



**WWE Q2 2018 RESULTS – JULY 26, 2018**

# FORWARD-LOOKING STATEMENTS

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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: entering, maintaining and renewing major distribution agreements; *WWE Network* (including the risk that we are unable to attract, retain and renew subscribers); 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, Adjusted OIBDA, Net Debt and Free Cash Flow. 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. In addition, we define Free Cash Flow as net cash provided by operating activities less cash used for capital expenditures. We believe that operating income is the most directly comparable GAAP financial measure to OIBDA and Adjusted OIBDA, Total Debt is the most directly comparable GAAP financial measure to Net Debt, and net cash provided by operating activities is the most directly comparable GAAP financial measure to Free Cash Flow. Neither OIBDA, Adjusted OIBDA, Net Debt nor Free Cash Flow should be regarded as an alternative to the most directly comparable GAAP financial measure as an indicator of operating performance, or to the statement of cash flows as a measure of liquidity, nor should either metric be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP. See the Appendix at the end of this presentation for a reconciliation of the non-GAAP measures presented herein. Reconciliations of non-GAAP measures presented herein can be found in the Appendix at the end of this presentation or in the Company's earnings release dated July 26, 2018.

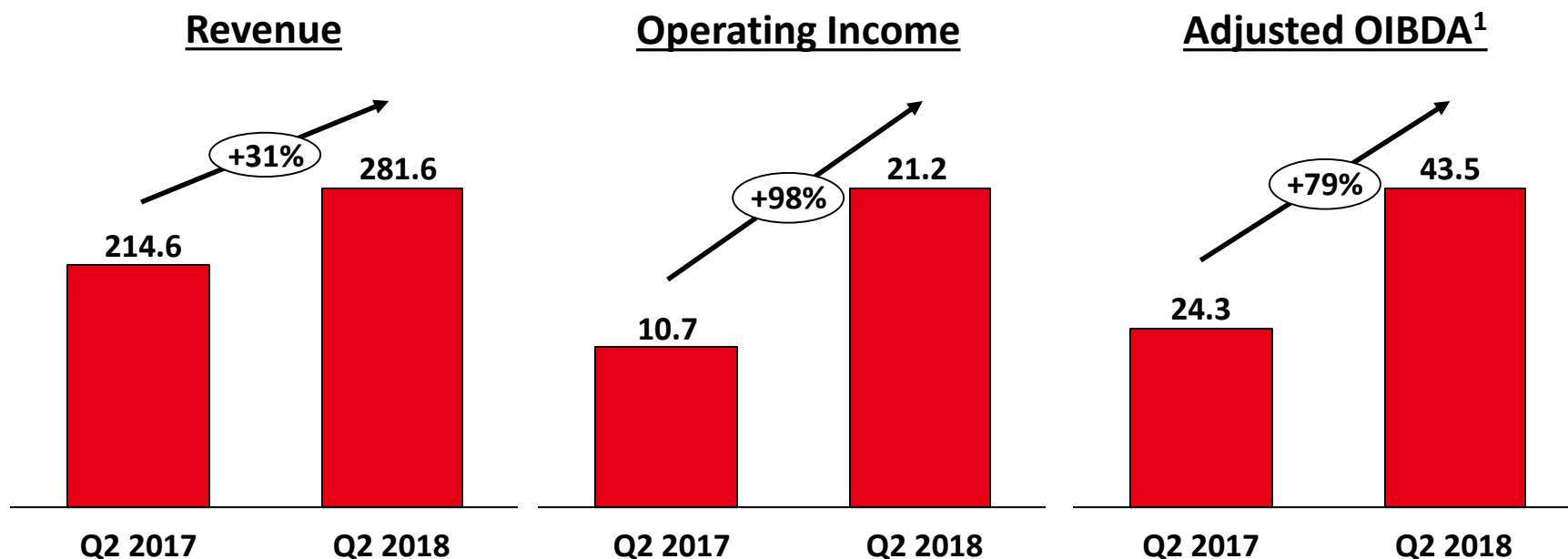
## Q2 2018: HIGHLIGHTS

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- Delivered strong operating and financial performance during the quarter; raising our guidance for the full year
- Held 2 record-breaking events within the quarter:
  - *WrestleMania* became the Superdome's highest grossing entertainment event (over \$14M)
  - *Greatest Royal Rumble* in Jeddah, Saudi Arabia became one of WWE's largest international events ever
- Completed deals with USA Network and Fox Sports for the future distribution of *Raw* and *SmackDown* in the U.S., increasing the average annual value (AAV) of WWE's U.S. distribution to 3.6x that of the prior deal with NBCU
- Announced *Mae Young Classic* featuring 32 women from around the world to air in September, with the finale (Sunday, October 28) held at the first-ever all-women's pay-per-view event, *WWE Evolution*
- Planning *Super Show-Down* in Australia (Saturday, October 6)
- Launching short-form content, *Best of WWE*, in Spanish, Portuguese and German and plan to produce *WWE Now* in Arabic
- Pleased with performance. On path to achieve record revenue, record Adjusted OIBDA and record subscribers

