



# **4Q 2021 Earnings Presentation**

**February 3, 2022**

# FORWARD-LOOKING STATEMENTS

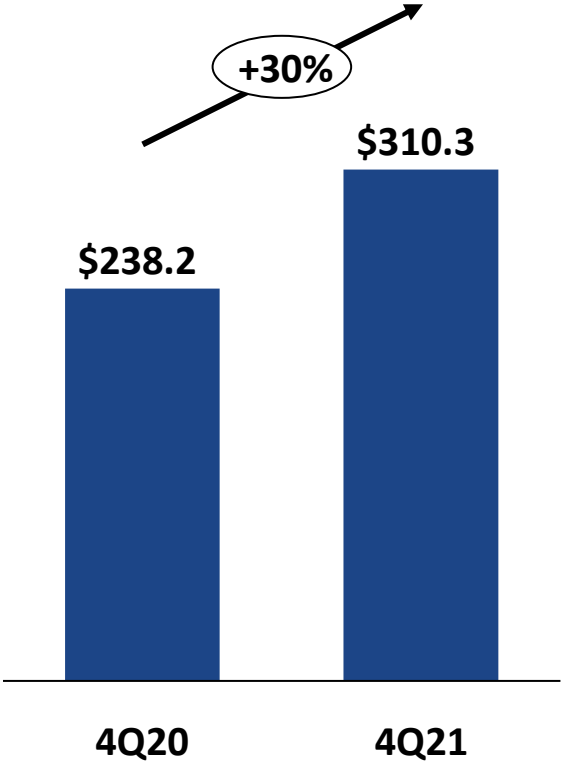
This press release contains forward-looking statements pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995, which are subject to various risks and uncertainties. These risks and uncertainties include, without limitation, risks relating to: the impact of the COVID-19 outbreak on our business, results of operations and financial condition; entering, maintaining and renewing major distribution agreements; a rapidly evolving and highly competitive media landscape; WWE Network; the computer systems, content delivery and online operations of WWE and our business partners; privacy norms and regulations; 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 including possible disruptions and reputational risks; 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; large public events as well as travel to and from such events; our expansion into new or complementary businesses and/or strategic investments; our accounts receivable; our new leased corporate headquarters and media production facilities; potential substantial liabilities if litigation is resolved unfavorably; a change in tax laws in key jurisdictions could materially increase our tax expense; our feature film business; a possible decline in general economic conditions and disruption in financial markets, including any resulting from COVID-19; our indebtedness including our convertible notes; 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; our share repurchase program; 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 volatility 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 Adjusted OIBDA and Free Cash Flow. We define Adjusted OIBDA as operating income excluding depreciation and amortization, stock-based compensation expense, certain impairment charges and other non-recurring material items that 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. 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 is a primary measure used by media investors, analysts and peers for comparative purposes. 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 Adjusted OIBDA and net cash provided by operating activities is the most directly comparable GAAP financial measure to Free Cash Flow. Neither Adjusted OIBDA 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.

