Leading the Future of Play

investor day

June 2017



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Forward-Looking Statements/Regulation G

Mattel is including this Cautionary Statement pursuant to the Private Securities Litigation Reform Act of 1995 (the "Act"). Certain statements made during today's presentation may include forward-looking statements within the meaning of the Act relating to the future performance (including, without limitation, future revenues, strategies, prospects, goals, and all other statements that do not relate strictly to historical or current facts) of Mattel and its subsidiaries' overall businesses, brands and product lines. These statements are based on currently available operating, financial, economic and other information and they are subject to a number of significant risks and uncertainties. A forward looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. A variety of factors (e.g., consumer preferences, product mix, global political and economic conditions) many of which are beyond our control, could cause actual future results to differ materially from those projected in the forward-looking statements. Some of these factors are described in the "Risk Factors" section of Mattel's 2016 Annual Report on Form 10-K, in our 2017 quarterly reports on Form 10-Q, and in other filings Mattel makes with the SEC from time to time, as well as in Mattel's other public statements. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so.

To supplement the 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 measure used herein includes gross sales. Mattel uses this metric to analyze its continuing operations and to monitor, assess and identify meaningful trends in its operating and financial performance. This measure is not, and should not be viewed a, substitute for GAAP financial measures. Information required by Regulation G regarding non-GAAP financial measures, including reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures, are included in Mattel's April 20, 2017 earnings release (as exhibits) and earnings slide presentation (as an appendix), which will be available at the time of this presentation in the "Investors" section of our corporate website, http://corporate.mattel.com/, under the subheading "Financial Information – Earnings Releases."

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CEO Remarks

Margo Georgiadis
Chief Executive Officer



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starting foundation challenges

brand franchise management missteps

excessive short-term focus

limited portfolio planning

cost cutting without simplification

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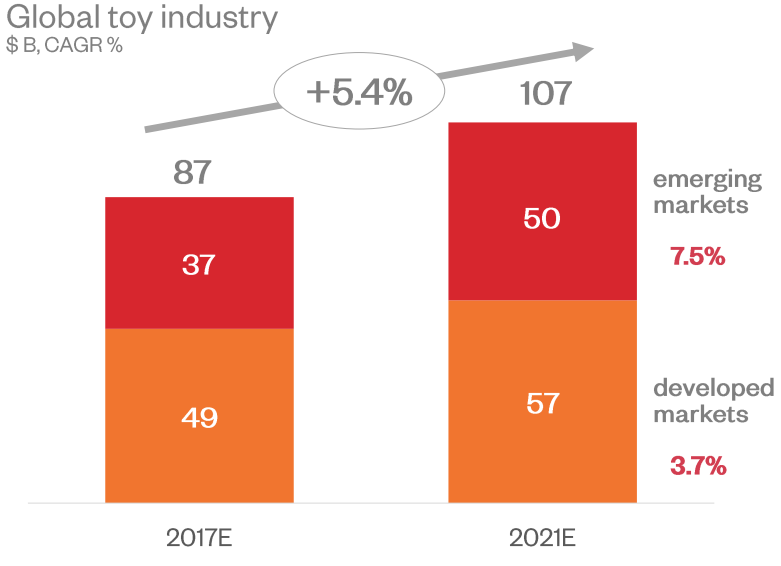
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trends
shaping our future



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Trend #1 - Emerging Markets Driving Global Growth



~$20B of Growth
62% from Emerging Markets

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Kids' Digital Content Consumption Accelerating

watching



gaming



creating



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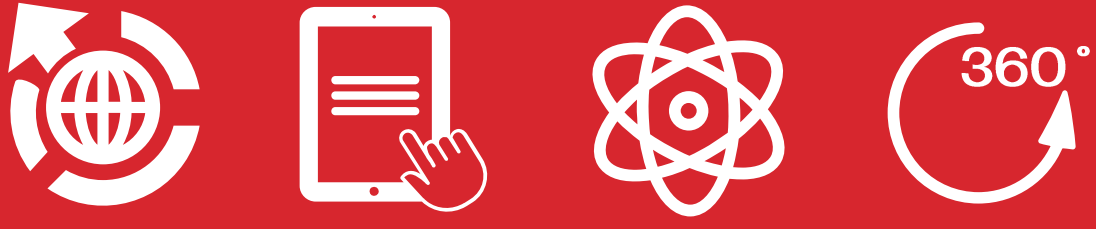




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trends
shaping our future



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global leader

#1
- dolls
- vehicles
- infant/toddler /preschool

#2
- building sets
- action figures & accessories

Source: The NPD Group/Retail Tracking Service/G11/Annual 2016/ DollsSupercategory/Value; The NPD Group/Retail Tracking Service/G11/Annual 2016/ Vehicles Supercategory/Value ; The NPD Group/Retail Tracking Service/G11/Annual 2016/Infant, Toddler, Preschool ToysSupercategory/Value; The NPD Group/Retail Tracking Service/G11/Annual 2016/ Building SetsSupercategory/Value; The NPD Group/Retail Tracking Service/G11/Annual 2016/Action Figures & AccessoriesSupercategory/Value

