



MATTEL REPORTS THIRD QUARTER 2024 FINANCIAL RESULTS

Third Quarter 2024 Highlights Versus Prior Year

- Net Sales of \$1,844 million, down 4% as reported, and 3% in constant currency
- Gross Margin of 53.1%, an increase of 210 basis points; Adjusted Gross Margin of 53.1%, an increase of 210 basis points
- Operating Income of \$488 million, an increase of \$14 million; Adjusted Operating Income of \$504 million, a decrease of \$2 million
- Net Income of \$372 million, an improvement of \$226 million
- Earnings per Share of \$1.09 compared to \$0.41 per share; Adjusted Earnings per Share of \$1.14 compared to \$1.08 per share
- Adjusted EBITDA of \$584 million, an improvement of \$5 million
- Repurchased \$68 million of shares, bringing nine-month total to \$268 million
- Company updates 2024 guidance

EL SEGUNDO, Calif., Oct. 23, 2024 – Mattel, Inc. (NASDAQ: MAT) today reported third quarter 2024 financial results.

Ynon Kreiz, Chairman and CEO of Mattel, said: “We continue to execute on our multi-year strategy to grow our IP-driven toy business and expand our entertainment offering. In line with our priorities this year, we continue to improve profitability, expand Gross Margin, and generate significant cash flow. We expect topline growth in the fourth quarter driven by a good holiday season, market share gains and a toyetic theatrical slate and are well positioned for long-term growth and shareholder value creation.”

Anthony DiSilvestro, CFO of Mattel, added: “The highlight of the quarter was achieving meaningful expansion in Gross Margin and growth in Adjusted EPS, despite a challenging comparison. We generated significant cash flow on a trailing twelve-month basis, further strengthened our balance sheet, and repurchased additional shares. While we now anticipate our Net Sales to be comparable to slightly down for the full year, we are on track to achieve our full year Adjusted EBITDA and Adjusted EPS guidance, driven by strong Gross Margin performance.”

Financial Overview

For the third quarter, Net Sales were down 4% as reported, or 3% in constant currency, versus the prior year's third quarter. Reported Operating Income was \$488 million, an improvement of \$14 million, and Adjusted Operating Income was \$504 million, a decrease of \$2 million. Reported Earnings Per Share were \$1.09, an improvement of \$0.68 per share, and Adjusted Earnings Per Share were \$1.14, an improvement of \$0.06 per share.

For the first nine months of the year, Net Sales declined 2% as reported and in constant currency, versus the prior year's first nine months. Reported Operating Income was \$536 million, an improvement of \$114 million, and Adjusted Operating Income was \$577 million, an improvement of \$83 million. Reported Earnings Per Share were \$1.16, an improvement of \$0.97, and Adjusted Earnings Per Share were \$1.26, an improvement of \$0.32.

Net Sales in the North America segment decreased 3% as reported and in constant currency.

Gross Billings in the North America segment decreased 3% as reported and in constant currency, due to declines in Dolls (primarily Barbie), and Infant, Toddler, and Preschool (primarily Baby Gear & Power Wheels), partly offset by growth in Vehicles (primarily Hot Wheels), and Action Figures, Building Sets, Games, and Other (primarily Games).

Net Sales in the International segment decreased 5% as reported, or 3% in constant currency.

Gross Billings in the International segment decreased 4% as reported, or 2% in constant currency, due to declines in Dolls (primarily Barbie), Infant, Toddler, and Preschool (primarily Baby Gear & Power Wheels and Preschool Entertainment), and Action Figures, Building Sets, Games, and Other, partly offset by growth in Vehicles (primarily Hot Wheels).

Reported Gross Margin increased to 53.1%, versus 51.0% in the prior year's third quarter, and Adjusted Gross Margin increased to 53.1%, versus 51.0%. The increase in Gross Margin was primarily driven by supply chain efficiencies, savings from the Optimizing for Profitable Growth program, foreign exchange favorability, and cost deflation, partly offset by benefits related to the Barbie movie in the year-ago period.

