



Fourth Quarter 2021 Earnings

(Unaudited Results)

February 9, 2022



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 and adapt to evolving workplace models; (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) Mattel’s ability to navigate regulatory frameworks in connection with new areas of investment, product development, or other business activities, such as non-fungible tokens and cryptocurrency; (xxi) uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark; and (xxii) 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 (Free Cash Flow/Adjusted EBITDA), Leverage Ratio (Debt/Adjusted EBITDA) and constant currency. Mattel uses these measures to analyze its continuing operations and to monitor, assess and identify meaningful trends in its operating and financial performance, and each is discussed below. Mattel believes that the disclosure of non-GAAP financial measures provides useful supplemental information to investors to be able to better evaluate ongoing business performance and certain components of Mattel’s results. These measures are not, and should not be viewed as, substitutes for GAAP financial measures and may not be comparable to similarly-titled measures used by other companies. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are attached to 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 and digital experiences, 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.



Q4 and FY 2021 CEO Perspective

Results well ahead of expectations, capping another extraordinary year

- **Fourth Quarter**

- Net Sales up 10% as reported, and 11% in constant currency¹; 6th consecutive quarter of Y/Y growth
- Adjusted EBITDA¹ was \$321M, up \$48M from the prior year period
- Adjusted EPS¹ improved \$0.13 to \$0.53

- **Full Year**

- Net Sales up 19% as reported, and 18% in constant currency; highest annual growth rate in decades
- Adjusted EBITDA was \$1,007M, an increase of 43%
- Adjusted EPS increased 141% to \$1.30
- Adjusted Operating Income Margin¹ improved from 9.6% to 14%
- Free Cash Flow¹ doubled and Leverage Ratio^{1,2} improved to 2.6

Full year performance was broad-based, with growth in constant currency in six of seven categories, in each of our three power brands and American Girl, and in three of four regions

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

(2) Includes Short-term Borrowings and Long-term Debt

Q4 and FY 2021 CEO Perspective; continued

Turnaround is complete; we are in growth mode

- Per NPD¹:
 - Mattel outpaced the industry and gained share globally for the 2nd consecutive year
 - Mattel gained share in every measured market this year
 - In Q4, Mattel was the #1 toy company globally, with three of the top seven properties
 - 6th consecutive quarter of share gain
- POS² continued to be positive in Q4, up low-single digit; up low-double digits for the year
- Retail returned to a more balanced omni-channel environment, with e-commerce stabilizing; e-commerce POS up 2% in Q4 and up 6% for the full year, representing 31% of all POS
- Our products continued to resonate with consumers at levels we have not seen in years

Mattel is operating as an IP-driven, high-performing toy company

(1) Source: The NPD Group/Retail Tracking Service/G12/JAN 2020 - DEC 2021, OCT-DEC 2021/Total Toys/Projected USD

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

Disney Princess and Frozen Franchises

Multi-year global licensing agreement builds on existing licensing relationship

Global licensing rights to develop lines of toys, including fashion dolls, small dolls, and figures, for the Disney Princess and Frozen franchises and rights to the upcoming live action film, *The Little Mermaid*

Collection is expected to launch at retailers around the globe at the beginning of 2023

Return to our portfolio is fitting recognition of our strength and capabilities

Adds another growth driver to our portfolio



Adds to our formidable line-up of evergreen properties from Microsoft, Nickelodeon, Nintendo, Universal, Warner Brothers, WWE, as well as Disney



Q4 and FY 2021 Gross Billings¹ by Categories

Q4 up 9% as reported; FY up 18% as reported

Q4 Worldwide Gross Billings (as reported; in millions)		Q4 Growth Rate (%)		FY Growth Rate (%)	
		As Reported	Constant Currency ¹	As Reported	Constant Currency
Dolls	\$804	13%	14%	22%	21%
Infant, Toddler, and Preschool	\$401	-1%	-1%	6%	5%
Vehicles	\$381	-4%	-3%	13%	12%
Action Figures, Building Sets, Games and Other	\$405	25%	26%	32%	31%
Total		9%	9%	18%	17%

Portfolio strategy is delivering growth overall



(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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Q4 and FY 2021 Category Highlights¹

Dolls

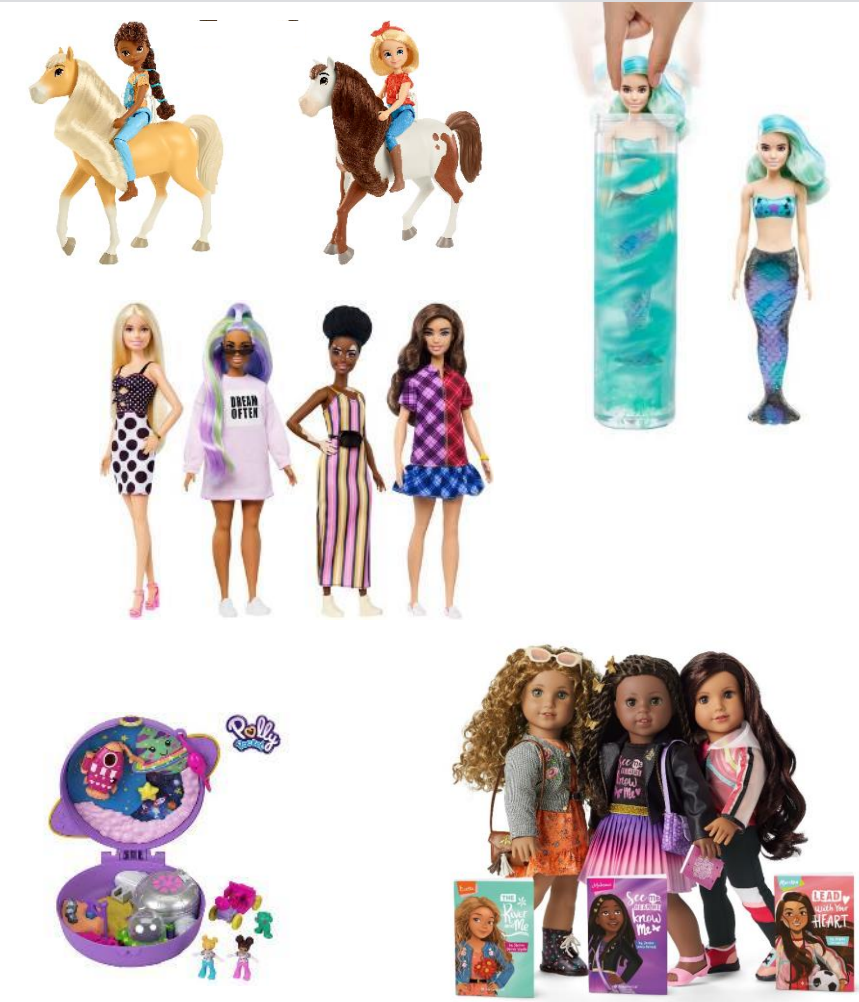
Gross Billings up 14% in Q4, led by Barbie, Universal’s Spirit, Polly Pocket, and Enchantimals; POS² up low-single digit

Gross Billings up 21% for the full year

Barbie up 19% in Q4; POS up low-single digit

Barbie up 24% for the full year, the highest on record

American Girl down 6% in Q4; up 4% for the full year



Barbie was the #1 overall toy property globally in both Q4 and FY, for the 2nd consecutive year, per NPD³

(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/G12/OCT-DEC 2020, OCT-DEC 2021, JAN 2020 - DEC 2021/Total Toys/Projected USD
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Q4 and FY 2021 Category Highlights¹

