



# **First Quarter 2025 Earnings**

(Unaudited Results)

May 5, 2025



# Cautionary Note Regarding Forward-Looking Statements / Presentation Information

Mattel cautions the viewer that this presentation contains a number of forward-looking statements, which are statements that relate to the future and are, by their nature, uncertain. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and include statements regarding Mattel's guidance and goals for future periods and other future events. The use of words such as "anticipates," "expects," "intends," "plans," "projects," "look forward," "confident that," "believes," and "targeted," among others, generally identify forward-looking statements. These forward-looking statements are based on currently available operating, financial, economic, and other information and assumptions, and are subject to a number of significant risks and uncertainties. A variety of factors, many of which are beyond Mattel's control, could cause actual future results to differ materially from those projected in the forward-looking statements. Specific factors that might cause such a difference include, but are not limited to: (i) Mattel's ability to design, develop, produce, manufacture, source, ship, and distribute products on a timely and cost-effective basis; (ii) sufficient interest in and demand for the products and entertainment Mattel offers by retail customers and consumers to profitably recover Mattel's costs; (iii) downturns in economic conditions affecting Mattel's markets which can negatively impact retail customers and consumers, and which can result in lower employment levels and lower consumer disposable income and spending, including lower spending on purchases of Mattel's products; (iv) other factors which can lower discretionary consumer spending, such as higher costs for fuel and food, drops in the value of homes or other consumer assets, and high levels of consumer debt; (v) potential difficulties or delays Mattel may experience in implementing cost savings and efficiency enhancing initiatives; (vi) other economic and public health conditions or regulatory changes in the markets in which Mattel and its customers and suppliers operate, which could create delays or increase Mattel's costs, such as higher commodity prices, labor costs or transportation costs, or outbreaks of disease; (vii) the effect of inflation on Mattel's business, including cost inflation in supply chain inputs and increased labor costs, as well as pricing actions taken in an effort to mitigate the effects of inflation; (viii) currency fluctuations, including movements in foreign exchange rates, which can lower Mattel's net revenues and earnings, and significantly impact Mattel's costs; (ix) the concentration of Mattel's customers, potentially increasing the negative impact to Mattel of difficulties experienced by any of Mattel's customers, such as bankruptcies or liquidations or a general lack of success, or changes in their purchasing or selling patterns; (x) the inventory policies of Mattel's retail customers, as well as the concentration of Mattel's revenues in the second half of the year, which coupled with reliance by retailers on quick response inventory management techniques, increases the risk of underproduction, overproduction, and shipping delays; (xi) legal, reputational, and financial risks related to security breaches or cyberattacks; (xii) work disruptions, including as a result of supply chain disruption such as plant or port closures, which may impact Mattel's ability to manufacture or deliver product in a timely and cost-effective manner; (xiii) the impact of competition on revenues, margins, and other aspects of Mattel's business, including the ability to offer products that consumers choose to buy instead of competitive products, the ability to secure, maintain, and renew popular licenses from licensors of entertainment properties, and the ability to attract and retain talented employees and adapt to evolving workplace models; (xiv) the risk of product recalls or product liability suits and costs associated with product safety regulations; (xv) tariffs, trade restrictions, or trade barriers, which depending on the effective date and duration of such measures, changes in the amount, scope, and nature of such measures in the future, any countermeasures that the target countries may take, and any mitigating actions that may become available, could increase Mattel's product costs and other costs of doing business, and other changes in laws or regulations in the United States and/or in other major markets, such as China, in which Mattel operates, including, without limitation, with respect to taxes, trade policies, product safety, or sustainability, which may also increase Mattel's product costs and other costs of doing business, and in each case reduce Mattel's earnings and liquidity; (xvi) business disruptions or other unforeseen impacts due to economic instability, political instability, civil unrest, armed hostilities (including the impact of the Russia-Ukraine war and geopolitical developments in the Middle East), natural and manmade disasters, pandemics or other public health crises, or other catastrophic events; (xvii) failure to realize the planned benefits from any investments or acquisitions made by Mattel; (xviii) the impact of other market conditions or third party actions or approvals, including those that result in any significant failure, inadequacy, or interruption from vendors or outsourcers, which could reduce demand for Mattel's products, delay or increase the cost of implementation of Mattel's programs, or alter Mattel's actions and reduce actual results; (xix) changes in financing markets or the inability of Mattel to obtain financing on attractive terms; (xx) the impact of litigation, arbitration, or regulatory decisions or settlement actions; (xxi) Mattel's ability to navigate regulatory frameworks in connection with new areas of investment, product development, or other business activities, such as artificial intelligence, non-fungible tokens, and cryptocurrency; (xxii) an inability to remediate the material weakness in Mattel's internal control over financial reporting, or additional material weaknesses or other deficiencies in the future or the failure to maintain an effective system of internal control; and (xxiii) other risks and uncertainties as may be described in Mattel's filings with the Securities and Exchange Commission, including the "Risk Factors" section of Mattel's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and subsequent periodic filings, as well as in Mattel's other public statements. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so, except as required by law.

The financial results included herein represent the most current information available to management and are preliminary until Mattel's Form 10-Q is filed with the SEC. Actual results may differ from these preliminary results.

To supplement our financial results presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Mattel presents certain non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. The non-GAAP financial measures that Mattel uses in this presentation may include Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Other Selling and Administrative Expenses, Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Earnings Per Share, earnings before interest expense, taxes, depreciation and amortization ("EBITDA"), Adjusted EBITDA, Free Cash Flow, Free Cash Flow Conversion (Free Cash Flow/Adjusted EBITDA), Leverage Ratio (Total Debt/Adjusted EBITDA), Net Debt, Adjusted Tax Rate, and constant currency. Mattel uses these measures to analyze its continuing operations and to monitor, assess and identify meaningful trends in its operating and financial performance, and each is discussed below. Mattel believes that the disclosure of non-GAAP financial measures provides useful supplemental information to investors to be able to better evaluate ongoing business performance and certain components of Mattel's results. These measures are not, and should not be viewed as, substitutes for GAAP financial measures and may not be comparable to similarly-titled measures used by other companies. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are attached to this presentation as an appendix. In addition, Mattel presents changes in gross billings, a key performance indicator, as a metric for comparing its aggregate, categorical, brand, and geographic results to highlight significant trends in Mattel's business. Changes in gross billings are discussed because, while Mattel records the details of sales adjustments in its financial accounting systems at the time of sale, such sales adjustments are generally not associated with categories, brands, and individual products.

## Who We Are

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Mattel is a leading global toy and family entertainment company and owner of one of the most iconic brand portfolios in the world. We engage consumers and fans through our franchise brands, including Barbie, Hot Wheels, Fisher-Price, American Girl, Thomas & Friends, UNO, Masters of the Universe, Matchbox, Monster High, MEGA, and Polly Pocket, as well as other popular properties that we own or license in partnership with global entertainment companies. Our offerings include toys, content, consumer products, digital and live experiences. Our products are sold in collaboration with the world's leading retail and e-commerce companies. Since its founding in 1945, Mattel is proud to be a trusted partner in empowering generations to explore the wonder of childhood and reach their full potential. Visit us at [mattel.com](https://mattel.com).

## Our Purpose

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We empower generations to explore the wonder of childhood and reach their full potential.

