First Quarter 2024 Earnings

(Unaudited Results)
April 23, 2024

Cautionary Note Regarding Forward-Looking Statements / Presentation Information

Mattel cautions the viewer that this presentation contains a number of forward-looking statements, which are statements that relate to the future and are, by their nature, uncertain. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and include statements regarding Mattel's guidance and goals for future periods and other future events. The use of words such as "anticipates," "expects," "intends," "plans," "projects," "look forward," "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. Specific factors that might cause such a difference include, but are not limited to: (i) Mattel's ability to design, develop, produce, manufacture, source, ship, and distribute products on a timely and cost-effective basis; (ii) sufficient interest in and demand for the products and entertainment Mattel offers by retail customers and consumers to profitably recover Mattel's costs; (iii) 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; (iv) 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; (v) potential difficulties or delays Mattel may experience in implementing cost savings and efficiency enhancing initiatives; (vi) 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; (vii) the effect of inflation on Mattel's business, including cost inflation in supply chain inputs and increased labor costs, as well as pricing actions taken in an effort to mitigate the effects of inflation; (viii) currency fluctuations, including movements in foreign exchange rates, 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 such as plant or port closures, 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 that 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, product safety, or sustainability, which may increase Mattel's product costs and other costs of doing business, and reduce Mattel's earnings and liquidity; (xvi) business disruptions or other unforeseen impacts due to economic instability, political instability, civil unrest, armed hostilities (including the impact of the war in Ukraine and geopolitical developments in the Middle East), natural and manmade disasters, pandemics or other public health crises, or other catastrophic events; (xvii) failure to realize the planned benefits from any investments or acquisitions made by Mattel; (xviii) the impact of other market conditions or third party actions or approvals, including those 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; (xix) changes in financing markets or the inability of Mattel to obtain financing on attractive terms; (xx) the impact of litigation, arbitration, or regulatory decisions or settlement actions; (xxi) Mattel's ability to navigate regulatory frameworks in connection with new areas of investment, product development, or other business activities, such as artificial intelligence, non-fungible tokens, and cryptocurrency; (xxii) an inability to remediate the material weakness in Mattel's internal control over financial reporting, or additional material weaknesses or other deficiencies in the future or the failure to maintain an effective system of internal control; and (xxiii) 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, 2023 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.

The financial results included herein represent the most current information available to management and are preliminary until Mattel's Form 10-Q is filed with the SEC. Actual results may differ from these preliminary results.

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 (Total Debt/Adjusted EBITDA), Net Debt, Adjusted Tax Rate, 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.

For comparability, point-of-sale ("POS") and consumer demand data exclude the impact related to Mattel's Russia business, due to Mattel's decision to pause all shipments into Russia in 2022.

Mattel, Inc.

Who We Are

Mattel is a leading global toy and family entertainment company and owner of one of the most iconic brand portfolios in the world. We engage consumers and fans through our franchise brands, including Barbie, Hot Wheels, Fisher-Price, American Girl, Thomas & Friends, UNO, Masters of the Universe, Matchbox, Monster High, MEGA, and Polly Pocket, as well as other popular properties that we own or license in partnership with global entertainment companies. Our offerings include toys, content, consumer products, and digital and live experiences. Our products are sold in collaboration with the world’s leading retail and e-commerce companies. Since its founding in 1945, Mattel is proud to be a trusted partner in empowering generations to explore the wonder of childhood and reach their full potential. Visit us at mattel.com.

Our Purpose

We empower generations to explore the wonder of childhood and reach their full potential.

Our Mission

We create innovative products and experiences that inspire fans, entertain audiences, and develop children through play.

Chairman and CEO Perspective

Significant Gross Margin expansion, positive Adjusted EBITDA[1], and very strong improvement in Free Cash Flow[1]

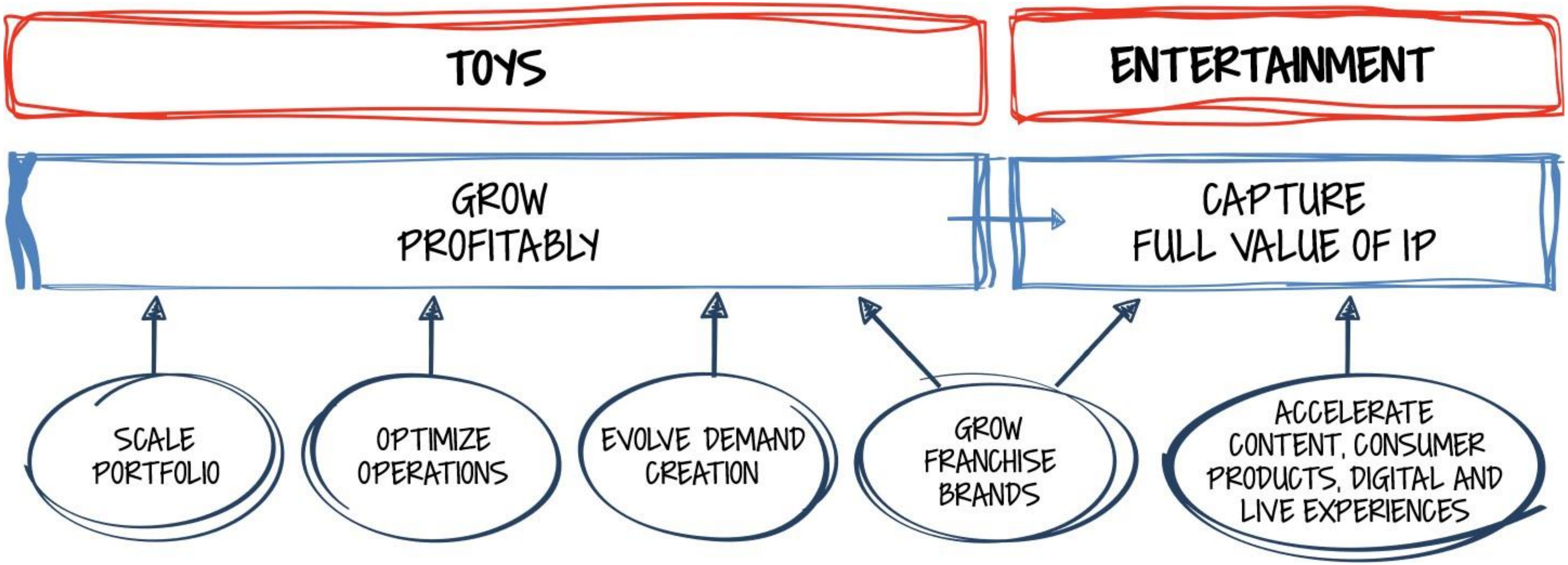
- Net Sales declined 1% as reported and in constant currency[1]
- Adjusted Gross Margin[1] increased 830 basis points to 48.3%
- Adjusted EBITDA improved $67 million, from a negative $14 million to a positive $54 million
- Free Cash Flow improved $254 million
- Gross Billings[1] increased in North America, Latin America, and Asia Pacific, with a decline in EMEA
- POS[2] increased low single-digits, with improving trends through the quarter, and growth in Dolls, Vehicles, Games, and Building Sets
- Mattel maintained share globally, and gained share in its three leader categories – Dolls, Vehicles, and Infant, Toddler, and Preschool, as well as in Games[3]
- Cash balance of $1.1 billion, after repurchasing $100 million of shares in the quarter