Vehicles

Gross Billings down 3% in Q4; POS² up low-single digit

Gross Billings up 12% for the full year

Hot Wheels down 5% in Q4; POS up low-single digit;
Gross Billings up 11% for the full year

Hot Wheels achieved its 4th consecutive record year and surpassed \$1 billion in Gross Billings for the 1st time



Hot Wheels remained #1 Vehicles property globally in both Q4 and FY, and Hot Wheels Singles 1:64 Assortment was the #1 selling toy globally in 2021, per NPD³

(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/G12 & G13/OCT-DEC 2021 & JAN 2020-DEC 2021/Vehicles Supercategory & Total Toys/Projected USD
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Q4 and FY 2021 Category Highlights¹

Infant, Toddler, and Preschool

Gross Billings down 1% in Q4, in line with POS²

Gross Billings up 5% for the full year

Fisher-Price Core Gross Billings down 2% in Q4, in line with POS; Gross Billings up 5% for the full year

Thomas Gross Billings up 7% in Q4; Up 4% for the full year



Fisher-Price was again the #1 Infant, Toddler, and Preschool property globally for the 4th consecutive year, per NPD³

(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/US & G12/JAN 2018-DEC 2021/Infant Toddler & Preschool Supercategory/Projected USD
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Q4 and FY 2021 Category Highlights¹

Action Figures, Building Sets, Games, and Other

Gross Billings up 26% in Q4, led by exceptional growth in Action Figures and gains in Other; POS up low-double digits

- Action Figures up 53%, led by Jurassic World and MOTU
- Building Sets ~ flat
- Games up 7%
- Other, including Plush, up 68%

Challenger category up 31% for the full year

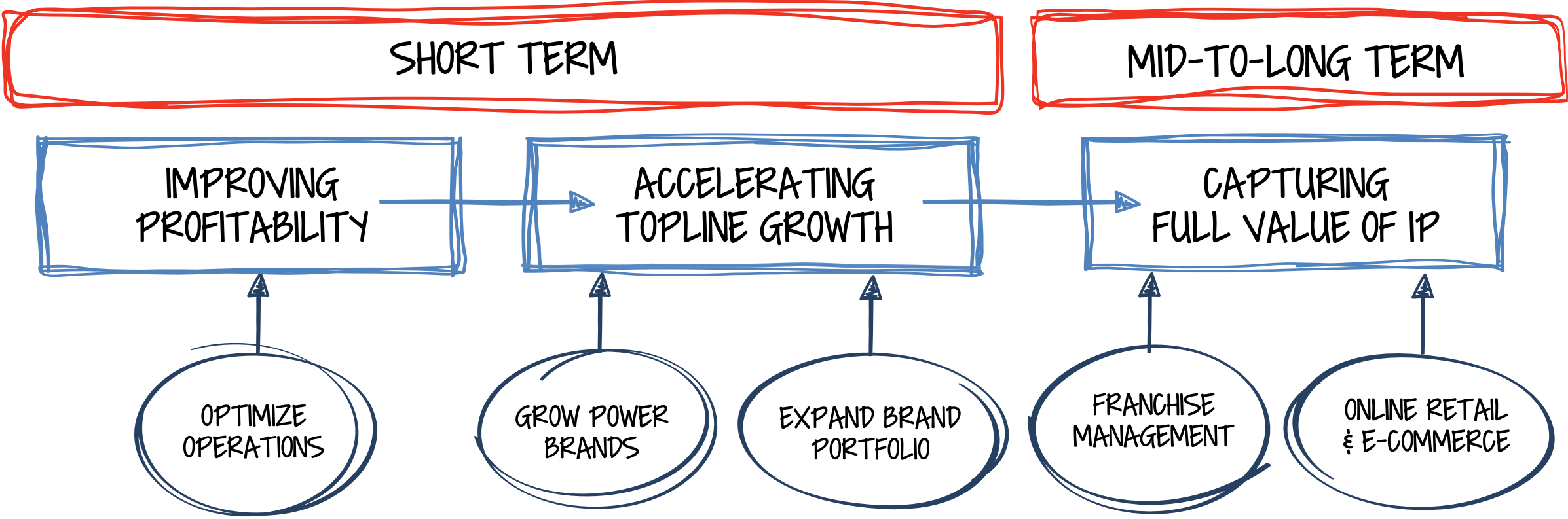


Mattel was the #2 global toy company within Action Figures and Building Sets, in both Q4 and FY, per NPD²

(1) In Gross Billings, unless otherwise stated. In constant currency. Please see Appendix – Glossary of Non-GAAP Financial Measures & Key Performance Indicator
(2) Source: The NPD Group/Retail Tracking Service/G12/OCT-DEC 2021, JAN-DEC 2021/Action Figures & Accessories, 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



Barbie and Masters of the Universe Theatricals

Projects moving into production this year

Two Mattel Films projects move into production this year

Barbie in pre-production, with principal photography starting next month

Masters of the Universe live-action motion picture in development with Netflix; expected to start production this summer

The Barbie logo, featuring the word "Barbie" in a pink, cursive script font.



WARNER BROS.



The Netflix logo, which is the word "NETFLIX" in a bold, red, sans-serif font.

Making Progress in Capturing the Full Value of Our IP

2022 Guidance and 2023 Goals

Performance reinforces growth trajectory

- **2022 Guidance:**
 - Net Sales to grow 8%-10% in constant currency¹
 - Adjusted EBITDA¹ of \$1.1-\$1.125B
 - Adjusted EPS¹ of \$1.42-\$1.48
- **2023 Goals:**
 - Net Sales to grow high-single digit % in constant currency
 - Adjusted Operating Income Margin¹ of approximately 16%-17% of Net Sales
 - Adjusted EPS to exceed \$1.90



Well-positioned to continue our strong momentum

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

CEO Closing

2021 results cap another year of exceptional performance

Organization performed exceptionally well and overcame multiple challenges

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

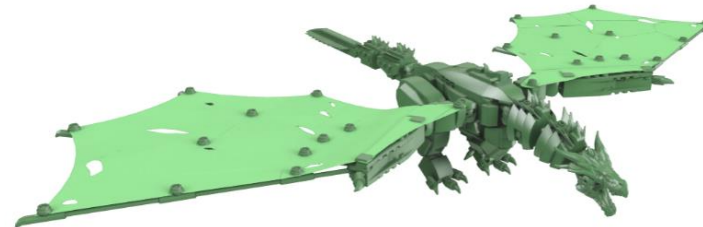
Made significant progress over the last few years on transformation strategy

Well positioned to continue our growth momentum; guiding to higher growth in 2022 and setting higher goals for 2023



Our turnaround is complete; Mattel is in growth mode

Financial Review





Q4 and FY 2021 P&L Highlights

Another strong quarter and outstanding full year results

(in millions, except per share, percentage and bps) ¹	Q4 2021	YOY Change	FY 2021	YOY Change
Net Sales <i>Constant Currency</i> ¹	\$1,795	10% 11%	\$5,458	19% 18%
Adjusted Gross Margin ¹	49.3%	-220 bps	48.2%	-80 bps
Adjusted Operating Income ¹	\$264	+\$64	\$763	+\$322
Adjusted EPS ¹	\$0.53	+\$0.13	\$1.30	+\$0.76
Adjusted EBITDA ¹	\$321	+\$48	\$1,007	+\$301

Full-year performance demonstrates the progress we have made to improve profitability and accelerate topline growth

