rates but may be subject to upward adjustment if the credit rating of the Company is reduced by Moody's or Standard & Poors. The adjustment can be from 0.25% to 2.00% based on the extent of the ratings decrease. The Company may redeem the Notes at its option at the greater of the principal amount of the Notes or the present value of the remaining scheduled payments discounted using the effective interest rate on applicable U.S. Treasury bills at the time of repurchase, plus (1) 15 basis points (in the case of the 2022 Notes); (2) 25 basis points (in the case of the 2024 Notes); (3) 30 basis points (in the case of the 2026 Notes); and (4) 35 basis points (in the case of the 2029 Notes). In addition, on and after October 19, 2024 for the 2024 Notes, September 19, 2026 for the 2026 Notes and August 19, 2029 for the 2029 Notes, such series of Notes will be redeemable, in whole at any time or in part from time to time, at the Company's option at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus any accrued and unpaid interest.

In September 2019, the Company entered into a $1.0 billion Term Loan Agreement (the "Term Loan Agreement") with Bank of America N.A. ("Bank of America"), as administrative agent, and certain financial institutions as lenders, pursuant to which such lenders committed to provide, contingent upon the completion of the eOne Acquisition and certain other customary conditions to funding, (1) a three-year senior unsecured term loan facility in an aggregate principal amount of $400.0 million (the "Three-Year Tranche") and (2) a five-year senior unsecured term loan facility in an aggregate principal amount of $600.0 million (the "Five-Year Tranche" and together with the Three-Year Tranche, the "Term Loan Facilities"). Loans under the Term Loan Facilities bear interest at the Company's option, at either the Eurocurrency Rate or the Base Rate, in each case plus a per annum applicable rate that fluctuates (1) in the case of the Three-Year Tranche, between 87.5 basis points and 175.0 basis points, in the case of loans priced at the Eurocurrency Rate, and between 0.0 basis points and 75.0 basis points, in the case of loans priced at the Base Rate, and (2) in the case of the Five-Year Tranche, between 100.0 basis points and 187.5 basis points, in the case of loans priced at the Eurocurrency Rate, and between 0.0 basis points and 87.5 basis points, in the case of loans priced at the Base Rate, in each case, based upon the non-credit enhanced, senior unsecured long-term debt ratings of the Company by Fitch Ratings Inc., Moody's Investor Service, Inc. and S&P Global Rankings, subject to certain provisions taking into account potential differences in ratings issued by the relevant rating agencies or a lack of ratings issued by such rating agencies. Loans under the Five-Year Tranche require principal amortization payments that are payable in equal quarterly installments of 5.0% per annum of the original principal amount thereof for each of the first two years after funding, increasing to 10.0% per annum of the original principal amount thereof for each subsequent year. The Term Loan Agreement contains affirmative and negative covenants typical of this type of facility, including: (i) restrictions on the Company's and its domestic subsidiaries' ability to allow liens on their assets, (ii) restrictions on the incurrence of indebtedness, (iii) restrictions on the Company's and certain of its subsidiaries' ability to engage in certain mergers, (iv) the requirement that the Company maintain a Consolidated Interest Coverage Ratio of no less than 3.00:1.00 as of the end of any fiscal quarter and (v) the requirement that the Company maintain a Consolidated Total Leverage Ratio of no more than, depending on the gross proceeds of equity securities issued after the effective date of the acquisition of eOne, 5.65:1.00 or 5.40:1.00 for each of the first, second and third fiscal quarters ended after the funding of the Term Loan Facilities, with periodic step downs to 3.50:1.00 for the fiscal quarter ending December 31, 2023 and thereafter. The notes were drawn down on December 30, 2019, the closing date of the eOne Acquisition. During the first six months of 2021, the Company paid $265.0 million toward the $1.0 billion term loan notes consisting of $250.0 million on the principal balance of the Three-Year Tranche loans in addition to the required quarterly principal amortization payments totaling $15.0 million on the Five-Year Tranche loans. As of June 27, 2021, the Company was in compliance with the financial covenants contained in the Term Loan Agreement.

The Company may redeem its 5.10% notes due in 2044 (the "2044 Notes") at its option, at the greater of the principal amount of the notes or the present value of the remaining scheduled payments, discounted using the effective interest rate on applicable U.S. Treasury bills at the time of repurchase.

Current portion of long-term debt at June 27, 2021 of $189.6 million, as shown on the consolidated balance sheet, represents the current portion of required quarterly principal amortization payments for the Term Loan Facilities and production financing facilities. All of the Company's other long-term borrowings have contractual maturities that occur subsequent to the second quarter of 2022.

The fair values of the Company's long-term debt are considered Level 3 fair values (see Note 11 for further discussion of the fair value hierarchy) and are measured using the discounted future cash flows method. In addition to the debt terms, the valuation methodology includes an assumption of a discount rate that approximates the current yield on a similar debt security. This assumption is considered an unobservable input in that it reflects the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability. The Company believes that this is the best information available for use in the fair value measurement.

Production Financing

In addition to the Company's financial instruments, the Company uses production financing to fund certain of its television and film productions which are typically arranged on an individual production basis by special purpose production subsidiaries.

Production financing facilities are secured by the assets and future revenue of the individual production subsidiaries and are non-recourse to the Company's assets.

(Millions of Dollars and Shares Except Per Share Data)

Production financing facilities typically have maturities of less than two years, while the titles are in production, and are repaid once delivered and all credits, broadcaster pre-sales and international sales have been received. The production financing facilities as of June 27, 2021, June 28, 2020 and December 27, 2020 are as follows:

	June 27, 2021	June 28, 2020	December 27, 2020
Production financing held by production subsidiaries	$ 212.6	$ 142.0	$ 165.5
Other loans [(1)]	—	6.4	5.4
Total	$ 212.6	$ 148.4	$ 170.9
Production financing included in the consolidated balance sheet as:			
Non-current	$ 53.0	$ 93.4	$ 62.9
Current	159.6	48.6	102.6
Total	$ 212.6	$ 142.0	$ 165.5

[(1)] Other loans consist of production related demand loans, and are recorded within Short-term Borrowings in the Company's consolidated balance sheets.

Interest is charged at bank prime rate plus a margin based on the risk of the respective production. The weighted average interest rate on all production financing as of June 27, 2021 was 3.0%.

The Company has Canadian dollar and U.S. dollar production credit facilities with various banks. The carrying amounts are denominated in the following currencies:

	Canadian Dollars	U.S. Dollars	Total
As of June 27, 2021	$ 49.0	$ 163.6	$ 212.6

The following table represents the movements in production financing and other related loans during the first six months of 2021:

	Production Financing	Other Loans	Total
December 27, 2020	$ 165.5	$ 5.4	$ 170.9
Drawdowns	114.7	16.7	131.4
Repayments	(70.0)	(23.0)	(93.0)
Foreign exchange differences	2.4	0.9	3.3
Balance at June 27, 2021	$ 212.6	$ —	$ 212.6

(9) Investments in Productions and Investments in Acquired Content Rights

Investments in productions and investments in acquired content rights are predominantly monetized on a title-by-title basis and are recorded within other assets in the Company's consolidated balance sheets, to the extent they are considered recoverable against future revenues. These amounts are being amortized to program cost amortization using a model that reflects the consumption of the asset as it is released through various channels including broadcast licenses, theatrical release and home entertainment. Amounts capitalized are reviewed periodically on an individual film basis and any portion of the unamortized amount that appears not to be recoverable from future net revenues is expensed as part of program cost amortization during the period the loss becomes evident.

(Millions of Dollars and Shares Except Per Share Data)

The Company's unamortized investments in productions and investments in acquired content rights consisted of the following at June 27, 2021, June 28, 2020, and December 27, 2020:

	June 27, 2021	June 28, 2020	December 27, 2020
Film and TV Programming			
Released, net of amortization	$ 499.4	$ 346.8	$ 428.0
Completed and not released	17.7	128.1	17.3
In production	220.5	41.4	185.5
Pre-production	73.8	70.4	67.6
	811.4	586.7	698.4
Other Programming			
Released, net of amortization	3.4	12.7	13.7
Completed and not released	0.4	2.9	2.1
In production	6.3	7.0	5.4
Pre-production	1.7	5.5	7.6
	11.8	28.1	28.8
Total Program Investments [1]	$ 823.2	$ 614.8	$ 727.2

[1] For the six-month period ended June 27, 2021, $8.0 million of investments in productions and investments in acquired content rights of the eOne Music business, which were previously classified within Other Assets, have been transferred to Assets Held for Sale. For additional information, see Note 15.

The Company recorded $208.2 million of program cost amortization related to released programming in the six months ended June 27, 2021, consisting of the following:

	Investment in Production	Investment in Content	Total
Program cost amortization	$ 180.7	27.5	$ 208.2

(10) Income Taxes

The Company and its subsidiaries file income tax returns in the United States and various state and international jurisdictions. In the normal course of business, the Company is regularly audited by U.S. federal, state and local, and international tax authorities in various tax jurisdictions.

Our effective tax rate ("ETR") from continuing operations was 43.9% for the six months ended June 27, 2021 and 12.9% for the six months ended June 28, 2020.

The following items caused the year-to-date ETR to be significantly different from the prior year ETR:

- during the six months ended June 27, 2021, the Company recorded a net discrete tax expense of $17.4 million primarily associated with the revaluation of net deferred tax liabilities as a result of the United Kingdom's ("UK") enactment of Finance Act 2021 during the second quarter, which increases the UK corporate income tax rate from 19% to 25% as of April 1, 2023. This is reduced by the release of a valuation allowance on net operating losses that offsets income received from a one-time legal settlement and certain benefits associated with normal business activities, including the reversal of uncertain tax positions that resulted from statutes of limitations expiring in certain jurisdictions and operational tax planning; and
- The year-to-date ETR also includes a one-time impairment expense on assets held for sale from which there is no corresponding tax benefit;
- during the six months ended June 28, 2020, the Company recorded a discrete net tax benefit of $24.0 million, of which $24.1 million is a result of the eOne acquisition and related costs incurred.

In May 2019, a public referendum held in Switzerland approved the Swiss Federal Act on Tax Reform and AHV Financing ("TRAF") proposals previously approved by the Swiss Parliament. The Swiss tax reform measures were effective on January 1, 2020. Changes in tax reform include the abolishment of preferential tax regimes for holding companies, domicile companies and mixed companies at the cantonal level. The enacted changes in Swiss federal tax were not material to the Company's financial statements. Swiss cantonal tax was enacted in December 2019. The Company is still assessing the transitional provision options it may elect; however, the legislation is not expected to have a material effect on the Company's financial statements.

The Company is no longer subject to U.S. federal income tax examinations for years before 2012. With few exceptions, the Company is no longer subject to U.S. state or local and non-U.S. income tax examinations by tax authorities in its major jurisdictions for years before 2015. The Company is currently under income tax examination by the Internal Revenue Service and in several U.S. state and local and non-U.S. jurisdictions.

(11) Fair Value of Financial Instruments

The Company measures certain financial instruments at fair value. The fair value hierarchy consists of three levels: Level 1 fair values are based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access; Level 2 fair values are those based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities; and Level 3 fair values are based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Accounting standards permit entities to measure many financial instruments and certain other items at fair value and establish presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar assets and liabilities. The Company elected the fair value option for certain available-for-sale investments using net asset value per share and during 2020, the Company liquidated these investments as part of its global cash management strategy. At June 28, 2020, prior to their liquidation, these investments totaled $12.8 million and were included in prepaid expenses and other current assets within the Company's consolidated balance sheet. The Company recorded a net loss of $0.8 million and $1.2 million, respectively, on these investments in other (income) expense, net, related to the change in fair value of such instruments net for the quarter and six months ended June 28, 2020.

(Millions of Dollars and Shares Except Per Share Data)

At June 27, 2021, June 28, 2020 and December 27, 2020, the Company had the following assets and liabilities measured at fair value in its consolidated balance sheets (excluding assets for which the fair value is measured using net asset value per share):

	Fair Value Measurements Using:			
	Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
June 27, 2021				
Assets:				
Available-for-sale securities	$ 2.3	2.3	—	—
Derivatives	6.8	—	6.8	—
Total assets	$ 9.1	2.3	6.8	—
Liabilities:				
Derivatives	$ 5.7	—	5.7	—
Option agreement	21.8	—	—	21.8
Total liabilities	$ 27.5	—	5.7	21.8
June 28, 2020				
Assets:				
Available-for-sale securities	$ 2.7	2.7	—	—
Derivatives	28.9	—	28.9	—
Total assets	$ 31.6	2.7	28.9	—
Liabilities:				
Derivatives	$ 2.9	—	2.9	—
Option agreement	20.7	—	—	20.7
Total liabilities	$ 23.6	—	2.9	20.7
December 27, 2020				
Assets:				
Available-for-sale securities	$ 2.1	2.1	—	—
Derivatives	4.8	—	4.8	—
Total assets	$ 6.9	2.1	4.8	—
Liabilities:				
Derivatives	$ 12.7	—	12.7	—
Option agreement	20.6	—	—	20.6
Total Liabilities	$ 33.3	—	12.7	20.6

Available-for-sale securities include equity securities of one company quoted on an active public market.

The Company's derivatives consist of foreign currency forward and option contracts. The Company uses current forward rates of the respective foreign currencies to measure the fair value of these contracts. The Company’s option agreement relates to an equity method investment in Discovery Family Channel ("Discovery"). The option agreement is included in other liabilities at June 27, 2021, June 28, 2020 and December 27, 2020, is valued using an option pricing model based on the fair value of the related investment. Inputs used in the option pricing model include the volatility and fair value of the underlying company which are considered unobservable inputs as they reflect the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability. The Company believes that this is the best information available for use in the fair value measurement. There were no changes in these valuation techniques during the quarter ended June 27, 2021.

(Millions of Dollars and Shares Except Per Share Data)

The following is a reconciliation of the beginning and ending balances of the fair value measurements of the Company's financial instruments which use significant unobservable inputs (Level 3):

	2021	2020
Balance at beginning of year	$ (20.6)	$ (22.1)
Gain from change in fair value	(1.2)	1.5
Balance at end of second quarter	$ (21.8)	$ (20.6)

(12) Derivative Financial Instruments

Hasbro uses foreign currency forward contracts to mitigate the impact of currency rate fluctuations on firmly committed and projected future foreign currency transactions. These over-the-counter contracts, which hedge future currency requirements related to purchases of inventory, product sales, television and film production cost and production financing loans (see Note 8) as well as other cross-border transactions not denominated in the functional currency of the business unit, are primarily denominated in United States and Hong Kong dollars, and Euros. All contracts are entered into with a number of counterparties, all of which are major financial institutions. The Company believes that a default by a single counterparty would not have a material adverse effect on the financial condition of the Company. Hasbro does not enter into derivative financial instruments for speculative purposes.

Cash Flow Hedges

All of the Company's designated foreign currency forward contracts and zero-cost collar options are considered to be cash flow hedges. These instruments hedge a portion of the Company's currency requirements associated with anticipated inventory purchases, product sales, certain production financing loans and other cross-border transactions in 2021 through 2022.

At June 27, 2021, June 28, 2020 and December 27, 2020, the notional amounts and fair values of the Company's foreign currency forward contracts designated as cash flow hedging instruments were as follows:

	June 27, 2021		June 28, 2020		December 27, 2020	
Hedged transaction	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**
Inventory purchases	$ 346.8	(2.0)	$ 255.5	20.1	$ 31.8	(10.0)
Sales	189.3	0.7	77.3	4.9	11.6	1.4
Production financing and other	201.7	(1.0)	110.6	4.0	89.9	0.3
Total	$ 737.8	(2.3)	$ 443.4	29.0	$ 133.3	(8.3)

(Millions of Dollars and Shares Except Per Share Data)

The Company has a master agreement with each of its counterparties that allows for the netting of outstanding forward contracts. The fair values of the Company's foreign currency forward contracts designated as cash flow hedges are recorded in the consolidated balance sheets at June 27, 2021, June 28, 2020 and December 27, 2020 as follows:

	June 27, 2021	June 28, 2020	December 27, 2020
Prepaid expenses and other current assets			
Unrealized gains	$ 4.3	$ 23.7	$ 2.3
Unrealized losses	(3.1)	(1.0)	(1.6)
Net unrealized gains	$ 1.2	$ 22.7	$ 0.7
Other assets			
Unrealized gains	$ 2.0	$ 6.3	$ 1.1
Unrealized losses	(0.3)	—	—
Net unrealized gains	$ 1.7	$ 6.3	$ 1.1
Accrued liabilities			
Unrealized gains	$ 2.7	$ —	$ 3.0
Unrealized losses	(7.8)	—	(12.9)
Net unrealized losses	$ (5.1)	$ —	$ (9.9)
Other liabilities			
Unrealized gains	$ —	$ —	$ —
Unrealized losses	(0.1)	—	(0.2)
Net unrealized losses	$ (0.1)	$ —	$ (0.2)

Net gains on cash flow hedging activities have been reclassified from other comprehensive earnings (loss) to net earnings for the quarters ended June 27, 2021 and June 28, 2020 as follows:

	Quarter Ended		Six Months Ended	
	June 27, 2021	June 28, 2020	June 27, 2021	June 28, 2020
Statements of Operations Classification				
Cost of sales	$ 2.5	$ 5.6	$ 2.3	9.6
Net revenues	(0.6)	0.8	(1.3)	1.2
Other	(0.2)	0.5	(1.2)	0.5
Net realized gains	$ 1.7	$ 6.9	$ (0.2)	11.3

Undesignated Hedges

The Company also enters into foreign currency forward contracts to minimize the impact of changes in the fair value of intercompany loans due to foreign currency changes. The Company does not use hedge accounting for these contracts as changes in the fair values of these contracts are substantially offset by changes in the fair value of the intercompany loans. Additionally, to manage transactional exposure to fair value movements on certain monetary assets and liabilities denominated in foreign currencies, the Company has implemented a balance sheet hedging program. The Company does not use hedge accounting for these contracts as changes in the fair values of these contracts are offset by changes in the fair value of the balance sheet items. As of June 27, 2021, June 28, 2020 and December 27, 2020 the total notional amounts of the Company's undesignated derivative instruments were $573.0 million, $436.6 million and $590.6 million, respectively.

(Millions of Dollars and Shares Except Per Share Data)

At June 27, 2021, June 28, 2020 and December 27, 2020, the fair values of the Company's undesignated derivative financial instruments were recorded in the consolidated balance sheets as follows:

	June 27, 2021	June 28, 2020	December 27, 2020
Prepaid expenses and other current assets			
Unrealized gains	$ 4.6	$ —	$ 3.5
Unrealized losses	(0.7)	—	(0.5)
Net unrealized gains	$ 3.9	$ —	$ 3.0
Accrued liabilities			
Unrealized gains	$ 0.1	$ 4.5	$ —
Unrealized losses	(0.6)	(7.4)	(2.6)
Net unrealized losses	$ (0.5)	$ (2.9)	$ (2.6)
Total unrealized gains (losses), net	$ 3.4	$ (2.9)	$ 0.4

The Company recorded net gains (losses) of $5.4 million and $(0.7) million on these instruments to other (income) expense, net for the quarter and six months ended June 27, 2021, respectively, and net losses of $(15.7) million and $(13.2) million for the quarter and six months ended June 28, 2020, respectively, relating to the change in fair value of such derivatives, substantially offsetting gains and losses from the change in fair value of intercompany loans to which the contracts relate.

For additional information related to the Company's derivative financial instruments (see Notes 6 and 11).

(13) Leases

The Company occupies offices and uses certain equipment under various operating lease arrangements. The Company has no finance leases. These leases have remaining lease terms of 1 to 18 years, some of which include options to extend lease terms or options to terminate current lease terms at certain times, subject to notice requirements set out in the lease agreement. Payments under certain of the lease agreements may be subject to adjustment based on a consumer price index or other inflationary indices. The lease liability for such lease agreements as of the adoption date, was based on fixed payments as of the adoption date. Any adjustments to these payments based on the related indices will be recorded to expense as incurred. Leases with an expected term of 12 months or less are not capitalized. Lease expense under such leases is recorded straight line over the life of the lease. The Company capitalizes non-lease components for equipment leases, but expenses non-lease components as incurred for real estate leases.

For the quarter and six months ended June 27, 2021, the Company's operating lease and other rental expenses were $22.5 million and $44.3 million, respectively. For the quarter and six months ended June 28, 2020, the Company's operating lease and other rental expenses were $22.4 million and $45.3 million, respectively. Expense related to short-term leases (expected terms less than 12 months) and variable lease payments was not material in the quarter or six months ended June 27, 2021 or June 28, 2020.

(Millions of Dollars and Shares Except Per Share Data)

Information related to the Company's leases for the quarter and six months ended June 27, 2021 and June 28, 2020 are as follows:

	Quarter Ended		Six Months Ended	
	June 27, 2021	**June 28, 2020**	**June 27, 2021**	**June 28, 2020**
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$ 13.0	$ 14.0	$ 26.2	25.6
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases	$ 4.1	$ 36.2	$ 11.5	100.4
Weighted Average Remaining Lease Term				
Operating leases	5.8 years	6.4 years	5.8 years	6.4 years
Weighted Average Discount Rate				
Operating leases	3.1 %	3.1 %	3.1 %	3.1 %

The following is a reconciliation of future undiscounted cash flows to the operating liabilities, and the related right of use assets, included in our Consolidated Balance Sheets as of June 27, 2021:

	June 27, 2021
2021 (excluding the six months ended June 27, 2021)	$ 25.5
2022	47.3
2023	39.1
2024	28.6
2025	23.3
2026 and thereafter	49.2
Total future lease payments	213.0
Less imputed interest	21.8
Present value of future operating lease payments	191.2
Less current portion of operating lease liabilities (1)	44.9
Non-current operating lease liability (2)	146.3
Operating lease right-of-use assets, net (3)	$ 174.5

(1) Included in Accrued liabilities on the consolidated balance sheets.
(2) Included in Other liabilities on the consolidated balance sheets.
(3) Included in Property, plant, and equipment on the consolidated balance sheets.

(Millions of Dollars and Shares Except Per Share Data)

(14) Segment Reporting

Hasbro is a global play and entertainment company with a broad portfolio of brands and entertainment content spanning toys, games, licensed products ranging from traditional to digital, and film, television and music entertainment. In the first quarter of 2020 the Company completed its acquisition of the global independent studio, eOne. Throughout 2020, the Company successfully integrated many parts of the eOne business and started to achieve synergies as a combined company. Effective for the three months ended March 28, 2021, the Company realigned its reportable segment structure to achieve the following; (1) to align with changes to its business structure subsequent to the integration of eOne, and (2) to reflect changes to its reporting structure and provide transparency into how operating performance is measured. The Company's three principal reportable segments are (i) Consumer Products, (ii) Wizards of the Coast & Digital Gaming, and (iii) Entertainment.

The Consumer Products segment engages in the sourcing, marketing and sales of toy and game products around the world. The Consumer Products business also promotes the Company's brands through the out-licensing of our trademarks, characters and other brand and intellectual property rights to third parties, through the sale of branded consumer products such as toys and apparel. The Wizards of the Coast & Digital Gaming business engages in the promotion of the Company's brands through the development of trading card, role-playing and digital game experiences based on Hasbro and Wizards of the Coast games. The Entertainment segment engages in the development, acquisition, production, financing, distribution and sale of world-class entertainment content including film, scripted and unscripted television, family programming, digital content, music production and sales, and live entertainment.

The significant accounting policies of the Company's segments are the same as those referenced in Note 1.

Results shown for the quarter and six months ended June 27, 2021 are not necessarily representative of those which may be expected for the full year 2021, nor were those of the comparable 2020 periods representative of those actually experienced for the full year 2020. Similarly, such results are not necessarily those which would be achieved were each segment an unaffiliated business enterprise.

Reclassifications of certain prior year segment results and account balances have been made to conform to the current-year presentation. None of the segment changes impact the Company's previously reported consolidated net revenue, operating profits, net earnings or net earnings per share.

Information by segment and a reconciliation to reported amounts for the quarters and six months ended June 27, 2021 and June 28, 2020 are as follows:

	Quarter Ended			
	June 27, 2021		June 28, 2020	
Net revenues	**External**	**Affiliate (b)**	**External**	**Affiliate (b)**
Consumer Products	$ 689.2	$ (96.9)	$ 519.5	$ (103.1)
Wizards of the Coast & Digital Gaming	406.3	(29.7)	186.7	(17.9)
Entertainment	226.7	(12.6)	154.1	(0.8)
Corporate and Other (b)	—	139.2	—	121.8
	$ 1,322.2	$ —	$ 860.3	$ —

	Six Months Ended			
	June 27, 2021		June 28, 2020	
Net revenues	**External**	**Affiliate (b)**	**External**	**Affiliate (b)**
Consumer Products	$ 1,343.1	$ (167.2)	$ 1,092.0	$ (158.7)
Wizards of the Coast & Digital Gaming	648.5	(55.1)	397.3	(33.0)
Entertainment	445.4	(26.7)	476.6	(1.7)
Corporate and Other (b)	—	249.0	—	193.4
	$ 2,437.0	$ —	$ 1,965.9	$ —

(Millions of Dollars and Shares Except Per Share Data)

	Quarter Ended		Six Months Ended	
Operating profit (loss)	June 27, 2021	June 28, 2020	June 27, 2021	June 28, 2020
Consumer Products	$ 17.8	$ (45.3)	$ 50.1	$ (55.0)
Wizards of the Coast & Digital Gaming	192.9	74.1	302.9	169.9
Entertainment	(113.7)	(13.5)	(96.7)	(77.8)
Corporate and Other (b)	(20.4)	(13.1)	(32.4)	(58.2)
	$ 76.6	$ 2.2	$ 223.9	$ (21.1)

Total assets	June 27, 2021	June 28, 2020	December 27, 2020
Consumer Products (a)	$ 3,508.7	$ 5,432.1	$ 5,552.5
Wizards of the Coast & Digital Gaming	745.8	790.9	585.7
Entertainment	6,124.4	6,167.9	6,003.0
Corporate and Other (b)	(276.7)	(2,168.8)	(1,322.9)
	$ 10,102.2	$ 10,222.1	$ 10,818.3

(a) During the second quarter of 2021, the Company adjusted certain inter-segment balance sheet amounts which impacted the Consumer Products and Corporate and Other total asset values. These adjustments did not impact the Company's total assets.

