Hasbro Unveils New Strategy – Playing to Win

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PAWTUCKET, R.I.--(BUSINESS WIRE)--Feb. 20, 2025-- Today Hasbro, a leading games, IP, and toy company, is unveiling a new strategic plan, 'Playing to Win', taking the company through 2027. At the heart of Playing to Win is Hasbro's mission to create joy and community through the magic of play. Through play-fueled engagement and partner-scaled co-investment, Hasbro will seek to expand its reach from over 500 million kids, families, and fans today to over 750 million by 2027. Through 2027, we expect an average of mid-single digit revenue growth and 50-100 basis points of annual operating profit margin improvement. By 2026 Hasbro's gross debt to adjusted EBITDA ratio is projected to stand at 2.5x. And by 2027 Hasbro's operational excellence program is expected to deliver $1bn of gross cost savings, with approximately half dropping to the bottom line.

Medium-Term Guidance (2025-2027)

Key Metric	Measure
Revenue (Constant Currency)	Mid-Single Digit Growth CAGR
Adjusted Operating Margin	50bps to 100bps Average Expansion per year
Cost Savings*	$1B Gross Cost Savings
Capital Allocation	2.5x Gross Debt to Adjusted EBITDA by 2026

**Cost Savings are calculated using FY 2021 results as base year.*
The Company is not able to reconcile its forward-looking non-GAAP adjusted operating profit margin because the Company cannot predict with certainty the timing and amounts of discrete items such as charges associated with its cost-savings program, which could impact GAAP results. Constant currency is a non-GAAP financial measure.

Chris Cocks, Hasbro's CEO, said: "Play is a universal human need and a strong basis for a business that has the purpose to endure, as Hasbro has proved over the last 164 years. Playing to Win unlocks Hasbro's strengths: a broad and deep brand portfolio rooted in play, an unmatched licensing business, and a profitable games business anchored by world-renowned franchises fans love like Magic: The Gathering, Monopoly, and Dungeons & Dragons. Our new strategy is grounded in the key insights which will drive Hasbro's evolution into a modern play company: serving fans of all ages around the world at every price point, and meeting fans where they are playing, which is increasingly online."

Gina Goetter, Hasbro's CFO and COO, said: "Playing to Win focuses our teams on Hasbro's core strengths while continuing to transform the organization and drive operational excellence. With this strategy, we expect to emerge as one of the most profitable toy and game companies globally, powered by a phenomenal set of diverse and multi-generational franchises."

Playing to Win marks an important pivot for Hasbro: a return to growth. The strategy focuses Hasbro on what has always made the company great – Play and Partners. Play is the foundation for an incredible portfolio of brands, a library of thousands of marks spanning Hasbro's 164-year history across ages, geographies and play patterns. Through partners, Hasbro has scaled to become the third largest entertainment licensor on the planet and the biggest in digital games, by far the fastest growing entertainment category of the last decade.

A focus on Play and Partnership has allowed Hasbro to exit non-core businesses like eOne film and TV and take out $600M of costs. Hasbro has emerged with a stronger balance sheet and a stellar line-up of partners. This focus has allowed the company to lean into high profit, high growth areas like digital games where Hasbro's brands have proven resonance and diversified digital revenue streams allow for self-funding. And upcoming partner collaborations span blockbuster movies, themed hotels, cruise ships, quick service restaurants, category expanding toy partnerships and AAA videogames.

Playing to Win includes five strategic building blocks:

- **Profitable Franchises**: Asserting the fundamentals of profitable, play-focused brands.
- **Aging Up**: Increasing the play and collectible appeal for fans aged 13 and above across Hasbro's brands.
- **Everyone Plays**: Expanding reach in opportunity areas including girls and emerging markets.
- **Digital & Direct**: Building video games, services, and e-commerce capabilities.
- **Partner Scaled**: Driving profitable reach through outstanding retail and licensing partnerships.

Hasbro is introducing a new prioritization matrix to assess brands, markets and channels that will drive internal clarity and resource allocation. Growth Brands and channels with the highest growth and margin potential will receive higher incremental investment, including Magic and Play-Doh, emerging markets, and Hasbro's self-published video game efforts. Opportunities with a lower growth or margin profile will see more targeted investments to grow share and optimize profitability.

