



MATTEL REPORTS FIRST QUARTER 2023 FINANCIAL RESULTS

First Quarter 2023 Highlights Versus Prior Year

- Net Sales of \$815 million, down 22% as reported, or 21% in constant currency
- Gross Margin of 40.0%, a decrease of 640 basis points; Adjusted Gross Margin of 40.0%, a decrease of 660 basis points
- Operating Loss of \$115 million, a decrease of \$195 million; Adjusted Operating Loss of \$87 million, a decrease of \$177 million
- Net Loss of \$106 million compared to prior year Net Income of \$21 million
- Net Loss per Share of \$0.30 compared to prior year Net Income per Share of \$0.06; Adjusted Net Loss per Share of \$0.24 compared to prior year Net Income per Share of \$0.08
- Adjusted EBITDA of negative \$14 million, a decrease of \$166 million
- Repurchased \$34 million of shares
- Company reiterates 2023 guidance

EL SEGUNDO, Calif., Apr. 26, 2023 – Mattel, Inc. (NASDAQ: MAT) today reported first quarter 2023 financial results.

Ynon Kreiz, Chairman and CEO of Mattel, said: “While retail inventory management impacted the first quarter’s results, the underlying business performed well. Mattel achieved growth and gained market share, per Circana. The fundamentals of our business are strong. We expect to outpace the industry, gain market share, and achieve our full year guidance. We are well positioned to continue executing our multi-year strategy and create long-term shareholder value.”

Anthony DiSilvestro, CFO of Mattel, added: “We expect consumer demand to be positive for the full year and for revenue comparisons to improve, as shipping patterns revert to historical trends in the second half. We continue to generate meaningful free cash flow and expect to exceed \$400 million in 2023. Consistent with our capital allocation priorities, we have resumed share repurchases, which also reflects confidence in our strategy.”

Financial Overview

For the first quarter, Net Sales were down 22% as reported, or 21% in constant currency, versus the prior year. Reported Operating Loss was \$115 million, a decrease of \$195 million, and Adjusted Operating Loss was \$87 million, a decrease of \$177 million. Reported Net Loss Per Share was \$0.30, compared to prior year Reported Net Income Per Share of \$0.06, and Adjusted Net Loss Per Share was \$0.24, compared to prior year Adjusted Net Income Per Share of \$0.08.

Net Sales in the North America segment decreased 27% as reported and in constant currency.

Gross Billings in the North America segment decreased 27% as reported and in constant currency, due to declines in Action Figures, Building Sets, Games, and Other (including Action Figures), Dolls (including Barbie®), Infant, Toddler, and Preschool (including Fisher-Price®), and Vehicles (including Hot Wheels®).

Net Sales in the International segment decreased 15% as reported, or 13% in constant currency.

Gross Billings in the International segment decreased 16% as reported, or 14% in constant currency, due to declines in Dolls (including Barbie), Action Figures, Building Sets, Games, and Other (including Action Figures and Games), and Infant, Toddler, and Preschool (including Fisher-Price), partially offset by growth in Vehicles (including Hot Wheels).

Net Sales in the American Girl® segment decreased 5% as reported and in constant currency. Gross Billings in the American Girl segment decreased 6% as reported and in constant currency.

Reported Gross Margin decreased to 40.0%, versus 46.4% in the prior year, and Adjusted Gross Margin decreased to 40.0%, versus 46.6%. The decrease in Reported and Adjusted Gross Margin was primarily driven by inventory management efforts, including higher close-out sales and inventory obsolescence expense, cost inflation, unfavorable fixed cost absorption, and mix and other factors, partially offset by pricing and savings from the Optimizing for Growth program.

Reported Other Selling and Administrative Expenses increased \$36 million, to \$365 million, primarily driven by market-related pay increases and higher severance and restructuring expenses, partially offset by savings from the Optimizing for Growth program. Adjusted Other Selling and Administrative Expenses increased \$15 million, to \$336 million, primarily driven by market-related pay increases, partially offset by savings from the Optimizing for Growth program.