On track to achieve full year guidance

(1) Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator
(2) POS: Mattel internal analysis, at wholesale; excludes American Girl
(3) Source: Circana/Retail Tracking Service/G9/JAN-MAR 2024 US,BR Weekly + AU,EU5,MX Monthly/Total Toys and Dolls, Vehicles, Infant Toddler & Preschool, and Games & Puzzles Supercategories/Projected USD

Mattel's Strategy

Grow IP-Driven Toy Business and Expand Entertainment Offering



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

Mattel’s Strategy – Grow IP-driven Toy Business

Recent progress in the toy business

Barbie was #1 Doll property globally and continued to gain share[1]; 65th anniversary celebrations begun; Mini BarbieLand launched

Hot Wheels led the Vehicles category[1], with further expansion of its die-cast line and innovative offerings for Racerverse, RC, and Skate

Fisher-Price is launching its new Wood segment next month and this week we welcomed a new head of Fisher-Price, based at our East Aurora, NY campus

Games performance was strong and Uno was once again the #1 card game property[1]

Mattel Creations, our rapidly growing DTC channel serving adult collectors, hosted Mattel Creations Revealed, a two-day virtual fan event with multiple same-day sellouts

Executing our strategy to grow Mattel’s IP-driven toy business and expand our entertainment offering

(1) Source: Circana/Retail Tracking Service/G9/JAN-MAR 2024 US,BR Weekly + AU,EU5,MX Monthly/Dolls, Vehicles, Infant Toddler & Preschool Supercategories, Card Games Class/Projected USD

Mattel's Strategy – Expand Entertainment Offering

Recent progress outside the toy aisle

- Successful award season for the Barbie movie, highlighted by Grammy, Golden Globe, and Oscar wins
- We continue to make meaningful progress advancing our theatrical slate of 15 announced films in development, with more news to share soon
- Barbie & Stacie to the Rescue, an animated movie, launched globally on Netflix; Season 2 of Barbie: A Touch of Magic premiered last week
- Hot Wheel's Let's Race debuted on Netflix and became a top 10 program in 69 countries
- New licensing partnership with Take-Two Interactive to publish a new Barbie mobile game, with release planned later this year
- Second Mattel Adventure Park through our licensing partnership with Epic Resort Destinations scheduled to open in Kansas City in 2026

Executing our strategy to grow Mattel's IP-driven toy business and expand our entertainment offering

Q1 2024 Earnings

P&L Highlights

Achieved strong bottom-line results in the quarter

(in millions, except EPS, percentages, and bps)	Q1 2024	YOY Change
Net Sales	$810	-1%
***Constant Currency*[1]**		*-1%*
Adjusted Gross Margin[1]	48.3%	+830 bps
Adjusted Operating Loss[1]	($23)	+$63
Adjusted EPS[1]	($0.05)	+$0.19
Adjusted EBITDA[1]	$54	+$67

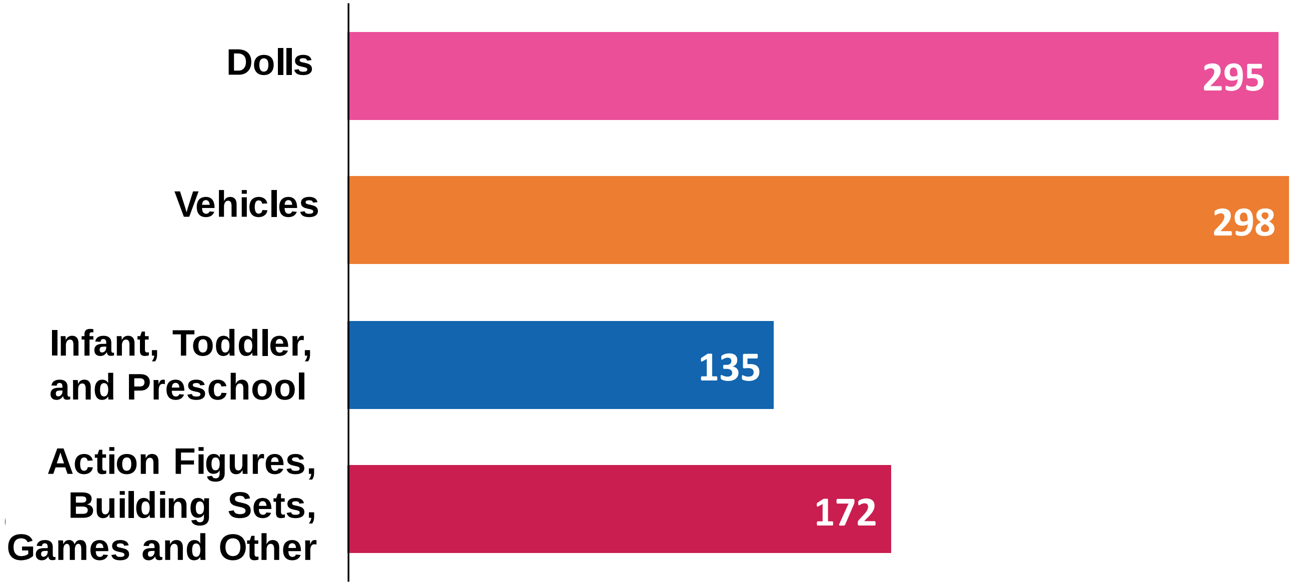
On track to meet full year sales and earnings guidance

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

Q1 2024 Gross Billings by Category[1]

Gross Billings declined 2%

Worldwide Gross Billings
(as reported; $ in millions)



YOY Growth Rate (%)

	As Reported	Constant Currency[1]
Dolls	-4%	-5%
Vehicles	5%	4%
Infant, Toddler, and Preschool	-10%	-11%
Action Figures, Building Sets, Games and Other	0%	0%
Total	-1%	-2%

