



WWE Q3 2017 RESULTS – OCTOBER 26, 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 October 26, 2017.



## Q3 2017: Highlights

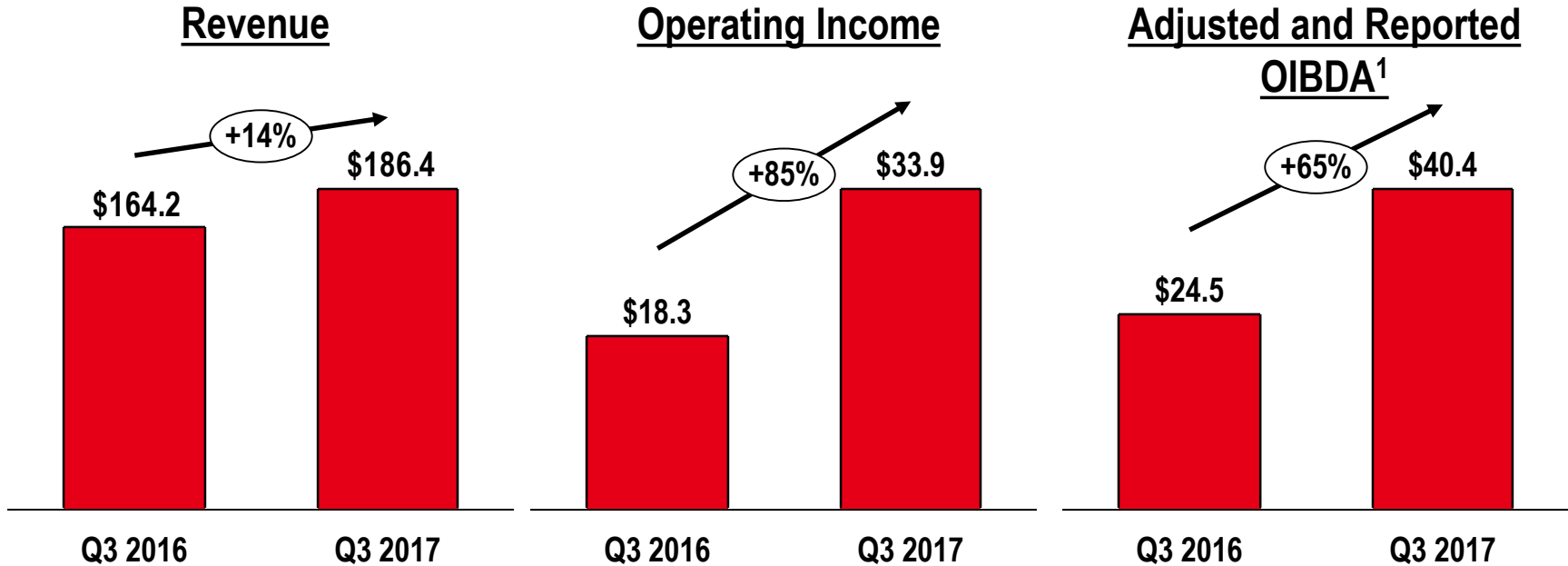


- Revenue increased 14% to \$186.4 million with growth from across our businesses led by our Television and Network segments
- Reported OIBDA results were an all-time quarterly record
- *WWE Network's* paid subscribers increased to an average of 1.52M over the quarter, consistent with our guidance
- Launched *WWE Network* in China with PPTV. We look forward to building upon our success
- Launched *WWE Saturday Night*, a localized weekly TV show in Mexico and Central America. The show is produced in Spanish with Fox Sports Mexico
- In India, continued strategic brand and engagement initiatives: Re-launched *WWE Sunday Dhamaal*, signed first female talent from India, and announced 2 upcoming live events in New Delhi
- For the first nine months of 2017, digital video views reached 14.2B, up 23%, and social media followers surpassed 825M, up 17% from the 2016 period
- NBCU secured 20 new advertisers for WWE programs in the 2018 Upfront (70 over the past 3 years), reaching nearly 200 total advertisers on WWE shows
- Looking to 2018, we anticipate continued growth in *WWE Network* subscribers, and another year of record revenue and profits



# Q3 2017: WWE Financial Highlights

(\$ in millions)



- Operating income was \$33.9 million. Adjusted and reported OIBDA reached \$40.4 million, representing an all-time record quarter on a reported basis<sup>1</sup>
- Revenue and earnings growth reflected the increased monetization of content across pay-television and direct-to-consumer (*WWE Network*)
- On path to exceed the financial targets established at the start of the 2017 year