## Our Mission

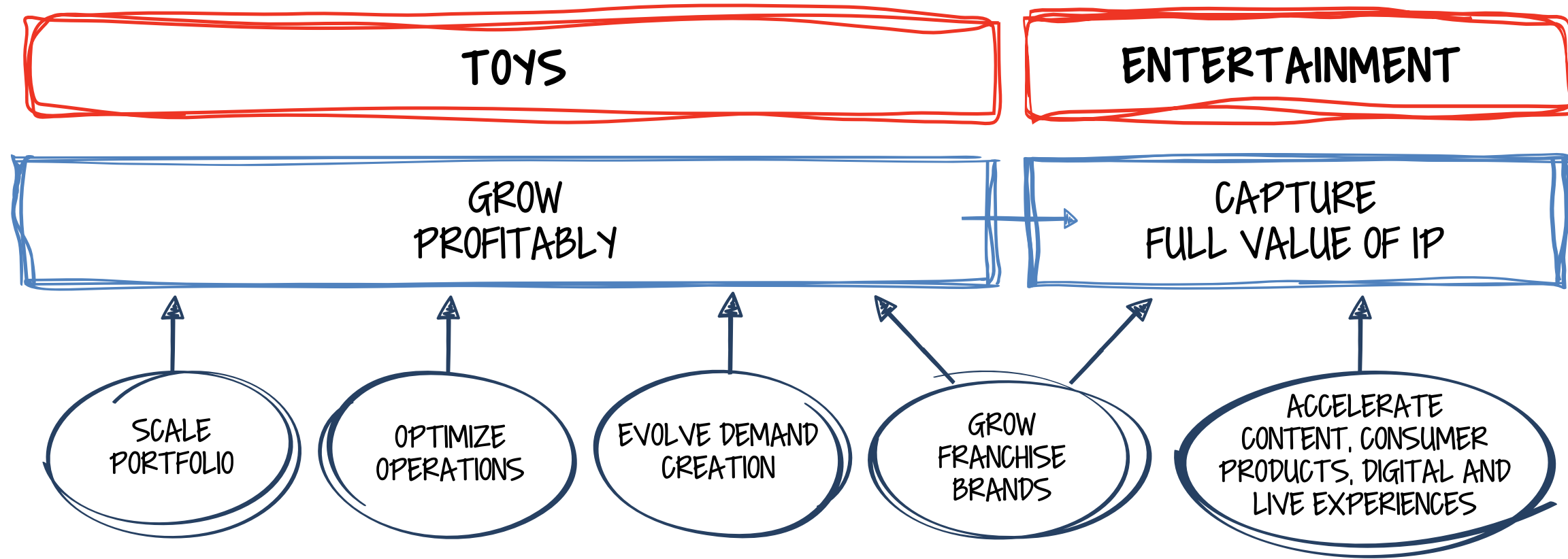
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We create innovative products and experiences that inspire fans, entertain audiences, and develop children through play.



# Mattel's Strategy

## Grow IP-Driven Toy Business and Expand Entertainment Offering



**Our mission is to create innovative products and experiences that inspire fans, entertain audiences, and develop children through play**

# Q1 2025 Performance

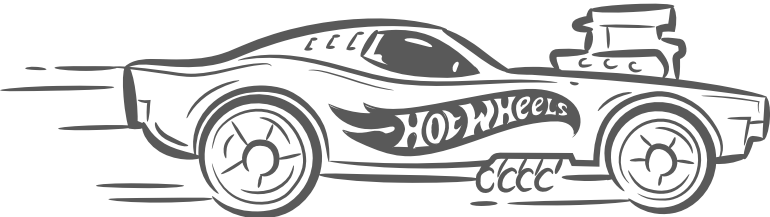
**Strong first quarter, with top line growth and gross margin expansion**

Net Sales grew 2% as reported and 4% in constant currency<sup>1</sup>

Adjusted Gross Margin<sup>1</sup> increased 130 bps to 49.6%

Adjusted EBITDA<sup>1</sup> grew 7% to \$57M

Continue to benefit from a strong balance sheet, including \$1.24B in cash at quarter-end, after repurchasing \$160M of shares in the period



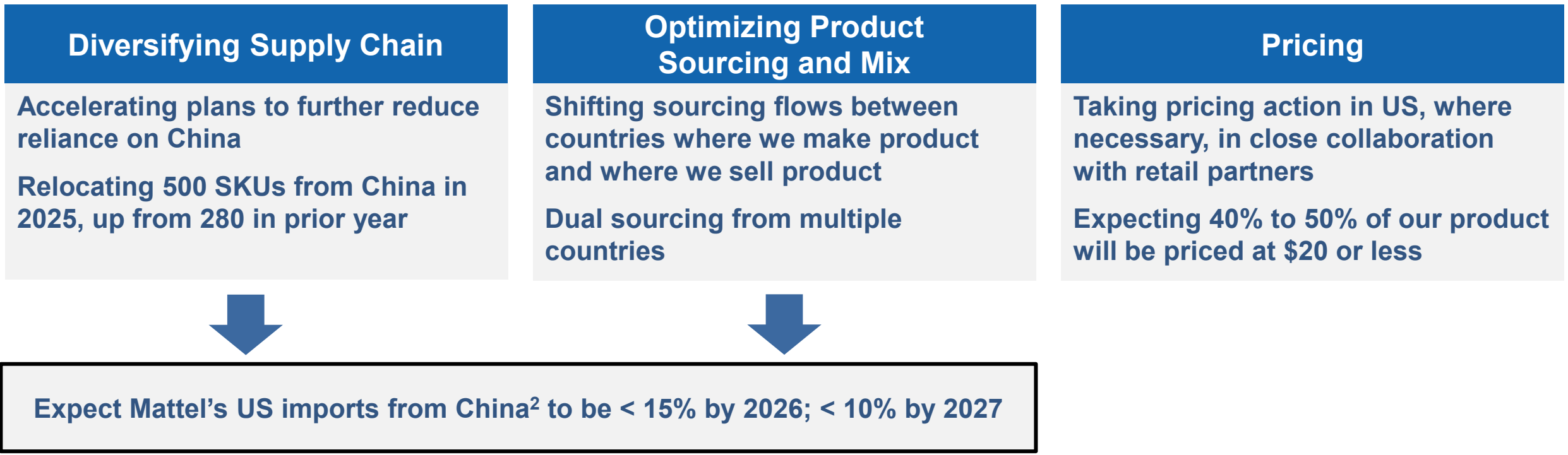
**Positive performance across most categories and markets, and continued operational excellence**

(1) Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator  
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# Tariffs Update

## Mitigating actions designed to fully offset potential incremental cost impact<sup>1</sup>



Flexible model to adapt efficiently to changing market conditions

(1) Given the volatile macro-economic environment and evolving US tariff situation, it is difficult to predict consumer spending and Mattel's US sales in the remainder of the year and holiday season. Our plans and performance, including the success of our mitigating actions, are subject to market volatility, additional tariffs and regulatory actions impacting our business, unexpected disruptions to our supply chain, and other macroeconomic uncertainties and business risks.

(2) As a percent of Mattel's global toy production

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# Category Highlights

## Business grew across most categories and geographies

### Dolls

Dolls grew, with strong performance in Disney Princess and Wicked

Barbie continues to resonate, driven by innovation, cultural relevance, and adult fans

New KenBassador series launch with LeBron James became a global phenomenon



### Vehicles

Vehicles continued to grow, driven by Hot Wheels

F1 pre-sale great setup for mass launch in Fall

New partnership with Ferrari



### Infant, Toddler, and Preschool

New Barney toy line, Fisher-Price Wood, and Little People performed well



### Challenger Categories

Uno achieved record first quarter; Action Figures grew double digits

Renewed multi-year agreements with WWE and Disney for Toy Story; new partnership with DC






Global licenses further establish Mattel as partner of choice for major entertainment and IP



Growth driven by Action Figures, Vehicles, Dolls, and Games



## Recent Updates

Film		Television	
	Masters of the Universe set for June 2026	Hot Wheels Let's Race Season 3 premiered on Netflix	
	Matchbox slated for release Fall 2026		
	Barney movie in development with A24 and will be written by award winner Ayo Edebiri		Barbie & Teresa special premiered on Netflix
Digital Games			
	Self-publishing in progress; targeting first game launch in 2026		
	Mattel163 (JV with NetEase) Net Income increased nearly 75% YoY in Q1		

Continuing to make exciting progress



# Q2 2025 Update

## POS off to a strong start in Q2

POS up double digits QTD, both in the US and internationally

Expect Q2 to benefit from:

- Jurassic World product
- Minecraft innovative product
- Hot Wheels momentum

Mattel Brick Shop



Strengthening our position as a trusted partner for retailers and consumers

# 2025 Outlook

## Diversified manufacturing footprint and flexible model allow Mattel to adapt efficiently to changing market conditions