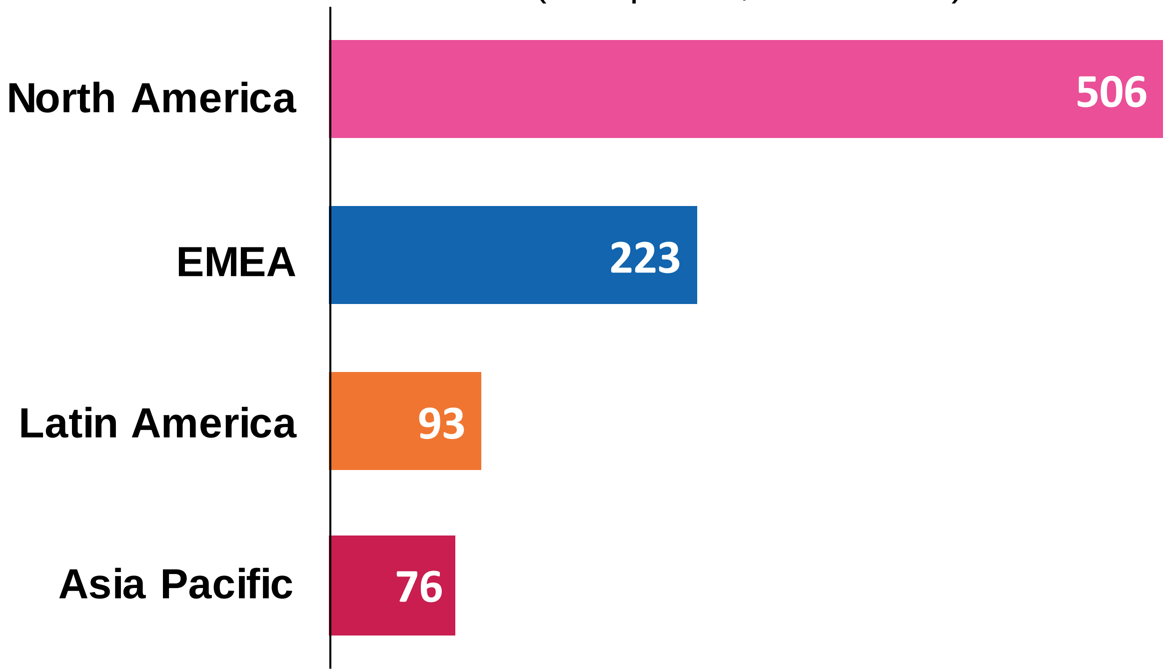
POS[2] increased low-single digits with improving trends through the quarter

(1) Amounts may not add due to rounding. In constant currency, unless otherwise stated. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator.
(2) POS: Mattel internal analysis, at wholesale; excludes American Girl

Q1 2024 Gross Billings by Region[1]

Growth in three of four regions

Gross Billings
(as reported; $ in millions)



YOY Growth Rate (%)

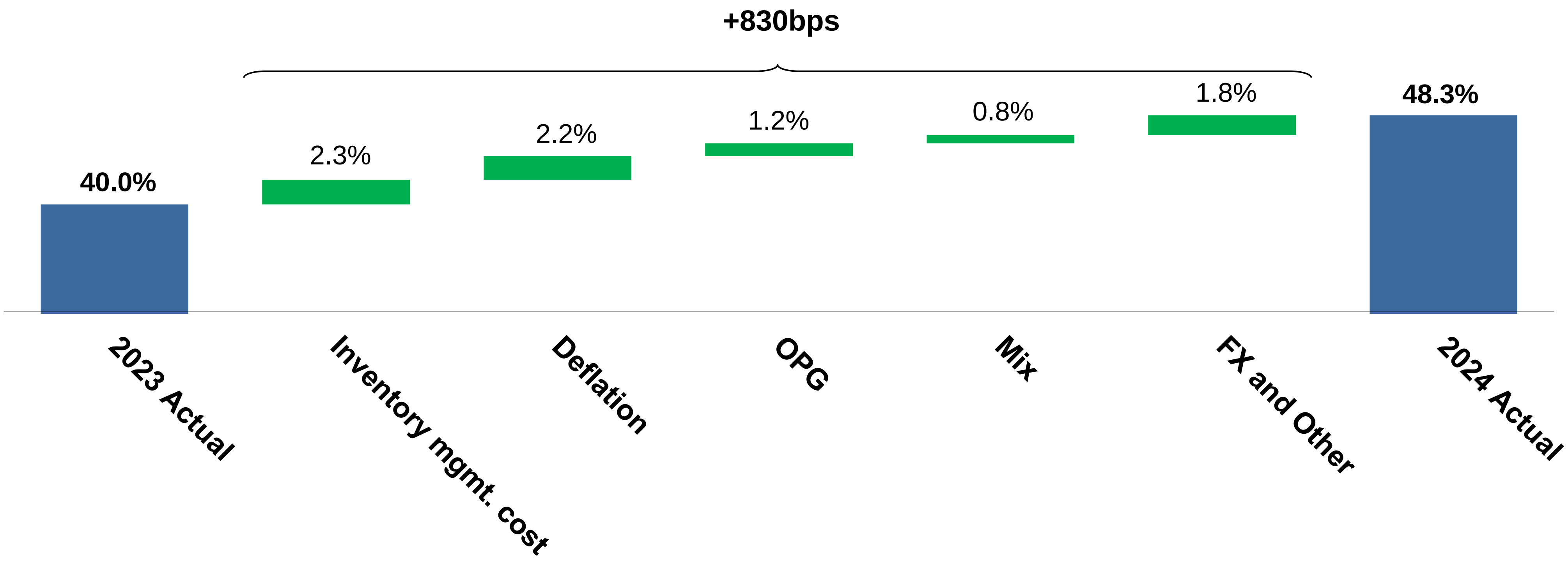
Region	As Reported	Constant Currency[1]
North America	1%	1%
EMEA	-11%	-13%
Latin America	6%	1%
Asia Pacific	11%	15%

We believe retail inventory levels are now appropriate to support the business going forward

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

Q1 2024 Adjusted Gross Margin Comparison[1]