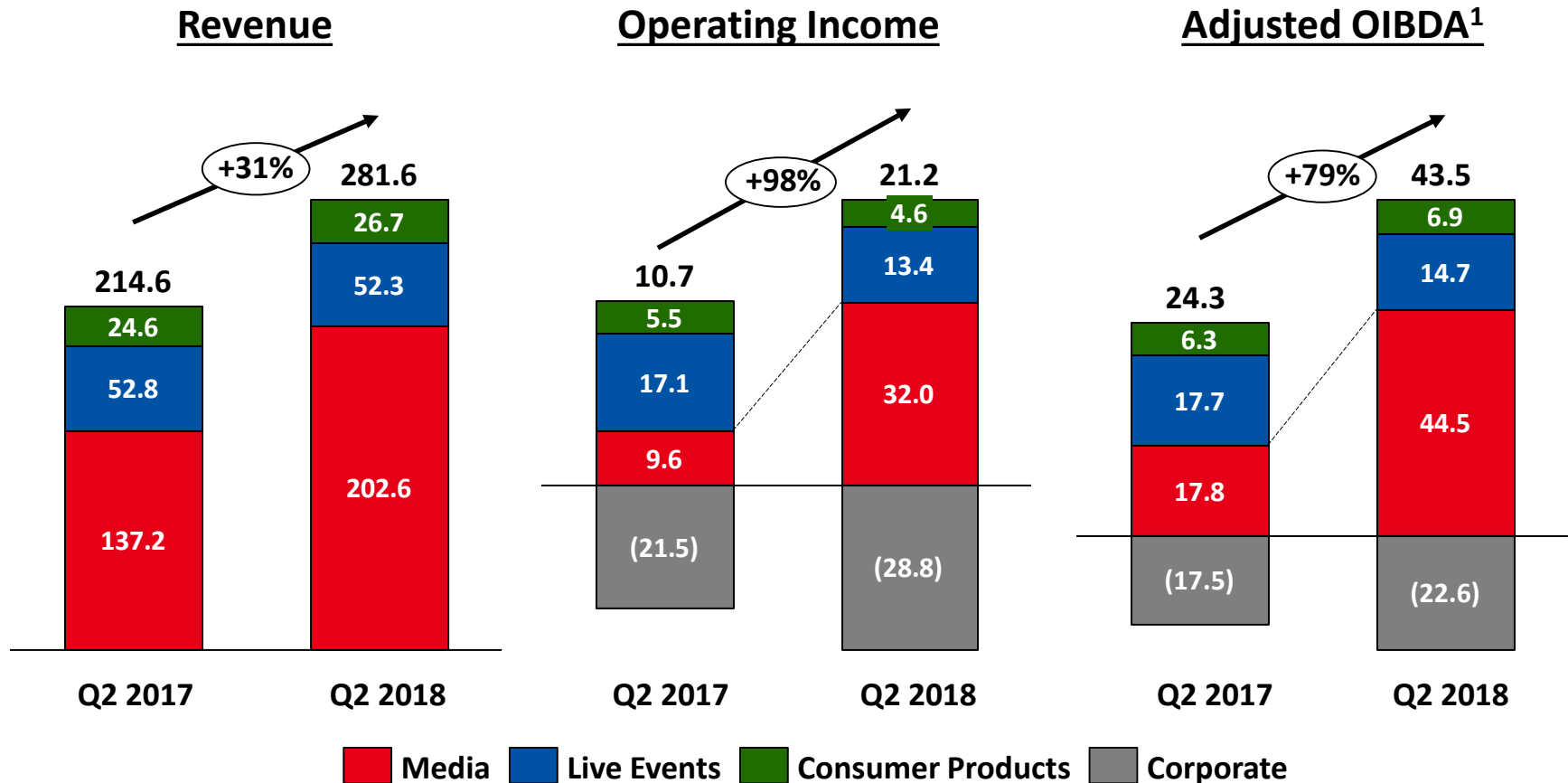
# Q2 2018: WWE FINANCIAL HIGHLIGHTS



- Revenues increased 31% to \$281.6 million, which was the highest quarterly revenue in WWE history, while Operating income nearly doubled to \$21.2 million. Operating income margin expanded to 8% from 5% in the prior year quarter