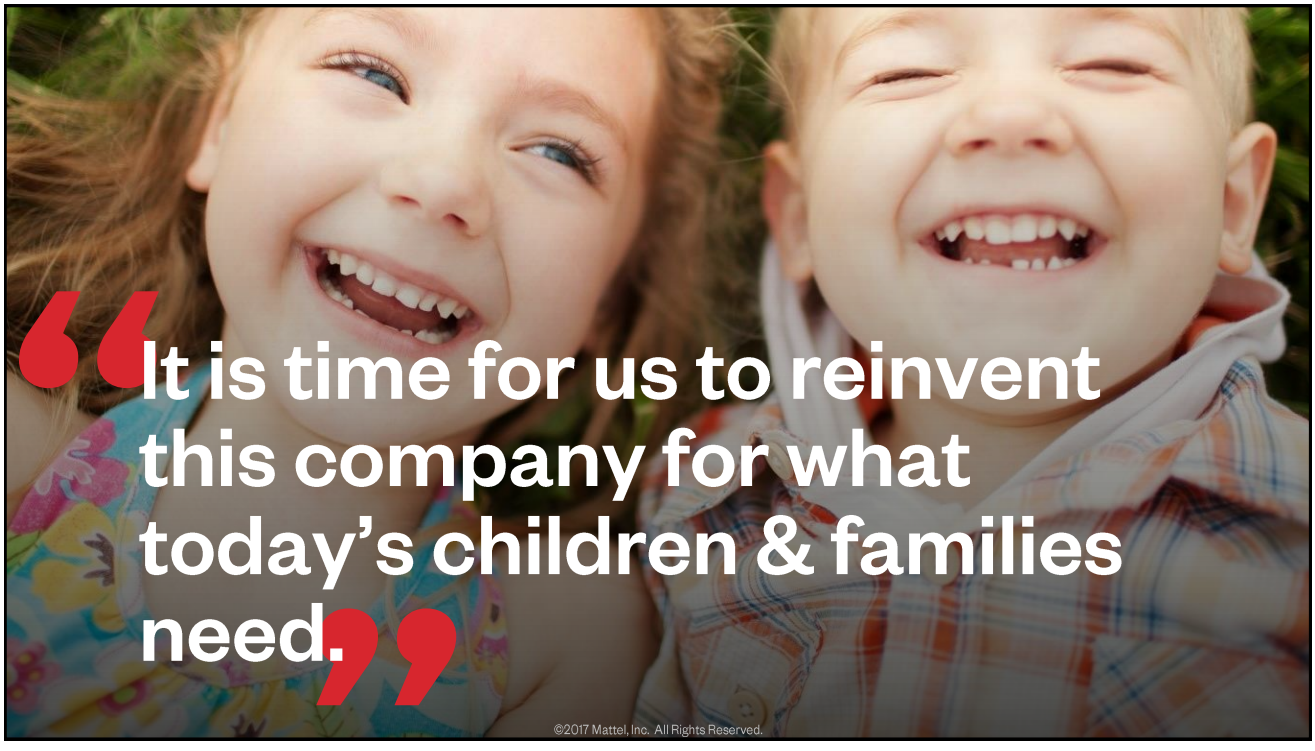
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MATTEL

positioned to win
in emerging markets
global footprint
superior manufacturing
global leader
expertise
broadest portfolio 0-12
in learning & development
purposeful
beloved
multi-generational leaders
steam
play
core brands
talented & experienced
team

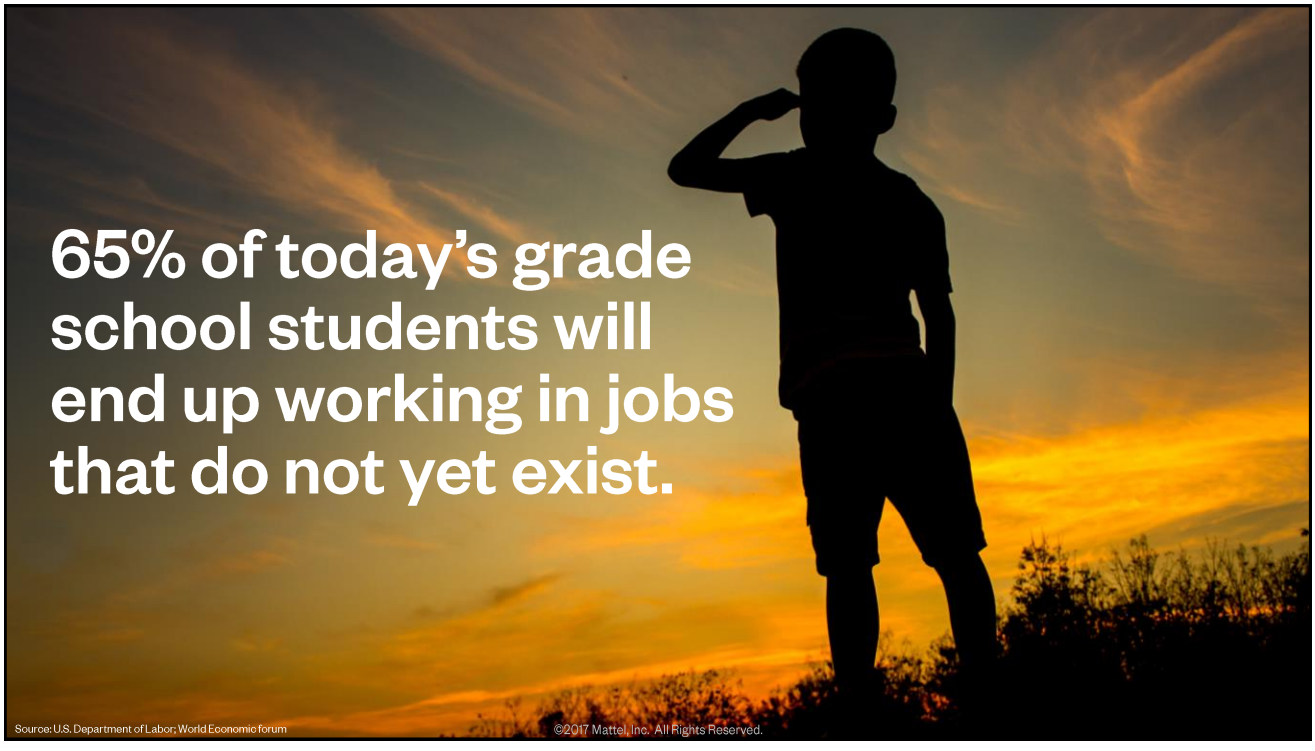
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our vision