<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q3 2017 earnings materials and in the appendix to this presentation

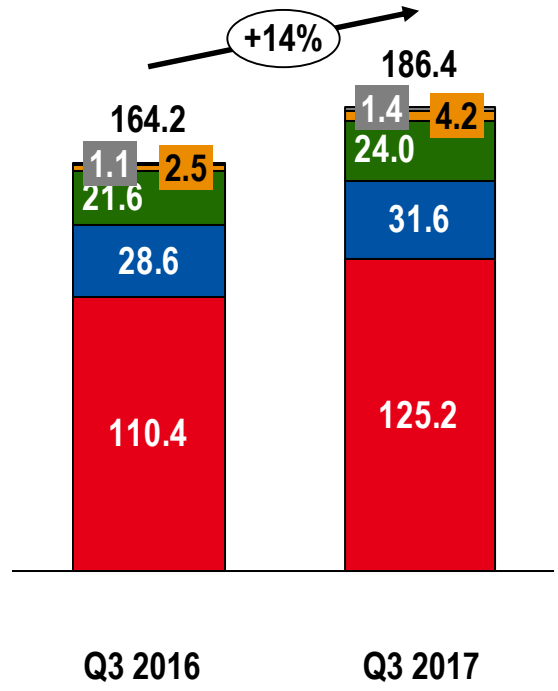


# Q3 2017: Financial Highlights

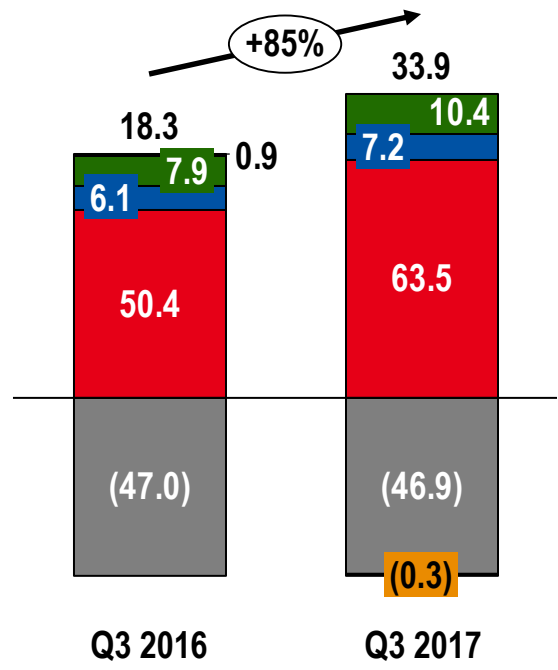
(\$ in millions)



