



Third Quarter 2025 Earnings

(Unaudited Results)

October 21, 2025



Forward-Looking Statements / Presentation Information

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 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) tariffs, trade restrictions, or trade barriers, which depending on the effective date and duration of such measures, changes in the amount, scope, and nature of such measures in the future, any countermeasures that the target countries may take, and any mitigating actions that may become available, could increase Mattel's product costs and other costs of doing business, and other 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, trade policies, product safety, or sustainability, which may also increase Mattel's product costs and other costs of doing business, and in each case 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 Russia-Ukraine war 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, 2024 and Quarterly Report on Form 10-Q for the three months ended March 31, 2025, 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, Adjusted Operating Income 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. 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 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, Polly Pocket, and Barney, as well as other popular properties that we own or license in partnership with global entertainment companies. Our offerings include toys, content, consumer products, digital and live experiences. Our products are sold in collaboration with the world's leading retail and ecommerce 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.

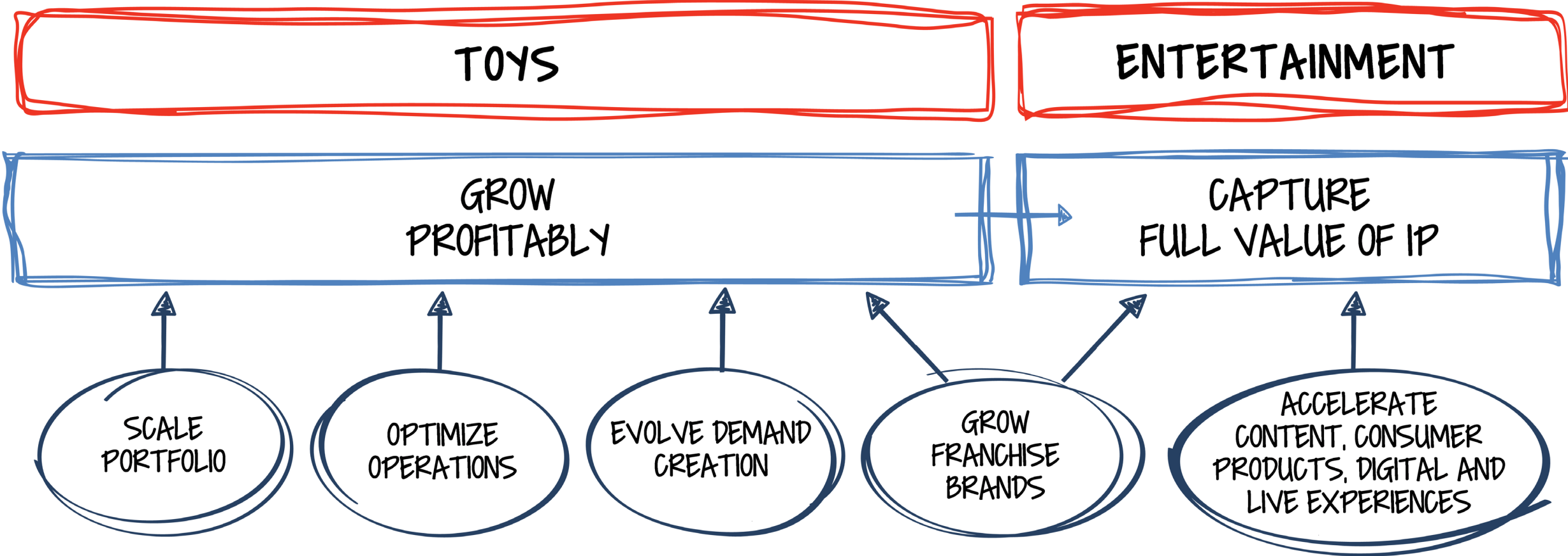
Our Mission

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



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

US business challenged by shifts in retailer ordering patterns; consumer demand for our products grew, and Gross Billings¹ increased internationally

Maintained Adjusted Gross Margin¹ above 50%

Repurchased \$202M of shares, bringing the total this year to \$412M

Since the beginning of Q4, orders from retailers in the US have accelerated significantly

POS for Mattel continues to grow in the US and internationally

These trends are tracking in line with our full year outlook for 2025



Expect a good holiday season for Mattel, strong topline growth in the fourth quarter, and are reiterating our full year guidance

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



Strategy Updates

Growing IP-driven toy business and expanding entertainment offering

- New brand-centric org. structure to accelerate global brand management capabilities
- Launched two standout product lines: Mattel Brick Shop and Hot Wheels Speed Snap
- American Girl achieved its fourth consecutive quarter of growth
- First two self-published digital games expected to launch next year; more in development
- Mattel Studios announced the development of two new live action television series
- Strategic collaboration with OpenAI is taking shape; embedding AI capabilities
- Awarded global licensing rights for KPop Demon Hunters products across major categories
- Renewed multi-year licensing agreement for Disney Princess and Frozen franchises



Made important strides in advancing our strategy

Q3 2025 Review

Net Sales, Adjusted Operating Income¹, and Adjusted EPS¹ declined

US retailers moving from direct import to domestic shipping, shifting orders to fourth quarter

POS increased overall, with growth in every region, including the US

Vehicles grew, as well as Challenger categories combined; Dolls and Infant, Toddler, and Preschool declined

Gained market share in key categories, including Dolls, Vehicles, and Action Figures²

Toy industry grew high single digits², reflecting momentum heading into the holiday season and beyond



Working closely with retail partners to manage through this trade environment

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

(2) Source: Circana, LLC, Retail Tracking Service, G9 (US, CA, MX, BR, FR, SP, UK, DE, AU), Total Toys, Dolls, Vehicles, and Action Figure & Acc Supercategories, Projected USD, Jul - Sep 2025 vs. YA



An important priority for Mattel is to scale digital games

Licensing

Announced three licensed games for console and PC

Hot Wheels

Masters of the Universe

Barbie

Netflix partnership for Pictionary

Pictionary Game Night

NETFLIX

Self-Publishing

Two games expected in 2026

Additional games in development and pre-production

Mattel logo

Creator Platforms

Expanded Roblox collaboration

Roblox

Launching Fortnite Monster High experience

Monster High

FORTNITE

Mattel163 JV

Released 4th game, UNO Wonder

UNO Wonder logo

Extending physical play to the virtual world by creating digital games and experiences that drive sustained engagement for fans of all ages