Given volatile macro-economic environment and evolving U.S. tariff situation, it is difficult to predict consumer spending and our U.S. sales in the remainder of the year

Pausing full-year 2025 guidance until we have sufficient visibility

Mitigating actions designed to fully offset potential incremental cost impact of tariffs

International business not expected to be materially impacted by tariffs

Strong balance sheet gives flexibility



**Maintaining \$600M share repurchase target for 2025**



# P&L Highlights

Grew topline and expanded gross margins

(in millions, except EPS, percentages, and bps)	Q1 2025	YOY Change
Net Sales <i>Constant Currency</i> <sup>1</sup>	\$827	+2% +4%
Adjusted Gross Margin <sup>1</sup>	49.6%	+130 bps
Adjusted Operating Loss <sup>1</sup>	(\$16)	+\$7
Adjusted EPS <sup>1</sup>	(\$0.03)	+\$0.02
Adjusted EBITDA <sup>1</sup>	\$57	+7%

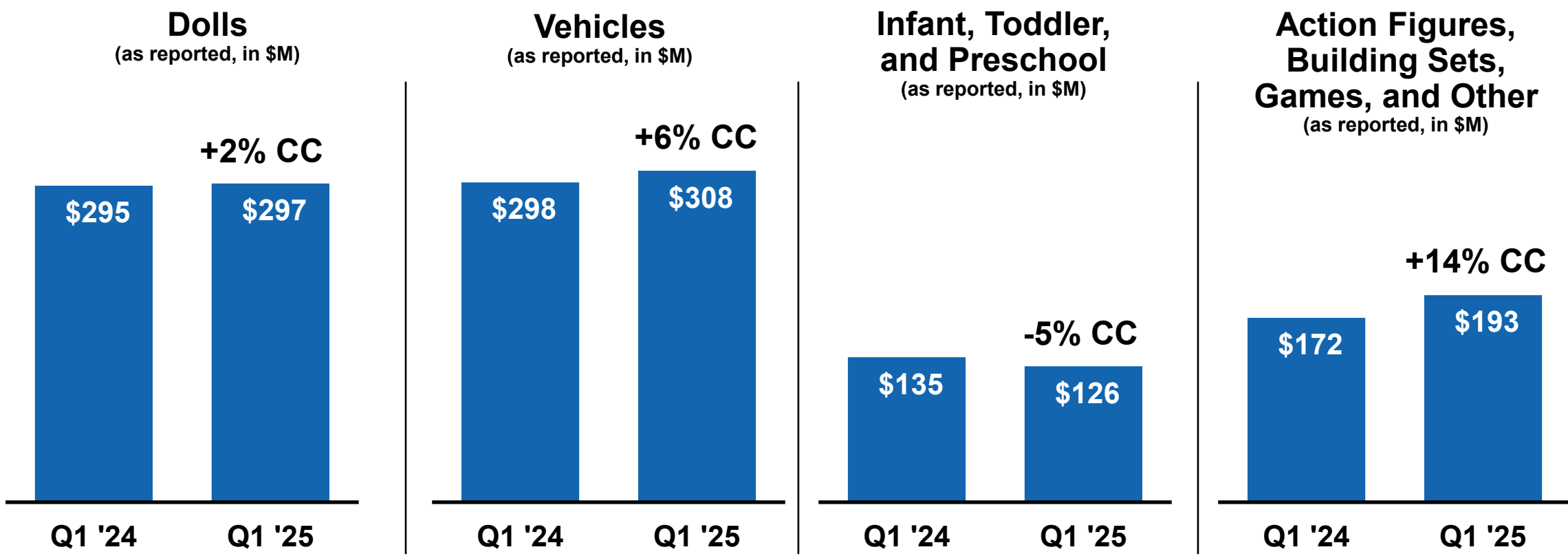
Broad-based category strength and continued operational excellence

(1) Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator  
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# Q1 2025 Gross Billings by Category<sup>1</sup>

Gross Billings increased 5%



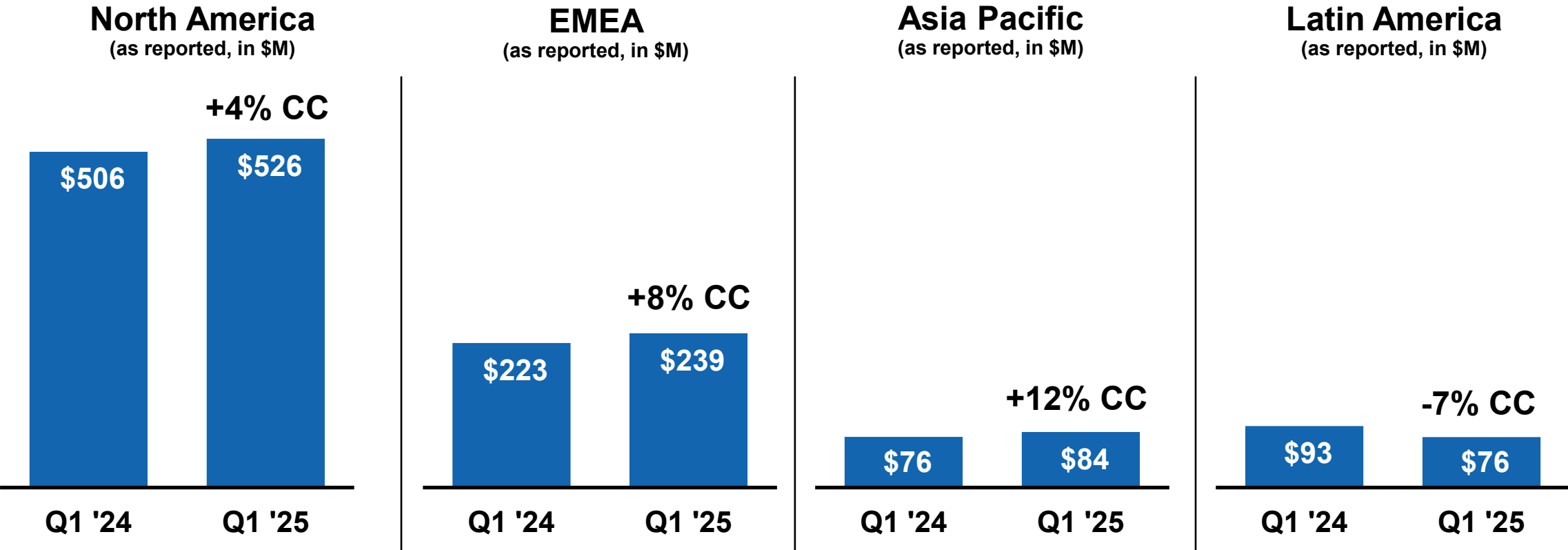
POS increased low-single digits including adverse impact from later Easter holiday this year

(1) In constant currency, unless otherwise stated. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator.  
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# Q1 2025 Gross Billings by Region<sup>1</sup>



