UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ______ to ______

Commission File Number: 001-16131

WORLD WRESTLING ENTERTAINMENT, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**04-2693383**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

1241 East Main Street
Stamford, CT 06902
(203) 352-8600
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	*Trading Symbol(s)*	*Name of each exchange on which registered*
Class A Common Stock, par value $0.01 per share	WWE	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At May 3, 2022, the number of shares outstanding of the Registrant's Class A common stock, par value $.01 per share, was 43,246,147 and the number of shares outstanding of the Registrant's Class B common stock, par value $.01 per share, was 31,099,011.

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WORLD WRESTLING ENTERTAINMENT, INC.

Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Net revenues	$ 333,448	$ 263,524
Operating expenses	180,685	142,154
Marketing and selling expenses	18,420	18,912
General and administrative expenses	32,227	26,560
Depreciation and amortization	9,707	10,842
Operating income	92,409	65,056
Interest expense	6,345	8,508
Other income, net	321	556
Income before income taxes	86,385	57,104
Provision for income taxes	20,344	13,272
Net income	$ 66,041	$ 43,832
Earnings per share: basic	$ 0.88	$ 0.57
Earnings per share: diluted	$ 0.77	$ 0.51
Weighted average common shares outstanding:		
Basic	74,781	77,376
Diluted	87,575	85,686
Dividends declared per common share (Class A and B)	$ 0.12	$ 0.12

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

Consolidated Statements of Comprehensive Income
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Net income	$ 66,041	$ 43,832
Other comprehensive loss:		
Foreign currency translation adjustments	(60)	(46)
Net unrealized holding losses on available-for-sale debt securities (net of tax benefit of $525 and $7, respectively)	(1,663)	(21)
Total other comprehensive loss	(1,723)	(67)
Comprehensive income	$ 64,318	$ 43,765

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

Consolidated Balance Sheets
(In thousands, except share data)
(Unaudited)

	As of	
	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 105,594	$ 134,828
Short-term investments, net	342,219	280,957
Accounts receivable (net of allowance for doubtful accounts and returns of $5,157 and $5,155, respectively)	163,192	171,196
Inventory, net	9,200	8,033
Prepaid expenses and other current assets	30,716	32,242
Total current assets	650,921	627,256
Property and equipment, net	183,793	172,677
Finance lease right-of-use assets, net	308,549	313,360
Operating lease right-of-use assets, net	14,723	8,973
Content production assets, net	15,798	13,781
Investment securities	11,618	11,618
Deferred income tax assets, net	16,745	13,100
Other assets, net	43,201	43,302
Total assets	$ 1,245,348	$ 1,204,067
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 435	$ 430
Finance lease liabilities	12,465	12,190
Operating lease liabilities	3,783	4,755
Convertible debt	213,396	201,093
Accounts payable and accrued expenses	111,121	120,516
Deferred revenues	83,947	74,633
Total current liabilities	425,147	413,617
Long-term debt	21,173	21,284
Finance lease liabilities	370,948	374,681
Operating lease liabilities	11,547	5,063
Other non-current liabilities	10,689	8,162
Total liabilities	839,504	822,807
Commitments and contingencies		
Stockholders' equity:		
Class A common stock: ($0.01 par value; 180,000,000 shares authorized; 43,242,334 and 43,732,977 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively)	433	438
Class B convertible common stock: ($0.01 par value; 60,000,000 shares authorized; 31,099,011 shares issued and outstanding)	311	311
Additional paid-in capital	386,562	409,884
Accumulated other comprehensive income	697	2,420
Retained earnings (accumulated deficit)	17,841	(31,793)
Total stockholders’ equity	405,844	381,260
Total liabilities and stockholders' equity	$ 1,245,348	$ 1,204,067

See accompanying notes to consolidated financial statements.

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WORLD WRESTLING ENTERTAINMENT, INC.

Consolidated Statements of Stockholders' Equity
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2022							
	Common Stock							
	Class A		Class B					
	Shares	Amount	Shares	Amount	Additional Paid - in Capital	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Total
Balance, December 31, 2021	**43,733**	**$ 438**	**31,099**	**$ 311**	**$ 409,884**	**$ 2,420**	**$ (31,793)**	**$ 381,260**
Cumulative effect of adopting ASU 2020-06	—	—	—	—	(26,383)	—	17,609	(8,774)
Net income	—	—	—	—	—	—	66,041	66,041
Other comprehensive loss	—	—	—	—	—	(1,723)	—	(1,723)
Repurchases and retirements of common stock	(525)	(5)	—	—	(4,916)	—	(25,085)	(30,006)
Stock issuances, net	34	—	—	—	1,239	—	—	1,239
Taxes paid related to net settlement upon vesting of equity awards	—	—	—	—	(32)	—	—	(32)
Cash dividends declared	—	—	—	—	—	—	(8,931)	(8,931)
Stock-based compensation	—	—	—	—	6,770	—	—	6,770
Balance, March 31, 2022	**43,242**	**$ 433**	**31,099**	**$ 311**	**$ 386,562**	**$ 697**	**$ 17,841**	**$ 405,844**

	Three Months Ended March 31, 2021							
	Common Stock							
	Class A		Class B					
	Shares	Amount	Shares	Amount	Additional Paid - in Capital	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Total
Balance, December 31, 2020	**46,695**	**$ 467**	**31,099**	**$ 311**	**$ 424,758**	**$ 2,985**	**$ (39,727)**	**$ 388,794**
Net income	—	—	—	—	—	—	43,832	43,832
Other comprehensive loss	—	—	—	—	—	(67)	—	(67)
Repurchases and retirements of common stock	(1,498)	(15)	—	—	(13,625)	—	(61,360)	(75,000)
Stock issuances and other, net	60	1	—	—	1,962	—	—	1,963
Taxes paid related to net settlement upon vesting of equity awards	—	—	—	—	(629)	—	—	(629)
Cash dividends declared	—	—	—	—	—	—	(9,160)	(9,160)
Stock-based compensation	—	—	—	—	7,548	—	—	7,548
Balance, March 31, 2021	**45,257**	**$ 453**	**31,099**	**$ 311**	**$ 420,014**	**$ 2,918**	**$ (66,415)**	**$ 357,281**

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
OPERATING ACTIVITIES:		
Net income	$ 66,041	$ 43,832
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization and impairments of content production assets	9,820	5,823
Depreciation and amortization	11,980	12,643
Other amortization	3,516	4,222
Stock-based compensation	9,618	7,980
Provision for (benefit from) deferred income taxes	297	(453)
Other non-cash adjustments	345	817
Cash provided by (used in) changes in operating assets and liabilities:		
Accounts receivable	7,799	(32,864)
Inventory	(872)	282
Prepaid expenses and other assets	(1,388)	12,184
Content production assets	(11,714)	(5,771)
Accounts payable, accrued expenses and other liabilities	(9,278)	12,530
Deferred revenues	9,286	(1,319)
Net cash provided by operating activities	95,450	59,906
INVESTING ACTIVITIES:		
Purchases of property and equipment and other assets	(21,487)	(6,167)
Purchases of short-term investments	(111,623)	(52,405)
Proceeds from sales and maturities of short-term investments	47,424	22,842
Purchase of investment securities	—	(210)
Net cash used in investing activities	(85,686)	(35,940)
FINANCING ACTIVITIES:		
Repayment of long-term debt	(106)	(100,101)
Repayment of finance leases	(3,435)	(2,723)
Dividends paid	(8,931)	(9,160)
Proceeds from tenant improvement allowances	2,273	—
Taxes paid related to net settlement upon vesting of equity awards	(32)	(629)
Proceeds from issuance of stock and other	1,239	1,963
Repurchase and retirement of common stock	(30,006)	(75,000)
Net cash used in financing activities	(38,998)	(185,650)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(29,234)	(161,684)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	134,828	462,102
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 105,594	$ 300,418
NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
Purchases of property and equipment recorded in accounts payable and accrued expenses (See Note 12)	$ 21,352	$ 2,696

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

Notes to Consolidated Financial Statements
(In thousands, except share data)
(Unaudited)

1. Basis of Presentation and Business Description

The accompanying consolidated financial statements include the accounts of WWE. "WWE" refers to World Wrestling Entertainment, Inc. and its subsidiaries, unless the context otherwise requires. References to "we," "us," "our" and the "Company" refer to WWE.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The accompanying consolidated financial statements are unaudited. All adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of financial position, results of operations, and cash flows at the dates and for the periods presented have been included. The results of operations of any interim period are not necessarily indicative of the results of operations for the full year. All intercompany balances are eliminated in consolidation.

Certain information and note disclosures normally included in annual financial statements have been condensed or omitted from these interim financial statements; these financial statements should be read in conjunction with the financial statements and notes thereto included in our Form 10-K for the year ended December 31, 2021.

We are an integrated media and entertainment company, principally engaged in the production and distribution of wrestling entertainment content through various channels, including our premium over-the-top network ("WWE Network") monetized through license arrangements or through direct-to-consumer subscriptions, content rights agreements, premium live event programming, filmed entertainment, live events, licensing of various WWE themed products, and the sale of consumer products featuring our brands. Our operations are organized around the following principal activities:

Media:

- The Media segment reflects the production and monetization of long-form and short-form video content across various platforms, including WWE Network, broadcast and pay television, digital and social media, as well as filmed entertainment. Across these platforms, revenues principally consist of content rights fees, subscriptions to WWE Network, and advertising and sponsorships. Effective March 18, 2021, the domestic monetization of WWE Network is generated from content license fees and certain shared sponsorship revenues from NBC Universal ("NBCU"). Media segment revenues for the three months ended March 31, 2021 include the upfront revenue recognition related to the delivery of certain intellectual property rights under this agreement.

Live Events:

- Live events provide ongoing content for our media platforms. Live Event segment revenues consist primarily of ticket sales, revenues from events for which we receive a fixed fee, as well as the sale of travel packages associated with the Company's global live events. As a result of the global spread of the coronavirus pandemic ("COVID-19"), these revenues had been greatly limited from March 2020 through the first half of 2021. In July 2021, we resumed our domestic and international live event touring schedules.

Consumer Products:

- The Consumer Products segment engages in the merchandising of WWE branded products, such as video games, toys and apparel, through licensing arrangements and direct-to-consumer sales. Revenues principally consist of royalties and licensee fees related to WWE branded products, and sales of merchandise distributed at our live events and through eCommerce platforms.

Note on the COVID-19 Pandemic

The global spread of COVID-19 and the various attempts to contain it resulted in restrictions, postponements and cancellations of various sports and other events and required us to cancel, postpone or relocate certain of our live events since March 2020. While restrictions have lessened and we have resumed our domestic and international live event touring schedules, COVID-19 and its variants continue to create significant uncertainty and the full extent of the impact will depend on numerous evolving factors that we can neither predict nor control, including the pandemic's duration and severity and the governmental, business and individual responses to it. We will continue to actively monitor the issues raised by the COVID-19 pandemic and may take further actions that alter our business operations that are required by applicable governmental authorities and/or that we determine to be in the best interests of our employees, talent, customers, partners and stockholders. Any of the foregoing could have a material negative effect on our business and results of operations.

(In thousands, except share data)

2. Significant Accounting Policies

Our significant accounting policies are detailed in Note 2, *Summary of Significant Accounting Policies*, in the Notes to Consolidated Financial Statements within our Annual Report on Form 10-K for the year ended December 31, 2021. Except for the policies on the Company's convertible debt, there have been no material changes to the Company's significant accounting policies described in our Annual Report on Form 10-K. The Company's policy on the accounting for its convertible debt was updated due to the Company's adoption of Accounting Standards Update ("ASU") No. 2020-06, as described below.

Operating Expenses

Operating expenses consist of our production costs associated with developing our content, venue rental and related costs associated with the staging of our live events, compensation costs for our talent, material and related costs associated with our consumer product merchandise sales, and costs associated with operating WWE Network. In addition, operating expenses include the operating costs associated with talent development, data analytics, data engineering, business strategy and real estate and facilities functions.

Included within Operating expenses are the following:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Amortization and impairment of content production assets	$ 9,820	$ 5,823
Depreciation and amortization of WWE Network content delivery and technology assets	2,176	1,724
Amortization of right-of-use assets - finance leases of equipment	2,222	2,385
Depreciation on equipment used directly to support operations	166	147
Total depreciation and amortization included in operating expenses	$ 14,384	$ 10,079

Costs to produce our live event programming are expensed when the event is first broadcast, and are not included in the amortization table noted above. These costs include production-related costs, such as lighting, pyrotechnics and staging, associated with our weekly, in-ring televised programming as well as our premium live events, which are included as a component of our Media segment operating expenses. We also incur event-related costs, such as venue rental, security and travel, associated with our premium live events as well as our televised and non-televised events, which are included as a component of our Live Events segment operating expenses. Talent-related costs primarily associated with our premium live events and televised programming are included within our Media segment, while talent-related costs associated with our non-televised events are included within our Live Events segment.

Recent Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board ("FASB") issued ASU No. 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* (ASU 2020-06). The new guidance eliminates two of the three models in ASC 470-20, *Debt with Conversion and Other Options*, that require separating embedded conversion features from convertible instruments. Specifically, the ASU removes the separation models for convertible debt with a cash conversion feature or convertible instruments with a beneficial conversion feature. The Company's existing 3.375% convertible senior notes due December 2023 ("Convertible Notes") are currently accounted for under the cash conversion feature model, which is one of the models being eliminated. As a result, after adopting the new guidance, the Company will no longer separately present in equity an embedded conversion feature of such debt. Instead, the Company will account for a convertible debt instrument wholly as debt unless (i) a convertible debt instrument contains features that require bifurcation as a derivative or (ii) a convertible debt instrument was issued at a substantial premium. Additionally, the ASU revises the scope exception from derivative accounting in ASC 815-40 for freestanding financial instruments (e.g., warrants) and embedded features (e.g., conversion features) that are both indexed to the issuer's own stock and classified in stockholders' equity, by removing certain criteria required for equity classification. The new guidance also requires the use of the if-converted method when calculating diluted earnings per share ("EPS") for convertible instruments and the treasury stock method should no longer be used. Under the new guidance, convertible instruments that may be settled in cash or shares (e.g., the Company's Convertible Notes) are to be included in the calculation of diluted EPS if the effect is more dilutive, with no option for rebutting the presumption of share settlement based on stated policy or past experience. The ASU is effective for fiscal years beginning after December 15, 2021 (fiscal year 2022 for the Company) and can be adopted on either a fully retrospective or modified retrospective basis. The Company adopted the ASU effective January 1, 2022 under the modified retrospective approach. The cumulative effect of the change was recognized as an adjustment to the opening balance of retained earnings (accumulated deficit) at the date of adoption. The comparative information has not been restated and continues to be presented according to accounting standards in effect for those periods. As a result of the adoption, the Company's Convertible Notes are no longer bifurcated into a separate liability and equity component in the March 31, 2022 consolidated balance sheet. Rather, the Convertible Notes are presented as a single liability at amortized cost, net of unamortized debt issuance costs, on the March 31, 2022 consolidated balance sheet. Upon adoption of the ASU, the Company recorded a net increase of $12,068 to the Convertible Notes liability component, a $26,383 net decrease to the equity component (additional paid-in capital) and a net increase of $17,609 to retained earnings (accumulated deficit) for the cumulative effect of the adoption. The Company also recorded a net increase of $3,294 to deferred income tax assets. The adjustments were calculated based on the carrying amount of the Convertible Notes as if it had always been treated as a liability only. Furthermore, included in the above adjustments, are adjustments to the debt issuance costs contra-liability and equity (additional paid-in capital) components under the same premise (i.e., as if the total amount of debt issuance costs had always been treated as a contra-liability only). Lastly, the Company derecognized deferred income taxes associated with the Convertible Notes debt discount and adjusted deferred income taxes relative to unamortized debt issuance costs associated with the Convertible Notes. The Company also expects lower interest expense related to the Convertible Notes that will be recognized in future periods subsequent to adoption as a result of accounting for the Convertible Notes as a single liability measured at amortized cost. The following table summarizes the impact of the adoption of ASU 2020-06 on the Company's opening consolidated balance sheet on January 1, 2022:

(In thousands, except share data)

	December 31, 2021 As Reported	ASU 2020-06 Adoption Impact	January 1, 2022 As Adjusted
Consolidated Balance Sheet line item:			
Deferred income tax assets, net	$ 13,100	$ 3,294	$ 16,394
Convertible debt (1)	$ 201,093	$ 12,068	$ 213,161
Additional paid-in-capital (conversion feature, net of tax)	$ 409,884	$ (26,383)	$ 383,501
Accumulated deficit (cumulative effect adjustment, net of tax)	$ (31,793)	$ 17,609	$ (14,184)

(1) Prior to adoption, the carrying value of the Convertible Debt represents the principal amount less the unamortized debt discount and unamortized debt issuance costs. After adoption, the carrying value of the Convertible Debt represents the principal amount less the unamortized debt issuance costs.