- Adjusted OIBDA increased 79% to \$43.5 million as the Company capitalized on global growth opportunities, resulting in higher content rights fees, advertising and sponsorship sales and network subscription. Adjusted OIBDA margin expanded to 15% from 11% in Q2 2017



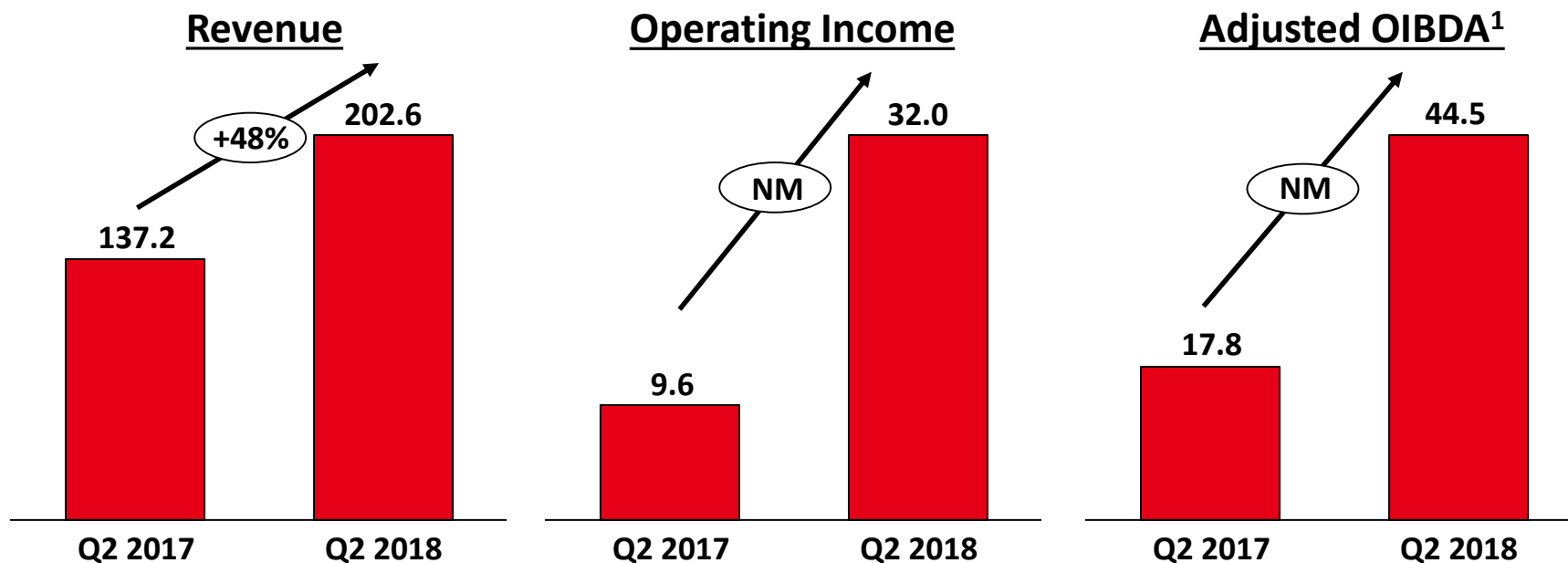
## Q2 2018: FINANCIAL HIGHLIGHTS BY SEGMENT