## Growth in 3 of our 4 regions

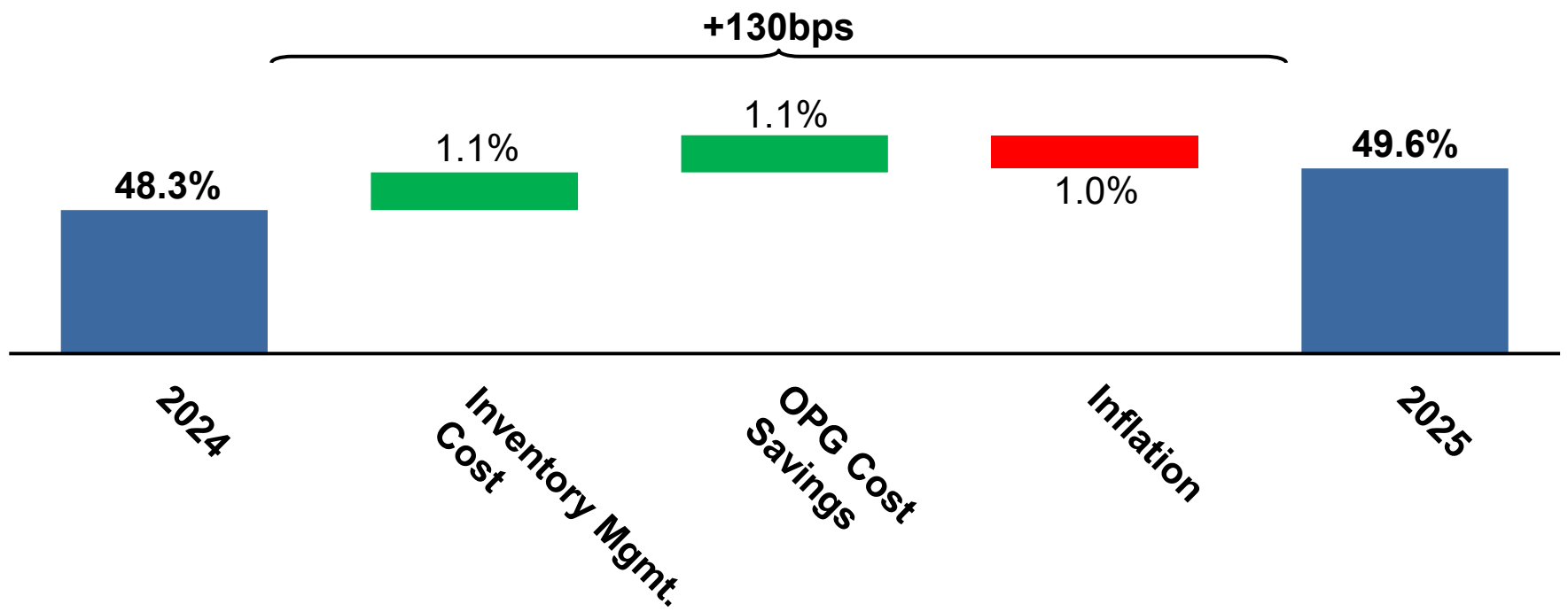


Retail inventory is up high-single digits compared to last year; appropriate levels and good quality

(1) In constant currency, unless otherwise stated. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator.  
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# Q1 2025 Adjusted Gross Margin Comparison<sup>1</sup>

Gross margin improvement compared to the prior year



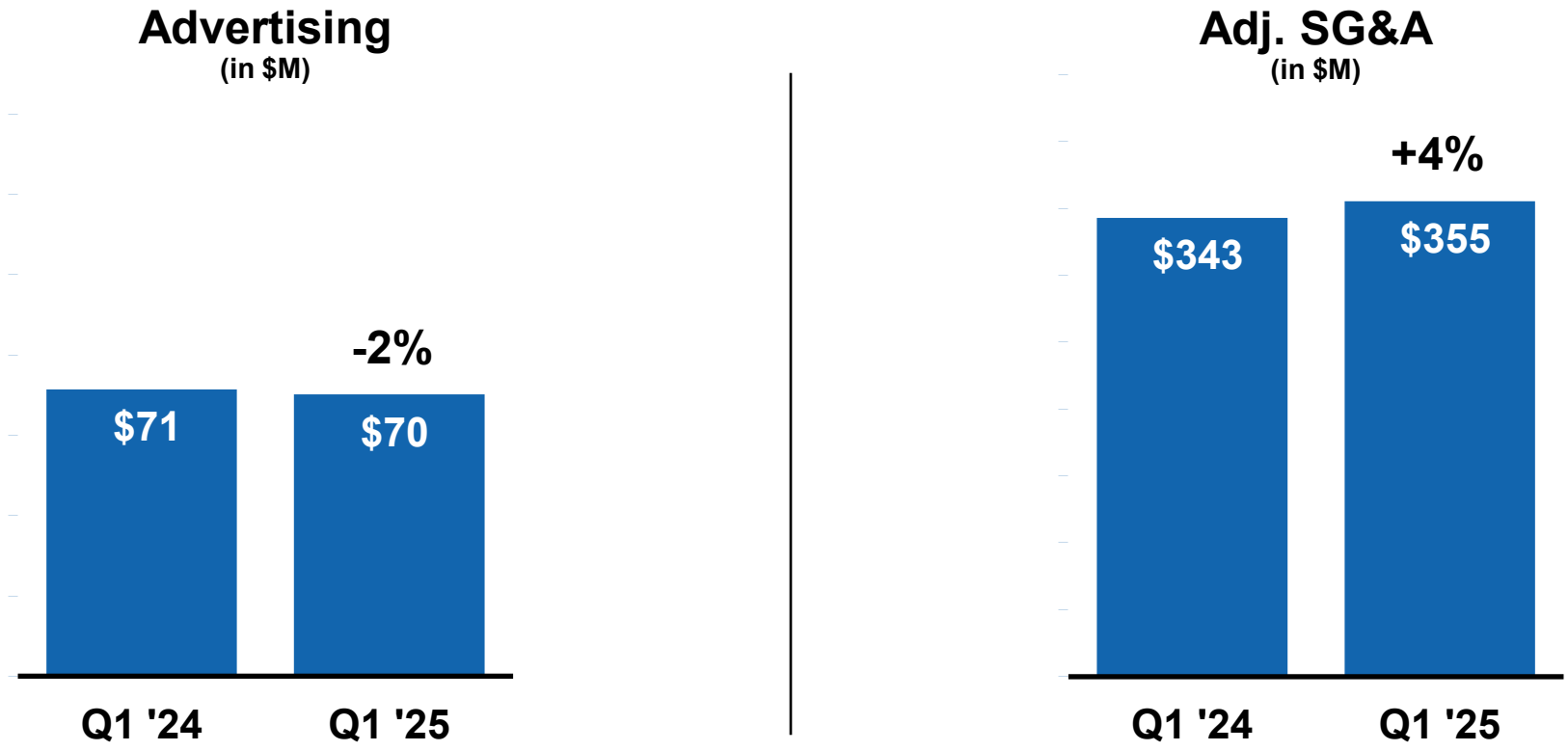
Benefiting from lower inventory management costs and OPG cost savings

(1) Amounts may not sum due to rounding. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator  
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# Q1 2025 Advertising and Adjusted SG&A<sup>1</sup>

Advertising comparable; Adjusted SG&A impacted by several factors



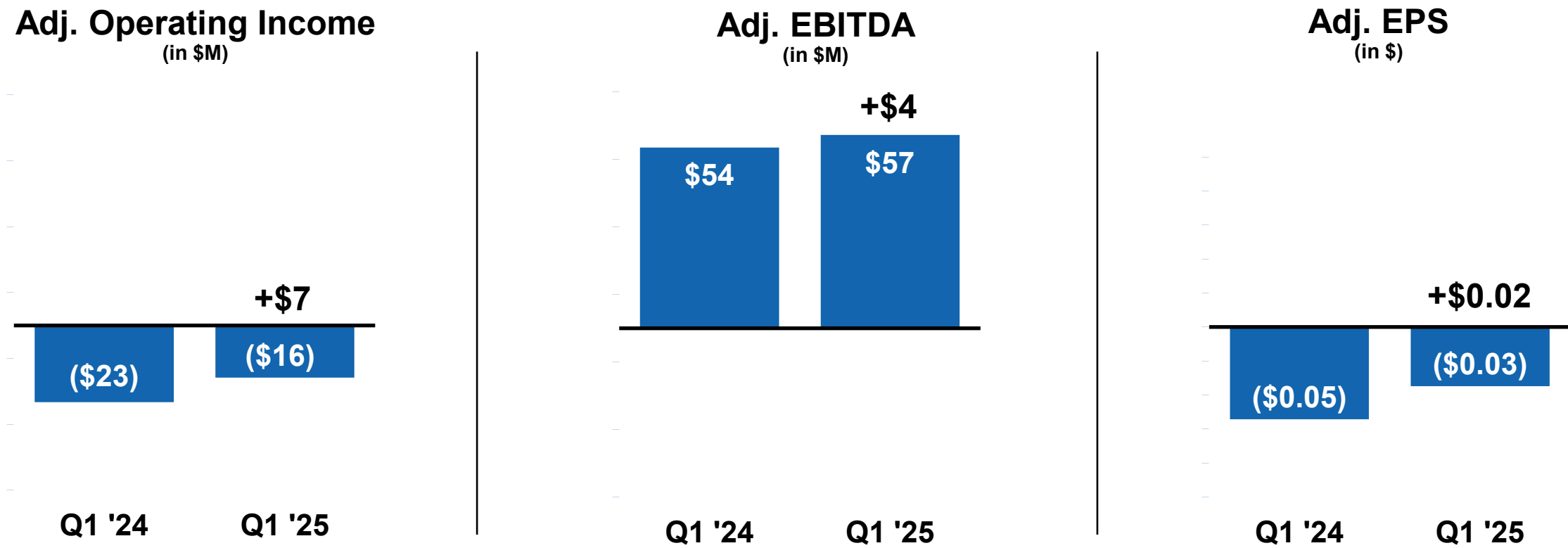
Continuing to effectively manage cost structure