3. Segment Information

The Company currently classifies its operations into three reportable segments: Media, Live Events and Consumer Products. Segment information is prepared on the same basis that our chief operating decision maker manages the segments, evaluates financial results, and makes key operating decisions.

Unallocated corporate general and administrative expenses largely relate to corporate functions such as finance, investor relations, community relations, corporate communications, information technology, legal, facilities, human resources and our Board of Directors. These unallocated corporate general and administrative expenses will be shown, as applicable, as a reconciling item in tables where segment and consolidated results are both shown.

The Company presents Adjusted OIBDA as the primary measure of segment profit (loss). The Company defines Adjusted OIBDA as operating income before depreciation and amortization, excluding stock-based compensation, certain impairment charges and other non-recurring material items. Adjusted OIBDA includes depreciation and amortization expenses directly related to supporting the operations of our segments, including content production asset amortization, depreciation and amortization of costs related to content delivery and technology assets utilized for 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 investors to view our segment performance in the same manner as the primary method used by management to evaluate segment performance and make decisions about allocating resources. Additionally, we believe that Adjusted OIBDA is a primary measure used by media investors, analysts and peers for comparative purposes.

We do not disclose assets by segment information. We do not provide assets by segment information to our chief operating decision maker, as that information is not typically used in the determination of resource allocation and assessing business performance of each reportable segment.

(In thousands, except share data)

The following tables present summarized financial information for each of the Company's reportable segments:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Net revenues:		
Media	$ 278,119	$ 242,027
Live Events	23,101	472
Consumer Products	32,228	21,025
Total net revenues	$ 333,448	$ 263,524
Adjusted OIBDA:		
Media	$ 128,217	$ 106,599
Live Events	2,814	(4,308)
Consumer Products	11,873	6,670
Corporate	(31,170)	(25,083)
Total Adjusted OIBDA	$ 111,734	$ 83,878

Reconciliation of Total Operating Income to Total Adjusted OIBDA

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Total operating income	$ 92,409	$ 65,056
Depreciation and amortization	9,707	10,842
Stock-based compensation	9,618	7,980
Other adjustments	—	—
Total Adjusted OIBDA	$ 111,734	$ 83,878

4. Revenues

Revenues are generally recognized when control of the promised goods or services is transferred to our customers, either at a point in time or over time, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. In contracts that have multiple performance obligations, we allocate the transaction price to each identified performance obligation based upon their relative standalone selling price. The standalone selling prices are determined using observable standalone selling prices when available, as well as estimates of standalone selling prices using adjusted market assessment and expected cost plus margin approaches to estimate the price for individual performance obligations. Variable consideration can result from variability in price or quantity, or both. The components of our transaction price generally does not include material amounts of variable consideration. The variable consideration related to the transaction price contained in our contracts relates primarily to sales or usage-based royalties earned on consumer product licensing contracts. The variability related to these sales or usage-based royalties will be resolved in the periods when the licensee generates sales related to the intellectual property license. Most of our contracts do not include material amounts of variable consideration related to quantities in a contract, and when we have this variability, we estimate the quantities each reporting period. As it relates to our Consumer Products segment, the Company accounts for shipping and handling activities as fulfillment activities.

We derive our revenues principally from the following sources: (i) content rights fees associated with the distribution of WWE's media content, (ii) content license fees and subscriptions to WWE Network, (iii) fees for viewing our premium live event programming, (iv) feature film distribution, (v) advertising and sponsorship sales, (vi) live event ticket sales, (vii) consumer product licensing royalties from the sale by third-party licensees of WWE branded merchandise, (viii) direct-to-consumer sales of merchandise at our live event venues, and (ix) direct-to-consumer sales of our merchandise through eCommerce platforms.

(In thousands, except share data)

Disaggregated Revenues

The following table presents our revenues disaggregated by primary revenue sources. Sales and usage-based taxes are excluded from revenues.

	Three Months Ended March 31,	
	2022	2021
Net revenues:		
Media Segment:		
Network (including pay-per-view) (1)	$ 56,335	$ 79,392
Core content rights fees (2)	141,523	139,739
Advertising and sponsorships (3)	19,767	15,596
Other (4)	60,494	7,300
Total Media Segment net revenues	278,119	242,027
Live Events Segment:		
North American ticket sales	19,888	—
International ticket sales	—	—
Advertising and sponsorships (5)	1,145	—
Other (6)	2,068	472
Total Live Events Segment net revenues	23,101	472
Consumer Products Segment:		
Consumer product licensing	20,006	11,039
eCommerce	7,717	9,986
Venue merchandise	4,505	—
Total Consumer Products Segment net revenues	32,228	21,025
Total net revenues	$ 333,448	$ 263,524

(1) Network revenues consist primarily of license fees associated with the domestic distribution of WWE Network content to NBCU (effective March 18, 2021), as well as subscription fees from customers of WWE Network and license fees associated with our international licensed partner agreements. Network revenues for the three months ended March 31, 2021 include the upfront revenue recognition related to the delivery of certain WWE Network intellectual property rights.

(2) Core content rights fees consist primarily of licensing revenues from the distribution of our flagship programs, *RAW* and *SmackDown*, as well as our *NXT* programming, through global broadcast, pay television and digital platforms.

(3) Advertising and sponsorships revenues within our Media segment consist primarily of advertising revenues from the Company's content on third-party social media platforms and sponsorship fees from sponsors who promote their products utilizing the Company's media platforms, including promotion on the Company's digital websites and on-air promotional media spots.

(4) Other revenues within our Media segment reflect revenues earned from the distribution of other WWE content, including, but not limited to, certain live in-ring programming content in international markets, scripted, reality and other programming, as well as theatrical and direct-to-home video releases.

(5) Advertising and sponsorships revenues within our Live Events segment primarily consists of fees from advertisers and sponsors who promote their products utilizing the Company's live events (i.e., presenting sponsor of fan engagement events and advertising signage at the event).

(6) Other revenues within our Live Events segment primarily consists of the sale of travel packages associated with the Company's global live events, as well as revenues from events for which the Company receives a fixed fee.

WWE Network subscriptions revenues for international subscribers, and domestic subscribers through March 17, 2021 (prior to transition of WWE Network content domestically to NBCU), are recorded over time during the subscription term, and our consumer product licensing revenues are recorded over time during the licensing period. Other revenue streams identified in the table above are generally recognized at a point-in-time when the performance obligations are satisfied.

Payment Terms and Other

Our revenues do not include material amounts of variable consideration, other than the sale or usage-based royalties earned related to our consumer product licensing and certain other content rights contracts. Our payment terms vary by the type of products or services offered, and may be subject to contractual payment terms, which may include advance payment requirements. The time between invoicing and when payment is due is not significant, generally within 30 to 60 days. We have elected the practical expedient to not adjust the total consideration within a contract to reflect a financing component when the duration of the financing is one year or less.

Our contracts do not generally include a significant financing component. Our contracts with customers do not generally result in significant obligations associated with returns, refunds or warranties.

Remaining Performance Obligations

As of March 31, 2022, for contracts greater than one year, the aggregate amount of the transaction price allocated to remaining performance obligations is $3,240,938, comprised of our multi-year content distribution, consumer product licensing and sponsorship contracts. We will recognize rights fees related to our multi-year content distribution contracts as content is delivered to the distributors during the periods 2022 through 2028. We will recognize the revenues associated with the minimum guarantees on our multi-year consumer product licensing arrangements by the end of the licensing periods, which range from 2022 through 2031. For our multi-year sponsorship arrangements, we will recognize sponsorship revenues as the sponsorship obligations are satisfied during the periods 2022 through 2028. The transaction prices related to these future obligations generally do not include any variable consideration, which consists of sales or usage-based royalties earned on consumer product licensing and certain other content rights contracts. The variability related to these sales or usage-based royalties will be resolved in the periods when the licensee generates sales related to the intellectual property license. For transaction prices related to these future obligations that may contain material amounts of variable consideration related to quantities in a contract, we estimate the quantities each reporting period.

Contract Assets and Contract Liabilities (Deferred Revenues)

A contract asset results when goods or services have been transferred to the customer, but payment is contingent upon a future event, other than the passage of time. The Company does not have any material contract assets, only accounts receivable as disclosed on our Consolidated Balance Sheets.

We record deferred revenues (also referred to as contract liabilities under ASC Topic 606) when cash payments are received or due in advance of our performance. Our deferred revenue balance primarily relates to advance payments received related to our content distribution rights agreements, our consumer product licensing agreements, and our sponsorship and advertising arrangements. The Company's deferred revenue (i.e., contract liabilities) as of March 31, 2022 and December 31, 2021 was $83,947 and $74,661, respectively, and are included within Deferred revenues and Other non-current liabilities on our Consolidated Balance Sheets.

Contract Costs (Costs of Obtaining a Contract)

Except for certain multi-year television content arrangements, we generally expense sales commissions when incurred because the amortization period would have been one year or less. These costs are recorded within Marketing and selling expenses within our Consolidated Statements of Operations. Capitalized commission fees of $600 and $625 at March 31, 2022 and December 31, 2021, respectively, relate primarily to incremental costs of obtaining our long-term television content arrangements and these costs are being amortized over the duration of the underlying content agreements on a straight-line basis to marketing and selling expense. During each of the three months ended March 31, 2022 and 2021, the amount of amortization was $25, and there was no impairment in relation to the costs capitalized.

5. Earnings Per Share

For purposes of calculating basic and diluted earnings per share, we used the following weighted average common shares outstanding (in thousands):

	Three Months Ended March 31,	
	2022	2021
Net income for basic earnings per share	$ 66,041	$ 43,832
Effect of potentially diluted shares:		
Interest expense related to the Convertible Notes (1)	1,566	—
Net income for diluted earnings per share	$ 67,607	$ 43,832
Weighted average basic common shares outstanding	74,781	77,376
Dilutive effect of restricted and performance stock units	526	383
Dilutive effect of convertible debt instruments	12,266	7,925
Dilutive effect of employee share purchase plan	2	2
Weighted average dilutive common shares outstanding	87,575	85,686
Earnings per share:		
Basic	$ 0.88	$ 0.57
Diluted	$ 0.77	$ 0.51
Anti-dilutive shares (excluded from per-share calculations):		
Net shares received on purchased call of convertible debt hedge	4,728	4,536

(1) The Company adopted ASU 2020-06 effective January 1, 2022 under the modified retrospective approach. As such, for purposes of calculating net income for diluted earnings per share, we have not made any adjustments for the three months ended March 31, 2021.

Effect of Convertible Notes and Related Convertible Note Hedge and Warrants

In connection with the issuance of the Convertible Notes, the Company entered into Convertible Note Hedge and Warrant transactions as described further in Note 13, *Convertible Debt*. The collective impact of the Convertible Note Hedge and Warrants effectively eliminates any economic dilution that may occur from the actual conversion of the Convertible Notes between the conversion price of $24.91 per share and the strike price of the Warrants of $31.89 per share. The adoption of ASU 2020-06, as described in Note 2, *Significant Accounting Policies – Recent Accounting Pronouncements*, did not impact the accounting for the Convertible Note Hedge and Warrants (i.e., continue to remain classified in equity), as well as the treatment for diluted earnings per share calculation purposes as it relates to the Convertible Note Hedge and Warrants.

We adopted ASU 2020-06 on January 1, 2022 under the modified retrospective method and applied the new guidance to our Convertible Notes outstanding as of January 1, 2022. We have not changed previously disclosed amounts or provided additional disclosures for comparative periods. ASU 2020-06 requires the if-converted method to be applied for all convertible instruments when calculating diluted earnings per share. Under the if-converted method, diluted earnings per share will be calculated assuming that all the Convertible Notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive.

Prior to actual conversion, for purposes of calculating diluted earnings per share, the denominator also includes the additional shares issued related to the Warrants using the treasury stock method to the extent the average price of our common stock exceeds the strike price of the Warrants of $31.89 per share. In addition, prior to actual conversion, the Convertible Note Hedges are not considered for purposes of the calculation of diluted earnings per share, as their effect would be anti-dilutive.

The dilution from the Convertible Notes for the three months ended March 31, 2022, calculated using the if-converted method, had a $0.13 impact on diluted earnings per share, as compared to a $0.05 impact on diluted earnings per share for the three months ended March 31, 2021, which was calculated under the Treasury Stock method.

(In thousands, except share data)

6. Stock-based Compensation

Our 2016 Omnibus Incentive Plan (the "2016 Plan") provides for the grant of incentive or non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, other stock-based awards and performance awards to eligible participants as determined by the Compensation Committee of the Board of Directors. Awards may be granted as incentives and rewards to encourage officers, employees, consultants, advisors and independent contractors of the Company and its affiliates and to non-employee directors of the Company to participate in our long-term success.

Stock-based compensation costs, which includes costs related to RSUs, PSUs, PSU-TSRs, the Company's qualified employee stock purchase plan and shares issued to the Company's Board of Directors, totaled $9,618 and $7,980 for the three months ended March 31, 2022 and 2021, respectively.

Restricted Stock Units

The Company grants restricted stock units ("RSUs") to officers and employees under the 2016 Plan. Stock-based compensation costs associated with our RSUs are determined using the fair market value of the Company's common stock on the date of the grant. These costs are recognized over the requisite service period using the graded vesting method, net of estimated forfeitures. RSUs have a service requirement typically over a 3.5 year vesting schedule and vest in equal annual installments. We estimate forfeitures based on historical trends when recognizing compensation expense and adjust the estimate of forfeitures when they are expected to differ or as forfeitures occur. Unvested RSUs accrue dividend equivalents at the same rate as are paid on our shares of Class A common stock. The dividend equivalents are subject to the same vesting schedule as the underlying RSUs.

The following table summarizes the RSU activity during the three months ended March 31, 2022:

	Units	Weighted-Average Grant-Date Fair Value
Unvested at January 1, 2022	300,003	$ 55.03
Granted	149,137	$ 51.77
Vested	(1,474)	$ 44.97
Forfeited	(15,503)	$ 52.51
Dividend equivalents	844	$ 53.99
Unvested at March 31, 2022	433,007	$ 54.00

Performance Stock Units

The Company grants performance stock units ("PSUs") to officers and employees under the 2016 Plan. Stock-based compensation costs associated with our PSUs are initially determined using the fair market value of the Company's common stock on the date the awards are approved by our Compensation Committee (service inception date). The vesting of these PSUs are subject to certain performance conditions and a service requirement of typically 3.5 years. Until the performance conditions are met, stock compensation costs associated with these PSUs are re-measured each reporting period based upon the fair market value of the Company's common stock and the estimated performance attainment on the reporting date. The ultimate number of PSUs that are issued to an employee is the result of the actual performance of the Company at the end of the performance period compared to the performance conditions. Stock compensation costs for our PSUs are recognized over the requisite service period using the graded vesting method, net of estimated forfeitures. We estimate forfeitures based on historical trends when recognizing compensation expense and adjust the estimate of forfeitures when they are expected to differ or as forfeitures occur. Unvested PSUs accrue dividend equivalents once the performance conditions are met at the same rate as are paid on our shares of Class A common stock. The dividend equivalents are subject to the same vesting schedule as the underlying PSUs.