Reported Other Selling and Administrative Expenses increased \$6 million to \$386 million, primarily due to higher employee compensation, partly offset by savings from Optimizing for Profitable Growth program. Adjusted Other Selling and Administrative Expenses increased \$23 million to \$370 million, primarily due to the same factors.

For the nine months ended September 30, 2024, Cash Flows Used for Operating Activities were \$62 million, an improvement of \$18 million, primarily driven by higher net earnings, partly offset by higher working capital requirements. Cash Flows Used for Investing Activities were \$152 million, an increase of \$58 million, primarily due to higher capital expenditures, including the acquisition of a new global design center to replace our current leased facility, and lower proceeds from foreign currency forward contracts. Cash Flows Used for Financing Activities and Other were \$325 million, an increase of \$193 million, primarily due to \$158 million of higher share repurchases in the first nine months of 2024.

Gross Billings by Categories

For the third quarter, Worldwide Gross Billings for Dolls were \$757 million, down 14% as reported and in constant currency, versus the prior year's third quarter, primarily due to declines in Barbie.

Worldwide Gross Billings for Infant, Toddler, and Preschool were \$350 million, down 3% as reported, or 2% in constant currency, primarily due to declines in Baby Gear & Power Wheels.

Worldwide Gross Billings for Vehicles were \$580 million, up 12% as reported, or 13% in constant currency, primarily driven by growth in Hot Wheels.

Worldwide Gross Billings for Action Figures, Building Sets, Games, and Other were \$364 million, up 2% as reported, or 3% in constant currency, primarily driven by growth in Games, partly offset by declines in Other and Building Sets.

2024 Guidance

Mattel's updated full year 2024 guidance is:

(in millions, except EPS and percentages)	Updated FY2024 Guidance	Prior FY2024 Guidance	FY2023
Net Sales	Comparable to Slightly Down (Constant Currency)	Comparable (Constant Currency)	\$5,441
Adjusted Gross Margin	~ 50%	48.5 - 49%	47.5%
Adjusted EPS	\$1.35 - \$1.45	\$1.35 - \$1.45	\$1.23
Adjusted EBITDA	\$975 - \$1,025	\$975 - \$1,025	\$948
Adjusted Tax Rate	21 - 22%	23 - 24%	23%
Capital Expenditures	\$200 - \$225	\$175 - \$200	\$160
Free Cash Flow	~ \$500	~ \$500	\$709

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

The company will provide full year 2025 guidance on its fourth quarter 2024 call.

We are operating in a macro-economic environment that may impact consumer demand. The guidance considers what the company is aware of today, but remains subject to market volatility, unexpected disruptions, and other 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 latest 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, product safety, or sustainability, which may increase Mattel's product costs and other costs of doing business, and reduce Mattel's earnings and liquidity; (xvi) business disruptions or other unforeseen impacts due to economic instability, political instability, civil unrest, armed hostilities (including the impact of the war in Ukraine and geopolitical developments in the Middle East), natural and man-made disasters, pandemics or other public health crises, or other catastrophic events; (xvii) failure to realize the planned benefits from any investments or acquisitions made by Mattel; (xviii) the impact of other market conditions or third party actions or approvals, including those that result in any significant failure, inadequacy, or interruption from vendors or outsourcers, which could reduce demand for Mattel's products, delay or increase the cost of implementation of Mattel's programs, or alter Mattel's actions and reduce actual results; (xix) changes in financing markets or the inability of Mattel to obtain financing on attractive terms; (xx) the impact of litigation, arbitration, or regulatory decisions or settlement actions; (xxi) Mattel's ability to navigate regulatory frameworks in connection with new areas of investment, product development, or other business activities, such as artificial intelligence, non-fungible tokens, and cryptocurrency; (xxii) an inability to remediate the material weakness in Mattel's internal control over financial reporting, or additional material weaknesses or other deficiencies in the future or the failure to maintain an effective system of internal control; and (xxiii) other risks and uncertainties as may be described in Mattel's filings with the Securities and Exchange Commission, including the "Risk Factors" section of Mattel's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and subsequent periodic filings, as well as in Mattel's other public statements. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so, except as required by law.