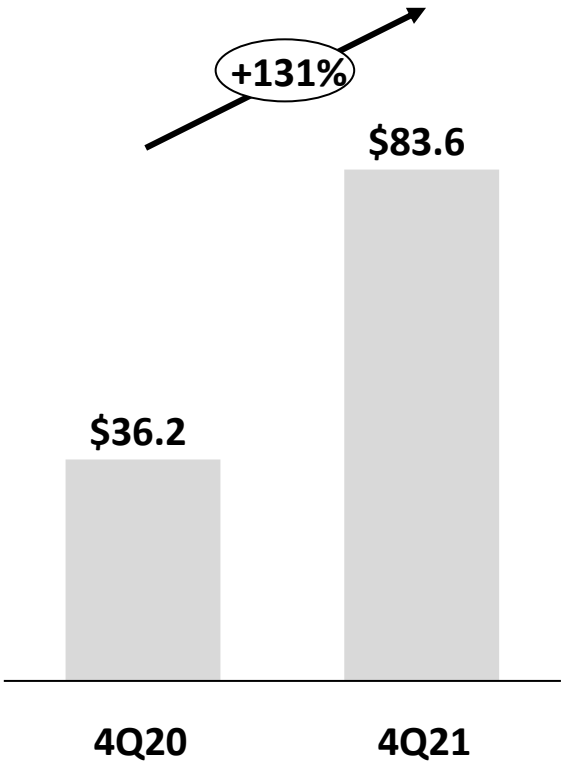


# 4Q21: FINANCIAL HIGHLIGHTS

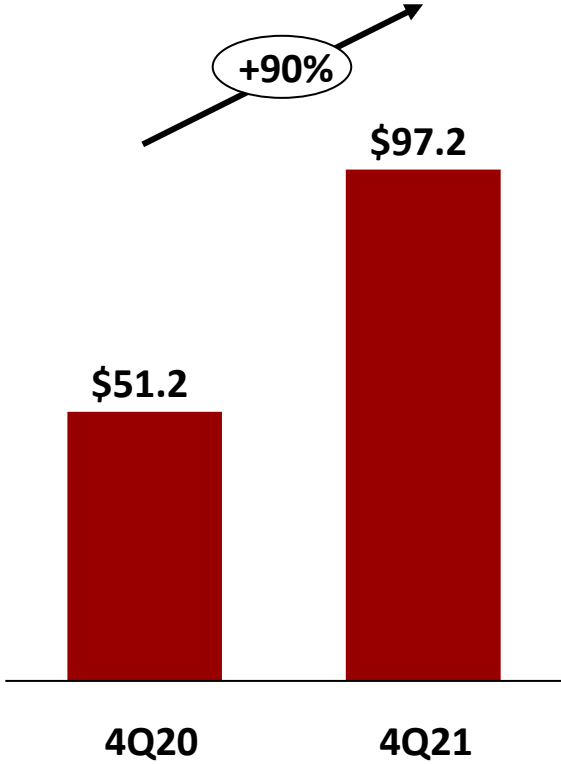
## Revenue



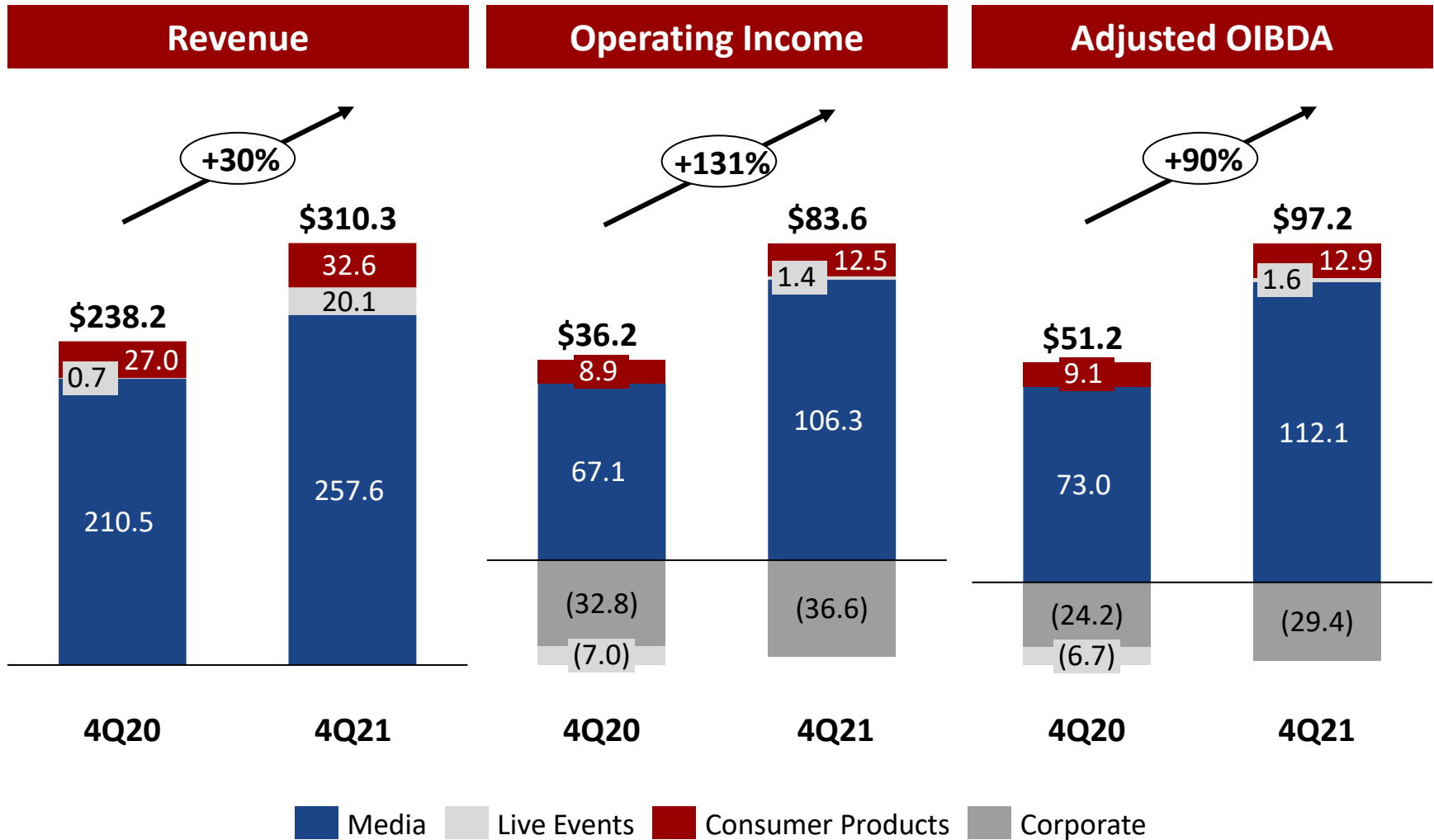