(1) At actual. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator  
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# Q1 2025 Adjusted Profit Metrics<sup>1</sup>

Year over year improvements in key adjusted profit metrics



Improvement driven by Net Sales growth and Adjusted Gross Margin<sup>1</sup> expansion

(1) At actual. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator  
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# Q1 2025 and TTM Cash Flow<sup>1</sup>

## TTM Free Cash Flow of \$582M

(in millions) <sup>1</sup>	Q1 2025	Q1 2024
Net Loss	(\$40)	(\$28)
Depreciation & Amortization	\$42	\$42
Share-Based Compensation	\$20	\$18
Other Non-Cash Charges	\$6	\$20
Changes in Working Capital & Other	(\$3)	(\$17)
Cash from Operations	\$25	\$35
Capital Expenditures	(\$36)	(\$30)
Free Cash Flow	(\$11)	\$5
	TTM 2025	TTM 2024
Free Cash Flow	\$582	\$964

Repurchased \$160M of shares in first quarter, bringing total repurchased to over \$760M since resuming repurchases in 2023

(1) Amounts may not sum due to rounding. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator  
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# Balance Sheet Highlights

Leverage Ratio<sup>1</sup> benefiting from increase in TTM Adjusted EBITDA<sup>1</sup>

(in millions)	Q1 2025	Q1 2024
Cash	\$1,244	\$1,130
Accounts Receivable	\$633	\$673
Inventory	\$658	\$669
Debt	\$2,335	\$2,331
Leverage Ratio (Total Debt / Adj. EBITDA)	2.2x	2.3x

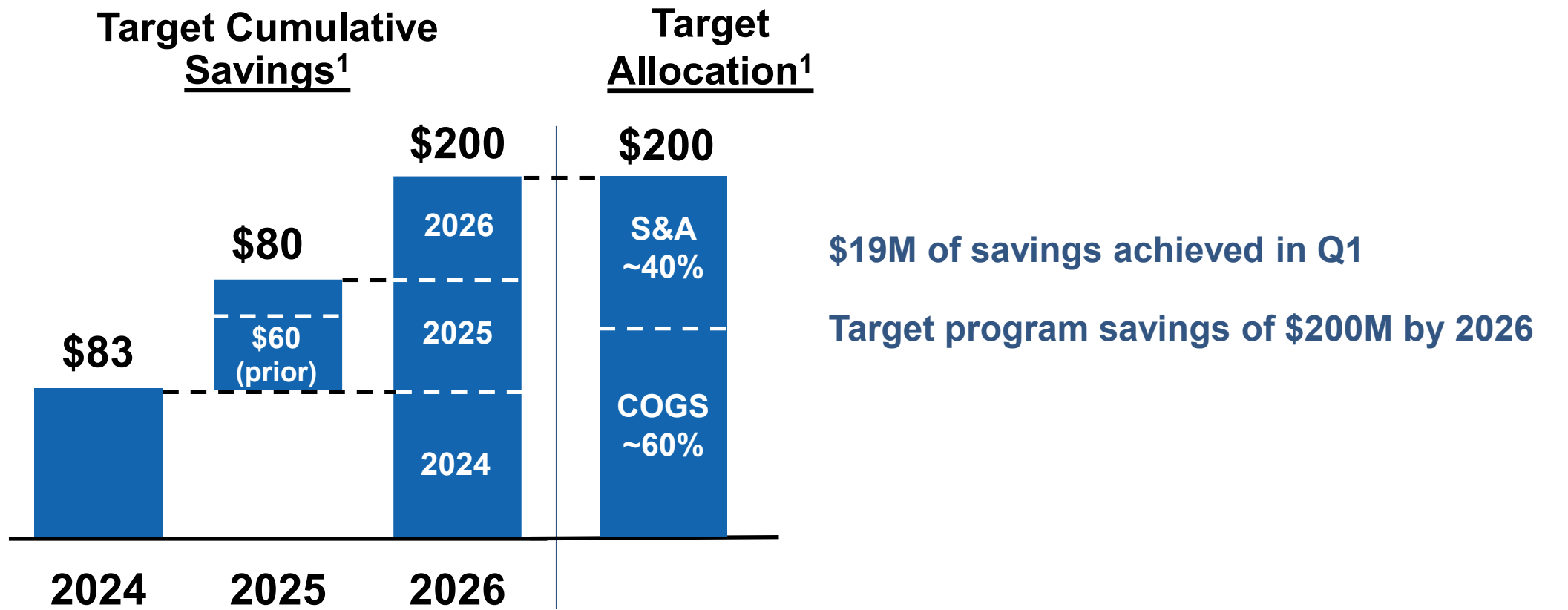
Debt portfolio well positioned with next maturity in 2026

(1) Includes Short-Term Borrowings and Long-Term Debt, including Current Portion. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator  
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# Optimizing for Profitable Growth (OPG)

\$103M of savings achieved since launching program in 2024



Increasing 2025 cost savings target to \$80M vs. \$60M previously

(1) In Millions. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator  
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## Operating in a dynamic macro-economic environment with significant volatility

Assessing wide range of potential scenarios

Mitigating actions designed to fully offset the potential incremental cost impact of tariffs

Tariffs will impact costs starting in Q3; many mitigating actions also in effect by then

Strong start in Q2 - POS up double digits QTD and up low-single digits YTD

Difficult to predict consumer spending and our US sales in the remainder of the year and holiday season



**Pausing full-year 2025 guidance until we have sufficient visibility;  
maintaining \$600M share repurchase target for 2025**

# Closing

**“This was a strong quarter for Mattel, with positive performance and continued operational excellence. Our brands are thriving, our products and experiences stand out in the marketplace, and our balance sheet gives us resilience and flexibility to execute our strategy. As we navigate the current period of macro-economic volatility, we are adapting with speed, agility, and discipline. We expect not only to manage through this period but strengthen our competitive position.”**

**- Ynon Kreiz, Chairman & CEO**



YEARS OF INNOVATION



# Appendix



# Consolidated Statements of Operations

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT I

## CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)<sup>1</sup>

	For the Three Months Ended March 31,					
	2025		2024		% Change as Reported	% Change in Constant Currency
	\$ Amt	% Net Sales	\$ Amt	% Net Sales		
<b>(In millions, except per share and percentage information)</b>						
<b>Net Sales</b>	\$ 826.6		\$ 809.5		2%	4 %
Cost of Sales	418.5	50.6%	420.6	52.0%	-1%	
<b>Gross Profit</b>	408.1	49.4%	388.9	48.0%	5%	6 %
Advertising and Promotion Expenses	70.2	8.5%	71.4	8.8%	-2%	
Other Selling and Administrative Expenses	390.9	47.3%	352.9	43.6%	11%	
<b>Operating Loss</b>	(53.0)	-6.4%	(35.5)	-4.4%	49%	31 %
Interest Expense	29.2	3.5%	30.1	3.7%	-3%	
Interest (Income)	(16.0)	-1.9%	(17.3)	-2.1%	-8%	
Other Non-Operating Expense, Net	13.0		5.6			
<b>Loss Before Income Taxes</b>	(79.3)	-9.6%	(53.9)	-6.7%	47%	33 %
Benefit from Income Taxes	(30.6)		(20.8)			
(Income) from Equity Method Investments	(8.4)		(4.8)			
<b>Net Loss</b>	\$ (40.3)	-4.9%	\$ (28.3)	-3.5%	43%	
<b>Net Loss Per Common Share - Basic</b>	\$ (0.12)		\$ (0.08)			
Weighted-Average Number of Common Shares	327.5		346.9			
<b>Net Loss Per Common Share - Diluted</b>	\$ (0.12)		\$ (0.08)			
Weighted-Average Number of Common and Potential Common Shares	327.5		346.9			

<sup>1</sup> Amounts may not sum due to rounding.