For the three months ended March 31, 2023, Cash Flows Used for Operating Activities were \$206 million, an increase of \$63 million, versus the prior year's first quarter, primarily due to changes in net earnings, excluding the impact of non-cash items, partially offset by lower working capital usage. Cash Flows Used for Investing Activities were \$43 million, a decrease of \$12 million, primarily due to prior year payment of foreign currency forward contracts, partially offset by higher capital expenditures. Cash Flows Used for Financing Activities and Other were \$51 million, as compared to cash inflows of \$4 million in the prior year, primarily due to share repurchases and lower proceeds from the exercise of stock options.

Gross Billings by Categories

For the first quarter, worldwide Gross Billings for Dolls were \$306 million, down 23% as reported, or 22% in constant currency, versus the prior year, primarily due to declines in Barbie and Enchantimals, partially offset by the launch of Disney Princess and Disney Frozen and Monster High.

Worldwide Gross Billings for Infant, Toddler, and Preschool were \$150 million, down 27% as reported, or 26% in constant currency, primarily due to declines in Fisher-Price.

Worldwide Gross Billings for Vehicles were \$284 million, up 1% as reported and in constant currency, primarily driven by growth in Hot Wheels.

Worldwide Gross Billings for Action Figures, Building Sets, Games, and Other were \$171 million, down 39% as reported, or 38% in constant currency, primarily due to declines in Action Figures and Games.

2023 Guidance

Mattel's full year 2023 guidance remains:

(in millions, except EPS and percentages)	FY2023 Guidance	FY2022
Net Sales	Comparable (Constant Currency)	\$5,435
Adjusted Gross Margin	~ 47%	45.9%
Adjusted EPS	\$1.10 - \$1.20	\$1.25
Adjusted EBITDA	\$900 - \$950	\$968
Adjusted Tax Rate	25 - 26%	24%
Capital Expenditures	\$175 - \$200	\$187
Free Cash Flow	> \$400	\$256

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

The company is operating in a challenging macro-economic environment with higher volatility, including inflation, that may impact consumer demand. Mattel's guidance takes into account what the company is aware of today but remains subject to further volatility and any unexpected disruption, including fluctuations in foreign exchange rates, inflation, changes in global economic conditions and consumer demand, labor market fluctuations, and other macro-economic risks and uncertainties.

Conference Call and Live Webcast

At 5:00 p.m. (Eastern Standard Time) today, Mattel will host a conference call with investors and financial analysts to discuss its first quarter financial results. The conference call will be webcast on Mattel's Investor Relations website, <https://investors.mattel.com>. To listen to the live call, log on to the website at least 10 minutes early to register, download, and install any necessary audio software. An archive of the webcast will be available on Mattel's Investor Relations website for 12 months and may be accessed beginning approximately three hours after the completion of the live call.

Cautionary Note Regarding Forward-Looking Statements

Mattel cautions the reader that this press release 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, or product safety, 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), natural and manmade disasters, pandemics or other public health crises, such as the COVID-19 pandemic, 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 non-fungible tokens and cryptocurrency; and (xxii) other risks and uncertainties as may be described in Mattel's filings with the Securities and Exchange Commission, including the "Risk Factors" section of Mattel's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 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.

Presentation Information / Non-GAAP Financial Measures

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 earnings release includes Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Other Selling and Administrative Expenses, Adjusted Operating (Loss) Income, Adjusted Operating (Loss) 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.

This earnings release and our earnings slide presentation are available on Mattel's Investor Relations website, <https://investors.mattel.com/>, under the subheading "Financial Information – Quarterly Earnings."

