



Virtual Analyst Presentation

February 18th, 2022

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Forward-Looking Statements / Regulation G



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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 Margin, Adjusted Selling, General, and Administrative Expenses, Adjusted Operating Income (Loss), Adjusted Operating Income (Loss) Margin, Adjusted Earnings (Loss) Per Share, earnings before interest expense, taxes, depreciation and amortization ("EBITDA"), Adjusted EBITDA, Leverage Ratio (Debt/Adjusted EBITDA), Free Cash Flow, Free Cash Flow Conversion (Free Cash Flow/Adjusted EBITDA), Leverage Ratio (Debt/Adjusted EBITDA), 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 our February 9, 2022 earnings release (as exhibits) and earnings slide presentation (as an appendix), which are available on Mattel's Investor Relations website at <https://mattel.gs-web.com/financial-information/quarterly-earnings>. A reconciliation of Mattel's non-GAAP financial measures on a forward-looking basis, including Net Sales on a constant currency basis, Adjusted Gross Margin, Adjusted EBITDA, Adjusted Selling, General, and Administrative Expenses, Adjusted Earnings (Loss) Per Share, and Adjusted Operating Income Margin, is not available without unreasonable effort. Mattel is unable to predict with sufficient certainty items that would be excluded from the corresponding GAAP measure, including the effect of foreign currency exchange rate fluctuations, unusual gains and losses or charges, and severance and restructuring charges, due to the unpredictable nature of such items, which may have a significant impact on Mattel's GAAP measures. 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.

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Mattel Virtual Analyst Presentation

Management Remarks

February 18, 2022

Ynon Kreiz, Mattel Chairman and CEO

Opening

Welcome.

Thank you for joining our 2022 analyst presentation.

I hope that you, and your families are safe and healthy.

Today, we are excited to update you on the significant progress we have made transforming Mattel into an IP-driven, high-performing toy company. We also look forward to highlighting for you the tremendous opportunities for the company in 2022 and beyond.

I would like to begin by recognizing the hard work the entire Mattel global team has done to get us to where we are today.

The organization once again stepped up and overcame multiple challenges over the past year. We stayed committed to Mattel's Purpose: to empower the next generation to explore the wonder of childhood and reach their full potential and were guided by our Mission: to create innovative products and experiences that inspire, entertain, and develop children through play.

Company Recap

2021 was a pivotal year for Mattel.

We achieved an 18% increase in net sales in constant currency, our highest growth rate in decades. We exceeded \$1 billion dollars of Adjusted EBITDA, doubled our free cashflow, and our balance sheet is on the verge of reaching investment grade credit metrics.

We grew market share for the second consecutive year globally and in every measured market in 2021, per NPD.

Our full year performance was broad-based.

We grew in six of seven categories, in each of our three power brands, as well as American Girl, and in three of four regions.

Our products continued to resonate with consumers at levels we have not seen in years.

It was also a year where, in spite of major global supply chain disruption and significant retail closures, we demonstrated the strength and resilience of our operations and global platform.

From design and development, through manufacturing and production, to creating demand and working in close collaboration with our retail partners, we exceeded expectations and executed strongly on all fronts.

Exiting 2021, and as we start the new year, Mattel is firmly in growth mode.

But before we talk about 2022, let's recap the incredible performance by our team over the last few years, since we launched our transformation strategy in 2018.

- We restructured our category management organization, empowered leaders to leverage Mattel's expertise, infrastructure, global resources, and leading franchises, to drive growth across multiple brands, at scale.
- We implemented the Mattel Playbook very successfully. The combination of Brand Purpose, Design-Led Innovation, Cultural Relevance, and Executional Excellence has enabled us to put the company on a strong growth trajectory.
- We redesigned our supply chain and reduced complexity in the system, as part of our capital light approach. We expect even more benefits to come from optimizing our manufacturing footprint, as we increase productivity of plant infrastructure and drive higher performance across the entire supply chain.
- We reshaped our commercial teams, evolved demand creation, and took an all-channel approach, with the combination of the global reach of more than 488,000 brick and mortar stores where our product is sold, together with world-class e-commerce capabilities, and growing DTC channels.
- We significantly strengthened our culture. We have created a working environment fueled by leadership behaviors of innovation, collaboration, and execution. For that, Mattel has been recognized for its workplace culture by several important organizations, including Forbes, Fast Company, and the Great Place to Work Institute. We are proud to have made so much progress on culture and employee well-being and continue to prioritize this important area.
- We also significantly increased cash flow, reduced debt, and improved the balance sheet, enhancing flexibility to invest in the business, drive profitable growth, and execute capital allocation strategies that aim to increase long-term shareholder value.

Turning to our financial performance over the last four years.

Mattel today is a much stronger company, as evidenced by the significant improvement across multiple key financial metrics.

- Net Sales stabilized and then accelerated, achieving 18% growth in constant currency in 2021,
- Adjusted Gross Margin improved a significant 1,040 basis points,
- Adjusted Operating Income turned positive and improved by \$966 million dollars,
- Adjusted Operating Margin improved by 18.2 points to 14.0%,
- Adjusted EBITDA improved eightfold to more than \$1 billion dollars,
- Adjusted EPS improved by \$2.50,
- Free Cash flow improved by more than \$650 million dollars, and
- Debt / Adjusted EBITDA leverage ratio improved significantly to 2.6x in 2021.

Our strategy has worked. We restored profitability and then improved it. We regained topline growth and then accelerated it. We shifted from a manufacturing mindset to becoming IP centric.

Looking at all that has been achieved, Mattel today is an IP-driven, high-performing toy company.

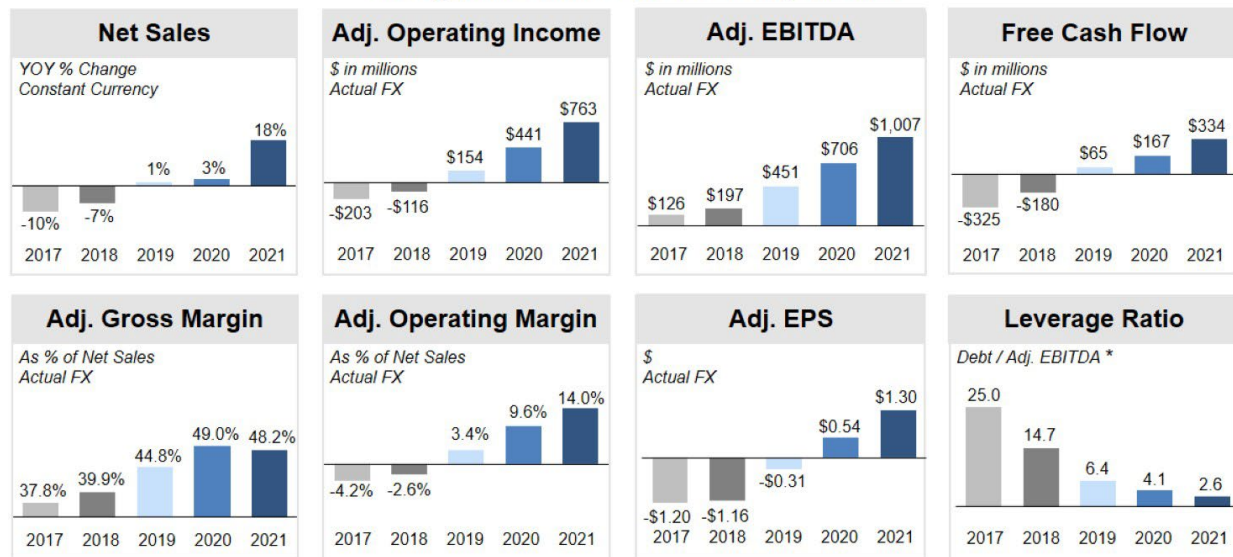
Our turnaround is now complete.

2017-2021 Recap

Key Financial Metrics



Strong performance across all key metrics



* Note: Includes Short-term Borrowings and Long-term Debt.
Source: 2019-2020 key financial metrics reflect the impact of immaterial revisions to the financial statements. 2017 key financial metrics were not revised to reflect the impact of immaterial adjustments. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator

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Mattel Strategy

With that, we are evolving our strategy to grow Mattel's IP-driven toy business and expand our entertainment offering.

We see significant opportunities in our toy business to:

- Accelerate topline through scaling our portfolio,
- Growing our franchise brands, and
- Advancing our e-commerce and DTC business, and
- To increase profitability by continuing to optimize operations.

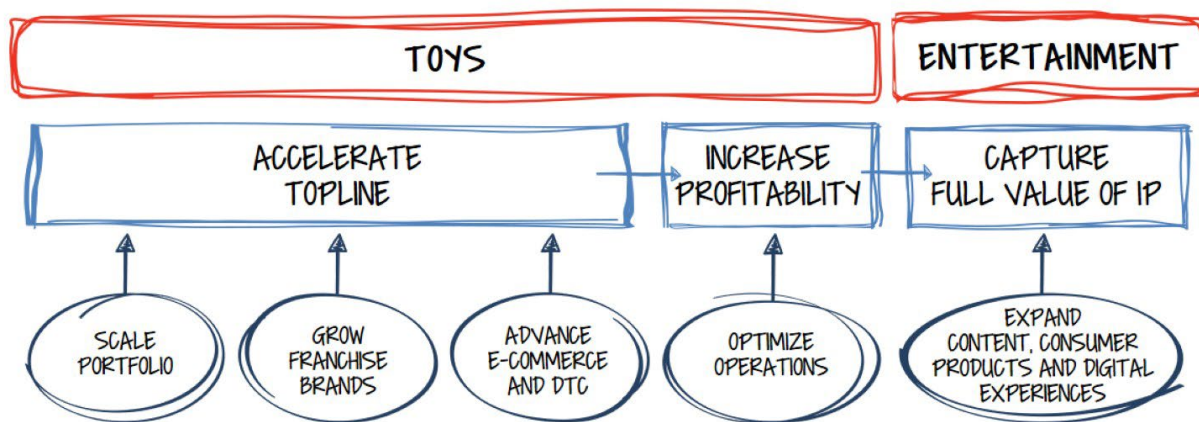
We are beginning to capture the full value of our IP in highly accretive business verticals, including content, consumer products, and digital experiences, which are directly adjacent to the toy industry. While still at an early stage, we are very excited about the progress we are making.

In success this can be transformative.

This evolved strategy builds upon tangible results and a strong growth trajectory and positions us to continue to create long-term shareholder value.

Mattel Strategy Evolved

Grow IP-Driven Toy Business and Expand Entertainment Offering



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

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Toy Industry Update

There is another important and exciting dimension to our investment thesis, which is the domain where we operate.

The toy industry is a growth industry.

It has demonstrated its resilience. Per NPD, the industry grew 11% in 2020 and 9% in 2021, in spite of major global supply chain disruption and significant retail closures during the period. The industry is expected to continue to grow as children, parents and caregivers have made toys and play a bigger part of their lives.

The industry has strong fundamentals with multiple growth drivers. Toys are a strategic category for retailers, it drives traffic and engagement both in stores and online, it is experiential, and offers consumers a variety of products with accessible price points.

The industry has proven to be recession resilient, reinforcing that play has never been more important, while parents consistently prioritize spending on their children.

Looking back, in constant currency, the industry has continued to grow for the last 10 consecutive years, reaching \$88 billion in 2020, per Euromonitor.

Looking ahead, the toy industry is projected by Euromonitor to grow at a 5.4% CAGR through 2025, and they estimate it will surpass \$100 billion dollars in 2023.

While it is great to be part of a rising tide, at Mattel, we have not just been riding the wave. We have outperformed the industry for two years in a row and see significant opportunities to continue to gain share going forward.

Let's talk about our expectations for the next couple of years.

Looking Ahead

As strong as 2021 was, 2022 is expected to be stronger. As we said on our fourth quarter earnings call, our guidance for 2022 is:

- Net sales growth of 8-10% in constant currency,
- Adjusted Gross margins of approximately 47%,
- Adjusted EBITDA in the range of \$1.1 to \$1.125 billion, and
- Adjusted EPS in the range of \$1.42 to \$1.48.

And as strong as 2022 is expected to be, the outlook for 2023 is even stronger.

Given our confidence in our growth trajectory and expectation for continued strong momentum in the core business, we are:

- Increasing our 2023 goal for topline growth in Net Sales in constant currency to high-single digits, from mid-single digits previously.
- We are updating our Adjusted operating income margin goal in 2023 to approximately 16 to 17% of Net Sales.

- And, we are adding a new goal for 2023 to exceed an adjusted EPS of \$1.90.

Achieving our 2022 guidance and our 2023 goals would mean four consecutive years of topline growth. And we are not stopping there.

A growing part of this outlook is our success in making Mattel a partner of choice for the major entertainment companies.

In addition to our own IP, we now have a formidable line-up of evergreen properties from Microsoft, Nickelodeon, Nintendo, Universal, WWE, as well as Disney.

The return of Disney Princess and Frozen franchises to our portfolio in 2023 is a fitting recognition of our strength and capabilities. We are excited to take these franchises' beloved stories and characters to incredible new heights.

Today's Agenda

As we look to the rest of today's presentation, Richard Dickson, our President and Chief Operating Officer, will be up next to expand on our 2022 outlook and the major drivers that will propel our growth.

Anthony DiSilvestro, Mattel's Chief Financial Officer, will then provide more color on our financial outlook and capital deployment strategy.

I will then return to talk about our corporate citizenship initiatives and provide an update on our evolved strategy and entertainment offerings. Robbie Brenner, who runs Mattel Films, will share with you the latest developments in this exciting area.

Now, I'd like to turn the virtual floor over to Richard.

Richard Dickson, Mattel President and Chief Operating Officer

Richard Opening

Thanks, Ynon. And hi everybody.

It's great to be with all of you today as we kick off what's shaping up to be an incredibly exciting year for Mattel.