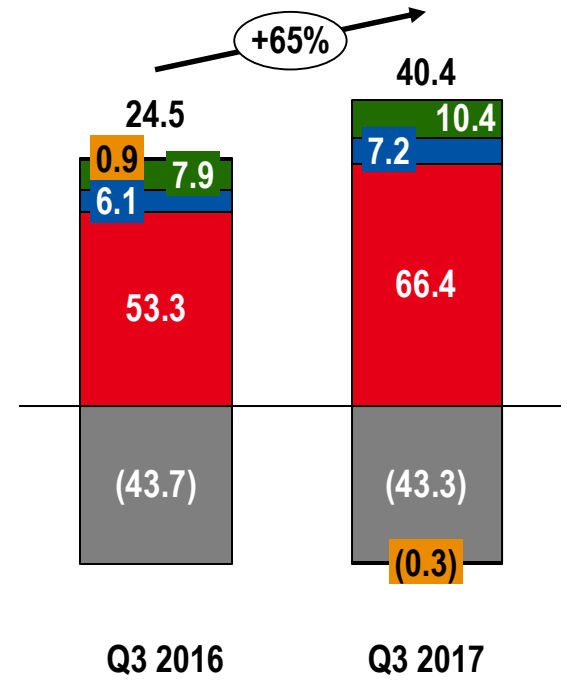
## Revenue



## Operating Income



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



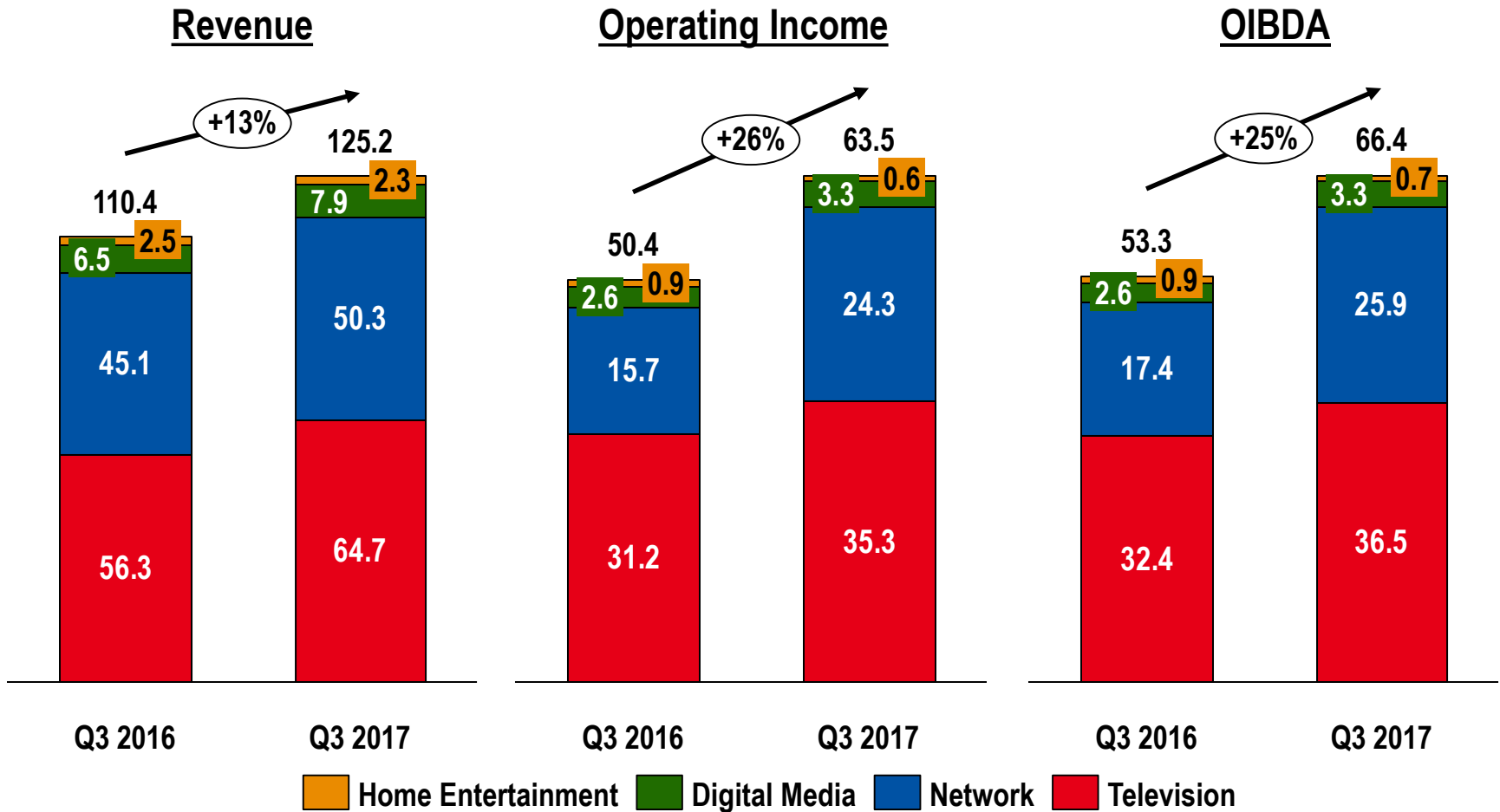
Corporate & Other
  WWE Studios
  Consumer Products
  Live Events
  Media

<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q3 2017 earnings materials and in the appendix to this presentation



# Q3 2017: Media Division

(\$ in millions)



- *WWE Network's* average paid subscribers<sup>1</sup> increased to 1.52 million over the third quarter 2017, consistent with the Company's guidance

<sup>1</sup> Average paid subscribers are calculated based on the arithmetic daily mean over the relevant period, and may differ substantially from paid subscribers at the end of any period due to the timing of paid subscriber additions and losses.