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

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

Free Cash Flow 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 (Benefit) Provision for Income Taxes by Adjusted (Loss) Income Before Income Taxes. Adjusted (Loss) Income Before Income Taxes represents reported (Loss) Income Before Income Taxes, adjusted to exclude severance and restructuring expenses, the impact of inclined sleeper product recalls, the impact of sale of assets/business, and loss on liquidation of Argentina subsidiary. The Adjusted (Benefit) Provision for Income Taxes represents reported (Benefit) Provision for Income Taxes, adjusted to exclude 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.

Key Performance Indicator

Gross Billings

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

About Mattel

Mattel is a leading global toy company and owner of one of the strongest catalogs of children's and family entertainment franchises in the world. We create innovative products and experiences that inspire, entertain, and develop children through play. We engage consumers through our portfolio of iconic brands, including Barbie®, Hot Wheels®, Fisher-Price®, American Girl®, Thomas & Friends™, UNO®, Masters of the Universe®, and MEGA®, as well as other popular intellectual properties that we own or license in partnership with global entertainment companies. Our offerings include film and television content, gaming and digital experiences, music, and live events. Founded in 1945, we operate in 35 locations and our products are available in more than 150 countries in collaboration with the world's leading retail and ecommerce companies. Mattel is proud to be a trusted partner in empowering children to explore the wonder of childhood and reach their full potential. Visit us online at [mattel.com](https://www.mattel.com).

Contacts:

News Media

Catherine Frymark
catherine.frymark@mattel.com

Securities Analysts

David Zbojnowicz
david.zbojnowicz@mattel.com

MAT-FIN MAT-CORP

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)¹

(In millions, except per share and percentage information)	For the Three Months Ended March 31,					
	2023		2022		% Change as Reported	% Change in Constant Currency
	\$ Amt	% Net Sales	\$ Amt	% Net Sales		
Net Sales	\$ 814.6		\$ 1,041.3		-22%	-21%
Cost of Sales	488.8	60.0 %	558.4	53.6 %	-12%	
Gross Profit	325.8	40.0 %	482.9	46.4 %	-33%	-32%
Advertising and Promotion Expenses	76.0	9.3 %	73.8	7.1 %	3%	
Other Selling and Administrative Expenses	364.8	44.8 %	329.1	31.6 %	11%	
Operating (Loss) Income	(115.0)	-14.1 %	80.1	7.7 %	n/m	n/m
Interest Expense	31.1	3.8 %	33.0	3.2 %	-6%	
Interest (Income)	(6.5)	-0.8 %	(1.2)	-0.1 %	442%	
Other Non-Operating (Income) Expense, Net	(1.4)		9.1			
(Loss) Income Before Income Taxes	(138.2)	-17.0 %	39.1	3.8 %	n/m	n/m
(Benefit) Provision for Income Taxes	(27.0)		23.9			
(Income) from Equity Method Investments	(4.7)		(6.3)			
Net (Loss) Income	\$ (106.5)	-13.1 %	\$ 21.5	2.1 %	n/m	
Net (Loss) Income Per Common Share - Basic	\$ (0.30)		\$ 0.06			
Weighted-Average Number of Common Shares	354.9		352.2			
Net (Loss) Income Per Common Share - Diluted	\$ (0.30)		\$ 0.06			
Weighted-Average Number of Common and Potential Common Shares	354.9		359.0			

¹ Amounts may not sum due to rounding.