To inspire the wonder of childhood as the global leader in learning and development through play.

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our strategy

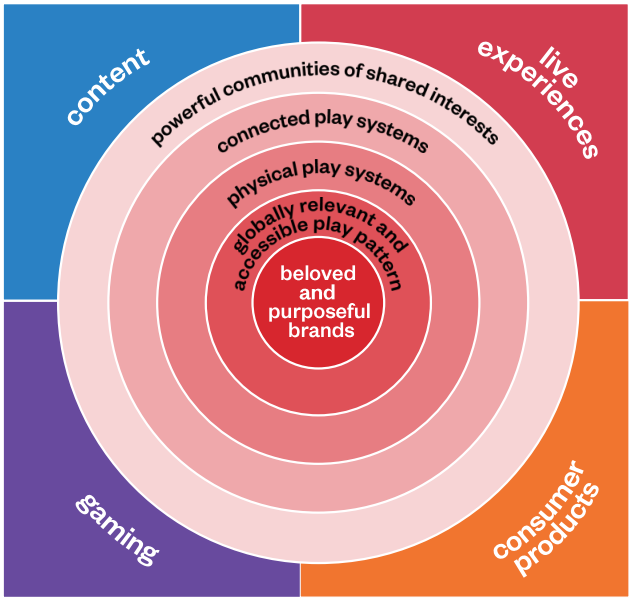
- Build power brands into connected 360° play experiences
- Accelerate emerging markets
- Strengthen our innovation pipeline
- Reshape operations
- Reignite culture and team

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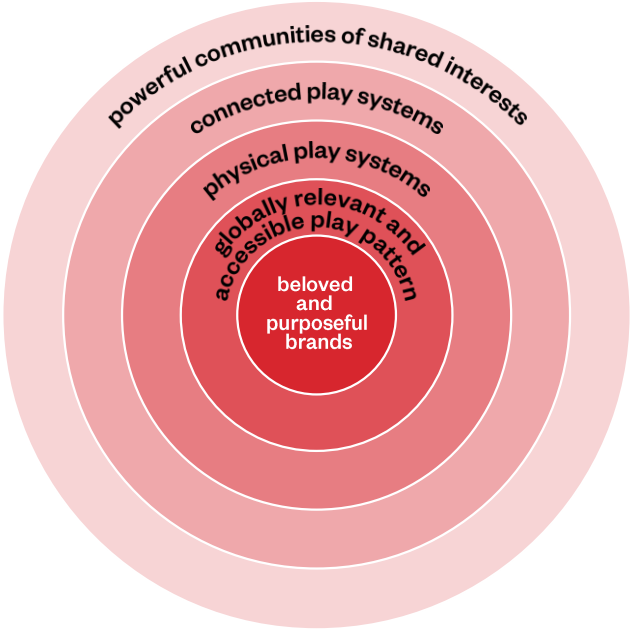
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360˚ Brand Development Framework



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360˚ Brand Development Framework



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Build Power Brands into Connected 360˚ Play Systems

beloved and purposeful brands

TO INSPIRE & NURTURE THE LIMITLESS POTENTIAL IN EVERY GIRL



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Build Power Brands into Connected 360˚ Play Systems

globally relevant and accessible play pattern

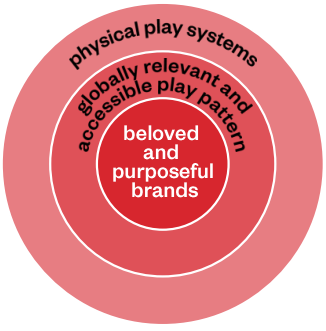
beloved and purposeful brands



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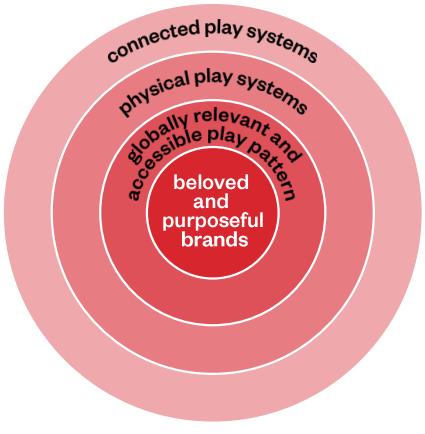
Build Power Brands into Connected 360 ° Play Systems





