



**WWE Q1 2019 RESULTS – APRIL 25, 2019**

# 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 April 25, 2019.

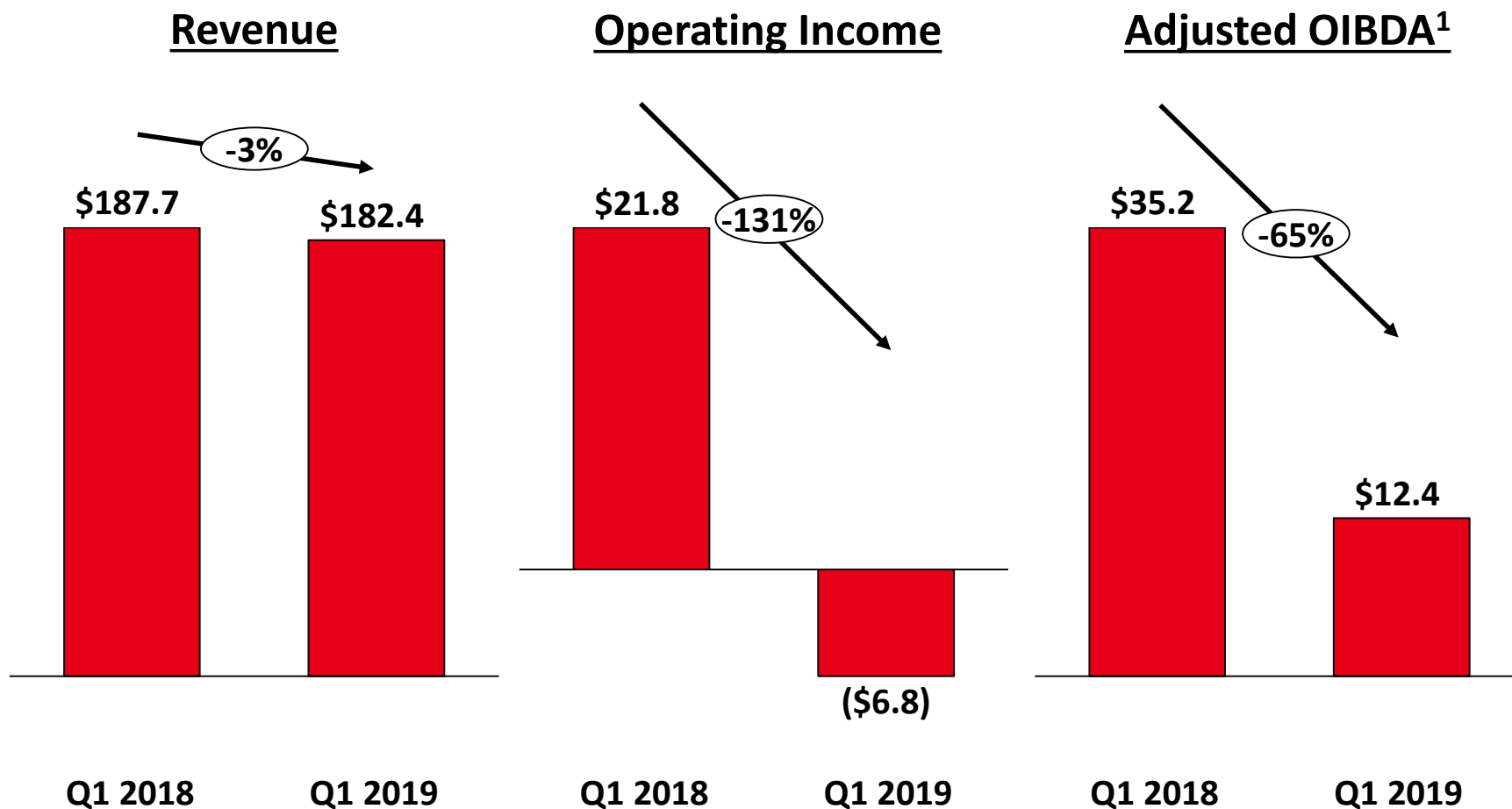


## Q1 2019: HIGHLIGHTS

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- During the quarter, we continued to execute our strategy and achieved targeted financial results; Adjusted OIBDA of \$12.4 million was within guidance of \$9 million to \$14 million
- Successfully performed large-scale, record-breaking events:
  - **WrestleMania 35** (April 7) broke the record for MetLife Stadium's highest grossing entertainment event at \$16.9 million, attracting a capacity crowd of 82,265 fans
  - **Royal Rumble** attracted more than 48,000 fans at Chase Field in Phoenix, Arizona
- Announced plans to increase production of original content:
  - **A&E Network Documentaries** – 5 documentaries on legendary WWE talent to be produced in partnership with A&E Network under its iconic “Biography” banner