(b) Certain long-term assets, including property, plant and equipment, goodwill and other intangibles, which benefit multiple operating segments, are included in both Entertainment and Corporate and Other. Allocations of certain expenses related to these assets are made to the individual operating segments at the beginning of the year based on budgeted amounts. Any differences between actual and budgeted amounts are reflected in Corporate and Other because allocations are translated from the U.S. Dollar to local currency at budgeted rates when recorded. Corporate and Other also includes the elimination of inter-company balance sheet amounts.

The following table represents consolidated Consumer Products segment net revenues by major geographic region for the quarters and six months ended June 27, 2021 and June 28, 2020:

	Quarter Ended		Six Months Ended	
	June 27, 2021	June 28, 2020	June 27, 2021	June 28, 2020
North America	$ 391.4	$ 283.0	$ 754.1	$ 604.8
Europe	176.5	141.9	365.0	298.6
Asia Pacific	68.4	60.7	133.2	118.9
Latin America	52.9	33.9	90.8	69.7
Net revenues	$ 689.2	$ 519.5	$ 1,343.1	$ 1,092.0

The following table represents consolidated Entertainment segment net revenues by category for the quarters and six months ended June 27, 2021 and June 28, 2020:

	Quarter Ended		Six Months Ended	
	June 27, 2021	June 28, 2020	June 27, 2021	June 28, 2020
Film and TV	$ 164.3	$ 108.9	$ 330.7	$ 372.9
Family Brands	26.1	18.8	44.9	44.7
Music and Other	36.3	26.4	69.8	59.0
Net revenues	$ 226.7	$ 154.1	$ 445.4	$ 476.6

(Millions of Dollars and Shares Except Per Share Data)

The following table presents consolidated net revenues by brand and entertainment portfolio for the quarters ended June 27, 2021 and June 28, 2020:

	Quarter Ended		Six Months Ended	
	June 27, 2021	June 28, 2020	June 27, 2021	June 28, 2020
Franchise Brands	$ 649.9	$ 376.9	$ 1,141.4	$ 773.4
Partner Brands	212.0	138.3	400.0	320.6
Hasbro Gaming (1)	147.1	137.0	283.4	277.1
Emerging Brands	117.0	75.9	221.7	170.1
Entertainment	196.2	132.2	390.5	424.7
Total	$ 1,322.2	$ 860.3	$ 2,437.0	$ 1,965.9

(1) Hasbro's total gaming category, which includes all gaming net revenues, both those reported in Hasbro Gaming and those reported elsewhere, most notably MAGIC: THE GATHERING and MONOPOLY which are reported within Franchise Brands, totaled $519.4 million and $884.7 million for the quarter and six months ended June 27, 2021, respectively. For the quarter and six months ended June 28, 2020, total gaming revenues were $319.0 million and $659.5 million, respectively.

(15) <u>Assets and Liabilities Held for Sale and Subsequent Closing of Music Sale</u>

On April 25, 2021, the Company entered into a definitive agreement to sell eOne Music for an aggregate sales price of $385.0 million, subject to certain closing adjustments related to working capital and net debt. The Company acquired eOne Music through its acquisition of Entertainment One Ltd. in December 2019 ("eOne Acquisition"). Upon signing the agreement to sell eOne Music, the Company reclassified all eOne Music assets and liabilities within Assets Held for Sale and Liabilities Held for Sale, respectively, on the Consolidated Balance Sheet as of June 27, 2021. Based on the value of the net assets held by eOne Music, which included goodwill and intangible assets allocated to eOne Music as part of the eOne Acquisition, the Company recorded a pre-tax non-cash goodwill impairment charge of $101.8 million within Loss on Assets Held for Sale on the Consolidated Statements of Operations for the quarter ended June 27, 2021. The Company also recorded pre-tax cash transaction expenses of $9.5 million within Selling, Distribution and Administration expenses on the Consolidated Statements of Operations for the quarter ended June 27, 2021. The impairment charge was recorded within the Entertainment segment and the transaction costs were recorded within the Corporate and Other segment.

The operations of eOne Music did not meet the criteria to be presented as discontinued operations in accordance with Accounting Standards Update No. 2014-08 (ASU 2014-08) Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360) - *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*. Therefore, eOne Music operating results are reported within the Company's Entertainment segment for the quarter and six months ended June 27, 2021.

(Millions of Dollars and Shares Except Per Share Data)

The following table presents the carrying amounts of the major classes of eOne Music assets and liabilities as of June 27, 2021.

		June 27, 2021
Cash and Cash Equivalents	$	18.2
Goodwill and Other Intangible Assets		410.3
Prepaid Expenses		31.0
Other Assets		20.0
Total Assets		479.5
Accrued Liabilities		24.4
Deferred Taxes		36.9
Other Liabilities		15.0
Total Liabilities	$	76.3

eOne Music does not represent an individually significant component of the Company's business and income from operations before income taxes attributable to eOne Music was immaterial to the Company's Consolidated Statements of Operations for the six month periods ended June 27, 2021 and June 28, 2020.

Subsequent Sale in Fiscal Third Quarter of 2021

On June 29, 2021, the Company completed the sale of eOne Music for net proceeds of approximately $397.0 million, subject to certain closing adjustments related to working capital and net debt. The net proceeds will be subject to further adjustments upon completion of closing working capital and net debt calculations. In anticipation of the closing proceeds, the Company repaid $250.0 million of variable rate notes at the end of the second quarter of 2021. Subsequent to the end of the second quarter of 2021, in July 2021, the Company repaid an additional $100.0 million of variable rate notes with proceeds from the sale.

(16) Restructuring Actions

During 2018, the Company announced a comprehensive restructuring plan which consisted of re-designing its go-to market strategy and re-shaping its organization to become a more responsive, innovative and digitally-driven play and entertainment company. As part of this process the Company took certain restructuring actions which continued through 2019. The actions primarily included headcount reduction aimed at right-sizing the Company's cost-structure and giving it the ability to add required new talent in the future. In the second quarter of 2020, the Company continued to streamline its commercial organization, and recorded severance of $11.5 million associated with these cost-savings initiatives.

During 2020, in connection with the eOne Acquisition, the Company recorded $32.5 million of severance and other employee charges related to the integration of eOne. For the quarter and six months ended June 28, 2020, the related charge was $6.3 million and $19.5 million, which was recorded within acquisition and related costs on the Consolidated Statements of Operations, and reported within Corporate and Eliminations.

The detail of activity related to the programs for the six months ended June 27, 2021 is as follows:

		2018 Restructuring & 2020 Commercial Program	eOne Integration Program	Other		Total
Remaining amounts to be paid as of December 27, 2020	$	17.3	16.9	0.8	$	35.0
Payments made in the first six months of 2021		(4.8)	(7.6)	—		(12.4)
Remaining amounts as of June 27, 2021	$	12.5	9.3	0.8	$	22.6

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Quarterly Report on Form 10-Q, including the following section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements expressing management's current expectations, goals, objectives and similar matters. These forward-looking statements may include statements concerning: the impact of, and actions and initiatives taken and planned to be taken to try and manage the negative impact of, the global coronavirus outbreak on our business; the ability to achieve our financial and business goals and objectives; the Company's product and entertainment plans, including the timing of planned product and entertainment releases; changes in the methods of content distribution, including increased reliance on streaming outlets; the adequacy and delivery of product supply; the operation of our third party manufacturing facilities; marketing and promotional efforts; anticipated expenses; working capital and liquidity; and anticipated impact of acquisitions and dispositions. See Item 1A, in Part II of this report and Item 1A, in Part I of the Annual Report on Form 10-K for the year ended December 27, 2020 (“2020 Form 10-K”), for a discussion of factors which may cause the Company's actual results or experience to differ materially from that anticipated in these forward-looking statements. The Company undertakes no obligation to revise the forward-looking statements in this report after the date of the filing.

EXECUTIVE SUMMARY

Hasbro, Inc. (“Hasbro”) is a global play and entertainment company committed to Creating the World’s Best Play and Entertainment Experiences. From toys, games and consumer products to television, movies, digital gaming, and other entertainment experiences, we connect to global audiences by bringing to life great innovations, stories and brands across established and inventive platforms. Our iconic brands include NERF, MAGIC: THE GATHERING, MY LITTLE PONY, TRANSFORMERS, PLAY-DOH, MONOPOLY, BABY ALIVE, POWER RANGERS, PEPPA PIG and PJ MASKS, as well as premier partner brands. Through our entertainment studio, Entertainment One (“eOne”), we are building our brands globally through great storytelling and content on all screens, including content based on our children’s and family entertainment brands as well as offering the production and distribution of a broad spectrum of live-action scripted and unscripted entertainment content geared toward all audiences. At Hasbro, we are committed to making the world a better place for all children, fans and families. We believe that doing well includes doing good in the world and for all our constituents. This is demonstrated in all we do, including through our corporate social responsibility and philanthropy initiatives.

2021 Developments

Segment Realignment

In the first quarter of 2020, we completed our acquisition of eOne, our global independent studio. Throughout 2020, we successfully integrated parts of our business and began recognizing synergies as a combined company. Effective for the first quarter of 2021, we realigned our reportable segment structure to correspond with the evolution of our company, including the integration of eOne, to reflect changes in our reporting structure and allocation of decision-making responsibility and for assessing the Company’s performance. Our new reportable segments are: Consumer Products, Wizards of the Coast & Digital Gaming, Entertainment and Corporate and Other.

- ***Consumer Products*** Our Consumer Products business engages in the sourcing, marketing and sales of toy and game products around the world. Our Consumer Products business also promotes our brands through the out-licensing of our trademarks, characters and other brand and intellectual property rights to third parties, through the sale of branded consumer products such as toys and apparel. Additionally, through license agreements with third parties, we develop and sell products based on popular third-party partner brands.

  Our toy and game products are supported by cross-functional teams including members of our global development and marketing groups. Our global development teams develop, design and engineer new products alongside the redesign of existing products, driven by our understanding of consumers and using marketplace insights while leveraging opportunistic toy and game lines and licenses. Our global marketing function establishes a cohesive brand direction and assists our selling entities in establishing local marketing programs. This strategy leverages efforts to increase consumer awareness of our brands through the Company's entertainment experiences, including film and television programming and digital gaming.

- ***Wizards of the Coast and Digital Gaming*** Our Wizards of the Coast and Digital Gaming business engages in the promotion of our brands through the development of trading card, role-playing and digital game experiences based on Hasbro and Wizards of the Coast properties.

  Wizards of the Coast offerings include popular games such as the collectable card game *MAGIC: THE GATHERING* and the fantasy tabletop role-playing game *DUNGEONS & DRAGONS*, as well as other digital games developed for mobile devices, personal computers and video gaming consoles including *MAGIC: THE GATHERING ARENA*. Additionally, we out-license certain of our brands to other third-party digital game developers who transform Hasbro brand-based characters and other intellectual properties, into digital gaming experiences.

- ***Entertainment*** Our Entertainment business engages in in the development, acquisition, production, financing, distribution and sale of world-class entertainment content including film, scripted and unscripted television, family programming, digital content, live entertainment and music production and sales.

  Film and TV operations produce film and television content which is sold worldwide to distributors, broadcasters, television networks and streaming platforms. While maintaining ownership of the content rights, we sell content for specific time periods to generate broadcast license fees from television content and to collect minimum guarantees and overage participations from films. The Entertainment business also actively acquires third-party film and television content. In television, the Entertainment segment engages in the sale of acquired third-party content internationally. For acquired films, the Entertainment segment obtains territorial rights from independent producers to distribute in those territories and acquires global rights which are sold internationally. Feature length film and television programming based on our owned and controlled brands provide both immersive storytelling and the ability for our consumers to enjoy these properties in different formats, which also drives product sales, results in increased licensing revenues, and expands overall brand awareness.

- ***Corporate and Other*** Our Corporate and Other segment provides management and administrative services to the Company's principal reporting segments described above. The segment consists of unallocated corporate expenses and administrative costs and activities not considered when evaluating segment performance such as the Company's legal, human resources, finance, facilities and information technology departments as well as certain assets benefiting more than one segment. In addition, intersegment transactions are eliminated within the Corporate and Other segment.

eOne Music Business

On June 29, 2021, the Company completed the sale of its Entertainment One Music business (“eOne Music”) for an aggregate sales price of $385.0 million, subject to certain closing adjustments related to working capital and net debt. Based on the value allocated to the music assets as part of the eOne Acquisition, the Company recorded a pre-tax non-cash goodwill impairment charge of $101.8 million within Loss on Assets Held for Sale, as well as transaction expenses of $9.5 million ($7.3 million after-tax) within Selling, Distribution and Administration costs, within the Consolidated Statements of Operations for the quarter ended June 27, 2021. The impairment charge was recorded with the Entertainment segment and the transaction costs were recorded with in the Corporate and Other segment. The financial results of eOne Music are included in the consolidated financial statements included in this Form 10-Q, as the sale of eOne Music was completed in the Company's fiscal third quarter. In anticipation of the closing proceeds, the Company repaid $250 million of variable rate notes at the end of the second quarter of 2021. Subsequent to the end of the second quarter of 2021, in July 2021, the Company repaid an additional $100 million of variable rate notes with proceeds from the sale.

Coronavirus Pandemic

Throughout 2020 and continuing through the first half of 2021, the world has been significantly impacted by the novel coronavirus (COVID-19) pandemic. During this period, we experienced accelerated ecommerce growth and increased interest in offerings from our Wizards of the Coast, Gaming and Entertainment businesses, as consumers have been seeking recreational and entertainment options during the pandemic. In 2020, and continuing into 2021, the pandemic did, however, have a substantial adverse impact on our business, as well as our employees, consumers, customers, partners, licensees, suppliers and manufacturers, due in part to the preventative measures taken to reduce the spread of the virus worldwide.

We experienced and in some cases, continue to experience:

- disruptions in supply of products, due to closures or reductions in operations at third-party manufacturing facilities across several geographies including, but not limited to, China, India, the United States and Ireland, as well as difficulties in shipping and distributing products as a result of port capacity shortages, higher rates for ocean freight and higher costs due to air freight increases. These and other disruptions may continue through the remainder of 2021;
- adverse sales impact due to changes in consumer purchasing behavior and availability of products to consumers, resulting from retail store closures, limited reopening of retail stores and limitations on the capacity of ecommerce channels to supply additional products;
- fluctuations in our performance based on the progress of different countries in controlling the coronavirus and the maturity of e-commerce platforms in those markets.

- limited production of live-action scripted and unscripted entertainment content due to the shutdown and gradual reopening of production studios;
- delays or postponements of entertainment productions and releases of entertainment content both internally and by our partners; and
- challenges of working remotely.

In response to these challenges, we developed and continue to develop and execute plans to mitigate the negative impact of COVID-19 to the business. Our responses included:

- utilizing our global supply chain and existing inventory to work to meet demand, while managing freight cost increases across all markets, as our manufacturing facilities returned to varying levels of operation;
- accelerating our business online and expanding omni-channel to get products to customers and consumers;
- developing innovative ways to enable players to continue to play MAGIC: THE GATHERING and DUNGEONS & DRAGONS games remotely; and
- continuing to develop new entertainment, including working on animation productions and post-production work, which were able to be worked on remotely as live TV and film productions have returned gradually, with health and safety protocols in place.

We have maintained sufficient liquidity and access to capital resources. We also continue to closely manage expenses to further preserve liquidity and we continually monitor customer health and collectability of receivables. The COVID-19 outbreak continues to be fluid and it is difficult to forecast the impact it could have on our future operations. Please see Part I, Item 1A. Risk Factors, in the Company's Form 10-K for the fiscal year ended December 27, 2020 for further information.

Brand Blueprint Strategy

Hasbro's strategic plan is centered around the Hasbro Brand Blueprint, a framework for bringing compelling and expansive brand experiences to consumers and audiences around the world. Our brands are story-led consumer franchises brought to life through a wide array of consumer products, compelling content offered across a multitude of platforms and media. Hasbro's purpose of making the world a better place for all children, fans and families sits at the center of the Hasbro Brand Blueprint and is a key driver of Hasbro brands and content. The development and execution of our brands and content are informed by our proprietary consumer insights, which help us understand the behavior of our consumers, from a consumption of content and play standpoint. We have learned that consumers will travel with a brand that they love across multiple forms and formats, including our core historical strength of toys and games and licensed consumer products, as well as digital gaming and story-led entertainment, including short-form content online and long-form content in television and film. As the global consumer landscape, shopping behaviors and the retail and entertainment environments continue to evolve, we continue to adapt and refine our business strategy. This process includes reexamining the ways we organize across the Hasbro Brand Blueprint, re-shaping our business into a more adaptive and digitally-driven organization, expanding our ecommerce capabilities and attracting and developing a high-performing and diverse workforce through human capital investments.

Second quarter 2021 highlights:

- Second quarter net revenues were $1,322.2 million compared to $860.3 million in the second quarter of 2020 and included a favorable foreign currency translation of $35.1 million. Absent the favorable impact of foreign currency exchange, second quarter net revenues increased 50%.
    - Net revenues in the Consumer Products segment increased 33% to $689.2 million; Wizards of the Coast and Digital Gaming segment net revenues increased 118% to $406.3 million; and Entertainment segment net revenues increased 47% to $226.7 million.
    - Net revenues from Franchise Brands increased 72%; Partner Brands net revenues increased 53%; Emerging Brands net revenues increased 54%; Entertainment portfolio net revenues increased 48%; and net revenues from Hasbro Gaming increased 7% in the second quarter of 2021.
- Operating profit was $76.6 million, or 6% of net revenue, in the second quarter of 2021 compared to operating profit of $2.2 million, or 0.3% of net revenue, in the second quarter of 2020.
    - Second quarter 2021 operating profit was negatively impacted by a pre-tax non-cash impairment charge of $101.8 million and pre-tax cash transaction expenses of $9.5 million ($7.3 million after-tax) associated with the sale of eOne Music; $21.8 million ($18.2 million after-tax) of eOne acquired intangible asset amortization; and $1.9 million ($1.6 million after-tax) of expense associated with retention awards granted in connection with the eOne acquisition.

- Second quarter 2020 operating profit was negatively impacted by acquisition and related expenses of $10.3 million ($8.5 million after-tax); $22.6 million ($17.9 million after-tax) of eOne acquired intangible asset amortization; and $11.6 million ($10.1 million after-tax) of restructuring charges associated with cost savings initiatives.

- The net loss attributable to Hasbro, Inc. of $22.9 million, or $0.17 per diluted share, in the second quarter of 2021 compared to a net loss of $33.9 million, or $0.25 per diluted share, in the second quarter of 2020.
  - In addition to the negative impacts to operating profit described above, net earnings in the second quarter of 2021 were impacted by incremental income tax expense of $39.4 million related to a change in the UK tax code.

First six months 2021 highlights:

- Net revenues increased 24% to $2,437.0 million in first six months of 2021 compared to $1,965.9 million in the first six months of 2020. The increase in net revenues included $53.4 million of favorable foreign currency translation. Absent the impact of foreign currency exchange, net revenues increased 21%.
  - Net revenues in the Consumer Products segment increased 23% to $1,343.1 million; Wizards of the Coast and Digital Gaming segment net revenues increased 63% to $648.5 million; and Entertainment segment net revenues decreased 7% to $445.4 million.
  - Net revenues from Franchise Brands increased 48%; Emerging brands net revenues increased 30%; Partner Brands net revenues increased 25%; Hasbro Gaming net revenues increased 2%; and Entertainment segment net revenues decreased 8% during the first six months of 2021.
- Operating profit was $223.9 million, or 9% of net revenues, in the first six months of 2021 compared to operating losses of $21.1 million, or 1% of net revenues, in the first six months of 2020.
  - Operating profit in the first half of 2021 was negatively impacted by a pre-tax non-cash impairment charge of $101.8 million and pre-tax cash transaction expenses of $9.5 million ($7.3 million after-tax) associated with the sale of eOne Music; $46.7 million ($38.7 million after-tax) of eOne acquired intangible asset amortization; and $3.8 million ($3.3 million after-tax) of expense associated with retention awards granted in connection with the eOne acquisition.
  - Operating profit in the first half of 2020 was negatively impacted by acquisition and related expenses of $160.1 million ($136.0 million after-tax); $47.6 million ($37.8 million after-tax) of eOne acquired intangible asset amortization; and $11.6 million ($10.1 million after-tax) of restructuring charges associated with cost savings initiatives.
- Net earnings attributable to Hasbro, Inc. was $93.3 million, or $0.68 per diluted share, in the first six months of 2021 compared to a net loss attributable to Hasbro, Inc. of $103.6 million, or $0.75 per diluted share, in the first six months of 2020.
  - In addition to the negative impacts to operating profit described above, net earnings in the first six months of 2021 were impacted by incremental income tax expense of $39.4 million related to a change in the UK tax code.

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.

(Millions of Dollars and Shares Except Per Share Data)

SUMMARY OF FINANCIAL PERFORMANCE

A summary of the results of operations is illustrated below for the quarters and six-month periods ended June 27, 2021 and June 28, 2020.

	Quarter Ended		Six Months Ended	
	June 27, 2021	June 28, 2020	June 27, 2021	June 28, 2020
Net revenues	$ 1,322.2	$ 860.3	$ 2,437.0	$ 1,965.9
Operating profit (loss)	76.6	2.2	223.9	(21.1)
Earnings (loss) before income taxes	41.1	(43.7)	170.6	(115.7)
Net earnings (loss)	(21.9)	(32.9)	95.6	(100.8)
Net earnings attributable to noncontrolling interests	1.0	1.0	2.3	2.8
Net earnings (loss) attributable to Hasbro, Inc.	(22.9)	(33.9)	93.3	(103.6)
Diluted earnings (loss) per share	(0.17)	(0.25)	0.68	(0.75)

RESULTS OF OPERATIONS – CONSOLIDATED

Second Quarter 2021

The quarters ended June 27, 2021 and June 28, 2020 were each 13-week periods.

Consolidated net revenues for the second quarter of 2021 increased $461.9 million, or 54%, compared to the second quarter of 2020, including a favorable $35.1 million impact from foreign currency translation as a result of strengthening currencies, primarily in the Company's European and to a lesser extent, Asia Pacific and Latin American regions, during the second quarter of 2021 compared to 2020.

Operating profit for the second quarter of 2021 was $76.6 million, or 6% of net revenues, compared to operating profit of $2.2 million, or 0.3% of net revenues, for the second quarter of 2020. The operating profit increase was driven primarily by higher revenues and a favorable product mix, partially offset by higher product development costs, higher royalty expenses and higher advertising costs. In addition to these expense increases were higher freight costs due to shipping cost increases and the use of air freight to manage supply chain disruptions. Operating profit during the second quarter of 2021 reflects a pre-tax non-cash impairment charge of $101.8 million included within Loss on Assets Held for Sale and transaction costs of $9.5 million ($7.3 million after-tax) included within Selling, Distribution and Administration, associated with the sale of eOne Music, $21.8 million ($18.2 million after-tax) of eOne acquired intangible asset amortization and $1.9 million ($1.6 million after-tax) of expense associated with retention awards granted in connection with the eOne acquisition. Operating profit during the second quarter of 2020 was negatively impacted by acquisition and related costs of $10.3 million ($8.5 million after-tax); $22.6 million ($17.9 million after-tax) of expenses related to eOne acquired intangible asset amortization; and restructuring charges associated with cost savings initiatives of $11.6 million ($10.1 million after-tax).

Net losses attributable to Hasbro, Inc. were $22.9 million for the second quarter of 2021 compared to net losses of $33.9 million for the second quarter of 2020. In addition to the negative impacts to operating profit described above, net losses attributable to Hasbro, Inc. included the impact of incremental income tax expense of $39.4 million, related to a change in the UK tax code. The diluted loss per share attributable to Hasbro, Inc. for the second quarter of 2021 was $0.17, compared to a diluted loss per share of $0.25 in the second quarter of 2020. The loss in the second quarter of 2021 reflects the negative impact of a non-cash impairment loss related to assets held for sale and transaction expenses, totaling $0.79 per diluted share associated with the disposition of eOne Music and incremental income tax expense related to a change in the UK tax code of $0.29 per diluted share. In addition, the diluted earnings per share in the second quarter of 2021 reflects the negative impact of $0.13 per diluted share and $0.01 per diluted share from eOne acquired intangible asset amortization and costs associated with retention awards, respectively. The diluted loss per share in 2020 reflects the negative impact of eOne acquired intangible asset amortization, acquisition and related costs and restructuring charges associated with cost savings initiatives of $0.13 per diluted share, $0.06 per diluted share and $0.07 per diluted share, respectively.

(Millions of Dollars and Shares Except Per Share Data)

The following table presents net revenues by brand and entertainment portfolio for the quarters ended June 27, 2021 and June 28, 2020.