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Build Power Brands into Connected 360 ° Play Systems





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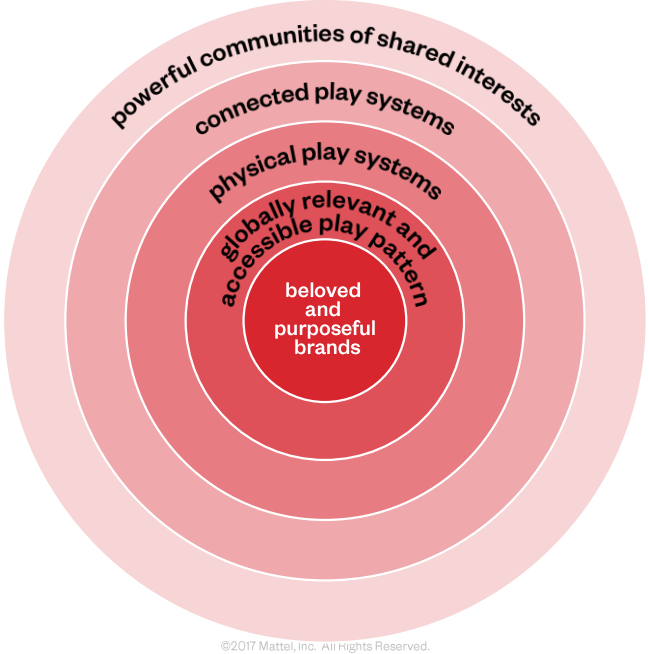
Build Power Brands into Connected 360˚ Play Systems





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Build Power Brands into Connected 360˚ Play Systems



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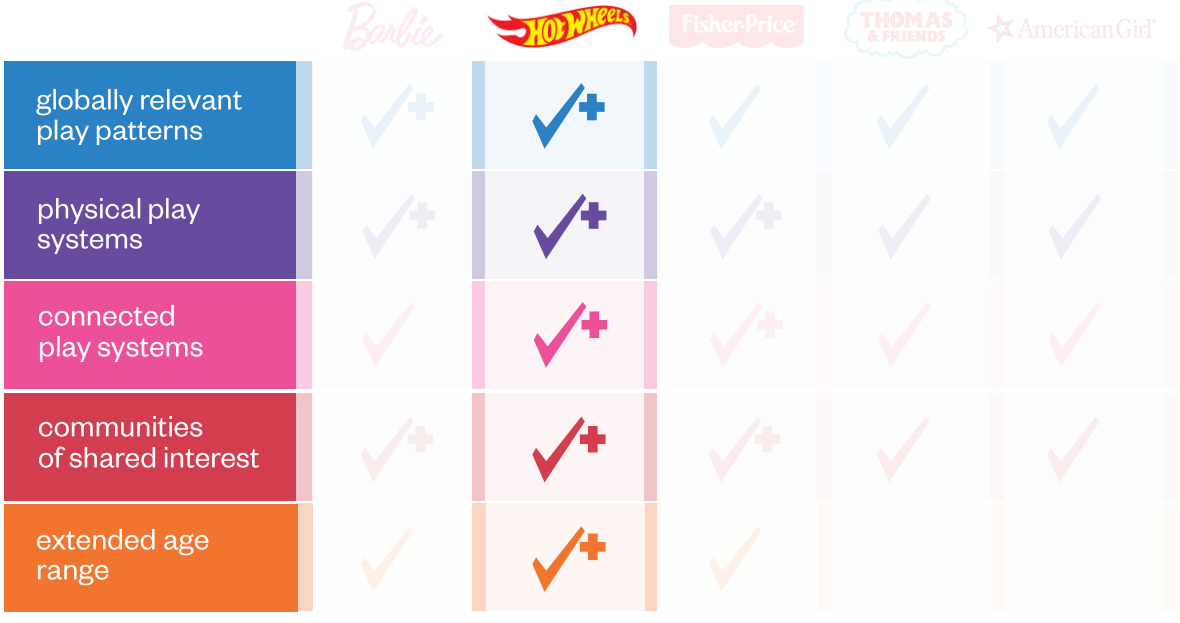
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360° Brand Framework Value Drivers



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360° Brand Framework Value Drivers