  - **Fox Sports 1 Studio Show** – Weekly studio show to air on Fox Sports 1 this fall
  - **Miz & Mrs** – Renewed the popular series for a 2<sup>nd</sup> season on USA Network...while completing the 4<sup>th</sup> season of **Total Bellas** and producing a 9<sup>th</sup> season of **Total Divas**
- While engagement metrics over the past 2 quarters were impacted by Superstar absences, we believe they will improve as talent return and as we launch a new season following a successful **WrestleMania**
- We remain excited about the future, particularly with our debut on Fox in October
- As we focus on key priorities of content creation, localization and digitization, we expect to achieve another year of record results

# Q1 2019: FINANCIAL HIGHLIGHTS



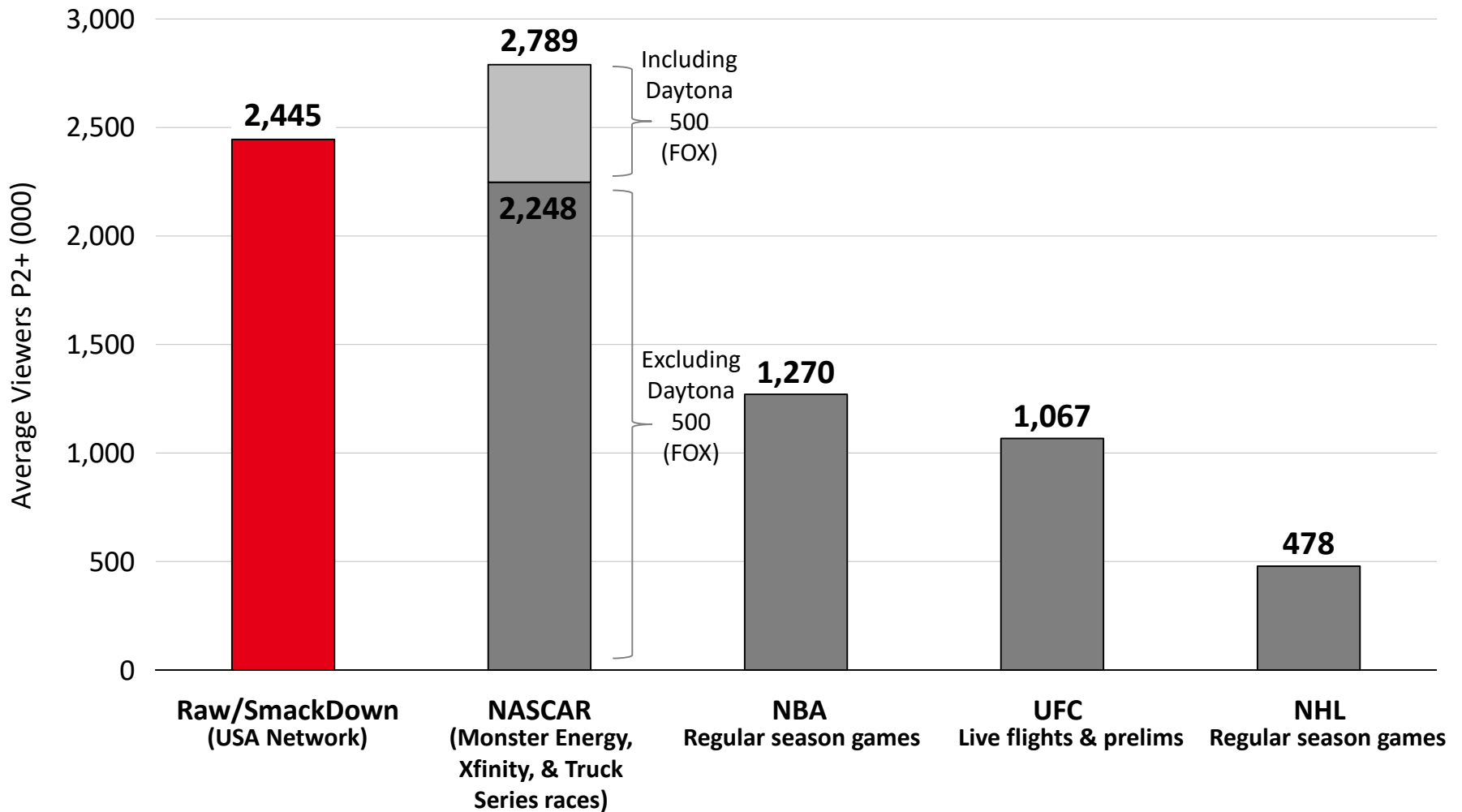
<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2019 earnings materials and in the appendix to this presentation  
Note: Figures in millions of USD

