



WWE Q1 2017 RESULTS – MAY 4, 2017

# Forward-Looking Statements



This presentation contains forward-looking statements pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995, which are subject to various risks and uncertainties. These risks and uncertainties include, without limitation, risks relating to: *WWE Network* (including the risk that we are unable to attract, retain and renew subscribers); major distribution agreements; our need to continue to develop creative and entertaining programs and events; the possibility of a decline in the popularity of our brand of sports entertainment; the continued importance of key performers and the services of Vincent K. McMahon; possible adverse changes in the regulatory atmosphere and related private sector initiatives; the highly competitive, rapidly changing and increasingly fragmented nature of the markets in which we operate and greater financial resources or marketplace presence of many of our competitors; uncertainties associated with international markets; our difficulty or inability to promote and conduct our live events and/or other businesses if we do not comply with applicable regulations; our dependence on our intellectual property rights, our need to protect those rights, and the risks of our infringement of others' intellectual property rights; the complexity of our rights agreements across distribution mechanisms and geographical areas; potential substantial liability in the event of accidents or injuries occurring during our physically demanding events including, without limitation, claims relating to CTE; large public events as well as travel to and from such events; our feature film business; our expansion into new or complementary businesses and/or strategic investments; our computer systems and online operations; privacy norms and regulations; a possible decline in general economic conditions and disruption in financial markets; our accounts receivable; our indebtedness; litigation; our potential failure to meet market expectations for our financial performance, which could adversely affect our stock; Vincent K. McMahon exercises control over our affairs, and his interests may conflict with the holders of our Class A common stock; a substantial number of shares are eligible for sale by the McMahons and the sale, or the perception of possible sales, of those shares could lower our stock price; and the relatively small public "float" of our Class A common stock. In addition, our dividend is dependent on a number of factors, including, among other things, our liquidity and historical and projected cash flow, strategic plan (including alternative uses of capital), our financial results and condition, contractual and legal restrictions on the payment of dividends (including under our revolving credit facility), general economic and competitive conditions and such other factors as our Board of Directors may consider relevant. Forward-looking statements made by the Company speak only as of the date made and are subject to change without any obligation on the part of the Company to update or revise them. Undue reliance should not be placed on these statements. For more information about risks and uncertainties associated with the Company's business, please refer to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of the Company's SEC filings, including, but not limited to, our annual report on Form 10-K and quarterly reports on Form 10-Q.

This presentation contains non-GAAP financial information, including OIBDA. We define OIBDA as operating income before depreciation and amortization, excluding feature film and television production amortization and related impairments. OIBDA is a non-GAAP financial measure and may be different than similarly-titled non-GAAP financial measures used by other companies. A limitation of OIBDA is that it excludes depreciation and amortization, which represents the periodic charge for certain fixed assets and intangible assets used in generating revenues for the Company's business. OIBDA should not be regarded as an alternative to operating income or net income as an indicator of operating performance, or to the statement of cash flows as a measure of liquidity, nor should it be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP. We believe that operating income is the most directly comparable GAAP financial measure to OIBDA. Reconciliations of OIBDA to operating income can be found in the Company's earnings release dated May 4, 2017.



