UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **September 30, 2026**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from **to**

Commission File Number 001-05647

MATTEL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**95-1567322**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
333 Continental Blvd. **El Segundo, CA**	**90245-5012**
(Address of principal executive offices)	**(Zip Code)**

(310) 252-2000
(Registrant's telephone number, including area code)

NONE
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $1.00 per share	**MAT**	**The Nasdaq Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares outstanding of registrant's common stock, $1.00 par value, as of October 26, 2026: 285.5 million shares.

MATTEL, INC. AND SUBSIDIARIES

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Forward-Looking Statements

This Quarterly Report on Form 10-Q contains a number of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts or by their nature are uncertain and include statements regarding Mattel's plans for future periods and other future events. The use of words such as "anticipates," "expects," "intends," "plans," "projects," "looks 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 or combination of factors, many of which are beyond Mattel's control, may cause actual results or outcomes, or the timing of those results or outcomes, to differ materially from those contained in any 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 in a timely and cost-effective manner; (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, 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; (xiv) the ability to secure, maintain, and renew popular licenses from licensors of entertainment properties; (xv) the ability to successfully develop, publish, and commercialize digital games; (xvi) the ability to attract and retain talented employees and adapt to evolving workplace models; (xvii) the risk of product recalls or product liability suits and costs associated with product safety regulations; (xviii) tariffs, tariff-related developments, including refunds, trade restrictions, or trade barriers, which, depending on the effective date and duration of such measures, changes in the amount, scope, and nature of such measures in the future, any countermeasures that the target countries may take, and any mitigating actions that may become available, could increase Mattel's product costs and other costs of doing business, and other changes in laws or regulations in the United States and/or in other major markets, such as China, in which Mattel operates, including, without limitation, with respect to taxes, trade policies, product safety, or sustainability, which may also increase Mattel's product costs and other costs of doing business, and, in each case, reduce Mattel's earnings and liquidity; (xix) business disruptions or other unforeseen impacts due to economic instability, political instability, civil unrest, armed hostilities, such as the conflict in the Middle East, terrorist activities, natural and man-made disasters, pandemics or other public health crises, or other catastrophic events; (xx) failure to realize the planned benefits from any investments or acquisitions made by Mattel, including Mattel163; (xxi) 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; (xxii) changes in financing markets or the inability of Mattel to obtain financing on attractive terms; (xxiii) the impact of litigation, arbitration, or regulatory decisions or settlement actions; (xxiv) Mattel's ability to navigate regulatory frameworks in connection with new areas of investment, product development, or other business activities, such as artificial intelligence; (xxv) the potential impact of the development, use, and integration of artificial intelligence and machine learning technologies in Mattel's business and products; (xxvi) the sufficiency of additional controls and procedures that Mattel has implemented to remediate the prior material weakness in Mattel's internal control over financial reporting, additional material weaknesses or other deficiencies in the future, or the failure to maintain an effective system of internal control; and (xxvii) other risks and uncertainties detailed in Part I, Item 1A "Risk Factors" in Mattel's Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the "2025 Annual Report on Form 10-K"), and subsequent periodic filings. Mattel does not update forward-looking statements and expressly disclaims any obligation to do so, except as required by law.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

MATTEL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30, 2026	September 30, 2025	December 31, 2025
	(Unaudited; in thousands, except share data)		
ASSETS			
Current Assets			
Cash and equivalents	$ 541,408	$ 691,893	$ 1,242,927
Accounts receivable, net of allowances for credit losses of $19.6 million, $8.4 million, and $17.4 million, respectively	1,400,122	1,390,300	1,097,604
Inventories	827,969	826,582	563,142
Prepaid expenses and other current assets	218,560	246,888	227,116
Total current assets	2,988,059	3,155,663	3,130,789
Noncurrent Assets			
Property, plant, and equipment, net	662,645	542,432	590,015
Right-of-use assets, net	367,360	305,374	319,548
Goodwill	1,582,215	1,389,856	1,390,169
Deferred income tax assets	340,510	302,017	312,913
Identifiable intangible assets, net	456,928	344,668	337,105
Other noncurrent assets	499,581	553,420	559,843
Total Assets	$ 6,897,298	$ 6,593,430	$ 6,640,382
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Current portion of long-term debt	$ —	$ 599,249	$ —
Accounts payable	517,514	492,834	555,403
Accrued liabilities	937,179	829,745	872,928
Income taxes payable	54,515	52,814	29,851
Total current liabilities	1,509,208	1,974,642	1,458,182
Noncurrent Liabilities			
Long-term debt	2,334,985	1,738,375	2,331,675
Noncurrent lease liabilities	325,394	254,676	268,351
Other noncurrent liabilities	387,110	364,523	349,126
Total noncurrent liabilities	3,047,489	2,357,574	2,949,152
Stockholders' Equity			
Common stock $1.00 par value, 1.00 billion shares authorized; 441.4 million shares issued	441,369	441,369	441,369
Additional paid-in capital	1,739,153	1,772,907	1,787,790
Treasury stock at cost: 156.1 million shares, 130.5 million shares, and 140.0 million shares, respectively	(3,356,565)	(2,925,108)	(3,107,007)
Retained earnings	4,397,881	3,895,269	4,001,462
Accumulated other comprehensive loss	(881,237)	(923,223)	(890,566)
Total stockholders' equity	2,340,601	2,261,214	2,233,048
Total Liabilities and Stockholders' Equity	$ 6,897,298	$ 6,593,430	$ 6,640,382

The accompanying notes are an integral part of these consolidated financial statements.

MATTEL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(Unaudited; in thousands, except per share amounts)			
Net Sales	$ 1,806,690	$ 1,735,972	$ 3,794,187	$ 3,581,163
Cost of sales	817,095	867,720	1,875,690	1,785,864
Gross Profit	989,595	868,252	1,918,497	1,795,299
Advertising and promotion expenses	143,329	118,137	360,499	267,459
Other selling and administrative expenses	370,000	370,266	1,173,540	1,122,472
Operating Income	476,266	379,849	384,458	405,368
Interest expense	31,877	29,416	94,715	88,004
Interest (income)	(8,936)	(9,027)	(26,623)	(37,344)
Other non-operating expense (income), net	2,900	965	(141,058)	12,588
Income Before Income Taxes	450,425	358,495	457,424	342,120
Provision for income taxes	96,821	86,884	64,598	72,529
Income from equity method investments	—	(6,747)	(3,593)	(21,799)
Net Income	$ 353,604	$ 278,358	$ 396,419	$ 291,390
Net Income Per Common Share - Basic	$ 1.24	$ 0.88	$ 1.36	$ 0.90
Weighted-average number of common shares	286,100	315,834	290,808	322,255
Net Income Per Common Share - Diluted	$ 1.23	$ 0.88	$ 1.35	$ 0.90
Weighted-average number of common and potential common shares	286,790	318,068	292,770	325,129

The accompanying notes are an integral part of these consolidated financial statements.

MATTEL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(Unaudited; in thousands)			
Net Income	$ 353,604	$ 278,358	$ 396,419	$ 291,390
Other Comprehensive (Loss) Income Net of Tax				
Currency translation adjustments	(14,310)	(9,893)	(16,625)	105,665
Employee benefit plan adjustments	1,820	1,407	5,084	3,977
Net unrealized gains (losses) on derivative instruments:				
Unrealized holding gains (losses)	6,591	3,332	10,570	(50,530)
Reclassification adjustments included in net income	4,564	(1,159)	10,300	12,117
	11,155	2,173	20,870	(38,413)
Other Comprehensive (Loss) Income Net of Tax	(1,335)	(6,313)	9,329	71,229
Comprehensive Income	$ 352,269	$ 272,045	$ 405,748	$ 362,619

The accompanying notes are an integral part of these consolidated financial statements.

MATTEL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Nine Months Ended	
	September 30, 2026	September 30, 2025
	(Unaudited; in thousands)	
Cash Flows From Operating Activities:		
Net income	$ 396,419	$ 291,390
Adjustments to reconcile net income to net cash flows used for operating activities:		
Depreciation	103,349	102,395
Amortization of intangible assets	39,937	23,559
Share-based compensation	32,026	60,954
Inventory obsolescence	19,132	22,429
Deferred income taxes	(23,169)	(2,968)
Income from equity method investments	(3,593)	(21,799)
Content assets amortization	8,718	45,580
(Gain) on remeasurement of previously held equity interest	(147,940)	—
Changes in assets and liabilities:		
Accounts receivable, net	(301,111)	(357,971)
Inventories	(299,590)	(306,377)
Prepaid expenses and other current assets	5,830	(22,365)
Accounts payable, accrued liabilities, and income taxes payable	1,755	6,188
Content assets spend	(19,716)	(13,388)
Other, net	74,414	(30,926)
Net cash flows used for operating activities	(113,539)	(203,299)
Cash Flows From Investing Activities:		
Purchases of tools, dies, and molds	(61,136)	(49,949)
Purchases of other property, plant, and equipment	(125,126)	(74,902)
Payments for acquisitions, net of cash acquired	(74,844)	—
Other, net	11,211	27,346
Net cash flows used for investing activities	(249,895)	(97,505)
Cash Flows From Financing Activities:		
Share repurchases	(308,408)	(412,474)
Tax withholdings for share-based compensation	(23,762)	(15,100)
Proceeds from stock option exercises	3,561	5,546
Other, net	(5,195)	(4,233)
Net cash flows used for financing activities	(333,804)	(426,261)
Effect of Currency Exchange Rate Changes on Cash and Equivalents	(4,281)	31,050
Change in Cash and Equivalents	(701,519)	(696,015)
Cash and Equivalents at Beginning of Period	1,242,927	1,387,908
Cash and Equivalents at End of Period	$ 541,408	$ 691,893

The accompanying notes are an integral part of these consolidated financial statements.

MATTEL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
			(Unaudited; in thousands)			
Balance, December 31, 2025	$ 441,369	$ 1,787,790	$ (3,107,007)	$ 4,001,462	$ (890,566)	$ 2,233,048
Net income	—	—	—	61,030	—	61,030
Other comprehensive income, net of tax	—	—	—	—	7,280	7,280
Share repurchases	—	—	(201,656)	—	—	(201,656)
Issuance of treasury stock for stock option exercises	—	(2,175)	5,543	—	—	3,368
Issuance of treasury stock for restricted stock units vesting	—	(23,118)	13,546	—	—	(9,572)
Deferred compensation	—	(67)	30	—	—	(37)
Share-based compensation	—	12,981	—	—	—	12,981
Balance, March 31, 2026	$ 441,369	$ 1,775,411	$ (3,289,544)	$ 4,062,492	$ (883,286)	$ 2,106,442
Net loss	—	—	—	(18,215)	—	(18,215)
Other comprehensive income, net of tax	—	—	—	—	3,384	3,384
Share repurchases	—	—	(100,861)	—	—	(100,861)
Issuance of treasury stock for stock option exercises	—	(11)	22	—	—	11
Issuance of treasury stock for restricted stock units vesting	—	(52,400)	38,469	—	—	(13,931)
Deferred compensation	—	(80)	1,442	—	—	1,362
Share-based compensation	—	19,926	—	—	—	19,926
Balance, June 30, 2026	$ 441,369	$ 1,742,846	$ (3,350,472)	$ 4,044,277	$ (879,902)	$ 1,998,118
Net income	—	—	—	353,604	—	353,604
Other comprehensive loss, net of tax	—	—	—	—	(1,335)	(1,335)
Share repurchases	—	—	(8,479)	—	—	(8,479)
Issuance of treasury stock for stock option exercises	—	(146)	327	—	—	181
Issuance of treasury stock for restricted stock units vesting	—	(2,718)	2,111	—	—	(607)
Deferred compensation	—	52	(52)	—	—	—
Share-based compensation	—	(881)	—	—	—	(881)
Balance, September 30, 2026	$ 441,369	$ 1,739,153	$ (3,356,565)	$ 4,397,881	$ (881,237)	$ 2,340,601

	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
			(Unaudited; in thousands)			
Balance, December 31, 2024	$ 441,369	$ 1,780,259	$ (2,566,929)	$ 3,603,878	$ (994,452)	$ 2,264,125
Net loss	—	—	—	(40,319)	—	(40,319)
Other comprehensive income, net of tax	—	—	—	—	47,865	47,865
Share repurchases	—	—	(161,440)	—	—	(161,440)
Issuance of treasury stock for stock option exercises	—	(1,151)	2,819	—	—	1,668
Issuance of treasury stock for restricted stock units vesting	—	(6,535)	4,312	—	—	(2,223)
Deferred compensation	—	(73)	73	—	—	—
Share-based compensation	—	19,904	—	—	—	19,904
Balance, March 31, 2025	$ 441,369	$ 1,792,404	$ (2,721,165)	$ 3,563,559	$ (946,587)	$ 2,129,580
Net income	—	—	—	53,352	—	53,352
Other comprehensive income, net of tax	—	—	—	—	29,677	29,677
Share repurchases	—	—	(50,462)	—	—	(50,462)
Issuance of treasury stock for stock option exercises	—	(3,292)	6,391	—	—	3,099
Issuance of treasury stock for restricted stock units vesting	—	(51,100)	38,698	—	—	(12,402)
Deferred compensation	—	(61)	356	—	—	295
Share-based compensation	—	18,720	—	—	—	18,720
Balance, June 30, 2025	$ 441,369	$ 1,756,671	$ (2,726,182)	$ 3,616,911	$ (916,910)	$ 2,171,859
Net income	—	—	—	278,358	—	278,358
Other comprehensive loss, net of tax	—	—	—	—	(6,313)	(6,313)
Share repurchases	—	—	(204,406)	—	—	(204,406)
Issuance of treasury stock for stock option exercises	—	(425)	1,204	—	—	779
Issuance of treasury stock for restricted stock units vesting	—	(5,579)	4,184	—	—	(1,395)
Deferred compensation	—	(90)	92	—	—	2
Share-based compensation	—	22,330	—	—	—	22,330
Balance, September 30, 2025	$ 441,369	$ 1,772,907	$ (2,925,108)	$ 3,895,269	$ (923,223)	$ 2,261,214

The accompanying notes are an integral part of these consolidated financial statements.

1. Basis of Presentation

The accompanying unaudited consolidated financial statements and related disclosures have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") applicable to interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. In the opinion of management, all adjustments, consisting of only those of a normal recurring nature, considered necessary for a fair statement of the financial position and interim results of Mattel, Inc. and its subsidiaries ("Mattel") as of and for the periods presented have been included.

The December 31, 2025 balance sheet data was derived from audited financial statements; however, the accompanying interim notes to the consolidated financial statements do not include all of the annual disclosures required by GAAP. As Mattel's business is seasonal, results for interim periods are not necessarily indicative of those that may be expected for a full year. The financial information included herein should be read in conjunction with Mattel's consolidated financial statements and related notes in the 2025 Annual Report on Form 10-K.

Certain prior period amounts have been reclassified to conform to the current period presentation.

2. Business Combination

On March 2, 2026 (the "Acquisition Date"), Mattel acquired the remaining 50% equity interest in Mattel163 Limited ("Mattel163"), a mobile games studio, from its previous joint venture partner, NetEase Hong Kong Digital Interactive Limited. As a result of the transaction, Mattel163 became a wholly owned subsidiary of Mattel, and its financial results subsequent to the Acquisition Date are included in Mattel's consolidated financial statements.

The acquisition of Mattel163 is expected to advance Mattel's digital games business and is expected to add development, publishing, and digital customer acquisition expertise. Mattel expects to leverage Mattel163's capabilities to increase its mobile games output and enhance alignment with the broader Mattel product roadmap.

The estimated enterprise fair value at the Acquisition Date was $357.2 million. The purchase price for the remaining 50% equity interest was $178.6 million, including working capital and other adjustments, and was subject to customary post-closing adjustments. The purchase price is comprised of cash consideration, a portion of which is a holdback payable following the Acquisition Date.

The transaction was accounted for as a business combination under the acquisition method of accounting in accordance with Accounting Standards Codification 805, *Business Combinations*. Since Mattel held a 50% equity interest in Mattel163 immediately prior to the Acquisition Date and accounted for that investment under the equity method, Mattel remeasured its previously held equity interest to its estimated fair value of $178.6 million as of the Acquisition Date and recognized a gain of $147.9 million in other non-operating income, net in the consolidated statement of operations for the three months ended March 31, 2026. Accordingly, the gain is included in the consolidated statement of operations for the nine months ended September 30, 2026.

The fair value of Mattel's previously held equity interest was estimated using an income approach and incorporates significant unobservable inputs (Level 3), including projected future cash flows, long-term revenue growth rates, royalty rates, and discount rates.

Mattel allocated the total acquisition-date fair value to the identifiable assets acquired and liabilities assumed based on their estimated fair values as of the Acquisition Date. The following table summarizes the preliminary allocation of the total acquisition-date fair value:

	(In thousands)
Cash and equivalents	$ 87,852
Accounts receivable, net of allowances for credit losses	22,510
Other tangible assets	39,908
Identifiable intangible assets, net	161,190
Accounts payable and other current liabilities	(37,411)
Deferred income	(48,439)
Other noncurrent liabilities	(62,256)
Total identifiable net assets	163,354
Goodwill	193,838

Identifiable intangible assets consist of developed technology of $126.7 million with an estimated weighted-average useful life of 8.6 years, customer relationships of $27.9 million with an estimated weighted-average useful life of 2.8 years, and internally developed software of $6.6 million with an estimated useful life of 5.0 years, for a total of $161.2 million with an estimated weighted-average useful life of 8.1 years. The fair value of developed technology and customer relationships was determined using an income approach, and the fair value of internally developed software was determined using a cost approach. Each valuation methodology incorporates significant unobservable inputs (Level 3), including projected future cash flows, long-term revenue growth rates, projected technology obsolescence, royalty rates, and discount rates.

The excess of the total acquisition-date fair value over the preliminary fair value of the net identifiable assets acquired was recorded as goodwill. The goodwill recognized was primarily attributable to the assembled workforce and strategic benefits that are expected to be achieved. Approximately $39 million of the goodwill is expected to be deductible for income tax purposes.

The fair values assigned to assets acquired and liabilities assumed are preliminary and subject to change as additional information becomes available during the measurement period, which may extend up to one year from the Acquisition Date. Mattel is continuing to finalize the valuation of certain assets and liabilities, and adjustments to the preliminary values recorded may result in additional adjustments to goodwill.

During the three months ended September 30, 2026, Mattel recognized approximately $3 million and less than $1 million of acquisition-related expenses, including professional fees and integration expenses, within other selling and administrative expenses and cost of sales, respectively. During the nine months ended September 30, 2026, Mattel recognized approximately $9 million and $1 million of acquisition-related expenses, including professional fees and integration expenses, within other selling and administrative expenses and cost of sales, respectively. In addition, during the first quarter of 2026, Mattel recognized approximately $7 million of expense related to the settlement of a pre-existing relationship between Mattel and Mattel163, which was accounted for separately from the business combination and recorded within other selling and administrative expenses.

Pro forma and actual results of operations for this acquisition have not been presented because they are not material.

3. Accounts Receivable, Net

Mattel estimates current expected credit losses based on collection history and management's assessment of the current economic trends, business environment, customers' financial condition, accounts receivable aging, and customer disputes that may impact the level of future credit losses. Accounts receivable were net of allowances for credit losses of $19.6 million, $8.4 million, and $17.4 million as of September 30, 2026, September 30, 2025, and December 31, 2025, respectively.

4. Inventories

Inventories included the following:

	September 30, 2026	September 30, 2025	December 31, 2025
		(In thousands)	
Raw materials and work in process	$ 123,135	$ 99,289	$ 96,363
Finished goods	704,834	727,293	466,779
	$ 827,969	$ 826,582	$ 563,142

5. Property, Plant, and Equipment, Net

Property, plant, and equipment, net included the following:

	September 30, 2026	September 30, 2025	December 31, 2025
		(In thousands)	
Land	$ 48,054	$ 48,480	$ 48,729
Buildings	392,013	374,028	372,966
Machinery and equipment	625,950	627,455	615,125
Software	233,372	235,394	229,408
Tools, dies, and molds	476,534	481,774	471,651
Leasehold improvements	137,770	110,028	109,261
Construction in progress	108,876	73,938	93,337
	2,022,569	1,951,097	1,940,477
Less: accumulated depreciation	(1,359,924)	(1,408,665)	(1,350,462)
	$ 662,645	$ 542,432	$ 590,015

Purchases of property, plant, and equipment within the consolidated statements of cash flows were adjusted for unpaid balances of $52.5 million, $25.9 million, and $50.2 million as of September 30, 2026, September 30, 2025, and December 31, 2025, respectively.

6. Goodwill and Identifiable Intangible Assets, Net

Goodwill

Mattel's reporting units are: (i) North America, which consists of the United States and Canada, (ii) International, and (iii) American Girl. Goodwill related to the American Girl reporting unit is included in the North America operating segment. Mattel's reportable segments are: (i) North America and (ii) International. Certain components of the operating segments have been aggregated into a single reporting unit as the components have similar economic characteristics. The similar economic characteristics include the nature of the products, the nature of the production processes, the customers, and the manner in which the products are distributed. Mattel tests its goodwill for impairment annually in the third quarter and whenever events or changes in circumstances indicate that the carrying amount of a reporting unit may exceed its fair value.

Mattel performed a quantitative goodwill impairment assessment as of August 1, 2026, and determined that goodwill was not impaired. The quantitative goodwill impairment assessment includes the use of certain assumptions and estimates to calculate the estimated fair value of Mattel's reporting units. To the extent assumptions, estimates, or market factors, including seasonality, differ from Mattel's current estimates, the estimated fair value of Mattel's reporting units may be susceptible to significant changes. The reporting unit that is most susceptible to changes in assumptions and estimates, given its smaller size, is American Girl, as excess fair value over carrying value is a lesser dollar and percentage value than the other reporting units.

The change in the carrying amount of goodwill by reporting unit for the nine months ended September 30, 2026 is shown below. Mattel recognized additions to goodwill of approximately $194 million during the nine months ended September 30, 2026 related to the acquisition of Mattel163 in the first quarter of 2026. Brand-specific goodwill held by foreign subsidiaries is allocated to Mattel's reporting units based on the reporting unit selling those brands, thereby causing foreign currency translation impact.

	December 31, 2025	Acquisition	Currency Exchange Rate Impact	September 30, 2026
		(In thousands)		
North America	$ 735,207	$ 124,055	$ (489)	$ 858,773
International	447,391	69,783	(1,303)	515,871
American Girl	207,571	—	—	207,571
	$ 1,390,169	$ 193,838	$ (1,792)	$ 1,582,215

Identifiable Intangible Assets, Net

Mattel's identifiable intangible assets, net consisted of the following:

	September 30, 2026	September 30, 2025	December 31, 2025
		(In thousands)	
Identifiable intangible assets	$ 969,423	$ 811,224	$ 808,830
Less: accumulated amortization	(512,495)	(466,556)	(471,725)
	$ 456,928	$ 344,668	$ 337,105

Mattel's amortizable identifiable intangible assets primarily consist of trademarks, trade names, and developed technology. Mattel recognized additions to amortizable identifiable intangible assets of approximately $161 million during the nine months ended September 30, 2026 related to the acquisition of Mattel163 in the first quarter of 2026. Mattel tests its amortizable identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. Mattel's amortizable identifiable intangible assets were not impaired during the three and nine months ended September 30, 2026 and 2025.

7. Accrued Liabilities

Accrued liabilities included the following:

	September 30, 2026	September 30, 2025	December 31, 2025
		(In thousands)	
Deferred income	$ 106,044	$ 52,384	$ 56,335
Royalties	106,035	87,099	90,828
Advertising and promotion	96,040	74,188	90,369
Lease liabilities	72,977	82,479	83,242
Incentive compensation	51,092	61,944	90,685

8. Supplier Finance Program

Mattel has an agreement with a third-party financial institution that allows certain participating suppliers the opportunity to voluntarily finance payment obligations of Mattel under a supplier finance program. Under this program, participating suppliers may accelerate the timing of collection of their receivables due from Mattel, prior to their scheduled due dates, by selling one or more of their receivables at a discounted price to the third-party financial institution. The range of payment terms Mattel negotiates with suppliers is consistent, regardless of whether the suppliers participate in the supplier finance program, and Mattel does not have any economic interest in any suppliers' decision to participate in the supplier finance program. Suppliers participating in the program are able to select which individual Mattel invoices they sell to the third-party financial institution. All Mattel payments of the full amounts due to participating suppliers are paid on the invoice due date based on the terms originally negotiated with the supplier, regardless of whether the individual invoice due to the supplier is sold to the third-party financial institution. Included in Mattel's accounts payable in the consolidated balance sheets as of each of September 30, 2026, September 30, 2025, and December 31, 2025 were $164.6 million, $163.6 million, and $86.7 million of outstanding payment obligations due to suppliers, respectively, under the supplier finance program. All payment activities related to the supplier finance program were presented within operating activities in the consolidated statements of cash flows.