# WWE RELATIVE VIEWERSHIP VS. PROFESSIONAL SPORTS

## Q1 2019 AVERAGE VIEWERSHIP PER EPISODE/GAME<sup>1</sup>



(U.S. TV; Live + Same Day, Broadcast and Cable<sup>2</sup>)

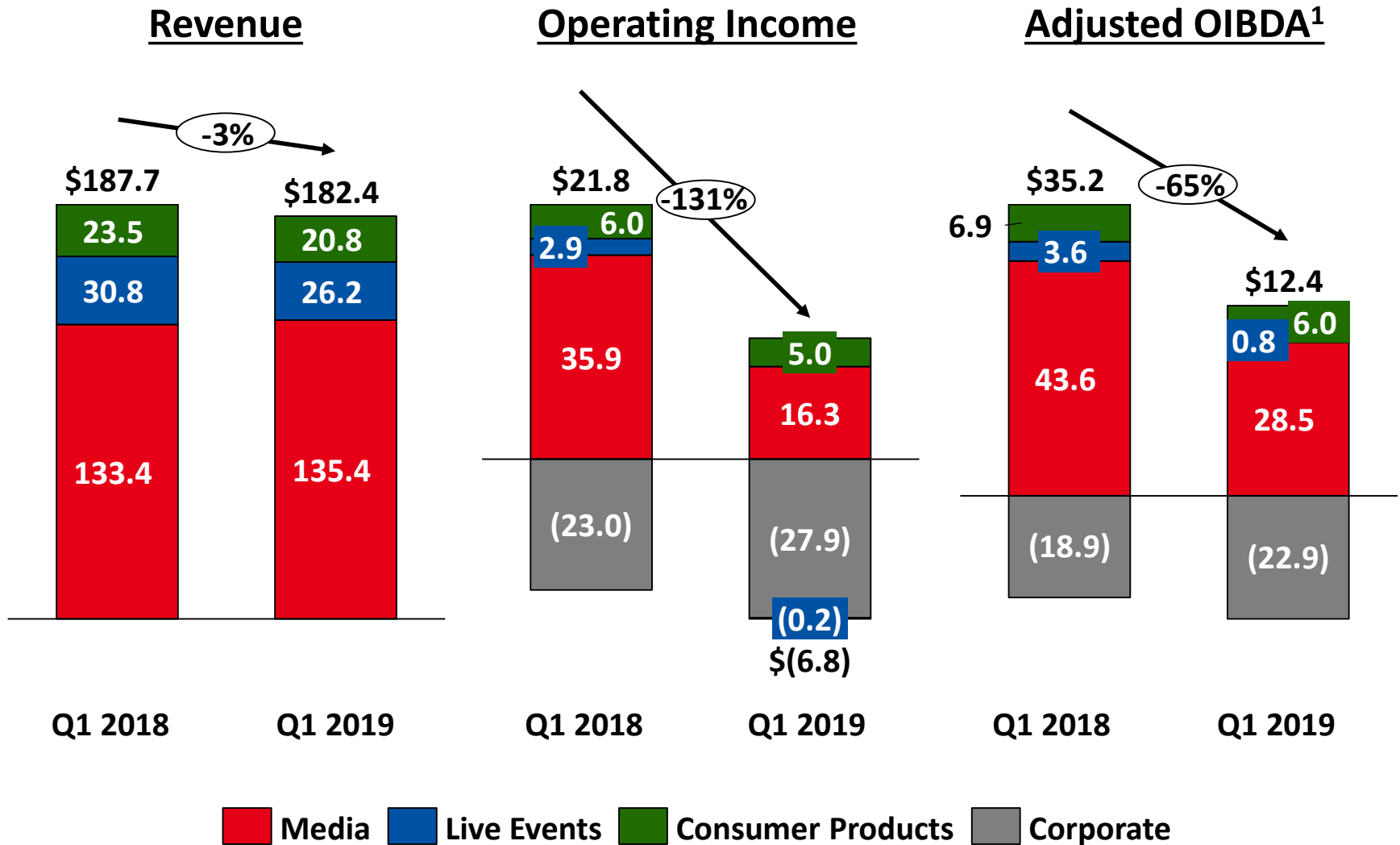


<sup>1</sup> For additional detail regarding the above data see page 13

<sup>2</sup> Nationally distributed

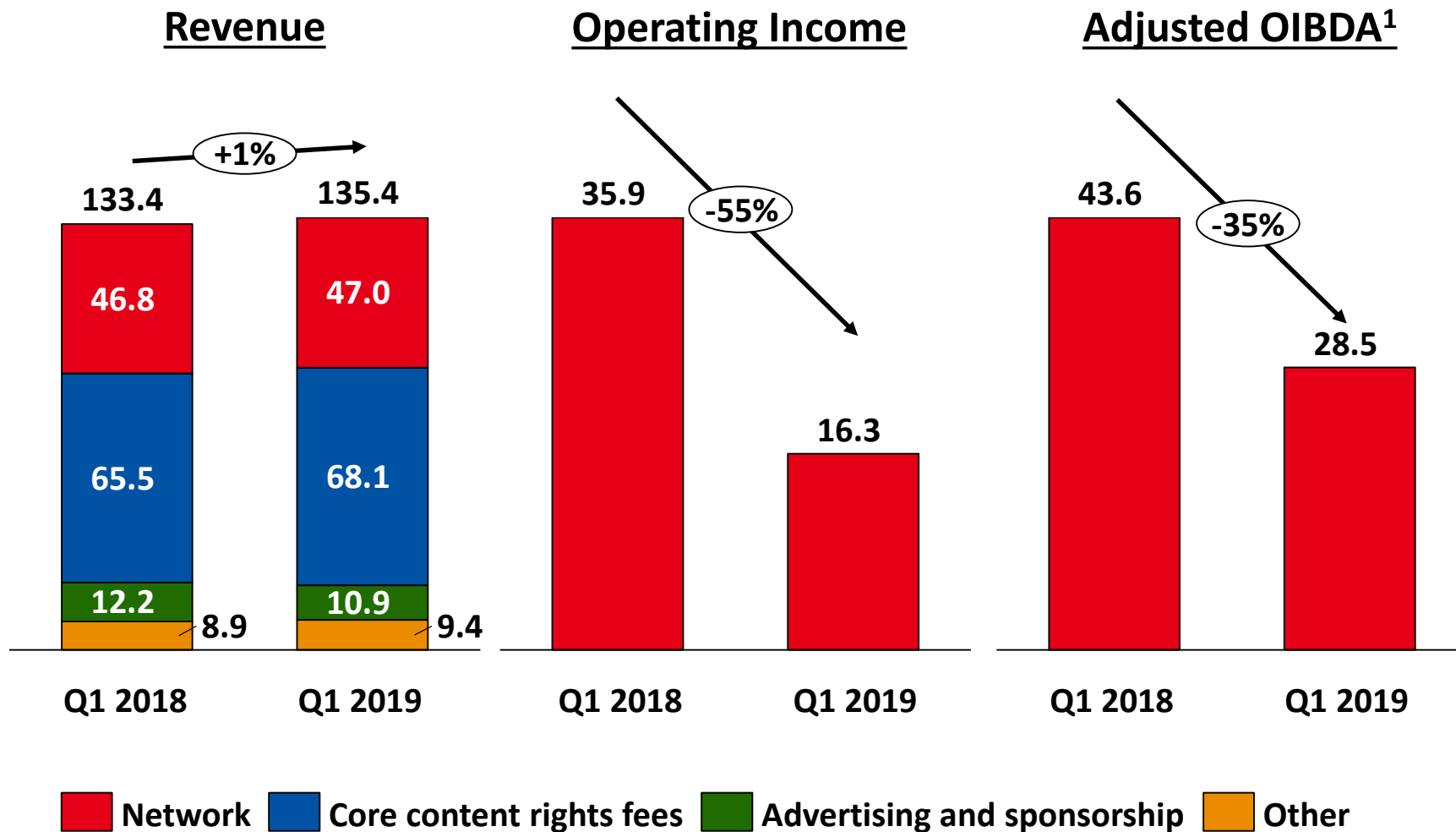
Source: Nielsen Media Research, NPOWER; Live + Same Day Average Viewers P2+ (000) for selected sports properties airing in 1Q 2019 (1/1/19-3/31/19). First-run games/races/live fights & prelim fights only. NBA and NHL exclude All-Star Game and related content. Averages calculated for Broadcast, Cable, and Combined Broadcast/Cable using duration-weighted telecast-level data