Continuing to add more projects to an exciting slate

Film

Polly Pocket live-action movie will be co-developed by Reese Witherspoon's Hello Sunshine and Amazon MGM

hello
sunshine

AMAZON
MGM STUDIOS



Television

Expanding into cinematic-quality episodic series designed to profitably reach new audiences

Announced first two premium, live-action scripted TV titles in development based on Shani and Magic 8-ball



Collaborating with leading creators to make standout quality content based on Mattel's iconic brands that will resonate in culture and appeal to global audiences

P&L Summary

Key metrics as compared to the prior year period

(in \$M, except EPS, percentages, and bps)	Q3 2025	YOY Change
Net Sales	\$1,736	-6%
<i>Constant Currency</i>¹		-7%
Adjusted Gross Margin¹	50.2%	-290 bps
Adjusted Operating Income¹	\$387	-\$117
Adjusted EPS¹	\$0.89	-\$0.25

US business challenged by shifts in retailer ordering patterns; growth in consumer demand across every region; international Gross Billings¹ growth

(1) Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator
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Q3 2025 Gross Billings by Category¹



Gross Billings decreased 5%

Dolls -12%

Barbie and Polly Pocket decline; growth in Wicked, Monster High, and American Girl

Expect improving trends for Barbie in Q4 and into next year



Vehicles +6%

Continued growth, led by Hot Wheels

Successfully driving demand; adults are the fastest growing audience



Infant, Toddler, and Preschool -26%

Decline due to Fisher-Price, Preschool Entertainment, and planned exits

Expect new product lines and expanded distribution for Fisher-Price to drive improving trends



Challenger +9%

Growth fueled by partnerships and evergreen properties: Jurassic World, Minecraft, WWE, and Masters of the Universe

UNO grew for 9th consecutive quarter and maintained position as #1 card game²



POS increased in the quarter, with growth across all regions, including the US, indicating healthy consumer demand for our products

(1) Percentages shown in chart are in constant currency. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator.

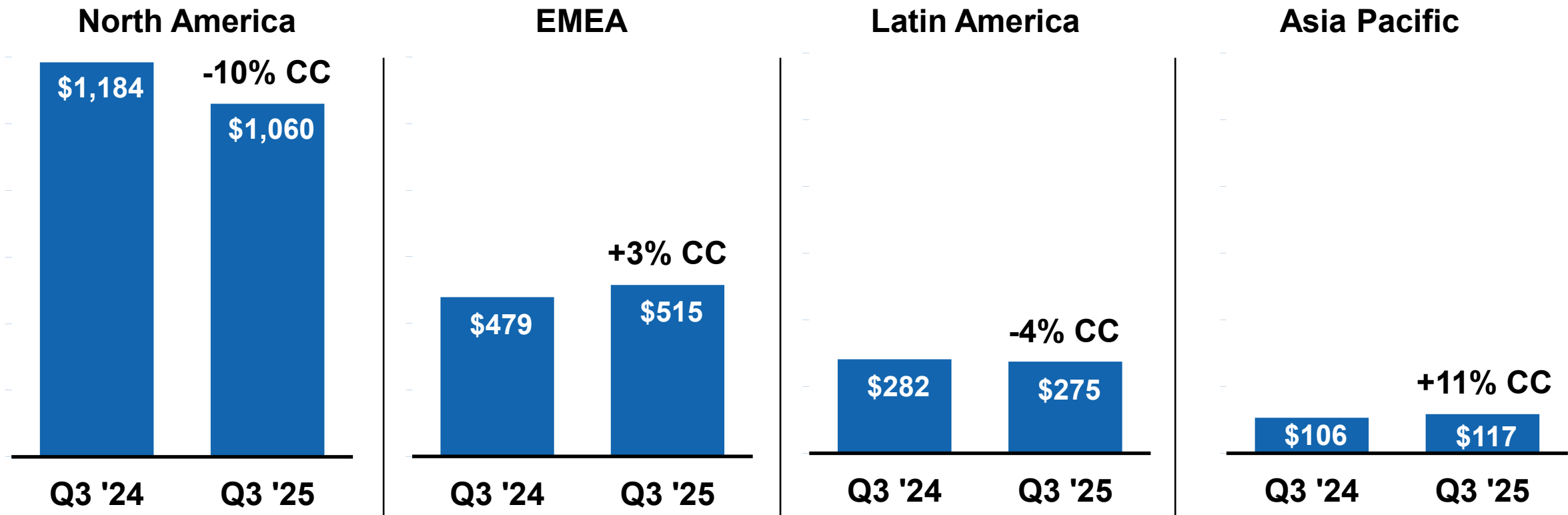
(2) Source: Circana, LLC, Retail Tracking Service, G9 (US, CA, MX, BR, FR, SP, UK, DE, AU), Card Games Class, Projected USD, Jul - Sep 2025 vs. Apr - Jun 2025

Q3 2025 Gross Billings by Region¹



International up 2%; US business impacted by shift in retailer ordering patterns

(Bars as reported, in \$M; % change in constant currency)