n/m - Not meaningful

CONDENSED CONSOLIDATED BALANCE SHEETS¹

	March 31,		December 31,
	2023	2022	2022
(In millions)	(Unaudited)		
Assets			
Cash and Equivalents	\$ 461.7	\$ 536.6	\$ 761.2
Accounts Receivable, Net	673.8	862.2	860.2
Inventories	961.0	969.2	894.1
Prepaid Expenses and Other Current Assets	269.7	267.7	213.5
Total Current Assets	2,366.3	2,635.7	2,729.0
Property, Plant, and Equipment, Net	471.2	452.0	469.1
Right-of-Use Assets, Net	304.5	339.7	318.7
Goodwill	1,381.0	1,387.1	1,378.6
Other Noncurrent Assets	1,308.7	1,332.9	1,282.3
Total Assets	\$ 5,831.7	\$ 6,147.4	\$ 6,177.7
Liabilities and Stockholders' Equity			
Current Portion of Long-Term Debt	\$ —	\$ 250.0	\$ —
Accounts Payable and Accrued Liabilities	955.5	1,278.0	1,150.2
Income Taxes Payable	13.5	16.7	37.6
Total Current Liabilities	969.0	1,544.7	1,187.7
Long-Term Debt	2,326.7	2,322.1	2,325.6
Noncurrent Lease Liabilities	257.4	296.4	271.4
Other Noncurrent Liabilities	341.0	366.1	336.6
Stockholders' Equity	1,937.7	1,618.1	2,056.3
Total Liabilities and Stockholders' Equity	\$ 5,831.7	\$ 6,147.4	\$ 6,177.7

SUPPLEMENTAL BALANCE SHEET AND CASH FLOW DATA (Unaudited)¹

	March 31,	
	2023	2022
Key Balance Sheet Data:		
Accounts Receivable, Net Days of Sales Outstanding (DSO)	74	75

(In millions)	For the Three Months Ended March 31,	
	2023	2022
Condensed Cash Flow Data:		
Cash Flows (Used for) Operating Activities	\$ (206)	\$ (144)
Cash Flows (Used for) Investing Activities	(43)	(55)
Cash Flows (Used for) Provided by Financing Activities and Other	(51)	4
Decrease in Cash and Equivalents	<u>\$ (300)</u>	<u>\$ (195)</u>

¹ Amounts may not sum due to rounding.

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,		
	2023	2022	Change
Gross Profit			
Gross Profit, As Reported	\$ 325.8	\$ 482.9	
Gross Margin	40.0 %	46.4 %	-640 bps
Adjustments:			
Severance and Restructuring Expenses	—	2.7	
Gross Profit, As Adjusted	<u>\$ 325.8</u>	<u>\$ 485.6</u>	
Adjusted Gross Margin	<u>40.0 %</u>	<u>46.6 %</u>	-660 bps
Other Selling and Administrative Expenses			
Other Selling and Administrative Expenses, As Reported	\$ 364.8	\$ 329.1	11%
% of Net Sales	44.8 %	31.6 %	1,320 bps
Adjustments:			
Severance and Restructuring Expenses	(23.9)	(6.8)	
Inclined Sleeper Product Recalls	(4.3)	(0.6)	
Other Selling and Administrative Expenses, As Adjusted	<u>\$ 336.5</u>	<u>\$ 321.7</u>	5%
% of Net Sales	<u>41.3 %</u>	<u>30.9 %</u>	1,040 bps
Operating (Loss) Income			
Operating (Loss) Income, As Reported	\$ (115.0)	\$ 80.1	n/m
Operating (Loss) Income Margin	-14.1 %	7.7 %	n/m
Adjustments:			
Severance and Restructuring Expenses	23.9	9.5	
Inclined Sleeper Product Recalls	4.3	0.6	
Operating (Loss) Income, As Adjusted	<u>\$ (86.7)</u>	<u>\$ 90.1</u>	n/m
Adjusted Operating (Loss) Income Margin	<u>-10.6 %</u>	<u>8.7 %</u>	n/m

¹ Amounts may not sum due to rounding.