## Operating Income



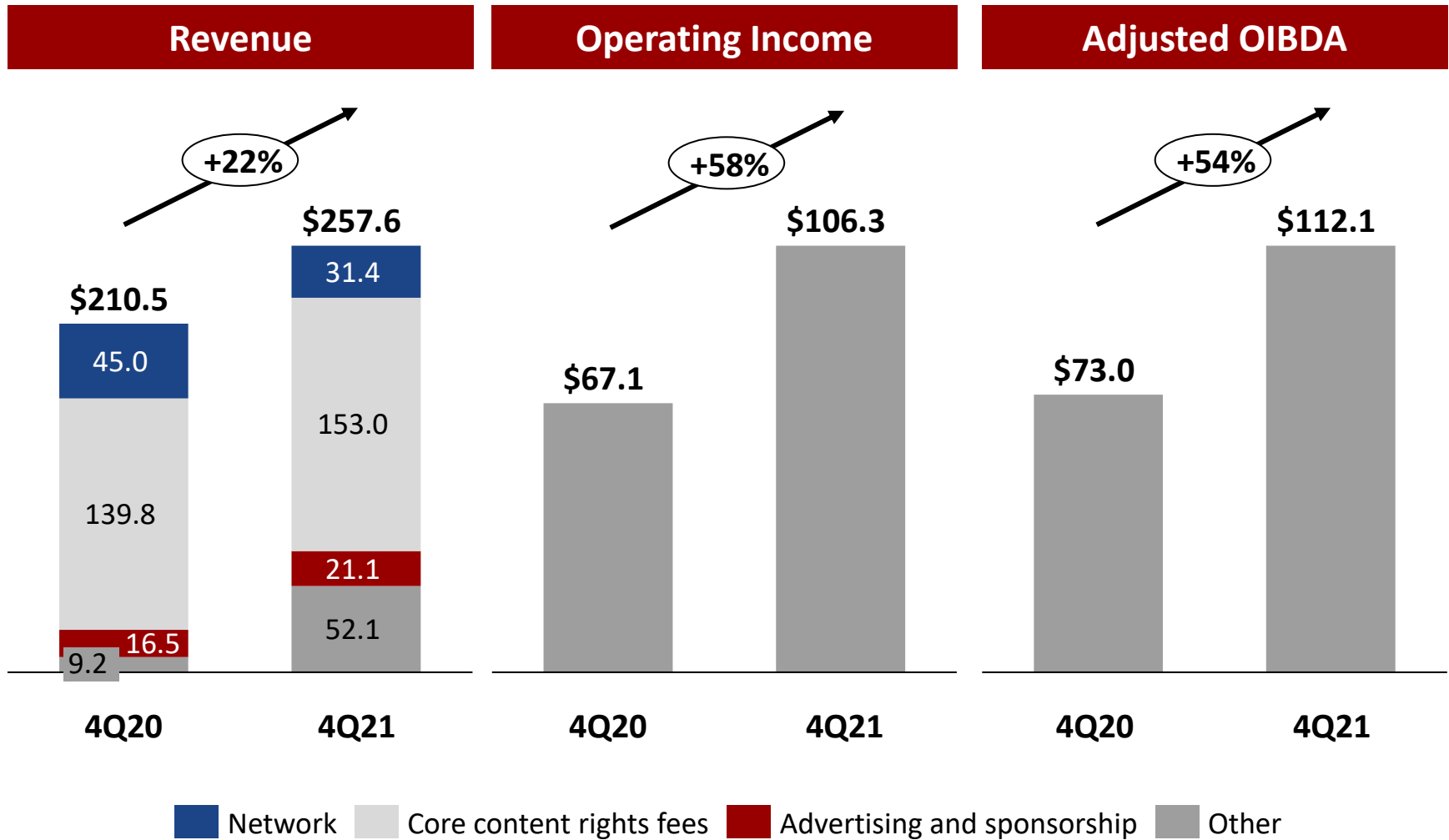
## Adjusted OIBDA



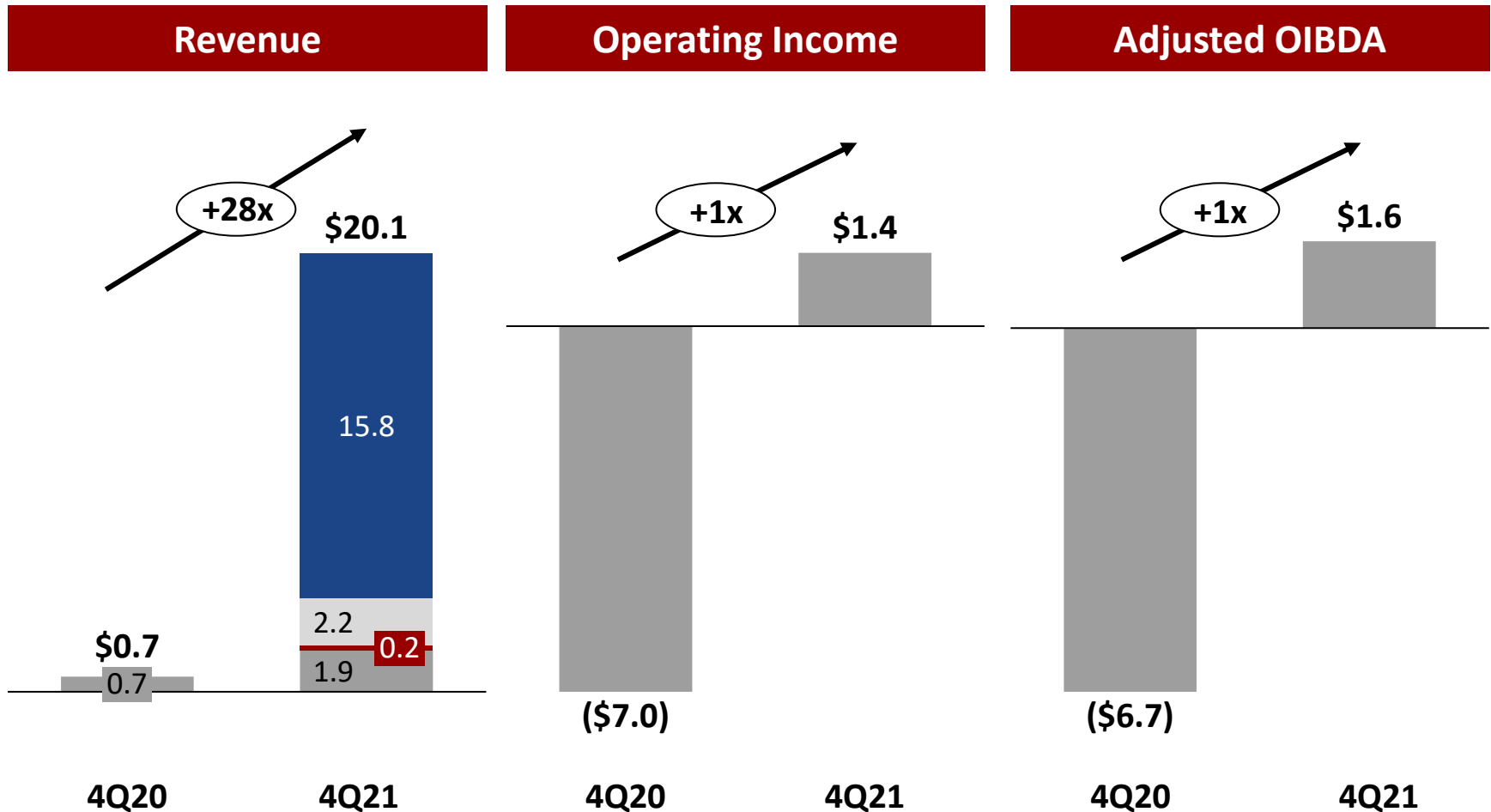
# 4Q21: FINANCIAL HIGHLIGHTS BY SEGMENT



# 4Q21: MEDIA



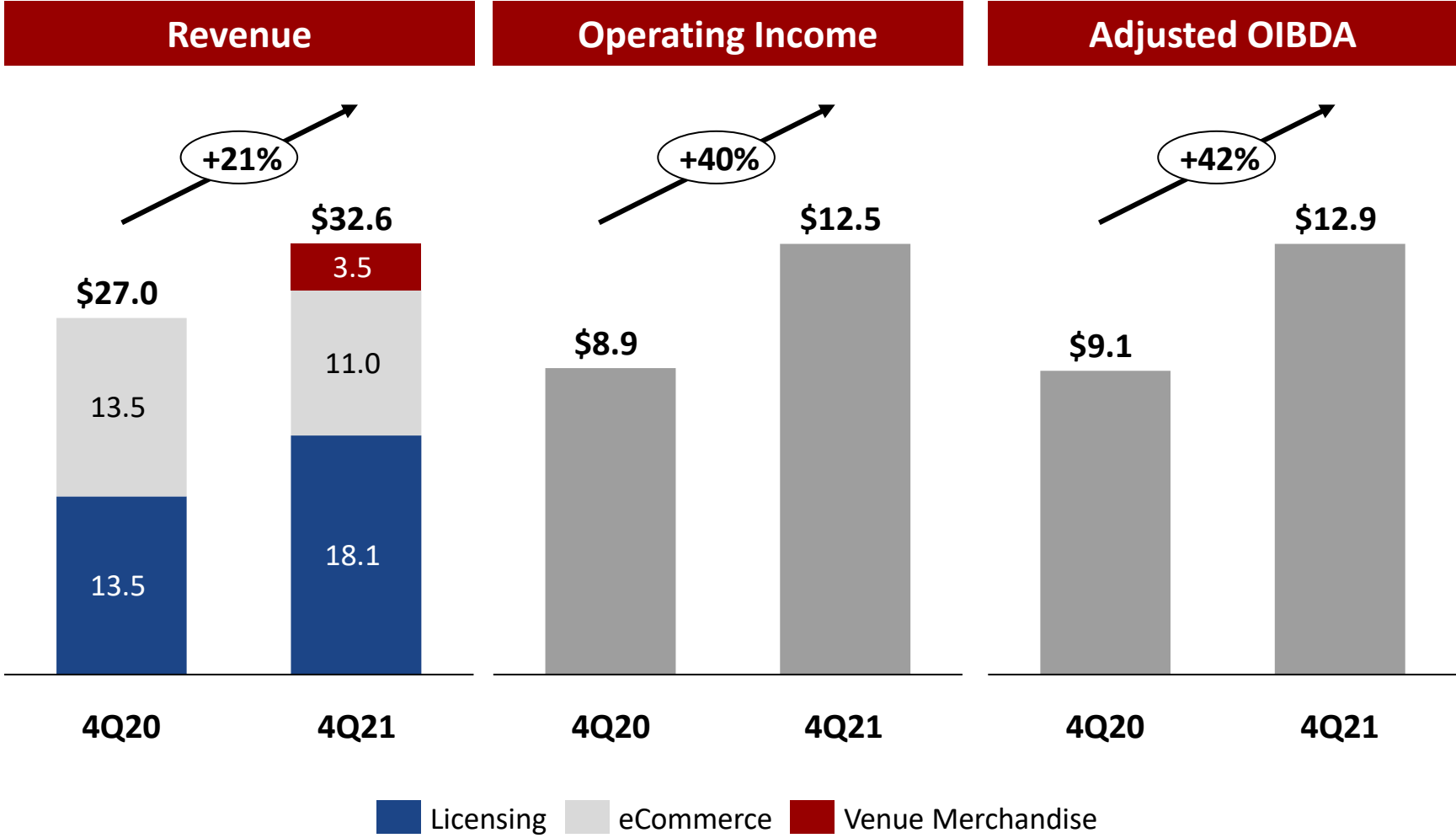
# 4Q21: LIVE EVENTS



■ North American ticket sales 
 ■ International ticket sales 
 ■ Advertising and sponsorship 
 ■ Other