During the third quarter of 2020, the Compensation Committee approved an agreement to grant PSUs to an executive management member for an aggregate value of $15,000. During the first quarter of 2022, this agreement was amended to increase the aggregate value to $22,500. This award vests in two tranches of 27%, and 73%, during the years 2022 and 2025, respectively. The first award tranche of $6,000 has performance conditions tied to results through September 2022, and the second award of $16,500 has performance conditions tied to results through September 2025. The Company began expensing the second award of $16,500 concurrent with the first award beginning on the service inception date in August 2020. The Company accounts for the first award as an equity award since the target shares are known at inception, while the second award is classified as a liability award until the number of shares is determined upon settlement of the first award. The liability and the corresponding expense are adjusted at the end of each reporting period until the date of settlement, considering the probability that the performance conditions will be satisfied. As of March 31, 2022, the liability portion of the award was $5,315, which is included in Other non-current liabilities on the Consolidated Balance Sheet. There are no units associated with the second award in the table below as of March 31, 2022 since the initial target number of shares will be determined by the Compensation Committee in 2022 based on the terms of the award.

(In thousands, except share data)

The following table summarizes the PSU activity during the three months ended March 31, 2022:

	Units	Weighted-Average Grant-Date Fair Value
Unvested at January 1, 2022	433,267	$ 50.14
Granted	573,324	$ 62.44
Achievement adjustment	83,250	$ 47.81
Forfeited	(10,667)	$ 50.89
Dividend equivalents	732	$ 49.04
Unvested at March 31, 2022	1,079,906	$ 57.81

During the year ended December 31, 2021, we granted 304,726 PSUs, which were subject to performance conditions related to the 2021 fiscal year. During the first quarter of 2022, it was determined that the performance conditions related to these PSUs were exceeded, which resulted in an achievement adjustment increase of 83,250 PSUs in 2022 relating to the initial 2021 PSU grant.

Performance Stock Units with a Market Condition Tied to Relative Total Shareholder Return

In March 2018, the Compensation Committee approved certain agreements to grant PSUs with a market condition ("PSU-TSRs") where vesting is conditioned upon the total shareholder return performance of the Company's stock relative to the performance of a peer group over five distinct performance periods from 2018 through 2024. The five distinct performance periods end in March from 2020 to 2024, with the awards for each performance period vesting in July of each year. The payout for each performance period can vest at between 50% and 175% of the target award based on the percentile ranking of WWE's total shareholder return performance with vesting capped at 100% if WWE's absolute total shareholder return is negative. The grant date fair value of the award was calculated using a Monte-Carlo simulation model which factors in the number of awards to be earned based on the achievement of the market condition. This model simulates the various stock price movements of the Company and peer group companies using certain assumptions, including the stock price of WWE and those of the peer group, stock price volatility, the risk-free interest rate, correlation coefficients, and expected dividend yield. The grant date fair value of the award is being amortized as compensation cost over the requisite service period using the graded vesting method.

The following table summarizes the PSU-TSR activity during the three months ended March 31, 2022:

	Units	Weighted-Average Grant-Date Fair Value
Unvested at January 1, 2022	47,736	$ 47.28
Granted	—	$ —
Achievement adjustment	10,229	$ 47.30
Vested	—	$ —
Forfeited	—	$ —
Dividend equivalents	—	$ —
Unvested at March 31, 2022	57,965	$ 47.30

During the first quarter of 2022, it was determined that the percentile ranking of WWE's total shareholder return performance related to the third performance period were met, which resulted in an achievement adjustment increase of 10,229 PSU-TSRs in 2022 relating to the initial 2018 PSU-TSR grant.

(In thousands, except share data)

7. Property and Equipment

Property and equipment consisted of the following:

	As of	
	March 31, 2022	December 31, 2021
Land, buildings and improvements	$ 154,679	$ 154,826
Equipment	153,780	148,193
Corporate aircraft	32,249	32,249
Vehicles	993	993
Projects in progress	63,522	49,660
	405,223	385,921
Less: accumulated depreciation and amortization	(221,430)	(213,244)
Total	$ 183,793	$ 172,677

Depreciation expense for property and equipment totaled $9,316 and $10,116 for the three months ended March 31, 2022 and 2021, respectively.

8. Leases

Information about the Nature of WWE's Lease Portfolio

As of March 31, 2022, the Company's lease portfolio consists of operating and finance real estate leases for its sales offices, performance centers, warehouses and corporate related facilities. In addition, we have various live event production service arrangements that contain operating and finance equipment leases. With the exception of our new global headquarter lease that commenced on July 1, 2019 with an 18-month free rent period followed by an initial base term of 15 years with options to renew, our other real estate leases have remaining lease terms of approximately one year to ten years, some of which may also include options to extend the leases. Our equipment leases, which are included as part of various operating service arrangements, generally have remaining lease terms of approximately one year to six years. Generally, no covenants are imposed by our lease agreements.

As it relates to the Company's new global headquarter lease, in November 2020 the landlord granted a rent deferral of $6,590 for a portion of the rental payments due during 2021. The rent deferral amount will be payable over a five year period from 2022 through 2026. The FASB has provided relief under ASC 842, "*Leases*," related to the COVID-19 pandemic. Under this relief, companies can make an accounting policy election on how to treat lease concessions resulting directly from COVID-19, provided that the modified lease contract results in total cash flows that are substantially the same or less than the cash flows in the original lease contract. The Company has elected to account for the rent deferral resulting directly from COVID-19 as though the enforceable rights and obligations to the deferral existed in the original lease contract at lease inception, and did not account for the concession as a lease modification. In lieu of applying lease modification accounting, the Company accounted for the rent deferral by accruing an accounts payable during the rent concession periods in 2021 and will relieve the payable during 2022 through 2026 when the deferred rents are due. The amount of this deferral was $6,492 as of March 31, 2022, with $5,250 included as a component of Other non-current liabilities and $1,242 included as a component of Accounts payable and accrued expenses on our Consolidated Balance Sheet.

Key Estimates and Judgments

Key estimates and judgments made in applying the lease accounting rules include how the Company determines (i) the discount rate it uses to discount the unpaid lease payments to present value, (ii) lease term and (iii) lease payments. ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, the Company cannot readily determine the interest rate implicit in the lease and therefore uses the incremental borrowing rate for its leases. The incremental borrowing rate reflects the rate of interest that the Company would pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. The incremental borrowing rates were generally determined by estimating the appropriate collateralized borrowing rates to be used for our leases and considered certain factors including, the lease term, economic environment and the assumed credit rating profile of the Company. The lease term for all of the Company's lease arrangements include the noncancelable period of the lease plus, if applicable, any additional periods covered by an option to extend the lease that is reasonably certain to be exercised by the Company.

(In thousands, except share data)

Quantitative Disclosures Related to Leases

The following table provides quantitative disclosure about the Company's operating and financing leases for the periods presented:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Lease costs		
Finance lease costs:		
Amortization of right-of-use assets	$ 4,671	$ 4,658
Interest on lease liabilities	3,804	4,706
Operating lease costs	1,172	1,518
Other short-term and variable lease costs	673	408
Sublease income (1)	(26)	—
Total lease costs	$ 10,294	$ 11,290
Other information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 3,805	$ 2,763
Operating cash flows from operating leases	$ 1,075	$ 1,328
Finance cash flows from finance leases	$ 3,435	$ 2,723
Right-of-use assets obtained in exchange for new finance lease liabilities	$ —	$ 174
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 8,605	$ 3,457

	As of March 31, 2022	As of March 31, 2021
Weighted-average remaining lease term - finance leases	26.9 years	27.3 years
Weighted-average remaining lease term - operating leases	7.2 years	3.9 years
Weighted-average discount rate - finance leases	4.0%	4.8%
Weighted-average discount rate - operating leases	3.5%	3.9%

(1) Sublease income excludes rental income from owned properties.

Maturity of lease liabilities as of March 31, 2022 were as follows:

	Operating Leases	Finance Leases
2022	$ 3,405	$ 20,099
2023	3,042	27,409
2024	1,577	24,311
2025	1,444	21,140
2026	1,465	21,472
Thereafter	6,523	536,643
Total lease payment	17,456	651,074
Less: imputed interest	(2,126)	(267,661)
Total future minimum lease payments	$ 15,330	$ 383,413

(In thousands, except share data)

9. Content Production Assets, Net

Content production assets consisted of the following:

	Predominantly Monetized Individually		Predominantly Monetized as a Film Group	
	As of		As of	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
In release	$ 6,905	$ 3,291	$ 32	$ 139
In production	8,585	9,581	199	627
In development	77	143	—	—
Total	$ 15,567	$ 13,015	$ 231	$ 766

As of March 31, 2022, approximately 87% of the "in release" content assets monetized individually are estimated to be amortized over the next three years.

As of March 31, 2022, all of the "in release" content assets monetized as a film group are estimated to be amortized over the next 12 months.

Amortization and impairment of content production assets consisted of the following:

	Three Months Ended March 31,	
	2022	2021
Content production amortization expense - assets monetized individually	$ 8,105	$ 4,496
Content production amortization expense - assets monetized as a film group	1,622	1,298
Content production impairment charges (1)	—	—
Content production development write-offs (2)	93	29
Total amortization and impairment of content production assets	$ 9,820	$ 5,823

(1) Unamortized content production assets are evaluated for impairment whenever events or changes in circumstances indicate that the fair value of a film predominantly monetized on its own or a film group may be less than its unamortized costs. If conditions indicate a potential impairment, and the estimated future cash flows are not sufficient to recover the unamortized asset, the asset is written down to fair value. In addition, if we determine that content will not likely air, we will expense the remaining unamortized asset.

(2) Capitalized script development costs are evaluated at each reporting period for impairment and to determine if a project is deemed to be abandoned.

Amortization and impairment expenses related to content production assets are included in the Company's Media segment, and as a component of Operating expenses on the Consolidated Statements of Operations. Costs to produce our live event programming are expensed immediately when the event is first broadcast and are not included in the content asset amortization amounts above.

10. Investment Securities and Short-Term Investments

Investment Securities

Included within Investment Securities are the following:

	As of	
	March 31, 2022	December 31, 2021
Nonmarketable equity investments without readily determinable fair values	$ 11,618	$ 11,618
Total investment securities	$ 11,618	$ 11,618

(In thousands, except share data)

Nonmarketable Equity Investments Without Readily Determinable Fair Values

We evaluate our nonmarketable equity investments without readily determinable fair values for impairment if factors indicate that a significant decrease in value has occurred. The Company has elected to use the measurement alternative to fair value that will allow these investments to be recorded at cost, less impairment, and adjusted for subsequent observable price changes.

The Company did not record any impairment charges on these investments during the three months ended March 31, 2022 and 2021. In addition, there were no observable price change events that were completed during the three months ended March 31, 2022 and 2021.

Short-Term Investments

Short-term investments consist of available-for-sale debt securities which are measured at fair value and consisted of the following:

	As of March 31, 2022				As of December 31, 2021			
		Gross Unrealized				Gross Unrealized		
	Amortized Cost	Gain	(Loss)	Fair Value	Amortized Cost	Gain	(Loss)	Fair Value
U.S. Treasury securities	$ 190,552	$ —	$ (901)	$ 189,651	$ 90,278	$ —	$ (57)	$ 90,221
Corporate bonds	128,292	2	(1,251)	127,043	147,102	1	(269)	146,834
Government agency bonds	26,013	—	(488)	25,525	44,026	1	(125)	43,902
Total	$ 344,857	$ 2	$ (2,640)	$ 342,219	$ 281,406	$ 2	$ (451)	$ 280,957

The Company evaluates its individual available-for-sale debt securities that are in an unrealized loss position each reporting period and determines whether the decline in fair value below the amortized cost basis results from a credit loss or other factors. The amount of the decline related to credit losses are recorded as a credit loss expense in earnings with a corresponding allowance for credit losses and the amount of the decline not related to credit losses are recorded through other comprehensive income, net of tax. As of March 31, 2022 and 2021, the aggregate total amount of unrealized losses (that is, the amount by which amortized cost basis exceeds fair value) was insignificant. We did not record an allowance for credit losses on these securities. Accordingly, during the three months ended March 31, 2022 and 2021, the entire amount of the decline in fair value below the amortized cost basis was recorded as an unrealized loss, net of tax, in other comprehensive loss in the Consolidated Statements of Comprehensive Income. Unrealized gains are also reflected, net of tax, as other comprehensive income (loss) in the Consolidated Statements of Comprehensive Income.

Our U.S. Treasury securities, corporate bonds, municipal bonds and government agency bonds are included in Short-term investments, net on our Consolidated Balance Sheets. Realized gains and losses on investments are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

As of March 31, 2022, contractual remaining maturities of these securities are as follows:

	Maturities
U.S. Treasury securities	1 month - 2 years
Corporate bonds	1 month - 2 years
Government agency bonds	5 months - 2 years

During the three months ended March 31, 2022 and 2021, we recognized $263 and $87, respectively, of interest income on our short-term investments. Interest income is reflected as a component of Other income (expense), net within our Consolidated Statements of Operations.

The following table summarizes the short-term investment activity:

	Three Months Ended March 31,	
	2022	2021
Proceeds from sales and maturities of short-term investments	$ 47,424	$ 22,842
Purchases of short-term investments	$ 111,623	$ 52,405

(In thousands, except share data)

11. Fair Value Measurement

Fair value is determined based on the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

The accounting guidance establishes a three-level hierarchy that ranks the quality and reliability of information used in developing fair value estimates. The hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. In cases where two or more levels of inputs are used to determine fair value, a financial instrument's level is determined based on the lowest level input that is considered significant to the fair value measurement in its entirety. The three input levels of the fair value hierarchy are summarized as follows:

Level 1-	Observable inputs such as quoted prices in active markets for identical assets or liabilities;
Level 2-	Inputs other than quoted prices in active markets for similar assets and liabilities that are directly or indirectly observable; or
Level 3-	Unobservable inputs, such as discounted cash flow models or valuations, in which little or no market data exists.

Certain financial instruments are carried at cost on the Consolidated Balance Sheets, which approximates fair value due to their short-term, highly liquid nature. The carrying amounts of cash and cash equivalents, money market accounts, accounts receivable, and accounts payable approximate fair value because of the short-term nature of such instruments.

We have classified our investment in U.S. Treasury securities, corporate bonds, municipal bonds and government agency bonds, which collectively are investments in available-for-sale debt securities, within Level 2, as their valuation requires quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and/or model-based valuation techniques for which all significant inputs are observable in the market or can be corroborated by observable market data. The U.S. Treasury securities, corporate bonds, municipal bonds and government agency bonds are valued based on model-driven valuations. A third-party service provider assists the Company with compiling market prices from a variety of industry standard data sources, security master files from large financial institutions and other third-party sources that are used to value our corporate bond, U.S. Treasury securities, municipal bond and government agency bond investments. The Company did not have any transfers between Level 1, Level 2, and Level 3 fair value investments during the periods presented.

The fair value measurements of our equity investments without readily determinable fair values and our equity method investments are classified within Level 3 as significant unobservable inputs are used as part of the determination of fair value. Significant unobservable inputs may include variables such as near-term prospects of the investees, recent financing activities of the investees, and the investees' capital structure, as well as other economic variables, which reflect assumptions market participants would use in pricing these assets. For our equity investments without readily determinable fair values, the Company has elected to use the measurement alternative to fair value that will allow these investments to be recorded at cost, less impairment, and adjusted for subsequent observable price changes. The Company did not record any impairment charges on our investment securities during the three months ended March 31, 2022 and 2021.

The Company's long-lived property and equipment and content production assets are required to be measured at fair value on a non-recurring basis if it is determined that indicators of impairment exist. These assets are recorded at fair value only when an impairment is recognized. The Company did not record any impairment charges on long lived property and equipment during the three months ended March 31, 2022 and 2021. The Company classifies these assets as Level 3 within the fair value hierarchy due to significant unobservable inputs.