- Second quarter financial results were driven by the increased monetization of content as reflected in the Media segment
- Based on our positive momentum and the achievement of various operational efficiencies within the quarter, our results exceeded our guidance

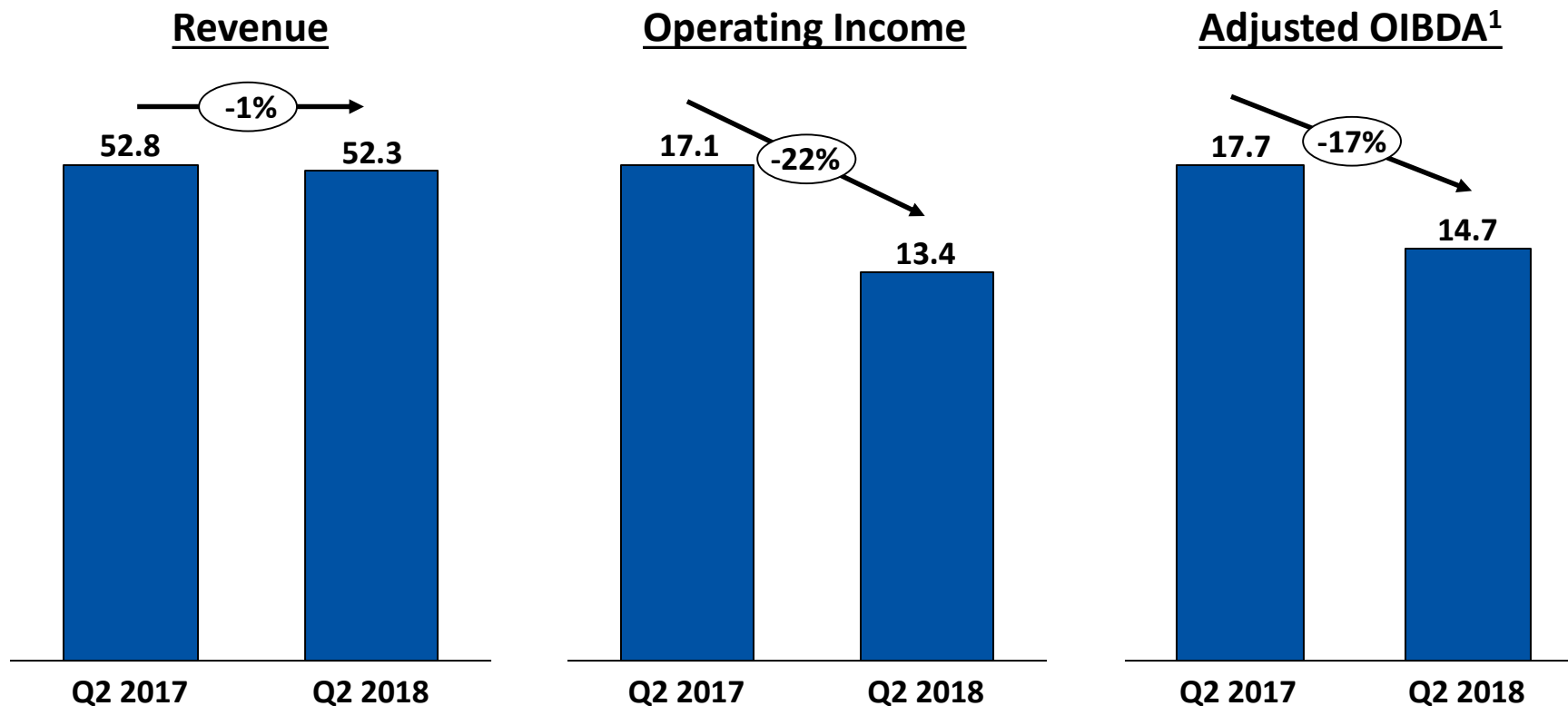
<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q2 2018 earnings materials and in the appendix to this presentation  
Note: Figures in millions of USD