(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



Q4 and FY 2021 Gross Billings¹ by Region

FY growth in three of four regions, with Asia-Pacific impacted by lockdowns

	Q4 Gross Billings (as reported; in millions)	Q4 Growth Rate (%)		FY Growth Rate (%)	
		As Reported	Constant Currency ¹	As Reported	Constant Currency
North America ²	\$935	13%	13%	22%	21%
EMEA	\$570	15%	18%	21%	20%
Latin America	\$218	-2%	-1%	12%	10%
Asia Pacific	\$131	-7%	-7%	3%	-1%

Mattel gained market share in each of our four regions in 2021, per NPD³

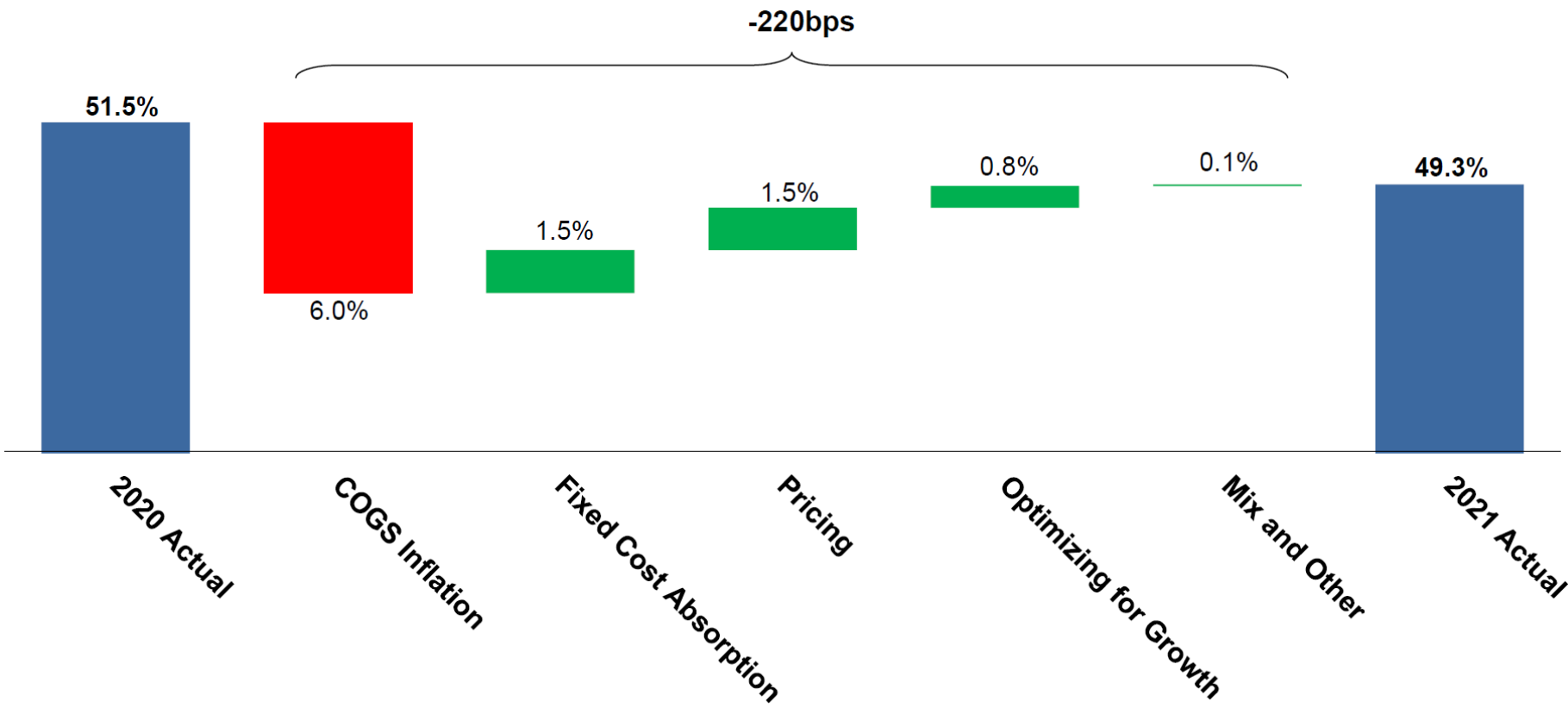
(1) Amounts may not foot due to rounding. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator
(2) Excludes American Girl
(3) Source: The NPD Group/Retail Tracking Service/North America(CA+US), EMEA(EU7), LATAM(MX+BR), Australia/JAN-DEC 2021/Total Toys/Projected USD
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Q4 2021 Adjusted Gross Margin¹ Comparison

Gross Margin impacted by continued high inflation on materials and ocean freight



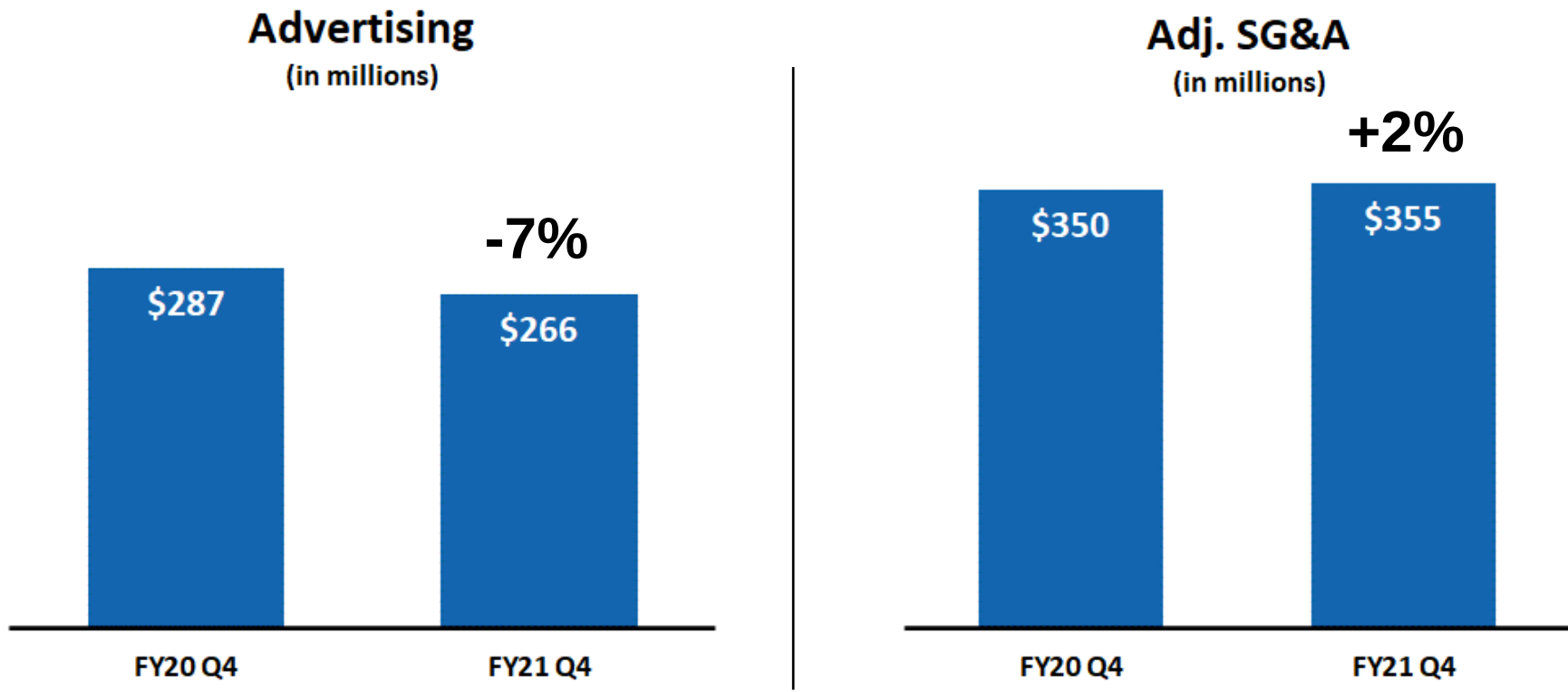
Fixed Cost Absorption and Pricing helping to mitigate the impact of inflation