The Company did not record any impairment charges on content production assets during the three months ended March 31, 2022 and 2021. Refer to Note 9, *Content Production Assets, Net*, for further discussion. The Company classifies these assets as Level 3 within the fair value hierarchy due to significant unobservable inputs. The Company utilizes a discounted cash flows model to determine the fair value of content production assets where indicators of impairment exist.

The fair value of the Company's debt, consisting of a mortgage loan assumed in connection with a building purchase, is estimated based upon quoted price estimates for similar debt arrangements. At March 31, 2022, the carrying amount of the mortgage loan approximates its fair value.

(In thousands, except share data)

The convertible debt is not marked to fair value at the end of each reporting period, but instead is reported at amortized cost. As of March 31, 2022 and December 31, 2021, the calculation of the fair value of the debt component of the Company's convertible debt required the use of Level 3 inputs, and was determined by calculating the fair value of similar debt without the associated conversion feature based on market conditions at that time:

	March 31, 2022		December 31, 2021	
	Fair Value	Carrying Value (1)	Fair Value	Carrying Value (1)
Convertible senior notes	$ 207,739	$ 215,000	$ 210,076	$ 203,032

(1) Upon adoption of ASU 2020-06 on January 1, 2022, the carrying value of the convertible debt instrument presented in the table above represents the face value of the convertible note as of March 31, 2022. As of December 31, 2021, prior to the adoption of ASU 2020-06, the carrying value of the convertible debt instrument presented in the table above represents the face value of the convertible note less unamortized debt discount.

12. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

	As of	
	March 31, 2022	December 31, 2021
Trade related	$ 20,692	$ 11,150
Staff related	16,481	15,558
Management incentive compensation	7,269	30,604
Talent related	7,320	4,428
Accrued WWE Network related expenses	6,481	10,950
Accrued event and television production	11,388	9,687
Accrued legal and professional	4,843	5,506
Accrued purchases of property and equipment	21,352	22,207
Accrued income taxes (1)	1,733	—
Accrued other	13,562	10,426
Total	$ 111,121	$ 120,516

(1) At December 31, 2021, income taxes has a refundable balance of $7,156 and was included in Prepaid expenses and other current assets on our Consolidated Balance Sheets.

Accrued other includes accruals for our international and licensing business activities, as well as other miscellaneous accruals, none of which categories individually exceeds 5% of current liabilities.

13. Convertible Debt

In December 2016 and January 2017, we issued $215,000 aggregate principal amount of 3.375% convertible senior notes due 2023 (the "Convertible Notes"). The Convertible Notes are due December 15, 2023, unless earlier repurchased by us or converted. Interest is payable semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2017.

The Convertible Notes are governed by an Indenture between us, as issuer, and U.S. Bank, National Association, as trustee. The Convertible Notes will be our general unsecured obligations and will rank senior in right of payment to any of our indebtedness that is expressly subordinated in right of payment to the Convertible Notes; equal in right of payment to any of our unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure secured debt will be available to pay obligations on the Convertible Notes only after all indebtedness under such secured debt has been repaid in full from such assets.

Upon conversion of the Convertible Notes, we will pay or deliver, as the case may be, cash, shares of our Class A common stock or a combination of cash and shares of Class A common stock, at our election, at a conversion rate of approximately 40.1405 shares of common stock per $1 principal amount of the Convertible Notes, which corresponds to an initial conversion price of approximately $24.91 per share of our Class A common stock. At any time, prior to the close on the business day immediately preceding June 15, 2023, the Convertible Notes will be convertible under the following circumstances:

(In thousands, except share data)

a) During any calendar quarter beginning after the calendar quarter ending on December 31, 2016 (and only during such calendar quarter), if the last reported sale price of our Class A common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding quarter is greater than or equal to 130% of the conversion price on each applicable trading day;

b) During the 5 business day period after any 10 consecutive trading day period (the "measurement period") in which the trading price per $1 principal amount of Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class A common stock and the conversion rate on each such trading day;

c) Upon the occurrence of specified corporate events; or

d) On or after June 15, 2023 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their Convertible Notes, in multiples of $1 principal amount, at the option of the holder regardless of the foregoing circumstances.

Pursuant to item (a) noted above, the Convertible Notes have been convertible since April 1, 2018, and holders of the Convertible Notes have the right to convert their notes at any time through at least June 30, 2022. As of March 31, 2022, since the Convertible Notes are convertible at the option of the holders, the Convertible Notes are reflected in current liabilities on our Consolidated Balance Sheet. As of March 31, 2022, no actual conversions have occurred to date. See Note 5, *Earnings Per Share*, for a description of the dilutive nature of the Convertible Notes.

In accounting for the issuance of the Convertible Notes, prior to the adoption of ASU 2020-06 on January 1, 2022, we allocated the gross proceeds of the Convertible Notes between the liability and equity components under the cash conversion feature model under prior accounting rules in US GAAP (ASC 470-20). The carrying amount of the liability component was calculated by measuring the fair value of a similar debt instrument without the associated convertible feature. The carrying amount of the equity component, representing the conversion option, was $36,657 and was determined by deducting the fair value of the liability component from the $215,000 par value of the Convertible Notes. The equity component was not re-measured as long as it continued to meet the conditions for equity classification. The excess of the principal amount of the liability component over its carrying amount (i.e., the debt discount) was amortized to interest expense using the effective interest method with an effective interest rate of 6.4% per annum. Upon adoption of ASU 2020-06 on January 1, 2022, we reversed the separation of the debt and equity components and accounted for the Convertible Notes wholly as debt. We also reversed the amortization of the debt discount, with a cumulative effect adjustment to retained earnings (accumulated deficit) on the adoption date. Prior to the adoption of ASU 2020-06, debt issuance costs attributable to the liability component of $5,454 was being amortized to interest expense using the effective interest method and debt issuance costs attributable to the equity component of $1,110 were netted with the $36,657 equity component in stockholders' equity. Upon adoption of ASU 2020-06 on January 1, 2022, we reversed the $1,110 of debt issuance costs attributable to the equity component and will account for the entire amount as debt issuance costs that will be amortized as interest expense using the effective interest method, with a cumulative effect adjustment to retained earnings (accumulated deficit) on the adoption date. Refer to Note 2, *Significant Accounting Policies – Recent Accounting Pronouncements*, for further information regarding the adoption of ASU 2020-06. The Convertible Notes consisted of the following components:

	As of	
	March 31, 2022	December 31, 2021
Debt component:		
Principal	$ 215,000	$ 215,000
Less: Unamortized debt discount (1)	—	(11,968)
Less: Unamortized debt issuance costs (2)	(1,604)	(1,939)
Net carrying amount	$ 213,396	$ 201,093
Equity component (3)	$ —	$ 35,547

(1) The debt discount associated with the Convertible Notes was derecognized upon adoption of ASU 2020-06 on January 1, 2022.

(2)

(In thousands, except share data)

Unamortized debt issuance costs as of March 31, 2022 reflects the adoption impact from ASU 2020-06 described above.

(3) The equity component of the Convertible Notes, net of deferred income taxes, was derecognized upon adoption of ASU 2020-06 on January 1, 2022.

The following table sets forth total interest expense recognized related to the Convertible Notes:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
3.375% contractual coupon	$ 1,814	$ 1,814
Amortization of debt discount (1)	—	1,356
Amortization of debt issuance costs	235	205
Interest expense	$ 2,049	$ 3,375

(1) The Company adopted ASU 2020-06 during the first quarter of 2022 using the modified retrospective method. Prior year reports amounts were not revised and are presented in accordance with accounting rules prior to the adoption of ASU 2020-06.

Convertible Note Hedge

In connection with the pricing of the Convertible Notes in December 2016 and January 2017, we entered into convertible note hedge transactions with respect to our Class A common stock (the "Note Hedge"). The Note Hedge transactions cover approximately 8.63 million shares of our Class A common stock and are exercisable upon conversion of the Convertible Notes. The Note Hedge will expire on December 15, 2023, unless earlier terminated. The Note Hedge transactions have been accounted for as part of additional paid-in capital.

Warrant Transactions

In connection with entering into the Note Hedge transactions described above, we also concurrently entered into separate warrant transactions (the "Warrants"), to sell warrants to acquire approximately 8.63 million shares of our Class A common stock in connection with the Note Hedge transactions at an initial strike price of approximately $31.89 per share, which represents a premium of approximately 60.0% over the last reported sale price of our Class A common stock of $19.93 on December 12, 2016 (initial issuance date of the Convertible Notes). The Warrants transactions have been accounted for as part of additional paid-in capital.

14. Long-Term Debt and Credit Facility

Included within Long-Term Debt are the following:

	As of March 31, 2022	As of December 31, 2021
Current portion of long-term debt:		
Mortgage	$ 435	$ 430
Total current portion of long-term debt	$ 435	$ 430
Long-term debt:		
Mortgage	$ 21,173	$ 21,284
Total long-term debt	$ 21,173	$ 21,284
Total	$ 21,608	$ 21,714

Revolving Credit Facility

In May 2019, the Company entered into an amended and restated $200,000 senior unsecured revolving credit facility with a syndicated group of banks, with JPMorgan Chase Bank, N.A. acting as Administrative Agent (the "Revolving Credit Facility"). The Revolving Credit Facility has a maturity date of May 24, 2024. Applicable interest rates for the borrowings under the Revolving Credit Facility are based on the Company's current consolidated leverage ratio. As of March 31, 2022, the LIBOR-based rate plus margin was 1.96%, and the Company is required to pay a commitment fee calculated at a rate per annum of 0.15% on the average daily unused portion of the Revolving Credit Facility. Under the terms of the Revolving Credit Facility, the Company is subject to certain financial covenants and restrictions, including restrictions on our ability to pay dividends and limitations with respect to our indebtedness, liens, mergers and acquisitions, dispositions of assets, investments, capital expenditures and transactions with affiliates.

As of March 31, 2022, the Company was in compliance with the terms of the Revolving Credit Facility and had available debt capacity under the Revolving Credit Facility of $200,000. As of March 31, 2022 and December 31, 2021, there were no amounts outstanding under the Revolving Credit Facility.

Mortgage

In September 2016, the Company acquired real property and assumed future obligations under a loan agreement, dated June 8, 2015, in the principal amount of $23,000, which loan is secured by a mortgage on the property. The loan bears interest at the rate of 4.50% per annum and requires monthly interest only payments of $86 until June 2018 and interest and principal payments of $117 per month thereafter, with a balloon payment upon maturity on July 5, 2025. There is a significant yield maintenance premium for prepayments. Pursuant to the loan agreement, since the assets of WWE Real Estate, a subsidiary of the Company, represent collateral for the underlying mortgage, these assets will not be available to satisfy debts and obligations due to any other creditors of the Company.

15. Concentration of Credit Risk

We continually monitor our position with, and the credit quality of, the financial institutions that are counterparties to our financial instruments. Our accounts receivable relates principally to a limited number of distributors, including WWE Network, television, and premium live event programming distributors, and licensees. We closely monitor the status of receivables with these customers and maintain allowances for anticipated losses as deemed appropriate. We believe credit risk with respect to accounts receivable is limited due to the generally high credit quality of the Company's major customers. At March 31, 2022 our two largest receivable balances from customers were 40% and 26% of our gross accounts receivable. At December 31, 2021, our two largest receivable balances from customers were 38% and 26% of our gross accounts receivable. No other customers individually exceeded 10% of our gross accounts receivable balance.

16. Income Taxes

As of March 31, 2022 and December 31, 2021, we had $16,745 and $13,100, respectively, of deferred income tax assets, net, included in our Consolidated Balance Sheets.

The Company considers all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, a valuation allowance is required to reduce the net deferred tax assets to the amount that is more likely than not to be realized in future periods. The Company believes that based on past performance, expected future taxable income and prudent and feasible tax planning strategies, it is more likely than not that the net deferred tax assets will be realized. Changes in these factors may cause us to increase our valuation allowance on deferred tax assets, which would impact our income tax expense in the period we determine that these factors have changed.

17. Commitments and Contingencies

Our future commitments related to our operating and finance leases are separately disclosed in Note 8, *Leases*.

Legal Proceedings

On January 11, 2022, a complaint was filed against the Company by MLW Media LLC ("MLW") alleging that the Company supposedly interfered with MLW's contractual relationship with Tubi, a streaming service owned by Fox Corp., and MLW's prospective economic advantage with respect to its relationship with VICE TV, and supposedly engaged in unfair business practices in violation of the Sherman Antitrust Act and California law. Such supposedly unfair business practices are alleged to include cutting off competitors' access to viewers and licensing opportunities, interfering with contracts, poaching talent, eliminating price competition, and misappropriating and attempting to misappropriate confidential information of its competitors. On March 15, 2022, the Company moved to dismiss all claims asserted in the compliant. MLW filed its response to the Company's motion to dismiss on April 22, 2022. The Company believes that all claims in the lawsuit are without merit and intends to defend itself vigorously against them.

In addition to the foregoing, from time to time we become a party to other lawsuits and claims. By its nature, the outcome of litigation is not known, but the Company does not currently expect this ordinary course litigation to have a material adverse effect on our financial condition, results of operations or liquidity.

18. Stockholders' Equity

In February 2019, the Company's Board of Directors authorized a stock repurchase program of up to $500,000 of our common stock. Repurchases may be made from time to time at management's discretion subject to certain pre-approved parameters and in accordance with all applicable securities and other laws and regulations. The stock repurchase program does not obligate the Company to repurchase any minimum dollar amount or number of shares and may be modified, suspended or discontinued at any time. During the three months ended March 31, 2022, the Company repurchased 524,498 shares of common stock in the open market at an average price of $57.21 for an aggregate amount of $30,006. During the three months ended March 31, 2021, the Company repurchased 1,497,820 shares of common stock in the open market at an average price of $50.07 for an aggregate amount of $75,000. As of March 31, 2022, $220,924 of common stock remained under the original stock repurchase program authorization.

Stock repurchases are accounted for under the cost method. All shares repurchased to date have been retired by the Company with no unsettled share repurchases as of March 31, 2022. When the Company retires its own common stock, the excess of the repurchase price over par value is allocated between additional paid-in capital and retained earnings, with certain limitations. The portion allocated to additional paid-in capital is determined by applying a percentage, determined by dividing the number of shares to be retired by the number of shares issued and outstanding as of the retirement date, to the balance of additional paid-in capital as of the retirement date. Direct costs incurred to repurchase the common stock were not material and were expensed in the period incurred. For the three months ended March 31, 2022 and 2021, $25,085 and $61,360, respectively, and $4,916 and $13,625, respectively, was deducted from retained earnings and additional paid-in capital, respectively, related to the common stock shares retired.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

You should read the following discussion in conjunction with the consolidated financial statements and related notes included elsewhere in this report.

Our operations are organized around the following principal activities:

Media:

- The Media segment reflects the production and monetization of long-form and short-form video content across various platforms, including WWE Network, broadcast and pay television, digital and social media, as well as filmed entertainment. Across these platforms, revenues principally consist of content rights fees, subscriptions to WWE Network, and advertising and sponsorships. Effective March 18, 2021, the domestic monetization of WWE Network is generated from content license fees and certain shared sponsorship revenues from NBC Universal ("NBCU"). Media segment revenues for the three months ended March 31, 2021 include the upfront revenue recognition related to the delivery of certain intellectual property rights under this agreement.

Live Events:

- Live events provide ongoing content for our media platforms. Live Event segment revenues consist primarily of ticket sales, revenues from events for which we receive a fixed fee, as well as the sale of travel packages associated with the Company's global live events. As a result of the global spread of the coronavirus pandemic ("COVID-19"), these revenues had been greatly limited from March 2020 through the first half of 2021. In July 2021, we resumed our domestic and international live event touring schedules.

Consumer Products:

- The Consumer Products segment engages in the merchandising of WWE branded products, such as video games, toys and apparel, through licensing arrangements and direct-to-consumer sales. Revenues principally consist of royalties and licensee fees related to WWE branded products, and sales of merchandise distributed at our live events and through eCommerce platforms.