# Condensed Consolidated Balance Sheets

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT II

## CONDENSED CONSOLIDATED BALANCE SHEETS<sup>1</sup>

	March 31,		December 31,
	2025	2024	2024
(In millions)	(Unaudited)		
<b>Assets</b>			
Cash and Equivalents	\$ 1,243.7	\$ 1,130.2	\$ 1,387.9
Accounts Receivable, Net	633.3	673.3	1,003.2
Inventories	658.4	669.3	501.7
Prepaid Expenses and Other Current Assets	251.1	262.7	234.1
Total Current Assets	2,786.5	2,735.5	3,126.9
Property, Plant, and Equipment, Net	515.9	452.2	516.0
Right-of-Use Assets, Net	315.8	308.5	326.4
Goodwill	1,385.1	1,383.8	1,381.7
Other Noncurrent Assets	1,203.1	1,185.4	1,193.0
<b>Total Assets</b>	<b>\$ 6,206.4</b>	<b>\$ 6,065.4</b>	<b>\$ 6,544.1</b>
<b>Liabilities and Stockholders' Equity</b>			
Accounts Payable and Accrued Liabilities	\$ 1,131.7	\$ 1,084.2	\$ 1,277.7
Income Taxes Payable	15.0	14.9	38.0
Total Current Liabilities	1,146.8	1,099.1	1,315.7
Long-Term Debt	2,335.4	2,331.1	2,334.4
Noncurrent Lease Liabilities	264.0	256.2	278.2
Other Noncurrent Liabilities	330.6	353.7	351.7
Stockholders' Equity	2,129.6	2,025.3	2,264.1
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 6,206.4</b>	<b>\$ 6,065.4</b>	<b>\$ 6,544.1</b>

<sup>1</sup> Amounts may not sum due to rounding.

# Supplemental Balance Sheet and Cash Flow Data

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT II

## SUPPLEMENTAL BALANCE SHEET AND CASH FLOW DATA (Unaudited)<sup>1</sup>

### Key Balance Sheet Data:

Accounts Receivable, Net Days of Sales Outstanding (DSO)

March 31,	
2025	2024
69	75

(In millions)

### Condensed Cash Flow Data:

Cash Flows Provided by Operating Activities

Cash Flows (Used for) Investing Activities

Cash Flows (Used for) Financing Activities and Other

Decrease in Cash and Equivalents

For the Three Months Ended March 31,	
2025	2024
\$ 24.8	\$ 35.5
(31.3)	(28.4)
(137.7)	(138.2)
<u>\$ (144.2)</u>	<u>\$ (131.1)</u>

<sup>1</sup> Amounts may not sum due to rounding.

# Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

**SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)<sup>1</sup>**  
**RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES**

**(In millions, except percentage information)**

	For the Three Months Ended March 31,		
	2025	2024	Change
<b>Gross Profit</b>			
Gross Profit, As Reported	\$ 408.1	\$ 388.9	
Gross Margin	49.4 %	48.0 %	140 bps
Adjustments:			
Severance and Restructuring Expenses	1.6	2.2	
Gross Profit, As Adjusted	\$ 409.7	\$ 391.1	
Adjusted Gross Margin	49.6 %	48.3 %	130 bps
<b>Other Selling and Administrative Expenses</b>			
Other Selling and Administrative Expenses, As Reported	\$ 390.9	\$ 352.9	11%
% of Net Sales	47.3 %	43.6 %	370 bps
Adjustments:			
Severance and Restructuring Expenses	(21.4)	(6.3)	
Inclined Sleeper Product Recalls	(14.1)	(3.7)	
Other Selling and Administrative Expenses, As Adjusted	\$ 355.4	\$ 342.9	4%
% of Net Sales	43.0 %	42.4 %	60 bps
<b>Operating Loss</b>			
Operating Loss, As Reported	\$ (53.0)	\$ (35.5)	49%
Operating Loss Margin	-6.4%	-4.4%	-200 bps
Adjustments:			
Severance and Restructuring Expenses	23.0	8.5	
Inclined Sleeper Product Recalls	14.1	3.7	
Operating Loss, As Adjusted	\$ (15.8)	\$ (23.3)	-32%
Adjusted Operating Loss Margin	-1.9%	-2.9%	100 bps

<sup>1</sup> Amounts may not sum due to rounding.

# Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

**SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)<sup>1</sup>**  
**RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES**

**(In millions, except per share and percentage information)**

**Earnings Per Share**

Net Loss Per Common Share, As Reported

*Adjustments:*

Severance and Restructuring Expenses

Inclined Sleeper Product Recalls

Tax Effect of Adjustments<sup>2</sup>

Net Loss Per Common Share, As Adjusted

**EBITDA and Adjusted EBITDA**

Net Loss, As Reported

*Adjustments:*

Interest Expense

Benefit from Income Taxes

Depreciation

Amortization

EBITDA

*Adjustments:*

Share-Based Compensation

Severance and Restructuring Expenses

Inclined Sleeper Product Recalls

Adjusted EBITDA

**Free Cash Flow**

Net Cash Flows Provided by Operating Activities

Capital Expenditures

Free Cash Flow

For the Three Months Ended March 31,			
	2025	2024	Change
Net Loss Per Common Share, As Reported	\$ (0.12)	\$ (0.08)	50%
Severance and Restructuring Expenses	0.07	0.02	
Inclined Sleeper Product Recalls	0.04	0.01	
Tax Effect of Adjustments <sup>2</sup>	(0.03)	(0.01)	
Net Loss Per Common Share, As Adjusted	<u>\$ (0.03)</u>	<u>\$ (0.05)</u>	-40%
Net Loss, As Reported	\$ (40.3)	\$ (28.3)	43%
Interest Expense	29.2	30.1	
Benefit from Income Taxes	(30.6)	(20.8)	
Depreciation	34.0	34.5	
Amortization	7.8	7.8	
EBITDA	<u>0.1</u>	<u>23.3</u>	
Share-Based Compensation	19.9	17.9	
Severance and Restructuring Expenses	23.0	8.5	
Inclined Sleeper Product Recalls	14.1	3.7	
Adjusted EBITDA	<u>\$ 57.2</u>	<u>\$ 53.5</u>	7%
Net Cash Flows Provided by Operating Activities	\$ 24.8	\$ 35.5	
Capital Expenditures	(36.2)	(30.5)	
Free Cash Flow	<u>\$ (11.4)</u>	<u>\$ 5.0</u>	

<sup>1</sup> Amounts may not sum due to rounding.

<sup>2</sup> The aggregate tax effect of adjustments was determined using the effective tax rates on a jurisdictional basis of the respective adjustments, and dividing by the reported weighted average number of common and potential common shares.

# Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

**SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)<sup>1</sup>**  
**RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES**

**(In millions, except percentage and pts information)**

**Tax Rate**

Loss Before Income Taxes, As Reported

*Adjustments:*

Severance and Restructuring Expenses

Inclined Sleeper Product Recalls

Loss Before Income Taxes, As Adjusted

Benefit from Income Taxes, As Reported

*Adjustments:*

Tax Effect of Adjustments<sup>2</sup>

Benefit from Income Taxes, As Adjusted

Tax Rate, As Reported

Tax Rate, As Adjusted

For the Three Months Ended March 31,		
2025	2024	Change
\$ (79.3)	\$ (53.9)	
23.0	8.5	
14.1	3.7	
<u>\$ (42.2)</u>	<u>\$ (41.7)</u>	
\$ (30.6)	\$ (20.8)	
8.2	2.8	
<u>\$ (22.3)</u>	<u>\$ (18.0)</u>	
39%	39%	—
<u>53%</u>	<u>43%</u>	10 pts

**Net Debt**

Long-Term Debt

*Adjustments:*

Cash and Equivalents

Net Debt

March 31,	
2025	2024
\$ 2,335.4	\$ 2,331.1
(1,243.7)	(1,130.2)
<u>\$ 1,091.7</u>	<u>\$ 1,200.9</u>

<sup>1</sup> Amounts may not sum due to rounding.

