

# Deb Thomas

Chief Financial Officer



# Safe Harbor and Forward Looking Statement

Certain statements in this presentation contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which may be identified by the use of forward-looking words or phrases, include statements relating to: our business strategies and plans for growth; anticipated profit growth and cost savings; expectations relating to products, gaming and entertainment to be developed and delivered in the near term; expectations relating to the Company’s direct to consumer platform, licensing activities, and other anticipated transactions and any benefits resulting therefrom; capital allocation priorities, including debt to EBITDA targets, dividends and share buybacks; and anticipated financial performance for 2022 and financial targets for 2027. Our actual actions or results may differ materially from those expected or anticipated in the forward-looking statements due to both known and unknown risks and uncertainties. Factors that might cause such a difference include, but are not limited to:

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

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

# 2027 Goals

Invest in key  
growth areas:

Gaming, Direct,  
Operational Excellence

Deliver mid-single  
digit revenue  
CAGR to achieve

**\$8.5B+**

Operating  
Profit Margin

**20%+**

Operational  
Transformation

**\$250-300M**

run-rate cost  
savings by 2025

Annual Operating  
Cash Flow

**\$1B+**

Return  
Excess Cash  
to Shareholders

# 2022 Outlook Update

**FY 22**

Flat to slightly down  
revenue in  
constant currency

**FY 22**

**16%**  
Operating Profit  
Margin Target

**Q3**

Presents the  
most difficult  
comparisons

**Q4**

Innovation  
launching and  
set up for  
strong 2023

**Q3 2021 Comps include**

My Little Pony Movie  
Bigger Magic: The Gathering  
Release Slate

# 5-YEAR REVENUE TARGET

**\$8.5B+**

## REVENUE

2021

**\$6.4B**

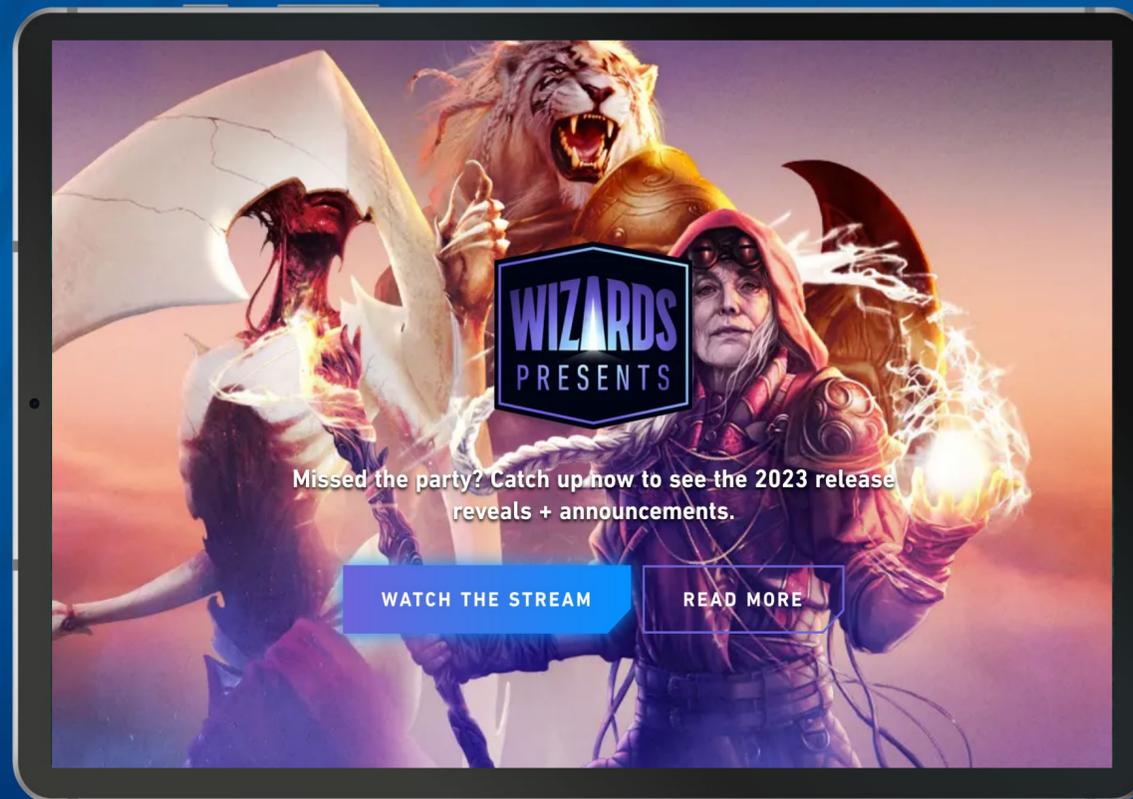
2024

2027



# Investing to Grow

## Wizards of the Coast and Digital Gaming



▶ Double Revenue by Year-end 2027

▶ ~40% of Revenue in Digital in 2027



**FRANCHISE BRANDS**

**GAMING**

**LICENSING**

▶ Fewer, Bigger Brands Drive Higher Margin Revenue Growth

▶ +\$1B in Revenue by Year-end 2027

# Entertainment



**Revenue CAGR Target  
Low to Mid-single Digit Growth by 2027**

**Increase 2X Spend on  
Hasbro Brands by 2024  
Across Film, TV and Animation**

# NEW FRANCHISE BRANDS



**Mid 20%**  
Combined  
operating  
profit margin

*Over last two years*



*Begin reporting Q1 2023*

# FRANCHISE BRAND CRITERIA

**\$500M+**

by 2027

**20%**

Operating Profit  
Margin Target



# Expanding Co-Brand Arrangements



STARTING  
LINEUP



# PARTNER BRANDS



▶ High Priority Brands

▶ Improving Margin Profile  
of Portfolio

# PORTFOLIO BRANDS



Maximize Profit and Consumer Reach  
Out-license Select Brands

# PORTFOLIO BRANDS



**POWER RANGERS**



Right Size to Deliver at or Above Company Operating Profit Margins  
Assess Potential to Accelerate and Become a Future Franchise Brand