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 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.

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

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

Free Cash Flow and Free Cash Flow Conversion

Free Cash Flow represents Mattel's net cash flows from/used for operating activities less capital expenditures. Free Cash Flow Conversion represents Mattel's free cash flow divided by Adjusted EBITDA. Mattel believes Free Cash Flow and Free Cash Flow Conversion are useful supplemental information for investors to gauge Mattel's liquidity and performance and to

compare Mattel's business performance to other companies in our industry. Free Cash Flow does not represent cash available to Mattel for discretionary expenditures.

Leverage Ratio (Total Debt / Adjusted EBITDA)

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

Net Debt

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

Adjusted Tax Rate

The Adjusted Tax Rate is calculated by dividing Adjusted Provision for Income Taxes by Adjusted Income Before Income Taxes. Adjusted Income Before Income Taxes represents reported Income Before Income Taxes, adjusted to exclude severance and restructuring expenses, the impact of inclined sleeper product recalls, and the impact of sale of assets. 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.

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.

About Mattel

Mattel is a leading global toy and family entertainment company and owner of one of the most iconic brand portfolios in the world. We engage consumers and fans through our franchise brands, including Barbie®, Hot Wheels®, Fisher-Price®, American Girl®, Thomas & Friends™, UNO®, Masters of the Universe®, Matchbox®, Monster High®, MEGA® and Polly Pocket®, as well as other popular properties that we own or license in partnership with global entertainment companies. Our offerings include toys, content, consumer products, 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.

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MAT-FIN MAT-CORP

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)¹

(In millions, except per share and percentage information)	For the Three Months Ended September 30,						For the Nine Months Ended September 30,					
	2024		2023		% Change as Reported	% Change in Constant Currency	2024		2023		% Change as Reported	% Change in Constant Currency
	\$ Amt	% Net Sales	\$ Amt	% Net Sales			\$ Amt	% Net Sales	\$ Amt	% Net Sales		
Net Sales	\$ 1,843.9		\$ 1,918.8		-4%	-3%	\$ 3,733.1		\$ 3,820.5		-2%	-2%
Cost of Sales	864.9	46.9 %	940.9	49.0 %	-8%		1,834.5	49.1 %	2,027.0	53.1 %	-9%	
Gross Profit	979.0	53.1 %	977.9	51.0 %	—%	—%	1,898.6	50.9 %	1,793.5	46.9 %	6%	6%
Advertising and Promotion Expenses	105.0	5.7 %	124.3	6.5 %	-16%		250.1	6.7 %	290.3	7.6 %	-14%	
Other Selling and Administrative Expenses	385.7	20.9 %	379.8	19.8 %	2%		1,112.5	29.8 %	1,081.6	28.3 %	3%	
Operating Income	488.3	26.5 %	473.9	24.7 %	3%	2%	536.0	14.4 %	421.6	11.0 %	27%	31%
Interest Expense	29.4	1.6 %	30.7	1.6 %	-4%		89.4	2.4 %	92.5	2.4 %	-3%	
Interest (Income)	(9.8)	-0.5 %	(4.6)	-0.2 %	114%		(39.5)	-1.1 %	(15.4)	-0.4 %	156%	
Other Non-Operating (Income) Expense, Net	(2.9)		(2.4)				8.8		(6.0)			
Income Before Income Taxes	471.7	25.6 %	450.1	23.5 %	5%	4%	477.3	12.8 %	350.5	9.2 %	36%	43%
Provision for Income Taxes	106.4		309.3				94.8		296.8			
(Income) from Equity Method Investments	(7.0)		(5.6)				(18.4)		(13.3)			
Net Income	\$ 372.4	20.2 %	\$ 146.3	7.6 %	154%		\$ 401.0	10.7 %	\$ 67.0	1.8 %	498%	
Net Income Per Common Share - Basic	\$ 1.10		\$ 0.41				\$ 1.17		\$ 0.19			
Weighted-Average Number of Common Shares	339.1		354.1				342.7		354.6			
Net Income Per Common Share - Diluted	\$ 1.09		\$ 0.41				\$ 1.16		\$ 0.19			
Weighted-Average Number of Common and Potential Common Shares	341.2		357.5				345.4		358.0			

