



# **Second Quarter 2021 Earnings**

(Unaudited Results)  
July 27, 2021

# Forward-Looking Statements / Regulation G

This presentation contains a number of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. The use of words such as "anticipates," "expects," "intends," "plans," "confident that," "believes," and "targeted," among others, generally identify forward-looking statements. These forward-looking statements are based on currently available operating, financial, economic, and other information and assumptions, and are subject to a number of significant risks and uncertainties. A variety of factors, many of which are beyond Mattel's control, could cause actual future results to differ materially from those projected in the forward-looking statements, and are currently, and in the future may be, amplified by the COVID-19 pandemic. Specific factors that might cause such a difference include, but are not limited to: (i) potential impacts of and uncertainty regarding the COVID-19 pandemic (and actions taken in response to it by governments, businesses, and individuals) on Mattel's business operations, financial results and financial position and on the global economy, including its impact on Mattel's sales; (ii) Mattel's ability to design, develop, produce, manufacture, source, ship, and distribute products on a timely and cost-effective basis; (iii) sufficient interest in and demand for the products and entertainment we offer by retail customers and consumers to profitably recover Mattel's costs; (iv) downturns in economic conditions affecting Mattel's markets which can negatively impact retail customers and consumers, and which can result in lower employment levels and lower consumer disposable income and spending, including lower spending on purchases of Mattel's products; (v) other factors which can lower discretionary consumer spending, such as higher costs for fuel and food, drops in the value of homes or other consumer assets, and high levels of consumer debt; (vi) potential difficulties or delays Mattel may experience in implementing cost savings and efficiency enhancing initiatives; (vii) other economic and public health conditions or regulatory changes in the markets in which Mattel and its customers and suppliers operate, which could create delays or increase Mattel's costs, such as higher commodity prices, labor costs or transportation costs, or outbreaks of disease; (viii) currency fluctuations, including movements in foreign exchange rates and inflation, which can lower Mattel's net revenues and earnings, and significantly impact Mattel's costs; (ix) the concentration of Mattel's customers, potentially increasing the negative impact to Mattel of difficulties experienced by any of Mattel's customers, such as bankruptcies or liquidations or a general lack of success, or changes in their purchasing or selling patterns; (x) the inventory policies of Mattel's retail customers, as well as the concentration of Mattel's revenues in the second half of the year, which coupled with reliance by retailers on quick response inventory management techniques increases the risk of underproduction, overproduction, and shipping delays; (xi) legal, reputational, and financial risks related to security breaches or cyberattacks; (xii) work disruptions, including as a result of supply chain disruption and plant shutdowns, which may impact Mattel's ability to manufacture or deliver product in a timely and cost-effective manner; (xiii) the impact of competition on revenues, margins, and other aspects of Mattel's business, including the ability to offer products which consumers choose to buy instead of competitive products, the ability to secure, maintain, and renew popular licenses from licensors of entertainment properties, and the ability to attract and retain talented employees; (xiv) the risk of product recalls or product liability suits and costs associated with product safety regulations; (xv) changes in laws or regulations in the United States and/or in other major markets, such as China, in which Mattel operates, including, without limitation, with respect to taxes, tariffs, trade policies, or product safety, which may increase Mattel's product costs and other costs of doing business, and reduce Mattel's earnings; (xvi) failure to realize the planned benefits from any investments or acquisitions made by Mattel; (xvii) the impact of other market conditions or third party actions or approvals, including that result in any significant failure, inadequacy, or interruption from vendors or outsourcers, which could reduce demand for Mattel's products, delay or increase the cost of implementation of Mattel's programs, or alter Mattel's actions and reduce actual results; (xviii) changes in financing markets or the inability of Mattel to obtain financing on attractive terms; (xix) the impact of litigation, arbitration, or regulatory decisions or settlement actions; (xx) uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark; and (xxi) other risks and uncertainties as may be described in Mattel's filings with the Securities and Exchange Commission, including the "Risk Factors" section of Mattel's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and subsequent periodic filings, as well as in Mattel's other public statements. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so, except as required by law.

To supplement our financial results presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Mattel presents certain non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. The non-GAAP financial measures that Mattel uses in this presentation may include Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Other Selling and Administrative Expenses, Adjusted Operating Income (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, 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 this presentation as an appendix. In addition, Mattel presents changes in gross billings, a key performance indicator, as a metric for comparing its aggregate, categorical, brand, and geographic results to highlight significant trends in Mattel's business. Changes in gross billings are discussed because, while Mattel records the details of sales adjustments in its financial accounting systems at the time of sale, such sales adjustments are generally not associated with categories, brands, and individual products.

## Who We Are

Mattel is a leading global toy company and owner of one of the strongest catalogs of children's and family entertainment franchises in the world. We engage consumers through our portfolio of iconic brands, as well as other popular intellectual properties that we own or license in partnership with global entertainment companies. Our offerings include film and television content, gaming, music and live events. Founded in 1945, we operate in 35 locations and our products are available in more than 150 countries in collaboration with the world's leading retail and e-commerce companies.

## Our Purpose

Empower the next generation to explore the wonder of childhood and reach their full potential.

## Our Mission

Create innovative products and experiences that inspire, entertain and develop children through play.



# Q2 2021 CEO Perspective

## Another exceptional quarter for Mattel

- **Net sales up 40% as reported and 36% in constant currency<sup>1</sup> vs. the prior year**
- **Adjusted Gross Margin<sup>1</sup> improved by 370 bps and reached 47.5%; 12<sup>th</sup> consecutive quarter of growing gross margin**
- **Adjusted EBITDA<sup>1</sup> \$131 million; more than four times the prior year period**
- **Gross Billings<sup>1</sup> up strong double-digits in each of our four regions**
- **Gross Billings up double-digits in each of our four reported categories**
- **Gross Billings up double-digits in our three power brands: Barbie, Hot Wheels and Fisher-Price and Thomas & Friends; American Girl up double-digits**

**Establishing Mattel as an IP-driven, high-performing toy company**

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

# Q2 2021 CEO Perspective; Cont'd

## Significantly outpaced the industry

- Gross Billings grew double digits for the fourth consecutive quarter
- Total company POS<sup>1</sup> grew double digits for the fourth consecutive quarter
- Global market-share grew for the fourth consecutive quarter, according to NPD<sup>2</sup>
- Consumers returned to in-person shopping experiences
- Minimized disruption of supply chain challenges
- Continue to work closely with our retail partners to meet significant consumer demand for our products
- Another quarter of strong improvement in cash generation; continue to improve our Free Cash Flow Conversion<sup>3</sup>

**Establishing Mattel as an IP-driven, high-performing toy company**

(1) POS: Mattel internal analysis, at wholesale; excludes American Girl

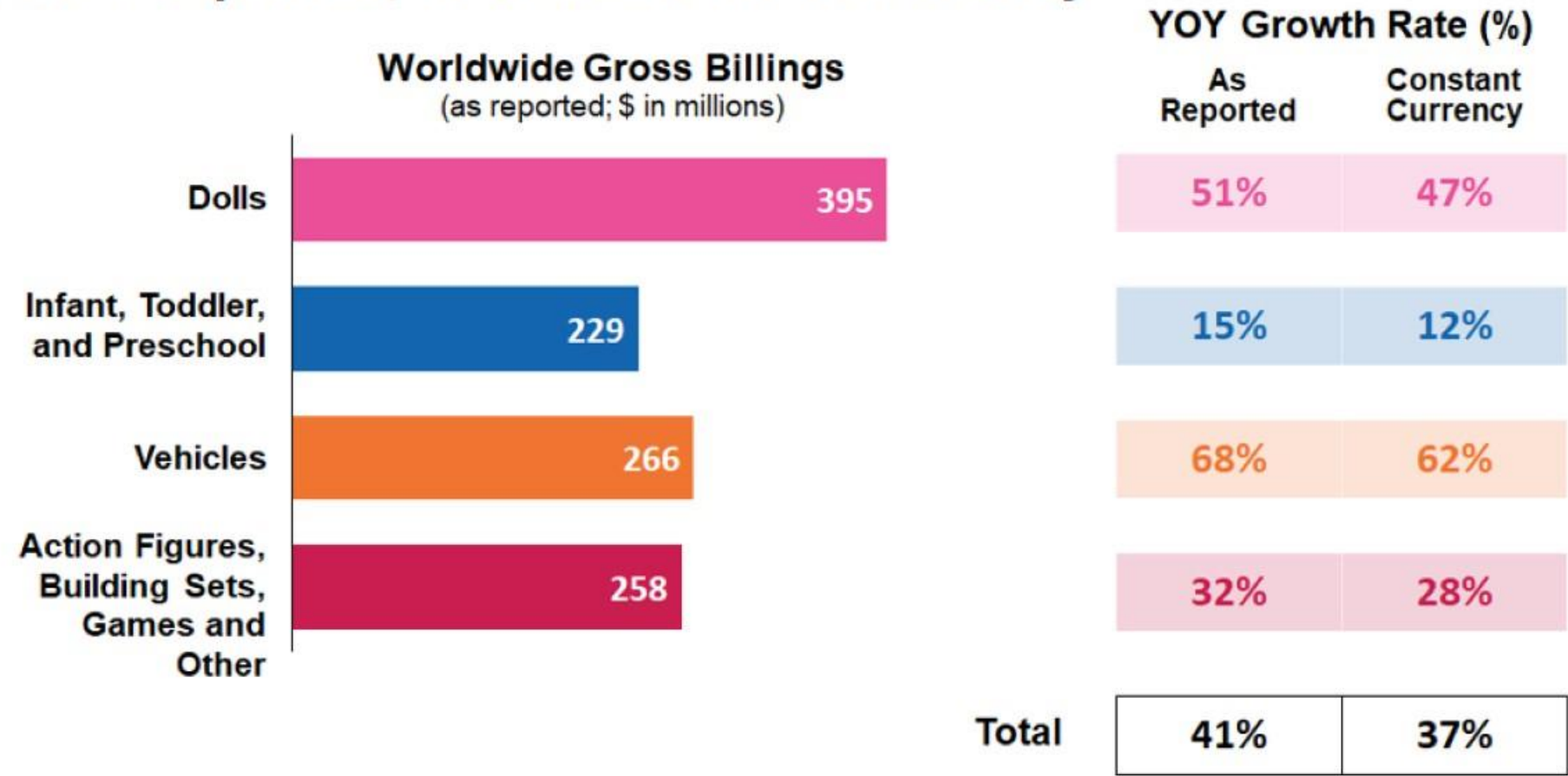
(2) Source: The NPD Group/Retail Tracking Service/G11/JUL 2020 - JUN 2021/Total Toys/Projected USD

(3) Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator.