# Q1 2019: FINANCIAL HIGHLIGHTS BY SEGMENT



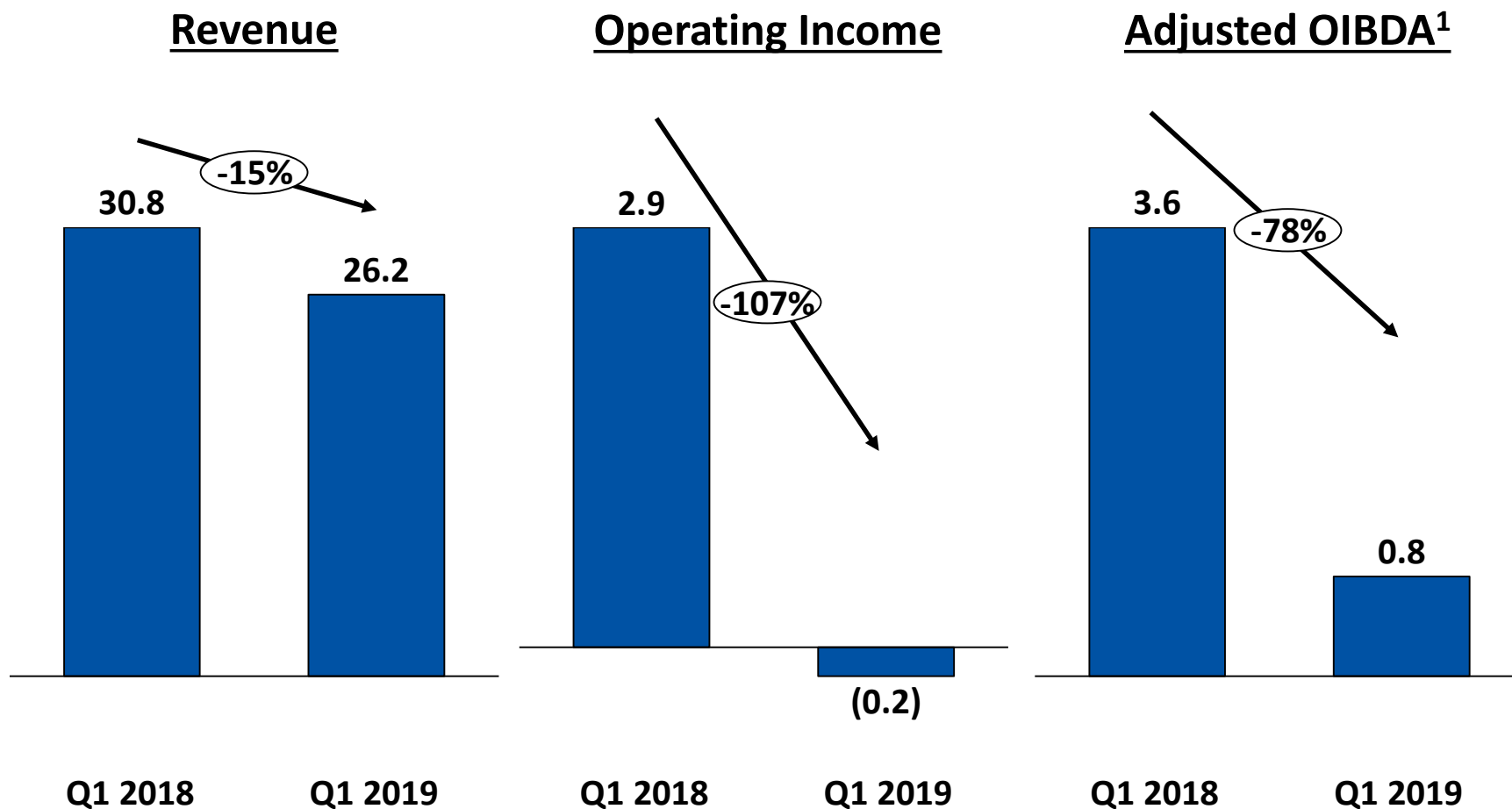
<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2019 earnings materials and in the appendix to this presentation  
 Note: Figures in millions of USD