## Q2 2018: MEDIA



- 48% revenue growth driven by the distribution of new content in international markets, higher rights fees in core content agreements and continued growth of *WWE Network*
- During the quarter, WWE produced nearly 430 hours of content, monetized new opportunities across platforms, and worked to optimize future distribution
- In partnership with the Saudi General Sports Authority, the Company produced the *Greatest Royal Rumble*, which was featured on *WWE Network*. New network content also included *The UK Championship Tournament* and a new season of *Camp WWE*. Announced the return of the *Mae Young Classic* women's tournament and the first-ever all-women's pay-per-view event, *WWE Evolution*
- Digital video views year to date increased 58% to 14.4 billion and fans watched nearly 510 million hours of WWE content, representing a 71% increase from the first half 2017

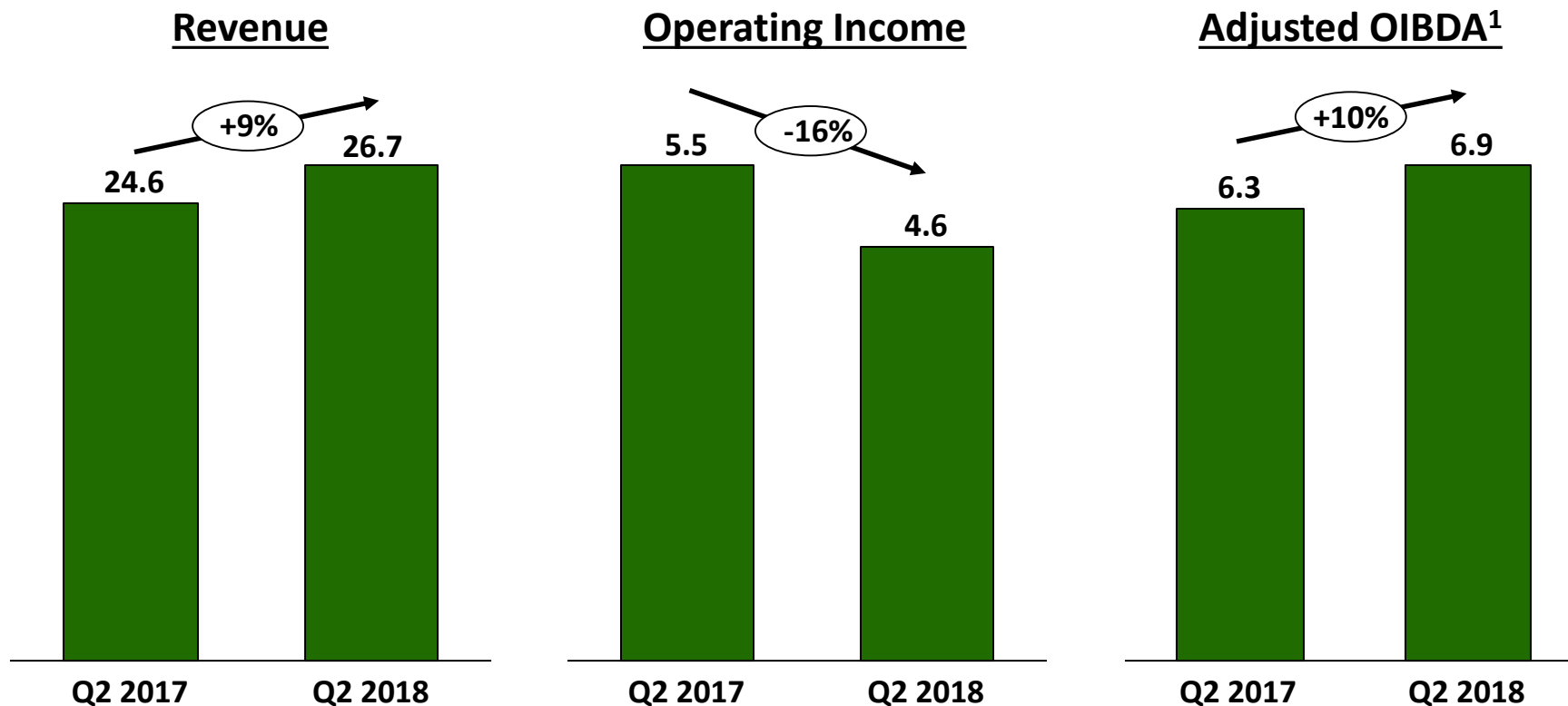
## Q2 2018: LIVE EVENTS



- Adjusted OIBDA declined primarily due to a reduction in ticket sales and an increase in production costs
- Ticket sales at the Company's North American events were impacted by the staging of five fewer events in the quarter and an 8% decline in average attendance