# 2017 Q1: Highlights

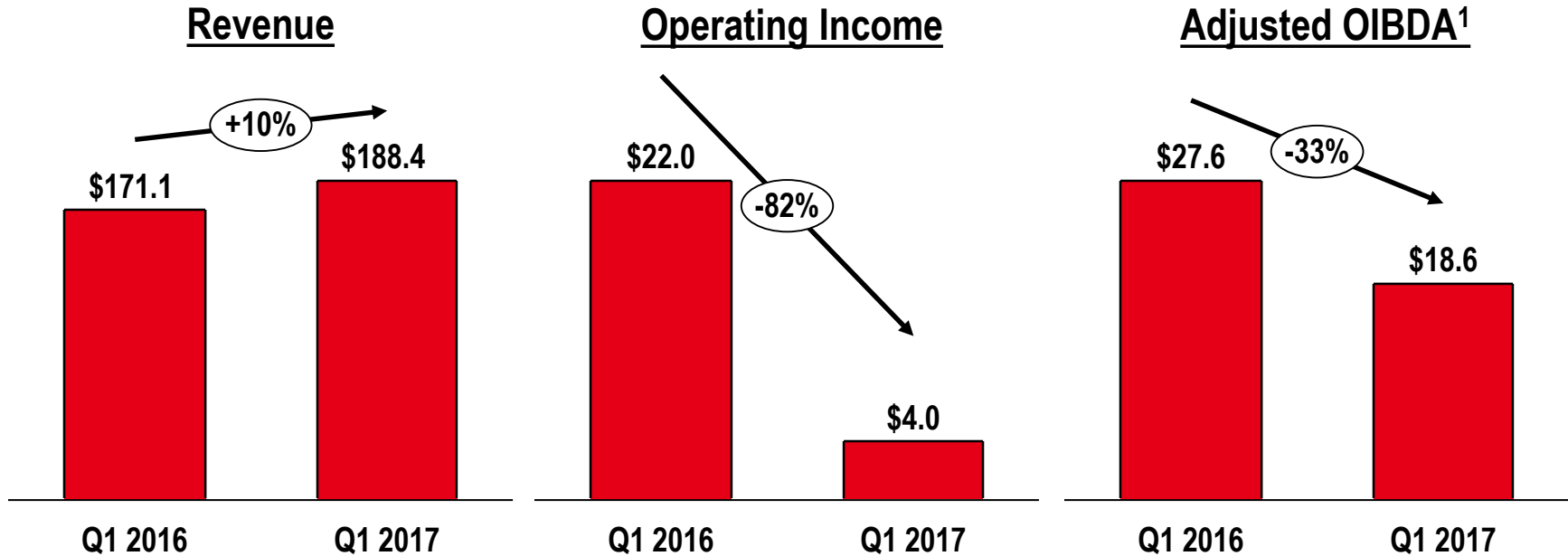


- Revenue increased 10% to \$188.4 million, up from \$171.1 million in Q1 2016, driven by the Live Events, Network and Television segments
- Live event attendance in North America increased by more than 100,000 with 19 additional events in the quarter
- *WWE Network* averaged 1.49 million paid subscribers over the quarter, 16% above Q1 2016, and reached 1.95M total subscribers following *WrestleMania*
- WWE content had more than 4 billion video views on social and digital platforms in the first quarter, up 8% over Q1 2016
- Social media reached ~774 million followers as of quarter end, up 23% from Q1 2016
- *WrestleMania* achieved record-breaking attendance, viewership and social/ digital engagement
- Anchored by *Monday Night Raw* and *SmackDown Live*, USA Network finished 2016 as the most watched ad-supported cable entertainment network for an 11<sup>th</sup> consecutive year
- Announced partnership with HBO Sports and Bill Simmons Media Group to produce *Andre the Giant*, a documentary film on the life of the WWE legend
- As WWE continues to innovate in 2017, will continue to focus on achieving the Company's financial objectives and driving long-term growth



# Q1 2017: WWE Financial Highlights

(\$ in millions)