Results of Operation

The Company presents Adjusted OIBDA as the primary measure of segment profit (loss). The Company defines Adjusted OIBDA as operating income before depreciation and amortization, excluding stock-based compensation, certain impairment charges and other non-recurring material items. Adjusted OIBDA includes depreciation and amortization expenses directly related to supporting the operations of our segments, including content production asset amortization, depreciation and amortization of costs related to content delivery and technology assets utilized for 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 investors to view our segment performance in the same manner as the primary method used by management to evaluate segment performance and make decisions about allocating resources. Additionally, we believe 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. A limitation of Adjusted OIBDA is that it excludes depreciation and amortization, which represents the periodic charge for certain fixed assets and intangible assets used in our business. Additionally, Adjusted OIBDA excludes stock-based compensation, a non-cash expense that may vary between periods with limited correlation to underlying operating performance, as well as other non-recurring material items. Adjusted 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 Adjusted OIBDA. See Note 3, *Segment Information*, in the accompanying consolidated financial statements for a reconciliation of Adjusted OIBDA to operating income for the periods presented.

Unallocated corporate general and administrative expenses largely relate to corporate functions such as finance, investor relations, community relations, corporate communications, information technology, legal, facilities, human resources and our Board of Directors. These unallocated corporate general and administrative expenses will be shown, as applicable, as a reconciling item in tables where segment and consolidated results are both shown.

Summary

Three Months Ended March 31, 2022 compared to Three Months Ended March 31, 2021
(dollars in millions, except where noted)

The following tables present our consolidated results followed by our Adjusted OIBDA results:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Increase (decrease)
Net revenues			
Media	$ 278.1	$ 242.0	15 %
Live Events	23.1	0.5	4,520 %
Consumer Products	32.2	21.0	53 %
Total net revenues (1)	333.4	263.5	27 %
Operating expenses			
Media	142.4	123.9	15 %
Live Events	18.7	4.4	325 %
Consumer Products	19.6	13.8	42 %
Total operating expenses (2)	180.7	142.1	27 %
Marketing and selling expenses			
Media	14.7	17.3	(15) %
Live Events	2.4	0.5	380 %
Consumer Products	1.3	1.1	18 %
Total marketing and selling expenses	18.4	18.9	(3) %
General and administrative expenses	32.2	26.6	21%
Depreciation and amortization	9.7	10.8	(10)%
Operating income	92.4	65.1	42 %
Interest expense	6.3	8.5	(26)%
Other income, net	0.3	0.5	(40)%
Income before income taxes	86.4	57.1	51%
Provision for income taxes	20.3	13.3	53%
Net income	$ 66.1	$ 43.8	51%

(1) Our consolidated net revenues increased by $69.9 million, or 27%, in the current year quarter as compared to the prior year quarter. This increase was driven by the timing of a large-scale international event, coupled with $23.4 million of ticket and merchandise sales due to the return of ticketed audiences at our live events. Additionally, the current year quarter includes additional revenues of $7.6 million associated with higher sales of the Company's licensed video games. These increases were partially offset by a decline in network revenues of $23.1 million due primarily to the impact of upfront revenue recognition in the prior year quarter related to the delivery of certain WWE Network intellectual property rights. For further analysis, refer to Management's Discussion and Analysis of our business segments.

(2) Our consolidated operating expenses increased by $38.6 million, or 27%, in the current year quarter as compared to the prior year quarter. This increase was primarily driven by the timing of a large-scale international event, coupled with higher event-related costs associated with the resumption of live event touring. In the current year quarter, we incurred $15.9 million of higher production-related costs within our Media segment, as the timing of a large-scale international event was partially offset by lower production-related costs of $7.3 million associated with the creation of the Company's weekly, in-ring content. In the prior year quarter, the Company produced its weekly, televised programs utilizing the higher cost environment of *WWE ThunderDome*. We also incurred $12.1 million of higher event-related costs within our Live Events segment, primarily driven by the impact of additional events associated with the return to live event touring. For further analysis, refer to Management's Discussion and Analysis of our business segments.

(3) Our consolidated general and administrative expenses increased by $5.6 million, or 21%, in the current year quarter as compared to the prior year quarter. The increase was primarily driven by $3.2 million of additional consulting and staff-related costs. For further analysis, refer to Management's Discussion and Analysis of our business segments.

Reconciliation of Operating Income to Adjusted OIBDA	Three Months Ended March 31, 2022	% of Rev	2021	% of Rev
Operating income	$ 92.4	28 %	$ 65.1	25 %
Depreciation and amortization	9.7	3 %	10.8	4 %
Stock-based compensation	9.6	3 %	8.0	3 %
Other adjustments	—	— %	—	— %
Adjusted OIBDA	$ 111.7	34 %	$ 83.9	32 %

Adjusted OIBDA	Three Months Ended March 31, 2022	2021	Increase (decrease)
Media	$ 128.2	$ 106.6	20%
Live Events	2.8	(4.3)	165 %
Consumer Products	11.9	6.7	78 %
Corporate	(31.2)	(25.1)	(24)%
Total Adjusted OIBDA	$ 111.7	$ 83.9	33%

Media

The following tables present the performance results and key drivers for our Media segment:

Net Revenues	Three Months Ended March 31, 2022	2021	Increase (decrease)
Network (including pay-per-view) (1)	$ 56.3	$ 79.4	(29)%
Core content rights fees (2)	141.5	139.7	1 %
Advertising and sponsorship (3)	19.8	15.6	27%
Other (4)	60.5	7.3	729%
Total net revenues	$ 278.1	$ 242.0	15 %

(1) Network revenues consist primarily of license fees associated with the domestic distribution of WWE Network content to NBCU (effective March 18, 2021), as well as subscription fees from customers of WWE Network and license fees associated with our international licensed partner agreements. Network revenues for the three months ended March 31, 2021 include the upfront revenue recognition related to the delivery of certain WWE Network intellectual property rights to NBCU.

(2) Core content rights fees consist primarily of licensing revenues from the distribution of our flagship programs, *RAW* and *SmackDown*, as well as our *NXT* programming, through global broadcast, pay television and digital platforms.

(3) Advertising and sponsorships revenues within our Media segment consist primarily of advertising revenues from the Company's content on third-party social media platforms and sponsorship fees from sponsors who promote their products utilizing the Company's media platforms, including promotion on the Company's digital websites and on-air promotional media spots.

(4) Other revenues within our Media segment reflect revenues from the distribution of other WWE content, including, but not limited to, certain live in-ring programming content in international markets, scripted, reality and other programming, as well as theatrical and direct-to-home video releases.

Reconciliation of Operating Income to Adjusted OIBDA	Three Months Ended March 31, 2022	% of Rev	2021	% of Rev
Operating income	$ 117.4	42 %	$ 97.1	40 %
Depreciation and amortization	3.6	1 %	3.7	2 %
Stock-based compensation	7.2	3 %	5.8	2 %
Other adjustments	—	— %	—	— %
Adjusted OIBDA	$ 128.2	46 %	$ 106.6	44 %

Media net revenues increased by $36.1 million, or 15%, in the current year quarter as compared to the prior year quarter. This increase was primarily driven by the increase in other revenues within the Media segment of $53.2 million, driven primarily by the impact of a large-scale international event. This increase was partially offset by a decrease in Network revenues of $23.1 million, or 29%, primarily driven by the upfront revenue recognition in the prior year quarter related to the delivery of certain WWE intellectual property rights to NBCU. The decline was partially offset by increased content license fees associated with the delivery of new WWE Network content in the current year quarter.

Media Adjusted OIBDA as a percentage of revenues increased in the current year quarter as compared to the prior year quarter. This increase was primarily driven by the impact of a large-scale international event, partially offset by the reduction in Network revenues, as discussed above, coupled with $7.3 million of lower television production-related costs associated with the creation of the Company's weekly, in-ring content.

Live Events

The following tables present the performance results and key drivers for our Live Events segment:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Increase (decrease)
Net Revenues			
North American ticket sales	$ 19.9	$ —	NM
International ticket sales	—	—	NM
Advertising and sponsorship (1)	1.1	—	NM
Other (2)	2.1	0.5	320 %
Total net revenues	$ 23.1	$ 0.5	4,520 %
Operating Metrics (3)			
Total live event attendance	296,800	—	NM
Number of North American events	52	—	NM
Average North American attendance	5,710	—	NM
Average North American ticket price (dollars)	$ 67.00	$ —	NM
Number of international events	1	—	NM
Average international attendance	—	—	NM
Average international ticket price (dollars)	$ —	$ —	NM

(1) Advertising and sponsorships revenues within our Live Events segment primarily consists of fees from advertisers and sponsors who promote their products utilizing the Company's live events (i.e., presenting sponsor of fan engagement events and advertising signage at the event).

(2) Other revenues within our Live Events segment primarily consists of the sale of travel packages associated with the Company's global live events, as well as revenues from events for which the Company receives a fixed fee.

(3) Metrics exclude the events for our domestic and United Kingdom NXT brands. These are our developmental brands that typically conduct their events in smaller venues with lower ticket prices. We did not conduct any ticketed NXT events in the periods presented.

Reconciliation of Operating Income (Loss) to Adjusted OIBDA	Three Months Ended March 31, 2022	% of Rev	2021	% of Rev
Operating income (loss)	$ 2.0	9 %	$ (4.5)	(900)%
Depreciation and amortization	—	— %	—	— %
Stock-based compensation	0.8	3 %	0.2	40 %
Other adjustments	—	— %	—	— %
Adjusted OIBDA	$ 2.8	12 %	$ (4.3)	(860)%

Live Events net revenues, which include revenues from ticket sales and travel packages, increased by $22.6 million in the current year quarter as compared to the prior year quarter. Revenues from our ticket sales were $19.9 million due to impact of the return of ticketed events, including the resumption our domestic and international touring schedules in July 2021. There were no ticket sales in the prior year quarter due to the cancellation of ticketed events as a result of COVID-19.

Live Events Adjusted OIBDA increased in the current year quarter as compared to the prior year quarter. This increase was driven by the increase in ticket sales, as discussed above, partially offset by increased event-related costs associated with conducting 53 additional events in the current year quarter.

Consumer Products

The following tables present the performance results and key drivers for our Consumer Products segment:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Increase (decrease)
Net Revenues			
Consumer product licensing	$ 20.0	$ 11.0	82 %
eCommerce	7.7	10.0	(23)%
Venue merchandise	4.5	—	NM
Total net revenues	$ 32.2	$ 21.0	53 %
Operating Metrics			
Average eCommerce revenue per order (dollars)	$ 66.09	$ 62.52	6 %
Number of eCommerce orders	115,400	158,700	(27)%
Venue merchandise domestic per capita spending (dollars)	$ 12.89	$ —	NM

Reconciliation of Operating Income to Adjusted OIBDA	Three Months Ended March 31, 2022	% of Rev	2021	% of Rev
Operating income	$ 11.2	35 %	$ 6.2	30 %
Depreciation and amortization	0.1	0 %	—	— %
Stock-based compensation	0.6	2 %	0.5	2 %
Other adjustments	—	— %	—	— %
Adjusted OIBDA	$ 11.9	37 %	$ 6.7	32 %

Consumer Products net revenues increased by $11.2 million, or 53%, in the current year quarter as compared to the prior year quarter. This increase was primarily driven by an increase in consumer product licensing revenues of $9.0 million, or 82%, primarily due to higher sales of the Company's licensed video games, including our franchise game *WWE 2K22*. Venue merchandise revenues were $4.5 million resulting from the sale of merchandise at our ticketed events in the current year. We did not hold any ticketed events in the prior year quarter as a result of COVID-19. These increases were partially offset by eCommerce declines of $2.3 million, or 23%, primarily due to a 27% decline in the volume of online merchandise orders, which was driven, in part, by changes in consumer spending habits.

Consumer Products Adjusted OIBDA as a percentage of revenues increased in the current year quarter as compared to the prior year quarter. This increase was driven by increased revenues, as discussed above, partially offset by an increase in certain variable costs, including higher costs related to global supply chain constraints.

Corporate

Unallocated corporate general and administrative expenses largely relate to corporate administrative functions, including finance, investor relations, community relations, corporate communications, information technology, legal, human resources and our Board of Directors. The Company does not allocate these general and administrative expenses to its business segments.

Reconciliation of Operating Loss to Adjusted OIBDA	Three Months Ended March 31, 2022	% of Rev	2021	% of Rev
Operating loss	$ (38.2)	(11)%	$ (33.7)	(13)%
Depreciation and amortization	6.0	2 %	7.1	3 %
Stock-based compensation	1.0	0 %	1.5	1 %
Other adjustments	—	— %	—	— %
Adjusted OIBDA	$ (31.2)	(9)%	$ (25.1)	(10)%

Corporate Adjusted OIBDA decreased by $6.1 million, or 24%, in the current year quarter as compared to the prior year quarter. This decrease was primarily driven by $3.2 million of additional consulting and staff related costs to support the Company's strategic initiatives.

Depreciation and Amortization

	Three Months Ended March 31,		
	2022	2021	Increase (decrease)
Depreciation and amortization	$ 9.7	$ 10.8	(10) %

Depreciation and amortization expense declined by $1.1 million in the current year quarter as compared to the prior year quarter. This decline was driven by the impact of prior period capital expenditures that have fully depreciated.

Interest Expense

	Three Months Ended March 31,		
	2022	2021	Increase (decrease)
Interest expense	$ 6.3	$ 8.5	(26)%

Interest expense, which relates primarily to interest and amortization associated with our convertible notes, our real estate and equipment finance leases, the revolving credit facility and mortgage, declined by $2.2 million in the current year quarter as compared to the prior year quarter. The prior period included $1.4 million of interest expense related to the unamortized debt discount associated with our convertible notes, which was derecognized as of January 1, 2022 upon the adoption of ASU 2020-06.

Other Income, Net

	Three Months Ended March 31,		
	2022	2021	Increase (decrease)
Other income, net	$ 0.3	$ 0.5	(40)%

Other income, net is comprised of interest income, gains and losses recorded on our equity investments, realized translation gains and losses, and rental income.

Income Taxes

	Three Months Ended March 31,		
	2022	2021	Increase (decrease)
Provision for income taxes	$ 20.3	$ 13.3	53 %
Effective tax rate	24 %	23 %	

The effective tax rate was essentially unchanged in the current year quarter as compared to the prior year quarter.

Liquidity and Capital Resources

We had cash and cash equivalents and short-term investments of $447.8 million and $415.8 million as of March 31, 2022 and December 31, 2021, respectively. Our short-term investments consist primarily of U.S. Treasury securities, corporate bonds, municipal bonds, and government agency bonds. Our debt balance totaled $235.0 million and $222.8 million as of March 31, 2022 and December 31, 2021, respectively, and includes the carrying value of $213.4 million and $201.1 million related to our convertible senior notes due 2023 as of March 31, 2022 and December 31, 2021, respectively.

The COVID-19 pandemic has negatively impacted the global economy, disrupted business operations and created significant volatility and disruption to financial markets. Significant uncertainty remains as to the potential impact of COVID-19 and its variants on our operations, and on the global economy as a whole. While restrictions have lessened and we have resumed our domestic and international live event touring schedules, the extent and duration of the pandemic could continue to disrupt global markets and may affect our ability to generate cash from operations. Additionally, refer to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021, which provides a discussion of risk factors related to COVID-19.

We believe that our existing cash and cash equivalents and short-term investment balances, along with cash generated from operations, will be sufficient to meet our ongoing operating requirements for at least the next twelve months, inclusive of dividend payments, debt service, content production activities, planned capital expenditures and for any discretionary repurchase of shares of our common stock under our approved share repurchase program (see below for further details). The Company also has available capacity of $200.0 million under its Revolving Credit Facility (defined below), which may be used, as needed, for general corporate purposes.