	Quarter Ended		
	June 27, 2021	June 28, 2020	% Change
Franchise Brands	$ 649.9	$ 376.9	72 %
Partner Brands	212.0	138.3	53
Hasbro Gaming	147.1	137.0	7
Emerging Brands	117.0	75.9	54
Entertainment	196.2	132.2	48
Total	$ 1,322.2	$ 860.3	54 %

FRANCHISE BRANDS: Net revenues in the Franchise Brands portfolio increased 72% in the second quarter of 2021 compared to the second quarter of 2020. Higher net revenues from MAGIC: THE GATHERING products as a result of the record set releases, Strixhaven and Modern Horizons 2, and higher net revenues from NERF products, most notably in the US, drove the majority of the increase, and to a lesser extent, higher net revenues from PLAY-DOH and TRANSFORMERS products contributed to the increase.

PARTNER BRANDS: Net revenues from the Partner Brands portfolio increased 53% in the second quarter of 2021 compared to the second quarter of 2020. Within the Partner Brands portfolio, there are a number of brands which are reliant on related entertainment, including television and movie releases. As such, net revenues by partner brand, fluctuate depending on entertainment popularity, release dates and related product line offerings and success. Historically these entertainment-based brands experience higher revenues during years in which new content is released in theaters, for broadcast, and on streaming platforms. During the second quarter of 2021, the drivers of the net revenue increase included Hasbro products for MARVEL and STAR WARS and to a lesser extent, DISNEY PRINCESS and BEYBLADE products. The Company's STAR WARS and DISNEY PRINCESS products were supported by recent entertainment releases including the Disney+ streaming series, *STAR WARS: THE MANDALORIAN*, season two, released during the fourth quarter of 2020 and *RAYA and THE LAST DRAGON* which premiered in theaters and on Disney+ with Premier Access in March 2021. The Company's MARVEL products benefited from fan support across multiple properties, primarily in the U.S., as well as from shipments ahead of the release of S*HANG-CHI and the LEGEND of the TEN RINGS*, a feature-length film expected in theaters in September 2021. These increases were partially offset by net revenue declines from DISNEY FROZEN products as a result of the entertainment support in the prior year from the November 2019 theatrical release of *DISNEY'S FROZEN 2*.

HASBRO GAMING: Net revenues in the Hasbro Gaming portfolio increased 7% in the second quarter of 2021 compared to the second quarter of 2020, which benefited from growth during the onset of the COVID-19 pandemic as people looked for entertainment alternatives at home. Higher net revenues from DUNGEONS & DRAGONS products and to a lesser extent, higher net revenues from DUEL MASTERS products, were partially offset by net revenue decreases from classic games, including JENGA and CONNECT 4 during the second quarter of 2021.

Net revenues for Hasbro's total gaming category, including the Hasbro Gaming portfolio as reported above and all other gaming revenue, most notably revenues from MAGIC: THE GATHERING and MONOPOLY products, which are included in the Franchise Brands portfolio, totaled $519.4 million for the second quarter of 2021, an increase of 63%, as compared to $319.0 million in the second quarter of 2020.

EMERGING BRANDS: Net revenues from the Emerging Brands portfolio increased 54% during the second quarter of 2021 compared to the second quarter of 2020. Net revenue increases were driven by PJ MASKS, GI JOE and FURREAL FRIENDS products, and to a lesser extent, PEPPA PIG products. During the second half of 2021, the Company expects to launch its first PEPPA PIG and PJ MASKS products.

ENTERTAINMENT: During the second quarter of 2021, net revenues from the Entertainment portfolio increased 48% compared to the second quarter of 2020. In the second quarter of 2021, results from the Company's Entertainment portfolio improved compared to the same period in 2020, as the entertainment industry continued its gradual recovery from the impact of COVID-19 pandemic. Net revenue increases during the second quarter of 2021 were driven by scripted deliveries that include *CRUEL SUMMER* and *THE ROOKIE* as well as from certain other scripted and unscripted programs. These increases were partially offset by lower transactional revenues due to the lack of theatrical releases in the first half of 2021 as a result of the production shutdowns experienced during 2020.

(Millions of Dollars and Shares Except Per Share Data)

First Six Months 2021

The six-month periods ended June 27, 2021 and June 28, 2020 were each 26-week periods.

For the first six months of 2021, consolidated net revenues increased 24% to $2,437.0 million including a favorable variance of $53.4 million as a result of foreign currency translation due to strengthening currencies primarily across the Company's European and to a lesser extent, Asia Pacific markets, when compared to the first six months of 2020.
Operating profit for the first six months of 2021 was $223.9 million, or 9% of net revenues, compared to an operating loss of $21.1 million, or 1% of net revenues, for the first six months of 2020. The increase in operating profit was driven by higher revenues, partially offset by higher costs to drive the business including, higher product development costs, higher marketing and advertising costs and higher freight costs due to shipping cost increases. Operating profit during the first six months of 2021 reflects a pre-tax non-cash impairment charge of $101.8 million included within Loss on Assets Held for Sale and transaction costs of $9.5 million ($7.3 million after-tax) included within Selling, Distribution and Administration, associated with the sale of eOne Music, as well as $46.7 million ($38.7 million after-tax) of expenses related to eOne acquired intangible asset amortization and $3.8 million ($3.3 million after-tax) of expense for retention awards granted in connection with the eOne acquisition. The operating loss during the first six months of 2020 was negatively impacted by acquisition and related costs of $160.1 million ($136.0 million after-tax); $47.6 million ($37.8 million after-tax) of expenses related to eOne acquired intangible asset amortization; and restructuring charges associated with cost savings initiatives of $11.6 million ($10.1 million after-tax).

Net earnings attributable to Hasbro, Inc. were $93.3 million for the first six months of 2021 compared to a net loss of $103.6 million for the first six months of 2020. In addition to the negative impacts to operating profit described above, net earnings in the first six months of 2021 were impacted by incremental income tax expense of $39.4 million related to a change in the UK tax code. Diluted earnings per share attributable to Hasbro, Inc. were $0.68 in the first six months of 2021, compared to a diluted net loss per share of $0.75 in the first six months of 2020. Net earnings attributable to Hasbro, Inc. for the first six months of 2021 reflect the negative impact of a non-cash impairment loss related to assets held for sale and transaction expenses, totaling $0.79 per diluted share, associated with the disposition of eOne Music, incremental income tax expense related to a change in the UK tax code of $0.29 per diluted share, as well as the impact of eOne acquired intangible asset amortization of $0.28 per diluted share and costs associated with retention awards of $0.02 per diluted share. Net earnings for the first six months of 2020 reflect the negative impact of acquisition related costs and eOne acquired intangible asset amortization of $1.02 per diluted share and $0.42 per diluted share, respectively, as well as restructuring charges associated with cost savings initiatives of $0.07 per diluted share.

The following table presents net revenues by product category for the first six months of 2021 and 2020.

	Six Months Ended		
	June 27, 2021	**June 28, 2020**	**% Change**
Franchise Brands	$ 1,141.4	$ 773.4	48 %
Partner Brands	400.0	320.6	25
Hasbro Gaming	283.4	277.1	2
Emerging Brands	221.7	170.1	30
Entertainment	390.5	424.7	-8
Total	$ 2,437.0	$ 1,965.9	24 %

FRANCHISE BRANDS: Net revenues in the Franchise Brands portfolio increased 48% in the first six months of 2021 compared to 2020. Higher net revenues from MAGIC: THE GATHERING products, as a result of successful card set releases, drove the majority of the increase during the first six months of 2021. To a lesser extent, higher net revenues from NERF products, most notably in the US, as well as higher net revenues from PLAY-DOH and TRANSFORMERS products contributed to the increase.

PARTNER BRANDS: Net revenues from the Partner Brands portfolio increased 25% during the first six months of 2021 compared to 2020. During the first six months of 2021, net revenue increases from Hasbro products for STAR WARS and MARVEL drove growth in the Partner Brands portfolio and to a lesser extent, DISNEY PRINCESS products contributed to segment net revenue growth. The Company's STAR WARS and DISNEY PRINCESS products benefited from recent entertainment releases including the Disney+ streaming series, *STAR WARS: THE MANDALORIAN*, season two, released during the fourth quarter of 2020 and *RAYA and THE LAST DRAGON* which premiered in theaters and on Disney+ with Premier Access in March 2021. The Company's MARVEL products benefited from fan support, primarily in the U.S., as well as from shipments ahead of the release of S*HANG-CHI and the LEGEND of the TEN RINGS* a feature-length film expected in theaters in September 2021. These increases were partially offset by net revenue declines from TROLLS and DISNEY FROZEN products as a result of the entertainment support in the prior year from the *TROLLS WORLD TOUR* film, released in April 2020 and the November 2019 theatrical release of *DISNEY'S FROZEN 2*.

HASBRO GAMING: Net revenues in the Hasbro Gaming portfolio increased 2% in the first six months of 2021 compared to the first six months of 2020 driven by increased net revenues from DUNGEONS & DRAGONS products, partially offset by net revenue decreases from JENGA, CONNECT 4 and certain other Hasbro Gaming products. In the first half of 2020, the Hasbro Gaming portfolio benefited overall from growth during the onset of the COVID-19 pandemic as people looked for entertainment alternatives at home.

Net revenues for Hasbro's total gaming category, including the Hasbro Gaming portfolio as reported above and all other gaming revenue, most notably from MAGIC: THE GATHERING and MONOPOLY products, which are included in the Franchise Brands portfolio, were $884.7 million, an increase of 34%, in the first six months of 2021 versus $659.5 million in the first six months of 2020.

EMERGING BRANDS: Net revenues from the Emerging Brands portfolio grew 30% for the first six months of 2021 compared to the first six months of 2020. Net revenue increases were driven by GI JOE products, ahead of the July 2021 theatrical release of *SNAKE EYES: G.I. JOE ORIGINS*, and higher net revenues from FURREAL FRIENDS products and to a lesser extent, PJ MASKS and PEPPA PIG products. During the second half of 2021, the Company expects to launch its first PEPPA PIG and PJ MASKS products.

ENTERTAINMENT: During the first six months of 2021 net revenues from the Entertainment portfolio decreased 8% compared to the first six months of 2020. In 2020, the shutdown of live action TV and film productions and theatrical releases beginning late in the first quarter of 2020 as a result of the COVID-19 pandemic, had a significant impact on entertainment deliveries during the first half of 2021. The driver of the net revenue decrease during the first half of 2021 relates primarily to the gap in available entertainment deliveries, due to the conditions described above, resulting in lower theatrical, transactional and licensing revenues during the first six months of 2021. These decreases were partially offset by television production deliveries in the second quarter of 2021, most notably from *CRUEL SUMMER* and *THE ROOKIE* scripted television productions.

SEGMENT RESULTS

Effective for the first quarter of fiscal 2021, we realigned our reportable segments to reflect how the Company manages its businesses, evaluates performance and allocates resources. Consistent with these changes, the Company's three principal reportable segments are: Consumer Products, Wizards of the Coast and Digital Gaming and Entertainment.

Reclassifications of certain prior year segment results have been made to conform to the current-year presentation. None of the segment changes impact the Company's previously reported consolidated net revenue, operating profits, net earnings or net earnings per share.

(Millions of Dollars and Shares Except Per Share Data)

Second Quarter 2021

The following table presents net external revenues and operating profit data for the Company's principal segments for the quarters ended June 27, 2021 and June 28, 2020:

	Quarter Ended		
	June 27, 2021	June 28, 2020	% Change
Net Revenues			
Consumer Products segment	$ 689.2	$ 519.5	33 %
Wizards of the Coast and Digital Gaming segment	406.3	186.7	>100%
Entertainment segment	226.7	154.1	47 %
Operating Profit (Loss)			
Consumer Products segment	$ 17.8	$ (45.3)	>100%
Wizards of the Coast and Digital Gaming segment	192.9	74.1	>100%
Entertainment segment	(113.7)	(13.5)	>100%

Consumer Products Segment

The Consumer Products segment net revenues increased 33% to $689.2 million for the second quarter of 2021 compared to $519.5 million for the second quarter of 2020 and included the impact of a favorable $19.1 million currency translation. The drivers of the net revenue increase include higher sales of MARVEL, NERF and STAR WARS products as well as higher sales of TRANSFORMERS and PLAY-DOH products. Revenue grew across all geographic regions, most notably in the U.S. and Europe. In addition, licensing revenues from arrangements related to the Company's PEPPA PIG brand grew during the second quarter of 2021. Partially offsetting these net revenue increases were lower sales of Hasbro Gaming products in the US during the second quarter of 2021, compared to the second quarter of 2020, which benefited from sales growth during the early stages of the COVID-19 pandemic in the US.

Consumer Products segment operating profit for the second quarter of 2021 was $17.8 million or 3% of segment net revenues, compared to segment operating losses of $45.3 million or 9% of segment net revenues, for the second quarter of 2020. The operating profit increase in the second quarter of 2021 was driven by higher segment net revenues as described above, partially offset by higher royalty expenses as a result of higher sales of the Company's Partner Brand products, higher inventory costs due primarily to higher ocean freight rates and increases in air freight costs as well as higher advertising costs.

(Millions of Dollars and Shares Except Per Share Data)

The following table presents the Consumer Products segment net revenues by major geographic region for the quarters ended June 27, 2021 and June 28, 2020.

	Quarter Ended	
	June 27, 2021	**June 28, 2020**
North America	$ 391.4	$ 283.0
Europe	176.5	141.9
Asia Pacific	68.4	60.7
Latin America	52.9	33.9
Net Revenues	$ 689.2	$ 519.5

Wizards of the Coast & Digital Gaming Segment

Wizards of the Coast & Digital Gaming segment net revenues increased 118% in the second quarter of 2021 to $406.3 million from $186.7 million in the second quarter of 2020 and included the impact of a favorable $7.2 million foreign currency translation.

The net revenue increase in the Wizards of the Coast & Digital Gaming segment during the second quarter of 2021 was attributable to net revenue increases from Wizards of the Coast table-top and digital gaming products, most notably, MAGIC THE GATHERING, driven by the Strixhaven and Modern Horizons 2 set releases, as well as net revenue contributions associated with the launch of *DUNGEONS & DRAGONS: DARK ALLIANCE,* and higher sales from *Magic: The Gathering Arena* mobile.

Wizards of the Coast & Digital Gaming segment operating profit was $192.9 million, or 47% of segment net revenues for the second quarter of 2021, compared to operating profit of $74.1 million, or 40% of segment net revenues, for the second quarter of 2020. The operating profit increase during the second quarter of 2021 was the result of increased sales and product launches described above, partially offset by higher development costs, advertising costs and administrative costs, primarily related to costs to support the Company's digital gaming initiatives.

Entertainment Segment

Entertainment segment net revenues increased 47% to $226.7 million for the second quarter of 2021, compared to $154.1 million for the second quarter of 2020 and included the impact of a favorable $8.8 million foreign currency translation. The net revenue increase during the second quarter was driven by higher deliveries of scripted and unscripted programming following the return of live-action entertainment content production in late 2020 through 2021 and higher net revenues from streaming content deals related to programs featuring the Company's brands. These increases were partially offset by lower transactional and film licensing revenues in 2021, as a result of the limited production of live-action feature length films in 2020.

The Entertainment segment operating losses were $113.7 million, or 50% of segment net revenues for the second quarter of 2021 compared to operating losses of $13.5 million, or 9% of segment net revenues for the second quarter of 2020.

The operating loss in the second quarter of 2021 included a non-cash impairment charge of $101.8 million associated with the sale of eOne Music. Absent the impact of the 2021 impairment charge, second quarter 2021 operating losses decreased $1.6 million as a result of the net revenue increase described above, partially offset by higher program cost amortization, administrative costs and higher royalty expenses. The operating loss for the second quarter of 2021 and 2020 included $21.8 million and $22.6 million, respectively, of incremental intangible amortization costs related to the intangible assets acquired in the eOne Acquisition.

(Millions of Dollars and Shares Except Per Share Data)

The following table presents Entertainment segment net revenues by category for the quarters ended June 27, 2021 and June 28, 2020.

	Quarter Ended	
	June 27, 2021	**June 28, 2020**
Film and TV	$ 164.3	$ 108.9
Family Brands	26.1	18.8
Music and Other	36.3	26.4
Net revenues	$ 226.7	$ 154.1

Corporate and Other Segment

The Corporate and Other segment operating losses were $20.4 million for the second quarter of 2021 compared to operating losses of $13.1 million for the second quarter of 2020. Operating losses in 2021 were driven by higher administrative expenses including $9.5 million of transaction costs associated with the sale of eOne Music and higher compensation expense including retention costs related to the eOne acquisition. Operating losses in 2020 were driven by $11.6 million of charges associated with cost-savings initiatives as well as charges related to the eOne Acquisition; including acquisition and integration costs of $4.0 million and restructuring and related costs of $6.3 million, comprised of severance and retention costs.

First Six Months 2021

The following table presents net revenues and operating profit (loss) for the Company's principal segments for each of the six-month periods ended June 27, 2021 and June 28, 2020.

	Six Months Ended		
	June 27, 2021	**June 28, 2020**	**% Change**
Net Revenues			
Consumer Products segment	$ 1,343.1	$ 1,092.0	23 %
Wizards of the Coast and Digital Gaming segment	648.5	397.3	63 %
Entertainment segment	445.4	476.6	-7 %
Operating Profit (Loss)			
Consumer Products segment	$ 50.1	$ (55.0)	>100%
Wizards of the Coast and Digital Gaming segment	302.9	169.9	78 %
Entertainment segment	(96.7)	(77.8)	-24 %

Consumer Products Segment

The Consumer Products segment net revenues increased 23% to $1,343.1 million for the first six months of 2021 compared to $1,092.0 million for the first six months of 2020 and included the impact of a favorable $28.1 million currency translation. The drivers of the net revenue increase include higher sales of NERF, PLAY-DOH and TRANSFORMERS products as well as higher sales of STAR WARS, MARVEL and DISNEY PRINCESS products. Revenue grew across all geographic regions, most notably in the U.S. and Europe, and to a lesser extent, in the Company's Latin American and Asia Pacific markets. In addition, licensing revenues from arrangements related to the Company's NERF and PEPPA PIG brands, grew during the first half of 2021. Partially offsetting these net revenue increases were lower sales of Hasbro Gaming products, primarily within the US, during the first half of 2021, compared to the first half of 2020, which benefited from sales growth during the early stages of the COVID-19 pandemic.

Consumer Products segment operating profit for the first six months of 2021 was $50.1 million or 4% of segment net revenues, compared to segment operating losses of $55.0 million or 5% of segment net revenues, for the first half of 2020. The operating profit increase in the first half of 2021 was driven by higher segment net revenues as described above, partially offset by higher royalty expenses from higher sales of the Company's Partner Brand products, higher advertising costs as a result of the overall sales increases within the segment as well as higher rates for ocean freight and increases in air freight costs during the first six months of 2021.

(Millions of Dollars and Shares Except Per Share Data)

The following table presents the Consumer Products segment net revenues by major geographic region for the six month periods ended June 27, 2021 and June 28, 2020.

	Six Months Ended	
	June 27, 2021	June 28, 2020
North America	$ 754.1	$ 604.8
Europe	365.0	298.6
Asia Pacific	133.2	118.9
Latin America	90.8	69.7
Net Revenues	$ 1,343.1	$ 1,092.0

Wizards of the Coast and Digital Gaming Segment

Wizards of the Coast and Digital Gaming segment net revenues increased 63% in the first six months of 2021 to $648.5 million from $397.3 million in the first six months of 2020 and included the impact of a favorable $11.6 million foreign currency translation.

The net revenue increase in the Wizards of the Coast & Digital Gaming segment during the first six months of 2021 was attributable to net revenue increases from Wizards of the Coast table-top and digital gaming products, most notably, MAGIC THE GATHERING, driven by the number of strong performing card set releases, and from DUNGEONS & DRAGONS table-top games. In addition to these increases were net revenue contributions associated with the launch of *DUNGEONS & DRAGONS: DARK ALLIANCE*, and higher sales from *Magic: The Gathering Arena*. In addition to the net revenue increases from the Company's Wizards of the Coast business, the segment benefited from growth in certain of the Company's licensed digital games.

Wizards of the Coast & Digital Gaming segment operating profit was $302.9 million, or 47% of segment net revenues for the first six months of 2021, compared to operating profit of $169.9 million, or 43% of segment net revenues for the first six months of 2020. The operating profit increase during the first half of 2021 was the result of increased sales described above, partially offset by higher product development costs, administrative costs and advertising costs, primarily related to support of the Company's digital gaming initiatives.

Entertainment Segment

Entertainment segment net revenues for the six months ended June 27, 2021 decreased 7% to $445.4 million from $476.6 million for the six months ended June 28, 2020 and included the impact of a favorable $13.8 million foreign currency translation. The segment net revenue declines were primarily driven by lower revenues from theatrical film releases and lower unscripted television production revenues in 2021 as compared to 2020, partially offset by new scripted programming delivered in 2021. During the first six months of 2020, the Entertainment segment benefited from film releases and television programming produced and released prior to the onset of the COVID-19 pandemic whereas the limited production of live-action entertainment content during 2020, due to the shutdown and gradual reopening of production studios, resulted in fewer deliveries and fewer theatrical film releases during the first six months of 2021.

The Entertainment segment operating losses were $96.7 million, or 22% of net revenues, for the six months ended June 27, 2021, compared to $77.8 million, or 16% of segment net revenues, for the six months ended June 28, 2020. The operating loss in the first six months of 2021 includes a non-cash impairment charge of $101.8 million associated with the sale of eOne Music. The operating loss in the first six months of 2020 included $98.5 million of acquisition and integration costs consisting of $47.4 million of expense associated with the acceleration of eOne stock-based compensation, $24.5 million of advisor fees settled at the closing of the acquisition and $20.9 million in impairment charges for certain production assets. Also contributing to the loss is $47.6 million of incremental intangible amortization costs related to the intangible assets acquired in the eOne Acquisition.

Absent these charges in both periods, operating profit for the segment declined due to lower segment net revenues and higher program cost amortization due to certain television programming deliveries that carry higher programming costs. These decreases were partially offset by lower advertising expenses as a result of fewer theatrical releases during the first six months of 2021 compared to 2020.

(Millions of Dollars and Shares Except Per Share Data)

The following table presents Entertainment segment net revenues by category for the six-month periods ended June 27, 2021 and June 28, 2020.

	Six Months Ended	
	June 27, 2021	June 28, 2020
Film and TV	$ 330.7	$ 372.9
Family Brands	44.9	44.7
Music and Other	69.8	59.0
Net revenues	$ 445.4	$ 476.6

Corporate and Other Segment

Operating losses in the Corporate and Other Segment for the first six months of 2021 were $32.4 million, compared to operating losses of $58.2 million for the first six months of 2020. Operating losses in 2021 were driven by higher administrative expenses including $9.5 million of transaction costs associated with the sale of eOne Music and higher compensation expense, including retention costs of $3.8 million in relation to the eOne acquisition. Operating losses in the first six months of 2020 were driven primarily by charges related to the eOne Acquisition; including acquisition and integration costs of $22.0 million and restructuring and related costs of $39.5 million. In addition to the charges associated with the eOne Acquisition, the Company incurred $11.6 million of severance charges associated with cost-savings initiatives.

OPERATING COSTS AND EXPENSES

Second Quarter 2021

The Company's costs and expenses, stated as percentages of net revenues, are illustrated below for the quarters ended June 27, 2021 and June 28, 2020.

	Quarter Ended	
	June 27, 2021	June 28, 2020
Cost of sales	26.1 %	29.4 %
Program cost amortization	8.4	5.9
Royalties	8.4	11.3
Product development	6.6	6.8
Advertising	8.0	8.4
Amortization of intangibles	2.2	4.0
Selling, distribution and administration	26.8	32.7
Loss on assets held for sale	7.7	—
Acquisition and related costs	—	1.2

Cost of sales for the second quarter of 2021 was $345.0 million, or 26.1% of net revenues, compared to $253.2 million, or 29.4% of net revenues, for the second quarter of 2020. The cost of sales increase in dollars was primarily due to higher sales volumes and higher inventory costs driven by increased freight costs and, to a lesser extent, from the impact of $9.3 million of foreign currency exchange. As a percentage of net revenues, the cost of sales decrease was driven by product mix, primarily from Wizards of the Coast table-top games and lower allowances, combined with more profitable closeout sales in the second quarter of 2021.

Program cost amortization increased to $110.7 million, or 8.4% of net revenues, for the second quarter of 2021 from $50.6 million, or 5.9% of net revenues, for the second quarter of 2020. Program costs are capitalized as incurred and amortized using the individual-film-forecast method which matches costs to the related recognized revenue. The increase during the second quarter of 2021 was driven by higher programming revenues from scripted television deliveries compared to the second quarter of 2020. Lower program cost amortization as a percentage of net sales in the second quarter of 2020, reflects purchase accounting adjustments made to programming assets acquired through the eOne acquisition.

Royalty expense for the second quarter of 2021 increased to $111.5 million, or 8.4% of net revenues, compared to $97.4 million, or 11.3% of net revenues, for the second quarter of 2020. Fluctuations in royalty expense are generally related to the volume of content releases and deliveries and entertainment-driven products sold. The increase in royalty expense in dollars was driven primarily by higher sales of Partner Brand products in the second quarter of 2021 as compared to the second quarter of 2020. The decrease in royalty expense as a percent of net revenues during the second quarter of 2021 was the result of a higher percentage of product sales that don't carry significant royalty expenses.

Product development expense for the second quarter of 2021 was $87.2 million, or 6.6% of net revenues, compared to $58.4 million, or 6.8% of net revenues, for the second quarter of 2020. The increase was primarily related to increased investments in the Wizards of the Coast game development, most notably development costs related to the Company's digital gaming initiatives.