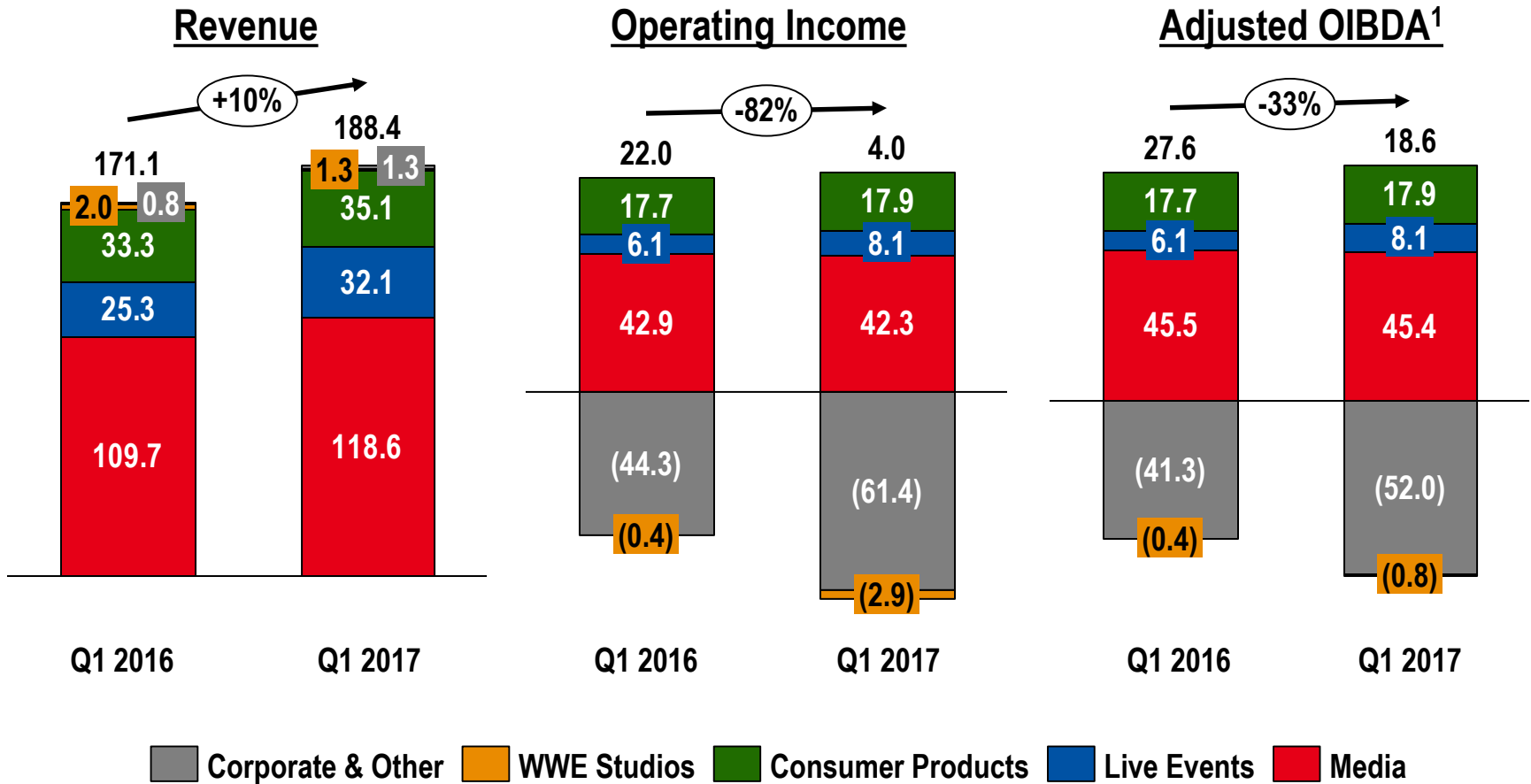
- Financial results within the range of revised guidance as provided on April 3<sup>rd</sup>, 2017
- Revised guidance reflected an increase in stock compensation expense (driven by the rise in WWE's stock price during the quarter) and the timing of other results
- Anticipate these timing elements will reverse over the coming months and maintain full year Adjusted OIBDA<sup>1</sup> target of \$100 million, which would be an all-time record

<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2017 earnings materials and in the appendix to this presentation



# 2017 Q1: Financial Highlights

(\$ in millions)