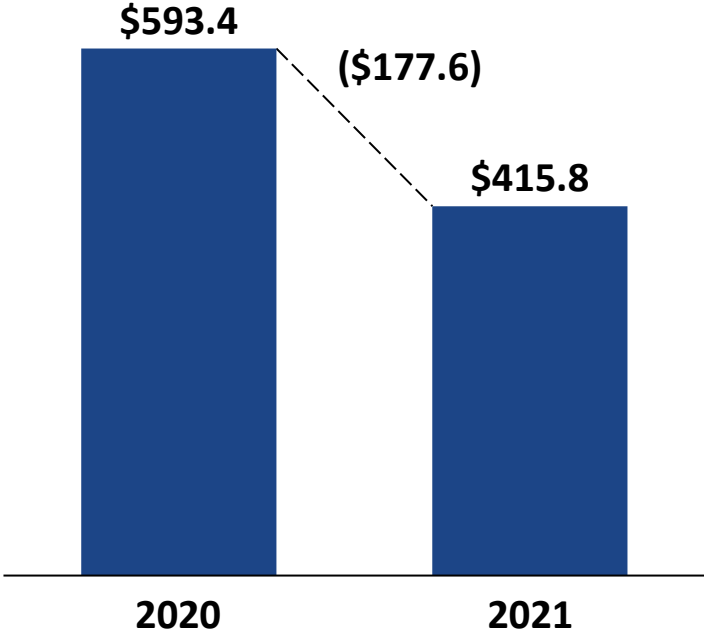


# 4Q21: CONSUMER PRODUCTS

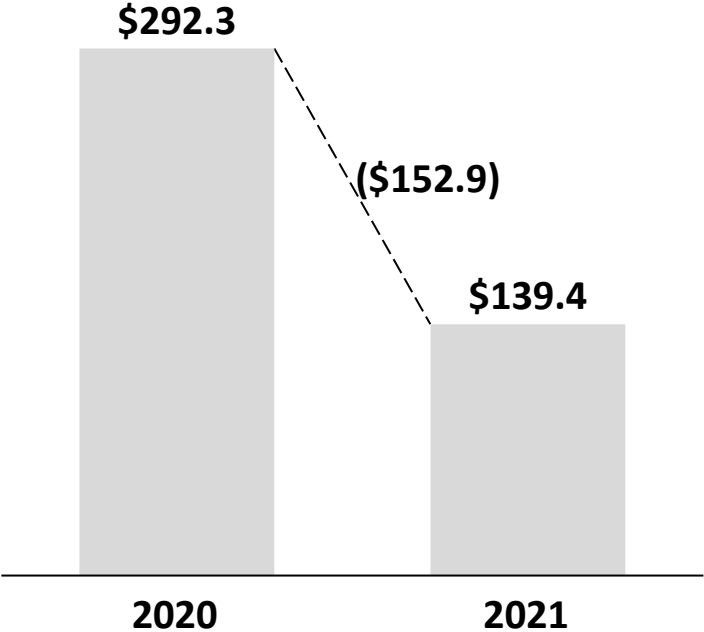


# 4Q21: CAPITAL STRUCTURE

## Cash & Short-term Investments

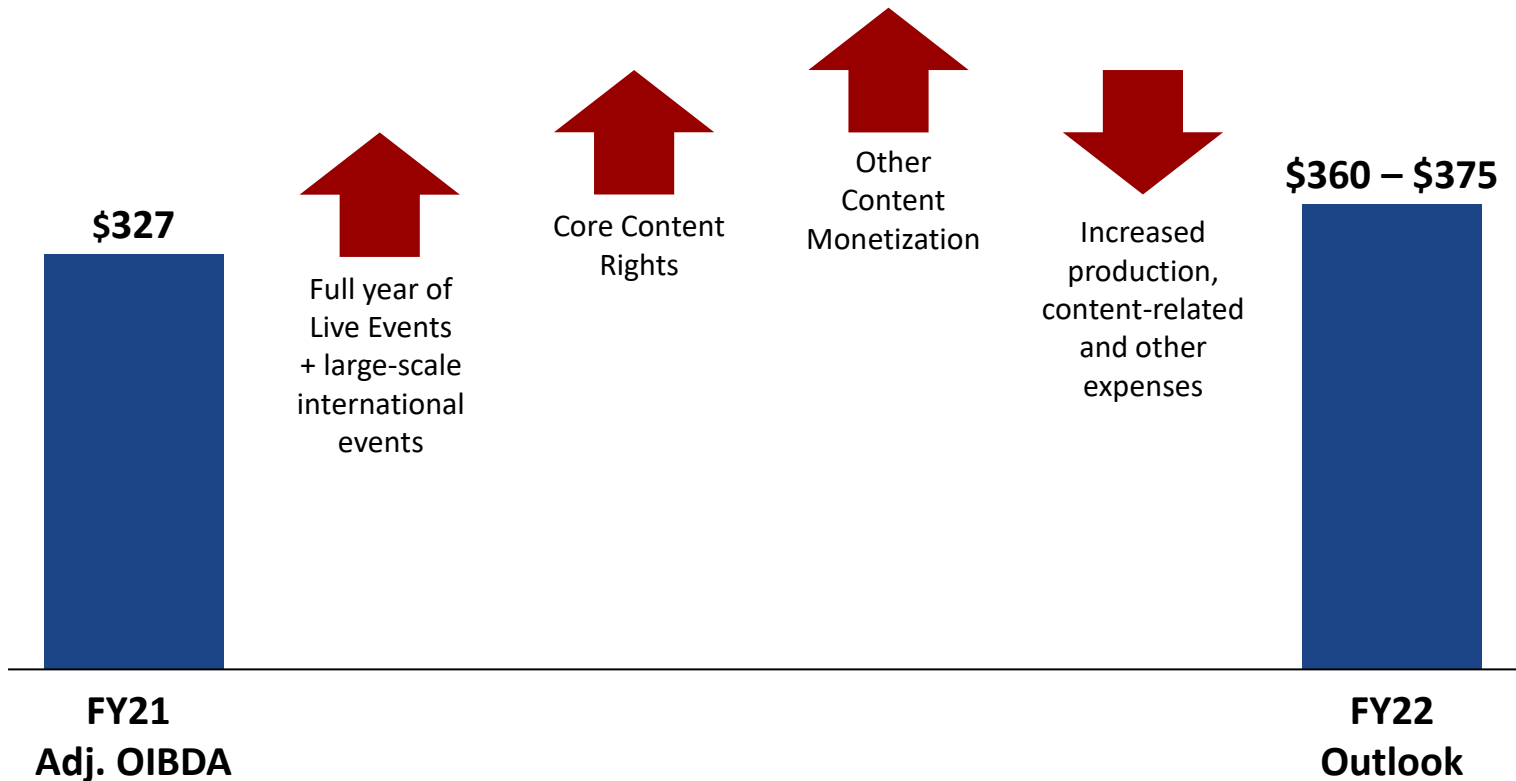