# Q1 2019: MEDIA



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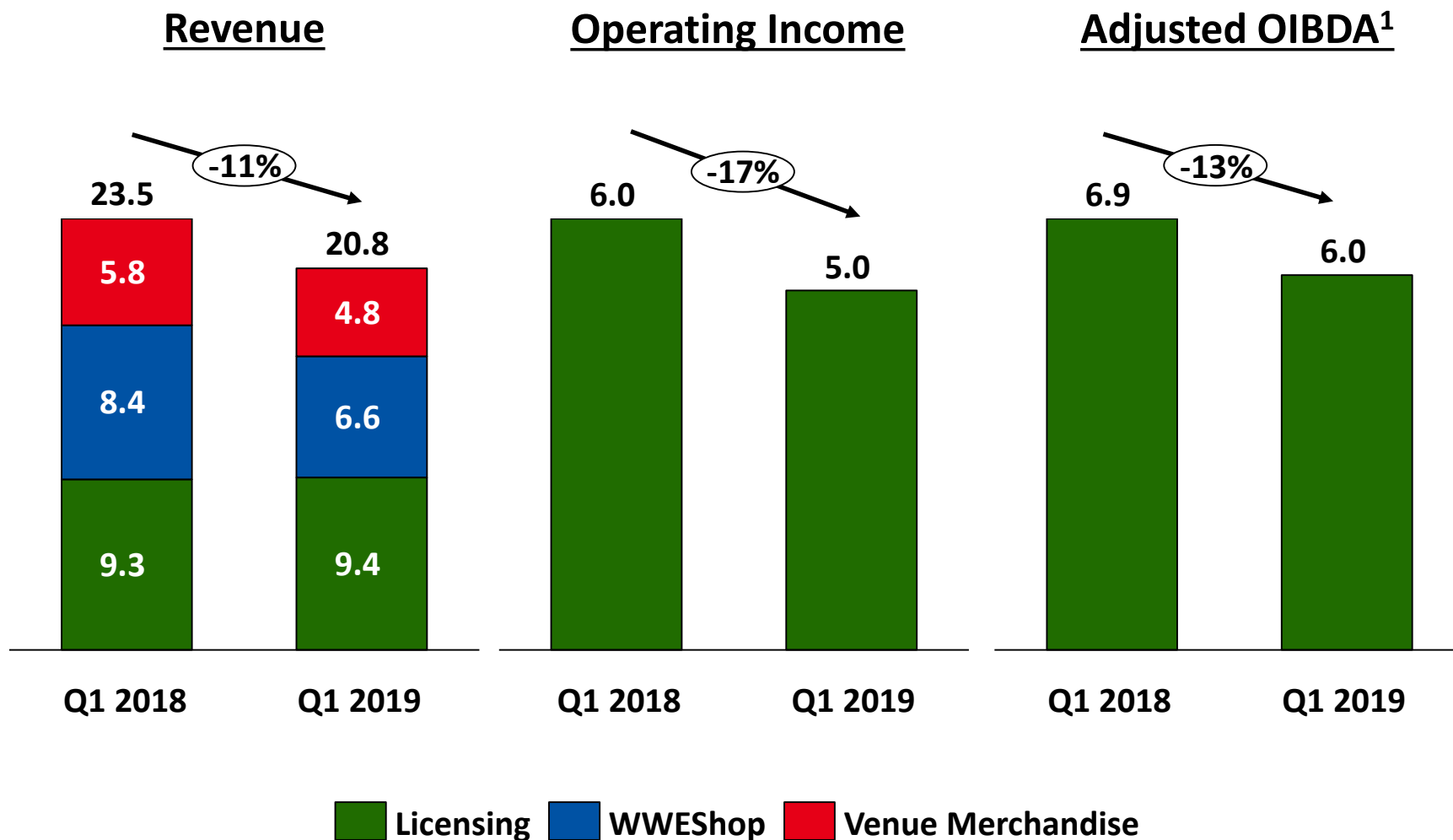
# Q1 2019: LIVE EVENTS



<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2019 earnings materials and in the appendix to this presentation  
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# Q1 2019: CONSUMER PRODUCTS