Today I am confident that you will recognize, as we do, that Mattel has turned a very big corner.

Building on Ynon's introduction, 2021 was a pivotal year.

Mattel completed a multi-year turnaround, reviving a portfolio of multi-generational legacy brands that are now growing consistently, and energized to lead.

In an industry where the lifespan of a typical toy brand is a fleeting three to five years, Mattel has hundreds of brands that stand the test of time.

Barbie, at 63, is the top global toy property of the year, for the second year in a row, per the NPD Group. Barbie leads an extraordinary portfolio that's also home to American Girl at 36 and Polly Pocket at 33.

Hot Wheels, at 52, is the number one Vehicle property in the world, driving a portfolio which also includes Matchbox at 69.

And at 92, Fisher-Price is the number one global property in Infant/Toddler/Preschool, and number five overall toy property, which also includes Thomas at 77, just to name a few.

I mean, how many toy companies can claim that?

Or, for that matter, three of the top 10 properties industry-wide per NPD – and - a record-breaking 17 TOTY Award finalist nominations this year?

There's a lot to celebrate.

Guided by the Mattel Playbook, today, brands across our portfolio are powered by Brand Purpose, Design-Led Innovation, Cultural Relevance, and Executional Excellence which strongly suggests Mattel's best days are ahead.

And because success begets success, the most coveted creators and brands are now seeking us out for seriously cool collaborations designed to grow their IP.

Today, every major entertainment company in the world partners with Mattel.

And other industries want in. We're creating new strategic partnerships with forward-looking companies. Collaborating with visionary artists like Shepard Fairey and Nina Chanel Abney. And leading new forays into fashion with the likes of Gucci, Balmain, BAPE, Justin Bieber's Drew House, Moncler, and The Hundreds - all of which have the potential to grow entirely new verticals.

The headline being, that in addition to creating incredible toys for our own brands and entertainment partners, Mattel is developing toys for brands in industries that people never imagined as toytic.

Ynon shared with you why we are so optimistic about the toy industry and our own future. And I can tell you, our optimism is also a reflection of Mattel's core strengths.

A culture that is flourishing, driven by the values of innovation, collaboration, and execution. It now permeates the company in every corner of the globe.

A category structure that provides focus and empowers our people to scale our portfolio. And a truly remarkable collection of brands that puts the consumer at the center of all we do, ensuring that our products and experiences are innovative, in demand, and designed to empower the next generation to explore the wonder of childhood and reach their full potential.

This company is thriving, proving that nobody knows toys better than Mattel.

Mattel Strategy

Moments ago, Ynon introduced Mattel's updated strategy to grow our IP-driven toy business and expand our entertainment offering.

There are three ways we'll grow our IP-driven toy business:

The first is to scale the entire portfolio to deliver even greater topline performance.

Historically, Mattel's three Power Brands: Barbie, Hot Wheels, and Fisher-Price; have contributed most to our growth. These are huge, billion-dollar plus franchises that lead their respective categories, span product segments, and have high intrinsic value to consumers.

Our shift to Category Management empowered our teams to leverage Mattel's expertise, infrastructure, global resources, and leading franchises. And this structure is driving growth across multiple brands, at scale.

It's quite deliberate that the world-class team behind the Barbie success story is managing our entire dolls category. And that same management model applies in every category where we operate.

Yet we know that there is still plenty of opportunity to scale our business within each category, by:

- Expanding our Power Brands to new segments: Barbie Family, Hot Wheels R/C, Fisher-Price Collector. With our expertise, scale, and capabilities, our Power Brands can play to win on multiple dimensions and thrive continuously.
- Revitalizing and re-launching Catalogue IP. Matchbox and Masters of the Universe proved our proficiency. Monster High is next. And the queue behind it, across categories, is just as exciting.

- Developing new brands. Mattel has created some of the most iconic brands in history. And we're gonna do more of that.
- Adding and expanding partner IP. We are creating incredible businesses, partnering with some of the best brands in the world. And we will keep going.
- Entering new white space. We study categories where we believe Mattel can stake a position by adding something unique. And then we go for it. Plush has been a great example, with much more to come. And,
- Expanding our footprint. We continuously build on our global, omni-channel distribution, which is best-in-class. And we do this in many ways from deepening our partnerships with the world's best retailers, to developing big markets where we under-index. And building new distribution models like Direct-to-Consumer. It's all about making sure consumers can find our products whenever and wherever they shop.

The second way we'll accelerate topline is by growing our Franchise Brands.

Mattel owns lots of distinctive brands that have a rich heritage, high awareness, and a large fanbase. These are brands that have the potential to connect meaningfully across multiple consumer touchpoints to drive significant business both in and out of the toy aisle.

By the end of 2021, we had nine Mattel brands that exceeded \$100 million in revenue and more that are on their way to reaching that threshold.

We call these Franchise Brands. Other than our three Power Brands, they include: American Girl, Polly Pocket, MEGA, UNO, Masters of the Universe, Thomas & Friends, Matchbox, and Monster High, just to name a few.

A great portfolio that we will grow by continuing to lean into the Mattel Playbook.

The more Franchise Brands we own, and the more they grow, the more that we can strengthen, diversify, and scale our portfolio.

Just imagine what's coming as we activate even more Catalogue IP to become our next Franchise Brands, and as we evolve these Franchise Brands to one day become billion-dollar Power Brands.

The opportunities for growth are stunning.

Because as far as we have come, we're even more excited about what's to come in this next chapter of new growth for Mattel.

And third, Mattel's focus on advancing ecommerce and DTC is aligned with consumer trends and providing additional ways to grow.

Ecommerce is a key part of our omnichannel strategy. And we are strengthening our capabilities, working collaboratively with our retail partners, and growing right alongside them.

DTC, however, is a playground we own, entirely. And in the past few years we've stepped up by building global, best-in-class digital destinations for Mattel brands that connect with and inspire consumers, showcase our IP in new ways, and benefit Mattel financially.

AmericanGirl.com, which you're all familiar with, has become an amazing hub for all things American Girl and it's helping to grow and accelerate the franchise.

This quarter, a comprehensive re-imagining of the site that's been building over the past two years, will be complete with a visitor experience that's both externally engaging and internally smart.

We've optimized the customer journey. Upped personalization with geotargeted content, chat, and a doll customization program. Enhanced play with a remarkable metaverse that hosts a truly incredible immersive museum and bookstore. And we've optimized checkout, adding more ways to pay, including mobile.

Underpinning it all are strategic investments in infrastructure, including analytics, that will allow us to learn from and optimize the site to provide even greater customer experiences, as well as inventory and order management systems to modernize our fulfillment and distribution capabilities.

MattelCreations.com is Mattel's Collector DTC, and home to all of our Collector sites.

A destination for fans of all ages, MattelCreations.com is a portal to pop culture, where Collectors gain access to exclusive, premium product, content, and an enthusiastic community of like-minded fans.

It's awesome, and there's already a lot of momentum. Check this out.

[VIDEO]

I can't tell you how many people texted me about our Hot Wheels Gucci car!

Following on the success of Mattel Creations, we're also developing a Mattel Shopper DTC, that's complementary and incremental to our existing retail models across bricks and mortar and ecommerce. An exciting hub for everyday toys, it's a unique value proposition that will include curated items, personalized video messaging, gifts, and a loyalty program. And we'll have more updates in the coming months.

So, with that introduction, let's get started with a deeper look at growth, category by category, beginning with dolls.

Dolls

Mattel has the leading Doll portfolio in the world. And the best talent creating the best ideas in the industry.

No one knows dolls better than we do. And it shows. Last year:

- Barbie was the number one global dolls property in 2021, and the number one doll property in the US every week of 2021, per NPD.
- Polly Pocket had its biggest year in more than a decade.
- Monster High Collector dolls sold out and lit up social media with the news of the brand's big comeback.

And of course, we're incredibly proud to welcome Disney Princess and Frozen back to Mattel's castle.

Now that's just a few of the headlines. Our Doll portfolio had a remarkable 2021 with growth that outpaced the toy industry and lifted Mattel's share of the \$8.3 billion-dollar global Dolls supercategory to more than 26%, per NPD.

We're seeing Mattel shape the Dolls supercategory in game-changing ways, with a powerful portfolio of doll brands that inspire and complement versus compete with one another to drive broad-based success.

And that suggests a huge growth opportunity for Mattel given Euromonitor's forecasts that Dolls & Accessories will be the highest growth category in the entire industry through at least 2025.

Our Doll portfolio is a good window into how Mattel's evolved strategy works. How scaling our portfolio, growing franchise brands, and advancing e-commerce and DTC combine to accelerate topline.

And Barbie, our brilliant Power Brand, is already ahead of the curve, driving momentum that's consistently delivering topline growth.

Barbie has never been in a better position.

Created to inspire the limitless potential in every girl, Barbie's powerful Brand Purpose is resonating beyond childhood more than ever. An inspiration to girls and moms, and a muse to

the world's most talented artists, designers, influencers, and entertainers, today's Barbie doll is an icon that represents the very best of pop culture.

It's a tall order to lead a brand like Barbie and an even bigger challenge to keep it relevant and growing. Yet guided by the Mattel Playbook, that's exactly what we're doing.

Here are some of the key drivers of the brand's incredible success last year.

Barbie's Dreamhouse, a signature item and genius system of play, got a major renovation in 2021 and was the number one item in the US in Q4 for the second year in a row, per NPD.

In Barbie's Family, we launched little sister Chelsea, and Barbie's best friend, Brooklyn, with great product and great animated movies on Netflix and broadcasters all over the world.

Barbie Extra, a hyper-cool statement-maker created for older girls, continued to be a hit toy, as was TOTY Award-winning, Barbie Color Reveal, an innovation we're scaling to expand beyond Dolls into Vehicles and Building Sets.

Last year, we also launched A Doll Can Help Change the World, a powerful campaign rooted in neuroscientific research that proves that doll play nurtures important social skills like empathy. Let's take a look.

[VIDEO]

This is an evolution within our award-winning Imagine the Possibilities campaign that continues to connect Barbie's Brand Purpose to parents and key influencers on a very emotional level, with great impact.

2021 was a huge year for Barbie that grew and expanded this extraordinary Power Brand. And that was just a glimpse.

Barbie is a build on strength story that just gets better and better, as you're about to see.

Now, is there any bigger way to kick off 2022, than Barbie at the Super Bowl?

[VIDEO]

Mattel is an expert at event-izing anniversaries to create demand. And the 60th anniversary of Barbie's Dreamhouse will be the latest example - a perfect demonstration of the Mattel Playbook in practice.

Purpose led us to partner with brands like Rocket Mortgage and Habitat for Humanity that are doing for grown-ups what the Barbie Dreamhouse does for kids – enabling their dreams to come true.

Design-led innovation drove the creation of a very special 60th anniversary Dreamhouse.

Cultural relevance put our Dreamhouse in the Super Bowl, the biggest TV event of the year.

And it was all executed with excellence.

So, with that kick-off, here are some highlights of what's coming next.

Barbie Extra is building out, adding major wow with new miniature dolls and playsets called Extra Minis. Take a look.

[VIDEO]

Our Mermaid line will have a really fun, innovative assortment.

Camping is a hot trend right now. And Barbie is all over it with a seriously cool camper featuring a 32-inch slide. A great example of insights into action.

Here's another one... Cutie Reveal, our brilliant new surprise and reveal line, inspired by cosplay, a form of performance art that's hot in both fashion and entertainment. Our dolls capture the trend perfectly, blending plush, doll, and fashion play in a totally amazing toy. You've gotta see this.

[VIDEO]

Barbie was already the number one doll brand in social media, when we created the TikTok channel. Now Barbie and Brooklyn are influencers doing what the hottest Tik Tokers do.

Our TikToks feature original content and collaborations with awesome fashion and beauty creators. Take a look.

[VIDEO]

Pop Culture Enthusiasts and Collectors are a growing audience for toys. They are motivated by exclusive, hyper-relevant items, and Barbie is in their sights in all the best ways.

Last month, Barbie launched an unprecedented partnership with luxury fashion house, Balmain. Our collaboration created a limited edition, high fashion, unisex collection like no other that straddled both the physical and digital worlds and included apparel, doll fashions, and Barbie's first NFTs.

Barbie and Balmain achieved more than a quarter of a billion impressions and won coveted retail space at high-end fashion retailer, Neiman Marcus. A success that elevates Barbie's

fashion credibility and encourages new collaborations that we can scale for even greater impact.

Barbie's Inspiring Women series is another successful and growing segment. Created to celebrate remarkable women who broke barriers, this line is authentically Barbie, grounded in Purpose, and meaningful to both girls and grown-ups.

In honor of Black History Month, we just launched an Ida B. Wells doll. Wells was a pioneering journalist, suffragist, and a founder of the NAACP. It was our honor to work with her great-grand daughter to tell the incredible story of Ida B. Wells through our doll. And we'll have even more dolls to come later this year.

As you know, toys are only part of the Barbie story. Today, Barbie is an inspiring force in pop culture, a franchise brand that transcends toys. Evolving, growing, and importantly mattering in ways no other doll brand does or can. And that's a tremendous foundation we'll build on as we continue to unlock Barbie's full potential.

As I mentioned, **Polly Pocket**, had its biggest year in more than a decade. Polly is a Franchise Brand in our Doll portfolio, the number eight Global Doll Property, per NPD, and the number two Global Small Doll Property in a very competitive segment.

The original Micro Doll, Polly is an amazing brand with tremendous potential as we're seeing, in the segment that she invented. Today's girls have moms who grew up with Polly, so as we revitalize the brand to excite a new generation, we're also giving their moms new reasons to choose Polly.

Last year, design-led Innovation continued to freshen product formats, driving growth of Polly playsets including core compacts. And, our new Spin 'n Surprise Waterpark was a hit. As was our Rainbow Funland Theme Park playset, which we supported with a popular season three series for Polly on Netflix and broadcasters all over the world.