Advertising expense for the second quarter of 2021 was $105.4 million, or 8.0% of net revenues, compared to $72.3 million, or 8.4% of net revenues, for the second quarter of 2020. The advertising expense increase was driven by net revenue increases, most notably in the Consumer Products segment, during the second quarter of 2021 compared to the second quarter of 2020, as advertising spend is generally impacted by revenue mix and the number and type of entertainment releases. In addition, the advertising expense increase was impacted by costs associated with the launch of the Company's digital gaming initiatives, primarily *DUNGEONS & DRAGONS: DARK ALLIANCE* in 2021.

Amortization of intangible assets decreased to $29.7 million, or 2.2% of net revenues, for the second quarter of 2021, compared to $34.7 million, or 4.0% of net revenues, for the second quarter of 2020. The decrease is related to the discontinuation of amortization related to the eOne Music intangible assets, upon being classified as held for sale assets, as well as certain licensed property rights which became fully amortized in the fourth quarter of 2020.

For the second quarter of 2021, the Company's selling, distribution and administration expenses increased to $354.3 million, or 26.8% of net revenues, from $281.2 million, or 32.7% of net revenues, for the second quarter of 2020. The increase in selling, distribution and administration expenses reflects higher bonus and stock compensation expense, higher marketing and sales costs consistent with the increase in net revenues, higher freight and warehousing costs and higher depreciation expense associated with capitalized games in the Wizards of the Coast business. These increases were partially offset by lower expense for credit losses during the second quarter of 2021.

The loss on assets held for sale of $101.8 million, or 7.7% of net revenues, represents a non-cash impairment charge associated with the disposition of eOne Music.

During the second quarter of 2020, the Company incurred $10.3 million of acquisition and related costs in connection with the eOne Acquisition. These expenses comprised of $4.0 million of acquisition and integration costs, and $6.3 million of severance and retention costs.

(Millions of Dollars and Shares Except Per Share Data)

First Six Months of 2021

The Company's costs and expenses, stated as percentages of net revenues, are illustrated below for the six month periods ended June 27, 2021 and June 28, 2020.

	Six Months Ended	
	June 27, 2021	June 28, 2020
Cost of sales	26.1 %	26.2 %
Program cost amortization	8.5	9.3
Royalties	9.0	10.7
Product development	6.1	5.7
Advertising	7.9	8.9
Amortization of intangibles	2.6	3.6
Selling, distribution and administration	26.4	28.5
Loss on assets held for sale	4.2	—
Acquisition and related costs	—	8.1

Cost of sales for the six months ended June 27, 2021 increased to $634.9 million, or 26.1% of net revenues, from $515.9 million, or 26.2% of net revenues for the six months ended June 28, 2020. The cost of sales increase in dollars was primarily due to higher sales volumes and higher inventory costs as a result of increased freight costs and, to a lesser extent, from the impact of $13.4 million of foreign currency exchange. These increases were partially offset by more profitable closeout sales during the first half of 2021.

Program cost amortization increased in the first six months of 2021 to $208.2 million, or 8.5% of net revenues, from $182.8 million, or 9.3% of net revenues, in the first six months of 2020. Programming costs are capitalized as incurred and amortized using the individual-film-forecast method which matches costs to the related recognized revenue. The increase during the first six months of 2021 was the result of higher television programming revenues, primarily from deliveries that carry higher programming costs, as well as certain purchase accounting adjustments in 2020.

Royalty expense for the six months ended June 27, 2021 was $220.4 million, or 9.0% of net revenues, compared to $210.2 million, or 10.7% of net revenues, for the six months ended June 28, 2020. Fluctuations in royalty expense are generally related to the volume of content releases and deliveries and entertainment-driven products sold. The increase in royalty expense during the first six months of 2021 was driven primarily by higher sales of Partner Brand products as compared to the first six months of 2020.

Product development expense for the six months ended June 27, 2021 increased to $149.0 million, or 6.1% of net revenues, from $112.2 million, or 5.7% of net revenues, for the six months ended June 28, 2020. The increase was primarily related to investments in the Wizards of the Coast and Digital Gaming segment, most notably development costs related to the Company's digital gaming initiatives such as *MAGIC SPELLSLINGERS* and *DUNGEONS & DRAGONS: DARK ALLIANCE* and certain mobile gaming apps.

Advertising expense for the six months ended June 27, 2021 was $193.3 million, or 7.9% of net revenues, compared to $174.0 million, or 8.9% of net revenues, for the six months ended June 28, 2020. The advertising expense increase reflects growth in revenues during the first half of 2021 compared to the first half of 2020 and higher costs associated with the launch of the Company’s digital initiatives, most notably, *DUNGEONS & DRAGONS: DARK ALLIANCE*. These increases were partially offset by reduced promotional spend in the Entertainment segment due to fewer theatrical releases during the first six months of 2021 compared to 2020.

Amortization of intangible assets was $62.6 million, or 2.6% of net revenues, for the six months ended June 27, 2021 compared to $71.5 million, or 3.6% of net revenues, in the first six months of 2020. The decrease is primarily related to certain licensed property rights which became fully amortized in the fourth quarter of 2020 combined with the discontinuation of amortization related to the eOne Music intangible assets in the second quarter of 2021, upon being classified as held for sale assets.

For the six months ended June 27, 2021, the Company's selling, distribution and administration expenses increased to $642.9 million, or 26.4% of net revenues, from $560.3 million, or 28.5% of net revenues, for the six months ended June 28, 2020. The increase in selling, distribution and administration expenses reflects higher marketing and sales costs consistent with the increase in net revenues, higher bonus and stock compensation expense and increased freight and warehousing costs. These increases were partially offset by lower expense for credit losses during the first six months of 2021.

The loss on assets held for sale of $101.8 million, or 4.2% of net revenues, represents a non-cash impairment charge associated with the disposition of eOne Music.

During the first six months of 2020, the Company incurred $160.0 million of acquisition and related costs in connection with the eOne Acquisition. These expenses comprised $99.7 million of acquisition and integration costs, primarily related to $47.4 million of expense associated with the acceleration of eOne stock-based compensation and $39.0 million of advisor fees settled at the closing of the acquisition. Also included in the acquisition and related costs were $60.4 million of restructuring and related costs including severance and retention costs of $19.5 million, as well as $40.9 million in impairment charges for certain definite-lived intangible and production assets. The impairment charges of $40.9 million were driven by the change in strategy for the combined company's entertainment assets.

NON-OPERATING (INCOME) EXPENSE

Interest expense for the second quarter and first six months of 2021 totaled $46.1 million and $94.0 million, respectively, compared to $49.6 million and $104.3 million in the second quarter and first six months of 2020, respectively. The decrease in interest expense for the second quarter and first six months of 2021 primarily reflects 2020 and 2021 debt paydown activities related to borrowings utilized for the eOne acquisition and lower interest rates, partially offset by higher production financing borrowings during the second quarter and first six months of 2021.

Interest income was $1.2 million and $2.4 million for the second quarter and first six months of 2021, respectively, compared to $0.9 million and $5.6 million in the second quarter and first six months of 2020, respectively. Lower average interest rates in 2021 compared to 2020 contributed to the decrease for the six-month period.

Other income, net was $9.4 million and $38.3 million for the second quarter and first six months of 2021, respectively, compared to other income, net of $2.8 million and $4.1 million in the second quarter and first six months of 2020, respectively. The increase was driven by $26.7 million gain realized in the first six months of 2021, of which $1.1 million was recognized in the second quarter of 2021, from a legal settlement.

INCOME TAXES

Income tax expense totaled $63.0 million on pre-tax earnings of $41.1 million in the second quarter of 2021 compared to income tax benefit of $10.8 million on pre-tax loss of $43.7 million in the second quarter of 2020. For the six-month period, the income tax expense totaled $75.0 million on pre-tax earnings of $170.6 million compared to an income tax benefit of $14.9 million on a pre-tax loss of $115.7 million in 2020. Both periods were impacted by discrete tax events including the accrual of potential interest and penalties on uncertain tax positions. During the first six months of 2021, unfavorable discrete tax adjustments were a net expense of $17.4 million compared to a net discrete tax benefit of $24.0 million in the first six months of 2020. The unfavorable discrete tax adjustments for the first six months of 2021 are primarily associated with the revaluation of net deferred tax liabilities as a result of the United Kingdom's ("UK") enactment of Finance Act 2021 during the second quarter, which increases the corporate income tax rate from 19% to 25% as of April 1, 2023. This is reduced by the release of a valuation allowance on net operating losses that offsets income received from a one-time legal settlement and certain benefits associated with normal business activities, including the reversal of uncertain tax positions that resulted from statues of limitations expiring in certain jurisdictions and operational tax planning during the second quarter. In addition, included in the second quarter of 2021 is an impairment expense on assets held for sale for which there is no corresponding tax benefit. The favorable discrete tax adjustments for the first six months of 2020 primarily relate to the costs related to the acquisition of eOne. Absent discrete items, the tax rates for the first six months of 2021 and 2020 were 22.6% and 20.5% respectively. The increase in the base rate of 22.6% for the first six months of 2021 is primarily due to the mix of jurisdictions where the Company earned its profits.

Changes in income tax laws could materially impact our recorded deferred tax assets and liabilities and our effective tax rate. We monitor such rules and adjust our deferred tax assets and liabilities in the quarter in which such laws become enacted. Accordingly, we recorded the impact of the United Kingdom's Finance Act 2021 upon receiving royal assent on June 10, 2021. The primary impact from this legislation resulted in the revaluation of deferred net tax liabilities from eOne, increasing the tax provision by $39.4 million in the second quarter of 2021.

OTHER INFORMATION

Business Seasonality and Shipments

Historically, the revenue pattern of Hasbro’s consumer products business has shown the second half of the year to be more significant to its overall business than the first half. The Company expects that this concentration will continue, particularly as more of its business has shifted to larger customers with order patterns concentrated in the second half of the year around the holiday season. The concentration of sales in the second half of the year increases the risk of (a) underproduction of popular items, (b) overproduction of less popular items, and (c) failure to achieve tight and compressed shipping schedules.

The Company’s consumer products customer order patterns vary from year to year largely due to fluctuations in the degree of consumer acceptance of product lines, product availability, marketing strategies and inventory policies of retailers, the dates of theatrical releases of major motion pictures for which we offer products, and changes in overall economic conditions. A disproportionate volume of our net revenues has historically been earned during the third and fourth quarters leading up to the retail industry’s holiday selling season, including Christmas. As a result, comparisons of unshipped orders on any date with those at the same date in the prior year are not necessarily indicative of our sales for that year. Moreover, quick response, or just-in-time, inventory management practices result in a significant proportion of orders being placed for immediate delivery. Although the Company may receive orders from customers in advance, it is general industry practice that these orders are subject to amendment or cancellation by customers prior to shipment and, as such, the Company does not believe that these unshipped orders, at any given date, are necessarily indicative of future sales. We expect retailers will continue to follow this strategy.

Accounting Pronouncement Updates

In August 2018, the FASB issued Accounting Standards Update No. 2018-14 (ASU 2018-14) Compensation – Retirement Benefits – *Defined Benefit Plans – General (Subtopic 715-20)- Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans*. The amendments in this update modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. For public companies, this standard is effective for annual reporting periods beginning after December 15, 2020, and early adoption is permitted. The Company adopted the standard in the first quarter of 2021 and the adoption of the standard did not have a material impact on its consolidated financial statements.

In December 2019, the FASB issued Accounting Standards Update No. 2019-12 (ASU 2019-12), Income Taxes (Topic 740): *Simplifying the Accounting for Income Taxes*. The amendments in this update remove certain exceptions for performing intra-period tax allocations, recognizing deferred taxes for investments, and calculating income taxes in interim periods. The guidance also simplifies the accounting for franchise taxes, transactions that result in a step-up in the tax basis of goodwill, and the effect of enacted changes in tax laws or rates in interim periods. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020 and early adoption is permitted. The Company adopted the standard in the first quarter of 2021 and the adoption of the standard did not have a material impact on its consolidated financial statements.

Recently Issued Accounting Pronouncements

In March of 2020, the FASB issued Accounting Standards Update No. 2020-04 (ASU 2020-04) Reference Rate Reform (Topic 848): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting.* The amendments in this update provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions, for a limited period of time, to ease the potential burden of recognizing the effects of reference rate reform on financial reporting. The amendments in this update apply to contracts, hedging relationships and other transactions that reference the London Inter-Bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued due to the global transition away from LIBOR and certain other interbank offered rates. An entity may elect to apply the amendments provided by this update beginning March 12, 2020 through December 31, 2022. The Company does not currently expect the change from LIBOR to an alternate rate to have a material impact on its consolidated financial statements, and the Company is continuing to evaluate the standard's potential impact to its consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically generated a significant amount of cash from operations. In the first six months of 2021 and 2020 the Company primarily funded its operations and liquidity needs through cash on hand and cash flows from operations. In addition, the Company’s Entertainment operating segment used production financing to fund certain of its television and film productions which are typically arranged on an individual production basis by special purpose production subsidiaries.

The Company expects to continue to fund its working capital needs primarily through available cash and cash flows from operations as well as production financing facilities and, when needed, by issuing commercial paper or borrowing under its revolving credit agreement. In the event that the Company is not able to issue commercial paper, the Company intends to utilize its available lines of credit. The Company believes that the funds available to it, including cash expected to be generated from operations and funds available through its commercial paper program or its available lines of credit and production financing are adequate to meet its working capital needs for the remainder of 2021. The Company may also issue debt or equity securities from time to time, to provide additional sources of liquidity when pursuing opportunities to enhance our long-term competitive position, while maintaining a strong balance sheet. However, unexpected events or circumstances such as material operating losses or increased capital or other expenditures or inability to otherwise access the commercial paper market, may reduce or eliminate the availability of external financial resources. In addition, significant disruptions to credit markets may also reduce or eliminate the availability of external financial resources. Although the Company believes the risk of nonperformance by the counterparties to its financial facilities is not significant, in times of severe economic downturn in the credit markets, it is possible that one or more sources of external financing may be unable or unwilling to provide funding to the Company.

As of June 27, 2021, the Company's cash and cash equivalents totaled $1,228.2 million, of which $83.1 million is restricted under the Company's production financing facilities.

Prior to 2017, deferred income taxes had not been provided on the majority of undistributed earnings of international subsidiaries as such earnings were considered indefinitely reinvested by the Company. The Tax Cuts and Jobs Act of 2017 provided significant changes to the U.S. tax system including the elimination of the ability to defer U.S. income tax on unrepatriated earnings by imposing a one-time mandatory deemed repatriation tax on undistributed foreign earnings. As of June 27, 2021, the Company has a total liability of $156.1 million related to this tax, $18.4 million is reflected in current liabilities while the remaining long-term payable related to the Tax Cuts and Jobs Act of 2017 of $137.7 million is presented within other liabilities, non-current on the Consolidated Balance Sheets. As permitted by the Tax Act, the Company will pay the transition tax in annual interest-free installments through 2025. As a result, the related earnings in foreign jurisdictions are available with greater investment flexibility. The majority of the Company's cash and cash equivalents held outside of the United States as of June 27, 2021 is denominated in the U.S. dollar.

Because of the seasonality in the Company's cash flow, management believes that on an interim basis, rather than discussing only its cash flows, a better understanding of its liquidity and capital resources can be obtained through a discussion of the various balance sheet categories. Also, as several of the major categories, including cash and cash equivalents, accounts receivable, inventories and short-term borrowings, fluctuate significantly from quarter to quarter, due to the seasonality of its business, management believes that a comparison to the comparable period in the prior year is generally more meaningful than a comparison to the prior year-end.

The table below outlines key financial information (in millions of dollars) pertaining to our consolidated balance sheets including the period-over-period changes.

	June 27, 2021	June 28, 2020	% Change
Cash and cash equivalents (including restricted cash of $83.1 and $71.9)	$ 1,228.2	$ 1,038.0	18 %
Accounts receivable, net	865.9	911.3	-5
Inventories	499.6	564.2	-11
Prepaid expenses and other current assets	543.2	672.2	-19
Other assets	1,350.5	1,329.1	2
Accounts payable and accrued liabilities	1,778.9	1,596.6	11
Other liabilities	753.0	771.7	-2

Accounts receivable decreased to $865.9 million at June 27, 2021, compared to $911.3 million at June 28, 2020. Absent the favorable foreign currency impact of $22.1 million, accounts receivable decreased 7%, or $67.5 million. The decrease in accounts receivable was driven primarily by improved collections during the first half of 2021 and by lower sales during the fourth quarter of 2020, primarily in the Company's Latin American and Asia Pacific markets. Days sales outstanding decreased from 96 days at June 28, 2020 to 60 days at June 27, 2021 primarily due to the increase in revenues and mix of sales during the first half of 2021 as well as from improved collections across all geographies during the year.

Inventories decreased to $499.6 million as of June 27, 2021, compared to $564.2 million at June 28, 2020. Absent the favorable foreign currency impact of $15.9 million, inventories decreased 14% reflecting lower levels, primarily in the Latin American, Europe and Asia Pacific markets due to improved inventory management and higher obsolescence charges taken during 2020, as a result of the impact of COVID-19.

Prepaid expenses and other current assets decreased to $543.2 million at June 27, 2021 from $672.2 million at June 28, 2020. The decrease was driven primarily by the reclassification of eOne Music assets as assets held for sale during the second quarter of 2021. Absent the impact of this reclassification, prepaid expenses and other current assets decreased as a result of lower prepaid royalty balances in relation to the Company’s Marvel and Lucasfilm royalty agreements, lower prepaid tax balances, lower short-term investment balances as a result of the Company's global cash management strategy and lower unrealized gains on foreign exchange contracts.

Other assets increased to approximately $1,350.5 million at June 27, 2021 from $1,329.1 million at June 28, 2020. The increase was driven by higher capitalized film and television content and production balances due to increased investments in productions and acquired content, partially offset by lower non-current receivable balances within the Entertainment segment during the first six months of 2021.

Accounts payable and accrued liabilities increased to $1,778.9 million at June 27, 2021 from $1,596.6 million at June 28, 2020 driven by higher deferred revenue balances in the first half of 2021 due to 2020 purchase accounting fair value adjustments related to the eOne acquisition, higher incentive compensation accruals and higher accrued advertising balances.

Other liabilities decreased to $753.0 million at June 27, 2021 from $771.7 million at June 28, 2020. The decrease was driven by lower long-term lease liability balances and a lower transition tax liability balance reflecting the reclassification of the 2021 installment payment, partially offset by higher deferred compensation and tax reserves.

Cash Flow

The following table summarizes the changes in the Consolidated Statement of Cash Flows, expressed in millions of dollars, for the quarters ended June 27, 2021 and June 28, 2020.

	June 27, 2021	June 28, 2020
Net cash provided by (used in):		
Operating activities	$ 577.1	$ 258.2
Investing activities	(66.3)	(4,454.8)
Financing activities	(718.4)	678.5

Net cash provided by operating activities in the first six months of 2021 was $577.1 million compared to $258.2 million in the first six months of 2020. The $318.9 million increase in net cash provided by operating activities was primarily attributable to higher earnings in 2021, combined with improved working capital, partially offset by higher film and television production spend as a result of increased production activities during the first six months of 2021.

Net cash utilized by investing activities was $66.3 million in the first six months of 2021 compared to $4,454.8 million in the first six months of 2020. Investing activities in 2020 included $4.4 billion of cash utilized to acquire eOne, net of cash acquired funded by the net proceeds from the issuance of an aggregate principal amount of $2.4 billion in senior secured notes in November 2019, net proceeds $975.2 million from of the issuance of approximately 10.6 million shares of common stock in November 2019 and $1.0 billion in term loans drawn in the first quarter of 2020.

Additions to property, plant and equipment were $63.1 million in the first six months of 2021 compared to $64.0 million in the first six months of 2020.

Net cash utilized by financing activities was $718.4 million in the first six months of 2021 compared to net cash provided by financing activities of $678.5 million in the first six months of 2020. Financing activities in the first six months of 2021 include the repayment of $300.0 million aggregate principal amount of 3.15% Notes and payments totaling $265.0 million related to the $1.0 billion in term loans described above consisting of $250.0 million towards the principal balance of the Three-Year Tranche loans and quarterly principal payments totaling $15.0 million. In addition, the Company had drawdowns of $114.7 million and repayments of $70.2 million related to production financing loans. In the first six months of 2020, cash provided by financing activities was driven by the proceeds of the Company's $1.0 billion term loans, partially offset by repayments of $90.7 million related to production financing loans, payments totaling $47.4 million associated with the redemption of stock awards that were accelerated as a result of the eOne acquisition and $7.5 million for the Company's first installment towards the term loan repayment.

Dividends paid in the first half of 2021 totaled $187.5 million, consistent with dividends paid in the first half of 2020 of $186.2 million. There were no repurchases of the Company’s common stock in the first six months of 2021 as the Company suspended its share repurchase program while it prioritizes deleveraging.

Sources and Uses of Cash

The Company has an agreement with a group of banks which provides for a commercial paper program (the "Program"). Under the Program, at the request of the Company and subject to market conditions, the banks may either purchase from the Company, or arrange for the sale by the Company, of unsecured commercial paper notes. The Company may issue notes from time to time up to an aggregate principal amount outstanding at any given time of $1.0 billion. The maturities of the notes may vary but may not exceed 397 days. The notes are sold under customary terms in the commercial paper market and are issued at a discount to par, or alternatively, sold at par and bear varying interest rates based on a fixed or floating rate basis. The interest rates vary based on market conditions and the ratings assigned to the notes by the credit rating agencies at the time of issuance. Subject to market conditions, the Company intends to utilize the Program as its primary short-term borrowing facility and does not intend to sell unsecured commercial paper notes in excess of the available amount under the revolving credit agreement discussed below. If, for any reason, the Company is unable to access the commercial paper market, the Company intends to use the revolving credit agreement to meet the Company's short-term liquidity needs. At June 27, 2021, the Company had no outstanding borrowings related to the Program.

The Company has a second amended and restated revolving credit agreement with Bank of America, N.A., as administrative agent, swing line lender and a letter of credit issuer and lender and certain other financial institutions, as lenders thereto (the "Amended Revolving Credit Agreement"), which provides the Company with commitments having a maximum aggregate principal amount of $1.5 billion. The Amended Revolving Credit Agreement also provides for a potential additional incremental commitment increase of up to $500.0 million subject to agreement of the lenders. The Amended Revolving Credit Agreement contains certain financial covenants setting forth leverage and coverage requirements, and certain other limitations typical of an investment grade facility, including with respect to liens, mergers and incurrence of indebtedness. The Amended Revolving Credit Agreement extends through September 20, 2024. The Company was in compliance with all covenants as of June 27, 2021. The Company had no borrowings outstanding under its committed revolving credit facility as of June 27, 2021. However, letters of credit outstanding under this facility as of June 27, 2021 were approximately $2.7 million. Amounts available and unused under the committed line, at June 27, 2021 were approximately $1.5 billion, inclusive of borrowings under the Company’s commercial paper program. The Company also has other uncommitted lines from various banks, of which approximately $12.4 million was utilized at June 27, 2021. Of the amount utilized under, or supported by, the uncommitted lines, approximately $0.8 million and $11.6 million represent outstanding short-term borrowings and letters of credit, respectively.

In September of 2019, the Company entered into a $1.0 billion Term Loan Agreement (the "Term Loan Agreement") with Bank of America N.A. (“Bank of America”), as administrative agent, and certain financial institutions as lenders, pursuant to which such lenders committed to provide, contingent upon the completion of the eOne Acquisition and certain other customary conditions to funding, (1) a three-year senior unsecured term loan facility in an aggregate principal amount of $400.0 million (the “Three-Year Tranche”) and (2) a five-year senior unsecured term loan facility in an aggregate principal amount of $600.0 million (the “Five-Year Tranche” and together with the Three-Year Tranche, the “Term Loan Facilities”). On December 30, 2019, the Company completed the acquisition of eOne and on that date, borrowed the full amount of $1.0 billion under the Term Loan Facilities. Of the Three-Year Tranche $400 million principal balance, the Company repaid $100 million during the fourth quarter 2020 and $250 million during the second quarter 2021. The Company is subject to certain financial covenants contained in this agreement and as of June 27, 2021, the Company was in compliance with these covenants. The terms of the Term Loan Facilities are described in Note 8 to the consolidated financial statements included in Part I of this Form 10-Q.

During November 2019, in conjunction with the Company's acquisition of eOne, the Company issued an aggregate of $2.4 billion of senior unsecured debt securities (collectively, the "Notes") consisting of the following tranches: $300 million of notes due 2022 (the "2022 Notes") that bear interest at a fixed rate of 2.60%; $500 million of notes due 2024 (the "2024 Notes") that bear interest at a fixed rate of 3.00%; $675 million of notes due 2026 (the "2026 Notes") that bear interest at a fixed rate of 3.55%; and $900 million of notes due 2029 (the "2029 Notes") that bear interest at a fixed rate of 3.90%. The terms of the Notes are described in Note 8 to the consolidated financial statements in Part I of this Form 10-Q.

The Company has principal amounts of long-term debt as of June 27, 2021 of $4.4 billion, due at varying times from 2022 through 2044. Of the total principal amount of long-term debt, $189.6 million is current at June 27, 2021 of which $30.0 million is related to principal amortization of the 5-year term loans due December 2024. During the first quarter of 2021, the Company repaid in full, its 3.15% Notes in the aggregate principal amount of $300.0 million due in May 2021, including accrued interest. Additionally, the Company has outstanding production financing facilities at June 27, 2021 of $212.6 million of which $53.0 million is included in long-term debt and $159.6 million is reported as the current portion of long-term debt within the

Company's consolidated financial statements, included in Part I of this Form 10-Q. All of the Company's other long-term borrowings have contractual maturities that occur subsequent to the first quarter of 2022 with the exception of certain of the Company's production financing facilities discussed above.