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Q4 2021 Advertising¹ and Adjusted SG&A¹

Advertising decline reflects timing shifts; continue to drive demand creation



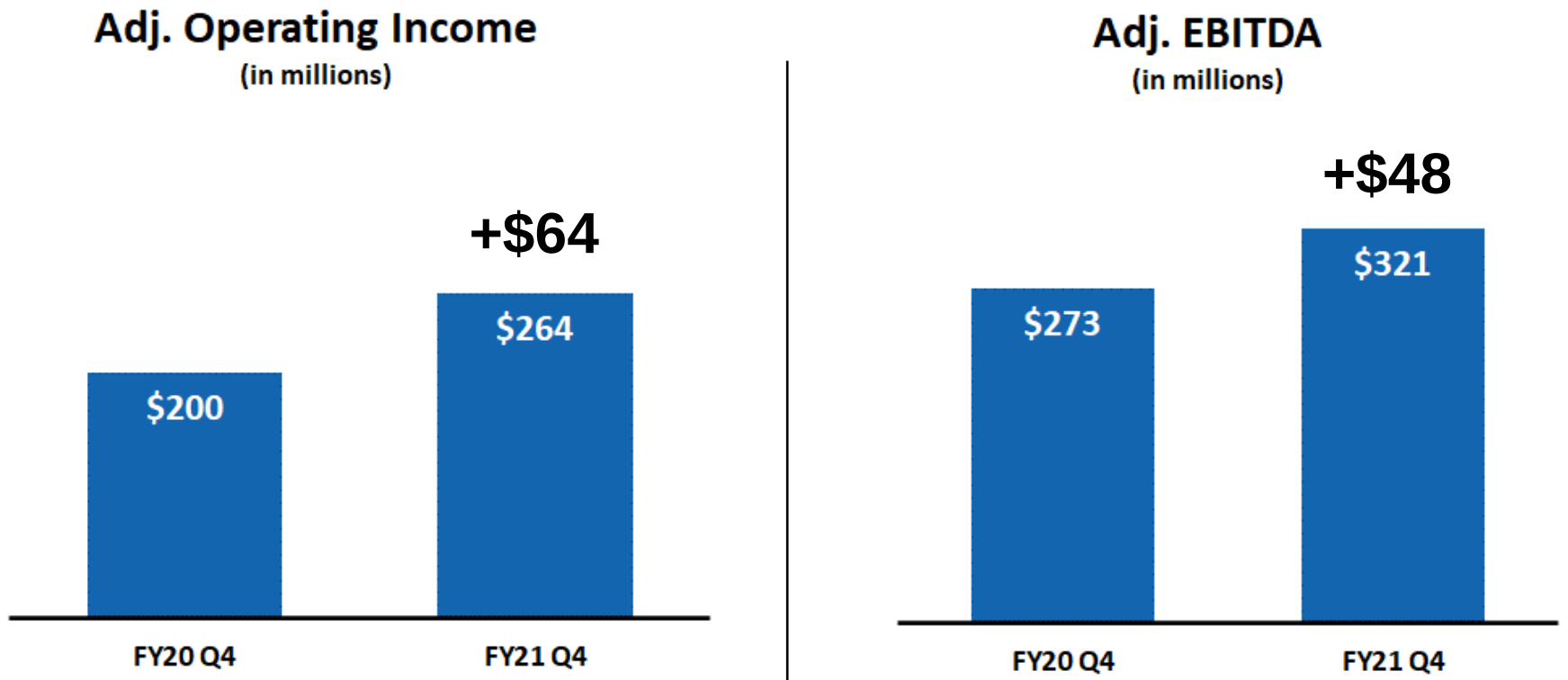
Continued to invest in business while effectively managing cost structure

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Q4 2021 Adjusted Operating Income¹ and Adjusted EBITDA¹

Increase driven by higher sales volume, pricing, and cost savings, partly offset by cost inflation



Another quarter of strong bottom-line performance

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FY 2021 Cash Flow Results

Achieved significant improvements in cash flow generation

(in millions) ¹	2020	2021
Net (Loss) Income	\$124	\$903
Valuation Allowances	-	(\$541)
Depreciation & Amortization	\$193	\$184
Share-based compensation	\$60	\$60
Other non-cash charges	\$51	\$175
Changes in Working Capital & Other	(\$143)	(\$296)
Cash from Operations	\$286	\$485
Capital Expenditures	(\$119)	(\$151)
Free Cash Flow	\$167	\$334

Free Cash Flow doubled and was primarily used to reduce debt



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FY 2021 Free Cash Flow Conversion¹

Continued to increase Free Cash Flow conversion

(in millions, except percentages and bps) ¹	2020	2021	YOY Change
Adjusted EBITDA ¹	\$706	\$1,007	+43%
Free Cash Flow ¹	\$167	\$334	+100%
Free Cash Flow Conversion ²	24%	33%	+900 bps



Well positioned to continue improving conversion going forward

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
 2) Free Cash Flow Conversion is calculated by taking Mattel's Free Cash Flow divided by Adjusted EBITDA

Q4 2021 Balance Sheet Highlights

Continued improvement in leverage ratio

(in millions) ¹	Q4 2020	Q4 2021
Cash	\$762	\$731
Short-term Borrowings	\$1	-
Long-term Debt	\$2,855	\$2,571
Accounts Receivable	\$1,034	\$1,073
Inventory	\$528	\$777
Leverage Ratio² (Debt / Adj. EBITDA²)	4.1	2.6



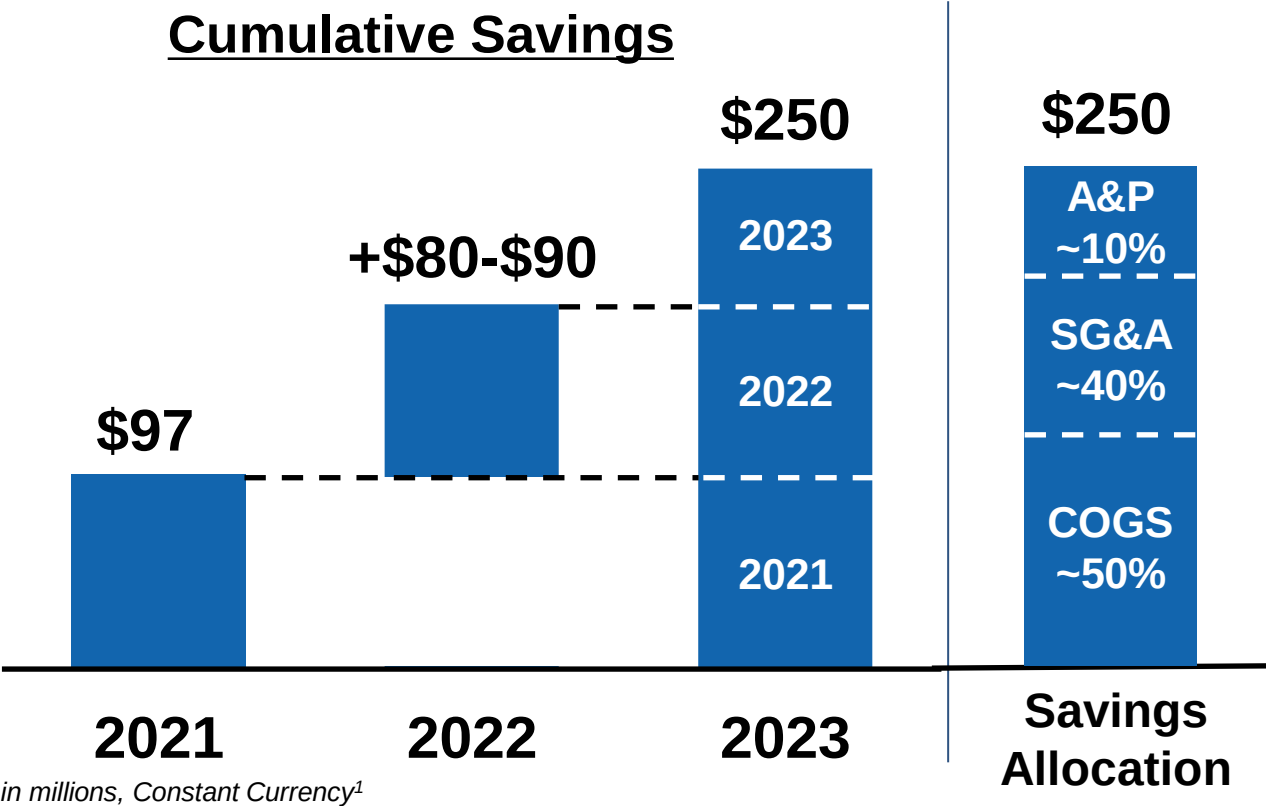
Goal is to achieve investment grade metrics