This year, our line of Polly Pocket dolls will reflect even greater diversity. Polly's iconic compacts will provide even more innovative ways to play, with items like Flamingo Party and Gumball Bear.

We've expanded our three-inch system of play with new playsets that lean into fashion. And reinvented the Pollyville system of play to incorporate vehicle play.

For Collectors, we're tapping 90s nostalgia and expanding our newly launched Polly Pocket Keepsake Collection.

And look for Polly Pocket season four. As well as an impressive slate of new content for YouTube, where Polly is the number seven girls' brand, with more than three million subscribers.

Last year we were beyond excited to announce that Mattel had been chosen as the global toy partner for Karma's World, an amazing series inspired by the daughter of Chris "Ludacris" Bridges. The series is a high-energy, coming of age story featuring Karma Grant, an aspiring music artist and rapper with big talent and an even bigger heart. We admire her for finding her voice and using it to change her world.

The Netflix series debuted last fall. And our incredible doll line is coming later this year. We especially love the authentic details, including her amazing hair. She is such an inspiring character. Take a look.

[VIDEO]

This year, **Monster High** will be the comeback story of the category. One of the best-selling fashion dolls of all time and one of the biggest toy brands ever, we can't wait to reintroduce this brand. It's monstrous Mattel IP with an inclusive, purposeful message of belonging that's even more relevant today.

We have a great model for relaunch, as Masters of the Universe proved. And Monster High is following that model with buzz-worthy design collaborations to spark social media, must-have, limited-edition Collector product via Mattel Creations to re-engage fans and light up the conversation, amazing content to re-introduce our characters and drive purchase, and truly incredible kid-targeted product based on that content.

We have already begun to lean into our Playbook. As a result, social mentions for Monster High were up 80%, collector dolls like Skull-ector for Mattel Creations sold out immediately. And our Beetlejuice and Gremlins dolls sold out in minutes, launching on ownable, culturally relevant days like Friday the 13th and Halloween.

And this year promises to be even more thrilling.

We just introduced Haunt Couture for Mattel Creations featuring our original Monster High characters dressed in high-end couture looks. And new characters will follow throughout the year.

Our Skull-ector series, which reinterprets popular horror cult classics through a Monster High lens, will introduce new partnerships with launches at ownable moments to drive buzz.

This fall, we will debut a first-ever Monster High live-action musical movie and a new animated series with Nickelodeon. And we'll introduce an awesome fashion doll line in conjunction with the new animated series, centered around the core Ghouls.

So, an outrageously fun year ahead for Monster High.

And as Ynon mentioned, we couldn't be happier to welcome **Disney Princess and Frozen** back to Mattel where we want them to live happily ever after. Our innovative new line debuts in 2023. It's really special, and we can't wait to share it with the world.

Mattel and Disney have a long history that goes back to our founders, Ruth and Elliot Handler and Walt Disney, himself. Over the years we've collaborated in every toy category where Mattel plays, treating Disney IP as our own and growing substantial businesses.

The Disney Princess and Frozen franchise offers a wealth of characters and stories to build on. With the power of Disney + and its accessible 24/7 stream of programming, there is a whole new world of consumer engagement to leverage.

Our relationship, combined with Mattel's leadership in Dolls and proven Playbook made this moment possible. And we couldn't be more excited.

As I said in my opening, no one knows Dolls better than Mattel. And we can't wait to write this new chapter, together, for Disney Princess and Frozen.

American Girl is another Playbook success story in the making.

Over the years, you've watched us evolve this beloved brand to new relevance. Guided by the Mattel Playbook, our purpose statement centers the brand: American Girl aspires to be a trusted partner in building girls of strong character through engaging stories and immersive play experiences.

We put premium details back in the box. We reconnected the brand to girls and their parents. We built-out an incredible DTC ecommerce site, with new leadership who brought new expertise to Mattel that has made AmericanGirl.com a digital destination. And, we enhanced the immersive experiences American Girl has always been known for in-store, and recently, online.

Our turn-around strategy is working. And we're thrilled to see this brand really resonating again. Last year:

Gross billings were up 4% for the year, as consumers engaged with our omnichannel experience, including our digital flagship and brick and mortar retail.

The number of new customers was up, now seven consecutive quarters, as was average household spend, which shows consumers are now more deeply engaged with this franchise.

American Girl grew in nearly every doll segment, including Girl of the Year and World by Us, a brand new, contemporary doll and book line that celebrates diversity and reflects what it means to be an American girl, today.

In fact, American Girl made a powerful statement on diversity and inclusion throughout 2021. Fashion partnerships with Harlem's Fashion Row and Prabal Gurung celebrated World by Us with looks for girls and their dolls. An amazing collaboration that generated tons of attention with nearly one billion impressions in top fashion and entertainment outlets.

We introduced A Smart Girl's Guide to Race & Inclusion as part of our popular Smart Girls series. And, we launched Conversations for Change, a new digital series created to amplify diverse young voices who are determined to make the world a better place.

This year we expect continued growth across all Doll segments, in store and online.

Our 2022 Girl of the Year, Corinne Tan, is a Chinese-American who's already generating a lot of buzz.

Corrine loves skiing, being a big sister, and training her new puppy as a search and rescue dog. Like many young people, she's also finding the courage to speak against racism. Her story really resonates.

Her debut was huge including an exclusive on Good Morning America, a feature in The New York Times, and stories across major outlets, followed by a first for Mattel – a shoppable livestream. All combined these efforts generated more than a billion impressions the week that she debuted. Let's take a look.

[VIDEO]

Later this year, we'll announce a dazzling new doll in our Historical Character line, whose story was written by a brilliant New York Times best-selling author.

We've got exciting news coming on accessories and playsets.

Our DTC offering, as I mentioned, will complete its re-platforming. And, in digital, we'll continue to expand American Girl content with TikToks and new episodes in our Conversation for Change series.

The team has done a remarkable job turning this brand, re-imagining every facet of the business and to be newly relevant to today's American girls. Now we're eager to see this beloved franchise build on strength and go even further.

Vehicles

Mattel Vehicles category broke some major records last year. In fact, 2021 was the biggest year ever for our Vehicles portfolio.

Hot Wheels sped past a billion dollars in sales – that's right, a billion dollars in sales - its fourth straight record year.

Matchbox, energized by relaunch, grew as we told you it would. And, Disney- Pixar Cars also grew - a particularly big deal given 2021 was a non-movie year for the franchise.

Traditionally, Vehicles is Mattel's highest share category, with 30% of global sales. But in 2021 we drove it even further, to over 32%, per NPD.

So, an amazing year for us, and the entire Vehicles supercategory which, grew 9% to \$4.2 billion.

Now let's take a look at what fueled this incredible performance and where each brand is headed this year.

Hot Wheels, which has been number one in Vehicles for decades, creates the vehicles of everyone's fantasies.

A few years ago, when we acknowledged the untapped potential in this brand, we weren't only thinking about how far we could grow Hot Wheels, but also how far Hot Wheels could grow the entire category.

Mattel's Brand leadership has done a truly remarkable job. Our Hot Wheels business has been on fire for five years now, led by a team that has taken the brand to places we never imagined. This team is phenomenal at what they do. And this very same group is also focused on Matchbox and Disney and Pixar Cars.

Last year, Hot Wheels strategy was centered on:

Making an even bigger push into ecommerce. We created new, compelling offerings specific to the channel and got much more aggressive about distribution. As a result, Hot Wheels die-cast cars were the top-selling toy of the year, by number of items, both globally and in the US, per NPD.

Beyond diecast, we leaned into our two fastest-growing segments: Hot Wheels Mario Kart, in partnership with Nintendo; and Hot Wheels Monster Trucks, a thrill segment with its own content and live events.

We were focused more than ever on the growing Collector segment - specifically young adult and adult Collectors - with an expanded assortment for our DTC including new collaborations with culturally relevant creators, and the first NFT from a major toy brand.

And we scaled the Hot Wheels Legends Tour to reach more people than ever.

The strategy was a total success as you've seen in the numbers.

Almost every segment grew significantly, from die-cast singles, to tracks and playsets, Monster Trucks, and licensed entertainment.

Our Collector segment, which included collaborations with Tesla, Gucci, Luis Fonsi, IWC, and the first-ever Hot Wheels NFT Garage, blew out in minutes. As a result, both memberships and sales grew three-fold, demonstrating that Hot Wheels can be a powerfully relevant brand for adults that drives incremental revenue. And our hybrid physical/digital world model for Hot Wheels Legends Tour enabled us to expand globally to 11 countries and five continents. Have a look.

[VIDEO]

This year, we expect Hot Wheels will continue to grow.

Each year, there's a lot to love in Hot Wheels toys. Here are some of our favorites:

Die-cast cars will feature the new Hummer EV from General Motors, the sleek new Lotus Emira, a fresh take on Kitt in honor of the 40th anniversary of Knight Rider, and even a die-cast model of the hot new Barbie Extra car.

Our Hot Wheels City playsets have been redesigned as an intuitive grid system that connects to a new flexible City Track for a better-than-ever build/play experience. New packaging and world-of-play marketing will highlight the many ways you can create your own Hot Wheels City.

We have lots of new items in our Hot Wheels Monster Trucks line. This Fall's Wreckin' Raceway is inspired by our enormously popular Monster Trucks Island YouTube content. In this line, we're also excited to launch Color Reveal. And a new diecast including: Monster Truck versions of a Ford Raptor, the iconic Fast & Furious Dodge Charger, and many others.

But perhaps our most exciting announcement in Monster Trucks this year is Hot Wheels' expansion into R/C. R/C is a big category within Vehicles. And Tesla Cybertruck R/C was the proof point we needed to show that R/C could be a big growth driver for us.

This year's launch kicks-off with our Unstoppable Tiger Shark, a 1:10 scale R/C of the most popular trucks from the Hot Wheels Monster Truck Live tour. The innovative Terrain Stomp Technology is seriously cool. And we're creating R/C in multiple scales, as well as an amazing feature-based version of the Hot Wheels Twin Mill.

Of course, this major expansion into R/C will also extend to licensed partners. In addition to the previously announced Hot Wheels R/C Batmobile inspired by next month's, The Batman movie, from Warner Brothers, we'll have new product to support Disney and Pixar's Lightyear, and Universal's Jurassic World: Dominion.

For Universal's Jurassic World: Dominion, we've created an incredible R/C Jeep Gladiator and an action-packed Hot Wheels boosted trackset featuring the new dinosaurs.

And, for Collectors, we'll continue to expand our Hot Wheels Red Line Club with more than 20 planned drops this year. And yes, watch for new NFTs!

Moving on to **Matchbox**.

When Mattel restructured around Category Management, we saw an opportunity to rethink the brand, applying our Playbook to carve out a uniquely compelling purpose and design-led innovation strategy to differentiate it from Hot Wheels.

Since then, it's been gratifying not only to see Hot Wheels succeed, but how that success has helped focus and inspire growth in our other Vehicle brands – just as we knew it would.

And while Hot Wheels creates the vehicles of everyone's fantasies, Matchbox is about real-world vehicles, a fast-growing brand with a distinctive lane of its own.

The brand's global Drive Your Adventure campaign, relaunched Matchbox with a highly successful series for YouTube that drove 21 million views to become a top-performing vehicle series of 2021. In product, we tuned our line of everyday die-cast vehicles and connectable playsets to inspire realistic vehicle play in familiar city settings like fire stations and airports. And Matchbox Collector cars like Routemaster Bus and the '65 Land Rover Gen II Safari sold out.

The re-launch is clearly working, with the brand up 25% in Gross Billings.

This year, we'll keep driving, expanding the world of Matchbox with amazing new die-cast vehicles, including more die-cast electric vehicles and earth-friendly packaging to encourage

environmentally conscious behaviors. And we'll have even more products and initiatives including exclusive Collector items, to introduce on Earth Day. We're launching playsets inspired by the outdoors like this erupting volcano. New Matchbox Collector cars for Mattel Creations are already selling out. And on YouTube, we'll continue our Matchbox Adventures series, with fun excursions to visit popular global destinations. Check this out.

[VIDEO]

Disney and Pixar Cars is a character-based, global franchise, inspired by the beloved movie series.

Last year we saw this business grow, a nice way to commemorate the 15th anniversary of this wonderful Vehicles franchise.

The journey to growth speaks to Mattel's expertise in developing and managing evergreen brands. And it was all the better because we achieved it in a non-movie year, which is never easy to do. Product and marketing focused on characters from the original Cars movie, one of the most-watched Pixar films ever, and celebrated core themes of friendship, humor and of course, racing.

This year, Cars will launch a new, animated series on Disney + worldwide, Cars on the Road, a tremendous opportunity for our toy business, as you can imagine.

New Cars product in the first half of the year will celebrate the friendship between Lightning McQueen and Mater, the hero characters of the franchise. And then, in the second half of the year, as the series launches, we'll introduce new die-cast vehicles and playsets inspired by the series so that kids can play out their favorite moments from home.

We love this brand – yet another strong Mattel/Disney partnership. And we look forward to another successful year.

Infant, Toddler and Preschool

Fisher-Price is the largest player in the highly complex global Infant/Toddler/Preschool category.

At last year's Toy Fair, we announced that this Power Brand had stabilized. And we were pleased to share on our recent earnings call that Fisher-Price, including Thomas & Friends, grew in 2021 and is well-positioned to accelerate that growth this year.

Infant/Toddler/Preschool is an \$8.5 billion-dollar global supercategory, per NPD. And Mattel's share of category is more than 13%.

As a reminder, **Fisher-Price** has four components:

- Fisher-Price Core, is the largest and includes Baby Gear, Newborn & Infant, Laugh & Learn, Little People, and Imaginext.
- Fisher-Price Friends is our licensed partner segment.
- Thomas & Friends is our beloved content-driven, pre-school franchise brand.
- And, Power Wheels, is the world's first electric ride-on vehicle, an entire business of battery-powered cars for young kids.