FILM/TV/  
ENTERTAINMENT



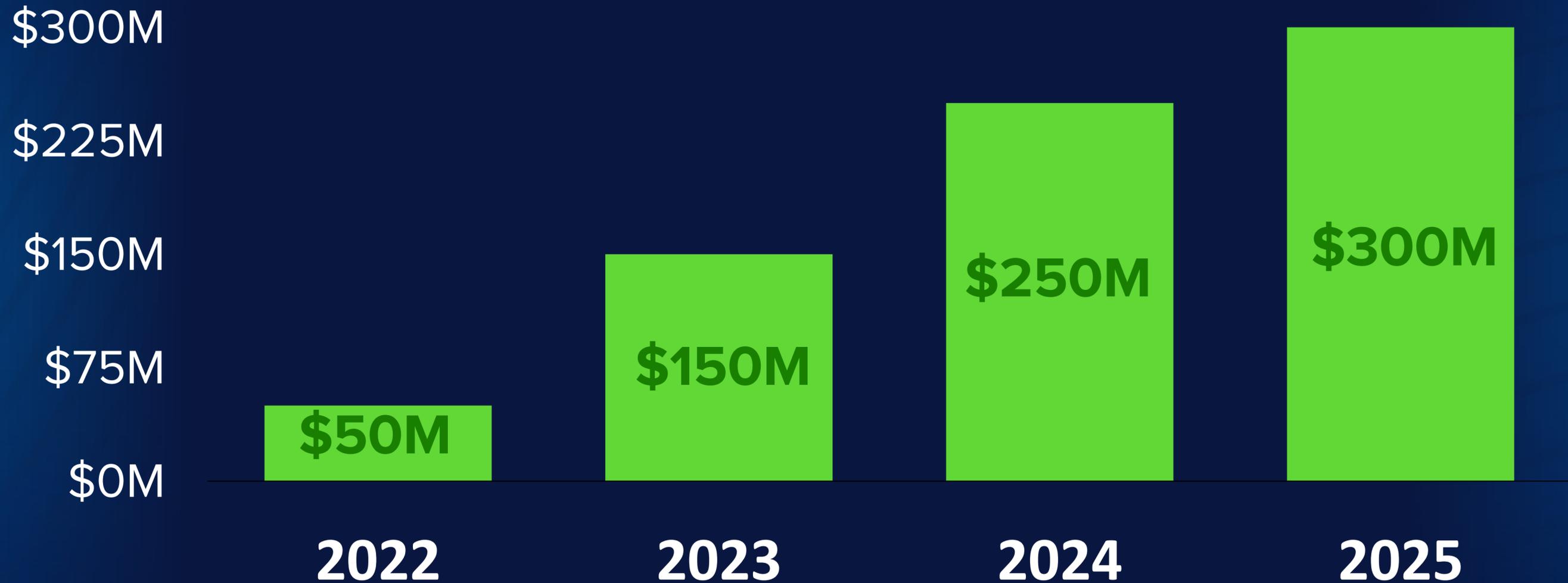


# HASBRO'S FIRST \$1 BILLION BRAND

Trailing Twelve Month Revenue \$1.04B



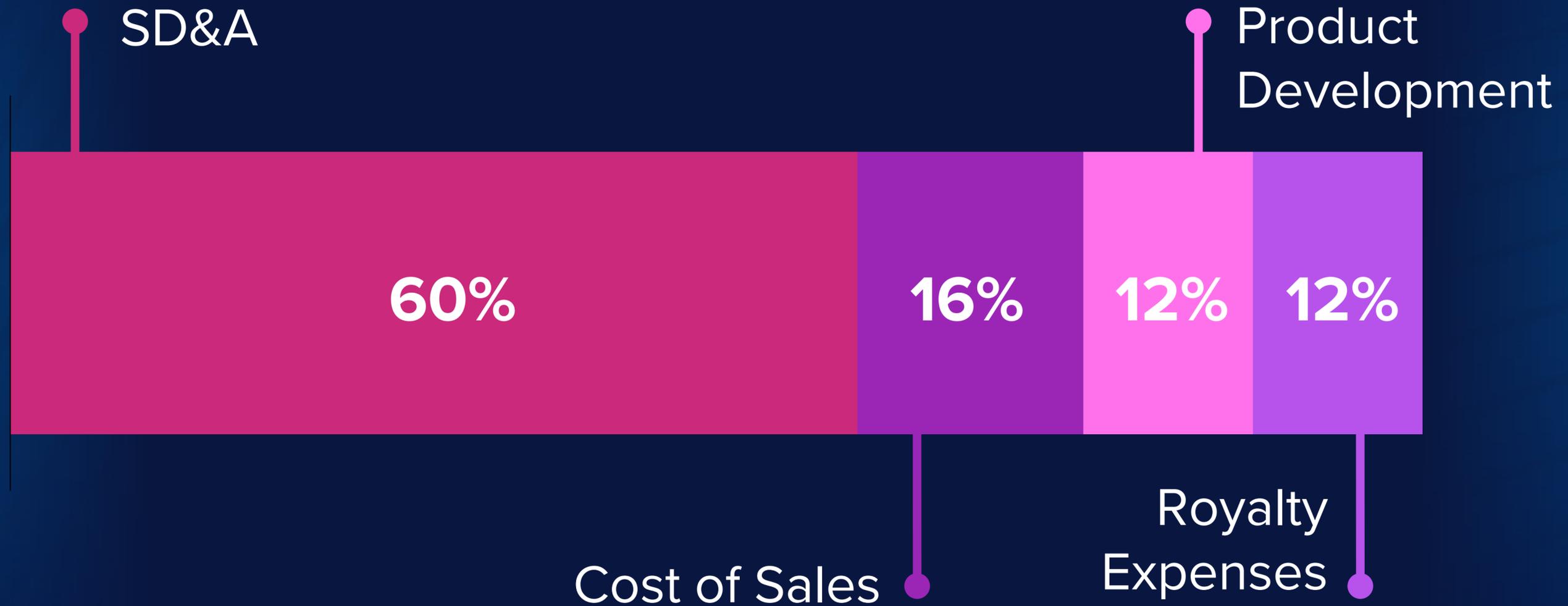
# OPERATIONAL EXCELLENCE COST SAVINGS



\$250-300M Run-Rate Cost Savings by Year-End 2025