## Free Cash Flow





# OUTLOOK TARGETS ADJ. OIBDA OF \$360M - \$375M, WHICH WOULD BE AN ALL-TIME RECORD <sup>1</sup>



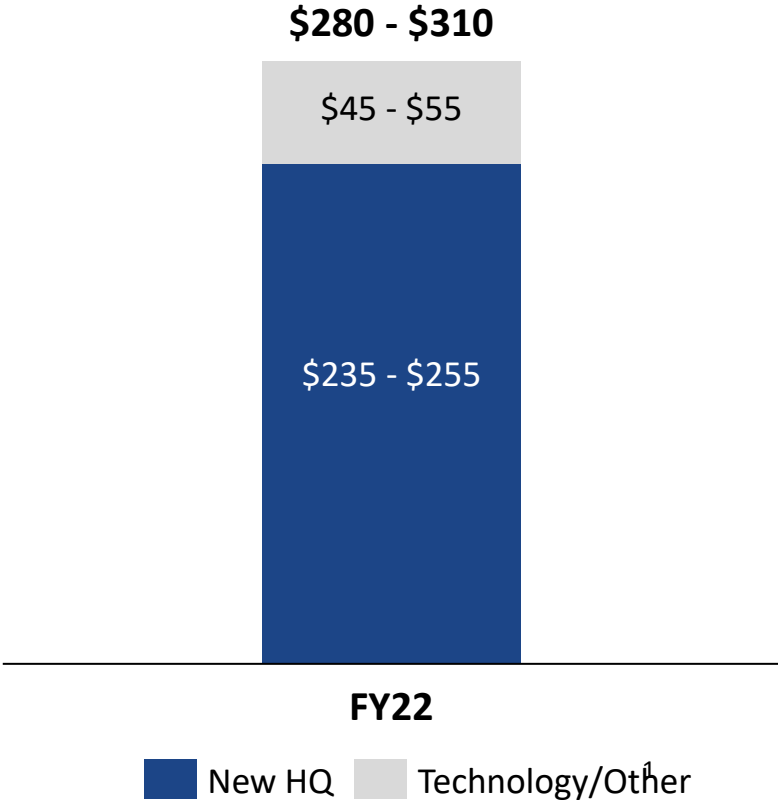
*\* Graph is illustrative (not drawn to scale)*