(1) Amounts may not foot due to rounding
 (2) Includes Short-term Borrowings and Long-term Debt. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator
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Optimizing For Growth Program Update



Generating significant savings



- 2021 savings of \$97 million
- 2022 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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2022 Guidance

Exceeds prior goals; introducing Adjusted EPS

(in millions, except EPS and percentages)	FY2021	FY2022 Expected
Net Sales	\$5,458	+8%-10% (Constant Currency)
Adjusted Gross Margin ¹	48.2%	~47%
Adjusted EBITDA ¹	\$1,007	\$1,100-\$1,125
Adjusted EPS ¹	\$1.30	\$1.42-\$1.48
Capital Expenditure	\$151	\$175-\$200

Guidance reflects expectations for another strong growth year

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2023 Goals

Increasing Net Sales; updating Adjusted Operating Income Margin; introducing Adjusted EPS

	Previous FY2023	New FY2023
Net Sales	+ Mid-Single Digit % (Constant Currency ¹)	+ High-Single Digit % (Constant Currency)
Adjusted Operating Income Margin ¹	Mid-Teens	~16%-17% of Net Sales
Adjusted EPS ¹	-	> \$1.90



Goals driven by topline growth, margin expansion, and use of free cash flow

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

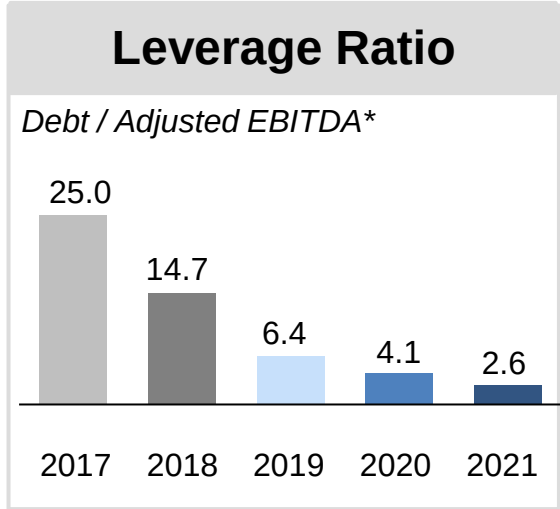
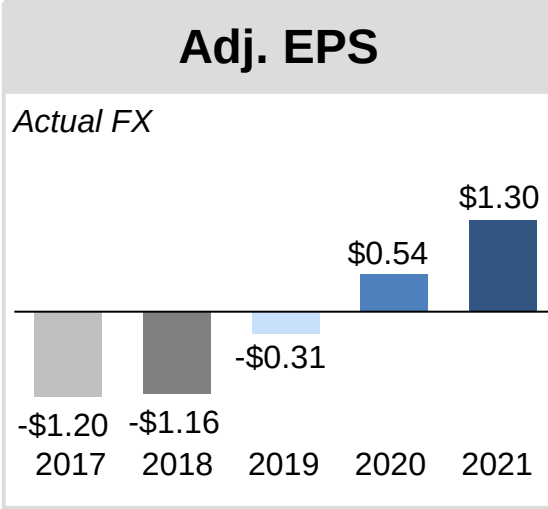
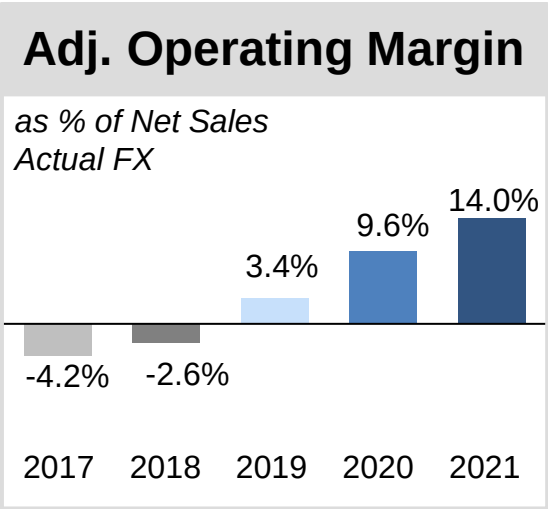
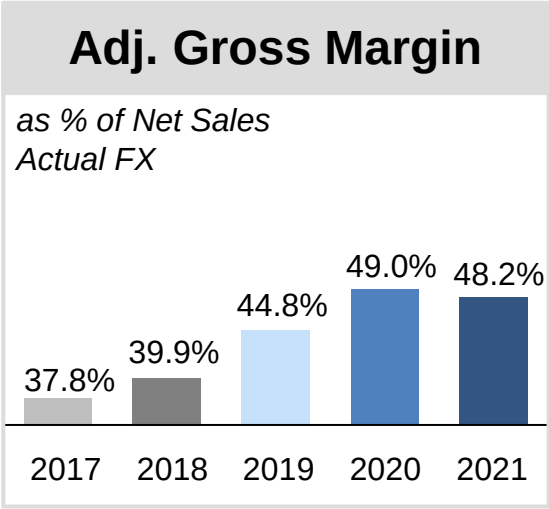
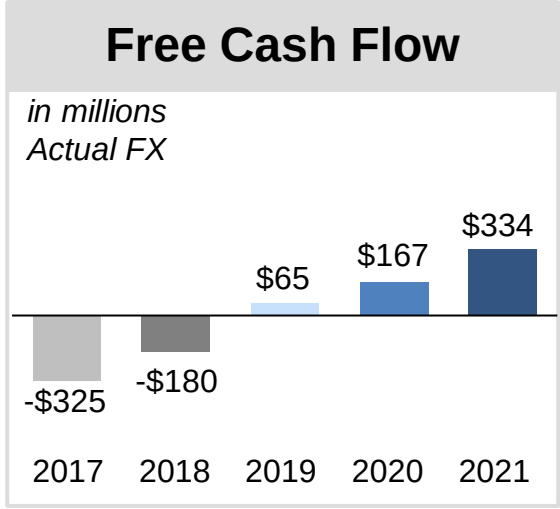
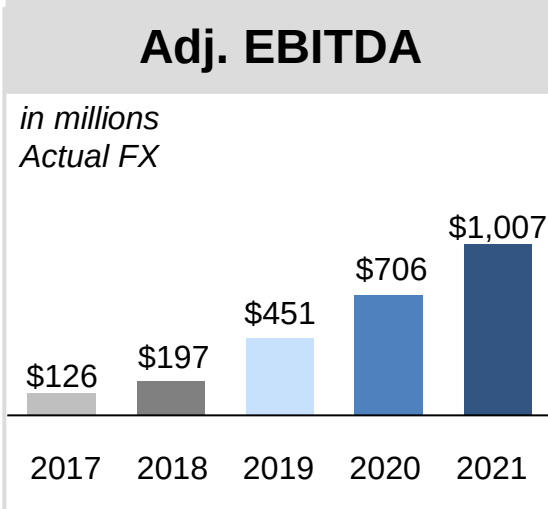
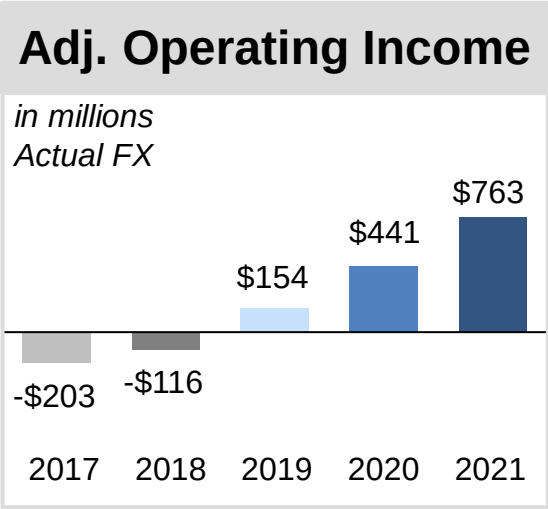
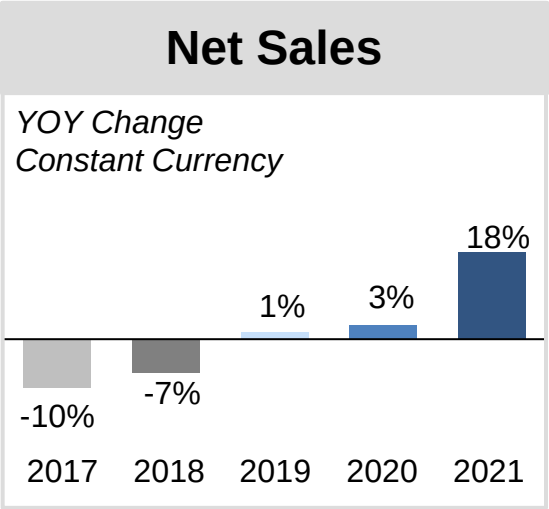
Near-term priorities





