



Forward-Looking Statements/Regulation G

Mattel is including this Cautionary Statement pursuant to the Private Securities Litigation Reform Act of 1995 (the "Act"). Certain statements made during today's presentation may include forward-looking statements within the meaning of the Act relating to the future performance (including, without limitation, future revenues, strategies, prospects, goals, and all other statements that do not relate strictly to historical or current facts) of Mattel and its subsidiaries' overall businesses, brands and product lines. These statements are based on currently available operating, financial, economic and other information and they are subject to a number of significant risks and uncertainties. A forward looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. A variety of factors (e.g., consumer preferences, product mix, global political and economic conditions) many of which are beyond our control, could cause actual future results to differ materially from those projected in the forward-looking statements. Some of these factors are described in the "Risk Factors" section of Mattel's 2016 Annual Report on Form 10-K, in our 2017 quarterly reports on Form 10-Q, and in other filings Mattel makes with the SEC from time to time, as well as in Mattel's other public statements. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so.

To supplement the 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 measure used herein includes gross sales. Mattel uses this metric to analyze its continuing operations and to monitor, assess and identify meaningful trends in its operating and financial performance. This measure is not, and should not be viewed a, substitute for GAAP financial measures. Information required by Regulation G regarding non-GAAP financial measures, including reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures, are included in Mattel's April 20, 2017 earnings release (as exhibits) and earnings slide presentation (as an appendix), which will be available at the time of this presentation in the "Investors" section of our corporate website, <http://corporate.mattel.com/>, under the subheading "Financial Information – Earnings Releases."

CFO Remarks

Kevin Farr
Chief Financial Officer



2017 Investor Day

1 2017 Update

2 Capital Deployment Framework

3 Medium-Term Financial Objectives



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2017 Objective

Groundwork for Step Change Growth

Continue to

- Strengthen our key power brands
- Revitalize American Girl, Thomas and Mega
- Build on emerging market momentum

In addition

- Make decisions to rationalize and reset our innovation pipeline
- Fund investments to increase momentum

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2017 Outlook

Continue to see key Power Brands strengthen

Revenue headwinds

- American Girl and MEGA
- Monster High and Ever After High
- Smaller entertainment properties

Focus on strategies

- Ancillary product line reassessment
- IT infrastructure and technology platforms

Q2 and full year revenue up low-single digits

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2017 Action Plan

Focus on key entertainment and product launches

Tighten alignment between supply and demand

Manage inventories to end the year clean

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2017 Investor Day

1 2017 Update

2 **Capital Deployment Framework**

3 Medium-Term Financial Objectives



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Capital Deployment Framework

reaffirming capital deployment framework

- invest in the business
- reward shareholders with dividend
 - declared Q3 dividend of \$0.15/share
- Right-sizing dividend
 - Facilitate strategic investments
 - Increase financial flexibility
 - Strengthen balance sheet
- Targeting 50-60% payout ratio over time

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Capital Deployment Framework

reaffirming capital deployment framework

- invest in the business
- reward shareholders with dividend
 - declared Q3 dividend of \$0.15/share
- strategic partnerships, M&A and share buybacks
- year-end cash balance target
 - ~\$800M

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2017 Investor Day

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- 3 Medium-Term Financial Objectives

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Five Pillar Strategy

Build power brands into connected 360° play experiences

Accelerate emerging markets

Strengthen our innovation pipeline

Reshape operations

Reignite culture and team

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“We see tremendous opportunity to grow the top line...expect to deliver above market revenue growth in mature and developing markets... and gain a disproportionate share in emerging markets...”

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“...opportunity to improve the profitability, and free up resources to invest... as we reshape our organization...”

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Medium-Term Financial Objectives

revenue
growth



mid-to-high
single digit

operating
margin



15%+

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Medium-Term Financial Objectives

Gross Sales

Mid-to-High
Single Digit Growth



Operating
Margin

9.5%



15%+

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Medium-Term Financial Objectives

Build power brands into connected 360° play experiences

- Largest opportunity
- Margin accretive potential
- ~ 75% growth from physical play; balance from connected play systems
- IP adjacencies are smaller revenue drivers but are margin accretive

Accelerate emerging markets

- Considerable opportunity
- Slightly margin dilutive relative to 360° systems of play
- Driven by parent solutions by the Fisher-Price brand

Strengthen our innovation pipeline

- Long-term horizon and company-wide approach
- Market testing before global bet
- Multi-year vs. single-year evaluation
- Key strategic licensing partners
- Co-production partnerships
- Leverage core competencies to develop new IP

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Medium-Term Objectives/Incremental Investments

revenue growth

mid-to-high single digit

operating margin

15%+

cumulative incremental investment

\$250-350M

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Incremental Investments Self-Funded in the Medium Term

cumulative
incremental
investment

\$250-350M

offset by
additional
cost savings

\$150-200M

Commercial
Realignment

Supply Chain
Transformation

IT Infrastructure
Benefits

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Strategic Investments

- ✓ Thoroughly vetted and prioritized
- ✓ Key milestones to benchmark progress
- ✓ Periodic updates

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Medium-Term Objectives/Incremental Investments

Build power brands into connected 360° play experiences

- Connected play systems
- Content activation
- IP extensions
- CRM capabilities
- L&D expertise

Accelerate emerging markets

- Organizational resources
- Infrastructure resources
- Digital first capabilities
- Key partnerships

Strengthen our innovation pipeline

- Seed capital
- Specialized R&D resources
- Specialized D&D resources

Reshape our operations

- IT infrastructure
 - Revenue and margin
 - Inventory management
 - Global insights
 - Workforce productivity
- Digital design and automation
- Planning systems
- eCommerce

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Focus on Driving Long-Term Success

Moving from annual guidance to multi-year time horizon

- Manage the business more effectively
- Provide the flexibility to pace our investments appropriately
- Create long-term shareholder value

Provide relevant insights to help evaluate our business

- Performance metrics
- Industry trends
- Headwinds and tailwinds

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MATTEL 2017 Investment Thesis

- Continued industry growth; shifting consumer/market trends reshaping the future
- Differentiated and market-leading assets position Mattel to capitalize on future opportunities
- Clear strategy for growth:
 - Building our Power Brands into 360 connected systems of play and experiences
 - Accelerating growth in emerging markets
 - Transforming our innovation pipeline
- Strategic repositioning expected to enhance long-term growth and profitability
- Reshaping operations to unlock substantial reinvestment funds for growth, improve speed to market
- Large base of consistent revenue from core brands expected to produce robust ongoing cash flow, and maintaining strong balance sheet to support growth strategy