<sup>2</sup> Tax effect of adjustments was determined using the effective tax rates on a jurisdictional basis of the respective adjustments.

# Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

**SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)<sup>1</sup>**  
**RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES**

**(In millions, except percentage and pts information)**

**Leverage Ratio (Total Debt/Adjusted EBITDA)**

**Total Debt**

Long-Term Debt

Adjustments:

Debt Issuance Costs and Debt Discount

Total Debt

**EBITDA and Adjusted EBITDA**

Net Income, As Reported

Adjustments:

Interest Expense

Provision for Income Taxes

Depreciation

Amortization

EBITDA

Adjustments:

Share-Based Compensation

Severance and Restructuring Expenses

Inclined Sleeper Product Recalls

Sale of Assets

Adjusted EBITDA

Total Debt / Net Income

Leverage Ratio (Total Debt / Adjusted EBITDA)

**Free Cash Flow**

Net Cash Flows Provided by Operating Activities

Capital Expenditures

Free Cash Flow

Net Cash Flows Provided by Operating Activities / Net Income

Free Cash Flow Conversion (Free Cash Flow/Adjusted EBITDA)

For the Trailing Twelve Months Ended March 31,		
2025	2024	Change
\$ 2,335.4	\$ 2,331.1	
14.6	18.9	
<u>\$ 2,350.0</u>	<u>\$ 2,350.0</u>	
\$ 529.8	\$ 292.5	81%
117.9	122.7	
95.9	275.7	
136.2	140.2	
31.3	36.3	
<u>911.0</u>	<u>867.4</u>	
81.4	84.3	
62.6	44.3	
6.3	17.4	
—	1.8	
<u>\$ 1,061.3</u>	<u>\$ 1,015.2</u>	5%
4.4x	8.0x	
<u>2.2x</u>	<u>2.3x</u>	
\$ 789.9	\$ 1,111.7	-29%
(208.3)	(147.8)	
<u>\$ 581.5</u>	<u>\$ 963.9</u>	-40%
149%	380%	-231 pts
<u>55%</u>	<u>95%</u>	-40 pts

<sup>1</sup> Amounts may not sum due to rounding.

# Worldwide Net Sales and Gross Billings

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT IV

## WORLDWIDE NET SALES AND GROSS BILLINGS<sup>1</sup> (Unaudited)<sup>2</sup>

	For the Three Months Ended March 31,			
	2025	2024	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)				
<b>Worldwide Net Sales:</b>				
Net Sales	\$ 826.6	\$ 809.5	2%	4%
<b>Worldwide Gross Billings by Categories:</b>				
Dolls	\$ 296.6	\$ 294.5	1%	2%
Infant, Toddler, and Preschool	126.4	135.0	-6	-5
Vehicles	308.5	297.7	4	6
Action Figures, Building Sets, Games, and Other	192.7	171.7	12	14
Gross Billings	<u>\$ 924.2</u>	<u>\$ 898.9</u>	3%	5%
<b>Supplemental Gross Billings Disclosure</b>				
<b>Worldwide Gross Billings by Top 3 Power Brands:</b>				
Barbie	\$ 173.8	\$ 177.5	-2%	—%
Hot Wheels	268.8	258.1	4	7
Fisher-Price	90.1	93.4	-3	-1
Other	391.5	370.0	6	7
Gross Billings	<u>\$ 924.2</u>	<u>\$ 898.9</u>	3%	5%

<sup>1</sup> Gross billings represent amounts invoiced to customers and do not include the impact of sales adjustments, such as trade discounts and other allowances. Mattel presents changes in gross billings as a metric for comparing its aggregate, categorical, brand, and geographic results to highlight significant trends in Mattel's business.

<sup>2</sup> Amounts may not sum due to rounding.

# Net Sales and Gross Billings by Segment

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT V

## NET SALES AND GROSS BILLINGS<sup>1</sup> BY SEGMENT (Unaudited)<sup>2</sup>

	For the Three Months Ended March 31,			
	2025	2024	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)				
<b>North America Net Sales:</b>				
Net Sales	\$ 491.4	\$ 477.8	3%	3%
<b>North America Gross Billings by Categories:</b>				
Dolls	\$ 172.4	\$ 164.7	5%	5%
Infant, Toddler, and Preschool	80.1	80.5	—	—
Vehicles	149.5	150.2	—	—
Action Figures, Building Sets, Games, and Other	123.9	111.0	12	12
Gross Billings	<u>\$ 526.0</u>	<u>\$ 506.4</u>	4%	4%
<b>Supplemental Gross Billings Disclosure</b>				
<b>North America Gross Billings by Top 3 Power Brands:</b>				
Barbie	\$ 92.4	\$ 92.4	—%	—%
Hot Wheels	125.5	126.8	-1	-1
Fisher-Price	58.1	53.7	8	8
Other	250.0	233.5	7	7
Gross Billings	<u>\$ 526.0</u>	<u>\$ 506.4</u>	4%	4%

<sup>1</sup> Gross billings represent amounts invoiced to customers and do not include the impact of sales adjustments, such as trade discounts and other allowances. Mattel presents changes in gross billings as a metric for comparing its aggregate, categorical, brand, and geographic results to highlight significant trends in Mattel's business.

<sup>2</sup> Amounts may not sum due to rounding.



# Net Sales and Gross Billings by Segment

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT VI

## NET SALES AND GROSS BILLINGS<sup>1</sup> BY SEGMENT (Unaudited)<sup>2</sup>

	For the Three Months Ended March 31,			
	2025	2024	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)				
<b>International Net Sales by Geographic Area:</b>				
EMEA	\$ 197.1	\$ 185.2	6%	8%
Latin America	64.6	79.7	-19	-8
Asia Pacific	73.6	66.8	10	12
Net Sales	<u>\$ 335.3</u>	<u>\$ 331.7</u>	1%	5%
<b>International Gross Billings by Geographic Area:</b>				
EMEA	\$ 238.5	\$ 223.5	7%	8%
Latin America	76.0	92.6	-18	-7
Asia Pacific	83.7	76.5	9	12
Gross Billings	<u>\$ 398.2</u>	<u>\$ 392.5</u>	1%	6%
<b>International Gross Billings by Categories:</b>				
Dolls	\$ 124.2	\$ 129.8	-4%	-1%
Infant, Toddler, and Preschool	46.3	54.5	-15	-11
Vehicles	158.9	147.5	8	12
Action Figures, Building Sets, Games, and Other	68.7	60.7	13	17
Gross Billings	<u>\$ 398.2</u>	<u>\$ 392.5</u>	1%	6%
<b>Supplemental Gross Billings Disclosure</b>				
<b>International Gross Billings by Top 3 Power Brands:</b>				
Barbie	\$ 81.4	\$ 85.1	-4%	-1%
Hot Wheels	143.3	131.3	9	14
Fisher-Price	32.1	39.6	-19	-14
Other	141.4	136.4	4	7
Gross Billings	<u>\$ 398.2</u>	<u>\$ 392.5</u>	1%	6%

<sup>1</sup> Gross billings represent amounts invoiced to customers and do not include the impact of sales adjustments, such as trade discounts and other allowances. Mattel presents changes in gross billings as a metric for comparing its aggregate, categorical, brand, and geographic results to highlight significant trends in Mattel's business.

<sup>2</sup> Amounts may not sum due to rounding.