In November of 2019, the Company completed an underwritten public offering of 10.6 million shares of common stock, par value $0.50 per share, at a public offering price of $95.00 per share. Net proceeds from this public offering were approximately $975.2 million, after deducting underwriting discounts and commissions and offering expenses of approximately $31.1 million. The net proceeds were used to finance, in part, the acquisition of eOne and to pay related costs and expenses.

The Company also had letters of credit and other similar instruments of approximately $14.3 million and purchase commitments of approximately $428.3 million outstanding at June 27, 2021.

Other contractual obligations and commercial commitments, as detailed in the Company's 2020 Form 10-K, did not materially change outside of certain payments made in the normal course of business and as otherwise set forth in this report. The table of contractual obligations and commercial commitments, as detailed in the Company's 2020 Form 10-K does not include certain tax liabilities related to uncertain tax positions and certain unsatisfied performance obligations primarily related to in-production television content to be delivered in the future, under existing agreements.

The Company has a long history of returning cash to its shareholders through quarterly dividends and share repurchases. In 2021 Hasbro maintained its quarterly dividend rate of $0.68 per share for the dividends paid in February and May and has declared a third cash dividend of $0.68 per share scheduled for August 2021. In addition to the dividend, the Company periodically returns cash to shareholders through its share repurchase program. As part of this initiative, since 2005, the Company's Board of Directors (the "Board") adopted numerous share repurchase authorizations with a cumulative authorized repurchase amount of $4.3 billion. The most recent authorization was approved in May 2018 for $500 million. Since 2005, Hasbro has repurchased 108.6 million shares at a total cost of $4.0 billion and an average price of $36.44 per share. At June 27, 2021, the Company had $366.6 million remaining under these share repurchase authorizations. Share repurchases are subject to market conditions, the availability of funds and other uses of funds. As a result of the financing activities related to the eOne Acquisition, the Company has suspended its current share repurchase program while it prioritizes deleveraging.

The Company believes that cash from operations, and, if necessary, its committed line of credit and other borrowing facilities, will allow the Company to meet its obligations over the next twelve months.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. As such, management is required to make certain estimates, judgments and assumptions that it believes are reasonable based on the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods presented. The significant accounting policies which management believes are the most critical to aid in fully understanding and evaluating the Company's reported financial results include film and television production costs, recoverability of goodwill and intangible assets, income taxes and business combinations. Additionally, the Company identified the valuation of the Company's equity method investment in Discovery Family Channel as a significant accounting estimate. These critical accounting policies are the same as those detailed in the 2020 Form 10-K.

FINANCIAL RISK MANAGEMENT

The Company is exposed to market risks attributable to fluctuations in foreign currency exchange rates, primarily as the result of sourcing products priced in U.S. dollars, Hong Kong dollars and Euros while marketing those products in more than twenty currencies. Results of operations may be affected primarily by changes in the value of the U.S. dollar, Hong Kong dollar, Euro, British pound sterling, Canadian dollar, Brazilian real, Russian ruble and Mexican peso and, to a lesser extent, other currencies in Latin American and Asia Pacific countries.

To manage this exposure, the Company has hedged a portion of its forecasted foreign currency transactions for fiscal years 2021 and 2022 using foreign exchange forward contracts. The Company is also exposed to foreign currency risk with respect to its net cash and cash equivalents or short-term borrowing positions in currencies other than the U.S. dollar. The Company believes, however, that the on-going risk on the net exposure should not be material to its financial condition. In addition, the Company's revenues and costs have been, and will likely continue to be, affected by changes in foreign currency rates. A significant change in foreign exchange rates can materially impact the Company's revenues and earnings due to translation of foreign-denominated revenues and expenses. The Company does not hedge against translation impacts of foreign exchange. From time to time, affiliates of the Company may make or receive intercompany loans in currencies other than their functional currency. The Company manages this exposure at the time the loan is made by using foreign exchange contracts.

The Company reflects all forward and option contracts at their fair value as an asset or liability on the consolidated balance sheets. The Company does not speculate in foreign currency exchange contracts. At June 27, 2021, these contracts had net unrealized gains of $1.1 million, of which $5.1 million of unrealized gains are recorded in prepaid expenses and other current assets, $1.7 million of unrealized gains are recorded in other assets, $5.6 million of unrealized losses are recorded in accrued liabilities and $0.1 million of unrealized losses are recorded in other liabilities. Included in accumulated other comprehensive loss at June 27, 2021 are deferred losses, net of tax, of $3.2 million, related to these derivatives.

At June 27, 2021, the Company had principal amounts of long-term debt of $4.4 billion. In May 2014, the Company issued an aggregate amount of $600.0 million of long-term debt consisting of $300.0 million of 3.15% Notes, which were repaid in full during the first quarter of 2021, and $300.0 million of 5.10% Notes due 2044. Prior to the debt issuance, the Company entered into forward-starting interest rate swap agreements with a total notional value of $500 million to hedge the anticipated underlying U.S. Treasury interest rate. These interest rate swaps were matched with this debt issuance and were designated and effective as hedges of the change in future interest payments. At the date of debt issuance, the Company terminated these interest rate swap agreements and their fair value at the date of issuance was recorded in accumulated other comprehensive loss and is being amortized through the consolidated statements of operations using an effective interest rate method over the life of the related debt. Included in accumulated other comprehensive loss at June 27, 2021 are deferred losses, net of tax, of $15.9 million, all of which relates to the remaining $300.0 million of 5.10% Notes due 2044.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The information required by this item is included in Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and is incorporated herein by reference.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

The Company maintains disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of June 27, 2021. Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

Changes in internal control over financial reporting

There were no changes in the Company's internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Exchange Act, during the quarter ended June 27, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. In the first quarter of fiscal 2020, we completed the acquisition of eOne as described in Note 3 to the consolidated financial statements in Part I of this Form 10-Q. We are currently integrating eOne into our internal control over financial reporting processes. This integration will be completed in 2021.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is currently party to certain legal proceedings, none of which it believes to be material to its business or financial condition.

Item 1A. Risk Factors.

In connection with information set forth in this Quarterly Report on Form 10-Q, the risk factors discussed under Item 1A. Risk Factors, in Part I of our 2020 Form 10-K should be considered. The risks set forth in our 2020 Form 10-K could materially and adversely affect our business, financial condition, and results of operations. There are no material changes from the risk factors as previously disclosed in our 2020 10-K or any of our subsequently filed reports.

Forward Looking Statement Safe Harbor

Certain statements in this Form 10-Q contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which may be identified by the use of forward-looking words or phrases, include statements relating to: the impact of, and actions and initiatives taken and planned to be taken, to try and manage the negative impact of the global coronavirus outbreak on our business; the ability to achieve our financial and business goals and objectives, including continued profitable growth and successful integration of eOne; the expected adequacy and delivery of product supply; operation of our third-party manufacturing facilities; the Company's product and entertainment plans, including the timing of product and content releases; changes in the methods of content distribution, including increased reliance on streaming outlets; marketing and promotional efforts; anticipated expenses; working capital and liquidity; and anticipated impact of acquisitions and dispositions. Our actual actions or results may differ materially from those expected or anticipated in the forward-looking statements due to both known and unknown risks and uncertainties. Factors that might cause such a difference include, but are not limited to:

- our ability to design, develop, produce, manufacture, source and ship products on a timely, cost-effective and profitable basis;
- rapidly changing consumer interests in the types of products and entertainment we offer;
- the challenge of developing and offering products and storytelling experiences that are sought after by children, families and audiences given increasing technology and entertainment offerings available;
- our ability to develop and distribute engaging storytelling across media to drive brand awareness including our ability to successfully develop and distribute content based on our brands through the capabilities of eOne;
- our dependence on third party relationships, including with third party manufacturers, licensors of brands, studios, content producers and entertainment distribution channels;
- our ability to successfully compete in the global play and entertainment industry, including with manufacturers, marketers, and sellers of toys and games, digital gaming products and digital media, as well as with film studios, television production companies and independent distributors and content producers;
- our ability to successfully evolve and transform our business and capabilities to address a changing global consumer landscape and retail environment, including changing inventory policies and practices of our customers;
- our ability to develop new and expanded areas of our business, such as through eOne, Wizards of the Coast, and our other entertainment and digital gaming initiatives;
- our ability to successfully develop and execute plans to mitigate the negative impact of the coronavirus on our business, including, without limitation, negative impacts to our supply chain and costs that have occurred and could continue to occur in the future as the pandemic remains and potentially worsens or reemerges in countries where we source significant amounts of product;
- risks associated with international operations, such as currency conversion, currency fluctuations, the imposition of tariffs, quotas, shipping delays or difficulties, border adjustment taxes or other protectionist measures, and other challenges in the territories in which we operate;
- our ability to successfully implement actions to lessen the impact of potential and enacted tariffs imposed on our products, including any changes to our supply chain, inventory management, sales policies or pricing of our products;
- downturns in global and regional economic conditions impacting one or more of the markets in which we sell products, which can negatively impact our retail customers and consumers, result in lower employment levels, consumer disposable income, retailer inventories and spending, including lower spending on purchases of our products;
- other economic and public health conditions or regulatory changes in the markets in which we and our customers, partners, licensees, suppliers and manufacturers operate, such as higher commodity prices, labor costs or transportation costs, or outbreaks of disease, such as the coronavirus, the occurrence of which could create work slowdowns, delays or shortages in production or shipment of products, increases in costs or delays in revenue;

- the success of our key partner brands, including the ability to secure, maintain and extend agreements with our key partners or the risk of delays, increased costs or difficulties associated with any of our or our partners' planned digital applications or media initiatives;
- fluctuations in our business due to seasonality;
- the concentration of our customers, potentially increasing the negative impact to our business of difficulties experienced by any of our customers or changes in their purchasing or selling patterns;
- the bankruptcy or other lack of success of one or more of our significant retailers, licensees or other partners;
- risks relating to the use of third party manufacturers for the manufacturing of our products, including the concentration of manufacturing for many of our products in the People's Republic of China and our ability to successfully diversify sourcing of our products to reduce reliance on sources of supply in China;
- risks related to sourcing of products from countries outside of China, such as India and Vietnam, where the COVID-19 pandemic has negatively impacted our vendors and the ability to transport products to our markets;
- our ability to attract and retain talented employees;
- our ability to realize the benefits of cost-savings and efficiency and/or revenue enhancing initiatives, including initiatives to integrate eOne into our business;
- our ability to protect our assets and intellectual property, including as a result of infringement, theft, misappropriation, cyber-attacks or other acts compromising the integrity of our assets or intellectual property;
- risks relating to the impairment and/or write-offs of products and films and television programs we acquire and produce;
- risks relating to investments, acquisitions and dispositions;
- the risk of product recalls or product liability suits and costs associated with product safety regulations;
- changes in tax laws or regulations, or the interpretation and application of such laws and regulations, which may cause us to alter tax reserves or make other changes which would significantly impact our reported financial results;
- the impact of litigation or arbitration decisions or settlement actions; and
- other risks and uncertainties as may be detailed from time to time in our public announcements and 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 Form 10-Q or to update them to reflect events or circumstances occurring after the date of this Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In May 2018, the Company announced that its Board of Directors authorized the repurchase of an additional $500 million of common stock. Purchases of the Company's common stock may be made from time to time, subject to market conditions. These shares may be repurchased in the open market or through privately negotiated transactions. The Company has no obligation to repurchase shares under this authorization and there is no expiration date. The timing, actual number, and value of shares that are repurchased will depend on a number of factors, including the price of the Company's stock and the Company's generation of, and uses for, cash.

There were no share repurchases made in the second quarter of 2021. Following the Company's acquisition of eOne, the Company suspended its share repurchase program while it prioritizes deleveraging. For further discussion related to the eOne Acquisition, see Note 3 to our consolidated financial statements, which are included in Part I, Item 1 of this Form 10-Q.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

3.1 Restated Articles of Incorporation of the Company. (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)

3.2 Amendment to Articles of Incorporation, dated June 28, 2000. (Incorporated by reference to Exhibit 3.4 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)

3.3 Amendment to Articles of Incorporation, dated May 19, 2003. (Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2003, File No. 1-6682.)

3.4 Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3(d) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, File No. 1-6682.)

3.5 Amendment to Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated August 6, 2014, File No. 1-6682.)

3.6 Amendment to Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K dated October 5, 2015, File No. 1-6682.)

3.7 Amendment to Amended and Restated Bylaws of the Company, as amended. (Incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K dated December 10, 2015, File No. 1-6682.)

3.8 Certificate of Designations of Series C Junior Participating Preference Stock of Hasbro, Inc. dated June 29, 1999. (Incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.)

3.9 Certificate of Vote(s) authorizing a decrease of class or series of any class of shares. (Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No 1-6682.)

4.1 Indenture, dated as of July 17, 1998, by and between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to Citibank, N.A. as Trustee. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 14, 1998, File No. 1-6682.)

4.2 Indenture, dated as of March 15, 2000, by and between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4(b)(i) to the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 1999, File No. 1-6682.)

4.3 First Supplemental Indenture, dated as of September 17, 2007, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 17, 2007, File No. 1-6682.)

4.4 Second Supplemental Indenture, dated as of May 13, 2009, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 13, 2009, File No. 1-6682.)

4.5 Third Supplemental Indenture, dated as of March 11, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 11, 2010, File No. 1-6682.)

4.6 Fourth Supplemental Indenture, dated May 13, 2014, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 13, 2014, file No. 1-6682.)

4.7 Fifth Supplemental Indenture, dated September 13, 2017, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 13, 2017, file No. 1-6682.)

4.8 Sixth Supplemental Indenture dated as of November 19, 2019, among the Company and The Bank of New York Mellon Trust Company, N.A. and U.S. Bank, National Association, supplementing the Indenture dated as of March 15, 2000. (Incorporated by reference to Exhibit 1.2 to the Company’s Current Report on Form 8-K filed November 19, 2019, File No. 1-6682.)

10.1* Form of 2021 Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.

(Millions of Dollars and Shares Except Per Share Data)

10.2*	Form of 2021 Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan for Brian Goldner.
10.3*	Form of 2021 Restricted Stock Unit Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.
10.4*	Form of 2021 Restricted Stock Unit Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan for Brian Goldner.
10.5*	Form of 2021 Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.
10.6*	Form of 2021 Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan for Brian Goldner.
10.7*	Form of 2021 Hasbro, Inc. Performance Rewards Program.
31.1**	Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2**	Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1**	Certification of the Chief Executive Officer Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934.
32.2**	Certification of the Chief Financial Officer Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* *Indicates management contract or compensatory plan, contract or arrangement*

** *Furnished herewith*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HASBRO, INC.
(Registrant)

Date: July 28, 2021

By: /s/ Deborah Thomas
Deborah Thomas
Executive Vice President and
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

EXHIBIT 10.1

HASBRO, INC.

RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN

STOCK OPTION AGREEMENT FOR EMPLOYEES

(WITH NON-COMPETE)

______________, 2021 GRANT

AGREEMENT, made effective as of ___________, 2021, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated option grant recipient (the "Optionee").

WHEREAS, Optionee is an employee of the Company or of a direct or indirect subsidiary of the Company and is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") acting in accordance with the provisions of the Plan is granting to Optionee a non-qualified stock option to purchase the specified number of shares of Common Stock of the Company, par value $.50 per share (the "Common Stock"), at a price determined by said Committee to be not less than the fair market value of such Common Stock on the date of said grant, subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto agree as follows:

W I T N E S S E T H:

1. Contingent upon and in consideration for the Optionee having executed and delivered to the Company’s designated contact no later than ____________, 2021 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the “Non-Compete Agreement”) between the Optionee and the Company in the form provided to the Optionee by the Company (or otherwise confirming the terms of the Optionee’s existing Non-Compete Agreement), the Company hereby grants to the Optionee effective on ______________, 2021, pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a stock option to purchase all or any part of the number of shares of Common Stock (the "Shares"), described in Paragraph 3 below (the "Option"), subject to and upon the terms and conditions set forth in the Plan and the Non-Compete Agreement and the additional terms and conditions hereinafter set forth. The Option is evidenced by this Agreement.

In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan. For the avoidance of doubt, if the Optionee has not executed and delivered to the Company's designated contact the Non-Compete Agreement (or otherwise confirmed the effectiveness of the Optionee's existing Non-Compete Agreement) on or before _____________, 2021 the Option represented by this Agreement will never take effect and will be null and void.

2. By accepting this award the Optionee hereby acknowledges and agrees that (i) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption, is subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, (ii) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Option, which would not have been granted to the Optionee otherwise, and (iii) the Optionee is subject to and bound by the terms of the Non-Compete Agreement. Additionally, the Optionee acknowledges and agrees that if the Optionee is or becomes subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this award and any shares that the Optionee may acquire in the future pursuant to this award, as well as any other equity-based incentive compensation the Optionee is granted after the Optionee becomes subject to the Stock Ownership Policy, the Optionee agrees that the Optionee will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Optionee's applicable requirement levels are met.

3. This Agreement relates to an Option to purchase the specified number of shares which have been communicated to the Optionee at an exercise price of $________ per share (the "Exercise Price Per Share"). (Hereinafter, the term "Exercise Price" shall mean the Exercise Price Per Share multiplied by the number of shares being exercised.)

Subject to the provisions of the Plan and of this Agreement, the Optionee shall be entitled to exercise the Option on a cumulative basis until the day preceding the seventh anniversary of the date of the grant in accordance with the following schedule:

Cumulative
Percent of Option
Period Exercisable

____________ ____ to ____________ ____ 0%
____________ ____ to ____________ ____ 33 1/3%
____________ ____ to ____________ ____ 66 2/3%
____________ ____ to ____________ ____ 100%

In determining the number of shares exercisable in accordance with the above table, fractional shares shall be disregarded.

4. In the event that Optionee wishes to purchase any of the shares then purchasable under the Option as provided in Paragraph 3 hereof, Optionee shall deliver or shall transmit to the Company or to the Company’s designee, in the manner designated by or on behalf of the Company, a notice in the form and/or in the manner designated by or on behalf of the Company or its designee, as the same may be amended or supplemented from time to time by or on behalf the Company, together with a check payable to Hasbro, Inc. or its designee, if applicable, (or accompanied by wire transfer to such account of the Company or its designee as the Company may designate) in United States dollars, in the aggregate amount of the Exercise Price, or shares of Common Stock held by the Optionee for at least six (6) months (duly endorsed to the Company or its designee, if applicable, or accompanied by an executed stock power, in each case with signatures guaranteed by a bank or broker if required by the Company or its designee) having a Fair Market Value (as defined in the Plan) equal to the Exercise Price, or a combination of such shares having a Fair Market Value less than the Exercise Price and a check in United States dollars for the balance of the Exercise Price.

Unless an Optionee shall have made advance alternative arrangements satisfactory to the Company, or to the Company’s designee, each Optionee shall deliver to the Company or its designee, together with the required notice of exercise and payment of the Exercise Price as aforesaid, a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee, if applicable, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of such exercise. Each Optionee shall consult with the Company or the Company’s designee in advance of the exercise so as to determine the amount of withholding taxes due.

An Optionee may also elect to satisfy any withholding taxes payable as a result of such exercise (the "Taxes"), in whole or in part, either (i) by having the Company or its designee withhold from the shares of Common Stock to be issued upon exercise of the Option or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Optionee and held by the Optionee for at least six (6) months (represented by stock certificates duly endorsed to the Company or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date of exercise is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of exercise.

In addition, the Optionee shall comply with such other requirements and provide such additional information and documentation as is reasonably required by the Company, or the Company's designee, to process any exercise of this option and resulting delivery of shares. As soon as practicable after receipt of the notice of exercise, Exercise Price, Taxes, and such other information and documentation as the Company or its designee shall require, the Company or its designee shall deliver or cause to be delivered to Optionee the shares in respect of which the Option was so exercised (less any shares deducted to pay Taxes in accordance with Optionee's election).

5. (a) If an Optionee who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at his or her Normal Retirement Date (as defined below), or an Optionee with at least one year of Credited Service of the Company suffers a permanent physical or mental disability (as defined below) or dies, in each case without the Optionee having fully exercised any Option granted to the Optionee, then the Optionee, the executor, administrator or trustee of the Optionee's estate, or the Optionee's legal representative, as the case may be, shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after such retirement, such disability, or in the case of death, the appointment and qualification of such executor, administrator or trustee (except that in no event other than death may such Option be exercised later than the day preceding the seventh anniversary of the date of the grant of such Option).

In each such case, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such retirement, disability or death. Thereafter, such Option, to the extent not so exercised during such one-year period shall be deemed to have expired regardless of the expiration date otherwise specified in Section 2 hereof.

(b) If an Optionee who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at an Early Retirement Date (as defined below), without the Optionee having fully exercised any Option granted to him or her, the Optionee shall have the right to exercise the unexercised portion of any Option theretofore granted, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement, for a period of not more than three (3) months after the date of early retirement (but in no event shall the exercise period extend beyond the day preceding the seventh anniversary of the date of grant of the Option). Thereafter, the Option, to the extent not exercised during such three-month period shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

(c) If an Optionee ceases to be employed by the Company or by a direct or indirect subsidiary of the Company for any reason other than the reasons set forth in subsections (a), (b) and (d) of this Section 5, he or she shall have the right to exercise the unexercised portion of any Option theretofore granted to Optionee, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of termination, for a period of not more than three (3) months after any such termination (but not, in any event, later than the day preceding the seventh anniversary date of the grant of such Option). Thereafter, such Option, to the extent not so exercised during such three-month period, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

For purposes of subsections (a) and (b) above:

* A year of "Credited Service" shall mean a calendar year in which the Optionee is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a subsidiary of the Company. A Optionee does not need to be, or have been, a participant in the Hasbro Pension Plan.

* "Early Retirement Date" shall mean: the day on which an Optionee who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (l0) or more years of Credited Service, retires.

An Optionee is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (l0) years of Credited Service, and "early retirement" shall mean retirement by an eligible Optionee at the Early Retirement Date.

* "Normal Retirement Date" shall mean: the day on which an Optionee who has attained age sixty-five (65) with five (5) or more years of Credited Service, retires. An Optionee is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Optionee's attainment of age sixty-five (65) and completion of five (5) or more years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Optionee at the Normal Retirement Date.

* "permanent physical or mental disability" shall mean: an Optionee's inability to perform his or her job or any position which the Optionee can reasonably perform with his or her background and training by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration.

(d) Notwithstanding the foregoing, the Optionee acknowledges and agrees that this Option, and any and all rights the Optionee may have hereunder, including any rights with respect to any portion of this Option which may have vested in accordance with the Schedule set forth in Section 3 above, shall terminate immediately upon a termination of the Optionee’s employment with the Company for cause or for any such other reason that casts such discredit on the Optionee as to make termination of the Option appropriate. Whether an Optionee has been terminated for cause or for such other reason that casts such discredit on the Optionee as to make termination of the Option appropriate will be determined by the Administrator in its sole discretion, and in making this determination the Administrator will not be limited by any definition of “Cause” which appears in the Plan. The Optionee’s agreement to the terms in this Section 5(d) are a material condition to the grant of this Option and this Option would not be granted to the Optionee if the Optionee did not agree to such terms.

6. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Option.

7. This Option shall not be transferable by the Optionee, in whole or in part, except in accordance with Section 7 of the Plan, and shall be exercisable only as hereinbefore provided. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Option or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Option or any interest therein, shall be null and void and without effect.

8. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Optionee, Optionee's successors and permitted assigns, and the Company and its successors and assigns.

9. In connection with a Change in Control the Option will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

10. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

11. Notwithstanding any other terms and conditions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the issuance of this Option or shares of Common Stock the Optionee may become entitled to under this Option in the future, the Company shall not be required to deliver any such securities prior to the completion of any registration or qualification of any such securities under any non-U.S. securities, exchange control or other law, or under the rulings or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Optionee understands that the Company is under no obligation to register or qualify any such securities with any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of any such securities. Further, the Optionee agrees that his or her participation in the trade and acceptance of such securities is voluntary and that the Company shall have unilateral authority to amend the Plan and the Agreement without the Optionee's consent to the extent necessary to comply with securities or other laws applicable to issuance of any such securities.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and the Optionee have entered into this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Optionee hereby agrees to the terms of this Agreement with the same effect as if the Optionee had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Brian Goldner
Chairman and Chief Executive Officer

By: ___________________________
Optionee

EXHIBIT 10.2

HASBRO, INC.

RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN

STOCK OPTION AGREEMENT FOR EMPLOYEES

(WITHOUT NON-COMPETE)

___________, 2021 GRANT

BRIAN GOLDNER

AGREEMENT, made effective as of ____________, 2021, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated option grant recipient (the "Optionee").

WHEREAS, Optionee is an employee of the Company or of a direct or indirect subsidiary of the Company and is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") acting in accordance with the provisions of the Plan is granting to Optionee a non-qualified stock option to purchase the specified number of shares of Common Stock of the Company, par value $.50 per share (the "Common Stock"), at a price determined by said Committee to be not less than the fair market value of such Common Stock on the date of said grant, subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto agree as follows:

W I T N E S S E T H:

1. The Company hereby grants to the Optionee effective on ___________, 2021, pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a stock option to purchase all or any part of the number of shares of Common Stock (the "Shares"), described in Paragraph 3 below (the "Option"), subject to and upon the terms and conditions set forth in the Plan and the additional terms and conditions hereinafter set forth. The Option is evidenced by this Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern, provided that to the extent the provisions of the Plan or this Agreement are inconsistent with the terms of the Amended Employment Agreement (as defined below), the provisions of the Amended Employment Agreement shall govern if such agreement provides for more favorable treatment. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

2. By accepting this award the Optionee hereby acknowledges and agrees that (i) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted, is subject to the Company’s Clawback Policy, which was adopted by the Company’s Board of Directors in October 2012, and (ii) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Option, which would not have been granted to the Optionee otherwise. Additionally, the Optionee acknowledges and agrees that if the Optionee is or becomes subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the “Stock Ownership Policy”), then by accepting this award and any shares that the Optionee may acquire in the future pursuant to this award, as well as any other equity-based incentive compensation the Optionee is granted after the Optionee becomes subject to the Stock Ownership Policy, the Optionee agrees that the Optionee will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Optionee’s applicable requirement levels are met.