Success in this category requires a steady stream of thoughtful product innovation combined with powerful messaging to remind parents just how essential play is, right from the start.

And I'm pleased to say, it's all coming together for Fisher-Price.

In 2021, Design-led Innovation inspired one of the best product line-ups ever.

Our Infant/Toddler/PreSchool category gross billings were up 5%, with hits across the portfolio. Our Kick N Play Piano Gym Assortment was the category's top-selling toy in the US. And Fisher-Price Corn Popper was a top-selling toy by class in the US, as was our Little People Caring for Animals Farm, per NPD. Beyond that, we saw great innovation across our Laugh N Learn, Linkamals and Imaginext lines.

Power Wheels delivered a strong Q4 with expanded items and distribution.

Thomas is back on track. And a big congratulations to the team, who created highly compelling product and content. We were especially encouraged to see the new Trains & Cranes Super Tower do so well. It's the Thomas equivalent to Barbie's Dreamhouse and Hot Wheels Ultimate Garage – a system of play designed to engage consumers in multiple ways and sell even more product - in this case trains.

And one last note on 2021, like many of our brands, Fisher-Price has found an enthusiastic audience in adult Collectors. Last year's product was phenomenal at driving Cultural Relevance.

Little People celebrated inspiring women, famous sports figures, and cult TV series like The Golden Girls. And we're just getting started. Ted Lasso, anyone?

Also for Collectors, and in partnership with Best Buy, Fisher-Price took the Chatter Telephone, one of the world's most iconic baby toys and reimaged it as a blue-tooth connected handset for grown-ups. It was a huge hit that completely sold out. I mean look at this.

[VIDEO]

Let's be kids, right?

This year, as we look to expand Fisher-Price's leadership in the category, we'll continue to lean into the Mattel Playbook and build on strong momentum, to accelerate growth.

Design-led Innovation, inspired by trends and consumer insights will continue to drive product design.

And here are a few of our favorites:

Meditation Mouse is a calming toy for toddlers designed to teach self-soothing techniques through guided meditation and breathing exercises. This item perfectly captures the wellness trend which is big with everybody – and particularly parents of young kids.

Linkamals, a hit baby toy for three years now, will expand its reach to toddlers. This is a good example of what we mean by scale portfolio. On average, we know that families have four Linkamals and that they're keeping them longer. So, this is a familiar brand that we can now extend, easily.

In Little People, Barbie's Lil Dreamhouse and Hot Wheels Racing Loops are other examples that show how we're scaling our portfolio, reimagining two of the hottest toy brands for an even younger audience. There's a lot of opportunity to co-create for new audiences from within our portfolio, and going forward, you'll see us do more of it.

New preschool toys from Imaginext will support three of this summer's highly- anticipated theatrical releases: The Batman from Warner Brothers, Universal's Jurassic World: Dominion and Disney and Pixar's Lightyear, which strengthens our preschool offering.

We're also creating toys based on Santiago of the Seas, an interactive, animated series from Nick Jr. And for Gus: The Itsy Bitsy Knight, a series in Europe.

And Thomas trains and engines just get better and better. Inspired by the new series, we're introducing an all-new look for our Thomas engines. We've created a fun Launch & Loop Maintenance Yard where Thomas does a full 360 loop, just like he does in the show. And we'll continue to support our amazing Trains & Cranes Super Tower.

I mentioned that powerful messaging is the other part of the equation for Fisher-Price. And that's because Fisher-Price is one of the most emotionally-driven brands in the world, a trusted partner to parents through the earliest milestones in parenthood.

Our anthemic Let's Be Kids campaign is anchored by a wonderful brand film that's going global to remind parents of the magic kids see when they play with toys. Let's take a look.

[VIDEO]

It's beautiful work, as you can see, rooted in purpose, that transcends borders and cultures to speak to parents the way only Fisher-Price can. A great window into the potential we see in this incredible brand.

Games

Games and Puzzles had a good year in 2021, largely because Collector and Trading Card games, like Pokémon, did so well.

This is a \$7.7 billion-dollar category, per NPD.

It's dominated by evergreen brands. And Mattel, with more than 5% share of category, had some of the best - UNO, Pictionary, Scrabble - in one of the most powerful portfolios of branded game IP in the industry.

Last year UNO was the number one card game, globally, per NPD. Pictionary drew its third consecutive year of record growth. And Scrabble, where Mattel owns the rights internationally, scored its second year in a row of growth.

In 2021, Franchise Brand **UNO** turned 50 and never looked better.

Guided by the Mattel Playbook, UNO is mastering Design-led Innovation and Cultural Relevance to redefine the notion of a legacy brand.

And the proof is in the year. We worked with extraordinary creators from the worlds of art, sports and fashion creating must-have decks that sold out in minutes. Media mogul and VeeFriends creator, Gary Vaynerchuk, worked with us on a collaboration that reimaged VeeFriends NFT characters as collectible UNO cards with unique foil inserts - UNO's most successful launch to date for Mattel Creations.

We proudly kept our promise to make, all standard UNO decks cellophane free, by year's end. And we are working toward making UNO's non-standard card product more sustainable.

UNO's 50th was also an occasion to create a new tradition: the UNO Championship Series. Much like our highly successful Hot Wheels Legends Tour, we event-ized a series of brand experiences – in this case tournaments - that built to a main event in Las Vegas. Check it out.

[VIDEO]

An astounding two million people participated to crown the first-ever UNO Champion, all livestreamed on UNO's brand new and already popular TikTok Channel.

So, a big year to celebrate UNO that underscores the transformative power of the Mattel Playbook.

This year product segmentation will inspire all new ways to play.

We'll scale the brand into a bigger assortment of card-based extensions for DOS, UNO Dare, UNO Flip, UNO All Wild, and new collaborations to fuel cultural relevance. And we'll continue to expand competitive play through the UNO Championship Series.

Like other Mattel brands, UNO will target the Collector market. VeeFriends was a great example. And we think UNO Ultimate: Marvel, a character-infused version of UNO that features very cool, highly collectible foil cards can be an even bigger follow-on.

Now, moving on to **Pictionary**.

Last year, we grew Pictionary with an innovative Harry Potter-themed variation on our TOTY Award-winner, Pictionary Air. This was the game's first-ever licensed extension and it was a big hit that helped lead Pictionary to its third consecutive record year.

Later this year, we will have another exciting announcement for Pictionary Air. And, Pictionary, the TV show, which Ynon will tell you more about.

Beyond UNO and Pictionary, we have an amazing portfolio that we'll scale to grow including Scrabble, Apples to Apples, Bounce-Off, Blokus, Rock 'Em Sock 'Em Robots, Whac-A-Mole, and Magic 8 Ball - just to name a few.

Building Sets

In the Building Sets category, **MEGA** built its way back to growth in a big way last year.

This Franchise Brand is a proud number two in Building Sets. And it grew share globally within the \$7.1 billion-dollar global category, per NPD.

Last year, MEGA was up 16% in Gross Billings with better global distribution and innovative products that leveraged both partner IP and Mattel IP.

Winning items included:

MEGA Bloks Big Building Bag, the number one item in Junior Construction, in the US, per NPD.

In licensed partnerships, we launched great IP targeting kids with the building sets featuring Paw Patrol to support the August launch of Paw Patrol: The Movie, and Pokémon, both of which grew our revenue in the PreSchool segment.

For Adult Builders, we launched Halo Warthog Rally to align with the debut of Halo Infinite. And our Tesla collaboration for Mattel Creations was a sell-out with thousands of units sold just in the first hour.

As a result, we're seeing MEGA quickly evolve to become a strong competitive choice for consumers in a category full of opportunity.

Last year, we welcomed Glenn Abell, as Global Head of Construction at Mattel. Glenn most recently ran a competitor toy company and, before that, he was a 16-year veteran of LEGO. We're thrilled to have his expertise and leadership as MEGA prepares to accelerate topline growth this year with an evolved look and highly innovative new products.

We've simplified the brand framework with a new logo and packaging that will hit sites and shelves starting this fall.

New products will lean into Design-led Innovation and Cultural Relevance.

Some of those we're most excited about include our reimagined MEGA Bloks Table with a new feature designed to help Preschoolers build and smash in fun ways. MEGA Bloks Wagon encourages them to build and spill as they pull the wagon. And, MEGA Bloks Green Town, new this year, is designed with sustainable materials to teach sustainable behaviors.

For kid builders, we're very excited to launch Barbie and Hot Wheels building sets - a great demonstration of scale portfolio. We'll also introduce Pokémon Adventure Builder.

And for Adult Collectors, we're launching new items with Hot Wheels Monster Trucks. As well as Motion Pikachu, a building set that features an innovative gear system that enables Pikachu to run. And of course, great new collaborations for Mattel Creations that you'll hear more about later this year.

We see the Building Sets category as an important growth opportunity for Mattel.

Plush

Plush has been another success story of the Mattel Playbook. In just two years, Mattel went from nowhere in Plush to number four in the US and number five globally, per NPD. And we did this amongst dozens of players that have been at it for decades.

Ours is a great acceleration story in the \$3.2 billion-dollar global Plush category, which NPD notes was up 24% last year.

In 2020, you'll recall we set a high bar for ourselves, and the industry, with The Child 11-inch Plush inspired by the enormously popular Star Wars: The Mandalorian series for Disney+.

It became the number one-selling item in the Plush Category in the US, per NPD.

And our innovative creation helped us win some of the best new and existing licenses in the category - The Book of Boba Fett for Disney+, Minecraft, and Marvel powerhouse, Spiderman - all huge scores that delivered amazing growth for Mattel Plush last year.

This year, we'll scale capabilities even further, designing for highly anticipated theatrical releases, including Universal's Jurassic World: Dominion, and Minions: Rise of Gru, Disney and Pixar's Lightyear, and Marvel's Black Panther: Wakanda Forever as well as this guy, ET, who at 40, has seriously never been cuter! I mean, come on!

Action Figures

Mattel Action Figures had a record-breaking 2021 with powerful performances across the portfolio that drove the highest shipping numbers we've seen in years.

Mattel grew its share in the \$4.1 billion-dollar Action Figures category, per NPD.

And it's great to see our brands, especially as challengers in this space, succeeding.

As you recall, our portfolio is made up of incredible partner IP, including Jurassic World, Toy Story, Minecraft, and WWE - evergreen entertainment powerhouses that we manage as our own. And the amazing Masters of the Universe, Mattel's very own, now newly reinvigorated, Franchise Brand.

Action Figures is almost entirely led by big budget theatricals, which means it often ebbs and flows with new releases. Toyetic content years are almost always good for business. But what about the occasional year where there's no movie?

Part of what makes Mattel such a valued partner is that we're proving, through Category Management and the application of our Playbook, that we can develop evergreen franchises and grow even in non-theatrical years. Something we're doing by delivering highly innovative, must-have toys and working closely with our partners to strategically support those properties.

Last year there was no better proof point than **Universal's Jurassic World**, which in a non-movie year, nearly doubled its Gross Billings. Our Scorpions Rex, inspired by Jurassic World Camp Cretaceous from DreamWorks Animation, was an awesome item that helped drive Jurassic World performance, overall. A great demonstration of the power of partnership and Mattel's ability to drive an evergreen brand to consistently outperform expectations.

Disney and Pixar's Toy Story was another franchise where we continued to drive volume without a movie last year. This year, we've got Lightyear. Check this out.

[VIDEO]

The heat behind **Minecraft** continued with double-digit growth in POS, and **WWE** returned in a big way. In fact, 2021 was the best year for WWE action figures since 2016. Multiple pay-per-view specials fed fan enthusiasm. And in October, Mattel and WWE were pleased to announce a multi-year extension of our global toy licensing agreement.

In owned IP, last year we said that the relaunch of **Masters of the Universe** would be one to watch. And it was. Decades after He-Man and Skeletor first squared-off, this property is hot again, far-outpacing our expectations.

Masters of the Universe Origins figures are a top ten item in the category, in the US, per NPD.

Exclusive collector product sold out in minutes.

Kevin Smith's Masters of the Universe: Revelation lit up original fans and Collectors, all over again.

As we recently announced, there is a big movie in the making, which we're developing with Netflix. You'll hear more about that later today.

And we've just earned two coveted TOTY award nominations, one for Action Figure of the Year and the other for License of the Year. Amazing!

This year we believe we have the potential to drive a second year of record-breaking performance for Mattel Action Figures.

Masters of the Universe has great kid content on Netflix we'll support with action figures and vehicles that feature all-new, very cool power attacks, based on the new series.

And look out for our new Castle Grayskull, an awesome system of play, updated with incredible features, like removable turrets with working projectiles, a mechanized drawbridge, power-up flames, a trigger-activated trap door, and 20 light and sound combinations.

Who's got the power now?

Beyond MOTU, this year Mattel will have the best hand in the category to own summer, anchored by three highly anticipated theatrical releases: Universal's Jurassic World: Dominion and Minions Rise of Gru, as well as Disney and Pixar's Lightyear.

For each franchise, we're continuing to capitalize on their iconic IP with Design-led Innovation that maximizes play value and collectability. And the work is impressive.

Just take a look at how we're bringing the world of dinosaurs to life, in a new way, with core items that include: our new Slasher Dino, new T-Rex, and new vehicle play to anchor Universal's Jurassic World: Dominion. Let's take a look.

[VIDEO]

Season four of Universal's Jurassic World Camp Cretaceous launched on Netflix in December. This animated sci-fi series follows six teens at a state-of-the-art adventure camp, which has been overrun by dinosaurs. This season, our heroes have just escaped the island only to meet new dinosaurs and all new adventures. And we've got great product coming inspired by the show.

And, we now have new, unbelievable, **Minions** figures inspired by the movie. These include a Sing N Babble assortment of Minions that react and talk to each other, just like in the film. An action assortment tied to the third act of the movie, which I can't say any more about just yet.