Significant increase in Adjusted Gross Margin, +830 bps

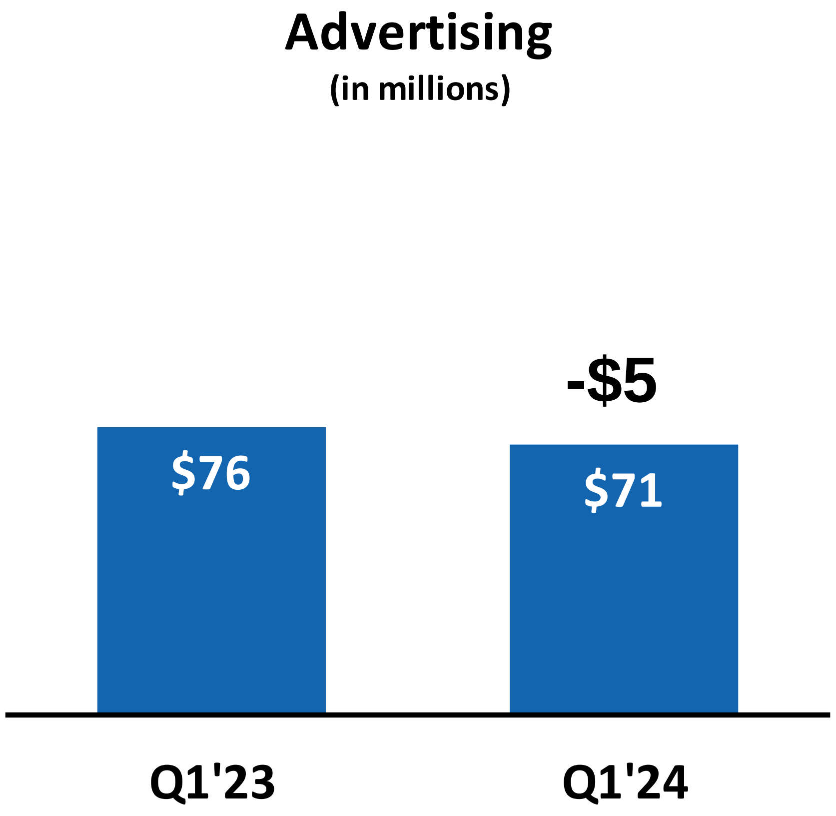


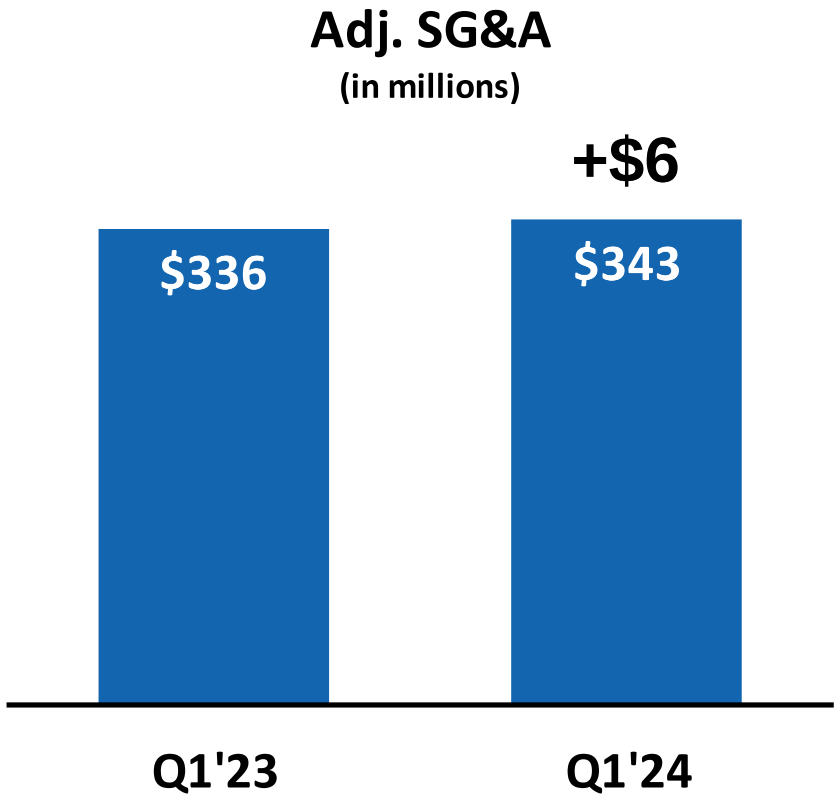
Multiple drivers of first quarter gross margin performance

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

Advertising and Adjusted SG&A[1]

Adjusted SG&A increase primarily driven by market-related pay increases and investments, partly offset by cost savings





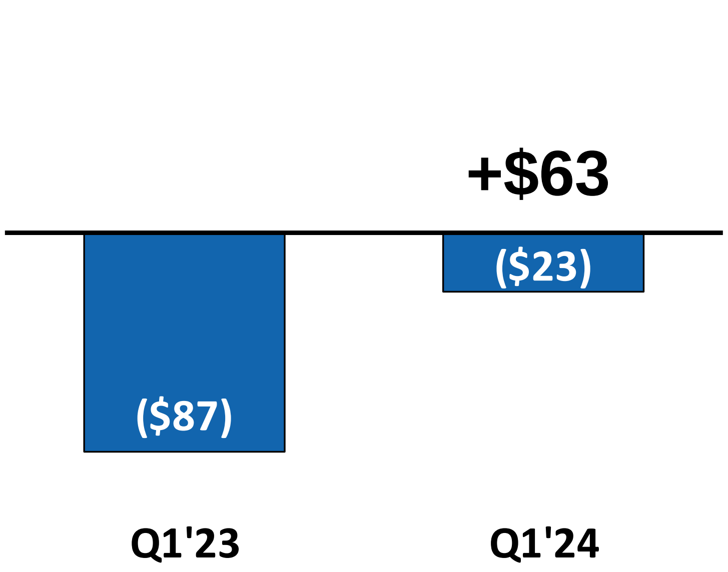
Expect 2024 Advertising and Adjusted SG&A to remain relatively stable as a percent of Net Sales