9. Seasonal Financing

On July 15, 2024, Mattel entered into a revolving credit agreement (the "Credit Agreement"), among Mattel, as the borrower, Bank of America, N.A., as administrative agent, and the other lenders and financial institutions party thereto, providing for $1.40 billion in aggregate principal amount of senior unsecured revolving credit facilities (the "Credit Facility"). The Credit Facility matures on July 15, 2029. In connection with the Credit Facility, Mattel terminated the commitments and satisfied all outstanding obligations under Mattel's prior revolving credit agreement, dated as of September 15, 2022 (as amended), among Mattel, as the borrower, Bank of America, N.A., as administrative agent, and the other lenders and financial institutions party thereto, which provided for a senior secured revolving credit facility in an aggregate principal amount of $1.40 billion.

Borrowings under the Credit Facility bear interest at a floating rate, which for U.S. dollar-denominated loans can be, at Mattel's option, either (a) Term SOFR (as defined in the Credit Agreement), plus an applicable margin ranging from 0.875% to 1.375% per annum, or (b) Base Rate (as defined in the Credit Agreement), plus an applicable margin ranging from 0.000% to 0.375% per annum, in each case, such applicable margins to be determined based on Mattel's debt rating.

In addition to paying interest on the outstanding principal amount under the Credit Facility, Mattel is required to pay (i) an unused line fee per annum of the average daily unused portion of the Credit Facility, (ii) a letter of credit fronting fee based on a percentage of the aggregate face amount of outstanding letters of credit, and (iii) certain other customary fees and expenses of the lenders and agents.

The Credit Agreement contains customary covenants, including, but not limited to, (a) restrictions on Mattel's and its subsidiaries' ability to merge and consolidate with other companies, dispose of all or substantially all assets, incur indebtedness, or grant liens or other security interests on assets, in each case, subject to certain customary exceptions and (b) the requirement that the obligations of Mattel under the Credit Facility be guaranteed by any existing or future direct or indirect domestic subsidiary of Mattel that guarantees other indebtedness of Mattel in an aggregate principal or committed amount in excess of $50 million, subject to certain customary exceptions. As of September 30, 2026, no subsidiaries of Mattel were required to guarantee the Credit Facility.

The Credit Agreement requires the maintenance of (a) an interest coverage ratio of not less than 2.75 to 1.00 as of the end of each fiscal quarter and (b) a total leverage ratio as of the end of each fiscal quarter, not to exceed (x) 3.75 to 1.00 with respect to fiscal quarters ending on March 31, June 30, and December 31 of each year, and (y) 4.00 to 1.00 with respect to fiscal quarters ending on September 30 of each year. The total leverage ratio financial covenant is subject to a step-up to 4.25 to 1.00, with respect to fiscal quarters in which certain material acquisitions are consummated, and for a period of four fiscal quarters thereafter, and subject to certain customary exceptions.

As of September 30, 2026, Mattel was in compliance with all covenants contained in the Credit Agreement. Mattel had no borrowings outstanding under the Credit Facility and no other short-term borrowings outstanding as of September 30, 2026, September 30, 2025, and December 31, 2025. Outstanding letters of credit under the Credit Facility totaled approximately $13 million, $9 million, and $9 million as of September 30, 2026, September 30, 2025, and December 31, 2025, respectively.

The Credit Agreement is a material agreement, and failure to comply with its covenants may result in an event of default under the terms of the Credit Facility. If Mattel were to default under the terms of the Credit Facility, its ability to meet its seasonal financing requirements could be adversely affected.

10. Long-Term Debt

On November 17, 2025, Mattel issued $600.0 million aggregate principal amount of 5.000% 2025 Senior Notes due November 2030 (the "2025 Notes"). The 2025 Notes were issued pursuant to a base indenture, dated November 17, 2025 (the "Base Indenture") between Mattel and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the first supplemental indenture with respect to the 2025 Notes, dated November 17, 2025 (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between Mattel and the Trustee. The 2025 Notes pay interest semi-annually in arrears on May 17 and November 17 of each year, beginning on May 17, 2026, to the holders of record on the immediately preceding May 1 and November 1, respectively. The 2025 Notes will mature on November 17, 2030.

Prior to October 17, 2030 (one month prior to the maturity date), Mattel may redeem the 2025 Notes at its option, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the 2025 Notes being redeemed, plus a corresponding "make-whole premium" as set forth in the Base Indenture, plus, in either case, accrued and unpaid interest thereon to (but not including) the redemption date. Additionally, on or after October 17, 2030, Mattel may redeem the 2025 Notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the 2025 Notes being redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

The holders of the 2025 Notes have the right to require Mattel to repurchase the 2025 Notes of any series at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the date of repurchase upon the occurrence of a Change of Control Triggering Event (as defined in the Base Indenture), except to the extent that Mattel has exercised its right to redeem all of the 2025 Notes as described above.

The 2025 Notes are Mattel's senior unsecured obligations. Under the terms of the Indenture, the 2025 Notes, without giving effect to collateral arrangements, rank pari passu in right of payment with all existing and future senior indebtedness of Mattel, including indebtedness of Mattel under the Existing Notes and the Credit Agreement (each as defined in the Base Indenture). The 2025 Notes are senior in right of payment to any future subordinated indebtedness of Mattel, if any. The 2025 Notes are structurally subordinated to all existing and future indebtedness and other liabilities of all subsidiaries of Mattel including indebtedness of the subsidiaries that borrow under or guarantee any obligations under the Credit Agreement, if any, and guarantees of the Existing Notes, if any. The 2025 Notes are effectively subordinated to any existing and future secured indebtedness of Mattel, including indebtedness of Mattel under capital leases, if any, to the extent of the value of the collateral securing such indebtedness.

The Indenture governing the 2025 Notes contains covenants that limit Mattel's ability to, among other things, create liens, enter into certain sale and leaseback transactions, or to engage in certain consolidation, merger, and sale of asset transactions. These restrictions are subject to a number of exceptions.

The net proceeds from the 2025 Notes, together with cash on hand, were used to redeem all outstanding 3.375% 2021 Senior Notes due April 2026 and pay related fees and expenses.

Long-term debt included the following:

	September 30, 2026	September 30, 2025	December 31, 2025
		(In thousands)	
2010 Senior Notes due October 2040	$ 250,000	$ 250,000	$ 250,000
2011 Senior Notes due November 2041	300,000	300,000	300,000
2019 Senior Notes due December 2027	600,000	600,000	600,000
2021 Senior Notes due April 2026	—	600,000	—
2021 Senior Notes due April 2029	600,000	600,000	600,000
2025 Senior Notes due November 2030	600,000	—	600,000
Debt issuance costs and debt discount	(15,015)	(12,376)	(18,325)
	2,334,985	2,337,624	2,331,675
Less: current portion	—	(599,249)	—
Total long-term debt	$ 2,334,985	$ 1,738,375	$ 2,331,675

Mattel's 2019 Senior Notes due 2027 were issued pursuant to an indenture dated November 20, 2019, and its 2021 Senior Notes due 2026 and 2021 Senior Notes due 2029 were issued pursuant to an indenture dated March 19, 2021. These indentures contain covenants that limit Mattel's (and some of its subsidiaries') ability to, among other things: (i) incur additional debt or issue certain preferred shares; (ii) pay dividends on or make other distributions in respect of their capital stock or make other restricted payments; (iii) make investments in unrestricted subsidiaries; (iv) create liens; (v) enter into certain sale/leaseback transactions; (vi) merge or consolidate, or sell, transfer, or otherwise dispose of substantially all of their assets; and (vii) designate future guarantors. The indentures also provided that certain of these covenants would be suspended if Mattel achieved a debt rating of BBB-, Baa3, and/or BBB- (or higher) from any two of S&P, Moody's, and Fitch, respectively, and no event of default has occurred.

As of October 2026, Mattel has maintained credit ratings with Fitch of BBB- with a stable outlook, S&P of BBB with a stable outlook, and Moody's of Baa3 with a stable outlook. As a result of the current credit ratings and no events of default, the covenants limiting Mattel's ability to incur additional debt or issue certain preferred shares, pay dividends on or make other distributions in respect of its capital stock or make other restricted payments, and make investments in unrestricted subsidiaries are suspended. Further certain provisions of the covenant limiting Mattel's ability to merge or consolidate, or sell, transfer, or otherwise dispose of substantially all of its assets and designate future guarantors are also suspended. If Mattel ceases to have credit ratings of BBB-, Baa3, and/or BBB- (or higher) from any two of S&P, Moody's, and Fitch, respectively, Mattel will thereafter be subject to the suspended covenants with respect to future events.

11. Accumulated Other Comprehensive Income (Loss)

The following tables present changes in the accumulated balances for each component of other comprehensive income (loss), including current period other comprehensive income (loss) and reclassifications from accumulated other comprehensive income (loss):

	For the Three Months Ended September 30, 2026			
	Derivative Instruments	Employee Benefit Plans	Currency Translation Adjustments	Total
	(In thousands)			
Accumulated Other Comprehensive Income (Loss), Net of Tax, as of June 30, 2026	$ (7,001)	$ (122,948)	$ (749,953)	$ (879,902)
Other comprehensive income (loss) before reclassifications	6,591	311	(14,310)	(7,408)
Amounts reclassified from accumulated other comprehensive income (loss)	4,564	1,509	—	6,073
Net change in other comprehensive income (loss)	11,155	1,820	(14,310)	(1,335)
Accumulated Other Comprehensive Income (Loss), Net of Tax, as of September 30, 2026	$ 4,154	$ (121,128)	$ (764,263)	$ (881,237)

	For the Nine Months Ended September 30, 2026			
	Derivative Instruments	Employee Benefit Plans	Currency Translation Adjustments	Total
	(In thousands)			
Accumulated Other Comprehensive Income (Loss), Net of Tax, as of December 31, 2025	$ (16,716)	$ (126,212)	$ (747,638)	$ (890,566)
Other comprehensive income (loss) before reclassifications	10,570	1,146	(19,342)	(7,626)
Amounts reclassified from accumulated other comprehensive income (loss)	10,300	3,938	2,717	16,955
Net change in other comprehensive income (loss)	20,870	5,084	(16,625)	9,329
Accumulated Other Comprehensive Income (Loss), Net of Tax, as of September 30, 2026	$ 4,154	$ (121,128)	$ (764,263)	$ (881,237)

	For the Three Months Ended September 30, 2025			
	Derivative Instruments	Employee Benefit Plans	Currency Translation Adjustments	Total
	(In thousands)			
Accumulated Other Comprehensive Income (Loss), Net of Tax, as of June 30, 2025	$ (26,279)	$ (137,093)	$ (753,538)	$ (916,910)
Other comprehensive income (loss) before reclassifications	3,332	29	(9,893)	(6,532)
Amounts reclassified from accumulated other comprehensive income (loss)	(1,159)	1,378	—	219
Net change in other comprehensive income (loss)	2,173	1,407	(9,893)	(6,313)
Accumulated Other Comprehensive Income (Loss), Net of Tax, as of September 30, 2025	$ (24,106)	$ (135,686)	$ (763,431)	$ (923,223)

	For the Nine Months Ended September 30, 2025			
	Derivative Instruments	Employee Benefit Plans	Currency Translation Adjustments	Total
	(In thousands)			
Accumulated Other Comprehensive Income (Loss), Net of Tax, as of December 31, 2024	$ 14,307	$ (139,663)	$ (869,096)	$ (994,452)
Other comprehensive income (loss) before reclassifications	(50,530)	92	105,665	55,227
Amounts reclassified from accumulated other comprehensive income (loss)	12,117	3,885	—	16,002
Net change in other comprehensive income (loss)	(38,413)	3,977	105,665	71,229
Accumulated Other Comprehensive Income (Loss), Net of Tax, as of September 30, 2025	$ (24,106)	$ (135,686)	$ (763,431)	$ (923,223)

The following tables present the classification and amount of the reclassifications from accumulated other comprehensive income (loss) to the consolidated statements of operations:

	For the Three Months Ended		
	September 30, 2026	September 30, 2025	Statements of Operations Classification
	(In thousands)		
Derivative Instruments:			
(Loss) gain on foreign currency forward exchange and other contracts	$ (4,957)	$ 1,217	Cost of sales
Tax effect	393	(58)	Provision for/benefit from income taxes
	$ (4,564)	$ 1,159	Net income/loss
Employee Benefit Plans:			
Amortization of prior service (cost) credit (a)	$ (48)	$ 449	Other non-operating income/expense, net
Recognized actuarial loss (a)	(2,042)	(2,100)	Other non-operating income/expense, net
	(2,090)	(1,651)	
Tax effect	581	273	Provision for/benefit from income taxes
	$ (1,509)	$ (1,378)	Net income/loss

	For the Nine Months Ended		
	September 30, 2026	September 30, 2025	Statements of Operations Classification
	(In thousands)		
Derivative Instruments:			
Loss on foreign currency forward exchange and other contracts	$ (10,792)	$ (12,098)	Cost of sales
Tax effect	492	(19)	Provision for/benefit from income taxes
	$ (10,300)	$ (12,117)	Net income/loss
Employee Benefit Plans:			
Amortization of prior service (cost) credit (a)	$ (147)	$ 1,349	Other non-operating income/expense, net
Recognized actuarial loss (a)	(6,126)	(6,294)	Other non-operating income/expense, net
	(6,273)	(4,945)	
Tax effect	2,335	1,060	Provision for/benefit from income taxes
	$ (3,938)	$ (3,885)	Net income/loss

(a) *The amortization of prior service (cost) credit and recognized actuarial loss are included in the computation of net periodic benefit cost. Refer to "Note 16 to the Consolidated Financial Statements—Employee Benefit Plans" for additional information regarding Mattel's net periodic benefit cost.*

Currency Translation Adjustments

During the nine months ended September 30, 2026, currency translation adjustments, before reclassification, resulted in a net loss of $19.3 million, primarily due to the weakening of the Euro, Indonesian rupiah, and British pound sterling against the U.S. dollar, partially offset by the strengthening of the Chinese yuan against the U.S. dollar. In connection with the acquisition of Mattel163, $2.7 million of accumulated currency translation losses related to Mattel's previously held equity interest were recognized in other non-operating (income) expense, net within the consolidated statement of operations.

During the nine months ended September 30, 2025, currency translation adjustments resulted in a net gain of $105.7 million, primarily due to the strengthening of the Russian ruble, Mexican peso, and British pound sterling against the U.S. dollar.

12. Foreign Currency Transaction Exposure

Currency transaction gains (losses) included in the consolidated statements of operations were as follows:

	For the Three Months Ended		
	September 30, 2026	September 30, 2025	Statements of Operations Classification
	(In thousands)		
Currency transaction losses, net	$ (5,611)	$ (4,128)	Operating income/loss
Currency transaction (losses) gains, net	(934)	72	Other non-operating income/expense, net
Currency transaction losses, net	$ (6,545)	$ (4,056)	

	For the Nine Months Ended		
	September 30, 2026	September 30, 2025	Statements of Operations Classification
	(In thousands)		
Currency transaction losses, net	$ (13,890)	$ (1,473)	Operating income/loss
Currency transaction losses, net	(2,427)	(8,333)	Other non-operating income/expense, net
Currency transaction losses, net	$ (16,317)	$ (9,806)	

13. Derivative Instruments

Mattel seeks to mitigate its exposure to foreign currency transaction risk by monitoring its foreign currency transaction exposure for the year and partially hedging such exposure using foreign currency forward exchange contracts. Mattel uses foreign currency forward exchange contracts as cash flow hedges primarily to hedge its purchases and sales of inventory denominated in foreign currencies. These contracts have maturity dates of up to 24 months. These derivative instruments are designated as cash flow hedges, and are reported in Mattel's consolidated balance sheets at fair value, with changes in the fair value recorded in other comprehensive income ("OCI") and subsequently reclassified into earnings when the hedged transactions are recognized in earnings. Mattel uses foreign currency forward exchange contracts to hedge intercompany loans and advances denominated in foreign currencies. Mattel does not use hedge accounting for these contracts, and as such, changes in fair value are recorded in the period of change in the consolidated statements of operations. Mattel utilizes derivative contracts to hedge certain purchases of commodities, which were not material. As of September 30, 2026, September 30, 2025, and December 31, 2025, Mattel held foreign currency forward exchange contracts and other commodity derivative instruments, with notional amounts of approximately $815 million, $840 million, and $677 million, respectively.

The following tables present Mattel's derivative assets and liabilities:

	Derivative Assets			
		Fair Value		
	Balance Sheet Classification	September 30, 2026	September 30, 2025	December 31, 2025
			(In thousands)	
Derivatives Designated as Hedging Instruments:				
Foreign currency forward exchange and other contracts	Prepaid expenses and other current assets	$ 12,937	$ 1,802	$ 854
Foreign currency forward exchange and other contracts	Other noncurrent assets	1,279	65	15
Total Derivatives Designated as Hedging Instruments		$ 14,216	$ 1,867	$ 869
Derivatives Not Designated as Hedging Instruments:				
Foreign currency forward exchange and other contracts	Prepaid expenses and other current assets	$ 1,104	$ 1,030	$ 469
Total Derivatives Not Designated as Hedging Instruments		$ 1,104	$ 1,030	$ 469
		$ 15,320	$ 2,897	$ 1,338

	Derivative Liabilities			
		Fair Value		
	Balance Sheet Classification	September 30, 2026	September 30, 2025	December 31, 2025
			(In thousands)	
Derivatives Designated as Hedging Instruments:				
Foreign currency forward exchange and other contracts	Accrued liabilities	$ 5,189	$ 20,735	$ 14,781
Foreign currency forward exchange and other contracts	Other noncurrent liabilities	722	4,129	1,257
Total Derivatives Designated as Hedging Instruments		$ 5,911	$ 24,864	$ 16,038
Derivatives Not Designated as Hedging Instruments:				
Foreign currency forward exchange and other contracts	Accrued liabilities	$ 537	$ 1,254	$ 295
Total Derivatives Not Designated as Hedging Instruments		$ 537	$ 1,254	$ 295
		$ 6,448	$ 26,118	$ 16,333

The following tables present the classification and amount of gains and losses, net of tax, from derivatives reported in the consolidated statements of operations:

	Derivatives Designated as Hedging Instruments		
	For the Three Months Ended		
	September 30, 2026	September 30, 2025	Statements of Operations Classification
	(In thousands)		
Foreign Currency Forward Exchange and Other Contracts:			
Amount of gains recognized in OCI	$ 6,591	$ 3,332	
Amount of (losses) gains reclassified from accumulated OCI to the consolidated statements of operations	(4,564)	1,159	Cost of sales

	Derivatives Designated as Hedging Instruments		
	For the Nine Months Ended		
	September 30, 2026	September 30, 2025	Statements of Operations Classification
	(In thousands)		
Foreign Currency Forward Exchange and Other Contracts:			
Amount of gains (losses) recognized in OCI	$ 10,570	$ (50,530)	
Amount of losses reclassified from accumulated OCI to consolidated statements of operations	(10,300)	(12,117)	Cost of sales

The gains and losses reclassified from accumulated other comprehensive loss to the consolidated statements of operations during the three and nine months ended September 30, 2026 and 2025 were offset by the recognition of the underlying hedged transactions.

As of September 30, 2026, approximately $7 million of net gains included in accumulated other comprehensive income (loss) are expected to be reclassified into the consolidated statements of operations within the next twelve months.

	Derivatives Not Designated as Hedging Instruments		
	For the Three Months Ended		
	September 30, 2026	September 30, 2025	Statements of Operations Classification
	(In thousands)		
Amount of Net Losses Recognized in the Statements of Operations:			
Foreign currency forward exchange and other contracts	$ (1,139)	$ (172)	Other non-operating income/expense, net

	Derivatives Not Designated as Hedging Instruments		
	For the Nine Months Ended		
	September 30, 2026	September 30, 2025	Statements of Operations Classification
	(In thousands)		
Amount of Net Gains Recognized in the Statements of Operations:			
Foreign currency forward exchange and other contracts	$ 636	$ 8,046	Other non-operating income/expense, net

The net gains and losses on foreign currency forward exchange and other contracts recognized in the consolidated statements of operations during the three and nine months ended September 30, 2026 and September 30, 2025 were offset by foreign currency transaction gains and losses on the related underlying balances.

14. Fair Value Measurements

The following tables present information about Mattel's financial assets and liabilities measured and reported in the financial statements at fair value on a recurring basis as of September 30, 2026, September 30, 2025, and December 31, 2025 and indicate the fair value hierarchy of the valuation techniques utilized to determine such fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.
- Level 2 – Valuations based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.
- Level 3 – Valuations based on inputs that are unobservable, supported by little or no market activity, and that are significant to the fair value of the assets or liabilities.

	September 30, 2026			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Foreign currency forward exchange and other contracts (a)	$ —	$ 15,320	$ —	$ 15,320
Liabilities:				
Foreign currency forward exchange and other contracts (a)	$ —	$ 6,448	$ —	$ 6,448

	September 30, 2025			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Foreign currency forward exchange and other contracts (a)	$ —	$ 2,897	$ —	$ 2,897
Liabilities:				
Foreign currency forward exchange and other contracts (a)	$ —	$ 26,118	$ —	$ 26,118

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Foreign currency forward exchange and other contracts (a)	$ —	$ 1,338	$ —	$ 1,338
Liabilities:				
Foreign currency forward exchange and other contracts (a)	$ —	$ 16,333	$ —	$ 16,333

(a) *The fair value of the foreign currency forward exchange and other contracts was based on dealer quotes of market forward rates and reflects the amount that Mattel would receive or pay at their maturity dates for contracts involving the same notional amounts, currencies, and maturity dates.*

Other Financial Instruments

Mattel's financial instruments included cash and equivalents, accounts receivable and payable, accrued liabilities, short-term borrowings, and long-term debt. The fair values of these instruments, excluding long-term debt, approximate their carrying amounts because of their short-term nature. Cash and equivalents were classified as Level 1, and all other financial instruments were classified as Level 2 within the fair value hierarchy.

The estimated fair value of Mattel's long-term debt was $2.22 billion (compared to an aggregate principal amount of $2.35 billion) as of September 30, 2026, $2.31 billion (compared to an aggregate principal amount of $2.35 billion) as of September 30, 2025, and $2.32 billion (compared to an aggregate principal amount of $2.35 billion) as of December 31, 2025. The estimated fair values have been calculated based on broker quotes or rates for the same or similar instruments and were classified as Level 2 within the fair value hierarchy.

15. Earnings Per Share

The following table reconciles basic and diluted earnings per common share for the three and nine months ended September 30, 2026 and 2025:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(In thousands, except per share amounts)			
Basic:				
Net income	$ 353,604	$ 278,358	$ 396,419	$ 291,390
Weighted-average number of common shares	286,100	315,834	290,808	322,255
Basic net income per common share	$ 1.24	$ 0.88	$ 1.36	$ 0.90
Diluted:				
Net income	$ 353,604	$ 278,358	$ 396,419	$ 291,390
Weighted-average number of common shares	286,100	315,834	290,808	322,255
Dilutive share-based awards (a)	690	2,234	1,962	2,874
Weighted-average number of common and potential common shares	286,790	318,068	292,770	325,129
Diluted net income per common share	$ 1.23	$ 0.88	$ 1.35	$ 0.90

(a) For the three and nine months ended September 30, 2026, share-based awards totaling 7.0 and 7.1 million common shares, respectively, were excluded from the calculation of diluted net income per common share because their effect would be antidilutive. For the three and nine months ended September 30, 2025, share-based awards totaling 5.3 million common shares and 6.3 million common shares, respectively, were excluded from the calculation of diluted net income per common share because their effect would be antidilutive.

16. Employee Benefit Plans

Mattel and certain of its subsidiaries have qualified and nonqualified retirement plans covering substantially all employees of these companies, which are more fully described in Part II, Item 8 "Financial Statements and Supplementary Data—Note 4 to the Consolidated Financial Statements–Employee Benefit Plans" in the 2025 Annual Report on Form 10-K.

The components of Mattel's net periodic benefit cost for defined benefit pension plans were as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(In thousands)			
Service cost	$ 899	$ 872	$ 2,721	$ 2,543
Interest cost	4,670	5,189	14,086	15,379
Expected return on plan assets	(3,627)	(4,422)	(10,884)	(13,177)
Amortization of prior service cost	48	50	147	149
Recognized actuarial loss	2,120	2,173	6,359	6,513
Net periodic benefit cost	$ 4,110	$ 3,862	$ 12,429	$ 11,407

The components of Mattel's net periodic benefit credit for postretirement benefit plans were as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(In thousands)			
Interest cost	$ 26	$ 36	$ 79	$ 108
Amortization of prior service credit	—	(499)	—	(1,498)
Recognized actuarial gain	(78)	(73)	(233)	(219)
Net periodic benefit credit	$ (52)	$ (536)	$ (154)	$ (1,609)

Mattel's service cost component is recorded within operating income while other components of net periodic benefit costs for defined benefit pension and postretirement benefit plans are recorded within other non-operating (income) expense, net.