<sup>1</sup> Assumes ticketed audiences at live events for the full year

# TOTAL CAPITAL EXPENDITURES ARE ESTIMATED TO BE WITHIN A RANGE OF \$280 – \$310 MILLION IN FY22

## Capital Expenditures (\$M)



1 Includes production, enterprise and consumer technology/applications

## NEW HEADQUARTERS FACILITY SPENDING <sup>1</sup>

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|                                      | <b>\$Millions</b>    |
|--------------------------------------|----------------------|
| <b>Total Gross Spend<sup>2</sup></b> | <b>\$270 – \$300</b> |
| <u>Less:</u>                         |                      |
| Total Offsets <sup>3</sup>           | <u>\$110 – \$120</u> |
| <b>Total Net Spend</b>               | <b>\$160 – \$180</b> |
| <u>Less:</u>                         |                      |
| IT and AV Equipment                  | \$20                 |
| Broadcast/ Production Technology     | <u>\$50</u>          |
| <b>Total Incremental Spend</b>       | <b>\$90 – \$110</b>  |



- 1 Current estimates including contingency
- 2 Capitalized expenditures associated with the construction of the Company's new headquarters facility
- 3 Includes tenant improvement allowances, tax credits and proceeds from the sale of other real estate assets

## NEW HEADQUARTERS FACILITY BENEFITS

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- Invest in world class media production facilities to enhance ability to deliver high quality content globally
- Consolidate four current facilities and all employees into one location, increasing collaboration and cooperation across our businesses
- Optimized workplace and technology to attract, retain and engage employees
- Provide for future growth and create operational efficiencies





## APPENDIX

# RECONCILIATION OF NON-GAAP MEASURES

## Reconciliation of Adjusted OIBDA

Three Months Ended December 31, 2021

| <i>\$mm</i>       | Operating<br>Income<br>(Loss) | Depreciation &<br>Amortization | Stock<br>Compensation | Other<br>Adjustments | Adjusted<br>OIBDA |
|-------------------|-------------------------------|--------------------------------|-----------------------|----------------------|-------------------|
| Media             | \$ 106.3                      | \$ 2.4                         | \$ 3.4                | \$ -                 | \$ 112.1          |
| Live Events       | 1.4                           | -                              | 0.2                   | -                    | 1.6               |
| Consumer Products | 12.5                          | 0.1                            | 0.3                   | -                    | 12.9              |
| Corporate         | (36.6)                        | 6.6                            | 0.6                   | -                    | (29.4)            |
| <b>Total</b>      | <b>\$ 83.6</b>                | <b>\$ 9.1</b>                  | <b>\$ 4.5</b>         | <b>\$ -</b>          | <b>\$ 97.2</b>    |

## Reconciliation of Adjusted OIBDA

Three Months Ended December 31, 2020

| <i>\$mm</i>       | Operating<br>Income<br>(Loss) | Depreciation &<br>Amortization | Stock<br>Compensation | Other<br>Adjustments | Adjusted<br>OIBDA |
|-------------------|-------------------------------|--------------------------------|-----------------------|----------------------|-------------------|
| Media             | \$ 67.1                       | \$ 3.7                         | \$ 2.2                | \$ -                 | \$ 73.0           |
| Live Events       | (7.0)                         | -                              | 0.3                   | -                    | (6.7)             |
| Consumer Products | 8.9                           | -                              | 0.2                   | -                    | 9.1               |
| Corporate         | (32.8)                        | 6.7                            | 0.4                   | 1.5                  | (24.2)            |
| <b>Total</b>      | <b>\$ 36.2</b>                | <b>\$ 10.4</b>                 | <b>\$ 3.1</b>         | <b>\$ 1.5</b>        | <b>\$ 51.2</b>    |



# RECONCILIATION OF NON-GAAP MEASURES

## Reconciliation of Adjusted OIBDA

| <i>\$mm</i>       | Year Ended December 31, 2021  |                                |                       |                      |                   |
|-------------------|-------------------------------|--------------------------------|-----------------------|----------------------|-------------------|
|                   | Operating<br>Income<br>(Loss) | Depreciation &<br>Amortization | Stock<br>Compensation | Other<br>Adjustments | Adjusted<br>OIBDA |
| Media             | \$ 363.4                      | \$ 13.4                        | \$ 13.7               | \$ -                 | \$ 390.5          |
| Live Events       | 6.9                           | -                              | 0.8                   | -                    | 7.7               |
| Consumer Products | 33.8                          | 0.2                            | 1.5                   | -                    | 35.5              |
| Corporate         | (145.1)                       | 27.3                           | 3.1                   | 8.1                  | (106.6)           |
| <b>Total</b>      | <b>\$ 259.0</b>               | <b>\$ 40.9</b>                 | <b>\$ 19.1</b>        | <b>\$ 8.1</b>        | <b>\$ 327.1</b>   |