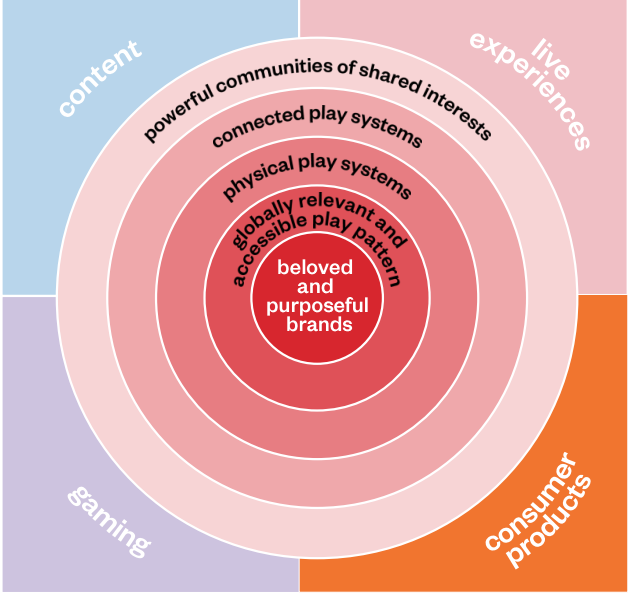


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Extend Power Brands with Meaningful Experiences



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Extend Power Brands - Consumer Products Opportunity

50-60%
Best Practice Zone

THOMAS & FRIENDS™

HOT WHEELS

Barbie™

American Girl®

Fisher-Price®

Source: Mattel Internal analysis

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Extend Power Brands - Consumer Products Opportunity

50-60%
Best Practice Zone

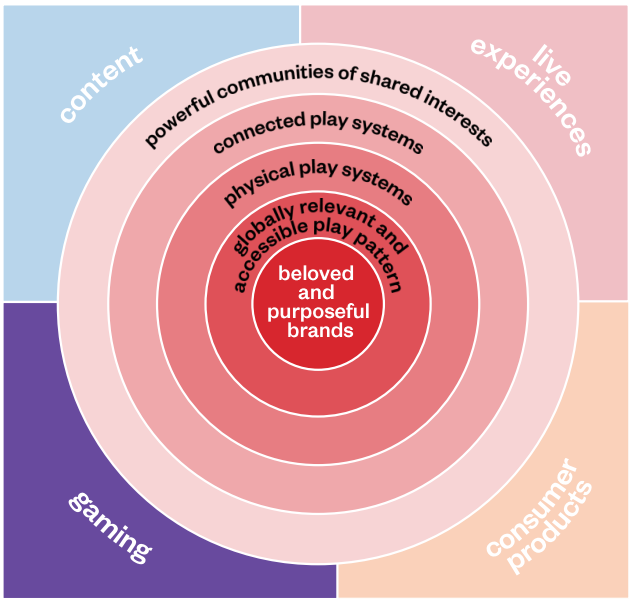
~$25M
profit annually for each 5 ppts of improvement

Hot Wheels · Barbie · American Girl · Fisher-Price

Source: Mattel Internal analysis

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Extend Power Brands - Meaningful Experiences



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Extend Power Brands – Gaming Opportunity