During 2021, the Company resumed construction on the build out of its new headquarter facility. The Company estimates that total capital expenditures related to the new headquarter facility through 2023 will be approximately $270 million to $300 million. The Company expects the total project spend will be partially offset by tenant improvement allowances, tax credits and proceeds from the sale of other real estate assets. The total net cost of the Company’s new headquarter through completion, net of all aforementioned items, is estimated within a range of $160 million to $180 million. The Company expects total capital expenditures will return to approximately 4% to 5% of revenues once construction of the Company’s new headquarter has been completed.

In February 2019, the Company’s Board of Directors authorized a stock repurchase program of up to $500.0 million of our common stock. Repurchases may be made from time to time at management’s discretion subject to certain pre-approved parameters and in accordance with all applicable securities and other laws and regulations. The extent to which WWE repurchases its shares, and the timing of such repurchases, will depend upon a variety of factors, including liquidity, capital needs of the business, market conditions, regulatory requirements and other corporate considerations. Repurchases under this program may be funded by one or a combination of existing cash balances and free cash flow. The stock repurchase program does not obligate the Company to repurchase any minimum dollar amount or number of shares, and may be modified, suspended or discontinued at any time. We repurchased 524,498 shares of our common stock in the open market for an aggregate cost of $30.0 million during the three months ended March 31, 2022.

As it relates to our Convertible Notes (defined below), which pursuant to the terms are currently convertible, we believe that if note holders elect to convert their notes within the next twelve months, the Company has sufficient means to settle the Convertible Notes using any combination of existing cash and cash equivalents and investment balances, borrowings under our Revolving Credit Facility, cash generated from operations or through the issuance of shares.

Debt Summary and Borrowing Capacity

The Company has $215.0 million aggregate principal amount of 3.375% convertible senior notes (the “Convertible Notes”) due December 15, 2023. See Note 13, *Convertible Debt*, and Note 5, *Earnings Per Share*, in the Notes to Consolidated Financial Statements for further information on the Convertible Notes, including the dilutive nature of the Convertible Notes.

In May 2019, the Company entered into an amended and restated $200.0 million senior unsecured revolving credit facility with a syndicated group of banks, with JPMorgan Chase Bank, N.A. acting as Administrative Agent (the “Revolving Credit Facility”). The Revolving Credit Facility has a maturity date of May 24, 2024. As of March 31, 2022, the Company was in compliance with the provisions of our Revolving Credit Facility, there were no amounts outstanding, and the Company had available capacity under the terms of the facility of $200.0 million.

In September 2016, the Company acquired land and a building located in Stamford, Connecticut adjacent to our production facility. In connection with the acquisition, we assumed future obligations under a loan agreement, in the principal amount of $23.0 million, which loan is secured by a mortgage on the property. Pursuant to the loan agreement, the assets of WWE Real Estate, a subsidiary of the Company, represent collateral for the underlying mortgage, therefore these assets will not be available to satisfy debts and obligations due to any other creditors of the Company. As of March 31, 2022 and December 31, 2021, the amounts outstanding of the mortgage were $21.6 million and $21.7 million, respectively.

Cash Flows from Operating Activities

Cash generated from operating activities was $95.5 million in the three months ended March 31, 2022, as compared to $59.9 million for the corresponding period in the prior year. The $35.6 million increase in the current year period was primarily driven by timing of collections associated with WWE Network revenues and, to a lesser extent, improved operating performance. These increases were partially offset by the increased payout of management incentive compensation.

In the current year period, we spent $11.7 million on content production activities, including *A&E: Biography*, *WWE Evil*, *Miz & Mrs.*, and various programs for WWE Network, as compared to $5.8 million in the prior year period. We anticipate spending approximately $30 million to $40 million on content production activities during the remainder of the current year. We received content production incentives of $2.7 million in the current year period, as compared to $2.5 million received in the prior year period. We anticipate receiving approximately $10 million to $15 million of content production related incentives during the remainder of the year.

Our accounts receivable represents a significant portion of our current assets and relate principally to a limited number of distributors and licensees. At March 31, 2022, our two largest receivable balances from customers were 40% and 26% of our gross accounts receivable. Changes in the financial condition or operations of our distributors, customers or licensees may result in increased delayed payments or non-payments which would adversely impact our cash flows from operating activities and/or our results of operations. We believe credit risk with respect to accounts receivable is limited due to the generally high credit quality of the Company's major customers.

Cash Flows from Investing Activities

Cash used in investing activities was $85.7 million in the three months ended March 31, 2022, as compared to $35.9 million in the prior year period. During the current year period, we purchased $111.6 million of new short-term investments and received proceeds from the maturities of these investments of $47.4 million, as compared to purchases of $52.4 million and proceeds of $22.8 million in the prior year period. Capital expenditures increased by $15.3 million in the current year period, including an additional $12.6 million related to construction activity on the Company's new global headquarter space in Stamford, Connecticut. Capital expenditures for the remainder of the current year are estimated to range between $260 million and $290 million, with a large portion of this spend associated with the Company's new global headquarter, as previously discussed.

Cash Flows from Financing Activities

Cash used in financing activities was $39.0 million for the three months ended March 31, 2022, as compared to $185.7 million in the prior year period. In the prior year period, the Company repaid $100.0 million from borrowings under the Revolving Credit Facility. The Company paid $30.0 million and $75.0 million for stock repurchases under its approved stock repurchase program during the three months ended March 31, 2022 and 2021, respectively. Additionally, the Company made dividend payments of $8.9 million and $9.2 million during the three months ended March 31, 2022 and 2021, respectively.

Contractual Obligations

Other than for obligations in the ordinary course of business, there have been no significant changes to our contractual obligations that were previously disclosed in our Report on Form 10-K for the fiscal year ended December 31, 2021.

Application of Critical Accounting Policies

There have been no significant changes to our critical accounting policies that were previously disclosed in our Report on Form 10-K for our fiscal year ended December 31, 2021 or in the methodology used in formulating these significant judgments and estimates that affect the application of these policies.

Recent Accounting Pronouncements

The information set forth under Note 2 to the Consolidated Financial Statements under the caption *"Recent Accounting Pronouncements"* is incorporated herein by reference.

Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for certain statements that are forward-looking and are not based on historical facts. When used in this Form 10-Q and our other SEC filings, our press releases and comments made in earnings calls, investor presentations or otherwise to the public, the words "may," "will," "could," "anticipate," "plan," "continue," "project," "intend," "estimate," "believe," "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These statements relate to our future plans, objectives, expectations and intentions and are not historical facts and accordingly involve known and unknown risks and uncertainties and other factors that may cause the actual results or the performance by us to be materially different from future results or performance expressed or implied by such forward-looking statements. The following factors, among others, could cause actual results to differ materially from those contained in forward-looking statements made in this Form 10-K and our other SEC filings, in press releases, earnings calls and other statements made by our authorized officers: (i) risks relating to the ongoing coronavirus (COVID-19) pandemic may continue to negatively affect world economies as well as our industry, business and results of operations; (ii) risks relating to entering, maintaining and renewing major distribution agreements; (iii) risks relating to a rapidly evolving and highly competitive media landscape; (iv) risks relating to WWE Network; (v) risks related to the computer systems, content delivery and online operations of WWE and our business partners; (vi) risks relating to privacy norms and regulations; (vii) our need to continue to develop creative and entertaining programs and events; (viii) our need to retain or continue to recruit key performers; (ix) the risk of a decline in the popularity of our brand of sports entertainment, including as a result of changes in the social and political climate; (x) the possible unexpected loss of the services of Vincent K. McMahon; (xi) possible adverse changes in the regulatory atmosphere and related private sector initiatives; (xii) the highly competitive, rapidly changing and increasingly fragmented nature of the markets in which we operate and/or our inability to compete effectively, especially against competitors with greater financial resources or marketplace presence; (xiii) uncertainties associated with international markets including possible disruptions and reputational risks; (xiv) our difficulty or inability to promote and conduct our live events and/or other businesses if we do not comply with applicable regulations; (xv) our dependence on our intellectual property rights, our need to protect those rights, and the risks of our infringement of others' intellectual property rights; (xvi) risks relating to the complexity of our rights agreements across distribution mechanisms and geographical areas; (xvii) the risk of substantial liability in the event of accidents or injuries occurring during our physically demanding events; (xviii) exposure to risks relating to large public events as well as travel to and from such events; (xix); a variety of risks as we expand into new or complementary businesses and/or make strategic investments and/or acquisitions; (xx) risks relating to our accounts receivable; (xxi) risks related to our new leased corporate headquarter and media production facilities; (xxii) potential substantial liabilities if litigation is resolved unfavorably; (xxiii) a change in tax laws in key jurisdictions could materially increase our tax expense; (xxiv) risks inherent in our feature film business; (xxv) risks relating to a possible decline in general economic conditions and disruption in financial markets, including any resulting from COVID-19; (xxvi) risks relating to our indebtedness, including our convertible notes; (xxvii) our potential failure to meet market expectations for our financial performance; (xxviii) through his beneficial ownership of a substantial majority of our Class B common stock, our controlling stockholder, Vincent K. McMahon, exercises control over our affairs, and his interests may conflict with the holders of our Class A common stock; (xxix) risks associated with our share repurchase program; (xxx) a substantial number of shares are eligible for sale by Mr. McMahon and members of his family or trusts established for their benefit, and the sale, or the perception of possible sales, of those shares could lower our stock price; and (xxxi) risks related to 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, are subject to change without any obligation on the part of the Company to update or revise them, and 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 this Form 10-Q and our other SEC filings, including, but not limited to, our annual report on Form 10-K.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

There have been no significant changes to our market risk factors that were previously disclosed in our Report on Form 10-K for our fiscal year ended December 31, 2021.

Item 4. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chairman of the Board and Chief Executive Officer and our Chief Financial and Administrative Officer, evaluated our disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based on that evaluation, our Chairman of the Board and Chief Executive Officer and our Chief Financial and Administrative Officer concluded that our disclosure controls and procedures were effective as of March 31, 2022.

Our management, including our Chairman of the Board and Chief Executive Officer and Chief Financial and Administrative Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system's objectives will be met. Further, because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

Information with respect to this item may be found in Note 17, *Commitments and Contingencies*, to the Consolidated Financial Statements.

Item 1A. *Risk Factors*

We do not believe there have been any material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

The following table presents information with respect to purchases of common stock of the Company made during the three months ended March 31, 2022 pursuant to the Company's authorized share repurchase program:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Dollar Value that May Yet Be Purchased Under the Program (1)
January 1, 2022 to January 31, 2022	—	$ —	—	$ 250,929,337
February 1, 2022 to February 28, 2022	308,182	$ 56.78	308,182	$ 233,429,362
March 1, 2022 to March 31, 2022	216,316	$ 57.81	216,316	$ 220,923,517
Total	524,498	$ 57.21	524,498	$ 220,923,517

(1) In February 2019, the Company's Board of Directors authorized a stock repurchase program of up to $500.0 million of our common stock. Repurchases may be made from time to time at management's discretion subject to certain pre-approved parameters and in accordance with all applicable securities and other laws and regulations. The stock repurchase program does not obligate the Company to repurchase any minimum dollar amount or number of shares, has no pre-established termination date and may be modified, suspended or discontinued at any time. Since the program's inception, the Company has repurchased approximately 5.2 million shares of common stock in the open market for an aggregate amount of $279.1 million. All repurchased shares were subsequently retired.

Item 6. ***Exhibits***

(a) **Exhibits**:

Exhibit No.	Description of Exhibit
10.1B*	Second Amendment to Amended and Restated Employment Agreement with Vincent K. McMahon, effective as of March 9, 2022 (filed herewith).
10.20A*	Amended and Restated Employment Agreement with Nick Khan, effective as of March 9, 2022 (filed herewith).
31.1	Certification by Vincent K. McMahon pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification by Frank A. Riddick III pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification by Vincent K. McMahon and Frank A. Riddick III pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

World Wrestling Entertainment, Inc.
(Registrant)

Dated: May 5, 2022

By: /s/ FRANK A. RIDDICK III
Frank A. Riddick III
Chief Financial & Administrative Officer
(principal financial officer and authorized signatory)

By: /s/ KAREN MULLANE
Karen Mullane
Chief Accounting Officer

(principal accounting officer and authorized signatory)

SECOND AMENDMENT TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Second Amendment (the "Amendment") to that certain Amended and Restated Employment Agreement made and entered into effective as of January 1, 2011, by and between World Wrestling Entertainment, Inc., a Delaware corporation (the "Company"), and Vincent K. McMahon (the "Executive") (the "Agreement") is entered into and effective as of March 9, 2022. Certain capitalized terms shall have the meaning ascribed to them in the Agreement.

WITNESSETH:

WHEREAS, the Executive and the Company desire to amend the Agreement as provided herein;

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements set forth herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Company and the Executive hereby agree as follows:

Section 1. Section 3.1 of the Agreement shall be amended and restated in its entirety to read as follows:

"3.1. Base Salary. During the Employment Term, the Executive shall be entitled to receive a base salary ("Base Salary") for services rendered to the Company and/or any of its direct or indirect subsidiaries, payable in accordance with the Company's regular payroll practices (but no less frequently than monthly) as determined annually by the Compensation Committee of the Board in its discretion. As a result of its annual review in 2022, the Compensation Committee determined that, beginning on March 9, 2022, the Executive shall be entitled to receive a Base Salary at the annual rate of Two Million Dollars ($2,000,000.00)."

Section 2. Section 3.2 of the Agreement shall be amended and restated in its entirety to read as follows:

"3.2. Incentive Compensation. During the Employment Term, the Executive also shall be entitled to receive incentive compensation ("Incentive Compensation") in such amounts and at such times as the Compensation Committee of the Board may determine in its discretion to award to him under and in accordance with the Company's 2016 Omnibus Incentive Plan (including any amendments thereto) and any successor incentive compensation or bonus plan or plans for senior executives of the Company as may be established by the Company from time to time. The Executive's annual target cash bonus opportunity (a "Bonus Opportunity") shall be a percentage of the Executive's Base Salary, which percentage shall be established by the Compensation Committee of the Board in its discretion but shall be not less than one hundred percent (100%) and not greater than four hundred percent (400%). In addition, the Executive's annual target long-term equity incentive compensation ("LTE Opportunity") shall be established by the Compensation Committee of the Board in its discretion. As a result of its annual review in 2022, the Compensation Committee determined that, for the fiscal year ending December 31, 2022, the Executive's Bonus Opportunity shall be two hundred-fifty percent (250%) of the Executive's Base Salary, and the Executive's LTE Opportunity shall be an award of performance stock units having an aggregate fair value at target of five hundred-fifty percent (550%) of the

Executive’s Base Salary. Such Incentive Compensation amounts shall be based upon and adjusted by the degree of achievement of corporate and individual performance criteria as may be set from time to time by the Compensation Committee of the Board for the Company’s senior executives.”

Except as expressly or by necessary implication modified by this Amendment, the terms and conditions of the Agreement are hereby ratified and confirmed without limitation or exception and shall remain in full force and effect. The Agreement, as amended by this Amendment embodies the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, whether oral or written, relating thereto.

The validity, interpretation, construction and performance of this Amendment shall be governed by the laws of the State of Connecticut other than the conflict of laws provision thereof. Jurisdiction over disputes with regard to this Amendment shall be exclusively in the federal or state courts of the State of Connecticut.

This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

WORLD WRESTLING ENTERTAINMENT, INC.

By: /s/ NICK KHAN
Nick Khan
President and Chief Revenue Officer

By: /s/ MAN JIT SINGH
Man Jit Singh
Chair, Compensation & Human Capital Committee

EXECUTIVE

By: /s/ VINCENT K. MCMAHON
Vincent K. McMahon

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This **AMENDED AND RESTATED EMPLOYMENT AGREEMENT** (the "Agreement") is entered into as of this 9th day of March 2022, by and between World Wrestling Entertainment, Inc. ("WWE") and Nick Khan ("Khan") and amends and restates the Employment Agreement, dated as of August 3, 2020 (the "Original Agreement") by and between WWE and Khan.