# Q3 2017: Live Events

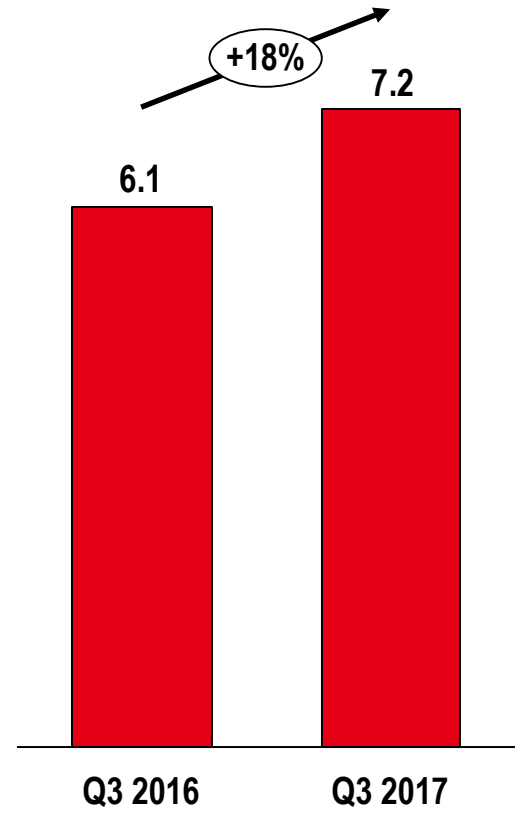
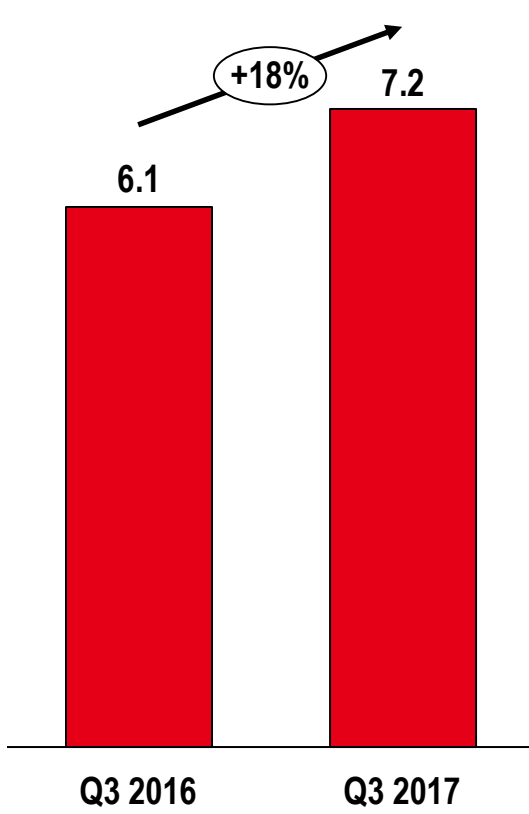
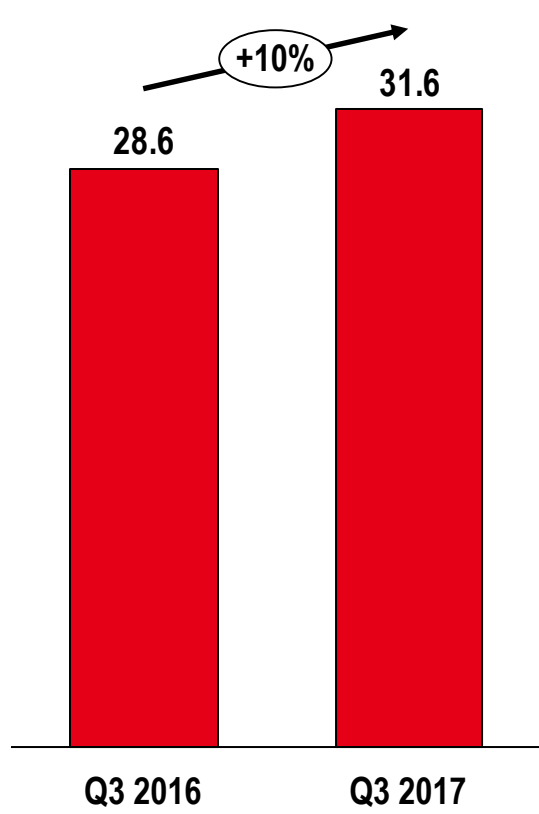
(\$ in millions)