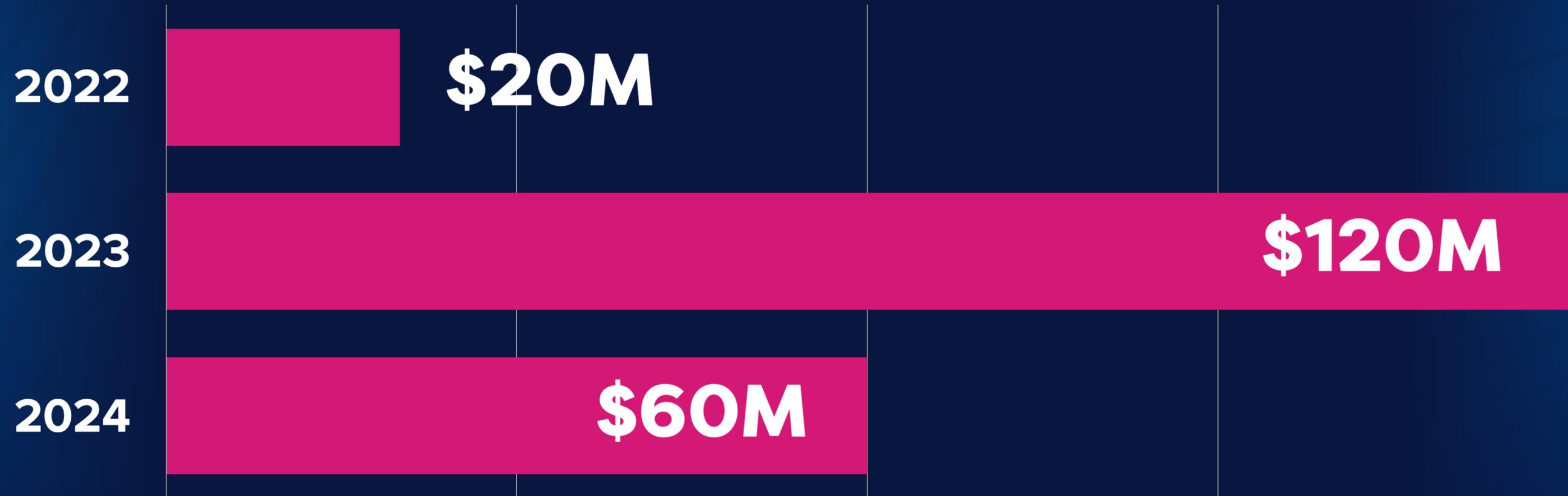
# COST SAVINGS TARGET

2025: \$250-300M



Expected savings: ~\$75 million to \$100 million in Cost of Sales and Distribution; ~\$70 million in product development and royalty expense; \$100 million to \$130 million in selling and admin expense