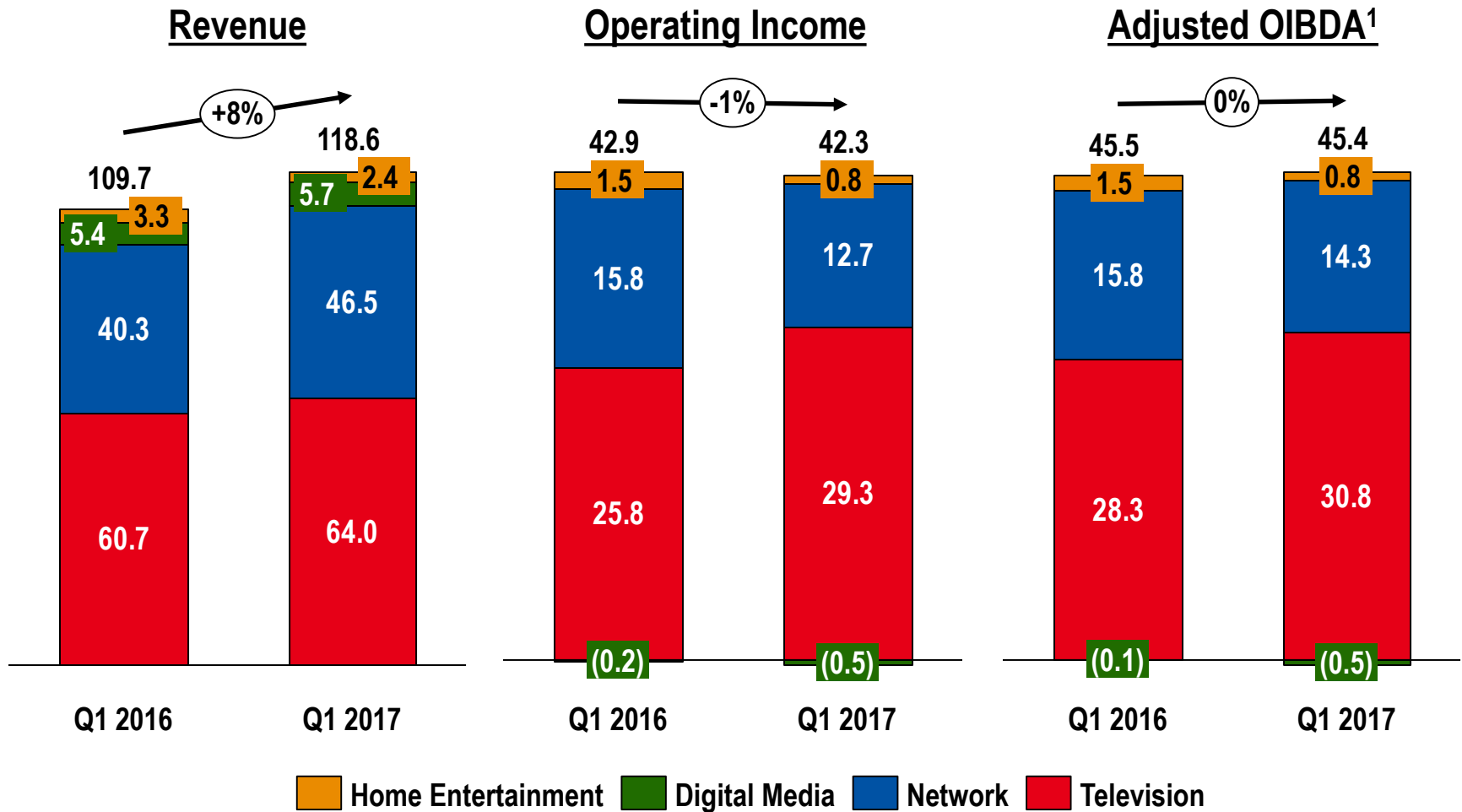


<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2017 earnings materials and in the appendix to this presentation



# 2017 Q1: Media Division

(\$ in millions)



<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2017 earnings materials and in the appendix to this presentation

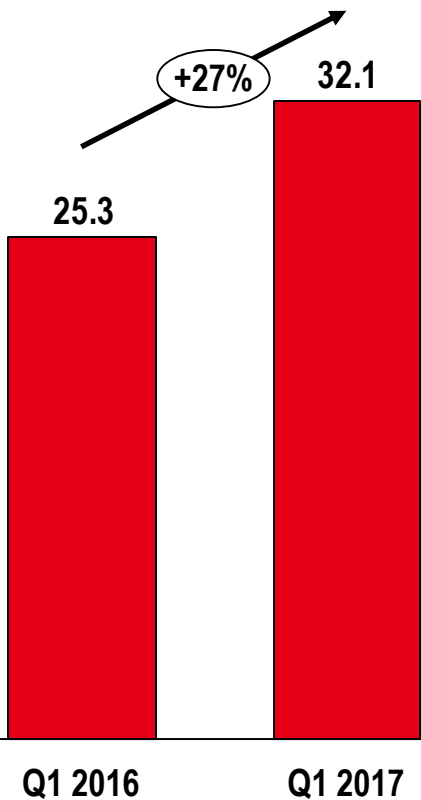


# 2017 Q1: Live Events

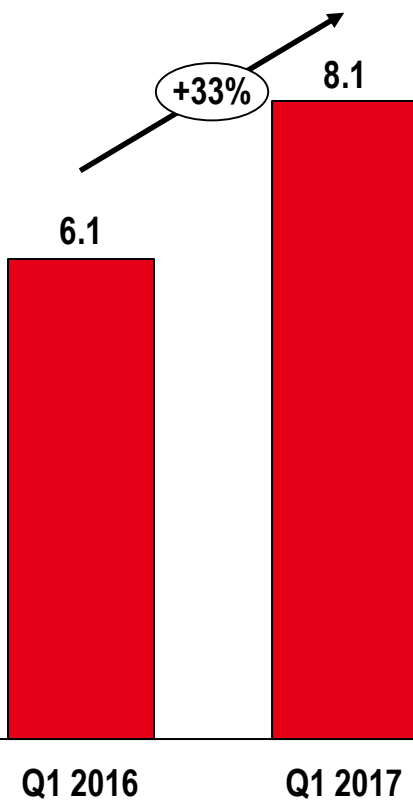
(\$ in millions)