During the nine months ended September 30, 2026, Mattel made cash contributions totaling approximately $4 million related to its defined benefit pension and postretirement benefit plans. During the remainder of 2026, Mattel expects to make additional cash contributions of approximately $10 million.

During the second quarter of 2026, Mattel approved the termination of the Cash Balance Plan, a U.S. qualified defined benefit pension plan. Mattel expects to complete the termination in 2027 through lump-sum distributions and the purchase of group annuity contracts, subject to regulatory requirements.

17. Share-Based Payments

Mattel has various stock compensation plans, which are described in Part II, Item 8 "Financial Statements and Supplementary Data—Note 9 to the Consolidated Financial Statements—Share-Based Payments" in the 2025 Annual Report on Form 10-K. Under the Mattel, Inc. Amended and Restated 2010 Equity and Long-Term Compensation Plan, Mattel has the ability to grant nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), performance RSUs ("performance awards"), dividend equivalent rights, and shares of common stock to officers, employees, non-employee directors, and consultants providing services to Mattel. Stock options are granted with exercise prices at the fair market value of Mattel's common stock on the applicable grant date and expire no later than ten years from the grant date. Stock options, RSUs, and performance awards related to Mattel's long-term incentive program ("LTIP") generally provide for vesting over, or at the end of, a period of three years from the grant date.

Compensation expense related to stock options, RSUs, and performance awards was as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(In thousands)			
Stock option compensation expense	$ —	$ 400	$ 402	$ 1,431
RSU compensation expense	12,192	14,901	39,926	43,370
Performance award compensation expense	(13,073)	7,029	(8,302)	16,153
	$ (881)	$ 22,330	$ 32,026	$ 60,954

Share-based compensation for the three and nine months ended September 30, 2026 included the reversal of previously recognized compensation expense resulting from the expected forfeiture of unvested share-based awards in connection with the resignation and subsequent departure of Mattel's former Chief Executive Officer, which occurred on September 29, 2026 and October 2, 2026, respectively.

As of September 30, 2026, $94.3 million of compensation expense related to unvested share-based awards remained unrecognized and is expected to be recognized over a weighted-average period of 2.0 years.

Mattel uses treasury shares purchased under its share repurchase program to satisfy exercises of stock options and the vesting of RSUs and performance awards. Cash received from stock option exercises, net of taxes, was $3.6 million and $5.5 million for the nine months ended September 30, 2026 and 2025, respectively.

On May 1, 2026, annual performance awards were granted to officers and key employees of Mattel under the 2026 LTIP. Those awards may be earned based on Mattel's performance against three-year cumulative Adjusted Net Income goals and Mattel's relative Total Shareholder Return ("TSR"), as measured over the applicable performance periods. Performance awards granted under the 2025 LTIP may be earned based on Mattel's relative TSR over a three-year performance measurement period. Performance awards granted prior to 2025 that impact the periods presented may be earned based on Mattel's performance against three-year cumulative Adjusted Free Cash Flow targets, with the final payout subject to modification based on Mattel's relative TSR over the same periods. The actual number of shares earned under both the 2026 LTIP and prior LTIP awards may range from 0% to 200% of the target award, depending on performance against the applicable metrics. The grant-date fair value of the annual performance awards is recognized over the service period, which commences on the date of grant and ends upon the completion of the performance period and approval of applicable company performance measures and relative TSR for the respective performance periods.

In October 2026, Mattel granted certain share-based awards to new executive officers, in connection with their commencement of employment:

(i) a Make-Whole RSU award totaling 0.5 million restricted stock units with an estimated grant date fair value of $7.7 million. The award vested upon grant but it is subject to repayment if employment is terminated under certain circumstances during the two-year period following the executive's start date. The repayment provisions result in a substantive two-year service condition and, accordingly compensation in the amount subject to repayment will be recognized over the two-year service period.

(ii) Inducement Performance-Based RSU awards ("Inducement PSU") totaling 0.7 million performance-based restricted stock units, which will cliff vest at the end of the three-year performance period beginning on the respective grant dates, generally subject to continued employment with Mattel and Mattel achieving a specified relative total shareholder return ("TSR") performance. The grant date fair value of the awards was estimated using a Monte Carlo valuation methodology and totaled $8.5 million, in aggregate, which will be recognized over the respective three-year service periods.

(iii) Annual Long-Term Incentive Awards totaling 0.5 million performance awards granted under the 2026 LTIP and 0.5 million RSUs with terms consistent with Mattel's 2026 annual equity awards to other senior executives. The estimated grant date fair values of the performance awards and the RSUs were $9.2 million and $8.7 million, respectively.

The aggregate estimated grant-date fair value of these awards was approximately $34.1 million, which will be recognized as compensation expense over the applicable service periods.

18. Other Selling and Administrative Expenses

Other selling and administrative expenses included the following:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(In thousands)			
Design and development (a)	$ 67,873	$ 54,528	$ 198,180	$ 150,706
Identifiable intangible asset amortization	10,895	7,906	30,752	23,559

(a) *Design and development expenses included incentive and share-based compensation expenses totaling approximately $1 million and $12 million during the three and nine months ended September 30, 2026, respectively. During the three and nine months ended September 30, 2025, incentive and share-based compensation expenses were not included in design and development expenses and were not material.*

19. Restructuring Charges

Optimizing for Profitable Growth

On February 7, 2024, Mattel announced the Optimizing for Profitable Growth program (the "OPG program"), a multi-year cost savings program that follows the Optimizing for Growth program (the "OFG program"), which concluded in the fourth quarter of 2023. The OPG program is designed to achieve further efficiency and cost savings opportunities, primarily within Mattel's global supply chain, including its manufacturing footprint. The OPG program includes cost savings actions in connection with discontinuing production at a plant in China as previously announced in the third quarter of 2023, as well as savings from other previous actions taken in 2023 that were not recognized in the OFG program.

In connection with the OPG program, Mattel recorded severance and other restructuring costs in the following cost and expense categories within operating income in the consolidated statements of operations:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(In thousands)			
Cost of sales (a)	$ 207	$ 2,432	$ 1,047	$ 6,123
Other selling and administrative expenses (b)	2,133	307	19,669	19,799
	$ 2,340	$ 2,739	$ 20,716	$ 25,922

(a) *Severance and other restructuring charges recorded within cost of sales in the consolidated statements of operations are included in segment income in "Note 22 to the Consolidated Financial Statements—Segment Information."*

(b) *Severance and other restructuring charges recorded within other selling and administrative expenses in the consolidated statements of operations are included in unallocated corporate and other operating expenses in "Note 22 to the Consolidated Financial Statements—Segment Information."*

The following tables summarize Mattel's severance and other restructuring charges activity within operating income related to the OPG program:

	Liability at December 31, 2025	Charges	Payments/Utilization	Liability at September 30, 2026
		(In thousands)		
Severance	$ 16,590	$ 19,518	$ (25,099)	$ 11,009
Other restructuring charges (a)	67	1,198	(1,169)	96
	$ 16,657	$ 20,716	$ (26,268)	$ 11,105

	Liability at December 31, 2024	Charges	Payments/Utilization	Liability at September 30, 2025
		(In thousands)		
Severance	$ 32,661	$ 17,551	$ (34,902)	$ 15,310
Other restructuring charges (a)	10	8,371	(8,302)	79
	$ 32,671	$ 25,922	$ (43,204)	$ 15,389

(a) *Other restructuring charges consist primarily of expenses associated with the consolidation of manufacturing and distribution facilities.*

As of September 30, 2026, in connection with the OPG program, Mattel recorded cumulative severance and other restructuring charges of approximately $136 million, which included approximately $25 million of severance charges recorded within other selling and administrative expenses during 2023. Cumulative other restructuring charges include approximately $5 million of non-cash charges. Total cash expenditures are expected to be up to approximately $140 million, and total non-cash charges are expected to be approximately $5 million.

20. Income Taxes

Mattel's provision for income taxes was $96.8 million and $64.6 million for the three and nine months ended September 30, 2026, respectively, and $86.9 million and $72.5 million for the three and nine months ended September 30, 2025, respectively. Mattel recognized a net discrete income tax expense of $9.9 million for the three months ended September 30, 2026, primarily related to income tax expense associated with International Emergency Economic Powers Act ("IEEPA") tariff refunds, partially offset by discrete tax benefits related to previously unrecognized tax benefits. Mattel recognized a net discrete income tax expense of $10.7 million for the nine months ended September 30, 2026, primarily related to income tax expense associated with IEEPA tariff refunds and interest expense accrued on previously unrecognized tax benefits, partially offset by discrete tax benefits related to previously unrecognized tax benefits. Mattel recognized a net discrete income tax benefit of $2.3 million during the three months ended September 30, 2025. Mattel recognized a net discrete income tax benefit of $12.6 million for the nine months ended September 30, 2025, primarily related to a change in its indefinite reinvestment assertion with respect to certain foreign subsidiary earnings.

Evaluating the need for and the amount of a valuation allowance for deferred tax assets often requires significant judgment and extensive analysis of all available evidence to determine whether it is more-likely-than-not that these assets will be realizable. Mattel routinely assesses the positive and negative evidence for this realizability, including the evaluation of sustained profitability and three years of cumulative pretax income for each tax jurisdiction. For the three and nine months ended September 30, 2026 and 2025, Mattel had no changes to the valuation allowance recorded against its deferred tax assets.

On July 4, 2025, H.R.1 - the One Big Beautiful Bill Act ("OBBBA") was enacted in the United States. The OBBBA contains significant provisions, including the permanent extension or restoration of certain expiring corporate income tax provisions, originally introduced by the Tax Cuts and Jobs Act of 2017, and incremental modifications to the international tax framework. The legislation has multiple effective dates, with certain provisions effective for the tax year beginning after December 31, 2024, and others effective for tax years beginning after December 31, 2025. Mattel has evaluated the OBBBA provisions that have been enacted and has included the related impact in the provision for income taxes for the three and nine months ended September 30, 2026.

21. Contingencies

Litigation Related to Yellowstone do Brasil Ltda.

In April 1999, Yellowstone do Brasil Ltda. (formerly known as Trebbor Informática Ltda.) ("Yellowstone") filed a lawsuit against Mattel do Brasil before the 15th Civil Court of Curitiba, State of Parana, requesting the annulment of its security bonds and promissory notes given to Mattel do Brasil as well as damages due to an alleged breach of an oral exclusive distribution agreement between the parties relating to the supply and sale of toys in Brazil. Yellowstone's complaints sought alleged loss of profits plus an unspecified amount of damages.

Mattel do Brasil filed its defenses to these claims and simultaneously presented a counterclaim for unpaid accounts receivable for goods supplied to Yellowstone.

In April 2018, Mattel do Brasil entered into a settlement agreement to resolve this matter, but the settlement remains the subject of ongoing appeals.

In October 2018, the Superior Court of Justice issued a final ruling in favor of Yellowstone on the merits of Yellowstone's claims. Previously, the courts had ruled in Mattel's favor on its counterclaim.

In October 2019, Mattel reached an agreement with Yellowstone's former counsel regarding payment of the attorney's fees portion of the judgment. In November 2019, Yellowstone initiated an action to enforce its judgment against Mattel, but did not account for an offset for Mattel's counterclaim. In January 2020, Mattel obtained an injunction, staying Yellowstone's enforcement action pending resolution of Mattel's appeal to enforce the parties' April 2018 settlement. As of September 30, 2026, Mattel assessed its probable loss related to this matter and has accrued an estimated liability, which is not material.

Litigation Related to the Fisher-Price Rock 'n Play Sleeper

A products liability lawsuit filed in April 2023 remains pending against Fisher-Price, Inc. and Mattel, Inc. alleging that a product defect in the Fisher-Price Rock 'n Play Sleeper (the "Sleeper") caused the fatality of a child. In August 2026, a settlement in that case was reached, which is subject to court approval. A similar products liability lawsuit was filed in October 2026 in Los Angeles Superior Court. More than sixty other lawsuits involving the Sleeper have been settled and/or dismissed.

The lawsuits seek compensatory damages, punitive damages, attorneys' fees, costs, and interest. Mattel believes that it has substantial defenses to the allegations made and intends to vigorously defend against them. As of September 30, 2026, Mattel assessed its probable loss related to the matter and has accrued an estimated liability, which is not material.

Insurance Litigation

On January 6, 2023, Mattel, Inc. and Fisher-Price, Inc. filed a lawsuit against their products liability insurers in the Superior Court of the State of Delaware seeking a declaratory judgment regarding the obligations of the insurers to defend and indemnify Mattel for the Sleeper products liability lawsuits. On March 28, 2025 and June 2, 2025, the court issued summary judgment rulings which determined, among other things, that the Sleeper products liability claims constitute a single occurrence under Mattel's insurance policies, and that each claim is allocated to the policy year in which the incident occurred. In February 2026, the parties entered into a stipulation, which the court subsequently entered, permitting an immediate appeal to the Delaware Supreme Court of the issues decided to date. As of September 30, 2026, Mattel assessed its probable loss related to this matter and has accrued an estimated liability, which is not material.

Litigation Related to the Fisher-Price Snuga Swings

A number of putative class action lawsuits were filed against Fisher-Price, Inc. and Mattel, Inc. between October 2024 and February 2025 asserting claims for false advertising, breach of contract, breach of warranty, fraud, negligence, and other claims in connection with the marketing and sale of Fisher-Price Snuga Swings (the "Swings"). In general, the lawsuits allege that the Swings were falsely marketed and sold as safe for infant use, particularly infant sleep, and failed to disclose a risk of suffocation. The lawsuits propose nationwide and several state consumer classes comprised of those who purchased the Swings. The lawsuits have been consolidated before a single judge in the United States District Court for the Western District of New York. In May 2025, the parties reached a contingent settlement of the litigation, which is subject to court approval.

The lawsuits seek unspecified compensatory damages, punitive and treble damages, statutory damages, restitution, rescission, disgorgement, attorneys' fees, costs, interest, and injunctive relief. Mattel believes that it has substantial defenses to the allegations in the lawsuits and, to the extent the settlement is not finalized or approved, intends to vigorously defend against them. As of September 30, 2026, Mattel assessed its probable loss related to this matter and has accrued an estimated liability, which is not material.

U.S. Tariff Recovery

In February 2026, the U.S. Supreme Court ruled that tariffs imposed under IEEPA on goods imported into the United States were unauthorized. On March 4, 2026, the U.S. Court of International Trade ("CIT") issued an order directing the U.S. Customs and Border Protection ("CBP") to process refunds of the IEEPA tariffs. CBP subsequently implemented a phased refund process through its Consolidated Administration and Processing of Entries system, launching Phase 1 on April 20, 2026 and Phase 2 on June 29, 2026, and Phase 3 on October 6, 2026, initially for certain eligible importers. The CIT's refund order has been appealed, and the IEEPA tariffs and related refund framework remain subject to ongoing legal proceedings, further guidance from CBP, as well as other refund process developments. Following the U.S. Supreme Court's decision on IEEPA tariffs, temporary global tariffs were imposed on imports under Section 122 of the Trade Act of 1974 ("Section 122"), which expired on July 24, 2026. These Section 122 tariffs are currently subject to legal challenge and in May 2026, the CIT issued a ruling that the Section 122 tariffs are unauthorized by the statute, although this ruling is currently stayed pending appeal. Following the expiration of the Section 122 tariffs, additional tariffs have been imposed under Section 301 of the Trade Act of 1974 and other statutory authorities.

Mattel accounts for potential refunds of IEEPA tariffs as gain contingencies. During the three and nine months ended September 30, 2026, Mattel received and recognized approximately $88 million of tariff refunds under Phase 2 of the IEEPA tariff refund process as a reduction to cost of sales. Mattel also received approximately $4 million of related interest, which was recognized as interest income. The tariff refunds recognized and received under Phase 1 of the IEEPA refund process were not material. As of September 30, 2026, Mattel had not recognized a receivable for additional IEEPA tariff refunds because they were not realized or realizable. The amount and timing of any additional tariff refunds remain uncertain, and additional refunds, if recognized, could be material.

Litigation Related to IEEPA Tariffs

In July and August 2026, three putative class actions were filed in the United States District Court for the Central District of California against Mattel, Inc., American Girl, LLC, and/or American Girl Brands, LLC asserting claims for unjust enrichment, money had and received, unfair competition under section 17200 of the California Business & Professions Code, and declaratory judgment in connection with IEEPA tariff refunds. In general, the lawsuits allege that Mattel and American Girl should not be able to retain IEEPA refunds they receive if costs associated with those tariffs were previously passed on to consumers. The lawsuits propose a nationwide class of consumers who purchased products with raised prices due to government tariffs.

The lawsuits seek unspecified compensatory damages, statutory damages, punitive damages, restitution, disgorgement, attorneys' fees, costs, interest, and declaratory and injunctive relief. Mattel believes that it has substantial defenses to the allegations in the lawsuits and intends to vigorously defend against them. A reasonable estimate of the amount of any possible loss or range of loss cannot be made at this time.

22. Segment Information

Mattel designs, manufactures, and markets a broad variety of toy products worldwide, which are sold to its customers and directly to consumers.

Segment Data

Mattel's reportable segments are: (i) North America and (ii) International. The North America and International segments sell products across Mattel's categories, although some products are developed or adapted for particular international markets.

Mattel's reportable segments are aligned to the structure used by its Chief Executive Officer, who is also the Chief Operating Decision Maker ("CODM"), to allocate resources and assess performance. Mattel's CODM evaluates segment performance based on each segment's income. The CODM also uses this metric in the annual budgeting and quarterly forecasting process to inform decisions about allocating capital and other resources to each segment.

The following tables present information regarding segment income and significant expense information for Mattel's reportable segments. Unallocated corporate and other operating expenses include operating costs not allocated to individual segments, including charges related to incentive and share-based compensation, corporate headquarters functions managed on a worldwide basis, the impact of changes in foreign currency exchange rates on intercompany transactions, and certain severance and other restructuring costs. It is impracticable for Mattel to present net sales by categories, brands, or products, as trade discounts and other allowances are generally recorded in the financial accounting systems by customer.

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(In thousands)			
North America Segment:				
Net sales	$ 1,014,002	$ 978,091	$ 2,063,463	$ 1,980,252
Less:				
Cost of sales (a)	430,408	487,483	1,001,605	1,009,492
Advertising and promotion expenses	70,092	55,263	176,103	128,791
Other selling and administrative expenses	128,834	120,147	374,585	349,888
North America segment expenses	629,334	662,893	1,552,293	1,488,171
North America segment income	$ 384,668	$ 315,198	$ 511,170	$ 492,081
International Segment:				
Net sales	$ 792,688	$ 757,881	$ 1,730,724	$ 1,600,911
Less:				
Cost of sales (a)	385,113	375,809	862,254	796,365
Advertising and promotion expenses	73,222	62,874	184,381	138,668
Other selling and administrative expenses	125,528	110,590	373,503	319,020
International segment expenses	583,863	549,273	1,420,138	1,254,053
International segment income	$ 208,825	$ 208,608	$ 310,586	$ 346,858
Total Reportable Segments:				
Net sales	$ 1,806,690	$ 1,735,972	$ 3,794,187	$ 3,581,163
Less:				
Total segment expenses	1,213,197	1,212,166	2,972,431	2,742,224
Total segment income	$ 593,493	$ 523,806	$ 821,756	$ 838,939

(a) *Cost of sales included the impact of severance and other restructuring charges of less than $1 million and approximately $2 million for the three months ended September 30, 2026 and September 30, 2025, respectively, and approximately $1 million and $6 million for the nine months ended September 30, 2026 and September 30, 2025, respectively, which were allocated to the North America and International segments.*

The following table is a reconciliation of segment income to income before income taxes for the periods indicated:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(In thousands)			
Total segment income	$ 593,493	$ 523,806	$ 821,756	$ 838,939
Unallocated corporate and other operating expenses (a)	117,227	143,957	437,298	433,571
Total operating income	476,266	379,849	384,458	405,368
Interest expense	31,877	29,416	94,715	88,004
Interest (income)	(8,936)	(9,027)	(26,623)	(37,344)
Other non-operating expense (income), net	2,900	965	(141,058)	12,588
Income before income taxes	$ 450,425	$ 358,495	$ 457,424	$ 342,120

(a) *For the three months ended September 30, 2026 and September 30, 2025, unallocated corporate and other operating expenses included the impact of: 1) incentive compensation of approximately $(2) million and $8 million, respectively, 2) share-based compensation of approximately $(1) million and $22 million, respectively, and 3) severance and other restructuring charges of approximately $3 million and $1 million, respectively.*

For the nine months ended September 30, 2026 and September 30, 2025, unallocated corporate and other operating expenses included the impact of: 1) incentive compensation of approximately $46 million and $51 million, respectively, 2) share-based compensation of approximately $32 million and $61 million, respectively, and 3) severance and other restructuring charges of approximately $22 million and $24 million, respectively.

The following tables present information regarding depreciation and amortization by segment, as well as assets by segment.

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(In thousands)			
Depreciation and Amortization by Segment				
North America	$ 26,706	$ 22,797	$ 76,048	$ 68,920
International	17,548	13,916	50,216	42,026
	44,254	36,713	126,264	110,946
Corporate and other	6,348	4,869	17,022	15,008
Depreciation and amortization	$ 50,602	$ 41,582	$ 143,286	$ 125,954

Segment assets were comprised of accounts receivable and inventories, net of applicable reserves and allowances.

	September 30, 2026	September 30, 2025	December 31, 2025
		(In thousands)	
Assets by Segment			
North America	$ 1,100,920	$ 1,166,907	$ 810,153
International	1,004,991	957,990	760,346
	2,105,911	2,124,897	1,570,499
Corporate and other	122,180	91,985	90,247
Accounts receivable and inventories, net	$ 2,228,091	$ 2,216,882	$ 1,660,746

Geographic Information

The following table presents information regarding Mattel's net sales by geographic area. Net sales are attributed to countries based on the location of the customer:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(In thousands)			
Net Sales by Geographic Area				
North America	$ 1,014,002	$ 978,091	$ 2,063,463	$ 1,980,252
International				
EMEA	431,090	424,037	964,118	898,612
Latin America	240,413	230,339	454,471	423,551
Asia Pacific	121,185	103,505	312,135	278,748
Total International	792,688	757,881	1,730,724	1,600,911
Net sales	$ 1,806,690	$ 1,735,972	$ 3,794,187	$ 3,581,163

23. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. ASU 2025-05 provides the option to apply a practical expedient to address implementation challenges related to the estimation of expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under revenue recognition (Topic 606) and assets acquired through business combinations. The practical expedient allows entities to assume that current conditions as of the balance sheet date remain unchanged over the life of these assets when developing forecasts. The guidance allows entities to bypass the requirement to incorporate macro-economic data into their forecast when such data is not expected to materially affect the estimate. Mattel adopted the guidance in ASU 2025-05 effective January 1, 2026 prospectively and applied the practical expedient. The adoption of this new accounting standard did not have a material impact on Mattel's consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses for public business entities. ASU 2024-03 requires enhanced disclosures of each expense caption in the income statement to improve transparency and provide financial statement users with more detailed information about the nature, amount, and timing of expenses impacting financial performance. Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. The guidance in ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The ASU may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. Mattel is currently evaluating the impact of the adoption of ASU 2024-03 on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. ASU 2025-06 modernizes certain aspects of the accounting for software costs to develop or obtain software for internal use under Accounting Standards Codification 350-40. The ASU requires entities to begin capitalizing software costs when management authorizes and commits to funding the software project, and it is probable that the project will be completed and the software will be used for its intended purpose. The guidance in ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption is permitted. The amendments in ASU 2025-06 permit entities to apply the new guidance using a prospective, retrospective, or modified transition approach. Mattel is currently evaluating the impact of the adoption of ASU 2025-06 on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements, which clarifies the applicability of Topic 270 and interim disclosure requirements, including a principle requiring disclosure of events since the end of the most recent annual reporting period that have a material impact on an entity. The amendments are effective for interim reporting periods within fiscal years beginning after December 15, 2027, with early adoption permitted. Mattel is currently evaluating the impact of ASU 2025-11 on its interim financial statement disclosures.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

In the discussion that follows, "Mattel" refers to Mattel, Inc. and/or one or more of its subsidiaries.

The following discussion should be read in conjunction with the consolidated financial statements and the related notes that appear in Part I, Item 1 "Financial Statements" of this Quarterly Report on Form 10-Q. Mattel's business is seasonal with consumers making a large percentage of all toy purchases during the traditional holiday season; therefore, results of operations are most comparable to corresponding periods.