## Reconciliation of Adjusted OIBDA

| <i>\$mm</i>       | Year Ended December 31, 2020  |                                |                       |                      |                   |
|-------------------|-------------------------------|--------------------------------|-----------------------|----------------------|-------------------|
|                   | Operating<br>Income<br>(Loss) | Depreciation &<br>Amortization | Stock<br>Compensation | Other<br>Adjustments | Adjusted<br>OIBDA |
| Media             | \$ 332.5                      | \$ 15.1                        | \$ 20.2               | \$ -                 | \$ 367.8          |
| Live Events       | (19.1)                        | -                              | 1.5                   | -                    | (17.6)            |
| Consumer Products | 24.8                          | -                              | 1.8                   | -                    | 26.6              |
| Corporate         | (129.6)                       | 27.5                           | 4.5                   | 7.0                  | (90.6)            |
| <b>Total</b>      | <b>\$ 208.6</b>               | <b>\$ 42.6</b>                 | <b>\$ 28.0</b>        | <b>\$ 7.0</b>        | <b>\$ 286.2</b>   |



# RECONCILIATION OF NON-GAAP MEASURES

## Reconciliation of Adjusted OIBDA to Operating Income

| <i>\$mm</i>                               | FY2022               | 4Q21           | 4Q20           | FY 2021         | FY 2020         |
|---|----------------------|----------------|----------------|-----------------|-----------------|
| <b>Adjusted OIBDA</b>                     | <b>\$360 - \$375</b> | <b>\$ 97.2</b> | <b>\$ 51.2</b> | <b>\$ 327.1</b> | <b>\$ 286.2</b> |
| Depreciation & amortization <sup>1</sup>  | -                    | (9.1)          | (10.4)         | (40.9)          | (42.6)          |
| Stock-based compensation <sup>1</sup>     | -                    | (4.5)          | (3.1)          | (19.1)          | (28.0)          |
| Other Adjustments <sup>1</sup>            | -                    | -              | (1.5)          | (8.1)           | (7.0)           |
| <b>Operating Income (U.S. GAAP Basis)</b> | <b>Not estimable</b> | <b>\$ 83.6</b> | <b>\$ 36.2</b> | <b>\$ 259.0</b> | <b>\$ 208.6</b> |

## Reconciliation of Net Cash to Free Cash Flow

| <i>\$mm</i>   | 4Q21           | 4Q20           | FY 2021         | FY 2020         |
|---|----------------|----------------|-----------------|-----------------|
| <b>Net cash provided by operating activities</b>    | <b>\$ 42.3</b> | <b>\$ 62.4</b> | <b>\$ 178.6</b> | <b>\$ 319.9</b> |
| <b>Less cash used for capital expenditures:</b>     |                |                |                 |                 |
| Purchase of property and equipment and other assets | (14.8)         | (6.2)          | (39.2)          | (27.6)          |
| <b>Free Cash Flow</b>                               | <b>\$ 27.5</b> | <b>\$ 56.2</b> | <b>\$ 139.4</b> | <b>\$ 292.3</b> |



<sup>1</sup> Because of the nature of these items, WWE is unable to estimate the amounts of any adjustments for these items for periods after December 31, 2021 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 to Operating Income

| <i>\$mm</i>                               | 4Q21           | FY 2021         | 1Q22                 | FY2022               |
|---|----------------|-----------------|----------------------|----------------------|
| <b>Adjusted OIBDA</b>                     | <b>\$ 97.2</b> | <b>\$ 327.1</b> | <b>\$90 - \$100</b>  | <b>\$360 - \$375</b> |
| Depreciation & amortization <sup>1</sup>  | (9.1)          | (40.9)          | -                    | -                    |
| Stock-based compensation <sup>1</sup>     | (4.5)          | (19.1)          | -                    | -                    |
| Other Adjustments <sup>1</sup>            | -              | (8.1)           | -                    | -                    |
| <b>Operating Income (U.S. GAAP Basis)</b> | <b>\$ 83.6</b> | <b>\$ 259.0</b> | <b>Not estimable</b> | <b>Not estimable</b> |



<sup>1</sup> Because of the nature of these items, WWE is unable to estimate the amounts of any adjustments for these items for periods after December 31, 2021 due to its inability to forecast if or when such items will occur. These items are inherently unpredictable and may not be reliably quantified.

## NOTES: NON-GAAP MEASURES

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- The definition of Adjusted OIBDA and the Reconciliation of 4Q21 and 4Q20 Adjusted OIBDA to Operating Income can be found in the Company's 4Q21 earnings materials release dated February 3, 2022
- 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 and depreciation expenses directly related to the Company's revenue generating activities, including content production asset amortization, depreciation and amortization of costs related to content delivery and technology assets utilized for the *WWE Network*, as well as amortization of right-of-use assets related to finance leases of equipment used to produce and broadcast our live events. 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 is a primary measure used by media investors, analysts and peers for comparative purposes
- **Adjusted OIBDA** is a non-GAAP financial measure and may be different than similarly-titled non-GAAP financial measures used by other companies. WWE views operating income as the most directly comparable GAAP measure. Adjusted OIBDA (and other non-GAAP measures such as **Adjusted Operating income**, **Adjusted Net income** and **Adjusted EPS** which are defined as the GAAP measures excluding certain nonrecurring, material items that impact the comparability between periods) should not be considered in isolation from, or as a substitute for, operating income, net income, EPS or other GAAP measures, such as operating cash flow, as an indicator of operating performance or liquidity
- 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, payment of dividends, and repurchase of stock