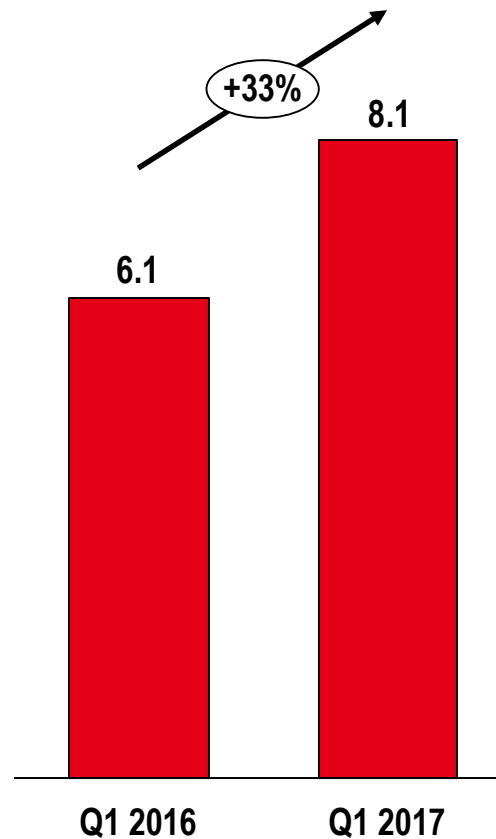
## Revenue



## Operating Income



## Adjusted OIBDA<sup>1</sup>



<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2017 earnings materials and in the appendix to this presentation



# 2017 Q1: Consumer Products

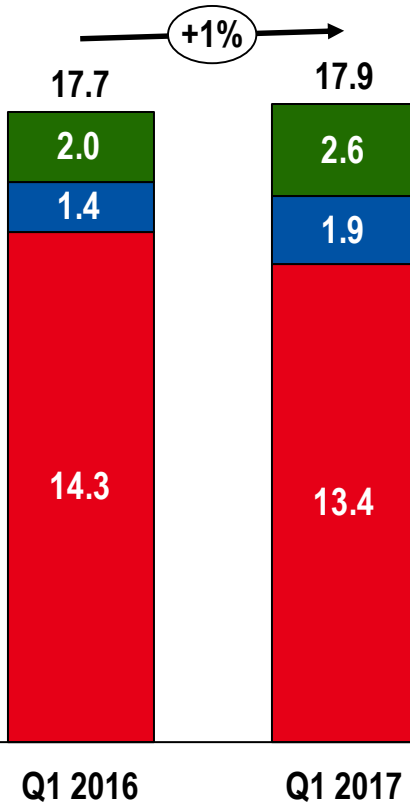
(\$ in millions)



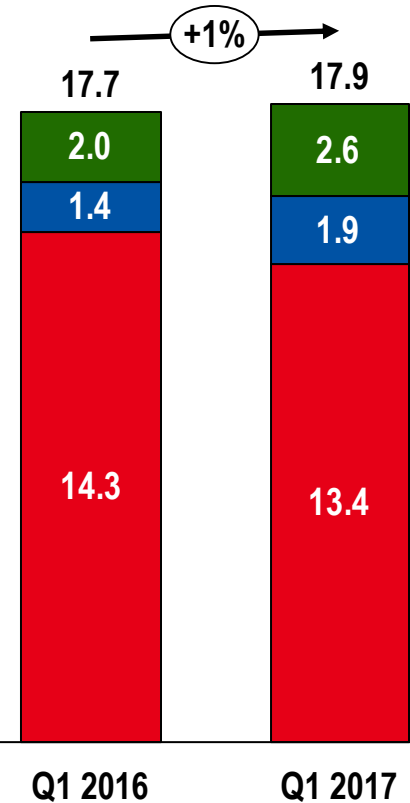
## Revenue



## Operating Income



## Adjusted OIBDA<sup>1</sup>



Venue Merchandise WWEShop Licensing

<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2017 earnings materials and in the appendix to this presentation