¹ Amounts may not sum due to rounding.

CONDENSED CONSOLIDATED BALANCE SHEETS¹

	September 30,		December 31,
	2024	2023	2023
	(Unaudited)		
(In millions)			
Assets			
Cash and Equivalents	\$ 723.5	\$ 455.7	\$ 1,261.4
Accounts Receivable, Net	1,477.4	1,571.0	1,081.8
Inventories	737.2	790.5	571.6
Prepaid Expenses and Other Current Assets	242.3	224.8	207.5
Total Current Assets	3,180.4	3,042.1	3,122.3
Property, Plant, and Equipment, Net	513.8	457.2	465.5
Right-of-Use Assets, Net	277.6	286.0	313.2
Goodwill	1,389.0	1,380.0	1,384.5
Other Noncurrent Assets	1,153.0	1,079.2	1,150.2
Total Assets	\$ 6,513.7	\$ 6,244.6	\$ 6,435.8
Liabilities and Stockholders' Equity			
Accounts Payable and Accrued Liabilities	\$ 1,242.4	\$ 1,253.2	\$ 1,308.6
Income Taxes Payable	56.2	51.4	33.9
Total Current Liabilities	1,298.6	1,304.6	1,342.5
Long-Term Debt	2,333.3	2,328.9	2,330.0
Noncurrent Lease Liabilities	229.2	234.7	259.5
Other Noncurrent Liabilities	339.7	340.9	354.6
Stockholders' Equity	2,312.9	2,035.5	2,149.2
Total Liabilities and Stockholders' Equity	\$ 6,513.7	\$ 6,244.6	\$ 6,435.8