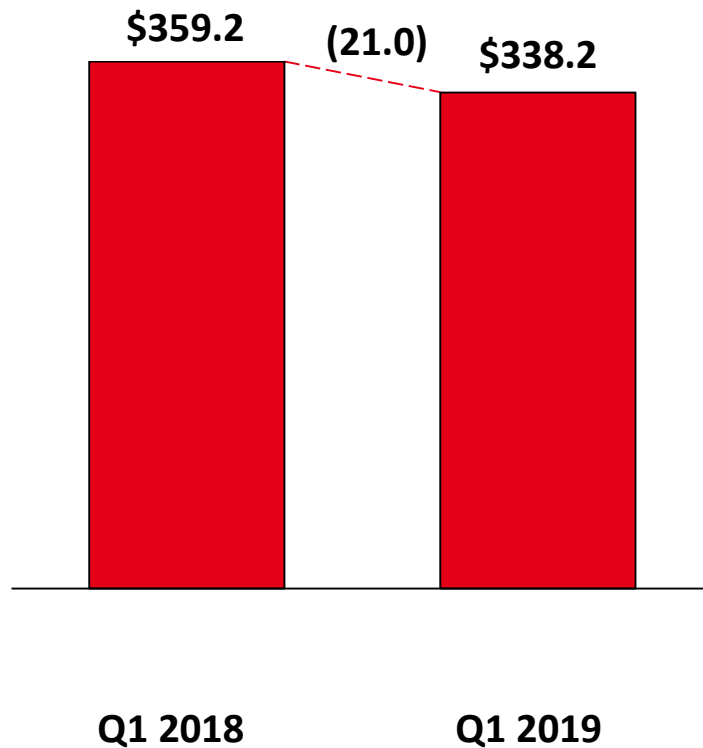


<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2019 earnings materials and in the appendix to this presentation  
Note: Figures in millions of USD

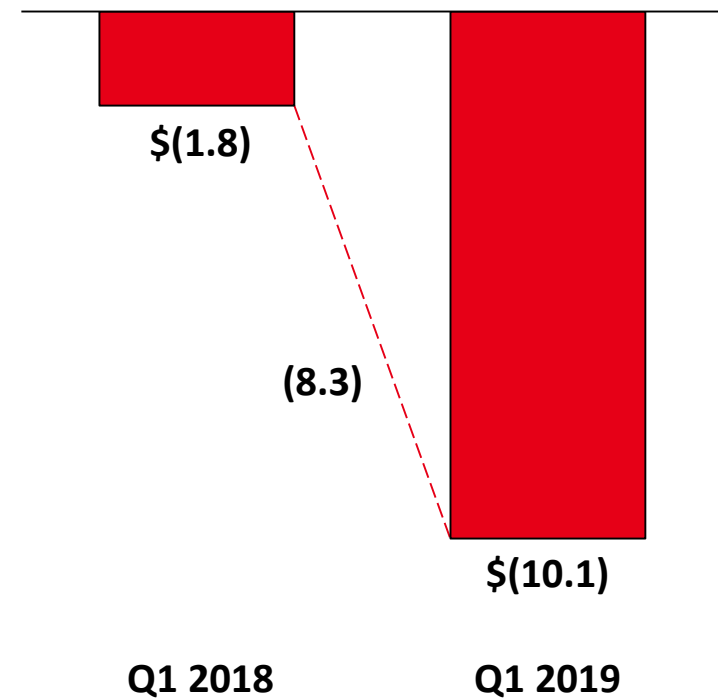
# CAPITAL STRUCTURE



## Cash & ST Investments



## Free Cash Flow





## FINANCIAL OUTLOOK: SECOND QUARTER 2019

- Estimate Q2 2019 Adjusted OIBDA<sup>1</sup> of approximately \$19 million to \$24 million
- Adjusted OIBDA range for Q2 2019 represents a year-over-year decline driven by increases in fixed costs, including the timing of strategic investments



<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2019 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



## FINANCIAL OUTLOOK: FULL YEAR 2019

- Expect to achieve another year of record revenue of approximately \$1.0 billion
- Targeting full year 2019 Adjusted OIBDA<sup>1</sup> of “at least \$200 million,” which would be an all-time record (up at least 12% from Adjusted OIBDA of \$178.9 million in 2018)
- Achieving targeted full year 2019 financial results assumes substantial revenue, which supports Adjusted OIBDA of at least \$100 million in the fourth quarter
- New content distribution agreements in the U.S. become effective in Q4 2019
- Continue to expect strong year-over-year growth in 2020



<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q1 2019 earnings materials and in the appendix to this presentation