The following discussion includes currency exchange rate impact, a non-GAAP financial measure within the meaning of Regulation G promulgated by the SEC ("Regulation G"), to supplement the financial results as reported in accordance with GAAP. The currency exchange rate impact reflects the portion (expressed as a percentage) of changes in Mattel's reported results that are attributable to fluctuations in currency exchange rates. Mattel uses this non-GAAP financial measure to analyze its continuing operations and to monitor, assess, and identify meaningful trends in its operating and financial performance. Management believes that the disclosure of this non-GAAP financial measure provides useful supplemental information to investors to allow them to better evaluate ongoing business performance and certain components of Mattel's results. This measure is not, and should not be viewed as, a substitute for GAAP financial measures.

The following discussion also includes the use of gross billings, a key performance indicator. 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 recorded by customer and not associated with categories, brands, or individual products.

Amounts shown in millions or billions within this Item 2 may not sum due to rounding.

Overview

Mattel is a leading global play and family entertainment company and owner of one of the most iconic brand portfolios in the world. Mattel's mission is to create innovative products and experiences that inspire fans, entertain audiences, and develop children through play, and its purpose is to empower generations to explore the wonder of childhood and reach their full potential.

Mattel is focused on the following brand-centric strategy to grow its intellectual property ("IP") driven play and family entertainment business:

- Grow its toy brands with more breakthrough innovation and adult fans and collectors, as well as evolved demand creation;
- Expand its direct-to-consumer and commercial reach through first party data, retail development, and new channels;
- Broaden content offering in film, television, and short-form content, accelerate licensing in consumer products, location-based entertainment, and publishing, and expand with new business models;
- Scale digital play through mobile games self-publishing, Mattel163 mobile games studio, licensing, and creator platforms; and
- Optimize operations and leverage artificial intelligence across its systems and supply chain.

Mattel is the owner of a portfolio of iconic brands and partners with global entertainment companies to license other IP. Mattel's portfolio of owned and partner brands and products are organized into the following categories:

Dolls—including owned brands such as *Barbie*, *American Girl*, *Monster High,* and *Polly Pocket,* and partner brands such as *Disney Princess*, *Disney Frozen*, and *KPop Demon Hunters (Netflix)*. Mattel's Dolls portfolio is driven by the flagship *Barbie* brand and a collection of complementary brands offered globally. Empowering girls since 1959, *Barbie* has inspired the limitless potential in every girl, sparking imaginations and shaping futures through play. *Monster High*, a character-driven franchise, engages fans of all ages, encouraging them to be their authentic selves and celebrate what makes them unique. *American Girl*, with an extensive portfolio of dolls and accessories, content, and lifestyle products, is best known for imparting valuable life lessons that instill confidence through its inspiring dolls and books, featuring characters from past and present.

Vehicles—including owned brands such as *Hot Wheels* (including *Hot Wheels Monster Trucks* and *Hot Wheels RC*) and *Matchbox*, and partner brands such as *Cars* (*Disney Pixar*). *Hot Wheels* has continued to push the limits of performance and design since 1968, and ignites and nurtures the challenger spirit in kids, adults, and collectors. From die-cast vehicles to tracks, playsets, and accessories, the Mattel Vehicles portfolio has broad appeal that engages and excites fans of all ages.

Infant, Toddler, and Preschool—including brands such as *Fisher-Price* (including *Little People*) and *Thomas & Friends*, is organized into three subcategories: *Fisher-Price*, Preschool Entertainment, and Baby Gear and *Power Wheels*. The first subcategory is *Fisher-Price*, the power brand, which includes core Infant and Toddler product lines. As a leader in play and child development, *Fisher-Price* is dedicated to giving families the best possible start to life by making the most fun, enriching products for infants, toddlers, and preschoolers. The second subcategory is Preschool Entertainment, which includes owned IP such as *Thomas & Friends* and partner entertainment brands. *Thomas & Friends* is an award-winning preschool train brand franchise that lays the tracks to inspire, entertain, and develop young train fans through toys, content, live events, and other consumer products. The third subcategory is Baby Gear and *Power Wheels,* in which Mattel has strategically out-licensed or exited certain product lines.

Action Figures, Building Sets, Games, and Other—including owned brands such as *Masters of the Universe*, *Mattel Brick Shop*, *MEGA*, *UNO*, and partner brands such as *Jurassic World* (*NBCUniversal*), *Minecraft* (*Microsoft*), *WWE*, *Toy Story (Disney Pixar),* and *Star War*s (*Disney's Lucasfilm*). Mattel's Action Figures portfolio is comprised of product lines associated with licensed entertainment franchises, such as *Jurassic World* and *WWE*, as well as product lines from Mattel-owned IP, such as *Masters of the Universe*. Introduced in 2025 as a new challenger brand in Building Sets, *Mattel Brick Shop* is designed to introduce differentiated building experiences through innovative features, materials, and techniques intended to expand traditional building play. Within Games, *UNO* is the classic matching card game that is easy to learn and fast fun for everyone, while the rest of the portfolio includes beloved heritage games such as *Pictionary*, *Skip-Bo*, *Phase 10*, and *Blokus*. Games also includes digital games, including games developed and published by Mattel163, Mattel's wholly owned mobile games studio. Other includes Plush, which contains products associated with movie releases from licensed entertainment franchises such as *Minecraft,* as well as Mattel-owned IP.

Recent Developments

On September 30, 2026, Mattel announced the appointment of Roger Lynch as Chairman of the Board and Chief Executive Officer. Mr. Lynch became Chairman of the Board effective October 2, 2026 and Chief Executive Officer effective October 12, 2026. Mr. Lynch has served as a member of Mattel's Board of Directors since 2018 and previously served as Mattel's Independent Lead Director. On October 19, 2026, Mattel announced the appointment of Peter Griffith as Chief Financial Officer and a member of the Board of Directors, effective October 20, 2026. On October 21, 2026, Mattel entered into a cooperation agreement with EdgePoint Investment Group Inc. and appointed Lee Matheson, a Partner at EdgePoint, to the Board of Directors.

In the third quarter of 2026, net sales increased 4% compared to the third quarter of 2025, gross margin increased to 54.8% from 50.0%, and operating income increased approximately $96 million to $476.3 million. The increase in gross margin and operating income benefited from approximately $88 million of refunds related to tariffs previously paid under the International Emergency Economic Powers Act ("IEEPA"), which Mattel received and recognized during the third quarter of 2026.

Global trade policy continues to evolve, and the ultimate impact of recent developments with respect to U.S. tariffs remains uncertain. In February 2026, the U.S. Supreme Court ruled that tariffs imposed under IEEPA on goods imported into the United States were unauthorized and subsequently a phased refund process was implemented, including the launch of Phase 3 on October 6, 2026 for certain eligible importers. The U.S. Court of International Trade's refund order has been appealed and the IEEPA tariffs and related refund framework remain subject to ongoing legal proceedings, further guidance from U.S. Customs and Border Protection, as well as other refund process developments. Following the U.S. Supreme Court's decision on IEEPA tariffs, temporary global tariffs were imposed on imports under Section 122 of the Trade Act of 1974 ("Section 122"), which expired on July 24, 2026. These Section 122 tariffs are currently subject to legal challenge and in May 2026, the CIT issued a ruling that the Section 122 tariffs are unauthorized by the statute, although this ruling is currently stayed pending appeal. Following the expiration of the Section 122 tariffs, additional tariffs have been imposed under Section 301 of the Trade Act of 1974 and other statutory authorities. Accordingly, the ultimate availability, timing, and amount of any additional tariff refunds remain uncertain, but if recognized, could be material. As of September 30, 2026, Mattel had not recognized a receivable for additional IEEPA tariff refunds because they were not realized or realizable.

There remains substantial uncertainty regarding the duration of existing and newly announced or planned tariffs, potential changes or pauses to such tariffs, tariff levels, and whether further additional tariffs or other retaliatory actions may be imposed, modified, suspended, or invalidated, and the impacts of such actions on Mattel's business. Mattel continues to monitor and

evaluate these developments and assess their potential impact on Mattel's business, financial condition, and results of operations.

Mattel is operating in an uncertain geopolitical and macro-economic environment with significant volatility that may impact consumer demand. To the extent the geopolitical or macro-economic environment worsens, including due to further developments in the Middle East or regulatory actions impacting global trade, it may have a material effect on Mattel's results of operations and financial condition. Refer to Part I, Item 1A "Risk Factors" in the 2025 Annual Report on Form 10-K for further discussion regarding potential impacts on Mattel's business.

Results of Operations—Third Quarter

Consolidated Results

The following table presents Mattel's consolidated results for the third quarter of 2026 and 2025:

	For the Three Months Ended					
	September 30, 2026		September 30, 2025		Year/Year Change	
	Amount	% of Net Sales	Amount	% of Net Sales	%	Basis Points of Net Sales
	(In millions, except percentage and basis point information)					
Net sales	$ 1,806.7		$ 1,736.0		4 %	
Cost of sales	817.1	45.2 %	867.7	50.0 %	-6 %	(480)
Gross profit	989.6	54.8 %	868.3	50.0 %	14 %	480
Advertising and promotion expenses	143.3	7.9 %	118.1	6.8 %	21 %	110
Other selling and administrative expenses	370.0	20.5 %	370.3	21.3 %	— %	(80)
Operating income	476.3	26.4 %	379.8	21.9 %	25 %	450
Interest expense	31.9	1.8 %	29.4	1.7 %	8 %	10
Interest (income)	(8.9)	-0.5 %	(9.0)	-0.5 %	-1 %	—
Other non-operating expense, net	2.9		1.0			
Income before income taxes	450.4	24.9 %	358.5	20.7 %	26 %	420
Provision for income taxes	96.8		86.9			
(Income) from equity method investments	—		(6.7)			
Net income	$ 353.6	19.6 %	$ 278.4	16.0 %	27 %	360

Sales

Net sales in the third quarter of 2026 were $1.81 billion, an increase of $70.7 million, or 4%, as compared to $1.74 billion in the third quarter of 2025. The increase in net sales was due to an increase in gross billings of $87.8 million, partially offset by an increase in sales adjustments of $17.1 million.

Gross billings represent amounts invoiced to a customer and do not include the impact of sales adjustments, such as trade discounts and other allowances. Changes in gross billings are discussed below because, while Mattel records the details of sales adjustments in its financial accounting systems at the time of sale, such sales adjustments are generally recorded by customer and are not associated with categories, brands, or individual products. The following tables provide a summary of Mattel's consolidated gross billings by categories, along with supplemental information by brand, for the third quarter of 2026 and 2025:

	For the Three Months Ended			
	September 30, 2026	September 30, 2025	% Change as Reported	Currency Exchange Rate Impact
	(In millions, except percentage information)			
Gross Billings by Categories				
Dolls	$ 703.2	$ 674.1	4 %	1 %
Vehicles	679.8	626.2	9 %	1 %
Infant, Toddler, and Preschool	220.8	262.5	-16 %	1 %
Action Figures, Building Sets, Games, and Other	450.8	404.0	12 %	— %
Gross Billings	$ 2,054.6	$ 1,966.8	4 %	1 %
Supplemental Gross Billings Disclosure				
Gross Billings by Top 3 Power Brands				
Barbie	$ 374.6	$ 413.9	-9 %	1 %
Hot Wheels	585.5	547.2	7 %	1 %
Fisher-Price	186.2	215.4	-14 %	1 %
Other	908.4	790.2	15 %	— %
Gross Billings	$ 2,054.6	$ 1,966.8	4 %	1 %

Gross billings were $2.05 billion in the third quarter of 2026, an increase of $87.8 million, or 4%, as compared to $1.97 billion in the third quarter of 2025, with a favorable impact from changes in currency exchange rates of one percentage point. The increase in gross billings was primarily due to higher billings of Vehicles, Action Figures, Building Sets, Games, and Other, and Dolls, partially offset by lower billings of Infant, Toddler, and Preschool.

Dolls gross billings increased 4%, of which 13% was due to higher billings of partner brands, including the benefit from *KPop Demon Hunters (Netflix)*, partially offset by lower billings of *Barbie* of 6% and lower billings of *Polly Pocket* of 3%.

Vehicles gross billings increased 9%, of which 6% was due to higher billings of *Hot Wheels* and 2% was due to higher billings of *Cars (Disney Pixar)*.

Infant, Toddler, and Preschool gross billings decreased 16%, of which 11% was due to lower billings of *Fisher-Price* and 4% was due to lower billings of Preschool Entertainment.

Action Figures, Building Sets, Games, and Other gross billings increased 12%, of which 9% was due to higher billings of Games, which benefited from Mattel163's contribution, and 5% was due to higher billings of Action Figures, partially offset by lower billings of Building Sets of 3%.

Sales adjustments generally represent arrangements with Mattel's customers to provide sales incentives, support customer promotions, and provide allowances for returns and defective merchandise. Such programs are based primarily on customer purchases, customer performance of specified promotional activities, and other specified factors such as sales to consumers. Additionally, sales adjustments may include foreign currency transaction gains and losses from the remeasurement of accounts receivable denominated in currencies that are different from the relevant entity's functional currency. Sales adjustments increased to $247.9 million in the third quarter of 2026 from $230.8 million in the third quarter of 2025. Sales adjustments as a percentage of net sales were relatively consistent at 13.7% in the third quarter of 2026, as compared to 13.3% in the third quarter of 2025.

Cost of Sales

Cost of sales decreased by $50.6 million, or 6%, to $817.1 million in the third quarter of 2026 from $867.7 million in the third quarter of 2025. Within cost of sales, product and other costs decreased by $70.7 million, or 10%, to $617.3 million in the third quarter of 2026 from $688.0 million in the third quarter of 2025, which benefited from $88.4 million of IEEPA tariff refunds received in the third quarter of 2026. Royalty expense increased by $14.9 million, or 17%, to $103.3 million in the third quarter of 2026 from $88.5 million in the third quarter of 2025. Freight and logistics expenses increased by $5.2 million, or 6%, to $96.4 million in the third quarter of 2026, as compared to $91.3 million in the third quarter of 2025.

Gross Margin

Gross margin increased to 54.8% in the third quarter of 2026 from 50.0% in the third quarter of 2025. The increase in gross margin was primarily due to the benefit from IEEPA tariff refunds received of 490 basis points, Mattel163's contribution of 60 basis points, favorable foreign currency exchange impact of 60 basis points, and other factors totaling 150 basis points, partially offset by cost inflation of 200 basis points and higher royalty expense of 80 basis points.

Advertising and Promotion Expenses

Advertising and promotion expenses primarily consist of: (i) media costs, which include the media, planning, and buying fees for television, print, and online advertisements, (ii) non-media costs, which include commercial and website production, merchandising, and promotional costs, (iii) retail advertising costs, which include consumer direct catalogs, and (iv) general advertising costs, which include trade show costs. Advertising and promotion expenses as a percentage of net sales increased to 7.9% in the third quarter of 2026, as compared to 6.8% in the third quarter of 2025. The increase was primarily due to expenses associated with Mattel163, and investments in brand and marketing during the quarter.

Other Selling and Administrative Expenses

Other selling and administrative expenses were $370.0 million, or 20.5% of net sales, in the third quarter of 2026, relatively flat as compared to $370.3 million, or 21.3% of net sales, in the third quarter of 2025. The changes in other selling and administrative expenses included lower share-based compensation and incentive expense of $34.0 million, including forfeitures associated with the departure of Mattel’s former Chief Executive Officer, offset by higher investments of $20.4 million, and higher Mattel163-related and other expenses of $13.3 million.

Interest Expense

Interest expense increased to $31.9 million in the third quarter of 2026, as compared to $29.4 million in the third quarter of 2025. The slight increase was primarily due to higher average interest rates on outstanding long-term debt in the third quarter of 2026.

Interest Income

Interest income was $8.9 million in the third quarter of 2026, relatively flat as compared to $9.0 million in the third quarter of 2025.

Provision for Income Taxes

Mattel's provision for income taxes was $96.8 million in the third quarter of 2026, as compared to $86.9 million in the third quarter of 2025. The increase in provision for income taxes was primarily due to discrete tax items. During the third quarter of 2026, Mattel recognized a net discrete income tax expense of $9.9 million primarily related to the income tax expense associated with IEEPA tariff refunds, partially offset by discrete tax benefits related to previously unrecognized tax benefits. During the third quarter of 2025, Mattel recognized a net discrete income tax benefit of $2.3 million.

Evaluating the need for and the amount of a valuation allowance for deferred tax assets often requires significant judgment and extensive analysis of all available evidence to determine whether it is more-likely-than-not that these assets will be realizable. Mattel routinely assesses the positive and negative evidence for this realizability, including the evaluation of sustained profitability and three years of cumulative pretax income for each tax jurisdiction. For the third quarter of 2026 and 2025, there were no changes to Mattel's valuation allowance.

Segment Results

North America Segment

The following tables provide a summary of Mattel's net sales, segment income, and gross billings by categories, along with supplemental information by brand, for the North America segment for the third quarter of 2026 and 2025:

	For the Three Months Ended			
	September 30, 2026	September 30, 2025	% Change as Reported	Currency Exchange Rate Impact
	(In millions, except percentage information)			
Net Sales	$ 1,014.0	$ 978.1	4 %	— %
Segment Income	384.7	315.2	22 %	

Net sales for the North America segment in the third quarter of 2026 were $1.01 billion, an increase of $35.9 million, or 4%, as compared to $978.1 million in the third quarter of 2025. The increase in net sales was primarily due to an increase in gross billings of $45.7 million.

	For the Three Months Ended			
	September 30, 2026	September 30, 2025	% Change as Reported	Currency Exchange Rate Impact
	(In millions, except percentage information)			
Gross Billings by Categories				
Dolls	$ 416.1	$ 393.8	6 %	— %
Vehicles	304.8	276.5	10 %	— %
Infant, Toddler, and Preschool	124.4	157.1	-21 %	— %
Action Figures, Building Sets, Games, and Other	260.3	232.5	12 %	— %
Gross Billings	$ 1,105.6	$ 1,059.9	4 %	— %
Supplemental Gross Billings Disclosure				
Gross Billings by Top 3 Power Brands				
Barbie	$ 209.0	$ 234.2	-11 %	— %
Hot Wheels	252.2	235.7	7 %	— %
Fisher-Price	107.7	129.9	-17 %	— %
Other	536.7	460.2	17 %	— %
Gross Billings	$ 1,105.6	$ 1,059.9	4 %	— %

Gross billings for the North America segment were $1.11 billion in the third quarter of 2026, an increase of $45.7 million, or 4%, as compared to $1.06 billion in the third quarter of 2025. The increase in the North America segment gross billings was due to higher billings of Vehicles, Action Figures, Building Sets, Games, and Other, and Dolls, partially offset by lower billings of Infant, Toddler, and Preschool.

Dolls gross billings increased 6%, of which 11% was due to higher billings of partner brands, including the benefit from *KPop Demon Hunters (Netflix)*, and 3% was due to higher billings of *Monster High*, partially offset by lower billings of *Barbie* of 6%.

Vehicles gross billings increased 10%, of which 6% was due to higher billings of *Hot Wheels* and 3% was due to higher billings of *Cars (Disney Pixar)*.

Infant, Toddler, and Preschool gross billings decreased 21%, of which 14% was due to lower billings of *Fisher-Price* and 5% was due to lower billings of Preschool Entertainment.

Action Figures, Building Sets, Games, and Other gross billings increased 12%, of which 13% was due to higher billings of Games, which benefited from Mattel163's contribution, and 2% was due to higher billings of Action Figures, partially offset by lower billings of Building Sets of 3%.

Sales adjustments increased to $91.6 million in the third quarter of 2026 as compared to $81.8 million in the third quarter of 2025. Sales adjustments as a percentage of net sales were relatively consistent at 9.0% in the third quarter of 2026 as compared to 8.4% in the third quarter of 2025.

Cost of sales decreased by $57.1 million, or 12%, to $430.4 million in the third quarter of 2026 from $487.5 million in the third quarter of 2025, primarily due to a decrease in product and other costs of $71.1 million, which benefited from $88.4 million of IEEPA tariff refunds received in the third quarter of 2026, partially offset by an increase in royalty expense of $10.8 million.

North America segment income increased by $69.5 million to $384.7 million in the third quarter of 2026, as compared to $315.2 million in the third quarter of 2025, primarily due to lower cost of sales of $57.1 million and higher net sales of $35.9 million, partially offset by higher advertising and promotion expenses of $14.8 million.

International Segment

The following tables provide a summary of Mattel's net sales, segment income, and gross billings by categories, along with supplemental information by brand, for the International segment for the third quarter of 2026 and 2025:

	For the Three Months Ended			
	September 30, 2026	September 30, 2025	% Change as Reported	Currency Exchange Rate Impact
	(In millions, except percentage information)			
Net Sales	$ 792.7	$ 757.9	5 %	2 %
Segment Income	208.8	208.6	— %	

Net sales for the International segment in the third quarter of 2026 were $792.7 million, an increase of $34.8 million, or 5%, as compared to $757.9 million in the third quarter of 2025. The increase in net sales was primarily due to an increase in gross billings of $42.1 million.

	For the Three Months Ended			
	September 30, 2026	September 30, 2025	% Change as Reported	Currency Exchange Rate Impact
	(In millions, except percentage information)			
Gross Billings by Categories				
Dolls	$ 287.1	$ 280.2	2 %	2 %
Vehicles	375.0	349.8	7 %	2 %
Infant, Toddler, and Preschool	96.4	105.3	-9 %	3 %
Action Figures, Building Sets, Games, and Other	190.5	171.6	11 %	1 %
Gross Billings	$ 949.0	$ 906.9	5 %	2 %
Supplemental Gross Billings Disclosure				
Gross Billings by Top 3 Power Brands				
Barbie	$ 165.6	$ 179.8	-8 %	2 %
Hot Wheels	333.3	311.6	7 %	2 %
Fisher-Price	78.4	85.6	-8 %	3 %
Other	371.7	330.0	13 %	1 %
Gross Billings	$ 949.0	$ 906.9	5 %	2 %

Gross billings for the International segment were $949.0 million in the third quarter of 2026, an increase of $42.1 million, or 5%, as compared to $906.9 million in the third quarter of 2025, with a favorable impact from changes in currency exchange rates of two percentage points. The increase in the International segment gross billings was due to higher billings of Vehicles, Action Figures, Building Sets, Games, and Other, and Dolls, partially offset by lower billings of Infant, Toddler, and Preschool.

Dolls gross billings increased 2%, of which 16% was due to higher billings of partner brands, including benefits from *KPop Demon Hunters (Netflix)*, partially offset by lower billings of *Barbie* of 5%, lower billings of *Polly Pocket* of 5%, and lower billings of *Monster High* of 3%.

Vehicles gross billings increased 7%, of which 6% was due to higher billings of *Hot Wheels*.

Infant, Toddler, and Preschool gross billings decreased 9%, of which 7% was due to lower billings of *Fisher-Price.*

Action Figures, Building Sets, Games, and Other gross billings increased 11%, of which 10% was due to higher billings of Action Figures, and 5% was due to higher billings of Games, which benefited from Mattel163's contribution, partially offset by lower billings of Building Sets of 3%.

Sales adjustments increased to $156.3 million in the third quarter of 2026 from $149.0 million in the third quarter of 2025. Sales adjustments as a percentage of net sales remained consistent at 19.7% in the third quarter of 2026 and 2025.

Cost of sales increased by $9.3 million, or 2%, to $385.1 million in the third quarter of 2026 from $375.8 million in the third quarter of 2025, primarily due to an increase in royalty expense of $4.1 million and product and other costs of $3.3 million.

International segment income was $208.8 million in the third quarter of 2026, relatively flat compared to $208.6 million in the third quarter of 2025, due to higher net sales of $34.8 million, partially offset by higher other selling and administrative expenses of $14.9 million, higher advertising and promotion expenses of $10.3 million, and higher cost of sales of $9.3 million.

Results of Operations—First Nine Months

Consolidated Results

The following table presents Mattel's consolidated results for the first nine months of 2026 and 2025:

	For the Nine Months Ended					
	September 30, 2026		September 30, 2025		Year/Year Change	
	Amount	% of Net Sales	Amount	% of Net Sales	%	Basis Points of Net Sales
	(In millions, except percentage and basis point information)					
Net sales	$ 3,794.2		$ 3,581.2		6 %	
Cost of sales	1,875.7	49.4 %	1,785.9	49.9 %	5 %	(50)
Gross profit	1,918.5	50.6 %	1,795.3	50.1 %	7 %	50
Advertising and promotion expenses	360.5	9.5 %	267.5	7.5 %	35 %	200
Other selling and administrative expenses	1,173.5	30.9 %	1,122.5	31.3 %	5 %	(40)
Operating income	384.5	10.1 %	405.4	11.3 %	-5 %	(120)
Interest expense	94.7	2.5 %	88.0	2.5 %	8 %	—
Interest (income)	(26.6)	-0.7 %	(37.3)	-1.0 %	-29 %	30
Other non-operating (income) expense, net	(141.1)		12.6			
Income before income taxes	457.4	12.1 %	342.1	9.6 %	34 %	250
Provision for income taxes	64.6		72.5			
(Income) from equity method investments	(3.6)		(21.8)			
Net income	$ 396.4	10.4 %	$ 291.4	8.1 %	36 %	230

Sales

Net sales in the first nine months of 2026 were $3.79 billion, an increase of $213.0 million, or 6%, as compared to $3.58 billion in the first nine months of 2025. The increase in net sales was due to an increase in gross billings of $252.0 million, partially offset by an increase in sales adjustments of $38.9 million.