SUPPLEMENTAL BALANCE SHEET AND CASH FLOW DATA (Unaudited)¹

	September 30,	
	2024	2023
Key Balance Sheet Data:		
Accounts Receivable, Net Days of Sales Outstanding (DSO)	72	74
(In millions)		
Condensed Cash Flow Data:		
Cash Flows (Used for) Operating Activities	\$ (62)	\$ (80)
Cash Flows (Used for) Investing Activities	(152)	(94)
Cash Flows (Used for) Financing Activities and Other	(325)	(132)
Decrease in Cash and Equivalents	<u>\$ (538)</u>	<u>\$ (306)</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 September 30,			For the Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Gross Profit						
Gross Profit, As Reported	\$ 979.0	\$ 977.9		\$ 1,898.6	\$ 1,793.5	
<i>Gross Margin</i>	53.1 %	51.0 %	210 bps	50.9 %	46.9 %	400 bps
<i>Adjustments:</i>						
Severance and Restructuring Expenses	0.4	(0.1)		3.0	(1.3)	
Gross Profit, As Adjusted	<u>\$ 979.4</u>	<u>\$ 977.9</u>		<u>\$ 1,901.6</u>	<u>\$ 1,792.3</u>	
<i>Adjusted Gross Margin</i>	53.1 %	51.0 %	210 bps	50.9 %	46.9 %	400 bps
Other Selling and Administrative Expenses						
Other Selling and Administrative Expenses, As Reported	\$ 385.7	\$ 379.8	2%	\$ 1,112.5	\$ 1,081.6	3%
<i>% of Net Sales</i>	20.9 %	19.8 %	110 bps	29.8 %	28.3 %	150 bps
<i>Adjustments:</i>						
Severance and Restructuring Expenses ²	(27.1)	(29.3)		(43.8)	(63.0)	
Inclined Sleeper Product Recalls	11.7	(1.3)		5.8	(9.0)	
Sale of Assets ³	—	(1.8)		—	(1.8)	
Other Selling and Administrative Expenses, As Adjusted	<u>\$ 370.3</u>	<u>\$ 347.5</u>	7%	<u>\$ 1,074.5</u>	<u>\$ 1,007.8</u>	7%
<i>% of Net Sales</i>	20.1 %	18.1 %	200 bps	28.8 %	26.4 %	240 bps
Operating Income						
Operating Income, As Reported	\$ 488.3	\$ 473.9	3%	\$ 536.0	\$ 421.6	27%
<i>Operating Income Margin</i>	26.5 %	24.7 %	180 bps	14.4 %	11.0 %	340 bps
<i>Adjustments:</i>						
Severance and Restructuring Expenses ²	27.5	29.2		46.8	61.7	
Inclined Sleeper Product Recalls	(11.7)	1.3		(5.8)	9.0	
Sale of Assets ³	—	1.8		—	1.8	
Operating Income, As Adjusted	<u>\$ 504.1</u>	<u>\$ 506.1</u>	—%	<u>\$ 577.0</u>	<u>\$ 494.1</u>	17%
<i>Adjusted Operating Income Margin</i>	27.3 %	26.4 %	90 bps	15.5 %	12.9 %	260 bps

¹ Amounts may not sum due to rounding.

² Mattel's severance and restructuring expenses include costs associated with activities to further optimize its manufacturing footprint of \$25.6 million and \$26.7 million for the three and nine months ended September 30, 2024, respectively, and \$25.3 million for both the three and nine months ended September 30, 2023.

³ For the three and nine months ended September 30, 2023, Mattel recorded a loss on sale of assets of \$1.8 million in other selling and administrative expenses.

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

<u>(In millions, except per share and percentage information)</u>	<u>For the Three Months Ended September 30,</u>			<u>For the Nine Months Ended September 30,</u>		
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>
Earnings Per Share						
Net Income Per Common Share, As Reported	\$ 1.09	\$ 0.41	166%	\$ 1.16	\$ 0.19	511%
<i>Adjustments:</i>						
Severance and Restructuring Expenses ²	0.08	0.08		0.14	0.17	
Inclined Sleeper Product Recalls	(0.03)	—		(0.02)	0.03	
Sale of Assets ³	—	—		—	—	
Valuation Allowance on Foreign Deferred Tax Assets ⁴	0.01	0.59		0.01	0.59	
Tax Effect of Adjustments ⁵	(0.01)	(0.02)		(0.03)	(0.04)	
Net Income Per Common Share, As Adjusted	<u>\$ 1.14</u>	<u>\$ 1.08</u>	6%	<u>\$ 1.26</u>	<u>\$ 0.94</u>	34%
EBITDA and Adjusted EBITDA						
Net Income, As Reported	\$ 372.4	\$ 146.3	154%	\$ 401.0	\$ 67.0	498%
<i>Adjustments:</i>						
Interest Expense	29.4	30.7		89.4	92.5	
Provision for Income Taxes	106.4	309.3		94.8	296.8	
Depreciation	33.0	36.0		101.7	104.0	
Amortization	7.9	9.6		23.5	28.6	
EBITDA	<u>549.0</u>	<u>532.0</u>		<u>710.3</u>	<u>588.9</u>	
<i>Adjustments:</i>						
Share-Based Compensation	19.7	15.5		57.4	52.4	
Severance and Restructuring Expenses ²	27.5	29.2		46.8	61.7	
Inclined Sleeper Product Recalls	(11.7)	1.3		(5.8)	9.0	
Sale of Assets ³	—	1.8		—	1.8	
Adjusted EBITDA	<u>\$ 584.4</u>	<u>\$ 579.7</u>	1%	<u>\$ 808.8</u>	<u>\$ 713.8</u>	13%
Free Cash Flow						
Net Cash Flows (Used for) Operating Activities				\$ (61.6)	\$ (79.6)	
Capital Expenditures				(156.9)	(117.5)	
Free Cash Flow				<u>\$ (218.5)</u>	<u>\$ (197.2)</u>	