## Revenue

## Operating Income

## OIBDA



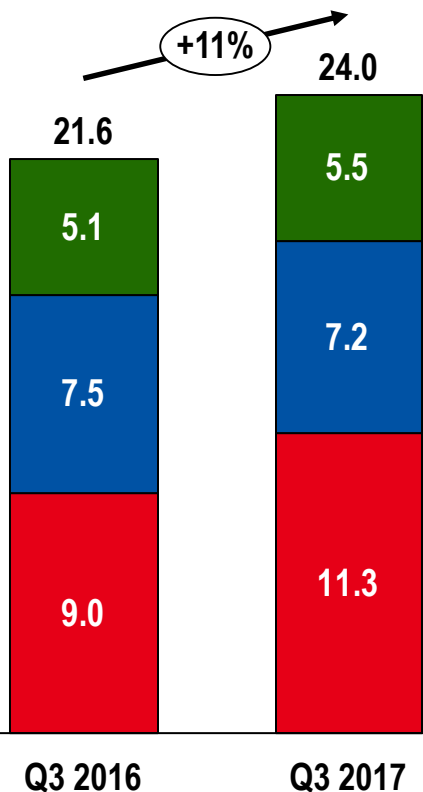


# Q3 2017: Consumer Products

(\$ in millions)



## Revenue



## Operating Income



## OIBDA



Venue Merchandise WWEShop Licensing





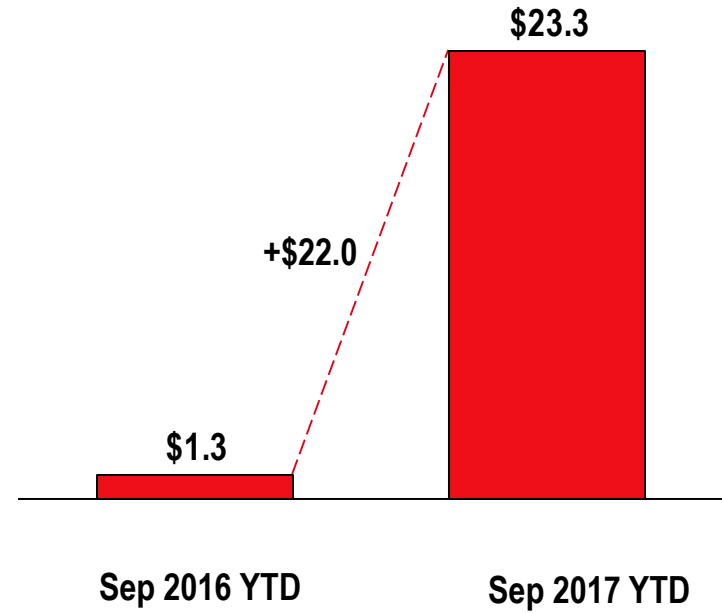
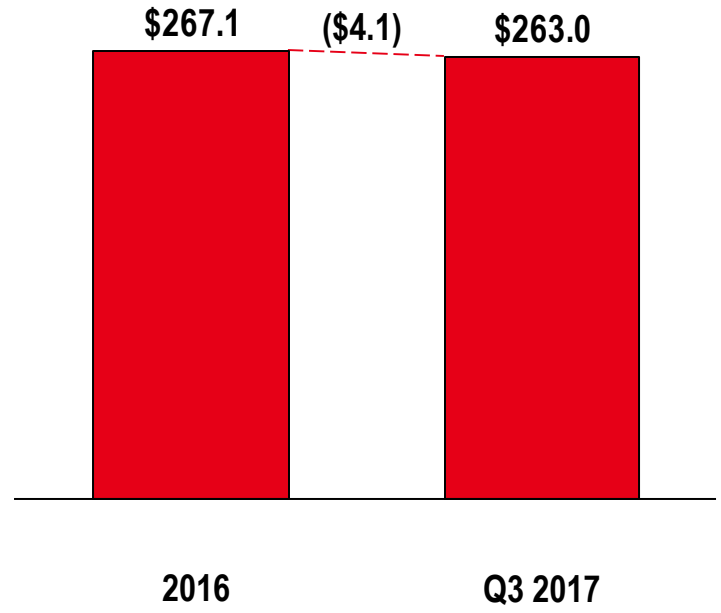
# Capital Structure

(\$ in millions)



## Cash & ST Investments

## Free Cash Flow



- As of September 30, WWE held ~\$260M in cash and short-term investments and had ~\$100 million in debt capacity under the Company's revolving credit facility
- Free Cash Flow year-to-date increased ~\$22 million driven by our improved operating performance and nearly \$5 million paid toward the purchase of a building and real property in the prior year period



# Q3 2017: WWE Operational Highlights



- Meaningful progress on initiatives that enhance our ability to engage fans and optimize value of content across platforms
- Diversified WWE's talent base, hiring first two female athletes from Middle East and India (International talent now 40% of roster)
- Launched *WWE Saturday Night*, a localized weekly TV show in Mexico and Central America. Produced in Spanish with Fox Sports Mexico
- Launched *WWE Network* in China with PPTV, completing the network's global coverage
- Realized 29% increase in global sponsorship revenue in first nine months of 2017
- Digital engagement continued to grow with video views up 23% to 14.2B and social media followers up 17% to over 825M