# Q2 2021 Gross Billings<sup>1</sup> by Categories

Growth of 41% as reported; 37% in constant currency<sup>1</sup>



Executing the Mattel PlayBook across the portfolio



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

## Gross Billings up 47%, with strong growth in Barbie, American Girl, Polly Pocket, and Universal's Spirit

## Dolls POS<sup>2</sup> up double digits

## Barbie up 41%, with POS up double digits

## American Girl up 43%; third consecutive quarter of YOY growth



(1) In Gross Billings, unless otherwise stated. In constant currency. Please see Appendix – Glossary of Non-GAAP Financial Measures & Key Performance Indicator.

(2) POS: Mattel internal analysis, at wholesale, excludes American Girl.

(3) Source: The NPD Group/Retail Tracking Service/G11/JAN - JUN 2021/Dolls Supercategory/Projected USD

# Q2 2021 Category Highlights<sup>1</sup>

## Vehicles

Gross Billings up 62%, benefitting from a return to in-store, impulse shopping

Vehicles POS<sup>2</sup> grew double digits

Hot Wheels up 61%

Achieving great success in the relaunch of Matchbox; strong growth with Disney's CARS



**Hot Wheels continued to build upon strength as the #1 vehicle globally in the second quarter and year-to-date, per NPD<sup>3</sup>**

(1) In Gross Billings, unless otherwise stated. In constant currency. Please see Appendix – Glossary of Non-GAAP Financial Measures & Key Performance Indicator.

(2) POS: Mattel internal analysis, at wholesale.

(3) Source: The NPD Group/Retail Tracking Service/G11/JAN-JUN 2021 & APR-JUN 2021/Vehicles Supercategory/Projected USD

# Q2 2021 Category Highlights<sup>1</sup>

## Infant, Toddler, and Preschool

**Gross Billings up 12%, driven by Fisher-Price and Thomas & Friends**

**Fisher-Price Core up 15%, with POS down low single digits due to high demand last year when families went into quarantine**

**Power Wheels down due to high quarantine-related demand last year**

**Thomas & Friends up 14%**



**Fisher-Price continued to be the #1 ITPS property globally and gained share, per NPD<sup>3</sup>**

(1) In Gross Billings, unless otherwise stated. In constant currency. Please see Appendix – Glossary of Non-GAAP Financial Measures & Key Performance Indicator.

(2) POS: Mattel internal analysis, at wholesale.

(3) Source: The NPD Group/Retail Tracking Service/G11/APR - JUN 2021/Infant Toddler & Preschool Supercategory/Projected USD

# Q2 2021 Category Highlights<sup>1</sup>

## Action Figures, Building Sets, Games, and Other

Gross Billings grew 28%

Action Figures more than doubled, driven by Jurassic World, Masters of the Universe, and WWE

Building Sets up double digits, driven by MEGA Bloks, Pokémon, and Halo

Games down double digits as we lapped high YOY comps

Plush grew double digits, driven by Mattel products tied to Star Wars and an expanding range of other licensed offerings

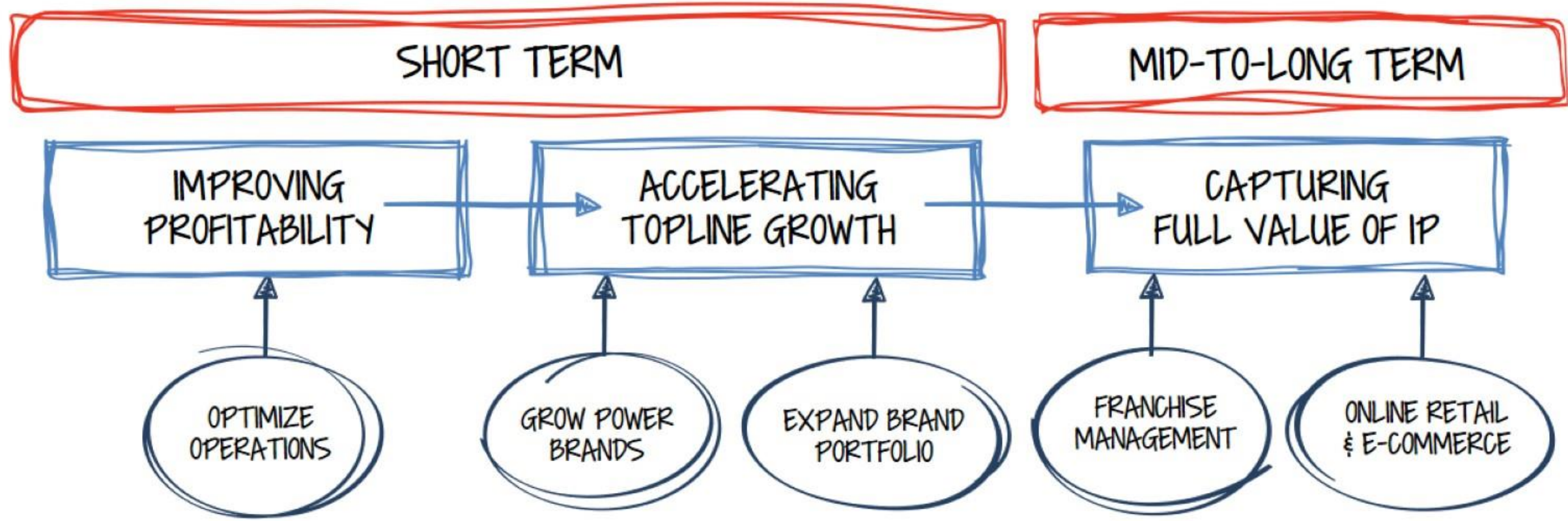


**Mattel grew global share in the Action Figures and Building Sets categories in the second quarter and year-to-date, per NPD<sup>3</sup>**

(1) In Gross Billings, unless otherwise stated. In constant currency. Please see Appendix – Glossary of Non-GAAP Financial Measures & Key Performance Indicator.  
 (2) POS: Mattel internal analysis, at wholesale.  
 (3) Source: The NPD Group/Retail Tracking Service/G11/APR-JUN 2021 and JAN-JUN2021/Action Figures & Accessories and Building Sets Supercategories/Projected USD  
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# Strategy

## Transforming Mattel into an IP-driven, high-performing toy company



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



# Progress on Mid-to-Long Term Strategy

## Capturing the full value of Mattel's IP

Launched first Non-Fungible Tokens, featuring three Hot Wheels NFTs

*Masters of The Universe: Revelation* series released on Netflix last week; *He-Man and the Masters of the Universe* series to premiere in the fall

Barbie's next animated special, *Big City Big Dreams*, will launch on Netflix in September

Polly Pocket live-action motion picture in development, in partnership with MGM

Barbie movie greenlit, with targeted 2023 release date



|                                    |                                    |                            |
|------------------------------------|------------------------------------|----------------------------|
| 13 feature film projects announced | 18 TV shows/specials in production | 24 projects in development |
|------------------------------------|------------------------------------|----------------------------|

Continued progress toward capturing the full value of our IP

# Citizenship / ESG

## Evolving citizenship strategy and goals

Launched several key initiatives:

- **Mattel PlayBack**, a new toy takeback program to recover and reuse materials from old Mattel toys for future Mattel products
- **Barbie Loves the Ocean**, first fashion doll line made from recycled ocean-bound plastic
- **Fisher-Price Safe Start** awareness campaign, engaging and educating parents and caregivers on safety, health, and development of babies and children

Achieved 100% base pay equity for all employees performing similar work globally

Recognized as a 2021 Great Place to Work by the Great Place to Work Institute



**Publishing a new Citizenship Report, including updated ESG strategy and goals**

# CEO Closing

## Strength of the quarter and consistent execution have been comprehensive

Raising full year guidance for net sales growth in constant currency to 12-14%; expect growth in the second half of 2021

Raising full year guidance for adjusted EBITDA to \$875-\$900 million

Well positioned to achieve goals of mid-single digit net sales growth in constant currency in 2022 and in 2023, and an adjusted operating income margin in the mid-teens by 2023

Expect to exceed \$1 billion in adjusted EBITDA in 2022

Toy industry is expected to grow; Euromonitor estimates 5.4% CAGR growth rate over next 5 years<sup>1</sup>

Believe we will outpace the industry and continue to grow our market share

**Establishing Mattel as an IP-driven, high-performing toy company**

(1) Source: Euromonitor Traditional Toys & Games Research 2021, USD current/nominal value, 2020 fixed exchange rate