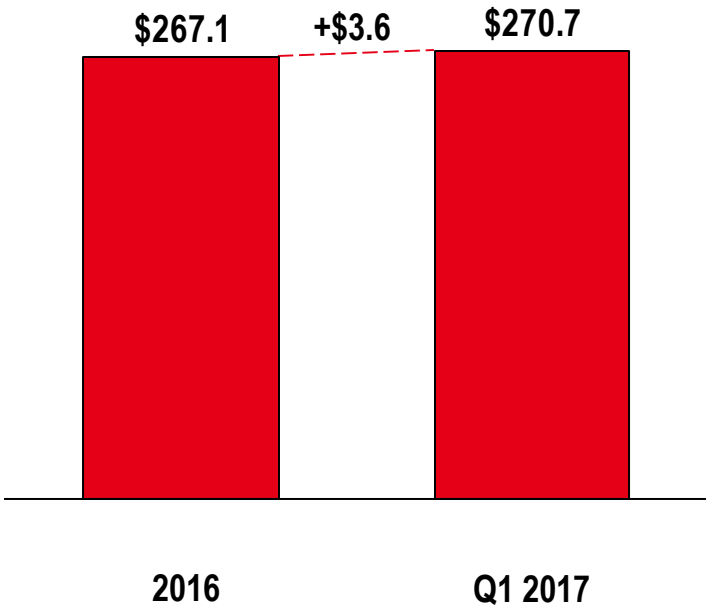


# Capital Structure

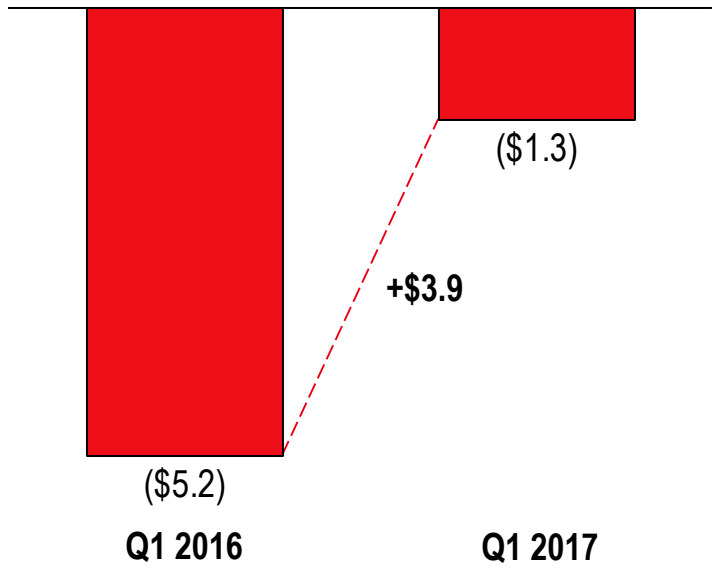
(\$ in millions)



## Cash & ST Investments



## Free Cash Flow



- As of March 31, WWE held ~\$270M in cash and short-term investments that reflected proceeds of the Company's convertible note financing
- Free Cash Flow improved ~\$4 million as favorable changes in capital expenditures and working capital requirements offset lower operating performance

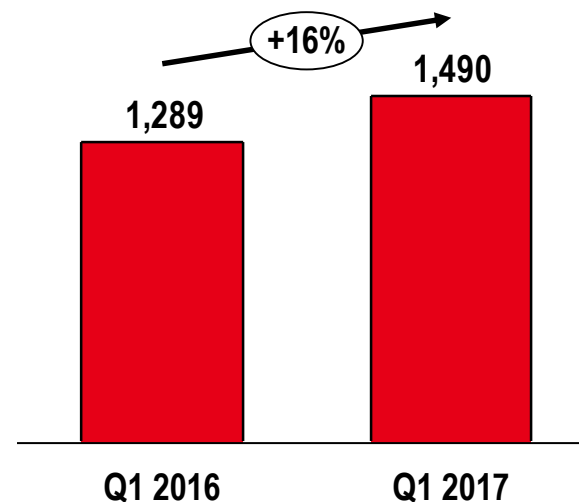


# 2017 Q1: WWE Operational Highlights



- Robust consumption of WWE video content: 4B video views across network, social and digital platforms
- Sustained growth of *WWE Network*: *WWE Network* averaged 1.49 million paid subscribers, up 16%
- On TV: Continued 6<sup>th</sup> season of *Total Divas*; *Raw* and *SmackDown* maintained dominant positions
- On social and digital: YouTube channel *UpUpDownDown* surpassed 1 million subscribers (Gold Play Button status)
- *WrestleMania* set attendance record at Orlando Citrus Bowl, reached a record 1.95 million subscribers and accounted for 30%+ of all social TV interaction
- Continued to attract increasing level of Blue Chip sponsors, such as KFC, Cricket Wireless, Nestle and Mars/ Snickers

