

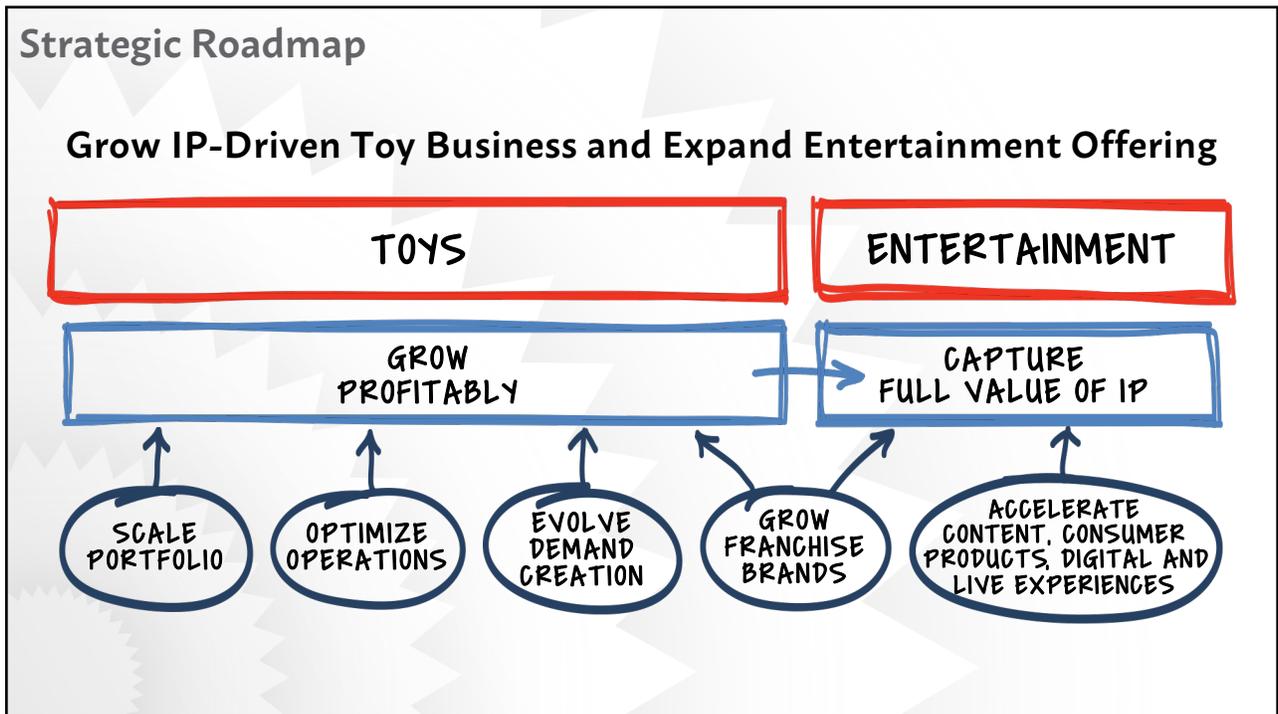




**ANTHONY DISILVESTRO**  
Chief Financial Officer

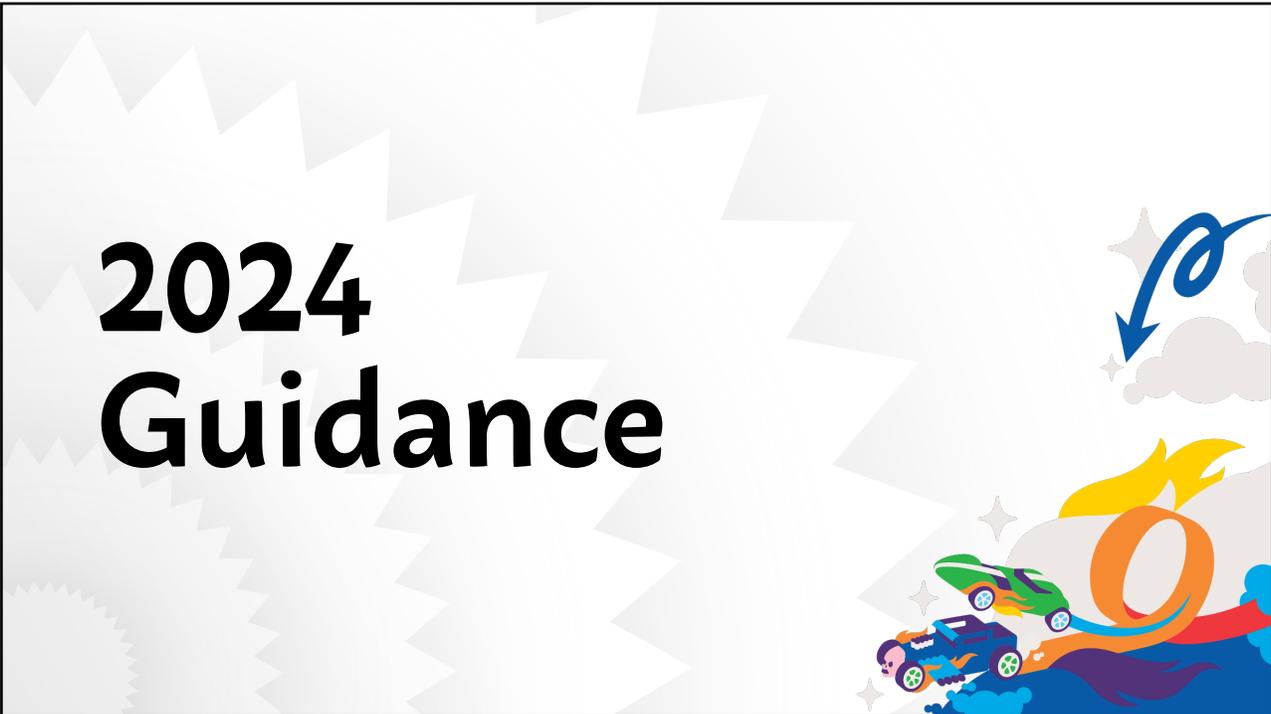
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2024 Guidance

# Net Sales Comparable

In Constant Currency vs. Prior Year

Growth in Vehicles 

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Offset by Dolls 

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Comparable: Infant, Toddler, and Preschool, Challenger Categories Collectively 

Source: Mattel Q4 2023 Financial Results Slide Presentation and Transcript  
2/7/2024 (Including Non-GAAP/KPI Glossary and Reconciliations)

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## 2024 Guidance

**~48.5-49.0%**

Adjusted Gross Margin  
Increase vs. Prior Year

Cost Savings  
Favorable Fixed Cost  
Absorption



Source: Mattel Form 8-K filed 2/7/2024 (including Non-GAAP/KPI Glossary and Reconciliations)

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## 2024 Guidance

**Advertising**

Stable as a % of Net Sales

**Adjusted SG&A**

Stable as a % of Net Sales



Source: Mattel Q4 2023 Financial Results Slide Presentation and Transcript 2/7/2024 (including Non-GAAP/KPI Glossary and Reconciliations)

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2024 Guidance

**\$975-\$1,025 Million**

Adjusted EBITDA



Source: Mattel Form 8-K filed 2/7/2024 (including Non-GAAP/KPI Glossary and Reconciliations)

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2024 Guidance

**\$1.35-\$1.45**

Adjusted EPS

Double Digit Growth  
vs. Prior Year



Source: Mattel Form 8-K filed 2/7/2024 (including Non-GAAP/KPI Glossary and Reconciliations)

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## 2024 Guidance

# ~\$500 Million

## Free Cash Flow



Source: Mattel Form 8-K filed 2/7/2024 (including Non-GAAP/KPI Glossary and Reconciliations)

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## Beyond 2024

# Expect to Grow Sales and Earnings in 2025

Improving Industry Trends

Innovation in Toys

Expansion of Entertainment and Licensing Partnerships

Cost Savings and Share Repurchases



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## Cost Savings Programs

# Strong Track Record Achieving Cost Savings

\$1 Billion 2018-2020

Structural Simplification Program



Source: Mattel Internal Analysis

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## Cost Savings Programs

# Optimizing For Growth

Completed in 2023

\$343 Million Annualized Savings



Source: Mattel Q4 2023 Financial Results Slide Presentation and Transcript  
2/7/2024 (including Non-GAAP/KPI Glossary and Reconciliations)