# PROJECTED COST TO ACHIEVE



# EXPECTED P&L SAVINGS

Q3 2022

\$60M CHARGE

2023

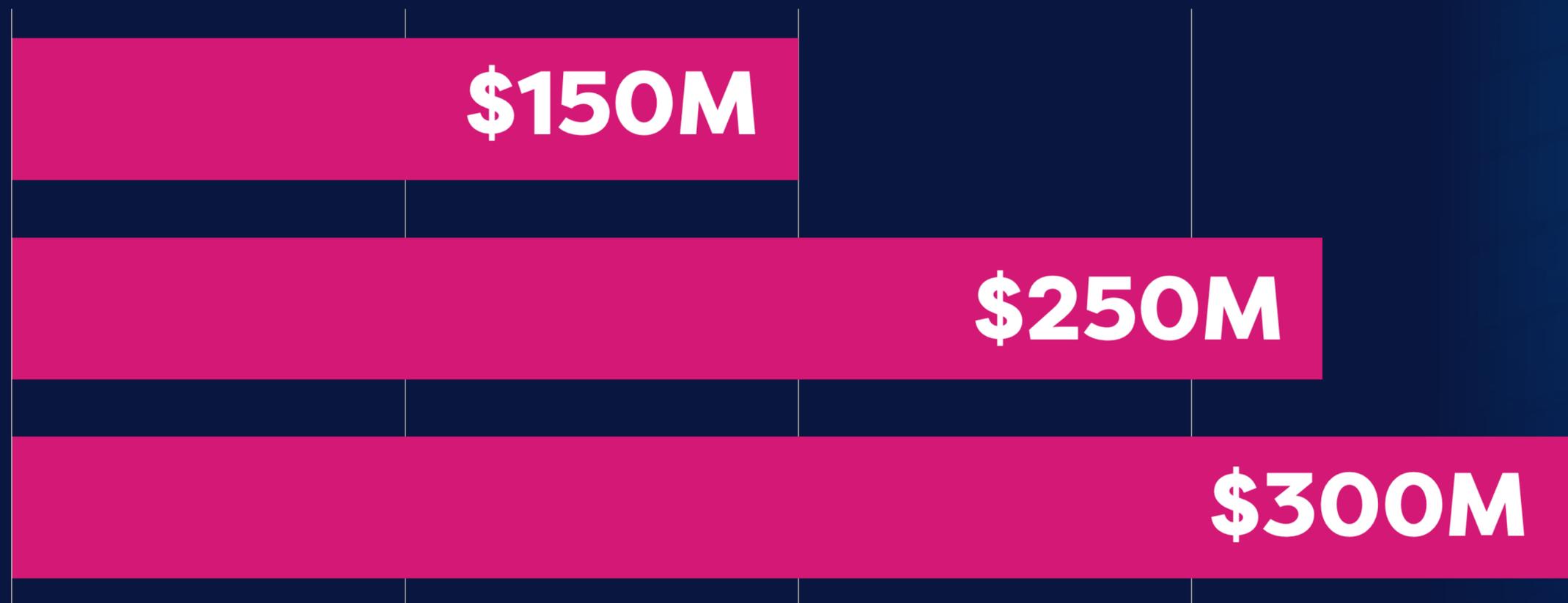
**\$150M**

2024

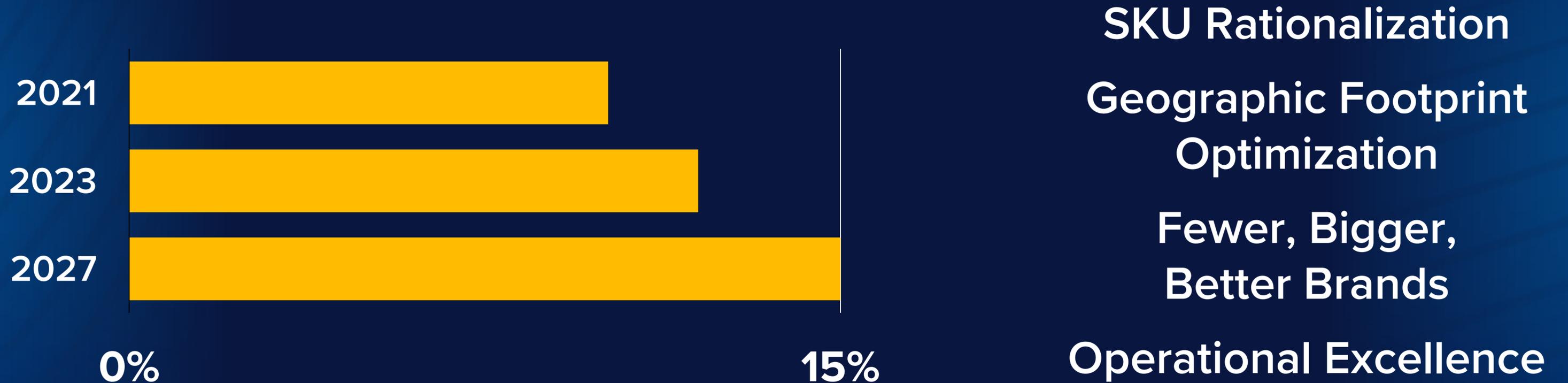
**\$250M**

2025

**\$300M**



# CONSUMER PRODUCTS MARGIN EXPANSION



# OPPORTUNITY: CORPORATE EXPENSES

**25% SAVINGS**

in Corporate Shared Services,  
IT Optimization, Real Estate