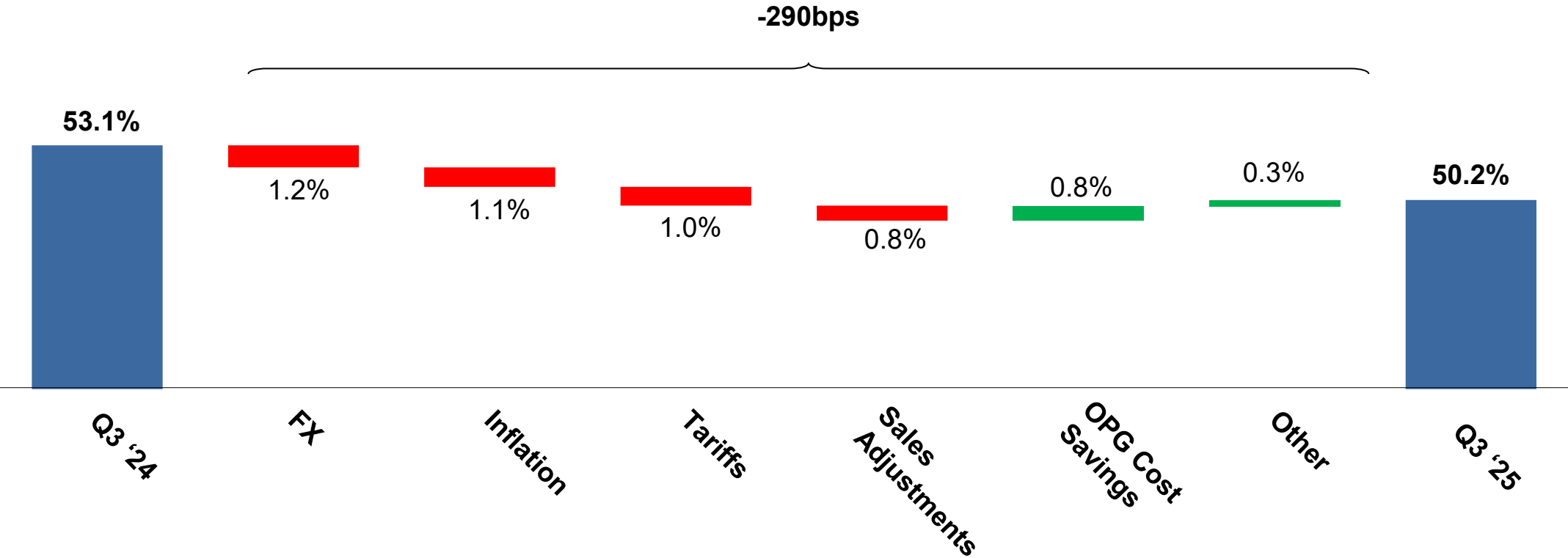


International performance highlights healthy demand for our products

(1) Figures presented in bars are as reported; Percentages shown are in constant currency. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator.
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Q3 2025 Adjusted Gross Margin Comparison¹

Decrease due to several factors, partially offset by cost savings

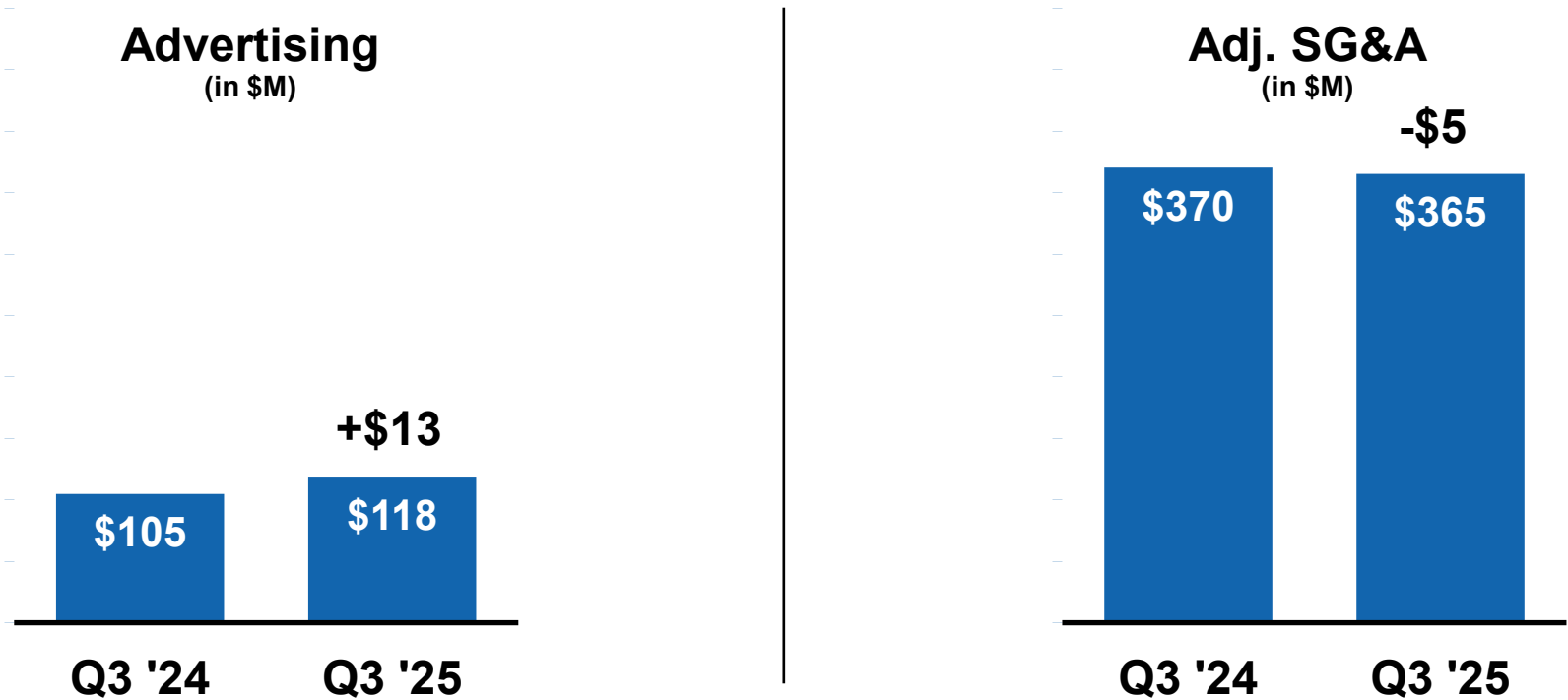


Maintained Adjusted Gross Margin¹ above 50%

(1) Amounts may not sum 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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Q3 2025 Advertising and Adjusted SG&A¹

Advertising increased, supporting higher consumer demand;
Adjusted SG&A¹ benefited from lower compensation-related expenses