And, yes, we've refreshed Fart Blaster, the top item in the franchise, and it's outrageous! Check this out - our new Farts n Laughs Blaster, features more than 25 sounds and a hypnotizing – get this – fart cloud. What can I say? It smells like a hit!

Richard Close

It's an extraordinary and FUN time to be at Mattel, as you can see.

We have an amazing portfolio. Our brands are healthy. And our people are motivated to lead, like never before.

Today, we've told you that Mattel is firmly in growth mode, in a growth industry.

We've shown you why we believe our strategy to scale our portfolio, grow franchise brands, and advance ecommerce and DTC will accelerate topline going forward.

And we've given you a glimpse at the ideas that will drive that growth this year. Purpose-driven, design-led creations that are culturally relevant and beautifully executed to be meaningful to kids and kids at heart.

Momentum in this industry continues to be strong with parents prioritizing spending on their kids and grown-ups discovering the fun in Collectibles.

As a leading global toy company, Mattel is mastering the moment.

We're also thinking long-term – determined to shape the future of play. Continuously stretching and scaling our brands to find the bridges between traditional toys and what's next: the metaverse, NFTs, AI, VR, and beyond.

No doubt about it, the playground is expanding, further evolving the definition of toy. And Mattel will be at the forefront of that evolution in both the physical and digital worlds, in playrooms and on screens, for kids of all ages.

And now I'll toss it to Anthony for the financial update. Anthony.

Anthony DiSilvestro, Mattel Chief Financial Officer

Thanks Richard, and hello everyone. It's great being with you today and sharing our exciting plans for Mattel.

2022 Guidance

Richard covered in detail many of the category building blocks for our growth strategy, and I want to start my presentation with some additional color to our 2022 guidance.

Our product innovation, category strength, global supply chain, and best-in-class commercial capabilities, along with the ability to create demand in an increasingly complex environment, are working very well.

The momentum we have established over the past few years and strong results strengthen our conviction that we will continue to increase our volume and grow market share in 2022. This is in line with our evolved strategy to grow our IP-driven toy business and expand our entertainment offering.

Recapping the 2022 financial guidance that we provided on our recent fourth quarter earnings call and which Ynon just outlined, we expect to deliver **8-10% net sales year-over-year growth for 2022 in constant currency**.

This topline guidance is built on a very strong 2021 and based on multiple growth drivers.

We expect growth in our leader categories Dolls, Vehicles, and Infant, Toddler, and Preschool. Within these categories, our power brands: Barbie, Hot Wheels, Fisher Price and Thomas, as well as American Girl, are also expected to continue to grow.

We also expect growth in our challenger categories as a whole, driven primarily by Action Figures, which will benefit from entertainment partnerships and major theatrical tie-ins, including Jurassic World: Dominion with Universal and Lightyear with Disney and Pixar, and Building Sets, which will benefit from new product innovation and increased distribution.

With solid revenue momentum coming into the year, we do expect to start the year with strong topline performance in the first quarter, while margins will be negatively impacted by cost inflation.

Adjusted Gross margin is expected to decline slightly to approximately 47% as we continue to be impacted by significant cost inflation, which is forecasted to have a greater impact in 2022 than the 400-basis point impact in 2021.

More than half of the anticipated inflation is on ocean freight with the balance from a combination of higher raw material costs for resin and zinc as well as higher wage rates in our key supply chain markets. This negative impact will be mostly offset by savings from the Optimizing for Growth Program and additional pricing actions.

Adjusted EBITDA is expected to increase by 9 to 12%, to a range of \$1.1 to \$1.125 billion in 2022.

In spite of the gross margin decline, forecasted growth in adjusted EBITDA exceeds sales growth as we continue to increase profitability with SG&A declining as a percent of net sales while Advertising and Promotion remains relatively flat as a percent of net sales.

We believe our advertising strategy is very effective as we have gained share for six consecutive quarters and continue to focus on investing in our brands to drive growth.

We will continue to effectively manage our SG&A expenses as we scale the business, invest for growth, and deliver cost savings. Over the last few years, we consistently reduced adjusted SG&A expenses as a percent of net sales, declining from 31.1% in 2017 to 24.2% in 2021, a significant 690 basis point improvement.

Adjusted EPS is expected to increase to a range of \$1.42 to \$1.48, representing year on year growth of 9 to 14%. The EPS growth rate is benefitting from increased profitability and lower interest expense as we plan to use excess Free Cash Flow to reduce debt in the near term.

This will be partly offset by an expected increase in the adjusted tax rate by several percentage points, as compared to 2021's adjusted tax rate.

Capital expenditures are forecast to be in the range of \$175 to \$200 million, as we strategically invest to increase manufacturing capacity in our owned Dolls and Vehicles facilities to support the anticipated growth in these categories.

While we are committed to a capital light model, our scale and capabilities give us a significant competitive cost advantage and this targeted, strategic investment is expected to increase productivity and yield a highly accretive return on invested capital.

We will continue to be disciplined in our approach to capital expenditures and look to optimize spending as we grow the business.

2022 Guidance

8% -10% Growth

Net Sales in Constant Currency

~47%

Adjusted Gross Margin

\$1.1-\$1.125 Billion

Adjusted EBITDA

\$1.42-\$1.48

Adjusted EPS

\$175-\$200 Million

Capital Expenditures

Source: Mattel Form 8-K filed 2/3/2022 (including Non-GAAP KPI Glossary and Reconciliations)

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Optimizing for Growth

The Optimizing for Growth program was announced in 2021 with a goal to deliver \$250 million of cost savings by 2023.

We have made significant progress and are on track to deliver the 2023 target. In 2021, we generated \$97 million of savings, exceeding our expectations.

We expect to generate \$80 to \$90 million of savings in 2022, which is reflected in our earnings guidance.

The Program is designed to improve operations and drive greater productivity to accelerate growth and at the same time reduce our cost base. This will further improve our speed to market and streamline several key processes, including design, development, and marketing.

The composition of the savings has not changed. Approximately 50% of the programs savings are expected to benefit cost of goods sold, 40% to benefit SG&A, and the remaining 10% within non-working advertising.

To implement the program, we continue to expect one-time cash costs of \$100 to \$125 million over the 3-year period.

FCF/Conversion History

As Ynon said, we have continued to improve our free cash flow generation. In 2021, we generated \$334 million of free cash flow, doubling the prior year.

We utilized approximately \$400 million of cash in the refinancing of \$1.2 billion of the 6.75% note due 2025 and repaid an aggregate of \$300 million. Together, these actions will generate \$59 million of annualized interest savings.

We converted an increasing percentage of adjusted EBITDA into Free Cash Flow as our conversion ratio reached 33% in 2021.

Looking ahead, cash generation will benefit from both forecasted increases in adjusted EBITDA and the conversion of an increasing percentage of adjusted EBITDA into Free Cash Flow. Over time, we believe our Free Cash Flow conversion ratio can exceed 50%.

The improved Free Cash Flow conversion is driven by the reduction in interest expense associated with refinancing and debt reduction in the near term, cash tax savings associated with the utilization of net operating losses and other tax attributes, and effective management of our working capital and capital expenditures.

Leverage History

With the significant growth of adjusted EBITDA and the utilization of Free Cash Flow in 2021 to reduce debt, our leverage ratio has improved dramatically, finishing 2021 with debt to adjusted EBITDA of just 2.6 times.

As we've stated previously, our objective in the near term is to utilize Free Cash Flow to reduce debt and return to investment grade metrics.

Capital Allocation

Near-term capital allocation priorities are based on our expectation to significantly improve cash flow going forward.

The number one priority is to make investments to drive organic growth. This will include strengthening core capabilities such as direct-to-consumer, digital marketing, e-commerce, and expanding digital experiences, such as NFTs.

We will also accelerate demand creation to drive category and geographic growth, as well as channel expansion.

And we will make targeted, strategic capital investments to increase our manufacturing capacity where we have a significant competitive cost advantage.

Our second capital allocation priority is to further reduce financial leverage in order to achieve and retain an investment grade rating. Our target is a leverage ratio in the range of 2 to 2.5 times Debt-to-Adjusted EBITDA, which we expect to achieve in 2022.

Achieving an investment grade rating will provide us greater financial flexibility, access to additional liquidity, and reduce our cost of capital. One example is being able to transition from our current asset-based credit facility to an unsecured credit facility supporting a commercial paper program: a flexible structure with more liquidity and lower cost.

Our third priority, with the benefit of a stronger balance sheet, is to pursue M&A and other corporate development opportunities, which we believe will advance our strategy, improve our growth profile, and generate attractive financial returns.

Fourth, we will repurchase shares as an effective and flexible capital deployment tool to manage our capital structure. Under our current authorization, we have approximately \$200 million of capacity.

Our near-term capital allocation approach provides us greater financial flexibility to manage our capital structure, to invest in growth opportunities and create long-term value for our shareholders.

Capital Allocation



Near-term Priorities



Sources: Mattel Q4 2021 Financial Results Slide Presentation 2/9/2022 (including Non-GAAP/KPI Glossary and Reconciliations)

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2023 Goals

As Ynon said, given our exceptional performance in 2021 and expectation for an even stronger 2022, we have increased our goal for 2023 to grow net sales by high-single digits in constant currency. This is compared to our previous goal of mid-single digit growth.

On profitability, our goal is to achieve an adjusted operating income margin of approximately 16-17% of net sales. Savings from the Optimizing for Growth Program and the scale benefit of topline growth will be key contributors to achieving this objective, while we expect inflation to moderate in 2023.

With significant improvements in profitability, cash flow and the balance sheet, we are transitioning to EPS as a key financial metric. To that end, we are introducing an additional goal to achieve adjusted EPS of over \$1.90 in 2023.

2023 Goals



+High Single-Digit %

Net Sales in Constant Currency

~16%-17% of Net Sales

Adjusted Operating Income Margin

>\$1.90

Adjusted EPS

Sources: Mattel Form 8-K filed 2/9/2022 (including Non-GAAP101 Glossary and Reconciliations)©2022 Mattel, Inc. All Rights Reserved.

Anthony Close

As our 2021 results and 2022 outlook clearly demonstrate, our financial position continues to get stronger.

We have evolved our strategy from turnaround to growth.

We believe Mattel is in an excellent position to continue its upward trajectory and create shareholder value.

Thank you. I will now pass you back to Ynon.

Ynon Kreiz, Mattel Chairman and CEO

Thank you, Anthony and thank you, Richard, for these exciting presentations and for your leadership at Mattel.

Corporate Citizenship

While we continue to advance our strategy and increase shareholder value, we also take our role as a responsible corporate citizen very seriously.

Our aim is to contribute to a more diverse, equitable, inclusive, & sustainable future.

Last year, we published our Citizenship Report, including updated Environmental, Social, and Governance strategy and goals, and shared some of the progress we have made.

Our ESG strategy is built around three key pillars, representing the areas where we believe Mattel can have the greatest impact: Sustainable Design and Development, Responsible Sourcing and Production, and Thriving and Inclusive Communities.

The first pillar, Sustainable Design and Development, is about WHAT we do: This is about developing innovative products and experiences that are better for the world, by integrating sustainable materials and principles of product stewardship and circular design into our products and packaging.

Our sustainable design and development goal is to achieve 100% recycled, recyclable, or bio-based materials in both our products and packaging by 2030.

In 2020, we exceeded 95% recycled or FSC-certified content in the paper & wood fiber used in our products & packaging. For this and other achievements, Mattel was honored by the Forestry Stewardship Council with the 2021 Leadership Award of Excellence.

We have launched several sustainable products, as well as the Mattel PlayBack initiative in the U.S., Canada, France, Germany, and the UK. This is a toy takeback program to recover and reuse materials from old Mattel toys for future products.

The second pillar, Responsible Sourcing and Production, is about the HOW: Here we look to optimize resource use in our business and manufacturing operations to reduce their environmental impact and promote ethical sourcing practices and worker health and safety.

Our goals are to reduce absolute Scope 1+2 Green House Gas Emissions by 50% and achieve Zero manufacturing waste by 2030.

We have already taken significant steps towards reducing energy consumption and absolute Green House Gas emissions across our manufacturing footprint.

The third pillar, Thriving and Inclusive Communities, is about those we impact: Here we look to create positive social impact through purposeful play and by supporting communities where we live, work, and play.

We continue to make steady progress towards our global Diversity, Equity, and Inclusion goals of increasing representation of women and diverse talent at Mattel, and, importantly, we have achieved 100% base pay equity for all employees performing similar work globally.

Our updated strategy serves to build upon a solid foundation and reflects our ongoing commitment to corporate citizenship in a rapidly changing world.

Capturing the Full Value of our IP

With nine brands exceeding \$100 million dollars in annual gross billings, and a world-class catalog of iconic IP, we are now shifting into high gear to expand our entertainment offering.

In addition to the significant value to be created from the toy side of the company, there is additional potential upside to come in capturing the full value of our IP.

Expanding our offering in content, consumer products, and digital experiences will allow us to do just that. Our goal is to build and grow businesses to be accretive and commercially successful in their own right. Of course, having multiple touch points with the consumer will also be very beneficial to our toy business.

In success, this can be transformative for Mattel.

Content

Mattel Films and Mattel Television are key areas of growth.

In the midst of a proliferation of streaming platforms and ubiquitous distribution, known, trusted brands with a large, built-in audience are becoming more important than ever.

The mandate to the team is to make quality content that people want to watch.

We believe this is key to attracting the highest caliber talent, appealing to widest possible audiences, and making us a partner of choice for the major studios and leading distribution platforms.

Mattel Films

In just three years since launching Mattel Films, we have announced the development of 14 live-action motion pictures from our treasure trove of IP.

At the helm of Mattel Films is Academy Award-nominee Robbie Brenner who has brought tremendous expertise, industry relationships and creative acumen to Mattel.

I'd like to welcome Robbie to talk more about the movies in development and soon, in production, at Mattel Films.

Over to you, Robbie.