- Live events were highlighted by the staging of two record breaking events – *WrestleMania* and *Greatest Royal Rumble*

<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q2 2018 earnings materials and in the appendix to this presentation  
Note: Figures in millions of USD

## Q2 2018: CONSUMER PRODUCTS



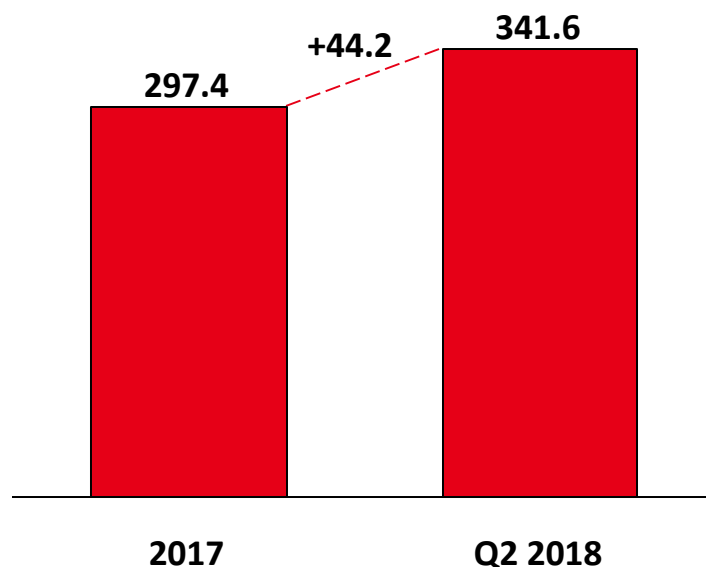
- Revenues increased 9% primarily due to higher royalties from the sale of licensed consumer products and the timing of merchandise sales related to WWE's *WrestleMania Fan Axxess*. Operating income declined as the change in revenue was offset by an increase in operating expenses, including accrued management incentive compensation
- The Company continued to increase the penetration of its mobile games, with more than 90 million installs across WWE's game portfolio as of quarter-end



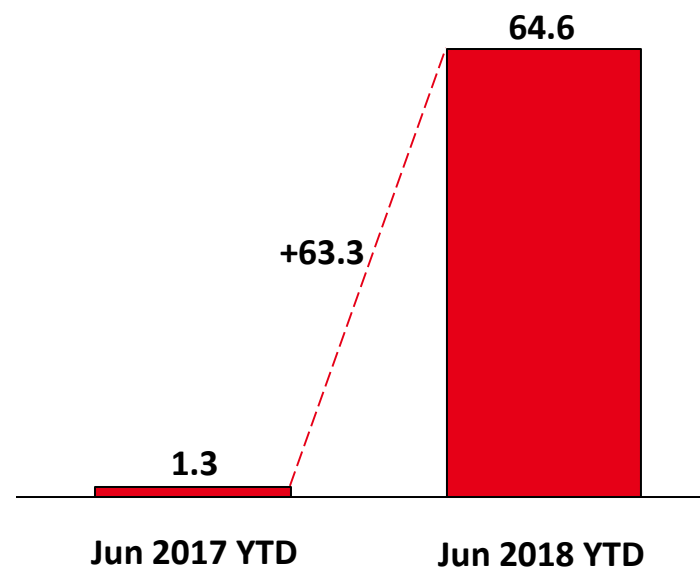
# CAPITAL STRUCTURE



## Cash & ST Investments



## Free Cash Flow



- Cash, cash-equivalents and short-term investments were approximately \$340 million as of June 30, 2018, and the Company estimates debt capacity under its revolving line of credit of approximately \$100 million
- Free Cash Flow year-to-date improved \$63.3 million over the prior year period to \$64.6 million, primarily due to strong operating performance