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**APPENDIX**

# AVERAGE VIEWERS PER EPISODE/ GAME TO PROFESSIONAL SPORTS PROPERTIES IN Q1 2019

Property *	Networks included	# Episodes / Games	Average Viewers P2+ (000) Live + Same Day
Raw	USA	12	2,659
SmackDown	USA	13	2,147
Raw & SmackDown (combined)	USA	25	2,445
NASCAR (cable)	FS1	13	1,296
NASCAR (bcast) - excl. Daytona 500	FOX	6	4,132
NASCAR (bcast) - incl. Daytona 500	FOX	7	5,149
NASCAR (cable & bcast combined) - excl. Daytona 500	FOX, FS1	19	2,248
NASCAR (cable & bcast combined) - incl. Daytona 500	FOX, FS1	20	2,789
NBA Regular Season (cable)	ESPN, TNT	83	1,511
	NBA TV	45	269
NBA Regular Season (bcast)	ABC	14	3,005
NBA Regular Season (cable & bcast combined)	ABC, ESPN, TNT, NBA-TV	142	1,270
UFC (cable)	ESPN, ESPN2	8	1,067
NHL Regular Season (cable)	NBCSN	60	318
NHL Regular Season (bcast)	NBC	11	1,320
NHL Regular Season (cable & bcast combined)	NBC, NBCSN	71	478

\* Raw and SmackDown first-run telecasts on USA Network only; NASCAR includes Monster Energy Cup, Xfinity Cup, and Gander Outdoor Truck Series Races only; NBA includes Regular Season Games only; Excludes All Star Game and related content; UFC Includes live fights and live prelim fights; NHL includes Regular Season Games only; Excludes All-Star Game and Superskills Competition

# RECONCILIATION OF NON-GAAP MEASURES

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

### Three Months Ended March 31, 2019

<i>\$mm</i>	Operating Income	Depreciation & Amortization	Stock Compensation	Other Adjustments	Adjusted OIBDA
Media	\$ 16.3	\$ 2.8	\$ 9.4	\$ -	\$ 28.5
Live Events	(0.2)	-	1.0	-	0.8
Consumer Products	5.0	-	1.0	-	6.0
Corporate	(27.9)	3.6	1.4	-	(22.9)
<b>Total Operating Income</b>	<b>\$ (6.8)</b>	<b>\$ 6.4</b>	<b>\$ 12.8</b>	<b>\$ -</b>	<b>\$ 12.4</b>

### Three Months Ended March 31, 2018

<i>\$mm</i>	Operating Income	Depreciation & Amortization	Stock Compensation	Other Adjustments	Adjusted OIBDA
Media	\$ 35.9	\$ 3.0	\$ 4.7	\$ -	\$ 43.6
Live Events	2.9	-	0.7	-	3.6
Consumer Products	6.0	-	0.9	-	6.9
Corporate	(23.0)	3.3	0.8	-	(18.9)
<b>Total Operating Income</b>	<b>\$ 21.8</b>	<b>\$ 6.3</b>	<b>\$ 7.1</b>	<b>\$ -</b>	<b>\$ 35.2</b>

<sup>1</sup> A definition of Adjusted OIBDA can be found in the appendix of this presentation. Source: WWE Q1 2019 Earnings 04/25/2019 (corporate.wwe.com/investors)

# RECONCILIATION OF NON-GAAP MEASURES

## Reconciliation of Adjusted OIBDA to Operating Income

<i>\$mm</i>	Q1 2019	Q2 2019	FY 2019
<b>Adjusted OIBDA<sup>1</sup></b>	<b>\$ 12.4</b>	<b>\$19 - \$24</b>	<b>at least \$200</b>
Depreciation & amortization	(6.4)	-	-
Stock-based compensation	(12.8)	-	-
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>\$ (6.8)</b>	<b>Not estimable</b>	<b>Not estimable</b>

## Reconciliation of Net Cash to Free Cash Flow

<i>\$mm</i>	Q1 2018	Q1 2019
<b>Net cash provided by operating activities</b>	<b>\$ 2.6</b>	<b>\$ 6.7</b>
<b>Less cash used for capital expenditures:</b>		
Purchase of property and equipment and other assets	(4.4)	(16.8)
<b>Free Cash Flow</b>	<b>\$ (1.8)</b>	<b>\$ (10.1)</b>

<sup>1</sup> Q2 2019 and FY 2019 Adjusted OIBDA figures represent company guidance for the second quarter ending 06/30/19 and full year ending 12/31/19, respectively. Source: WWE Q1 2019 Earnings 04/25/2019

<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 March 31, 2019 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, the Reconciliation of Q1 2018, Q1 2019, Q2 2019, and full year 2019 Adjusted OIBDA to Operating Income can be found in the Company's Q1 2019 earnings materials release dated April 25, 2019
- 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 feature film and television production asset amortization, 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 live event production equipment. 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, 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