¹ Amounts may not sum due to rounding.

² Mattel's severance and restructuring expenses include costs associated with activities to further optimize its manufacturing footprint of \$25.6 million and \$26.7 million for the three and nine months ended September 30, 2024, respectively, and \$25.3 million for both the three and nine months ended September 30, 2023.

³ For the three and nine months ended September 30, 2023, Mattel recorded a loss on sale of assets of \$1.8 million in other selling and administrative expenses.

⁴ For the three and nine months ended September 30, 2023, Mattel recorded an expense of \$212.4 million related to the establishment of a valuation allowance on foreign deferred tax assets related to an intra-group transfer of certain IP rights.

⁵ 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.

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 September 30,		
	2024	2023	Change
Tax Rate			
Income Before Income Taxes, As Reported	\$ 471.7	\$ 450.1	
<i>Adjustments:</i>			
Severance and Restructuring Expenses ²	27.5	29.2	
Inclined Sleeper Product Recalls	(11.7)	1.3	
Sale of Assets ³	—	1.8	
Income Before Income Taxes, As Adjusted	\$ 487.4	\$ 482.3	
Provision for Income Taxes, As Reported	\$ 106.4	\$ 309.3	
<i>Adjustments:</i>			
Valuation Allowance on Foreign Deferred Tax Assets ⁴	(3.2)	(212.4)	
Tax Effect of Adjustments ⁵	3.7	6.6	
Provision for Income Taxes, As Adjusted	\$ 106.9	\$ 103.5	
Tax Rate, As Reported	23%	69%	-46 pts
Tax Rate, As Adjusted	22%	21%	1 pt
September 30,			
	2024	2023	
Net Debt			
Long-Term Debt	\$ 2,333.3	\$ 2,328.9	
<i>Adjustments:</i>			
Cash and Equivalents	(723.5)	(455.7)	
Net Debt	\$ 1,609.7	\$ 1,873.2	

¹ Amounts may not sum due to rounding.

² Mattel's severance and restructuring expenses include costs associated with activities to further optimize its manufacturing footprint of \$25.6 million for the three months ended September 30, 2024, and \$25.3 million for the three months ended September 30, 2023.

³ For the three months ended September 30, 2023, Mattel recorded a loss on sale of assets of \$1.8 million in other selling and administrative expenses.

⁴ For the three months ended September 30, 2023, Mattel recorded an expense of \$212.4 million related to the establishment of a valuation allowance on foreign deferred tax assets related to an intra-group transfer of certain IP rights.