Strong gaming interest in our brands

potential of

$30-50M

revenue annually

160M+

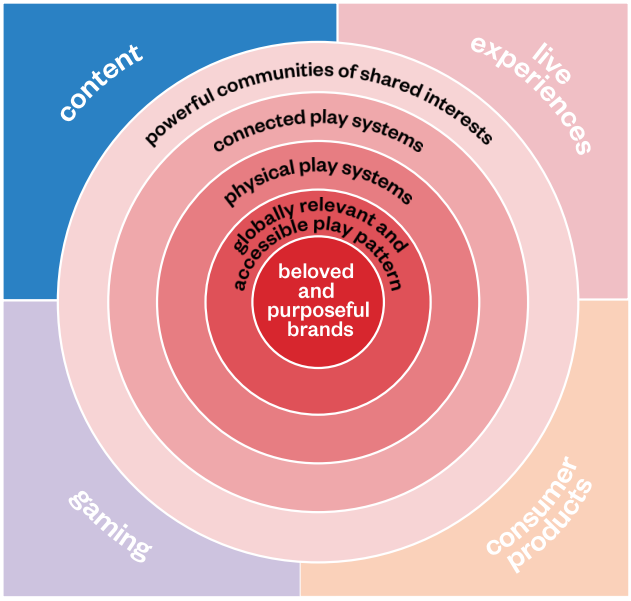
downloads in the last 18 months

Source: Mattel Internal analysis; App Annie

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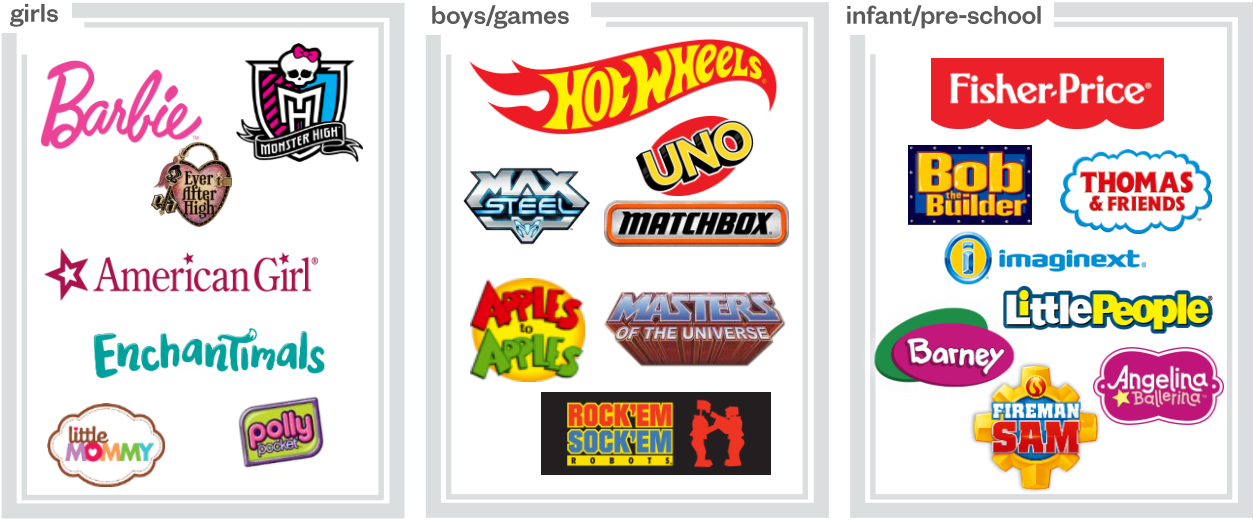
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Extend Power Brands - Meaningful Experiences



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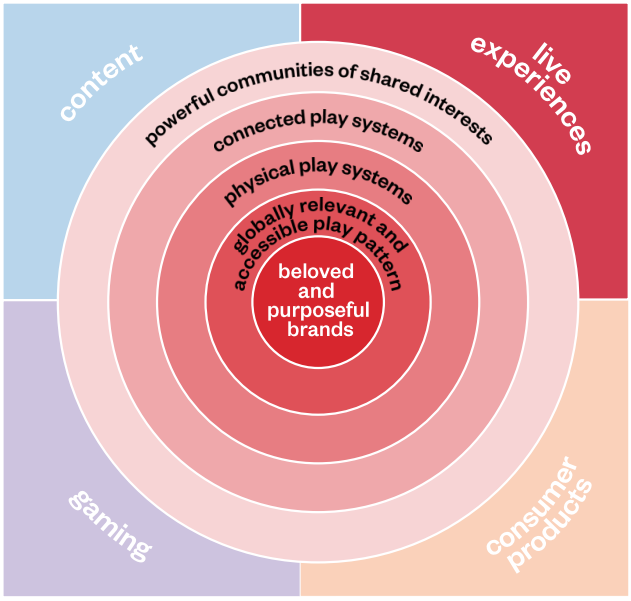
Our Leading Portfolio of Owned Kids IP



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Extend Power Brands - Meaningful Experiences



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Extend Power Brands – Live Experiences

american girl



thomas theme park



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Extend Power Brands – Learning Clubs in China



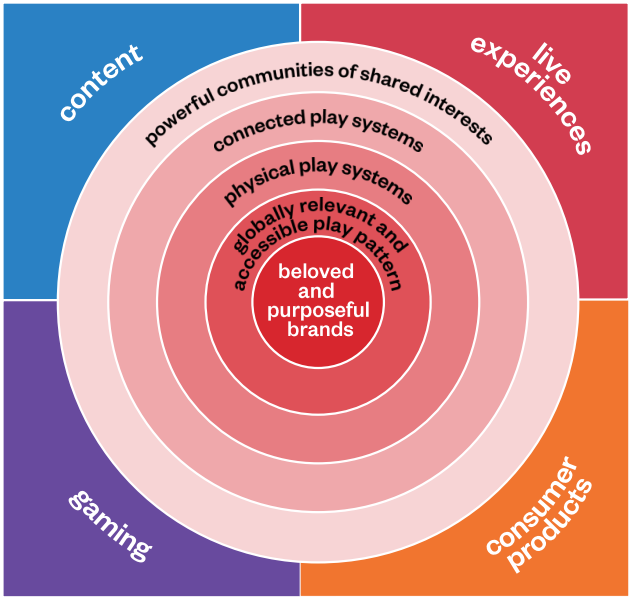


For Illustrative Purposes

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Extend Power Brands - Meaningful Experiences