Robbie Brenner, Executive Producer Mattel Films

Thanks Ynon.

At Mattel Films we have been thrilled to attract top talent and studio partners who, like us, see incredible opportunity to create exciting movies based on our franchises and captivate audiences around the world.

Our flexible partnership approach has allowed us to work with the right studio, on the right terms and on the right project, and bring on board the best in development, production, financing, marketing, and distribution.

A capital light model also allows us to pursue multiple movies at the same time and get them to market faster, while also creating opportunity for meaningful economic upside to yield financial success.

I'm excited to share that two of our biggest projects move into production this year: Barbie and Masters of the Universe. Barbie is in pre-production right now in London with principal photography starting next month.

In partnership with Warner Brothers and Lucky Chap Entertainment, the film will star Academy Award nominees Margot Robbie and Ryan Gosling with Academy Award nominee Greta Gerwig directing, who also wrote the screenplay alongside her husband, Academy Award nominee Noah Baumbach, and is being produced by Academy Award nominee David

Heyman, the acclaimed producer behind the Harry Potter series, Once Upon a Time in Hollywood and Marriage Story.

We have been eager to share more of the vision of the film from this amazing team. There's no one better to hear it from than Greta herself.

[VIDEO]

Thank you, Greta! We are so proud to be partnering with you to bring Barbie to life for film audiences all around the world.

Another exciting Mattel films project is Masters of the Universe -- one of the biggest toy brands of the eighties, which helped shape the imaginations of an entire generation of kids and encouraged them to become the best version of themselves.

The fan fervor for the return of Masters of the Universe was evident this past year with our two series on Netflix, so it was a natural extension of the relationship to make Netflix the home of the franchise's film. The live action motion picture is expected to begin production this Summer, with rising talent Kyle Allen starring as He-Man.

We are so fortunate to work with the incredibly talented Nee Brothers, who are directing the project. Here is what they have to say about Masters of the Universe.

[VIDEO]

Thank you so much Aaron and Adam. We are so excited to be working with you.

Beyond Barbie and Masters of the Universe, we have a dozen more projects in active development and more projects in the pipeline. There is no shortage of enthusiasm from our partners such as Tom Hanks for Major Matt Mason, Lena Dunham and Lily Collins for Polly Pocket, Vin Diesel for Rock 'Em Sock 'Em Robots, Peter Farrelly for Wishbone, Daniel Kaluuya for Barney, Marc Forster for Thomas & Friends, Michael Chaves for Magic 8 Ball, and the list goes on.

We have so much more to come from Mattel Films. Stay tuned!

Thank you!

Ynon Kreiz, Mattel Chairman and CEO

Thank you, Robbie. Incredible momentum. We are excited to reimagine these iconic franchises for the big screen.

Mattel Television

Mattel Television is also thriving. In 2021, we debuted more content than in any prior year based on our own iconic IP. Nine series and specials, highlighted by the relaunch of the Masters of the Universe series, two more new animated Barbie movies, and an all-new Thomas & Friends series.

Masters of the Universe: Revelation debuted last year as the #1 Kids series in the U.S. on Netflix, where it reached the top five overall series in 20 markets.

The second series: He-Man and the Masters of the Universe, a CG-animated series, introduced the world of Eternia to a whole new generation of younger fans and debuted as a top 10 kids show in more than 20 markets. We're excited to share that the series will return for an all-new season on Netflix on March 3rd.

By the power of Grayskull, here's a look at He-Man and the Masters of the Universe.

[VIDEO]

The Barbie animated movie specials continue to delight fans of all ages. We premiered two specials on Netflix last year – Barbie & Chelsea: The Lost Birthday and Barbie: Big City, Big Dreams, both making the top 10 for all of Netflix movies, not just for children.

There's more magic to come in 2022. Barbie: It Takes Two is a new animated series that will launch on broadcasters and streaming services globally this spring and picks up where Barbie: Big City, Big Dreams left off. Let's take a look.

[VIDEO]

Additionally, the hit musical special Barbie: Princess Adventure, which debuted on Netflix's top 10 list in 2020, was released theatrically in China last month on more than 6,000 screens. This marks the first time Barbie content has ever been available in theaters in China.

Thomas & Friends: All Engines Go launched in 2021 with an entirely new creative approach to the beloved, classic franchise. The series aired on Cartoon Network and Netflix in the U.S., and we significantly expanded global distribution of the franchise to over 150 countries, with a new season coming this year. Here's a look at the new Thomas.

[VIDEO]

Polly Pocket and Fireman Sam will launch new seasons in the spring and fall of 2022, respectively, on linear television and streaming platforms around the world.

Deepa & Anoop, a new preschool series and the first Mattel Television content based on original IP will launch in summer of 2022.

The Monster High all-new animated series and live-action television movie musical will launch on Nickelodeon in the fall of 2022, in tandem with the introduction of an exciting toy line, which Richard discussed.

Nickelodeon shares our passion for Monster High and its purpose-driven message, having also been our partners when we introduced the content more than a decade ago.

Here to tell you more about why they are excited about Monster High is Brian Robbins, President and CEO, Paramount Pictures and Nickelodeon.

[VIDEO]

Thank you, Brian.

With its message of inclusivity and belonging, Monster High is even more relevant than ever. We are proud to partner with you once again on this incredible franchise.

Mattel Television is expanding beyond live action and animation into unscripted game shows. We've leveraged our legendary games library to develop a slate of game shows, highlighted by the all-new Pictionary game show hosted by Jerry O'Connell.

After a test run over the summer, Pictionary was quickly greenlit for a full season, which will run in the third quarter on FOX broadcast stations across the country.

In 2022, we will deliver more compelling episodic content to delight children and families around the world.

While we continue to grow in film and television, we have also turned up the volume and expanded our music activities, with 24 new music releases in 2021 spanning the Mattel portfolio. This includes songs from Barbie, Thomas and Friends, American Girl, Fisher-Price, Masters of the Universe, and the first music ever released from Hot Wheels. There is more to come in 2022.

Consumer Products

Consumer Products is an important part of our growth strategy, leveraging the strength of our brands to drive additional revenue & profit through licensed partnerships. It also allows us to complement our toy offerings and expand consumer engagement with our brands.

We believe there is an opportunity to significantly grow this line of business in the coming years.

To do this, we are actively looking to add new partners, enter new categories, grow our retail footprint, and most importantly, innovate.

We look to leverage our cultural relevance and collaborate with best-in-class partners in other categories, such as L'Oréal, General Mills, Zara, and Nike.

Our recent example of this is the Uno and Nike launch in 2021 where Mattel partnered with NBA star, Giannis Antetokounmpo, an avid Uno player, to launch an Uno and Nike shoe and clothing collection.

An additional driver will be our Direct-to-Retail partnerships which are bespoke programs where we license our brands directly to retailers who can offer consumers branded products across multiple non-toy categories.

We will also look to new executions in location-based entertainment to provide an immersive brand experience, such as transporting fans onto the island of Sodor as part of a Day out with Thomas or into the sound and action of our Hot Wheels Monster Truck Live Show.

Let's take a look.

[VIDEO]

Digital Experiences

Digital Experiences present another significant opportunity to leverage high levels of engagement with our iconic brands.

This includes digital games, both mobile and console. Connected play, which brings together the virtual world with physical products. And the metaverse, including the growing space of NFTs.

Digital gaming alone represents a \$170 billion industry and a growing vertical that Mattel has only just begun to explore.

In digital games, we are actively ramping up our offerings through a variety of licensing partnerships, game tie-ins, and standalone releases and are looking to expand our own games across PC, console, mobile, and web-based platforms. Previous releases include Barbie Dreamhouse Adventures, and Hot Wheels Unleashed, which sold over one million games in its first quarter of release. In 2022, we are planning even more digital fun.

Mattel's partnership with NetEase is growing strongly. Since its inception in 2018, the JV has grown to over \$100M of revenues in 2021 from the release of just two games. UNO! and Phase 10 have collectively generated more than 160 million downloads and have over 1

million daily active users. Our third game, Skip-Bo, which had a limited release in late 2021, will launch globally in early 2022.

Beyond games, we are looking to bridge physical and digital play.

Examples include Pictionary Air that uses AR to extend play and the Jurassic World app, which brings our physical toys to life in the digital space. This is an exciting, new, and evolving area of consumer engagement, with more to come.

The Metaverse opens up a significant domain for major brands, which have built-in communities with a passionate fan base, high awareness, and collectability value.

This is a digital realm where consumers will interact, build social connections, and define new ways of play in an immersive experience.

For owners of major franchises, like Mattel, bringing together the physical and virtual worlds can be a game changer.

NFTs are one example of this exciting opportunity. Mattel was the first toy company to launch NFTs, with three of our most historic Hot Wheels vehicles reimaged into digital collectibles for a whole new audience last summer.

Last fall, we launched a new range of Hot Wheels NFT collectibles comprised of 17,000 trading card packs that sold out immediately, and just last month, we launched a Barbie NFT collection with Balmain, partnering with the fashion house to create an experience for both the physical and digital worlds.

We have several additional launches planned for 2022 as we expand in this exciting new arena of consumer engagement.

Presentation Close

In conclusion, 2021 was a pivotal year for Mattel.

Our turnaround is complete.

We have evolved our strategy and are now growing Mattel's IP-driven toy business and expanding our entertainment offering.

As strong as 2021 was, 2022 is expected to be stronger.

And as strong as 2022 is expected to be, the outlook for 2023 is even stronger.

Our brands are resonating at levels we have not seen in years.

We have become a partner of choice for the major entertainment companies and have a formidable line-up of evergreen properties to drive future growth.

The toy industry is growing, and we are gaining share.

As the owner of one of the strongest portfolios of children's and family entertainment franchises in the world, we are more confident than ever in our ability to capture the full value of our IP and expand our entertainment offering in content, consumer products, and digital experiences.

We are about to reach investment grade credit metrics and our capital structure will soon be another growth lever.

We have developed a culture that is driven by innovation, collaboration, and execution.

We are committed to Mattel's Purpose: to empower the next generation to explore the wonder of childhood and reach their full potential and to our Mission: to create innovative products and experiences that inspire, entertain, and develop children through play.

As always, we are focused on growing long-term shareholder value.

Thank you again for your interest in Mattel.

Stay well.



Appendix

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Consolidated Statements of Operations



MATTEL, INC. AND SUBSIDIARIES

EXHIBIT I

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)¹

(In millions, except per share and percentage information)	For the Three Months Ended December 31,						For the Year Ended December 31,					
	2021		2020 ²		% Change as Reported	% Change in Constant Currency	2021 ²		2020 ²		% Change as Reported	% Change in Constant Currency
	\$ Amt	% Net Sales	\$ Amt	% Net Sales			\$ Amt	% Net Sales	\$ Amt	% Net Sales		
Net Sales	\$ 1,794.9		\$ 1,625.8		10%	11%	\$ 5,457.7		\$ 4,588.4		19%	18%
Cost of sales	910.6	50.7%	789.5	48.6%	15%		2,831.1	51.9%	2,345.3	51.1%	21%	
Gross Profit	884.3	49.3%	836.2	51.4%	6%	6%	2,626.7	48.1%	2,243.1	48.9%	17%	18%
Advertising and promotion expenses	265.6	14.8%	286.8	17.6%	-7%		545.7	10.0%	525.8	11.5%	4%	
Other selling and administrative expenses	361.2	20.1%	361.3	22.2%	0%		1,351.4	24.8%	1,342.6	29.3%	1%	
Operating Income	257.5	14.3%	188.1	11.6%	37%	31%	729.6	13.4%	374.7	8.2%	95%	98%
Interest expense	33.2	1.9%	49.3	3.0%	-33%		253.9	4.7%	196.3	4.3%	28%	
Interest (income)	(1.3)	-0.1%	(0.4)	0%	253%		(3.5)	-0.1%	(3.9)	-0.1%	-11%	
Other non-operating expense (income), net	5.0		(4.3)				8.4		2.7			
Income Before Income Taxes	220.6	12.3%	143.5	8.8%	54%	50%	470.8	8.6%	177.7	3.9%	165%	171%
(Benefit) Provision for income taxes	(4.6)		18.7				(420.4)		65.5			
Income from equity method investments	0.7		4.3				11.8		11.5			
Net Income	\$ 225.8	12.6%	\$ 129.1	7.9%	75%		\$ 903.0	16.5%	\$ 123.6	2.7%	631%	
Net Income Per Common Share - Basic	\$ 0.64		\$ 0.37				\$ 2.58		\$ 0.36			
Weighted-average number of common shares	351.1		347.7				350.0		347.5			
Net Income per Common Share - Diluted	\$ 0.63		\$ 0.37				\$ 2.53		\$ 0.35			
Weighted-average number of common and potential common shares	358.1		351.0				357.3		349.1			

¹ Amounts may not sum due to rounding.

² Reflects the impact of immaterial revisions to the financial statements.

n/m - Not Meaningful

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Condensed Consolidated Balance Sheets



MATTEL, INC. AND SUBSIDIARIES

EXHIBIT II

CONDENSED CONSOLIDATED BALANCE SHEETS¹

(In millions)	December 31,	
	2021 ²	2020 ²
	(Unaudited)	(Unaudited)
Assets		
Cash and equivalents	\$ 731.4	\$ 762.2
Accounts receivable, net	1,072.7	1,034.0
Inventories	777.2	528.5
Prepaid expenses and other current assets	293.3	172.1
Total current assets	2,874.5	2,496.7
Property, plant, and equipment, net	456.0	473.8
Right-of-use assets, net	325.5	291.6
Goodwill	1,390.2	1,393.8
Other noncurrent assets	1,347.7	879.0
Total Assets	\$ 6,393.9	\$ 5,534.9
Liabilities and Stockholders' Equity		
Short-term borrowings	\$ -	\$ 1.0
Accounts payable and accrued liabilities	1,570.7	1,327.3
Income taxes payable	27.5	27.1
Total current liabilities	1,598.3	1,355.4
Long-term debt	2,571.0	2,854.7
Noncurrent lease liabilities	283.6	249.4
Other noncurrent liabilities	372.2	465.4
Stockholders' equity	1,568.8	610.1
Total Liabilities and Stockholders' Equity	\$ 6,393.9	\$ 5,534.9

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Supplemental Balance Sheet and Cash Flow Data



MATTEL, INC. AND SUBSIDIARIES

SUPPLEMENTAL BALANCE SHEET AND CASH FLOW DATA (Unaudited)¹

Key Balance Sheet Data:

Accounts receivable, net days of sales outstanding (DSO)

December 31,	
2021	2020 ²
54	57

(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) increase in cash and equivalents

For the Year Ended December 31,	
2021 ²	2020 ²
\$ 485	\$ 286
(105)	(132)
(411)	(21)
<u>\$ (31)</u>	<u>\$ 132</u>

¹ Amounts may not sum due to rounding.