## Q3 2018: BUSINESS OUTLOOK

- In the first half of 2018, WWE achieved a 59% increase in Adjusted OIBDA<sup>1</sup> to \$78.7 million
- In the second half of 2018, the Company expects Adjusted OIBDA to be relatively flat year-over-year. This includes:
  - Projected Q3 2018 Adjusted OIBDA of approximately \$30 million to \$34 million, and
  - Strong fourth quarter results
- WWE projects Q3 2018 average paid subscribers to *WWE Network* of approximately 1.67 million, which represents a 10% increase from the third quarter 2017



<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q2 2018 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 in the appendix to this presentation



## 2018: FULL YEAR OUTLOOK

- Based on actual and projected performance, the Company is raising its target for 2018 Adjusted OIBDA<sup>1</sup> to a range of \$160 million to \$170 million, which would be an all-time record, exceeding previous guidance of at least \$150 million
- Key strategic goals over the remainder of the year remain unchanged: determining WWE's distribution strategy in the U.K. and India; creating new content; investing in data and technology; and developing international growth opportunities
- By executing the Company's strategy and engaging its passionate global fan base, WWE deepens the moat around its business, enabling it to drive long-term growth and shareholder value



<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q2 2018 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 in the appendix to this presentation



## APPENDIX

# RECONCILIATION OF NON-GAAP MEASURES

## Reconciliation of Adjusted OIBDA to Operating Income

<i>\$mm</i>	Q2 2018	Q2 2018 YTD	Q3 2018	FY 2018
<b>Adjusted OIBDA<sup>1</sup></b>	<b>\$ 43.5</b>	<b>\$78.7</b>	<b>\$30 - \$34</b>	<b>\$160 - \$170</b>
Depreciation & amortization	(6.9)	(13.2)	-	-
Stock-based compensation	(15.4)	(22.5)	-	-
Film Impairments <sup>2</sup>	-	-	-	-
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>	-	-	-	-
<b>Operating Income (U.S. GAAP Basis)</b>	<b>\$ 21.2</b>	<b>\$ 43.0</b>	<b>Not estimable</b>	<b>Not estimable</b>

## Reconciliation of Net Cash to Free Cash Flow

<i>\$mm</i>	Q2 2017 YTD	Q2 2018 YTD
<b>Net cash provided by operating activities</b>	<b>\$ 13.8</b>	<b>\$ 76.8</b>
<b>Less cash used for capital expenditures:</b>		
Purchase of property and equipment and other assets	(12.5)	(12.2)
<b>Free Cash Flow</b>	<b>\$ 1.3</b>	<b>\$ 64.6</b>

<sup>1</sup> Q3 2018 and FY 2018 Adjusted OIBDA figures represent company guidance for the third quarter ending 9/30/18 and full year ending 12/31/18, respectively. Source: WWE Q2 2018 Earnings 07/26/2018

<sup>2</sup> Because of the nature of footnoted items, WWE is unable to estimate the amount of any adjustments for these items for periods after June 30, 2018 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>

### Three Months Ended June 30, 2018

<i>\$mm</i>	Operating Income	Depreciation & Amortization	Stock Compensation	Other Adjustments	Adjusted OIBDA
Media	\$ 32.0	\$ 3.0	\$ 9.5	\$ -	\$ 44.5
Live Events	13.4	-	1.3	-	14.7
Consumer Products	4.6	-	2.3	-	6.9
Corporate	(28.8)	3.9	2.3	-	(22.6)
<b>Total Operating Income</b>	<b>\$ 21.2</b>	<b>\$ 6.9</b>	<b>\$ 15.4</b>	<b>\$ -</b>	<b>\$ 43.5</b>