Continuing to closely manage cost structure

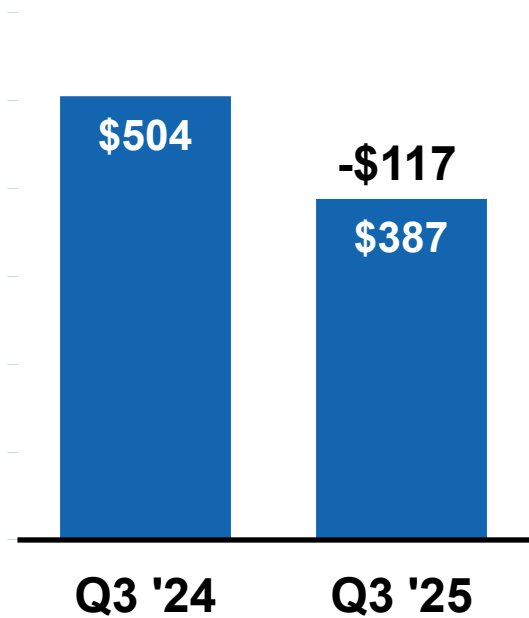
(1) As Reported. Please see Appendix – Reconciliation of Non-GAAP Financial Measures and Glossary of Non-GAAP Financial Measures & Key Performance Indicator

Q3 2025 Adjusted Profit Metrics¹

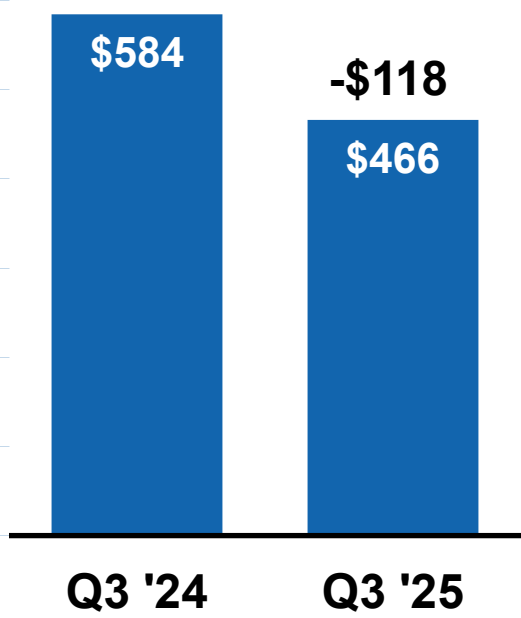
Key metrics as compared to the prior year period

(in \$M, except per share information)

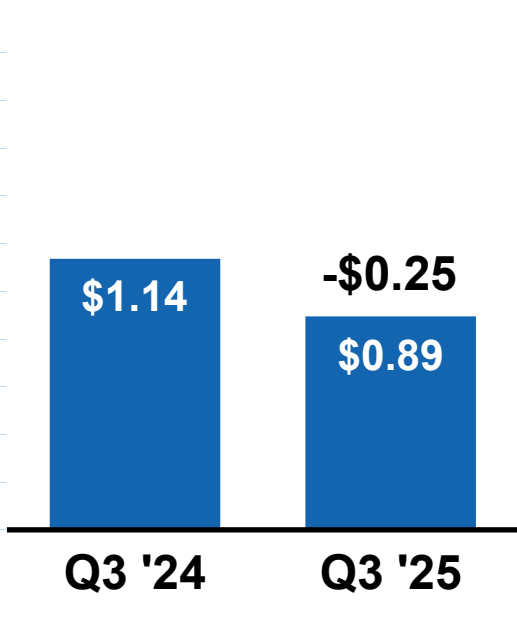
Adj. Operating Income



Adj. EBITDA



Adj. EPS



Lower Net Sales and Adjusted Gross Margin¹ impacted Adjusted Profit Metrics¹

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

Q3 2025 YTD and TTM Cash Flow¹

TTM Free Cash Flow of \$488M

(in \$M) ¹	YTD 2025	YTD 2024
Cash from Operations	(\$203)	(\$62)
Capital Expenditures	(\$125)	(\$157)
Free Cash Flow	(\$328)	(\$219)
	TTM 2025	TTM 2024
Cash from Operations	\$659	\$888
Capital Expenditures	(\$171)	(\$200)
Free Cash Flow	\$488	\$688

Repurchased \$202M of shares in the quarter and \$412M YTD

(1) Amounts may not sum 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

Owned inventory increase reflects tariff-related costs, foreign exchange, and retailers shifting from direct import to domestic shipping in the US

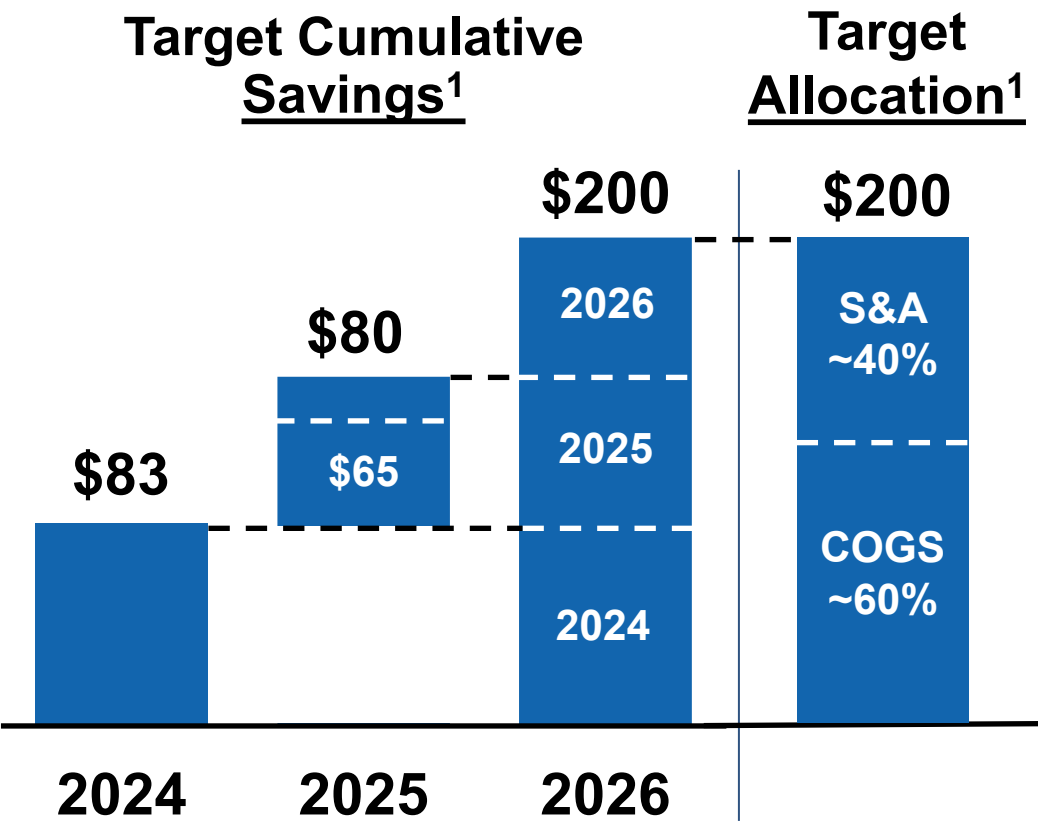
(in \$M)	Q3 2025	Q3 2024
Cash	\$692	\$724
Inventory	\$827	\$737
Debt ¹	\$2,338	\$2,333
Leverage Ratio (Total Debt ² / Adj. EBITDA)	2.5x	2.3x