## Financial Review





# Q2 2021 P&L Highlights

## Continued strong momentum

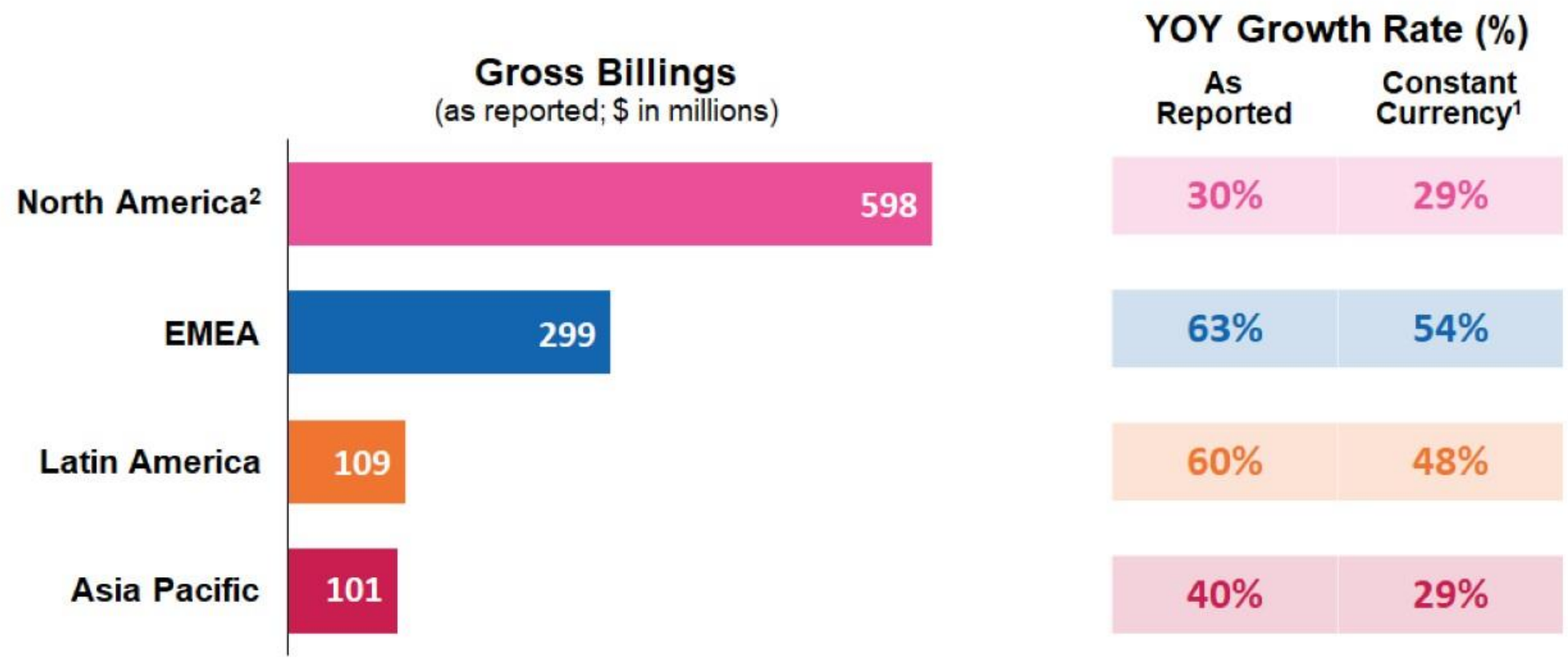
| (\$ in millions, except per share, percentage and bps) <sup>1</sup> | Q2 2021 | YOY Change |
|---------------------------------------------------------------------|---------|------------|
| <b>Net Sales</b>                                                    | 1,026   | ↑ +40%     |
| <b><i>Constant Currency</i><sup>1</sup></b>                         |         | ↑ +36%     |
| <b>Adjusted Gross Margin<sup>1</sup></b>                            | 47.5%   | ↑ +370 bps |
| <b>Adjusted Operating Income<sup>1</sup></b>                        | 67      | ↑ +94      |
| <b>Adjusted EPS<sup>1</sup></b>                                     | 0.03    | ↑ +0.29    |
| <b>Adjusted EBITDA<sup>1</sup></b>                                  | 131     | ↑ +102     |

Another outstanding quarter with results exceeding expectations

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

# Q2 2021 Gross Billings<sup>1</sup> by Region

Strong growth in each of our four regions



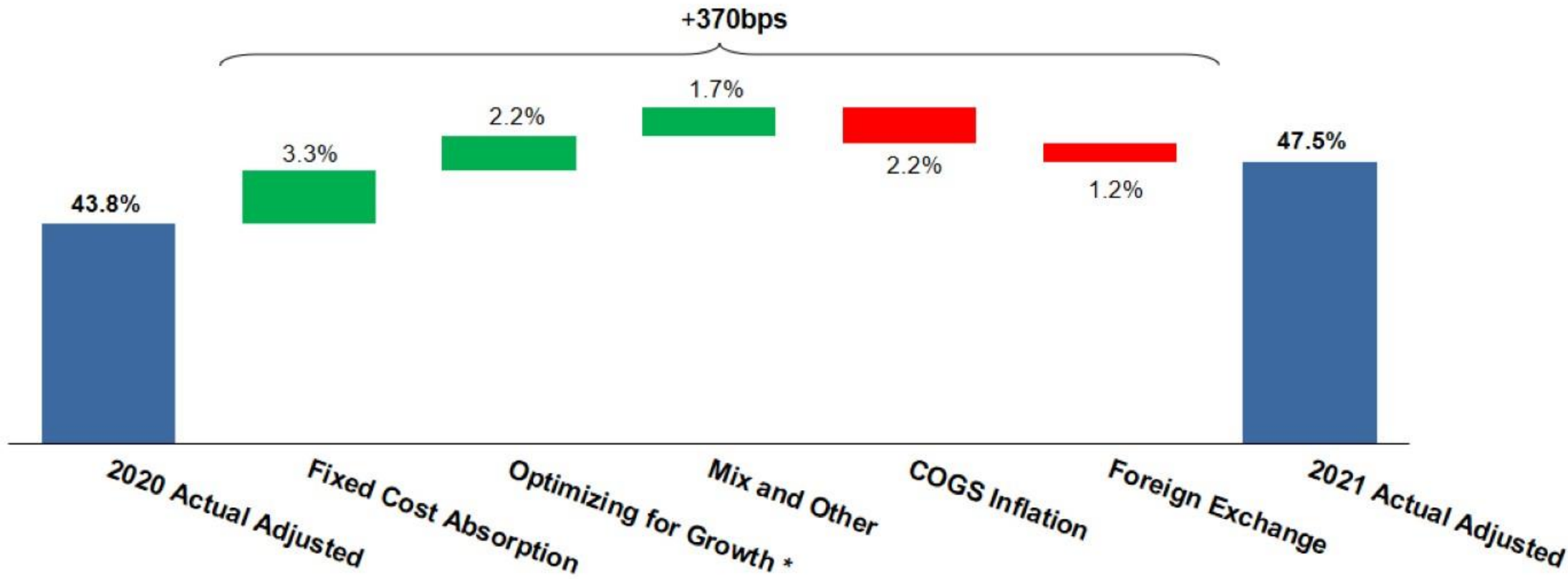
Strong consumer demand across all regions



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 (2) Excludes American Girl.  
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# Q2 2021 Adjusted Gross Margin<sup>1</sup> Comparison

Scale benefit and cost savings more than offset the impact of inflation

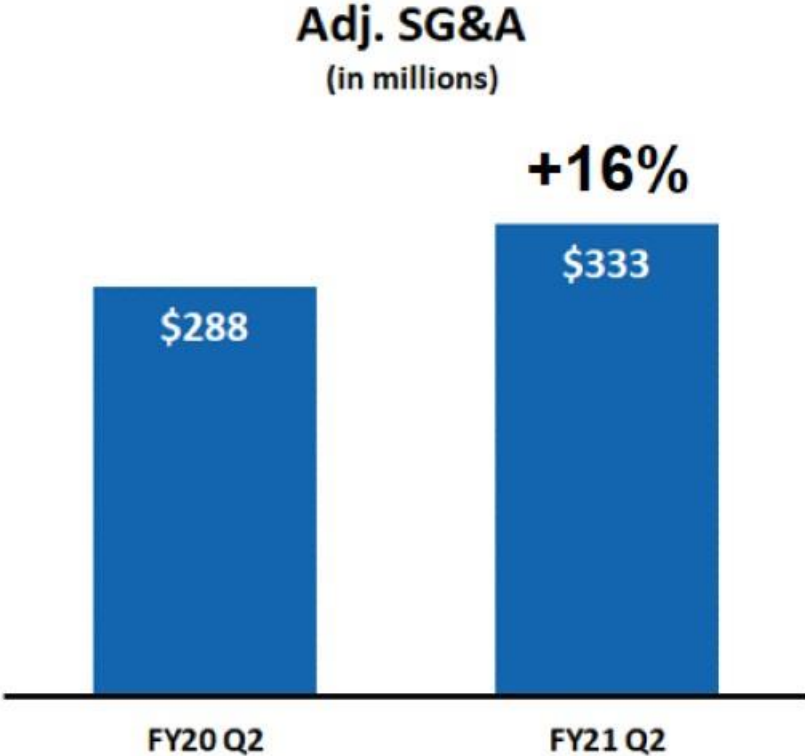
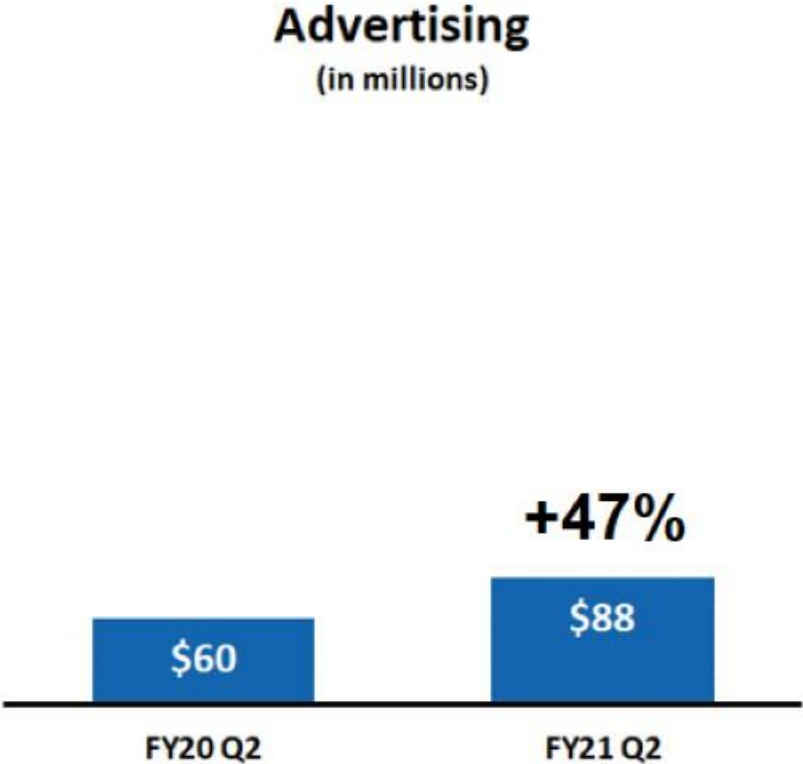