Gross billings represent amounts invoiced to a customer and do not include the impact of sales adjustments, such as trade discounts and other allowances. Changes in gross billings are discussed below because, while Mattel records the details of sales adjustments in its financial accounting systems at the time of sale, such sales adjustments are generally recorded by customer and are not associated with categories, brands, or individual products. The following tables provide a summary of Mattel's consolidated gross billings by categories, along with supplemental information by brand, for the first nine months of 2026 and 2025:

	For the Nine Months Ended			
	September 30, 2026	September 30, 2025	% Change as Reported	Currency Exchange Rate Impact
	(In millions, except percentage information)			
Gross Billings by Categories				
Dolls	$ 1,292.7	$ 1,305.8	-1 %	1 %
Vehicles	1,504.6	1,342.2	12 %	2 %
Infant, Toddler, and Preschool	454.8	532.3	-15 %	2 %
Action Figures, Building Sets, Games, and Other	1,041.3	861.2	21 %	1 %
Gross Billings	$ 4,293.4	$ 4,041.4	6 %	2 %
Supplemental Gross Billings Disclosure				
Gross Billings by Top 3 Power Brands				
Barbie	$ 689.8	$ 788.3	-13 %	2 %
Hot Wheels	1,308.6	1,173.3	12 %	2 %
Fisher-Price	365.6	413.4	-12 %	2 %
Other	1,929.4	1,666.3	16 %	1 %
Gross Billings	$ 4,293.4	$ 4,041.4	6 %	2 %

Gross billings were $4.29 billion in the first nine months of 2026, an increase of $252.0 million, or 6%, as compared to $4.04 billion in the first nine months of 2025, with a favorable impact from changes in currency exchange rates of two percentage points. The increase in gross billings was primarily due to higher billings of Action Figures, Building Sets, Games, and Other and Vehicles, partially offset by lower billings of Infant, Toddler, and Preschool, and Dolls.

Dolls gross billings decreased 1%, of which 8% was due to lower billings of *Barbie*, partially offset by higher billings of partner brands of 7%, including the benefit from *KPop Demon Hunters (Netflix)*.

Vehicles gross billings increased 12%, of which 10% was due to higher billings of *Hot Wheels* and 2% was due to higher billings of *Cars (Disney Pixar)*.

Infant, Toddler, and Preschool gross billings decreased 15%, of which 9% was due to lower billings of *Fisher-Price*, 4% was due to lower billings of Preschool Entertainment, and 2% was due to lower billings of Baby Gear and *Power Wheels*, due to the continued strategic exit from certain product lines in Baby Gear and *Power Wheels*.

Action Figures, Building Sets, Games, and Other gross billings increased 21%, of which 14% was due to higher billings of Games, which benefited from Mattel163's contribution, and 8% was due to higher billings of Action Figures.

Sales adjustments generally represent arrangements with Mattel's customers to provide sales incentives, support customer promotions, and provide allowances for returns and defective merchandise. Such programs are based primarily on customer purchases, customer performance of specified promotional activities, and other specified factors such as sales to consumers. Additionally, sales adjustments may include foreign currency transaction gains and losses from the remeasurement of accounts receivable denominated in currencies that are different from the relevant entity's functional currency. Sales adjustments increased to $499.2 million in the first nine months of 2026 from $460.3 million in the first nine months of 2025. Sales adjustments as a percentage of net sales were relatively consistent at 13.2% in the first nine months of 2026, as compared to 12.9% in the first nine months of 2025.

Cost of Sales

Cost of sales increased by $89.8 million, or 5%, to $1.88 billion in the first nine months of 2026 from $1.79 billion in the first nine months of 2025. Within cost of sales, royalty expense increased by $38.4 million, or 21%, to $220.5 million in the first nine months of 2026 from $182.2 million in the first nine months of 2025. Product and other costs increased by $31.8 million, or 2%, to $1.41 billion in the first nine months of 2026, as compared to $1.38 billion in the first nine months of 2025. The increase in product and other costs was partially offset by the benefit from $90.1 million of IEEPA tariff refunds received in the first nine months of 2026. Freight and logistics expenses increased by $19.6 million, or 9%, to $248.1 million in the first nine months of 2026 from $228.5 million in the first nine months of 2025.

Gross Margin

Gross margin increased to 50.6% in the first nine months of 2026 from 50.1% in the first nine months of 2025. The increase in gross margin was primarily due to the benefit from IEEPA tariff refunds received of 240 basis points, Mattel163's contribution of 70 basis points, and the net benefit from other factors of 90 basis points, including mitigating actions to offset tariffs, and realized savings from the OPG program. The increase was partially offset by cost inflation of 150 basis points, gross incremental tariff costs of 110 basis points, and higher royalty expense of 90 basis points.

Advertising and Promotion Expenses

Advertising and promotion expenses primarily consist of: (i) media costs, which include the media, planning, and buying fees for television, print, and online advertisements, (ii) non-media costs, which include commercial and website production, merchandising, and promotional costs, (iii) retail advertising costs, which include consumer direct catalogs, and (iv) general advertising costs, which include trade show costs. Advertising and promotion expenses as a percentage of net sales increased to 9.5% in the first nine months of 2026 from 7.5% in the first nine months of 2025. The increase was primarily due to investments in brand, marketing, and promotional activities for theatrical releases, and expenses associated with Mattel163.

Other Selling and Administrative Expenses

Other selling and administrative expenses were $1.17 billion, or 30.9% of net sales, in the first nine months of 2026, an increase of $51.0 million, as compared to $1.12 billion, or 31.3% of net sales, in the first nine months of 2025. The increase in other selling and administrative expenses was primarily due to higher investments of $56.5 million, higher employee wages of $15.8 million, higher expenses associated with Mattel163, including acquisition-related expenses, and other expenses of $70.2 million. The increase was partially offset by lower share-based compensation and incentive expense of $41.2 million, including forfeitures associated with the departure of Mattel’s former Chief Executive Officer, additional realized savings from the OPG program of $31.7 million, and lower expenses related to inclined sleeper product recalls and related litigation of $18.6 million.

Interest Expense

Interest expense was $94.7 million in the first nine months of 2026, as compared to $88.0 million in the first nine months of 2025. The increase was primarily due to higher average interest rates on outstanding long-term debt in the first nine months of 2026.

Interest Income

Interest income was $26.6 million in the first nine months of 2026, as compared to $37.3 million in the first nine months of 2025. The decrease was primarily due to lower average invested cash balances in the first nine months of 2026.

Other Non-Operating (Income)/Expense, Net

Other non-operating income increased by $153.6 million to $141.1 million in the first nine months of 2026 from an expense of $12.6 million in the first nine months of 2025, primarily due to the gain recognized on Mattel's previously held equity interest in Mattel163. On March 2, 2026, Mattel acquired the remaining 50% equity interest in Mattel163. Prior to the acquisition of the remaining 50% equity interest in Mattel163, Mattel accounted for its investment under the equity method. Upon obtaining control, Mattel remeasured its previously held 50% equity interest to its estimated fair value as of the Acquisition Date, resulting in a gain of $147.9 million recognized in the first nine months of 2026.

Provision for Income Taxes

Mattel's provision for income taxes was $64.6 million for the first nine months of 2026, as compared to $72.5 million for the first nine months of 2025. The decrease in the provision for income taxes was primarily due to lower operating income before the benefit from IEEPA tariff refunds, partially offset by higher net discrete income tax expense. During the first nine months of 2026, Mattel recognized a net discrete tax expense of $10.7 million, primarily related to the income tax expense on IEEPA tariff refunds and interest expense accrued on previously unrecognized tax benefits, partially offset by discrete tax benefits related to previously unrecognized tax benefits. During the first nine months of 2025, Mattel recognized a net discrete income tax benefit of $12.6 million, primarily related to a change in its indefinite reinvestment assertion relating to certain foreign subsidiary earnings.

Evaluating the need for and the amount of a valuation allowance for deferred tax assets often requires significant judgment and extensive analysis of all available evidence to determine whether it is more-likely-than-not that these assets will be realizable. Mattel routinely assesses the positive and negative evidence for this realizability, including the evaluation of sustained profitability and three years of cumulative pretax income for each tax jurisdiction. For the first nine months of 2026 and 2025, there were no changes to Mattel's valuation allowance.

Segment Results

North America Segment

The following tables provide a summary of Mattel's net sales, segment income, and gross billings by categories, along with supplemental information by brand, for the North America segment for the first nine months of 2026 and 2025:

	For the Nine Months Ended			
	September 30, 2026	September 30, 2025	% Change as Reported	Currency Exchange Rate Impact
	(In millions, except percentage information)			
Net Sales	$ 2,063.5	$ 1,980.3	4 %	— %
Segment Income	511.2	492.1	4 %	

Net sales for the North America segment in the first nine months of 2026 were $2.06 billion, an increase of $83.2 million, or 4%, as compared to $1.98 billion in the first nine months of 2025. The increase in net sales was primarily due to an increase in gross billings of $94.0 million.

	For the Nine Months Ended		% Change as Reported	Currency Exchange Rate Impact
	September 30, 2026	September 30, 2025		
	(In millions, except percentage information)			
Gross Billings by Categories				
Dolls	$ 744.7	$ 734.8	1 %	— %
Vehicles	651.8	600.8	8 %	— %
Infant, Toddler, and Preschool	249.1	307.1	-19 %	— %
Action Figures, Building Sets, Games, and Other	581.8	490.7	19 %	— %
Gross Billings	$ 2,227.4	$ 2,133.4	4 %	— %
Supplemental Gross Billings Disclosure				
Gross Billings by Top 3 Power Brands				
Barbie	$ 360.9	$ 418.3	-14 %	— %
Hot Wheels	546.2	508.7	7 %	— %
Fisher-Price	206.6	240.3	-14 %	— %
Other	1,113.7	966.1	15 %	— %
Gross Billings	$ 2,227.4	$ 2,133.4	4 %	— %

Gross billings for the North America segment were $2.23 billion in the first nine months of 2026, an increase of $94.0 million, or 4%, as compared to $2.13 billion in the first nine months of 2025. The increase in the North America segment gross billings was primarily due to higher billings of Action Figures, Building Sets, Games, and Other, Vehicles, and Dolls, partially offset by lower billings of Infant, Toddler, and Preschool.

Dolls gross billings increased 1%, of which 8% was due to higher billings of partner brands, including the benefit from *KPop Demon Hunters (Netflix),* and 2% was due to higher billings of *Monster High,* partially offset by lower billings of *Barbie* of 8%.

Vehicles gross billings increased 8%, of which 6% was due to higher billings of *Hot Wheels* and 2% was due to higher billings of *Cars (Disney Pixar)*.

Infant, Toddler, and Preschool gross billings decreased 19%, of which 11% was due to lower billings of *Fisher-Price*, 5% was due to lower billings of Preschool Entertainment, and 3% was due to lower billings of Baby Gear and *Power Wheels*, due to the continued strategic exit from certain product lines in Baby Gear and *Power Wheels*.

Action Figures, Building Sets, Games, and Other gross billings increased 19%, of which 16% was due to higher billings of Games, which benefited from Mattel163's contribution, and 4% was due to higher billings of Action Figures.

Sales adjustments increased to $163.9 million in the first nine months of 2026 from $153.1 million in the first nine months of 2025. Sales adjustments as a percentage of net sales were relatively consistent at 7.9% for the first nine months of 2026, as compared to 7.7% for the first nine months of 2025.

Cost of sales decreased by $7.9 million, or 1%, to $1.00 billion in the first nine months of 2026 from $1.01 billion in the first nine months of 2025, primarily due to a decrease in product and other costs of $34.3 million, which includes the benefit of IEEPA tariff refunds received of $88.4 million, partially offset by an increase in royalty expense of $19.4 million.

North America segment income increased by $19.1 million to $511.2 million in the first nine months of 2026, as compared to $492.1 million in the first nine months of 2025, primarily due to higher net sales of $83.2 million, partially offset by higher advertising and promotion expenses of $47.3 million and higher other selling and administrative expenses of $24.7 million.

International Segment

The following tables provide a summary of Mattel's net sales, segment income, and gross billings by categories, along with supplemental information by brand, for the International segment for the first nine months of 2026 and 2025:

	For the Nine Months Ended			
	September 30, 2026	September 30, 2025	% Change as Reported	Currency Exchange Rate Impact
	(In millions, except percentage information)			
Net Sales	$ 1,730.7	$ 1,600.9	8 %	4 %
Segment Income	310.6	346.9	-10 %	

Net sales for the International segment in the first nine months of 2026 were $1.73 billion, an increase of $129.8 million, or 8%, as compared to $1.60 billion in the first nine months of 2025. The increase in net sales was due to an increase in gross billings of $158.0 million, partially offset by an increase in sales adjustments of $28.2 million.

	For the Nine Months Ended			
	September 30, 2026	September 30, 2025	% Change as Reported	Currency Exchange Rate Impact
	(In millions, except percentage information)			
Gross Billings by Categories				
Dolls	$ 548.0	$ 571.0	-4 %	3 %
Vehicles	852.7	741.3	15 %	4 %
Infant, Toddler, and Preschool	205.7	225.2	-9 %	4 %
Action Figures, Building Sets, Games, and Other	459.6	370.4	24 %	3 %
Gross Billings	$ 2,066.0	$ 1,908.0	8 %	4 %
Supplemental Gross Billings Disclosure				
Gross Billings by Top 3 Power Brands				
Barbie	$ 328.9	$ 370.0	-11 %	3 %
Hot Wheels	762.5	664.6	15 %	4 %
Fisher-Price	158.9	173.2	-8 %	4 %
Other	815.7	700.3	16 %	3 %
Gross Billings	$ 2,066.0	$ 1,908.0	8 %	4 %

Gross billings for the International segment were $2.07 billion in the first nine months of 2026, an increase of $158.0 million, or 8%, as compared to $1.91 billion in the first nine months of 2025, with a favorable impact from changes in currency exchange rates of four percentage points. The increase in gross billings was due to higher billings of Vehicles, Action Figures, Building Sets, Games, and Other, partially offset by lower billings of Dolls and Infant, Toddler, and Preschool.

Dolls gross billings decreased 4%, of which 8% was due to lower billings of *Barbie*, and 4% was due to lower billings of *Polly Pocket*, partially offset by higher billings of partner brands of 8%, including the benefit of *KPop Demon Hunters (Netflix)*.

Vehicles gross billings increased 15%, of which 13% was due to higher billings of *Hot Wheels* and 2% was due to higher billings of *Cars (Disney Pixar)*.

Infant, Toddler, and Preschool gross billings decreased 9%, of which 6% was due to lower billings of *Fisher-Price*, and 2% was due to lower billings of Preschool Entertainment.

Action Figures, Building Sets, Games, and Other gross billings increased 24%, of which 14% was due to higher billings of Action Figures and 11% was due to higher billings of Games, which benefited from Mattel163's contribution.

Sales adjustments increased to $335.3 million in the first nine months of 2026 from $307.1 million in the first nine months of 2025. Sales adjustments as a percentage of net sales were relatively consistent at 19.4% for the first nine months of 2026, as compared to 19.2% for the first nine months of 2025.

Cost of sales increased by $65.9 million, or 8%, to $862.3 million in the first nine months of 2026 from $796.4 million in the first nine months of 2025 due to an increase in product and other costs of $34.9 million, an increase in royalty expense of $18.9 million, and an increase in freight and logistics expenses of $12.1 million.

International segment income decreased by $36.3 million to $310.6 million in the first nine months of 2026, as compared to $346.9 million in the first nine months of 2025, primarily due to higher cost of sales of $65.9 million, higher other selling and administrative expenses of $54.5 million, and higher advertising and promotion expenses of $45.7 million, partially offset by higher net sales of $129.8 million.

Cost Savings Program

Optimizing for Profitable Growth

On February 7, 2024, Mattel announced the OPG program, a multi-year cost savings program that follows the OFG program, which concluded in the fourth quarter of 2023. The OPG program is designed to achieve further efficiency and cost savings opportunities, primarily within Mattel's global supply chain, including its manufacturing footprint. The OPG program includes cost savings actions in connection with discontinuing production at a plant in China, as previously announced in the third quarter of 2023, as well as savings from other previous actions taken in 2023 that were not recognized in the OFG program. The targeted annual gross cost savings from actions associated with the OPG program were increased from $200 million to $225 million in the fourth quarter of 2025. Annual gross cost savings from the OPG program are now expected at or above the $225 million target, and the program is expected to be completed by the end of 2026. Of the expected annual gross cost savings, approximately 55% is expected to benefit cost of sales and 45% is expected to benefit other selling and administrative expenses. Total cash expenditures under the OPG program are expected to be up to approximately $140 million, and total non-cash charges are expected to be approximately $5 million.

The costs associated with the OPG program are expected to include the following:

Optimizing for Profitable Growth – Actions	**Estimate of Cost**
Employee severance	$120 to $125 million
Other restructuring costs	Approximately $10 million
Non-cash charges	Approximately $5 million
Total estimated severance and other restructuring costs	**$135 to $140 million**
Investments	Up to $5 million
Total estimated actions	**$135 to $145 million**

In connection with the OPG program, Mattel recorded severance and other restructuring costs in the following cost and expense categories within operating income in the consolidated statements of operations:

	For the Three Months Ended		**For the Nine Months Ended**	
	September 30, 2026	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
	(In millions)			
Cost of sales (a)	$ 0.2	$ 2.4	$ 1.0	$ 6.1
Other selling and administrative expenses (b)	2.1	0.3	19.7	19.8
	$ 2.3	$ 2.7	$ 20.7	$ 25.9

(a) *Severance and other restructuring costs recorded within cost of sales in the consolidated statements of operations are included in segment income in "Note 22 to the Consolidated Financial Statements—Segment Information."*

(b) *Severance and other restructuring costs recorded within other selling and administrative expenses in the consolidated statements of operations are included in unallocated corporate and other operating expenses in "Note 22 to the Consolidated Financial Statements—Segment Information."*

As of September 30, 2026, in connection with the OPG program, Mattel recorded cumulative severance and other restructuring charges of approximately $136 million, which included approximately $5 million of non-cash charges. Mattel realized cumulative cost savings (before severance, restructuring costs, and cost inflation) of approximately $225 million, which represents approximately 55% benefit to cost of sales, and approximately 45% benefit to other selling and administrative expenses, as of September 30, 2026, in connection with the OPG program.

Liquidity and Capital Resources

Mattel's primary sources of liquidity are its domestic and foreign cash and equivalents balances, cash flows from operating activities, short-term borrowing facilities, including its $1.40 billion in aggregate principal amount of senior unsecured revolving credit facilities (the "Credit Facility"), and access to capital markets to fund its operations and obligations. Such obligations may include capital expenditures, debt service, future royalty payments pursuant to licensing agreements, future inventory and service purchases, and required cash contributions and payments related to benefit plans. Of Mattel's $541.4 million in cash and equivalents at September 30, 2026, $380.4 million was held by foreign subsidiaries, including $71.3 million held in Russia. Mattel's cash held in Russia can be used within the country; however, its movement out of Russia is currently limited. In 2022, Mattel paused all shipments into Russia.

Cash flows from operating activities could be negatively impacted by decreased demand for Mattel's products, which could result from factors such as, but not limited to, adverse economic conditions and changes in public and consumer preferences, or by increased costs associated with manufacturing and distribution of products, such as tariffs, or shortages in raw materials or component parts. Additionally, Mattel's ability to issue long-term debt and obtain seasonal financing could be adversely affected by factors such as, but not limited to, global economic crises and tight credit environments, inability to comply with its debt covenants and its Credit Facility covenants, or deterioration of Mattel's credit ratings. However, based on Mattel's current business plan and factors known to date, it is expected that existing cash and equivalents, cash flows from operations, availability under the Credit Facility, and access to capital markets will be sufficient to meet working capital, operating expenditure, and other contractual requirements for the next twelve months and in the long-term.

Current Market Conditions

Mattel is exposed to financial market risk resulting from changes in interest and foreign currency exchange rates.

Mattel intends to utilize its existing cash and cash equivalents, cash flow from operations, and borrowings under the Credit Facility to meet its short-term liquidity needs. At September 30, 2026, Mattel had no outstanding borrowings under the Credit Facility and approximately $13 million in outstanding letters of credit under the Credit Facility.

Market conditions could affect certain terms of other debt instruments that Mattel enters into from time to time.

Mattel monitors the third-party depository institutions that hold Mattel's cash and equivalents. Mattel's emphasis is primarily on safety and liquidity of principal, and secondarily on maximizing the yield on those funds. Mattel diversifies its cash and equivalents among counterparties and securities to minimize risks.

Mattel is subject to credit risks relating to the ability of its counterparties in hedging transactions to meet their contractual payment obligations. The risks related to creditworthiness and nonperformance have been considered in the fair value measurements of Mattel's foreign currency forward exchange contracts. Mattel closely monitors its counterparties and takes action, as necessary, to manage its counterparty credit risk.

Mattel expects that some of its customers and vendors may experience difficulty in obtaining the liquidity required to buy inventory or raw materials. Mattel monitors its customers' financial condition and their liquidity in order to mitigate accounts receivable collectability risks, and customer terms and credit limits are adjusted, if necessary. Additionally, Mattel uses a variety of financial arrangements to support the collectability of accounts receivable of customers deemed to be a credit risk, including requiring letters of credit, purchasing various forms of credit insurance with unrelated third parties, or requiring cash in advance of shipment.

Mattel sponsors defined benefit pension plans and postretirement benefit plans for its employees. Actual returns below the expected rate of return, along with changes in interest rates that affect the measurement of the liability, would impact the amount and timing of Mattel's future contributions to these plans.

Cash Flow Activities

Cash flows used for operating activities were $113.5 million in the first nine months of 2026, as compared to $203.3 million in the first nine months of 2025. The decrease in cash flows used for operating activities was primarily due to a decrease in cash used for working capital of $186.4 million, partially offset by a decrease in net income, excluding the impact of non-cash items.

Cash flows used for investing activities were $249.9 million in the first nine months of 2026, as compared to $97.5 million in the first nine months of 2025. The increase in cash flows used for investing activities was primarily due to $74.8 million of cash paid for the remaining 50% equity interest in Mattel163, net of cash acquired, and an increase in capital expenditures of $61.4 million.

Cash flows used for financing activities were $333.8 million in the first nine months of 2026, as compared to $426.3 million in the first nine months of 2025. The decrease in cash flows used for financing activities was primarily due to $308.4 million of cash paid for share repurchases in the first nine months of 2026 as compared to $412.5 million in the first nine months of 2025.

Seasonal Financing

See Part I, Item 1 "Financial Statements—Note 9 to the Consolidated Financial Statements—Seasonal Financing" of this Quarterly Report on Form 10-Q.

Financial Position

Mattel's cash and equivalents decreased by $701.5 million to $541.4 million at September 30, 2026 from $1.24 billion at December 31, 2025. The decrease during the nine months ended September 30, 2026 was primarily due to cash paid for share repurchases of $308.4 million, capital expenditures of $186.3 million, cash flows used for operating activities of $113.5 million, and $74.8 million of cash paid for the remaining 50% equity interest in Mattel163, net of cash acquired. Mattel's cash and equivalents decreased by $150.5 million to $541.4 million at September 30, 2026 from $691.9 million at September 30, 2025. The decrease during the trailing twelve months was primarily due to cash paid for share repurchases of $495.9 million, capital expenditures of $243.4 million, and $74.8 million of cash paid for the remaining 50% equity interest in Mattel163, net of cash acquired, partially offset by cash flows provided by operating activities of $683.0 million.

Accounts receivable increased by $302.5 million to $1.40 billion at September 30, 2026 from $1.10 billion at December 31, 2025, primarily due to the seasonality of Mattel's business. Accounts receivable were $1.40 billion at September 30, 2026, relatively flat as compared to $1.39 billion at September 30, 2025, as a result of higher sales offset by the timing of collections.

Inventories increased by $264.8 million to $828.0 million at September 30, 2026 from $563.1 million at December 31, 2025, primarily due to seasonal inventory build-up. Inventories were $828.0 million at September 30, 2026, relatively flat as compared to $826.6 million at September 30, 2025.

Prepaid expenses and other current assets were $218.6 million at September 30, 2026, relatively flat as compared to $227.1 million at December 31, 2025. Prepaid expenses and other current assets decreased by $28.3 million to $218.6 million at September 30, 2026 from $246.9 million at September 30, 2025, primarily due to decreases in prepaid royalties of $25.6 million.