# WIZARDS OF THE COAST AND DIGITAL GAMING PRIORITY INVESTMENT

Continued Growth Accretive to Hasbro Overall Margin

Digital Gaming Launches Planned for 2025 and beyond



# ENTERTAINMENT FOCUS ON BRAND-LED STORYTELLING

- ▶ Path to Double-digit Operating Profit Margin

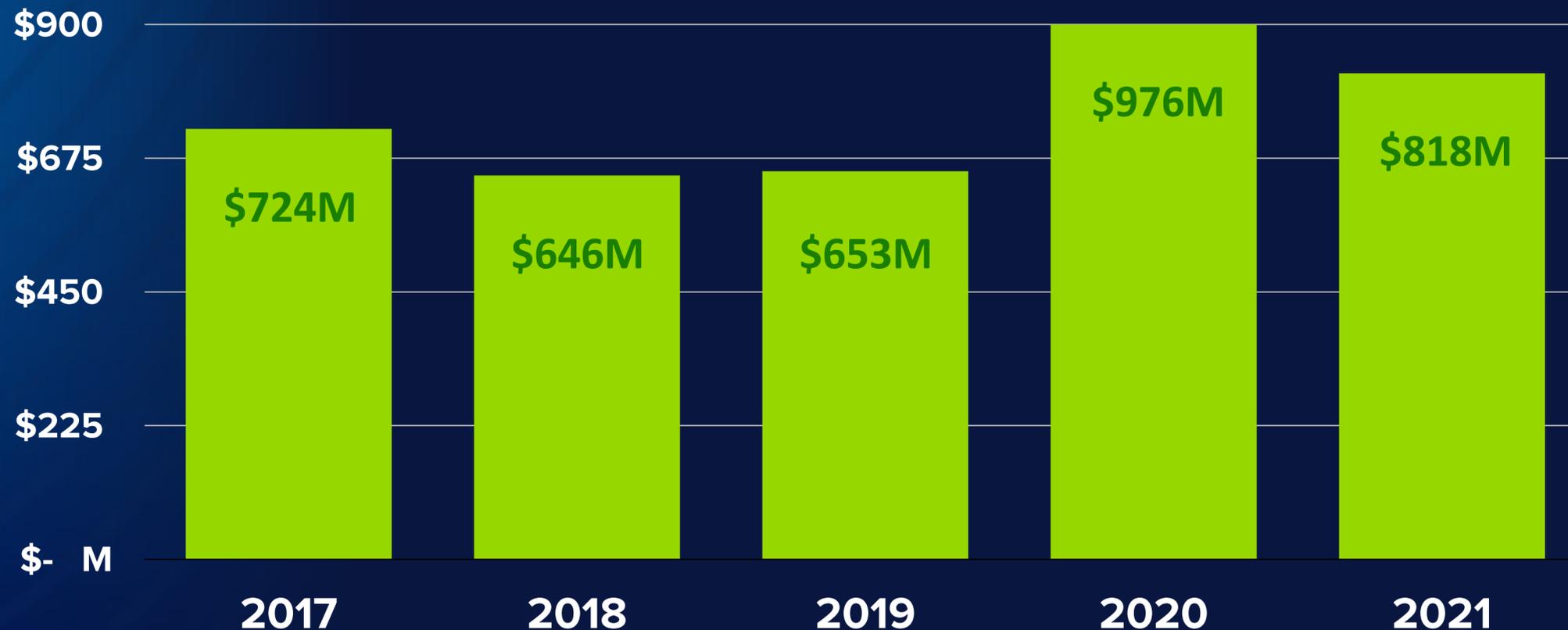
- ▶ Drive Higher Margin Revenue Around the Hasbro Blueprint