Retail inventories are of good quality, positioning Mattel well for the holiday season

(1) Debt, including Current Portion
 (2) 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
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Optimizing for Profitable Growth (OPG)

\$148M of savings achieved since launching program in 2024



\$23M of savings achieved in Q3, \$65M YTD

Target 3-year program savings of \$200M by 2026

On track to achieve target of \$80M cost savings in 2025

(1) In \$M.
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Reiterating 2025 Guidance¹

Since the beginning of the fourth quarter, orders from retailers in the US have accelerated significantly and Mattel POS continues to grow

in \$M, except EPS and percentages ²	FY2025 Guidance	FY2024 Actual
Net Sales	+1% to 3% ³	\$5,380
Adjusted Gross Margin	Approx. 50%	50.9%
Adjusted Operating Income	\$700 - \$750	\$738
Adjusted Tax Rate	23% - 24%	21%
Adjusted EPS	\$1.54 - \$1.66	\$1.62
Free Cash Flow	Approx. \$500	\$598

Maintaining \$600M share repurchase target in 2025

(1) Includes the anticipated impact of tariffs implemented to date

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

(3) In Constant Currency

Closing

“While our US business was challenged in the third quarter by industry-wide shifts in retailer ordering patterns, the fundamentals of our business are strong, with growth in consumer demand for our products across every region. Since the beginning of the fourth quarter, orders from retailers in the US have accelerated significantly and our POS is growing. Looking into the balance of the year, we expect a good holiday season for Mattel and strong topline growth in the fourth quarter. We are reiterating our full year 2025 guidance and are advancing our strategy to grow our IP-driven toy business and expand our entertainment offering.”

- Ynon Kreiz, Chairman & CEO



YEARS OF INNOVATION



Appendix

Consolidated Statements of Operations

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT I

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)¹

	For the Three Months Ended September 30,						For the Nine Months Ended September 30,					
	2025		2024		% Change as Reported	% Change in Constant Currency	2025		2024		% Change as Reported	% Change in Constant Currency
	\$ Amt	% Net Sales	\$ Amt	% Net Sales			\$ Amt	% Net Sales	\$ Amt	% Net Sales		
(In millions, except per share and percentage information)												
Net Sales	\$ 1,736.0		\$ 1,843.9		-6%	-7%	\$ 3,581.2		\$ 3,733.1		-4%	-4%
Cost of Sales	867.7	50.0%	864.9	46.9%	—%		1,785.9	49.9%	1,834.5	49.1%	-3%	
Gross Profit	868.3	50.0%	979.0	53.1%	-11%	-10%	1,795.3	50.1%	1,898.6	50.9%	-5%	-5%
Advertising and Promotion Expenses	118.1	6.8%	105.0	5.7%	13%		267.5	7.5%	250.1	6.7%	7%	
Other Selling and Administrative Expenses	370.3	21.3%	385.7	20.9%	-4%		1,122.5	31.3%	1,112.5	29.8%	1%	
Operating Income	379.8	21.9%	488.3	26.5%	-22%	-20%	405.4	11.3%	536.0	14.4%	-24%	-25%
Interest Expense	29.4	1.7%	29.4	1.6%	—%		88.0	2.5%	89.4	2.4%	-2%	
Interest (Income)	(9.0)	-0.5%	(9.8)	-0.5%	-8%		(37.3)	-1.0%	(39.5)	-1.1%	-5%	
Other Non-Operating Expense (Income), Net	1.0		(2.9)				12.6		8.8			
Income Before Income Taxes	358.5	20.7%	471.7	25.6%	-24%	-22%	342.1	9.6%	477.3	12.8%	-28%	-30%
Provision for Income Taxes	86.9		106.4				72.5		94.8			
(Income) from Equity Method Investments	(6.7)		(7.0)				(21.8)		(18.4)			
Net Income	\$ 278.4	16.0%	\$ 372.4	20.2%	-25%		\$ 291.4	8.1%	\$ 401.0	10.7%	-27%	
Net Income Per Common Share - Basic	\$ 0.88		\$ 1.10				\$ 0.90		\$ 1.17			
Weighted-Average Number of Common Shares	315.8		339.1				322.3		342.7			
Net Income Per Common Share - Diluted	\$ 0.88		\$ 1.09				\$ 0.90		\$ 1.16			
Weighted-Average Number of Common and Potential Common Shares	318.1		341.2				325.1		345.4			

¹ Amounts may not sum due to rounding.