n/m - Not meaningful

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,		
	2023	2022	Change
Earnings Per Share			
Net (Loss) Income Per Common Share, As Reported	\$ (0.30)	\$ 0.06	n/m
<i>Adjustments:</i>			
Severance and Restructuring Expenses	0.07	0.03	
Inclined Sleeper Product Recalls	0.01	—	
Tax Effect of Adjustments ²	(0.02)	(0.01)	
Net (Loss) Income Per Common Share, As Adjusted	<u>\$ (0.24)</u>	<u>\$ 0.08</u>	n/m
EBITDA and Adjusted EBITDA			
Net (Loss) Income, As Reported	\$ (106.5)	\$ 21.5	n/m
<i>Adjustments:</i>			
Interest Expense	31.1	33.0	
(Benefit) Provision for Income Taxes	(27.0)	23.9	
Depreciation	33.7	35.9	
Amortization	9.5	9.3	
EBITDA	<u>(59.1)</u>	<u>123.6</u>	
<i>Adjustments:</i>			
Share-Based Compensation	16.9	19.3	
Severance and Restructuring Expenses	23.9	8.4	
Inclined Sleeper Product Recalls	4.3	0.6	
Adjusted EBITDA	<u>\$ (13.9)</u>	<u>\$ 152.0</u>	n/m
Free Cash Flow			
Net Cash Flows Used for Operating Activities	\$ (206.4)	\$ (143.8)	
Capital Expenditures	(43.0)	(36.0)	
Free Cash Flow	<u>\$ (249.4)</u>	<u>\$ (179.8)</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.

n/m - Not meaningful

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,		
	2023	2022	Change
<u>Tax Rate</u>			
(Loss) Income Before Income Taxes, As Reported	\$ (138.2)	\$ 39.1	
<i>Adjustments:</i>			
Severance and Restructuring Expenses	23.9	9.5	
Inclined Sleeper Product Recalls	4.3	0.6	
(Loss) Income Before Income Taxes, As Adjusted	<u>\$ (109.9)</u>	<u>\$ 49.2</u>	
 (Benefit) Provision for Income Taxes, As Reported			
<i>Adjustments:</i>			
Tax Effect of Adjustments ²	6.6	2.6	
(Benefit) Provision for Income Taxes, As Adjusted	<u>\$ (20.4)</u>	<u>\$ 26.5</u>	
 Tax Rate, As Reported			
	20%	61%	-41 pts
Tax Rate, As Adjusted	<u>19%</u>	<u>54%</u>	-35 pts
 <u>Net Debt</u>			
 Long-Term Debt			
	\$ 2,326.7	\$ 2,322.1	
Current Portion of Long-Term Debt	—	250.0	
<i>Adjustments</i>			
Cash and Equivalents	(461.7)	(536.6)	
Net Debt	<u>\$ 1,865.0</u>	<u>\$ 2,035.5</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.

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,		
	2023	2022	Change
<u>Leverage Ratio (Total Debt/Adjusted EBITDA)</u>			
<i><u>Total Debt</u></i>			
Long-Term Debt	\$ 2,326.7	\$ 2,322.1	
Current Portion of Long-Term Debt	—	250.0	
<i>Adjustments:</i>			
Debt Issuance Costs and Debt Discount	23.3	27.9	
Total Debt	<u>\$ 2,350.0</u>	<u>\$ 2,600.0</u>	
<i><u>EBITDA and Adjusted EBITDA</u></i>			
Net Income, As Reported	\$ 266.0	\$ 1,036.8	-74%
<i>Adjustments:</i>			
Interest Expense	130.9	156.5	
Provision (Benefit) for Income Taxes	84.9	(416.8)	
Depreciation	142.4	145.6	
Amortization	<u>38.0</u>	<u>37.8</u>	
EBITDA	662.3	960.0	
<i>Adjustments:</i>			
Share-Based Compensation	66.7	64.3	
Severance and Restructuring Expenses	48.2	32.1	
Inclined Sleeper Product Recalls	3.5	10.4	
Sale of Assets/Business	(23.5)	—	
Loss on Liquidation of Argentina Subsidiary	45.4	—	
Adjusted EBITDA	<u>\$ 802.5</u>	<u>\$ 1,066.8</u>	-25%
Total Debt / Net Income	<u>8.8x</u>	<u>2.5x</u>	
Leverage Ratio (Total Debt / Adjusted EBITDA)	<u>2.9x</u>	<u>2.4x</u>	
<u>Free Cash Flow</u>			
Net Cash Flows Provided by Operating Activities	\$ 380.3	\$ 377.4	1%
Capital Expenditures	(193.5)	(151.6)	
Free Cash Flow	<u>\$ 186.8</u>	<u>\$ 225.8</u>	-17%
Net Cash Flows Provided by Operating Activities / Net Income	<u>143%</u>	<u>36%</u>	107 pts
Free Cash Flow Conversion (Free Cash Flow/Adjusted EBITDA)	<u>23%</u>	<u>21%</u>	2 pts

¹ Amounts may not sum due to rounding.