Accounts payable and accrued liabilities increased by $26.4 million to $1.45 billion at September 30, 2026 from $1.43 billion at December 31, 2025, primarily due to an increase in deferred income of $49.7 million, an increase in accrued wages of $35.3 million, an increase in accrued interest of $29.9 million, and an increase in accrued royalties of $15.1 million. The increase was partially offset by a decrease in other accrued liabilities of $47.4 million, a decrease in accounts payable of $37.9 million, and a decrease in accrued incentive compensation of $36.9 million. Accounts payable and accrued liabilities increased by $132.1 million to $1.45 billion at September 30, 2026 from $1.32 billion at September 30, 2025, primarily due to an increase in deferred income of $53.7 million, an increase in accrued wages of $32.5 million, an increase in accounts payable of $24.7 million, and an increase in accrued advertising of $21.9 million.

A summary of Mattel's capitalization is as follows:

	September 30, 2026		September 30, 2025		December 31, 2025	
	(In millions, except percentage information)					
Cash and equivalents	$ 541.4		$ 691.9		$ 1,242.9	
2010 Senior Notes due October 2040	250.0		250.0		250.0	
2011 Senior Notes due November 2041	300.0		300.0		300.0	
2019 Senior Notes due December 2027	600.0		600.0		600.0	
2021 Senior Notes due April 2026	—		600.0		—	
2021 Senior Notes due April 2029	600.0		600.0		600.0	
2025 Senior Notes due November 2030	600.0		—		600.0	
Debt issuance costs and debt discount	(15.0)		(12.4)		(18.3)	
Total debt	2,335.0	50 %	2,337.6	51 %	2,331.7	51 %
Stockholders' equity	2,340.6	50	2,261.2	49	2,233.0	49
Total capitalization (total debt plus stockholders' equity)	$ 4,675.6	100 %	$ 4,598.8	100 %	$ 4,564.7	100 %

Total debt was $2.33 billion at both September 30, 2026 and December 31, 2025, and $2.34 billion at September 30, 2025. During November 2025, Mattel issued $600.0 million of 2025 Senior Notes due November 2030 and used the net proceeds plus cash on hand to repay $600.0 million of 2021 Senior Notes due April 2026.

Stockholders' equity increased by $107.6 million to $2.34 billion at September 30, 2026 from $2.23 billion at December 31, 2025, primarily due to net income of $396.4 million, partially offset by share repurchases of $311.0 million during the nine months ended September 30, 2026. Stockholders' equity increased by $79.4 million to $2.34 billion at September 30, 2026 from $2.26 billion at September 30, 2025, primarily due to net income of $502.6 million, other comprehensive income of $42.0 million, and the net effect of share-based compensation and the related issuance of treasury stock of $33.6 million, partially offset by share repurchases of $500.2 million during that twelve-month period.

Litigation

See Part I, Item 1 "Financial Statements—Note 21 to the Consolidated Financial Statements—Contingencies" of this Quarterly Report on Form 10-Q.

Application of Critical Accounting Policies and Estimates

Mattel's critical accounting policies and estimates are included in the 2025 Annual Report on Form 10-K and did not materially change during the first nine months of 2026.

New Accounting Pronouncements

See Part I, Item 1 "Financial Statements—Note 23 to the Consolidated Financial Statements—New Accounting Pronouncements" of this Quarterly Report on Form 10-Q.

Non-GAAP Financial Measure

To supplement the financial results presented in accordance with GAAP, Mattel presents a non-GAAP financial measure within the meaning of Regulation G promulgated by the SEC. The non-GAAP financial measure that Mattel presents is currency exchange rate impact. Mattel uses this measure to analyze its continuing operations and to monitor, assess, and identify meaningful trends in its operating and financial performance. Mattel believes that the disclosure of this non-GAAP financial measure provides useful supplemental information to investors to allow them to better evaluate ongoing business performance and certain components of Mattel's results. This measure is not, and should not be viewed as, a substitute for GAAP financial measures and may not be comparable to similarly-titled measures used by other companies.

Currency Exchange Rate Impact

The currency exchange rate impact reflects the portion (expressed as a percentage) of changes in Mattel's reported results that are attributable to fluctuations in currency exchange rates.

For entities reporting in currencies other than the U.S. dollar, Mattel calculates the percentage change of period-over-period results at constant currency exchange rates (established as described below) by translating current period and prior period results using these rates and then determines the currency exchange rate impact percentage by calculating the difference between the percentage change at such constant currency exchange rates and the percentage change at actual 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 currency 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.

Mattel believes that the disclosure of the percentage impact of currency changes 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 currency changes could potentially mask underlying sales trends. The disclosure of the percentage impact of currency exchange allows investors to calculate the impact on a constant currency basis and enhances their ability to compare financial results from one period to another.

Key Performance Indicator

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 recorded by customer and not associated with categories, brands, or individual products.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Foreign Currency Exchange Rate Risk

Foreign currency exchange rate fluctuations impact Mattel's results of operations and cash flows. The Hong Kong dollar and Euro were the primary currencies that resulted in foreign currency transaction exposure for Mattel during the first nine months of 2026. Mattel seeks to mitigate its exposure to foreign currency exchange risk by monitoring its foreign currency transaction exposure for the year and partially hedging such exposure using foreign currency forward exchange contracts primarily to hedge its purchase and sale of inventory and other intercompany transactions denominated in foreign currencies. These contracts generally have maturity dates of up to 24 months.

Foreign currency transaction gains or losses are recorded in the consolidated statements of operations within operating income or other non-operating expense (income), net based on the nature of the underlying transaction during the period in which exchange rates change. Gains or losses on foreign currency forward exchange contracts are recognized in the consolidated statements of operations in a manner intended to offset the foreign currency transaction gains and losses associated with the related exposure.

In addition, Mattel manages its exposure to currency exchange rate fluctuations through the selection of currencies used for international borrowings. Mattel does not trade in financial instruments for speculative purposes.

Mattel's financial position is also impacted by currency exchange rate fluctuations on translation of its net investments in subsidiaries with non-U.S. dollar functional currencies. Assets and liabilities of subsidiaries with non-U.S. dollar functional currencies are translated into U.S. dollars at fiscal period-end exchange rates. Income, expense, and cash flow items are translated at weighted-average exchange rates prevailing during the fiscal period. The resulting currency translation adjustments are recorded as a component of accumulated other comprehensive loss within stockholders' equity. Mattel's primary currency translation adjustments for the nine months ended September 30, 2026 were related to the weakening of the Euro, Indonesian rupiah, and British pound sterling against the U.S. dollar, partially offset by the strengthening of the Chinese yuan against the U.S. dollar.

There are numerous factors impacting the amount by which Mattel's financial results are affected by foreign currency translation and transaction gains and losses resulting from changes in currency exchange rates, including, but not limited to, the level of foreign currency forward exchange contracts in place at a given time and the volume of foreign currency-denominated transactions in a given period. However, assuming that such factors were held constant, Mattel estimates that a one percent change in the U.S. dollar would have impacted Mattel's third quarter 2026 net sales by approximately 0.4% and would have less than a $0.01 impact to Mattel's net income per share.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of September 30, 2026, Mattel's disclosure controls and procedures were evaluated, with the participation of Mattel's principal executive officer and principal financial officer, to assess whether they are effective in providing reasonable assurance that information required to be disclosed by Mattel in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and to provide reasonable assurance that such information is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Based on this evaluation, Roger Lynch, Mattel's principal executive officer, and Peter Griffith, Mattel's principal financial officer, concluded that these disclosure controls and procedures were effective to provide reasonable assurance as of September 30, 2026.

Changes in Internal Control Over Financial Reporting

There were no changes in Mattel's internal control over financial reporting during the quarter ended September 30, 2026 that materially affected, or are reasonably likely to materially affect, Mattel's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The content of Part I, Item 1 "Financial Statements—Note 21 to the Consolidated Financial Statements—Contingencies" of this Quarterly Report on Form 10-Q is hereby incorporated by reference in its entirety in this Item 1.

Item 1A. Risk Factors.

There have been no material changes to the risk factors disclosed under Part I, Item 1A "Risk Factors" in the 2025 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Recent Sales of Unregistered Equity Securities

During the third quarter of 2026, Mattel did not sell any unregistered equity securities.

Issuer Purchases of Equity Securities

The following table provides certain information with respect to Mattel's purchases of its common stock during the third quarter of 2026:

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (b) (In millions)
July 1-31	6,914	$ 14.71	—	$ 1,200.0
August 1-31	561,925	15.21	552,812	1,191.6
September 1-30	28,705	12.84	—	1,191.6
Total	597,544	$ 15.09	552,812	$ 1,191.6

(a) *The total number of shares purchased includes 44,732 shares withheld from employees to satisfy minimum tax withholding obligations that occur upon settlement of equity awards, which were not purchased as part of a publicly announced repurchase plan or program.*

(b) *On February 9, 2026, Mattel's Board of Directors authorized a $1.50 billion share repurchase program. As of September 30, 2026, Mattel had a remaining authorization of $1.19 billion under the program. Repurchases under the program will take place from time to time, depending on market conditions. Mattel's share repurchase program has no expiration date.*

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(a) None.

(b) Not applicable.

(c) None.

Item 6. Exhibits.

Exhibit No.	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
3.0	Restated Certificate of Incorporation of Mattel, Inc.	8-K	001-05647	99.0	May 21, 2007
3.1	Certificate of Amendment of the Restated Certificate of Incorporation of Mattel, Inc.	8-K	001-05647	3.1	May 30, 2025
3.2	Amended and Restated Bylaws of Mattel, Inc.	8-K	001-05647	3.1	September 15, 2023
4.0	Specimen Stock Certificate with respect to Mattel, Inc.'s Common Stock	10-Q	001-05647	4.0	August 3, 2007
10.1+	Letter Agreement between Mattel, Inc. and Roberto Stanichi, dated July 29, 2026	8-K	001-05647	10.1	July 31, 2026
10.2+	Letter Agreement between Mattel, Inc. and Roger Lynch, dated September 29, 2026	8-K	001-05647	10.1	September 30, 2026
10.3+	Amendment, dated October 12, 2026 to the Letter Agreement between Mattel, Inc. and Roger Lynch	8-K	001-05647	10.1	October 14, 2026
10.4+*	Mattel, Inc. Deferred Compensation and PIP Excess Plan (Post-2004)				
31.0*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
31.1*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
32.0**	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
101.INS*	Inline XBRL Instance Document				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104*	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL.				

\+ *Management contract or compensatory plan or arrangement.*

* *Filed herewith.*

** *Furnished herewith. This exhibit should not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934.*

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MATTEL, INC.
Registrant

By: /s/ Yoon Hugh

Yoon Hugh
Senior Vice President and Corporate Controller (Duly Authorized Officer and Chief Accounting Officer)

Date: November 5, 2026

Exhibit 10.4

MATTEL, INC.
DEFERRED COMPENSATION AND PIP EXCESS PLAN
(POST-2004)

As Amended and Restated effective October 1, 2026

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MATTEL, INC. DEFERRED COMPENSATION AND PIP EXCESS PLAN
(POST-2004)

(Effective as of October 1, 2026**)**

Preamble

Mattel, Inc., a Delaware corporation (the "**Company**") maintains the Mattel, Inc. Deferred Compensation and PIP Excess Plan, as it may be amended (the "**DCPEP**" or the "**Plan**") to provide deferred compensation benefits for a select group of management or highly compensated employees. As a result of the enactment in 2004 of Section 409A of the Internal Revenue Code of 1986, as amended from time to time (the "**Code**"), the Company adopted this document, the Mattel, Inc. Deferred Compensation and PIP Excess Plan (Post-2004), to reflect the terms that govern amounts that were deferred (within the meaning of Treas. Reg. §1.409A-6(a)(1)) under the DCPEP in taxable years beginning on and after January 1, 2005. The terms of the DCPEP as in effect on October 3, 2004 continue to govern amounts under the DCPEP that were deferred (with the meaning of Treas. Reg. §1.409A-6(a)(1)) during taxable years beginning prior to January 1, 2005, except that the administration provisions of Article VIII of this Plan document will apply to all amounts deferred under the Plan, whether on, before or after January 1, 2005. For these purposes, an amount is considered deferred before January 1, 2005, if before such date, the employee had a legally binding right to be paid the amount (within the meaning of Treas. Reg. §1.409A-1(b)(1)), and the right to the amount was earned and vested (within the meaning of Treas. Reg. §1.409A-6(a)).

The Plan is designed to provide deferred compensation benefits for a select group of management or highly compensated employees through deferrals of salary and incentive compensation and Company contributions. The Plan is also designed to provide for certain benefits that cannot be provided under a tax-qualified defined contribution retirement plan of the Company due to the limitations of Sections 401(a)(17), 401(k)(3), 401(m), 402(g) and 415(c) of the Code.

The amended and restated plan document shall be effective as of October 1, 2026, except as otherwise expressly provided herein.

ARTICLE I.

TITLE AND DEFINITIONS

1.1 **Title.**

The Plan shall be known as the Mattel, Inc. Deferred Compensation and PIP Excess Plan and this document shall be referred to as the Mattel, Inc. Deferred Compensation and PIP Excess Plan (Post-2004).

1.2 **Definitions.**

Whenever the following words and phrases are used in the Plan, with the first letter capitalized, they shall have the meanings specified below.

(a) "**Account**" or "**Accounts**" shall mean a Participant's Deferral Account, Excess 401(k) Deferral Account, Company Automatic Account, Company Discretionary Account and Company Matching Account. Such Accounts may be divided into subaccounts (based on the source of the Deferrals or Company Contributions, on a Plan Year basis, or such other basis determined by the Committee) and shall be reflected as a book reserve entry in the Company's accounting records.

(b) "**Base Salary**" shall mean a Participant's annual cash base salary, excluding bonus, incentive and all other remuneration for services rendered to the Company or a Participating Company, prior to reduction for any salary contributions to a plan established pursuant to Sections 125 or 132(f) of the Code or a plan qualified pursuant to Section 401(k) of the Code. Base Salary shall also include short-term disability payments from the Company or a Participating Company until the earlier of a Participant's qualification for long-term disability benefits, Severance or the end of the six-month period after the Participant's disability leave of absence commences.

(c) "**Beneficiary**" or "**Beneficiaries**" shall mean the person or persons, including a trustee, personal representative or other fiduciary, last designated in writing by a Participant or otherwise in accordance with Section 9.11 to receive the undistributed benefits specified hereunder in the event of the Participant's death.

(d) "**Board**" shall mean the Board of Directors of the Company.

(e) "**Change in Control**" shall mean a "change in control event" described in Treas. Reg. §1.409A-3(i)(5).

(f) "**Code**" shall have the meaning ascribed to such term in the Preamble. Any reference to any section of the Code shall also be a reference to any successor provision and any Department of the Treasury regulation promulgated thereunder.

(g) "**Committee**" shall mean the Compensation Committee of the Board or the committee or individual appointed by the Compensation Committee of the Board in accordance with Article VIII.

(h) "**Common Stock**" shall mean the Company's common stock, par value $1.00 per share.

(i) "**Company**" shall have the meaning ascribed to such term in the Preamble. Any reference to the Company shall also be a reference to any successor corporation.

(j) "**Company Automatic Account**" shall mean the bookkeeping account maintained by the Company for each Participant that is credited with an amount equal to the Company Automatic Contributions, if any, debited by amounts equal to all distributions to and withdrawals made by the applicable Participant and/or his or her Beneficiary and adjusted for investment earnings and losses pursuant to Article V.

(k) "**Company Automatic Contributions**" shall mean any automatic contributions credited by the Company under the Plan in respect of certain Participants pursuant to Section 3.2.

(l) "**Company Contributions**" shall mean the Company Automatic Contributions, the Company Discretionary Contributions and the Company Matching Contributions.

(m) "**Company Discretionary Account**" shall mean the bookkeeping account maintained by the Company for each Participant that is credited with an amount equal to the Company Discretionary Contributions, if any, debited by amounts equal to all distributions to and withdrawals made by the applicable Participant and/or his or her Beneficiary and adjusted for investment earnings and losses pursuant to Article V.

(n) "**Company Discretionary Contributions**" shall mean any discretionary contributions credited by the Company under the Plan in respect of Participants pursuant to Section 3.4.

(o) "**Company Matching Account**" shall mean the bookkeeping account maintained by the Company for each Participant that is credited with an amount equal to the Company Matching Contributions, if any, debited by amounts equal to all distributions to and withdrawals made by the applicable Participant and/or his or her Beneficiary and adjusted for investment earnings and losses pursuant to Article V.

(p) "**Company Matching Contributions**" shall mean any employer matching contribution credited by the Company under the Plan in respect of Participants pursuant to Section 3.3.

(q) "**Company Retirement Plan**" shall mean a tax-qualified defined contribution retirement plan sponsored by the Company or a Participating Company.

(r) "**Compensation**" shall mean Base Salary, Short-Term Incentive Bonus, Long-Term Incentive Bonus and Discretionary Payments.

(s) "**Deferrals**" shall mean the amount credited to a Participant's Account under the Plan to reflect the Participant's interests in the Plan attributable to his or her elective deferrals of Compensation.

(t) "**Deferral Account**" shall mean the bookkeeping account maintained by the Company for each Participant that is credited with amounts equal to the portion of the Participant's Compensation that such Participant elects to defer pursuant to Sections 3.1(b)(i) and (ii) as and when such Compensation otherwise would have been paid to the Participant, debited by amounts equal to all distributions to and withdrawals made by the Participant and/or his or her Beneficiary and adjusted for investment earnings and losses pursuant to Article V. The Deferral Account shall be further divided into a Base Salary Deferral Subaccount, Short-Term Incentive Bonus Deferral Subaccount, Long-Term Incentive Bonus Deferral Subaccount and Discretionary Payment Deferral Subaccount.

(u) "**Deferral Election Form**" shall mean the form(s) specified by the Committee for purposes of allowing Eligible Employees to elect to make Deferrals under the Plan, to specify the time and the form of payment of Deferrals and Company Contributions and to make other elections with respect to the Participant's Accounts. Any reference herein to an election, designation or other action by a Participant in writing shall be deemed to include an electronic election, designation or act made on the Internet to the extent permitted by applicable law.

(v) "**Disability**" shall mean (i) the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (ii) a medically determinable physical or mental impairment

of a Participant that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months and which has resulted in the Participant receiving income replacement benefits for a period of not less than three months under an accident and health plan of the Company or its affiliate. Notwithstanding the foregoing, no distribution on account of a Participant's Disability will be made to the extent that such Disability does not satisfy the requirements in Treas. Reg. §1.409A-3(i)(4)(i).

(w) "**Discretionary Payments**" shall mean any compensation payment or award that is specified by the Committee to be eligible for Deferral under the Plan.

(x) "**Distributable Amount**" shall mean the sum of the vested balance of a Participant's Deferral Account, Excess 401(k) Deferral Account, Company Automatic Account, Company Discretionary Account and Company Matching Account, as applicable, determined as of, or immediately prior to, the applicable Payment Date. The Distributable Amount shall be determined on a Plan Year basis except in connection with distributions on account of the Participant's death.

(y) "**Election Period**" shall mean the period specified by the Committee from time to time during which a Participant may elect to make or change Deferrals pursuant to Article III, provided that the Election Period must conclude prior to the December 31 of the Plan Year prior to the Plan Year with respect to which the services underlying the applicable Compensation are to be performed or with respect to which the relevant performance period commences, as applicable. Notwithstanding the foregoing, with respect to New Hire Elections, the Election Period for Deferrals of Base Salary (including any Excess 401(k) Deferrals pursuant to Section 3.1(b)(iii)) paid for services to be performed after the election is made shall be the 30-day period after the date the Eligible Employee becomes eligible to participate in the Plan in accordance with Section 1.2(z) and shall be effective as soon as practicable following the completion of such 30-day period.

(z) "**Eligible Employee**" shall mean those employees designated by the Committee in its sole discretion from a select group of management or highly compensated employees of the Company or any Participating Company. Any Eligible Employee shall continue to be eligible to participate in the Plan until he or she ceases to be an Eligible Employee, whether by reason of his or her Severance, death or Disability or by reason of the Committee's determination that he or she should no longer be designated as an Eligible Employee (it being understood that the Committee's determination that an Eligible Employee should no longer be designated as an Eligible Employee shall only be effective for a Plan Year if made before the end of the applicable Election Period for such Plan Year and, if made thereafter, shall only be effective for Plan Years commencing after the end of the next Election Period). Except as otherwise specified by the Committee, effective October 1, 2026, the Committee's selection of any employee shall take effect as follows:

(i) If the Eligible Employee's most recent date of hire occurs between January 1 and September 30 of the applicable calendar year, the Committee's selection shall become effective on the Eligible Employee's date of hire, and the Eligible Employee shall be eligible to make a New Hire Election in accordance with Section 1.2(y) for the remainder of such calendar year;

(ii) If the Eligible Employee's most recent date of hire occurs between October 1 and November 30 of the applicable calendar year, the Committee's selection shall become effective on the January 1 immediately following the Eligible Employee's most recent date of hire; the Eligible Employee shall not be eligible to make a New Hire Election for the remainder of the year of hire but shall be eligible to make a Deferral election in accordance with Section 3.1(a) for the ensuing Plan Year;

(iii) If the Eligible Employee's most recent date of hire occurs between December 1 and December 31 of the applicable calendar year, the Committee's selection shall become effective on the January 1 immediately following the Eligible Employee's most recent date of hire; the Eligible Employee shall not be eligible to make a Deferral election in accordance with Section 3.1(a) for the ensuing Plan Year but shall be eligible to make a New Hire Election in accordance with Section 1.2(y) during the 30-day period commencing on such January 1.

(aa) "**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor statute. Any reference to any section of ERISA shall also be a reference to any successor provision and any Department of Labor regulation promulgated thereunder.

(ab) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder. Any references to any section of the Exchange Act shall also be a reference to any successor provision.

(ac) "**Excess 401(k) Deferral Account**" shall mean the bookkeeping account maintained by the Company for each Participant that is credited with an amount equal to the Participant's Compensation that such Participant elects to defer pursuant to Section 3.1(b)(iii), debited by amounts equal to all distributions to and withdrawals made by the Participant and/or his or her Beneficiary and adjusted for investment earnings and losses pursuant to Article V.

(ad) "**Excess 401(k) Deferrals**" shall mean the amount, if any, which a Participant may not contribute to any Company Retirement Plan by reason of Sections 401(a)(17), 401(k)(3), 401(m), 402(g) or 415(c) of the Code and the regulations issued thereunder.

(ae) "**Fair Market Value**" shall mean the closing price of the Common Stock on the Nasdaq Stock Market at the close of normal trading hours for that day, or, if the Nasdaq Stock Market is closed on that day, the next preceding day on which the Nasdaq Stock Market was open.

(af) "**Hardship**" shall mean a severe financial hardship to the Participant resulting from (i) an illness or accident of the Participant, the Participant's spouse, the Participant's beneficiary or the Participant's dependent (as defined in Section 152 of the Code, without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B)), (ii) loss of the Participant's property due to casualty, or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The events that would constitute a Hardship will depend upon the facts and circumstances of each case, but, in any case, a Hardship Distribution may not be made to the extent that such Hardship does not satisfy the requirements of Treas. Reg. §1.409A-3(i)(3)(i).

(ag) "**Hardship Distribution**" shall mean a distribution due to Hardship, made in accordance with Section 7.2 hereof.

(ah) "**Investment Fund**" shall mean one or more of the investment funds selected by the Committee pursuant to Section 4.1 which shall be used to determine the return increments to be credited to each Participant's Account. The Stock Equivalent Account shall be considered an Investment Fund for purposes of the Plan.

(ai) "**Long-Term Incentive Bonus**" shall mean any incentive award designated by the Committee as a long-term incentive bonus that is earned with respect to a Long-Term Incentive Bonus performance period.

(aj) "**New Hire**" shall mean an Eligible Employee who has not performed services for the Company or its affiliates during the 24-month period ending on the date of the Eligible Employee's most recent hire date.

(ak) "**New Hire Election**" shall mean an "initial deferral election" to defer Base Salary that is made by a New Hire within the "first year of eligibility" (all within the meaning of Treas. Reg. §1.409A-2(a)(7)), subject to the requirements of Section 1.2(y).

(al) "**Participant**" shall mean any Eligible Employee who has become a Participant in accordance with Article II and who has not received a complete distribution of all amounts credited to his or her Account.

(am) "**Participating Company**" shall mean any affiliate of the Company.

(an) "**Payroll Date**" shall mean, with respect to any Participant, the date Compensation otherwise would have been paid to the Participant.