# Q4 and 2017 Business Outlook\*



- For the fourth quarter, project average paid subscribers to WWE Network of 1.47 million, plus or minus 2%
- Estimate fourth quarter 2017 Adjusted OIBDA<sup>1</sup> of approximately \$31 million to \$35 million, with continued growth from increased TV rights fees and network subscription and favorable changes in fixed cost base
- For the full year 2017, project average paid subscribers to WWE Network of ~1.53 million (representing year-over-year growth of 8%)
- For the full year, raising guidance for record 2017 Adjusted OIBDA<sup>1</sup> to a range of \$108 to \$112 million (from previous target of “at least \$100 million”)



<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q3 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 18 of this presentation



# Full Year 2018 Outlook\*



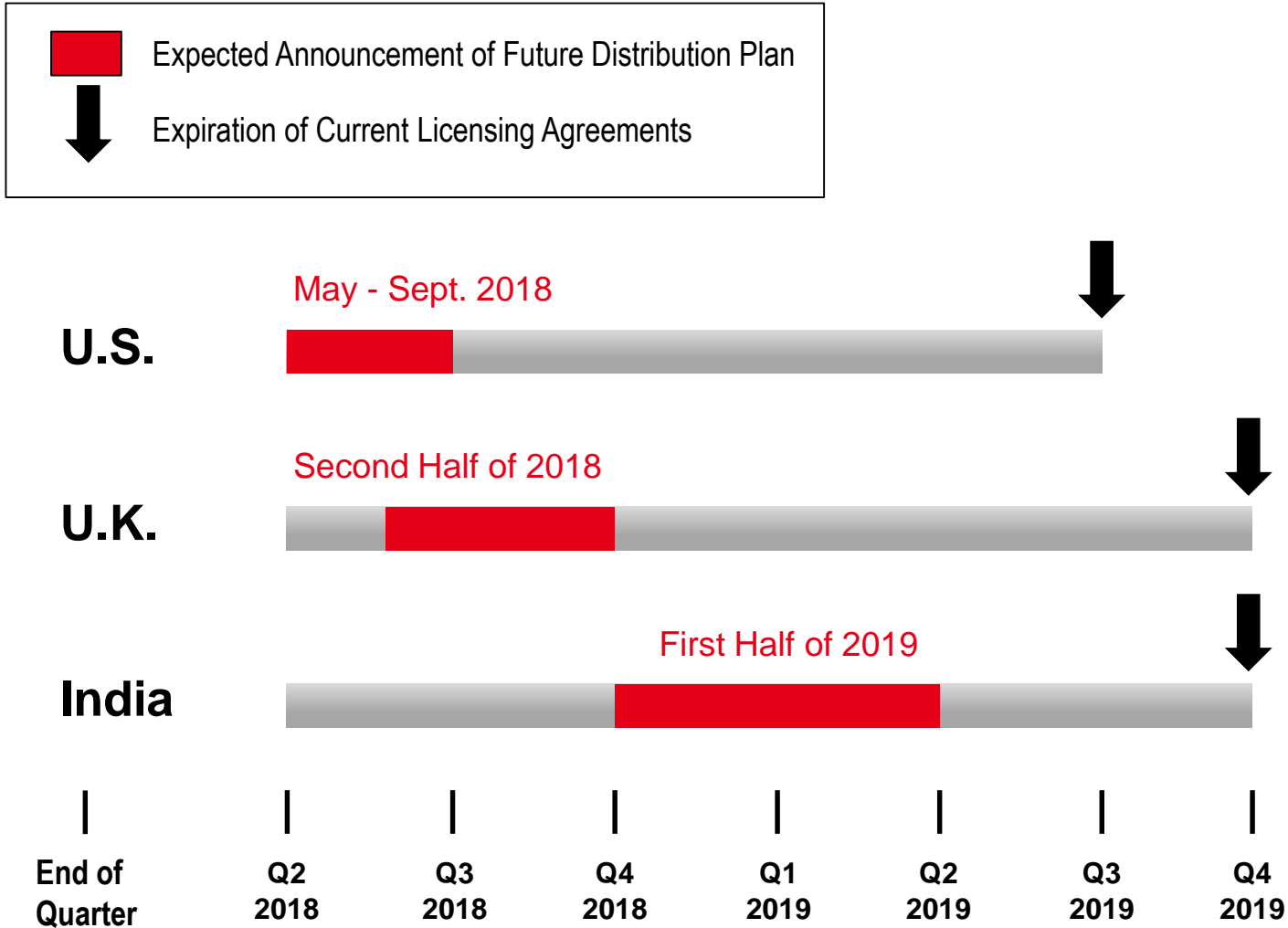
- In 2018, expect to achieve another year of record revenue and have targeted Adjusted OIBDA<sup>1</sup> of at least \$115 million, representing another all-time record
- As management believes there is significant long-term growth opportunity, the 2018 target balances earnings growth with investment in strategic areas
- Key 2018 initiatives include delivering a wide range of content across platforms, continuing to develop data and technology infrastructure and investing in markets with the greatest long-term potential