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## Cost Savings Programs

**\$1.3 Billion**  
Cost Savings Since 2018



Source: Mattel Internal Analysis

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## Cost Savings Programs

# Optimizing for Profitable Growth

New Program 2024-2026  
Continuation of Cost Reduction  
and Performance Enhancements



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## Cost Savings Programs

# Optimizing for Profitable Growth

Leverage Our Scale

Opportunities in Global Supply Chain

Further Improve Productivity, Profitability, and Competitive Position



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## Cost Savings Programs



# Optimizing For Profitable Growth



Source: Mattel Q4 2023 Financial Results Slide Presentation and Transcript  
2/7/2024 (including Non-GAAP/KPI Glossary and Reconciliations)

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Free Cash Flow

## Cash Generation

\$709 Million in 2023

~\$1.5 Billion in Last Five Years

Repaid Portion of Debt

Resumed Share Repurchases

A colorful illustration of a LEGO tower and a LEGO figure. The tower is built from various colored bricks (red, yellow, blue, green, purple). The figure is a dark blue, stylized character with a yellow head and a blue body. There are small stars and sparkles around the LEGO elements.

Source: Mattel Financial History, Annual Trends 2020-2023,  
<https://investors.mattel.com/financials/latest-financials/>

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Free Cash Flow

# Financial Flexibility

Support and Accelerate Capital  
Deployment Plans

Enhance Long-Term  
Shareholder Value



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Leverage Ratio

# Substantially Improved Financial Position

Since 2017

Debt Repayments

Refinancing

EBITDA Growth



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## Leverage Ratio

**~2.5x**

Debt/Adjusted EBITDA  
for Last 3 Years



Source: Mattel Form 8-K filed 2/7/2024 and 2/8/2023 (including Non-GAAP/KPI Glossary and Reconciliations)

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## Leverage Ratio

**Achieved Investment  
Grade Rating**

**MOODY'S** **S&P Global** **FitchRatings**



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Leverage Ratio

# Investment Grade Rating

Greater Financial Flexibility

Access to Additional Liquidity

Optimize Cost of Capital



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# Attractive Debt Maturity Profile



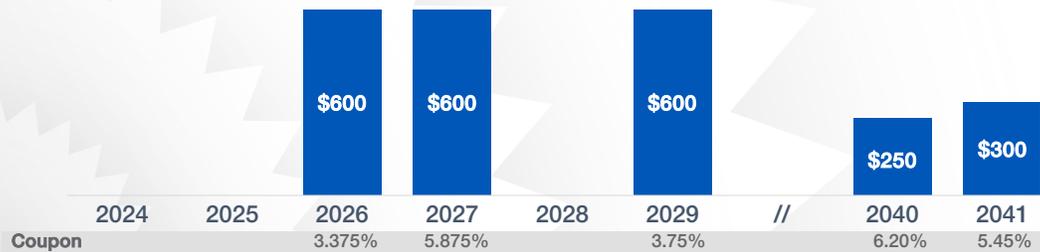
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## Debt Maturity Profile



# No Maturities Until 2026 4.7% Average Coupon



Source: Mattel Form 10-K 2022, filed 2/22/2023

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# Capital Allocation



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## Capital Allocation



### Near-Term Priorities

- 1 Invest in Organic Growth**
  - Strengthen Core Capabilities
  - Increase Manufacturing Capacity
  - Advance Entertainment Strategies
- 2 Maintain Leverage**
  - Target 2.0 - 2.5 Debt/Adjusted EBITDA
  - Maintain Investment Grade Rating
- 3 External Development**
  - M&A and Corporate Development
  - Improve Growth Profile
- 4 Manage Capital Structure**
  - Share Repurchases



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## Share Repurchase Program

# \$1 Billion Authorization

Begun to Execute in 2024

Fund with Free Cash Flow



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## Reconciliation of Non-GAAP Financial Measures

**MATTEL, INC. AND SUBSIDIARIES**  
**SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)<sup>1</sup>**  
**RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES**

		For the Year Ended December 31,
		2023
<i>(In millions, except per share and percentage information)</i>		
<b>Gross Profit</b>		
Gross Profit, As Reported	\$	2,583.7
Gross Margin		47.5%
<i>Adjustments:</i>		
Severance and Restructuring Expenses		(1.2)
Gross Profit, As Adjusted	\$	2,582.6
Adjusted Gross Margin		47.5%
<b>Earnings Per Share</b>		
Net Income Per Common Share, As Reported	\$	0.60
<i>Adjustments:</i>		
Severance and Restructuring Expenses		0.17
Inclined Sleeper Product Recalls		0.05
Changes to Deferred Tax Assets <sup>2</sup>		0.45
Tax Effect of Adjustments <sup>3</sup>		(0.04)
Net Income Per Common Share, As Adjusted	\$	1.23