Continuing to improve profitability

(1) Amounts may not foot due to rounding. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator.  
 \* Includes \$21M Optimizing for Growth savings in Gross Margin  
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# Q2 2021 Advertising<sup>1</sup> and Adjusted SG&A<sup>1</sup>

Advertising in-line with revenue; Adjusted SG&A driven by higher incentive comp

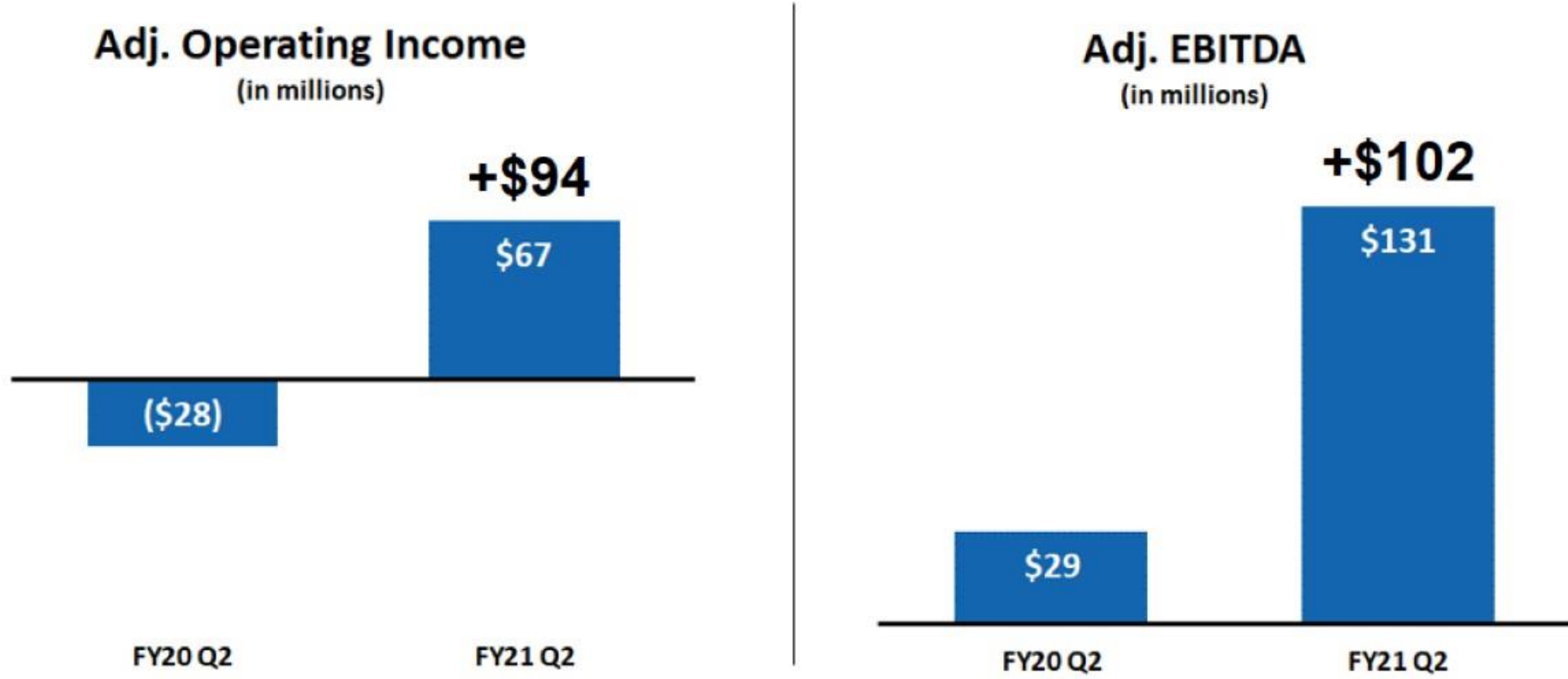


Focus on cost management and Optimizing for Growth program

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

# Q2 2021 Adjusted Operating Income<sup>1</sup> and Adjusted EBITDA<sup>1</sup>

Significant improvement in profitability



Very strong bottom line performance

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# Q2 2021 Cash Flow Results

**Free Cash Flow<sup>1</sup> of \$374 million over the trailing twelve months**

| (\$ in millions) <sup>2</sup>                 | Year-to-Date<br>(as of 6/30) |       | Trailing Twelve Months<br>(as of 6/30) |       |
|-----------------------------------------------|------------------------------|-------|----------------------------------------|-------|
|                                               | 2020                         | 2021  | 2020                                   | 2021  |
| <b>Net (loss) Income</b>                      | (317)                        | (118) | (260)                                  | 322   |
| <b>Depreciation &amp; Amortization</b>        | 102                          | 92    | 222                                    | 184   |
| <b>Share-based compensation</b>               | 23                           | 30    | 55                                     | 67    |
| <b>Other non-cash charges</b>                 | 34                           | 84    | 86                                     | 101   |
| <b>Changes in Working Capital &amp; Other</b> | (308)                        | (330) | 7                                      | (164) |
| <b>Cash from Operations</b>                   | (466)                        | (241) | 110                                    | 510   |
| <b>Capital Expenditures</b>                   | (57)                         | (75)  | (120)                                  | (136) |
| <b>Free Cash Flow</b>                         | (523)                        | (316) | (10)                                   | 374   |



**Meaningful improvement in cash flow generation**

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

(2) Amounts may not foot due to rounding.

# Q2 2021 Free Cash Flow Conversion<sup>1</sup>

## Significant improvement in Free Cash Flow Conversion

| (\$ in millions, except percentages) <sup>1</sup> | Trailing Twelve Months<br>(as of 6/30) |      |
|---------------------------------------------------|----------------------------------------|------|
|                                                   | 2020                                   | 2021 |
| Adjusted EBITDA <sup>1</sup>                      | 391                                    | 961  |
| Free Cash Flow <sup>1</sup>                       | (10)                                   | 374  |
| Free Cash Flow Conversion <sup>2</sup>            | -3%                                    | 39%  |



**Well positioned to continue momentum**

<sup>1</sup>) Amounts may not foot due to rounding. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator.

<sup>2</sup>) Free Cash Flow Conversion is calculated by taking Mattel's Free Cash Flow divided by Adjusted EBITDA.