# OPERATING CASH FLOW TARGET

## \$1B+ ANNUALLY

### CONSISTENTLY STRONG CASH FLOW

HASBRO STANDALONE 2017-2019; HASBRO + eOne 2020-2021



**2023:**  
**\$1B HIGH END OF RANGE**  
**2024 AND BEYOND:**  
**ACCELERATING BEYOND \$1B**

# CAPITAL PRIORITY

1

**INVEST TO DRIVE  
PROFITABLE GROWTH**

Gaming

Direct

Supply Chain

Data and Insights

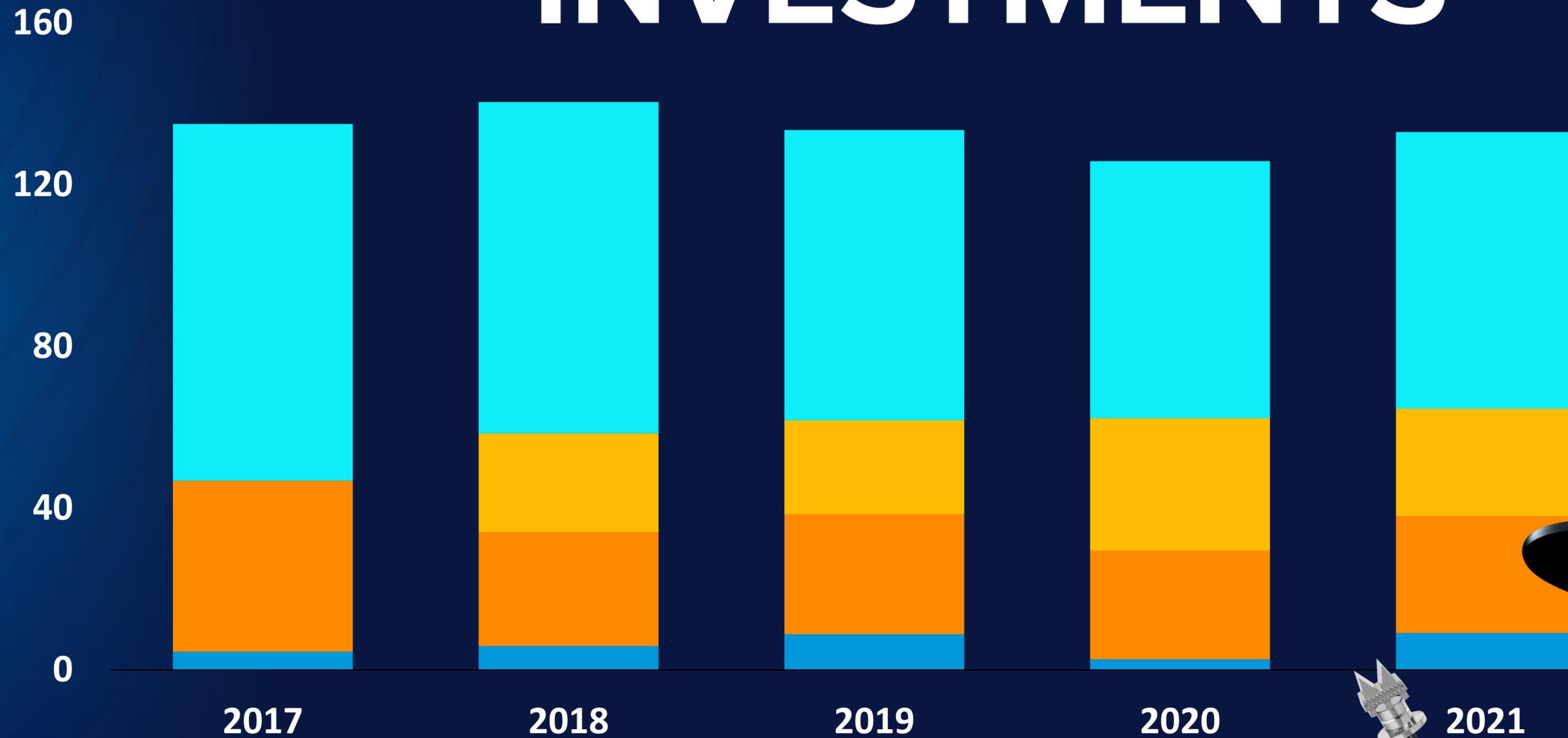
Hasbro IP Content

Talent

# CONTINUED INVESTMENT TO DRIVE GAMING

A screenshot of the D&D Beyond website showing a character sheet for a Paladin named Arnazall. The character is a Half-Orc, Paladin 13, Blood Hunter 2, Level 17. The sheet is displayed on a laptop screen, with a smartphone showing a mobile version of the same sheet to the right. The laptop screen shows the following details:  
**Character Info:** Arnazall, Half-Orc, Paladin 13 / Blood Hunter 2, Level 17.  
**Stats:** STR +1, DEX -3, CON -5, INT +0, WIS +2, CHA +1.  
**Skills:** ACROBATICS -2, ANIMAL HANDLING -2, ARCANA -0, ATHLETICS -7, DECEPTION -7, HISTORY -0, INQUIRY -2, INVESTIGATION -7, MEDICINE -2, NATURE -0, PERCEPTION -2, RELIGION -1, SLEIGHT OF HAND -2, STEALTH -8.  
**Proficiencies:** MACE +6, SHIELD +2, UNARMED STIKE +7.  
**Inventory:** Heavy Armor, Light Armor, Medium Armor, Shields, Martial Weapons, Simple Weapons.  
**Tools:** Adventurer's Supplies, Simple Tools, Thieves' Tools.  
**Spells:** Channel Divinity: Morning Lullaby, Channel Divinity: Mystic Lullaby.  
**Mobile View:** Shows a simplified version of the character sheet with key stats and skills visible.

# HASBRO CAPITAL SPENDING INVESTMENTS



# STRICT CRITERIA FOR M&A

EPS  
Accretion

IRR

Near-term focus is organically-driven growth  
M&A could be a contributor in the future

**D&D**  
**BEYOND**

# CAPITAL PRIORITY

2

## DE-LEVER THE BALANCE SHEET AND MAINTAIN INVESTMENT GRADE RATING

Consistent Financial Policy

Aggressive De-levering

Maintenance of Dividend

Return to gross debt to EBITDA  
target of 2 to 2.5x during 2023

# CAPITAL PRIORITY

3

**RETURN EXCESS CASH  
TO SHAREHOLDERS**

Dividend

Share Repurchase

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