² Reflects the impact of immaterial revisions to the financial statements.

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Reconciliation of Non-GAAP Financial Measures



MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)¹

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(In millions, except per share and percentage information)

	For the Three Months Ended December 31,			For the Year Ended December 31,		
	2021	2020 ²	Change	2021 ²	2020 ²	Change
Gross Profit						
Gross Profit, As Reported	\$ 884.3	\$ 836.2		\$ 2,626.7	\$ 2,243.1	
Gross Margin	49.3%	51.4%	-210 bps	48.1%	48.9%	-80 bps
Adjustments:						
Severance and Restructuring Expenses	1.0	0.8		2.9	5.7	
Gross Profit, As Adjusted	<u>\$ 885.2</u>	<u>\$ 837.1</u>		<u>\$ 2,629.5</u>	<u>\$ 2,248.8</u>	
Adjusted Gross Margin	49.3%	51.5%	-220 bps	48.2%	49.0%	-80 bps
Other Selling and Administrative Expenses						
Other Selling and Administrative Expenses, As Reported	\$ 361.2	\$ 361.3	0%	\$ 1,351.4	\$ 1,342.6	1%
% of Net Sales	20.1%	22.2%		24.8%	29.3%	
Adjustments:						
Severance and Restructuring Expenses	(5.9)	(4.5)		(31.5)	(34.9)	
Inclined Sleeper Product Recalls ³	(0.2)	(7.0)		(15.1)	(26.2)	
Sale of Assets ⁴	-	-		15.8	-	
Other Selling and Administrative Expenses, As Adjusted	<u>\$ 355.2</u>	<u>\$ 349.9</u>	2%	<u>\$ 1,320.6</u>	<u>\$ 1,281.5</u>	3%
% of Net Sales	19.8%	21.5%		24.2%	27.9%	
Operating Income						
Operating Income, As Reported	\$ 257.5	\$ 188.1	37%	\$ 729.6	\$ 374.7	95%
Operating Income Margin	14.3%	11.6%	270 bps	13.4%	8.2%	520 bps
Adjustments:						
Severance and Restructuring Expenses	6.8	5.3		34.4	40.6	
Inclined Sleeper Product Recalls ³	0.2	7.0		15.1	26.2	
Sale of Assets ⁴	-	-		(15.8)	-	
Operating Income, As Adjusted	<u>\$ 264.5</u>	<u>\$ 200.4</u>	32%	<u>\$ 763.3</u>	<u>\$ 441.5</u>	73%
Adjusted Operating Income Margin	14.7%	12.3%	240 bps	14.0%	9.6%	440 bps

¹ Amounts may not sum due to rounding.

² Reflects the impact of immaterial revisions to the financial statements.

³ For the three months and year ended December 31, 2021 and 2020, represents expenses related to inclined sleeper product recall litigation.

⁴ For the year ended December 31, 2021, Mattel recorded a gain on sale of assets of \$15.8 million in Other Selling and Administrative Expenses, and a gain on sale of business of \$3.9 million in Other Non-Operating Expense, net.

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Reconciliation of Non-GAAP Financial Measures



MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)¹

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(In millions, except per share and percentage information)	For the Three Months Ended December 31,			For the Year Ended December 31,		
	2021	2020 ²	Change	2021 ²	2020 ²	Change
Earnings Per Share						
Net Income Per Common Share, As Reported	\$ 0.63	\$ 0.37	70%	\$ 2.53	\$ 0.35	623%
Adjustments:						
Severance and Restructuring Expenses	0.02	0.02		0.10	0.12	
Inclined Sleeper Product Recalls ³	-	0.02		0.04	0.07	
Sale of Assets/Business ⁴	-	-		(0.06)	-	
Loss on Debt Extinguishment	-	-		0.28	-	
Valuation Allowance Releases ⁵	(0.14)	-		(1.51)	-	
Tax Effect of Adjustments ⁶	0.02	-		(0.08)	(0.01)	
Net Income Per Common Share, As Adjusted	\$ 0.53	\$ 0.40	33%	\$ 1.30	\$ 0.54	141%
EBITDA and Adjusted EBITDA						
Net Income, As Reported	\$ 225.8	\$ 129.1	75%	\$ 903.0	\$ 123.6	631%
Adjustments:						
Interest Expense	33.2	49.3		253.9	198.3	
(Benefit) Provision for Income Taxes	(4.6)	18.7		(420.4)	65.5	
Depreciation	37.4	34.5		146.3	154.5	
Amortization	9.5	9.5		38.0	38.9	
EBITDA	301.4	241.0		920.9	580.9	
Adjustments:						
Share-based Compensation	13.6	20.2		60.1	60.2	
Severance and Restructuring Expenses	5.8	4.5		30.7	39.1	
Inclined Sleeper Product Recalls ³	0.2	7.0		15.1	26.2	
Sale of Assets/Business ⁴	-	-		(19.7)	-	
Adjusted EBITDA	\$ 320.9	\$ 272.8	18%	\$ 1,007.0	\$ 706.4	43%
Free Cash Flow						
Net Cash Flows Provided by Operating Activities				\$ 485.5	\$ 285.7	
Capital Expenditures				(151.4)	(118.8)	
Free Cash Flow				\$ 334.1	\$ 166.9	

¹ Amounts may not sum due to rounding.

² Reflects the impact of immaterial revisions to the financial statements.

³ For the three months and year ended December 31, 2021 and 2020, represents expenses related to inclined sleeper product recall litigation.

⁴ For the year ended December 31, 2021, Mattel recorded a gain on sale of assets of \$15.8 million in Other Selling and Administrative Expenses, and a gain on sale of business of \$3.9 million in Other Non-Operating Expense, net.

⁵ For the three months and year ended December 31, 2021, the amount includes a net benefit of approximately \$49 million and \$541 million, respectively, related to the release of valuation allowances against deferred tax assets of the U.S. and certain international affiliates.

⁶ The aggregate tax effect of the adjustments is calculated by tax effecting the adjustments by the current effective tax rate, and dividing by the reported weighted average number of common and potential common shares.

n/m - Not meaningful

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Reconciliation of Non-GAAP Financial Measures



MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)¹

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(In millions, except per share and percentage information)

Leverage Ratio (Debt / Adjusted EBITDA)

Debt

Long-Term Debt

Current Portion of Long-Term Debt

Short-Term Borrowings

Adjustments:

Debt Issuance Costs and Debt Discount

Debt

EBITDA and Adjusted EBITDA

Net Income, As Reported

Adjustments:

Interest Expense

(Benefit) Provision for Income Taxes

Depreciation

Amortization

EBITDA

Adjustments:

Share-based Compensation

Severance and Restructuring Expenses

Inclined Sleeper Product Recalls³

Sale of Assets/Business⁴

Adjusted EBITDA

Debt / Net Income

Leverage Ratio (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 Year Ended December 31,		
	2021 ²	2020 ²	Change
Debt			
Long-Term Debt	\$ 2,571.0	\$ 2,854.7	
Current Portion of Long-Term Debt	-	-	
Short-Term Borrowings	-	1.0	
Adjustments:			
Debt Issuance Costs and Debt Discount	28.0	45.3	
Debt	\$ 2,600.0	\$ 2,901.0	
EBITDA and Adjusted EBITDA			
Net Income, As Reported	\$ 903.0	\$ 123.6	631%
Adjustments:			
Interest Expense	253.9	198.3	
(Benefit) Provision for Income Taxes	(420.4)	65.5	
Depreciation	146.3	154.5	
Amortization	38.0	38.9	
EBITDA	920.9	580.9	
Adjustments:			
Share-based Compensation	60.1	60.2	
Severance and Restructuring Expenses	30.7	39.1	
Inclined Sleeper Product Recalls ³	15.1	26.2	
Sale of Assets/Business ⁴	(19.7)	-	
Adjusted EBITDA	\$ 1,007.0	\$ 706.4	43%
Debt / Net Income	2.9x	23.5x	
Leverage Ratio (Debt / Adjusted EBITDA)	2.6x	4.1x	
Free Cash Flow			
Net Cash Flows Provided by Operating Activities	\$ 485.5	\$ 285.7	70%
Capital Expenditures	(151.4)	(118.8)	
Free Cash Flow	\$ 334.1	\$ 166.9	100%
Net Cash Flows Provided by Operating Activities / Net Income	54%	231%	
Free Cash Flow Conversion (Free Cash Flow/Adjusted EBITDA)	33%	24%	

¹ Amounts may not sum due to rounding.

² Reflects the impact of immaterial revisions to the financial statements.

³ For the year ended December 31, 2021 and 2020, represents expenses related to inclined sleeper product recall litigation.

⁴ For the year ended December 31, 2021, Mattel recorded a gain on sale of assets of \$15.8 million in Other Selling and Administrative Expenses, and a gain on sale of business of \$3.9 million in Other Non-Operating Expense, net.

n/m - Not meaningful

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Reconciliation of Non-GAAP Financial Measures



MATTEL, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)^{1,2,3}

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions, except percentage information)

	2017	2018	2019	2020	2021
Worldwide Gross Billings:					
Net Sales	4,881.5	4,512.2	4,504.6	4,588.4	5,457.7
Sales Adjustments ⁴	632.6	560.7	560.0	554.2	623.9
Gross Billings	5,514.1	5,072.9	5,064.6	5,142.6	6,081.6
Net Sales					
% Change	-10%	-8%	0%	2%	19%
Impact of Currency in %	0%	-1%	-1%	-1%	1%
Constant Currency % Change	-10%	-7%	1%	3%	18%
Gross Profit					
Gross Profit, As Reported	1,824.6	1,788.0	1,977.3	2,243.1	2,626.7
Gross Margin	37.4%	39.6%	43.9%	48.9%	48.1%
Adjustments:					
Asset Impairments	20.6	5.8	-	-	-
Severance and Restructuring Expenses	-	5.7	18.6	5.7	2.9
Inclined Sleeper Product Recalls	-	-	21.7	-	-
Gross Profit, As Adjusted	1,845.2	1,799.4	2,017.6	2,248.8	2,629.5
Adjusted Gross Margin	37.8%	39.9%	44.8%	49.0%	48.2%

¹ 2018-2020 supplemental financial information reflect the impact of immaterial revisions to the financial statements. 2017 key financial metrics were not revised to reflect the impact of immaterial adjustments

² Amounts may not foot due to rounding.

³ For further detail refer to Exhibits and Reg G for the respective periods.

⁴ Sales Adjustments are not allocated to individual products. As such, Net Sales are not presented on a categories or brand level.

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Reconciliation of Non-GAAP Financial Measures



MATTEL, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)^{1,2,3}

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions, except percentage information)

	2017	2018	2019	2020	2021
Operating (Loss) Income					
Operating (Loss) Income, As Reported	(335.7)	(237.4)	37.1	374.7	729.6
Operating (Loss) Income Margin	-6.9%	-5.3%	0.8%	8.2%	13.4%
Adjustments:					
Asset Impairments	56.3	11.9	25.9	-	-
Non-recurring Executive Compensation	11.3	1.0	-	-	-
Severance and Restructuring Expenses	65.1	109.8	59.1	40.6	34.4
Inclined Sleeper Product Recalls	-	-	32.0	26.2	15.1
Sale of Assets	-	(1.4)	-	-	(15.8)
Operating (Loss) Income, As Adjusted	(203.0)	(116.1)	154.0	441.5	763.3
Adjusted Operating (Loss) Income Margin	-4.2%	-2.6%	3.4%	9.6%	14.0%
Earnings Per Share					
Net (Loss) Income Per Common Share, As Reported	(3.07)	(1.55)	(0.63)	0.35	2.53
Adjustments:					
Asset Impairments	0.16	0.03	0.07	-	-
Non-recurring Executive Compensation	0.03	-	-	-	-
Severance and Restructuring Expenses	0.19	0.32	0.17	0.12	0.10
Inclined Sleeper Product Recalls	-	-	0.09	0.07	0.04
Sale of Assets/Business	-	-	-	-	(0.06)
Loss on Debt Extinguishment	-	-	-	-	0.28
Venezuela Matters	0.17	-	-	-	-
Tax Effect of Adjustments	(0.03)	(0.01)	(0.02)	(0.01)	(0.08)
Tax Items Including Changes in Valuation Allowances	1.34	0.05	-	-	(1.51)
Net (Loss) Income Per Common Share, As Adjusted	(1.20)	(1.16)	(0.31)	0.54	1.30

¹ 2018-2020 supplemental financial information reflect the impact of immaterial revisions to the financial statements. 2017 key financial metrics were not revised to reflect the impact of immaterial adjustments

² Amounts may not foot due to rounding.

³ For further detail refer to Exhibits and Reg G for the respective periods.