Condensed Consolidated Balance Sheets

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT II

CONDENSED CONSOLIDATED BALANCE SHEETS¹

(In millions)

Assets

Cash and Equivalents
Accounts Receivable, Net
Inventories
Prepaid Expenses and Other Current Assets
Total Current Assets
Property, Plant, and Equipment, Net
Right-of-Use Assets, Net
Goodwill
Other Noncurrent Assets
Total Assets

September 30,		December 31,
2025	2024	2024
(Unaudited)		
\$	\$	\$
691.9	723.5	1,387.9
1,390.3	1,477.4	1,003.2
826.6	737.2	501.7
246.9	242.3	234.1
3,155.7	3,180.4	3,126.9
542.4	513.8	516.0
305.4	277.6	326.4
1,389.9	1,389.0	1,381.7
1,200.1	1,153.0	1,193.0
\$ 6,593.4	\$ 6,513.7	\$ 6,544.1

Liabilities and Stockholders' Equity

Current Portion of Long-Term Debt
Accounts Payable and Accrued Liabilities
Income Taxes Payable
Total Current Liabilities
Long-Term Debt
Noncurrent Lease Liabilities
Other Noncurrent Liabilities
Stockholders' Equity
Total Liabilities and Stockholders' Equity

\$	\$	\$
599.2	—	—
1,322.6	1,242.4	1,277.7
52.8	56.2	38.0
1,974.6	1,298.6	1,315.7
1,738.4	2,333.3	2,334.4
254.7	229.2	278.2
364.5	339.7	351.7
2,261.2	2,312.9	2,264.1
\$ 6,593.4	\$ 6,513.7	\$ 6,544.1

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

Key Balance Sheet Data:

Accounts Receivable, Net Days of Sales Outstanding (DSO)

September 30,	
2025	2024
72	72

(In millions)

Condensed Cash Flow Data:

Cash Flows (Used for) Operating Activities
Cash Flows (Used for) Investing Activities
Cash Flows (Used for) Financing Activities and Other
Decrease in Cash and Equivalents

For the Nine Months Ended September 30,	
2025	2024
\$ (203.3)	\$ (61.6)
(97.5)	(151.7)
(395.2)	(324.5)
<u>\$ (696.0)</u>	<u>\$ (537.8)</u>

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 September 30,			For the Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Gross Profit						
Gross Profit, As Reported	\$ 868.3	\$ 979.0		\$ 1,795.3	\$ 1,898.6	
Gross Margin	50.0%	53.1 %	-310 bps	50.1 %	50.9 %	-80 bps
Adjustments:						
Severance and Restructuring Expenses	2.4	0.4		6.1	3.0	
Gross Profit, As Adjusted	\$ 870.7	\$ 979.4		\$ 1,801.4	\$ 1,901.6	
Adjusted Gross Margin	50.2 %	53.1 %	-290 bps	50.3 %	50.9 %	-60bps
Other Selling and Administrative Expenses						
Other Selling and Administrative Expenses, As Reported	\$ 370.3	\$ 385.7	-4%	\$ 1,122.5	\$ 1,112.5	1%
% of Net Sales	21.3 %	20.9 %	40 bps	31.3 %	29.8 %	150 bps
Adjustments:						
Severance and Restructuring Expenses	(0.4)	(27.1)		(23.9)	(43.8)	
Inclined Sleeper Product Recalls	(4.6)	11.7		(24.2)	5.8	
Other Selling and Administrative Expenses, As Adjusted	\$ 365.2	\$ 370.3	-1%	\$ 1,074.3	\$ 1,074.5	—%
% of Net Sales	21.0 %	20.1 %	90 bps	30.0 %	28.8 %	120 bps
Operating Income						
Operating Income, As Reported	\$ 379.8	\$ 488.3	-22%	\$ 405.4	\$ 536.0	-24%
Operating Income Margin	21.9%	26.5 %	-460 bps	11.3%	14.4 %	-310 bps
Adjustments:						
Severance and Restructuring Expenses	2.8	27.5		30.0	46.8	
Inclined Sleeper Product Recalls	4.6	(11.7)		24.2	(5.8)	
Operating Income, As Adjusted	\$ 387.3	\$ 504.1	-23%	\$ 459.6	\$ 577.0	-20%
Adjusted Operating Income Margin	22.3%	27.3 %	-500 bps	12.8%	15.5 %	-270bps

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 September 30,			For the Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Earnings Per Share						
Net Income Per Common Share, As Reported	\$ 0.88	\$ 1.09	-19%	\$ 0.90	\$ 1.16	-22%
Adjustments:						
Severance and Restructuring Expenses	0.01	0.08		0.09	0.14	
Inclined Sleeper Product Recalls	0.01	(0.03)		0.07	(0.02)	
Valuation Allowance on Foreign Deferred Tax Assets	—	0.01		—	0.01	
Tax Effect of Adjustments ²	0.00	(0.01)		(0.04)	(0.03)	
Net Income Per Common Share, As Adjusted	<u>\$ 0.89</u>	<u>\$ 1.14</u>	-22%	<u>\$ 1.03</u>	<u>\$ 1.26</u>	-18%
EBITDA and Adjusted EBITDA						
Net Income, As Reported	\$ 278.4	\$ 372.4	-25%	\$ 291.4	\$ 401.0	-27%
Adjustments:						
Interest Expense	29.4	29.4		88.0	89.4	
Provision for Income Taxes	86.9	106.4		72.5	94.8	
Depreciation	33.7	33.0		102.4	101.7	
Amortization	7.9	7.9		23.6	23.5	
EBITDA	436.2	549.0		577.9	710.3	
Adjustments:						
Share-Based Compensation	22.3	19.7		61.0	57.4	
Severance and Restructuring Expenses	2.8	27.5		30.0	46.8	
Inclined Sleeper Product Recalls	4.6	(11.7)		24.2	(5.8)	
Adjusted EBITDA	<u>\$ 466.1</u>	<u>\$ 584.4</u>	-20%	<u>\$ 693.1</u>	<u>\$ 808.8</u>	-14%
Free Cash Flow						
Net Cash Flows (Used for) Operating Activities				\$ (203.3)	\$ (61.6)	
Capital Expenditures				(124.9)	(156.9)	
Free Cash Flow				<u>\$ (328.2)</u>	<u>\$ (218.5)</u>	

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.