# Q2 2021 Balance Sheet Highlights

Significant improvement in cash less short-term borrowings and leverage reduction

| (\$ in millions) <sup>1</sup>                                  | Q2 2020 | Q2 2021 |
|----------------------------------------------------------------|---------|---------|
| Cash                                                           | 462     | 385     |
| Short-term Borrowings                                          | 400     | -       |
| Accounts Receivable                                            | 651     | 784     |
| Inventory                                                      | 728     | 818     |
| Leverage Ratio <sup>2</sup> (Debt / Adj. EBITDA <sup>2</sup> ) | 8.4     | 3.0     |



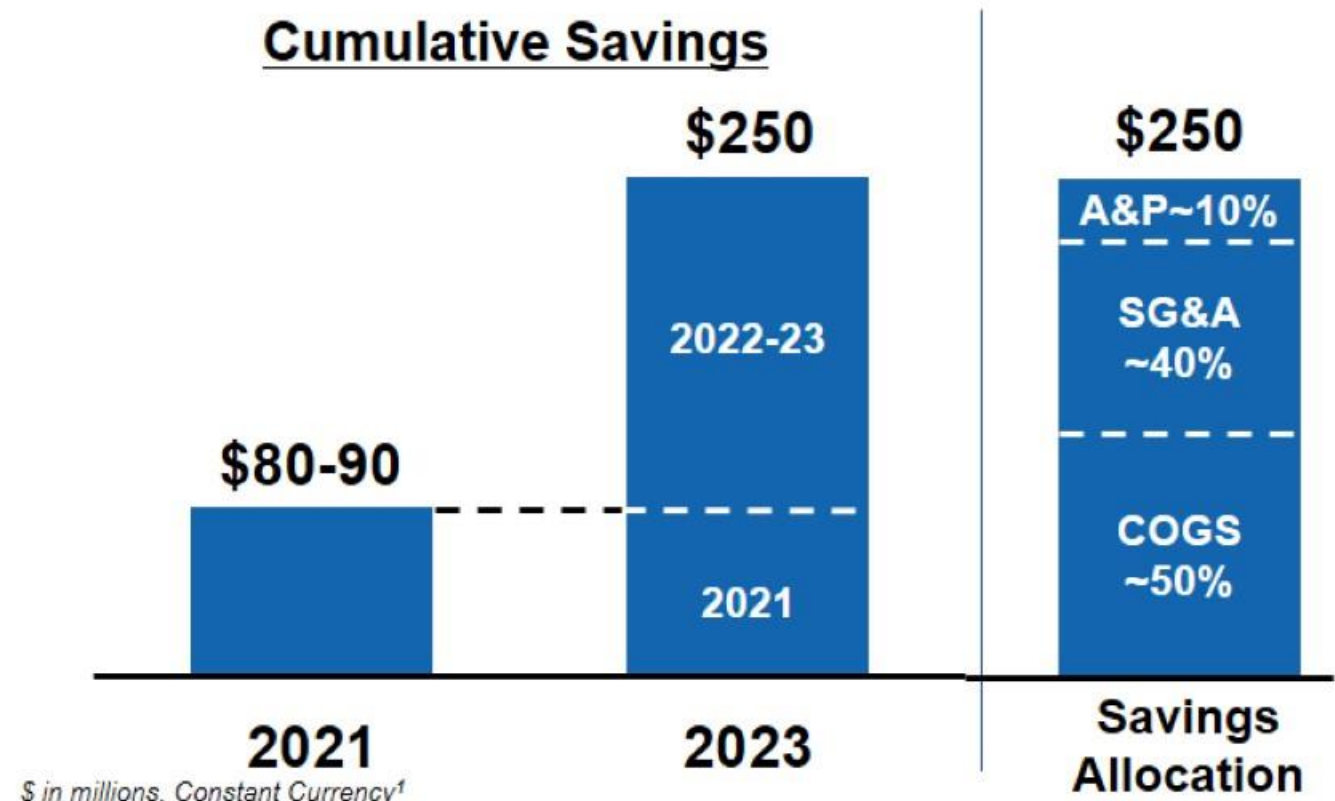
**Redeemed remaining \$275 million of 2025 callable notes in Q3**

(1) Amounts may not foot due to rounding.

(2) Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator.

# Optimizing For Growth Program Update

Optimizing operations and driving greater productivity



- Year-to-date savings of \$49 million
- 2021 expected savings of ~\$80-\$90 million
- Total estimated cash expenditures of \$100-125 million by 2023

**On track to achieve \$250 million of savings by 2023**



(1) Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator.  
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# Revised 2021 Guidance

## Increasing Net Sales and Adjusted EBITDA<sup>1</sup> guidance

| (\$ in millions, except percentages) <sup>1</sup> | FY2020 | Prior FY2021E                    | Revised FY2021E                    |
|---------------------------------------------------|--------|----------------------------------|------------------------------------|
| <b>Net Sales</b>                                  | 4,588  | Up 6 - 8%<br>(Constant currency) | Up 12 - 14%<br>(Constant currency) |
| <b>Adjusted Gross Margin<sup>1</sup></b>          | 49.0%  | 47.6 - 48.1%                     | 47.6 - 48.1%                       |
| <b>Adjusted EBITDA</b>                            | 706    | 800 - 825                        | 875 - 900                          |
| <b>Capital Expenditures</b>                       | 119    | 125 - 150                        | 150 - 175                          |



**Well-positioned to achieve goals of MSD % net sales growth in constant currency in 2022 and in 2023 and Adjusted Operating Income Margin<sup>1</sup> in the mid-teens by 2023**

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

# A Message From Our Chairman and CEO

***“This was another exceptional quarter for Mattel, with outstanding consumer demand for our product. Our strength is foundational and broad-based. We believe we are in the strongest position we have been in many years to improve profitability and accelerate topline growth. This is an exciting time for Mattel. Our overall performance this quarter and comprehensive topline growth is adding momentum to our transformation strategy. We are now firmly in growth mode and establishing Mattel as an IP-driven, high-performing toy company.”***

**- Ynon Kreiz**

# Mattel Q2 2021 Earnings Call



## **IP-Driven** High-Performing Toy Company





## Appendix

# Consolidated Statements of Operations

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT I

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

| (In millions, except per share and percentage information)    | For the Three Months Ended June 30, |             |                   |             |                         |                                     | For the Six Months Ended June 30, |             |                   |             |                         |                                     |
|---------------------------------------------------------------|-------------------------------------|-------------|-------------------|-------------|-------------------------|-------------------------------------|-----------------------------------|-------------|-------------------|-------------|-------------------------|-------------------------------------|
|                                                               | 2021                                |             | 2020 <sup>2</sup> |             | % Change<br>as Reported | % Change<br>in Constant<br>Currency | 2021 <sup>2</sup>                 |             | 2020 <sup>2</sup> |             | % Change<br>as Reported | % Change<br>in Constant<br>Currency |
|                                                               | \$ Amt                              | % Net Sales | \$ Amt            | % Net Sales |                         |                                     | \$ Amt                            | % Net Sales | \$ Amt            | % Net Sales |                         |                                     |
| <b>Net Sales</b>                                              | \$ 1,026.4                          |             | \$ 732.1          |             | 40%                     | 36%                                 | \$ 1,900.6                        |             | \$ 1,326.2        |             | 43%                     | 41%                                 |
| Cost of sales                                                 | 538.4                               | 52.5%       | 413.2             | 56.4%       | 30%                     |                                     | 1,000.7                           | 52.7%       | 747.1             | 56.3%       | 34%                     |                                     |
| <b>Gross Profit</b>                                           | 488.0                               | 47.5%       | 318.9             | 43.6%       | 53%                     | 52%                                 | 899.8                             | 47.3%       | 579.1             | 43.7%       | 55%                     | 58%                                 |
| Advertising and promotion expenses                            | 88.3                                | 8.6%        | 60.2              | 8.2%        | 47%                     |                                     | 162.4                             | 8.5%        | 136.5             | 10.3%       | 19%                     |                                     |
| Other selling and administrative expenses                     | 350.5                               | 34.2%       | 306.8             | 41.9%       | 14%                     |                                     | 654.4                             | 34.4%       | 635.5             | 47.9%       | 3%                      |                                     |
| <b>Operating Income (Loss)</b>                                | 49.1                                | 4.8%        | (48.1)            | -6.6%       | n/m                     | n/m                                 | 83.0                              | 4.4%        | (192.8)           | -14.5%      | n/m                     | n/m                                 |
| Interest expense                                              | 38.1                                | 3.7%        | 49.6              | 6.8%        | -23%                    |                                     | 168.6                             | 8.9%        | 98.6              | 7.4%        | 71%                     |                                     |
| Interest (income)                                             | (0.6)                               | -0.1%       | (1.0)             | -0.1%       | -43%                    |                                     | (1.4)                             | -0.1%       | (3.1)             | -0.2%       | -55%                    |                                     |
| Other non-operating expense (income), net                     | 0.5                                 |             | 2.7               |             |                         |                                     | (0.6)                             |             | 5.7               |             |                         |                                     |
| <b>Income (Loss) Before Income Taxes</b>                      | 11.0                                | 1.1%        | (99.3)            | -13.6%      | n/m                     | n/m                                 | (83.7)                            | -4.4%       | (294.0)           | -22.2%      | -72%                    | -82%                                |
| Provision for income taxes                                    | 20.6                                |             | 12.8              |             |                         |                                     | 40.9                              |             | 24.7              |             |                         |                                     |
| Income from equity method investments                         | 4.1                                 |             | 1.1               |             |                         |                                     | 6.7                               |             | 1.9               |             |                         |                                     |
| <b>Net Loss</b>                                               | \$ (5.5)                            | -0.5%       | \$ (111.1)        | -15.2%      | -95%                    |                                     | \$ (117.9)                        | -6.2%       | \$ (316.8)        | -23.9%      | -63%                    |                                     |
| <b>Net Loss Per Common Share - Basic</b>                      | \$ (0.02)                           |             | \$ (0.32)         |             |                         |                                     | \$ (0.34)                         |             | \$ (0.91)         |             |                         |                                     |
| Weighted-average number of common shares                      | 349.4                               |             | 346.9             |             |                         |                                     | 349.2                             |             | 346.8             |             |                         |                                     |
| <b>Net Loss per Common Share - Diluted</b>                    | \$ (0.02)                           |             | \$ (0.32)         |             |                         |                                     | \$ (0.34)                         |             | \$ (0.91)         |             |                         |                                     |
| Weighted-average number of common and potential common shares | 349.4                               |             | 346.9             |             |                         |                                     | 349.2                             |             | 346.8             |             |                         |                                     |

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

<sup>2</sup> Reflects the impact of immaterial revisions to the financial statements.