### Three Months Ended June 30, 2017

<i>\$mm</i>	Operating Income	Depreciation & Amortization	Stock Compensation	Other Adjustments	Adjusted OIBDA
Media	\$ 9.6	\$ 2.9	\$ 4.2	\$ 1.1 <sup>2</sup>	\$ 17.8
Live Events	17.1	-	0.6	-	17.7
Consumer Products	5.5	-	0.8	-	6.3
Corporate	(21.5)	3.4	0.6	-	(17.5)
<b>Total Operating Income</b>	<b>\$ 10.7</b>	<b>\$ 6.3</b>	<b>\$ 6.2</b>	<b>\$ 1.1</b>	<b>\$ 24.3</b>

<sup>1</sup> A definition of Adjusted OIBDA can be found on page 15 of this presentation. Source: WWE Q2 2018 Earnings 07/26/2018 (corporate.wwe.com/investors)

<sup>2</sup> Adjustment to OIBDA of \$1.1 million reflects impairment charges primarily due to revised ultimate profit expectations for several movies

# RECONCILIATION OF NON-GAAP MEASURES

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

### Six Months Ended June 30, 2018

<i>\$mm</i>	Operating Income	Depreciation & Amortization	Stock Compensation	Other Adjustments	Adjusted OIBDA
Media	\$ 67.9	\$ 6.0	\$ 14.2	\$ -	\$ 88.1
Live Events	16.3	-	2.0	-	18.3
Consumer Products	10.6	-	3.2	-	13.8
Corporate	(51.8)	7.2	3.1	-	(41.5)
<b>Total Operating Income</b>	<b>\$ 43.0</b>	<b>\$ 13.2</b>	<b>\$ 22.5</b>	<b>\$ -</b>	<b>\$ 78.7</b>

### Six Months Ended June 30, 2017

<i>\$mm</i>	Operating Income	Depreciation & Amortization	Stock Compensation	Other Adjustments	Adjusted OIBDA
Media	\$ 24.8	\$ 6.0	\$ 8.9	\$ 3.2 <sup>2</sup>	\$ 42.9
Live Events	20.8	-	1.4	-	22.2
Consumer Products	19.9	-	1.6	-	21.5
Corporate	(50.8)	7.2	0.9	5.6 <sup>3</sup>	(37.1)
<b>Total Operating Income</b>	<b>\$ 14.7</b>	<b>\$ 13.2</b>	<b>\$ 12.8</b>	<b>\$ 8.8</b>	<b>\$ 49.5</b>

<sup>1</sup> A definition of Adjusted OIBDA can be found on page 15 of this presentation. Source: WWE Q2 2018 Earnings 07/26/2018 (corporate.wwe.com/investors)

<sup>2</sup> Adjustment to OIBDA of \$3.2 million reflects film impairment charges primarily due to revised ultimate profit expectations for several movies

<sup>3</sup> 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

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- The definition of Adjusted OIBDA, the Reconciliation of Q2 2018, Q2 2018 YTD and full year 2018 Adjusted OIBDA to Operating Income can be found in the Company's Q2 2018 earnings materials release dated July 26, 2018
- The Company defines **Adjusted OIBDA** as operating income excluding depreciation and amortization, stock-based compensation expense, certain impairment charges and other non-recurring material items that otherwise would impact the comparability of results between periods. Adjusted OIBDA includes amortization expenses directly related to the Company's revenue generating activities, including the amortization of feature film, television production and *WWE Network* programming assets. WWE views operating income as the most directly comparable GAAP measure. The Company believes the presentation of Adjusted OIBDA is relevant and useful for investors because it allows them to view the Company's segment performance in the same manner as the primary method used by management to evaluate segment performance and to make decisions regarding the allocation of resources. Additionally, the Company believes that Adjusted OIBDA provides a meaningful representation of operating cash flows generated by our business segments, and is a primary measure used by media investors, analysts and peers for comparative purposes
- 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. WWE views net cash provided by operating activities as the most directly comparable GAAP measure. Although it is not a recognized measure of liquidity under U.S. GAAP, Free Cash Flow provides useful information regarding the amount of cash WWE's continuing business generates after capital expenditures and is available for reinvesting in the business, debt service, and payment of dividends