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Reconciliation of Non-GAAP Financial Measures



MATTEL, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)^{1,2,3} RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions, except percentage information)

	2017	2018	2019	2020	2021
EBITDA and Adjusted EBITDA					
Net (Loss) Income, As Reported	(1,054.6)	(536.3)	(218.8)	123.6	903.0
Adjustments:					
Interest Expense	105.2	181.9	201.0	198.3	253.9
Provision (Benefit) for Income Taxes	553.3	116.2	58.3	65.5	(420.4)
Depreciation	240.8	232.8	204.4	154.5	146.3
Amortization	33.9	39.1	40.1	38.9	38.0
EBITDA	(121.3)	33.7	285.1	580.9	920.9
Adjustments:					
Asset Impairments	56.3	11.9	25.9	-	-
Share-based Compensation	67.1	48.9	56.0	60.2	60.1
Severance and Restructuring Expenses	65.1	104.1	52.0	39.1	30.7
Inclined Sleeper Product Recalls	-	-	32.0	26.2	15.1
Sale of Assets/Business	-	(14)	-	-	(19.7)
Venezuela Matters	59.0	-	-	-	-
Adjusted EBITDA	126.2	197.2	450.9	706.4	1,007.0
Leverage Ratio (Debt / Adjusted EBITDA)					
Long-term debt	2,873.1	2,851.7	2,846.8	2,854.7	2,571.0
Current portion of long-term debt	250.0	-	-	-	-
Short-term borrowings	-	4.2	-	1.0	-
Adjustments:					
Debt issuance costs and debt discount	26.9	48.3	53.2	45.3	29.0
Debt	3,150.0	2,904.2	2,900.0	2,901.0	2,600.0
Debt / Net (Loss) Income	(3.0)x	(5.4)x	(13.2)x	23.5x	2.9x
Leverage Ratio (Debt / Adjusted EBITDA)	25.0x	14.7x	6.4x	4.1x	2.6x
Free Cash Flow					
Net Cash Flows (Used For) Provided by Operating Activities	(27.6)	(24.2)	168.4	285.7	485.5
Capital Expenditures	(297.2)	(155.5)	(103.8)	(118.8)	(151.4)
Free Cash Flow	(324.8)	(179.7)	64.6	166.9	334.1

¹ 2018-2020 supplemental financial information reflect the impact of immaterial revisions to the financial statements. 2017 key financial metrics were not revised to reflect the impact of immaterial adjustments.

² Amounts may not foot due to rounding.

³ For further detail refer to Exhibits and Reg G for the respective periods.

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Supplemental Key Performance Indicator



MATTEL, INC. AND SUBSIDIARIES

EXHIBIT IV

WORLDWIDE GROSS BILLINGS¹ (Unaudited)⁴

SUPPLEMENTAL KEY PERFORMANCE INDICATOR

(In millions, except percentage information)	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2021	2020	% Change as Reported	% Change in Constant Currency	2021	2020 ²	% Change as Reported	% Change in Constant Currency
Worldwide Gross Billings:								
Net Sales	\$ 1,794.9	\$ 1,625.8	10%	11%	\$ 5,457.7	\$ 4,588.4	19%	18%
Sales Adjustments ³	196.5	209.1			623.9	554.2		
Gross Billings	\$ 1,991.4	\$ 1,834.9	9%	9%	\$ 6,081.6	\$ 5,142.6	18%	17%
Worldwide Gross Billings by Categories:								
Dolls	\$ 803.6	\$ 709.1	13%	14%	\$ 2,299.1	\$ 1,886.4	22%	21%
Infant, Toddler, and Preschool	401.4	405.5	-1	-1	1,220.9	1,154.5	6	5
Vehicles	381.2	396.3	-4	-3	1,252.8	1,110.0	13	12
Action Figures, Building Sets, Games, and Other	405.1	324.0	25	26	1,308.9	991.6	32	31
Gross Billings	\$ 1,991.4	\$ 1,834.9	9%	9%	\$ 6,081.6	\$ 5,142.6	18%	17%

Supplemental Gross Billings Disclosure

Worldwide Gross Billings by Top 3 Power Brands:

Barbie	\$ 556.6	\$ 471.1	18%	19%	\$ 1,679.3	\$ 1,350.1	24%	24%
Hot Wheels	326.4	346.3	-6	-5	1,068.3	954.2	12	11
Fisher-Price and Thomas & Friends	365.2	372.8	-2	-2	1,128.2	1,065.5	6	5
Other	743.2	644.6	15	16	2,205.8	1,772.8	24	23
Gross Billings	\$ 1,991.4	\$ 1,834.9	9%	9%	\$ 6,081.6	\$ 5,142.6	18%	17%

¹ 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.

² Reflects the impact of immaterial revisions to the financial statements.

³ Sales Adjustments are not allocated to individual products. As such, Net Sales are not presented on a categories or brand level.

⁴ Amounts may not sum due to rounding.

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Supplemental Key Performance Indicator



MATTEL, INC. AND SUBSIDIARIES

EXHIBIT V

GROSS BILLINGS¹ BY SEGMENT (Unaudited)⁴ SUPPLEMENTAL KEY PERFORMANCE INDICATOR

(In millions, except percentage information)	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2021	2020	% Change as Reported	% Change in Constant Currency	2021	2020 ²	% Change as Reported	% Change in Constant Currency
North America Segment Gross Billings:								
Net Sales	\$ 890.8	\$ 779.4	14%	14%	\$ 2,968.3	\$ 2,426.5	22%	22%
Sales Adjustments ³	44.4	49.5			186.6	163.2		
Gross Billings	<u>\$ 935.2</u>	<u>\$ 828.9</u>	13%	13%	<u>\$ 3,154.9</u>	<u>\$ 2,589.7</u>	22%	21%
North America Gross Billings by Categories:								
Dolls	\$ 312.8	\$ 247.0	27%	26%	\$ 1,011.1	\$ 770.6	31%	31%
Infant, Toddler, and Preschool	238.5	237.1	1	0	758.8	703.3	8	8
Vehicles	175.2	173.0	1	1	633.0	529.2	20	19
Action Figures, Building Sets, Games, and Other	208.7	171.8	22	21	752.0	586.6	28	28
Gross Billings	<u>\$ 935.2</u>	<u>\$ 828.9</u>	13%	13%	<u>\$ 3,154.9</u>	<u>\$ 2,589.7</u>	22%	21%
Supplemental Gross Billings Disclosure								
North America Gross Billings by Top 3 Power Brands:								
Barbie	\$ 286.4	\$ 226.5	26%	26%	\$ 903.5	\$ 704.2	28%	28%
Hot Wheels	146.0	149.8	-3	-3	529.5	446.6	19	18
Fisher-Price and Thomas & Friends	209.4	211.7	-1	-1	685.5	634.9	8	8
Other	293.4	240.9	22	22	1,036.4	804.0	29	29
Gross Billings	<u>\$ 935.2</u>	<u>\$ 828.9</u>	13%	13%	<u>\$ 3,154.9</u>	<u>\$ 2,589.7</u>	22%	21%

¹ 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.

² Reflects the impact of immaterial revisions to the financial statements.

³ Sales Adjustments are not allocated to individual products. As such, Net Sales are not presented on a categories or brand level.

⁴ Amounts may not sum due to rounding.

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Supplemental Key Performance Indicator



MATTEL, INC. AND SUBSIDIARIES

EXHIBIT W

GROSS BILLINGS¹ BY SEGMENT (Unaudited)⁴ SUPPLEMENTAL KEY PERFORMANCE INDICATOR

(In millions, except percentage information)	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2021	2020	% Change as Reported	% Change in Constant Currency	2021	2020 ²	% Change as Reported	% Change in Constant Currency
International Segment Gross Billings:								
Net Sales	\$ 771.7	\$ 704.7	9%	12%	\$ 2,219.2	\$ 1,903.5	17%	15%
Sales Adjustments ³	148.0	155.7			429.6	382.8		
Gross Billings	<u>\$ 919.7</u>	<u>\$ 860.4</u>	7%	9%	<u>\$ 2,648.8</u>	<u>\$ 2,286.4</u>	16%	14%
International Gross Billings by Geographic Area:								
EMEA								
Net Sales	\$ 489.6	\$ 397.1	18%	21%	\$ 1,375.5	\$ 1,132.5	21%	21%
Sales Adjustments ³	100.7	88.2			290.0	247.4		
Gross Billings	<u>\$ 590.3</u>	<u>\$ 485.3</u>	15%	18%	<u>\$ 1,665.5</u>	<u>\$ 1,380.0</u>	21%	20%
Latin America								
Net Sales	\$ 190.1	\$ 187.2	2%	3%	\$ 519.6	\$ 455.2	14%	12%
Sales Adjustments ³	27.9	36.2			84.1	82.2		
Gross Billings	<u>\$ 218.0</u>	<u>\$ 223.4</u>	-2%	-1%	<u>\$ 603.7</u>	<u>\$ 537.4</u>	12%	10%
Asia Pacific								
Net Sales	\$ 112.0	\$ 120.5	-7%	-6%	\$ 324.1	\$ 315.8	3%	-1%
Sales Adjustments ³	19.5	21.3			55.5	53.2		
Gross Billings	<u>\$ 131.5</u>	<u>\$ 141.8</u>	-7%	-7%	<u>\$ 379.6</u>	<u>\$ 369.0</u>	3%	-1%
International Gross Billings by Categories:								
Dolls	\$ 354.3	\$ 316.5	12%	14%	\$ 1,010.1	\$ 849.4	19%	18%
Infant, Toddler, and Preschool	162.9	168.4	-3	-2	492.1	451.2	2	1
Vehicles	206.0	223.3	-8	-6	618.8	580.9	7	5
Action Figures, Building Sets, Games, and Other	196.4	152.2	29	32	556.8	405.0	38	35
Gross Billings	<u>\$ 919.7</u>	<u>\$ 860.4</u>	7%	9%	<u>\$ 2,648.8</u>	<u>\$ 2,286.4</u>	16%	14%
Supplemental Gross Billings Disclosure								
International Gross Billings by Top 3 Power Brands:								
Barbie	\$ 270.2	\$ 244.6	10%	13%	\$ 775.8	\$ 645.9	20%	19%
Hot Wheels	180.5	195.5	-8	-7	538.8	507.6	6	5
Fisher-Price and Thomas & Friends	155.8	161.1	-3	-2	442.7	430.6	3	1
Other	313.2	259.1	21	23	891.4	702.2	27	25
Gross Billings	<u>\$ 919.7</u>	<u>\$ 860.4</u>	7%	9%	<u>\$ 2,648.8</u>	<u>\$ 2,286.4</u>	16%	14%

¹ 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.

² Reflects the impact of immaterial revisions to the financial statements.

³ Sales Adjustments are not allocated to individual products. As such, Net Sales are not presented on a categories or brand level.

⁴ Amounts may not sum due to rounding.

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Supplemental Key Performance Indicator



MATTEL, INC. AND SUBSIDIARIES

EXHIBIT VII

GROSS BILLINGS¹ BY SEGMENT (Unaudited)³ SUPPLEMENTAL KEY PERFORMANCE INDICATOR

(In millions, except percentage information)	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2021	2020	% Change as Reported	% Change in Constant Currency	2021	2020	% Change as Reported	% Change in Constant Currency
American Girl Segment Gross Billings:								
Net Sales	\$ 132.5	\$ 141.6	-6%	-6%	\$ 270.3	\$ 258.4	5%	5%
Sales Adjustments ²	4.1	4.0			7.6	8.1		
Gross Billings	<u>\$ 136.5</u>	<u>\$ 145.6</u>	-6%	-6%	<u>\$ 277.9</u>	<u>\$ 266.5</u>	4%	4%

¹ 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.

² Sales Adjustments are not allocated to individual products.

³ Amounts may not sum due to rounding.

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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 may include Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Other Selling and Administrative Expenses, Adjusted Operating Income (Loss), Adjusted Operating Income (Loss) Margin, Adjusted Earnings (Loss) 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 (Debt / Adjusted EBITDA), 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, the impact of the inclined sleeper product recalls, and the impact of sale of assets, 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 Income (Loss) and Adjusted Operating Income (Loss) Margin

Adjusted Operating Income (Loss) and Adjusted Operating Income (Loss) Margin represent reported Operating Income (Loss) and reported Operating Income (Loss) Margin, respectively, adjusted to exclude severance and restructuring expenses, the impact of the inclined sleeper product recalls, and the impact of sale of assets, which are not part of Mattel's core business. Adjusted Operating Income (Loss) Margin represents Mattel's Adjusted Operating Income (Loss), as a percentage of Net Sales. Adjusted Operating Income (Loss) and Adjusted Operating Income (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 (Loss) Per Share

Adjusted Earnings (Loss) Per Share represents Mattel's reported Diluted Earnings (Loss) Per Common Share, adjusted to exclude severance and restructuring expenses, the impact of the inclined sleeper product recalls, the impact of sale of assets/business, loss on debt extinguishment, and releases of valuation allowances, which are not part of Mattel's core business. The aggregate tax effect of the adjustments is calculated by tax effecting the adjustments by the current effective tax rate, and dividing by the reported weighted-average number of common shares. Adjusted Earnings (Loss) 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 (Loss) 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 Income (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, the impact of the inclined sleeper product recalls, and the impact of sale of assets/business, 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 syndicated facility agreement governing its senior secured revolving credit facilities. 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.

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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 (Debt / Adjusted EBITDA)

The leverage ratio is calculated by dividing Debt by Adjusted EBITDA. 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.

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.

2022 Guidance and 2023 Goals

A reconciliation of Mattel's non-GAAP financial measures on a forward-looking basis, including Net Sales on a constant currency basis, Adjusted Gross Margin, Adjusted Operating Income Margin, and Adjusted EBITDA, is not available without unreasonable effort. Mattel is unable to predict with sufficient certainty items that would be excluded from the corresponding GAAP measure, including the effect of foreign currency exchange rate fluctuations, unusual gains and losses or charges, and severance and restructuring charges, due to the unpredictable nature of such items, which may have a significant impact on Mattel's GAAP measures.

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 such 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.