Underlying these product and brand-focused strategies are a series of transformation initiatives to upgrade the company's operations, systems, and

talent. These initiatives include systems modernization, supply chain excellence, design acceleration, and AI and digital advancement. To deliver the future of play, Hasbro will build on the culture of innovation and collaboration fostered over the past 164 years while creating a positive impact on the community and the environment.

About Hasbro

Hasbro is a leading games, IP and toy company whose mission is to create joy and community through the magic of play. With over 164 years of expertise, Hasbro delivers groundbreaking play experiences and reaches over 500 million kids, families and fans around the world, through physical and digital games, video games, toys, licensed consumer products, location-based entertainment, film, TV and more.

Through its franchise-first approach, Hasbro unlocks value from both new and legacy IP, including MAGIC: THE GATHERING, DUNGEONS & DRAGONS, MONOPOLY, HASBRO GAMES, NERF, TRANSFORMERS, PLAY-DOH and PEPPA PIG, as well as premier partner brands. Powered by its portfolio of thousands of iconic marks and a diversified network of partners and subsidiary studios, Hasbro brings fans together wherever they are, from tabletop to screen.

For more than a decade, Hasbro has been consistently recognized for its corporate citizenship, including being named one of the 100 Best Corporate Citizens by 3BL Media, a 2025 JUST Capital Industry Leader, one of the 50 Most Community-Minded Companies in the U.S. by the Civic 50, and a Brand that Matters by Fast Company. For more information, visit https://corporate.hasbro.com or @Hasbro on LinkedIn.

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Forward Looking Statement Safe Harbor

Certain statements in this press release 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; expectations relating to products, gaming and entertainment; anticipated cost savings; and financial targets and guidance. 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 implement and execute on our business strategy;
- our ability to successfully compete in the play industry and further develop our digital gaming, licensing business and partnerships;
- our ability to transform our business and capabilities to address the changing global consumer landscape, including evolving demographics for our products and advancements in technology such as the use of artificial intelligence in the products and markets in which we operate;
- risks associated with the imposition or threat of tariffs, including reciprocal or retaliatory tariffs, in markets in which we operate which could increase our product costs and other costs of doing business, impact consumer spending, and lower our revenues and earnings;
- risks associated with international operations, such as: the imposition or threat of tariffs; conflict in territories in which we operate; currency conversion; currency fluctuations; quotas; shipping delays or difficulties; border adjustment taxes or other protectionist measures; and other challenges in the territories in which we operate;
- risks related to political, 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, tariffs, higher commodity prices, labor strikes, labor costs or transportation costs, or outbreaks of illness or disease, the occurrence of which could create work slowdowns, delays or shortages in production or shipment of products, increases in costs, or losses and delays in revenue and earnings;
- uncertain and unpredictable global and regional economic conditions impacting one or more of the markets in which we sell products, which can negatively impact our customers and consumers, result in lower employment levels, consumer disposable income, retailer inventories and spending, including lower spending on purchases of our products;
- our ability to design, develop, manufacture, and ship products on a timely, cost-effective and profitable basis;
- 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;
- our dependence on third party relationships, including with third party partners, manufacturers, distributors, studios, content producers, licensors, licensees, and outsourcers, which creates reliance on others and loss of control;
- 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;
- 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;
- our ability to attract and retain talented and diverse employees, particularly following recent workforce reductions;
- our ability to realize the benefits of cost-savings and efficiency and/or revenue and operating profit enhancing initiatives;
- risks relating to the impairment and/or write-offs of businesses, products and content we acquire and/or produce;
- the risk that acquisitions, dispositions and other investments we complete may not provide us with the benefits we expect, or the realization of such benefits may be significantly delayed;
- 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;

- fluctuations in our business due to seasonality;
- the risk of product recalls or product liability suits and costs associated with product safety regulations;
- changes in accounting treatment, tax laws or regulations, or the interpretation and application of such laws and regulations, which may cause us to alter reserves or make other changes which significantly impact our reported financial results;
- the impact of litigation or arbitration decisions or settlement actions;
- 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 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 press release or to update them to reflect events or circumstances occurring after the date of this press release.

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