<sup>1</sup> A definition of Adjusted OIBDA and a reconciliation to Operating Income can be found in the Company's Q3 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 18 of this presentation

# Announcement of Future Distribution Plans: U.S., U.K., India<sup>1</sup>



<sup>1</sup> Future distribution is subject to negotiations, which are expected to begin next year. Although these announcements could occur either before or after these dates, management believes that these ranges represent the most likely periods for such communication.



APPENDIX

# Reconciliation of Non-GAAP Measures



## Reconciliation of Adjusted OIBDA to Operating Income

<i>\$mm</i>	Q3 2017	Q3 2017 YTD	Q4 2017	FY 2017	FY 2018
<b>Adjusted OIBDA <sup>(1)</sup></b>	<b>\$ 40.4</b>	<b>\$ 77.1</b>	<b>\$31.0 - \$35.0</b>	<b>\$108.0 - \$112.0</b>	<b>at least \$115</b>
Depreciation & amortization	(6.5)	(19.7)	-	-	-
Film Impairments <sup>(2,3)</sup>	-	(3.2)	-	-	-
Asset Impairments <sup>(2)</sup>	-	-	-	-	-
Gain (loss) on operating assets <sup>(2)</sup>	-	-	-	-	-
Restructuring charges <sup>(2)</sup>	-	-	-	-	-
Other operating income items <sup>(2,4)</sup>	-	(5.6)	-	-	-
<b>Operating Income (U.S. GAAP Basis)</b>	<b>\$ 33.9</b>	<b>\$ 48.6</b>	<b>Not estimable</b>	<b>Not estimable</b>	<b>Not estimable</b>

## Reconciliation of Net Cash to Free Cash Flow

<i>\$mm</i>	Q3 2016	Q3 2017	Q3 2016 YTD	Q3 2017 YTD
<b>Net cash provided by operating activities</b>	<b>\$ 22.4</b>	<b>\$ 27.2</b>	<b>\$ 25.2</b>	<b>\$ 41.0</b>
<b>Less cash used for capital expenditures:</b>				
Purchase of property and equipment and other assets	(8.4)	(5.2)	(23.9)	(17.7)
<b>Free Cash Flow</b>	<b>\$ 14.0</b>	<b>\$ 22.0</b>	<b>\$ 1.3</b>	<b>\$ 23.3</b>

<sup>1</sup> Q4 2017, FY 2017 and FY 2018 Adjusted OIBDA figures represent company guidance for the fourth quarter ending 12/31/17 and full years ending 12/31/17 and 12/31/18, respectively. Source: WWE Q3 2017 Earnings 10/26/2017 (corporate.wwe.com/investors)

<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 September 30, 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

<sup>3</sup> Adjustments to OIBDA reflects film impairment charges of \$3.2 million, considered to be material in the quarter in which they occurred, and differs from total film impairments on a year-to-date basis of \$3.9 million.

<sup>4</sup> Adjustments to OIBDA of \$5.6 million of non-recurring expenses primarily related to certain legal matters and other contractual obligations

# Reconciliation of Non-GAAP Measures



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

<i>\$mm</i>	Three Months Ended September 30, 2017				
	Operating Income	Depreciation	OIBDA	Adjustments to OIBDA	Adjusted OIBDA
Network	\$ 24.3	\$ 1.6	\$ 25.9	\$ -	\$ 25.9
Television	35.3	1.2	36.5	-	36.5
Home Entertainment	0.6	0.1	0.7	-	0.7
Digital Media	3.3	-	3.3	-	3.3
Live Events	7.2	-	7.2	-	7.2
Licensing	6.7	-	6.7	-	6.7
Venue Merchandise	2.2	-	2.2	-	2.2
WWEShop	1.5	-	1.5	-	1.5
WWE Studios	(0.3)	-	(0.3)	-	(0.3)
Corporate & Other	(46.9)	3.6	(43.3)	-	(43.3)
<b>Total</b>	<b>\$ 33.9</b>	<b>\$ 6.5</b>	<b>\$ 40.4</b>	<b>\$ -</b>	<b>\$ 40.4</b>