## Average Paid Subscribers (000s)





# Q2 2017 Business Outlook



- Based on the performance of *WWE Network* subscribers following *WrestleMania*, have raised the low end of projected subscriber range for Q2 2017: Project average paid subscribers of at least 1.63M
- Estimate Q2 2017 Adjusted OIBDA<sup>1</sup> of approximately \$13 million to \$17 million
- Q2 2017 Adjusted OIBDA<sup>1</sup> growth attributed to continued growth of *WWE Network*, contractual escalation of TV rights fees, year-over-year reduction in network programming expenses and more favorable year-over-year comparisons in other fixed costs



<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2017 earnings materials and in the appendix to this presentation

\* The Company's business model and expected results will continue to be subject to significant execution risks, including those risks outlined in the Company's Form 10-K filing with the SEC. See additional notes on page 17 of this presentation



# 2017 Full Year Outlook



- WWE management continues to target record financial results for 2017, specifically Adjusted OIBDA<sup>1</sup> of \$100 million
- Expect *significant* year-over-year growth in Adjusted OIBDA<sup>1</sup> over the second half of 2017 driven by continued revenue growth and more favorable year-over-year comparisons in fixed cost base
- Key drivers of 2H 2017 results include year-over-year growth in *WWE Network* subscriber levels, contractual increases in TV rights fees and lower production costs and professional fees



<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2017 earnings materials and in the appendix to this presentation

\* The Company's business model and expected results will continue to be subject to significant execution risks, including those risks outlined in the Company's Form 10-K filing with the SEC. See additional notes on page 17 of this presentation



APPENDIX

# Reconciliation of Non-GAAP Measures



## Reconciliation of Adjusted OIBDA to Operating Income

<i>\$mm</i>	Q1 2017	Q2 2017	FY 2017
<b>Adjusted OIBDA <sup>(1)</sup></b>	<b>\$ 18.6</b>	<b>\$13.0 - \$17.0</b>	<b>\$ 100.0</b>
Depreciation & amortization	(6.9)	-	-
Film Impairments <sup>(2)</sup>	(2.1)	-	-
Asset Impairments <sup>(2)</sup>	-	-	-
Gain (loss) on operating assets <sup>(2)</sup>	-	-	-
Restructuring charges <sup>(2)</sup>	-	-	-
Other operating income items <sup>(2)</sup>	(5.6)	-	-
<b>Operating Income (U.S. GAAP Basis)</b>	<b>\$ 4.0</b>	<b>Not estimable</b>	<b>Not estimable</b>

## Reconciliation of Net Cash to Free Cash Flow

<i>\$mm</i>	Q1 2016	Q1 2017
<b>Net cash provided by operating activities</b>	<b>\$ 1.5</b>	<b>\$ 3.0</b>
<b>Less cash used for capital expenditures:</b>		
Purchase of property and equipment and other assets	(6.7)	(4.3)
<b>Free Cash Flow</b>	<b>\$ (5.2)</b>	<b>\$ (1.3)</b>

- Q2 2017 and FY 2017 Adjusted OIBDA figures represent company guidance for the second quarter ending 6/30/17 and full year ending 12/31/17, respectively. Source: WWE Q1 2017 Earnings 05/04/2017 ([corporate.wwe.com/investors](http://corporate.wwe.com/investors))
- Because of the nature of footnoted items, WWE is unable to estimate the amount of any adjustments for these items for periods after March 31, 2017 due to its inability to forecast if or when such items will occur. These items are inherently unpredictable and may not be reliably quantified