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

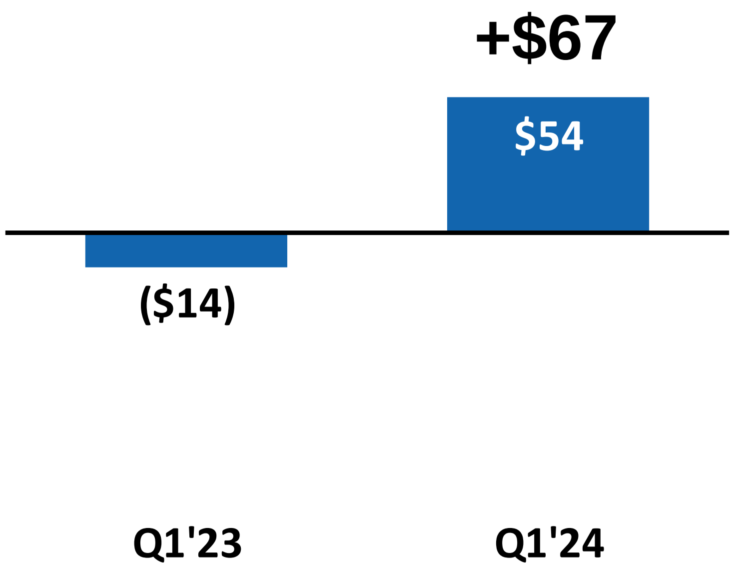
Adjusted Profit Metrics

Improvement driven primarily by Gross Margin expansion

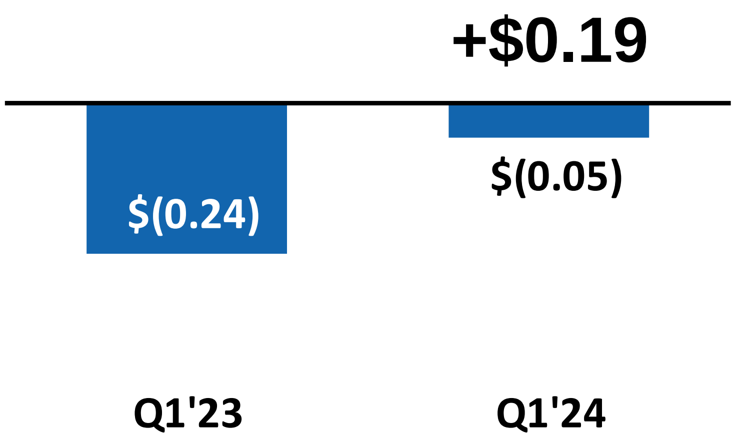
Adj. Operating Income[1]
(in millions)



Adj. EBITDA[1]
(in millions)



Adj. EPS[1]



Off to a good start and expect to achieve full year sales and earnings guidance

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

Cash Flow

Improvements in both Working Capital performance and Net Income

(in millions)[1]	Q1 2024	Q1 2023
Net Income (Loss)	($28)	($106)
Depreciation & Amortization	$42	$43
Share-Based Compensation	$18	$17
Other Non-Cash Charges	$21	$22
Changes in Working Capital & Other	($17)	($183)
Cash from Operations	$35	($206)
Capital Expenditures	($30)	($43)
Free Cash Flow[1]	$5	($249)
Free Cash Flow TTM	$964	$187

Repurchased $100 million of shares in Q1 and expect to make further share repurchases in 2024

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

Balance Sheet Highlights

Strong financial position with more than $1.1 billion in cash

(in millions)	Q1 2024	Q1 2023
Cash	$1,130	$462
Debt	$2,331	$2,327
Accounts Receivable	$673	$674
Inventory	$669	$961

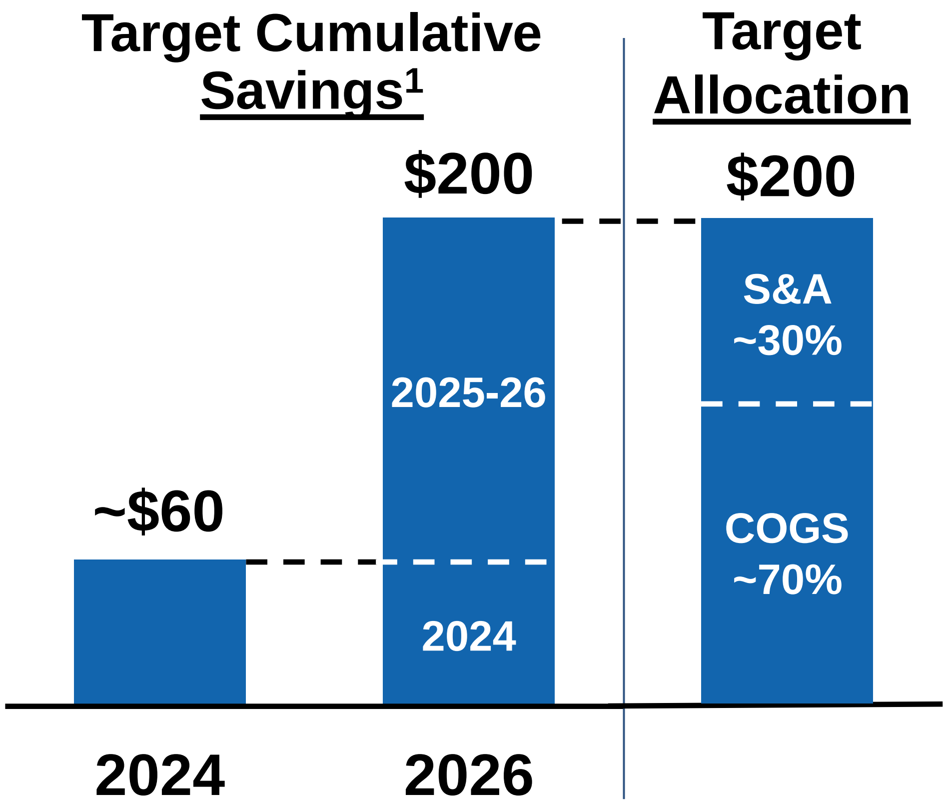
Leverage Ratio (Total Debt / Adj. EBITDA)[1]	2.3x	2.9x

Debt portfolio well positioned with no maturities until 2026

(1) Includes Short-Term Borrowings and Long-Term Debt, including Current Portion. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator

2024-2026 Optimizing for Profitable Growth (OPG)

Realizing benefits from new cost savings program



$17 million of savings achieved in Q1

Target program savings of $200 million

Expected cash expenditures of $130-$165 million

On track to achieve target 2024 savings of $60 million

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

2024 Guidance

Expect to outpace the industry, gain global market share, and improve profitability

(in millions, except EPS and percentages)	FY2024 Guidance	FY2023 Actual
Net Sales	**Comparable** (Constant Currency[1])	$5,441
Adjusted Gross Margin[1]	**48.5% - 49%**	47.5%
Adjusted EPS[1]	**$1.35 - $1.45**	$1.23
Adjusted EBITDA[1]	**$975 - $1,025**	$948
Adjusted Tax Rate[1]	**23% - 24%**	23%
Capital Expenditures	**$175 - $200**	$160
Free Cash Flow[1]	**~ $500**	$709

Expect to grow sales and earnings in 2025

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

Closing

“We are off to a good start to the year with significant gross margin expansion, positive Adjusted EBITDA, and very strong improvement in free cash flow. Trends in consumer demand for our product improved through the quarter and we expect to outpace the industry and gain market share in 2024. We are executing our strategy to grow our IP-driven toy business and expand our entertainment offering. ”