n/m - Not meaningful

# Condensed Consolidated Balance Sheets

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT II

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

|                                            | June 30,          |                   | December 31,      |
|--------------------------------------------|-------------------|-------------------|-------------------|
|                                            | 2021 <sup>2</sup> | 2020 <sup>2</sup> | 2020 <sup>2</sup> |
|                                            | (Unaudited)       |                   |                   |
| (In millions)                              |                   |                   |                   |
| Assets                                     |                   |                   |                   |
| Cash and equivalents                       | \$ 384.7          | \$ 461.6          | \$ 762.2          |
| Accounts receivable, net                   | 784.1             | 650.5             | 1,034.0           |
| Inventories                                | 818.0             | 727.9             | 528.5             |
| Prepaid expenses and other current assets  | 187.0             | 174.2             | 172.1             |
| Total current assets                       | 2,173.8           | 2,014.1           | 2,496.7           |
| Property, plant, and equipment, net        | 459.8             | 471.9             | 473.8             |
| Right-of-use assets, net                   | 343.8             | 282.5             | 291.6             |
| Other noncurrent assets                    | 2,263.6           | 2,230.2           | 2,272.8           |
| Total Assets                               | \$ 5,241.1        | \$ 4,998.7        | \$ 5,534.9        |
| Liabilities and Stockholders' Equity       |                   |                   |                   |
| Short-term borrowings                      | \$ 0.2            | \$ 400.0          | \$ 1.0            |
| Accounts payable and accrued liabilities   | 1,086.3           | 944.1             | 1,327.3           |
| Income taxes payable                       | 35.8              | 15.7              | 27.1              |
| Total current liabilities                  | 1,122.4           | 1,359.8           | 1,355.4           |
| Long-term debt                             | 2,839.1           | 2,850.8           | 2,854.7           |
| Noncurrent lease liabilities               | 306.1             | 246.4             | 249.4             |
| Other noncurrent liabilities               | 445.7             | 435.6             | 465.4             |
| Stockholders' equity                       | 527.7             | 106.1             | 610.1             |
| Total Liabilities and Stockholders' Equity | \$ 5,241.1        | \$ 4,998.7        | \$ 5,534.9        |

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

<sup>2</sup> Reflects the impact of immaterial revisions to the financial statements.

# Supplemental Balance Sheet and Cash Flow Data

## MATTEL, INC. AND SUBSIDIARIES

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

#### Key Balance Sheet Data:

Accounts receivable, net days of sales outstanding (DSO)

| June 30, |      |
|----------|------|
| 2021     | 2020 |
| 69       | 80   |

(In millions)

#### Condensed Cash Flow Data:

Cash flows used for operating activities

Cash flows used for investing activities

Cash flows (used for) provided by financing activities and other

Decrease in cash and equivalents

| Six Months Ended June 30, |                   |
|---------------------------|-------------------|
| 2021 <sup>2</sup>         | 2020 <sup>2</sup> |
| \$ (241)                  | \$ (466)          |
| (27)                      | (78)              |
| (109)                     | 375               |
| <u>\$ (377)</u>           | <u>\$ (169)</u>   |

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

<sup>2</sup> Reflects the impact of immaterial revisions to the financial statements.

# Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

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

| (In millions, except per share and percentage information) | For the Three Months Ended June 30, |                   |           | For the Six Months Ended June 30, |                   |           |
|------------------------------------------------------------|-------------------------------------|-------------------|-----------|-----------------------------------|-------------------|-----------|
|                                                            | 2021                                | 2020 <sup>2</sup> | Change    | 2021 <sup>2</sup>                 | 2020 <sup>2</sup> | Change    |
| <b>Gross Profit</b>                                        |                                     |                   |           |                                   |                   |           |
| Gross Profit, As Reported                                  | \$ 488.0                            | \$ 318.9          |           | \$ 899.8                          | \$ 579.1          |           |
| Gross Margin                                               | 47.5%                               | 43.6%             | + 390 bps | 47.3%                             | 43.7%             | + 360 bps |
| Adjustments:                                               |                                     |                   |           |                                   |                   |           |
| Severance and Restructuring Expenses                       | (0.2)                               | 1.4               |           | 1.8                               | 4.5               |           |
| Gross Profit, As Adjusted                                  | \$ 487.9                            | \$ 320.3          |           | \$ 901.6                          | \$ 583.6          |           |
| Adjusted Gross Margin                                      | 47.5%                               | 43.8%             | + 370 bps | 47.4%                             | 44.0%             | + 340 bps |
| <b>Other Selling and Administrative Expenses</b>           |                                     |                   |           |                                   |                   |           |
| Other Selling and Administrative Expenses, As Reported     | \$ 350.5                            | \$ 306.8          | 14%       | \$ 654.4                          | \$ 635.5          | 3%        |
| % of Net Sales                                             | 34.2%                               | 41.9%             |           | 34.4%                             | 47.9%             |           |
| Adjustments:                                               |                                     |                   |           |                                   |                   |           |
| Severance and Restructuring Expenses                       | (10.7)                              | (16.2)            |           | (16.5)                            | (23.8)            |           |
| Inclined Sleeper Product Recalls <sup>3</sup>              | (6.8)                               | (2.9)             |           | (12.1)                            | (9.1)             |           |
| Sale of Assets <sup>4</sup>                                | -                                   | -                 |           | 15.8                              | -                 |           |
| Other Selling and Administrative Expenses, As Adjusted     | \$ 332.9                            | \$ 287.7          | 16%       | \$ 641.6                          | \$ 602.6          | 6%        |
| % of Net Sales                                             | 32.4%                               | 39.3%             |           | 33.8%                             | 45.4%             |           |
| <b>Operating Income (Loss)</b>                             |                                     |                   |           |                                   |                   |           |
| Operating Income (Loss), As Reported                       | \$ 49.1                             | \$ (48.1)         | n/m       | \$ 83.0                           | \$ (192.8)        | n/m       |
| Operating Income (Loss) Margin                             | 4.8%                                | -6.6%             |           | 4.4%                              | -14.5%            |           |
| Adjustments:                                               |                                     |                   |           |                                   |                   |           |
| Severance and Restructuring Expenses                       | 10.6                                | 17.7              |           | 18.2                              | 28.2              |           |
| Inclined Sleeper Product Recalls <sup>3</sup>              | 6.8                                 | 2.9               |           | 12.1                              | 9.1               |           |
| Sale of Assets <sup>4</sup>                                | -                                   | -                 |           | (15.8)                            | -                 |           |
| Operating Income (Loss), As Adjusted                       | \$ 66.5                             | \$ (27.5)         | n/m       | \$ 97.5                           | \$ (155.5)        | n/m       |
| Adjusted Operating Income (Loss) Margin                    | 6.5%                                | -3.8%             |           | 5.1%                              | -11.7%            |           |

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

<sup>2</sup> Reflects the impact of immaterial revisions to the financial statements.

<sup>3</sup> For the three and six months ended June 30, 2021 and 2020, represents expenses related to inclined sleeper product recall litigation.

<sup>4</sup> For the six months ended June 30, 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 (Income), net.  
n/m - Not meaningful

# Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

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

| (In millions, except per share and percentage information) | For the Three Months Ended June 30, |                   |        | For the Six Months Ended June 30, |                   |        |
|------------------------------------------------------------|-------------------------------------|-------------------|--------|-----------------------------------|-------------------|--------|
|                                                            | 2021                                | 2020 <sup>2</sup> | Change | 2021 <sup>2</sup>                 | 2020 <sup>2</sup> | Change |
| <b>Earnings Per Share</b>                                  |                                     |                   |        |                                   |                   |        |
| Net Loss Per Common Share, As Reported                     | \$ (0.02)                           | \$ (0.32)         | -94%   | \$ (0.34)                         | \$ (0.91)         | -63%   |
| Adjustments:                                               |                                     |                   |        |                                   |                   |        |
| Severance and Restructuring Expenses                       | 0.03                                | 0.06              |        | 0.05                              | 0.08              |        |
| Inclined Sleeper Product Recalls <sup>3</sup>              | 0.02                                | 0.01              |        | 0.03                              | 0.03              |        |
| Sale of Assets/Business <sup>4</sup>                       | -                                   | -                 |        | (0.06)                            | -                 |        |
| Loss on Debt Extinguishment                                | -                                   | -                 |        | 0.24                              | -                 |        |
| Tax Effect of Adjustments <sup>5</sup>                     | -                                   | -                 |        | -                                 | (0.01)            |        |
| Net Income (Loss) Per Common Share, As Adjusted            | \$ 0.03                             | \$ (0.28)         | n/m    | \$ (0.06)                         | \$ (0.81)         | -93%   |
| <b>EBITDA and Adjusted EBITDA</b>                          |                                     |                   |        |                                   |                   |        |
| Net Loss, As Reported                                      | \$ (5.5)                            | \$ (111.1)        | -95%   | \$ (117.9)                        | \$ (316.8)        | -63%   |
| Adjustments:                                               |                                     |                   |        |                                   |                   |        |
| Interest Expense                                           | 38.1                                | 49.6              |        | 168.6                             | 98.6              |        |
| Provision for Income Taxes                                 | 20.6                                | 12.8              |        | 40.9                              | 24.7              |        |
| Depreciation                                               | 36.2                                | 38.3              |        | 72.7                              | 82.0              |        |
| Amortization                                               | 9.5                                 | 9.7               |        | 19.1                              | 19.7              |        |
| EBITDA                                                     | 99.0                                | (0.6)             |        | 183.4                             | (91.8)            |        |
| Adjustments:                                               |                                     |                   |        |                                   |                   |        |
| Share-based Compensation                                   | 15.2                                | 9.1               |        | 30.3                              | 23.4              |        |
| Severance and Restructuring Expenses                       | 9.6                                 | 17.5              |        | 16.6                              | 27.8              |        |
| Inclined Sleeper Product Recalls <sup>3</sup>              | 6.8                                 | 2.9               |        | 12.1                              | 9.1               |        |
| Sale of Assets/Business <sup>4</sup>                       | -                                   | -                 |        | (19.7)                            | -                 |        |
| Adjusted EBITDA                                            | \$ 130.6                            | \$ 28.9           | 353%   | \$ 222.7                          | \$ (31.6)         | n/m    |
| <b>Free Cash Flow</b>                                      |                                     |                   |        |                                   |                   |        |
| Net Cash Flows Used for Operating Activities               |                                     |                   |        | \$ (241.4)                        | \$ (465.9)        |        |
| Capital Expenditures                                       |                                     |                   |        | (74.7)                            | (57.4)            |        |
| Free Cash Flow                                             |                                     |                   |        | \$ (316.0)                        | \$ (523.2)        |        |

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

<sup>2</sup> Reflects the impact of immaterial revisions to the financial statements.