<sup>1</sup> Amounts may not sum due to rounding.  
<sup>2</sup> For the year ended December 31, 2023, Mattel recorded an expense of \$212.4 million related to the release of foreign deferred tax assets and a benefit of \$51.0 million upon the establishment of deferred tax assets related to an intra-group transfer of certain IP rights.  
<sup>3</sup> The aggregate tax effect of adjustments was determined using the effective tax rates on a jurisdictional basis of the respective adjustments and dividing by the reported weighted average number of common and potential common shares.



## Reconciliation of Non-GAAP Financial Measures



### MATTEL, INC. AND SUBSIDIARIES

#### SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)<sup>1</sup>

#### RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

	For the Year Ended December 31,		
	2021	2022	2023
<b>(In millions)</b>			
<b>Leverage Ratio (Total Debt/Adjusted EBITDA)</b>			
<u>Total Debt</u>			
Long-Term Debt	\$ 2,571.0	\$ 2,325.6	\$ 2,330.0
Adjustments:			
Debt Issuance Costs and Debt Discount	29.0	24.4	20.0
Total Debt	<u>\$ 2,600.0</u>	<u>\$ 2,350.0</u>	<u>\$ 2,350.0</u>
<u>EBITDA and Adjusted EBITDA</u>			
Net Income, As Reported	\$ 903.0	\$ 393.9	\$ 214.4
Adjustments:			
Interest Expense	253.9	132.8	123.8
(Benefit) Provision for Income Taxes	(420.4)	135.9	269.5
Depreciation	146.3	144.6	139.5
Amortization	38.0	37.9	37.9
EBITDA	920.9	845.0	785.0
Adjustments:			
Share-Based Compensation	60.1	69.1	83.3
Severance and Restructuring Expenses	30.7	32.7	59.7
Inclined Sleeper Product Recalls	15.1	(0.3)	18.1
Sale of Assets/Business	(19.7)	(23.5)	1.8
Loss on Liquidation of Argentina Subsidiary	—	45.4	—
Adjusted EBITDA	<u>\$ 1,007.0</u>	<u>\$ 968.4</u>	<u>\$ 947.8</u>
Total Debt / Net Income	2.9x	6.0x	11.0x
Leverage Ratio (Total Debt / Adjusted EBITDA)	<u>2.6x</u>	<u>2.4x</u>	<u>2.5x</u>

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

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## Reconciliation of Non-GAAP Financial Measures



### MATTEL, INC. AND SUBSIDIARIES

#### SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)<sup>1</sup>

#### RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

	For the Year Ended December 31,				
	2019	2020	2021	2022	2023
<b>(In millions)</b>					
<b>Free Cash Flow</b>					
Net Cash Flows Provided by Operating Activities	\$ 168.4	\$ 285.7	\$ 485.5	\$ 442.8	\$ 869.8
Capital Expenditures	(103.8)	(118.8)	(151.4)	(186.5)	(160.3)
Free Cash Flow	<u>\$ 64.6</u>	<u>\$ 166.9</u>	<u>\$ 334.1</u>	<u>\$ 256.3</u>	<u>\$ 709.5</u>

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

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## Glossary of Non-GAAP Financial Measures

### 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 presentation include Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Earnings Per Share, earnings before interest expense, taxes, depreciation and amortization ("EBITDA"), Adjusted EBITDA, Free Cash Flow, and Leverage Ratio (Total Debt / Adjusted EBITDA). 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 Earnings Per Share

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

#### EBITDA and Adjusted EBITDA

EBITDA represents Mattel's Net Income, 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, the impact of sale of assets/business, and loss on liquidation of a subsidiary, 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.

#### Free Cash Flow

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

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

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

#### 2024 Guidance

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 EPS, and Adjusted Tax Rate is not available without unreasonable effort. Mattel is unable to predict with sufficient certainty items that would be excluded from the corresponding GAAP measures, 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.