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

	For the Three Months Ended September 30,		
	2025	2024	Change
<u>(In millions, except percentage and pts information)</u>			
<u>Tax Rate</u>			
Income Before Income Taxes, As Reported	\$ 358.5	\$ 471.7	
Adjustments:			
Severance and Restructuring Expenses	2.8	27.5	
Inclined Sleeper Product Recalls	4.6	(11.7)	
Income Before Income Taxes, As Adjusted	<u>\$ 366.0</u>	<u>\$ 487.4</u>	
Provision for Income Taxes, As Reported	\$ 86.9	\$ 106.4	
Adjustments:			
Valuation Allowance on Foreign Deferred Tax Assets	—	(3.2)	
Tax Effect of Adjustments ²	1.4	3.7	
Provision for Income Taxes, As Adjusted	<u>\$ 88.3</u>	<u>\$ 106.9</u>	
Tax Rate, As Reported	24%	23%	1 pt
Tax Rate, As Adjusted	24%	22%	2 pts
<u>Net Debt</u>			
Long-Term Debt	\$ 1,738.4	\$ 2,333.3	
Current Portion of Long-Term Debt	599.2	—	
Adjustments:			
Cash and Equivalents	(691.9)	(723.5)	
Net Debt	<u>\$ 1,645.7</u>	<u>\$ 1,609.7</u>	

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

	For the Trailing Twelve Months Ended September 30,		
	2025	2024	Change
<u>(In millions, except percentage and pts information)</u>			
<u>Leverage Ratio (Total Debt/Adjusted EBITDA)</u>			
<u>Total Debt</u>			
Long-Term Debt	\$ 1,738.4	\$ 2,333.3	
Current Portion of Long-Term Debt	599.2	—	
Adjustments:			
Debt Issuance Costs and Debt Discount	12.4	16.7	
Total Debt	<u>\$ 2,350.0</u>	<u>\$ 2,350.0</u>	
<u>EBITDA and Adjusted EBITDA</u>			
Net Income, As Reported	\$ 432.3	\$ 548.3	-21%
Adjustments:			
Interest Expense	117.4	120.7	
Provision for Income Taxes	83.4	67.5	
Depreciation	137.4	137.1	
Amortization	31.4	32.8	
EBITDA	<u>801.7</u>	<u>906.4</u>	
Adjustments:			
Share-Based Compensation	82.9	88.4	
Severance and Restructuring Expenses	31.3	44.8	
Inclined Sleeper Product Recalls	26.0	3.2	
Adjusted EBITDA	<u>\$ 941.9</u>	<u>\$ 1,042.7</u>	-10%
Total Debt / Net Income	5.4x	4.3x	
Leverage Ratio (Total Debt / Adjusted EBITDA)	2.5x	2.3x	
<u>Free Cash Flow</u>			
Net Cash Flows Provided by Operating Activities	\$ 658.9	\$ 887.8	-26%
Capital Expenditures	(170.5)	(199.7)	
Free Cash Flow	<u>\$ 488.3</u>	<u>\$ 688.2</u>	-29%
Net Cash Flows Provided by Operating Activities / Net Income	152%	162%	-10 pts
Free Cash Flow Conversion (Free Cash Flow/Adjusted EBITDA)	52%	66%	-14 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)

Gross Profit

Gross Profit, As Reported

For the Year Ended
December 31,
2024

\$ 2,734.1
50.8 %

Gross Margin

Adjustments:

Severance and Restructuring Expenses

4.3

Gross Profit, As Adjusted

\$ 2,738.3

Adjusted Gross Margin

50.9 %

Operating Income

Operating Income, As Reported

\$ 694.3

Operating Income Margin

12.9 %

Adjustments:

Severance and Restructuring Expenses

48.1

Inclined Sleeper Product Recalls

(4.1)

Operating Income, As Adjusted

\$ 738.3

Adjusted Operating Income Margin

13.7 %

Earnings Per Share

Net Income Per Common Share, As Reported

\$ 1.58

Adjustments:

Severance and Restructuring Expenses

0.14

Inclined Sleeper Product Recalls

(0.01)

Changes to Deferred Tax Assets

(0.06)

Tax Effect of Adjustments²

(0.03)

Net Income Per Common Share, As Adjusted

\$ 1.62

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.

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

	For the Year Ended December 31, 2024
<u>(In millions, except percentage information)</u>	
<u>Tax Rate</u>	
Income Before Income Taxes, As Reported	\$ 622.5
Adjustments:	
Severance and Restructuring Expenses	48.1
Inclined Sleeper Product Recalls	(4.1)
Income Before Income Taxes, As Adjusted	<u>\$ 666.5</u>
Provision for Income Taxes, As Reported	\$ 105.6
Adjustments:	
Changes to Deferred Tax Assets	21.1
Tax Effect of Adjustments ²	10.2
Provision for Income Taxes, As Adjusted	<u>\$ 136.9</u>
Tax Rate, As Reported	17%
Tax Rate, As Adjusted	21%
<u>Free Cash Flow</u>	
Net Cash Flows Provided by Operating Activities	\$ 800.6
Capital Expenditures	(202.6)
Free Cash Flow	<u>\$ 597.9</u>

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.

Worldwide Net Sales and Gross Billings

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT IV

WORLDWIDE NET SALES AND GROSS BILLINGS¹ (Unaudited)²

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2025	2024	% Change as Reported	% Change in Constant Currency	2025	2024	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)								
Worldwide Net Sales:								
Net Sales	\$ 1,736.0	\$ 1,843.9	-6%	-7%	\$ 3,581.2	\$ 3,733.1	-4%	-4%
Worldwide Gross Billings by Categories:								
Dolls	\$ 674.1	\$ 757.1	-11%	-12%	\$ 1,305.8	\$ 1,465.6	-11%	-11%
Infant, Toddler, and Preschool	262.5	349.8	-25	-26	532.3	675.1	-21	-21
Vehicles	626.2	580.0	8	6	1,342.2	1,247.4	8	7
Action Figures, Building Sets, Games, and Other	404.0	364.3	11	9	861.2	763.2	13	12
Gross Billings	<u>\$ 1,966.8</u>	<u>\$ 2,051.1</u>	-4%	-5%	<u>\$ 4,041.4</u>	<u>\$ 4,151.4</u>	-3%	-3%
Supplemental Gross Billings Disclosure								
Worldwide Gross Billings by Top 3 Power Brands:								
Barbie	\$ 413.9	\$ 500.6	-17%	-18%	\$ 788.3	\$ 944.1	-16%	-17%
Hot Wheels	547.2	508.2	8	6	1,173.3	1,093.7	7	7
Fisher-Price	215.4	265.4	-19	-20	413.4	494.7	-16	-16
Other	790.2	777.0	2	-	1,666.3	1,618.9	3	3
Gross Billings	<u>\$ 1,966.8</u>	<u>\$ 2,051.1</u>	-4%	-5%	<u>\$ 4,041.4</u>	<u>\$ 4,151.4</u>	-3%	-3%

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.