<sup>3</sup> For the three and six months ended June 30, 2021 and 2020, represents expenses related to inclined sleeper product recall litigation.

<sup>4</sup> For the six months ended June 30, 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 (Income), net.

<sup>5</sup> 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. Adjustments for the U.S. and certain International affiliates were not tax effected because of the valuation allowance on deferred tax assets.

n/m - Not meaningful

# Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

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

(In millions, except per share and percentage information)

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 (Loss), As Reported

Adjustments:

Interest Expense

Provision for Income Taxes

Depreciation

Amortization

EBITDA

Adjustments:

Share-based Compensation

Severance and Restructuring Expenses

Inclined Sleeper Product Recalls

Sale of Assets/Business

Asset Impairments

Adjusted EBITDA

Debt/ Net Income (Loss)

Leverage Ratio (Debt / Adjusted EBITDA)

Free Cash Flow

Net Cash Flows Provided by Operating Activities

Capital Expenditures

Free Cash Flow

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

| For the Trailing Twelve Months Ended June 30, |                   |        |  |
|-----------------------------------------------|-------------------|--------|--|
| 2021 <sup>2</sup>                             | 2020 <sup>2</sup> | Change |  |
| \$ 2,839.1                                    | \$ 2,850.8        |        |  |
| -                                             | -                 |        |  |
| 0.2                                           | 400.0             |        |  |
| 35.9                                          | 49.2              |        |  |
| \$ 2,875.2                                    | \$ 3,300.0        |        |  |
| \$ 322.5                                      | \$ (259.5)        | n/m    |  |
| 268.4                                         | 206.4             |        |  |
| 81.8                                          | 68.2              |        |  |
| 145.3                                         | 182.8             |        |  |
| 38.3                                          | 39.4              |        |  |
| 856.2                                         | 237.4             |        |  |
| 67.0                                          | 55.1              |        |  |
| 28.0                                          | 56.6              |        |  |
| 29.2                                          | 16.1              |        |  |
| (19.7)                                        | -                 |        |  |
| -                                             | 25.9              |        |  |
| \$ 960.8                                      | \$ 391.0          | 146%   |  |
| 8.9x                                          | (12.7)x           |        |  |
| 3.0x                                          | 8.4x              |        |  |
| \$ 510.2                                      | \$ 110.5          | 362%   |  |
| (136.1)                                       | (120.4)           |        |  |
| \$ 374.1                                      | \$ (9.9)          | n/m    |  |
| 39%                                           | -3%               |        |  |

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

<sup>2</sup> Reflects the impact of immaterial revisions to the financial statements.

n/m - Not meaningful

# Supplemental Key Performance Indicator

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT IV

## WORLDWIDE GROSS BILLING \$<sup>1</sup> (Unaudited)<sup>3</sup> SUPPLEMENTAL KEY PERFORMANCE INDICATOR

| (In millions, except percentage information)    | For the Three Months Ended June 30, |          |                         |                                     | For the Six Months Ended June 30, |            |                         |                                     |
|-------------------------------------------------|-------------------------------------|----------|-------------------------|-------------------------------------|-----------------------------------|------------|-------------------------|-------------------------------------|
|                                                 | 2021                                | 2020     | % Change<br>as Reported | % Change in<br>Constant<br>Currency | 2021                              | 2020       | % Change<br>as Reported | % Change in<br>Constant<br>Currency |
| <b>Worldwide Gross Billings:</b>                |                                     |          |                         |                                     |                                   |            |                         |                                     |
| Net Sales                                       | \$ 1,026.4                          | \$ 732.1 | 40%                     | 36%                                 | \$ 1,900.6                        | \$ 1,326.2 | 43%                     | 41%                                 |
| Sales Adjustments <sup>2</sup>                  | 122.2                               | 82.4     |                         |                                     | 227.0                             | 158.3      |                         |                                     |
| Gross Billings                                  | \$ 1,148.6                          | \$ 814.6 | 41%                     | 37%                                 | \$ 2,127.6                        | \$ 1,484.5 | 43%                     | 40%                                 |
| <b>Worldwide Gross Billings by Categories:</b>  |                                     |          |                         |                                     |                                   |            |                         |                                     |
| Dolls                                           | \$ 394.7                            | \$ 261.0 | 51%                     | 47%                                 | \$ 776.0                          | \$ 486.9   | 59%                     | 57%                                 |
| Infant, Toddler and Preschool                   | 229.4                               | 199.8    | 15                      | 12                                  | 412.5                             | 340.1      | 21                      | 19                                  |
| Vehicles                                        | 266.3                               | 158.7    | 68                      | 62                                  | 481.7                             | 344.3      | 40                      | 37                                  |
| Action Figures, Building Sets, Games, and Other | 258.2                               | 195.0    | 32                      | 28                                  | 457.3                             | 313.2      | 46                      | 42                                  |
| Gross Billings                                  | \$ 1,148.6                          | \$ 814.6 | 41%                     | 37%                                 | \$ 2,127.6                        | \$ 1,484.5 | 43%                     | 40%                                 |

### Supplemental Gross Billings Disclosure

#### Worldwide Gross Billings by Top 3 Power Brands:

|                                   |            |          |     |     |            |            |     |     |
|-----------------------------------|------------|----------|-----|-----|------------|------------|-----|-----|
| Barbie                            | \$ 291.3   | \$ 199.3 | 46% | 41% | \$ 567.5   | \$ 346.8   | 64% | 60% |
| Hot Wheels                        | 227.4      | 136.5    | 67  | 61  | 412.0      | 295.1      | 40  | 37  |
| Fisher-Price and Thomas & Friends | 207.8      | 176.3    | 18  | 15  | 379.3      | 305.0      | 24  | 22  |
| Other                             | 422.2      | 302.5    | 40  | 35  | 768.7      | 537.6      | 43  | 40  |
| Gross Billings                    | \$ 1,148.6 | \$ 814.6 | 41% | 37% | \$ 2,127.6 | \$ 1,484.5 | 43% | 40% |

<sup>1</sup> 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.

<sup>2</sup> Sales Adjustments are not allocated to individual products. As such, Net Sales are not presented on a categories or brand level.

<sup>3</sup> Amounts may not sum due to rounding.

# Supplemental Key Performance Indicator

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT V

## GROSS BILLINGS<sup>1</sup> BY SEGMENT (Unaudited)<sup>3</sup> SUPPLEMENTAL KEY PERFORMANCE INDICATOR

| (In millions, except percentage information)                      | For the Three Months Ended June 30, |                 |                         |                                     | For the Six Months Ended June 30, |                 |                         |                                     |
|-------------------------------------------------------------------|-------------------------------------|-----------------|-------------------------|-------------------------------------|-----------------------------------|-----------------|-------------------------|-------------------------------------|
|                                                                   | 2021                                | 2020            | % Change<br>as Reported | % Change in<br>Constant<br>Currency | 2021                              | 2020            | % Change<br>as Reported | % Change in<br>Constant<br>Currency |
| <b><u>North America Segment Gross Billings:</u></b>               |                                     |                 |                         |                                     |                                   |                 |                         |                                     |
| Net Sales                                                         | \$ 560.8                            | \$ 432.9        | 30%                     | 29%                                 | \$ 1,040.5                        | \$ 720.4        | 44%                     | 44%                                 |
| Sales Adjustments <sup>2</sup>                                    | 37.0                                | 28.7            |                         |                                     | 69.1                              | 46.9            |                         |                                     |
| Gross Billings                                                    | <u>\$ 597.9</u>                     | <u>\$ 461.5</u> | 30%                     | 29%                                 | <u>\$ 1,109.6</u>                 | <u>\$ 767.3</u> | 45%                     | 44%                                 |
| <b><u>North America Gross Billings by Categories:</u></b>         |                                     |                 |                         |                                     |                                   |                 |                         |                                     |
| Dolls                                                             | \$ 172.6                            | \$ 121.2        | 42%                     | 42%                                 | \$ 348.8                          | \$ 195.1        | 79%                     | 78%                                 |
| Infant, Toddler and Preschool                                     | 139.9                               | 132.4           | 6                       | 5                                   | 248.4                             | 208.9           | 19                      | 18                                  |
| Vehicles                                                          | 131.3                               | 77.8            | 69                      | 68                                  | 241.2                             | 166.5           | 45                      | 44                                  |
| Action Figures, Building Sets, Games, and Other                   | 154.1                               | 130.2           | 18                      | 18                                  | 271.3                             | 196.7           | 38                      | 37                                  |
| Gross Billings                                                    | <u>\$ 597.9</u>                     | <u>\$ 461.5</u> | 30%                     | 29%                                 | <u>\$ 1,109.6</u>                 | <u>\$ 767.3</u> | 45%                     | 44%                                 |
| <b><u>Supplemental Gross Billings Disclosure</u></b>              |                                     |                 |                         |                                     |                                   |                 |                         |                                     |
| <b><u>North America Gross Billings by Top 3 Power Brands:</u></b> |                                     |                 |                         |                                     |                                   |                 |                         |                                     |
| Barbie                                                            | \$ 151.4                            | \$ 112.3        | 35%                     | 34%                                 | \$ 308.3                          | \$ 180.1        | 71%                     | 71%                                 |
| Hot Wheels                                                        | 109.7                               | 66.2            | 66                      | 65                                  | 202.4                             | 140.3           | 44                      | 44                                  |
| Fisher-Price and Thomas & Friends                                 | 122.9                               | 111.7           | 10                      | 9                                   | 223.7                             | 181.6           | 23                      | 23                                  |
| Other                                                             | 213.9                               | 171.4           | 25                      | 24                                  | 375.2                             | 265.3           | 41                      | 41                                  |
| Gross Billings                                                    | <u>\$ 597.9</u>                     | <u>\$ 461.5</u> | 30%                     | 29%                                 | <u>\$ 1,109.6</u>                 | <u>\$ 767.3</u> | 45%                     | 44%                                 |