# Glossary of Non-GAAP Financial Measures & Key Performance Indicator

## NON-GAAP FINANCIAL MEASURES

To supplement our financial results presented in accordance with generally accepted accounting principles in the United States (“GAAP”), Mattel presents certain non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. The non-GAAP financial measures that Mattel uses in this earnings release include Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Other Selling and Administrative Expenses, Adjusted Operating Loss, Adjusted Operating Loss Margin, Adjusted Earnings Per Share, earnings before interest expense, taxes, depreciation and amortization (“EBITDA”), Adjusted EBITDA, Free Cash Flow, Free Cash Flow Conversion (Free Cash Flow / Adjusted EBITDA), Leverage Ratio (Total Debt / Adjusted EBITDA), Net Debt, Adjusted Tax Rate, and constant currency. Mattel uses these measures to analyze its continuing operations and to monitor, assess, and identify meaningful trends in its operating and financial performance, and each is discussed below. Mattel believes that the disclosure of non-GAAP financial measures provides useful supplemental information to investors to be able to better evaluate ongoing business performance and certain components of Mattel’s results. These measures are not, and should not be viewed as, substitutes for GAAP financial measures and may not be comparable to similarly titled measures used by other companies.

### Adjusted Gross Profit and Adjusted Gross Margin

Adjusted Gross Profit and Adjusted Gross Margin represent reported Gross Profit and reported Gross Margin, respectively, adjusted to exclude severance and restructuring expenses. Adjusted Gross Margin represents Mattel’s Adjusted Gross Profit, as a percentage of Net Sales. Adjusted Gross Profit and Adjusted Gross Margin are presented to provide additional perspective on underlying trends in Mattel’s core Gross Profit and Gross Margin, which Mattel believes is useful supplemental information for investors to be able to gauge and compare Mattel’s current business performance from one period to another.

### Adjusted Other Selling and Administrative Expenses

Adjusted Other Selling and Administrative Expenses represents Mattel’s reported Other Selling and Administrative Expenses, adjusted to exclude severance and restructuring expenses and the impact of the inclined sleeper product recalls, which are not part of Mattel’s core business. Adjusted Other Selling and Administrative Expenses is presented to provide additional perspective on underlying trends in Mattel’s core other selling and administrative expenses, which Mattel believes is useful supplemental information for investors to be able to gauge and compare Mattel’s current business performance from one period to another.

### Adjusted Operating Loss and Adjusted Operating Loss Margin

Adjusted Operating Loss and Adjusted Operating Loss Margin represent reported Operating Loss and reported Operating Loss Margin, respectively, adjusted to exclude severance and restructuring expenses and the impact of the inclined sleeper product recalls, which are not part of Mattel’s core business. Adjusted Operating Loss Margin represents Mattel’s Adjusted Operating Loss, as a percentage of Net Sales. Adjusted Operating Loss and Adjusted Operating Loss Margin are presented to provide additional perspective on underlying trends in Mattel’s core operating results, which Mattel believes is useful supplemental information for investors to be able to gauge and compare Mattel’s current business performance from one period to another.

### Adjusted Earnings Per Share

Adjusted Earnings Per Share represents Mattel’s reported Diluted Earnings Per Common Share, adjusted to exclude severance and restructuring expenses and the impact of the inclined sleeper product recalls, which are not part of Mattel’s core business. The aggregate tax effect of the adjustments was determined using the effective tax rates on a jurisdictional basis of the respective adjustments and dividing by the reported weighted-average number of common shares. Adjusted Earnings Per Share is presented to provide additional perspective on underlying trends in Mattel’s core business. Mattel believes it is useful supplemental information for investors to gauge and compare Mattel’s current earnings results from one period to another. Adjusted Earnings Per Share is a performance measure and should not be used as a measure of liquidity.

### EBITDA and Adjusted EBITDA

EBITDA represents Mattel’s Net Loss, adjusted to exclude the impact of interest expense, taxes, depreciation, and amortization. Adjusted EBITDA represents EBITDA adjusted to exclude share-based compensation, severance and restructuring expenses and the impact of the inclined sleeper product recalls, which are not part of Mattel’s core business. Mattel believes EBITDA and Adjusted EBITDA are useful supplemental information for investors to gauge and compare Mattel’s business performance to other companies in its industry with similar capital structures. The presentation of Adjusted EBITDA differs from how Mattel calculates EBITDA for purposes of covenant compliance under the indentures governing its high yield senior notes and the revolving credit agreement governing its revolving credit facility. Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as measures of discretionary cash available to invest in the growth of Mattel’s business. As a result, Mattel relies primarily on its GAAP results and uses EBITDA and Adjusted EBITDA only supplementally.

# Glossary of Non-GAAP Financial Measures & Key Performance Indicator



## NON-GAAP FINANCIAL MEASURES

### Free Cash Flow and Free Cash Flow Conversion

Free Cash Flow represents Mattel's net cash flows from operating activities less capital expenditures. Free Cash Flow Conversion represents Mattel's free cash flow divided by Adjusted EBITDA. Mattel believes Free Cash Flow and Free Cash Flow Conversion are useful supplemental information for investors to gauge Mattel's liquidity and performance and to compare Mattel's business performance to other companies in our industry. Free Cash Flow does not represent cash available to Mattel for discretionary expenditures.

### Leverage Ratio (Total Debt / Adjusted EBITDA)

The leverage ratio is calculated by dividing Total Debt by Adjusted EBITDA. Total Debt represents the aggregate of Mattel's current portion of long-term debt, short-term borrowings, and long-term debt, excluding the impact of debt issuance costs and debt discount. Mattel believes the leverage ratio is useful supplemental information for investors to gauge trends in Mattel's business and to compare Mattel's business performance to other companies in its industry.

### Net Debt

Net Debt represents the aggregate of Mattel's current portion of long-term debt, short-term borrowings, and long-term debt, less cash and equivalents. Mattel believes Net Debt is useful supplemental information for investors to monitor Mattel's liquidity and evaluate its balance sheet.

### Adjusted Tax Rate

The Adjusted Tax Rate is calculated by dividing Adjusted Benefit from Income Taxes by Adjusted Loss Before Income Taxes. Adjusted Loss Before Income Taxes represents reported Loss Before Income Taxes, adjusted to exclude severance and restructuring expenses and the impact of inclined sleeper product recalls. The Adjusted Benefit from Income Taxes represents reported Benefit from Income Taxes, adjusted to exclude the aggregate tax effect of adjustments. Mattel believes the adjusted tax rate provides useful supplemental information for investors to gauge and compare the impact of tax expense on Mattel's earnings results from one period to another.

### Constant Currency

Percentage changes in results expressed in constant currency are presented excluding the impact from changes in currency exchange rates. To present this information, Mattel calculates constant currency information by translating current period and prior period results for entities reporting in currencies other than the US dollar using consistent exchange rates. The constant currency exchange rates are determined by Mattel at the beginning of each year and are applied consistently during the year. They are generally different from the actual exchange rates in effect during the current or prior period due to volatility in actual foreign exchange rates. Mattel considers whether any changes to the constant currency rates are appropriate at the beginning of each year. The exchange rates used for these constant currency calculations are generally based on prior year actual exchange rates. The difference between the current period and prior period results using the consistent exchange rates reflects the changes in the underlying performance results, excluding the impact from changes in currency exchange rates. Mattel analyzes constant currency results to provide additional perspective on changes in underlying trends in Mattel's operating performance. Mattel believes that the disclosure of the percentage change in constant currency is useful supplemental information for investors to be able to gauge Mattel's current business performance and the longer-term strength of its overall business since foreign currency changes could potentially mask underlying sales trends. The disclosure of the percentage change in constant currency enhances investor's ability to compare financial results from one period to another.

## KEY PERFORMANCE INDICATOR

### Gross Billings

Gross Billings represent amounts invoiced to customers. It does not include the impact of sales adjustments, such as trade discounts and other allowances. Mattel presents changes in gross billings as a metric for comparing its aggregate, categorical, brand, and geographic results to highlight significant trends in Mattel's business. Changes in Gross Billings are discussed because, while Mattel records the details of sales adjustments in its financial accounting systems at the time of sale, such sales adjustments are generally not associated with categories, brands, and individual products.