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)¹
RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

	For the Year Ended December 31,
	2022
(In millions, except percentage and per share information)	
Gross Profit	
Gross Profit, As Reported	\$ 2,481.4
<i>Gross Margin</i>	45.7 %
<i>Adjustments:</i>	
Severance and Restructuring Expenses	10.7
Gross Profit, As Adjusted	<u>\$ 2,492.0</u>
<i>Adjusted Gross Margin</i>	45.9 %
Earnings Per Share	
Net Income Per Common Share, As Reported	\$ 1.10
<i>Adjustments:</i>	
Severance and Restructuring Expenses	0.10
Sale of Assets/Business ²	(0.07)
Loss on Liquidation of Argentina Subsidiary ³	0.13
Net Income Per Common Share, As Adjusted	<u>\$ 1.25</u>
EBITDA and Adjusted EBITDA	
Net Income, As Reported	\$ 393.9
<i>Adjustments:</i>	
Interest Expense	132.8
Provision for Income Taxes	135.9
Depreciation	144.6
Amortization	37.9
EBITDA	845.0
<i>Adjustments:</i>	
Share-Based Compensation	69.1
Severance and Restructuring Expenses	32.7
Inclined Sleeper Product Recalls	(0.3)
Sale of Assets/Business ²	(23.5)
Loss on Liquidation of Argentina Subsidiary ³	45.4
Adjusted EBITDA	<u>\$ 968.4</u>

¹ Amounts may not sum due to rounding.

² For the year ended December 31, 2022, Mattel recorded a gain on sale of assets of \$23.5 million in other selling and administrative expenses.

³ During the year ended December 31, 2022, the liquidation of Mattel's subsidiary in Argentina was substantially completed, and Mattel recognized its cumulative translation adjustments of \$45.4 million as a loss in other non-operating expense, net.

SUPPLEMENTAL FINANCIAL INFORMATION (Unaudited)¹
RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

	For the Year Ended December 31,
	2022
(In millions, except percentage information)	
Tax Rate	
Income Before Income Taxes, As Reported	\$ 504.3
<i>Adjustments:</i>	
Severance and Restructuring Expenses	36.8
Inclined Sleeper Product Recalls	(0.3)
Sale of Assets/Business ²	(23.5)
Loss on Liquidation of Argentina Subsidiary ³	45.4
Income Before Income Taxes, As Adjusted	<u>\$ 562.8</u>
Provision for Income Taxes, As Reported	\$ 135.9
<i>Adjustments:</i>	
Tax Effect of Adjustments ⁴	1.3
Provision for Income Taxes, As Adjusted	<u>\$ 137.2</u>
Tax Rate, As Reported	27%
Tax Rate, As Adjusted	<u>24%</u>

¹ Amounts may not sum due to rounding.

² For the year ended December 31, 2022, Mattel recorded a gain on sale of assets of \$23.5 million in other selling and administrative expenses.

³ During the year ended December 31, 2022, the liquidation of Mattel's subsidiary in Argentina was substantially completed, and Mattel recognized its cumulative translation adjustments of \$45.4 million as a loss in other non-operating expense, net.