Net Sales and Gross Billings by Segment

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT V

NET SALES AND GROSS BILLINGS¹ BY SEGMENT (Unaudited)²

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2025	2024	% Change as Reported	% Change in Constant Currency	2025	2024	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)								
North America Net Sales:								
Net Sales	\$ 978.1	\$ 1,108.3	-12%	-12%	\$ 1,980.3	\$ 2,192.6	-10%	-10%
North America Gross Billings by Categories:								
Dolls	\$ 393.8	\$ 442.3	-11%	-11%	\$ 734.8	\$ 838.2	-12%	-12%
Infant, Toddler, and Preschool	157.1	228.0	-31	-31	307.1	420.1	-27	-27
Vehicles	276.5	288.5	-4	-4	600.8	605.5	-1	-1
Action Figures, Building Sets, Games, and Other	232.5	225.5	3	3	490.7	473.8	4	4
Gross Billings	<u>\$ 1,059.9</u>	<u>\$ 1,184.3</u>	-11%	-10%	<u>\$ 2,133.4</u>	<u>\$ 2,337.6</u>	-9%	-9%
Supplemental Gross Billings Disclosure								
North America Gross Billings by Top 3 Power Brands:								
Barbie	\$ 234.2	\$ 285.1	-18%	-18%	\$ 418.3	\$ 517.5	-19%	-19%
Hot Wheels	235.7	249.7	-6	-6	508.7	521.1	-2	-2
Fisher-Price	129.9	168.5	-23	-23	240.3	300.6	-20	-20
Other	460.2	481.0	-4	-4	966.1	998.4	-3	-3
Gross Billings	<u>\$ 1,059.9</u>	<u>\$ 1,184.3</u>	-11%	-10%	<u>\$ 2,133.4</u>	<u>\$ 2,337.6</u>	-9%	-9%

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.

Net Sales and Gross Billings by Segment

MATTEL, INC. AND SUBSIDIARIES

EXHIBIT VI

NET SALES AND GROSS BILLINGS¹ BY SEGMENT (Unaudited)²

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2025	2024	% Change as Reported	% Change in Constant Currency	2025	2024	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)								
International Net Sales by Geographic Area:								
EMEA	\$ 424.0	\$ 401.9	5%	1%	\$ 898.6	\$ 837.9	7%	4%
Latin America	230.3	240.6	-4	-6	423.6	454.8	-7	-4
Asia Pacific	103.5	93.1	11	12	278.7	247.9	12	14
Net Sales	<u>\$ 757.9</u>	<u>\$ 735.6</u>	3%	—%	<u>\$ 1,600.9</u>	<u>\$ 1,540.6</u>	4%	4%
International Gross Billings by Geographic Area:								
EMEA	\$ 515.0	\$ 478.6	8%	3%	\$ 1,088.0	\$ 998.3	9%	6%
Latin America	274.8	281.9	-3	-4	502.4	531.3	-5	-2
Asia Pacific	117.1	106.3	10	11	317.6	284.2	12	13
Gross Billings	<u>\$ 906.9</u>	<u>\$ 866.8</u>	5%	2%	<u>\$ 1,908.0</u>	<u>\$ 1,813.8</u>	5%	5%
International Gross Billings by Categories:								
Dolls	\$ 280.2	\$ 314.8	-11%	-14%	\$ 571.0	\$ 627.5	-9%	-10%
Infant, Toddler, and Preschool	105.3	121.8	-14	-16	225.2	255.0	-12	-12
Vehicles	349.8	291.5	20	17	741.3	641.9	15	15
Action Figures, Building Sets, Games, and Other	171.6	138.8	24	20	370.4	289.4	28	27
Gross Billings	<u>\$ 906.9</u>	<u>\$ 866.8</u>	5%	2%	<u>\$ 1,908.0</u>	<u>\$ 1,813.8</u>	5%	5%
Supplemental Gross Billings Disclosure								
International Gross Billings by Top 3 Power Brands:								
Barbie	\$ 179.8	\$ 215.5	-17%	-19%	\$ 370.0	\$ 426.6	-13%	-14%
Hot Wheels	311.6	258.4	21	18	664.6	572.6	16	16
Fisher-Price	85.6	96.9	-12	-14	173.2	194.1	-11	-10
Other	330.0	296.1	11	8	700.3	620.5	13	12
Gross Billings	<u>\$ 906.9</u>	<u>\$ 866.8</u>	5%	2%	<u>\$ 1,908.0</u>	<u>\$ 1,813.8</u>	5%	5%

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.



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, Adjusted Operating Income 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. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are attached to this earnings release as exhibits and to our earnings slide presentation as an appendix.

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 and the impact of the inclined sleeper product recalls, 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 and Adjusted Operating Income Margin

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

EBITDA and Adjusted EBITDA

EBITDA represents Mattel’s Net Income, adjusted to exclude the impact of interest expense, taxes, depreciation, and amortization. Adjusted EBITDA represents EBITDA adjusted to exclude share-based compensation, severance and restructuring expenses and the impact of the inclined sleeper product recalls, 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 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 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 and the impact of inclined sleeper product recalls. 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 related valuation allowances 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.

2025 Guidance

A reconciliation of Mattel's non-GAAP financial measures on a forward-looking basis, including Net Sales on a constant currency basis, Adjusted Gross Margin, Adjusted Operating Income, Adjusted Tax Rate, Adjusted EPS, 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.