(ao) "**Payment Date**" shall mean one of the following dates after which payment of Deferrals and Company Contributions, if applicable, is to be made or begin to be made: (1) the first January or July that is at least six months following a Participant's Severance, (2) the first business day of the month following the month in which a Participant's death occurs, (3) the first business day of the month following the month in which a Participant's Disability occurs, (4) the first business day of the month following the month in which a Change in Control occurs or (5) the Scheduled Withdrawal Date, as applicable. Notwithstanding the foregoing, payment of Company Discretionary Contributions may be made in accordance with the distribution schedule established by the Company in accordance with Section 3.4.

(ap) "**Plan**" or "**DCPEP**" shall have the meaning ascribed to such term in the Preamble.

(aq) "**Plan Year**" shall mean the calendar year.

(ar) **"Post-2025 Benefits"** shall mean deferrals of Post-2025 Compensation, Company Contributions attributable to Post-2025 Compensation, and any earnings attributable thereto.

(as) **"Post-2025 Compensation"** shall mean Base Salary for services performed on and after January 1, 2026, and any Short-Term Incentive Bonus, Long-Term Incentive Bonus or Discretionary Payment with respect to which the relevant performance period commences on or after January 1, 2026.

(at) "**Retirement**" shall mean a Participant's Severance at or after the attainment of age 55, provided that as of the date of such "separation from service," the Participant has been credited with at least five years of service under the terms of a Company Retirement Plan.

(au) "**Rule 16b-3**" shall mean Rule 16b-3 under the Exchange Act, as such Rule may be amended from time to time.

(av) "**Scheduled Withdrawal Date**" shall be January of the Plan Year elected by the Participant for an in-service withdrawal, if any, as set forth on the applicable Deferral Election Form.

(aw) "**Section 409A**" shall mean Section 409A of the Code and the regulations and other guidance promulgated thereunder.

(ax) "**Severance**" shall mean a Participant's "separation from service" within the meaning of Treas. Reg. §1.409A-1(h), whether voluntary or involuntary, and whether or not treated by the Company or a Participating Company as a termination of employment. For purposes of this paragraph, a Participant on a leave of absence due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the employee to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, will not be treated by the Company or a Participating Company as a "separation from service" if the period of such leave does not exceed 24 months. The Committee retains the discretion pursuant to Treas. Reg. §1.409A-1(h)(4) to determine whether a "separation from service" has occurred in connection with any asset purchase transaction.

(ay) "**Short-Term Incentive Bonus**" shall mean the annual incentive award earned by a Participant under the Mattel, Inc. Incentive Plan or its successor plan and any other incentive award designated by the Committee as a short-term incentive bonus that is earned with respect to a Plan Year.

(az) "**Stock Equivalent Account**" shall mean an investment fund subaccount that is credited with the hypothetical purchase of whole or fractional shares of Common Stock. The Participant shall not have any rights as a stockholder of the Company with respect to the hypothetical shares of Common Stock credited to the Stock Equivalent Accounts. Cash dividends, if any, shall be credited to a Participant's Stock Equivalent Account in accordance with Section 5.1(c) and the number of hypothetical shares of Common Stock credited to Stock Equivalent Accounts shall be adjusted in accordance with Section 5.1(e).

ARTICLE II.

PARTICIPATION

An Eligible Employee shall become a Participant in the Plan by electing to make Deferrals in accordance with Section 3.1 or as a result of receiving a Company Automatic Contribution pursuant to Section 3.2 and filing such other forms as the Committee may reasonably require for participation hereunder. An Eligible Employee must be a participant in a Company Retirement Plan in order to defer any Compensation to the Excess 401(k) Deferrals Account under the Plan. The Committee shall establish from time to time such other requirements as it determines in its sole discretion are necessary. If an Eligible Employee fails to file a Deferral Election Form by the prescribed time in accordance with Section 3.1, such Eligible Employee shall be deemed to have elected, with respect to the applicable performance period, not to defer any Compensation under the Plan. The Committee may remove any Participant from active participation in the Plan in its sole discretion, it being understood that such removal will not affect such Participant's Deferral elections with respect to any performance period that commenced prior to such removal or such Participant's rights with respect to amounts previously deferred hereunder.

ARTICLE III.

DEFERRAL ELECTIONS

3.1 **Elections to Defer Compensation.**

(a) **General Rule.** Each Eligible Employee may defer Compensation by filing with the Committee a Deferral Election Form that conforms to the requirements of this Section 3.1, no later than the last day of the applicable Election Period preceding the Plan Year for which it is effective. An election to defer Compensation must be filed during the Election Period. An Eligible Employee may change an election to defer Compensation at any time before the time such election becomes irrevocable in accordance with Section 3.1(d).

(b) **Deferral Amounts.** The amount of Compensation which an Eligible Employee may elect to defer in accordance with Section 3.1(a) is subject to the following limitations:

(i) An Eligible Employee shall be permitted to defer to the Participant's Deferral Account up to (but not more than) 90% (effective as of January 1, 2009, such limit shall be 75%) of such Eligible Employee's Base Salary.

(ii) An Eligible Employee (other than a New Hire making a New Hire Election) shall be permitted to defer to the Eligible Employee's Deferral Account all or part of any Short-Term Incentive Bonus, Long-Term Incentive Bonus or Discretionary Payments.

(iii) If an Eligible Employee who participates in a Company Retirement Plan has made the maximum elective contributions under Sections 402(g) or 401(k)(3) of the Code with respect to such plan, then such Eligible Employee shall be permitted to defer up to (but not more than) 20% of Participant's Base Salary to the Eligible Employee's Excess 401(k) Deferrals Account.

Notwithstanding the limitations established above, to the extent permitted by Section 409A, (1) the total amount deferred by an Eligible Employee may be limited in any Plan Year, if necessary, to satisfy the Eligible Employee's income and employment tax withholding obligations (including Social Security, unemployment and Medicare), as determined in the sole and absolute discretion of the Committee and (2) the total amount deferred by an Eligible Employee for a Plan Year may be limited, if necessary, to satisfy the Eligible Employee's employee benefit plan contribution requirements, provided that, in the case of (1) and (2), such reduction is determined prior to the conclusion of the applicable Election Period.

(c) **Ordering Rule.** If an Eligible Employee elects to defer Compensation to his or her Deferral Account and to his or her Excess 401(k) Deferrals Account, the Deferrals will be deducted from the Eligible Employee's Compensation and credited to the Eligible Employee's Deferral Account before any Deferrals are credited to the Eligible Employee's Excess 401(k) Deferrals Account.

(d) **Duration of Deferral Election.** An Eligible Employee's election to defer any Compensation shall be irrevocable at the end of the Election Period and may not be modified or revoked thereafter unless otherwise permitted by the Committee on terms consistent with Section 409A (including pursuant to Section 7.2(d)). An Eligible Employee's Deferral elections shall be valid and effective only for the Plan Year with respect to which the election is made and an Eligible Employee may not change the amount of his or her Deferrals during a Plan Year, except that a Deferral election of Excess 401(k) Deferrals for any Plan Year (including any such

Deferral election made pursuant to a New Hire Election) shall remain intact unless and until the Participant files a Deferral Election Form changing such Deferral election with the Committee. If a new Deferral election is not made with respect to any subsequent Plan Year under this Article III, an Eligible Employee's Compensation with respect to such subsequent Plan Year will not be deferred under the Plan.

3.2 **Company Automatic Contributions.** Within five business days of each Payroll Date, the Company Automatic Account of each eligible Participant shall be credited with the Company Automatic Contributions. The Company Automatic Contributions shall be determined by subtracting the amount of the Company contribution allocated to the Participant's "Company automatic contribution account" under any Company Retirement Plan for the Payroll Date from an amount equal to a percentage of the Participant's Base Salary for such Payroll Date according to the Participant's attained age as of the last day of the applicable payroll period to which the Base Salary relates, as follows:

Participant's Age as of Last Day of the Applicable Payroll Period	Percentage of Compensation
Under 40 years	3%
40 years but less than 45 years	4%
45 years but less than 50 years	5%
50 years but less than 55 years	6%
55 years and older	7%

3.3 **Company Matching Contributions.** Within five business days of each Payroll Date, the Company Matching Account of each Participant shall be credited with the Company Matching Contributions. The Company Matching Account shall be divided into a Company Matching Deferral Subaccount representing the Company Matching Contributions, if any, related to any Deferral of Compensation and a Company Matching Excess 401(k) Deferrals Subaccount representing the Company Matching Contributions, if any, related to Deferrals of Compensation on account of any Excess 401(k) Deferrals.

(a) Company Matching Deferral Subaccount Prior to July 6, 2015. For each pay period of each Plan Year commencing prior to July 6, 2015, the Company Matching Contributions allocated to the Company Matching Deferral Subaccount shall be an amount equal to the sum of (i) and (ii) below:

(i) an amount equal to 100% of the first 2% of the Participant's Deferrals of Base Salary into the Deferral Account for such Payroll Date.

(ii) an amount equal to 50% of the next 4% of the Participant's Deferrals of Base Salary into the Deferral Account for such Payroll Date.

(b) Company Matching Excess 401(k) Deferrals Subaccount Prior to July 6, 2015. For each pay period of each Plan Year commencing prior to July 6, 2015, the Company Matching Contributions allocated to the Company Matching Excess 401(k) Deferrals Subaccount shall be an amount equal to the sum of (i) and (ii) below:

(i) an amount equal to 100% of the first 2% of the Participant's Compensation deferred to the Excess 401(k) Deferrals Account for such Payroll Date.

(ii) an amount equal to 50% of the next 4% of the Participant's Compensation deferred to the Excess 401(k) Deferrals Account for such Payroll Date.

(c) Company Matching Deferral Subaccount On and After July 6, 2015. For each pay period of each Plan Year commencing on and after July 6, 2015, the Company Matching Contributions allocated to the Company Matching Deferral Subaccount shall be an amount equal 50% of the first 6% of the Participant's Deferrals of Base Salary into the Deferral Account for such Payroll Date.

(d) Company Matching Excess 401(k) Deferrals Subaccount On and After July 6, 2015. For each pay period of each Plan Year commencing on and after July 6, 2015, the Company Matching Contributions allocated to the Company Matching Excess 401(k) Deferrals Subaccount shall be an amount equal to 50% of the first 6% of the Participant's Base Salary deferred to the Excess 401(k) Deferrals Account for such Payroll Date.

(e) Notwithstanding the above, the Company reserves the right in its sole discretion to change the Company Matching Contributions for a Plan Year prior to the conclusion of the applicable Election Period.

3.4 **Company Discretionary Contributions.** The Company, in its sole discretion, may make Company Discretionary Contributions at any time, provided that the distribution schedule of any such contribution must be established by the Company at the time the Participant obtains a legally binding right (within the meaning of Treas. Reg. §1.409A-1(b)(1)) to be paid such contribution (or, if permitted by the Company and such contribution satisfies the continued service requirements of Treas. Reg. §1.409A-2(a)(5), by the Participant within 30 days after such contribution).

3.5 **FICA and Other Taxes.**

(a) **Annual Deferral Amounts.** For each Plan Year in which a Participant makes a Deferral under Section 3.1, the Company shall withhold from that portion of the Participant's Compensation that is not being deferred, in a manner determined by the Company, the Participant's share of FICA and other employment taxes on such amount. If necessary, to the extent permitted by Section 409A, the Committee may reduce the Participant's Deferrals under Section 3.1 in order to comply with this Section.

(b) **Company Contributions.** For each Plan Year in which a Participant is credited with Company Contributions pursuant to Sections 3.2, 3.3 or 3.4, the Company shall withhold from the Participant's Compensation that is not deferred, in a manner determined by the Company, the Participant's share of FICA and other employment taxes. If necessary, to the extent permitted by Section 409A, the Committee may reduce the Participant's Company Contributions in order to comply with this Section.

ARTICLE IV.

INVESTMENTS

4.1 **Investment Funds.**

(a) **Generally.** In the manner specified by the Committee, Participants may elect one or more Investment Funds to be used to determine the additional amounts to be credited to their Accounts. Although the Participant may designate the Investment Funds, the Committee shall not be bound by such designation. The Committee shall select from time to time, in its sole discretion, the Investment Funds to be available under the Plan.

(b) **No Actual Investment.** Notwithstanding any other provision of the Plan that may be interpreted to the contrary, the Investment Funds are to be used for measurement

purposes only, and a Participant's election of any such Investment Fund, the allocation of such Participant's Accounts thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Accounts shall not be considered or construed in any manner as an actual investment of such Participant's Accounts in any such Investment Fund. In the event that the Company or the trustee of the trust described in Section 9.2, in its own discretion, decides to invest funds in any or all of the Investment Funds, no Participant shall have any rights in or to such investments. Without limiting the foregoing, a Participant's Accounts at all times shall be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Company. The Participant at all times shall remain an unsecured creditor of the Company.

4.2 **Investment Elections.** Participants may, subject to Section 4.1(a), designate how their Deferrals and Company Contributions shall be deemed to be invested under the Plan.

(a) At the time of making the Deferral elections described in Section 3.1, the Participant shall designate, on a form or in the manner provided by the Committee (any which form or manner shall set forth or provide an opportunity to elect different Investment Funds for different percentage increments of the amounts being deferred, in accordance with rules established by the Committee), the type of Investment Funds in which the Participant's Account shall be deemed to be invested for purposes of determining the amount of earnings or losses to be credited to that Account.

(b) A Participant may elect to change the Investment Fund allocations of the Participant's Accounts daily by filing an election, on a form or in the manner provided by the Committee, which election specifies in whole percentages the amounts to be transferred from the specific Accounts and specifies the new Investment Fund; provided, however, that (x) amounts not previously credited to the Stock Equivalent Account may not be transferred to the Stock Equivalent Account at any time other than in accordance with Section 4.3 and the Company's insider trading policy and (y) no amounts credited to the Stock Equivalent Account may be transferred to any other Investment Fund. Any election to change an Investment Fund shall be effective on the first business day following the receipt by the Committee of such election.

(c) The Committee has the discretion to determine at any time that no additional Deferrals shall be credited to the Stock Equivalent Account of any Participant. In the event all Stock Equivalent Accounts are frozen, the Committee may permit any affected Participant to change such Participant's Investment Fund allocation with respect to future Deferrals.

(d) If a Participant fails to elect an Investment Fund, such Participant shall be deemed to have elected the default Investment Fund (as specified by the Committee) for all of such Participant's Accounts.

(e) Participants who incur a Severance but have not yet commenced distributions under Article VII or Participants or Beneficiaries who are receiving installment payments may continue to make investment elections pursuant to this Section 4.2, except as otherwise determined by the Committee.

4.3 **Compliance with the Exchange Act.**

(a) Any Participant or Beneficiary who is subject to Section 16 of the Exchange Act shall have his or her Investment Fund elections under the Plan subject to the requirements of the Exchange Act, as interpreted by the Committee. Any such Participant or Beneficiary who elects to have any portion of his or her Deferral Account, Excess 401(k) Deferrals Account, Company Automatic Account, Company Discretionary Account and Company Matching Account or his or her future Deferrals or Company Contributions invested in the Stock Equivalent Account may

not make an election with the opposite effect under any other Company-sponsored plan until six months and one day following the original election. Any such Participant or Beneficiary who wishes to elect any change affecting the time or form of distribution of his or her Stock Equivalent Account balance must first obtain the prior approval of the Compensation Committee of the Board.

(b) Notwithstanding any other provision of the Plan or any rule, instruction, Deferral Election Form or other form, the Plan and any such rule, instruction or form shall be subject to any additional conditions or limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) and Rule 10b-5 promulgated under the Exchange Act that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, such Plan provision, rule, instruction or form shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

ARTICLE V.

ACCOUNTS

5.1 **Accounts.**

(a) The Committee shall establish and maintain a Deferral Account, Excess 401(k) Deferrals Account, Company Automatic Account, Company Discretionary Account and Company Matching Account for each Participant under the Plan. Each Participant's Accounts shall be further divided into separate subaccounts ("**investment fund subaccounts**"), each of which corresponds to an Investment Fund elected by the Participant pursuant to Section 4.2.

(b) Within five business days of each Payroll Date, the Committee shall credit the investment fund subaccounts of the Participant's Accounts with an amount equal to Compensation deferred by the Participant during the applicable pay period in accordance with the Participant's Deferral Election Form under Section 3.1.

(c) A Participant's Stock Equivalent Account shall be credited on the date cash dividends are paid with a hypothetical number of whole or fractional shares of Common Stock equivalent to the quotient of (i) any cash dividend payment on the number of shares of Common Stock equal to the number of whole or fractional hypothetical shares of Common Stock in such Stock Equivalent Account on the record date for such dividend, divided by (ii) the Fair Market Value of a share of Common Stock on the applicable dividend payment date.

(d) A Participant's Accounts shall be credited or debited as of each business day based on the performance of each Investment Fund selected by the Participant, as determined by the Committee in its sole discretion based on the performance of the Investment Funds themselves, and also credited with an amount equal to any Deferrals and/or Company Contributions pursuant to subsection (b) and debited by amounts equal to all payments to the Participant and/or his or her Beneficiary.

(e) In the event of any change in outstanding Common Stock by reason of any stock dividend or split, recapitalization, merger, consolidation, combination or exchange of shares, spin-off or other similar corporate change affecting the Common Stock, the Committee shall make such adjustments, if any, that it deems appropriate in the number of hypothetical shares of Common Stock then credited to Stock Equivalent Accounts. Any and all such adjustments shall be conclusive and binding.

ARTICLE VI.

VESTING

Each Participant shall be 100% vested in such Participant's Deferral Account, Excess 401(k) Deferrals Account, Company Automatic Account and Company Matching Account at all times. A Participant's Company Discretionary Account, if any, shall be subject to such vesting schedule as the Committee may establish at the time the Company Discretionary Contributions are made to the Plan.

ARTICLE VII.

DISTRIBUTIONS

7.1 **Distribution of Accounts.** Except as provided in Sections 3.4 or 7.1(f)(ii), a Participant's Accounts will become distributable as a result of the first of the following permissible payment events to occur: (1) a Participant's Severance (including on account of Retirement); (2) a Participant's Disability; (3) a Participant's death; or (4) a Scheduled Withdrawal Date. At the time a Participant elects to defer amounts hereunder, such Participant shall make an election with respect to the form of payment of such Deferrals, in accordance with the requirements set forth below or as otherwise provided by the Committee, by filing a Deferral Election Form with the Committee. Any Deferral of Excess 401(k) Deferrals shall be paid in the form of a lump sum unless a Participant shall make an election with respect to the form of payment of such Deferrals by filing a Deferral Election Form with the Committee.

(a) **Distribution at Severance other than on Account of Retirement.** With respect to elections to commence distributions upon a Severance other than on account of Retirement, a Participant shall elect to receive his or her Distributable Amount (determined on a Plan Year basis) in (i) two to five annual installments as specified by the Committee in a Deferral Election Form, provided that in no event shall any installment payment remain payable after the fifth Plan Year following the Plan Year in which a Participant's Severance other than on account of Retirement occurs, or (ii) a lump sum. Except as provided in Section 3.4, all amounts deferred for any Plan Year that are payable upon a Participant's Severance other than on account of Retirement must be payable upon the same distribution schedule (for this purpose, Short-Term Incentive Bonus amounts shall be deemed deferred during the Plan Year to which the actual performance relates, Long-Term Incentive Bonus amounts shall be deemed to have been deferred in the first Plan Year of the applicable performance period, and all other Compensation (and related Company Contributions) shall be deemed deferred during the Plan Year such Compensation otherwise would have been paid to the Participant). Payment shall be made or commence, as applicable, on or as soon as administratively practicable following the Payment Date. If no distribution election is made or if the Distributable Amount (for this purpose, determined on a Plan Year basis) is less than $5,000, the distribution shall be in the form of a lump sum. This subsection (a) shall not apply to Post-2025 Benefits.

(b) **Distribution at Retirement**. With respect to elections to commence distributions upon Retirement, a Participant shall elect to receive his or her Distributable Amount (determined on a Plan Year basis) in (i) two to fifteen annual installments as specified by the Committee in a Deferral Election Form, provided that in no event shall any installment payment remain payable after the fifteenth Plan Year following the Plan Year in which the Participant's Retirement occurs, or (ii) a lump sum. Except as provided in Section 3.4, all amounts deferred for any Plan Year that are payable upon a Participant's Retirement must be payable upon the same distribution schedule (for this purpose, Short-Term Incentive Bonus amounts shall be deemed deferred during the Plan Year to which the actual performance relates, Long-Term Incentive

Bonus amounts shall be deemed to have been deferred in the first Plan Year of the applicable performance period, and all other Compensation (and related Company Contributions) shall be deemed deferred during the Plan Year such Compensation otherwise would have been paid to the Participant). Payment shall be made or commence, as applicable, on or as soon as administratively practicable following the Payment Date. If no distribution election is made or if the Distributable Amount (for this purpose, determined on a Plan Year basis) is less than $5,000, the distribution shall be in the form of a lump sum. This subsection (b) shall not apply to Post-2025 Benefits.

(c) **Distribution of Post-2025 Benefits.** With respect to elections to commence distributions of Post-2025 Benefits upon a Severance (regardless of whether such Severance constitutes a Retirement), a Participant shall elect to receive his or her Distributable Amount (determined on a Plan Year basis) in (i) two to fifteen annual installments as specified by the Committee in a Deferral Election Form, provided that in no event shall any installment payment remain payable after the fifteenth Plan Year following the Plan Year in which the Participant's Severance occurs, or (ii) a lump sum. Except as provided in Section 3.4 or as otherwise permitted by the Committee in its discretion, all amounts deferred for any Plan Year that are payable upon a Participant's Severance must be payable upon the same distribution schedule (for this purpose, Short-Term Incentive Bonus amounts shall be deemed deferred during the Plan Year to which the actual performance relates, Long-Term Incentive Bonus amounts shall be deemed to have been deferred in the first Plan Year of the applicable performance period, and all other Compensation (and related Company Contributions) shall be deemed deferred during the Plan Year such Compensation otherwise would have been paid to the Participant). Payment shall be made or commence, as applicable, on or as soon as administratively practicable following the Payment Date. If no distribution election is made, the distribution shall be in the form of a lump sum.

(d) **Distribution upon Disability.** With respect to elections to commence distributions upon a Participant's Disability, a Participant may elect to receive his or her Distributable Amount (determined on a Plan Year basis) in (i) two to fifteen annual installments, provided that in no event shall any installment payment remain payable after the fifteenth Plan Year following the Plan Year in which the Participant incurs a Disability, or (ii) a lump sum. Payment shall be made or commence, as applicable, on or as soon as administratively practicable following the Payment Date. If no distribution election is made or if the Distributable Amount (for this purpose, determined on a Plan Year basis) is less than $5,000, the distribution shall be in the form of a lump sum. For purposes of the foregoing, if a Participant elects to receive a Distributable Amount in the form of annual installments, the Distributable Amount shall be determined as of the valuation date set forth in Section 7.4(d) for the first annual installment payment. Notwithstanding the foregoing, Post-2025 Benefits shall be paid in the form of a lump sum in the event of a Participant's Disability, and the Participant shall not be permitted to elect any other form of payment with respect to such benefits.

(e) **Distribution at Death.** With respect to elections to commence distributions upon a Participant's death, a Participant may elect to have his or her Distributable Amount paid to his or her Beneficiary in (i) two to five annual installments, provided that in no event shall any installment payment remain payable after the fifth Plan Year following the Plan Year in which the Participant's death occurs, or (ii) a lump sum. Payment shall be made or commence, as applicable, on or as soon as administratively practicable following the Payment Date. If no distribution election is made or if the Distributable Amount is less than $50,000, the distribution shall be in the form of a lump sum to the Participant's Beneficiary. For purposes of the foregoing, if a Participant elects to receive the Distributable Amount in the form of annual installments, the Distributable Amount shall be determined as of the valuation date set forth in Section 7.4(d) for the first annual installment payment. If a Participant dies after the date distributions commence pursuant to Sections 7.1(a), (b), (c) or (e), the Participant's Accounts

shall continue to be distributed to the Participant's Beneficiary in accordance with the Participant's election under Sections 7.1(a), (b), (c) or (e). Notwithstanding the foregoing, Post-2025 Benefits shall be paid in the form of a lump sum in the event of a Participant's death, and the Participant shall not be permitted to elect any other form of payment with respect to such benefits.

(f) **Distribution on a Scheduled Withdrawal Date.**

(i) In the case of a Participant who has elected a Scheduled Withdrawal Date for a distribution while still in the employ of the Company or a Participating Company, such Participant shall receive his or her Deferrals of Compensation (but excluding Company Contributions and Compensation credited to the Excess 401(k) Deferrals Account) as shall have been elected by the Participant to be subject to the Scheduled Withdrawal Date (the "**Withdrawal Amount**"). A Participant's Scheduled Withdrawal Date with respect to the Withdrawal Amount must be in January and must be no earlier than the third Plan Year to commence following the year of Deferral. With respect to elections to commence distributions upon a Scheduled Withdrawal Date, such Participant may elect to receive the applicable amount in (i) two to five annual installments or (ii) a lump sum. If the Deferral Election Form does not specify the method of distribution or if the Withdrawal Amount (for this purpose, determined on a Plan Year basis) is less than $10,000 as of the Scheduled Withdrawal Date, the distribution shall be in the form of a lump sum. For purposes of the foregoing, if a Participant elects to receive a Withdrawal Amount in the form of annual installments, the Withdrawal Amount shall be determined as of the valuation date set forth in Section 7.4(d) for the first annual installment payment.