<i>\$mm</i>	Three Months Ended September 30, 2016				
	Operating Income	Depreciation	OIBDA	Adjustments to OIBDA	Adjusted OIBDA
Network	\$ 15.7	\$ 1.7	\$ 17.4	\$ -	\$ 17.4
Television	31.2	1.2	\$ 32.4	-	32.4
Home Entertainment	0.9	-	\$ 0.9	-	0.9
Digital Media	2.6	-	\$ 2.6	-	2.6
Live Events	6.1	-	\$ 6.1	-	6.1
Licensing	4.6	-	\$ 4.6	-	4.6
Venue Merchandise	2.0	-	\$ 2.0	-	2.0
WWEShop	1.3	-	\$ 1.3	-	1.3
WWE Studios	0.9	-	\$ 0.9	-	0.9
Corporate & Other	(47.0)	3.3	\$ (43.7)	-	(43.7)
<b>Total</b>	<b>\$ 18.3</b>	<b>\$ 6.2</b>	<b>\$ 24.5</b>	<b>\$ -</b>	<b>\$ 24.5</b>

<sup>1</sup> A definition of OIBDA and Adjusted OIBDA can be found on page 18 of this presentation. Source: WWE Q3 2017 Earnings 10/26/2017 (corporate.wwe.com/investors)



# Reconciliation of Non-GAAP Measures



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

<i>\$mm</i>	Nine Months Ended September 30, 2017				
	Operating Income	Depreciation	OIBDA	Adjustments to OIBDA	Adjusted OIBDA
Network	\$ 38.2	\$ 5.0	\$ 43.2	\$ -	\$ 43.2
Television	95.4	3.7	99.1	-	99.1
Home Entertainment	2.3	0.1	2.4	-	2.4
Digital Media	4.2	0.1	4.3	-	4.3
Live Events	36.9	-	36.9	-	36.9
Licensing	24.6	-	24.6	-	24.6
Venue Merchandise	7.3	-	7.3	-	7.3
WWEShop	5.5	-	5.5	-	5.5
WWE Studios <sup>(2)</sup>	(3.9)	-	(3.9)	3.2	(0.7)
Corporate & Other <sup>(3)</sup>	(161.9)	10.8	(151.1)	5.6	(145.5)
<b>Total</b>	<b>\$ 48.6</b>	<b>\$ 19.7</b>	<b>\$ 68.3</b>	<b>\$ 8.8</b>	<b>\$ 77.1</b>

<i>\$mm</i>	Nine Months Ended September 30, 2016				
	Operating Income	Depreciation	OIBDA	Adjustments to OIBDA	Adjusted OIBDA
Network	\$ 23.2	\$ 4.3	\$ 27.5	\$ -	\$ 27.5
Television	84.2	3.7	87.9	-	87.9
Home Entertainment	3.4	-	3.4	-	3.4
Digital Media	2.4	0.3	2.7	-	2.7
Live Events	35.6	-	35.6	-	35.6
Licensing	22.8	-	22.8	-	22.8
Venue Merchandise	7.7	-	7.7	-	7.7
WWEShop	4.3	-	4.3	-	4.3
WWE Studios	0.9	-	0.9	-	0.9
Corporate & Other	(142.7)	9.5	(133.2)	-	(133.2)
<b>Total</b>	<b>\$ 41.8</b>	<b>\$ 17.8</b>	<b>\$ 59.6</b>	<b>\$ -</b>	<b>\$ 59.6</b>

<sup>1</sup> A definition of OIBDA and Adjusted OIBDA can be found on page 18 of this presentation. Source: WWE Q3 2017 Earnings 10/26/2017 (corporate.wwe.com/investors)

<sup>2</sup> Adjustments to OIBDA reflects film impairment charges of \$3.2 million, considered to be material in the quarter in which they occurred, and differs from total film impairments on a year-to-date basis of \$3.9 million.

<sup>3</sup> Adjustments 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 Company defines OIBDA as operating income before depreciation and amortization, excluding feature film and television production asset amortization and related impairments, as well as the amortization of costs related to content delivery and technology assets utilized for our *WWE Network*. 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