# Reconciliation of Non-GAAP Measures



## Reconciliation of Adjusted OIBDA <sup>(1)</sup>

<i>\$mm</i>	Three Months Ended March 31, 2017				
	Operating Income	Depreciation	OIBDA	Adjustments to OIBDA	Adjusted OIBDA
Network	\$ 12.7	\$ 1.6	\$ 14.3	\$ -	\$ 14.3
Television	29.3	1.5	\$ 30.8	-	\$ 30.8
Home Entertainment	0.8	-	\$ 0.8	-	\$ 0.8
Digital Media	(0.5)	-	\$ (0.5)	-	\$ (0.5)
Live Events	8.1	-	\$ 8.1	-	\$ 8.1
Licensing	13.4	-	\$ 13.4	-	\$ 13.4
Venue Merchandise	2.6	-	\$ 2.6	-	\$ 2.6
WWEShop	1.9	-	\$ 1.9	-	\$ 1.9
WWE Studios	(2.9)	-	\$ (2.9)	2.1 <sup>(2)</sup>	\$ (0.8)
Corporate & Other	(61.4)	3.8	\$ (57.6)	5.6 <sup>(3)</sup>	\$ (52.0)
<b>Total Operating Income</b>	<b>\$ 4.0</b>	<b>\$ 6.9</b>	<b>\$ 10.9</b>	<b>\$ 7.7</b>	<b>\$ 18.6</b>

<i>\$mm</i>	Three Months Ended March 31, 2016				
	Operating Income	Depreciation	OIBDA	Adjustments to OIBDA	Adjusted OIBDA
Network	\$ 15.8	\$ -	\$ 15.8	\$ -	\$ 15.8
Television	25.8	2.5	\$ 28.3	-	\$ 28.3
Home Entertainment	1.5	-	\$ 1.5	-	\$ 1.5
Digital Media	(0.2)	0.1	\$ (0.1)	-	\$ (0.1)
Live Events	6.1	-	\$ 6.1	-	\$ 6.1
Licensing	14.3	-	\$ 14.3	-	\$ 14.3
Venue Merchandise	2.0	-	\$ 2.0	-	\$ 2.0
WWEShop	1.4	-	\$ 1.4	-	\$ 1.4
WWE Studios	(0.4)	-	\$ (0.4)	-	\$ (0.4)
Corporate & Other	(44.3)	3.0	\$ (41.3)	-	\$ (41.3)
<b>Total Operating Income</b>	<b>\$ 22.0</b>	<b>\$ 5.6</b>	<b>\$ 27.6</b>	<b>\$ -</b>	<b>\$ 27.6</b>

1. A definition of OIBDA and Adjusted OIBDA can be found on page 16 of this presentation. Source: WWE Q1 2017 Earnings 05/04/2017 ([corporate.wwe.com/investors](http://corporate.wwe.com/investors))
2. Adjustment to OIBDA of \$2.1 million reflects impairment charges primarily due to revised ultimate profit expectations for several movies
3. Adjustment to OIBDA of \$5.6 million of non-recurring expenses primarily related to certain legal matters and other contractual obligations

# Notes: Non-GAAP Measures



- The definition of Adjusted OIBDA, the Reconciliation of Q1 2017, Q2 2017 and full year 2017 Adjusted OIBDA to Operating Income can be found in the Company's Q1 2017 earnings materials release dated May 4, 2017
- The Company defines OIBDA as operating income before depreciation and amortization, excluding feature film and television production amortization and related impairments. OIBDA is a non-GAAP financial measure and may be different than similarly-titled non-GAAP financial measures used by other companies. A limitation of OIBDA is that it excludes depreciation and amortization, which represents the periodic charge for certain fixed assets and intangible assets used in generating revenues for the Company's business. OIBDA should not be regarded as an alternative to operating income or net income as an indicator of operating performance, or to the statement of cash flows as a measure of liquidity, nor should it be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP. We believe that operating income is the most directly comparable GAAP financial measure to OIBDA
- Adjusted OIBDA, Adjusted Operating income, Adjusted Net income and Adjusted Earnings per share exclude certain material items, which otherwise would impact the comparability of results between periods. These should not be considered as an alternative to net income, cash flows from operations or any other indicator of WWE's performance or liquidity, determined in accordance with U.S. GAAP
- The Company defines Free Cash Flow as net cash provided by operating activities less cash used for capital expenditures. Although it is not a recognized measure of liquidity under U.S. GAAP, Free Cash Flow provides useful information regarding the amount of cash our continuing business is generating after capital expenditures, available for reinvesting in the business, debt service, and payment of dividends