WHEREAS, the parties hereto desire to amend and restate the Original Agreement to set forth the terms of Khan's employment with WWE on an at-will basis in the capacity of President and Chief Revenue Officer pursuant to the terms of this Agreement; and

WHEREAS, by signing below, Khan accepts and agrees to the terms and conditions set out in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree and amend and restate the Original Agreement as follows:

SECTION 1. Term/At-Will Employment.

The parties agree that the term of this Agreement, and Khan's employment, is intended to be five (5) years from Khan's start date of August 5, 2020 (the "Term"). However, irrespective of the intended Term, Khan's employment shall, at all times, be on an at-will basis, so that either WWE or Khan may terminate his employment, and this Agreement, with or without cause or reason, at any time; however, if Khan intends to terminate his employment, he shall provide WWE with at least 60 days advance written notice. However, early termination of this Agreement shall be subject to the provisions below concerning post termination payments to Khan and/or reimbursements due WWE.

SECTION 2. Position and Duties.

(a) Khan agrees to render such services to WWE on a full-time basis as are consistent with the position of President and Chief Revenue Officer as determined in WWE's discretion, and pursuant to the terms and conditions hereinafter set forth. Khan shall, at all times, faithfully, industriously and to the best of his ability, experience and talent, perform the duties associated with this position, and he shall devote all of his working time and efforts to the performance of such duties. Khan shall, at all times, also be subject to and comply with the policies and procedures generally applicable to WWE's senior executives to the extent the same are not inconsistent with any term of this Agreement.

(b) Khan shall initially report directly to, and be subject to the direction of, Vincent K. McMahon, Chairman of the Board and Chief Executive Officer. If Vincent K. McMahon is no longer Chairman of the Board and Chief Executive Officer, then Khan shall report directly to his successor as Chief Executive Officer. Khan's base of work shall be in WWE's Stamford, Connecticut headquarters; however, he shall also render services at such other places within or outside the United States as WWE may direct from time to time and as may be reasonably necessary to effectively fulfill his duties and responsibilities.

SECTION 3. Compensation & Benefits.

(a) Base Salary:

(i) Khan's initial base salary shall be One Million Two Hundred Thousand dollars ($1,200,000.00) per annum, less applicable taxes and withholdings, payable on a bi-weekly basis in accordance with WWE's standard payroll practices. Merit adjustments in base salary shall be within the sole discretion of WWE and determined and paid out also in accordance with WWE's standard payroll practices.

(ii) If Khan's employment with WWE is terminated by WWE prior to the end of the Term without "cause" as defined in the then current WWE Severance Policy (or if WWE does not then have a Severance Policy in place, then as defined in the current WWE Severance Policy attached as Exhibit A), or if Khan terminates his employment with "good reason" as defined below, WWE will continue to pay Khan's then current annual Base Salary through the end of the Term in accordance with WWE's standard payroll practices.

(iii) For purposes of this Section and otherwise in this Agreement, the "Administrator" for purposes of application of the Severance Policy provisions shall be the then current CEO.

(b) Incentive Bonus:

(i) Khan is also eligible to participate in the WWE Discretionary Bonus Plan. The funding of the plan is based upon WWE's achievement of financial and/or strategic performance measures, as determined by WWE in its discretion. The bonus pool funding can increase, decrease or be forfeited based on the level of achievement of WWE's and/or Khan's personal performance measures. The initial, annual target bonus is $1,900,000.00 which shall be pro-rated for calendar year 2020 based on Khan's first day of work. For calendar year 2022, Mr. Khan's annual August bonus will have a target of 158% of his current salary. The fact and amount of Khan's individual award will be determined based upon those factors indicated above, and again, at all times within WWE's discretion. As with any other benefit programs, the fact and/or terms of any bonus eligibility can be modified or deleted at any time within WWE's sole discretion. The bonus for any calendar year will be paid by March 15th of the subsequent calendar year.

(ii) Notwithstanding, and subject to subsection (c) below, if Khan terminates his employment with "good reason" as defined below, or if Khan's employment with WWE is terminated by WWE prior to the end of the Term without "cause" as defined in the then current WWE Severance Policy (or if WWE does not then have a Severance Policy in place, then as defined in the current WWE Severance Policy attached as Exhibit A), then Khan's annual Incentive Bonus target shall be paid on a pro-rata basis for the year in which such termination occurs in accordance with WWE's standard practices regarding annual bonus payments. For clarity, Khan shall not be paid any bonus amounts for any remaining years of the Term upon termination as described in this subsection.

(c) Notwithstanding the provisions of subsections (a)(ii) and (b)(ii) above, payments due to Khan through the remainder of the Term pursuant to said subsections shall be expressly conditioned on his execution of a standard separation agreement which shall contain, among other provisions, a full release and waiver of claims or potential claims against WWE as therein defined, a confidentiality and non-disparagement provision, and re-affirmation of all other post-employment obligations by Khan, in the form provided by WWE, which separation agreement must be executed and irrevocable by the deadlines set by then applicable laws, but no later than the 60th day following the effective termination of employment, whichever is less. Any continued Base Salary or Incentive Bonus otherwise payable during such period will accrue and be paid, without interest, on the first payroll following such period.

(d) Sign-on Bonus:

(i) Following the execution of the Original Agreement by WWE and Khan, Khan received a one-time Sign-On Bonus in the amount of $5,000,000.00, less applicable withholding and deductions ("Sign-On Bonus"), payable on the first payroll following the start date of employment.

(ii) However, if within the first 12 months of the Term Khan voluntarily terminates his employment without "good reason" (as defined below), or if his employment with WWE is terminated by WWE for "cause" as defined in the then current WWE Severance Policy (or if WWE does not then have a Severance Policy in place, then as defined in the current WWE Severance Policy attached as Exhibit A), then Khan must reimburse WWE 100% ($5,000,000.00) of the Sign-On Bonus payment.

(iii) If between 12 and 24 months following the commencement of the Term Khan voluntarily terminates his employment without "good reason" (as defined below), or his employment with WWE is terminated by WWE for "cause" as defined in the then current WWE Severance Policy (or if WWE does not then have a Severance Policy in place, then as defined in the current WWE Severance Policy attached as Exhibit A), then Khan must reimburse WWE $3,100,000.00 of the Sign-On Bonus payment.

(iv) If between 24 and 36 months following the commencement of the Term Khan voluntarily terminates his employment without "good reason" (as defined below), or his employment with WWE is terminated by WWE for "cause" as defined in the then current WWE Severance Policy (or if WWE does not then have a Severance Policy in place, then as defined in the current WWE Severance Policy attached as Exhibit A), then Khan must reimburse WWE $1,200,000.00 of the Sign-On Bonus payment.

(v) For the purposes of this Section and elsewhere in this Agreement, “good reason” shall mean: (A) a material and permanent reduction in Base Salary and/or target compensation, but excluding a reduction in compensation affecting a group or groups of employees; (B) a material diminution of duties; (C) a change in reporting so that Khan no longer reports into Vincent K. McMahon or the then-current Chief Executive Officer; or (D) a material breach by WWE of the terms and conditions of this Agreement. Notwithstanding, in the event Khan asserts that “good reason” exists for potential termination by him of his employment, in order for “good reason” to exist for purposes of this Section and this Agreement, he shall first provide WWE with a written notice: (A) specifying the nature of the “good reason”; and (B) providing WWE with at least thirty (30) days to cure or remedy the situation he deems to constitute “good reason” and, if such situation is not cured or remedied during such thirty (30) day period, he must terminate employment within sixty (60) days following such thirty (30) day period. Such notice must comply with Section 6(e)(ii) of this Agreement.

(vi) Any reimbursement due under this Section shall be paid by Khan within ten (10) days following the termination date, and Khan expressly authorizes WWE to deduct reimbursement due from any other sums then otherwise owed him to the maximum extent permissible by law. This authorization is reflected by Khan’s execution of the attached Exhibit B.

(e) Relocation Expense Benefit:

(i) Khan was required to relocate by no later than August 31, 2020 to work primarily out of WWE’s Stamford office currently located at 1241 East Main Street, Stamford, CT. As a relocation expense benefit, and subject to WWE’s standard Relocation Expense Reimbursement Policy, WWE provided Khan with the following:

- Up to 6 Months of Temporary Housing to be arranged for by WWE or Khan (however, if arranged for by Khan the cost must be pre-approved by WWE), and paid directly to the provider by WWE; and

- Reimbursement for costs of shipment of household goods from California to Connecticut upon relocation to Connecticut.

(ii) If within 12 months of his start date of work, Khan voluntarily terminates employment without “good reason” as defined in Subsection (d)(v) of this Section, or his employment is terminated by WWE for “cause” as defined in WWE’s then current Severance Policy (or if WWE does not then have a Severance Policy in place, then as defined in the current WWE Severance Policy attached as Exhibit A), Khan must reimburse WWE 100% of relocation costs incurred by WWE on his behalf or which were otherwise reimbursed to Khan. Reimbursement is due WWE within 10 days following Khan’s last day of employment, and Khan authorizes WWE to reduce any final compensation due him to the maximum extent permissible by law to apply to any such amounts owed back to WWE. Accordingly, Khan’s execution of the attached Exhibit B is intended to cover this reimbursement as well.

(iii) Khan hereby acknowledges that most relocation expenses including temporary housing are considered ordinary income according to IRS regulations and will be added to Khan’s taxable income on Khan’s W-2 at yearend. Khan understands and acknowledges that Khan is responsible for all taxes associated with this additional income and to obtain his own tax reporting advice in connection with this benefit, as well as with all other compensation and benefits provided Khan under this Agreement. Furthermore, all reimbursement is conditioned on Khan’s submitting to WWE all appropriate receipts and any other documentation requested by the WWE within thirty (30) days of the expense being incurred by Khan.

(f) WWE Equity:

(i) Effective as of August 5, 2020, as a material inducement for Khan to accept employment with WWE, Khan will be granted a Sign-On Inducement Grant of Performance Stock Units (PSUs) of Class A Common Stock of WWE valued at $15,000,000 (the “Initial Sign-On Inducement Grant”). Conditional upon full Board approval which shall be received as of the effective date of this Agreement, as a material inducement for Khan to continue his employment with WWE, Khan will be granted an additional Sign-On Inducement Grant of PSUs of Class A Common Stock of WWE valued at $7,500,000 (collectively with the Initial Sign-On Inducement Grant, the “Inducement Grants”). $6,000,000 of such Initial Sign-on Inducement

Grant (the "First Tranche PSUs") was granted and effective on or about his official start date (but may be delayed if required under applicable law), and was determined based on WWE's 30-day trailing average stock price ending on the effective date of the Original Agreement; the remaining $16,500,000 of the Inducement Grants (the "Second Tranche PSUs") to be granted effective on or about October 1, 2022 (but may be delayed if required under applicable law), and to be determined based on WWE's 30-day trailing average stock price ending on such date. These PSUs (less applicable taxes and other deductions required by law) will vest as follows: the First Tranche PSUs will vest on September 30, 2022; and the Second Tranche PSUs will vest on September 30, 2025. These PSUs also shall be at all times subject to and governed by the terms of WWE's Omnibus Incentive Plan ("OIP") and the award agreement thereunder. For the avoidance of doubt, the award agreement for the Inducement Grants will provide for the claw-back and recovery of vested amounts due to accounting restatements, violations of WWE's corporate policies or any breaches of the restrictive covenants contained in the award agreement, the terms of this Agreement, or of any other agreement between Khan and WWE. In addition, these PSUs shall be subject to performance measures as determined by WWE's Compensation Committee. These PSUs, as well as future shares, may also be subject to WWE's stock ownership guidelines, and at all times, all other terms and conditions of Khan's eligibility for equity shall be governed by the OIP.

(ii) Khan will also be considered for eligibility in all future stock programs that are offered to other key executives in WWE, including the Performance/Restricted Stock (PSU/RSU) program, at all times subject to WWE management's and the Compensation Committee's discretion. Further, all other terms and conditions of Khan's eligibility for equity shall be governed by the OIP. The initial target Equity for 2020 is $1,900,000.00 which shall be pro-rated for calendar year 2020 based on Khan's first day of work. For calendar year 2022, Mr. Khan's equity grant shall have a target of $3.575 million.

(iii) If Khan voluntarily terminates his employment with WWE for any reason, or his employment with WWE is terminated by WWE for any reason, then any and all unearned or unvested WWE Equity as set forth above shall be forfeited as of the last day of employment.

(g) Other Benefits: Khan will be eligible for full company benefits on the first day of the month coincident or following his date of hire. WWE benefits include (but are not limited to): medical, dental, life and disability. Khan will be automatically enrolled in WWE's 401k plan at 3%. Should Khan elect to opt out of the 401k auto-enrollment, please call Fidelity at 1-800-835-5097, after receipt of their confirmation letter. Subject to statutory limits, WWE currently matches to the 401k fifty percent (50%) of contributions up to six percent (6%) of salary. This match is subject to a one-year vesting and may be changed by WWE at any time within WWE's sole discretion. As with all other employee benefits, these benefits are subject to change or deletion at any time within WWE's discretion and without any particular advance notice. Khan shall be entitled to two (2) roundtrip first class (or equivalent) flights between New York and Los Angeles per month. In addition, when the Company's aircraft is not in use for business purposes, the aircraft may be used for the personal travel of Mr. Khan and members of his immediate family and their invited guests. For any personal use of the aircraft in accordance with this Section, Mr. Khan shall pay amounts which cover all incremental cost(s) that otherwise would result to the Company from such use.

(h) Paid Time Off: Khan shall be entitled to three (3) weeks of paid vacation and three (3) paid personal days for calendar year 2020. Vacation and personal leave accrual and use shall be subject to WWE's policies as such policies may exist and/or be amended from time to time.

SECTION 4. Payments Upon Termination Without Good Reason or For Cause.

(a) In the event Khan voluntarily terminates his employment prior to the Term without "good reason" as defined above, or WWE terminates Khan's employment for "cause" as defined in the then current WWE Severance Policy (or if WWE does not then have a Severance Policy in place, then as defined in the current WWE Severance Policy attached as Exhibit A), if Khan dies, or if Khan's employment is terminated by WWE due to disability as defined herein, with the sole exception of his Base Salary through the termination date, no payments upon termination will be due Khan under this Agreement. Otherwise, again subject to the provisions of Section 3(c), Khan shall be entitled to continued Base Salary through the remainder of the Term and to those other payments as provided for in this Agreement.

(b) If this Agreement expires at the end of the Term without renewal by either party, with the sole exception of Base Salary through the termination date, no payments upon expiration shall be due Khan under this Agreement.

(c) For purposes of this Agreement, the term "disability" shall be defined as Khan's inability to perform the material responsibilities of his position with or without reasonable accommodation for a consecutive period of ninety (90) days in any one year period, or for a non-consecutive period of one hundred twenty (120) days in any one year period.

SECTION 5. Conditions of Employment.

(a) Further, Khan's employment and continued employment shall be conditioned on: (i) his satisfactory completion of a Form I-9 establishing his authorization to work in the United States; (ii) results of a background check satisfactory to WWE in its discretion; (iii) Khan's execution of this Agreement without modification; (iv) execution of the attached Exhibit B; (v) execution and continued compliance with the attached Non-Disclosure, Non-Competition and Non-Solicitation Agreement attached hereto as Exhibit C; and (vi) execution of WWE's Intellectual Property Release & Waiver, Conflict of Interest and Code of Conduct, Email Acceptable Use Guidelines, Equal Opportunity and Non-Harassment Policy, Employee Handbook Policy, Policy Prohibiting Insider Trading, Social Media Policy, and Fitness Center Waiver of Liability agreements.

(b) WWE hereby notifies Khan pursuant to federal law that: (1) an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made: (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (2) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

(c) The portions of any current or future WWE Severance Policy relating to the amount of severance payments shall not apply to this Agreement, and Khan acknowledges that any post-termination payments due him are only those payments specifically provided for under this Agreement.

SECTION 6. General Provisions.

(a) Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies of the State of Connecticut. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) Complete Agreement. This Agreement, together with the attachments and documents referenced herein, supersede any prior correspondence or documents evidencing negotiations between the parties, whether written or oral, and any and all understandings, agreements or representations by or among the parties, whether written or oral, that may have related in any way to the subject matter of this Agreement.