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our strategy

Build power brands into connected 360° play experiences

Accelerate emerging markets

Strengthen our innovation pipeline

Reshape operations

Reignite culture and team

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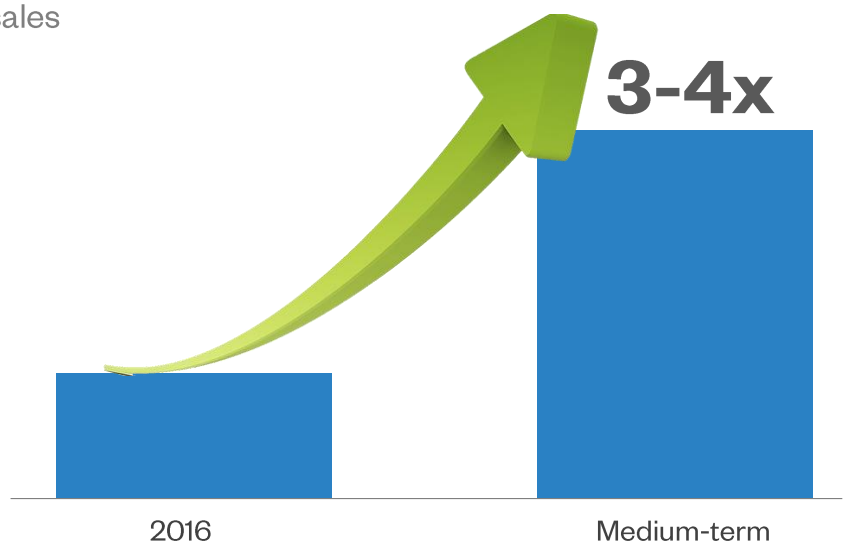
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Accelerate Emerging Markets - China



Accelerate Emerging Markets with Digital First Solutions

China gross sales



Source: Mattel Internal analysis

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our strategy

Build power brands into connected 360° play experiences

Accelerate emerging markets

Strengthen our innovation pipeline

Reshape operations

Reignite culture and team

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company-wide
portfolio management

investment
aligned to opportunity

faster
to market

digital
launch acceleration

more launches

better returns

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Focus and Strengthen Innovation Pipeline

differentiated partnerships

partnering



own brand and category innovation

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our strategy

Build power brands into connected 360° play experiences

Accelerate emerging markets

Strengthen our innovation pipeline

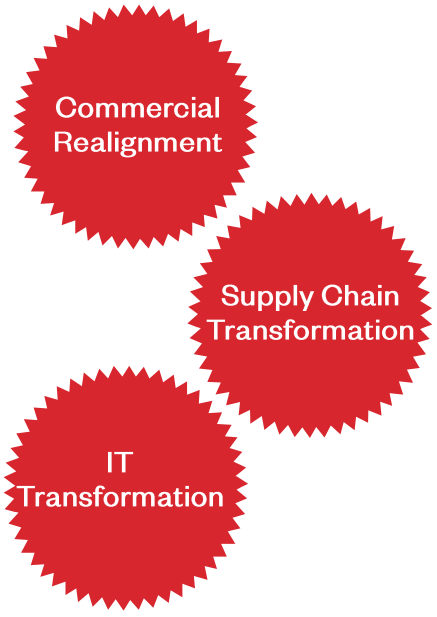
Reshape operations

Reignite culture and team

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Reshape Operations to Enable Strategy



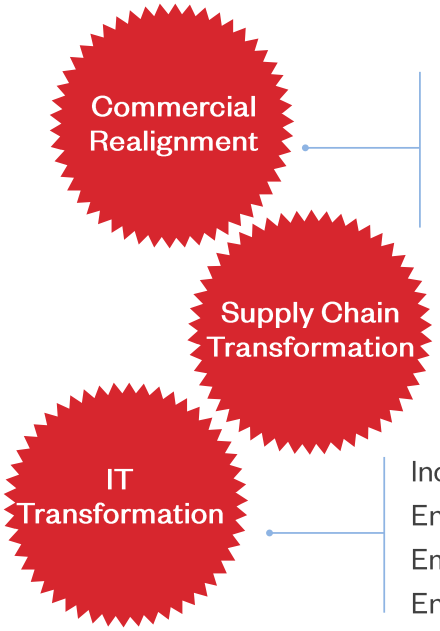
$150-200M
freed up for growth investments

Optimized
working capital

Faster to market
and digitally enabled

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Reshape Operations to Enable Strategy



- Commercial Realignment
  - Simplify/align to market opportunities
  - Drive performance to best practices
  - Win the pivot to omnichannel/ecommerce
- Supply Chain Transformation
  - Improve speed to market
  - Increase cost advantage
  - Enable digital integration
- IT Transformation
  - Increase revenue & margin realization
  - Enhance demand planning & inventory management
  - Embed customer segmentation and product insights
  - Enable workforce productivity

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our strategy

Build power brands into connected 360° play experiences

Accelerate emerging markets

Strengthen our innovation pipeline

Reshape operations

Reignite culture and team

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our purpose

We inspire wonder in the next generation to shape a brighter tomorrow.