- Ynon Kreiz, Chairman & CEO

MATTEL

One of the most iconic brand portfolios in the world

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 March 31, 2024 $ Amt	2024 % Net Sales	2023 $ Amt	2023 % Net Sales	% Change as Reported	% Change in Constant Currency
Net Sales	$ 809.5		$ 814.6		-1%	-1%
Cost of Sales	420.6	52.0%	488.8	60.0%	-14%	
Gross Profit	388.9	48.0%	325.8	40.0%	19%	17%
Advertising and Promotion Expenses	71.4	8.8%	76.0	9.3%	-6%	
Other Selling and Administrative Expenses	352.9	43.6%	364.8	44.8%	-3%	
Operating Loss	(35.5)	-4.4%	(115.0)	-14.1%	-69%	-60%
Interest Expense	30.1	3.7%	31.1	3.8%	-3%	
Interest (Income)	(17.3)	-2.1%	(6.5)	-0.8%	165%	
Other Non-Operating Expense (Income), Net	5.6		(1.4)			
Loss Before Income Taxes	(53.9)	-6.7%	(138.2)	-17.0%	-61%	-54%
Benefit from Income Taxes	(20.8)		(27.0)			
(Income) from Equity Method Investments	(4.8)		(4.7)			
Net Loss	$ (28.3)	-3.5%	$ (106.5)	-13.1%	-73%	
Net Loss Per Common Share - Basic	$ (0.08)		$ (0.30)			
Weighted-Average Number of Common Shares	346.9		354.9			
Net Loss Per Common Share - Diluted	$ (0.08)		$ (0.30)			
Weighted-Average Number of Common and Potential Common Shares	346.9		354.9			

[1] Amounts may not sum due to rounding.

Condensed Consolidated Balance Sheets

MATTEL, INC. AND SUBSIDIARIES — EXHIBIT II

CONDENSED CONSOLIDATED BALANCE SHEETS[1]

(In millions)	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)	December 31, 2023
Assets			
Cash and Equivalents	$ 1,130.2	$ 461.7	$ 1,261.4
Accounts Receivable, Net	673.3	673.8	1,081.8
Inventories	669.3	961.0	571.6
Prepaid Expenses and Other Current Assets	262.7	269.7	207.5
Total Current Assets	2,735.5	2,366.3	3,122.3
Property, Plant, and Equipment, Net	452.2	471.2	465.5
Right-of-Use Assets, Net	308.5	304.5	313.2
Goodwill	1,383.8	1,381.0	1,384.5
Other Noncurrent Assets	1,185.4	1,308.7	1,150.2
Total Assets	$ 6,065.4	$ 5,831.7	$ 6,435.8
Liabilities and Stockholders' Equity			
Accounts Payable and Accrued Liabilities	$ 1,084.2	$ 955.5	$ 1,308.6
Income Taxes Payable	14.9	13.5	33.9
Total Current Liabilities	1,099.1	969.0	1,342.5
Long-Term Debt	2,331.1	2,326.7	2,330.0
Noncurrent Lease Liabilities	256.2	257.4	259.5
Other Noncurrent Liabilities	353.7	341.0	354.6
Stockholders' Equity	2,025.3	1,937.7	2,149.2
Total Liabilities and Stockholders' Equity	$ 6,065.4	$ 5,831.7	$ 6,435.8

[1] Amounts may not sum due to rounding.

Supplemental Balance Sheet and Cash Flow Data

MATTEL, INC. AND SUBSIDIARIES — **EXHIBIT II**

SUPPLEMENTAL BALANCE SHEET AND CASH FLOW DATA (Unaudited)[1]

	March 31, 2024	March 31, 2023
Key Balance Sheet Data:		
Accounts Receivable, Net Days of Sales Outstanding (DSO)	75	74

(In millions)	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Condensed Cash Flow Data:		
Cash Flows Provided by (Used for) Operating Activities	$ 35	$ (206)
Cash Flows (Used for) Investing Activities	(28)	(43)
Cash Flows (Used for) Financing Activities and Other	(138)	(51)
Decrease in Cash and Equivalents	$ (131)	$ (300)

[1] Amounts may not sum due to rounding.

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 percentage information)	For the Three Months Ended March 31, 2024	2023	Change
Gross Profit			
Gross Profit, As Reported	$ 388.9	$ 325.8	
Gross Margin	*48.0 %*	*40.0 %*	*800 bps*
Adjustments:			
Severance and Restructuring Expenses	2.2	—	
Gross Profit, As Adjusted	$ 391.1	$ 325.8	
Adjusted Gross Margin	*48.3 %*	*40.0 %*	*830 bps*
Other Selling and Administrative Expenses			
Other Selling and Administrative Expenses, As Reported	$ 352.9	$ 364.8	-3%
% of Net Sales	*43.6 %*	*44.8 %*	*-120 bps*
Adjustments:			
Severance and Restructuring Expenses	(6.3)	(23.9)	
Inclined Sleeper Product Recalls	(3.7)	(4.3)	
Other Selling and Administrative Expenses, As Adjusted	$ 342.9	$ 336.5	2%
% of Net Sales	*42.4 %*	*41.3 %*	*110 bps*
Operating Loss			
Operating Loss, As Reported	$ (35.5)	$ (115.0)	-69%
Operating Loss Margin	*-4.4%*	*-14.1%*	*970 bps*
Adjustments:			
Severance and Restructuring Expenses	8.5	23.9	
Inclined Sleeper Product Recalls	3.7	4.3	
Operating Loss, As Adjusted	$ (23.3)	$ (86.7)	-73%
Adjusted Operating Loss Margin	*-2.9%*	*-10.6%*	770 bps

[1] Amounts may not sum due to rounding.

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 March 31, 2024	2023	Change
Earnings Per Share			
Net Loss Per Common Share, As Reported	$ (0.08)	$ (0.30)	-73%
Adjustments:			
Severance and Restructuring Expenses	0.02	0.07	
Inclined Sleeper Product Recalls	0.01	0.01	
Tax Effect of Adjustments[2]	(0.01)	(0.02)	
Net Loss Per Common Share, As Adjusted	$ (0.05)	$ (0.24)	-79%
EBITDA and Adjusted EBITDA			
Net Loss, As Reported	$ (28.3)	$ (106.5)	-73%
Adjustments:			
Interest Expense	30.1	31.1	
Benefit from Income Taxes	(20.8)	(27.0)	
Depreciation	34.5	33.7	
Amortization	7.8	9.5	
EBITDA	23.3	(59.1)	
Adjustments:			
Share-Based Compensation	17.9	16.9	
Severance and Restructuring Expenses	8.5	23.9	
Inclined Sleeper Product Recalls	3.7	4.3	
Adjusted EBITDA	$ 53.5	$ (13.9)	n/m
Free Cash Flow			
Net Cash Flows Provided by (Used for) Operating Activities	$ 35.5	$ (206.4)	
Capital Expenditures	(30.5)	(43.0)	
Free Cash Flow	$ 5.0	$ (249.4)	

[1] Amounts may not sum due to rounding.

[2] The aggregate tax effect of adjustments was determined using the effective tax rates on a jurisdictional basis of the respective adjustments, and dividing by the reported weighted average number of common and potential common shares.