2017-2021 Key Financial Metrics¹

Turnaround is complete; continue to create long-term shareholder value



^{*} Note: Includes Short-term Borrowings and Long-term Debt
¹) 2018-2020 key financial metrics reflect the impact of immaterial revisions to the financial statements. 2017 key financial metrics were not revised to reflect the impact of immaterial adjustments. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator
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A Message From Our Chairman and CEO

“Mattel’s results for the quarter and full year came in well ahead of expectations, capping another extraordinary performance for the company. We have made significant progress on our transformation strategy over the last few years, and our turnaround is now complete. We are in growth mode and believe we are well-positioned to continue our momentum, with 2022 guidance exceeding prior goals and an even stronger outlook for 2023.

In 2021, our products resonated with consumers at levels we have not seen in years and, per The NPD Group, we continued to gain market share. We also strengthened our position as a partner of choice for the major entertainment companies and, in addition to our own IP, have a formidable line-up of evergreen properties to drive future growth.

The Mattel team stayed committed to our purpose to empower the next generation to explore the wonder of childhood and reach their full potential, and to our mission to create innovative products and experiences that inspire, entertain, and develop children through play.”

- Ynon Kreiz

Mattel Q4 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)¹

(In millions, except per share and percentage information)	For the Three Months Ended December 31,						For the Year Ended December 31,					
	2021		2020 ²		% Change as Reported	% Change in Constant Currency	2021 ²		2020 ²		% Change as Reported	% Change in Constant Currency
	\$ Amt	% Net Sales	\$ Amt	% Net Sales			\$ Amt	% Net Sales	\$ Amt	% Net Sales		
Net Sales	\$ 1,794.9		\$ 1,625.8		10%	11%	\$ 5,457.7		\$ 4,588.4		19%	18%
Cost of sales	910.6	50.7%	789.5	48.6%	15%		2,831.1	51.9%	2,345.3	51.1%	21%	
Gross Profit	884.3	49.3%	836.2	51.4%	6%	6%	2,626.7	48.1%	2,243.1	48.9%	17%	18%
Advertising and promotion expenses	265.6	14.8%	286.8	17.6%	-7%		545.7	10.0%	525.8	11.5%	4%	
Other selling and administrative expenses	361.2	20.1%	361.3	22.2%	0%		1,351.4	24.8%	1,342.6	29.3%	1%	
Operating Income	257.5	14.3%	188.1	11.6%	37%	31%	729.6	13.4%	374.7	8.2%	95%	98%
Interest expense	33.2	1.9%	49.3	3.0%	-33%		253.9	4.7%	198.3	4.3%	28%	
Interest (income)	(1.3)	-0.1%	(0.4)	0%	253%		(3.5)	-0.1%	(3.9)	-0.1%	-11%	
Other non-operating expense (income), net	5.0		(4.3)				8.4		2.7			
Income Before Income Taxes	220.6	12.3%	143.5	8.8%	54%	50%	470.8	8.6%	177.7	3.9%	165%	171%
(Benefit) Provision for income taxes	(4.6)		18.7				(420.4)		65.5			
Income from equity method investments	0.7		4.3				11.8		11.5			
Net Income	\$ 225.8	12.6%	\$ 129.1	7.9%	75%		\$ 903.0	16.5%	\$ 123.6	2.7%	631%	
Net Income Per Common Share - Basic	\$ 0.64		\$ 0.37				\$ 2.58		\$ 0.36			
Weighted-average number of common shares	351.1		347.7				350.0		347.5			
Net Income per Common Share - Diluted	\$ 0.63		\$ 0.37				\$ 2.53		\$ 0.35			
Weighted-average number of common and potential common shares	358.1		351.0				357.3		349.1			

¹ Amounts may not sum due to rounding.

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

n/m - Not Meaningful

Condensed Consolidated Balance Sheets

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT II

CONDENSED CONSOLIDATED BALANCE SHEETS¹

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

Supplemental Balance Sheet and Cash Flow Data



MATTEL, INC. AND SUBSIDIARIES

SUPPLEMENTAL BALANCE SHEET AND CASH FLOW DATA (Unaudited)¹

Key Balance Sheet Data:

Accounts receivable, net days of sales outstanding (DSO)

December 31,	
2021	2020 ²
54	57

(In millions)

Condensed Cash Flow Data:

Cash flows provided by operating activities

Cash flows used for investing activities

Cash flows used for financing activities and other

(Decrease) increase in cash and equivalents

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

¹ Amounts may not sum due to rounding.

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

Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)¹

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

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

¹ Amounts may not sum due to rounding.

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

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

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

Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)¹

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

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

¹ Amounts may not sum due to rounding.