(c) Successors and Assigns. WWE's rights under this Agreement may, without Khan's consent, be assigned by WWE, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of WWE. WWE will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of WWE expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that WWE would be required to perform it if no such succession had taken place. Khan may not assign any of his rights and/or obligations under this Agreement without the prior written consent of WWE, and any such attempted assignment by Khan without the prior written consent of WWE will be void.

(d) Governing Law. This Agreement shall be governed by, and construed in accordance with and subject to, the laws of the State of Connecticut without regard to its conflicts of law rules.

(e) Jurisdiction and Venue.

(i) Khan irrevocably and unconditionally submits, for himself and his property, to the exclusive jurisdiction of the U.S. District Court for the District of Connecticut and the State Courts of Connecticut for any action or proceeding arising out of or relating to this Agreement.

(ii) The parties agree that the mailing by certified or registered mail, return receipt requested to both: (A) the other party; and (B) counsel for the other party, of any notice required under this Agreement, or of any process required by any such court, shall constitute valid and lawful notice or service of process against them, as applicable, without the necessity for service by any other means provided by law. Notwithstanding the foregoing, if and to the extent a court holds such means to be unenforceable, each of the parties' respective counsel shall be deemed to have been designated agent for service of process on behalf of its respective client, and any service upon such respective counsel effected in a manner which is permitted by applicable law shall constitute valid and lawful service of process against the applicable party.

(f) Taxes; Section 409A Compliance. All payments under this Agreement or under any other WWE arrangement will be subject to applicable taxes and withholdings. The intent of the parties is that payments and benefits under this Agreement comply with or be exempt from Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted this Agreement shall be interpreted to be in compliance therewith or exempt therefrom. In no event whatsoever shall WWE be liable for any additional tax, interest or penalty that may be imposed on Khan by Code Section 409A or damages for failing to comply with Code Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of nonqualified deferred compensation subject to Code Section 409A upon or following a termination of employment unless such termination is also a "separation from service" (as that term is defined in Treasury Regulation Section 1.409A-1(h)) from WWE and from all other corporations and trades or businesses, if any, that would be treated as a single "service recipient" with WWE under Treasury Regulation Section 1.409A-1(h)(3), and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding any other payment schedule provided herein to the contrary, if Khan is identified on the date of his separation from service as a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B)(i), then the following shall apply: (i) with regard to any payment that is considered nonqualified deferred compensation subject to Code Section 409A, as determined by WWE in its sole discretion, and payable on account of a "separation from service," such payment shall be made on the date which is the earlier of: (A) the expiration of the six (6)month period measured from the date of Khan's "separation from service"; and (B) the date of his death (the "Delay Period") to the extent required under Code Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid to Khan in a lump sum, and all remaining payments due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. For purposes of Code Section 409A, Khan's right to receive any installment payment pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

(g) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of Khan and a duly authorized representative of WWE, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

(h) Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(i) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

_/s/ NICK KHAN____________________
Nick Khan

WORLD WRESTLING ENTERTAINMENT, INC.

By:_/s/ VINCENT K. MCMAHON____________
Vincent K. McMahon
Chairman & CEO

and

By:_/s/ MAN JIT SINGH____________________
Man Jit Singh
Chair of Compensation Committee

EXHIBIT A
SEVERANCE POLICY

EXHIBIT B

This Exhibit B concerns a Sign-On Bonus and Relocation Expense Benefits being conferred as set forth in the Employment Agreement between the undersigned and WWE made effective August 5, 2020 to which it is attached. The Employment Agreement further sets forth conditions under which I am obligated to reimburse WWE for payments conferred under those provisions. In the event a reimbursement obligation is triggered pursuant to the Employment Agreement, I hereby authorize and direct WWE, to the fullest extent allowed by law, to withhold the maximum amount permitted toward such reimbursement due WWE from any remaining compensation of any type then due me. If there is any remainder due WWE, I will pay such remaining portion also pursuant to the Employment Agreement.

I understand and agree to the terms of this Exhibit B to the Employment Agreement, that I have signed this Exhibit B voluntarily and have had the opportunity to confer with legal counsel of my choice before signing it.

/s/ NICK KHAN
Nick Khan
Date: March 30, 2022

EXHIBIT C

NON-DISCLOSURE, NON-COMPETITION and NON-SOLICITATION AGREEMENT ("Agreement")

In further consideration of World Wrestling Entertainment, Inc.'s ("WWE" or the "Company") employment and continuing employment of Nick Khan ("Employee"), and for other good and valuable consideration, receipt of which is hereby acknowledged by the Employee, Employee further acknowledges and agrees as follows:

Access to Confidential Information: Employee understands and acknowledges that, in his position of President and Chief Revenue Officer of WWE, and/or in any future position, the Company will furnish, disclose, or make available to him Confidential Information (as defined below) related to the business of the Company, which includes unique and specialized information. Employee further acknowledges that such Confidential Information has been developed and will continue to be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such Confidential Information could be used by Employee to compete with the Company. Employee also acknowledges that if he becomes employed or affiliated with any competitor of WWE and acts or intends to act in violation of his obligations in this Agreement, there shall be a rebuttable presumption that it is inevitable that he would disclose the Confidential Information to such competitor and would use such Confidential Information, knowingly or unknowingly, on behalf of such competitor. Further, while Employee is employed by the Company, he will be introduced to individuals and entities with important relationships to the Company. Employee acknowledges that any and all "goodwill" created through such introductions belongs exclusively to WWE, including, without limitation, any goodwill created as a result of direct or indirect contacts or relationships between Employee and any contractors, vendors, suppliers or any other business relationships of WWE.

Definition of Confidential Information: For purposes of this Agreement, "Confidential Information" includes, without limitation, WWE's client/vendor/talent lists, its trade secrets, story lines, plot plans, scripts, any confidential, private, personal or privileged information about (or provided by) any of WWE's officers, directors, employees, contractors, principals, agents, representatives, or assigns ("WWE Parties"), WWE talent or independent contractors, WWE clients or prospective or former clients, information concerning any of WWE's or the WWE Parties' business or financial affairs, including its/their books and records, commitments, procedures, plans and prospects, products developed by WWE or current or prospective transactions or business of WWE, marketing plans or strategies, and any "inside information".

Non-Disclosure of Confidential Information: Employee acknowledges and agrees that he shall not, during his employment (except with pre-authorized Company executives on a strict "need to know basis"), or at any time after his termination from employment, whether voluntary or involuntary, directly or indirectly, disclose, divulge, or discuss with any individual, entity, company, association, or any other third party, the Confidential Information, or make use of Confidential Information in any manner inconsistent with the best interests of the Company while employed, or in any manner whatsoever after the termination of his employment. Notwithstanding the provisions of this section, Employee may disclose Confidential Information: (a) as compelled by law, judicial process, or any governmental agency of competent jurisdiction, in which event Employee shall provide the Company within one (1) business day a copy of such request and shall not, unless prohibited by law, disclose or provide any Confidential Information prior to providing such notice to the Company, and shall thereafter cooperate with the Company in complying therewith; (b) where the information is publicly available, unless it has become publicly available by Employee in breach of this Agreement; and (c) where necessary in the ordinary course of business internally within the Company or otherwise as authorized by the Company in advance of such disclosure.

Return of Confidential Information: Employee shall not retain copies of any Confidential Information or documents containing Confidential Information without consent of the Company at any time. Further, upon termination of his employment, whether voluntary or involuntary, Employee shall return all Confidential Information including, without limitation, products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same. Nothing herein contained shall prevent Employee from retaining copies of documents reflecting his personal data, including copies of this Agreement, his employment agreement to which this Agreement is attached ("Employment Agreement"), or other agreements between him and the Company, his compensation, and/or benefits conferred during his employment.

Non-Competition/Non-Solicitation: Employee recognizes and acknowledges the competitive and proprietary aspects of the business of the Company, as well as the significant expenditure of time and money in creating, developing and marketing its intellectual property and/or products. Employee further recognizes and acknowledges the significant expenditure of time and money in developing and securing the Company's business relationships and good will in the markets in which the Company participates.

Employee therefore agrees that, during his employment and for twenty-four (24) months following the termination of his employment, whether voluntary or involuntary, he shall not, for any reason whatsoever in the absence of the Company's prior written consent:

(A) Whether individually, as a director, manager, member, stockholder, partner, owner, employee, consultant or agent of any business, or in any other capacity, other than on behalf of the Company or a subsidiary, organize, establish, own, operate, manage, control, engage in, participate in, invest in, permit his name to be used by, act as a consultant or advisor to, render services for (alone or in association with any person, firm, corporation or business organization), or otherwise assist any person or entity that engages in or owns, invests in, operates, manages or controls any venture or enterprise which engages or proposes to engage in any business conducted by the Company. For purposes of this Agreement, "business conducted by the Company" shall be defined as an organization, entity, or individual engaged in the entertainment industry, whether related to professional wrestling, sports entertainment or otherwise;

(B) Either individually or on behalf of or through any third party, directly or indirectly, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any business or relationships, or prospective business or prospective relationships of the Company, for the purpose of competing in any business which is competitive with the business conducted by the Company as defined above. "Prospective business" or a "prospective relationship" shall mean a person, firm or entity for which the Company has developed, or to whom/which the Company has made, any presentation or "pitch" (or similar offering of services) during the twelve (12) months prior to Employee's effective termination date (and Employee shall be obligated to request from the Company the list of such prospective customers upon his termination for any reason); or

(C) Either individually or on behalf of or through any third party, directly or indirectly, (i) solicit, entice or persuade or attempt to solicit, entice or persuade any employees or contractors (including WWE talent) of or consultants to the Company to leave the employ or service of the Company for any reason; or (ii) employ, cause to be employed, or solicit the employment of, any employee or contractor (including WWE talent) of or consultant to the Company while any such person is employed by or providing services to the Company; and/or

(D) Either individually or on behalf of or through any third party, directly or indirectly, interfere with, or attempt to interfere with, the relations between the Company and any vendor or supplier to the Company. Nothing set forth in this subsection (D) is intended to nor shall it prevent or prohibit Employee or his future employer from doing business with any vendor or supplier to the Company, on the condition that such activity does not violate any other term of this Agreement or the Employment Agreement.

Reasonableness of Restrictions: Employee further recognizes and acknowledges that: (a) the prohibitions of this Agreement are sufficiently narrow and reasonable in relation to the skills which represent his principal saleable asset both to the Company and to prospective employers; and; (b) the time period of the provisions of this Agreement is reasonable, legitimate and fair to Employee in light of the Company's need to protect its business and good will, to market its services and intellectual property in the applicable markets, and in order to have a sufficient customer base to make the Company's business profitable, and taking into account the limited restrictions herein compared to the types of employment for which Employee is qualified to earn a livelihood.

Survival of Acknowledgements and Agreements: Employee understands and agrees that the acknowledgements and agreements set forth in this Agreement will survive the termination of his employment with the Company for any reason or for no reason, whether voluntary or involuntary.

Disclosure to Future Employers: Employee agrees that he will provide, and the Company, in its discretion, may similarly provide, a copy of this Agreement to any business or enterprise which Employee may, directly or indirectly, own, manage, operate, finance, join, control or in which Employee may participate in the ownership, management, operation, financing, or control, or with which Employee may be connected as an officer, director, employee, partner, principal, agent, representative, contractor, consultant or otherwise.

Miscellaneous Representations by Employee: Employee hereby represents and warrants to the Company that he understands this Agreement, that he has entered into this Agreement voluntarily and that his employment with the Company and the terms of this Agreement will not conflict with any legal duty owed by him to any other party, or with any agreement to which he is a party or by which he is bound, including, without limitation, any non-disclosure, non-competition or non-solicitation provision contained in any such agreement. Employee hereby indemnifies and holds harmless the Company and its officers, directors, security holders, partners, members, employees, contractors, agents and representatives against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

Assignment: The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which Employee is principally involved or to any Company affiliate, on the condition that such successor or purchaser assumes any and all of Company's obligations hereunder. Employee may not assign any of his rights and/or obligations under this Agreement without the prior written consent of the Company and any such attempted assignment by him without the prior written consent of the Company will be void.

Benefit: All statements, representations, warranties, covenants and agreements in this Agreement will be binding on the parties hereto and will inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement will be construed to create any rights or obligations except between the Company and Employee, except for Employee's obligations to the Company as set forth herein and in the Employment Agreement, and no person or entity can be regarded as a third-party beneficiary of this Agreement.

Governing Law: This Agreement and the rights and obligations of the parties hereunder will be construed in accordance with and governed by the laws of the State of Connecticut, without giving effect to the conflict of law principles thereof.

Severability: The parties intend this Agreement to be enforced as written. However: (a) if any portion or provision of this Agreement is to any extent declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected thereby, and each portion and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law; and (b) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision, or the scope, or other aspect of such provision, the court making such determination will have the power to reduce the duration, scope, or other aspect of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form, such provision will then be enforceable and will be enforced.

Injunctive Relief: Employee hereby expressly acknowledges that any breach or threatened breach of any of the terms and/or conditions set forth in this Agreement will result in substantial, continuing and irreparable injury to the Company. Therefore, in addition to any other remedy or damages that may be available to the Company pursuant to applicable law and/or in the Employment Agreement, the Company will be entitled to injunctive or other equitable relief by a court of appropriate jurisdiction in the event of any breach or threatened breach of the terms of this Agreement, as well as for reimbursement for its costs and reasonable attorney's fees incurred. The period during which the covenants contained in this Agreement will apply will be extended by any periods during which Employee has been found by a court to have been in violation of such covenants.

Amendment: The provisions of this Agreement may be amended and waived only with the prior written consent of Employee and a duly authorized representative of the Company.

No Waiver of Rights, Powers and Remedies: No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, will operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, will preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto will not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement will entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

Employment at Will: Nothing contained in this Agreement shall, or be construed to, alter Employee's status as an employee at will with the Company as set forth in the accompanying Employment Agreement. Nothing further herein contained shall be construed as inconsistent with any other terms of such Employment Agreement; however, in the event it is determined that there is any such inconsistency with other terms of the Employment Agreement, the terms of this Agreement shall prevail with respect to that provision.

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<u>Opportunity to Review</u>: Employee hereby acknowledges that he has had adequate opportunity to review these terms and conditions and to reflect upon and consider the terms and conditions of this Agreement, and that he has had the opportunity to consult with counsel of his own choosing regarding such terms. Employee further acknowledges that he fully understands the terms of and has voluntarily executed this Agreement.

ACCEPTED AND APPROVED:

NICK KHAN (EMPLOYEE)

<u>**/s/** NICK KHAN</u>

Date: March 30, 2022

Certification required by Securities and Exchange Act of 1934 Rule 13a-14 as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Vincent K. McMahon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of World Wrestling Entertainment, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated:	May 5, 2022	By:	/s/ VINCENT K. MCMAHON
			Vincent K. McMahon
			Chairman of the Board and
			Chief Executive Officer

Certification required by Securities and Exchange Act of 1934 Rule 13a-14 as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Frank A. Riddick III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of World Wrestling Entertainment, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated:	May 5, 2022	By:	/s/ FRANK A. RIDDICK III
			Frank A. Riddick III
			Chief Financial and Administrative Officer

Exhibit 32.1

Certification of Chairman and CEO and CFO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report on Form 10-Q of World Wrestling Entertainment, Inc. (the "Company") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Vincent K. McMahon as Chairman of the Board and Chief Executive Officer of the Company and Frank A. Riddick III as Chief Financial and Administrative Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his or her knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and

(2) The information contained in the report fairly presents, in all material aspects, the financial condition and results of operations of the Company.

Dated: May 5, 2022

By: /s/ VINCENT K. MCMAHON
Vincent K. McMahon
Chairman of the Board and
Chief Executive Officer

By: /s/ FRANK A. RIDDICK III
Frank A. Riddick III
Chief Financial and Administrative Officer