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 percentage and pts information)	For the Three Months Ended March 31, 2024	2023	Change
Tax Rate			
Loss Before Income Taxes, As Reported	$ (53.9)	$ (138.2)	
Adjustments:			
Severance and Restructuring Expenses	8.5	23.9	
Inclined Sleeper Product Recalls	3.7	4.3	
Loss Before Income Taxes, As Adjusted	$ (41.7)	$ (109.9)	
Benefit from Income Taxes, As Reported	$ (20.8)	$ (27.0)	
Adjustments:			
Tax Effect of Adjustments[2]	2.8	6.6	
Benefit from Income Taxes, As Adjusted	$ (18.0)	$ (20.4)	
Tax Rate, As Reported	39%	20%	*19 pts*
Tax Rate, As Adjusted	43%	19%	*24 pts*

	March 31, 2024	2023
Net Debt		
Long-Term Debt	$ 2,331.1	$ 2,326.7
Adjustments:		
Cash and Equivalents	(1,130.2)	(461.7)
Net Debt	$ 1,200.9	$ 1,865.0

[1] Amounts may not sum due to rounding.
[2] Tax effect of adjustments was determined using the effective tax rates on a jurisdictional basis of the respective adjustments.

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 percentage and pts information)	For the Trailing Twelve Months Ended March 31, 2024	2023	Change
Leverage Ratio (Total Debt/Adjusted EBITDA)			
Total Debt			
Long-Term Debt	$ 2,331.1	$ 2,326.7	
Adjustments:			
Debt Issuance Costs and Debt Discount	18.9	23.3	
Total Debt	$ 2,350.0	$ 2,350.0	
EBITDA and Adjusted EBITDA			
Net Income, As Reported	$ 292.5	$ 266.0	10%
Adjustments:			
Interest Expense	122.7	130.9	
Provision for Income Taxes	275.7	84.9	
Depreciation	140.2	142.4	
Amortization	36.3	38.0	
EBITDA	867.4	662.3	
Adjustments:			
Share-Based Compensation	84.3	66.7	
Severance and Restructuring Expenses	44.3	48.2	
Inclined Sleeper Product Recalls	17.4	3.5	
Sale of Assets	1.8	(23.5)	
Loss on Liquidation of Argentina Subsidiary	—	45.4	
Adjusted EBITDA	$ 1,015.2	$ 802.5	27%
Total Debt / Net Income	8.0x	8.8x	
Leverage Ratio (Total Debt / Adjusted EBITDA)	2.3x	2.9x	
Free Cash Flow			
Net Cash Flows Provided by Operating Activities	$ 1,111.7	$ 380.3	192%
Capital Expenditures	(147.8)	(193.5)	
Free Cash Flow	$ 963.9	$ 186.8	416%
Net Cash Flows Provided by Operating Activities / Net Income	380%	143%	*237 pts*
Free Cash Flow Conversion (Free Cash Flow/Adjusted EBITDA)	95%	23%	*72 pts*

[1] Amounts may not sum due to rounding.

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 percentage and per share information)	For the Year Ended December 31, 2023
Gross Profit	
Gross Profit, As Reported	$ 2,583.7
Gross Margin	*47.5 %*
Adjustments:	
Severance and Restructuring Expenses	(1.2)
Gross Profit, As Adjusted	$ 2,582.6
Adjusted Gross Margin	*47.5 %*
Earnings Per Share	
Net Income Per Common Share, As Reported	$ 0.60
Adjustments:	
Severance and Restructuring Expenses	0.17
Inclined Sleeper Product Recalls	0.05
Changes to Deferred Tax Assets[2]	0.45
Tax Effect of Adjustments[3]	(0.04)
Net Per Common Share, As Adjusted	$ 1.23
EBITDA and Adjusted EBITDA	
Net Income, As Reported	$ 214.4
Adjustments:	
Interest Expense	123.8
Provision for Income Taxes	269.5
Depreciation	139.5
Amortization	37.9
EBITDA	785.0
Adjustments:	
Share-Based Compensation	83.3
Severance and Restructuring Expenses	59.7
Inclined Sleeper Product Recalls	18.1
Sale of Assets[4]	1.8
Adjusted EBITDA	$ 947.8

[1] Amounts may not sum due to rounding.

[2] For the year ended December 31, 2023, Mattel recorded an expense of $212.4 million related to the release of foreign deferred tax assets and a benefit of $51.0 million upon the establishment of deferred tax assets related to an intra-group transfer of certain IP rights.

[3] The aggregate tax effect of adjustments was determined using the effective tax rates on a jurisdictional basis of the respective adjustments and dividing by the reported weighted average number of common and potential common shares.

[4] For the year ended December 31, 2023, Mattel recorded a loss on sale of assets of $1.8 million, in other selling and administrative expenses.

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 percentage information)	For the Year Ended December 31, 2023
Tax Rate	
Income Before Income Taxes, As Reported	$ 465.4
Adjustments:	
Severance and Restructuring Expenses	59.7
Inclined Sleeper Product Recalls	18.1
Sale of Assets[2]	1.8
Income Before Income Taxes, As Adjusted	$ 544.9
Provision for Income Taxes, As Reported	$ 269.5
Adjustments:	
Changes to Deferred Tax Assets[3]	(161.4)
Tax Effect of Adjustments[4]	15.3
Provision for Income Taxes, As Adjusted	$ 123.4
Tax Rate, As Reported	58%
Tax Rate, As Adjusted	23%
Free Cash Flow	
Net Cash Flows Provided by Operating Activities	$ 869.8
Capital Expenditures	(160.3)
Free Cash Flow	$ 709.5

[1] Amounts may not sum due to rounding.
[2] For the year ended December 31, 2023, Mattel recorded a loss on sale of assets of $1.8 million, in other selling and administrative expenses.
[3] For the year ended December 31, 2023, Mattel recorded an expense of $212.4 million related to the release of foreign deferred tax assets and a benefit of $51.0 million upon the establishment of deferred tax assets related to an intra-group transfer of certain IP rights.
[4] Tax effect of adjustments was determined using the effective tax rates on a jurisdictional basis of the respective adjustments.