3. This Agreement relates to an Option to purchase the specified number of shares which have been communicated to the Optionee at an exercise price of $______ per share (the "Exercise Price Per Share"). (Hereinafter, the term "Exercise Price" shall mean the Exercise Price Per Share multiplied by the number of shares being exercised.) Subject to the provisions of the Plan and of this Agreement, the Optionee shall be entitled to exercise the Option on a cumulative basis until the day preceding the seventh anniversary of the date of the grant in accordance with the following schedule:

Cumulative
Percent of Option
Period Exercisable

____________ ____ to ____________ ____ 0%
____________ ____ to ____________ ____ 33 1/3%
____________ ____ to ____________ ____ 66 2/3%
____________ ____ to ____________ ____ 100%

In determining the number of shares exercisable in accordance with the above table, fractional shares shall be disregarded.

4. In the event that Optionee wishes to purchase any of the shares then purchasable under the Option as provided in Paragraph 3 hereof, Optionee shall deliver or shall transmit to the Company or to the Company's designee, in the manner designated by or on behalf of the Company, a notice in the form and/or in the manner designated by or on behalf of the Company or its designee, as the same may be amended or supplemented from time to time by or on behalf the Company, together with a check payable to Hasbro, Inc. or its designee, if applicable, (or accompanied by wire transfer to such account of the Company or its designee as the Company may designate) in United States dollars, in the aggregate amount of the Exercise Price, or shares of Common Stock held by the Optionee for at least six (6) months (duly endorsed to the Company or its designee, if applicable, or accompanied by an executed stock power, in each case with signatures guaranteed by a bank or broker if required by the Company or its designee) having a Fair Market Value (as defined in the Plan) equal to the Exercise Price, or a combination of such shares having a Fair Market Value less than the Exercise Price and a check in United States dollars for the balance of the Exercise Price.

Unless an Optionee shall have made advance alternative arrangements satisfactory to the Company, or to the Company's designee, each Optionee shall deliver to the Company or its designee, together with the required notice of exercise and payment of the Exercise Price as aforesaid, a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee, if applicable, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of such exercise. Each Optionee shall consult with the Company or the Company's designee in advance of the exercise so as to determine the amount of withholding taxes due. An Optionee may also elect to satisfy any withholding taxes payable as a result of such exercise (the "Taxes"), in whole or in part, either (i) by having the Company or its designee withhold from the shares of Common Stock to be issued upon exercise of the Option or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Optionee and held by the Optionee for at least six (6) months (represented by stock certificates duly endorsed to the Company or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date of exercise is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of exercise.

In addition, the Optionee shall comply with such other requirements and provide such additional information and documentation as is reasonably required by the Company, or the Company's designee, to process any exercise of this option and resulting delivery of shares. As soon as practicable after receipt of the notice of exercise, Exercise Price, Taxes, and such other information and documentation as the Company or its designee shall require, the Company or its designee shall deliver or cause to be delivered to Optionee the shares in respect of which the Option was so exercised (less any shares deducted to pay Taxes in accordance with Optionee's election).

5. (a) If the Optionee retires at his Normal Retirement Date (as defined below), or the Optionee suffers a Disability (as defined below) or dies, in each case without the Optionee having fully exercised the Option granted to the Optionee, then the Optionee, the executor, administrator or trustee of the Optionee's estate, or the Optionee's legal representative, as the case may be, shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after such retirement, such Disability, or in the case of death, the appointment and qualification of such executor, administrator or trustee (except that in no event other than death may such Option be exercised later than the day preceding the seventh anniversary of the date of the grant of such Option). In each such case, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such retirement, Disability or death. Thereafter, such Option, to the extent not so exercised during such one-year period shall be deemed to have expired regardless of the expiration date otherwise specified in Section 2 hereof.

(b) If the Optionee's employment with the Company is either (i) terminated by the Optionee for Good Reason (as defined below), or (ii) terminated by the Company without Cause (as defined below), without the Optionee having fully exercised the Option granted to the Optionee, then, upon the Release becoming effective, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such termination of employment, and the Optionee shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after the date of such termination of employment (except that in no event may such Option be exercised later than the day preceding the seventh anniversary of the date of the grant of such Option). Thereafter, such

Option, to the extent not so exercised during such one-year period, shall be deemed to have expired regardless of the expiration date otherwise specified in Section 3 hereof.
For the avoidance of doubt, if the Optionee's employment with the Company is either (i) terminated by the Optionee for Good Reason, or (ii) terminated by the Company without Cause, without the Optionee having fully exercised the Option granted to the Optionee, and the Release does not become effective, then the Option will be treated in accordance with the provisions of Section 5(d) below.

(c) If the Optionee retires at an Early Retirement Date (as defined below), without the Optionee having fully exercised any Option granted to him, the Optionee shall have the right to exercise the unexercised portion of any Option theretofore granted, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement, for a period of not more than three (3) months after the date of early retirement (but in no event shall the exercise period extend beyond the day preceding the seventh anniversary of the date of grant of the Option). Thereafter, the Option, to the extent not exercised during such three-month period, or such longer period as may have been approved by the Committee, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.
(d) If the Optionee ceases to be employed by the Company or by a direct or indirect subsidiary of the Company for any reason other than the reasons set forth in subsections (a), (b) and (c) of this Section 5, he shall have the right to exercise the unexercised portion of any Option theretofore granted to Optionee, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of termination, for a period of not more than three (3) months after any such termination, but not, in any event, later than the day preceding the seventh anniversary date of the grant of such Option. Thereafter, such Option, to the extent not so exercised during such three-month period, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

For purposes of subsections (a), (b) and (c) above:

* "Amended Employment Agreement" shall mean the Amended and Restated Employment Agreement between the Optionee and the Company, dated October 4, 2012, as such agreement may be amended from time to time.
* "Cause" shall have the meaning set forth in the Amended Employment Agreement.
* "Credited Service" shall mean a calendar year in which the Optionee is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or a subsidiary of the Company.

* “Disability” shall have the meaning set forth in the Amended Employment Agreement.
* “Early Retirement Date” shall mean: the day on which the Optionee retires after attaining age fifty-five (55), but not age sixty-five (65), with ten (l0) or more years of Credited Service. The Optionee is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (l0) years of Credited Service, and “early retirement” shall mean retirement by an eligible Optionee at the Early Retirement Date.
* “Good Reason” shall have the meaning set forth in the Amended Employment Agreement.
* “Normal Retirement Date“ shall mean: the day on which the Optionee retires after attaining age sixty-five (65) with five (5) or more years of Credited Service. The Optionee is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Optionee's attainment of age sixty-five (65) and completion of five (5) or more years of Credited Service, and “normal retirement” shall mean the retirement by an eligible Optionee at the Normal Retirement Date.
* “Release” shall have the meaning set forth in the Amended Employment Agreement.

6. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Option.

7. This Option shall not be transferable by the Optionee, in whole or in part, except in accordance with Section 7 of the Plan, and shall be exercisable only as hereinbefore provided. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Option or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Option or any interest therein, shall be null and void and without effect.

8. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Optionee, Optionee's successors and permitted assigns, and the Company and its successors and assigns.

9. In connection with a Change in Control the Option will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company’s shareholders through the date of such Change in Control.

10. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

11. Notwithstanding any other terms and conditions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the issuance of this Option or shares of Common Stock the Optionee may become entitled to under this Option in the future, the Company shall not be required to deliver any such securities prior to the completion of any registration or qualification of any such securities under any non-U.S. securities, exchange control or other law, or under the rulings or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Optionee understands that the Company is under no obligation to register or qualify any such securities with any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of any such securities. Further, the Optionee agrees that his or her participation in the trade and acceptance of such securities is voluntary and that the Company shall have unilateral authority to amend the Plan and the Agreement without the Optionee's consent to the extent necessary to comply with securities or other laws applicable to issuance of any such securities.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and the Optionee have entered into this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Optionee hereby agrees to the terms of this Agreement with the same effect as if the Optionee had signed this Agreement.

HASBRO, INC.

By: /s/Deborah Thomas
Deborah Thomas
Executive Vice President and
Chief Financial Officer

By: ___________________________
Brian D. Goldner

EXHIBIT 10.3

RESTRICTED STOCK UNIT AGREEMENT
(WITH NON-COMPETE)
______________, 2021 GRANT

THIS AGREEMENT, entered into effective as of the Grant Date (as defined in paragraph 1), is made by and between the Participant (as defined in paragraph 1) and Hasbro, Inc. (the "Company").

WHEREAS, the Company maintains the Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), a copy of which is annexed hereto as Exhibit A and the provisions of which are incorporated herein as if set forth in full, and the Participant has been selected by the Compensation Committee of the Board of Directors of the Company (the "Committee"), which administers the Plan, to receive an award of restricted stock units under the Plan;

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. Terms of Award. The following terms used in this Agreement shall have the meanings set forth in this paragraph 1:

A. The "Participant" is the designated restricted stock unit award recipient.

B. The "Grant Date" is _____________, 2021.

C. The "Vesting Period" is the period beginning on the Grant Date and ending on ______________, with the Participant becoming vested, subject to the terms of this Agreement, in one-third (33 1/3%) of the Stock Units and the Stock Unit Account on each of ____________, ____________ and ____________ (each of such dates referred to hereafter as an "Annual Vesting Date").

D. Stock Units are notional shares of the Company's common stock, par value $.50 per share ("Common Stock") granted under this Agreement and subject to the terms of this Agreement and the Plan.

E. Contingent upon and in consideration for the Participant having executed and delivered to the Company's designated contact no later than ____________, 2021 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Compete Agreement") between the Participant and the Company in the form provided to the Participant by the Company (or otherwise confirming the terms of the Participant's existing Non-Compete Agreement are still effective), the Company hereby grants to the Participant effective on the Grant Date, pursuant to the Plan, the Stock Units. For the avoidance of doubt, if the Participant has not executed and delivered to the Company's designated contact the Non-Compete Agreement (or otherwise confirmed the effectiveness of the Participant's existing Non-Compete Agreement) on or before ____________, 2021, the grant of the Stock Units represented by this Agreement will never take effect and will be null and void.

F. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive compensation the Participant is granted, is subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, (ii) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive compensation the Participant is granted will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been made to the Participant otherwise, and (iii) the Participant is subject to and bound by the terms of the Non-Compete Agreement. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met.

G. For record-keeping purposes only, the Company shall maintain an account with respect to this restricted stock unit award (a "Stock Unit Account") for the Participant where Stock Units related to this award shall be accumulated and accounted for by the Company. Without limiting the provisions of Section 8(b) of the Plan, in the event the Company pays a stock dividend or reclassifies or divides or combines its outstanding Common Stock then an appropriate adjustment shall be made in the number of Stock Units held in the Stock Unit Account. The Stock Unit Account will reflect notional fractional shares of Common Stock to the nearest hundredth of a share on a one Stock Unit for one share of Common Stock basis.

Other terms used in this Agreement are defined pursuant to paragraph 7 or elsewhere in this Agreement.

2. Award. The Participant is hereby granted the number of Stock Units referenced in the Participant's Stock Unit Account.

3. No Dividends and No Voting Rights. The Participant shall not be entitled to any (i) dividends, other than stock dividends (which will be reflected in an adjustment to the number of Units), or (ii) voting rights with respect to the Stock Units or the Stock Unit Account.

4. Vesting and Forfeiture of Units. Subject to earlier vesting (either in whole or in part as applicable) only in the situations and under the terms which are explicitly provided for in the following paragraphs, on each Annual Vesting Date the Participant shall become vested in the portion of the Stock Units and Stock Unit Account subject to this Agreement that is specified in Section 1.C. of this Agreement, provided that the Participant has remained employed and remains employed with the Company through and including the last day of the period ending on the applicable Annual Vesting Date.

A. If a Change in Control (as defined below), occurs prior to the end of the Vesting Period, then in connection with such Change in Control the Stock Units will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

B. The Participant shall otherwise become vested in a pro-rata portion of any then unvested Stock Units and Stock Unit Account subject to this Agreement as of the Participant's Date of Termination prior to the end of the Vesting Period, but only if the Participant's Date of Termination occurs by reason of either (i) the Participant's retirement at his or her Normal Retirement Date (as defined below) or Early Retirement Date (as defined below), or (ii) for a Participant who has at least one year of Credited Service (as defined below), the Participant's death or Participant's suffering a Permanent Physical or Mental Disability (as defined below). In the case of a Termination of Employment covered by this paragraph 4.B., the Participant will become entitled, as of the date of the Termination of Employment, to a portion of any then unvested Stock Units and Stock Unit Account subject to this Agreement, which portion is computed by multiplying the full number of any then unvested Stock Units subject to this Agreement by a fraction, the numerator of which is the number of days in the remaining Vesting Period after the most recent Annual Vesting Date that has been achieved, if any (i.e. the number of days elapsed since the Grant Date or any later Annual Vesting Date that has occurred) which have already elapsed as of the day of the Participant's Termination of Employment, inclusive of the actual day on which there is a Termination of Employment, and the denominator of which is the total number of days in the Vesting Period remaining since either the Grant Date or any later Annual Vesting Date that has occurred. The Participant will forfeit that portion of the Stock Unit Account which has not vested in accordance with the foregoing provision.

C. If the Participant's Date of Termination occurs prior to the end of the Vesting Period for any reason other than the reasons set forth in the preceding Section 4.B., including, without limitation, if the Participant's employment is terminated by the Company for cause or for such other reason that casts such discredit on the Participant as to make termination of the Participant's employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of Cause in the Plan), then the remaining award of Stock Units pursuant to this Agreement shall be forfeited and terminate effective as of such Date of Termination, and the Participant shall not be entitled to any further stock pursuant to this award or any other benefits of this award.

D. The Stock Units and the Stock Unit Account may not be sold, assigned, transferred, pledged or otherwise encumbered, except to the extent otherwise provided by either the terms of the Plan or by the Committee.

5. Settlement in Shares of Common Stock. Provided that a portion of the Participant's interest in the Stock Units and the Stock Unit Account has vested in accordance with the provisions of Section 4 above, the Participant's Stock Unit Account, or applicable portion thereof, shall be converted into actual shares of Common Stock upon the date of such vesting. Such conversion: (i) if it occurs in connection with a termination of the Participant's employment following a Change in Control under the conditions set forth in the Plan, will occur upon the Date of Termination, (ii) will occur upon the Date of Termination, in the case that Section 4.B. is applicable, or (iii) will occur on the applicable Annual Vesting Date, in the case that the Participant has remained employed through the end of the applicable Annual Vesting Date. The conversion will occur on the basis of one share of Common Stock for every one Stock Unit which vests. Such shares of Common Stock shall be registered in the name of the Participant effective as of the date of conversion and delivered to the Participant within a reasonable time thereafter in the manner determined by the Company in the Company's election, which may be by electronic delivery of such shares of Common Stock to an account of the Participant or in such other manner as designated by the Company, subject to any different treatment called for or allowed by the terms of the Plan relating to a Change in Control. To the extent that there are notional fractional shares of Common Stock in a Stock Unit Account which have vested upon settlement, such notional fractional shares shall be rounded to the nearest whole share in determining the number of shares of Common Stock to be received upon conversion.

6. Income Taxes. The Participant shall pay to the Company promptly upon request, and in any event at the time the Participant recognizes taxable income in respect of the shares of Common Stock received by the Participant upon the conversion of all or a portion of the Participant's Stock Unit Account, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to such shares of Common Stock. Such payment shall be made in the form of cash, the delivery of shares of Common Stock already owned or by withholding such number of actual shares otherwise deliverable pursuant to this Agreement as is equal to the withholding tax due, or in a combination of such methods. In the event that the Participant does not affirmatively instruct the Company ahead of the applicable vesting date that he or she wishes to pay withholding taxes in another manner specified above, the Company shall withhold shares from the settlement of the Award.

7. Definitions. For purposes of this Agreement, the terms used in this Agreement shall be subject to the following:

A. Change in Control. The term "Change in Control" shall have the meaning ascribed to it in the Plan.

B. Credited Service. A year of "Credited Service" shall mean a calendar year in which the Participant is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a Subsidiary of the Company. A Participant does not need to be, or have been, a participant in the Hasbro Pension Plan.

C. Date of Termination. The Participant's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Participant is not employed (a "Termination of Employment") by the Company or any entity directly or indirectly controlled by the Company (a "Subsidiary"), regardless of the reason for the Termination of Employment; provided that a Termination of Employment shall not be deemed to occur by reason of a transfer of the Participant between the Company and a Subsidiary or between two Subsidiaries; and further provided that the Participant's employment shall not be considered terminated while the Participant is on a leave of absence from the Company or a Subsidiary approved by the Participant's employer. If, as a result of a sale or other transaction, the Participant's employer ceases to be a Subsidiary (and the Participant's employer is or becomes an entity that is separate from the Company), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the employer.

D. Early Retirement Date. The term "Early Retirement Date" shall mean: the day on which a Participant who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (l0) or more years of Credited Service, retires. A Participant is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (l0) years of Credited Service, and "early retirement" shall mean retirement by an eligible Participant at the Early Retirement Date.

E. Normal Retirement Date. The term "Normal Retirement Date" shall mean the day on which a Participant who has attained age sixty-five (65), with five (5) years of Credited Service, retires. A Participant is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Participant's attainment of age sixty-five (65) and completion of five (5) years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Participant at the Normal Retirement Date.

F. Permanent Physical or Mental Disability. The term "Permanent Physical or Mental Disability" shall mean the Participant's inability to perform his or her job or any position which the Participant can perform with his or her background and training by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration.

G. Plan Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

8. Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, including upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business, and the Participant and the successors and permitted assigns of the Participant, including but not limited to, the estate of the Participant and the executor, administrator or trustee of such estate, and the guardian or legal representative of the Participant.

9. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding.

10. Plan Governs. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan.

11. No Employment Contract. The Participant acknowledges that this Agreement does not constitute a contract for employment for any period of time and does not modify the at will nature of the Participant’s employment with the Company, pursuant to which both the Company and the Participant may terminate the employment relationship at any time, for any or no reason, with or without notice.

12. Amendment. This Agreement may be amended by written Agreement of the Participant and the Company, without the consent of any other person.

13. Entire Agreement. This Agreement, any Appendix hereto, and the Plan contain the entire agreement and understanding of the parties hereto with respect of the award contained herein and therein and supersede all prior communications, representations and negotiations in respect thereof.

14. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law and any court determining the unenforceability of any provisions shall have the power to reduce the scope or duration of such provision to render such provision enforceable.

15. Non-U.S. Securities Law. Notwithstanding any other terms and conditions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the issuance of this Award or and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, the Company shall not be required to deliver any such securities prior to the completion of any registration or qualification of any such securities under any non-U.S. securities, exchange control or other law, or under the rulings or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify any such securities with any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of any such securities. Further, the Participant agrees that his or her participation in the trade and acceptance of such securities is voluntary and that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of any such securities.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Participant has executed this Agreement, and the Company has caused these presents to be executed in its name and on its behalf, all effective as of the Grant Date. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Name: Brian Goldner
Title: Chairman and Chief Executive Officer

Participant
____

EXHIBIT 10.4

RESTRICTED STOCK UNIT AGREEMENT
(WITHOUT NON-COMPETE)
____________, 2021 GRANT

BRIAN GOLDNER

THIS AGREEMENT, entered into effective as of the Grant Date (as defined in paragraph 1), is made by and between the Participant (as defined in paragraph 1) and Hasbro, Inc. (the "Company").

WHEREAS, the Company maintains the Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), a copy of which is annexed hereto as Exhibit A and the provisions of which are incorporated herein as if set forth in full, and the Participant has been selected by the Compensation Committee of the Board of Directors of the Company (the "Committee"), which administers the Plan, to receive an award of restricted stock units under the Plan;

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. Terms of Award. The following terms used in this Agreement shall have the meanings set forth in this paragraph 1:

A. The "Participant" is the designated restricted stock unit award recipient.

B. The "Grant Date" is ____________, 2021.

C. The "Vesting Period" is the period beginning on the Grant Date and ending on _______________, with the Participant becoming vested, subject to the terms of this Agreement, in one-third (33 1/3%) of the Stock Units and the Stock Unit Account on each of _______________, ____________ and ____________ (each of such dates referred to hereafter as an "Annual Vesting Date").

D. Stock Units are notional shares of the Company's common stock, par value $.50 per share ("Common Stock") granted under this Agreement and subject to the terms of this Agreement and the Plan.

E. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive compensation the Participant is granted, is subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive compensation the Participant is granted will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future.

Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been made to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the “Stock Ownership Policy”), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant’s applicable requirement levels are met.

F. For record-keeping purposes only, the Company shall maintain an account with respect to this restricted stock unit award (a “Stock Unit Account”) for the Participant where Stock Units related to this award shall be accumulated and accounted for by the Company. Without limiting the provisions of Section 8(b) of the Plan, in the event the Company pays a stock dividend or reclassifies or divides or combines its outstanding Common Stock then an appropriate adjustment shall be made in the number of Stock Units held in the Stock Unit Account. The Stock Unit Account will reflect notional fractional shares of Common Stock to the nearest hundredth of a share on a one Stock Unit for one share of Common Stock basis.

G. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern, provided that to the extent the provisions of the Plan or this Agreement are inconsistent with the terms of the Employment Agreement (as defined in paragraph 7 below), the provisions of the Employment Agreement shall govern.

Other terms used in this Agreement are defined pursuant to paragraph 7 or elsewhere in this Agreement.

2. Award. The Participant is hereby granted the number of Stock Units referenced in the Participant’s Stock Unit Account.

3. No Dividends and No Voting Rights. The Participant shall not be entitled to any (i) dividends, other than stock dividends (which will be reflected in an adjustment to the number of Units), or (ii) voting rights with respect to the Stock Units or the Stock Unit Account.

4. Vesting and Forfeiture of Units. Subject to earlier vesting (either in whole or in part as applicable) only in the situations and under the terms which are explicitly provided for in the following paragraphs, on each Annual Vesting Date the Participant shall become vested in the portion of the Stock Units and Stock Unit Account subject to this Agreement that is specified in Section 1.C. of this Agreement, provided that the Participant has remained employed and remains employed with the Company through and including the last day of the period ending on the applicable Annual Vesting Date.

A. If, prior to, within or more than two years following a Change in Control (as defined below), the Participant's employment with the Company is either (i) terminated by the Participant for Good Reason (as defined below) or (ii) terminated by the Company without Cause (as defined below), then, upon the Release (as defined below) becoming effective, there shall be an acceleration of vesting of (and lapse of restrictions on) any unvested Stock Units and Stock Unit Accounts as of the Date of Termination, such that such Stock Units shall become fully vested.

B. If the Participant's employment with the Company as a result of the Participant's death or because of Disability (as defined below), there shall be an acceleration of vesting of (and lapse of restrictions on) any unvested Stock Units and Stock Unit Accounts as of the Date of Termination, such that such Stock Units shall become fully vested.

C. The Participant shall otherwise become vested in a pro-rata portion of any then unvested Stock Units and Stock Unit Account subject to this Agreement as of the Participant's Date of Termination prior to the end of the Vesting Period, but only if the Participant's Date of Termination occurs by reason of the Participant's retirement at his or her Normal Retirement Date (as defined below) or Early Retirement Date (as defined below). In the case of a Termination of Employment covered by this paragraph 4.C., the Participant will become entitled, as of the date of the Termination of Employment, to a portion of any then unvested Stock Units and Stock Unit Account subject to this Agreement, which portion is computed by multiplying the full number of any then unvested Stock Units subject to this Agreement by a fraction, the numerator of which is the number of days in the remaining Vesting Period after the most recent Annual Vesting Date that has been achieved, if any (i.e. the number of days elapsed since the Grant Date or any later Annual Vesting Date that has occurred) which have already elapsed as of the day of the Participant's Termination of Employment, inclusive of the actual day on which there is a Termination of Employment, and the denominator of which is the total number of days in the Vesting Period remaining since either the Grant Date or any later Annual Vesting Date that has occurred. The Participant will forfeit that portion of the Stock Unit Account which has not vested in accordance with the foregoing provision.

D. If the Participant's Date of Termination occurs prior to the end of the Vesting Period for any reason other than the reasons set forth in the preceding Sections 4.A., 4.B. and 4.C., including, without limitation, if the Participant's employment is terminated by the Company for Cause (as defined below) or for such other reason that casts such discredit on the Participant as to make termination of the Participant's employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of Cause in the Plan), then the remaining award of Stock Units pursuant to this Agreement shall be forfeited and terminate effective as of such Date of Termination, and the Participant shall not be entitled to any further stock pursuant to this award or any other benefits of this award.

E. The Stock Units and the Stock Unit Account may not be sold, assigned, transferred, pledged or otherwise encumbered, except to the extent otherwise provided by either the terms of the Plan or by the Committee.