our promise

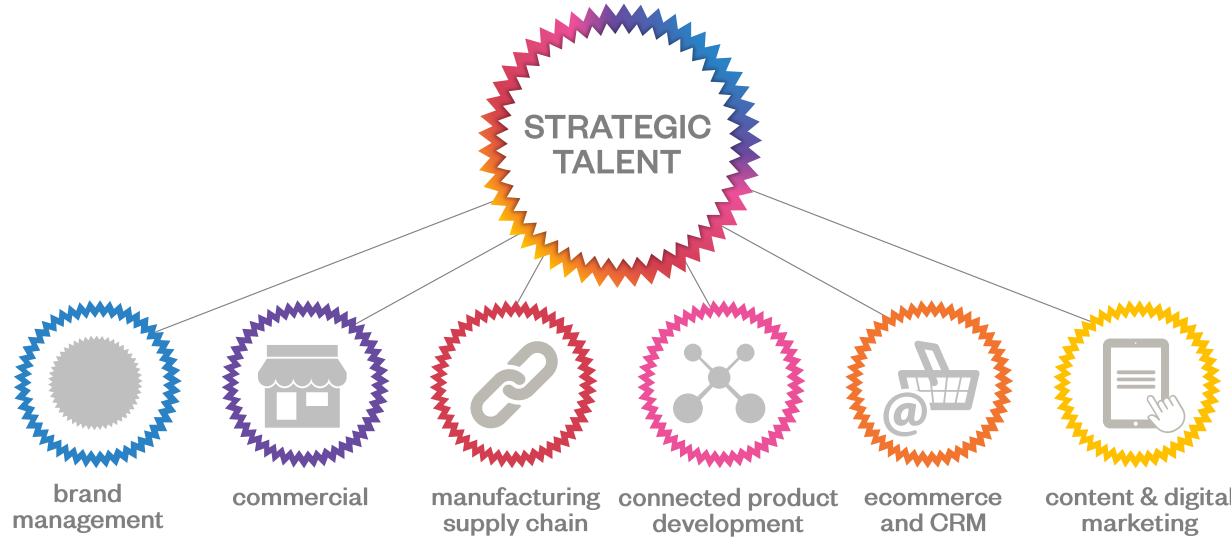
We create the experiences that capture kids' hearts, open their minds and unlock their potential through play.

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Ignite Team and Culture – Strategic Talent



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Transformation Plan



stabilize

Solidify the Core

Rebuild licensed partnerships

Invest in new models
- China
- Technology

re-position

Reimagine / reframe for step-change growth
- Strategic vision
- Operating model
- Capital allocation

Sustain momentum
- Core Brands
- Emerging Markets

Secure strategic partnerships

Invest in infrastructure

Ignite talent and culture

activate

Optimize execution
- Power Brands
- Innovation
- Markets
- Supply Chain

Operationalize strategic partnerships

Complete necessary investments

Deliver early wins / proof points across growth drivers

accelerate

Scale

Reinforce sources of advantage / points of differentiation
- Brand 360 systems
- Emerging Market leadership
- Partnerships

Fully unlock IP in adjacencies

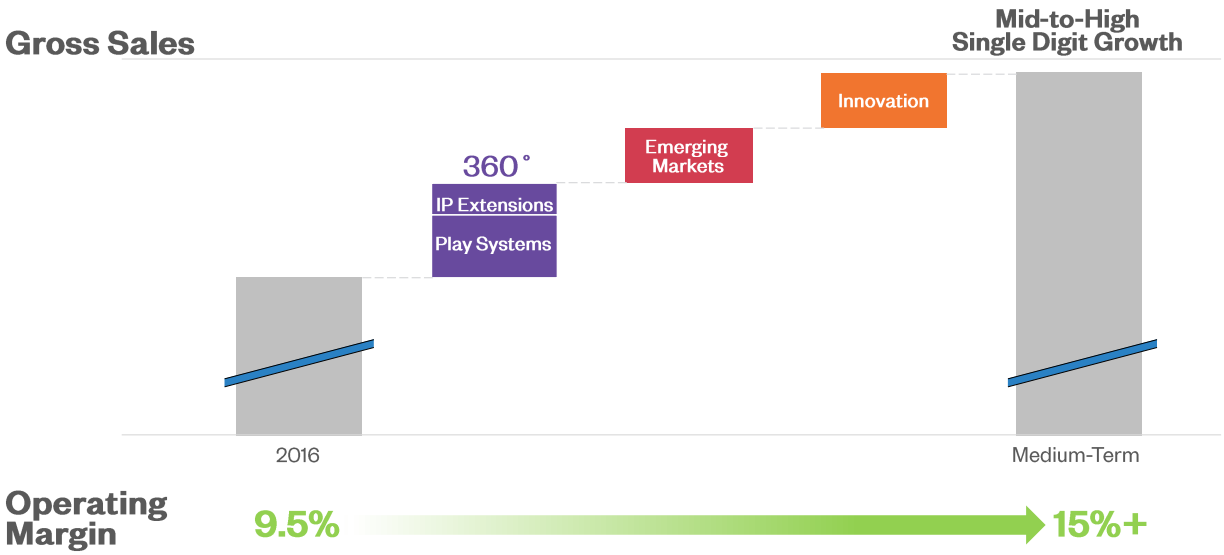
thrive

Future-proofed business

Sustainable, profitable growth

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Medium-Term Financial Objectives



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MATTEL 2017 Investment Thesis

- Continued industry growth; shifting consumer/market trends reshaping the future
- Differentiated and market-leading assets position Mattel to capitalize on future opportunities
- Clear strategy for growth:
  - Building our Power Brands into 360 connected systems of play and experiences
  - Accelerating growth in emerging markets
  - Transforming our innovation pipeline
- Strategic repositioning expected to enhance long-term growth and profitability
- Reshaping operations to unlock substantial reinvestment funds for growth, improve speed to market
- Large base of consistent revenue from core brands expected to produce robust ongoing cash flow, and maintaining strong balance sheet to support growth strategy

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