⁵ 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 September 30,		
	2024	2023	Change
Leverage Ratio (Total Debt/Adjusted EBITDA)			
<i>Total Debt</i>			
Long-Term Debt	\$ 2,333.3	\$ 2,328.9	
<i>Adjustments:</i>			
Debt Issuance Costs and Debt Discount	16.7	21.1	
Total Debt	<u>\$ 2,350.0</u>	<u>\$ 2,350.0</u>	
<i>EBITDA and Adjusted EBITDA</i>			
Net Income, As Reported	\$ 548.3	\$ 83.2	559%
<i>Adjustments:</i>			
Interest Expense	120.7	125.6	
Provision for Income Taxes	67.5	302.1	
Depreciation	137.1	140.2	
Amortization	32.8	38.1	
EBITDA	906.4	689.1	
<i>Adjustments:</i>			
Share-Based Compensation	88.4	65.6	
Severance and Restructuring Expenses	44.8	70.6	
Inclined Sleeper Product Recalls	3.2	7.5	
Sale of Assets	—	(6.6)	
Loss on Liquidation of Argentina Subsidiary ²	—	45.4	
Adjusted EBITDA	<u>\$ 1,042.7</u>	<u>\$ 871.6</u>	20%
Total Debt / Net Income	4.3x	28.3x	
Leverage Ratio (Total Debt / Adjusted EBITDA)	<u>2.3x</u>	<u>2.7x</u>	
Free Cash Flow			
Net Cash Flows Provided by Operating Activities	\$ 887.8	\$ 638.0	39%
Capital Expenditures	(199.7)	(176.7)	
Free Cash Flow	\$ 688.2	\$ 461.3	49%
Net Cash Flows Provided by Operating Activities / Net Income	162%	767%	-605 pts
Free Cash Flow Conversion (Free Cash Flow/Adjusted EBITDA)	<u>66%</u>	<u>53%</u>	13 pts

¹ Amounts may not sum due to rounding.

² During the trailing twelve months ended September 30, 2023, 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

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

¹ Amounts may not sum due to rounding.

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

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

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

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

¹ Amounts may not sum due to rounding.

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

³ 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 September 30,				For the Nine Months Ended September 30,			
	2024	2023	% Change as Reported	% Change in Constant Currency	2024	2023	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)								
Worldwide Net Sales:								
Net Sales	\$ 1,843.9	\$ 1,918.8	-4%	-3%	\$ 3,733.1	\$ 3,820.5	-2%	-2%
Worldwide Gross Billings by Categories:								
Dolls	\$ 757.1	\$ 884.5	-14%	-14%	\$ 1,465.6	\$ 1,631.1	-10%	-10%
Infant, Toddler, and Preschool	349.8	361.1	-3	-2	675.1	708.6	-5	-4
Vehicles	580.0	518.5	12	13	1,247.4	1,165.9	7	7
Action Figures, Building Sets, Games, and Other	364.3	357.7	2	3	763.2	755.0	1	1
Gross Billings	<u>\$ 2,051.1</u>	<u>\$ 2,121.8</u>	-3%	-3%	<u>\$ 4,151.4</u>	<u>\$ 4,260.6</u>	-3%	-2%
Supplemental Gross Billings Disclosure								
Worldwide Gross Billings by Top 3 Power Brands:								
Barbie	\$ 500.6	\$ 605.1	-17%	-17%	\$ 944.1	\$ 1,064.7	-11%	-11%
Hot Wheels	508.2	454.8	12	13	1,093.7	1,014.9	8	8
Fisher-Price ³	265.4	264.3	—	2	494.7	480.6	3	3
Other	777.0	797.6	-3	-2	1,618.9	1,700.4	-5	-5
Gross Billings	<u>\$ 2,051.1</u>	<u>\$ 2,121.8</u>	-3%	-3%	<u>\$ 4,151.4</u>	<u>\$ 4,260.6</u>	-3%	-2%

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

² Amounts may not sum due to rounding.