5. Settlement in Shares of Common Stock. Provided that a portion of the Participant's interest in the Stock Units and the Stock Unit Account has vested, in accordance with the provisions of Section 4 above, the Participant's Stock Unit Account, or applicable portion thereof, shall be converted into actual shares of Common Stock upon the date of such vesting.
Such conversion: (i) if it occurs in connection with a termination of the Participant's employment following a Change in Control under the conditions set forth in the Plan and this Agreement, will occur upon the Date of Termination, (ii) will occur upon the Date of Termination, in the case that Section 4.B. or Section 4.C. is applicable, or (iii) will occur on the applicable Annual Vesting Date, in the case that the Participant has remained employed through the end of the applicable Annual Vesting Date. The conversion will occur on the basis of one share of Common Stock for every one Stock Unit which vests. Such shares of Common Stock shall be registered in the name of the Participant effective as of the date of conversion and delivered to the Participant within a reasonable time thereafter in the manner determined by the Company in the Company's election, which may be by electronic delivery of such shares of Common Stock to an account of the Participant or in such other manner as designated by the Company, subject to any different treatment called for or allowed by the terms of the Plan relating to a Change in Control. To the extent that there are notional fractional shares of Common Stock in a Stock Unit Account which have vested upon settlement, such notional fractional shares shall be rounded to the nearest whole share in determining the number of shares of Common Stock to be received upon conversion.

6. Income Taxes. The Participant shall pay to the Company promptly upon request, and in any event at the time the Participant recognizes taxable income in respect of the shares of Common Stock received by the Participant upon the conversion of all or a portion of the Participant's Stock Unit Account, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to such shares of Common Stock. Such payment shall be made in the form of cash, the delivery of shares of Common Stock already owned or by withholding such number of actual shares otherwise deliverable pursuant to this Agreement as is equal to the withholding tax due, or in a combination of such methods. In the event that the Participant does not affirmatively instruct the Company ahead of the applicable vesting date that he or she wishes to pay withholding taxes in another manner specified above, the Company shall withhold shares from the settlement of the Award.

7. Definitions. For purposes of this Agreement, the terms used in this Agreement shall be subject to the following:

A. Cause. The term "Cause" shall have the meaning set forth in the Employment Agreement.

B. Change in Control. The term "Change in Control" shall have the meaning ascribed to it in the Employment Agreement.

C. Credited Service. A year of "Credited Service" shall mean a calendar year in which the Participant is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a Subsidiary of the Company. A Participant does not need to be, or have been, a participant in the Hasbro Pension Plan.

D. Date of Termination. The Participant's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Participant is not employed (a "Termination of Employment") by the Company or any entity directly or indirectly controlled by the Company (a "Subsidiary"), regardless of the reason for the Termination of Employment; provided that a Termination of Employment shall not be deemed to occur by reason of a transfer of the Participant between the Company and a Subsidiary or between two Subsidiaries; and further provided that the Participant's employment shall not be considered terminated while the Participant is on a leave of absence from the Company or a Subsidiary approved by the Participant's employer. If, as a result of a sale or other transaction, the Participant's employer ceases to be a Subsidiary (and the Participant's employer is or becomes an entity that is separate from the Company), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the employer.

E. Disability. The term "Disability" shall have the meaning set forth in the Employment Agreement.

F. Early Retirement Date. The term "Early Retirement Date" shall mean: the day on which a Participant who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (l0) or more years of Credited Service, retires. A Participant is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (l0) years of Credited Service, and "early retirement" shall mean retirement by an eligible Participant at the Early Retirement Date.

G. Employment Agreement. The term "Employment Agreement" shall mean the Amended and Restated Employment Agreement between the Participant and the Company, dated October 4, 2012, as such agreement may be amended from time to time.

H. Good Reason. The term "Good Reason" shall have the meaning set forth in the Employment Agreement.

I. Normal Retirement Date. The term "Normal Retirement Date" shall mean the day on which a Participant who has attained age sixty-five (65), with five (5) years of Credited Service, retires. A Participant is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Participant's attainment of age sixty-five (65) and completion of five (5) years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Participant at the Normal Retirement Date.

J. Plan Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

K. Release. The term "Release" shall have the meaning set forth in the Employment Agreement.

8. Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, including upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business, and the Participant and the successors and permitted assigns of the Participant, including but not limited to, the estate of the Participant and the executor, administrator or trustee of such estate, and the guardian or legal representative of the Participant.

9. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding.

10. No Employment Contract. The Participant acknowledges that this Agreement does not constitute a contract for employment for any period of time and does not modify the at will nature of the Participant's employment with the Company, pursuant to which both the Company and the Participant may terminate the employment relationship at any time, for any or no reason, with or without notice.

11. Amendment. This Agreement may be amended by written Agreement of the Participant and the Company, without the consent of any other person.

12. Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect of the award contained herein and therein and supersede all prior communications, representations and negotiations in respect thereof.

13. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law and any court determining the unenforceability of any provisions shall have the power to reduce the scope or duration of such provision to render such provision enforceable.

14. Non-U.S. Securities Law. Notwithstanding any other terms and conditions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the issuance of this Award or and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, the Company shall not be required to deliver any such securities prior to the completion of any registration or qualification of any such securities under any non-U.S. securities, exchange control or other law, or under the rulings or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify any such securities with any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of any such securities. Further, the Participant agrees that his or her participation in the trade and acceptance of such securities is voluntary and that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of any such securities.

IN WITNESS WHEREOF, the Participant has executed this Agreement, and the Company has caused these presents to be executed in its name and on its behalf, all effective as of the Grant Date. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Deborah Thomas
Name: Deborah Thomas
Title: Executive Vice President and Chief Financial Officer

By: ________________________ Brian Goldner

EXHIBIT 10.5

HASBRO, INC.

RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN

CONTINGENT STOCK PERFORMANCE AWARD

(THREE PERFORMANCE METRICS WITH NON-COMPETE)

______________, 2021 GRANT

AGREEMENT, made effective as of _______________, 2021, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated contingent stock performance award recipient (the "Participant").

WHEREAS, the Participant is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, contingent upon and in consideration for the Participant having executed and delivered to the Company’s designated contact no later than _____________, 2021 a Non-Competition, Non-Solicitation and Confidentiality Agreement between the Participant and the Company in the form provided to the Participant by the Company (or otherwise confirming the terms of the Participant’s existing Non-Compete Agreement), the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), acting in accordance with the provisions of the Plan, is granting to Participant a contingent stock performance award dated _____________, 2021 designed to reward the Participant for the Participant’s efforts in contributing to the Company’s achievement of certain stated financial goals, and

WHEREAS, the stock performance award provides the Participant with the ability to earn shares of the Company’s common stock, par value $.50 per share (the "Common Stock"), contingent on the Company’s performance in achieving pre-established cumulative diluted earnings per share (“EPS”), cumulative net revenue (“Revenues”) and average return on invested capital (“ROIC”) performance targets over the period beginning on December 27, 2020 and ending on December 31, 2023 (the “Performance Period”), subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth. For purposes of this Agreement average ROIC shall be computed as Net Income divided by the sum of Short-Term Debt plus Long-Term Debt plus Shareholder’s Equity, averaged over the three fiscal years in the Performance Period.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the parties hereto agree as follows:

W I T N E S S E T H:

1. Contingent upon and in consideration for the Participant having executed and delivered to the Company’s designated contact no later than _____________, 2021 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the “Non-Compete Agreement”) between the Participant and the Company in the form provided to the Participant by the Company (or otherwise confirming the terms of the Participant’s existing Non-Compete Agreement), the Company hereby grants to the Participant effective on _____________, 2021, and pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a contingent stock performance award (the “Award”) subject to and upon the terms and conditions set forth in the Plan and in the Non-Compete Agreement and the additional terms and conditions hereinafter set forth. The Award is evidenced by this Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan. For the avoidance of doubt, if the Participant has not executed and delivered to the Company’s designated contact the Non-Compete Agreement (or otherwise confirming the terms of the Participant’s existing Non-Compete Agreement) on or before _____________, 2021, the Award represented by this Agreement will never take effect and will be null and void.

2. By accepting this Award the Participant hereby acknowledges and agrees that this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after, is subject to the Company’s Clawback Policy, which was adopted by the Company’s Board of Directors in October 2012, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been granted to the Participant otherwise and the Participant is subject to and bound by the terms of the Non-Compete Agreement. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the “Stock Ownership Policy”), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount

equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant’s applicable requirement levels are met.

3. This Agreement relates to an Award providing the Participant with the potential ability to earn shares of the Company’s common stock, par value $.50 per share (the "Common Stock"), contingent on the Company’s performance in achieving its pre-established cumulative EPS and Revenues and average ROIC targets over the Performance Period. The cumulative EPS, cumulative Revenues and ROIC targets for the Performance Period are set forth below:

EPS $________________
Revenues $________________
Average ROIC _________________%

The threshold and maximum levels for cumulative EPS and Revenues and average ROIC contributing to shares being earned under this Award are set forth on Exhibit A to this Agreement. Except as is otherwise set forth in this Agreement, the Participant shall not have any ability to receive any shares of Common Stock pursuant to this Award until the Performance Period is completed. Following the end of the Performance Period, the Committee will determine the Company’s cumulative EPS and Revenues and average ROIC over the Performance Period. The Committee will certify the Company’s cumulative EPS, Revenues and average ROIC over the Performance Period as promptly as is reasonably possible following the completion of the Performance Period, but in no event later than 75 days following the completion of the Performance Period.

4. For purposes of this Award, the Company’s EPS, Revenues and average ROIC over the Performance Period will be computed on a consolidated basis in the same manner used by the Company in computing its consolidated financial performance under generally accepted accounting principles (“GAAP”), except for the following deviations from GAAP: (i) each of the metrics will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of $10 million in any fiscal year during the Performance Period, which costs or expenses are related to changes in accounting rules or the U.S. tax code that are effective after the date of this Agreement, (ii) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of $10 million in any fiscal year during the Performance Period, which costs or expenses are related to acquisitions (whether paid for in cash, shares of the Company’s stock, other property, or any combination thereof) or dispositions consummated by the Company during the Performance Period, (iii) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of $10 million in any fiscal year during the Performance Period, which costs

or expenses are related to any restructuring activities undertaken by the Company after the date of this Agreement, (iv) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of $25 million in any fiscal year during the Performance Period, which costs or expenses relate to judgements, fines, penalties or expenses associated with litigations, arbitrations, or regulatory matters, or settlements of ongoing or potential disputes or regulatory matters, (v) the metrics will be computed excluding the impact of any intangible asset amortization or unusual, one-time, non-operating or other unbudgeted costs or expenses associated with the acquisition of eOne, such as integration costs, non-cash stock compensation, capital expenditures, (vi) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses related to non-cash asset impairment charges in excess of $25 million in any fiscal year during the Performance Period, and (vii) the metrics will be computed excluding the impact of any customer bankruptcy or significant financial issue that is estimated to have an impact on the Company's net sales of $100,000,000 or more over the Performance Period.

5. The target number of shares of Common Stock which may be issuable under this Award in the event of 100% achievement of the pre-established cumulative EPS and Revenue and average ROIC measures over the Performance Period is the specified number of shares communicated by separate communication to the Participant (the "Target Shares"). The tables appearing on Exhibit A to this Agreement set forth the contingent number of shares of Common Stock which the Participant may actually earn under this Award, as a percentage of the Target Shares, based upon certain performances by the Company in achieving the EPS, Revenues and average ROIC targets.

To compute the actual number of shares of Common Stock, if any, which may be earned by the Participant the respective cumulative EPS and Revenues and average ROIC performances of the Company, as certified by the Committee following completion of the Performance Period, are applied to the tables on Exhibit A. The appropriate boxes in the tables corresponding with the highest threshold achieved by the Company's actual cumulative EPS and Revenues and average ROIC performance, as so certified by the Committee, sets forth the number of shares of Common Stock, if any, as a percentage of the Target Shares, which are earned by the Participant over the Performance Period due to the Company's performance in achieving those metrics. The Company's achievement against its EPS metric is weighted at 34% in determining the final shares earned by the Participant. The Company's achievement against its Revenues metric is weighted at 33%, and the Company's achievement against its average ROIC metric is also weighted at 33%.

By way of illustration, if the Company's cumulative Revenues over the Performance Period are at least $____________ (but below $____________), the percentage of the Revenues target achieved is ____% and the percentage of the target number of contingent shares earned due to that performance is ____%. If the Company's cumulative EPS over the Performance Period is at least $______ (but less than $______), the percentage of the EPS target achieved is ____%, and the percentage of the target number of contingent shares earned due to that EPS performance is ____%. If the Company's average ROIC over the Performance Period is at least ____% (but less than ____%), the percentage of the average ROIC target achieved is ____%, and the percentage of the target number of contingent shares earned due to that ROIC performance is ____%. In that case, the Participant would earn (.33*____%) + (.34*____%) + (.33*____%), or ____% of the Target Shares of Common Stock subject to the Award. If the number of Target Shares of Common Stock subject to the Award was ____ shares, the Participant would earn ____ shares of Common Stock. If the number of shares earned is not a whole number, the Participant will earn the next highest whole number of shares.

6. Once the Company has determined the number of shares of Common Stock, if any, which have been earned by the Participant based on the cumulative EPS and Revenues and average ROIC performance of the Company, the Company or its designee will as promptly as possible thereafter, but in all events not later than the 15th day of the third month following the end of the calendar year in which the Performance Period ends, issue any such shares of Common Stock which have been deemed earned to the Participant.

7. The Participant shall consult with the Company or its designee in advance of the issuance of any shares pursuant to this Award so as to designate the manner in which the Participant wishes to pay any withholding taxes due, and any such Participant's designation must be made by the Participant affirmatively to the Company, in the manner specified by the Company, and on or before the date selected by the Company. Each Participant who elects to pay withholding taxes in cash shall deliver to the Company or its designee, a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of the Participant earning any shares under this Award or being issued any shares pursuant to the provisions below based on certain other events.

Alternatively, a Participant may elect to satisfy the minimum withholding taxes required by law payable as a result of the issuance of any shares pursuant to this Award (the "Taxes"), in whole or in part, either (i) by having the Company withhold from the shares of Common Stock to be issued pursuant to this Award or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Participant and held by the Participant for at least six (6) months (represented by stock certificates duly endorsed to the Company or its designee or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date the Participant has become entitled to such shares pursuant to this Award is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of issuance. If the Participant fails to timely elect to pay the withholding taxes in some other manner pursuant to the preceding provisions, or otherwise does not timely remit payment of the required withholding taxes, then the Participant’s tax withholding requirements will be satisfied through the withholding of shares of Common Stock and to the extent a fractional share needs to be withheld, the Company or its designee will withhold the next highest number of full shares and will remit the value of the fraction of a share which exceeds the required withholding to the Participant. As soon as practicable after receipt of the withholding taxes and any other materials or information reasonably required by the Company or its designee, the Company or its designee shall deliver or cause to be delivered to the Participant, using the method of delivery determined by the Company or its designee, the shares payable pursuant to the Award (less any shares deducted to pay Taxes).

8. Until such time, if any, that actual shares of Common Stock become due and are issued to the Participant in accordance with the terms of this Agreement, the Participant will not have any dividend or voting rights with respect to any shares which may be issuable in the future pursuant to this Award. The Participant’s rights under this Award shall be no greater than those of an unsecured general creditor of the Company, and nothing herein shall be construed as requiring the Company or any other person to establish a trust or to set aside assets to meet the Company’s obligations hereunder.

9. (a) If a Participant who is an employee of the Company or of a direct or indirect subsidiary of the Company dies before the Performance Period is completed, then the Company will issue the number of shares of Common Stock to the executor, administrator or trustee of the Participant's estate, or the Participant's legal representative, as the case may be, that is computed by multiplying: (i) the number of shares of Common Stock which would have been issuable to the Participant pursuant to the Award assuming completion of the Performance Period and the Company's achievement over the Performance Period of cumulative EPS and Revenues and average ROIC equal to target in each case by (ii) a fraction, the numerator of which is the number of days from the start of the Performance Period to the date that the Participant died and the denominator of which is the total number of days in the Performance Period. This pro-rated target award will be payable as soon following the Participant's death as is reasonably practicable. If a Participant dies after the end of the Performance Period, but prior to the delivery of any shares of Common Stock issuable pursuant to this award, then the Company or its designee will issue to the Participant's estate, or the Participant's legal representative, as the case may be, the number of shares of Common Stock, if any, which would have otherwise been issuable to the Participant if the Participant had not died.

(b) If a Participant with at least one year of Credited Service of the Company suffers a permanent physical or mental disability (as defined below), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based on the Company's performance against its cumulative EPS and Revenues and average ROIC targets. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant became disabled and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(c) If a Participant who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at either an Early Retirement Date or a Normal Retirement Date (each as defined below), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based on the Company's performance against its cumulative EPS and Revenues and average ROIC targets.

That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant retired and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(d) If a Participant ceases to be employed by the Company or by a direct or indirect subsidiary of the Company before the end of the Performance Period for any reason other than the reasons set forth in subsections (a), (b) and (c) of this Section 9, including, without limitation, if the Participant’s employment is terminated by the Company for cause or for such other reason that casts such discredit on the Participant as to make termination of the Participant’s employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of Cause in the Plan), the Award will be forfeited and the Participant will not have any further rights under the Award, including, without limitation, any rights to receive shares of Common Stock.

For purposes of subsections (a), (b) and (c) above:

* A year of "Credited Service" shall mean a calendar year in which the Participant is paid for at least 1,000 hours of employment with the Company or of a subsidiary of the Company.

* "Early Retirement Date" shall mean: the day on which a Participant who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (l0) or more years of Credited Service, retires. A Participant is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (l0) years of Credited Service, and "early retirement" shall mean retirement by an eligible Participant at the Early Retirement Date.

* "Normal Retirement Date" shall mean: the day on which a Participant who has attained age sixty-five (65) with five (5) or more years of Credited Service, retires. A Participant is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Participant's attainment of age sixty-five (65) and completion of five (5) or more years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Participant at the Normal Retirement Date.

* "permanent physical or mental disability" shall mean: a Participant's inability to perform his or her job or any position which the Participant can reasonably perform with his or her background and training by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration, all as determined by the Committee in its discretion.

10. In the event of a Change in Control (as defined in the Plan) prior to the end of the Performance Period, this Award will be treated in accordance with the provisions of the Plan applicable to a Change in Control, provided, however, that for purposes of computing the payment due to the Participant as a result of a termination of employment following a Change in Control under the terms set forth in the Plan, (i) the full number of Target Shares will be used (as opposed to the actual number of shares, if any, that may be issuable based on performance through the date of the termination of employment following the Change in Control) and (ii) no pro-ration of the Award will be applied to account for less than the full Performance Period having had elapsed as of the date of the termination of employment following a Change in Control.

11. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Award.

12. This Award shall not be transferable by the Participant, in whole or in part, except in accordance with Section 7 of the Plan. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Award or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Award or any interest therein, shall be null and void and without effect.

13. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Participant, Participant's successors and permitted assigns, and the Company and its successors and assigns.

14. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

15. Notwithstanding any other terms and conditions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the issuance of this Award or any shares of Common Stock and the Participant may become entitled to under the Award in the future, the Company shall not be required to deliver any such securities prior to the completion of any registration or qualification of any such securities under any non-U.S. securities, exchange control or other law, or under the ruling or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify any such securities with any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of any such securities.

Further, the Participant agrees that his or her participation in the trade and acceptance of such securities is voluntary and that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant’s consent to the extent necessary to comply with securities or other laws applicable to issuance of any such securities.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and the Participant have entered this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Brian Goldner
Chairman and Chief Executive Officer

By: __________________________
Participant

Exhibit A

The total number of shares of Common Stock which may be issuable under this Award shall be determined as described in the tables below. In the event that achievement for a metric is between threshold (80%) and target (100%) or between target (100%) and maximum (115% for Revenue; 125% for EPS and ROIC) performance, the applicable payout percentage will be determined by linear interpolation between threshold and target performance or target and maximum performance, as applicable. By way of example, if performance for the revenue metric is achieved at 105% of target, then the applicable payout factor for such metric will be 133%.

Revenue	Achievement	Payout*
Less than $15,194,712,000	<80%	0%
$15,194,712,000 (Threshold)	80%	50%
$18,993,390,000 (Target)	100%	100%
$21,842,398,500 (Maximum)	115%	200%

EPS	Achievement	Payout*
Less than $10.90	<80%	0%
$10.90 (Threshold)	80%	50%
$13.62 (Target)	100%	100%
$17.03 (Maximum)	125%	200%

ROIC	Achievement	Payout*
Less than 6.32%	<80%	0%
6.32% (Threshold)	80%	50%
7.9% (Target)	100%	100%
9.88% (Maximum)	125%	200%

EXHIBIT 10.6

HASBRO, INC.

RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN

CONTINGENT STOCK PERFORMANCE AWARD

(THREE PERFORMANCE METRICS WITHOUT NON-COMPETE)

_______________, 2021 GRANT

BRIAN GOLDNER

AGREEMENT, made effective as of ____________, 2021, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated contingent stock performance award recipient (the "Participant").

WHEREAS, the Participant is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), acting in accordance with the provisions of the Plan, is granting to Participant a contingent stock performance award dated _____________, 2021 designed to reward the Participant for the Participant’s efforts in contributing to the Company’s achievement of certain stated financial goals, and

WHEREAS, the stock performance award provides the Participant with the ability to earn shares of the Company’s common stock, par value $.50 per share (the "Common Stock"), contingent on the Company’s performance in achieving pre-established cumulative diluted earnings per share (“EPS”), cumulative net revenue (“Revenues”) and average return on invested capital (“ROIC”) performance targets over the period beginning on December 27, 2020 and ending on December 31, 2023 (the “Performance Period”), subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth. For purposes of this Agreement average ROIC shall be computed as Net Income divided by the sum of Short-Term Debt plus Long-Term Debt plus Shareholder’s Equity, averaged over the three fiscal years in the Performance Period.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the parties hereto agree as follows:

W I T N E S S E T H:

1. The Company hereby grants to the Participant effective on ___________, 2021, and pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a contingent stock performance award (the “Award”) subject to and upon the terms and conditions set forth in the Plan and the additional terms and conditions hereinafter set forth. The Award is evidenced by this Agreement.

In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern, provided that to the extent the provisions of the Plan or this Agreement are inconsistent with the terms of the Amended Employment Agreement (as defined below), the provisions of the Amended Employment Agreement shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

2. By accepting this Award the Participant hereby acknowledges and agrees that this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted, is subject to the Company’s Clawback Policy, which was adopted by the Company’s Board of Directors in October 2012, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been granted to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the “Stock Ownership Policy”), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant’s applicable requirement levels are met.

3. This Agreement relates to an Award providing the Participant with the potential ability to earn shares of the Company’s common stock, par value $.50 per share (the "Common Stock"), contingent on the Company’s performance in achieving its pre-established cumulative EPS and Revenues and average ROIC targets over the Performance Period.

The cumulative EPS, cumulative Revenues and ROIC targets for the Performance Period are set forth below:

EPS $___________________
Revenues $___________________
Average ROIC ____________________

The threshold and maximum levels for cumulative EPS and Revenues and average ROIC contributing to shares being earned under this Award are set forth on Exhibit A to this Agreement. Except as is otherwise set forth in this Agreement, the Participant shall not have any ability to receive any shares of Common Stock pursuant to this Award until the Performance Period is completed.

Following the end of the Performance Period, the Committee will determine the Company's cumulative EPS and Revenues and average ROIC over the Performance Period. The Committee will certify the Company's cumulative EPS, Revenues and average ROIC over the Performance Period as promptly as is reasonably possible following the completion of the Performance Period, but in no event later than 75 days following the completion of the Performance Period.

4. For purposes of this Award, the Company's EPS, Revenues and average ROIC over the Performance Period will be computed on a consolidated basis in the same manner used by the Company in computing its consolidated financial performance under generally accepted accounting principles ("GAAP"), except for the following deviations from GAAP: (i) each of the metrics will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of $10 million in any fiscal year during the Performance Period, which costs or expenses are related to changes in accounting rules or the U.S. tax code that are effective after the date of this Agreement, (ii) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of $10 million in any fiscal year during the Performance Period, which costs or expenses are related to acquisitions (whether paid for in cash, shares of the Company's stock, other property, or any combination thereof) or dispositions consummated by the Company during the Performance Period, (iii) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of $10 million in any fiscal year during the Performance Period, which costs or expenses are related to any restructuring activities undertaken by the Company after the date of this Agreement, (iv) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of $25 million in any fiscal year during the Performance Period, which costs or expenses relate to judgements, fines, penalties or expenses associated with litigations, arbitrations, or regulatory

matters, or settlements of ongoing or potential disputes or regulatory matters, (v) the metrics will be computed excluding the impact of any intangible asset amortization or unusual, one-time, non-operating or other unbudgeted costs or expenses associated with the acquisition of eOne, such as integration costs, non-cash stock compensation, capital expenditures, (vi) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses related to non-cash asset impairment charges in excess of $25 million in any fiscal year during the Performance Period, and (vii) the metrics will be computed excluding the impact of any customer bankruptcy or significant financial issue that is estimated to have an impact on the Company's net sales of $100,000,000 or more over the Performance Period.

5. The target number of shares of Common Stock which may be issuable under this Award in the event of 100% achievement of the pre-established cumulative EPS and Revenue and average ROIC measures over the Performance Period is the specified number of shares communicated by separate communication to the Participant (the "Target Shares"). The tables appearing on Exhibit A to this Agreement set forth the contingent number of shares of Common Stock which the Participant may actually earn under this Award, as a percentage of the Target Shares, based upon certain performances by the Company in achieving the EPS, Revenues and average ROIC targets.

To compute the actual number of shares of Common Stock, if any, which may be earned by the Participant the respective cumulative EPS and Revenues and average ROIC performances of the Company, as certified by the Committee following completion of the Performance Period, are applied to the tables on Exhibit A. The appropriate boxes in the tables corresponding with the highest threshold achieved by the Company's actual cumulative EPS and Revenues and average ROIC performance, as so certified by the Committee, sets forth the number of shares of Common Stock, if any, as a percentage of the Target Shares, which are earned by the Participant over the Performance Period due to the Company's performance in achieving those metrics. The Company's achievement against its EPS metric is weighted at 34% in determining the final shares earned by the Participant. The Company's achievement against its Revenues metric is weighted at 33%, and the Company's achievement against its average ROIC metric is also weighted at 33%.