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 BILLINGS¹ (Unaudited)²

	For the Three Months Ended March 31,					
	2023	2022	% Change as Reported	% Change in Constant Currency		
	(In millions, except percentage information)					
Worldwide Net Sales:						
Net Sales	\$	814.6	\$	1,041.3	-22%	-21%
Worldwide Gross Billings by Categories:						
Dolls	\$	306.1	\$	396.1	-23%	-22%
Infant, Toddler, and Preschool		150.2		205.5	-27	-26
Vehicles		283.6		282.1	1	1
Action Figures, Building Sets, Games, and Other		171.5		280.7	-39	-38
Gross Billings	\$	911.3	\$	1,164.4	-22%	-21%
Supplemental Gross Billings Disclosure						
Worldwide Gross Billings by Top 3 Power Brands:						
Barbie	\$	176.9	\$	298.0	-41%	-40%
Hot Wheels		244.9		241.4	1	2
Fisher-Price		125.7		171.3	-27	-26
Other		363.9		453.8	-20	-19
Gross Billings	\$	911.3	\$	1,164.4	-22%	-21%

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 BILLINGS¹ BY SEGMENT (Unaudited)²

	For the Three Months Ended March 31,			
	2023	2022	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)				
North America Net Sales:				
Net Sales	\$ 437.0	\$ 602.1	-27%	-27%
North America Gross Billings by Categories:				
Dolls	\$ 132.9	\$ 182.2	-27%	-27%
Infant, Toddler, and Preschool	87.2	131.5	-34	-34
Vehicles	142.2	146.8	-3	-3
Action Figures, Building Sets, Games, and Other	106.3	181.3	-41	-41
Gross Billings	<u>\$ 468.5</u>	<u>\$ 641.8</u>	-27%	-27%
Supplemental Gross Billings Disclosure				
North America Gross Billings by Top 3 Power Brands:				
Barbie	\$ 89.5	\$ 164.0	-45%	-45%
Hot Wheels	119.7	121.7	-2	-1
Fisher-Price	75.4	112.5	-33	-33
Other	184.0	243.6	-24	-24
Gross Billings	<u>\$ 468.5</u>	<u>\$ 641.8</u>	-27%	-27%

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 BILLINGS¹ BY SEGMENT (Unaudited)²

	For the Three Months Ended March 31,			
	2023	2022	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)				
<u>International Net Sales by Geographic Area:</u>				
EMEA	\$ 209.4	\$ 277.7	-25%	-22%
Latin America	75.5	72.0	5	1
Asia Pacific	59.2	54.1	9	16
Net Sales	<u>\$ 344.1</u>	<u>\$ 403.8</u>	-15%	-13%
<u>International Gross Billings by Geographic Area:</u>				
EMEA	\$ 251.9	\$ 340.4	-26%	-24%
Latin America	87.7	83.2	5	1
Asia Pacific	69.0	62.7	10	17
Gross Billings	<u>\$ 408.6</u>	<u>\$ 486.3</u>	-16%	-14%
<u>International Gross Billings by Categories:</u>				
Dolls	\$ 138.9	\$ 177.6	-22%	-20%
Infant, Toddler, and Preschool	63.0	74.0	-15	-12
Vehicles	141.5	135.3	5	6
Action Figures, Building Sets, Games, and Other	65.2	99.4	-34	-33
Gross Billings	<u>\$ 408.6</u>	<u>\$ 486.3</u>	-16%	-14%
<u>Supplemental Gross Billings Disclosure</u>				
<u>International Gross Billings by Top 3 Power Brands:</u>				
Barbie	\$ 87.3	\$ 134.0	-35%	-32%
Hot Wheels	125.2	119.7	5	6
Fisher-Price	50.3	58.7	-14	-12
Other	145.7	173.9	-16	-15
Gross Billings	<u>\$ 408.6</u>	<u>\$ 486.3</u>	-16%	-14%

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 BILLINGS¹ BY SEGMENT (Unaudited)²

	For the Three Months Ended March 31,			
	2023	2022	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)				
American Girl Net Sales:				
Net Sales	\$ 33.5	\$ 35.3	-5%	-5%
American Girl Gross Billings:				
Gross Billings	\$ 34.2	\$ 36.3	-6%	-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.