

WWE® Announces New Global Headquarters in Stamford Questions & Answers

Q: *Can we describe our workplace strategy in Stamford? If moving to centralized campus what happens to other properties in the area?*

A: WWE today announced that the company will move its global headquarters to a new office complex at 677 Washington Boulevard in Stamford, Connecticut. This move will allow the company to bring together its operations, including its production studios and corporate offices at its new site. Having world-class talent collaborating seamlessly to create compelling content is one of the most important elements of our long-term growth strategy. This initiative will be the foundation to meet these objectives and underpins our ability to deliver long-term value.

Given our growth strategy, we have outgrown our existing Stamford facilities, which would require significant investments in building infrastructure if we remained.

We expect to sell our owned and operated corporate facility at 1241 East Main Street, exit our leased spaces at 1266 East Main Street, and evaluate options for our production studio facilities at 88 and 120 Hamilton Avenue based on strategic, operating and financial considerations.

Q: *What are basic facts regarding our new headquarters?*

A: The new headquarters will provide the company with work space suited to its growing and evolving workforce. The site in Stamford's central business district provides greater access from various means of transportation (including Metro North and Amtrak Acela service), floor plans which are well-suited to producing video content and greater flexibility in workplace design.

Q: *What is the rationale for the move?*

A: This initiative provides critical support of the company's long-term growth strategy, which includes increasing our ability to recruit and retain world-class talent as well as to effectively create compelling content. Our workplace initiative will be the foundation to meet these objectives and underpins our ability to deliver long-term value.

Q: *What is the timing of the move?*

A: We anticipate that we will move to the new headquarters in early 2021.

Q: *What is the annual incremental cost of this initiative on an ongoing basis?*

A: A discussion of the base annual rent, which on a pre-tax basis ranges from approximately \$19.1 million to \$22.8 million over the initial lease period can be found in our 8K filing (as shown on our website at www.corporate.wwe.com/investors).

The costs associated with this initiative are partially offset by savings realized through forgone rental payments for our existing leased properties and foregone base operating costs of our owned and operated buildings. Considering these factors, we estimate that the annual incremental cost would be below the base annual rent.

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Q: *What is the financial impact of the move on (i.e., impact on guidance)?*

A: WWE will lease the space for an initial term of approximately 16.5 years (which includes a free rent period of eighteen months) commencing no earlier than July 1, 2019, with five five-year renewal options thereafter. The lease will be accounted for as a finance lease, with the creation of a lease obligation (equal to the present value of future lease payments and would result in the recognition of interest expense over time) and a right-of-use lease asset (equal to the lease obligation less tenant incentives and is depreciated on a straight-line basis through depreciation expense). Accordingly, the accounting for the lease agreement is not expected to have a material impact on Adjusted OIBDA. Depreciation expense associated with the right-of-use asset will be reflected in operating income. The Company's capital expenditure guidance reflects this initiative. That guidance estimated capital expenditures of approximately \$70 million to \$90 million for 2019 with continued spending in 2020 above the historic range of approximately 4% to 7% of revenue.

Q: *How do we measure the return of this initiative relative to other investments?*

A: We believe that the move is integral to our long-term growth strategy as it facilitates increased operating effectiveness to create compelling content, strengthens our ability to recruit and retain world-class talent and provides greater long-term flexibility. We have evaluated these benefits and estimate that they outweigh the incremental costs associated with developing and occupying the new facility.

Q: *Why are we staying in Stamford and not relocating to a less expensive location outside the metro-New York area?*

A: Typically, headquarter relocations are driven by four primary factors – to improve access to talent, create a catalyst for cultural change and organizational effectiveness, support organizational restructuring, and/or provide greater access to transportation and infrastructure. However, such moves are often characterized by significant costs and business disruption. We believe we can achieve the noted benefits, including greater access to world-class talent and enhanced effectiveness in creating compelling content, with the new Stamford facility while avoiding the expense and business disruption that would have been associated with moving outside of this region.