By way of illustration, if the Company's cumulative Revenues over the Performance Period are at least $________ (but below $_______), the percentage of the Revenues target achieved is ____% and the percentage of the target number of contingent shares earned due to that performance is ____%. If the Company's cumulative EPS over the Performance Period is at least $_______ (but less than $_______), the percentage of the EPS target achieved is ____%, and the percentage of the target number of contingent shares earned due to that EPS performance is ____%. If the Company's average ROIC over the Performance Period is at least ____% (but less than ____%), the percentage of the average ROIC target achieved is ____%, and the percentage of the target number of contingent shares earned due to that ROIC performance is ____%. In that case, the Participant would earn (.33*____%) + (.34*____%) + (.33*____%), or ____% of the Target Shares of Common Stock subject to the Award. If the number of Target Shares of Common Stock subject to the Award was _____ shares, the Participant would earn ____ shares of Common Stock. If the number of shares earned is not a whole number, the Participant will earn the next highest whole number of shares.

6. Once the Company has determined the number of shares of Common Stock, if any, which have been earned by the Participant based on the cumulative EPS and Revenues and average ROIC performance of the Company, the Company or its designee will as promptly as possible thereafter, but in all events not later than the 15th day of the third month following the end of the calendar year in which the Performance Period ends, issue any such shares of Common Stock which have been deemed earned to the Participant.

7. The Participant shall consult with the Company or its designee in advance of the issuance of any shares pursuant to this Award so as to designate the manner in which the Participant wishes to pay any withholding taxes due, and any such Participant's designation must be made by the Participant affirmatively to the Company, in the manner specified by the Company, and on or before the date selected by the Company. Each Participant who elects to pay withholding taxes in cash shall deliver to the Company or its designee, a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of the Participant earning any shares under this Award or being issued any shares pursuant to the provisions below based on certain other events. Alternatively, a Participant may elect to satisfy the minimum withholding taxes required by law payable as a result of the issuance of any shares pursuant to this Award (the "Taxes"), in whole or in part, either (i) by having the Company withhold from the shares of Common Stock to be issued pursuant to this Award or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Participant and held by the Participant for at least six (6) months (represented by stock certificates duly endorsed to the Company or its designee or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date the Participant has become entitled to such shares pursuant to this Award is either equal to the Taxes or less than the Taxes,

provided that a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of issuance. If the Participant fails to timely elect to pay the withholding taxes in some other manner pursuant to the preceding provisions, or otherwise does not timely remit payment of the required withholding taxes, then the Participant's tax withholding requirements will be satisfied through the withholding of shares of Common Stock and to the extent a fractional share needs to be withheld, the Company or its designee will withhold the next highest number of full shares and will remit the value of the fraction of a share which exceeds the required withholding to the Participant. As soon as practicable after receipt of the withholding taxes and any other materials or information reasonably required by the Company or its designee, the Company or its designee shall deliver or cause to be delivered to the Participant, using the method of delivery determined by the Company or its designee, the shares payable pursuant to the Award (less any shares deducted to pay Taxes).

8. Until such time, if any, that actual shares of Common Stock become due and are issued to the Participant in accordance with the terms of this Agreement, the Participant will not have any dividend or voting rights with respect to any shares which may be issuable in the future pursuant to this Award. The Participant's rights under this Award shall be no greater than those of an unsecured general creditor of the Company, and nothing herein shall be construed as requiring the Company or any other person to establish a trust or to set aside assets to meet the Company's obligations hereunder.

9. (a) If the Participant's employment is terminated by death or because of Disability (as defined in the Amended and Restated Employment Agreement, dated October 4, 2012, between the Participant and the Company, as such agreement may be amended from time to time (hereafter referred to as the "Amended Employment Agreement")), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based upon the Company's performance against its cumulative EPS and Revenues and average ROIC targets, all over the Performance Period. That actual number of shares of Common Stock earned over the full Performance Period will then be issuable to the Participant in the same manner as shares are issued to other participants.

(b) If the Participant’s employment is terminated at the election of the Company (or its successor, in the event there has been a Change in Control) without Cause or at the election of the Participant with Good Reason (as the terms Cause, Good Reason and Change in Control are defined in the Amended Employment Agreement, it being understood the Amended Employment Agreement provides different definitions of Cause and Good Reason based upon whether the termination occurs within three (3) years following a Change in Control, or occurs outside such a window), and provided Participant executes a full and complete Release (as defined in the Amended Employment Agreement) which becomes effective, all in accordance with the Amended Employment Agreement, then the Participant’s Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based upon the Company’s performance against its cumulative EPS and Revenues and average ROIC targets, all over the Performance Period. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period, if any, will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant’s employment was terminated and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other participants.

(c) If the Participant retires from employment with the Company before the Performance Period is completed, then the Participant’s Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based on the Company’s performance against its cumulative EPS and Revenues and average ROIC targets. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant retired and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(d) If the Participant’s employment is terminated by the Company for Cause (as defined in the Amended Employment Agreement), then the Award will be forfeited and become null and void and the Participant will not have any further rights under the Award, including, without limitation, any rights to receive shares of Common Stock.

10. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Award.

11. This Award shall not be transferable by the Participant, in whole or in part, except in accordance with Section 7 of the Plan. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Award or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Award or any interest therein, shall be null and void and without effect.

12. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Participant, Participant 's successors and permitted assigns, and the Company and its successors and assigns.

13. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

14. Notwithstanding any other terms and conditions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the issuance of this Award or any shares of Common Stock and the Participant may become entitled to under the Award in the future, the Company shall not be required to deliver any such securities prior to the completion of any registration or qualification of any such securities under any non-U.S. securities, exchange control or other law, or under the ruling or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify any such securities with any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of any such securities. Further, the Participant agrees that his or her participation in the trade and acceptance of such securities is voluntary and that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant’s consent to the extent necessary to comply with securities or other laws applicable to issuance of any such securities.

IN WITNESS WHEREOF, the Company and the Participant have entered this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Deborah Thomas
Deborah Thomas
Executive Vice President and
Chief Financial Officer

By: ___________________________
Brian D. Goldner

EXHIBIT 10.7

Hasbro, Inc.

Performance Rewards Program

January 1, 2021

Hasbro, Inc.

Performance Rewards Program

1. Background

1.1 Performance Rewards Program (“PRP”)

- Establishes standard criteria to determine PRP eligibility and overall company or business objectives.

- Provides guidelines for the establishment of target incentive awards.

There are two plans to be funded under the PRP.

- 1) Corporate Plan - Funding under the PRP for eligible employees of Hasbro, Inc. (the “Company”) and its subsidiaries is based on Company performance.

- 2) Business Area Plan - Funding under the PRP for eligible employees of Hasbro, Entertainment One and Wizards of the Coast (“Wizards”) and certain of its subsidiaries will be based on the performance of the Business Area and its subsidiaries. For purposes of this document, Business Areas are defined as either Commercial, Wizards of the Coast (Wizards), Consumer Products (Licensing), Digital Gaming, Film & TV, Secret Location, Family Brands or eOne Group

- Performance objectives and goals are established to measure performance achievement and may be based on one or more of the following: Sales (Net Revenues); Operating Margin and Returns (Free Cash Flow) for Company performance; and Sales (Net Revenues) and Operating Margin for Business Area performance.

1.2 Purpose

The Company has established this PRP (the “Plan”) for the purpose of providing incentive compensation to those employees who contribute significantly to the growth and success of the Company’s business; to attract and retain, in the employ of the Company, individuals of outstanding ability; and to align the interests of employees with the interest of the Company’s shareholders.

1.3 General Guideline

No employee has any legal entitlement to participate in the PRP or to receive an incentive award under the PRP.

1.4 Scope

The PRP is applicable to eligible employees of all global subsidiaries and divisions of the Company.

1.5 Eligibility

Management shall determine, in its sole discretion, those employees whose duties and responsibilities contribute significantly to the growth and success of the Company's business and are eligible to participate in the PRP. Eligibility to participate in the PRP does not guarantee the receipt of an incentive award under the PRP. Unless otherwise required by law or determined by management, if an employee is eligible to participate in the PRP and/or any other annual incentive (or similar) plan implemented from time to time by the Company, such employee may only participate in one plan at the same time, as determined by the Company in its sole discretion.

Eligible employees will be assigned to the Corporate Plan or the Business Area Plan at the Company's sole discretion. For purposes of clarity, sales employees on the Hasbro Sales Rewards Plan (SRP) will participate in the PRP for 2021 and will not have a separate Sales Rewards Plan. eOne sales employees will not be eligible to participate on the PRP in 2021 and will be eligible under the applicable Sales Plans. Employees cannot participate in both the PRP and the Sales Plan simultaneously.

2.0 Incentive Award Levels

2.1 Target Incentive Award

Except as otherwise determined by the Company, target incentive awards are expressed as a percentage of earned salary for the PRP year. For purposes of this PRP, earned salary means all base compensation for the participant for the year in question, which base compensation shall include all base compensation amounts deferred into the Company's retirement savings plan, the Company's Non-Qualified Deferred Compensation Plan and/or any similar successor plans for the fiscal year and excludes, where allowed by law, any bonus or other benefits, other than base compensation, for the PRP year. By design, the target incentive awards are the award levels that PRP participants are eligible to earn when they, the Company or their applicable business units perform as expected (i.e., achieve their goals and objectives). Target incentive awards may be determined by job level, previously determined percentage of base salary such as in the case of employees of Entertainment One entities (collectively, "eOne"), or previously determined percentage such as in the case of employees of the Company previously subject to the Sales Rewards Program. Target incentive awards may also vary by region.

2.2 Maximum Incentive Award

Under the PRP, the maximum incentive award for employees below job level 80 is 200% of the target incentive award. The maximum incentive award for employees in a job level 80 or above is 300% of the target incentive award.

3.0 Measures of Performance for 2021

- PRP funding for the Corporate Plan is based on 100% Company performance.
- PRP funding for the Business Area Plan is 80% Business Area performance and 20% Company performance.

3.1 Establishing Company or Business Area Performance Targets

In the first quarter of the PRP year, the Company's senior management will establish the level of target performance for the year associated with each of the performance metrics for the Corporate Plan the Business Area Plan. Those target levels are reviewed and approved by the Company's Chief Executive Officer ("CEO") and by the Compensation Committee of the Company's Board of Directors (the "Compensation Committee").

3.2 Company Performance

For 2021, the Company performance is measured by Net Revenue, Operating Margin and Returns. Company performance is determined by individually assessing performance against goals for each metric, applying the acceleration/deceleration scale, weighting each metric and summing the total. The weighting and definitions of the overall Company measures are:

Measure	**Definition**	**% of Company Measure**
Net Revenue (Sales)	Third Party Gross Sales (after returns) less Sales Allowances plus Third Party Royalty Income, Digital Gaming Revenue, TV Programming Revenue and Production & Distribution Revenue	40%
Operating Margin	Operating Profit divided by Net Revenues	40%
Returns (Free Cash Flow)	Net cash provided by operating activities -Capital Expenditures	20%

The applicable metric must achieve a threshold performance or no award is payable under that metric before the acceleration/deceleration scale is applied to the applicable metric. The threshold for Net Revenue performance is 85%. The threshold for Operating Margin and for Returns performance is 80%.

3.3 Business Area Performance

For 2021, the Business Area will assess performance based on Net Revenue and Operating Margin specific to the applicable Business Area. Unlike the Corporate Plan where an individual metric's failure to reach the threshold performance does not impact another individual metric's ability to reach the threshold performance and payout, for each Business Area Plan, both metrics must meet a minimum threshold performance before the acceleration/deceleration scale is applied to both metrics or no award is payable for the Business Area component of the Business Area Plan. The threshold for the Business Area Net Revenue performance is 85%. The threshold for the Business Area Operating Margin performance is 80%.

The weighting and definitions of the Business Area Plan are:

Measure	***Definition**	**% of Measure**
Net Revenue (Sales) of the Business Area	Third Party Gross Sales (after returns) less Sales Allowances plus Third Party Royalty Income, Digital Gaming Revenue and TV Programming Revenue	50%
Operating Margin of the Business Area	Operating Profit divided by Net Revenues	50%

*In addition to Global Wizards Revenue and OP, Wizards also includes Revenue and OP from Licensed Digital Gaming for Wizards specific brands.

Bonus formula metrics are subject to review annually by the CEO.

4.0 Development of Funding Pools

At the end of the fiscal year, the actual performance for the Company and the Business Area for each financial component of the funding pool for the PRP will be calculated (based on the Company's and the Business Area's performance as of year-end) and approved by the Company's Chief Financial Officer.

The funding pool scales for the metrics used in the Corporate Plan and the Business Area plan, as applicable, are as follows:

Revenue Scale:
Performance % Funding Pool Scale %
< 85% 0% Minimum performance 85%
85% 50% For every 1% below target, 2.6%-2.7% decrease in award
100% 100% Target performance = 100% payout
101% 106.7% For every 1% above 100%, 6.6%-6.8% increase in award
115%+ 200% Maximum payout

Operating Margin Scale:
Performance % Funding Pool Scale %
< 80% 0% Minimum performance 80%
80% 50% For every 1% below target, 2% decrease in award
100% 100% Target performance = 100% payout
101% 104% For every 1% above 100%, 4% increase in award
125%+ 200% Maximum payout

Returns (Free Cash Flow) Scale:
Performance % Funding Pool Scale %
< 80% 0% Minimum performance 80%
80% 50% For every 1% below target, 2% decrease in award
100% 100% Target performance = 100% payout
101% 104% For every 1% above 100%, 4% increase in award
125%+ 200% Maximum payout

In the case of the Corporate Plan and the Company component of the Business Area Plan, the threshold performance must be met for a metric before the acceleration/deceleration scale is applied to that metric. If the threshold performance is not achieved for a specific metric, no award is payable under the specific metric that did not achieve the threshold performance. The payout attributable to each metric will then be weighted and added to arrive at the overall achievement.

An illustrative example of the development of a funding pool for the Corporate Plan and the Company component of the Business Area Plan is as follows:

> If Net Revenue is achieved at 100% of target (which results in 100% funding based on the acceleration/deceleration scale) and Operating Margin is achieved at 80% of target (which results in a 50% funding) but Returns does not reach threshold performance, then overall Company performance will only pay out on Net Revenue and Operating Margin. The aggregate weighted payout would be:
>
> (100% x 40%) + (50% x 40%) + (0% x 20%) = 60%
>
> The Company payout under the Corporate Plan would be 60% (and the Company component of the Business Plan would be 12%)

In the case of each Business Area Plan, the Net Revenue and Operating Margin for Business Area metrics must both individually achieve a minimum threshold performance against target to qualify for that component of the Business Area Plan funding pool. If the Net Revenue and Operating Margin for the Business Area metrics each achieve a minimum threshold performance against target, an acceleration/deceleration scale will then be applied to each individual metric to develop the component funding pool for each metric. If the Net Revenue metric achieves threshold or higher, and the corresponding Operating Margin metric does not, the funding pool for that component of the Business Area Plan will be 0%. Similarly, if the Operating Margin metric achieves threshold or higher, and the corresponding Net Revenue metric does not, the funding pool for that component of the Business Area Plan will be 0%.

Illustrative examples of the development of a funding pool for the Wizards Business Area component of the Wizards Business Area Plan are as follows:

> If Wizards Revenue is achieved at 90% of target (which results in an 73% funding based on the acceleration/deceleration scale) and Operating Margin is at 65% (which is below 80% threshold) the Wizards component of the Wizards Business Area Plan will not fund (0% funding of the Wizards component).

or

If Wizards Revenue is achieved at 91% target (which results in an 76% funding), and Operating Margin is achieved at 80% target (which results in a 50% funding) the aggregate weighted funding is:

(76% x 50%) + (50% x 50%) = 63% Wizards funding

Once all Business Area results have been calculated, the funding pool of Business Area component is developed. The Business Area component funding pool (weighted at 80%), combined with the Company component funding pool (weighted at 20%), will equal the aggregate of the PRP funding pool for the Business Area Plan.

4.1 <u>Funding Pools</u>

The Company calculates the component funding pools, based on the Company's performance through the end of the year, the performance at the corporate level and Business Area against the applicable performance targets. Those component funding pools as established (composed of the pools for the Company's performance and the performance of the Business Areas) are aggregated. Collectively these amounts constitute one aggregate funding pool (the "Funding Pool"), based on performance as of the end of the year, which the Company will pay out to all participants in the PRP collectively for performance during the year.

Although the CEO and the Compensation Committee reserve the right to alter the Funding Pool after year end, but prior to the actual payment of awards to participants in the PRP, it is expected that such discretion will only be exercised in rare or extreme circumstances, and that generally the entire Funding Pool, as it has been computed, will be paid (absent any affirmative exercise of this discretion) out to the participants in the PRP collectively following the closing of the year in question.

4.2 <u>High Performer Pool Funding for Corporate</u>

Following the end of the year, but prior to the payment of all awards under the Plan with respect to the completed fiscal year, management of the Company, in its sole discretion, may determine to add additional funding to the Plan, to cover individual performance awards for some employees or officers (the "Corporate High Performer Pool"). To the extent such determinations are made, they are subject to the approval of the appropriate management of the Company. Funding of the Corporate High Performer Pool is determined by the achievement of the Company's Operating Profit, overall Company performance and affordability. The aggregate amount of the Corporate High Performer Pool is subject to the approval of both the CEO and the Compensation Committee.

4.3 <u>Total Awards Under the PRP</u>

The aggregate of all incentive awards under the PRP shall consist of the sum of the Funding Pool and the Corporate High Performer Pool.

In addition to the procedures set forth above, any incentive awards recommended under the PRP which exceed one times a participant's base salary must be reviewed and approved by the Company's CEO.

4.4 Management Review

Payment of any incentive award to an employee is subject to management's review.

- For purposes of the PRP, management has the ability to review the proposed payout of any incentive award under the PRP to an eligible employee and to determine whether such proposed incentive award should be adjusted based on the participant's performance, contributions to the organization, or any other factor allowed by law. In completing this review, management has the option of providing a zero value incentive award to the employee regardless of Company or Business Area performance. For participants that do not receive an incentive award or that receive a reduced incentive award, the portion of such person's potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other PRP participants in the manner determined by management.

5.0 Removals, Transfers, Terminations, Promotions and Hiring Eligibility

Except to the extent applicable legal requirements mandate a different result for a Plan participant, the following scenarios will be dealt with under the PRP in the manner set forth below.

5.1 Participants whose employment with the Company is terminated because of retirement or disability:

- After the close of the PRP year, but prior to the actual distribution of incentive awards for such year, may be awarded an incentive award for the plan year at the discretion of the Chief Human Resource Officer. For any such participant who is not given an incentive award, the portion of such person's potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other PRP participants in the manner determined by management.

- After the beginning, but prior to the close of the PRP year, no award shall be granted unless authorized at the discretion of the Chief Human Resource Officer.

5.2 Participants whose employment with the Company is terminated because of death:

- After the close of the PRP year, but prior to the actual distribution of awards for such year, shall be awarded an incentive award for the PRP year. Such payment will be made to the deceased employee’s estate or designated beneficiary.

- After the beginning, but prior to the close of the PRP year, no award shall be granted unless authorized at the discretion of the Chief Human Resource Officer. Any such payments will be made to the deceased employee’s estate or designated beneficiary.

5.3 Participants who resign for any reason after the close of the PRP year, but prior to the distribution of incentive awards for such year, will not receive an incentive award. For any such participant, the portion of such person’s potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other plan participants in the manner determined by management if the planning budgets have already been established.

5.4 Participants who are discharged from the employ of the Company or any of its subsidiaries for cause or for any offense involving moral turpitude or an offense involving breach of the fiduciary duty owed by the individual to the Company will not be entitled to an incentive award for any PRP year. For any such participant, the portion of such person’s potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other plan participants in the manner determined by management.

5.5 Participants who are discharged from the employ of the Company or any of its subsidiaries due to any reason other than the ones enumerated above, including, without limitation, participants who are discharged due to job elimination:

- After the close of the PRP year, but prior to the actual distribution of incentive awards for such year, may be awarded an incentive award for the PRP year. No award shall be granted unless authorized at the discretion of the Chief Human Resource Officer. For any such participant who is not given an incentive award, the portion of such person’s potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other plan participants in the manner determined by management.

- After the beginning, but prior to the close of the PRP year, the participant is no longer eligible for that year. However, a discretionary incentive award may be granted by the Chief Human Resource Officer.

5.6 Participants under statutory or contractual notices as may be required by applicable law:

- At the end of the fiscal year, may be awarded an incentive award for the PRP year. Except as may be required by applicable laws, no award shall be granted unless authorized at the discretion of the Chief Human Resource Officer. For any such participant who is not given an incentive award, the portion of such person's potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other plan participants in the manner determined by management.

- Which ends prior to the close of the PRP year, shall not be eligible for an incentive award for that plan year. However, a discretionary incentive award may be granted by the Chief Human Resource Officer.

5.7 Participants transferred during the PRP year from one division of the Company to another will be eligible to receive an incentive award (subject to achievement of the requisite organizational and individual performance) through the division in which he or she is employed at the end of the PRP year, but the award amount may be based on the performance made in each division in which the individual was employed during the PRP year.

5.8 Employees hired during the PRP year must be actively employed on or before October 1st or another date designated by the Chief Human Resource Officer or his designee of the PRP year to participate in the PRP for that PRP year. Incentive awards will be made based upon the employee's earned salary during the period of their employment with the Company during the PRP year.

5.9 The eligibility for an incentive award under the PRP for employees who remain employed with the Company during the PRP year but whose change in employment status through promotion or reclassification affects their level of participation:

- Prior to October 1st or another date designated by the Chief Human Resource Officer or his designee, of the PRP year, will participate at the level consistent with the promotion or reclassification.

- After October 1st or another date designated by the Chief Human Resource Officer or his designee, but prior to the close of the PRP year, will participate at the level consistent with their classification prior to the promotion or reclassification

5.10 The eligibility for an incentive award under the PRP for employees who remain employed with the Company during the PRP year but whose change in employment status through demotion affects their level of participation will be determined by the Chief Human Resource Officer.

6.0 Administration of the PRP

6.1 Amendments to the PRP (Contingency Clause)
The CEO and the Compensation Committee reserve the right to interpret, amend, modify, or terminate the PRP in accordance with changing conditions at any time in their sole discretion.

6.2 Incentive Award Distribution
Incentive awards, when payable, shall be paid as near to the close of the Company's fiscal year as may be feasible. In furtherance of the preceding sentence, any incentive awards under the PRP will be paid no later than the date allowable to ensure tax deductibility in the year of accrual, which in the case of the United States is two and a half months after the fiscal year end. Participants in the PRP must be employed at the time of award distribution in order to receive an incentive award, except as provided in Section 5.0.

No individual has the right to receive an incentive award until it has been approved and distributed in accordance with the provisions of the PRP.

6.3 Non-Assignment of Awards
Participants eligible to receive incentive awards shall not have any right to pledge, assign, or otherwise dispose of any unpaid or projected awards.

6.4 Deferral of Awards
Participants eligible to defer incentive awards through the Deferred Compensation Program (DCP) may elect to do so during the annual DCP enrollment.

6.5 Clawback of Awards
By accepting any incentive awards under the Plan, the participant hereby acknowledges and agrees that (i) any incentive compensation the participant is awarded is subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors (the "Board") in October 2012, and (ii) any incentive award the participant is awarded will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement is a material condition to receiving any incentive award under the Plan, which would not have been awarded to the participant otherwise.

6.6 Stock Ownership

Additionally, the participant acknowledges and agrees that if the participant is now, or becomes subject in the future to, the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014 as it may be amended from time to time by the Board in the future (the “Stock Ownership Policy”), then the receipt of any incentive award under the PRP is contingent upon the participant’s compliance with the terms of the Stock Ownership Policy, including without limitation, the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant’s applicable requirement levels are met. Failure to comply with the Stock Ownership Policy may, in the Company’s sole discretion, result in the reduction or total elimination of any incentive award that otherwise might be payable under the PRP and/or result in the Company determining to substitute other forms of compensation, such as equity, for any award the participant otherwise might have received under the PRP.

Exhibit 31.1

CERTIFICATION

I, Brian Goldner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hasbro, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2021

/s/ Brian Goldner
Brian Goldner
Chairman and Chief
Executive Officer

Exhibit 31.2

CERTIFICATION

I, Deborah Thomas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hasbro, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2021

/s/ Deborah Thomas

Deborah Thomas
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Executive Officer of Hasbro, Inc., a Rhode Island corporation (the “Company”), does hereby certify that to the best of the undersigned’s knowledge:

1) the Company’s Quarterly Report on Form 10-Q for the quarter ended June 27, 2021, as filed with the Securities and Exchange Commission (the “10-Q Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Company's 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brian Goldner
Brian Goldner
Chairman and Chief Executive Officer of Hasbro, Inc.

Dated: July 28, 2021

A signed original of this written statement required by Section 906 has been provided to Hasbro, Inc. and will be retained by Hasbro, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Financial Officer of Hasbro, Inc., a Rhode Island corporation (the "Company"), does hereby certify that to the best of the undersigned's knowledge:

1) the Company's Quarterly Report on Form 10-Q for the quarter ended June 27, 2021, as filed with the Securities and Exchange Commission (the "10-Q Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Company's 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Deborah Thomas
Deborah Thomas
Executive Vice President and Chief Financial Officer of Hasbro, Inc.

Dated: July 28, 2021

A signed original of this written statement required by Section 906 has been provided to Hasbro, Inc. and will be retained by Hasbro, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.