Worldwide Net Sales and Gross Billings

MATTEL, INC. AND SUBSIDIARIES — EXHIBIT IV

WORLDWIDE NET SALES AND GROSS BILLINGS[1] (Unaudited)[2]

	For the Three Months Ended March 31,			
	2024	2023	% Change as Reported	% Change in Constant Currency
Worldwide Net Sales:				
Net Sales	$ 809.5	$ 814.6	-1%	-1%
Worldwide Gross Billings by Categories:				
Dolls	$ 294.5	$ 306.1	-4%	-5%
Infant, Toddler, and Preschool	135.0	150.2	-10	-11
Vehicles	297.7	283.6	5	4
Action Figures, Building Sets, Games, and Other	171.7	171.5	0	0
Gross Billings	$ 898.9	$ 911.3	-1%	-2%
Supplemental Gross Billings Disclosure				
Worldwide Gross Billings by Top 3 Power Brands:				
Barbie	$ 177.5	$ 176.9	—%	—%
Hot Wheels	258.1	244.9	5	4
Fisher-Price[3]	93.4	93.1	0	-1
Other	370.0	396.5	-7	-7
Gross Billings	$ 898.9	$ 911.3	-1%	-2%

[1] Gross billings represent amounts invoiced to customers and do 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] Amounts may not sum due to rounding.

[3] Beginning in the first quarter of 2024, the Fisher-Price power brand was revised to exclude Baby Gear and Imaginext products. Prior period amounts have been reclassified to conform to the current presentation.

Net Sales and Gross Billings by Segment

MATTEL, INC. AND SUBSIDIARIES **EXHIBIT V**

NET SALES AND GROSS BILLINGS[1] BY SEGMENT (Unaudited)[2,3]

	For the Three Months Ended March 31,			
	2024	2023	% Change as Reported	% Change in Constant Currency
North America Net Sales:				
Net Sales	$ 477.8	$ 470.5	2%	2%
North America Gross Billings by Categories:				
Dolls	$ 164.7	$ 167.2	-1%	-1%
Infant, Toddler, and Preschool	80.5	87.2	-8	-8
Vehicles	150.2	142.2	6	6
Action Figures, Building Sets, Games, and Other	111.0	106.3	4	4
Gross Billings	$ 506.4	$ 502.8	1%	1%
Supplemental Gross Billings Disclosure				
North America Gross Billings by Top 3 Power Brands:				
Barbie	$ 92.4	$ 89.5	3%	3%
Hot Wheels	126.8	119.7	6	6
Fisher-Price[4]	53.7	49.1	9	9
Other	233.5	244.4	-4	-4
Gross Billings	$ 506.4	$ 502.8	1%	1%

[1] Gross billings represent amounts invoiced to customers and do 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] Amounts may not sum due to rounding.

[3] In the first quarter of 2024, Mattel's American Girl business was integrated into its North America commercial organization and is reported within the North America operating segment. Prior period amounts have been reclassified to conform to the current period presentation.

[4] Beginning in the first quarter of 2024, the Fisher-Price power brand was revised to exclude Baby Gear and Imaginext products. Prior period amounts have been reclassified to conform to the current presentation.

Net Sales and Gross Billings by Segment

MATTEL, INC. AND SUBSIDIARIES **EXHIBIT VI**

NET SALES AND GROSS BILLINGS[1] BY SEGMENT (Unaudited)[2]

	For the Three Months Ended March 31,			
	2024	2023	% Change as Reported	% Change in Constant Currency
International Net Sales by Geographic Area:				
EMEA	$ 185.2	$ 209.4	-12%	-13%
Latin America	79.7	75.5	5	1
Asia Pacific	66.8	59.2	13	17
Net Sales	$ 331.7	$ 344.1	-4%	-5%
International Gross Billings by Geographic Area:				
EMEA	$ 223.5	$ 251.9	-11%	-13%
Latin America	92.6	87.7	6	1
Asia Pacific	76.5	69.0	11	15
Gross Billings	$ 392.5	$ 408.6	-4%	-6%
International Gross Billings by Categories:				
Dolls	$ 129.8	$ 138.9	-7%	-8%
Infant, Toddler, and Preschool	54.5	63.0	-13	-16
Vehicles	147.5	141.5	4	2
Action Figures, Building Sets, Games, and Other	60.7	65.2	-7	-8
Gross Billings	$ 392.5	$ 408.6	-4%	-6%
Supplemental Gross Billings Disclosure				
International Gross Billings by Top 3 Power Brands:				
Barbie	$ 85.1	$ 87.3	-3%	-4%
Hot Wheels	131.3	125.2	5	3
Fisher-Price[3]	39.6	43.9	-10	-12
Other	136.4	152.0	-10	-12
Gross Billings	$ 392.5	$ 408.6	-4%	-6%

[1] Gross billings represent amounts invoiced to customers and do 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] Amounts may not sum due to rounding.

[3] Beginning in the first quarter of 2024, the Fisher-Price power brand was revised to exclude Baby Gear and Imaginext products. Prior period amounts have been reclassified to conform to the current presentation.

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 include Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Other Selling and Administrative Expenses, Adjusted Operating Income/Loss, Adjusted Operating Income/Loss Margin, Adjusted Earnings 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 (Total Debt / Adjusted EBITDA), Net Debt, Adjusted Tax Rate, 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 Per Share

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

EBITDA and Adjusted EBITDA

EBITDA represents Mattel’s Net Income/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, the impact of sale of assets, and loss on liquidation of a subsidiary, which are not part of Mattel’s core business. Mattel believes EBITDA and Adjusted EBITDA are useful supplemental information for investors to gauge and compare Mattel’s business performance to other companies in its industry with similar capital structures. The presentation of Adjusted EBITDA differs from how Mattel calculates EBITDA for purposes of covenant compliance under the indentures governing its high yield senior notes and the revolving credit agreement governing its senior revolving credit facility. 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 (Total Debt / Adjusted EBITDA)

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

Net Debt

Net Debt represents the aggregate of Mattel's current portion of long-term debt, short-term borrowings, and long-term debt, less cash and cash equivalents. Mattel believes Net Debt is useful supplemental information for investors to monitor Mattel's liquidity and evaluate its balance sheet.

Adjusted Tax Rate

The Adjusted Tax Rate is calculated by dividing Adjusted Provision for Income Taxes by Adjusted Income Before Income Taxes. Adjusted Income Before Income Taxes represents reported Income Before Income Taxes, adjusted to exclude severance and restructuring expenses, the impact of inclined sleeper product recalls, the impact of sale of assets, and loss on liquidation of a subsidiary. The Adjusted Provision for Income Taxes represents reported Provision for Income Taxes, adjusted to exclude the impact of changes to certain deferred tax assets and the aggregate tax effect of adjustments. Mattel believes the adjusted tax rate provides useful supplemental information for investors to gauge and compare the impact of tax expense on Mattel's earnings results from one period to another.

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.

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 EPS, Adjusted EBITDA, Adjusted Tax Rate, and Free Cash Flow is not available without unreasonable effort. Mattel is unable to predict with sufficient certainty items that would be excluded from the corresponding GAAP measures, including the effect of foreign currency exchange rate fluctuations, unusual gains and losses or charges, and severance and restructuring charges, due to the unpredictable nature of such items, which may have a significant impact on Mattel's GAAP measures.

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 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.