<sup>1</sup> 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.

<sup>2</sup> Sales Adjustments are not allocated to individual products. As such, Net Sales are not presented on a categories or brand level.

<sup>3</sup> Amounts may not sum due to rounding.

# Supplemental Key Performance Indicator

MATTEL INC. AND SUBSIDIARIES

EXHIBIT VI

GROSS BILLING \$<sup>1</sup> BY SEGMENT (Unaudited)<sup>2</sup>  
SUPPLEMENTAL KEY PERFORMANCE INDICATOR

| (In millions, except percentage information)               | For the Three Months Ended June 30, |                 |                      |                               | For the Six Months Ended June 30, |                 |                      |                               |
|------------------------------------------------------------|-------------------------------------|-----------------|----------------------|-------------------------------|-----------------------------------|-----------------|----------------------|-------------------------------|
|                                                            | 2021                                | 2020            | % Change as Reported | % Change in Constant Currency | 2021                              | 2020            | % Change as Reported | % Change in Constant Currency |
| <b>International Segment Gross Billings:</b>               |                                     |                 |                      |                               |                                   |                 |                      |                               |
| Net Sales                                                  | \$ 424.9                            | \$ 271.1        | 57%                  | 47%                           | \$ 774.3                          | \$ 540.4        | 43%                  | 37%                           |
| Sales Adjustments <sup>2</sup>                             | 84.3                                | 52.9            |                      |                               | 155.9                             | 109.6           |                      |                               |
| Gross Billings                                             | <u>\$ 509.2</u>                     | <u>\$ 323.9</u> | 57%                  | 47%                           | <u>\$ 930.2</u>                   | <u>\$ 650.1</u> | 43%                  | 37%                           |
| <b>International Gross Billings by Geographic Area:</b>    |                                     |                 |                      |                               |                                   |                 |                      |                               |
| <b>EMEA</b>                                                |                                     |                 |                      |                               |                                   |                 |                      |                               |
| Net Sales                                                  | \$ 246.8                            | \$ 151.9        | 62%                  | 53%                           | \$ 485.0                          | \$ 325.3        | 49%                  | 43%                           |
| Sales Adjustments <sup>2</sup>                             | 52.7                                | 32.1            |                      |                               | 105.5                             | 74.0            |                      |                               |
| Gross Billings                                             | <u>\$ 299.5</u>                     | <u>\$ 184.0</u> | 63%                  | 54%                           | <u>\$ 590.5</u>                   | <u>\$ 399.3</u> | 48%                  | 42%                           |
| <b>Latin America</b>                                       |                                     |                 |                      |                               |                                   |                 |                      |                               |
| Net Sales                                                  | \$ 92.5                             | \$ 57.7         | 60%                  | 48%                           | \$ 148.8                          | \$ 109.0        | 36%                  | 34%                           |
| Sales Adjustments <sup>2</sup>                             | 16.0                                | 10.0            |                      |                               | 25.4                              | 18.4            |                      |                               |
| Gross Billings                                             | <u>\$ 108.5</u>                     | <u>\$ 67.7</u>  | 60%                  | 48%                           | <u>\$ 174.2</u>                   | <u>\$ 127.4</u> | 37%                  | 34%                           |
| <b>Asia Pacific</b>                                        |                                     |                 |                      |                               |                                   |                 |                      |                               |
| Net Sales                                                  | \$ 85.6                             | \$ 61.4         | 39%                  | 29%                           | \$ 140.5                          | \$ 106.2        | 32%                  | 23%                           |
| Sales Adjustments <sup>2</sup>                             | 15.6                                | 10.8            |                      |                               | 25.0                              | 17.3            |                      |                               |
| Gross Billings                                             | <u>\$ 101.3</u>                     | <u>\$ 72.2</u>  | 40%                  | 29%                           | <u>\$ 165.5</u>                   | <u>\$ 123.4</u> | 34%                  | 24%                           |
| <b>International Gross Billings by Categories:</b>         |                                     |                 |                      |                               |                                   |                 |                      |                               |
| Dolls                                                      | \$ 180.7                            | \$ 110.8        | 63%                  | 53%                           | \$ 339.4                          | \$ 224.7        | 51%                  | 45%                           |
| Infant, Toddler and Preschool                              | 89.5                                | 67.4            | 33                   | 24                            | 164.1                             | 131.2           | 25                   | 19                            |
| Vehicles                                                   | 135.0                               | 80.9            | 67                   | 56                            | 240.5                             | 177.8           | 35                   | 30                            |
| Action Figures, Building Sets, Games, and Other            | 104.1                               | 64.8            | 61                   | 49                            | 186.1                             | 116.4           | 60                   | 51                            |
| Gross Billings                                             | <u>\$ 509.2</u>                     | <u>\$ 323.9</u> | 57%                  | 47%                           | <u>\$ 930.2</u>                   | <u>\$ 650.1</u> | 43%                  | 37%                           |
| <b>Supplemental Gross Billings Disclosure</b>              |                                     |                 |                      |                               |                                   |                 |                      |                               |
| <b>International Gross Billings by Top 3 Power Brands:</b> |                                     |                 |                      |                               |                                   |                 |                      |                               |
| Barbie                                                     | \$ 139.9                            | \$ 87.0         | 61%                  | 50%                           | \$ 259.2                          | \$ 166.7        | 55%                  | 49%                           |
| Hot Wheels                                                 | 117.7                               | 70.3            | 67                   | 57                            | 209.6                             | 154.8           | 35                   | 31                            |
| Fisher-Price and Thomas & Friends                          | 84.9                                | 64.6            | 31                   | 23                            | 155.6                             | 123.4           | 26                   | 21                            |
| Other                                                      | 166.8                               | 102.1           | 63                   | 52                            | 305.8                             | 205.2           | 49                   | 42                            |
| Gross Billings                                             | <u>\$ 509.2</u>                     | <u>\$ 323.9</u> | 57%                  | 47%                           | <u>\$ 930.2</u>                   | <u>\$ 650.1</u> | 43%                  | 37%                           |

<sup>1</sup> 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.

<sup>2</sup> Sales Adjustments are not allocated to individual products. As such, Net Sales are not presented on a categories or brand level.

<sup>3</sup> Amounts may not sum due to rounding.

# Supplemental Key Performance Indicator

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT VII

## GROSS BILLINGS<sup>1</sup> BY SEGMENT (Unaudited)<sup>3</sup> SUPPLEMENTAL KEY PERFORMANCE INDICATOR

| (In millions, except percentage information)        | For the Three Months Ended June 30, |                |                      |                               | For the Six Months Ended June 30, |                |                      |                               |
|-----------------------------------------------------|-------------------------------------|----------------|----------------------|-------------------------------|-----------------------------------|----------------|----------------------|-------------------------------|
|                                                     | 2021                                | 2020           | % Change as Reported | % Change in Constant Currency | 2021                              | 2020           | % Change as Reported | % Change in Constant Currency |
| <b><u>American Girl Segment Gross Billings:</u></b> |                                     |                |                      |                               |                                   |                |                      |                               |
| Net Sales                                           | \$ 40.6                             | \$ 28.2        | 44%                  | 44%                           | \$ 85.8                           | \$ 65.3        | 31%                  | 31%                           |
| Sales Adjustments <sup>2</sup>                      | 0.8                                 | 0.9            |                      |                               | 2.0                               | 1.8            |                      |                               |
| Gross Billings                                      | <u>\$ 41.5</u>                      | <u>\$ 29.1</u> | 43%                  | 43%                           | <u>\$ 87.8</u>                    | <u>\$ 67.2</u> | 31%                  | 31%                           |

<sup>1</sup> 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.

<sup>2</sup> Sales Adjustments are not allocated to individual products.

<sup>3</sup> Amounts may not sum due to rounding.

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

## NON-GAAP FINANCIAL MEASURES

To supplement our financial results presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Mattel presents certain non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. The non-GAAP financial measures that Mattel uses in this earnings release 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, 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, and loss on debt extinguishment, 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, adjusting for certain discrete tax items, 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.

# 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.

### 2021 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 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.