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

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

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

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

⁶ The aggregate tax effect of the adjustments is calculated by tax effecting the adjustments by the current effective tax rate, and dividing by the reported weighted average number of common and potential common shares.
n/m - Not meaningful

Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT III

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)¹

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(In millions, except per share and percentage information)

Leverage Ratio (Debt / Adjusted EBITDA)

Debt

Long-Term Debt

Current Portion of Long-Term Debt

Short-Term Borrowings

Adjustments:

Debt Issuance Costs and Debt Discount

Debt

EBITDA and Adjusted EBITDA

Net Income, As Reported

Adjustments:

Interest Expense

(Benefit) Provision for Income Taxes

Depreciation

Amortization

EBITDA

Adjustments:

Share-based Compensation

Severance and Restructuring Expenses

Inclined Sleeper Product Recalls³

Sale of Assets/Business⁴

Adjusted EBITDA

Debt / Net Income

Leverage Ratio (Debt / Adjusted EBITDA)

Free Cash Flow

Net Cash Flows Provided by Operating Activities

Capital Expenditures

Free Cash Flow

Net Cash Flows Provided by Operating Activities / Net Income

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

For the Year Ended December 31,		
2021 ²	2020 ²	Change
\$ 2,571.0	\$ 2,854.7	
-	-	
-	1.0	
29.0	45.3	
<u>\$ 2,600.0</u>	<u>\$ 2,901.0</u>	
\$ 903.0	\$ 123.6	631%
253.9	198.3	
(420.4)	65.5	
146.3	154.5	
38.0	38.9	
920.9	580.9	
60.1	60.2	
30.7	39.1	
15.1	26.2	
(19.7)	-	
<u>\$ 1,007.0</u>	<u>\$ 706.4</u>	43%
2.9x	23.5x	
<u>2.6x</u>	<u>4.1x</u>	
\$ 485.5	\$ 285.7	70%
(151.4)	(118.8)	
\$ 334.1	\$ 166.9	100%
54%	231%	
<u>33%</u>	<u>24%</u>	

¹ Amounts may not sum due to rounding.

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

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

⁴ For the year ended December 31, 2021, Mattel recorded a gain on sale of assets of \$15.8 million in Other Selling and Administrative Expenses, and a gain on sale of business of \$3.9 million in Other Non-Operating Expense, net.
n/m - Not meaningful

Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

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

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions, except percentage information)

Worldwide Gross Billings:

	2017	2018	2019	2020	2021
Net Sales	4,881.5	4,512.2	4,504.6	4,588.4	5,457.7
Sales Adjustments ⁴	632.6	560.7	560.0	554.2	623.9
Gross Billings	5,514.1	5,072.9	5,064.6	5,142.6	6,081.6

Net Sales

% Change	-10%	-8%	0%	2%	19%
Impact of Currency in %	0%	-1%	-1%	-1%	1%
Constant Currency % Change	-10%	-7%	1%	3%	18%

Gross Profit

Gross Profit, As Reported	1,824.6	1,788.0	1,977.3	2,243.1	2,626.7
Gross Margin	37.4%	39.6%	43.9%	48.9%	48.1%
Adjustments:					
Asset Impairments	20.6	5.8	-	-	-
Severance and Restructuring Expenses	-	5.7	18.6	5.7	2.9
Inclined Sleeper Product Recalls	-	-	21.7	-	-
Gross Profit, As Adjusted	1,845.2	1,799.4	2,017.6	2,248.8	2,629.5
Adjusted Gross Margin	37.8%	39.9%	44.8%	49.0%	48.2%

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

² Amounts may not foot due to rounding.

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

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

Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

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

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions, except percentage information)

Operating (Loss) Income

	2017	2018	2019	2020	2021
Operating (Loss) Income, As Reported	(335.7)	(237.4)	37.1	374.7	729.6
Operating (Loss) Income Margin	-6.9%	-5.3%	0.8%	8.2%	13.4%
Adjustments:					
Asset Impairments	56.3	11.9	25.9	-	-
Non-recurring Executive Compensation	11.3	1.0	-	-	-
Severance and Restructuring Expenses	65.1	109.8	59.1	40.6	34.4
Inclined Sleeper Product Recalls	-	-	32.0	26.2	15.1
Sale of Assets	-	(1.4)	-	-	(15.8)
Operating (Loss) Income, As Adjusted	(203.0)	(116.1)	154.0	441.5	763.3
Adjusted Operating (Loss) Income Margin	-4.2%	-2.6%	3.4%	9.6%	14.0%

Earnings Per Share

Net (Loss) Income Per Common Share, As Reported	(3.07)	(1.55)	(0.63)	0.35	2.53
Adjustments:					
Asset Impairments	0.16	0.03	0.07	-	-
Non-recurring Executive Compensation	0.03	-	-	-	-
Severance and Restructuring Expenses	0.19	0.32	0.17	0.12	0.10
Inclined Sleeper Product Recalls	-	-	0.09	0.07	0.04
Sale of Assets/Business	-	-	-	-	(0.06)
Loss on Debt Extinguishment	-	-	-	-	0.28
Venezuela Matters	0.17	-	-	-	-
Tax Effect of Adjustments	(0.03)	(0.01)	(0.02)	(0.01)	(0.08)
Tax Items including Changes in Valuation Allowances	1.34	0.05	-	-	(1.51)
Net (Loss) Income Per Common Share, As Adjusted	(1.20)	(1.16)	(0.31)	0.54	1.30

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

² Amounts may not foot due to rounding.

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

Reconciliation of Non-GAAP Financial Measures

MATTEL, INC. AND SUBSIDIARIES

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

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions, except percentage information)

EBITDA and Adjusted EBITDA

	2017	2018	2019	2020	2021
Net (Loss) Income, As Reported	(1,054.6)	(536.3)	(218.8)	123.6	903.0
Adjustments:					
Interest Expense	105.2	181.9	201.0	198.3	253.9
Provision (Benefit) for Income Taxes	553.3	116.2	58.3	65.5	(420.4)
Depreciation	240.8	232.8	204.4	154.5	146.3
Amortization	33.9	39.1	40.1	38.9	38.0
EBITDA	(121.3)	33.7	285.1	580.9	920.9
Adjustments:					
Asset Impairments	56.3	11.9	25.9	-	-
Share-based Compensation	67.1	48.9	56.0	60.2	60.1
Severance and Restructuring Expenses	65.1	104.1	52.0	39.1	30.7
Inclined Sleeper Product Recalls	-	-	32.0	26.2	15.1
Sale of Assets/Business	-	(1.4)	-	-	(19.7)
Venezuela Matters	59.0	-	-	-	-
Adjusted EBITDA	126.2	197.2	450.9	706.4	1,007.0

Leverage Ratio (Debt / Adjusted EBITDA)

Long-term debt	2,873.1	2,851.7	2,846.8	2,854.7	2,571.0
Current portion of long-term debt	250.0	-	-	-	-
Short-term borrowings	-	4.2	-	1.0	-
Adjustments:					
Debt issuance costs and debt discount	26.9	48.3	53.2	45.3	29.0
Debt	3,150.0	2,904.2	2,900.0	2,901.0	2,600.0
Debt / Net (Loss) Income	(3.0)x	(5.4)x	(13.2)x	23.5x	2.9x
Leverage Ratio (Debt / Adjusted EBITDA)	25.0x	14.7x	6.4x	4.1x	2.6x

Free Cash Flow

Net Cash Flow s (Used For) Provided by Operating Activities	(27.6)	(24.2)	168.4	285.7	485.5
Capital Expenditures	(297.2)	(155.5)	(103.8)	(118.8)	(151.4)
Free Cash Flow	(324.8)	(179.7)	64.6	166.9	334.1

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

² Amounts may not foot due to rounding.