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

NET SALES AND GROSS BILLINGS¹ BY SEGMENT (Unaudited)^{2,3}

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2024	2023	% Change as Reported	% Change in Constant Currency	2024	2023	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)								
North America Net Sales:								
Net Sales	\$ 1,108.3	\$ 1,147.0	-3%	-3%	\$ 2,192.6	\$ 2,241.9	-2%	-2%
North America Gross Billings by Categories:								
Dolls	\$ 442.3	\$ 512.7	-14%	-14%	\$ 838.2	\$ 919.1	-9%	-9%
Infant, Toddler, and Preschool	228.0	230.6	-1	-1	420.1	437.7	-4	-4
Vehicles	288.5	263.4	10	10	605.5	579.1	5	5
Action Figures, Building Sets, Games, and Other	225.5	214.1	5	5	473.8	453.4	5	5
Gross Billings	<u>\$ 1,184.3</u>	<u>\$ 1,220.9</u>	-3%	-3%	<u>\$ 2,337.6</u>	<u>\$ 2,389.3</u>	-2%	-2%
Supplemental Gross Billings Disclosure								
North America Gross Billings by Top 3 Power Brands:								
Barbie	\$ 285.1	\$ 349.9	-19%	-18%	\$ 517.5	\$ 587.6	-12%	-12%
Hot Wheels	249.7	225.7	11	11	521.1	492.3	6	6
Fisher-Price ⁴	168.5	166.5	1	1	300.6	285.9	5	5
Other	481.0	478.7	—	1	998.4	1,023.5	-2	-2
Gross Billings	<u>\$ 1,184.3</u>	<u>\$ 1,220.9</u>	-3%	-3%	<u>\$ 2,337.6</u>	<u>\$ 2,389.3</u>	-2%	-2%

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

² Amounts may not sum due to rounding.

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

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

NET SALES AND GROSS BILLINGS¹ BY SEGMENT (Unaudited)²

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2024	2023	% Change as Reported	% Change in Constant Currency	2024	2023	% Change as Reported	% Change in Constant Currency
(In millions, except percentage information)								
International Net Sales by Geographic Area:								
EMEA	\$ 401.9	\$ 423.9	-5%	-7%	\$ 837.9	\$ 875.0	-4%	-6%
Latin America	240.6	262.1	-8	1	454.8	475.6	-4	—
Asia Pacific	93.1	85.8	8	8	247.9	228.0	9	10
Net Sales	<u>\$ 735.6</u>	<u>\$ 771.8</u>	-5%	-3%	<u>\$ 1,540.6</u>	<u>\$ 1,578.6</u>	-2%	-2%
International Gross Billings by Geographic Area:								
EMEA	\$ 478.6	\$ 499.2	-4%	-6%	\$ 998.3	\$ 1,054.9	-5%	-7%
Latin America	281.9	304.4	-7	2	531.3	552.9	-4	1
Asia Pacific	106.3	97.3	9	8	284.2	263.5	8	10
Gross Billings	<u>\$ 866.8</u>	<u>\$ 900.9</u>	-4%	-2%	<u>\$ 1,813.8</u>	<u>\$ 1,871.3</u>	-3%	-2%
International Gross Billings by Categories:								
Dolls	\$ 314.8	\$ 371.7	-15%	-14%	\$ 627.5	\$ 712.0	-12%	-11%
Infant, Toddler, and Preschool	121.8	130.5	-7	-4	255.0	270.9	-6	-5
Vehicles	291.5	255.0	14	17	641.9	586.8	9	10
Action Figures, Building Sets, Games, and Other	138.8	143.6	-3	-2	289.4	301.7	-4	-3
Gross Billings	<u>\$ 866.8</u>	<u>\$ 900.9</u>	-4%	-2%	<u>\$ 1,813.8</u>	<u>\$ 1,871.3</u>	-3%	-2%
Supplemental Gross Billings Disclosure								
International Gross Billings by Top 3 Power Brands:								
Barbie	\$ 215.5	\$ 255.2	-16%	-14%	\$ 426.6	\$ 477.1	-11%	-10%
Hot Wheels	258.4	229.1	13	15	572.6	522.6	10	11
Fisher-Price ³	96.9	97.7	-1	2	194.1	194.7	—	1
Other	296.1	318.9	-7	-6	620.5	676.9	-8	-8
Gross Billings	<u>\$ 866.8</u>	<u>\$ 900.9</u>	-4%	-2%	<u>\$ 1,813.8</u>	<u>\$ 1,871.3</u>	-3%	-2%

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

² Amounts may not sum due to rounding.

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