(ii) In the event of a Participant's Severance, Disability or death while receiving the Withdrawal Amount, the Participant's remaining Withdrawal Amount shall continue to be distributed in accordance with the Participant's election under Section 7.1(f) and the Distributable Amount (other than the Withdrawal Amount) shall be paid in accordance with the Participant's election, under Section 7.1(a), (b), (c) or (d), as applicable.

(g) Notwithstanding any Plan provision to the contrary, in the case of a distribution described in subsection (a), (b), (c), (d) or (e), if the entire balance in the Participant's Account (taking into account all Plan Years) at the time of the applicable Payment Date does not exceed the dollar limit set forth in Internal Revenue Code section 402(g) for the year in which the distributions are scheduled to begin, the entire Account shall be paid in the form of a lump sum.

7.2 **Hardship Distribution.** A Participant shall be permitted to request a Hardship Distribution of all or a portion of such Participant's Deferral Account under the Plan prior to the applicable date of distribution, subject to the following restrictions:

(a) The request for a Hardship Distribution shall be made by filing such form and documentation as is required by the Committee.

(b) The Committee shall have made a determination in its sole discretion that the circumstances giving rise to the requested distribution constitute a Hardship in accordance with Treas. Reg. §1.409A-3(i)(3)(i)-(iii).

(c) The Hardship Distribution amount shall be valued as of the date the election form described in subsection (a) is approved by the Committee and shall be paid as soon as administratively feasible thereafter. Any Hardship Distribution amount shall be limited to the maximum amount that may be distributed in compliance with Treas. Reg. §1.409A-3(i)(3)(ii).

(d) The Committee shall have the discretion, in the case of a Hardship Distribution petition, to cancel the applicable Participant's Deferral elections with respect to future Compensation (which cancellation may be in addition to or instead of a Hardship Distribution) in accordance with Treas. Reg. §1.409A-3(j)(4)(viii).

7.3 **Change in Control.** If a Change in Control occurs, a Participant who has not received a complete distribution of the amounts credited to his or her Accounts as of the date of the Change in Control shall receive a distribution of all amounts remaining in the Participant's Accounts in a lump sum payment on the Payment Date and all Deferrals under the Plan shall cease on the valuation date set forth in Section 7.4(c). For purposes of this Section 7.3, the amount of the Participant's Accounts shall be valued as of the valuation date set forth in Section 7.4(c).

7.4 **Miscellaneous Distribution Rules.**

(a) **Changes to Distribution Elections.** A Participant may make an election to postpone the Payment Date of any distribution hereunder on account of a Participant's Retirement (or Severance, in the case of Post-2025 Benefits) by giving the Committee notice, in a form and in the manner provided by the Committee, provided that (i) a Participant may make only one election to postpone the Payment Date(s) set forth in such Participant's initial Deferral Election Form for each Plan Year, (ii) any such election to postpone must be made prior to the date upon which a Participant's Accounts become distributable pursuant to Section 7.1(b), (iii) any such election to postpone shall take effect only on the first anniversary of such election, (iv) any such election must postpone the date of distribution by at least five years (except that it may provide for earlier payment upon death or Disability or in the event of a Hardship), and (v) in no event shall any amount remain payable under the Plan following the last date upon which the Participant must receive installment payments pursuant to Section 7.1(b).

(b) **Investment Adjustments.** A Participant's Accounts shall continue to be adjusted for investment earnings and losses pursuant to Section 4.2 of the Plan until all amounts credited to such Participant's Accounts under the Plan have been distributed.

(c) **Lump Sum Valuations.** If an amount is paid as a lump sum distribution, the Distributable Amount or Withdrawal Amount of the Participant's Accounts shall be valued as of the close of business on the last business day of the month immediately preceding the month in which such distribution is made to the Participant.

(d) **Calculating Installments.** The Distributable Amount or Withdrawal Amount of the Participant's Accounts shall be valued as of the close of business on the last business day of the month immediately preceding the month in which installment payments commence. The installment payments made under the Plan shall be determined in accordance with the annual fractional payment method, calculated by multiplying the balance as determined above by a fraction, the numerator of which is one, and the denominator of which is the remaining number of annual payments due the Participant. By way of example, if the Participant elects five annual installments, the first payment shall be 1/5 of the balance of such Participant's Accounts calculated as described above. The following year, the payment shall be 1/4 of the balance of such Participant's Accounts, calculated as described above.

(e) **Distributions from Stock Equivalent Account.** Any amounts credited or allocated to a Stock Equivalent Account shall be distributed in the form of Common Stock. In no event shall the Company issue fractional shares in connection with the distributions of a Participant's Stock Equivalent Account. The value of fractional hypothetical shares of Common Stock shall be distributed to the Participant in cash, based on the Fair Market Value of a share of Common Stock as of the most recent Valuation Date.

ARTICLE VIII.

ADMINISTRATION

8.1 **Committee.**

Unless and until the Committee delegates administration to an individual or another committee as set forth below, the Plan shall be administered by the Committee. The Committee may delegate administration (but not amendment or termination) of the Plan to an individual or a committee of one or more individuals (who need not be a member of the Board), and the term "Committee" shall apply to any person or persons to whom such authority has been delegated. If administration is delegated to an individual or a committee of one or more individuals, the individual or committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Committee (other than the powers under Section 9.10), subject, however, to such resolutions not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Committee and except when the exercise of such authority would materially affect the cost of the Plan to the Company or materially increase benefits to Participants. The Committee may terminate its delegation of administrative authority at any time and revest in the Committee the administration of the Plan.

8.2 **Committee Action.**

The Committee shall act at meetings by affirmative vote of a majority of the members of the Committee. Any action permitted to be taken at a meeting may be taken without a meeting if, prior to such action, a written consent to the action is signed by all members of the Committee and such written consent is filed with the minutes of the proceedings of the Committee. A member of the Committee shall not vote or act upon any matter which relates solely to himself or herself as a Participant. The Committee shall for purposes of administering the Plan choose a secretary who shall keep minutes of the Committee's proceedings and all records and documents pertaining to the administration of the Plan. The secretary may execute any certificate or other written direction of behalf of the Committee. Notwithstanding anything to the contrary in this Section 8.2, (i) the Committee (including any delegate of the Compensation Committee of the Board) may appoint a plan administrator and/or other agent pursuant to Section 8.3(h) without taking formal action pursuant to this Section 8.2 and (ii) if the Committee makes any such appointment, the plan administrator and/or other agent may act within the scope of its delegated authority without Committee approval of any such act pursuant to this Section 8.2.

8.3 **Powers and Duties of the Committee.** The Committee, on behalf of the Participants and their Beneficiaries, shall enforce the Plan in accordance with its terms, shall be charged with the general administration of the Plan, and shall have all powers necessary to accomplish its purposes as set forth herein, including, but not by way of limitation, the following:

(a) To select the Investment Funds in accordance with Section 4.2 hereof;

(b) To construe and interpret the terms and provisions of the Plan and to remedy any inconsistencies or ambiguities hereunder;

(c) To select employees eligible to participate in the Plan;

(d) To compute and certify to the amount and kind of benefits payable to Participants and their Beneficiaries;

(e) To maintain all records that may be necessary for the administration of the Plan;

(f) To provide for the disclosure of all information and the filing or provision of all reports and statements to Participants, Beneficiaries or governmental agencies as shall be required by law;

(g) To make and publish such rules for the regulation of the Plan and procedures for the administration of the Plan as are not inconsistent with the terms hereof or with applicable law (including Section 409A);

(h) To appoint a plan administrator and/or any other agent (any which appointment may be made to one or more Company employees), and to delegate to them such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe; and

(i) To take all actions necessary for the administration of the Plan.

8.4 **Construction and Interpretation.**

Subject to Section 9.5, the Committee shall have full discretion to construe and interpret the terms and provisions of the Plan, which interpretations or construction shall be final and binding on all parties, including but not limited to the Company and any Participant or Beneficiary. The Committee shall administer such terms and provisions in a uniform and nondiscriminatory manner and in full accordance with any and all laws applicable to the Plan.

8.5 **Information.**

To enable the Committee to perform its functions, the Company shall supply full and timely information to the Committee on all matters relating to the Compensation of all Participants, their death or other events which cause termination of their participation in the Plan, and such other pertinent facts as the Committee may require.

8.6 **Compensation, Expenses and Indemnity.**

(a) The members of the Committee shall serve without compensation for their services hereunder.

(b) The Committee is authorized at the expense of the Company to employ such legal counsel and other advisors as it may deem advisable to assist in the performance of its duties hereunder. Expenses and fees in connection with the administration of the Plan shall be paid by the Company.

(c) To the extent permitted by applicable state law, the Company shall indemnify and save harmless the Committee and each member thereof, the Board and any delegate of the Committee who is an employee of the Company against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising out of their discharge in good faith of responsibilities under or incident to the Plan, other than expenses and liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the Company or provided by the

Company under any bylaw, agreement or otherwise, as such indemnities are permitted under state law.

8.7 **Statements.**

Under procedures established by the Committee, a Participant shall receive a statement with respect to such Participant's Accounts on a quarterly or annual basis.

8.8 **Disputes.**

(a) **Claim.**

A Participant or a Beneficiary who believes that he or she is being denied a benefit to which he or she is entitled under the Plan (hereinafter referred to as "**Claimant**") may file a written request for such benefit with the Committee within the maximum time permitted by law, setting forth his or her claim. The request must be addressed to the Committee at the Company's then principal place of business.

(b) **Claim Decision.**

If the claim is denied in whole or in part, the Committee shall notify the Claimant in writing or electronic notice, using language calculated to be understood by the Claimant, setting forth: (i) the specific reason or reasons for such denial; (ii) reference to the specific provisions of the Plan on which such denial is based; (iii) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation of why such material or such information is necessary; (iv) appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review, including the time limits for requesting a review under subsection (c); and (v) a statement that the Claimant has the right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. In the case of an adverse determination of a claim on account of Disability, the information to the Participant must also include, to the extent necessary, the information set forth in Department of Labor Regulation §2560.503-1(g)(1)(V).

Such notification shall be provided within 90 days (45 days if the claim is on account of Disability) after the date the claim is received by the Committee (or within 180 days (or two additional 30-day periods if the claim in on account of Disability) if special circumstances require an extension of time for processing the claim and if written notice of such extension and special circumstances is given to such Claimant within the initial 90-day period or 45-day period, as applicable). If notification is not provided within such period, the claim shall be considered denied as of the last day of such period and the Claimant may request a review of the denied claim.

(c) **Request For Review.**

Within 60 days (180 days if the claim is on account of Disability) after the receipt by the Claimant of the notice of denial of a claim described above, the Claimant may request in writing a review of the determination of the Committee. Such request must be addressed to the Committee at the Company's then principal place of business. The Claimant or his or her duly

authorized representative may, but need not, review the pertinent documents and submit comments, documents, records and other information relating to the claim for benefits in writing for consideration by the Committee. The Claimant or his or her duly authorized representative may upon request and free of charge, be provided with reasonable access to, and copies of, relevant documents, records and other information relevant to the Claimant's claim for benefits. If the Claimant does not request a review within such 60 day period, he or she shall be barred and estopped from challenging the Committee's determination.

(d) **Review of Decision.**

Within 60 days (45 days if the claim is on account of Disability) after the receipt of a request for review by the Committee, after considering all materials presented by the Claimant, the Committee will inform the Claimant in writing or electronic notice, in a manner calculated to be understood by the Claimant, the decision setting forth: (i) the specific reason or reasons for such denial; (ii) reference to the specific provisions of the Plan on which such denial is based; (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim; and (iv) a statement that the Claimant has the right to bring a civil action under Section 502(a) of ERISA. If special circumstances require that the 60-day (45-day period, if applicable) be extended, the Committee will so notify the Claimant in writing of such extension and special circumstances within the initial 60-day period (45-day period, if applicable) and will render the decision as soon as possible, but no later than 120 days (90 days if the claim is on account of Disability) after receipt of the request for review. If notification is not provided within such period, the claim will be considered denied as of the last day of such period.

(e) **Amendment to Claims Procedure and Limitations Period.**

The Committee may at any time alter the claims procedure set forth above, provided that the revised claims procedure complies with ERISA and the regulations issued thereunder. The claims procedure set forth in this Section 8.8 is intended to comply with United States Department of Labor Regulation §2560.503-1 and should be construed in accordance with such regulation. In no event shall the claims procedure be interpreted as expanding the rights of Claimants beyond what is required by United States Department of Labor Regulation §2560.503-1. A Claimant must exhaust all administrative remedies under the Plan prior to bringing an action under ERISA or otherwise. No such action may be brought later than four years from the date the claim arose. The Committee's interpretations, determinations and decisions with respect to any claim shall be made in its sole discretion based on the Plan and other relevant documents and shall be final and binding on all persons.

ARTICLE IX.

MISCELLANEOUS

9.1 **Unsecured General Creditor.**

Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, claims, or interest in any specific property or assets of the Company or any

Participating Company. No assets of the Company or any Participating Company shall be held in any way as collateral security for the fulfilling of the obligations of the Company under the Plan. Any and all of the Company's or any Participating Company's assets shall be, and remain, the general unpledged, unrestricted assets of the Company or Participating Company. The Company's and a Participating Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company or any Participating Company to pay money in the future, and the rights of the Participants and Beneficiaries shall be no greater than those of unsecured general creditors. It is the intention of the Company that the Plan be unfunded for purposes of the Code and Title I of ERISA.

9.2 **Grantor Trust.**

Although the Company is responsible for the payment of all benefits under the Plan, the Company may, in its discretion, contribute funds or assets (including insurance policies on the life of any or all Participants and securities issued by the Company) to a grantor trust for the purpose of paying benefits under the Plan; provided, however, that no funds or assets shall be contributed to any such trust if such contribution would violate applicable law or result in the imposition of the additional tax under Section 409A. Such trust may be irrevocable, but assets of the trust shall be subject to the claims of creditors of the Company or a Participating Company, as the Company may deem necessary or advisable to prevent such funding from causing the Participants to be taxed on any such trust assets. To the extent any benefits provided under the terms of the Plan are actually paid from the trust, the Company or such Participating Company shall have no further obligation with respect thereto. To the extent any benefits provided under the terms of the Plan are not paid from the trust, such benefits shall remain the obligation of and shall be paid by the Company or the Participating Company. References to payments by the Company shall be deemed to include payments by the Company or by a Participating Company as the context may require. The Participants shall have the status of unsecured creditors insofar as their legal claim for benefits under the Plan and the Participants shall have no security interest or preferred claim in or to the assets of any such grantor trust.

9.3 **Restriction Against Assignment.**

(a) The Company shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or entity. No right, title or interest in the Plan or in any account may be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution. No right, title or interest in the Plan or in any Account shall be liable for the debts, contracts or engagements of the Participant or such Participant's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

(b) Notwithstanding anything to the contrary in the Plan, subject to Treas. Reg. §1.409A-3(j)(4)(ii), the Committee may in its sole discretion accelerate the time or schedule of a payment under the Plan to an "alternate payee" (as defined in Section 414(p)(8) of the Code) or make a payment under the Plan to an "alternate payee" (as defined in Section 414(p)(8) of the

Code), to the extent necessary to fulfill a "domestic relations order" (within the meaning of Section 414(p)(1)(B) of the Code).

9.4 **Early Distribution In Limited Circumstances.**

If, for any reason, all or any portion of a Participant's benefits would qualify for a potential early distribution pursuant to Treas. Reg. §1.409A-3(j)(4)(iii) (relating to conflicts of interest), (j)(4)(vi) (relating to the payment of employment taxes) or (j)(4)(vii) (relating to the payment upon income inclusion under Section 409A), a Participant may petition the Committee for a distribution of that portion of his or her benefit, provided that whether to grant such petition shall be determined by the Committee in its sole discretion and that such petition may be granted only to the extent permitted under Section 409A. Any such distribution shall affect and reduce the benefits to be paid under the Plan.

9.5 **Section 409A Compliance.**

Notwithstanding any other provisions of the Plan to the contrary and to the extent applicable, it is intended that the Plan comply with the requirements of Section 409A, and the Plan shall be interpreted, construed and administered in accordance with this intent, so as to avoid the imposition of taxes and penalties on Participants pursuant to Section 409A. The Company and the Participating Companies shall have no liability to any Participant, Beneficiary or otherwise if the Plan or any amounts paid or payable hereunder are subject to the additional tax and penalties under Section 409A.

9.6 **Transition Rules.**

Prior to January 1, 2009, the Company operated the Plan in good faith compliance with Section 409A and certain Internal Revenue Service transitional rules then in effect. Written deferral and distribution elections made during, or with respect to, Plan Years 2005-2008 shall remain in effect hereunder, even to the extent that the specific election choices offered for such years may not be available under the terms of this Plan document and/or specific election choices available under this Plan document may not have been offered, provided that subsequent actions with respect to such elections (e.g., changes thereto, forms of distribution, claims procedures) shall be governed by the terms of this Plan document. The distribution provisions in Article VII of this Plan document shall apply to the distribution of amounts deferred (within the meaning of Treas. Reg. §1.409A-6(a)(1)) on and after January 1, 2005 that commence on or after January 1, 2009.

9.7 **Successors and Assigns.**

The Plan shall inure to the benefit of, and be binding upon, the Company, its successors and assigns and the Participants and their heirs, executors, administrators and legal representatives.

9.8 **Disputes.**

In the event of a dispute involving any individual's right to receive the benefit hereunder, the Committee or the Company may enter into an interpleader action. Payment of the benefit to

a court of competent jurisdiction with proper notice to the appropriate parties in dispute shall be in full satisfaction of all claims against the Committee, the Company and any Participating Company as to the Plan.

9.9 **Withholding.**

There shall be deducted from each payment made under the Plan or any other Compensation payable to the Participant (or Beneficiary) all taxes that the Company determines are required to be withheld by the Company in respect to such payment or the Plan. The Company shall have the right to reduce any payment (or Compensation) by the amount of such of cash sufficient to provide the amount of said taxes.

9.10 **Amendment or Termination.**

(a) Prior to a Change in Control, the Board or the Committee shall have the right to amend the Plan in whole or in part from time to time, and to amend and cancel any amendments; provided, however, that no such action shall cancel or reduce the amount of a Participant's previously accrued vested benefits.

(b) The Company expects to continue the Plan indefinitely, but does not obligate itself to do so. Except as provided in this Section 9.10, the Company reserves the right to discontinue and terminate the Plan at any time, for any reason (including a change, or an impending change, in the tax laws of the United States or the State of California), by resolution of the Board, but in no event may such termination reduce the Participant's previously accrued vested benefits. If the Plan is terminated, the Participant's previously accrued vested benefits shall be paid in accordance with the terms of the Plan or on a schedule determined by the Committee that complies with the applicable requirements of Treas. Reg. §1.409A-3(j)(4)(ix).

9.11 **Designation of Beneficiary.**

(a) Each Participant shall have the right to designate, revoke and redesignate Beneficiaries hereunder and to direct payment of such Participant's Distributable Amount to such Beneficiaries upon such Participant's death.

(b) Designation, revocation and redesignation of Beneficiaries must be made in writing in accordance with the procedures established by the Committee and shall be effective upon delivery to the Committee.

(c) If a Participant is married, no designation of a Beneficiary other than the Participant's spouse shall be valid unless consented in writing by such spouse. If there is no Beneficiary designation in effect, or the designated beneficiary does not survive the Participant, then the Participant's spouse (if any) shall be the Beneficiary. If there is no surviving spouse, the duly appointed and currently acting personal representative of the Participant's estate (which shall include either the Participant's probate estate or living trust) shall be the Beneficiary.

(d) After the Participant's death, any Beneficiary (other than the Participant's estate) who is to receive installment payments may designate a secondary beneficiary to receive amounts due under the Plan to the Beneficiary in the event of the Beneficiary's death prior to receiving full payment from the Plan. If no secondary beneficiary is designated, it shall be the Beneficiary's estate.

9.12 **Governing Law.**

Except to the extent preempted by ERISA, the Plan shall be construed, governed and administered in accordance with the laws of the State of California without regard to principles of conflict of laws.

9.13 **Full Satisfaction.**

Any payment to a Participant or the Participant's Beneficiary in accordance with the provisions of the Plan shall, to the extent thereof, be in full satisfaction of all claims against the Committee, the Company and any Participating Company as to the Plan.

9.14 **Payments on Behalf of Persons Under Incapacity.**

In the event that any amount becomes payable under the Plan to a person who, in the sole judgment of the Committee, is unable to care for his or her affairs because of physical or mental condition, the Committee may direct that such payment be made to any person found by the Committee, in its sole judgment, to have assumed the care of such person. Any payment made pursuant to such determination shall be a complete discharge of all liability for any payments which such Participant was or would have otherwise been entitled to receive under the Plan.

9.15 **Limitation of Rights.**

Neither the establishment of the Plan nor any modification thereof, nor the creating of any fund or account, nor the payment of any benefits shall be construed as giving to any Participant, any Beneficiary or other person any legal or equitable right against the Company except as provided in the Plan. In no event shall the terms of employment of any Participant be modified or in any be effected by the provisions of the Plan.

9.16 **Exempt ERISA Plan.**

It is the intent of the Company that the Plan be considered and interpreted in all respects as an unfunded "top-hat" plan maintained primarily to provide deferred compensation benefits for a select group of management or highly compensated employees within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA and therefore to be exempt from Parts 2, 3 and 4 of Subtitle B of Title I of ERISA to the maximum extent permissible under the provisions thereof.

9.17 **Notice.**

Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the principal office of the Company, directed to the attention of the General Counsel of the Company. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

9.18 **Errors and Misstatements.**

In the event of any misstatement or omission of fact by a Participant to the Committee or any clerical error resulting in payment of benefits in an incorrect amount, to the extent permitted by Section 409A, the Committee shall promptly cause the amount of future payments to be corrected upon discovery of the facts and shall pay or, if applicable, cause the Plan to pay, the Participant or any other person entitled to payment under the Plan any underpayment in a lump sum or to recoup any overpayment from the Participant or any other person entitled to payment under the Plan in such amounts as the Committee shall direct or to proceed against the Participant or any other person entitled to payment under the Plan for recovery of any such overpayment.

9.19 **Pronouns and Plurality.**

The masculine pronoun shall include the feminine pronoun, and the singular the plural where the context so indicates.

9.20 **Severability.**

In the event that any provision of the Plan shall be declared unenforceable or invalid for any reason, such unenforceability or invalidity shall not affect the remaining provisions of the Plan but shall be fully severable, and the Plan shall be construed and enforced as if such unenforceable or invalid provision had never been included herein.

9.21 **Status.**

The establishment and maintenance of, or allocations and credits to, the Accounts of any Participant shall not vest in any Participant any right, title or interest in and to any Plan assets or benefits except at the time or times and upon the terms and conditions and to the extent expressly set forth in the Plan.

9.22 **Headings.**

Headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

ARTICLE X.

COMPENSATION RECOVERY POLICY

Notwithstanding any provision in this Plan to the contrary, amounts paid or payable under this Plan shall be subject to the terms and conditions of the Mattel, Inc. Compensation Recovery Policy, as may be amended from time to time (the "Compensation Recovery Policy"), to the extent applicable (including by reason of such amounts being calculated or determined by reference to an underlying amount or payment that is subject to the Compensation Recovery Policy).

IN WITNESS WHEREOF, the Company has caused the Plan to be executed by its duly authorized officer.

MATTEL, INC.

Dated: September 9, 2026

By: /s/ Karen Ancira
Karen Ancira
Executive Vice President
Chief People Officer

EXHIBIT 31.0

CERTIFICATION

I, Roger Lynch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mattel, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

By: /s/ Roger Lynch

Roger Lynch
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.1

CERTIFICATION

I, Peter Griffith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mattel, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

By: /s/ Peter Griffith

Peter Griffith
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.0

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Mattel, Inc. a Delaware corporation (the "Company"), on Form 10-Q for the quarter ended September 30, 2026 as filed with the Securities and Exchange Commission (the "Report"), Roger Lynch, Chairman and Chief Executive Officer, and Peter Griffith, Chief Financial Officer, of the Company, do each hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350) that, to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2026

By: /s/ Roger Lynch
Roger Lynch
Chairman and Chief Executive Officer

/s/ Peter Griffith
Peter Griffith
Chief Financial Officer