

Hasbro

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Hasbro struggles in 3Q after Toys R Us bankruptcy, job cuts to follow

It's all fun and games until you miss earnings estimates.

Hasbro Inc (NASDAQ:HAS) shares sank on disappointing third-quarter earnings as the toymaker struggled in the aftermath of Toys 'R' Us' bankruptcy.

The retailer reported earnings of \$2.06 per share on revenue of \$1.57 billion compared with \$2.09 EPS on revenue of \$1.79 billion in the previous year's third quarter.

The Rhode Island-based company reported adjusted earnings of \$1.93 per share, falling below Wall Street estimates of \$2.23 EPS. Its revenue missed analyst estimates of \$1.71 billion.

Shares of Hasbro sank 7.5% to \$90.65 in Monday pre-market trading.

READ: Mattel shares pounded as the toy maker's woes continue; cuts 2,200 jobs

"The lost Toys 'R' Us revenues are impacting many markets around the world, notably the U.S., Europe, Australia and Asia. The volume of product liquidated in the second quarter had a near-term impact on the third quarter sell-through and shipments," said CEO Brian Goldner in the company's press release.

While Hasbro's franchise brands and gaming segment performed well, its partner brands and emerging brands missed.

Monopoly, Play-Doh, Magic: The Gathering and Baby Alive brands saw growth while Nerf, My Little Pony and Transformers saw declines, despite the last two having a feature film in 2017.

"As we manage through a very disruptive environment, the strength of our brands and our business allows us to continue to invest to drive profitable growth in future years," said CFO Deborah Thomas in the company's release.

In the fourth quarter, the company said it expects to take a restructuring charge of \$50 million to \$60 million as it lays off an undisclosed number of employees.

Hasbro employs 5,400 people and said it intends to lay off "a single-digit percentage", as per a USA Today **report**.

Annualized savings are expected to be between \$30 million to \$40 million.

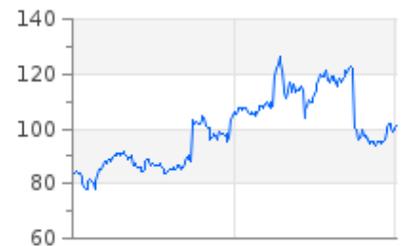
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Price: 101

Market Cap: \$13.82 billion

1 Year Share Price Graph



December 2018 June 2019 December 20

Share Information

Code: HAS

Listing: NASDAQ

52 week High Low
126.86 76.84

Sector: Manufacturing & engineering

Website: www.hasbro.com

Company Synopsis:

Hasbro, Inc. is engaged in providing children's and family leisure time products and services with a portfolio of brands and entertainment properties, including a range of toys, games and licensed products.

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