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



Supplemental Key Performance Indicator

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT IV

WORLDWIDE GROSS BILLINGS¹ (Unaudited)⁴
SUPPLEMENTAL KEY PERFORMANCE INDICATOR

(In millions, except percentage information)	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2021	2020	% Change as Reported	% Change in Constant Currency	2021	2020 ²	% Change as Reported	% Change in Constant Currency
<u>Worldwide Gross Billings:</u>								
Net Sales	\$ 1,794.9	\$ 1,625.8	10%	11%	\$ 5,457.7	\$ 4,588.4	19%	18%
Sales Adjustments ³	196.5	209.1			623.9	554.2		
Gross Billings	<u>\$ 1,991.4</u>	<u>\$ 1,834.9</u>	9%	9%	<u>\$ 6,081.6</u>	<u>\$ 5,142.6</u>	18%	17%
<u>Worldwide Gross Billings by Categories:</u>								
Dolls	\$ 803.6	\$ 709.1	13%	14%	\$ 2,299.1	\$ 1,886.4	22%	21%
Infant, Toddler, and Preschool	401.4	405.5	-1	-1	1,220.9	1,154.5	6	5
Vehicles	381.2	396.3	-4	-3	1,252.8	1,110.0	13	12
Action Figures, Building Sets, Games, and Other	405.1	324.0	25	26	1,308.9	991.6	32	31
Gross Billings	<u>\$ 1,991.4</u>	<u>\$ 1,834.9</u>	9%	9%	<u>\$ 6,081.6</u>	<u>\$ 5,142.6</u>	18%	17%
<u>Supplemental Gross Billings Disclosure</u>								
<u>Worldwide Gross Billings by Top 3 Power Brands:</u>								
Barbie	\$ 556.6	\$ 471.1	18%	19%	\$ 1,679.3	\$ 1,350.1	24%	24%
Hot Wheels	326.4	346.3	-6	-5	1,068.3	954.2	12	11
Fisher-Price and Thomas & Friends	365.2	372.8	-2	-2	1,128.2	1,065.5	6	5
Other	743.2	644.6	15	16	2,205.8	1,772.8	24	23
Gross Billings	<u>\$ 1,991.4</u>	<u>\$ 1,834.9</u>	9%	9%	<u>\$ 6,081.6</u>	<u>\$ 5,142.6</u>	18%	17%

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

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

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

⁴ Amounts may not sum due to rounding.

Supplemental Key Performance Indicator

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT V

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

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

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

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

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

⁴ Amounts may not sum due to rounding.

Supplemental Key Performance Indicator

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT VI

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

(In millions, except percentage information)	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2021	2020	% Change as Reported	% Change in Constant	2021	2020 ²	% Change as Reported	% Change in Constant Currency
<u>International Segment Gross Billings:</u>								
Net Sales	\$ 771.7	\$ 704.7	9%	12%	\$ 2,219.2	\$ 1,903.5	17%	15%
Sales Adjustments ³	148.0	155.7			429.6	382.8		
Gross Billings	<u>\$ 919.7</u>	<u>\$ 860.4</u>	7%	9%	<u>\$ 2,648.8</u>	<u>\$ 2,286.4</u>	16%	14%
<u>International Gross Billings by Geographic Area:</u>								
EMEA								
Net Sales	\$ 469.6	\$ 397.1	18%	21%	\$ 1,375.5	\$ 1,132.5	21%	21%
Sales Adjustments ³	100.7	98.2			290.0	247.4		
Gross Billings	<u>\$ 570.3</u>	<u>\$ 495.2</u>	15%	18%	<u>\$ 1,665.5</u>	<u>\$ 1,380.0</u>	21%	20%
Latin America								
Net Sales	\$ 190.1	\$ 187.2	2%	3%	\$ 519.6	\$ 455.2	14%	12%
Sales Adjustments ³	27.9	36.2			84.1	82.2		
Gross Billings	<u>\$ 217.9</u>	<u>\$ 223.4</u>	-2%	-1%	<u>\$ 603.7</u>	<u>\$ 537.4</u>	12%	10%
Asia Pacific								
Net Sales	\$ 112.0	\$ 120.5	-7%	-6%	\$ 324.1	\$ 315.8	3%	-1%
Sales Adjustments ³	19.5	21.3			55.5	53.2		
Gross Billings	<u>\$ 131.4</u>	<u>\$ 141.8</u>	-7%	-7%	<u>\$ 379.6</u>	<u>\$ 369.0</u>	3%	-1%
<u>International Gross Billings by Categories:</u>								
Dolls	\$ 354.3	\$ 316.5	12%	14%	\$ 1,010.1	\$ 849.4	19%	18%
Infant, Toddler, and Preschool	162.9	168.4	-3	-2	462.1	451.2	2	1
Vehicles	206.0	223.3	-8	-6	619.8	580.8	7	5
Action Figures, Building Sets, Games, and Other	196.4	152.2	29	32	556.8	405.0	38	35
Gross Billings	<u>\$ 919.7</u>	<u>\$ 860.4</u>	7%	9%	<u>\$ 2,648.8</u>	<u>\$ 2,286.4</u>	16%	14%
<u>Supplemental Gross Billings Disclosure</u>								
<u>International Gross Billings by Top 3 Power Brands:</u>								
Barbie	\$ 270.2	\$ 244.6	10%	13%	\$ 775.8	\$ 645.9	20%	19%
Hot Wheels	180.5	196.5	-8	-7	538.8	507.6	6	5
Fisher-Price and Thomas & Friends	155.8	161.1	-3	-2	442.7	430.6	3	1
Other	313.2	258.1	21	23	891.4	702.2	27	25
Gross Billings	<u>\$ 919.7</u>	<u>\$ 860.4</u>	7%	9%	<u>\$ 2,648.8</u>	<u>\$ 2,286.4</u>	16%	14%

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

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

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

⁴ Amounts may not sum due to rounding.

Supplemental Key Performance Indicator

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT VII

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

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

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

² Sales Adjustments are not allocated to individual products.

³ Amounts may not sum due to rounding.



Glossary of Non-GAAP Financial Measures & Key Performance Indicator

NON-GAAP FINANCIAL MEASURES

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

Adjusted Gross Profit and Adjusted Gross Margin

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

Adjusted Other Selling and Administrative Expenses

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

Adjusted Operating Income (Loss) and Adjusted Operating Income (Loss) Margin

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

Adjusted Earnings (Loss) Per Share

Adjusted Earnings (Loss) Per Share represents Mattel’s reported Diluted Earnings (Loss) Per Common Share, adjusted to exclude severance and restructuring expenses, the impact of the inclined sleeper product recalls, the impact of sale of assets/business, loss on debt extinguishment, and releases of valuation allowances, which are not part of Mattel’s core business. The aggregate tax effect of the adjustments is calculated by tax effecting the adjustments by the current effective tax rate, and dividing by the reported weighted-average number of common shares. Adjusted Earnings (Loss) Per Share is presented to provide additional perspective on underlying trends in Mattel’s core business. Mattel believes it is useful supplemental information for investors to gauge and compare Mattel’s current earnings results from one period to another. Adjusted Earnings (Loss) Per Share is a performance measure and should not be used as a measure of liquidity.

EBITDA and Adjusted EBITDA

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



Glossary of Non-GAAP Financial Measures & Key Performance Indicator

NON-GAAP FINANCIAL MEASURES

Free Cash Flow and Free Cash Flow Conversion

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

Leverage Ratio (Debt / Adjusted EBITDA)

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

Constant Currency

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

2022 Guidance and 2023 Goals

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

KEY PERFORMANCE INDICATOR

Gross Billings

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